

Washington State Major League Baseball Stadium Public Facilities District Staff Report

Agenda Item Number: 5

Date: June 5, 2000

PROPOSED RESOLUTION 00-008

PURPOSE:

This resolution ratifies the Executive Director's execution of three related agreements: i) a Memorandum of Agreement ("MOA") among the Washington State Department of Transportation, the City of Seattle, King County, the Port of Seattle, the Burlington Northern Santa Fe Railway Company, the Washington State Public Stadium Authority, the Baseball Club of Seattle, L.P., and First & Goal, Incorporated, regarding the SR 519 Intermodal Access Project, phases 1, 2, and 3; ii) an Agreement Regarding Use and Possession, Valuation and Operation and Maintenance; and iii) a Three Party Agreement Regarding Property Acquisition and Compensation for the SR 519 Project.

BACKGROUND:

The three agreements signed by the Executive Director form the core of the agreements necessary for the SR 519 project to proceed to funding and construction. The MOA was reviewed and approved by the Board at its May 1, 2000 meeting (Resolution No. 309). The MOA was modified slightly following that meeting to allow the Mariners flexibility to develop a pedestrian plaza at South Atlantic Street prior to phase 2 of the SR 519 project. A number of other minor changes were also made to the MOA, at the request of other signing parties.

The Agreement regarding Use and Possession, Valuation, and Operation and Maintenance provides for the transfer of property from the PFD to WSDOT necessary for the SR 519 project. It also establishes the value to be received for that property and for improvements and other items related to the property transfer. The terms of the transfer and the value to be received by PFD are consistent with prior discussions that we have had with the Board. A detailed Operation and Maintenance Agreement still needs to be negotiated with WSDOT prior to June 30, 2000.

The Three Party Agreement among the PFD, WSDOT, and King County resolves the PFD's obligations to King County arising under the Fourth Amendment to the Financing Agreement, recorded April 23, 1997 (the "Fourth Amendment"). The Fourth Amendment transferred to the PFD certain County-owned property necessary for the construction of the ballpark. The Fourth Amendment requires the PFD to reimburse the County for the value of any property so transferred, where such property is later acquired by WSDOT for highway purposes. The Fourth Amendment provides that the County could either receive cash from the PFD or credit from WSDOT, at the County's election. Under the Three Party agreement, the County has elected to receive a credit from WSDOT for the property being transferred. This credit must be used by the County for certain purposes (with WSDOT's agreement) within one year from the execution of the agreement. If no agreement is reached on how this credit may be used, WSDOT has an obligation to pay cash instead. In any event, the PFD's obligations under the Fourth Amendment are extinguished following the occurrence of certain events outlined in the Three Party Agreement.

POLICY ISSUES:

The agreements executed by the Executive Director were necessary for the SR 519 Project and the timely transfer of District property to WSDOT for the construction of the Project. Due to the need to obligate certain federal funds for the SR 519 Project, execution of these agreements was necessary prior to May 31, 2000. If that schedule was not met, the Project was at risk of losing substantial federal dollars. Board members were briefed and consulted on all of these agreements before they were executed by the Executive Director.

COST:

The PFD will receive \$690,000 in cash from WSDOT no later than June 30, 2000. WSDOT will also credit the PFD in an amount of \$270,000, which will be applied against the PFD's outstanding \$350,000 obligation to WSDOT for the SR 519 project. The PFD's remaining obligation to the Project is \$80,000.