CB 117148
#8

Helaine Honig
LAW FAS Freeway Park Parking Garage Lease Assignment ORD
March 2, 2011
Version #2

ORDINANCE _____

AN ORDINANCE authorizing the assignment of the Freeway Park Parking Garage lease between The City of Seattle and the Washington State Convention and Trade Center to the Washington State Convention Center Public Facilities District.

WHEREAS, on or about January 1, 1997, pursuant to Ordinance 118225, The City of Seattle (City) leased the Freeway Park Parking Garage to the Washington State Convention and Trade Center (WSCTC) for a term of 30 years, ending December 31, 2026; and

WHEREAS, pursuant to Substitute House Bill 6889 and King County Ordinance 16883, the Washington State Convention Center Public Facilities District (District) was formed to own and operate the WSCTC and as of December 1, 2010, the District assumed all of the WSCTC's rights, liabilities and obligations; and

WHEREAS, the lease between the City and WSCTC contains a prohibition against assignment except with the City's consent, which consent the City now wishes to grant in order to effectuate the aforesaid legislative intent; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City of Seattle hereby approves the assignment of the January 1, 1997, lease between The City of Seattle and the Washington State Convention and Trade Center to the Washington State Convention Center Public Facilities District.

Section 2. The City's Finance Director or such official's designee, is hereby authorized to execute an Assignment and Assumption of Lease, substantially in the form of Attachment 1 hereto.

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Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2011, and signed by me in open session in authentication of its passage this _____ day of _____, 2011.

_____
President _____ of the City Council

Approved by me this ____ day of _____, 2011.

_____
Michael McGinn, Mayor

Filed by me this ____ day of _____, 2011.

_____
City Clerk

(Seal)

Attachment 1: ASSIGNMENT AND ASSUMPTION OF LEASE

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After Recording, Return Document to:

Washington State Convention Center PFD
Attn: John J. Ryan , General Counsel
800 Convention Place.
Seattle WA 98101

Document Title: Assignment and Assumption of Lease
Reference Number of Related Documents:
Landlord: City of Seattle
Tenant(s): Washington State Convention Center (formerly Washington State Convention and Trade Center)
Legal Description:
Portions of Lots 2, 3, 6, 7, 9 & 12 in Block 106 of Denny's AA Broadway Addition to The City of Seattle;
Together with vacated portions of 9th Ave & of the alley within Block 106 as vacated by City of Seattle Ord. no. 113984;
Together with portions of Block 63 in AA Denny's 5th Addition described as Parcel "A" in City of Seattle Ord. no. 111838.

Additional Legal Description is on Pages 2-4 of this Document
Assessor's Tax Parcel Number: 1978200055

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Assignment and Assumption of Lease

Rental Agreement No.:

Project:

Tenant/Assignor: Washington State Convention and Trade Center, a Washington public, nonprofit corporation

Assignee: Washington State Convention Center Public Facilities District, a municipal corporation

Assignment of Lease

FOR VALUE RECEIVED, the **Washington State Convention Center,** formerly known as Washington State Convention and Trade Center, a Washington public, nonprofit corporation (TENANT/ASSIGNOR) does hereby assign unto **Washington State Convention Center Public Facilities District**, a Public Facilities District, (ASSIGNEE), all of TENANT/ASSIGNOR's right, title and interest in and to that certain Lease numbered AA-1-08205, dated the 4th day of February, 1986, between the **City of Seattle, a municipal corporation** (SEATTLE) and the TENANT/ASSIGNOR, as evidenced by that certain Lease Agreement between the parties, dated February 1, 1997, covering the following described property, situated in the County of King, State of Washington to wit:

Parcel B-1:

That portion of lots 2 and 3 in Block 63 of addition to the town of Seattle, as laid out by A.A. Denny (commonly known as A.A. Denny's 5th addition to the City of Seattle), as per plat recorded in volume 1 of plats, page 89, records of King County, lying easterly of the easterly line as created by City of Seattle ordinance no. 102552;

Together with that portion of lot 1in block 105 of A.A. Denny's Broadway addition to the City of Seattle, as per plat recorded in volume 6 of plats, page 40, records of King County, lying northwesterly of the northwesterly line as created by City of Seattle ordinance no. 104768;
and together with those portions which attached to said property by operation of law of the following:

that portion of the south ½ of University Street adjoining said lots 1 and 2 and also that portion of vacated 8th Avenue which lies southerly of the centerline of

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said University street extended across said 8th Avenue, all as vacated by City of Seattle ordinance no. 113984, recorded under recording no. 8806150603;

situate in the City of Seattle, County of King, State of Washington.

Parcel B-2:

That portion of lot 1 in block 105 of A.A. Denny's Broadway addition to the City of Seattle as per plat recorded in volume 6 of plats, page 40, records of King County, lying southerly of a line described as:

beginning at the southeasterly corner of said lot;
thence north 30°35'30" west 0.65 feet to the beginning of said line;
thence south 59°17'45" west 112.23 feet;
thence north 30°53'15" west 0.35 feet;
thence south 59°17'45" west 1.92 feet;
thence south 30°42'15" east 0.35 feet;
thence south 59°17'45 west to the westerly line of said lot and terminus of said line;

situate in the City of Seattle, County of King, State of Washington.

Parcel B-3:

That portion of lots 2, 3, 6, 7, 9 and 12 in block 106 of A.A. Denny's Broadway addition to the City of Seattle as per plat recorded in volume 6 of plats, page 40, records of King County, lying westerly of a line described as:

beginning at a point on the northeasterly line of said lot 6, north 30°35'33" west 10.65 feet distant from the southeast corner of said lot 6;
thence along a curve to the left, with a radius of 999 feet, with a radial bearing of south 67°26'31" east through a central angle of 12°26'01", an arc distance of 216.79 feet;
thence south 80°40'00" east 19 feet;
thence south 09°20'00" west 0.37 feet;
thence south 79°32'28" east 9.86 feet;
thence south 30°37'35" east 23.88 feet to a point on the northwesterly margin of University Street and the terminus of said line;

except that portion thereof for primary state highway no. 1 (SR 5) and for Hubbell Place;

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together with that portion described as parcel A in City of Seattle ordinance no. 111838;

and together with that portion of vacated 9th Avenue and the alley in said block 106 adjoining, which upon , vacation, attached to said property by operation of law;
situate in the City of Seattle, County of King, State of Washington.

Upon the effective date of SEATTLE'S written Consent to Assignment and Assumption of the Lease, SEATTLE releases and discharges the TENANT/ASSIGNOR of all obligations and responsibilities under the Lease occurring after the effective date of SEATTLE'S written Consent to Assignment and Assumption. This release expressly excludes obligations and liabilities under the Lease occurring prior to the effective date of SEATTLE'S written Consent to Assignment and Assumption, and TENANT/ASSIGNOR remains fully responsible for such obligations and liabilities.

SEATTLE'S Consent to Assignment and Assumption herein shall not constitute a waiver of SEATTLE'S right to object to subsequent assignments pursuant to the terms of the Lease.

The effective date of this Assignment is the effective date of SEATTLE'S City Council ordinance authorizing the Assumption and Assignment.

The undersigned acknowledges that he is authorized to execute this Assignment and bind the TENANT/ASSIGNOR to the obligations set forth herein.

Dated at Seattle, Washington, this _____ day of _____, 2011.

TENANT/ASSIGNOR:

WASHINGTON STATE CONVENTION CENTER, a public not for profit corporation

By: _____
Frank K. Finneran
Its: Chairman, Board of Directors

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Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2011, before me, a Notary Public in and for the State of Washington, personally appeared Frank K. Finneran, to me known to be the Chairman of the Board of Directors of the Washington State Convention Center, a Washington public nonprofit corporation, that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first as above written.

_____
Notary Public

Printed Name: _____
I am a resident of _____ County,
_____ State

My commission expires: _____

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Assumption of Lease

In consideration of the above Assignment and SEATTLE'S written Consent to Assignment and Assumption of the Lease, the Washington State Convention Center Public Facilities District, (**ASSIGNEE**) hereby assumes and agrees to make all of the payments required by the Lease, and to perform all the covenants and conditions of the Lease required of the TENANT therein, to the extent arising after the effective date of SEATTLE's City Council ordinance authorized this Assignment and Assumption. In addition, it is expressly understood and agreed that ASSIGNEE hereby assumes any and all obligations and liabilities of TENANT/ASSIGNOR under the Lease occurring prior to the effective date of SEATTLE'S written Consent to Assignment and Assumption, and ASSIGNEE shall be joint and severally liable as primary obligor and not as surety for said obligations and responsibilities. ASSIGNEE further warrants to hold SEATTLE harmless from any and all liability by reason this Assignment and Assumption.

ASSIGNEE's address for the purpose of notification by SEATTLE is as follows:

Washington State Convention Center Public Facilities District
Attention: John J. Ryan, General Counsel
800 Convention Place
Seattle, Washington 98101
Telephone: (206) 694-5000
Facsimile: (206) 694-5191

Further, SEATTLE'S Consent of Assignment and Assumption herein shall not constitute a waiver of SEATTLE'S right to consent to subsequent assignments pursuant to the terms of the Lease.

The undersigned acknowledges that he is authorized to execute this Assumption and bind the ASSIGNEE to the obligations set forth herein.

ASSIGNEE:

WASHINGTON STATE CONVENTION
CENTER PUBLIC FACILITIES DISTRICT

_____

By: John Christison
Its: President and Chief Executive Officer

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Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2010, before me, a Notary Public in and for the State of Washington, personally appeared John Christison, to me known to be the President and Chief Executive Officer of the Washington State Convention Center, a Public Facilities District, that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first as above written.

_____
Notary Public

Printed Name: _____
I am a resident of _____ County,
_____ State

My commission expires: _____

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SEATTLE Consent to Assignment and Assumption

In consideration of the terms and conditions of the forgoing Assignment and Assumption, SEATTLE hereby acknowledges and consents to the said Assignment and Assumption.

The effective date of the Consent to Assignment and Assumption shall be the date of execution by SEATTLE as shown below.

The undersigned acknowledges that she is authorized to execute this Consent to Assignment and Assumption on behalf of SEATTLE.

City of Seattle

By: _____
Seattle City Council

Date: _____

Acknowledgment

STATE OF WASHINGTON)
) ss
COUNTY OF _____)

On this _____ day of _____, 20____ before me personally appeared_____, to me known to be the duly appointed _____, and that she executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said State of Washington, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

_____
Notary (print name) _____
Notary Public in and for the State of Washington,

Residing at _____

My appointment expires _____

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Form revised: December 14, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services (FAS)	Jan Oscherwitz 684-8510	Jennifer Devore 615-1328

Legislation Title:
AN ORDINANCE authorizing the assignment of the Freeway Park Parking Garage lease between The City of Seattle and the Washington State Convention and Trade Center to the Washington State Convention Center Public Facilities District.

Summary of the Legislation:
This legislation would approve the assignment of the lease to the City-owned Freeway Park Parking Garage from the Washington State Convention and Trade Center (WSCTC) to the Washington State Convention Center Public Facilities District (District). The assignment is necessary because the District, through 2010 legislation passed by the State and King County, became the legal owner and operator of the Washington State Convention and Trade Center and assumed its rights, liabilities and obligations. The City's agreement with the WSCTC prohibits assignment without City Council consent.

Background:
The City completed construction of Freeway Park Garage in 1974 and operated it as a municipal parking garage for over 20 years. In 1996, pursuant to Ordinance 118225, and as part of an agreement to expand the Convention Center, the City leased the Freeway Park Parking Garage to the WSCTC for a term of 30 years with an option to renew for an additional 30 years for an annual rent of one dollar. As part of this lease, the WSCTC received all operating revenues from the garage and assumed responsibility for payment of the City's outstanding debt related to the garage. The outstanding debt was retired in 2002.

In 2010, pursuant to Substitute House Bill 6889 and King County Ordinance 16883, the District was formed to own and operate the WSCTC. The newly formed district had to meet two requirements, 1) existing state debt issued for Convention Center purposes had to be refinanced and defeased with the debt of the new public facilities district and 2) any transfer of property must occur by June 30, 2011. The state debt was refinanced and defeased in November 2010. Nearly all of the property was transferred in December 2010. The assignment of the City's lease of the Freeway Park Parking Garage is one of the District's few remaining transition issues.

__X__ **This legislation does not have any financial implications.**
The District will assume all the rights and obligations of the WSCTC. From the City's financial perspective, there is no change in the relationship.

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City of Seattle
Office of the Mayor

March 8, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that approves the assignment of the lease to the City-owned Freeway Park Parking Garage from the Washington State Convention and Trade Center (WSCTC) to the Washington State Convention Center Public Facilities District (District). The assignment is necessary because the District, through 2010 legislation passed by the State and King County, became the legal owner and operator of the Washington State Convention and Trade Center and assumed its rights, liabilities and obligations. The City's agreement with the WSCTC prohibits assignment without City Council consent.

The City built Freeway Park Garage in 1974. In 1996, as part of an agreement to expand the Convention Center, the City leased the Freeway Park Parking Garage to the WSCTC for a term of 30 years with an option to renew for an additional 30 years. As part of this lease, the WSCTC received all operating revenues from the garage and assumed responsibility for payment of the City's outstanding debt related to the garage. The City's outstanding debt on the Freeway Park Garage was retired in 2002.

By approving this assignment, the City will help the District complete the transfer of the Washington State Convention Center property to the newly formed district. The new governance structure for the convention center functions will result in continued and potentially greater economic and civic benefits to the citizens of Seattle. Thank you for your consideration of this legislation. Should you have questions, please contact Jan Oscherwitz at 206-684-8510.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov

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