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**Council Bill Number:** 115841

**Ordinance Number:** 122357

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AN ORDINANCE to Prohibit the City of Seattle from Providing or Leasing Facilities or other Goods, Services, or Real Property to Professional Sports Organizations at Below Fair Value, and Providing A Method to Enforce this Restriction.

**Status:** Passed

**Note:** Initiative 91. Mayor's proclamation of election results declared ordinance in effect on November 30, 2007.

**Vote:** 9-0

**Date filed with the City Clerk:** 2006/11/30 ([about the signature date](#))

**Date introduced/referred to committee:** 2007/03/05

**Committee:** Urban Development and Planning

**Sponsor:** STEINBRUECK

**Committee Recommendation:** Pass

**Index Terms:** ARENAS-AND-STADIUMS, FINANCE, INITIATIVES-AND-REFERENDA

**Fiscal Note:** [Fiscal Note to Council Bill No. 115841](#)

**Electronic Copy:** [PDF scan of Ordinance No. 122357](#)

**Reference:** CF 308056, 308577

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**Text:**

AN ORDINANCE to Prohibit the City of Seattle from Providing or Leasing Facilities or other Goods, Services, or Real Property to Professional Sports Organizations at Below Fair Value, and Providing A Method to Enforce this Restriction

Whereas, from time to time, the City of Seattle may lease or otherwise provide facilities or services to for-profit professional sports organizations and,

Whereas, the Supreme Court of the State of Washington has determined that such provision of facilities or other goods or services by a jurisdiction of the State of Washington may be for consideration of any value provided that such value be agreed to by an appropriate legislative authority, and the terms of such are not subject to judicial review; and,

Whereas, the City of Seattle in the past has experienced a return below fair value for some goods or services it has provided or leased to professional sports teams; and,

Whereas, the Charter of the City of Seattle expressly reserves legislative authority for the City of Seattle to the People of the City of Seattle;

Now, Therefore, BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

A new provision of the Seattle Municipal Code is added to read as follows:

Sec. 1. Consideration for the value of goods, services, real property or facilities provided or leased by the City of Seattle to for-profit professional sports organizations or to any other public entity, or non-profit organization, which may in turn provide such goods, services, real property or facilities to a for-profit professional sports organization, must be at

or above the fair value of the goods, services, real property or facility being provided or leased.

Sec. 2. Fair value is defined herein as no less than the rate of return on a U.S. Treasury Bond of thirty years duration at the time of inception of any such provision of goods or services, real property or lease; and further, such return shall be computed as the net cash on cash return, after interest and any financing costs, on the depreciated value of the cash investment of the City of Seattle in such goods, services, real property or facility, and shall exclude all intangible, indirect, non-cash items such as goodwill, cultural or general economic benefit to the City, and shall also exclude unsecured future cash revenues.

Sec. 3. Nothing in this resolution shall prevent the leasing or providing of goods, services, real property or facilities to not- for-profit organizations, other than as limited by Section 1 above, for the direct benefit of the health, welfare, or safety of the people of the City of Seattle.

Sec. 4. Notwithstanding any of the language contained in sections 1 through 3 of this initiative, nothing in this resolution shall be interpreted or applied so as to limit or restrict any Washington State legislative or constitutional grant of power to the legislative authority or other officer of the City of Seattle, and the reach of this initiative is expressly circumscribed and limited by any such legislative or constitutional grant of power.

Sec. 5. Any resident of the City of Seattle shall, by virtue of his/her status as a taxpayer in the City, have legal standing to challenge, in King County Superior Court, any act, lease, ordinance, or resolution taken, entered into, or enacted by the City of Seattle which allegedly violates this initiative, within ninety (90) days of such act, lease, ordinance or resolution; such a resident shall be entitled to injunctive relief preventing said act, lease, ordinance, or resolution from becoming effective, without the necessity of any bond being posted, so long as the elements necessary to obtain injunctive relief pursuant to RCW 7.40.020 are established to the satisfaction of the Court.

Sec. 6. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances shall not be affected.