

Witness: Nick Licata, Councilmember, City of Seattle, Washington State

Committee: United States House of Representatives
Subcommittee on Domestic Policy,
Committee on Oversight and Government Reform

HEARING: State of Urban America

DATE & TIME: Thursday, March 29, 2007 @ 10:00AM

LOCATION: Rayburn House Office Building, Room 2247

Appendix I– Seattle’s History with financing stadiums

- 1994 The Seattle Coliseum is rebuilt to the specifications of the Seattle Supersonics, at a cost of approximately \$100 million, and is specifically designed to exclude hockey. Naming rights are sold, and the facility becomes “KeyArena”. Bonds are to be paid from revenue generated from luxury box leases. (As of 2003, luxury box proceeds no longer cover bond payments. Approximately \$7 million annually is now paid by the City of Seattle. Outstanding debt is about \$44 million.)
- 1994 The Kingdome, built for about \$52 million, gets a leaky roof. \$73 million is spent repairing it. One reason for extraordinary cost is an accelerated schedule, to minimize Seahawks’ having to play outdoors at Husky Stadium.
- 1995 The Seattle Mariners declare the 18 year old Kingdome obsolete for baseball, and threaten to leave Seattle, if they are not provided with a new stadium with a retractable roof, largely at public expense. Voters reject a sales tax increase by 1,065 votes, out of approximately 350,000 cast. Proponents spend \$1 million, opponents about \$20,000. Shortly after, concurrent with the Mariners being in the playoffs for the first time in their seventeen year history, a special session of the Washington State Legislature is convened. Taxes on restaurants, hotels/motels, rental cars and a general sales tax credit are implemented to fund a Public Facilities District, for the sole purpose of constructing a stadium for the Mariners, despite Washington State constitutional prohibitions against the lending of public credit for private purposes.
- 1996 Legal challenges to Mariners funding on constitutional and other grounds are filed.
- 1997 Citizens for More Important Things files King County Initiative 16, which would have prohibited the issuance of the Mariners stadium bonds without another public vote. The Courts throw it out, along with all other legal challenges to stadium funding.
- 1997 The Seattle Seahawks demand significant remodeling of the Kingdome for football. When demands are not met, they move to Southern California. Microsoft Co-founder Paul Allen is persuaded by local lawmakers to purchase the team. He does, subject to public approval of a \$400 million outdoor football stadium, with \$300 million in public funding and \$100 million in private funding. A special statewide vote is held at his expense. Voters narrowly approve, by about 34,000 out of 2.5 million votes cast. Paul Allen spends \$7 million promoting; opponents \$350,000.
- 2000 The Kingdome is imploded with approximately \$100 million in debt outstanding.

- 2004 The Seattle Sonics declare KeyArena obsolete for basketball, and demand \$200 million for a significant remodeling.
- 2005 The Washington State Legislature declines to act on Sonics request.
- 2006 The Washington State Legislature, a second time, declines to act on Sonics request despite Sonics threat to leave town.
- 2006 Starbucks Coffee Chairman Howard Schultz sells the Sonics to a group from Oklahoma City led by media and entertainment investment magnate Clayton Bennett.
- 2006 Seattle voters in November approve Initiative 91, sponsored by Citizens for More Important Things, and largely underwritten by SEIU Local 775, with 75%, effectively barring the City of Seattle from subsidizing or being a conduit to subsidize professional sports organizations.
- 2006 NASCAR requests \$135 million in tax subsidy for speedway construction in suburban Kitsap County, Washington.
- 2006 Peter Hart poll shows 80% public opposition in Washington State to NASCAR and 77% opposition to Sonics tax subsidies.
- 2007 Sonics declare intent to move to Renton, a suburb of Seattle, demanding \$300 million in state & King County subsidies, and \$100 million from the City of Renton, and threaten again to leave for Oklahoma if denied. The new facility is also promoted as, unlike KeyArena, able to host the National Hockey League.

The Sonics & NASCAR tax subsidy bills are pending before the Washington State Legislature.

Appendix II - Select Seattle Police Department Crime Statistics 'Before' and 'After' Stadiums Open

<i>Stadium</i>	<i>Before</i>	<i>After</i>	<i>% Change</i>
Safeco Field	7/1/98-6/30/99	7/1/99-6/30/00	
Auto theft	49	87	+ 77%
Detox	46	71	+ 54%
Prowler, Trespass	29	40	+ 38%
Qwest Field	8/1/00-7/31/02	8/1/02-7/30/04	
Auto theft	466	497	+ 7%
Detox	407	1,267	+ 311%
Prowler, Trespass	177	222	+ 25%