



January 30, 2019

Mayor Durkan and City Council members:

In early 2017, we submitted a revised application for a conditional vacation of a one-block section of Occidental Avenue South in SoDo. The intent of this application is to make possible a shovel-ready arena project to put Seattle in the best possible position to attract an NBA team. In April 2017, the Seattle Design Commission approved the urban design and public benefit of the proposed arena and recommended the conditional vacation be approved by the City Council.

When our original street vacation application was denied in 2016, we went back to the drawing board to address the concerns we heard from the Council. Our new proposal addresses those concerns with several additional important changes and improvements, including;

- **Zero Risk:** Approving the conditional vacation will not expose the city to any risk or cost because the arena will not be built, and the street will not be vacated, until and unless a team has been secured. Simply stated, no team means no street vacation, which means no risk to the city.
- **Private Financing:** Our proposal is now 100% privately funded and requires no public financing or subsidies. Also, if constructed, the SoDo Arena would pay many millions of dollars annually in property and other taxes. This incremental tax revenue would be unencumbered, so that the City of Seattle will have full discretion on the allocation of its tax receipts.
- **Improved Freight Mobility:** This new proposal includes an additional \$1.3 million for SDOT Freight Master Plan projects. Importantly, since the Council considered our original proposal, the Lander Overpass project has been approved and is now underway. This new overpass will not only improve freight mobility through SoDo, but it also dead-ends Occidental just south of the proposed arena site.
- **Community Benefit Agreement:** We have committed to an expanded Community Benefit Agreement designed to foster equity, social justice, and provide meaningful benefits to local communities. The CBA includes economic development, targeted local hiring and contracting, family wage employment opportunities, job training and apprenticeships, partnerships with organizations that serve youth and underserved communities, and a strong mechanism for ongoing dialog and partnerships.
- **Joint Scheduling Conditions:** Scheduling conditions that will minimize the potential for multiple events on the same day and ensure a coordinated approach to traffic and other transportation issues in the Stadium District remain an important part of the new street vacation petition. With only one team (NBA) playing at the SoDo arena, scheduling is relatively benign and is easily managed in other professional sports' cities.

According to a recent ESPN article about the possibility of an NBA return to Seattle, "... the situation could even require Seattle to have a second new arena with the NBA as the main tenant if the city wants to outbid other markets to attract a team, multiple ownership groups told ESPN."

We believe providing an alternative arena option in SoDo creates an insurance policy for the city, particularly if a future NBA ownership group is unable to strike a competitive deal at Seattle Center. Having both Seattle Center and SoDo as viable options for potential NBA team owners would send a powerful message to the NBA, that not only is Seattle the best available market, but we also understand what an NBA team requires to be successful.

We look forward to working with you and we remain fully committed to doing everything possible to bring the Sonics back to Seattle.

Five handwritten signatures in black ink are displayed in a row. Below each signature is a printed name in green text.

Chris Hansen      Wally Walker      Erik Nordstrom      Pete Nordstrom      Russell Wilson