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CLERK
KING COUNTY COUNCIL

800 Convention Place
Seattle, WA 98101-2350
USA

September 26, 2014

www.wsccl.com
T 206-694-5000
F 206-694-5399

Ms. Anne Noris
Clerk of the King County Council
King County Courthouse
516 Third Avenue, Room 1039
Seattle, WA 98104-3272

King County Prosecuting Attorney's Office
Civil Division
Attn: Kevin Wright
516 Third Avenue
Seattle, WA 98104

RE: Property at 915 Howell Street

Ladies/Gentlemen:

As you know, the Washington State Convention Center Public Facilities District, a King County public facilities district formed pursuant to RCW 36.100.010 ("WSCC"), is proceeding with the acquisition of property necessary for the expansion of the Convention Center ("Project"). Late last year, WSCC acquired the adjacent Honda properties for the Project (see attached map marked Exhibit A). Adjacent to the Honda properties is a small (approximately 4,000 sq. ft.) privately-owned parcel located at 915 Howell Street which is owned by the Kollias Family L.L.C. and shown on Exhibit A (the "Kollias Parcel"). Based on market studies, user/client requirements and WSCC's experience, the exhibit hall must have over 300,000 sq. ft. of unencumbered exhibit space, creating the largest floor plates possible, which requires that the exhibit hall must extend underneath Olive Street and the Kollias Parcel (see attached plan marked Exhibit B). Given excavation and construction considerations, it would not be feasible to leave in place the surface improvements on the Kollias Parcel.

WSCC has formally offered to purchase the Kollias Parcel (see attached letter marked Exhibit C) and has engaged in good faith negotiations with the owners of the Kollias Parcel and their representatives for approximately one year. WSCC has offered a purchase price in excess of WSCC's appraised value, but has not reached agreement on a purchase price with the Kollias Parcel owners and in fact remain far apart.

WSCC will continue to negotiate with the Kollias Parcel owners. However, to assure the Kollias Property can be timely acquired to meet Project objectives, WSCC requests, pursuant to the authority granted in RCW 36.100.240, that the King County Council adopt an ordinance authorizing King County to commence and prosecute an eminent domain action to acquire the Kollias Parcel and all interests therein on WSCC's behalf. Attached is a formal resolution by its Board requesting King County to do so (see attached Resolution marked as Exhibit D). Following adoption of the ordinance, if it becomes necessary to prosecute the eminent domain action, WSCC and the

Ms. Anne Noris, Clerk of the King County Council
King County Prosecuting Attorney's Office, Civil Division
September 26, 2014
Page 2

Prosecuting Attorney's office will mutually agree upon counsel to represent King County in the action. Because the eminent domain action is at the request of and for the benefit of WSCC, all costs and expenses incurred by King County in prosecuting the eminent domain proceeding will be reimbursed by WSCC as well as any amounts necessary to acquire the Kollias Parcel by eminent domain or otherwise. All case management decisions will be decided in accordance with applicable law by WSCC and/or Pine Street as its representative and coordinated with King County's counsel.

We appreciate your cooperation as WSCC continues to proceed toward Project implementation. Please let us know of any comments or questions. Thank you.

WASHINGTON STATE CONVENTION
CENTER PUBLIC FACILITIES DISTRICT

By: 
Jeffrey A. Blosser
Its: President & Chief Executive Officer

cc: Pine Street Group L.L.C.

EXHIBIT A

Washington State Convention Center Public Facilities District
Map showing Acquisition of Honda Properties
and
Kollias Family L.L.C. Parcel

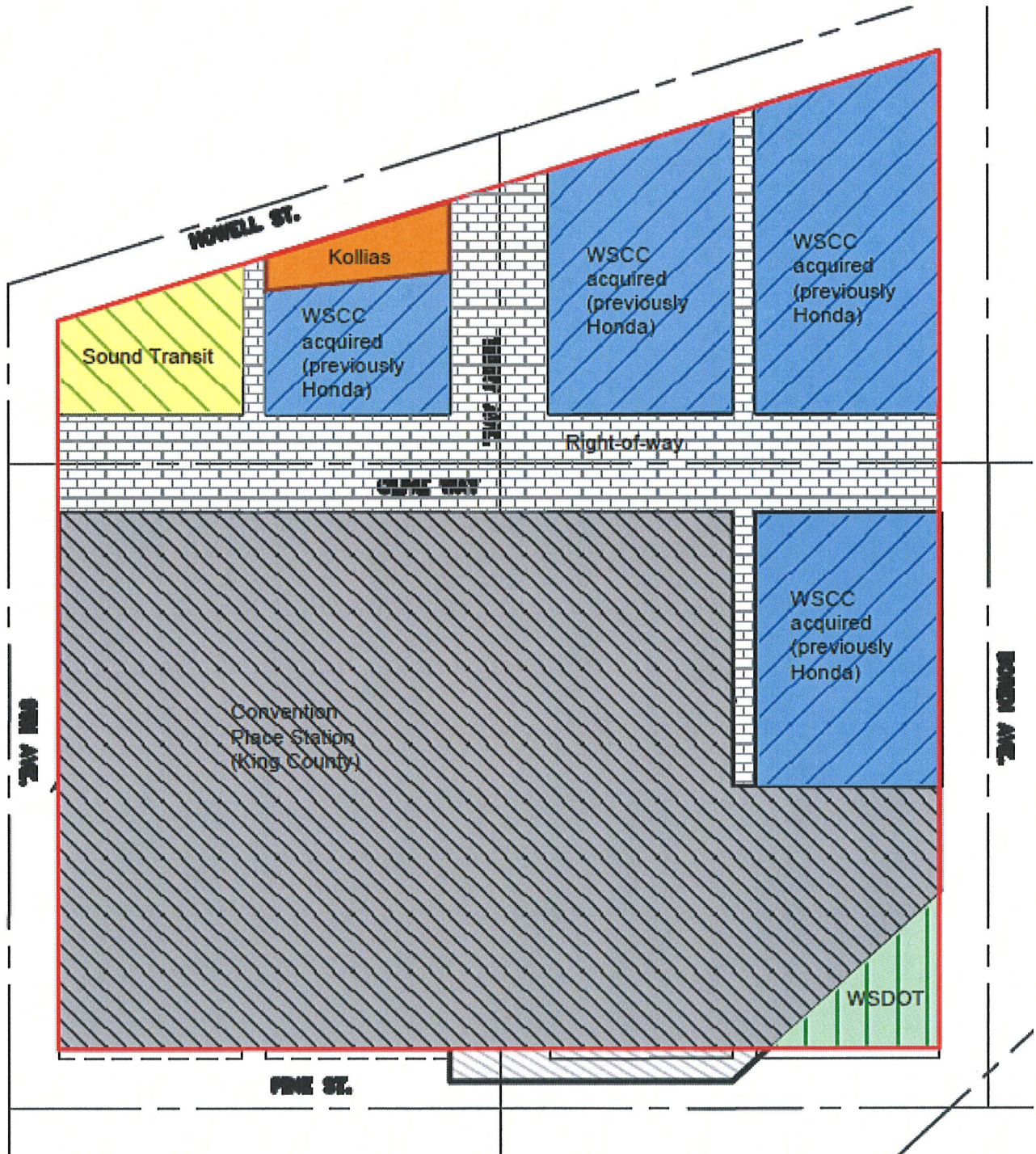


EXHIBIT B

Washington State Convention Center Public Facilities District

Plan

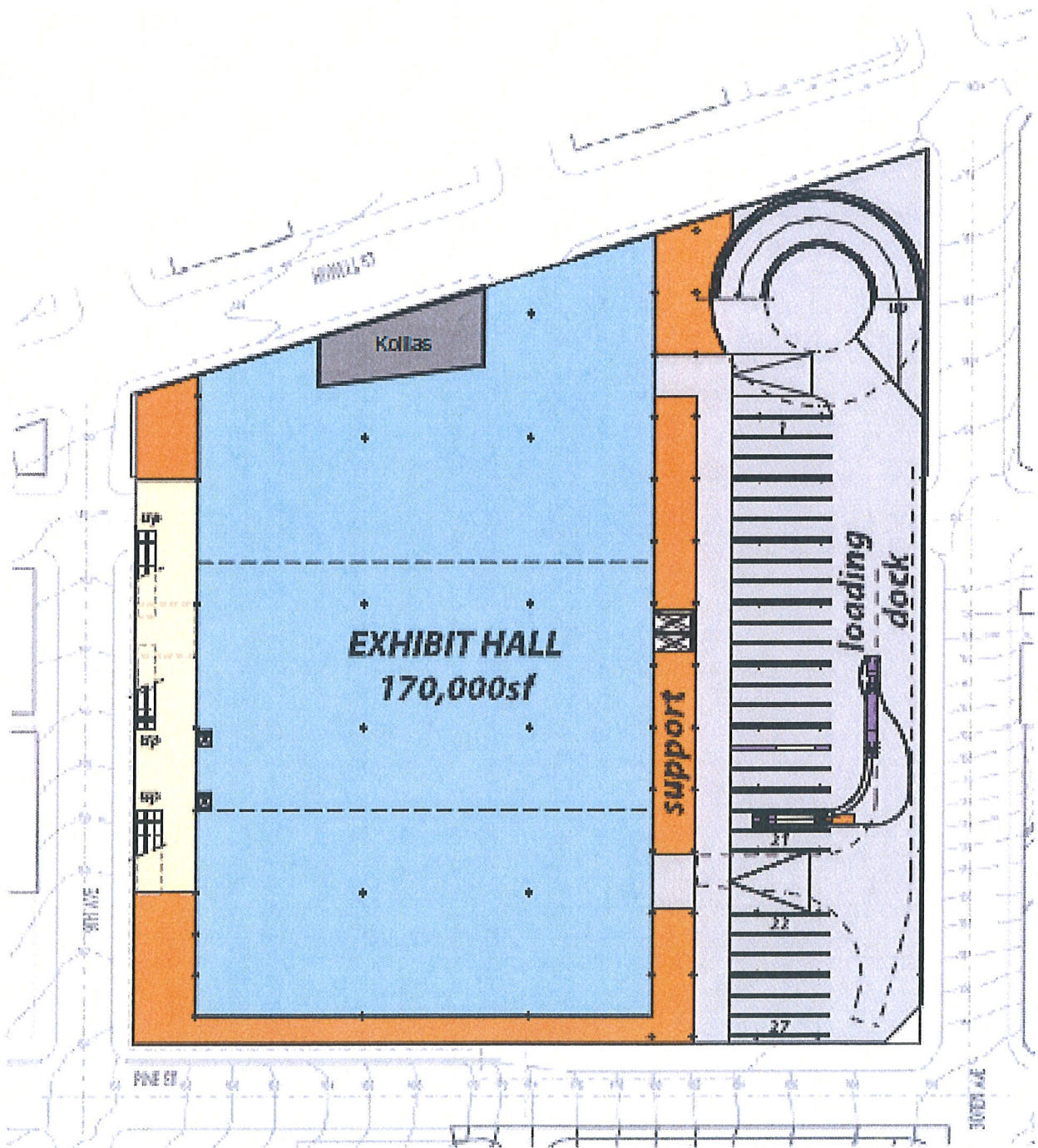
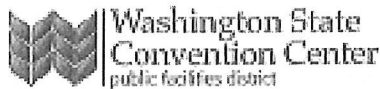


EXHIBIT C

Washington State Convention Center Public Facilities District

Offer to Purchase the Kollias Parcel



800 Convention Place
Seattle, WA 98108-2260
USA

August 15, 2014

WWW.WSCC.COM
T 206-694-5888
F 206-694-5389

Kollias Family L.L.C.
c/o G&D Inc.
Pier 70, 2801 Alaskan Way, #300
Seattle, WA 98121-1128

Re: Property at 915 Howell Street
Offer to Purchase Property

Ladies/Gentlemen:

The Washington State Convention Center Public Facilities District, a King County public facilities district ("WSCC"), is proceeding with the acquisition of property necessary for the expansion of the Convention Center ("Project"). Your property located at 915 Howell Street ("Property") is part of a series of property acquisitions necessary for the Project. To assure the Property is timely acquired to meet the Project objectives, WSCC is commencing the process for acquisition of the Property.

The Property is described as follows:

THAT PART OF LOT 3, BLOCK 33, SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL (DECEASED) (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 3;
THENCE SOUTHWESTERLY ALONG HOWELL STREET TO THE MOST WESTERLY CORNER OF SAID LOT;
THENCE SOUTHEASTERLY ALONG THE EAST LINE OF THE ALLEY RUNNING THROUGH SAID BLOCK, 22.03 FEET;
THENCE IN A NORTHEASTERLY DIRECTION TO A POINT ON THE EASTERLY LINE OF SAID LOT, WHICH IS 46.78 FEET SOUTH OF THE MOST NORTHERLY CORNER THEREOF;
THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE OF SAID LOT TO THE POINT OF BEGINNING;
EXCEPT THAT PORTION IF ANY LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID LOT 32.58 FEET NORTH OF THE SOUTHEASTERLY CORNER;
THENCE SOUTHWESTERLY TO A POINT ON THE SOUTHWESTERLY LINE OF SAID LOT WHICH IS 20.45 FEET NORTH OF THE SOUTHWEST CORNER OF SAID LOT.

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

As you are aware from our prior discussions, WSCC has commissioned an appraisal of the Property. Subject to satisfaction of the conditions below, WSCC hereby makes an offer of \$2,800,000 ("Offer") for the Property from you (and others with interest in the Property). This Offer exceeds WSCC's appraised value of the Property. The Offer is for fee title to the Property

free and clear of any financing or leases encumbering the Property. For your information, WSCC purchased the adjacent Honda parcels from Cassleford Company for \$650/sq. ft. last year, those parcels, however, were more developable due to their size and were on the market for an extended period of time. This Offer will remain in effect until September 15, 2014 unless WSCC determines by further analysis that the property rights to be acquired are impaired and worth less than the offer above. However, WSCC remains committed at this time to acquiring the Property for the Project subject to WSCC's satisfaction and evaluation of the following conditions:

1. The condition of title to the Property shall be satisfactory to WSCC and shall be free and clear of liens securing the payment of money, except for the lien for the current year's property taxes and assessments which will be prorated to the date of closing;
2. WSCC's evaluation of the environmental condition of the Property and confirmation that any environmental remediation costs will be nominal;
3. WSCC's ability to negotiate satisfactory lease termination amendments to the leases for the two tenants of the Property: Harman foods, Inc. and Citrus Thai Cuisine, Inc. In this regard, WSCC would be willing to permit the tenants to remain in occupancy of the Property until commencement of construction of the Project necessitates their vacation. WSCC currently estimates that date to be on or around December 31, 2016;
4. WSCC's evaluation of the historic landmark status of the Property and such designation's impact on the Project; and
5. Execution of a definitive purchase agreement satisfactory to WSCC and approval by WSCC's Board of Directors.

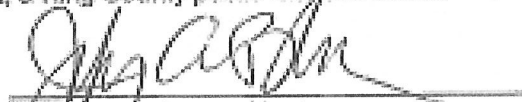
If we are not able to agree on the value/just compensation for the Property by September 15, 2014, WSCC, to meet its Project schedule deadlines, will be required to refer the acquisition to King County for condemnation proceedings pursuant to applicable law.

Please do not hesitate to contact Matt Rosauer if you have any questions regarding any of the matters contained herein, or if you wish to further discuss potential settlement of this matter. Thank you.

Sincerely,

Washington State Convention Center Public Facilities
District, a King County public facilities district

By:


Jeff Blosser, its president

cc: Jim Karamolas
Matt Griffin
Matt Rosauer
Ian Taylor
Gary Fuhrer

EXHIBIT D

Washington State Convention Center Public Facilities District

Resolution 2014-9

September 23, 2014

**RESOLUTION NO. 2014-9
OF THE
WASHINGTON STATE CONVENTION CENTER
PUBLIC FACILITIES DISTRICT**

A RESOLUTION requesting King County to commence condemnation proceedings on behalf of the Washington State Convention Center to acquire real property necessary for its Expansion Project.

RECITALS

WHEREAS, the Washington State Convention Center Public Facilities District ("District") is proceeding with the acquisition of property necessary for the Expansion Project ("Project") of the Convention Center pursuant to RCW 36.100.070;

WHEREAS, the District has identified certain real property as necessary for the Project. However, despite good faith efforts, the District has been unsuccessful in negotiating the purchase of one of the parcels of real property determined by the District to be necessary for the Project. That property is located at 915 Howell Street (the "Property"). The entire Property is necessary for the Project's surface and subterranean design and operations. The legal description of the property is Exhibit "A", which is attached hereto and incorporated into this Resolution by this reference;

WHEREAS, because the Property is necessary to carry out the purposes of the District, pursuant to RCW 36.100.240 King County has the authority to exercise its power of eminent domain to acquire the Property on behalf of the District;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the District does hereby request King County to exercise its power of eminent domain to acquire the Property described in Exhibit "A" with the understanding that all costs and expenses incurred by King County in prosecuting the eminent domain proceeding will be reimbursed by WSCC as well as any amounts necessary to acquire the Property by eminent domain or otherwise.

General Authority


RESOLVED FURTHER, that the President and Chief Executive Officer and all other officers of the District, or any of them, are hereby authorized, for and on behalf of the District, to take all

such steps and to do all such acts and things as they, or any one or more of them, shall deem necessary or advisable to carry out the foregoing resolution, including, without limitation, the execution and delivery of any and all agreements, instruments, certificates, or other documents required in connection therewith, and the taking of any and all such actions and the execution and delivery of any and all documents in connection with the foregoing shall conclusively establish their authority therefore from the District and the ratification, confirmation, and approval thereof by the Board.

PASSED by a vote of 9 to 0 this 23rd day of September, 2014.



WASHINGTON STATE CONVENTION CENTER
PUBLIC FACILITIES DISTRICT

BY: 
Frank K. Finneran, Chair

File No.: 14197626-410-MP2

**EXHIBIT A
LEGAL DESCRIPTION**

THAT PART OF LOT 3, BLOCK 33, SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL (DECEASED) (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

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SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

APN: 066000 1113

