September 18, 2014

Via email

Mr. William Longbrake, Chair
Washington State Citizen Commission for Performance Measurement of Tax Preferences
P.O. Box 40910
Olympia, WA 98504-0910


Dear Chair Longbrake:

As Board chair of the Washington State Major League Baseball Stadium Public Facilities District (PFD), I write in support of retaining the current leasehold excise tax provisions that apply to the publicly owned ballpark, Safeco Field. The PFD is the public entity that developed and owns Safeco Field. The PFD is responsible for overseeing this public asset and for ensuring that the public’s investment in the ballpark is not compromised.

Our tenant, The Baseball Club of Seattle, LLLP (Seattle Mariners), has written a letter in support of the current leasehold excise tax provisions, and we agree that these provisions should be maintained. The leasehold tax provisions that apply to the PFD and to the team were established during the 1995 special legislative session that saved baseball for the Pacific Northwest. That special session established a public/private partnership for the development of Safeco Field, and it included specific provisions relating to the leasehold excise tax and its application to the ballpark.

Importantly, the tax provisions for the ballpark only exempt the “public or entertainment areas” of the ballpark from the leasehold excise tax. See RCW 82.29A.130 (16) (defining the leasehold interests subject to tax). The private areas of the ballpark used exclusively by the Seattle Mariners are subject to the leasehold excise tax, and the team has paid that tax since the ballpark opened for play in July of 1999. In addition, under the lease between the PFD and the Seattle Mariners, the team is responsible for all of the costs of operating and maintaining the ballpark as a first class facility.

The package of taxes and tax provisions that formed the basis for developing Safeco Field have produced the intended results and more. The Seattle Mariners not only stayed in the Pacific Northwest, but they have drawn millions of fans each year to the ballpark to watch them play. Safeco Field itself is recognized as one of the best baseball parks in major league baseball, both by players and by fans. In addition, the public bonds that helped finance the construction of Safeco Field were

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paid off more than four years ahead of schedule in 2011 (saving the public about $44 million in interest costs), and the taxes supporting the bond payments were then retired.

I hope that the Commission agrees that this public/private partnership has been a success, and that it has, and continues to return, benefits to the State well in excess of the limited leasehold excise tax provision. I urge you to continue the current taxing arrangements for the ballpark and for the team.

If you have any questions, feel free to give me a call at (206) 812-1195. You may also contact our Executive Director, Kevin Callan, at (206) 664-3076, or our legal counsel, Tom Backer, at (206) 499-9987.

Thank you for your consideration.

Sincerely,

Charles Royer
Board Chair

cc: Via Email
PFD Board members
Kevin Callan, PFD Executive Director
Tom Backer, PFD Legal Counsel
Bart Waldman, Seattle Mariners