



TO: Elizabeth Pauli, City Manager
FROM: Steve Victor, Deputy City Attorney
COPY: City Council and City Clerk
SUBJECT: Resolution Authorizing Execution of a Letter of Intent Establishing Terms for the Negotiation of Future Agreements Regarding a Potential Future Soccer Stadium and Future Adjacent Development in the Vicinity of Cheney Stadium – March 3, 2020.
DATE: February 6, 2020

SUMMARY:

A Resolution authorizing execution of a Letter of Intent (LOI) among Metro Parks Tacoma (MPT), The Soccer Club of Tacoma (TSCOT) and the City of Tacoma (City) establishing terms for the negotiation of future agreements regarding a potential future soccer stadium, and future adjacent development in the vicinity of Cheney Stadium. Though the LOI is not a binding contract, it must be executed by all three parties to be effective.

STRATEGIC POLICY PRIORITIES:

The Resolution supports the following strategic policy priorities:

- Strengthen and support a safe city with healthy residents.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage thriving residents with abundant opportunities for life-long learning.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.

BACKGROUND:

In 2017, TSCOT, a joint venture of the Tacoma Rainiers and Seattle Sounders, approached Metro Parks Tacoma and the City of Tacoma about the possibility of developing a professional soccer stadium and co-located commercial and housing development near Cheney Stadium. At this time, games for two soccer teams, Tacoma Defiance and, more recently, Reign FC are being accommodated in Cheney Stadium.

The original proposed project originally included three elements, anticipated to be phased in, but now has only two elements. The two remaining elements have been referred to as the Heidelberg Sports Village.

The first phase element is a 5,000 seat professional stadium that can include educational, and sports medicine facilities.

The future phase element includes surrounding mixed-use commercial and residential development with approximately 500 residential units including affordable housing, and approximately 70,000 square feet of commercial and retail space. (Numbers are drawn from the 2019 Populous feasibility study).

The now-removed third element was new public soccer fields to be developed at a location that has some connectivity to the Heidelberg Sports Village location. During feasibility, it was determined that there was no suitable property proximate to the proposed stadium and mixed-use site. This element is no longer part of the proposed project. MPT continues to independently consider public soccer fields at other locations.



In order to evaluate the proposal, TSCOT, MPT and the City competitively and jointly selected Populous, one of the world's premier sports and entertainment consultants, to conduct a feasibility study. The study was funded in equal thirds by TSCOT, MPT and the City to ensure the consultant had professional obligations to all. The completed feasibility study was presented to the Tacoma City Council and the Metro Parks Board in a public study session on July 9, 2019.

Following the study session, TSCOT, MPT and the City negotiated high-level conceptual terms for how the project could be funded and developed. Those terms are currently included in an LOI which was studied by the Metropolitan Park Board at its Study Session on Monday, February 3, and by the City Council at its Study session on February 4.

ISSUE:

Is it in the interests of the City to authorize signature of the LOI among MPT, TSCOT and the City of Tacoma establishing terms for the negotiation of future agreements regarding a potential future soccer stadium, and future adjacent development in the vicinity of Cheney Stadium.

ALTERNATIVES:

The City Council could choose not to authorize execution of the LOI.

RECOMMENDATION:

The decision of whether to authorize execution of the LOI is fundamentally a matter of legislative discretion and policy.

FISCAL IMPACT:

There is no fiscal impact from the proposed Resolution authorizing execution of a non-binding LOI. If execution of the LOI is authorized, any future proposed binding agreements on this subject must be considered by the City Council for approval or rejection. Future agreements on the terms of the LOI will have a fiscal impact in the amount of \$15 million dollars.