

Proposed Amendment to the Seattle Storm Facility Use Agreement

Select Committee on Civic Arenas



Amendment to the Seattle Storm Facility Use Agreement

- In 2017, City negotiated and Council authorized a new long-term use agreement for Seattle Storm's use of KeyArena.
- The agreement, which runs through 2028, anticipated the potential for the Storm to be displaced during arena renovations, and recognized the City's financial commitment to maintaining a WNBA team in Seattle.
- Since the Storm is required to relocate, they will be paid up to \$2.6 million per season to mitigate both the increased costs and lost revenues associated with a temporary relocation.
- Under the City's agreement with Seattle Arena Co., the City is responsible for payment for the first two seasons (2019 and 2020) of displacement and Seattle Arena Co. for any displacement that occurs in 2021.



Amendment to Seattle Storm Facility Use Agreement (cont.)

- Amendment modifies relocation payments for first 2 years of displacement.
- Amendment will create stronger financial incentives to play games in Seattle, will not increase City's maximum financial commitment.

Original Terms

Lost Revenue:

- 100% up to \$850,000
- Above \$850,000, 65% of lost advertising revenue and 50% of all other revenue
- Capped at \$2M per season (plus playoff games)

Increased Costs:

- 100% up to \$500,000
- Above \$500,000, 80% of increased costs
- Capped at \$600K per season (plus playoff games)

Revised Terms

Treat Lost Revenue and Increased Costs Equally:

- 100% of lost revenue and increased costs up to \$1.35M
- Above \$1.35M, 75% of lost revenue and increased costs
- Total cap of \$2.6M per season (plus playoff games)
- If \$2.6M cap has not been reached, will provide payment for incremental playoff games lost revenue and increased costs