

**Amendment No. 1 to the Seattle Storm Facility Use Agreement
Legislation Summary**

Summary: The amendment modifies the structure of relocation payments the City is responsible for paying to the Seattle Storm due to renovation of KeyArena. The amendment is designed to create stronger financial incentives for the Storm to play games in Seattle but does not increase the City’s maximum financial commitment.

Background:

- In 2017, the City entered into a new long-term use agreement for Seattle Storm’s use of KeyArena.
- The agreement, anticipating the potential for arena renovations displacing the Storm, recognized the City’s financial commitment to maintaining a WNBA team in Seattle.
- Since the Storm is required to relocate during arena construction, they will be paid up to \$2.6M per season, to mitigate both the actual increased costs and lost revenues associated with the relocation.
- Under the City’s agreement with Seattle Arena Co., the City is responsible for payment of the first two seasons (2019 and 2020) and Seattle Arena Co. is responsible for any displacement occurring in 2021.
- In 2019, the Storm are playing a portion of their season at Alaska Airlines Arena in Seattle and the remainder at Angel of the Winds Arena in Everett. It costs more to play in Seattle than in Everett.

Amendment:

- The amendment modifies the relocation payments for the 2019 and 2020 seasons.
- Relocation payments under the original agreement repaid a higher percent of revenue losses than increased costs.
- Relocation payments in the amendment repay revenue losses and increased costs equally.
- While creating stronger financial incentives to play games in Seattle, it will not increase the City’s maximum financial commitment.

Original Terms	First Amendment
<p>Lost Revenue:</p> <ul style="list-style-type: none"> • 100% up to \$850K • Above \$850K, 65% of lost advertising revenue and 50% of all other revenue • Capped at \$2M/season (plus playoff games) <p>Increased Costs:</p> <ul style="list-style-type: none"> • 100% up to \$500K • Above \$500K, 80% of increased costs • Capped at \$600K per season (plus playoff games) <p>Playoffs - \$50K/Round 1 & 2 Games, \$60K/Round 3 & 4 Games</p>	<p>Treat Lost Revenue and Increased Costs Equally:</p> <ul style="list-style-type: none"> • 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) • Playoffs - \$50K/Round 1 & 2 Games, \$60K/Round 3 & 4 Games • If \$2.6M cap has not been reached, will provide payment for incremental lost revenue and increased costs for playoff games above the \$50K or \$60K payment.