



Seattle Aquarium

Ocean Pavilion | July 19, 2023

Today's agenda

- **City and Aquarium Partnership and History**
- **Ocean Pavilion Project Summary**
- **Overview of Proposed Financing**
- **Next Steps**

City and Aquarium Partnership

- Long-standing partnership between Seattle Parks & Recreation and Seattle Aquarium Society (SEAS)
- SEAS has been successfully operating and maintaining the City's Aquarium as a public asset since 2010
- In 2015, the City approved the Aquarium's master plan that began the process of expanding the Aquarium by building the Ocean Pavilion



City and Aquarium Partnership

Year	Action	Purpose
2009	Ordinance 123205	Authorized transition of Aquarium operations and maintenance from Seattle Parks and Recreation (SPR) to Seattle Aquarium Society (SEAS)
2012	Resolution 31399	Encouraged partnerships with Pike Place Market and Aquarium to integrate expansions into Waterfront Concept Design
2013	Ordinance 124121	Authorized execution of MOU to guide renovation and expansion of Seattle Aquarium between City and SEAS
2015	Ordinance 124908	Amended MOU to increase City spending cap from \$1 million to \$1.8 million
2015	Resolution 31603	Approved SEAS Master Plan and on-land Aquarium expansion (as an alternative to then-planned in-water expansion)
2017	Ordinance 125422	Amended MOU to support Aquarium advancement of Ocean Pavilion through schematic design
2018	Ordinance 125630	Replaced previous MOUs; increased maximum design funding to \$4.7M for further design of the Ocean Pavilion. Set forth conditions of a future Project Development Agreement
2019	Ordinance 126015	Construction Funding agreement confirming terms for City funding, process and requirements for advancing Ocean Pavilion into construction
2022	Ordinance 126655	Approved a \$20 million increased funding commitment and enhanced facility fee

An Accessible Aquarium for All

Access program*	Estimated value of public benefit/yr
80,000+ free community tickets in a typical year	\$2,400,000
Scholarships to Aquarium camps	\$10,250
Scholarships and discounts for school visits	\$673,000
Discounts for seniors, tribal members, military, guests with disabilities/caregivers, foster children, etc.	\$708,433



*Represents typical programming year

Partnerships and educational reach

- **450+** community partners
- **200+** conservation partners across 13 countries
- **2,200+** Youth Ocean Advocates trained in ocean education and advocacy
- Engagement with **40,000+** students from 200 school districts statewide
- **Free** virtual programs
- **75,000+** community conversations at beaches



Recovering endangered species

Helped launch world-first global partnership across 15 countries

Rearing and releasing baby pinto abalone into the Salish Sea



The new Ocean Pavilion

- Collaborative design for expansion to **increase visitation, expand marine conservation and provide additional public park space** complementing the Waterfront Seattle vision
- Aligned construction schedules to **maximize efficiency, reduce disruption**
- Growth from **800,000** visitors to **1.2M visitors** a year with the opening of the Ocean Pavilion



A new civic gem for Seattle

- **Accessible and inclusive** urban park for the community
- **Coast Salish and Urban Indigenous** engagement, public art and knowledge
- **Conservation education** for kids of all ages and adults
- **Supporting downtown** recovery and job creation
- **Space for species recovery** initiatives at home and away
- **Targeting the first** City-owned Petal Certified Living Building





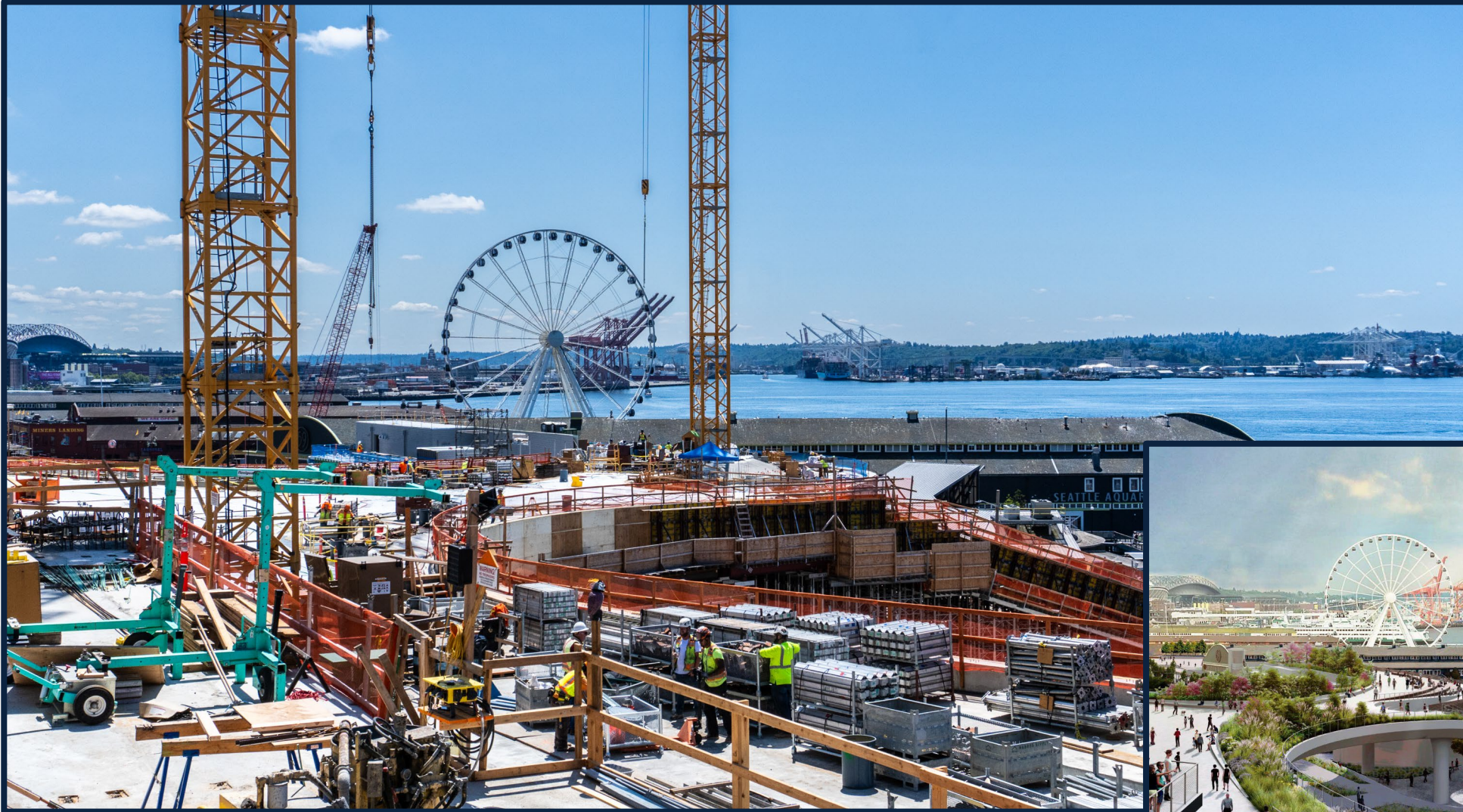
Ocean Pavilion view north





**Salish Steps
and Ocean
Pavilion view
southeast**





Overlook Walk connection to Ocean Pavilion rooftop



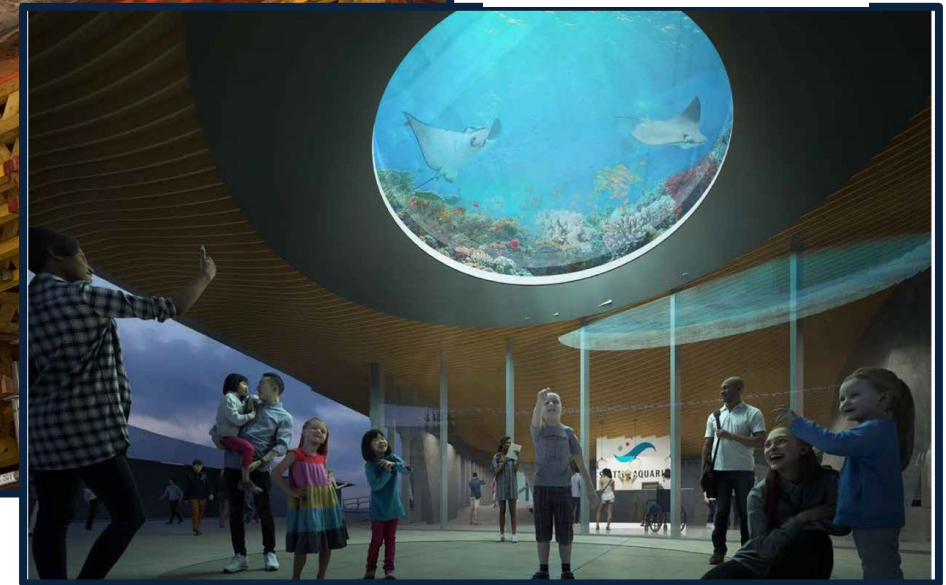


**Alaskan Way
view west**





**Public view
of oculus into
our largest
habitat**



Ocean Pavilion: \$160M total cost

4 construction phases:

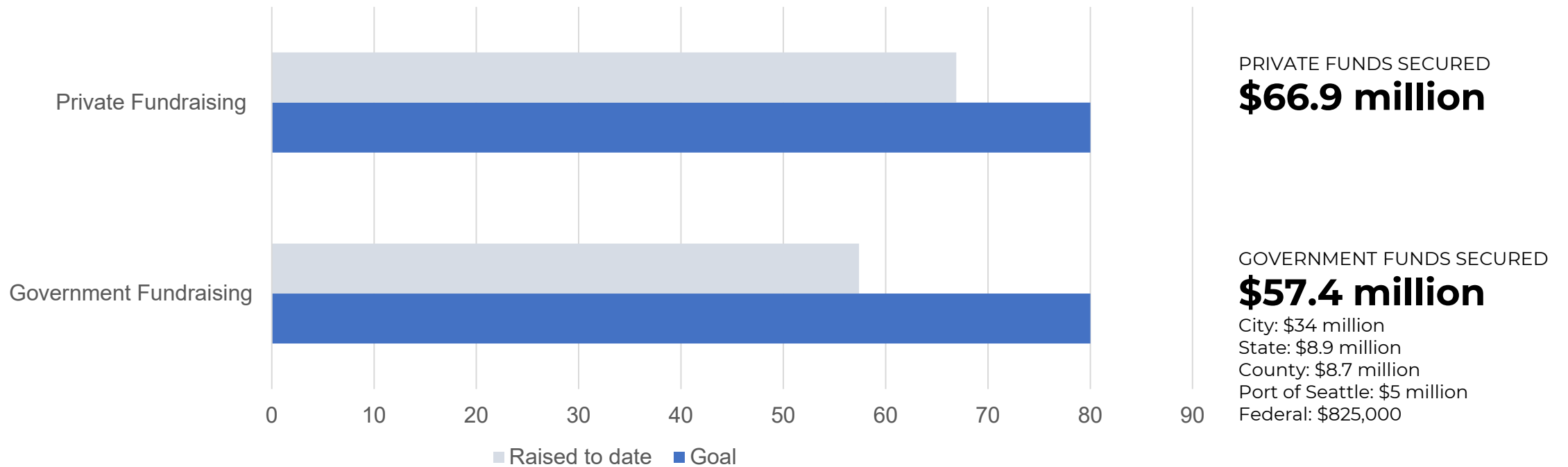
- **Phase 1: \$17M (Dec. 2020 to Jul. 2021)**
- **Phase 2: \$39M (Aug. 2021 to Jun. 2022)**
Campaign at 50% mark (\$80 million)
- **Phase 3: \$52M (Jul. 2022 to Apr. 2023)**
City provides critical \$20M in bridge funding;
campaign at 60% funding, not eligible for commercial loan
- **Phase 4: \$52M (May 2023 to Jan. 2024)**
Campaign exceeds 75% mark; eligible for commercial loan



Campaign for the Ocean Pavilion

Total Campaign \$160 million

Funds Raised to Date vs. Goal
in millions



Private fundraising on track for 2024

\$13 million remaining to raise

Private Fundraising Phase	Total Goal
Founders Circle (\$500,000+ gifts)	\$5 million
Stewards Circle (\$10,000 to \$500,000 gifts)	\$4 million
Public Phase (\$25 to \$10,000 gifts)	\$4 million

**Fundraising campaign continues through December 2024*

Federal fundraising challenges

Total target: \$20 million; with \$825,000 secured to date

Source	Target	Secured	Date
EDA – COVID Tourism Relief	\$10 million	Declined	May 2022
Federal infrastructure investment	\$5-10 million		
FY23 Community Directed Spending	\$3 million	\$750,000	Dec 2023
NEA Grant	\$150,000	\$75,000	April 2023
NEH Grant	\$150,000	Declined	April 2023
FY24 Community Directed Spending	\$5 million	Declined	May 2023

Financing the final phase of construction & filling our funding gap

Commercial loan details

- **Up to \$67 million loan from PNC; likely projected draw of \$53 million**
 - \$20 million to prepay City enhanced fees (plus interest)
 - \$26 million to complete construction
 - \$7 million to setup a Capital Reserve Account; to be returned to close out the loan
- **Target close date: August 16, 2023**
- **Bank plans to use tax-exempt bonds purchased through WA State Housing Finance Commission Nonprofit Facilities Program**

Key Loan Considerations

- Assures completion of project in Summer 2024 in line with Waterfront schedule
- An atypical loan structure due to SEAS transferring building ownership to City.
- Bank making **up to** \$67M available to assure completion even if no additional campaign funds would be raised; with new contributions the likely draw is estimated to be approximately \$53 million.
- The variable interest rate allows loan principal to be paid down as pledges are collected and as campaign concludes with no prepayment penalties.
- Avoids work stoppage that would delay opening, increase project costs and void guaranteed maximum price contract.

Fundraising breakdown

Source	Goal	Cash Received to Date	2023 pledges due	Multi-year pledges beyond 2023	Yet to be raised	Total received: cash & pledges
Private	80,000,000	56,900,000	2,947,386	7,052,614	13,100,000	66,900,000
City	34,000,000	30,000,000	4,000,000	0	0	34,000,000
State	12,000,000	3,900,000	5,000,000	0	3,100,000	8,900,000
County	9,000,000	7,675,328	1,024,672	0	300,000	8,700,000
Port	5,000,000	1,100,000	0	3,900,000	0	5,000,000
Federal	20,000,000	0	750,000	75,000	19,175,000	825,000
Total	160,000,000	99,575,328	13,722,058	11,027,614	35,675,000	124,325,000

Highlighted figures represent the pledges and remaining fundraising to be bridged by the loan

Loan breakdown (cont.)

1. Bridges the remainder of the campaign = ~\$16 million
 - Remaining Private Fundraising: ~\$13 million
 - Remaining Government Fundraising: ~\$3 million
2. Bridges secured multi-year pledges beyond 2023 = ~\$11 million
3. Federal gap: ~\$19 million

\$46 million total to bridge campaign, pledges, & gap
+ \$7 million capital reserve

\$53 million total

Long-term pledge schedule

Source	Q3/Q4 of 2023	2024	2025	2026+	Total
Private	2,947,386	2,959,433	2,721,347	1,371,834	10,000,000
City	4,000,000	0	0	0	4,000,000
State	5,000,000	0	0	0	5,000,000
County	1,024,672	0	0	0	1,024,672
Port	0	1,000,000	1,000,000	1,900,000	3,900,000
Federal	750,000	75,000	0	0	825,000
Total	13,722,058	4,034,433	3,721,347	3,271,834	24,749,672

Projected repayment by 2028

Terms require a “sweep” of 50% of annual surpluses to be applied to principal reduction. Illustration assumes 80% of surpluses will go to debt reduction.

	Interest	Principal	Reserve
2023	\$ 1,433,178		
2024	\$ 3,710,000	\$ 13,217,346*	
2025	\$ 2,784,786	\$ 11,483,648	
2026	\$ 1,980,930	\$ 11,088,983	
2027	\$ 1,204,702	\$ 9,844,752	
2028	\$ 515,567	\$ 365,271	\$ 7,000,000
	\$ 11,629,163	\$ 46,000,000	\$ 7,000,000

*Majority of the principal payment in 2024 sourced from the completion of fundraising campaign and pledge payments

Thank you and questions

