

CITY OF SEATTLE
ORDINANCE 126217
COUNCIL BILL 119917

AN ORDINANCE relating to facilities at Seattle Center; modifying the Seattle Center Fee Range Schedule and the general terms and conditions for events at Seattle Center from which the Seattle Center Director is authorized to set fees and the general terms, conditions, and guidelines for use of Seattle Center facilities and property; amending Section 17.16.015 of the Seattle Municipal Code (SMC) to provide for adoption of future general terms and conditions for events at Seattle Center by ordinance; amending SMC 17.16.020 to increase the term for event-related service agreements; amending SMC 17.16.030 to grant temporary authority to modify food and beverage service leases due to the impacts of COVID-19 and correct the reporting requirements for in-kind contributions; and repealing SMC Chapter 17.20 providing for use and operation of Veterans Hall, which facility was demolished as part of the renovation of the adjacent Marion Oliver McCaw Hall.

WHEREAS, due to COVID-19, on March 11, 2020, Governor Jay Inslee prohibited all gatherings of 250 or more in western Washington; and

WHEREAS, Seattle Center serves to create exceptional events, experiences, and environments and does so by bringing people together; and

WHEREAS, many of Seattle Center’s tenants, resident organizations, and clients have cancelled events, reduced operations, or closed, all of which resulted in significant negative financial impacts; and

WHEREAS, reopening of Seattle Center will require those entities to implement steps to ensure the safety of staff, patrons, and guests, incurring additional expenses while at the same time anticipating uncertain reopening timelines, and reduced attendance and participation at events; and

WHEREAS, Seattle Center’s success is dependent upon the success of its tenants, resident organizations, and clients; and

WHEREAS, additional measures need to be taken to address the impact of COVID-19; and

1 WHEREAS, temporarily increasing the flexibility of the Seattle Center Director to anticipate and
2 respond to the challenges that will be faced with reopening of the campus will assist in
3 enabling the success of Seattle Center; NOW, THEREFORE,

4 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

5 Section 1. The Seattle Center Fee Range Schedule, last amended by Ordinance 125701, is
6 amended effective January 1, 2021, as shown in Attachment A1 to this ordinance. Effective
7 January 1, 2021, the fee range schedule shown in Attachment A to this ordinance is adopted.

8 Section 2. The Terms and Conditions for Events at Seattle Center, last adopted by
9 Ordinance 124628, are amended effective January 1, 2021, as shown in Attachment B1 to this
10 ordinance. Effective January 1, 2021, the terms and conditions shown in Attachment B to this
11 ordinance are adopted.

12 Section 3. Section 17.16.015 of the Seattle Municipal Code, last amended by Ordinance
13 125199, is amended as follows:

14 **17.16.015 Use fee schedule, terms and conditions established**

15 The Seattle Center Director is authorized to charge and collect fees for the use of certain Seattle
16 Center facilities, services, and equipment for Events, as established in ~~((a fee schedule))~~ the
17 Seattle Center Fee Range Schedule as adopted, from time to time, by ordinance. Additionally,
18 the Director is authorized to condition such use on compliance with certain general terms,
19 conditions, rules, and guidelines promulgated by the Director, consistent with the ~~((“))~~ Terms
20 and Conditions for Events at Seattle Center ~~((“Attachment B to Ordinance 124628”))~~ adopted,
21 from time to time, by ordinance. Once adopted by ordinance, the Seattle Center Fee Range
22 Schedule and the Terms and Conditions for Events at Seattle Center shall remain in effect until
23 repealed or amended by a subsequent ordinance.

1 Section 4. Section 17.16.020 of the Seattle Municipal Code, last amended by Ordinance
2 124628, is amended as follows:

3 **17.16.020 Event-related service agreements ((;))**

4 The Director is authorized as specified in the ((“)) Terms and Conditions for Events at Seattle
5 Center ((² ~~(Attachment B to the Ordinance introduced as Council Bill 124628),~~)) to enter into
6 agreements with terms of up to ((five)) ten years with caterers, concessionaires, and other
7 providers of event-related services. The Director is authorized to execute and deliver, for and on
8 behalf of the City, all documents ((he or she)) the Director shall deem necessary or appropriate in
9 connection with any such agreements authorized in this ((section)) Section 17.16.020. The
10 authority in this ((section)) Section 17.16.020 is limited as follows:

11 A. The Director shall consult with the City Attorney prior to entering into any such
12 agreement and shall use a form of agreement prepared with the assistance and advice of the City
13 Attorney; and

14 B. The total term of any new agreement shall not exceed ((five)) ten years in duration.

15 Section 5. Section 17.16.030 of the Seattle Municipal Code, last amended by Ordinance
16 124628, is amended as follows:

17 **17.16.030 Seattle Center lease agreements ((;))**

18 The Seattle Center Director is hereby authorized, for and on behalf of The City of Seattle, to
19 negotiate and ((to)) execute ((, for and on the behalf of The City of Seattle,)) lease agreements
20 and to modify existing lease agreements for the use and occupancy of spaces within or on Seattle
21 Center grounds or under the management of the Seattle Center for uses that are not Events, and
22 to execute all other necessary documents in connection therewith((; ~~Provided,~~)) provided that:

1 A. Any lease agreement shall be in a standard form of agreement prepared with the
2 assistance or advice of the City Attorney, or on a non-standard form contingent upon prior
3 consultation with the City Attorney regarding the differences between the standard form and the
4 non-standard form; and,

5 B. Lease agreements for food and beverage services in the Armory and on the Seattle
6 Center campus shall be for a term of no more than ten years and lease agreements for all other
7 locations on the Seattle Center grounds shall be for a term of no more than five years without
8 prior approval of the City Council by ordinance; ~~((;))~~ provided, however, that the Seattle Center
9 Director may enter into new leases for the same property with the same tenant upon different
10 terms and conditions from a previous lease for the same property; and provided, however, that
11 until December 31, 2022, the Seattle Center Director is authorized to modify the covenants and
12 conditions and extend the term of any food and beverage service lease agreement for up to two
13 additional years without prior approval of the City Council by ordinance; and

14 C. The basic rent for Seattle Center lease agreements shall be at a rate that is
15 commensurate with the quality of the space and prevailing market rates for similar property in
16 the vicinity of Seattle Center. The Seattle Center Director is authorized to accept in-kind
17 contributions of services for the City's benefit in order to offset all or a portion of any cash rent
18 due from not-for-profit organizations or any other entities as the Director deems reasonable; any
19 such services to be accepted shall be specifically identified in the lease agreement along with a
20 statement as to the amount of cash rent offset for such services.

21 ~~((The Seattle Center is authorized to accept in-kind contributions of services for the~~
22 ~~City's benefit in order to offset all or a portion of any cash rent due from not-for-profit~~
23 ~~organizations or any other entities as the Director deems reasonable; any such services to be~~

1 ~~accepted shall be specifically identified in the office space lease agreement along with a~~
2 ~~statement as to the amount of cash rent offset for such services.))~~

3 D. One or more parking spaces in Seattle Center parking facilities may, but need not, be
4 provided to Seattle Center tenants in conjunction with such lease for no added consideration
5 under new lease agreements, and under amendments of existing lease agreements, for such added
6 cash rent or in-kind services for the City's benefit as the Director deems reasonable, taking into
7 consideration the parking rates established pursuant to ~~((Ordinance 112572, as now or hereafter~~
8 ~~amended.))~~ Chapter 17.19.

9 E. The authority in this ~~((section))~~ Section 17.16.030 does not apply to: (1) agreements
10 allowing the use of Seattle Center space for Events or (2) the use and occupancy of facilities
11 described in the ~~((“))~~ Terms and Conditions for Events at Seattle Center, ~~((“Attachment B to~~
12 ~~the Ordinance introduced as Council Bill 118229).))~~

13 Section 6. Chapter 17.20 of the Seattle Center Municipal Code, last amended by
14 Ordinance 104281, is repealed:

15 ~~**((Chapter 17.20 SEATTLE CENTER VETERANS HALL**~~

16 ~~**17.20.010 Use of building.**~~

17 ~~The Seattle Center Director is authorized to permit under his supervision and control, at such~~
18 ~~times as the same is not required for other public purposes, the use and occupancy of the building~~
19 ~~adjacent to the Opera House, known as the Seattle Center Veterans Hall, by posts of the Grand~~
20 ~~Army of the Republic, camps of the United Spanish War Veterans, posts of the Veterans of~~
21 ~~Foreign Wars, posts of the American Legion, chapters of the Disabled American Veterans of the~~
22 ~~World War, the 91st Division Association A.E.F. of Washington, the Second Washington and~~
23 ~~161st Infantry Association, the Seattle Branch No. 32, Canadian Legion, the Ladies of the Grand~~

1 ~~Army of the Republic, the Daughters of Union Veterans of the Civil War, the Fleet Reserve~~
2 ~~Association, Branch Eighteen, Seattle Club No. 8, Navy Mothers Clubs of America, Seattle~~
3 ~~Detachment Marine Corps League, and all other veterans' organizations nationally chartered by~~
4 ~~the Congress of the United States and organizations auxiliary to the foregoing: provided,~~
5 ~~however, that organizations of veterans shall be given preference in such use and occupancy over~~
6 ~~such auxiliary organizations; provided, further, that such use and occupancy shall not extend to~~
7 ~~the ground floor of the building.~~

8 **~~17.20.020 Division of operating costs.~~**

9 ~~The organizations using or occupying the Seattle Center Veterans Hall pursuant to the provisions~~
10 ~~of Section 17.20.010, shall jointly furnish, at their own cost and expense, all such operating~~
11 ~~services (excluding steam heat, water and electric service, but including janitor, telephone, gas,~~
12 ~~watchman's or other similar service) as they may require, subject, however, to the approval of~~
13 ~~the Seattle Center Director. Each such organization shall pay its proportionate share of the total~~
14 ~~of such cost and expense, said share to bear the same proportion of such total cost as the number~~
15 ~~of times the building is used per month by such organization bears to the total number of times~~
16 ~~per month the building is used; provided, however, that in the event that any organization~~
17 ~~requires any service not required by the other organizations, it shall furnish such service at its~~
18 ~~sole cost and expense. The actual amounts of such shares shall be fixed by the Seattle Center~~
19 ~~Director whose determination thereof shall be final.~~

20 **~~17.20.030 Adoption of rules — Revocation of use permit.~~**

21 ~~In the administration of the building, the Seattle Center Director is authorized to make, adopt and~~
22 ~~enforce, all reasonable rules and regulations necessary for the proper and orderly use of the~~
23 ~~building by the organizations mentioned in Section 17.20.010, and in the event of the violation of~~

1 ~~any of such rules or regulations or of the failure to pay its proportionate share of the cost of the~~
2 ~~operating services referred to in Section 17.20.020 by any of the organizations, the Director is~~
3 ~~authorized to revoke its permit to use and occupy the building, and to expel such organization~~
4 ~~therefrom.~~

5 **~~17.20.040 Advisory Board.~~**

6 ~~There is created an Advisory Board to advise and assist the Seattle Center Director in the~~
7 ~~administration of the Seattle Center Veterans Hall (except the ground floor thereof), the Board to~~
8 ~~consist of five (5) persons, each of whom shall be a member in good standing of one (1) of the~~
9 ~~organizations or associations mentioned in Section 17.20.010, not more than two (2) of whom,~~
10 ~~however, shall be members of the same post, camp, chapter or unit. The members of the Board~~
11 ~~shall be appointed as follows: One (1) each by the Mayor, the Seattle Center Director and the~~
12 ~~City Council, and two (2) by a majority of the commanders or heads of the organizations or~~
13 ~~associations mentioned in Section 17.20.010, in meeting assembled. Each member of the Board~~
14 ~~shall serve for a period of five (5) years, unless sooner removed, except that the five (5) members~~
15 ~~first appointed shall serve one (1), two (2), three (3), four (4) and five (5) years, respectively; the~~
16 ~~length of service of each of the members to be determined by lot at the first meeting of the~~
17 ~~Board. Each member of the Board may be removed at the pleasure of the authority appointing~~
18 ~~him. Upon a vacancy by death, resignation, disability or removal, or the expiration of the term of~~
19 ~~office of any member, his successor shall be appointed by the authority which appointed him;~~
20 ~~provided, that the Board, by majority vote of its remaining members, may fill such vacancy by~~
21 ~~election of a temporary appointee, who shall serve until such vacancy be filled by regular~~
22 ~~appointment. The Board shall annually select a chairman and a secretary from its members.))~~

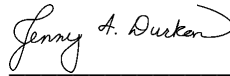
1 Section 7. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 23rd day of November, 2020,
5 and signed by me in open session in authentication of its passage this 23rd day of
6 November, 2020.



7 _____
8 President _____ of the City Council

9 Approved by me this 1st day of December, 2020.



10 _____
11 Jenny A. Durkan, Mayor

12 Filed by me this 1st day of December, 2020.



13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)

16 Attachments:

17 Attachment A – Seattle Center Fee Range Schedule

18 Attachment A1 – Seattle Center Fee Range Schedule (markup)

19 Attachment B – Terms and Conditions for Events at Seattle Center

20 Attachment B1 – Terms and Conditions for Events at Seattle Center (markup)

Attachment A: Seattle Center Fee Range Schedule

Effective January 1, 2021

Facility	Use Fee Ranges Standard/Government Agency Events		Use Fee Ranges Spectator Events ⁴			
	EVENT DAY FEE ^{1 & 2 & 7}		Higher of: EVENT DAY FEE ⁷ PERCENTAGE OF NET GROSS SALES ³			
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Armory Loft	\$600	\$5,000	NA	NA	NA	NA
Rooms 2 & 3 & 4	\$300	\$2,000	NA	NA	NA	NA
Rooms 1A & 1B	\$200	\$1,000	NA	NA	NA	NA
Exhibition Hall	\$2,500	\$9,000	\$1,000	\$9,000	NA	NA
Fisher Pavilion	\$2,500	\$9,000	\$1,500	\$7,000	NA	NA
International Fountain Pavilion	\$450	\$5,000	NA	NA	NA	NA
Armory Atrium	\$1,000	\$10,000	\$1,000	\$10,000	5%	15%
Marion Oliver McCaw Hall	\$3,000	\$10,000	\$3,000	\$12,000	5.5%	15%
Facility Surcharge						
McCaw Hall			Up to \$6 per ticket or per paid admission for all promoters			
Other Facilities			Up to \$6 per ticket or per paid admission for all promoters			

NOTES:

1. **Full Day Move-In/Out:** The Director may reduce the use fee for move-in and/or move-out on the days preceding and following an Event to as low as half the price of an Event day.
2. **Partial day Move-In/Out:** The Director may reduce the use fee to as low as one quarter of the use fee for an Event day for move-in and move-out when only a small portion of the day is used.
3. **Net Gross Sales:** Net Gross Sales means the total amount of money received or receivable from the sale of admission tickets to a Spectator Event, less any applicable City Admission Tax, City B & O Tax, State Revenue Tax and Washington State Athletic Commission Tax due in connection with such Event, as substantiated by a certified box office statement.
4. **Use Fee Ranges for Spectator Events:** Licensee must pay the higher of the Event day fee or the percentage of Net Gross Sales. The Event day fee and the percentage of Net Gross Sales shall be set within the ranges established by the minimums and maximums set forth above in accordance with the Terms and Conditions for Events at Seattle Center. For example, a rental of the McCaw Hall Auditorium may be set within these ranges to be the higher of an Event day fee set at \$3,700 versus 9% of Net Gross Sales for the event.
5. **For 2nd day and succeeding days of events:** The Director may negotiate and reduce the use fee for the second and succeeding days of multi-day uses.
6. **High Value Dates:** The Director may charge premium rates of up to 50% more than the maximum Event day fee listed above for Events in any Facility on dates the Director designates as High Value Dates. A “High Value Date” means a holiday or a date on which Seattle Center is already hosting a major campus-wide event. Examples of High Value Dates include but are not limited to New Year’s Eve, the date of the Pride Festival, the date of the Seafair Torchlight Parade, or the date of the St. Patrick’s Day Dash.
7. **Definitions.** Any capitalized word or phrase that is not defined in this Attachment shall have the meaning given in S.M.C 17.16.005 or in the Terms and Conditions for Events at Seattle Center.

Attachment A: Seattle Center Fee Range Schedule (markup)

Effective January 1, ((2019)) 2021

Facility	Use Fee Ranges Standard/Government Agency Events		Use Fee Ranges Spectator Events ⁴			
	EVENT DAY FEE ^{1 & 2 & 7}		Higher of: EVENT DAY FEE ⁷ PERCENTAGE OF NET GROSS SALES ³			
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Armory Loft	\$((520)) <u>600</u>	\$5,000	NA	NA	NA	NA
Rooms 2 & 3 & 4	\$((220)) <u>300</u>	\$2,000	NA	NA	NA	NA
Rooms 1A & 1B	\$((140)) <u>200</u>	\$1,000	NA	NA	NA	NA
Exhibition Hall	\$2,500	\$9,000	\$1,000	\$9,000	NA	NA
Fisher Pavilion	\$2,500	\$((8)) <u>9,000</u>	\$1,500	\$7,000	NA	NA
International Fountain Pavilion	\$450	\$5,000	NA	NA	NA	NA
Armory Atrium	\$1,000	\$10,000	\$1,000	\$10,000	5%	15%
Marion Oliver McCaw Hall	\$3,000	\$10,000	\$3,000	\$((7)) <u>12,000</u>	5.5%	15%
Facility Surcharge						
McCaw Hall			Up to \$6 per ticket or per paid admission for all promoters			
Other Facilities			Up to \$6 per ticket or per paid admission for all promoters			

NOTES:

1. **Full Day Move-In/Out:** The Director may reduce the use fee for move-in and/or move-out on the days preceding and following an Event to as low as half the price of an Event day.
2. **Partial day Move-In/Out:** The Director may reduce the use fee to as low as one quarter of the use fee for an Event day for move-in and move-out when only a small portion of the day is used.
3. **Net Gross Sales:** Net Gross Sales means the total amount of money received or receivable from the sale of admission tickets to a Spectator Event, less any applicable City Admission Tax, City B & O Tax, State Revenue Tax and Washington State Athletic Commission Tax due in connection with such Event, as substantiated by a certified box office statement.
4. **Use Fee Ranges for Spectator Events:** Licensee must pay the higher of the Event day fee or the percentage of Net Gross Sales. The Event day fee and the percentage of Net Gross Sales shall be set within the ranges established by the minimums and maximums set forth above in accordance with the Terms and Conditions for Events at Seattle Center. For example, a rental of the McCaw Hall Auditorium may be set within these ranges to be the higher of an Event day fee set at \$3,700 versus 9% of Net Gross Sales for the event.
5. **For 2nd day and succeeding days of events:** The Director may negotiate and reduce the use fee for the second and succeeding days of multi-day uses.
6. **High Value Dates:** The Director may charge premium rates of up to 50% more than the maximum Event day fee listed above for Events in any Facility on dates the Director designates as High Value Dates. A “High Value Date” means a holiday or a date on which Seattle Center is already hosting a major campus-wide event. Examples of High Value Dates include but are not limited to New Year’s Eve, the date of the Pride Festival, the date of the Seafair Torchlight Parade, or the date of the St. Patrick’s Day Dash.
7. **Definitions.** Any capitalized word or phrase that is not defined in this Attachment shall have the meaning given in S.M.C 17.16.005 or in the Terms and Conditions for Events at Seattle Center.

Attachment B: Terms and Conditions for Events at Seattle Center

Effective January 1, 2021

1.DIRECTOR'S AUTHORITY

The Director shall prepare facility use agreements for Events and Event-related services at the Seattle Center for overall terms of not more than five years, with the approval of the City Attorney and the guidance of the Risk Manager and the City Budget Director, and in accordance with all applicable City of Seattle ordinances and policies. Facility use agreements with terms in excess of two years shall be subject to review by the City Budget Director.

The Director shall promulgate rules and guidelines containing regulations and standards for the application of fees, charges, and terms and conditions of use for Seattle Center facilities that are consistent with the policies expressed herein.

2.DEFINITIONS

- a. "Concession Fee" means a fee charged either as a percentage of sales or at a flat rate for the right to sell merchandise and/or food and beverages at an Event.
- b. "Consumer Show" means an Event open to the public in which businesses sell or sample their products to consumers, and for which a ticket or entrance fee is required.
- c. "Exhibit Show" means a ticketed or non-ticketed Event in which audiences view a static display of things, articles, or images. An Exhibit Show may include elements in which seated audiences view a demonstration or performance related to the static display.
- d. "Facility" means a room, building, or outdoor space at Seattle Center that can be rented by the public.
- e. "Government Agency Event" means an Event of any agency of the federal government, any department of the State of Washington, any municipal corporation or corporation chartered by a municipality, or any other special or general purpose unit of local government in the State of Washington.
- f. "Seattle Center Productions Event" means an Event for which Seattle Center is the sole or partial financial sponsor and controls some aspect of the production.
- g. "Spectator Event" means any Event open to the public and held in the Exhibition Hall, Fisher Pavilion, Armory, Marion Oliver McCaw Hall, or on the Seattle Center grounds, where admission to the Event's principal activity is ticketed or an admission fee is required, except for trade or Consumer Shows, private meetings, conventions, or Exhibit Shows.

- h. “Standard Event” means any Event that is not a Spectator Event or Government Agency Event, including but not limited to Consumer Shows, private meetings, conventions, Exhibit Shows and non-ticketed Events.
- i. “Use Period” means the time specified in the agreement as the inclusive times for user’s use of a specified Facility on a specified day, including any portion of the immediately following day into which the inclusive time extends as established in the use agreement.

3.CLIENT USE OF FACILITIES

- a. **USE FEES:** The Director is authorized to establish from time to time a schedule of facility use fees (the “Rate Card”) for applicable Seattle Center facilities, consistent with Attachment A, “the Seattle Center Fee Range Schedule,” and taking into account the following City policies: (i) that the Rate Card shall be administered the same to any entity that qualifies to use a Seattle Center facility; and (ii) that fees be competitive in the marketplace and be anticipated to return reasonable revenue to Seattle Center relative to operational costs. The Rate Card may set fees according to event type, size of venue, or on any other basis consistent with the Seattle Center Fee Range Schedule and with the above policy.

Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in the Attachment A: Seattle Center Fee Range Schedule, based on the policies described above, and taking into consideration market conditions and other legitimate business concerns.

A separate use fee will be charged for each Use Period. Use fees shown on a Rate Card are minimum use fees. Where percentages of net gross sales apply above a minimum use fee, the Director may negotiate a maximum use fee. In-kind consideration such as complimentary tickets, or services such as guest appearances, may be negotiated as part of the overall consideration for use of a Facility. The Director shall promulgate a Complimentary Ticket Use Policy governing the use of complimentary tickets which shall be consistent with the City of Seattle Ethics Code.

- b. **FACILITY SURCHARGES:** The Director is authorized to collect an additional use fee to be known as a Facility Surcharge on all Spectator Events and Consumer Shows based on the number of tickets sold (or on the number of paid admissions, if tickets are not used), and to establish a schedule of per-ticket or per-paid-admission rates consistent with Attachment A: Seattle Center Fee Range Schedule. The basis for computing the Facility Surcharge may include complimentary tickets or admissions if such complimentary tickets or admissions exceed 10% of sellable capacity for the Event, in which case the Facility Surcharge shall be payable for those complimentary tickets or admissions that exceed 10% of sellable capacity. The Director shall promulgate guidelines governing the application of the Facility Surcharge, which guidelines shall be based on costs incurred or service provided by the City.

- c. **USE FEE PAYMENTS:** The full amount of the use fee is due prior to the Event for Standard Events; an executed purchase order is required prior to the Event for Government Agency Events. For Spectator Events, a deposit is due prior to the Event with the remainder due at settlement for the Event. Money paid to the City shall be in the form of legal tender of the United States of America. Goods and services with a wholesale value that is equal to or greater than the use fee may be accepted in partial or full payment, subject to City of Seattle purchasing rules.

The Director is authorized to determine due dates for the return of signed use agreements and for payments, including installment payments, that take into consideration the fiscal responsibility of Seattle Center and sound business practices including the reasonable amount of time that is needed to re-let a space if a deadline is not met; the financial history of repeat clients; the time needed to set up the space without incurring additional labor costs and the time needed for the user to return the use agreement with the initial payment.

- d. **CONTINGENCY DEPOSIT:** In addition to the use fee, the Director may require a deposit(s) to be paid prior to an Event to cover some portion of the estimated labor, parking fees, equipment charges, services, damage or other incidental charges anticipated to be incurred during the Event, or as partial security for payment-in-full of all Event-related expenses. Any portion of the deposit remaining after deductions are made to pay a user's Event expenses shall be refunded to the user. The Director may waive this deposit(s) based on a history of reliable payment by a user or lack of charges incurred during past Events of that user.
- e. **CANCELLATION FEES:** The Director may assess reasonable cancellation fees for Events or portions of Events that are cancelled within a certain time period prior to the Event as specified in the use agreement. In determining whether to assess a cancellation fee, the Director shall employ sound business practices including the time characteristically needed to book a new Event in the same type of space; the user's past Event history; and the financial consequences to Seattle Center if the Event is cancelled.
- f. **TRANSFER FEES:** To accommodate users' needs and maintain good business relationships, and subject to availability, Seattle Center may permit users to change contracted Event dates and/or spaces when doing so does not have a negative financial impact on Seattle Center. A transfer fee may be charged if the request is made close to the time of the Event.
- g. **ORIGINATION FEES:** The Director may assess Origination Fees defined as fees based on industry standards for the right to take photographs, broadcast a performance live, or make a video and/or audio recording at an Event at Seattle Center. The Director may accept the user's promotion of Seattle Center in partial or full payment of the Origination Fee provided that the value of the promotion is equal to or exceeds the value of the Origination Fee.

h. **CATERING:** The Director may collect fees for catering services provided to guests at Events in facilities at Seattle Center. For Seattle Center Productions Events, the Director may include this fee as part of Seattle Center’s Event sponsorship. The Director may enter into catering agreements with terms of up to ten years, giving one or more caterers the right to provide catering services to Seattle Center clients in conjunction with such clients’ events in Seattle Center Facilities, in accordance with Seattle Municipal Code (SMC) 17.16.020. These catering rights may or may not be exclusive depending on the specific Facility.

i. **FOOD AND BEVERAGE CONCESSIONS:** The Director may collect Concessions Fees for sales of food and beverages by users of spaces not subject to an exclusive food and beverage concession agreement, unless the Event is a food fair. The Director shall establish guidelines with a table of charges based on the number of concession stands, the expected attendance and an estimated per capita expenditure by guests at the Event, as well as based on market competitiveness. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to ten years, giving the concessionaire the exclusive right to sell such food and beverages at Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

j. **PROGRAM AND NOVELTY CONCESSIONS:** The Director may collect Concession Fees at any Event at which users or their agents sell programs and novelty items. The fee shall not apply to exhibitors at an exhibit show who have contracted for booth space from the user. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to ten years, giving the concessionaire the exclusive right to sell program and novelty items at Spectator Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

k. **REFUNDS:** The Director may refund fees to make amends to dissatisfied users for failures in service by Seattle Center or Event vendors or for such other reasons as the Director may determine are fair and reasonable.

l. **OPERATIONAL TERMS:**

1) **Services and Equipment:** Certain services and equipment will be provided by Seattle Center on the day(s) of an Event in consideration of use fees paid. These services are specified in the use agreement or listed in the applicable Facility Addenda that shall be attached to the use agreement.

Certain other services and equipment may be required or made available for an additional charge, which shall be described in addenda to the use agreement. The charges in these addenda shall be based on the Director’s

assessment of competitive fees in the marketplace and anticipated revenue generation for Seattle Center relative to the operational costs of buying, maintaining and replacing equipment and of supplying services.

The Director may enter into service provider agreements with terms of not more than ten years in accordance with SMC 17.16.020, securing event-related services at rates favorable to the City and under provisions requiring the services to be performed in a professional manner that accommodates the needs of both the Seattle Center and any user who uses these services.

- 2) **Cleaning Between Performances:** For the safety of attendees to an Event, and to maintain Seattle Center's standards of appearance for the Facility, the Director may require users to pay for cleaning between multiple performances on the same day.
 - 3) **Hours of Use:** The Director may determine the hours of the day that an Event may be open at Seattle Center.
- m. **SPECIAL CONDITIONS:** The Director is authorized to vary from the established Rate Card only for sound business purposes and only if such variance is available to any user. The reasons for variance shall be contained in Seattle Center rules and guidelines, be in the City's best interest, and be related to the stated goals for Seattle Center, including generating revenue. The Director may negotiate terms and conditions for use that combine use fees with other charges and sources of revenue related to an Event; may waive fees or portions of fees; and negotiate terms that create benefits for Seattle Center in addition to use fees.

The Director is authorized to waive up to \$25,000 of use fees, facility surcharges and/or other charges per Standard Event or Spectator Event for facility use agreements completed through December 31, 2022.

4. CENTER PRODUCTIONS EVENTS

The Director is authorized to negotiate and enter into agreements to sponsor Events at Seattle Center. These Events shall comply with the Department's public programming guidelines. The City's financial support for the Event shall be based on the relevancy of the Event to the goals contained in the Seattle Center Vision Statement and Public Programming Strategic Plan, and on availability of appropriate resources. Approval by the City Budget Director is required for agreements where the City's financial support exceeds \$25,000. Application for status as a Seattle Center Productions Event is open to everyone. Seattle Center shall determine whether to sponsor the Event as a Seattle Center Production and the terms and conditions of such sponsorship.

5. EVENTS CO-PROMOTED BY SEATTLE CENTER

The Director is authorized to negotiate and enter into agreements as a co-promotion partner for Events in any Facility. For these Events, all sources of Event revenue and Event-

related expenses may be shared with the co-promoter. Co-promotion decisions shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing use of the facilities and maximizing revenue for the City. Approval by the City Budget Director is required for agreements where the City's risk for potential loss, excluding the cost of facility rental, exceeds \$100,000.

6. EVENTS PROMOTED BY SEATTLE CENTER

The Director is authorized to enter into agreements as a promoter of Events in any Facility. For these Events, City shall retain all sources of Event revenue and shall be responsible for all Event-related expenses. Decisions to self-promote Events shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing use of the facilities and maximizing revenue for the City. Approval by the City Budget Director is required for agreements where the City's risk for potential loss exceeds \$100,000.

Attachment B1: Terms and Conditions for Events at Seattle Center (markup)

Effective January 1, (~~2019~~) 2021

1.DIRECTOR’S AUTHORITY

The Director shall prepare facility use agreements for Events and Event-related services at the Seattle Center for overall terms of not more than five years, with the approval of the City Attorney and the guidance of the Risk Manager and the City Budget Director, and in accordance with all applicable City of Seattle ordinances and policies. Facility use agreements with terms in excess of two years shall be subject to review by the City Budget Director.

The Director shall promulgate rules and guidelines containing regulations and standards for the application of fees, charges, and terms and conditions of use for Seattle Center facilities that are consistent with the policies expressed herein.

2.DEFINITIONS

- a. “Concession Fee” means a fee charged either as a percentage of sales or at a flat rate for the right to sell merchandise and/or food and beverages at an Event.
- b. “Consumer Show” means an Event open to the public in which businesses sell or sample their products to consumers, and for which a ticket or entrance fee is required.
- c. “Exhibit Show” means a ticketed or non-ticketed Event in which audiences view a static display of things, articles, or images. An Exhibit Show may include elements in which seated audiences view a demonstration or performance related to the static display.
- d. “Facility” means a room, building, or outdoor space at Seattle Center that can be rented by the public.
- e. “Government Agency Event” means an Event of any agency of the federal government, any department of the State of Washington, any municipal corporation or corporation chartered by a municipality, or any other special or general purpose unit of local government in the State of Washington.
- f. “Seattle Center Productions Event” means an Event for which Seattle Center is the sole or partial financial sponsor and controls some aspect of the production.
- g. “Spectator Event” means any Event open to the public and held in the Exhibition Hall, Fisher Pavilion, Armory, Marion Oliver McCaw Hall, or on the Seattle Center grounds, where admission to the Event’s principal activity is ticketed or an admission

fee is required, except for trade or Consumer Shows, private meetings, conventions, or Exhibit Shows.

- h. “Standard Event” means any Event that is not a Spectator Event or Government Agency Event, including but not limited to Consumer Shows, private meetings, conventions, Exhibit Shows and non-ticketed Events.
- i. “Use Period” means the time specified in the agreement as the inclusive times for user’s use of a specified Facility on a specified day, including any portion of the immediately following day into which the inclusive time extends as established in the use agreement.

3.CLIENT USE OF FACILITIES

- a. **USE FEES:** The Director is authorized to establish from time to time a schedule of facility use fees (the “Rate Card”) for applicable Seattle Center facilities, consistent with Attachment A, “the Seattle Center Fee Range Schedule,” and taking into account the following City policies: (i) that the Rate Card shall be administered the same to any entity that qualifies to use a Seattle Center facility; and (ii) that fees be competitive in the marketplace and be anticipated to return reasonable revenue to Seattle Center relative to operational costs. The Rate Card may set fees according to event type, size of venue, or on any other basis consistent with the Seattle Center Fee Range Schedule and with the above policy.

Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in the Attachment A: Seattle Center Fee Range Schedule, based on the policies described above, and taking into consideration market conditions and other legitimate business concerns.

A separate use fee will be charged for each Use Period. Use fees shown on a Rate Card are minimum use fees. Where percentages of net gross sales apply above a minimum use fee, the Director may negotiate a maximum use fee. In-kind consideration such as complimentary tickets, or services such as guest appearances, may be negotiated as part of the overall consideration for use of a Facility. The Director shall promulgate a Complimentary Ticket Use Policy governing the use of complimentary tickets which shall be consistent with the City of Seattle Ethics Code.

- b. **FACILITY SURCHARGES:** The Director is authorized to collect an additional use fee to be known as a Facility Surcharge on all Spectator Events and Consumer Shows based on the number of tickets sold (or on the number of paid admissions, if tickets are not used), and to establish a schedule of per-ticket or per-paid-admission rates consistent with Attachment A: Seattle Center Fee Range Schedule. The basis for computing the Facility Surcharge may include complimentary tickets or admissions if such complimentary tickets or admissions exceed 10% of sellable capacity for the Event, in which case the Facility Surcharge shall be payable for those complimentary tickets or admissions that exceed 10% of sellable capacity. The Director shall

promulgate guidelines governing the application of the Facility Surcharge, which guidelines shall be based on costs incurred or service provided by the City.

- c. **USE FEE PAYMENTS:** The full amount of the use fee is due prior to the Event for Standard Events; an executed purchase order is required prior to the Event for Government Agency Events. For Spectator Events, a deposit is due prior to the Event with the remainder due at settlement for the Event. Money paid to the City shall be in the form of legal tender of the United States of America. Goods and services with a wholesale value that is equal to or greater than the use fee may be accepted in partial or full payment, subject to City of Seattle purchasing rules.

The Director is authorized to determine due dates for the return of signed use agreements and for payments, including installment payments, that take into consideration the fiscal responsibility of Seattle Center and sound business practices including the reasonable amount of time that is needed to re-let a space if a deadline is not met; the financial history of repeat clients; the time needed to set up the space without incurring additional labor costs and the time needed for the user to return the use agreement with the initial payment.

- d. **CONTINGENCY DEPOSIT:** In addition to the use fee, the Director may require a deposit(s) to be paid prior to an Event to cover some portion of the estimated labor, parking fees, equipment charges, services, damage or other incidental charges anticipated to be incurred during the Event, or as partial security for payment-in-full of all Event-related expenses. Any portion of the deposit remaining after deductions are made to pay a user's Event expenses shall be refunded to the user. The Director may waive this deposit(s) based on a history of reliable payment by a user or lack of charges incurred during past Events of that user.
- e. **CANCELLATION FEES:** The Director may assess reasonable cancellation fees for Events or portions of Events that are cancelled within a certain time period prior to the Event as specified in the use agreement. In determining whether to assess a cancellation fee, the Director shall employ sound business practices including the time characteristically needed to book a new Event in the same type of space; the user's past Event history; and the financial consequences to Seattle Center if the Event is cancelled.
- f. **TRANSFER FEES:** To accommodate users' needs and maintain good business relationships, and subject to availability, Seattle Center may permit users to change contracted Event dates and/or spaces when doing so does not have a negative financial impact on Seattle Center. A transfer fee may be charged if the request is made close to the time of the Event.
- g. **ORIGINATION FEES:** The Director may assess Origination Fees defined as fees based on industry standards for the right to take photographs, broadcast a performance live, or make a video and/or audio recording at an Event at Seattle Center. The Director may accept the user's promotion of Seattle Center in partial or

full payment of the Origination Fee provided that the value of the promotion is equal to or exceeds the value of the Origination Fee.

- h. **CATERING:** The Director may collect fees for catering services provided to guests at Events in facilities at Seattle Center. For Seattle Center Productions Events, the Director may include this fee as part of Seattle Center's Event sponsorship. The Director may enter into catering agreements with terms of up to ~~((five))~~ ten years, giving one or more caterers the right to provide catering services to Seattle Center clients in conjunction with such clients' events in Seattle Center Facilities, in accordance with Seattle Municipal Code (SMC) 17.16.020. These catering rights may or may not be exclusive depending on the specific Facility.

- i. **FOOD AND BEVERAGE CONCESSIONS:** The Director may collect Concessions Fees for sales of food and beverages by users of spaces not subject to an exclusive food and beverage concession agreement, unless the Event is a food fair. The Director shall establish guidelines with a table of charges based on the number of concession stands, the expected attendance and an estimated per capita expenditure by guests at the Event, as well as based on market competitiveness. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to ~~((five))~~ ten years, giving the concessionaire the exclusive right to sell such food and beverages at Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

- j. **PROGRAM AND NOVELTY CONCESSIONS:** The Director may collect Concession Fees at any Event at which users or their agents sell programs and novelty items. The fee shall not apply to exhibitors at an exhibit show who have contracted for booth space from the user. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to ~~((five))~~ ten years, giving the concessionaire the exclusive right to sell program and novelty items at Spectator Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

- k. **REFUNDS:** The Director may refund fees to make amends to dissatisfied users for failures in service by Seattle Center or Event vendors or for such other reasons as the Director may determine are fair and reasonable.

l. **OPERATIONAL TERMS:**

- 1) **Services and Equipment:** Certain services and equipment will be provided by Seattle Center on the day(s) of an Event in consideration of use fees paid. These services are specified in the use agreement or listed in the applicable Facility Addenda that shall be attached to the use agreement.

Certain other services and equipment may be required or made available for an additional charge, which shall be described in addenda to the use agreement. The charges in these addenda shall be based on the Director's assessment of competitive fees in the marketplace and anticipated revenue generation for Seattle Center relative to the operational costs of buying, maintaining and replacing equipment and of supplying services.

The Director may enter into service provider agreements with terms of not more than ~~((five))~~ ten years in accordance with SMC 17.16.020, securing event-related services at rates favorable to the City and under provisions requiring the services to be performed in a professional manner that accommodates the needs of both the Seattle Center and any user who uses these services.

- 2) **Cleaning Between Performances:** For the safety of attendees to an Event, and to maintain Seattle Center's standards of appearance for the Facility, the Director may require users to pay for cleaning between multiple performances on the same day.
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Legislation Passed November 23, 2020, Presented to Mayor November 24 - CB 119917


Final Audit Report

2020-11-24

Created:	2020-11-24
By:	Jodee Schwinn (Jodee.Schwinn@seattle.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAh3yCzRxn9R5o2_2Y49OEcmYWmeCGTpBJ

"Legislation Passed November 23, 2020, Presented to Mayor November 24 - CB 119917" History

 Document created by Jodee Schwinn (Jodee.Schwinn@seattle.gov)
2020-11-24 - 6:40:50 PM GMT- IP address: 50.47.115.24

 Document e-signed by Jodee Schwinn (Jodee.Schwinn@seattle.gov)
Signature Date: 2020-11-24 - 6:42:42 PM GMT - Time Source: server- IP address: 50.47.115.24- Located near: (0.0, 0.0)