

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

- 1. Legislation Title:** AN ORDINANCE relating to the financing of Seattle Center’s operations; amending Ordinance 125717, which authorized an interfund loan; authorizing the loan of funds in the amount of \$18,000,000 from the REET II Capital Projects Fund to the Seattle Center Fund to support the operations of Seattle Center during the COVID-19 crisis; and providing for the repayment thereof.
- 2. Summary and background of the Legislation:** This legislation authorizes an interfund loan of up to \$18,000,000 from the REET II Capital Projects Fund to the Seattle Center Fund to support Seattle Center operations during the COVID-19 crisis. In 2018, Ordinance 125717 authorized an interfund loan to the Seattle Center Fund to support Seattle Center operations during the temporary closure of KeyArena while it is being redeveloped. This earlier ordinance did not anticipate a global pandemic would strike during the repayment timeframe, necessitating a citywide, and indeed statewide and beyond, stay-at-home orders and a prohibition on large events and gatherings. The loss of events and gatherings at the Seattle Center campus means the loss of Seattle Center’s revenue generating means both directly through event rental revenues and indirectly through parking, Monorail, and concessions revenues. Furthermore, tenants of Seattle Center facilities like vendors in the Armory or arts and culture non-profits like the Pacific Northwest Ballet and the Children’s Theater lose their revenues without visitors to campus and their means to pay rent.

The loss of operating revenue during the COVID-19 crisis would harm operations and maintenance if not supplemented by outside financial support. The financial challenge facing Seattle Center is now much greater than before, and requires a larger response, both internally in the form of operating reductions and externally in the form of General Fund support and a larger interfund loan. Seattle Center has identified further reductions included in the 2021 Proposed Budget, beyond what was already planned in response to the transition to life after KeyArena. Seattle Center is also receiving General Fund support totaling \$9 million between 2020 and 2021. This legislation amends the interfund loan to increase the maximum loan amount and extends the repayment timeframe

When the COVID-19 crisis is under control and the public can safely gather without risking outbreaks, events can resume and with them Seattle Center’s revenue streams. Seattle Center will use operating revenues to repay the loan by December 31, 2033.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project?** ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? ___ Yes X No
- b. Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
No.
- c. Is there financial cost or other impacts of *not* implementing the legislation?
Yes. The Seattle Center Fund would end in a negative cash position for greater than the allowed 90 days. Additionally, lack of financial support would materially impact Seattle Center's ability to maintain its assets and operate as usual during the COVID-19 crisis.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No.
- b. Is a public hearing required for this legislation?
No.
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No.
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.
- e. Does this legislation affect a piece of property?
No.
- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
N/A.
- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?
N/A.

List attachments/exhibits below:

Summary Attachment A - Interfund Loan Calculations