

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

Legislation Title: AN ORDINANCE relating to the Seattle Center Department; authorizing the Seattle Center Director to execute, for and on behalf of The City of Seattle, an agreement with New Rising Sun for the presentation of the annual Bumbershoot Music & Arts Festival at the Seattle Center, and related events and activities throughout the year; superseding Resolution 29017; repealing Ordinance 117522; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation authorizes a ten-year agreement, with a five-year extension option, between the City of Seattle and New Rising Sun (NRS), to produce the annual Bumbershoot Music & Arts Festival and related activations at Seattle Center. The initial term of the agreement addresses festivals and other activations through 2032 and NRS may extend the agreement for an additional five years subject to certain conditions and on terms included in the agreement.

Background:

Bumbershoot is Seattle’s longest-running music and arts festival and one of the largest urban arts celebrations in North America. It has served as a centerpiece for cultural tourism and our regional brand as a center of creativity and innovation for over 40 years. As the originator of the festival, the City holds the “Bumbershoot” name and trademark. From 1971 – 1980, the City produced Bumbershoot. In 1980, the City turned over production to the independent non-profit One Reel, who stepped down after the 2019 festival. This next step for the Bumbershoot Festival comes at a time of challenge and excitement for Seattle Center with the ongoing post pandemic return of events to the campus and the recent opening of Climate Pledge Arena.

A reimagining is in store for Seattle’s beloved Bumbershoot Arts & Music Festival. Following the recent competitive Request for Proposal for a new production partner, Seattle Center selected New Rising Sun – a coalition of Seattle-based arts, entertainment, and cultural leaders – to build a sustainable structure to drive the beloved festival forward in ways that maintain its original spirit, audaciousness, and appeal. The festival ticket on-sale for the 50th Anniversary Bumbershoot Arts & Music Festival is underway, and the festival returns on Labor Day Weekend 2023.

New Rising Sun proposed the transformation of Bumbershoot into an annual festival with year-round, community and nationally engaged arts and music events which will realign the festival with Seattle’s current identity, growth, and direction. The New Rising Sun team’s

mission is to educate and seek out partnerships across the community to feature the region’s best art, food, film, comedy, music and performing arts. It will also recapture Bumbershoot’s spirit of discovery through visual arts spectacle, training, and artmaking; nurture the next generation of producers by lowering barriers for creative workers from underserved communities; and focus on helping revitalize the downtown economy with a business model that attracts artists, tourists, and creative culture.

New Rising Sun was founded by a team of highly experienced concert promoters, visual artists and venue operators: Steven Severin (Neumos, VenuePilot, Washington Nightlife Music Association, National Independent Venue Association), Greg Lundgren (Museum of Museums, Out of Sight, Vital 5 Productions), and Joe Paganelli (The Fillmore San Francisco, Bill Graham Presents, McCaw Hall) supported by a team of Seattle’s successful business and community leaders, activists, artists, and entrepreneurs working to develop a reimaged Bumbershoot.

The current realities associated with producing large-scale, community wide events create challenges. At the same time, the City of Seattle and New Rising Sun see opportunities in expanding Bumbershoot’s multigenerational programming and strengthening the festival’s community reach. Together, we are eager to determine the best path for the future of Bumbershoot.

Financials:

In consideration for the use of the City’s marks and the use of Seattle Center Facilities, NRS will produce the festival annually at Seattle Center at no cost to the City and shall pay the City:

- Reimbursement of direct costs related to the festival,
- A per ticket fee, and
- A percentage of the annual adjusted ticket revenue receipts.

Seattle Center direct expenses will be reimbursed by NRS for the entire term of the agreement; initially, the reimbursed 2023 and 2024 expenses are estimated and budgeted at \$240,000. During the first two years, NRS revenues are expected to equal expenses. Beginning in the second year of the agreement the City will receive an additional \$1 per ticket sold after 60,000 tickets sold and starting in year three will receive \$1 per every ticket sold, plus 10% of adjusted box office receipts after expenses are paid, capped at \$250,000 annually (cap adjusted annually by the CPI). The City will also receive revenues from merchandise sales starting in year 3 at 10% of sales.

Forecasted expense reimbursement/revenues:

2023 & 2024	City Bumbershoot budgeted labor/non-labor revenue/expense	Approx. \$250k annually
	Ticket & merchandise shares	\$0
2025-2029	City Bumbershoot budgeted labor/non-labor revenue/expense	Approx. \$250k-\$270k annually

	City Ticket & merchandise shares	Approx. \$30k-\$50k annually in ticket fee revenue as attendance increases; Anticipated incremental revenue from merchandise sales unknown
2030-2032 (through 2037 if extension is granted)	City Bumbershoot budgeted labor/non-labor revenue/expense	Approx. \$270k-\$290k annually
	City Ticket & merchandise shares	Approx. \$40k-\$60k annually in ticket fee revenue as attendance increases; Anticipated incremental revenue from merchandise sales unknown

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

NRS will ensure a sustainable business model that does not rely on direct City funding for the Festival. NRS is required to remain in good financial standing, carrying no significant debt with the City or other industry partners.

Does this legislation amend the Adopted Budget? Yes No

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?
 City departments outside of Seattle provide certain permits or contracted services to the festival. Such departments include the Seattle Police Department, Seattle Fire Department, and the Seattle Department of Construction and Inspections; in all cases, NRS is responsible for paying the associated costs for these permits or services.

Are there financial costs or other impacts of *not* implementing the legislation?
 While the financial costs of not implementing the legislation are minimal, the return of the Bumbershoot Festival to Seattle’s arts and cultural environment signals the end of the pandemic and is a symbol of hope and encouragement for Seattle and a safe, welcoming, and thriving Seattle of the future.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
 The Seattle Police Department and Seattle Fire Department both provide support services for the festival.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

Arts festivals tend to have a heavy reliance on a workforce that is privileged (such as volunteer program coordinators or unpaid interns) who can use that experience to springboard from unpaid work into paid work within the festivals and events industry. Bumbershoot has a 49-year legacy of developing active members of the creative industry that started as Festival interns, volunteers, and staff. This agreement with NRS and its non-profit partner Third Stone, requires that NRS seek to actively engage BIPOC, LGBTQIA and other marginalized communities via the BumberWorks education, training and workforce development program, with a goal of lowering barriers to that talent pipeline. The 2023 Adopted and 2024 Endorsed Budget includes one-time Payroll Expense Tax funding of \$100,000 to support the startup of this training and workforce development program. In addition, In their agreement with the City, NRS is to make good faith efforts to meet City goals around WMBE businesses.

What is the Language Access plan for any communications to the public?

NRS will meet the requirements surrounding the ADA and alternate forms of communication. This legislation and the attached documents do not require NRS to provide communication in alternate languages.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

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)?

Bumbershoot is not a new initiative, as the festival has been around for 50 years. This new approach in particular supports economic development and revitalization. The long-term measurable goal of the Bumbershoot Festival is the retention of culture in the face of growth and change. Specifically, in Uptown, we are focusing our efforts on the retention of affordable entertainment and education for the celebration of artists, cultural organizations, and culture generally. We will be looking at measuring demographic diversity, long-term retention of cultural spaces, the health of arts organizations, and the frequency of, growth of, and attendance at public music festivals and events. This legislation will provide the tools to support the cultural and entertainment community in striving towards these goals.

With this new vision of Bumbershoot, NRS is committed to provide robust public benefits. NRS and its Sublicensees will center the public benefits associated with the Bumbershoot Mark around four pillars: (1) Education, (2) Community, (3) Accessibility, and (4) Art. NRS will work with the City to identify mutually agreeable free or low-cost access to Bumbershoot-branded programs (i.e., free public programming offerings, early bird ticket sales at reduced costs, etc.).

NRS will engage the community through its BumberWorks education, training and workforce development program, to include entry-level training and internship opportunities for underrepresented youth, advanced training for existing venue employees from underserved communities, and advice and mentorship for venue staff, management and owners. Additionally, NRS commits to uplifting BIPOC, LGBTQIA and other marginalized communities through its BumberWorks program, as well as through its hiring practices and a commitment to presenting diverse programming.

NRS commits to engaging the community via inclusive year-round education programs reaching across the Pacific Northwest; active engagement with community stakeholders, arts organizations, non-profits and underserved communities; and NRS programming will focus on an "Arts First" lens that spotlights and relies on local arts and social justice ecosystems.

NRS will strive toward a goal of 25% or more WMBE businesses contracted for the Festival.