

# KeyArena Redevelopment Project Update

July 26, 2018

Select Committee on Civic Arenas



# City's Objectives (per 2017 MOU)

- Renovate KeyArena into a modern multi-purpose arena to accommodate music, entertainment, sports, and current uses, including meeting NBA, NHL, and WNBA league standards, as well as continuing current uses.
- Integrate with Uptown's Urban Design Framework.
- Include minimal City financial participation in capital development and ongoing operations.
- Address transportation impacts.
- Treat neighbors and impacted workers equitably.
- Contribute to Seattle Center's vibrancy.



# Transaction Documents - Overview

Redevelopment project addressed in the following documents:

1. **Development Agreement** – relating to design and construction
2. **Lease Agreement** – relating to the terms conditions for use & occupancy
3. **Seattle Center Integration Agreement** – providing the framework for integrating the Arena with Seattle Center operations and community needs

Community benefits (endorsed by community and resident organizations) are integrated into transaction documents



# Development Agreement (Design & Construction)

- ~\$700M total budget, funded by OVG via private equity, debt financing and federal historic tax credits. OVG assumes all risk of cost overruns during construction and during operations.
- Turnover currently scheduled for Oct. 15, 2018; estimated opening in Oct. 2020.
- Community Workforce Agreement, Labor Harmony Agreement, Priority Hire, WMBE Inclusion Plan, Prevailing Wages, Apprentices, and Employment to Current Arena Workers.
- \$3.5M OVG investment in public art.
- Construction Impact Mitigation Plan.
- Mandatory Housing Affordability contribution.
- City and OVG financial backstop agreement.



# Development Agreement, Cont.

- Community Benefits (during construction):
  - Full-time Community Liaison to interface between the project and the community (OVG)
  - \$225K to Uptown Alliance to build organizational capacity (OVG)
  - Joint sponsorship of events promoting small businesses and community arts & culture (OVG)
  - Ombudsperson to coordinate and work in partnership with community and resident organizations on initiatives to support small businesses during construction (City)





# Lease Agreement (Operations & Maintenance)

- OVG assumes all costs for operations and maintenance
- Initial Term: 39 years. Renewals: two, 8-year options (total of 55 years)
- Key financial terms:
  - OVG's annual rent ~\$2.8M, adjusted by CPI; reflects current average net revenue from KeyArena, 1st Ave North garage and campus sponsorships.
  - OVG reimburses City if tax revenues fall below ~\$2.24M, adjusted for CPI.
  - City receives a portion of "upside revenue" from City garages, campus sponsorship and increases in all taxes except admissions, above current levels (i.e., 25% in the first 10 years and 50% thereafter).
  - OVG invests \$68M in capital improvements during the initial term, + \$50M during the 21<sup>st</sup> thru 30<sup>th</sup> years, and \$50M during the 31<sup>st</sup> thru 47<sup>th</sup> years (\$168M total). \$50M investment required before each lease term extension approval.
  - OVG pays \$40M into a Transportation Fund over 39 years, administered by City.
  - OVG pays \$2M to relocate Skatepark and campus maintenance facility (\$1.5M), and other tenants (\$500k).



# Lease Agreement, Cont.

## Community Benefits:

- OVG ensures Arena plazas are active and engaging for the community
- Labor Harmony Agreement has been executed
- A 'Giving Council' is created to administer a \$20M Community Fund, \$10M of which is dedicated to YouthCare (homeless youth)
- Up to 14 rent-free days at Arena reserved for community events
- OVG provides a full-time Community Liaison for duration of lease term



# Integration Agreement

- **Parking Operations**

- Coordination and operation of parking garages
- Collaborative allocation of parking spaces available to resident organizations for bundled parking/event tickets and pre-paid parking in City garages
- Mutual interest in use of shared or compatible parking technology

- **Operations**

- Booking events
- Terms of use of Arena plazas and Seattle Center campus for each other's events
- Traffic control on event days and vehicle curbside management
- Coordination with the Monorail





# Integration Agreement - continued

- **Campus Sponsorship –**

- OVG is exclusive sales representative for Seattle Center campus, subject to SC Director's approval
- Seattle Center tenants and events retain rights to have their own sponsorships

- **Marketing & Co-promotion**

- **Security & Emergency Management**

- **Community Benefits:**

- OVG wayfinding enhances connectivity to, from and within Seattle Center and incorporates the arts
- City and OVG will staff regular Community Coordination meetings to facilitate communication between the community, resident organizations, and other neighbors



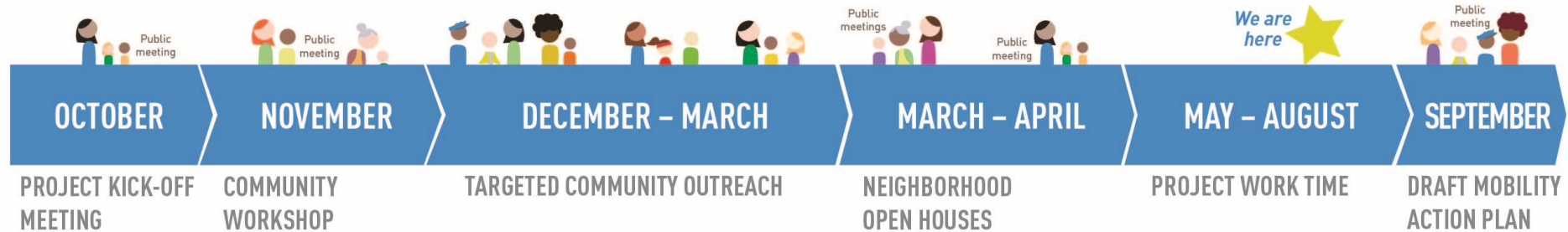
# Transportation Roadmap

Process	EIS	MUP/SIP	NODO MAP
Definition	Recommends mitigation to address environmental impacts, which are identified during the SEPA process. Mitigation must be directly related to impacts identified	Project must meet land use code and street use code requirements. Can apply conditions that will further reduce impacts identified in SEPA process	Prioritizes multimodal mobility solutions for north downtown neighborhoods. Projects do not require nexus with EIS impacts
Specific to SC Arena?	Yes	Yes	No
Sample Actions/Projects	<ul style="list-style-type: none"> <li>Physical improvements near the arena</li> <li>Arena Access Management Plan (AAMP)</li> </ul>	<ul style="list-style-type: none"> <li>Street improvements adjacent to project site</li> <li>Street tree replacement</li> <li>Utility relocations</li> </ul>	<ul style="list-style-type: none"> <li>Denny Way adaptive signals</li> <li>Transit speed and reliability improvements</li> <li>Pedestrian crossing improvements</li> <li>Complete bike connections</li> <li>Monorail station improvements</li> </ul>
Expected Completion	FEIS target: Aug 30, 2018	Phased, Q4 2018 - Q3 2020	Sept 2018 Draft with cost estimates and funding source assessments

# NODO MAP Outreach

2017

2018



## Project ideas supported by community

- Transit speed and reliability
- Denny Way adaptive signals
- New and upgraded signals in North Downtown
- Unsignalized intersection improvements
- Monorail improvements
- Wayfinding
- Pedestrian-scale lighting
- Parking zone changes in Uptown
- Mobility hubs at key NODO locations
- Protected bike lane connections east and west of Seattle Center

# Monorail Management History

- 1962:** Privately built and operated during 1962 World's Fair; carries 8 million passengers during 6 month World's Fair
  - Public/private partnership from beginning
- 1965:** Monorail purchased by City after World's Fair
  - Monorail operated by Seattle Transit, King County Metro, City of Seattle
- 1994:** Following competitive process, City Council approves agreement with SMS JV to operate Monorail
- 2014:** Following competitive process, City Council approves a renegotiated 10-year agreement with SMS to operate Monorail

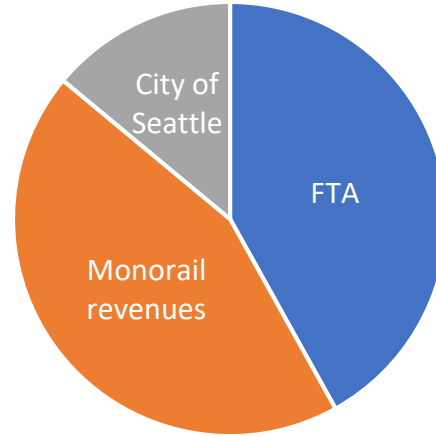


# Monorail Capital Funding and Revenue

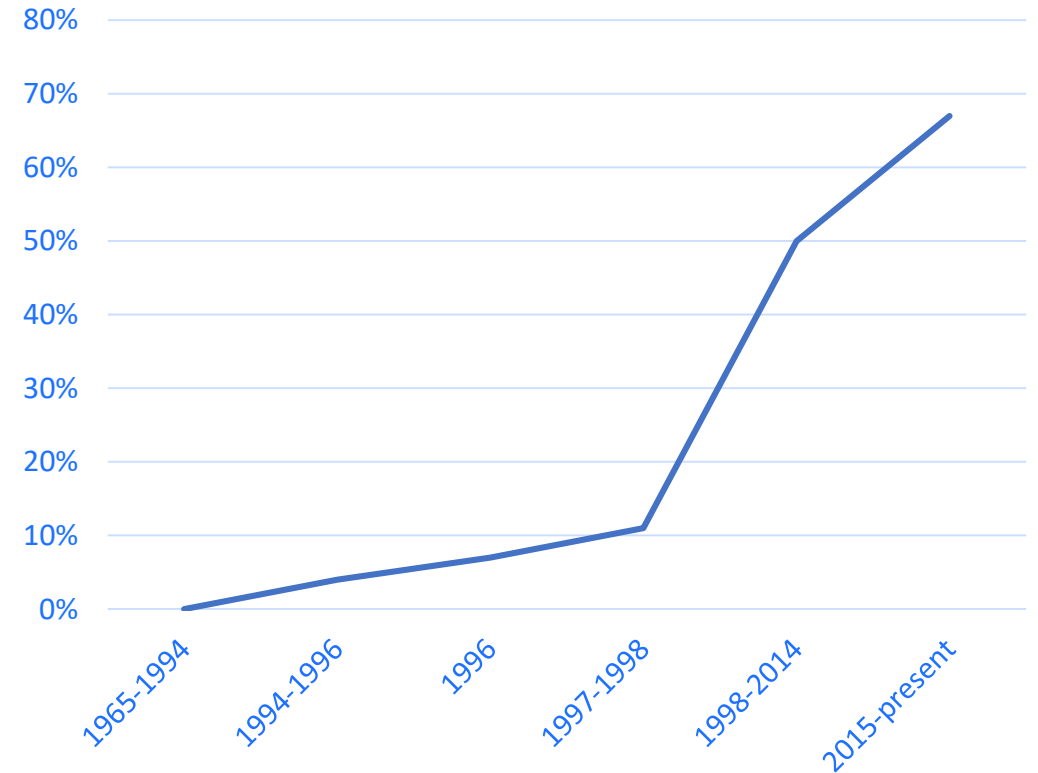
## Capital Funding Sources

- FTA: \$9.6M
- Monorail revenues: \$10.1M
  - Insurance \$8.4M
  - IRA (rider fares) \$1.6M
  - IMA (rider fares) \$0.1M
- City of Seattle: \$3.2M
  - LTGO Bonds \$5.2M\*, less \$2.6M repaid by FTA grant funds
  - City CRS-Unrestricted \$0.5M
  - Vehicle License Fees \$0.1M

\$23M invested 1995-2018:

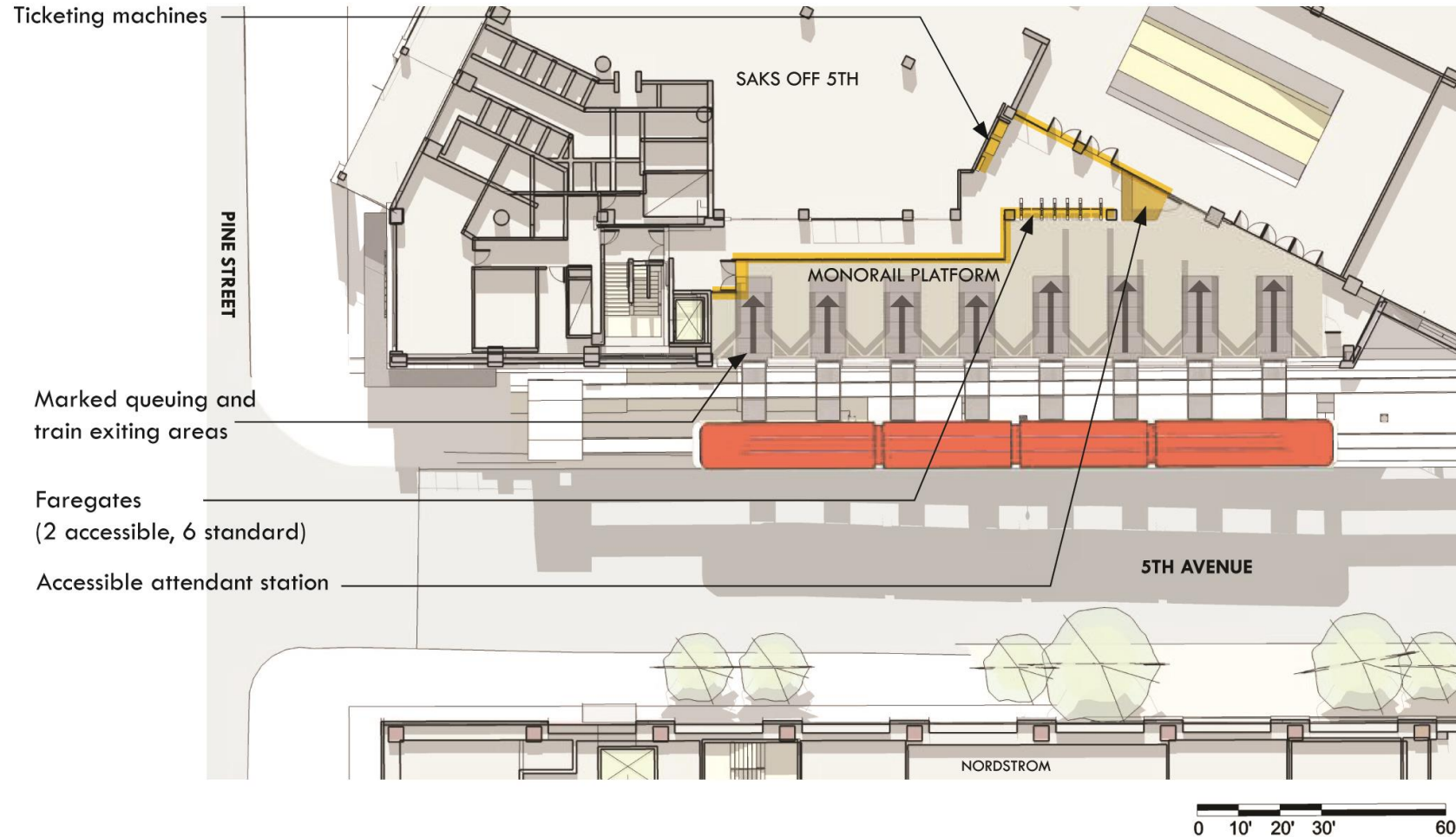


City share of net revenue over time



\* Bonds issued for a one-time catch-up on deferred major maintenance following FTA funding gap due to Seattle Monorail Project initiative

# Monorail Westlake Station Phase 1



Completion:	2020
Phase 1 capital costs:	
Westlake station	\$3.85M
Seattle Center station*	\$3.1M
<b>TOTAL:</b>	<b>\$7M</b>

\*Could be phased



# Tenant Relocations

- **Pottery Northwest**

- Remain in Bressi Garage through construction, pending confirmation from OVG's selected contractor

- **Skatepark**

- Executive and Council staff worked with the local skateboarding community to evaluate sites for a new skatepark on City-owned property
- A feasibility report was prepared analyzing three sites, including portions of the Seattle Center Broad Street Green, Lake Union Park, and unused right-of-way across from the Museum of Pop Culture

- **Blue Spruce Tenants**

- Four Blue Spruce tenants relocated to Armory and KCTS building



# Next Steps - 2018 Timeline

- **Aug 10:** Select Committee or Central Staff Director briefings
- **Aug 30:** FEIS Issued
- **Sept 7:** Select Committee
- **Sept 14:** Select Committee; possible vote
- **Sept 17:** Full Council Action
- **Oct 5:** Final public event at KeyArena (NBA preseason game)
- **Oct 15:** KeyArena turned over to OVG

*Note: Above dates are subject to change*



# Landmark Designation

HISTORIC PRESERVATION

7/26/2018

Department of Neighborhoods & Seattle Center



City of Seattle

# Designation Standards

The building, object, or site must be at least 25 years old and meet at least one of the six standards for designation outlined in the Seattle Landmarks Preservation Ordinance ([SMC 25.12.350](#)):

- a) Location of, or is associated in a significant way with, a historic event with a significant effect upon the community, City, state, or nation; or
- b) Associated in a significant way with the life of a person important in the history of the City, state, or nation; or
- c) Associated in a significant way with a significant aspect of the cultural, political, or economic heritage of the community, City, state or nation; or
- d) Embodies the distinctive visible characteristics of an architectural style, or period, or a method of construction; or
- e) Is an outstanding work of a designer or builder; or
- f) Because of its prominence of spatial location, contrasts of siting, age, or scale, it is an easily identifiable visual feature of its neighborhood or the city and contributes to the distinctive quality or identity of such neighborhood or the City.

In addition to meeting at least one of the above standards, the object, site, or improvement must also possess integrity or the ability to convey its significance.





# Century 21 Coliseum / KeyArena

**305 Harrison Street  
(334 1<sup>st</sup> Avenue N.)**

Designation: August 2, 2017

Standards: A,B,C,D,E and F

Controlled features: the site  
and exterior of the arena  
building

Date Built: 1962

Architect: Paul Thiry

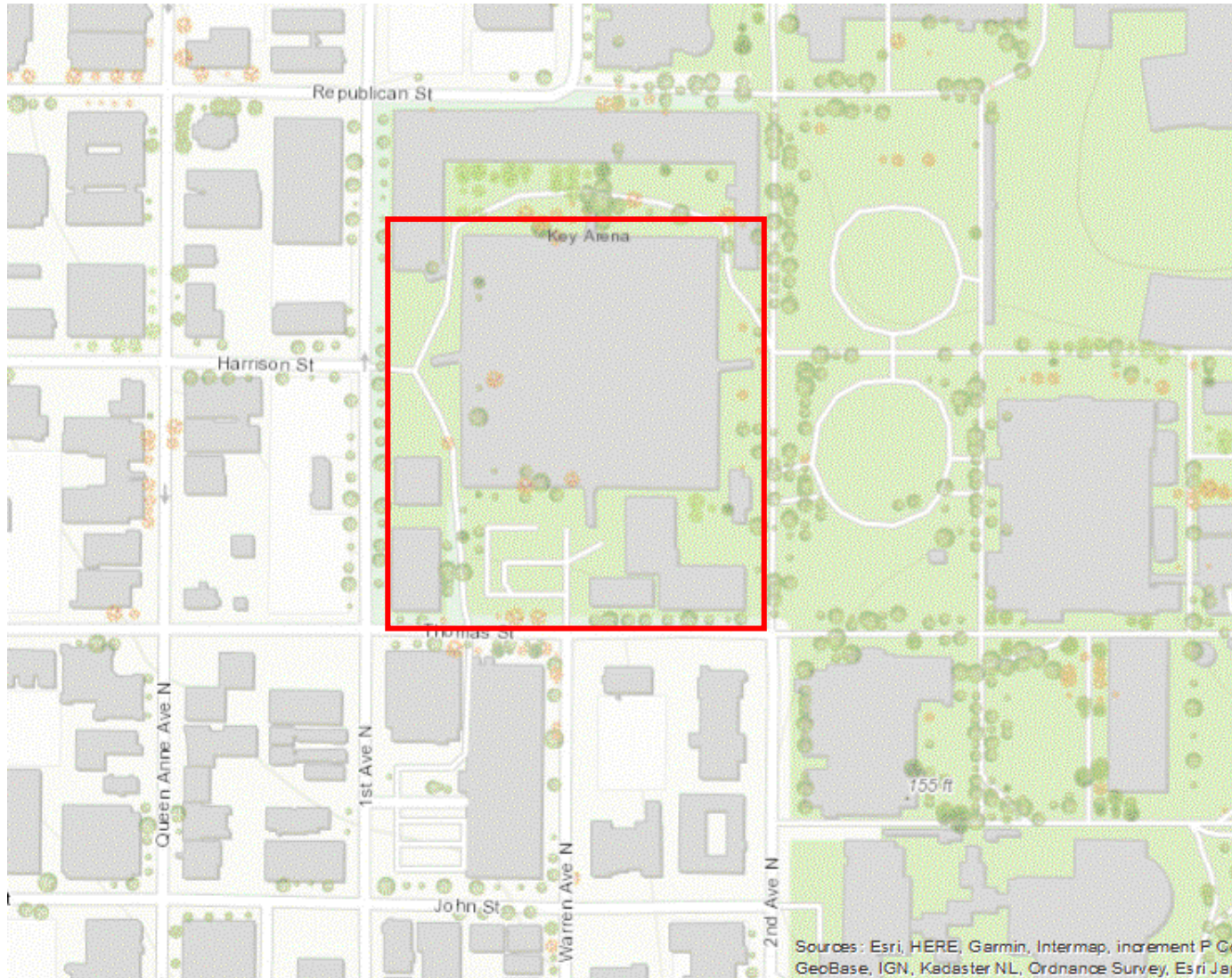
Structural Engineer:  
Peter Hostmark & Associates



Contemporary photo, 2017



Historic photo, undated





# Bressi Garage

226-232 1<sup>st</sup> Avenue North

Designation: August 2, 2017

Standards: C and D

Controlled features:  
the exteriors of the two  
garage buildings and the  
interior roof decking and  
trusses

Date Built: 1923

Architect/Builder:  
Morse Heinemann



Contemporary photo, 2017



Historic photo, 1936

