

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Seattle Center	Ellen Norton	Alan Lee

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the Seattle Center Department; authorizing execution of a license agreement with Theater Puget Sound to manage and operate space in the Seattle Center Armory for use by non-profit arts organizations and individual artists.

**Summary and Background of the Legislation:** This legislation authorizes the Seattle Center Director to execute a License Agreement (“Agreement”) between the City of Seattle and Theatre Puget Sound (“TPS”) for TPS to operate and manage the affordable rental of space within the Seattle Center Armory for use by non-profit theatrical arts organizations and individual artists for rehearsal, performance, storage, meeting, shop, and marketing purposes. The Agreement provides a continuation of a program and relationship with TPS that has existed since 1998.

Previous agreements, in which TPS and Seattle Center shared revenue earned in a 50/50 split, became unsustainable for TPS as costs associated with staffing and operations have risen over time. TPS was in danger of closing its doors permanently. This agreement includes terms that will create more financial sustainability for TPS and maintain the existence of the Space4Arts program.

- TPS may deduct operational costs directly associated with the management of the Space4Arts program from the earned revenue prior to calculating Seattle Center’s 50% share. Operational costs are capped so as not to exceed an annual threshold and must be reported to Seattle Center in detail semiannually and approved by the Director. Revenue projections for Space4Arts show that this change will result in Seattle Center’s share of revenue falling below budgeted projections in year one and two of the agreement but will exceed projections by year three and potentially achieve twice the amount projected by year five.
- The agreement allows TPS to raise funds and apply for grants for the purpose of making improvements to the premises which will result in increased revenue. TPS has been awarded a \$230,000.00 grant from 4Culture for improvements to Center Theatre and plans to make these improvements in year one of the License Agreement.

- TPS may modify fee schedules up to two times per year to maximize revenue. Fees must always remain under at least 90% of market rates. Fee schedules must be approved by Seattle Center.
- The agreement allows for additional space to be added to the Space4Arts program should it become available which would increase revenue via this program to TPS and Seattle Center.
- This agreement also has a five-year term with one option for an additional five years, allowing for longer-term planning and job security for experienced staff who operate the facilities and the rental program.

## 2. CAPITAL IMPROVEMENT PROGRAM

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

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☒ Yes ☐ No

Expenditure Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Expenditure Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.

Revenue Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Revenue Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
	-40,000	-20,000	40,000	80,000	100,000

Number of Positions	2025	2026 est.	2027 est.	2028 est.	2029 est.
Total FTE Change	2025	2026 est.	2027 est.	2028 est.	2029 est.

### 3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

### 3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from This Legislation:**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2025 Revenue</b>	<b>2026 Estimated Revenue</b>
11410 - Seattle Center Fund	SC	External Revenue	-40,000	-20,000
11410 - Seattle Center Fund	SC	Fund Balance	40,000	20,000
<b>TOTAL</b>			<b>\$0</b>	<b>\$0</b>

**Revenue/Reimbursement Notes:**

**3.c. Positions**

☐ This legislation adds, changes, or deletes positions.

**3.d. Other Impacts**

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

Theatre Puget Sound has been awarded a \$230,000.00 Facilities Grant by 4Culture to make improvements to the Center Theatre complex located in the Armory. These improvements will allow both the main theatre and the smaller black box theatre to operate at the same time. This will increase revenue from Center Theatre for both TPS and Seattle Center. This new agreement will ensure that these funds can be spent on this upgrade to Center Theatre,

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

-Theatre Puget Sound would not be able to accept the 4Culture grant funds for improvements to Center Theatre.

-Seattle Center would have to either suspend the Spac4Arts program or assign Seattle Center staff to keep it operating without interruption. We currently do not have budget, infrastructure or staff to run this program so additional staff positions and systems would have to be added.

#### 4. OTHER IMPLICATIONS

- a. Please describe how this legislation may affect any departments besides the originating department.**

No impacts are anticipated.

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

The legislation includes properties already included in an existing agreement.

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

This legislation will allow for the continuation of a program that directly impacts small non-profit arts organizations that includes a diverse and inclusive community.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

- iii. What is the Language Access Plan for any communications to the public?**

- d. Climate Change Implications**

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

This legislation is not expected to have an impact on carbon emissions.

- ii. 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.**

This legislation is not expected to impact climate change resiliency.

- e. 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)? What mechanisms will be used to measure progress towards meeting those goals?**

## 5. CHECKLIST

- ☐ Is a public hearing required?
- ☐ Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?
- ☐ If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?
- ☐ Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?

## 6. ATTACHMENTS

**Summary Attachments:** None.