



**PARKS, SEATTLE CENTER, LIBRARIES & WATERFRONT COMMITTEE BRIEF
MAY 19, 2017**

SEATTLE STORM KEYARENA FACILITY USE AGREEMENT

Background:

YEAR	SEATTLE STORM
1996	Seattle Reign, of the Amercian Basketball League, began playing at Seattle Center in the Mercer Arena
2000	Seattle Storm played their inaugural season in KeyArena
2004	Seattle Storm win the WNBA Championship
2008	Force 10 Hoops, LLC ("F10H"), a locally owned company, purchased the Women's Basketball Club of Seattle and the Seattle Storm from the owners of the Seattle Supersonics
2008	Resolution 31039 regarding women's professional basketball affirmed the value of a locally owned, women's professional basketball team to Seattle's social and economic environment and provided guidance for facility use agreement negotiations
2009	Ordinance 122907 authorized execution of a ten-year facility use agreement and exempted the agreement from the requirements of SMC 20.47
2010	Seattle Storm win the WNBA Championship
2017	Seattle releases a Request for Proposal for redevelopment of KeyArena

Legislation Summary:

- The new agreement terminates and replaces the 2009 Facility Use Agreement and outlines the terms and conditions under which the Seattle Storm would play in KeyArena, or a redeveloped new arena, from execution of the agreement through December 31, 2028.
- The legislation continues to exempt the Seattle Storm agreement from the requirements of SMC 20.47, noting that the Storm's obligations under the agreement provide sufficient and fair value to the City.
- The Storm will provide the following public benefits:

Public Benefit	Number
Tickets provided to local non-profits for distribution to children who might otherwise be unable to afford to attend a Storm game	1,000/season
Tickets priced no greater than \$15 to ensure a broad cross-section of the community can attend games	500/game
Community service program like teaching the importance of healthy active lifestyles, or partnering with non-profits to improve literacy, involving players, coaches and the WNBA	1/season
Provision of an environmental sustainability program to educate the public about ways to contribute to a healthier environment	1/season

Agreement Terms Continued From Prior Facility Use Agreement:

- *Rent:* \$5,715/game (Lower Bowl), \$8,115/game (Full Building), indexed to COLA
- *Revenue Sharing:* Recognizing the Storm's presence in KeyArena enhances sponsorship and premium seating revenues for the City, F10H receives \$340,198/year, indexed for inflation, and the City retains these revenue sources.
- *Advertising:* City retains the right to sell advertising and retains the revenue, at games F10H may sell advertising in the lower bowl and retain the revenue.
- *Basketball Floor:* City provides, F10H pays for maintenance.
- *Novelties:* F10H has the exclusive right to sell novelties at Storm games.
- *Concessions:* F10H receives 30% of revenues from concessions sold at Storm games.
- *Parking:* F10H receives 500 parking permits annually in the First Avenue North Garage for use during their games.
- *Suites:* One suite is provided for all KeyArena events, a south end club suite is provided for all games and, if there are unleased suites, a second suite will be provided for Storm games.
- *Staffing:* F10H provides technical staff like television, ring signage, video, and scoreboard operators and box office/game officials and City provides facility staff like laborers, engineers, and admissions personnel.

New Facility Use Agreement Terms:

- *IT Coordination:* An information technology (IT) liaison will be provided to coordinate IT issues between KeyArena systems and F10H's systems.
- *Bumbershoot:* The City reserves the right to use KeyArena for the Bumbershoot Festival on Labor Day weekend. Every four years, due to the Women's World Championships and their impact on the WNBA schedule, scheduling around the Bumbershoot Festival may not be possible. If, even with the best efforts of both parties, F10H must relocate a game(s) to another venue, the City will pay F10H for additional costs incurred and lost revenues, up to a maximum of \$260,000 per game.
- *Redevelopment Impact:* While redevelopment of KeyArena is expected to be beneficial for the Storm, reservation of redevelopment rights and F10H's loss of ability to enter long-term revenue generating agreements, like advertising and sponsorship agreements, may have negative financial impacts on the Storm. As consideration for these impacts, the City will pay F10H \$100,000 per year, beginning in 2018.
- *Game Relocation:* If KeyArena is redeveloped and the Storm need to relocate to another facility, the City will pay F10H a percentage of additional costs incurred and lost revenues, up to a maximum amount for regular games. That maximum is \$260,000/game for 1-10 games or \$2.6 million for 11 games up to an entire season. If an entire season is played in another location, playoff games will be paid at \$50,000 for round 1 and 2 games and \$60,000 per game for round 3 and 4 games.