

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Center	Barb DeGroot / Gretchen Lenihan	Alan Lee

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to facilities at Seattle Center; adopting the Seattle Center Fee Range Schedule and Terms and Conditions from which the Seattle Center Director is authorized to set fees for use of Seattle Center facilities and property; and superseding previous Seattle Center fee schedules and terms and conditions.

Summary and Background of the Legislation: Seattle Center regularly adjusts various facility fees and facility charges for its commercial event facilities. The fees for events are structured within ranges, identified in the Seattle Center Fee Range Schedule. Additional factors in Seattle Center’s current operating environment include:

- In the last two years, the Puget Sound region has seen several new or re-purposed outdoor concert and event sites open within easy distance of Seattle, with capacities that meet and sometimes exceed the capacity of Seattle Center’s typical outdoor venues and create significant competition for Seattle Center’s regular large event clients.
- It is anticipated that construction of the new Memorial Stadium will begin during the 2025-26 biennium and is expected to impact most major event activity on the campus throughout the process.
- Programmatically, Seattle Center continues to prioritize events that support the Downtown Activation Plan and generate steady business for Seattle Center’s most critical revenue generators (parking and Armory). In the 2025-26 biennium, Seattle Center anticipates additional layers of opportunity and complexity to impact local event producers with Citywide preparation for hosting a part of the FIFA World Cup in 2026. These needs will have to be balanced with the realities of resource availability.

Seattle Center is a hub of community and commercial event activity, and as such has an important role to play in creating clear communication, steadiness and predictability for event producers in our community. The desired changes outlined in this legislation are intended to provide Seattle Center with some of the tools required in the next biennium to remain a competitive and attractive event facility in the face of our current and near-future operating environment.

Facility Fee Update

This legislation updates the facility use fees for event facilities. The existing event fee ranges provide the Director with discretion to raise or lower fees if the current event market supports the change. When the Director becomes aware of market factors that will allow facility rental rates to be raised and still be competitive, a new rate schedule may be published. Alternatively, if economic conditions change for the worse, or if research indicates that a target client group is not

being attracted, the Director may revise the rate schedule to lower fees within the adopted ranges to attract and retain business. The proposed fee changes are an increase in the Maximum and certain Minimum fees for use of certain Seattle Center Campus Facilities and for Marion Oliver McCaw Hall, and an option for the Exhibition Hall and Fisher Pavilion to have use fee ranges for spectator events that include a percentage of net gross sales in lieu of an event day fee.

Terms and Conditions for Events Update

In the last two years, and as planned for coming years, Seattle Center has worked with a strategy of building up certain multi-day and temporary long-term commercial event partnerships in order to help anchor seasonal programming and support regular event traffic, beyond the large community festivals produced and co-produced by Seattle Center.

- The one proposed change for Section 1 of this attachment is to allow the Director authority to approve event contracts with terms up to three years instead of two without CBO review. This allows Seattle Center to secure and stabilize agreements with event clients who may be impacted by World Cup or construction activities, ensuring a certain baseline of event activity for 2027.
- Two proposed changes to Section 4 of this attachment:
 - Update the name of Seattle Center’s public programming unit from “Seattle Center Productions” to “Seattle Center Public Programs” in response to the reorganization of 2020, which brought the Seattle Center Productions and Campus Sales & Service teams into a single Seattle Center Programs & Events division. The new language better describes the specific work units and programs involved in this section.
 - Update the threshold of financial support requiring the City Budget Director’s approval from \$25,000 to \$75,000. This threshold has remained stagnant in the Terms and Conditions for over 20 years, and given inflation and market forces, is well overdue for adjustment.

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

3.b. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2024 Revenue	2025 Estimated Revenue
Seattle Center McCaw Hall Fund 11430	Seattle Center	Facility Fees	See note	See note
Seattle Center Campus Fund 11410	Seattle Center	Facility Fees	See note	See note
TOTAL				

Revenue/Reimbursement Notes:

This legislation increases certain minimum and maximum facility fees that can be charged clients for use of Campus facilities or McCaw Hall. Previous legislation established the authorized range of fees charged in facilities at Seattle Center. Annual revenue estimates are based on the estimated number of events held in facilities, ticket prices for events for which the facility fee is the greater of a percentage of sales or the minimum use fee, and the event ticket prices. The annual impact of just the minimum/maximum fee increases is not isolated in the revenue estimates.

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.

This legislation does not have cost implications for the City. The requested changes allow Seattle Center to adequately adjust facility use fees to cover direct costs associated with events.

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.

N/A

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

Not implementing the legislation would restrict Seattle Center’s ability to efficiently cover direct costs associated with events via facility use fees – and would restrict Seattle Center’s opportunity to reasonably maximize its revenue from commercial event activity. Not implementing this legislation also reduces Seattle Center’s ability proactively to stabilize event activity in 2027 ahead of anticipated disruptions in 2025-2026 caused by World Cup and construction activities.

4. OTHER IMPLICATIONS

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

No other departments are affected.

- 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.**

No.

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

Fee adjustments may have an impact on affordability, access, and diversity in terms of attendance at commercial (ticketed) and third-party events/rentals. Public programming (free and non-ticketed) events are not impacted.

- 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.**

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

N/A

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

Communications with Seattle Center event clients are modified as necessary to ensure accessibility by clients.

- 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.**

N/A

- 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.**

No

- 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?**

This legislation does not include a new initiative or major programmatic expansion.

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.