

TODAY'S AGENDA

- City and Aquarium Partnership and History
- Ocean Pavilion Project Summary
- Overview of Proposed Legislation
- **Next Steps**

2022-08-11

CITY AND AQUARIUM PARTNERSHIP

- Long-standing partnership between Seattle Parks & Recreation and Seattle Aquarium Society (SEAS); SEAS operates and maintains the City's Aquarium as a public asset
- Collaborative design for expansion to increase visitation, expand marine conservation and provide additional public park space complementing the Waterfront Seattle vision
- Aligned construction schedules to maximize efficiency, reduce disruption



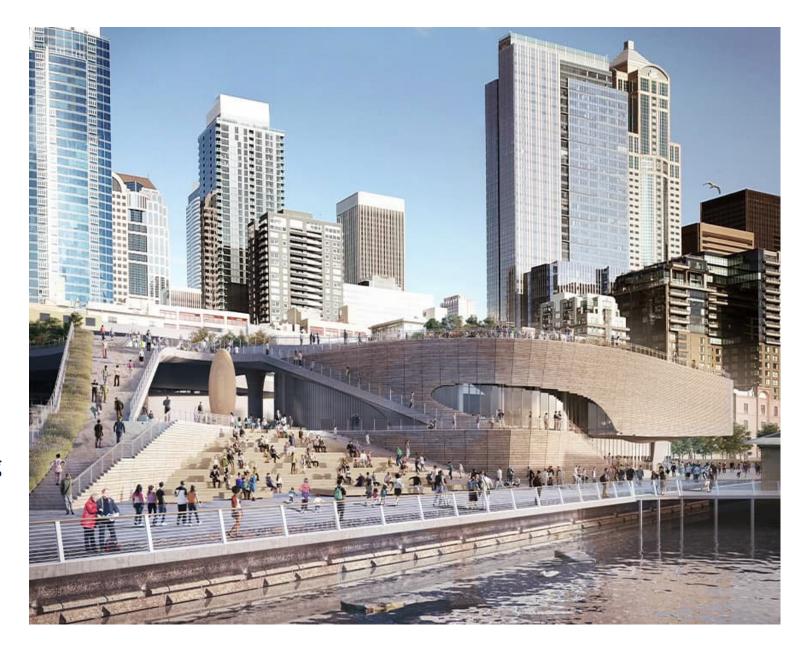
2022-08-11

CITY AND AQUARIUM PARTNERSHIP

Year	Action	Purpose
2009	Ordinance 123205	 Authorized transition of Aquarium operations and maintenance from Seattle Parks and Recreation (SPR) to Seattle Aquarium Society (SEAS)
2012	Resolution 31399	Encouraged partnerships with Pike Place Market and Aquarium to integrate expansions into Waterfront Concept Design
2013	Ordinance 124121	 Authorized execution of MOU to guide renovation and expansion of Seattle Aquarium between City and SEAS
2015	Ordinance 124908	Amended MOU to increase City spending cap from \$1 million to \$1.8 million
2015	Resolution 31603	 Approved SEAS Master Plan and on-land Aquarium expansion (as an alternative to then- planned in-water expansion)
2017	Ordinance 125422	Amended MOU to support Aquarium advancement of Ocean Pavilion through schematic design
2018	Ordinance 125630	 Replaced previous MOUs; increased maximum design funding to \$4.7M for further design of the Ocean Pavilion. Set forth conditions of a future Project Development Agreement
2019	Ordinance 126015	Construction Funding agreement confirming terms for City funding, process and requirements for advancing Ocean Pavilion into construction

Project Overview

- \$160M total project cost; \$34M
 City funding
- Public park roof, stair and elevator connections to Pike Place Market (via City's Overlook Walk)
- Current \$20M short-term funding need:
 - Project cost increases
 - Private fundraising, other public sector commitments slower during COVID
 - SEAS, as a non-profit entity, does not have necessary private borrowing capacity





2022-08-11

Today's Proposed Legislation

SPR Aquarium Expansion OMA & Funding Agreement Ordinance:

- Amends existing Operation and Management Agreement and Funding Agreement
- Establishes a new Enhanced Facility Fee

SPR Aquarium Expansion Interfund Loan Ordinance:

 Authorizes Interfund Loan for \$20 million* and provides \$20 million in 2022 appropriation authority for the Seattle Parks and Recreation "Aquarium Expansion" (Ocean Pavilion) CIP Project.

^{*}Interfund Loan approved by Debt Management Policy Advisory Committee on 7/20/2022

Key Terms of Funding Agreement

Provides \$20 million in additional project funding from the City in 2022 and establishes an Enhanced Facility Fee for SEAS

- Interfund Loan for 2022 costs, bridge financing to a 2023 Bond Issuance.
- Enhanced Facility Fee (EF Fee) established for the Ocean Pavilion through the existing SEAS/Parks Operations and Management Agreement (OMA), expiring in 2030.
- EF Fee payable to Seattle Parks and Recreation, from SEAS, monthly beginning in 2023.

Risk Management

- Requires SEAS commit a portion of their existing operating reserve to the Ocean Pavilion Project to assist with cash flow in 2022 and 2023, prior to drawing on additional \$20 million.
- Legislation requires EF Fee Reserve equaling one year of the fee (~\$3.5-\$4.5M), held by the City or third party.
- Establish Corrective Action Plan for missed EF Fee payment and/or use of EF Fee Reserve.
- In the case of the EF Fee Reserve depletion, use annual funding provided by Municipal Parks District, to SEAS, for EF Fee payment.
- Amendments establish mutual expectation that SEAS is solely responsible for all remaining funding.

Next Steps

- If approved, the proposed \$20 million increase in support for the Ocean Pavilion will include the following legislation and processes:
 - Proposed Legislation (2022):
 - Amend Ocean Pavilion Funding Agreement and the SPR/SEAS OMA (through 2030)
 - Create Interfund Loan, 2023 LTGO Bond Fund, and amend 2022 Adopted Budget and 2022-2027
 CIP and Aquarium Expansion CIP Project
 - Subsequent Legislation -- 2023-2028 Proposed Budget and CIP will include:
 - \$20 million in bonds authorization to repay Interfund Loan
 - Appropriates Debt Service on bonds through Parks and Recreation fund, recognizes EF Fee revenue into Parks and Recreation Fund.
 - Issue \$20 million in bonds for Aquarium Expansion in Spring of 2023
 - Issue approximately \$3.5-4.5 million in bonds for EF Fee in Spring of 2023