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Budget Action Title: Impose a budget proviso on \$200,000 GSF in Finance General for Mercer

Arena

Has CIP Amendment: No Has Budget Proviso: Yes

Councilmembers: Burgess; Godden; Licata

Staff Analyst: Patricia Lee

Council Bill or Resolution:

Date		Total	SB	ВН	JO	TR	NL	TB	JG	МО	KS
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

The Mayor's 2016 Proposed Budget includes \$200,000 in Finance General Reserves for the Seattle Opera (Opera). The Mayor has also transmitted Resolution 31628 outlining the City's intent to provide an additional \$4.8 million in the 2017-2018 biennial budget for a total City investment of \$5 million. The Resolution will be discussed with budget legislation.

This green sheet would impose the following budget proviso:

"None of the money appropriated in the Finance General Reserves BCL for the Seattle Opera may be spent until authorized by future ordinance. Council anticipates that such authority will not be granted until the Executive provides Council with information on how the funding will be used for enhancements beyond what is required in the City's current lease with the Seattle Opera, and a contract for public benefits."

<u>Background.</u> In 2008, the Opera and the City entered a 30-year Mercer Arena Ground Lease (Lease). Under the Lease the Opera is to replace or renovate the existing Mercer Arena. The Opera intends to use the space

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to consolidate their offices; and to provide technical support and rehearsal space. The \$200,000 will allow the Opera to explore development alternatives and to complete initial design work.

Given that the City currently has a Lease with the Opera, with obligations under the Lease by both parties, any new City funding must be used to enhance the redevelopment of the Mercer Arena in a manner that exceeds the Opera's redevelopment obligations under the existing Lease.