

February 25, 2021

## MEMORANDUM

**To:** Finance and Housing Committee  
**From:** Brian Goodnight, Analyst  
**Subject:** Council Bill 120006: 2021 LTGO Bond Ordinance Revision for Seattle Center Signage Project

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On March 2, 2021, the Finance and Housing Committee will discuss and possibly vote on Council Bill (CB) 120006, proposed legislation that would authorize amending the 2021 multipurpose limited tax general obligation (LTGO) bond ordinance to include \$8 million of financing for a Seattle Center signage upgrade project. This memorandum provides background information on prior related Council actions, summarizes the financial terms for funding the signage project, and provides a brief project description.

### Background

#### LTGO Bond Ordinance

On November 23, 2020, along with related budget legislation, the Council passed [Ordinance 126219](#) authorizing the issuance and sale of LTGO bonds to pay all or part of the costs of various elements of the City's capital improvement program (LTGO Bond Ordinance). As approved, the legislation authorized the sale of up to \$212.7 million in bonds to support 13 projects and the costs associated with issuing the debt. The 13 projects are listed in Exhibit A to the ordinance. The Finance and Administrative Services Department is currently working on the process for issuing the bonds with the sale tentatively scheduled to occur in early May.

#### City's Relationship with Seattle Arena Company

In January 2017, the City released a Request for Proposals for the redevelopment of KeyArena. After receiving and evaluating proposals, the City selected Oak View Group; and in December 2017, the Council passed [Ordinance 125480](#) authorizing a Memorandum of Understanding (MOU) with Oak View Group. Following the execution of the MOU, Oak View Group and its partners formed Seattle Arena Company (ArenaCo) as the entity that would redevelop, lease, and operate the Arena. In September 2018, the Council passed [Ordinance 125669](#), authorizing a series of agreements with ArenaCo for the redevelopment project.

### Signage Project Financing

Seattle Center has reached tentative terms with ArenaCo on a new cost-sharing agreement for a comprehensive signage project on Seattle Center's campus, outside of the footprint leased by ArenaCo for Climate Pledge Arena. The estimated cost of the project is \$8 million, which is proposed to be funded with taxable LTGO bonds with a 10-year term, resulting in annual debt service of approximately \$900,000 beginning in 2022. Under the tentative agreement terms,

ArenaCo will pay for 75 percent of the project's debt service and Seattle Center will be responsible for the remaining 25 percent.

Seattle Center's portion of the debt service, approximately \$225,000 annually, is anticipated to be covered by new campus sponsorship revenue above what Seattle Center had previously forecasted for 2022 and beyond. Based on the sponsorship commitments that ArenaCo has already obtained and updated forecasts, Seattle Center now expects its portion of campus sponsorship revenue to average slightly above \$1.5 million per year over the next ten years, which is \$200,000 – \$300,000 above previous expectations. Additionally, if the City's share of campus sponsorship revenues in a given year is not sufficient to cover its portion of the debt service payment, ArenaCo will agree to temporarily cover the City's remaining portion until Seattle Center is able to repay those funds.

In order to formalize the financial terms for the signage project, the City and ArenaCo will need to enter into a new agreement, known as the Signage Implementation Agreement. The agreement, which is currently being drafted, will detail each party's responsibilities with respect to developing and financing the signage project. The agreement will not require separate Council approval because Council granted the Executive the authority to enter into this type of agreement previously via Ordinance 125669. Seattle Center intends, however, to request additional appropriation authority from the Council as part of the 2021 Second Quarter Supplemental Budget package to be able to spend the bond proceeds to purchase and install the signage improvements.

### **Signage Project Description**

The signage project involves replacing or upgrading existing signage and the addition of new electronic signage with the goal of creating a comprehensive signage infrastructure on campus that is consistent with the signage program for Climate Pledge Arena. The campus's existing electronic signage is over ten years old and has reached the end of its useful life. Additionally, much of the existing signage on the interior of the campus is analog (e.g., posters, banners, sandwich boards, etc.) that are not as flexible or easy to change as electronic signage.

In addition to installing the electrical distribution and conduit infrastructure necessary for the new signage, the project intends to install or upgrade the following types of signs:

- Art walk displays;
- Campus readerboards;
- Digital pole banners;
- Digital poster;
- Facility readerboards;
- Information kiosks;
- Parking garage signage; and
- Wayfinding pylons.

The new signage will be owned by the City and will be installed on property owned or controlled by the City. Attachment 1 to this memorandum includes a map of the intended locations for the new signage. The signage will be used for both commercial (e.g., sponsor recognition, information about ticketed events) and non-commercial (e.g., wayfinding, event promotion for resident organizations) purposes.

Seattle Center intends for the majority of the new signage and associated infrastructure to be operational in time for the opening of Climate Pledge Arena, currently scheduled for late September or early October.









**Attachments:**

1. Campus Signage Sign Location Plan

cc: Dan Eder, Interim Director  
Aly Pennucci, Budget and Policy Manager

# CAMPUS SIGNAGE SIGN LOCATION PLAN

DRAFT

	SIGN TYPE	DISPLAY TYPE	QTY STUDIED	QTY APPROVED
	WAYFINDING PYLON	DIGITAL CHANGING IMAGE	20	18
	ENTRY MARKER	STATIC	5	TBD
	CAMPUS READERBOARD	DIGITAL CHANGING IMAGE	3	3
	POLE BANNER	DIGITAL CHANGING IMAGE	12	8-10
	FACILITY READERBOARD	DIGITAL CHANGING IMAGE	5	4
	ART WALK DISPLAY	DIGITAL CHANGING IMAGE	3	3
	INFORMATION KIOSK	DIGITAL CHANGING IMAGE	3	3
	DIGITAL POSTER	DIGITAL CHANGING IMAGE	1	1

Additional Notes:

Proposed updates to identification and wayfinding signs in and around the Seattle Center garages are not included in this map. The proposed exterior garage signs are static or digital text/numeric and do not contain full color images.

The 3 proposed Art Walk Display signs will correspond to small static medallions identifying public artworks on the campus and Arena grounds. The static medallions are not included in this map.

