

ORDINANCE No. 120990

COUNCIL BILL No. 114366

The City

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2003 and 2004, and adopting policies for use of Seattle Center facilities; authorizing the Director to negotiate terms and conditions and to enter into various forms of use agreements; and amending sections 17.16.010 and 17.16.015 of the Seattle Municipal Code in connection therewith.

Honorable President:

Your Committee on _____

to which was referred the within report that we have considered the

11-16-02 Budget
11-16-02 Passed

COMPTROLLER FILE No. _____

Introduced: <u>10-14-02</u>	By: <u>Drago</u>
Referred: <u>10-14-02</u>	To: <u>Budget</u>
Referred:	To:
Referred:	To:
Reported: <u>11-18-02</u>	Second Reading:
Third Reading: <u>11-18-02</u>	Signed: <u>11-18-02</u>
Presented to Mayor: <u>11-19-02</u>	Approved: <u>NOV 26 2002</u>
Returned to City Clerk: <u>NOV 26 2002</u>	Published: <u>Fou</u> <u>B</u> <u>TRP</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

Law Department



The City of Seattle--Legislative Department

Date Reported
and Adopted

REPORT OF COMMITTEE

able President:

mitted on _____

h was referred the within Council Bill No. _____

hat we have considered the same and respectfully recommend that the same:

02 Budget Committee Pass As Amended 9-0

02 Passed 9-0

Department



Committee Chair

ORDINANCE 120990

1
2 AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is
3 authorized to set fees for 2003 and 2004, and adopting policies for use of Seattle Center facilities;
4 authorizing the Director to negotiate terms and conditions and to enter into various forms of use
5 agreements; and amending sections 17.16.010 and 17.16.015 of the Seattle Municipal Code in
6 connection therewith.

7 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

8 Section 1. Effective January 1, 2003 Section 17.16.010 of the Seattle Municipal Code (Section 1 of
9 Ordinance 107055 as last amended by Ordinance 110906) is amended as follows:

10 **SMC 17.16.010 Use of Seattle Center facilities.**

11 The Seattle Center Director, or ~~((his))~~ such Director's designee, is hereby authorized, for and on
12 behalf of the City, to enter into ~~((licensing))~~ agreements for terms of not more than five years and
13 for not more than 25 days total use of facilities, services, and equipment over the tenure of the
14 agreement, ~~((substantially in the))~~ in a form approved by the City Attorney ~~((City Council~~
15 ~~(Exhibit "A", attached hereto), (Note 1))~~, for the use ~~((rental-))~~ of the Marion Oliver McCaw Hall
16 ~~((Opera House))~~, the Mercer Arts Arena, the Exhibition Hall, ~~((the Mercer Forum, the~~
17 ~~Playhouse;))~~ the Northwest Rooms, the KeyArena ~~((Coliseum))~~, the Fisher ~~((Flag))~~ Pavilion, the
18 Seattle Center Pavilion, the Center House Conference Center, ~~((the Bagley Wright Theatre, the~~
19 ~~Pacific Arts Center;))~~ and other miscellaneous facilities ~~((in))~~ within or on the Seattle Center
20 grounds, for such times as such facilities are not required for public purposes or rented under
21 contracts made pursuant to a specific ordinance.

22 Section 2. Effective January 1, 2003 Section 17.16.015 of the Seattle Municipal Code (Section 1
23 of Ordinance 113740 as last amended by Ordinance 120175) is amended as follows:

24 **SMC 17.16.015 Use fees, terms and conditions.**

The Director of the Seattle Center Department is authorized to charge and collect fees for the use
of certain Seattle Center facilities, services and equipment provided to users thereof, and to
condition such use on compliance with certain general terms and conditions and rules and

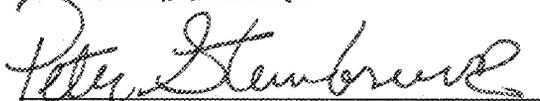


1 guidelines promulgated by the Director, as specified in Attachment A, the "2003((1)) and
2 2004((2)) Seattle Center Fee Schedule(s)," and Attachment B, the "2003 and 2004 Seattle
3 Center Terms and Conditions for Events at Seattle Center." ((which are attached as "Attachment
4 A" to the ordinance introduced as Council Bill No 113439.)) The 2003((1)) and 2004((2))
5 Seattle Center Fee Schedule((s)) supersedes all prior fee schedules to the extent they are
6 inconsistent.

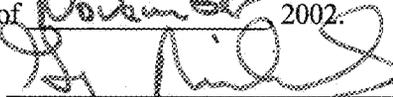
7 Section 3. Any act consistent with the authority, but prior to the effective date of this ordinance is hereby
8 ratified and confirmed.

9 Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the
10 Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as
11 provided by Municipal Code Section 1.04.020.

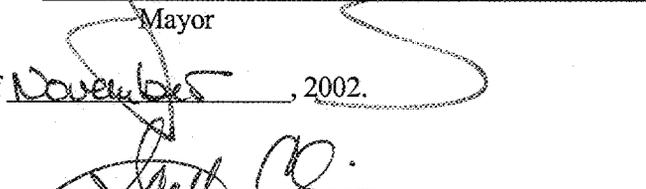
12 Passed by the City Council the 18th day of November, 2002, and signed by me in open session in
13 authentication of its passage this 18th day of November, 2002.

14 
15 _____
16 President _____ of the City Council

17 Approved by me this 25 day of November, 2002.

18 
19 _____
20 Mayor

21 Filed by me this 27th day of November, 2002.

22 
23 _____
24 City Clerk

(Seal)

Attachment A: 2003 and 2004 Seattle Center Fee Schedule
Attachment B: 2003 and 2004 Seattle Center Terms and Conditions for Events at Seattle Center



Attachment A: 2003 and 2004 Seattle Center Fee Schedule

Effective January 1, 2003

Facility	Use Fee Ranges Standard/Government Agency Events		Use Fee Ranges Spectator Events			
	MINIMUM EVENT DAY FEES ^{1 & 2}		MINIMUM EVENT DAY FEE RANGES		PERCENTAGE OF GROSS SALES ³	
	LOWEST	HIGHEST	LOW	HIGH	LOW	HIGH
Conference Center	\$520	\$750	NA	NA	NA	NA
Rooms A & H	\$220	\$320	NA	NA	NA	NA
Room B	\$140	\$190	NA	NA	NA	NA
Exhibition Hall	\$1,000	\$7,000	\$1,000	\$7,000	8%	10%
Fisher Pavilion	\$1,500	\$2,500	NA	NA	NA	NA
Northwest Rooms	\$2,960	\$4,400	NA	NA	NA	NA
Alki	\$600	\$800	NA	NA	NA	NA
Olympic	\$450	\$670	NA	NA	NA	NA
Rainier	\$600	\$800	NA	NA	NA	NA
San Juan Suite	\$1,100	\$1,800	NA	NA	NA	NA
Orcas ⁴	\$150	\$320	NA	NA	NA	NA
Lopez	\$375	\$610	NA	NA	NA	NA
Fidalgo	\$255	\$510	NA	NA	NA	NA
Shaw	\$265	\$520	NA	NA	NA	NA
Snoqualmie	\$600	\$800	NA	NA	NA	NA
Seattle Center Pavilion	\$1,300	\$1,600	NA	NA	NA	NA
Room A	\$1,000	\$1,200	NA	NA	NA	NA
Room B	\$500	\$600	NA	NA	NA	NA
Marion Oliver McCaw Hall Auditorium	\$5,000	\$7,000	\$2,700	\$5,000	9%	10%
KeyArena						
CONCERTS						
Upper/Lower Bowls	NA	NA	\$10,000 ⁵	\$25,000 ⁵	8%	12%
Reduced Configuration ⁶	NA	NA	\$5,000 ⁵	\$15,000 ⁵	8%	12%
FAMILY SHOWS/ SPORTS EVENTS						
Upper/Lower Bowls	NA	NA	\$7,500 ⁵	\$20,000 ⁵	8%	12%
Lower Bowl Only	NA	NA	\$5,000 ⁵	\$15,000 ⁵	8%	12%
OTHER SPECTATOR EVENTS						
Upper/Lower Bowls	NA	NA	\$10,000 ⁵	\$25,000 ⁵	8%	12%
Reduced Configuration ⁶	NA	NA	\$5,000 ⁵	\$15,000 ⁵	8%	12%
NON-SPECTATOR EVENTS						
Upper/Lower Bowls	\$10,000 ⁵	\$25,000 ⁵	NA	NA	NA	NA
Reduced Configuration	\$5,000 ⁵	\$15,000 ⁵	NA	NA	NA	NA

NOTES:

1. **Full Day Move-In/Out:** The Director may reduce the use fee for move-in and/or move-out on the days preceding and following an Event to as low as half the price of an Event day.
2. **Partial day Move-In/Out:** The Director may reduce the use fee to as low as one quarter of the use fee for an Event day for move-in and move-out when only a small portion of the day is used.
3. **Gross Sales:** Gross Sales means the total amount of money received or receivable from the sale of admission tickets to a Spectator Event, less City Admission Tax, City B & O Tax, State Revenue Tax and Washington State Athletic Commission Tax due in connection with such Event, as substantiated by a certified box office statement.
4. **Orcas Room:** No fee applies when Orcas Room is used for incidental use in conjunction with use of an adjacent room.
5. **For 2nd day and succeeding days of performances:** The Director may negotiate and reduce the use fee for the second and subsequent days of multi-day uses.
6. **Reduced Configuration:** Reduced Configuration means either lower bowl by itself or "Theater" set-up. "Theater", for this purpose, means seating reduced by moving the stage further north in the KeyArena than its normal location, to a fixed location set by Seattle Center.



Attachment B: 2003 and 2004 Seattle Center Terms and Conditions for Events at Seattle Center

Effective January 1, 2003

1. DIRECTOR'S AUTHORITY

The Director shall prepare facility use agreements for Events and Event-related services at the Seattle Center for overall terms of not more than five years, with the approval of the Law Department and the guidance of the Risk Manager and the Director of Finance, and in accordance with all applicable City of Seattle ordinances and policies. Facility use agreements with terms in excess of two years shall be subject to review by the Director of Finance.

The Director shall promulgate rules and guidelines containing regulations and standards for the application of fees, charges, and terms and conditions of use for Seattle Center facilities that are consistent with the policies expressed herein.

2. DEFINITIONS

a. "Event" means the purpose for which a facility has been contracted, such as a meeting, show, competition, performance, festival, etc., and includes all related activities such as move-in/move-out, rehearsal, practice, and other activities of the Event. There are three types of Events:

1) "Government Agency Event" means an Event contracted by an agency of the federal government, State of Washington, any municipal corporation or other special or general purpose unit of local government in the State of Washington; or any legally constituted public governing body with multi-jurisdictional authority, one jurisdiction of which is within the State of Washington, or any quasi-governmental entity or company created solely for conducting the business of one or more of such government entities and subject solely to the rules and regulations thereof for official governmental purposes.

2) "Spectator Event" means any Event open to the public and held in the KeyArena, Mercer Arts Arena, Exhibition Hall or Marion Oliver McCaw Hall, where admission to the Event's principal activity is ticketed, except for trade or consumer shows, private meetings or conventions.

3) "Standard Event" means any Event that is not a Spectator Event or Government Agency Event.

b. "Cancellation Fee" means a fee charged if an Event, or portion thereof, is cancelled within a certain time period prior to the Event, as specified in the Event use agreement.



- c. "Catering" means food or beverage provided by the user to Event participants free of charge, except that "no host" bars are considered "catered" when available as part of an Event for which Catering services are provided.
- d. "Concession Fee" means a fee charged either as a percentage of sales or at a flat rate for the right to sell merchandise and/or food and beverages at an Event.
- e. "Contingency Deposit" means an amount that may be required to be paid prior to an Event to cover some portion of the estimated labor, parking fees, equipment charges, services, damage or other incidental charges anticipated to be incurred during the Event or as partial security for payment-in-full of all Event-related expenses. Any portion of the deposit remaining after deductions are made to pay a user's Event expenses shall be refunded to the user.
- f. "Director" means the Director of the Seattle Center Department or the Director's designee.
- g. "Major Facility" means the KeyArena, Mercer Arts Arena, Marion Oliver McCaw Hall, or Exhibition Hall.
- h. "Recording Fee" means a fee charged for the right to take photographs, broadcast a performance live, or make a video and/or audio recording at an Event at Seattle Center.
- i. "Seattle Center Production Event" means an Event for which Seattle Center is the sole or partial financial sponsor and controls some aspect of the production.
- j. "Use Period" means the time specified in the agreement as the inclusive times for user's use of a specified facility on a specified day, including any portion of the immediately following day into which the inclusive time extends as established in the use agreement.

3. CLIENT USE OF FACILITIES

- a. **USE FEES:** The Director is authorized to establish from time to time a schedule of facility use fees (the "Fee Schedule") consistent with Attachment A, "the 2003 and 2004 Seattle Center Fee Schedule", and taking into account the following City policies: (i) that the fee schedule shall be administered the same to any entity that qualifies to use a Seattle Center facility; and (ii) that fees be competitive in the marketplace and be anticipated to return reasonable revenue to Seattle Center relative to operational costs. The Fee Schedule may set fees according to event type, size of venue, or on any other basis consistent with the above policy.

The Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in Attachment A, based on the policies described above, and taking into consideration market conditions and other legitimate business concerns.



A separate use fee will be charged for each use period. Use fees shown on a use fee schedule are minimum use fees. The Director may negotiate maximum use fees, but in no case shall the use fee be less than the minimum, nor more than the maximum, for the particular facility as shown on Attachment A. In-kind consideration such as complimentary tickets, or services such as guest appearances, may be negotiated as part of the overall consideration for use of a Major Facility or outdoor space. The Director shall promulgate a Complimentary Ticket Use Policy governing the use of complimentary tickets which shall be consistent with the City of Seattle Ethics Code.

b. **USE FEE PAYMENTS:** The full amount of the use fee is due prior to the Event for Standard Events; an executed purchase order is required prior to the Event for Government Agency Events. For Spectator Events, the minimum use fee is due in full prior to the Event with the remainder due at settlement for the Event. Money paid to the City shall be in the form of legal tender of the United States of America. Goods and services with a wholesale value that is equal to or greater than the use Fee may be accepted in partial or full payment, subject to City of Seattle purchasing rules.

The Director is authorized to determine due dates for the return of use agreements and for payments, including installment payments, that take into consideration the fiscal responsibility of Seattle Center and sound business practices including the reasonable amount of time that is needed to re-let a space if a deadline is not met; the financial history of repeat clients; the time needed to set up the space without incurring additional labor costs and the time needed for the user to return the use agreement with the initial payment.

c. **CONTINGENCY DEPOSIT:** A deposit may be required based on projected Event charges for incidental spaces, equipment and/or services that may be incurred, plus an amount for possible facility damage. The Director may waive this deposit based on a history of reliable payment by a user or lack of charges incurred during past Events of that user.

d. **CANCELLATION FEES:** The Director may assess reasonable Cancellation Fees for Events or portions of Events that are cancelled within a certain time period specified in the use agreement. In determining whether to assess a Cancellation Fee, the Director shall employ sound business practices including the time characteristically needed to book a new Event in the same type of space; the user's past Event history; and the financial consequences to Seattle Center if the Event is cancelled.

e. **TRANSFER FEES:** To accommodate users' needs and maintain good business relationships, and subject to availability, Seattle Center may permit users to change contracted Event dates and/or spaces when doing so does not have a negative financial impact on Seattle Center. A transfer fee may be charged if the request is made close to the time of the Event.

f. **RECORDING FEES:** The Director may assess Broadcast Fees based on industry standards, or may trade the right to broadcast for user's promotion of Seattle Center, the value of which is equal to or exceeds the value of the broadcast right.



g. **CATERING:** The Director may collect fees for catering services provided to guests at Events in facilities at Seattle Center. For Seattle Center Productions Events, the Director may include this fee as part of Seattle Center's Event sponsorship.

h. **FOOD AND BEVERAGE CONCESSIONS:** The Director may collect Concessions Fees for sales of food and beverages by users of spaces not subject to an exclusive food and beverage concession agreement, unless the Event is a food fair. The Director shall establish guidelines with a table of charges based on the number of concession stands, the expected attendance and an estimated per capita expenditure by guests at the Event. The Director may combine this charge with other charges and fees.

i. **PROGRAM AND NOVELTY CONCESSION FEES:** The Director may collect Concession Fees at any Event in a Major Facility, Fisher Pavilion, Seattle Center Pavilion, the Center House main floor area, or outdoor spaces at which users or their agents sell programs and novelty items. The fee shall not apply to exhibitors at an exhibit show who have contracted for booth space from the user. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to five years giving the concessionaire the exclusive right to sell such items at Spectator Events in specific facilities. In negotiating such agreements, the Director shall negotiate the terms favorable for Seattle Center and shall require that sales be conducted in a professional manner that accommodates the needs of both Seattle Center and the users of the concessionaire's services.

j. **REFUNDS:** The Director may refund fees to make amends to dissatisfied users for failures in service by Seattle Center or Event vendors or for such other reasons as the Director may determine are fair and reasonable.

k. **OPERATIONAL TERMS:**

1) **Services and Equipment:** Certain services and equipment will be provided by Seattle Center on the day(s) of an Event in consideration of use fees paid. These services are listed in the applicable Facility or Outdoor Spaces Addenda that shall be attached to the use agreement.

Certain other services may be required or made available for an additional charge, which shall be described in addenda to the use agreement. The charges in these addenda shall be based on the Director's assessment of reasonable costs to the Department of buying, maintaining and replacing equipment and of supplying services.

The Director may enter into service provider agreements with terms of not more than five years, securing event-related services at rates favorable to the City and under provisions requiring the services to be performed in a professional manner



that accommodates the needs of both the Seattle Center and any user who uses these services.

2) **Cleaning Between Performances:** For the safety of attendees to an Event, and to maintain Seattle Center's standards of appearance for the facility, the Director may require users to pay for cleaning between multiple performances on the same day.

3). **Hours of Use:** The Director may determine the hours of the day that an Event may be open at Seattle Center.

1. **SPECIAL CONDITIONS:** The Director is authorized to vary from the established Fee Schedule only for sound business purposes and only if such variance is available to any user. The reasons for variance shall be contained in Seattle Center rules and guidelines, be in the City's best interest, and be related to the stated goals for Seattle Center, including generating revenue. The Director may negotiate terms and conditions for use that combine use fees with other charges and sources of revenue related to an Event; may waive fees or portions of fees; and negotiate terms that create benefits for Seattle Center in addition to use fees.

4. SEATTLE CENTER PRODUCTION EVENTS

The Director is authorized to negotiate and enter into agreements to sponsor Events at Seattle Center. These Events shall comply with the Guidelines for Seattle Center Co-Sponsored Events. The City's financial support for the Event shall be based on the relevancy of the Event to the goals contained in the Seattle Center Vision Statement and on availability of appropriate facilities. Approval by the Director of Finance is required for agreements where the City's financial support exceeds \$25,000. Application for status as a Seattle Center Productions Event is open to everyone. Seattle Center shall determine whether to sponsor the Event as a Seattle Center Production and the terms and conditions of such sponsorship.

5. EVENTS CO-PROMOTED BY SEATTLE CENTER

The Director is authorized to negotiate and enter into agreements as a co-promotion partner primarily for Events in the Major Facilities and Fisher Pavilion, but in exceptional cases, for use of any spaces at Seattle Center, particularly if these spaces are used in conjunction with use of a Major Facility. For these Events, all sources of Event revenue and Event-related expenses may be shared with the co-promoter. Co-promotion decisions shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing the variety of types of events held at Seattle Center, increasing use of the facilities and maximizing revenue for the City. Approval by the Director of Finance is required for agreements where the City's risk for potential loss, excluding the cost of facility rental, exceeds \$50,000.



Fiscal Note
2003 -2004 Proposed Budget – Seattle Center Facility Rates

Department: Seattle Center	Contact Person/Phone: Margaret Wetter 684-7330	DOF Analyst/Phone: Helen Welborn 233-7884
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Legislation Title AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2003 and 2004, and adopting policies for use of Seattle Center facilities; authorizing the Director to negotiate terms and conditions and to enter into various forms of use agreements; and amending sections 17.16.010 and 17.16.015 of the Seattle Municipal Code in connection therewith.

Summary of the Legislation:

This legislation sets user rates for seven facilities, revises the “terms and conditions” that guide the use of Seattle Center facilities, authorizes the Seattle Center to set user rates within ranges, and authorizes the Seattle Center to enter into multi-year agreements (up to five years). The new rates and the new “terms and conditions” provide the Seattle Center with the flexibility to negotiate with commercial clients and to expand the co-promotion option (described below) to McCaw Hall and the Exhibition Hall (previously done only at KeyArena).

This expanded flexibility to set rates within a range is consistent with rate setting authority in place for the Department of Parks and Recreation, where user rates may vary according to the size of the user group, and the type of use planned. This flexibility will help the Seattle Center maximize user-fee revenues, meet financial goals, and respond to market opportunities. These revenue increases are assumed in the Department’s Proposed 2003-2004 Budget. Without these rates increases, the Seattle Center will need to make additional expenditure reductions.

Background:

Rates legislation is a routine part of adopting the Seattle Center’s budget. This legislation differs from previous years’ legislation, however, as it:

1. Authorizes the Director’s flexibility in determining facility rates from within an authorized range of fees (see the fee schedule, Attachment A to the legislation),
2. Establishes the authority to enter into agreements covering up to five years, and
3. Authorizes the Director to promulgate “rules and guidelines containing regulations and standards for the application of fees, charges, and terms and conditions of use for Seattle Center facilities that are consistent with the policies” framed in the “2003-2004 Seattle Center Terms and Conditions for Events at Seattle Center,” Attachment B to the legislation.

These changes increase the Center’s ability to respond to the opportunities and demands of the market place, including lowering fees (called “incentive fees”) to attract business to new or reopened facilities.

Legislation Summary:

Section 1 of the legislation amends SMC 17.16.010 to authorize the Director to enter into agreements of not more than five years for the use of McCaw Hall, the Mercer Arts Arena, the



Exhibition Hall, the Northwest Rooms, the KeyArena, the Fisher Pavilion, the Seattle Center Pavilion, the Center House Conference Center, and other unspecified miscellaneous Seattle Center facilities in a form approved by the City Attorney.

Section 2 of the legislation amends SMC 17.16.015 to set new facility rates and establish new terms and conditions for events at the Seattle Center.

Multi-year agreements: The legislation amends SMC 17.16.010 to authorize the Seattle Center to enter into multi-year agreements (up to five years). Facility use agreements with terms in excess of two years shall be subject to review by the Director of Finance.

A few "spectator event" clients who bring their events to the Seattle Center on an annual basis would like to have multi-year agreements for their one-to-three day/year event. This is beneficial to the Seattle Center because it assures that the event comes to the Seattle Center instead of to a competing venue.

Multi-year agreements with "event" clients also provide the opportunity to enter into longer, more attractive agreements with concessionaires (sellers of t-shirts, hats and other event paraphernalia) who provide services at these events. Section 3I of the 2003-2004 Seattle Center Terms and Conditions for Events at Seattle Center (Attachment B to the legislation) authorizes such agreements.

Rates: Rates will be set periodically as market conditions warrant. Rates may be set according to event type, or the size of the venue. These rates are not flexible from client to client if both clients are using the same facility for the same type of event. Examples of variations in rates follow:

- 1) Venue: A **concert** using only **the lower bowl** in the KeyArena may have a different rate than a **concert** using **the entire** KeyArena. The rate for one of the Northwest Rooms will be the same for anyone who rents the room, regardless of rent type (although the Center will have the flexibility to charge less for a "move-in" or "move-out" day, as is common in the industry).
- 2) Type of event: A **concert** using the entire KeyArena may have a different rate than a sporting **event** using the entire KeyArena. An event which **charges admission to attendees** in the McCaw Hall may have a different rate than a corporate event in McCaw **open to invited attendees only (not paying admission)**.

The rate changes will not affect the Seattle Center's lease tenants (Opera, Ballet, major festivals, sports teams, etc.) as they do not supercede other agreements that are separately negotiated contracts.



Chart of Proposed Rate Changes

Facility	2002 Rate	Proposed 2003 Rate	Expected Total 2003 Revenue
Opera House (McCaw Hall)	\$3,500	Opened midyear \$5,000/\$7,000	\$86,681
Mercer Arts Arena	\$3,200	Closed mid-year	\$137,750
Exhibition Hall	\$3,000	\$1,000-\$7,000	\$114,750
Northwest Rooms	\$2,500	\$2,960-\$4,400	\$337,542
Key Arena	\$10,000-\$20,000	\$5,000-\$25,000	\$2,507,965
Fisher Pavilion	\$1,500	\$1,500-\$2,500	\$94,500
Seattle Center Pavilion	\$1,300	\$1,300-\$1,600	\$11,000
Center House Conference Center	\$500	\$520-\$750	\$35,622
Intermittent Use of Miscellaneous Facilities	Various	Various	\$42,024

NOTES:

1. Rates for individual rooms of the Northwest Rooms and the Conference Center vary.
2. Section 3 of the 2003 and 2004 Seattle Center Terms and Conditions for Events at Seattle Center establishes the Director's authority to negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in the Fee Schedule.

Center Production Events: Section 4 of the 2003 and 2004 Seattle Center Terms and Conditions for Events at Seattle Center (Attachment B to the legislation) requires approval by the Director of Finance for agreements where the City's financial support exceeds \$25,000.

Partnerships: Section 5 of the 2003 and 2004 Seattle Center Terms and Conditions for Events at Seattle Center (Attachment B to the legislation) expands the Seattle Center's authority to negotiate "co-promotion" agreements with event partners. This strategy allows the Seattle Center to help event producers bring events to the Center that the event producer may not be able to bring on his or her own. Co-promotion results in the sharing of event expenses and revenues (including admissions and merchandise sales), thereby lessening the producer's risk and increasing the Center's ability to encourage producers to bring events to the Center. Seattle Center's risk is controlled by the negotiated terms of the co-promotion.

Is the legislation subject to public hearing requirements? No
Fiscal Sustainability Issues (related to grant awards): NA
Estimated Expenditure Impacts: NA



Estimated Revenue Impacts - As shown in Seattle Center's 2003 - 2004 Proposed Budget.

FUND	2002	2003	2004
11410 -- Seattle Center Subfund	NA	859,869	1,175,827
11420 -- Key Arena Fund	NA	2,507,965	2,692,519
Total		3,367,834	3,868,346

Estimated FTE Impacts: NA

Other Issues (including long-term implications of the legislation): NA





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 23, 2002

Honorable Peter Steinbrueck
President
Seattle City Council
Municipal Building, 11th Floor

Dear Council President Steinbrueck:

The attached ordinance will allow the Seattle Center to set rates within ranges, enter into multi-year agreements (up to five years), and establish "terms and conditions" of agreements with commercial clients. It also expands the co-promotion option to McCaw Hall and the Exhibition Hall, which was previously done only at KeyArena.

The flexibility to set rates within a range is consistent with the rate-setting authority granted to other departments such as the Department of Parks and Recreation, where user rates may vary according to the size of the user group and the type of use planned. Such flexibility will help the Center maximize user-fee revenues, meet financial goals, and respond to market opportunities.

Thank you for your consideration of this legislation. Should you have questions please contact Helen Welborn at 3-7884.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over a large, faint, stylized graphic element that resembles a signature or a large letter "G".

GREG NICKELS
Mayor of Seattle

600 Fourth Avenue, 12th Floor, Seattle, WA 98104-1873

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@ci.seattle.wa.us

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.



ORDINANCE _____

1
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11 The Seattle Center Director, or ~~((his))~~ such Director's designee, is hereby authorized, for and on
12 behalf of the City, to enter into ~~((licensing))~~ agreements for terms of not more than five years,
13 ~~((substantially in the))~~ in a form approved by the City Attorney ~~((City Council (Exhibit "A",~~
14 ~~attached hereto), (Note 1))~~, for the use ~~((rental))~~ of the Marion Oliver McCaw Hall ~~((Opera~~
15 ~~House))~~, the Mercer Arts Arena, the Exhibition Hall, ~~((the Mercer Forum, the Playhouse,))~~ the
16 Northwest Rooms, the Key Arena ~~((Coliseum))~~, the Fisher ~~((Flag))~~ Pavilion, the Seattle Center
17 Pavilion, the Center House Conference Center, ~~((the Bagley Wright Theatre, the Pacific Arts~~
18 ~~Center,))~~ and other miscellaneous facilities ~~((in))~~ within or on the Seattle Center grounds, for such
19 times as such facilities are not required for public purposes or rented under contracts made
20 pursuant to a specific ordinance.

21 Section 2. Effective January 1, 2003 Section 17.16.015 of the Seattle Municipal Code (Section 1
22 of Ordinance 113740 as last amended by Ordinance 120175) is amended as follows:

23 **SMC 17.16.015 Use fees, terms and conditions.**

24 The Director of the Seattle Center Department is authorized to charge and collect fees for the use
of certain Seattle Center facilities, services and equipment provided to users thereof, and to
condition such use on compliance with certain general terms and conditions and rules and
guidelines promulgated by the Director, as specified in Attachment A, the "2003~~((4))~~ and



Attachment B: 2003 and 2004 Seattle Center Terms and Conditions for Events at Seattle Center

Effective January 1, 2003

1. DIRECTOR'S AUTHORITY

The Director shall prepare facility use agreements for Events and Event-related services at the Seattle Center for overall terms of not more than five years, with the approval of the Law Department and the guidance of the Risk Manager and the Director of Finance, and in accordance with all applicable City of Seattle ordinances and policies. Facility use agreements with terms in excess of two years shall be subject to review by the Director of Finance.

The Director shall promulgate rules and guidelines containing regulations and standards for the application of fees, charges, and terms and conditions of use for Seattle Center facilities that are consistent with the policies expressed herein.

2. DEFINITIONS

a. "Event" means the purpose for which a facility has been contracted, such as a meeting, show, competition, performance, festival, etc., and includes all related activities such as move-in/move-out, rehearsal, practice, and other activities of the Event. There are three types of Events:

1) "Government Agency Event" means an Event contracted by an agency of the federal government, State of Washington, any municipal corporation or other special or general purpose unit of local government in the State of Washington; or any legally constituted public governing body with multi-jurisdictional authority, one jurisdiction of which is within the State of Washington, or any quasi-governmental entity or company created solely for conducting the business of one or more of such government entities and subject solely to the rules and regulations thereof for official governmental purposes.

2) "Spectator Event" means any Event open to the public and held in the Key Arena, Mercer Arts Arena, Exhibition Hall or Marion Oliver McCaw Hall, where admission to the Event's principal activity is ticketed, except for trade or consumer shows, private meetings or conventions.

3) "Standard Event" means any Event that is not a Spectator Event or Government Agency Event.

b. "Cancellation Fee" means a fee charged if an Event, or portion thereof, is cancelled within a certain time period prior to the Event, as specified in the Event use agreement.



- c. "Catering" means food or beverage provided by the user to Event participants free of charge, except that "no host" bars are considered "catered" when available as part of an Event for which Catering services are provided.
- d. "Concession Fee" means a fee charged either as a percentage of sales or at a flat rate for the right to sell merchandise and/or food and beverages at an Event.
- e. "Contingency Deposit" means an amount that may be required to be paid prior to an Event to cover some portion of the estimated labor, parking fees, equipment charges, services, damage or other incidental charges anticipated to be incurred during the Event or as partial security for payment-in-full of all Event-related expenses. Any portion of the deposit remaining after deductions are made to pay a user's Event expenses shall be refunded to the user.
- f. "Director" means the Director of the Seattle Center Department or the Director's designee.
- g. "Major Facility" means the KeyArena, Mercer Arts Arena, Marion Oliver McCaw Hall, or Exhibition Hall.
- h. "Recording Fee" means a fee charged for the right to take photographs, broadcast a performance live, or make a video and/or audio recording at an Event at Seattle Center.
- i. "Seattle Center Production Event" means an Event for which Seattle Center is the sole or partial financial sponsor and controls some aspect of the production.
- j. "Use Period" means the time specified in the agreement as the inclusive times for user's use of a specified facility on a specified day, including any portion of the immediately following day into which the inclusive time extends as established in the use agreement.

3. CLIENT USE OF FACILITIES

a. **USE FEES:** The Director is authorized to establish from time to time a schedule of facility use fees (the "Fee Schedule") consistent with Attachment A, "the 2003 and 2004 Seattle Center Fee Schedule", and taking into account the following City policies: (i) that the fee schedule shall be administered the same to any entity that qualifies to use a Seattle Center facility; and (ii) that fees be competitive in the marketplace and be anticipated to return reasonable revenue to Seattle Center relative to operational costs. The Fee Schedule may set fees according to event type, size of venue, or on any other basis consistent with the above policy.

The Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in Attachment A, based on the policies described above, and taking into consideration market conditions and other legitimate business concerns.



A separate use fee will be charged for each use period. Use fees shown on a use fee schedule are minimum use fees. The Director may negotiate maximum use fees, but in no case shall the use fee be less than the minimum, nor more than the maximum, for the particular facility as shown on Attachment A. In-kind consideration such as complimentary tickets, or services such as guest appearances, may be negotiated as part of the overall consideration for use of a Major Facility or outdoor space. The Director shall promulgate a Complimentary Ticket Use Policy governing the use of complimentary tickets which shall be consistent with the City of Seattle Ethics Code.

b. **USE FEE PAYMENTS:** The full amount of the use fee is due prior to the Event for Standard Events; an executed purchase order is required prior to the Event for Government Agency Events. For Spectator Events, the minimum use fee is due in full prior to the Event with the remainder due at settlement for the Event. Money paid to the City shall be in the form of legal tender of the United States of America. Goods and services with a wholesale value that is equal to or greater than the use Fee may be accepted in partial or full payment, subject to City of Seattle purchasing rules.

The Director is authorized to determine due dates for the return of use agreements and for payments, including installment payments, that take into consideration the fiscal responsibility of Seattle Center and sound business practices including the reasonable amount of time that is needed to re-let a space if a deadline is not met; the financial history of repeat clients; the time needed to set up the space without incurring additional labor costs and the time needed for the user to return the use agreement with the initial payment.

c. **CONTINGENCY DEPOSIT:** A deposit may be required based on projected Event charges for incidental spaces, equipment and/or services that may be incurred, plus an amount for possible facility damage. The Director may waive this deposit based on a history of reliable payment by a user or lack of charges incurred during past Events of that user.

d. **CANCELLATION FEES:** The Director may assess reasonable Cancellation Fees for Events or portions of Events that are cancelled within a certain time period specified in the use agreement. In determining whether to assess a Cancellation Fee, the Director shall employ sound business practices including the time characteristically needed to book a new Event in the same type of space; the user's past Event history; and the financial consequences to Seattle Center if the Event is cancelled.

e. **TRANSFER FEES:** To accommodate users' needs and maintain good business relationships, and subject to availability, Seattle Center may permit users to change contracted Event dates and/or spaces when doing so does not have a negative financial impact on Seattle Center. A transfer fee may be charged if the request is made close to the time of the Event.

f. **RECORDING FEES:** The Director may assess Broadcast Fees based on industry standards, or may trade the right to broadcast for user's promotion of Seattle Center, the value of which is equal to or exceeds the value of the broadcast right.



g. **CATERING:** The Director may collect fees for catering services provided to guests at Events in facilities at Seattle Center. For Seattle Center Productions Events, the Director may include this fee as part of Seattle Center's Event sponsorship.

h. **FOOD AND BEVERAGE CONCESSIONS:** The Director may collect Concessions Fees for sales of food and beverages by users of spaces not subject to an exclusive food and beverage concession agreement, unless the Event is a food fair. The Director shall establish guidelines with a table of charges based on the number of concession stands, the expected attendance and an estimated per capita expenditure by guests at the Event. The Director may combine this charge with other charges and fees.

i. **PROGRAM AND NOVELTY CONCESSION FEES:** The Director may collect Concession Fees at any Event in a Major Facility, Fisher Pavilion, Seattle Center Pavilion, the Center House main floor area, or outdoor spaces at which users or their agents sell programs and novelty items. The fee shall not apply to exhibitors at an exhibit show who have contracted for booth space from the user. The Director may combine this charge with other charges and fees.

The Director may enter into concession agreements with terms of up to five years giving the concessionaire the exclusive right to sell such items at Spectator Events in specific facilities. In negotiating such agreements, the Director shall negotiate the terms favorable for Seattle Center and shall require that sales be conducted in a professional manner that accommodates the needs of both Seattle Center and the users of the concessionaire's services.

j. **REFUNDS:** The Director may refund fees to make amends to dissatisfied users for failures in service by Seattle Center or Event vendors or for such other reasons as the Director may determine are fair and reasonable.

k. **OPERATIONAL TERMS:**

1) **Services and Equipment:** Certain services and equipment will be provided by Seattle Center on the day(s) of an Event in consideration of use fees paid. These services are listed in the applicable Facility or Outdoor Spaces Addenda that shall be attached to the use agreement.

Certain other services may be required or made available for an additional charge, which shall be described in addenda to the use agreement. The charges in these addenda shall be based on the Director's assessment of reasonable costs to the Department of buying, maintaining and replacing equipment and of supplying services.

The Director may enter into service provider agreements with terms of not more than five years, securing event-related services at rates favorable to the City and under provisions requiring the services to be performed in a professional manner



that accommodates the needs of both the Seattle Center and any user who uses these services.

2) **Cleaning Between Performances:** For the safety of attendees to an Event, and to maintain Seattle Center's standards of appearance for the facility, the Director may require users to pay for cleaning between multiple performances on the same day.

3). **Hours of Use:** The Director may determine the hours of the day that an Event may be open at Seattle Center.

1. **SPECIAL CONDITIONS:** The Director is authorized to vary from the established Fee Schedule only for sound business purposes and only if such variance is available to any user. The reasons for variance shall be contained in Seattle Center rules and guidelines, be in the City's best interest, and be related to the stated goals for Seattle Center, including generating revenue. The Director may negotiate terms and conditions for use that combine use fees with other charges and sources of revenue related to an Event; may waive fees or portions of fees; and negotiate terms that create benefits for Seattle Center in addition to use fees.

4. SEATTLE CENTER PRODUCTION EVENTS

The Director is authorized to negotiate and enter into agreements to sponsor Events at Seattle Center. These Events shall comply with the Guidelines for Seattle Center Co-Sponsored Events. The City's financial support for the Event shall be based on the relevancy of the Event to the goals contained in the Seattle Center Vision Statement and on availability of appropriate facilities. Approval by the Director of Finance is required for agreements where the City's financial support exceeds \$25,000. Application for status as a Seattle Center Productions Event is open to everyone. Seattle Center shall determine whether to sponsor the Event as a Seattle Center Production and the terms and conditions of such sponsorship.

5. EVENTS CO-PROMOTED BY SEATTLE CENTER

The Director is authorized to negotiate and enter into agreements as a co-promotion partner primarily for Events in the Major Facilities and Fisher Pavilion, but in exceptional cases, for use of any spaces at Seattle Center, particularly if these spaces are used in conjunction with use of a Major Facility. For these Events, all sources of Event revenue and Event-related expenses may be shared with the co-promoter. Co-promotion decisions shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing the variety of types of events held at Seattle Center, increasing use of the facilities and maximizing revenue for the City.



STATE OF WASHINGTON – KING COUNTY

--SS.

152256
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

Affidavit of Publication

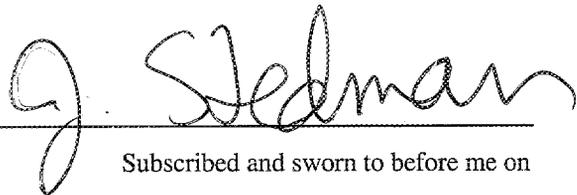
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORDINANCE 120990

was published on

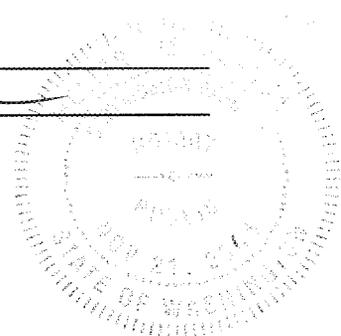
12/3/2002


Subscribed and sworn to before me on

12/3/2002


Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of V

"Recording Fee" means a fee charged for the right to take photographs, broadcast performance live, or make a video and/or audio recording at an event at Seattle Center or Exhibition Hall.

"Major Facility" means the KeyArena, Mercer Arts Arena, Marston Oliver McCaw Center, or Exhibition Hall.

"Director" means the Director of the Seattle Center Department or the Director of the user.

"Contingency Deposit" means an amount that may be required to be paid prior to an event to cover some portion of the anticipated labor, parking fees, equipment charges, damage or other incidental charges anticipated to be incurred during the event. The amount remaining after deductions are made to pay a user's event expenses shall be returned to the user.

"Concession Fee" means a fee charged either as a percentage of sales or as a flat fee for the right to sell merchandise and/or food and beverages at an event.

"Cancellation Fee" means a fee charged by the user to event participants for the right to cancel an event, when available as part of the event's terms and conditions.

"Standard Event" means any event that is not a Spectator Event or Government Agency Event.

"Spectator Event" means any event that is held in the public and held in the KeyArena, Mercer Arts Arena, Exhibition Hall or Marston Oliver McCaw Hall.

"Government Agency Event" means an event contracted by an agency of the State of Washington, any municipal corporation or other governmental entity or company created solely for conducting the business of one or more governmental purposes.

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Original Fee	\$175.00
Renewal Fee	\$175.00
Contingency Deposit	\$175.00
Recording Fee	\$175.00
Concession Fee	\$175.00
Cancellation Fee	\$175.00
Standard Event	\$175.00
Spectator Event	\$175.00
Government Agency Event	\$175.00

Original Fee	\$300.00
Renewal Fee	\$300.00
Contingency Deposit	\$300.00
Recording Fee	\$300.00
Concession Fee	\$300.00
Cancellation Fee	\$300.00
Standard Event	\$300.00
Spectator Event	\$300.00
Government Agency Event	\$300.00

By me in
 2021
 2021

Code No.	Code Reference	Permit	Original Fee	Renewal Fee
2308	2301.3	Exhibition (non-profit) place of assembly	None	None
2309	2301.3	Open flame, place of assembly	(\$250.00)	(\$250.00)
2310	2301.3	Open flame, place of assembly (non-profit)	None	None
2311	2301.3	Open flame, place of assembly (special temporary)	(\$200.00)	No renewal
3001	B002	Lumber storage	\$222.00	(\$45.00)
3201	3203	Tent or air-supported structure	(\$400.00)	(\$88.00)
3401	3401	Wrecking Yard (Non-hazard)	(\$117.00)	(\$117.00)
1103	1103.2.3	Waste material plant	(\$222.00)	(\$222.00)
1029	1029	Industrial oven	(\$222.00)	(\$222.00)
7801	7801.3	Fireworks use/display Class 1.2G, outdoor	(\$400.00)	(\$400.00)
7802	7801.3	Fireworks use/display Class 1.4G, indoor special effects	(\$222.00)	(\$222.00)
8020	7901.3.1	Flammable liquids - temporary place of assembly only	(\$117.00)	(\$117.00)
8101	8101.3	High-piled stock	(\$222.00)	(\$222.00)