

Ordinance No. 123171

Council Bill No. 116702

AN ORDINANCE relating to the Seattle Center Department; modifying the Director's authority to negotiate, execute, and amend rental agreements; and amending Sections 17.16.010, 17.16.030, and 17.16.033 of the Seattle Municipal Code.

CF No. _____

Date Introduced:	<u>10.19.09</u>	
Date 1st Referred:	To: (committee) <u>Budget</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor:	Date Approved: <u>12.1.09</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetoes by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____
Councilmember

Committee Action:

11-10-09 Pass 6-0 JG, SC, RC, BH, RM, TR

11-23-09 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: _____
(Initial/Date)

Law Department

Law Dept. Review	OMP Review	City Clerk Review	Electronic Copy Loaded	Indexed
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ORDINANCE 123171

AN ORDINANCE relating to the Seattle Center Department; modifying the Director's authority to negotiate, execute, and amend rental agreements; and amending Sections 17.16.010, 17.16.030, and 17.16.033 of the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 17.16.010 of the Seattle Municipal Code, last amended by Ordinance 122857, is amended as follows:

SMC 17.16.010 Use of Seattle Center facilities for Events.

The Seattle Center Director, or the ~~((sueh))~~ Director's designee, is hereby authorized, for and on behalf of the City, to enter into agreements for terms of not more than five~~((5))~~ years, in a form approved by the City Attorney, for the use of Marion Oliver McCaw Hall, the Exhibition Hall, the Northwest Rooms, KeyArena, Fisher Pavilion, the Seattle Center Pavilion, the Center House Conference Center, and other miscellaneous facilities within or on the Seattle Center grounds, or managed by Seattle Center, for Events as defined in Attachment B to Ordinance 122857, for such times as such facilities are not required for public purposes or rented under contracts made pursuant to a specific ordinance. No such agreement or series of agreements shall authorize one user to use facilities, services, and equipment for a total of more than 25 days during any one calendar year for Spectator Events as defined in Attachment B to Ordinance 122857 ~~((Section 17.16.015))~~, nor for more than 120 days during any one calendar year for other Events, except for exhibit shows, which shall not be limited in number of days during any one calendar year. For purposes of this section, an "exhibit show" is defined as a ticketed or non-



1 ticketed event in which audiences view a static display of things, articles, or images. Such
2 exhibit shows may include elements in which seated audiences view demonstrations or
3 performances related to the static display.

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5 Section 2. Effective retroactive to December 31, 1995, Section 17.16.030 of the Seattle
6 Municipal Code, last amended by Ordinance 115934, is amended as follows:

7
8 **SMC 17.16.030 Seattle Center ((office space)) rental agreements.**

9 The Seattle Center Director is hereby authorized to negotiate and to execute, for and on
10 the behalf of The City of Seattle, ((office space)) rental agreements and to modify existing
11 ((office space)) rental agreements for the use and occupancy of spaces within or on Seattle Center
12 grounds or under the management of the Seattle Center for uses that are not Events, as defined in
13 Attachment B to Ordinance 122857, ((in the Center House, Blue Spruce Building and the Opera
14 House office space known as "0-101")) and to execute all other necessary documents in
15 connection therewith;
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18 Provided, that:

19 A. ((Said new office space)) Any rental agreement((s)) shall be in ((the)) a standard form
20 of agreement prepared with the assistance or advice of the City Attorney, ((attached to the
21 ordinance codified in this section¹ and identified as "SEATTLE CENTER OFFICE SPACE
22 RENTAL AGREEMENT" except when use of a non-standard form has been approved by the
23 City Attorney;)) or on a non-standard form contingent upon prior consultation with the City
24 Attorney regarding the differences between the standard form and the non-standard form; and,
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1 B. ~~((No Seattle Center office space rental agreement executed after the date of the~~
2 ~~ordinance codified in this section² and no existing Seattle Center office space rental agreement~~
3 ~~subject to extension at the City's option shall extend or be extended past December 31, 1995:))~~
4 No such agreement shall be for a term of more than five years without prior approval of the City
5 Council by ordinance, provided, however, that the Seattle Center Director may enter into new
6 leases for the same property with the same tenant upon different terms and conditions from a
7 previous lease for the same property; and

9 C. The basic rent for Seattle Center ~~((office space))~~ rental agreements shall ~~((not))~~ be at a
10 rate that is commensurate with the quality of the space and prevailing market rates for similar
11 property in the vicinity of Seattle Center.~~((less than:~~

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13 1. ~~Four Dollars (\$4) per square foot/year for not-for-profit organizations; and~~
14 2. ~~Four Dollars (\$4) per square foot/year for all other entities; and~~
15 3. ~~Three Dollars (\$3) per square foot/year for Blue Spruce Building space considered~~
16 ~~basement spaces with rear entrances:))~~

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19 The Seattle Center is authorized to accept in-kind contributions of services for the City's
20 benefit in order to offset all or a portion of any cash rent due from not-for-profit organizations or
21 any other entities as the Director deems reasonable; any such services to be accepted shall be
22 specifically identified in the ~~((office space))~~ rental agreement along with a statement as to the
23 amount of cash rent offset for such services.
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1 D. One ~~((1))~~ or more parking spaces in Seattle Center parking facilities may, but need
2 not, be provided to Seattle Center ~~((office-space))~~ tenants in conjunction with such ~~((office~~
3 ~~space))~~ rental for no added consideration under new rental agreements, and under amendments
4 of existing ~~((office-space))~~ rental agreements, for such added cash rent or in-kind services for the
5 City's benefit as the Director deems reasonable, taking into consideration the parking rates
6 established pursuant to Ordinance 112572, as now or hereafter amended¹~~((3))~~.

8 E. The authority in this section does not apply to: (1) rental agreements allowing the use
9 of Seattle Center space for Events, as defined in Attachment B to Ordinance 122857, or (2) the
10 use and occupancy of facilities described on Attachment B to Ordinance 122857.

11 ^{1.} ~~((Editor's Note: The standard form of agreement is on file with Ordinance 122790 in~~
12 ~~the office of the City Clerk.~~

14 ^{2.} ~~Editor's Note: Ordinance 122790 was passed by the Council on April 7, 1986.~~

15 ^{3.} ~~Editor's Note: Ordinance 112572 is codified at Chapter 17.18 of this Code.~~

18 Section 3. Section 17.16.033 of the Seattle Municipal Code is amended as follows:

19 **SMC 17.16.033 Assignments and novations of Seattle Center ~~((office-space))rental~~**
20 **agreements.**

21 The Seattle Center Director is authorized to approve assignments and to enter into
22 novation or similar agreement to effect the transfer of the tenant's interest in ~~((Seattle Center~~
23 ~~office-space)) rental agreements entered into pursuant to SMC Section 17.16.030~~ to third parties
24 that satisfy the financial capability and operating standards that would be applied by Seattle
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Center in evaluating other potential new ((office space)) tenants. Such novation or other agreements shall be subject to the provisions of ((subsections B and C of Seattle Municipal Code)) SMC Section 17.16.030.

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

Passed by the City Council the 23rd day of November, 2009, and signed by me in open session in authentication of its passage this 23rd day of November, 2009.



President _____ of the City Council

Approved by me this 1st day of December, 2009.



Gregory J. Nickels, Mayor

Filed by me this 3rd day of December, 2009.



Acty City Clerk

(Seal)



Form revised April 1, 2009

2010-2011 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle Center	Joan Moritz 684-7360 Tom Israel/684-7298	Amy Williams/233-2651

Legislation Title:

AN ORDINANCE relating to the Seattle Center Department; modifying the Director's authority to negotiate, execute, and amend rental agreements; and amending Sections 17.16.010, 17.16.030, and 17.16.033 of the Seattle Municipal Code.

• **Summary of the Legislation:**

This legislation amends the Seattle Municipal Code (SMC) to authorize the Seattle Center Director to enter into non-event rental agreements for terms of not more than five years for facilities under the management of Seattle Center. Approval of this legislation will establish the Director's authority to execute future agreements, and reinstate it retroactively, thereby correcting an inadvertent oversight dating back to December 1995. The legislation also extends the scope of the Director's authority by replacing the specific term "office space rental agreements" with the more general term "rental agreements" and by authorizing such agreements for all non-event spaces instead of limiting it to specific facilities.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Seattle Center generally seeks approval for long-term leases through individual legislation proposed to the Council. Authority for single events is delegated through a facility rates and fees ordinance that is typically submitted as part of the budget process through which the Council establishes parameters under which the Director may rent commercial facilities to promoters and other clientele. These mechanisms handle most rental agreements at Seattle Center's major facilities, but there are a number of smaller spaces managed by the Center that clients may wish to use as office space, for storage, or for other miscellaneous purposes. Agreements for these spaces are negotiated by the Seattle Center Director and authorized through authority granted under SMC Section 17.16.030.

Language in SMC Section 17.16.030, which was codified in 1986, authorized the Seattle Center Director to enter into rental agreements for Seattle Center's non-event facilities through December 31, 1995. Due to an inadvertent oversight, this language was never updated. The proposed legislation will remove the date limitation and reinstate the Director's authority retroactively.



The Municipal Code also currently limits the Director to negotiate office space rental agreements in the Blue Spruce Building and Center House. The proposed legislation replaces the term “office space rental agreements” with the broader term “rental agreements,” and extends the scope of authority to any non-event space in Seattle Center-managed facilities. In addition, the proposed legislation adds language defining the length of agreements the Director may enter into without prior approval by City Council to no more than five years in length and provides for renewal of agreements for additional five-year terms.

While SMC Section 17.16.030 currently includes specific monetary rental rates, the proposed legislation substitute a general provision for “a rate which is commensurate with the quality of the space and prevailing market rates in the vicinity of Seattle Center.” This action will allow the Center to respond to a rapidly-changing, competitive marketplace when renting out its facilities.

- Please check one of the following:

☐ This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

☒ This legislation has financial implications. Please complete all relevant sections that follow.

Summary of Changes to Revenue Generated Specifically From This Legislation: For budget legislation that changes revenue (e.g., fees, taxes, etc.), please provide detail on each revenue-producing item that is being changed, when it was last changed, and how the item’s new overall cost compares with similar costs charged elsewhere in the region.

	Revenue Source	2010 Proposed	2011 Proposed
Seattle Center	Lease Revenue	\$140,000*	\$140,000*
Total Fees and Charges Resulting From Passage of This Ordinance		\$140,000*	\$140,000*

Notes: Funds listed in the above table do not represent new revenue to Seattle Center as this legislation simply corrects an inadvertent oversight and omission in the Seattle Municipal Code by reinstating the Director’s authority to execute non-event agreements. As a result, associated rental agreements are already in place with their revenues assumed in the Center’s 2010 Proposed Budget.



Anticipated Total Revenue from Entire Program, Including Changes Resulting From This Legislation:

Fund Name and Number	Revenue Source	Total 2010 Revenue	Total 2010 and 2011 Anticipated Revenue from Entire Program
Seattle Center Fund 11410	Lease Revenue	\$140,000	\$280,000
TOTAL		\$140,000	\$280,000

Notes: Seattle Center's 2010 Proposed Budget includes revenue from leases authorized by this legislation.

- What is the financial cost of not implementing this legislation? *(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented)*

Specific revenues associated with Seattle Center facilities would need to be obtained through other means or reductions in services.

- What are the possible alternatives to the legislation that could achieve the same or similar objectives? *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

Offsetting cuts in services could be made due to reductions in rental revenues.

- Is the legislation subject to public hearing requirements? No
- Other Issues *(including long-term implications of the legislation):*

Please list attachments to the fiscal note below:



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 25, 2009

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill authorizing the Seattle Center Director to negotiate non-event rental agreements for certain Seattle Center-managed facilities for terms of up to five years with an option to renew. Additionally, the legislation adds new language in the Seattle Municipal Code (SMC) regarding non-event rental rates, corrects an inadvertent technical oversight in SMC Section 17.16.030 dating back to 1995, and clarifies the Director's authority to execute non-event rental agreements for a variety of purposes.

While Seattle Municipal Code (SMC) Section 17.16.030 currently authorizes rental of Seattle Center space for offices, the attached Bill clarifies the SMC to allow the Director to execute non-event rental contracts for other purposes, such as for use as an art gallery, production space, studio, kiosk, scene shop, short-term retail space, temporary food service, storage facility, office, etc. The Bill also corrects an inadvertent technical oversight where, in 1986, the Code authorized the Director to execute office space rental agreements for an indefinite term, but required that the authority be renewed in 1995. That renewal, which was never formally sought, is included in this Bill. Finally, the attached legislation incorporates general language requiring the Seattle Center to receive fair market value for its facilities based on similar space, in like condition, in a comparable location. This language, which will allow Seattle Center to respond quickly in a competitive marketplace, replaces specific rates that are currently included in the Code. Revenues associated with the authority provided in this Bill are assumed in Seattle Center's 2010 Proposed Budget.

Thank you for your consideration of this legislation. Should you have questions, please contact Joan Moritz at 684-7360 or Tom Israel at 684-7298.

A handwritten signature in black ink, appearing to read "G. Nickels", written over a circular stamp.

GREG NICKELS
Mayor of Seattle



STATE OF WASHINGTON – KING COUNTY

--SS.

248078
CITY OF SEATTLE, CLERKS OFFICE

No.

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.

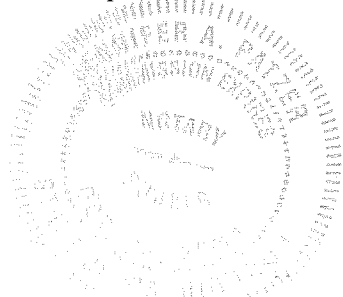
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123171 ORDINANCE

was published on

12/10/09

The amount of the fee charged for the foregoing publication is the sum of \$ 254.70, which amount has been paid in full.



Affidavit of Publication

[Signature]

Subscribed and sworn to before me on
12/10/09 *[Signature]*

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

ORDINANCE 123171

AN ORDINANCE relating to the Seattle Center Department; modifying the Director's authority to negotiate, execute, and amend rental agreements; and amending Sections 17.16.010, 17.16.030, and 17.16.033 of the Seattle Municipal Code.

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SMC 17.16.010 Use of Seattle Center facilities for Events.

The Seattle Center Director, or the ((such)) Director's designee, is hereby authorized, for and on behalf of the City, to enter into agreements for terms of not more than five((5)) years, in a form approved by the City Attorney, for the use of Marion Oliver McCaw Hall, the Exhibition Hall, the Northwest Rooms, KeyArena, Fisher Pavilion, the Seattle Center Pavilion, the Center House Conference Center, and other miscellaneous facilities within or on the Seattle Center grounds, or managed by Seattle Center, for Events as defined in Attachment B to Ordinance 122857, for such times as such facilities are not required for public purposes or rented under contracts made pursuant to a specific ordinance. No such agreement or series of agreements shall authorize one user to use facilities, services, and equipment for a total of more than 25 days during any one calendar year for Spectator Events as defined in Attachment B to Ordinance 122857 ((Section 17.16.015)), nor for more than 120 days during any one calendar year for other Events, except for exhibit shows, which shall not be limited in number of days during any one calendar year. For purposes of this section, an "exhibit show" is defined as a ticketed or non-ticketed event in which audiences view a static display of things, articles, or images. Such exhibit shows may include elements in which seated audiences view demonstrations or performances related to the static display.

Section 2. Effective retroactive to December 31, 1995, Section 17.16.030 of the Seattle Municipal Code, last amended by Ordinance 115934, is amended as follows:

SMC 17.16.030 Seattle Center ((office space)) rental agreements.

The Seattle Center Director is hereby authorized to negotiate and to execute, for and on the behalf of The City of Seattle, ((office space)) rental agreements and to modify existing ((office space)) rental agreements for the use and occupancy of spaces within or on Seattle Center grounds or under the management of the Seattle Center for uses that are not Events, as defined in Attachment B to Ordinance 122857, ((in the Center House, Blue Spruce Building and the Opera House office space known as "0-101")) and to execute all other necessary documents in connection therewith;

Provided, that:

A. ((Said new office space)) Any rental agreement((s)) shall be in ((the)) a standard form of agreement prepared with the assistance or advice of the City Attorney, ((attached to the ordinance codified in this section 1 and identified as "SEATTLE CENTER OFFICE SPACE RENTAL AGREEMENT" except when use of a non-standard form has been approved by the City Attorney)) or on a non-standard form containing upon prior consultation with the City Attorney regarding the differences between the standard form and the non-standard form; and.

B. ((No Seattle Center office space rental agreement executed after the date of the ordinance codified in this section 2 and no existing Seattle Center office space rental agreement subject to extension at the City's option shall extend or be extended past December 31, 1995.)) No such agreement shall be for a term of more than five years without prior approval of the City Council by ordinance, provided, however, that the Seattle Center Director may enter into new leases for the same property with the same tenant upon different terms and conditions from a previous lease for the same property; and

C. The basic rent for Seattle Center ((office space)) rental agreements shall ((not)) be at a rate that is commensurate with the quality of the space and prevailing market rates for similar property in the vicinity of Seattle Center.((less than:

1. Four Dollars (\$4) per square foot/year for not-for-profit organizations; and

2. Four Dollars (\$4) per square foot/year for all other entities; and

3. Three Dollars (\$3) per square foot/year for Blue Spruce Building space considered basement spaces with rear entrances.))

The Seattle Center is authorized to accept in-kind contributions of services for the City's benefit in order to offset all or a portion of any cash rent due from not-for-profit organizations or any other entities as the Director deems reasonable; any such services to be accepted shall be specifically identified in the ((office space)) rental agreement along with a statement as to the amount of cash rent offset for such services.

D. One ((#)) or more parking spaces in Seattle Center parking facilities may, but need not, be provided to Seattle Center ((office space)) tenants in conjunction with such ((office space)) rental for no added consideration under new rental agreements, and under amendments of existing ((office space)) rental agreements, for such added cash rent or in-kind services for the City's benefit as the Director deems reasonable, taking into consideration the parking rates established pursuant to Ordinance 112572, as now or hereafter amended.1((3)).

E. The authority in this section does not apply to: (1) rental agreements allowing the use of Seattle Center space for Events, as defined in Attachment B to Ordinance 122857, or (2) the use and occupancy of facilities described on Attachment B to Ordinance 122857.

1. ((Editor's Note: The standard form of agreement is on file with Ordinance 122790 in the office of the City Clerk.

2. Editor's Note: Ordinance 122790 was passed by the Council on April 7, 1986.

3)) Editor's Note: Ordinance 112572 is codified at Chapter 17.18 of this Code.

Section 3. Section 17.16.033 of the Seattle Municipal Code is amended as follows:

SMC 17.16.033 Assignments and novations of Seattle Center ((office space)) rental agreements.

The Seattle Center Director is authorized to approve assignments and to enter into novation or similar agreement to effect the transfer of the tenant's interest in ((Seattle Center office space)) rental agreements entered into pursuant to SMC Section 17.16.030 to third parties that satisfy the financial capability and operating standards that would be applied by Seattle Center in evaluating other potential new ((office space)) tenants. Such novation or other agreements shall be subject to the provisions of ((subsections B and C of Seattle Municipal Code)) SMC Section 17.16.030.

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

Passed by the City Council the 23rd day of November, 2009, and signed by me in open session in authentication of its passage this 23rd day of November, 2009.

Richard Conlin

President of the City Council

Approved by me this 1st day of December, 2009

Gregory J. Nickels, Mayor

Filed by me this 3rd day of December, 2009.

Publication ordered by the City Clerk

Date of publication in the Seattle Daily Journal of Commerce, December 10, 2009.
12/10(248078)