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A RESOLUTION relating to the "Bumbershoot Festival," approving, in principle, the transition of management of the "Bumbershoot Festival" from City government to a nonprofit corporation, specifying the amount of and conditions for the City's future financial participation in the Bumbershoot Festival, and authorizing the negotiation of an agreement between the City and such nonprofit corporation for the presentation of annual Bumbershoot festivals under agreed upon conditions.

10/17/94 Held until October 3

Full Council Vote

Introduced:	OCT 17 1994	By:	Donaldson
Referred:	OCT 17 1994	To:	
Referred:		To:	
Reported:	NOV 7 1994	ADOPTED	
Passed:	NOV 7 1994	Signed:	NOV 7 1994
Filed:	NOV 15 1994	Published:	

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10/17/94 Held until October 31, 1994. Motion by Donaldson

Donaldson

Full Council Vote 9-0

ADOPTED

NOV 7 1994

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RESOLUTION 29017

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3 A RESOLUTION relating to the "Bumbershoot Festival," approving, in principle, the
4 transition of management of the "Bumbershoot Festival" from City government to a
5 nonprofit corporation; specifying the amount of and conditions for the City's future
6 financial participation in the Bumbershoot Festival; and authorizing the negotiation of
7 an agreement between the City and such nonprofit corporation for the presentation of
8 annual Bumbershoot festivals under agreed upon conditions.

9
10 WHEREAS, the Bumbershoot Festival has been an important part of the cultural and
11 entertainment life of Seattle and the Northwest since 1971, and

12
13 WHEREAS, the dramatic growth of the festival as well as festival financial losses in recent
14 years which have been borne by the City have led to an examination of alternative
15 management structures for Bumbershoot; and

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17 WHEREAS, the City Council adopted a Statement of Legislative Intent with the 1993 budget
18 requesting the Bumbershoot Festival Commission to report to the Council on options
19 for changing the management structure for the Bumbershoot Festival; and

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21 WHEREAS, in October 1993, the Bumbershoot Festival Commission issued its Report on
22 Restructuring which recommended as its preferred alternative the creation of an
23 independent nonprofit organization to manage Bumbershoot Festivals; and

24
25 WHEREAS, in March 1994, the Executive forwarded to the City Council the Mayor's
26 Bumbershoot Restructuring Transition Plan recommending the transition of the
27 management and financial responsibility for Bumbershoot Festivals from the City to a
28 nonprofit corporation; and

WHEREAS, in March 1994, the City Council passed Resolution 28888 supporting in
principle the Mayor's Bumbershoot Restructuring Transition Plan and authorizing the
Bumbershoot Festival Commission to develop a comprehensive business plan for
accomplishing the transition of Bumbershoot Festival management and financial
responsibility from the City to a nonprofit corporation; and

WHEREAS, in July 1994, the Bumbershoot Festival Commission completed a draft
comprehensive business plan which recommends a nonprofit structure which merges
the current roles and responsibilities of the Bumbershoot Festival Commission and the
festival producer One Reel into a single nonprofit entity responsible for Festival
management, programming, production and financing; and

WHEREAS, the Mayor supports the model proposed in the Bumbershoot Festival
Commission's comprehensive business plan as being in the best interests of the City
and the Festival and has incorporated this proposal in the Mayor's 1995-1996
proposed budget, and

WHEREAS, the City Council supports, in principle, the transition of management of
Bumbershoot Festivals from City government to a nonprofit corporation;

1 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
2 SEATTLE, THE MAYOR CONCURRING:

3 The Council supports the following as the basis for restructuring the management of
4 and financial responsibility for Bumbershoot Festivals:

- 5 1. A single nonprofit corporation will be created that merges the current roles and
6 responsibilities of the Bumbershoot Festival Commission and Festival producer One
7 Reel to carry out the policy, programming, producing and financing of the
8 Bumbershoot Festival beginning in 1995.
- 9 2. The current Bumbershoot Festival Commission will be abolished at the end of 1994.
- 10 3. The new nonprofit corporation should be created by amending the articles of
11 incorporation of One Reel to preserve its nonprofit status under Section 501(c)(3) of
12 the Internal Revenue Code and to establish a new governing board of directors
13 composed of approximately one-third current Bumbershoot Festival Commissioners,
14 one-third current One Reel board members, and one-third new community
15 representatives. The nonprofit board should reflect the City's cultural diversity.
- 16 4. The new nonprofit corporation should form an Arts Advisory Council that will
17 provide artistic direction for the Bumbershoot Festival.
- 18 5. The new nonprofit corporation should assume all the assets of One Reel and
19 responsibility for the current programming commitments of One Reel, as well as any
20 other activities approved by the new nonprofit board.
- 21 6. The City of Seattle shall negotiate a multi-year agreement (the "Agreement") with the
22 nonprofit corporation that sets out the specific terms and conditions regarding the
23 City's sponsorship and purchase of services in connection with the Bumbershoot
24 Festival. The Executive shall be responsible for negotiating the terms of this
25 Agreement on behalf of the City. The Agreement shall be subject to City Council
26 approval. It is the City's intention that the proposed Agreement between the City and
27 the nonprofit corporation be submitted to the City Council by December 31, 1994 for
28 final approval.

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7. The new nonprofit corporation should be responsible for 100% of the cash flow obligations and financial risk associated with producing the Bumbershoot Festival and any other events that it chooses to produce. The City will not bear any financial risk for any cost overruns or shortfalls in revenue. The City's financial commitment to Bumbershoot will end December 31, 1998.
8. The new nonprofit board will be responsible for setting ticket prices for the 1995 and succeeding Bumbershoot Festivals. One of the conditions for City sponsorship of Bumbershoot, which shall be specified in the Agreement between the City and the nonprofit corporation, is that each Bumbershoot Festival be an affordable, public event, with moderate ticket prices.
9. The City will retain ownership and all rights attributable to the name "Bumbershoot." The City shall make available to the nonprofit corporation through a licensing agreement, the right to the exclusive use of the name "Bumbershoot" for the Festival and associated product licensing rights. The nonprofit corporation shall not include in its corporate name the word "Bumbershoot."
10. For a period no more than four years, beginning in 1995, the City will purchase artistic services and programming at the Bumbershoot Festival such as visual and literary arts, and children's programming. The schedule for and amount of such City services purchases is shown below:

1995	\$150,000	125,000
1996	\$150,000	125,000
1997	\$100,000	75,000
1998	\$100,000	75,000
1999	\$0	

Handwritten initials/signature

At the end of the four year period (ending in 1998) if the cash reserves of the nonprofit corporation exceeds \$200,000 and the ending operating balance is in excess of \$600,000, then any excess operating balance over \$600,000 will be prorated equally between the City of Seattle and the nonprofit corporation.

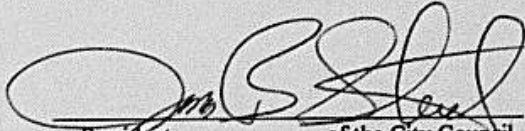
Handwritten initials/signature

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11. City sponsorship of the Bumbershoot Festival shall be based on the following conditions:
 - a. The City and the nonprofit corporation must have negotiated a multi-year Agreement regarding the presentation of annual Bumbershoot Festivals at the Seattle Center that: (1) maintain the essential character and artistic and cultural diversity of such Festival and (2) continue the Festival's tradition as an affordable, public event celebrating regional, national and international arts and entertainment. This Agreement will also detail cash reserve assumptions and revenue projections.
 - b. The Bumbershoot Festival must be budgeted to at least break even in each year, not counting any compensation from the City for City-purchased artistic services and programming.
 - c. The City shall reserve the right to terminate the nonprofit corporation's use of the name "Bumbershoot" and product and promotional licensing rights associated therewith and to reassume management of the festival if the nonprofit corporation is not meeting the terms of the Agreement between the City and the nonprofit corporation.
 12. The Agreement between the City and the nonprofit corporation shall include the specific details of the conditions for the City's purchase of services and sponsorship of the festival and the specific conditions and circumstances under which the City would reassume management of the Festival, including use of Seattle Center facilities.
 13. The Seattle Center is authorized and directed to negotiate a use agreement with the nonprofit corporation, similar in terms and conditions to the current Memorandum of Agreement between the Seattle Center and the Bumbershoot Festival Commission, that specifies the conditions for use of Seattle Center grounds and facilities for the

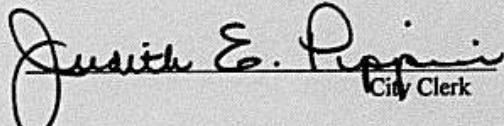
1 Bumpershoot Festival. The nonprofit corporation's Seattle Center use agreement
2 may be incorporated into the Agreement between the City and the nonprofit
3 corporation referenced in paragraph 6 above. Termination by the City of the
4 nonprofit corporation's rights to use of the name "Bumpershoot" shall terminate the
5 nonprofit corporation's agreement regarding the use of Seattle Center facilities.

6 14. The nonprofit corporation shall provide to the City, on an annual basis, an
7 independent audit of the revenues and expenditures of the nonprofit corporation.

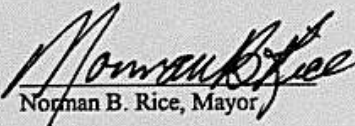
8 ADOPTED by the City Council the 7 day of November, 1994, and
9 signed by me in open session in authentication of its passage this 7 day of
10 November, 1994.

11 
12 _____
13 President _____ of the City Council

14 Filed by me this 15 day of November, 1994.

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18 _____
19 City Clerk

20 THE MAYOR CONCURRING:

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22 _____
23 Norman B. Rice, Mayor

24 (Seal)

RESOLUTION 29017

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10 WHEREAS, the Bumbershoot Festival has been an important part of the cultural and
11 entertainment life of Seattle and the Northwest since 1971; and

12 WHEREAS, the dramatic growth of the festival as well as festival financial losses in recent
13 years which have been borne by the City have led to an examination of alternative
14 management structures for Bumbershoot; and

15 WHEREAS, the City Council adopted a Statement of Legislative Intent with the 1993 budget
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17 for changing the management structure for the Bumbershoot Festival; and

18 WHEREAS, in October 1993, the Bumbershoot Festival Commission issued its Report on
19 Restructuring which recommended as its preferred alternative the creation of an
20 independent nonprofit organization to manage Bumbershoot Festivals; and

21 WHEREAS, in March 1994, the Executive forwarded to the City Council the Mayor's
22 Bumbershoot Restructuring Transition Plan recommending the transition of the
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During the four year period, if the cash reserves of the nonprofit corporation exceeds \$500,000 in revenues as projected are exceeded then the amount in excess of \$600,000 will be prorated equally between the City and the nonprofit corporation at the end of the four year period.

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 - c. The City shall reserve the right to terminate the nonprofit corporation use of the name "Bumbershoot" and product and promotional licensing rights associated therewith and to reassume management of the festival if the nonprofit corporation is not meeting the terms of the Agreement between the City and the nonprofit corporation.
12. The Agreement between the City and the nonprofit shall include the specific details of the conditions for the City's purchase of services and sponsorship of the festival and the specific conditions and circumstances under which the City would reassume management of the Festival, including use of Seattle Center facilities.
13. The Seattle Center is authorized and directed to negotiate a use agreement with the nonprofit corporation, similar in terms and conditions to the current Memorandum of Agreement between the Seattle Center and the Bumbershoot Festival Commission, that specifies the conditions for use of Seattle Center grounds and facilities for the Bumbershoot Festival. The nonprofit corporation's Seattle Center use agreement be

RESOLUTION

Page 5

1 incorporated into the Agreement between the City and the nonprofit corporation
2 referenced in paragraph 11.a above. Termination by the City of the nonprofit
3 corporation's rights to use of the name "Bumbershoot" shall terminate the nonprofit
4 corporation's agreement regarding the use of Seattle Center facilities.

5
6 14. The nonprofit corporation shall provide to the City, on an annual basis, an
7 independent audit of the revenues and expenditures of the nonprofit corporation.

8 ADOPTED by the City Council the _____ day of _____, 1994, and
9 signed by me in open session in authentication of its passage this _____ day of
10 _____, 1994.

11
12 _____
13 President _____ of the City Council

14 Filed by me this _____ day of _____, 1994.

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16 _____
17 City Clerk

18 THE MAYOR CONCURRING:

19 _____
20 Norman B. Rice, Mayor

21 (Seal)
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STATE OF WASHINGTON - KING COUNTY

-2-

City of Seattle, City Clerk

No. SAOSVRESOLU

Attidavit 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

RT: 29006, 012, 017, 018

was published on

11/21/41

The amount of the fee charged for the foregoing publication is the sum of 2, which amount has been paid in full.

Subscribed and sworn to before me on 11/21/41

Notary Public for the State of Washington, residing in Seattle

City of Seattle
 TITLE-ONLY PUBLICATION
 The full text of the following resolutions adopted by the City Council on November 7, 1941, and published here by title only, will be mailed, at no cost, upon request for two months after this publication for further information. Contact the Seattle City Clerk at 884-8344.

RESOLUTION NO. 29006
 A RESOLUTION to recognize and renew the City's commitment to give priority to the needs of Seattle's young population of the United States Seattle Action Plan and to adopt the Fourth Annual City Response to said Plan.

RESOLUTION NO. 29012
 A RESOLUTION to recognize and commend the City's commitment to give priority to addressing the needs of the Central Area through implementation of the Central Area Action Plan to support the Central Area Coordinating Team's efforts, and to adopt the Third Annual City of Seattle Updated Response to said Plan.

RESOLUTION NO. 29017
 A RESOLUTION relating to the "Bumbershoot Festival" appearing in principal, the transition of management of the Bumbershoot Festival, from City government to a nonprofit corporation, specifying the amount of and conditions for the City's future financial participation in the Bumbershoot Festival; and authorizing the negotiation of an agreement between the City and such nonprofit corporation for the presentation of annual Bumbershoot festivals under agreed upon conditions.

RESOLUTION NO. 29018
 A RESOLUTION adopting a revised Internal Investigation work program and recognizing the efforts of the Internal Investigations Auditor, the Police Community Relations Task Force, and the Seattle Police Department to improve the Police Department's complaint review process.

RESOLUTION NO. 29023
 A RESOLUTION related to the Seattle Center Department, declaring an emergency requiring the design and installation of a methane gas gathering and dispersal system at the industry site.

Publication ordered by JUDITH PIPER, City Clerk.
 Date of official publication in the Daily Journal of Commerce, Seattle, November 17, 1941 (1941-11-17)

Attidavit of Publication