

2015 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title: AN ORDINANCE relating to the Seattle Center Department; modifying the fee range schedule from which the Seattle Center Director is authorized to set fees for use of Seattle Center facilities and property; and amending Sections 17.16.005, 17.16.010, 17.16.015, 17.16.020 and 17.16.030 of the Seattle Municipal Code in connection therewith.

Summary of the Legislation:

The proposed legislation amends the fees for events at Seattle Center; updates the names of several facilities at Seattle Center; and removes several facilities that are no longer available for event use from Attachment A, the “Seattle Center Fee Range Schedule.” In addition, several changes have been made for clarity and readability, including 1) moving several definitions from the SMC 17.16.005 to Attachment B, the “Terms and Conditions for Events at Seattle Center,” where the terms are actually used; 2) removing the years from the titles of Attachments A and B, allowing the fees and policies discussed in these two attachments to remain in effect unless and until they need to be amended for substantive reasons; and 3) changing the title of Attachment A to Seattle Center Fee Range Schedule, to distinguish the range of fees described in this attachment from the “Rate Card,” which is the published schedule of use fees discussed in Attachment B.

Background:

As part of the biennial budget process, Seattle Center adjusts facility fees and facility charges across the campus. The fees for events are structured within ranges, identified in Attachment A, and the Department is requesting minor adjustments to some of these existing ranges to allow the Center to stay competitive in the marketplace and maximize revenue. Adjusting the event fee ranges provides the Director with discretion to raise fees if the current event market allows the increase. In other words, when the Director becomes aware of market factors that will allow facility rental rates to be raised and still be competitive, a new rate schedule (“Rate Card”) will be published. Alternatively, if economic conditions change for the worse, or if research indicates that a target client group is not being attracted, the Director may revise the rate schedule to lower fees within the adopted ranges in order to attract and retain business. Incentive fees for limited time periods may also be offered to stimulate interest in facilities. Rates may vary by event type, but all clients will pay the same facility rate when other conditions are identical (i.e., clients use the same facility for the same type of event for the same number of days). Other than the technical changes mentioned above, no substantive changes have been made to Attachment B, the Terms and Conditions for Events at Seattle Center.

This legislation does not have any financial implications.

 X **This legislation has financial implications.**

Summary of Changes to Revenue Generated Specifically from this Legislation:

	Revenue Source	2015 Proposed	2016 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance		N/A*	N/A*

Revenue Change Notes:

*Note: The Department’s 2015-2016 Budget and revenue estimates do not assume additional revenue from the changes proposed in this ordinance. These changes are being requested in anticipation of potential changes in the marketplace so that the Department can have the flexibility to respond to changing economic conditions.

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

Fund Name and Number	Revenue Source	Total 2015 Revenue	Total 2016 Revenue
- Seattle Center Operating Fund	Facility Fees	\$2,789,237	\$3,084,803
- Seattle Center KeyArena Subfund			
- Seattle Center McCaw Hall Subfund	Facility Surcharges	\$1,033,808	\$1,235,418
TOTAL		\$3,823,045	\$4,320,221

Total Revenue Notes:

Facility fees above do not include KeyArena tenant rents, which are not related to this legislation.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No
- b) **What is the financial cost of not implementing the legislation?**
Without this legislation, Seattle Center will not be able to take full advantage of market conditions to maximize revenues that support the department’s operations.
- c) **Does this legislation affect any departments besides the originating department?**
No.

- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** No real alternatives exist. Facility fees and surcharges are a major component of Seattle Center revenues. If these rates do not adjust to correspond with market conditions, Seattle Center loses opportunities to maximize revenue.
- e) **Is a public hearing required for this legislation?** No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.
- g) **Does this legislation affect a piece of property?** No.
- h) **Other Issues:** None.

List attachments to the fiscal note below: None.