

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 118229

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.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective January 1, 2015, Section 17.16.005 of the Seattle Municipal Code, enacted by Ordinance 124042, is amended as follows:

17.16.005 Definitions

Any provisions of this Chapter 17.16 that are applicable to a facility that is referred to by name shall remain applicable to the facility regardless of any future change to the name of the facility. Otherwise, as used in this Chapter 17.16, the following words have the meaning given in this Section 17.16.005:

~~((“Consumer Show” means an Event open to the public in which businesses sell or sample their products to consumers, and for which a ticket or entrance fee is required.))~~

“Director” means the Director of the Seattle Center Department.

“Event” means a meeting, show, competition, performance, festival, or other use for which a Seattle Center facility may be licensed for use on a temporary or limited recurring basis, including all related activities such as move-in, move-out, rehearsal, practice, and other activities that are required to facilitate the use of the facility for the licensed purpose.

1 (~~"Exhibit Show" means a ticketed or non-ticketed Event in which audiences view a~~
2 ~~static display of things, articles, or images. An Exhibit Show may include elements in which~~
3 ~~seated audiences view a demonstration or performance related to the static display.))~~

4 (~~"Government Agency Event" means an Event of any agency of the federal government,~~
5 ~~any department of the State of Washington, any municipal corporation or corporation chartered~~
6 ~~by a municipality, or any other special or general purpose unit of local government in the State of~~
7 ~~Washington.))~~

9 (~~"Spectator Event" means any Event open to the public and held in the KeyArena,~~
10 ~~Exhibition Hall, Fisher Pavilion, Armory, Marion Oliver McCaw Hall, or on the Seattle Center~~
11 ~~grounds, where admission to the Event's principal activity is ticketed or an admission fee is~~
12 ~~required, except for trade or Consumer Shows, private meetings, conventions, or Exhibit~~
13 ~~Shows.))~~

14 (~~"Standard Event" means any Event that is not a Spectator Event or Government Agency~~
15 ~~Event, including but not limited to Consumer Shows, private meetings, conventions, Exhibit~~
16 ~~Shows and non-ticketed Events.))~~

17 Section 2. Effective January 1, 2015, Section 17.16.010 of the Seattle Municipal Code,
18 last amended by Ordinance 124042, is amended as follows:

19 **17.16.010 Use of Seattle Center facilities for Events.**

20 The Seattle Center Director, or the Director's designee, is hereby authorized, for and on
21 behalf of the City, to enter into agreements for terms of not more than five years, in a form
22 approved by the City Attorney, for the use of Marion Oliver McCaw Hall, the Exhibition Hall,
23 ((the Northwest Rooms,)) KeyArena, Fisher Pavilion, the Seattle Center Pavilion, the Armory
24

1 Atrium, the Armory ((Conference Center)) Loft, the International Fountain Pavilion, the Next 50
2 Pavilion and Annex, and other miscellaneous facilities within or on the Seattle Center grounds,
3 or managed by Seattle Center, for Events at times when the facilities are not required for public
4 purposes or rented under leases or contracts made pursuant to a specific ordinance.

5 Section 3. Effective January 1, 2015, Section 17.16.015 of the Seattle Municipal Code,
6 last amended by Ordinance 124042, is amended as follows:

7
8 **17.16.015 Use fees, terms and conditions.**

9 The Seattle Center Director is authorized to charge and collect fees for the use of certain
10 Seattle Center facilities, services and equipment provided to users thereof, and to condition such
11 use on compliance with certain general terms, conditions, rules, and guidelines promulgated by
12 the Director, as specified in the "~~((2013 and 2014))~~ Seattle Center Fee Range Schedule"
13 (Attachment A to the Ordinance introduced as Council Bill ~~((117631))~~118229), and the "~~((2013~~
14 ~~and 2014 Seattle Center))~~ Terms and Conditions for Events at Seattle Center" (Attachment B to
15 the Ordinance introduced as Council Bill ~~((117631))~~118229). The ~~((2013 and 2014))~~ Seattle
16 Center Fee Range Schedule supersedes all prior fee range schedules to the extent they are
17 inconsistent.
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20 Section 4. Effective January 1, 2015, Section 17.16.020 of the Seattle Municipal Code,
21 last amended by Ordinance 124042, is amended as follows:

22 **17.16.020 Event related service agreements.**

23 The Director is authorized as specified in the "~~((2013 and 2014 Seattle Center))~~ Terms
24 and Conditions for Events at Seattle Center" (Attachment B to the Ordinance introduced as
25 Council Bill ~~((117631))~~118229), to enter into agreements with terms of up to five years with
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1 caterers, concessionaires, and other providers of event-related services. The Director is
2 authorized to execute and deliver, for and on behalf of the City, all documents he or she shall
3 deem necessary or appropriate in connection with any such agreements authorized in this section.

4 The authority in this section is limited as follows:

5 A. The Director shall consult with the City Attorney prior to entering into any such
6 agreement and shall use a form of agreement prepared with the assistance and advice of the City
7 Attorney; and
8

9 B. The total term of any new agreement shall not exceed five years in duration.

10 Section 5. Effective January 1, 2015, Section 17.16.030 of the Seattle Municipal Code,
11 last amended by Ordinance 124042, is amended as follows:

12 **17.16.030 Seattle Center lease agreements.**

13 The Seattle Center Director is hereby authorized to negotiate and to execute, for and on the
14 behalf of The City of Seattle, lease agreements and to modify existing lease agreements for the
15 use and occupancy of spaces within or on Seattle Center grounds or under the management of the
16 Seattle Center for uses that are not Events, and to execute all other necessary documents in
17 connection therewith; Provided, that:
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19 * * *

20
21 E. The authority in this section does not apply to: (1) agreements allowing the use of
22 Seattle Center space for Events or (2) the use and occupancy of facilities described ~~((on))~~ in the
23 “Terms and Conditions for Events at Seattle Center” (Attachment B to the Ordinance introduced
24 as Council Bill ((117631))118229).
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1 Section 6. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2014, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2014.

7
8
9 _____
10 President _____ of the City Council

11
12 Approved by me this ____ day of _____, 2014.

13
14
15 _____
16 Edward B. Murray, Mayor

17
18 Filed by me this ____ day of _____, 2014.

19
20
21 _____
22 City Clerk

23 (Seal)

24 Attachments:

25 Attachment A: Seattle Center Fee Range Schedule

26 Attachment B: Terms and Conditions for Events at Seattle Center

Attachment A: ((2013 and 2014)) Seattle Center Fee Range Schedule

Effective January 1, ((2013)) 2015

Facility	Use Fee Ranges Standard/Government Agency Events		Use Fee Ranges Spectator Events ⁴			
	EVENT DAY FEE ^{1 & 2 & 7}		Higher of: EVENT DAY FEE ⁷ PERCENTAGE OF NET GROSS SALES ³			
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
((Conference Center)) Armory Loft	\$520	(((\$1,500)) \$3,000	NA	NA	NA	NA
Rooms ((A & H)) 2 & 3	\$220	(((\$450)) \$800	NA	NA	NA	NA
Rooms ((B & C)) 1 & 4	\$140	(((\$350)) \$800	NA	NA	NA	NA
Exhibition Hall	\$1,000	\$7,000	\$1,000	\$9,000	NA	NA
Fisher Pavilion	\$1,500	\$5,000	\$1,500	\$7,000	NA	NA
((Northwest Rooms	\$2,000	\$4,400	NA	NA	NA	NA
Olympic	\$450	\$800	NA	NA	NA	NA
Rainier	\$600	\$1,050	NA	NA	NA	NA
San Juan Suite	\$1,000	\$1,800	NA	NA	NA	NA
Oreas	\$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))
Seattle Center Pavilion	(((\$150)) \$450	(((\$1,500)) \$2,500	NA	NA	NA	NA
Next 50 Pavilion & Annex	(((\$500)) \$450	(((\$3,500)) \$4,000	NA	NA	NA	NA
International Fountain Pavilion	(((\$750)) \$450	\$5,000	NA	NA	NA	NA
Armory Atrium	\$1,000	\$10,000	(((\$2,300)) \$1,000	(((\$7,500)) \$10,000	5%	15%
Marion Oliver McCaw Hall	\$3,000	\$10,000	\$2,300	\$6,500	5%	15%
KeyArena TICKETED EVENTS ⁸						
Upper/Lower Bowls	NA	NA	\$10,000 ⁵	\$25,000 ⁵	8%	15%
Reduced Configuration ⁶	NA	NA	\$5,000 ⁵	\$15,000 ⁵	8%	15%
FAMILY SHOWS⁹						
Upper/Lower Bowls	NA	NA	\$5,000 ⁵	\$20,000 ⁵	8%	15%
Lower Bowl Only	NA	NA	\$5,000 ⁵	\$15,000 ⁵	8%	15%

NON-TICKETED EVENTS						
Upper/Lower Bowls	\$10,000 ⁵	\$40,000 ⁵	NA	NA	NA	NA
Reduced Configuration ⁶	\$5,000 ⁵	\$30,000 ⁵	NA	NA	NA	NA
SELF-TICKETED EVENTS ¹⁰						
Upper/Lower Bowls	\$10,000 ⁵	\$40,000 ⁵	NA	NA	NA	NA
Reduced Configuration ⁶	\$5,000 ⁵	\$30,000 ⁵	NA	NA	NA	NA
HIGH SCHOOL GRADUATIONS	\$5,000 ⁵	\$15,000 ⁵				
Reduced Configuration Only ⁶						
			Facility Surcharge Spectator Events and Consumer Shows			
KeyArena			Up to ((\$5))\$6 per ticket or per paid admission for all promoters			
McCaw Hall			Up to ((\$5))\$6 per ticket or per paid admission for all promoters			
Other Facilities			Up to ((\$5))\$6 per ticket or per paid admission for all promoters			

NOTES:

- 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, provided that the Director may further reduce the use fee for move-in and/or move-out for KeyArena non-Ticketed Events.
- Partial ((day))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.
- Net Gross Sales:** Net Gross Sales means the total amount of money received or receivable from the sale of admission tickets to a Spectator Event, less any applicable 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.
- Use Fee Ranges for Spectator Events:** Licensee must pay the higher of the Event day fee or the percentage of Net Gross Sales. The Event day fee and the percentage of Net Gross Sales shall be set within the ranges established by the minimums and maximums set forth above in accordance with the ((2013 and 2014 Seattle Center)) Terms and Conditions for Events at Seattle Center. For example, a rental of the McCaw Hall Auditorium may be set within these ranges to be the higher of an Event day fee set at \$3,700 versus 9% of Net Gross Sales for the event.
- For 2nd day and succeeding days of events:** The Director may negotiate and reduce the use fee for the second and succeeding days of multi-day uses.
- 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.
- High Value Dates:** The Director may charge premium rates of up to 50% more than the maximum Event day fee listed above for Events in any Facility on dates the Director designates as High Value Dates. A "High Value Date" means a holiday or a date on which Seattle Center is already hosting a major campus-wide event. Examples of High Value Dates include but are not limited to New Year's Eve, the date of the Pride Festival, the date of the Seafair Torchlight Parade, or the date of the St. Patrick's Day Dash.
- "Ticketed Events"** as used above refers to Spectator Events at KeyArena, such as concerts, sporting events, and speaker events, but does not include Family Shows.
- "Family Shows"** as used above means a Spectator Event at KeyArena whose target audience is children.

10. **"Self-Ticketed Events"** as used above refers to Spectator Events at KeyArena where admission or donations are collected only at the door and no advance ticketing services are used, or events using a pre-registration process for their attendees.
11. **Definitions:** Any capitalized word or phrase that is not defined in this Attachment shall have the meaning given in ((S.M.C)) Seattle Municipal Code 17.16.005 or in the ((~~Seattle Center~~)) Terms and Conditions for Events at Seattle Center.

Attachment B: ((2013 and 2014 Seattle Center)) Terms and Conditions for Events at Seattle Center

Effective January 1, ((2013))2015

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 City Attorney and the guidance of the Risk Manager and the City Budget Director, 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 City Budget Director.

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. "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.
- b. "Consumer Show" means an Event open to the public in which businesses sell or sample their products to consumers, and for which a ticket or entrance fee is required.
- c. "Director" means the Director of the Seattle Center Department.
- d. "Event" means a meeting, show, competition, performance, festival, or other use for which a Seattle Center facility may be licensed for use on a temporary or limited recurring basis, including all related activities such as move-in, move-out, rehearsal, practice, and other activities that are required to facilitate the use of the facility for the licensed purpose.
- e. "Exhibit Show" means a ticketed or non-ticketed Event in which audiences view a static display of things, articles, or images. An Exhibit Show may include elements in which seated audiences view a demonstration or performance related to the static display.
- ((b))f. "Facility" means a room, building, or outdoor space at Seattle Center that can be rented by the public.
- g. "Government Agency Event" means an Event of any agency of the federal government, any department of the State of Washington, any municipal corporation or corporation chartered by a municipality, or any other special or general purpose unit of local government in the State of Washington.

((e))h. "Seattle Center Productions Event" means an Event for which Seattle Center is the sole or partial financial sponsor and controls some aspect of the production.

i. "Spectator Event" means any Event open to the public and held in the KeyArena, Exhibition Hall, Fisher Pavilion, Armory, Marion Oliver McCaw Hall, or on the Seattle Center grounds, where admission to the Event's principal activity is ticketed or an admission fee is required, except for trade or Consumer Shows, private meetings, conventions, or Exhibit Shows.

j. "Standard Event" means any Event that is not a Spectator Event or Government Agency Event, including but not limited to Consumer Shows, private meetings, conventions, Exhibit Shows and non-ticketed Events.

((d))k. "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 "Rate Card") for applicable Seattle Center facilities, consistent with Attachment A, "the ((2013 and 2014)) Seattle Center Fee Range Schedule," and taking into account the following City policies: (i) that the Rate Card 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 Rate Card may set fees according to event type, size of venue, or on any other basis consistent with the Seattle Center Fee Range Schedule and with the above policy.

The Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in the ((Attachment A))Seattle Center Fee Range Schedule, 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 Rate Card are minimum use fees. Where percentages of net gross sales apply above a minimum use fee, the Director may negotiate a maximum use fee. 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 Facility. 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. FACILITY SURCHARGES: The Director is authorized to collect an additional use fee to be known as a Facility Surcharge on all Spectator Events and Consumer Shows

based on the number of tickets sold (or on the number of paid admissions, if tickets are not used), and to establish a schedule of per-ticket or per-paid-admission rates consistent with ~~((Attachment A))~~ the Seattle Center Fee Range Schedule. The basis for computing the Facility Surcharge may include complimentary tickets or admissions if such complimentary tickets or admissions exceed 10% of sellable capacity for the Event, in which case the Facility Surcharge shall be payable for those complimentary tickets or admissions that exceed 10% of sellable capacity. The Director shall promulgate guidelines governing the application of the Facility Surcharge, which guidelines shall be based on costs incurred or service provided by the City.

c. **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, a deposit is due 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 signed 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.

d. **CONTINGENCY DEPOSIT:** In addition to the use fee, the Director may require a deposit(s) 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. The Director may waive this deposit(s) based on a history of reliable payment by a user or lack of charges incurred during past Events of that user.

e. **CANCELLATION FEES:** The Director may assess reasonable cancellation fees for Events or portions of Events that are cancelled within a certain time period prior to the Event as 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.

f. **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.

g. **ORIGINATION FEES:** The Director may assess Origination Fees defined as fees based on industry standards for the right to take photographs, broadcast a performance live, or make a video and/or audio recording at an Event at Seattle Center. The Director may accept the user's promotion of Seattle Center in partial or full payment of the Origination Fee provided that the value of the promotion is equal to or exceeds the value of the Origination Fee.

h. **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. The Director may enter into catering agreements with terms of up to five years, giving one or more caterers the right to provide catering services to Seattle Center clients in conjunction with such clients' events in Seattle Center Facilities, in accordance with Seattle Municipal Code (SMC) 17.16.020. These catering rights may or may not be exclusive depending on the specific Facility.

i. **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, as well as based on market competitiveness. 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 food and beverages at Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

j. **PROGRAM AND NOVELTY CONCESSIONS:** The Director may collect Concession Fees at any Event 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 program and novelty items at Spectator Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds, in accordance with SMC 17.16.020.

k. 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.

1. 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 specified in the use agreement or listed in the applicable Facility Addenda that shall be attached to the use agreement.

Certain other services and equipment 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 competitive fees in the marketplace and anticipated revenue generation for Seattle Center relative to the operational costs 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 in accordance with SMC 17.16.020, 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 ((faeility))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.

m. SPECIAL CONDITIONS: The Director is authorized to vary from the established Rate Card 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 PRODUCTIONS EVENTS

The Director is authorized to negotiate and enter into agreements to sponsor Events at Seattle Center. These Events shall comply with the Department's public programming

guidelines. 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 Public Programming Strategic Plan, and on availability of appropriate resources. Approval by the City Budget Director 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 for Events in any 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 use of the facilities and maximizing revenue for the City. Approval by the City Budget Director is required for agreements where the City's risk for potential loss, excluding the cost of facility rental, exceeds \$50,000.

6. EVENTS PROMOTED BY SEATTLE CENTER

The Director is authorized to enter into agreements as a promoter of Events in any Facility. For these Events, City shall retain all sources of Event revenue and shall be responsible for all Event-related expenses. Decisions to self-promote Events shall be made judiciously for sound business reasons with the intent of achieving Seattle Center goals, increasing use of the facilities and maximizing revenue for the City. Approval by the City Budget Director is required for agreements where the City's risk for potential loss exceeds \$50,000.

2015 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Center	Donald Loseff, 684-7184	Ann Gorman, 684-5292

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.

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	Facility Surcharges	\$1,033,808	\$1,235,418
- Seattle Center McCaw Hall Subfund			
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.



City of Seattle
Edward B. Murray
Mayor

September 22, 2014

Honorable Tim Burgess, President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am transmitting the attached proposed Council Bill for consideration with the 2015 Proposed Budget. This legislation amends the fee range schedule 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 the fee range schedule.

The attached Bill, which is submitted biannually as part of the budget process, expands certain fee ranges for Seattle Center facilities. The proposed changes will ensure that Seattle Center retains the needed flexibility to respond to market conditions, negotiate with commercial clients, and maximize numbers of events and revenues for the Department. Additionally, the legislation makes several changes for clarity and readability, including updating facility names; 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; and 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. Finally, the title of Attachment A has been changed 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.

The actions taken in this legislation support Seattle Center's efforts to bring events to the community and to maximize revenue for the Department. Thank you for your consideration of this legislation. Should you have questions, please contact Donald Loseff, Strategic Adviser for Seattle Center, at 684-7184.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council