



SEATTLE AQUARIUM

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June 17, 2014

Honorable Jean Godden
Chair, Parks, Seattle Center, Libraries and Gender Pay Equity Committee
Seattle City Council, City Hall
600 Fourth Avenue
Seattle, WA 98104

RE: Seattle Aquarium Results for 2013 and significant future activities

Dear Councilmember Godden:

I am pleased to be invited, along with Parks Acting Superintendent Christopher Williams, to brief the City Council Parks, Seattle Center, Libraries and Gender Pay Equity Committee about our 2013 program and financial results. The Operations and Management Agreement negotiated between the City and nonprofit Seattle Aquarium Society, set out a series of planning and reporting obligations. Section 16 of the Agreement calls for us to provide a briefing to the City Council on or before July 1 of each year on our Annual Report for the preceding fiscal year. I am enclosing two reports "Seattle Aquarium Annual Report 2013", and "Seattle Aquarium Financial Statements for the year ended December 31, 2013."

The first four years of nonprofit operation and management of the Seattle Aquarium have gone smoothly. We finished 2013 as the ninth largest aquarium in the country with 802,802 annual visitors. Thousands came to see the new \$6.5 million Harbor Seal Exhibit which opened on June 1, 2013 on time and on budget. The new exhibit also provided some unexpected opportunities to inspire conservation action. We knew everyone was going to love learning about harbor seals; we didn't expect that we'd have so many visitor conversations about debris they can see when looking west onto the Sound.

The Aquarium's mission "Inspiring Conservation of Our Marine Environment," has never been more important. In the fall of 2013 observations of wild sea star wasting, which gives the impression of "melting," escalated into an unexplained mass mortality event. Seattle Aquarium biologists immediately suited up in scuba gear to evaluate the sea star population that live in the waters surrounding the Seattle Aquarium. King 5 TV reported the finding of both diseased and healthy sea stars in the area. The Seattle Aquarium staff veterinarian immediately began working with local scientists to study the problem. In the last several months, researchers at Cornell University have isolated several viruses of interest that may be the cause of the wasting syndrome. Currently pathologists at the Wildlife Conservation Society are working hard to corroborate the microbiology findings. Much has been learned about the normal as well as abnormal health status of sea stars during this disease outbreak.

In the summer of 2013, as a symbolic and practical step to educate the public about ocean acidification and curb the Aquarium's carbon energy usage, under the "Community Solar" program, Seattle City Light installed a 49-kilowatt-hour photovoltaic array on the roof of Pier 59 which is the Aquarium's largest pier shed. This complements our ocean acidification

research efforts with NOAA and the University of Washington College of the Environment, which includes instruments on Pier 59 measuring Puget Sound ocean acidification levels.

Educational outreach is a strategic focus for the Aquarium. In 2013 meaningful investments were made to broaden access to the Aquarium. Here are a few highlights:

- Distribution of 37,000 complimentary tickets through 117 human service organizations in King, Pierce, and Snohomish County
- Educational programming provided to over 40,000 school children including students from 56 (86%) Seattle Public elementary schools from all over the District
- An evening Aquarium Open House event welcomed 800 guests who spoke 15 different languages from south King County and Seattle. 60+ volunteers offered translations in twelve languages. Materials and signs were available in six languages
- A group of 42 ambitious high school students completed the inaugural session of the Aquarium's Creativity Inspiring Conservation program, which aims to empower youth to create awareness of environmental topics through artistic media

We had several independent affirmations in 2013 that we are making progress on a variety of key metrics. The Association of Zoos & Aquariums granted its five-year accreditation, calling out 17 areas of excellence for specific mention. Independent visitor survey research conducted by a national firm found that the Aquarium raises interest in marine conservation and ranks second in overall satisfaction among eight leading national aquariums. We also received high and balanced overall satisfaction ratings for both education and entertainment, with longer visitor stay-time to enjoy the new Harbor Seal exhibit.

As Seawall replacement work commenced in Waterfront Park, we worked closely with SDOT. The team did an excellent job of keeping us informed and worked with us to minimize visitor disruption. As you are aware, Phase 2, scheduled to start in October 2014, includes the closure of all businesses south of the Seattle Great Wheel. If the public perceives the entire waterfront as "closed" we could see a significant drop in attendance. Likewise, decreased revenue during Phase 3, when Seawall construction is directly in front of the Aquarium, will undoubtedly have a negative impact on Aquarium operations. With 92% of Aquarium revenues dependent on visitor access and admission, it is imperative that we secure a financial arrangement with the City for the potential monetary impacts of Phases 2 & 3 estimated to be approximately \$1 million per year.

As a key part of planning for Waterfront 2020 we completed our concept program for the future Aquarium expansion. We recently selected EHDD from San Francisco as our architect and Thinc from New York as our exhibit designer. We are now working closely with the City and the James Corner design team to align our plans with the overall waterfront concept recognizing that the Aquarium is a central, energizing, feature in the power of the new waterfront. Our conceptual architectural expansion design will be completed and submitted for City Council review and approval in early 2015 and will yield a plan for an Aquarium that is substantially larger than its current size and capable of attracting over 1.2 million visitors per year in the expanded waterfront. Funding for the concept design has been provided by the City of Seattle, the Bill and Melinda Gates Foundation, and in-kind services from SRG Partnership. Realization of an expanded Aquarium is dependent on successful negotiation by the City for additional over-water coverage.

As the Council and Waterfront 2020 Committee review updated financial and other elements in the Waterfront Strategic Plan, the rough planning assumptions for the Aquarium are:

2015: Submission by the Aquarium of its Concept Design for the expanded Aquarium; consideration and adoption by the Council and incorporation into the Waterfront 2020 Plan in the same manner as has been done with the Pike Place Market project.

2016: LID; Waterfront Levy, including \$45 million for the Aquarium project, to be matched by private/other funds

2017-19: Aquarium proceeds with final design, permitting, fundraising

2020-22: Aquarium construction

Finally, our five year City employee transition period ends on December 31, 2014. We have been working closely with Parks Human Resource staff to ensure that the remaining City employees have the information they need and access to City resources to make their decision to transition to the nonprofit or seek continued City employment.

I look forward to discussing our program and financial results with the Committee in the context of our Mission and our central role on the City's new Waterfront.

Sincerely,



Robert W. Davidson
President & Chief Executive Officer

Enclosures: Seattle Aquarium Annual Report 2013
Seattle Aquarium Financial Statements for the year ended December 31, 2013

cc: Councilmember Bruce A. Harrell, Vice Chair, Parks, Seattle Center, Libraries and Gender Pay Equity Committee
Councilmember Tom Rasmussen, Member, Parks, Seattle Center, Libraries and Gender Pay Equity Committee
Councilmember Kshama Sawant, Alternate, Parks, Seattle Center, Libraries and Gender Pay Equity Committee
Christopher Williams, Acting Superintendent, Seattle Parks and Recreation Department
Randy Tinseth, Chair, Seattle Aquarium Board of Directors
Will Einstein, Chair, Seattle Aquarium Board of Directors Public Partnerships Committee
Susan Golub, Seattle Parks and Recreation