

Ordinance No. 122857

Council Bill No. 116375

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2009 and 2010; adopting policies for use of Seattle Center facilities; amending Sections 17.16.010 and 17.16.015 of the Seattle Municipal Code; repealing Ordinance 119199 and Ordinance 117695 in connection therewith; and adding a new Section 17.16.020 to the Seattle Municipal Code.

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Jason Gaddan
Councilmember

Committee Action:

11/12/08 PASS AS AMENDED 7-2 (No: Conlin, Gaddan)

11-24-08 Passed 8-1 (No: Gaddan)

CF No. _____

Date Introduced:	<u>10-20-08</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>8-1</u>	
Date Presented to Mayor:	Date Approved: <u>12-2-08</u>	
Date Returned to City Clerk:	Date Published: <u>4</u>	T.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

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

Law Department



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 29, 2008

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

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that establishes a fee schedule and terms and conditions for use of certain Seattle Center facilities.

The attached Bill, which is submitted biannually as part of the budget process, expands certain fee ranges for Seattle Center facilities to allow for fluctuations in the marketplace, and revises certain KeyArena price categories. The Bill also removes limits on the number of days a long-term exhibit may remain at a facility, and authorizes the Seattle Center Director to execute agreements with food and beverage concessionaires, and other event-related service providers. Finally, the legislation repeals two previous ordinances related to the Center's event business.

The actions taken in this legislation support Seattle Center efforts to bring spectator and commercial events to the community, and maximize revenue for the Department. Thank you for your consideration of this legislation. Should you have questions, please contact Karin Butler, Event Sales Manager for Seattle Center, at 684-7153.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over a large, faint circular stamp or watermark.

GREG NICKELS
Mayor of Seattle

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@seattle.gov

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDINANCE 122857

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2009 and 2010; adopting policies for use of Seattle Center facilities; amending Sections 17.16.010 and 17.16.015 of the Seattle Municipal Code; repealing Ordinance 119199 and Ordinance 117695 in connection therewith; and adding a new Section 17.16.020 to the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective January 1, 2009 Section 17.16.010 of the Seattle Municipal Code is amended, as follows:

17.16.010 Use of Seattle Center facilities.

The Seattle Center Director, or 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, 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 Section 17.16.015, nor for more



1 than 120 days during any one calendar year for other Events, except for exhibit shows, which
2 shall not be limited in number of days during any one calendar year. For purposes of this section,
3 an "exhibit show" is defined as a ticketed or non-ticketed event in which audiences view a static
4 display of things, articles, or images. Such exhibit shows may include elements in which seated
5 audiences view demonstrations or performances related to the static display.
6
7

8 Section 2. Effective January 1, 2009, Section 17.16.015 of the Seattle Municipal Code
9 is amended as follows:

10 **17.16.015 Use fees, terms and conditions.**

11 The ~~((Director of the))~~ Seattle Center ~~((Department))~~ Director is authorized to charge and
12 collect fees for the use of certain Seattle Center facilities, services and equipment provided to
13 users thereof, and to condition such use on compliance with certain general terms, conditions,
14 rules, and guidelines promulgated by the Director, as specified in ~~((Attachment A,))~~ the "~~((2007~~
15 ~~and 2008))~~ 2009 and 2010 Seattle Center Fee Schedule((;)) (Attachment A to the Ordinance
16 introduced as Council Bill 116375), and ~~((Attachment B,))~~ the "~~((2007 and 2008))~~ 2009 and
17 2010 Seattle Center Terms and Conditions for Events at Seattle Center((-)) (Attachment B to the
18 Ordinance introduced as Council Bill 116375). The ~~((2007 and 2008))~~ 2009 and 2010 Seattle
19 Center Fee Schedule supersedes all prior fee schedules to the extent they are inconsistent.
20
21
22

23 Section 3. Effective January 1, 2009, a new Section 17.16.020 is added to the Seattle
24 Municipal Code as follows:

25 **17.16.020. Event related service agreements.**



1 The Director is authorized as specified in the "2009 and 2010 Seattle Center Terms and
2 Conditions for Events at Seattle Center" (Attachment B to the Ordinance introduced as Council
3 Bill 116375), to enter into agreements with terms of up to five years with caterers,
4 concessionaires, and other providers of event-related services. The Director is authorized to
5 execute and deliver, for and on behalf of the City, all documents he or she shall deem necessary
6 or appropriate in connection with any such agreements authorized in this section. The authority
7 in this section is limited as follows:
8

9 A. The Director shall consult with the City Attorney prior to entering into any such
10 agreement and shall use a form of agreement prepared with the assistance and advice of the City
11 Attorney; and
12

13 B. The total term of any new agreement shall not exceed five (5) years in duration.

14 Section 4. Effective January 1, 2009, Ordinance 119199 authorizing the Seattle Center
15 director to enter into co-promotion agreements under specified circumstances for spectator events
16 in KeyArena is repealed.
17

18 Section 5. Effective January 1, 2009, Ordinance 117695 authorizing the Seattle Center
19 Director to enter into separate agreements with licensed caterers that meet certain conditions, for
20 the provision of catering services to Seattle Center clients, is repealed.
21

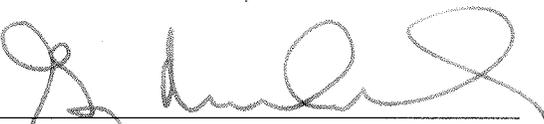
22 Section 6. This ordinance shall take effect and be in force thirty (30) days from and after
23 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
24 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.
25
26
27
28



1 Passed by the City Council the 24th day of November, 2008, and signed by me in open
2 session in authentication of its passage this 24th day of November, 2008.

3
4 
5 _____
6 President _____ of the City Council

7 Approved by me this 2nd day of December, 2008.

8 
9 _____
10 Gregory J. Nickels, Mayor

11 Filed by me this 4th day of December, 2008.

12 
13 _____
14 City Clerk

15 (Seal)

16 Attachments

17 Attachment A: 2009 and 2010 Seattle Center Fee Schedule

18 Attachment B: 2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center



Attachment A: ~~((2007 and 2008))~~ 2009 and 2010 Seattle Center Fee Schedule

Effective January 1, ~~((2007))~~ 2009

Facility	Use Fee Ranges Standard/Government Agency Events		Use Fee Ranges Spectator Events ⁴			
	((MINIMUM)) EVENT DAY ((FEES)) <u>FEE</u> ¹ & ²		((MINIMUM)) EVENT DAY FEE ((RANGES))		Higher of: PERCENTAGE OF NET GROSS SALES ³	
	((LOWEST)) MINIMUM	((HIGHEST)) MAXIMUM	((LOW)) MINIMUM	((HIGH)) MAXIMUM	((LOW)) MINIMUM	((HIGH)) MAXIMUM
Conference Center Rooms A & H Room B	\$520 \$220 \$140	(((\$850)) \$950 (((\$350)) \$450 (((\$200)) \$300	NA NA NA	NA NA NA	NA NA NA	NA NA NA
Exhibition Hall	\$1,000	\$7,000	\$1,000	(((\$7,000)) \$9,000	((8%)) NA	((15%)) NA
Fisher Pavilion	\$1,500	\$5,000	\$1,500	(((\$4,000)) \$7,000	((8%)) NA	((15%)) NA
Northwest Rooms	(((\$2,960)) \$2,000	\$4,400	NA	NA	NA	NA
((Alki))	(((\$600))	(((\$900))	((NA))	((NA))	((NA))	((NA))
Olympic	\$450	\$800	NA	NA	NA	NA
Rainier	\$600	\$900	NA	NA	NA	NA
San Juan Suite	\$1,000	\$1,800	NA	NA	NA	NA
Orcas	\$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 ((Room A))	(((\$1,000)) (((\$800))	(((\$3,500)) (((\$2,500))	((NA)) ((NA))	((NA)) ((NA))	((NA)) ((NA))	((NA)) ((NA))
Room B	\$400	\$1,500	NA	NA	NA	NA
Marion Oliver McCaw Hall Auditorium	\$5,000	\$8,500	\$2,700	\$6,500	7.5%	15%
KeyArena ((CONCERTS)) TICKETED EVENTS						
Upper/Lower Bowls	NA	NA	\$10,000 ⁽⁽⁴⁾⁾ ±	\$25,000 ⁽⁽⁴⁾⁾ ±	8%	15%
Reduced Configuration ⁽⁽⁵⁾⁾ ±	NA	NA	\$5,000 ⁽⁽⁴⁾⁾ ±	\$15,000 ⁽⁽⁴⁾⁾ ±	8%	15%
FAMILY SHOWS ((/ SPORTS EVENTS))						
Upper/Lower Bowls	NA	NA	(((\$7,500)) \$5,000 ⁽⁽⁴⁾⁾ ±	\$20,000 ⁽⁽⁴⁾⁾ ±	8%	15%
Lower Bowl Only	NA	NA	\$5,000 ⁽⁽⁴⁾⁾ ±	\$15,000 ⁽⁽⁴⁾⁾ ±	8%	15%
((OTHER SPECTATOR EVENTS))						
((Upper/Lower Bowls))	((NA))	((NA))	(((\$10,000⁴))	(((\$25,000⁴))	((8%))	((15%))
((Reduced Configuration ⁵))	((NA))	((NA))	(((\$5,000⁴))	(((\$15,000⁴))	((8%))	((15%))



<u>((NON-SPECTATOR EVENTS)) NON-TICKETED EVENTS</u>						
Upper/Lower Bowls	\$10,000 ⁽⁽⁴⁾⁾⁵	(\$25,000)	NA	NA	NA	NA
Reduced Configuration ⁽⁽⁵⁾⁾⁶	\$5,000 ⁽⁽⁴⁾⁾⁵	(\$15,000)	NA	NA	NA	NA
		\$30,000 ⁽⁽⁴⁾⁾⁵				
		\$20,000 ⁽⁽⁴⁾⁾⁵				
<u>HIGH SCHOOL GRADUATIONS</u>						
Reduced Configuration Only ⁶	\$5,000 ⁵	\$15,000 ⁵				

		Facility Surcharge Spectator Events	
KeyArena		Up to \$3 per ticket for all promoters	
McCaw Hall		Up to \$3 per ticket for ((non-profit))all promoters	((Up to \$3 per ticket for for-profit 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 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 2009 and 2010 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 ((subsequent))succeeding days of multi-day uses.
- Reduced Configuration:** Reduced Configuration means either lower bowl by itself or "Theater" set-up. "Theater,"((s)) 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.



Attachment B: (~~2007 and 2008~~) 2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center

Effective January 1, (~~2007~~) 2009

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 (~~Law Department~~) City Attorney and the guidance of the Risk Manager and the Director of Finance, 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 Director of Finance.

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. "Event" means the purpose for which a facility has been contracted, such as a meeting, show, competition, performance, festival, etc., and includes all related activities such as move-in/move-out, rehearsal, practice, and other activities of the Event. There are three types of Events:

1) "Family Show" means a Spectator Event whose target audience is children, for which a separate rate category has been established in Attachment A, "the 2009 and 2010 Seattle Center Fee Schedule."

2) "Government Agency Event" means an Event contracted by an agency of the federal government, State of Washington, any municipal corporation or other special or general purpose unit of local government in the State of Washington; or any legally constituted public governing body with multi-jurisdictional authority, one jurisdiction of which is within the State of Washington, or any quasi-governmental entity or company created solely for conducting the business of one or more of such government entities and subject solely to the rules and regulations thereof for official governmental purposes.

~~(2)~~3) "Spectator Event" means any Event open to the public and held in the KeyArena, Exhibition Hall, Fisher Pavilion, or Marion Oliver McCaw Hall, where admission to the Event's principal activity is ticketed, except for trade or consumer shows, private meetings, (~~or~~) conventions, or exhibit shows. 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 event may include elements in which seated audiences view a demonstration or performance related to the static display.

((3))4) "Standard Event" means any Event that is not a Spectator Event or Government Agency Event.

5) "Ticketed Event" refers to concerts, sporting events, and speaker events for which tickets are sold.

b. "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.

c. "Director" means the Director of the Seattle Center Department or the Director's designee.

d. "Facility" means a room, building, or outdoor space at Seattle Center that can be rented by the public.

e. "Major Facility" means the KeyArena, Marion Oliver McCaw Hall, Exhibition Hall, or Fisher Pavilion~~(, or Seattle Center Pavilion)~~.

f. "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.

g. "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") consistent with Attachment A, (~~the 2007 and 2008 Seattle Center Fee Schedule~~) the 2009 and 2010 Seattle Center Fee 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 above policy.

The Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in Attachment A, 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 Spectator Events in KeyArena and McCaw Hall based on the number of tickets sold, and to establish a schedule of per-ticket rates consistent with Attachment A. The basis for computing the Facility Surcharge may include complimentary tickets if such complimentary tickets exceed 10% of sellable capacity for the Event, in which case the Facility Surcharge shall be payable for those complimentary tickets that exceed 10% of sellable capacity. The Director shall promulgate guidelines governing the application of the Facility Surcharge, which guidelines shall be based on ~~((sound business practice, be in the City's best interest, and be related to the goals for Seattle Center))~~ 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 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:** A deposit(s) may be required 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. ORINATION FEES: The Director may assess Origination 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(~~FEES~~): 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 SMC 17.16.015. 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 17.16.015.

j. PROGRAM AND NOVELTY CONCESSIONS (~~FEES~~): The Director may collect Concession Fees at any Event in a Major Facility, the Center House main floor area, or outdoor spaces 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 such items at Spectator Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds.

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.

l. 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 17.16.015, 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 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 Guidelines for Seattle Center Co-Sponsored Events. 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 on availability of appropriate

facilities. Approval by the Director of Finance 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 Director of Finance 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 Director of Finance is required for agreements where the City's risk for potential loss exceeds \$50,000.

2009-2010 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle Center	Karin Butler / 684-7153	Amy Williams / 233-2651

Legislation Title:

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2009 and 2010; adopting policies for use of Seattle Center facilities; amending Sections 17.16.010 and 17.16.015 of the Seattle Municipal Code; repealing Ordinance 119199 and Ordinance 117695 in connection therewith; and adding a new Section 17.16.020 to the Seattle Municipal Code.

• Summary of the Legislation:

The proposed legislation widens the range of event day fees that Seattle Center can charge for certain facilities; changes, deletes, or adds certain KeyArena price categories; and removes limitations on the number of days a long-term exhibit show may use a facility. This legislation also incorporates the existing authority for Seattle Center to enter into agreements with event caterers (currently codified in Ordinance 117695) into Attachment B: Terms and Conditions for Events at Seattle Center. The legislation also repeals Ordinance 119199 and Ordinance 117695. This legislation grants Seattle Center needed flexibility to negotiate with commercial clients and providers of event-related services.

• Background:

Amending the biennial fees and charges, extending the Seattle Center Fee Schedule, and amending the corresponding portions of SMC 17.16.015 and SMC 17.16.010 are routine actions that take place during the budget process.

In general, Seattle Center's facility fees and facility surcharges fall within established ranges. The Department is requesting minor adjustments to the existing ranges to allow the Center to stay competitive in the marketplace and maximize revenue. When the Director becomes aware of market factors that would allow facility rental rates to be raised and still be competitive, a new rate schedule will be published. If the economy worsens, 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 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).

Likewise, if the Director becomes aware of market factors or business needs that warrant a change to the facility surcharges (calculated by a fee on the number of tickets sold), new facility surcharge amounts may be established within the approved range.

The Center has not predicated its 2009-2010 revenue estimates on the existence of these new ranges for facility fee rates or facility surcharge rates. Thus, there is no incremental revenue associated with the proposed rate changes. Rather, these changes are being requested so rates can be adjusted as dictated by economic conditions.

In addition to the changes in fee ranges noted above, the Department is also making adjustments in the names of two KeyArena price categories and the types of events they cover in order to be consistent with industry practice. "Concerts" is being renamed "Ticketed Events" and this price category will now include Sports events, "Family Shows/Sports Events" is being renamed "Family Shows." The "Other Spectator Events" price category is being eliminated, as it is not used. A new KeyArena price category is also added for "High School Graduations," which is a type of event that Seattle Center currently does not have and is trying to attract to KeyArena.

Another change in this legislation will remove limits on the number of days for which long-term exhibit shows may use Seattle Center facilities. By their nature, these shows may need more than 120 days of use, which is the current limit for non-spectator events. The legislation also clarifies, in Attachment B to the Ordinance, that exhibit shows, though ticketed, are not considered Spectator Events. These changes will help position Seattle Center to bid for long-term exhibit show business opportunities, which are coming to the Center more frequently.

In addition to the changes mentioned above, this legislation also incorporates into the Bill's "Attachment B: Terms and Conditions for Events at Seattle Center" the existing authority (currently granted under Ordinance 117695) for the Center to enter into agreements with event caterers, and repeals Ordinance 117695. This approach is intended to consolidate and align the catering terms with the other existing terms and conditions related to events at Seattle Center under a single ordinance, for efficiency and clarity. Such providers of event services are essential to Seattle Center's business, and being able to offer five-year terms helps attract and keep the best providers.

Finally, the legislation repeals Ordinance 119199 regarding KeyArena co-promotion agreements, which is out of date -- the current co-promotion authority is now contained within the Bill's Attachment B: Terms and Conditions for Events at Seattle Center.

- *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.

The ranges of fees (facility fees and facility surcharges) that are being changed by this legislation are as outlined on Attachment A to the legislation.

All fee ranges were last changed in the 2007-08 budget legislation. Only certain fee ranges are being changed in this legislation, along with the addition of one new category of KeyArena fees.

Within these ranges, Seattle Center sets annual fee schedules that are competitive with rates of other facilities in the marketplace and that support Seattle Center's business development and revenue generation goals.

	Revenue Source	2009 Proposed	2010 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance		N/A*	N/A*

(If new revenue is for a partial year, provide estimate for full year in the notes section below; also include the effect on the average customer, user or payer.)

Notes: *Note: This legislation does not appropriate funds. The Department is not anticipating a direct increase in revenue from the changes in the fee ranges, although it might realize an increase or decrease, depending upon market conditions. These assumptions are reflected in the Center's 2009-10 budget submittal.

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

Fund Name and Number	Revenue Source	Total 2009 Revenue	Total 2009 and 2010 Anticipated Revenue from Entire Program
11410 - Seattle Center Operating Fund 11420 - Seattle Center KeyArena Subfund 11430 - Seattle Center McCaw Hall Subfund	Facility Fees	\$2,127,748*	\$4,725,495
	Facility Surcharges	\$569,635	\$1,212,439
TOTAL		\$2,697,383	\$5,937,934

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

- What is the financial cost of not implementing this 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.

- 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.

- Is the legislation subject to public hearing requirements?

No.

- Other Issues (*including long-term implications of the legislation*):

None.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDINANCE _____

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2009 and 2010; adopting policies for use of Seattle Center facilities; amending Sections 17.16.010 and 17.16.015 of the Seattle Municipal Code; repealing Ordinance 119199 and Ordinance 117695 in connection therewith; and adding a new Section 17.16.020 to the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective January 1, 2009 Section 17.16.010 of the Seattle Municipal Code is amended, as follows:

17.16.010 Use of Seattle Center facilities.

The Seattle Center Director, or 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, 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 Section 17.16.015, nor for more



1 than 120 days during any one calendar year for other Events, except for exhibit shows, which
2 shall not be limited in number of days during any one calendar year. For purposes of this section,
3 an "exhibit show" is defined as a ticketed or non-ticketed event in which audiences view a static
4 display of things, articles, or images. Such exhibit shows may include elements in which seated
5 audiences view demonstrations or performances related to the static display.

6
7
8 Section 2. Effective January 1, 2009, Section 17.16.015 of the Seattle Municipal Code
9 is amended as follows:

10 **17.16.015 Use fees, terms and conditions.**

11 The ~~((Director of the))~~ Seattle Center ~~((Department))~~ Director is authorized to charge and
12 collect fees for the use of certain Seattle Center facilities, services and equipment provided to
13 users thereof, and to condition such use on compliance with certain general terms, conditions,
14 rules, and guidelines promulgated by the Director, as specified in ~~((Attachment A,))~~ the "~~((2007~~
15 ~~and 2008))~~ 2009 and 2010 Seattle Center Fee Schedule~~((;))~~" (Attachment A to the Ordinance
16 introduced as Council Bill 116375), and ~~((Attachment B,))~~ the "~~((2007 and 2008))~~ 2009 and
17 2010 Seattle Center Terms and Conditions for Events at Seattle Center~~((-))~~" (Attachment B to the
18 Ordinance introduced as Council Bill 116375). The ~~((2007 and 2008))~~ 2009 and 2010 Seattle
19 Center Fee Schedule supersedes all prior fee schedules to the extent they are inconsistent.
20
21
22

23 Section 3. Effective January 1, 2009, a new Section 17.16.020 is added to the Seattle
24 Municipal Code as follows:

25 **17.16.020. Event related service agreements.**



1 The Director is authorized as specified in the "2009 and 2010 Seattle Center Terms and
2 Conditions for Events at Seattle Center" (Attachment B to the Ordinance introduced as Council
3 Bill 116375), to enter into agreements with terms of up to five years with caterers,
4 concessionaires, and other providers of event-related services, with an option to renew any such
5 agreement for up to an additional five years. The Director is authorized to execute and deliver,
6 for and on behalf of the City, all documents he or she shall deem necessary or appropriate in
7 connection with any such agreements authorized in this section. The authority in this section is
8 limited as follows:
9

10 A. The Director shall consult with the City Attorney prior to entering into any such
11 agreement and shall use a form of agreement prepared with the assistance and advice of the City
12 Attorney; and
13

14 B. The total term of any new agreement shall not exceed five (5) years in duration;
15 provided, however, any new agreement may contain an option properly supported by adequate
16 consideration to renew the agreement for an additional five (5) years; provided further that this
17 limitation shall not restrict the authority of the Director to negotiate and to enter into new
18 agreements with the same person or entity upon terms and conditions different from any earlier
19 agreement.
20

21 Section 4. Effective January 1, 2009, Ordinance 119199 authorizing the Seattle Center
22 director to enter into co-promotion agreements under specified circumstances for spectator events
23 in KeyArena is repealed.
24
25
26
27
28



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Section 5. Effective January 1, 2009, Ordinance 117695 authorizing the Seattle Center Director to enter into separate agreements with licensed caterers that meet certain conditions, for the provision of catering services to Seattle Center clients, is repealed.

Section 6. 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 ____ day of _____, 2008, and signed by me in open session in authentication of its passage this ____ day of _____, 2008.

President _____ of the City Council

Approved by me this ____ day of _____, 2008.

Gregory J. Nickels, Mayor

Filed by me this ____ day of _____, 2008.

City Clerk

(Seal)

Attachments

- Attachment A: 2009 and 2010 Seattle Center Fee Schedule
- Attachment B: 2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center



Attachment B: ~~((2007 and 2008))~~ 2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center

Effective January 1, ~~((2007))~~ 2009

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 ~~((Law Department))~~ City Attorney and the guidance of the Risk Manager and the Director of Finance, 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 Director of Finance.

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. "Event" means the purpose for which a facility has been contracted, such as a meeting, show, competition, performance, festival, etc., and includes all related activities such as move-in/move-out, rehearsal, practice, and other activities of the Event. There are three types of Events:

1) "Family Show" means a Spectator Event whose target audience is children, for which a separate rate category has been established in Attachment A, "the 2009 and 2010 Seattle Center Fee Schedule."

2) "Government Agency Event" means an Event contracted by an agency of the federal government, State of Washington, any municipal corporation or other special or general purpose unit of local government in the State of Washington; or any legally constituted public governing body with multi-jurisdictional authority, one jurisdiction of which is within the State of Washington, or any quasi-governmental entity or company created solely for conducting the business of one or more of such government entities and subject solely to the rules and regulations thereof for official governmental purposes.

~~((2))~~ 3) "Spectator Event" means any Event open to the public and held in the KeyArena, Exhibition Hall, Fisher Pavilion, or Marion Oliver McCaw Hall, where admission to the Event's principal activity is ticketed, except for trade or consumer shows, private meetings, ~~((or))~~ conventions, or exhibit shows. 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 event may include elements in which seated audiences view a demonstration or performance related to the static display.



((3))4) "Standard Event" means any Event that is not a Spectator Event or Government Agency Event.

5) "Ticketed Event" refers to concerts, sporting events, and speaker events for which tickets are sold.

- b. "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.
- c. "Director" means the Director of the Seattle Center Department or the Director's designee.
- d. "Facility" means a room, building, or outdoor space at Seattle Center that can be rented by the public.
- e. "Major Facility" means the KeyArena, Marion Oliver McCaw Hall, Exhibition Hall, or Fisher Pavilion~~((, or Seattle Center Pavilion))~~.
- f. "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.
- g. "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") consistent with Attachment A, (~~("the 2007 and 2008 Seattle Center Fee Schedule")~~) "the 2009 and 2010 Seattle Center Fee 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 above policy.

The Director may negotiate fees for intermittent use of miscellaneous facilities and portions of facilities that are not identified in Attachment A, 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 Spectator Events in KeyArena and McCaw Hall based on the number of tickets sold, and to establish a schedule of per-ticket rates consistent with Attachment A. The basis for computing the Facility Surcharge may include complimentary tickets if such complimentary tickets exceed 10% of sellable capacity for the Event, in which case the Facility Surcharge shall be payable for those complimentary tickets that exceed 10% of sellable capacity. The Director shall promulgate guidelines governing the application of the Facility Surcharge, which guidelines shall be based on ~~((sound business practice, be in the City's best interest, and be related to the goals for Seattle Center))~~ 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 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:** A deposit(s) may be required 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 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(~~FEES~~): 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, with an option to renew for up to an additional 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 SMC 17.16.015. 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, with an option to renew for up to an additional 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 17.16.015.

j. PROGRAM AND NOVELTY CONCESSIONS (~~FEES~~): The Director may collect Concession Fees at any Event in a Major Facility, the Center House main floor area, or outdoor spaces 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 with an option to renew for up to an additional five years in accordance with SMC 17.16.015, giving the concessionaire the exclusive right to sell such items at Spectator Events in specific facilities, and/or to the public at specified locations on the Seattle Center grounds.



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.

l. 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, with an option to renew for up to an additional five years in accordance with SMC 17.16.015, 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 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 Guidelines for Seattle Center Co-Sponsored



Events. 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 on availability of appropriate facilities. Approval by the Director of Finance 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 Director of Finance 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 Director of Finance is required for agreements where the City's risk for potential loss exceeds \$50,000.



2009-2010 BUDGET LEGISLATION FISCAL NOTE

Note: This fiscal note template may be used for most pieces of budget legislation. Certain legislation submitted with the budget (e.g., the Supplemental Ordinance) requires that the standard fiscal note template be used with some modification. Please work with your Budget Analyst so that your fiscal note provides the information that is required during the budget process. The standard template can be found on the Legislation Tracking Page on the inweb at <http://inweb/legislationtracking/>

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle Center	Karin Butler / 684-7153	Amy Williams / 233-2651

Legislation Title:

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2009 and 2010; adopting policies for use of Seattle Center facilities; amending Sections 17.16.010 and 17.16.015 of the Seattle Municipal Code; repealing Ordinance 119199 and Ordinance 117695 in connection therewith; and adding a new Section 17.16.020 to the Seattle Municipal Code.

- Summary of the Legislation:

The proposed legislation widens the range of event day fees that Seattle Center can charge for certain facilities; changes, deletes, or adds certain Key Arena price categories; and removes limitations on the number of days a long-term exhibit show may use a facility. This legislation also incorporates the existing authority for Seattle Center to enter into agreements with event caterers (currently codified in Ordinance 117695) into Attachment B: Terms and Conditions for Events at Seattle Center, and adds authority for Seattle Center to renew concession agreements with food and beverage concessionaires and other event service providers. The legislation also repeals Ordinance 119199 and Ordinance 117695. This legislation grants Seattle Center needed flexibility to negotiate with commercial clients and providers of event-related services.

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

Amending the biennial fees and charges, extending the Seattle Center Fee Schedule, and amending the corresponding portions of SMC 17.16.015 and SMC 17.16.010 are routine actions that take place during the budget process.

In general, Seattle Center's facility fees and facility surcharges fall within established ranges. The Department is requesting minor adjustments to the existing ranges to allow the Center to stay competitive in the marketplace and maximize revenue. When the Director becomes aware of market factors that would allow facility rental rates to be raised and still be competitive, a new rate schedule will be published. If the economy worsens, 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 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).

Likewise, if the Director becomes aware of market factors or business needs that warrant a change to the facility surcharges (calculated by a fee on the number of tickets sold), new facility surcharge amounts may be established within the approved range.

The Center has not predicated its 2009-2010 revenue estimates on the existence of these new ranges for facility fee rates or facility surcharge rates. Thus, there is no incremental revenue associated with the proposed rate changes. Rather, these changes are being requested so rates can be adjusted as dictated by economic conditions.

In addition to the changes in fee ranges noted above, the Department is also making adjustments in the names of two KeyArena price categories and the types of events they cover in order to be consistent with industry practice. "Concerts" is being renamed "Ticketed Events" and this price category will now include Sports events, "Family Shows/Sports Events" is being renamed "Family Shows." The "Other Spectator Events" price category is being eliminated, as it is not used. A new KeyArena price category is also added for "High School Graduations," which is a type of event that Seattle Center currently does not have and is trying to attract to KeyArena.

Another change in this legislation will remove limits on the number of days for which long-term exhibit shows may use Seattle Center facilities. By their nature, these shows may need more than 120 days of use, which is the current limit for non-spectator events. The legislation also clarifies, in Attachment B to the Ordinance, that exhibit shows, though ticketed, are not considered Spectator Events. These changes will help position Seattle Center to bid for long-term exhibit show business opportunities, which are coming to the Center more frequently.

In addition to the changes mentioned above, this legislation also incorporates into the Bill's "Attachment B: Terms and Conditions for Events at Seattle Center" the existing authority (currently granted under Ordinance 117695) for the Center to enter into agreements with event caterers, and repeals Ordinance 117695. This approach is intended to consolidate and align the catering terms with the other existing terms and conditions related to events at Seattle Center under a single ordinance, for efficiency and clarity. In addition, this legislation adds authority for Seattle Center to renew concession agreements with food and beverage concessionaires for up to five years, and to renew agreements with other event service providers, for up to an additional five years. Such providers of event services are essential to Seattle Center's business, and being able to offer five-year terms with renewal options helps attract and keep the best providers.

Finally, the legislation repeals Ordinance 119199 regarding KeyArena co-promotion agreements, which is out of date -- the current co-promotion authority is now contained within the Bill's Attachment B: Terms and Conditions for Events at Seattle Center.

- 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.

The ranges of fees (facility fees and facility surcharges) that are being changed by this legislation are as outlined on Attachment A to the legislation.

All fee ranges were last changed in the 2007-08 budget legislation. Only certain fee ranges are being changed in this legislation, along with the addition of one new category of KeyArena fees.

Within these ranges, Seattle Center sets annual fee schedules that are competitive with rates of other facilities in the marketplace and that support Seattle Center's business development and revenue generation goals.

	Revenue Source	2009 Proposed	2010 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance		N/A*	N/A*

(If new revenue is for a partial year, provide estimate for full year in the notes section below; also include the effect on the average customer, user or payer.)

Notes: *Note: This legislation does not appropriate funds. The Department is not anticipating a direct increase in revenue from the changes in the fee ranges, although it might realize an increase or decrease, depending upon market conditions. These assumptions are reflected in the Center's 2009-10 budget submittal.



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

Fund Name and Number	Revenue Source	Total 2009 Revenue	Total 2009 and 2010 Anticipated Revenue from Entire Program
11410 - Seattle Center Operating Fund 11420 - Seattle Center KeyArena Subfund 11430 - Seattle Center McCaw Hall Subfund	Facility Fees	\$2,127,748*	\$4,725,495
	Facility Surcharges	\$569,635	\$1,212,439
TOTAL		\$2,697,383	\$5,937,934

*NOTE: Facility fees above do not include KeyArena tenant rents which are not related to 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)

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.

- 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.)

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.

- Is the legislation subject to public hearing requirements? (If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future?)

No.

- Other Issues (including long-term implications of the legislation):

None.



STATE OF WASHINGTON – KING COUNTY

--SS.

232346
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:122857 ORDINANCE

was published on

12/11/08

The amount of the fee charged for the foregoing publication is the sum of \$ 196.70, which amount has been paid in full.



[Handwritten signature]

Subscribed and sworn to before me on

12/11/08

[Handwritten signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

Section 3. Effective January 1, 2009, a new Section 17.16.020 is added to the Seattle Municipal Code as follows:

17.16.020. Event related service agreements.

The Director is authorized as specified in the "2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center" (Attachment B to the Ordinance introduced as Council Bill 116375), to enter into agreements with terms of up to five years with caterers, concessionaires, and other providers of event-related services. The Director is authorized to execute and deliver, for and on behalf of the City, all documents he or she shall deem necessary or appropriate in connection with any such agreements authorized in this section. The authority in this section is limited as follows:

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

B. The total term of any new agreement shall not exceed five (5) years in duration.

Section 4. Effective January 1, 2009, Ordinance 119199 authorizing the Seattle Center director to enter into co-promotion agreements under specified circumstances for spectator events in KeyArena is repealed.

Section 5. Effective January 1, 2009, Ordinance 117695 authorizing the Seattle Center Director to enter into separate agreements with licensed caterers that meet certain conditions, for the provision of catering services to Seattle Center clients, is repealed.

Section 6. 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 24th day of November, 2008, and signed by me in open session in authentication of its passage this 24th day of November, 2008.

Richard Conlin

President of the City Council

Approved by me this 2nd day of December, 2008.

Gregory J. Nickels, Mayor

Filed by me this 4th day of December, 2008.

(Seal) Judith Pippin; City Clerk

Attachments

Attachment A: 2009 and 2010 Seattle Center Fee Schedule

Attachment B: 2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center

See City Clerk for Attachments

Publication ordered by JUDITH PIPPIN, City Clerk

Date of publication in the Seattle Daily Journal of Commerce, December 11, 2008.

12/11(232346)

City of Seattle

ORDINANCE 122857

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Director is authorized to set fees for 2009 and 2010; adopting policies for use of Seattle Center facilities; amending Sections 17.16.010 and 17.16.015 of the Seattle Municipal Code; repealing Ordinance 119199 and Ordinance 117695 in connection therewith; and adding a new Section 17.16.020 to the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Effective January 1, 2009 Section 17.16.010 of the Seattle Municipal Code is amended, as follows:

17.16.010 Use of Seattle Center facilities.

The Seattle Center Director, or 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, 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 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 January 1, 2009, Section 17.16.015 of the Seattle Municipal Code is amended as follows:

17.16.015 Use fees, terms and conditions.

The ((Director of the)) Seattle Center ((Department)) Director is authorized to charge and collect fees for the use of certain Seattle Center facilities, services and equipment provided to users thereof, and to condition such use on compliance with certain general terms, conditions, rules, and guidelines promulgated by the Director, as specified in ((Attachment A)) the ((2007 and 2008)) 2009 and 2010 Seattle Center Fee Schedule ((;)) ((Attachment A to the Ordinance introduced as Council Bill 116375)), and ((Attachment B)) the ((2007 and 2008)) 2009 and 2010 Seattle Center Terms and Conditions for Events at Seattle Center ((;)) ((Attachment B to the Ordinance introduced as Council Bill 116375)). The ((2007 and 2008)) 2009 and 2010 Seattle Center Fee Schedule supersedes all prior fee schedules to the extent they are inconsistent.