

**To:** Dan Eder, Central Staff

**From:** Karl Stickel, OED  
Kerry Smith, Seattle Center

**Date:** March 30, 2017

**Subject:** Civic Arenas Committee Questions

Following are responses to the questions raised at the March 27, 2017 Civic Arenas Committee meeting.

Slide 6 – SODO Arena – Agreement Background

1. *CM Johnson – Does the City approve the joint scheduling agreement between the SODO Arena, CenturyLink, and Safeco Stadium? If so, when and how?*

To our knowledge, the City does not currently have authority to approve a scheduling agreement because no existing agreement or decision conveys that authority. Of course, the City could require that as a condition of approving any future agreements (e.g. the umbrella agreement with ArenaCo) or making future decisions (e.g., street vacation, MUP approval, etc.).

With respect to the SODO Arena MOU, the Seattle City Council will have the authority to approve any umbrella agreement which encapsulates several Transactional Documents, including the joint scheduling agreement. This approval would only occur when there is a negotiated agreement between the City and ArenaCo. Further, as part of the SDOT Street Vacation process, a joint scheduling agreement is required as part of the submittal package. This submittal will be up for review and approval from the City Council this year.

For reference, here is an excerpt from the ArenaCo MOU:

**21. Scheduling Coordination.** ArenaCo will coordinate with the Seattle Mariners, the Seattle Sounders and the Seattle Seahawks, as well as the Washington State Public Stadium Authority (CenturyLink Field) and the Washington-King County Stadium Authority (Safeco Field), to minimize the number of conflicting and overlapping events held at the existing stadiums and the proposed Arena. The Transaction Documents will include specific provisions limiting the number and duration of such conflicts and providing for City oversight and enforcement of these provisions.

### Slide 12 – KeyArena – History

2. *CM Burgess – Would like to see the entire KeyArena revenue table – what makes up the revenues cited in the presentation? Is there any additional detail that Seattle Center about specific types of operating revenues and operating expenses?*

Please see Attached KeyArena Financial Summary 2004-2016

3. *CM Johnson & CM Bagshaw – What is the cost and nature of the capital projects and major maintenance projects that are currently needed for KeyArena? How would this list change with the range of redevelopment ideas explored in the 2015 AECOM report?*

We are currently compiling this information and will provide it when completed.

### Slide 16 – KeyArena – Landmark Process

4. *CM Bagshaw – Council may wish to articulate its interests and policy priorities for any potential Controls & Incentives agreements within the KeyArena Redevelopment Site before the Landmarks Preservation Board negotiates with the City and/or its selected developer. Can you identify some potential options for doing so?*

The City Attorney's Office has provided confidential legal advice directly to Council Central Staff in response to this question.

5. *CM Johnson – Why did the City take so long to submit landmark nominations for eligible buildings within the KeyArena Redevelopment Site?*

### **2013 Landmarks Survey**

In 2013, Seattle Center commissioned an historic value survey as a proactive way to manage the World's Fair properties that were now 50+ years old and would require a mandatory nomination for redevelopment going forward.

The 2013 "Seattle Center Historic Landmark Survey" analyzed the campus in the same manner as the Landmark's Board. It evaluated each property per the 6 criteria for Landmark designation, and made a preliminary assessment of the historic fabric/integrity of the structures as well as their character-defining features. This is more information than is often contained in a basic nomination, and has been very helpful in our long-term planning. Due to limited funding, Seattle Center has not submitted nominations for all eligible properties, doing so only on an as needed basis.

For example, Seattle Center used this survey as the basis for Northwest Rooms nomination in 2014 in advance of the KEXP project. The survey information was also used to create the KeyArena RFP and its Redevelopment Site and was provided to potential proposers. The assessment that the KeyArena met all 6 of the designation criteria was fundamental in structuring the RFP requirements. Understanding the possible Landmarks implications of the other facilities in the Redevelopment Site allows proposers to evaluate inclusion of those facilities in their proposal.

### **Landmark Nomination**

Seattle Center's consultant is preparing two Landmark nominations. The first, which was submitted to the Landmarks Board in the Department of Neighborhoods (DON) on March 16, 2017, was for the one 50-plus year old facility on the parcel south of the KeyArena. This building, the "Bressi Garage", currently houses Pottery Northwest and Seattle Center's grounds staff support space called Park Place.

The second nomination, which will be submitted on Friday, March 31, 2017, will include the KeyArena and all the 50+ year facilities included in the surrounding parcel. It references the already-Landmarked Northwest Rooms, north of the KeyArena and includes the KeyArena, the West Court, NASA and Blue Spruce buildings. It also includes potential historic artifacts that make up 2 walls of the Seattle Center Pavilion and the wall that encloses the KeyArena south courtyard on the north side of Thomas St.

Nominations are essentially analysis of the history to date of a structure and that structure's current condition. Nominations are evaluated irrespective of any possible changes or reuse of the structure. Once the Landmark's Board staff has reviewed the nominations and determined they are complete, they will present the nominations and their assessment of the criteria and other elements to the Board, along with our consultant. The Board will determine whether they will designate the KeyArena, or any of the other facilities or the artifacts.

### **Controls and Incentives**

The next phase is the Controls and Incentives Agreement. At this point, as Landmark's staff prepares the initial Agreement, it will be helpful to understand what the proposers envision as redevelopment of the Key and site. The process is timed to have the Proposer information available for this phase.

The Controls and Incentives Agreement identifies the elements of the facility that will need a Certificate of Approval for any significant change or redevelopment. Typically, maintenance and replacement in-kind is always outside of the approval process. This is the step at which owners can also make financial hardship presentations to the Board.

The final adopted Controls and Incentives Agreement will be sent to the City Council as an ordinance. The Council at that time can make changes to what needs or does not need a Certificate of Approval.

### **Certificate(s) of Approval**

Once the Controls and Incentives Agreement is adopted by Ordinance, any proposed changes to those elements that need a Certificate of Approval will need to go back to the Landmarks Board. Typically, the owner or tenant prepares architectural drawings showing the proposed changes and meets with the Landmarks Board Architectural Review Committee to answer questions, make revisions, and obtain their approval before presenting to the full Board for approval. Once approved, building permits can proceed. Typically, public facilities that go through the Landmarks Board Certificate of Approval process do not go through the Seattle Design Commission process as

well, although there have been some high-profile exceptions where DON and Office of Planning and Community Development (OPCD) staff negotiate a dual process.

6. *CM Juarez – Would like a one-page summary showing all of the buildings in the KeyArena Redevelopment Site. For each eligible building, which is eligible for Landmark Status (i.e., built at least 50 years ago), which has already been nominated for Landmark Status and when, which will be nominated and by when?*

**Facilities included with the KeyArena Redevelopment Area:**

This table uses the building numbering in the RFP, with data pulled from the 2013 Survey:

<b>Building</b>	<b>Nomination Date</b>
1. KeyArena	March 31, 2017
2. West Court Building	March 31, 2017
3. NASA Building	March 31, 2017
4. Seattle Center Pavilion	March 31, 2017
6. Blue Spruce Building	March 31, 2017
8/9. Pottery NW/Park Place	March 16, 2017
South courtyard wall	March 31, 2017

Slide 21 – Seattle Center – Century 21 Master Plan

*CM Johnson – Would like a list of the ownership status for all buildings on the Seattle Center campus, including relevant lease information.*

<b>Building</b>	<b>Ownership</b>	<b>Tenant or Use</b>	<b>Type of Agreement</b>	<b>Agreement Started</b>	<b>Agreement Term</b>
Armory	City	Food service, museum, theatres, schools and City Offices	Variety of premises leases and concession agreements	Varies by tenant	Varies by tenant, the longest term is through 2021 + 2 5-year options
Blue Spruce	City	Administrative offices for 5 short term tenants and Northwest Folklife Festival	Event production and professional service agreements	Varies by tenant	All annual or month to month except Folklife



Chihuly Garden and Glass	Center Art – Improvements City – Premises & Land	Center Art	Premises Lease	2011	5 yrs + 5-5 year options
Cornish Playhouse	City	Cornish College of the Arts, Intiman is subtenant	Premises Lease	2014	20 yrs, City option to terminate at 10 yrs
Essentially Seattle (Retail)	Center Art - Improvements City – Bldg. & Land	Center Art	Premises Lease	2011	5 + 5 5-year options
Exhibition Hall	City	1 <sup>st</sup> Floor – Event Rental	NA		
Exhibition Hall (Phelps Center)	City	2 <sup>nd</sup> Floor – Pacific NW Ballet	PNB – Lease of Air Space	1988	25 + 2 15-yr options
Fisher Pavilion	City	Event Rental	NA		
International Fountain Pavilion	City	Art/Not Terminal	Premises Lease	2016	2 + 3 1-yr options
KCTS 9	KCTS – Bldg. City – Land	KCTS 9, Crosscut is subtenant	Premises Lease	1984	40 yrs
KEXP	KEXP – Improvements City – Bldg., Land	KEXP	Premises Lease	Commenced 2015	10 yr + 4 5-yr options
KeyArena	City	Event Rental	NA		
Marion Oliver McCaw Hall	City	Event Rental, priority to Pacific NW Ballet and Seattle Opera	Use & Management Agreement with PNB and SO	2003	25 yr + 2-15 yr options
Memorial Stadium & Parking Lot	Seattle School District	Not a tenant			
Mercer Arena	Opera – New Bldg. City - Land	Seattle Opera	Ground Lease	Commenced 2014	25 yrs + 2-15 yr options
Monorail station and guideway	City	Seattle Monorail Services	Concessions agreement	2015	10 yrs + 10 yr option
MoPOP	MoPOP – Bldg. City - Land	MoPOP	Ground Lease	1997	40 + 2 10-yr options



NASA Building	City	City storage	NA		
Next 50 Pavilion	City	Event Rental	NA		
Pacific Science Center	Pacific Science Center	Not a tenant			
Parking - 1st Ave N Garage	City	Public Parking	NA		
Parking - 5th Ave N. Garage	IRIS Holdings - Land City – Garage (through agreement term)	Public and Gates Foundation Parking	Condominium		50 yrs + 15 yr option
Parking - Mercer St. Garage	City	Public Parking	NA		
Pottery Northwest (south portion)	City	Pottery Northwest	2013	10	+ 2 5-year options
Pottery Northwest (north portion) Park Place	City	City gardeners shop	NA		
Restroom Pavilion	City	Public restrooms	NA		
Seattle Center Pavilion	City	Event Rental	NA		
Seattle Children's Theatre	SCT – Technical Pavilion City – Theatres, Land	Seattle Children's Theatre	Facility Use & Occupancy	CMT Theatre – 1993, EA Theatre – 1998 Tech Pav – 2000	Various terms & options, all ending 2040
Seattle Repertory Theatre	SRT – Leo K Theatre City – Bagley Wright Theatre, Land	Seattle Repertory Theatre	Facility Use & Occupancy Agreement	1996	30 yrs
SIFF Film Center	SIFF - Improvements City - Bldg., Land	SIFF	Premises Lease	2008	10 yrs



Skatepark (not a building)	City	NA	NA		
Space Needle	Space Needle				
The VERA Project	VERA - Improvements City - Bldg., Land	VERA	Premises Lease	2006	10 yrs plus 1 5-yr option + 1 5-yr option w/ Council approval
Thomas St. Building Gift Shop	City	1 <sup>st</sup> Floor – Seattle Ctr. Foundation 2 <sup>nd</sup> – Seattle Monorail Services Offices	SCF – Premises Lease SMS – Concession Agreement	SCF – 2014 SMS - 2015	SCF month to month Monorail 10 yr
West Court Building	City	Seattle Storm	Facility Use Agreement	2018	10 yr