

Design and Constructability Team Questions/Requests

1. Do you have WA State sales tax in your project budget?
2. Please show the turning radius you have for access to the truck ramps in your design, we need to see how the trucks are using the adjacent city streets
3. Please provide a MEP narrative with the following details:
 - a. For Mechanical: are you planning to connect to Seattle Center utility plant, what is your plan to relocate equipment in Northwest Room courtyard?
 - b. For Electrical: What is plan to relocate main electrical in south yard since you have repurposed that location?
 - c. For Plumbing: A general overview of domestic water, sewage and any storm water/GSI details you may have studied.
4. In promotional materials you indicate that you have lowered the floor plate of the event floor by 15' - please provide a section drawing illustrating this added depth and the relationship of your new building levels to grade.
5. Do you have any entrances to the building besides the south end? We see egress stairs at north, but only south entry.
6. Please state your financial commitment to transportation mitigation, both capital and operating.
7. Please explain what, if any, programmatic and/or financial nexus exists between your development on the south site (1st Ave N block) and the arena? Are any arena functions housed in the 3-story development? Is revenue from the residential building part of your financials?
8. Please outline the details of the new seating bowl:
 - a. North end daylighting into bowl
 - b. Visibility of bowl from main concourse
 - c. Reconcile premium seating products between narrative, capacity and plans, i.e. location and description of “ice suites”
9. East and West Entry – please explain box office, will call, search, locations etc.
10. When is the anticipated building permit application submittal date?
11. Does the proposal assume that this is a substantial alteration, requiring a seismic evaluation?
12. And depending on the results of the evaluation, does the proposal anticipate a seismic retrofitting?
13. Has OVG been in any discussions with other public agencies about funding the 850-stall parking garage? Have any agencies been receptive? If no agencies are receptive, would OVG consider asking the City to fund the garage?
14. Is OVG proposing to fulfill part or all of its requirement for 1% for the Art by including the architecture of the arena itself? If so, how much of this requirement does OVG expect would be fulfilled by the architecture?
15. Please describe the expected impact to the physical structures south of Thomas Street within the redevelopment site, and specific plans for any tenant relocation necessary.
16. How will the arena service ramp leading to the loading dock interface with the adjacent parking garage and rideshare drop off? How will conflicts be managed?

ATTACHMENT 1 – Questions to Oak View Group

17. Please provide a breakdown of hard and soft costs in your redevelopment financing plan.
18. Have the NBA and NHL confirmed that your design meets the criteria to host a team per their individual league standards?

Operations Team Questions/Requests

1. Please explain your sponsorship strategy to sell sponsors at only the for-profit entities? How does this not cannibalize the opportunities for event/festivals and non-profits on the campus? How do you see merging the separate and aggressive business development strategy for these private organizations?
2. What does it mean to be the only “Ticketmaster Arena” in the NW?
3. Tell us more about your commitment to allocate \$10 million to YouthCare (of the 20 million you promise to commit)? Please provide additional narrative around what types of programs, etc. in which you would invest the \$10 million dollars? Will any of this funding help to mitigate displaced vendors/supplement revenues to non-profits?
4. Please explain in greater detail the premium seating business model between the 56-suite, club spaces, etc. and how flexible it is to accommodate different event types.
5. Please provide greater detail on the vending options and reference to 50% that would be serving outside of the facility.
6. Will the entertainment building on the 1st Ave/Thomas/Warren/John block be an event venue?
7. What is the process for maintaining existing staff? How will the “valued professionals” be determined?
8. What other arena in the country is most like the design you have submitted?
9. Please explain how your building design can be flexible to accommodate changes to demand in fan services and evolving event needs over the next 5, 10, 15 years?
10. How are the developments around the arena related to the total fan experience for attending an arena event?
11. The press workroom and interview room are not shown on the floor plans. Where are they located? How do the press access these rooms from the press box and vice versa?
12. Is there a transition lobby for guests to stand out of the weather before they arrive at the ticket gates?
13. The north end of the upper concourse seems narrow. Are there any services for guests at that end of the building?
14. Is the box office accessible from the east side via the lobby?
15. Do you have a proposal for where the Skatepark be relocated?
16. Are you providing space for displaced non-profit organizations in the Blue Spruce building?
17. Will you be providing space for Pottery NW?
18. What is the benefit of being the only venue in the country to have tri-sided scoreboards? Does that fit with NBA and NHL guidelines? What is the rigging plan for the end stage concert—seems the score board would create a hole in prime rigging space.
19. How do you deal with daylight from the South End Club with Space Needle view? Shutter system/drapes?

ATTACHMENT 1 – Questions to Oak View Group

20. How do you deal with the obstructions of the buttresses and the reinforcements needed on the event floor and locker room areas?
21. There is no mention of all gender restroom facilities. How will that be addressed?
22. How many trucks can park in the loading area? Please describe the overflow parking plan.
23. How do you mitigate issues related to the addition of the 850-car garage next to the arena? How do you coordinate traffic issues related to two garages depositing thousands of cars onto 1st Ave/surrounding area?
24. In the Transportation section you mention shuttles to South Lake Union? Who do you envision will pay and coordinate this operation?
25. How is Seattle Center recognized in association of the proposed arena? In direction signage? Co-branding with Arena? Is recognition mutual?
26. With respect to public Wi-Fi mention: is that just inside the arena or would it cover exterior spaces and fan-associated spaces in other developments sites. What are your plans for a Distributed Antenna System (DAS)? How do you see working with our existing fiber infrastructure and current DAS system under development?
27. How much electrical power will be available for touring shows? Broadcast needs? Where will it be located?
28. How will external sponsorship and radio station activations be accommodated in your plan?
29. Is your plan to have Live Nation be the exclusive provider of musical programming should you win the bid?

Financial Team Questions/Requests

Facility Questions

1. The Capital Reserve Fund can be capped at \$5 million. Please provide a spending plan for these funds. What is the anticipated annual spending? Over 10 years? Over 25 years? Under what conditions would the fund be more than of \$5 million?
2. What is the “public agency” that would fund \$25 million for the garage? How or will the funding be repaid? What happens if the public agency does not provide funding? Will that contribution be made in a lump sum?
3. Please provide a more detailed project budget and break out the construction budget by building (i.e. Arena, garage, south site, etc.).
4. On page 100, OVG indicates it would “support expansion of the platforms” for the monorail. In what ways would OVG support the expansion?
5. What are the ideas regarding development of the “South Site?” Is development of this site included in the pro-forma or construction budget? What is envisioned as the potential development and how would it relate to the new arena? How long would this option continue? If it’s not needed to operate or finance the arena, what benefit would the City receive from considering another use?
6. How does the City establish a guaranty of performance from such a new entity as OVG? What other parties may offer their guaranty?
7. What funding will be committed to transportation issues, both capital and ongoing efforts?
8. If the arena gets an NBA or NHL team, debt capacity could increase by \$100-\$150 million. What would this increased debt be used for?
9. What are the restrictions on City property during the lease/financing?

Financial Questions

10. Please provide Excel files for the financial exhibits and projections (e.g. Cash Flows Base Case Assumptions). Please provide assumptions and any supporting data or worksheets that will help us understand your projections.
11. How will the financing be structured? On this project proposal, is Goldman Sachs your construction lender, long-term lender, or both? If not both, what is your construction financing proposal and long-term lending proposal?
12. For what other projects has OVG used Goldman Sachs for construction or long-term financing?
13. What type of financial support are you assuming from the Madison Square Garden Company? Their support letter states “MSF is confident it could provide financial support for the project.” What type of support are you/they envisioning?
14. How are the historic tax credit or any other tax credits capitalized? What is the expected source for the \$50 million historic tax credit? Provide your assumptions for the amount

of historic tax credits proposed. What is OVG’s experience in securing and selling historic tax credits?

15. What is OVG’s plan if the site’s landmark status is not achieved and you are unable to secure the \$50 million tax credit?
16. Item 6 in the Development Agreement and Lease Agreement Terms section states that “OVG wishes to explore development financing incentives”. We interpret OVG’s proposal to be what is described in this item, i.e. that all incremental revenues from admissions tax, construction sales tax, etc. will be used first as credit against base rent and then deposited into a City Arena Fund. Is this correct? Is the sole use of this fund to offset maintenance costs? Are these costs capital reinvestment, routine maintenance, or both? Who controls and prioritizes the City Arena Fund and determines what is funded out of it?
17. Has OVG estimated the amount of annual incremental tax revenues from the operations of the redeveloped Arena? If so, can you provide us with these estimates?
18. Are there any inflationary adjustments to the rent during the initial term?
19. How much do you plan on charging for a facility fee? Is it a flat number or based on type of event?
20. Please provide a more detailed operational pro-forma that breaks out type of event rent, reimbursable labor, concessions, ticketing, facility fee, merchandise, and any other revenue categories. Similarly, please provide a more detailed description of the projected expense categories such as event labor, utilities, taxes, maintenance (routine and major), etc.
21. Please provide a more robust description of the intended incentive thresholds (described in Item 1, page 32). As they aren’t specified, please provide some outline of what these might include.
22. Please provide a detailed set of event projections by type of event and assumed attendance per event by type.
23. Why is Admissions Tax included as a revenue since it is also being used to fund the City Arena Fund which is shown as an expense, offsetting the arena maintenance costs (p 77 and 32).
24. The proposal assumes OVG operation of all three Seattle Center garages. Are these revenues included in the pro-forma? Please provide a pro-forma for the operation of the garages. How would they be managed? What about maintenance and daily operations or utility costs? What are your revenue-sharing assumptions?
25. The pro-forma includes \$1 million in parking revenue. What is this based on?
26. Did you consider a public financing approach, and if so what lead you to decide on private financing?

Campus Impact Questions

ATTACHMENT 1 – Questions to Oak View Group

27. Regarding City Use days, the proposal states they would be made available when the arena is available. How will this work when Bumbershoot takes place over a specific weekend every year?
28. Would Pottery NW be able to remain at their current location in the South Site if it's not developed or until it is developed? Will construction of the below grade access make this possible? What would the source of the funding to relocate Pottery NW be?
29. Please describe the plan for relocating short and long term tenants? Is assistance only financial or will you help in identifying new spaces?
30. What is the intention for working with the City to identify transition plans for the Skateboard Park, Gardener's complex and restroom pavilion? Does this include funding?
31. How would the pro-forma change with the addition of an NBA team? An NHL team? Both?
32. Please provide more details on the commitment of the \$20 million to assist non-profit ventures, causes and enterprises.
 - a. What is the funding source?
 - b. If funded through arena revenues, is this included in the pro-forma?
 - c. What is the distribution plan over the 20 years?
 - d. Are any of these funds being committed towards relocation costs for the Blue Spruce building tenants or for Pottery NW?
33. Half of it has been committed, is there any City role in distribution of the remaining \$10 million?
34. Of the other arenas you operate, especially those in similar markets to Seattle, what has been the number of events (by type, if possible) hosted each year for the past 3-4 years? How much revenue was generated from events? How much other revenue have the arenas generated (by type, if possible).
35. Does your projected sponsorship revenue number include the entire Seattle Center campus or just the Arena? How is the city compensated for sponsorship sales?

General Question

36. When you built Sprint Center in Kansas City, it was with a similar goal of trying to bring a professional sports team to the city. Why was a team not able to be secured and why is this situation different?

Legal Team Questions/Requests

Developer/Operator

Your proposal indicates Oak View Group, LLC (“Oak View”) will be the lead party; however, the Goldman Sachs letter (proposal page 20) indicates that the project will be developed by a newly created ArenaCo. Please describe ArenaCo, including ownership. Also, assuming the City will require guaranties of ArenaCo’s obligations under the Development Agreement and Lease Agreement, describe guarantors for those obligations, with the understanding that City will need further assurances of the credit worthiness of any entity(ies) providing the guaranties.

Cost Overruns (proposal page 31)

The allocation to the City of cost overrun risk in your proposal is unlikely to be acceptable to the City. We invite you to offer more competitive terms relating to costs arising from force majeure or other events beyond the reasonable control of Oak View.

Environmental Indemnity (proposal page 31)

The scope of requested environmental indemnity in your proposal is unlikely to be acceptable to the City. We invite you to offer a more realistic scope of environmental indemnity or terms to address the risk, which could include but not be limited to investigations during the diligence phase or environmental insurance.

Redevelopment Financing Plan (proposal page 75)

1. Will the long-term debt be secured by Oak View’s leasehold only, or are you requesting a mortgage on the City’s fee title?
2. Please describe the legal structure by which Oak View will convert historic tax credits into \$50M of capital funds, the anticipated timing of the funds, and alternative funding plan if less than \$50M are obtained.
3. Please describe the specific sources of the “City Tax Reinvestment of NASC Revenues” in addition to the legal structure by which the revenues will be converted into \$40M of capital funds.

Development Financing Incentives (proposal page 32)

Please describe the legal mechanism by which City tax revenue streams will be captured and then applied against Base Rent and funded into a City Arena Fund.

Lease Term (proposal page 2)

The financial terms of lease renewals in your proposal are unlikely to be acceptable to the City. We invite you to offer more competitive terms relating to base rent, incentive rent, reserve fund deposits and Development Financing Incentives applicable during renewal terms.

NBA/NHL

Taking into consideration the discussion of the Memorandum of Understanding Seattle Sports and Entertainment Facility on page 1 of the Request for Proposals, describe your anticipated plan and timing for seeking professional sports franchises as arena tenants. Describe how securing professional sports franchises as arena tenants, and the timing of the securing of such tenants, affects your proposal. In particular, describe any proposed incentives and/or consequences of obtaining or not obtaining a franchise or franchisees.

New South Parking Garage and Seattle Center Parking (proposal p. 32)

1. What is the anticipated public agency funding source and funding mechanism?
2. How is the parking garage a “separate structure apart from the Arena,” when it appears integrated into the design?
3. Is obtaining that funding a contingency to your proposal?
4. Is the cost of this garage included in your project costs?
5. Describe your operational and financial expectations and plans for operation of the garage.
6. Describe your expectations and plan regarding the three existing Seattle Center parking garages.

New Development Partnership (proposal page 32)

Provide more detail regarding a potential new development on the South Site (Thomas St/First Ave.), including interim use, timing, incentives/consequences of development/failure to develop, thoughts on public/private activation, and specifically whether you seek any public funding, tax increment or other public assistance.

Deposit and Contingencies (proposal page 31)

At the time of selection of a single proposer the City will require a substantial deposit that is refundable only due to City default. We invite you to offer a modified deposit and contingencies proposal that meets this requirement.

Vested Rights (proposal page 32)

The City seeks clarification on the difference between laws in effect on the date of the development agreement and entitlements in effect on the “Adoption Date.”

Signage (proposal pages 32, 33 and 110)

Describe the extent and scope of proposed signage plan and requirements, including any proposed extension to Seattle Center campus.

Traffic (proposal page 36)

Further describe the limitation on your transportation and access obligations being “commercially reasonable and feasible for a project of this size and type both from a cost and scheduling perspective.”

Transportation Team Questions/Requests

1. Seattle Police intersection control is currently in use for KeyArena events at high traffic locations. This mitigation tool is not mentioned in proposal. Will this tool be part of the transportation plan?
2. Event genre information is not available in the proposal. This information is critical in planning for transportation. Vehicle occupancy rates, timing and travel routes vary dramatically per event. How will information be gathered and used in planning?
3. Daytime corporate arena events do not fall within the evening timeframe analysis in the proposal. How will these events and their unique impacts be mitigated?
4. The Seattle Center campus hosts several large summer festival events. How will Arena events be managed when scheduled in the same timeframe to minimize the impacts?
5. Summer festivals use Thomas Street, 2nd Ave, Republican and Warren adjacent to the Seattle Center campus for vender, artist, food and beverage, band gear, ice and other trucks and vehicles. Several of these locations would not be available under the proposed plan. How will this be mitigated?
6. We currently encourage traffic egress headed South via 2nd Ave North towards downtown where additional points of freeway access do not impact the Mercer and Denny corridors. Will this route be added to the route mix?
7. The Proposal includes curbside changes which take away bus parking that is currently in heavy use in support of school children's programming at several resident organization venues. How will the project replace this asset?
8. Seattle Center's 5th Ave N. Garage is underutilized by KeyArena patrons but offers the quickest access to SR 99. How will the project improve use of this garage?
9. The Proposal highlights partnerships and investments to improve multi-modal access to the new Arena that depend on significant improvements to pedestrian, cycling and transit infrastructure How do you plan to leverage other funding sources to make sure these projects are fully realized?
10. Seattle Center's Master Plan and the Uptown UDF encourage redevelopment of the 1300-stall Mercer St. parking garage. How does your proposal take this into account?
11. Use of the Monorail features prominently in your proposal. Can you describe in more detail how you plan to increase the service and capacity of the Monorail, and whether you have allowed budget for this?
12. For Figure 3 (Estimated Travel Mod to New Arena) on page 92, does that represent a forecast, or a target (meaning the desirable mode share)?
13. How was the "excess capacity" data on Figure 4 (also on page 92) calculated for parking, and more specifically, transit?
14. If you're showing a surplus of parking within a 15-minute walkshed of the arena site, why are you proposing an additional 850 space parking garage?
15. The analysis summary on page 105 of your proposal lists several actions, but it's unclear which actions OVG would play a proactive role in, or provide financial support for. Can you be more specific about this?

Social Equity Team Questions/Requests

1. Describe the goals of OVG’s diversity plan, as it relates to Seattle. Do you have any metrics and targets you will be committed to during the construction of the Arena as well as during its operations afterwards? Please describe.
2. What is OVG’s projection for using women and minority-owned businesses as subcontractors for the project?
3. There’s a lot of talk in your bid regarding community outreach and support. Who does this responsibility fall to on a day to day basis? There doesn’t seem to be a community liaison type position listed on your proposed organizational chart.