

Seattle Center

Marshall Foster, Director

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<http://www.seattlecenter.com/>

Department Overview

Seattle Center is home to cultural and educational organizations, sports teams, festivals, community programs (including cultural and community celebrations), and entertainment facilities. Millions of people visit the 74-acre Seattle Center campus annually. Consistently rated as one of the City's top attractions, Seattle Center is a premier urban park whose purpose is to create exceptional events, experiences, and environments that delight and inspire the human spirit and build a stronger community.

Since its creation in 1963, Seattle Center has nurtured artistry and creativity by providing a home for and technical assistance to a wide variety of arts and cultural organizations. These organizations play a critical role in the arts and cultural landscape of the region. Originally created for the World's Fair, the Coliseum, later called KeyArena, was operated by Seattle Center as a public assembly venue for sports and concert events. The new building, now Climate Pledge Arena, is hosting the NHL's newest franchise, the Kraken, as well as the WNBA's Seattle Storm, along with a variety of concerts, family shows, and other events.

Seattle Center is financed by a combination of tax dollars from the City's General Fund and revenue earned from commercial operations. Major sources of commercial revenues include facility rentals, parking fees, long-term leases to for-profit and non-profit organizations, sponsorships, concession sales, and monorail fares.

Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
Department Support				
General Fund Support	16,992,508	15,508,317	15,896,492	16,335,298
Other Funding – Operating	22,796,500	29,886,967	31,218,854	34,116,894
Total Operations	39,789,008	45,395,284	47,115,347	50,452,192
Capital Support				
General Fund Support	31,030	300,000	-	-
Other Funding – Capital	18,399,382	12,269,000	26,347,000	5,073,361
Total Capital	18,430,412	12,569,000	26,347,000	5,073,361
Total Appropriations	58,219,420	57,964,284	73,462,347	55,525,553
Full-Time Equivalent Total*	215.43	231.43	231.43	248.93

* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here

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Incremental Budget Changes

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	2024 Budget	FTE
Total 2024 Endorsed Budget	73,462,347	231.43
Baseline		
Citywide Adjustments for Standard Cost Changes	244,532	-
Proposed Operating		
Reinvest Center Revenues to Support Events	368,000	-
Proposed Capital		
2024-2028 REET Reduction	(831,639)	-
2027-2028 REET Reduction	-	-
Shift Memorial Stadium Financing to 2025 and 2026	(20,442,000)	-
2029 Capital Improvement Program Planning	-	-
Proposed Technical		
McCaw Hall Capital Reserve Balancing Adjustment - Adopted	-	-
Non-Capital Carryover - Waterfront Funds	700,000	-
Ongoing Changes from Current Year Legislation	1,622,561	11.50
Positions for Waterfront Operations	-	6.00
Seattle Center and McCaw Hall Fund Balancing Adjustment - Adopted	-	-
Seattle-King County Clinic Support	350,000	-
Transfer Funds from Parks to Center for Waterfront Operations	100,000	-
Update Chartfields for McCaw Capital Reserve	-	-
Council		
SCERS Contribution Rate Change	(198,248)	-
Workforce Development Program	150,000	-
Total Incremental Changes	\$(17,936,794)	17.50
Total 2024 Adopted Budget	\$55,525,553	248.93

Description of Incremental Budget Changes

	<u>Baseline</u>
Citywide Adjustments for Standard Cost Changes	
Expenditures	\$244,532

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Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement, and industrial insurance charges for the department.

Proposed Operating

Reinvest Center Revenues to Support Events

Expenditures	\$368,000
Revenues	\$368,000
Position Allocation	-

Due to pandemic related revenue reductions, the 2023-2024 Adopted Budget unfunded 6.75 FTE event related positions with the intention that as events and their associated revenues returned to the campus, the positions would again be necessary to support events and events revenues would be used to refund the positions.

This item adds \$368,000 from parking revenues due to higher attendance and increased rates. It adds expenditure authority for operating staff due to increased events at Seattle Center. Position changes include re-funding 2.0 Laborers, abrogating a Stage Tech Lead, and adding a new Event Service Representative.

One of the positions unfunded in the 2023-2024 mid-biennium budget was a Stage Tech Lead. Because the types of events returning to the campus are changing, requiring more direct client support and less stage lead work, the budget proposes abrogating the unfunded Stage Tech Lead and adding a new Event Service Representative.

Proposed Capital

2024-2028 REET Reduction

Expenditures	\$(831,639)
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The REET revenue forecast for the City's 2023-24 Proposed Mid-Biennial Budget Update is insufficient to cover expected costs. REET reductions were identified to mitigate this shortfall in revenues. This item reduces appropriation authority by \$832,000 in 2024, \$500,000 in 2025, \$500,000 in 2026, increases by \$1,400,000 in 2027 and increases by \$4,060,000 in 2028. Center's REET funding goes towards maintenance of many buildings on the campus including the Bagley Wright Theater, Mercer Garage, Fisher Pavilion, the Armory, and other public spaces. The highest impact reductions are to the campus HVAC improvement project, parking garage improvements, maintaining the Armory, and public gathering space improvements.

2027-2028 REET Reduction

Expenditures	-
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The updated August REET revenue forecast for the City's 2023-24 Proposed Mid-Biennial Budget Update is insufficient to cover expected costs. REET reductions were identified to mitigate this shortfall in revenues. This item reduces appropriation authority by \$250,000 in 2027 and \$350,000 in 2028 and postpones open space improvement projects for major landscape, paving and lighting improvement projects.

Shift Memorial Stadium Financing to 2025 and 2026

Expenditures	\$(20,442,000)
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This item shifts bonding for Memorial Stadium from 2024 to 2025 and 2026 to align financing timing with anticipated expenditure needs. This item also includes \$1 million in Real Estate Excise Tax (REET) for salaries, consultants, permitting, and pre-construction work in 2024.

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Proposed Technical

McCaw Hall Capital Reserve Balancing Adjustment – Adopted

Revenues \$(10)

This is a technical item to record a fund balancing entry for the McCaw Hall Capital Reserve Fund, which is primarily managed by this department.

Non-Capital Carryover - Waterfront Funds

Expenditures \$700,000

Revenues \$700,000

This item adds one-time funding for operations and maintenance of the Waterfront. Per the agreement with Seattle Parks Department, unspent Metropolitan Park District Funds from the 2023 budget are allocated to Seattle Center. The responsibility for operating and maintaining Waterfront Park shifted from Seattle Parks and Recreation (SPR) to Seattle Center in mid-2023. There is an offsetting reduction in the SPR budget.

Ongoing Changes from Current Year Legislation

Expenditures \$1,622,561

Revenues \$1,485,000

Position Allocation 11.50

This change includes ongoing budget and position changes resulting from current year legislation in 2023, including the Q3 Supplemental Ordinance. Proposed changes included in this item include the HVAC Engineers wage increase, the McCaw Hall General Fund inflation, revenue-backed funding for Bite of Seattle event-related support, reimbursement from SDOT for Monorail youth fares, revenue-backed funding for event-related SPD contracts, and Friends of Waterfront funding for public safety officers.

Positions for Waterfront Operations

Expenditures -

Position Allocation 6.00

As part of the 2023 budget process, the Council approved the transition of the longer-term responsibilities of Waterfront programming, operations and maintenance, and code compliance/safety from SPR to Seattle Center. This item creates new positions in Center which will support the next phase of Waterfront Park opening in 2024. These positions are funded by Metropolitan Park District Funds transferred from SPR. The positions include 1.0 FTE Gardener, 3.0 FTE Laborers, and 2.0 FTE Installation Maintenance Workers.

Seattle Center and McCaw Hall Fund Balancing Adjustment - Adopted

Revenues \$(1,005,012)

This is a technical item to record fund balancing entries for the Seattle Center Fund and McCaw Hall Fund, which are primarily managed by this department.

Seattle-King County Clinic Support

Expenditures \$350,000

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Revenues \$350,000

This item adds offsetting revenue and expenses for Seattle Center to support the Seattle-King County Clinic (SKCC). Seattle Arena Company (ArenaCo) is required to reserve and make available use of Climate Pledge Arena for up to 8 consecutive days for SKCC. In 2023 the operational challenges of holding SKCC at the Arena resulted in the clinic being held on the Seattle Center campus. While evaluating the best options for siting SKCC, Seattle Center and ArenaCo reached a temporary agreement which includes \$350,000 per year of financial support from ArenaCo for the clinic in lieu of the City's use of Climate Pledge Arena through 2028.

Transfer Funds from Parks to Center for Waterfront Operations

Expenditures \$100,000

This item transfers ongoing General Fund support from the SPR budget to support the waterfront maintenance responsibilities that were transferred to Seattle Center. Ordinance 125761 addresses Waterfront Park operation, maintenance, and funding responsibilities, some of which became Seattle Center's responsibility in July 2023.

Council

SCERS Contribution Rate Change

Expenditures \$(198,248)

The City's employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City's long-range financial forecasts. The Mayor's 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary's recommendation but provided for long-term "smoothing" given the City's long-term financial challenges.

This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

Workforce Development Program

Expenditures \$150,000

This item added by the City Council provides resources for Seattle Center's Bumbershoot workforce development program. Seattle Center contracts with a non-profit organization for this program. The funding will support enrolling at least twenty young people in 2024. Program participants receive hands-on training in music festival production and other skills. Demographically, at least 75 percent of current participants are LGBTQIA+ and Black, Indigenous, and People of Color, and 88 percent are in households earning less than \$70,000 annually.

The City Council also added \$100,000 in one time funding for this program to the Office of Arts and Culture (ARTS). Additional detail can be found in the ARTS section of the budget book.

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2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Building and Campus Improvements	00164 - Unrestricted Cumulative Reserve Fund	30,000	0	30,000
	30010 - REET I Capital Fund	4,370,639	-1,273,639	3,097,000
	37210 - 2024 LTGO Taxable Bond Fund	20,000,000	-20,000,000	0
	37310 - 2025 LTGO Taxable Bond Fund	0	0	0
	37410 - 2026 LTGO Taxable Bond Fund	0	0	0
	TBD - To Be Determined	0	0	0
Building and Campus Improvements Total		24,400,639	-21,273,639	3,127,000
Campus	00100 - General Fund	8,306,082	36,738	8,342,819
	11410 - Seattle Center Fund	16,487,892	1,341,770	17,829,662
	14500 - Payroll Expense Tax	0	150,000	150,000
Campus Total		24,793,973	1,528,508	26,322,481
KeyArena	11420 - Seattle Center KeyArena Fund	0	0	0
KeyArena Total		0	0	0
Leadership and Administration	00100 - General Fund	6,854,622	244,087	7,098,709
	11410 - Seattle Center Fund	4,357,061	-191,985	4,165,075
	11430 - Seattle Center McCaw Hall Fund	0	0	0
Leadership and Administration Total		11,211,682	52,102	11,263,784
McCaw Hall	00100 - General Fund	735,789	57,981	793,770
	11410 - Seattle Center Fund	0	0	0
	11430 - Seattle Center McCaw Hall Fund	5,693,201	-20,506	5,672,695
	30010 - REET I Capital Fund	337,000	0	337,000
McCaw Hall Total		6,765,991	37,475	6,803,466
McCaw Hall Capital Reserve	34070 - McCaw Hall Capital Reserve	690,990	0	690,990
McCaw Hall Capital Reserve Total		690,990	0	690,990
Monorail Rehabilitation	11410 - Seattle Center Fund	1,255,000	0	1,255,000
Monorail Rehabilitation Total		1,255,000	0	1,255,000
Waterfront	00100 - General Fund	0	100,000	100,000
	11410 - Seattle Center Fund	0	945,000	945,000
	19710 - Seattle Park District Fund	4,344,071	673,761	5,017,832
Waterfront Total		4,344,071	1,718,761	6,062,832
Grand Total		73,462,347	-17,936,794	55,525,553