



## KNOWN AND POSSIBLE ABOUT SEATTLE CENTER'S FUTURE

December 2006 (revised February 16, 2007)

**Criteria:** The list that follows represents Seattle Center's active assumptions about future changes we are either committed to or expect to address or that we know to be part of the plans of resident organizations or partner organizations.

### Known Future Opportunities and Constraints:

- (1) Theatre District: The Theatre District Plan was adopted by the City Council in an update to the Seattle Center Master Plan, with the support and approval of the Seattle Design Commission. The Kreielsheimer Remainder Foundation also has an ongoing interest in the Theatre District Plan, with a matching grant commitment of \$2M for acquisition of property along the north edge of Mercer Street between 2<sup>nd</sup> N. and Warren Avenue. To date, the City has not taken any action to match these funds and the match expires at the end of 2007, unless extended by the board of the Foundation based on their determination that the City is making satisfactory progress towards acquiring the property.
- (2) Future Changes to Mercer Street: Funds were included in the City Transportation Levy that passed in November to begin work on the South Lake Union portion of the Mercer Street plan that would create a two way boulevard on Mercer Street between Fairview and 9<sup>th</sup> Avenue; funds to complete this work are expected to be part of the regional funding package expected to go to the voters in 2007. The "Lowered Aurora" element of the Alaskan Way Viaduct project includes further changes to Mercer St. that would bring a two-way widened Mercer from 9<sup>th</sup> Ave to 5<sup>th</sup> Avenue. A Mercer Stakeholder Group, of which Seattle Center and many of our resident organizations were a part, has recommended to the City that two-way Mercer be continued to Queen Anne Avenue and that this change be implemented at the same time as the 9<sup>th</sup> to 5<sup>th</sup> Avenue Mercer Street change occurs. At present, however, there is no funding for Lowered Aurora or any changes to Mercer St. west of 9<sup>th</sup> Avenue.
- (3) Theatre Commons: We have a commitment to working with the Seattle Rep and the Intiman to design and implement a "Theatre Commons" between the two theatres on 2<sup>nd</sup> Avenue between Mercer and Republican Streets. They each have \$500,000 grants from the Kreielsheimer Foundation for this purpose, and the City is obligated to match this foundation funding (\$1M) from public or private sources by December 31, 2007. (To date the City has committed \$200,000. Seattle Center will propose to the City Council in the first quarter of 2007 to allocate \$300,000 of interest earnings from Lot 2 sale proceeds to bring the City's committed matching funds to \$500,000.) The Foundation board may extend the deadline if the City has obtained at least 50% of the matching funds and is making satisfactory progress towards obtaining the remainder of the matching funds. There is a concept design for the Theatre Commons and both Seattle Rep and Intiman are committed to completion of the design and a funding plan.
- (4) PNB Exhibition Hall: Pacific Northwest Ballet's lease of the Phelps Center in the upper area of the Exhibition Hall also includes an option to assume the lower area, currently rented for events by Seattle Center, upon one year's notice to Seattle Center. We are currently operating under an agreement whereby PNB will not give us such notice earlier than September 2008.

- (5) Teatro Zinzanni: One Reel's lease for the current location of Teatro Zinzanni expires in 2007. One Reel and Seattle Opera are in negotiations for Teatro Zinzanni to return to their original site on the northeast corner of 3<sup>rd</sup> Avenue N. and Mercer Street. This property was gifted to Seattle Opera for its headquarters by the Kreielsheimer Foundation Remainder and its ultimate disposition will depend on whether or not Seattle Center and Seattle Opera can come to terms on reuse of the Mercer Arena as the new headquarters for the Opera.
- (6) SIFF: SIFF will move into the McCaw Lecture Hall in the 1stQ 2007 to begin showing films year-round. Subsequent plans, beginning in 2007-08, are to enter a long-term lease with SIFF for the Alki Room, which would become the home of SIFF's film center and administrative offices.
- (7) Mercer Arena: SC has been in discussions with Seattle Opera for the past year on a plan for SO to rehab the MA for their long-term use for their administrative and technical headquarters. After reviewing a series of options, SC determined that the Opera use would be most consistent with Theatre District uses and with SC financial sustainability. If SC can achieve a market rent via the same type of imputed rent we have used with other nonprofit arts organizations, we believe, as the MTF did, that the Opera use of the site is preferred. However, if SC cannot reach basic terms with SO this year, then reuse of this site is definitely in play in the long-term investment plan. Also see Fun Forest below for another interested party in the Mercer Arena.
- (8) Memorial Stadium: The Memorial Stadium and adjacent parking are approximately 9 acres, with the parking representing 2 and the Stadium 7 acres. The Seattle School District (SSD) has owned the parking lot since the mid-40s and the City of Seattle transferred the parcels comprising the Stadium to SSD in the late 40's. The Quit claim deed for \$1 per year and other valuable consideration states "A part of the consideration for this deed is the construction, operation, and maintenance by the Grantee (*School District*) at its sole cost and expense of an Athletic Stadium upon said property and if the Grantee shall fail within three years to construct said Athletic Stadium, or upon the Grantee's ceasing to use, operate, or maintain said property as an Athletic Stadium, this conveyance shall be null and void and the title to the property shall revert to the Grantor, without suit, action, or other proceedings whatsoever or the judgment of any court forfeiting the same."

Current annual use of the stadium as reported by SSD is (1) Community Use -2,512 hours, 99% adult private sports league usage; (2) School Use - 1,250 hours, athletic practices, HS/MS games, band practice. The stands on the north and south side of the stadium hold 12,000-plus attendees combined. Maximum attendance with current use is reported to be 3-5,000 and average attendance is well under 1,000. A recent structural assessment done by consultants to Seattle Center concludes that there are significant seismic problems, particularly with the south and north stands, and that inadequate maintenance has resulted in deterioration of the concrete, creating leaks, spalling, and exposure and rusting of rebar.

- (9) Gates Foundation: The Gates Foundation has purchased the 12.3 acres of the former Lot 2 surface parking lot. The property will house a 1,010-car structured parking garage situated between Harrison and Republican along 5th Avenue; there will be one above grade and three below grade floors. The garage will be owned and operated by Seattle Center under a 65-year ground lease. The remainder of the property will house the Bill & Melinda Gates Foundation World Headquarters. The current north surface parking lot of approximately 850 spaces will continue in operation by Seattle Center until the new garage opens. The garage is expected to open in the 2<sup>nd</sup> quarter of 2008.

Construction of the first phase of the Gates Foundation headquarters is expected to begin in 2008 and be complete in 2010 with an additional phase to follow. The design represents approximately 1,000,000 sq ft, primarily in 3 buildings, each approximately 300,000 sq ft. Building 1, along 5<sup>th</sup> Ave N. between Republican and Mercer, will either be constructed alone or in sequence with the building east of the new garage in the first phase. The site for Building 3 is not available until 2010 because it is the location of the Sonics practice facility.

The sale documents provide for the potential of future changes to streets in the area that could

result from plans to lower Aurora as part of or subsequent to the Viaduct Replacement project. Fifty feet of property along the north perimeter is reserved until 2013 for potential widening of Mercer Street from Dexter Ave. No. through at least 5<sup>th</sup> Ave. An option for reopening 6<sup>th</sup> Avenue No. from Mercer to Harrison as part of a Lowered Aurora project is reserved through September 2010. If this latter decision were to occur, it would affect the configuration of the Gates Foundation's Building 3.

The Foundation currently employs more than 300 staff and while, they are not projecting a specific staffing size in the future, the total parking requirements for 1,000,000 sq ft exceeds 1,000 stalls. The Foundation intends to house food services for their staff within their campus and is engaging the community in discussion of potential staff amenities, including day care services and a health club within walking distance in the surrounding community.

- (10) Harrison and Broad Street Triangle: Seattle Center's Master Plan reflects an intent for Seattle Center to acquire the triangle block bounded by Broad Street, 5<sup>th</sup> Avenue, and Harrison to serve as a green space/forecourt for pedestrian entries to the Center at 5<sup>th</sup> and Thomas and 5<sup>th</sup> and Harrison.
- (11) SkatePark and Basketball Court: The City Council has directed that the replacement facilities for the skatepark and basketball court that are being demolished with the sale and development of Lot 2 be located on the Seattle Center campus and that work on designing and conducting these facilities begin in 2007. Seattle Center is presently working with the Mayor's Office to develop a response and recommendations to the Council's direction.
- (12) Artwork: During 2007 the Office of Arts and Cultural Affairs will commission a public art piece that will be located in the grass circle at the southeast corner of the Fisher Pavilion Roof Plaza.
- (13) Fun Forest: Fun Forest has a lease that extends to 2014, but they have been unable to meet their full rent obligations for the past two years. Seattle Center is currently in negotiations with the Fun Forest to modify their lease terms that would enable SC to terminate their tenancy at the end of 2009. Seattle Center has engaged in discussions with reputable promoters of an unsolicited proposal to take over the Fun Forest north site (excluding Kiddieland) and potentially the Mercer Arena as ride and gaming facilities. Seattle Center is reviewing the financial potential of this potential operator.
- (14) Center House Merchants: Eight merchants whose leases have expired are now operating on month-to-month agreements, while ten merchants have exercised their five-year option to extend their leases (5 have multiple options). All merchant leases are subject to a clause that allows the SC to undertake redevelopment.
- (15) The Children's Museum: The Children's Museum completed a comprehensive marketing study in 2003, which led to a long-term strategic plan published in January 2004 to create a new world class children's museum. The Museum's goal is to be a national leader in applying the science of early learning through informal education, setting a new standard for children's museums, collaborations and innovative partnerships. The current status of these aspirations and financing feasibility are unknown.
- (16) One Reel Summer Concerts: One Reel is presently considering facility configuration and terms for use in 2008 of the Mural Amphitheatre for presenting their summer concert series. Any agreement with One Reel would have to factor in the C21 process.
- (17) Poetry Garden: By the end of the 1<sup>st</sup> quarter 2007 we will complete construction of a Poetry Garden, undertaken in honor of former Director Virginia Anderson. This new garden will occupy space along 3<sup>rd</sup> Avenue between Thomas and Harrison, adjacent to the South Fountain Lawn.
- (18) August Wilson Way: Seattle Center is committed to honoring playwright August Wilson by naming the vacated street area of Republican Street between Warren Avenue N and 2<sup>nd</sup> North in honor of August Wilson and representing this through permanent signage or other on-site representation, in

consultation with the Office of Arts and Cultural Affairs and the Wilson Family.

- (19) Northwest Crafts: This prime location adjacent to the International Fountain presents a key opportunity for redevelopment to create new active and profitable uses of the Center to meet needs of Center patrons. At the same time, we need to honor the longevity of Northwest Crafts and seek to relocate this function to a more appropriate location.
- (20) KeyArena: The KeyArena's future is uncertain and may remain so throughout the C21 process. Here are the knowns that Seattle Center takes as operating assumptions:
- ⇒ The Sonics/Storm will honor their lease and play at KeyArena through September 2010.
  - ⇒ We do not expect the Sonics/Storm to be tenants of the KeyArena beyond expiration of their lease, unless they request and Seattle Center agrees to some sort of short-term arrangement pending completion of a new facility.
  - ⇒ The Thunderbirds Hockey Team's lease expires in June 2008, following the 2007-8 season. The Thunderbirds, a 30-year tenant at Seattle Center, have a preliminary agreement with the City of Kent to be the anchor tenant of a new smaller arena, starting with the 2008-9 season. The Kent City Council is reviewing the financials and has not yet made a decision to go forward with the arena. If the Kent arena plan goes forward as planned, the Thunderbirds will not be in KeyArena beyond the 2007-8 season. What happens if the Kent plan does not go forward is a question.
  - ⇒ Seattle Center is in active discussions with the National Lacrosse League for a tenancy in KeyArena.
  - ⇒ Seattle Center is in active discussions with Seattle University to be their home court for college basketball.
  - ⇒ Councilman Nick Licata is spearheading an evaluation of re-use of Key Arena as a Music/Gaming/Film/High Tech center.
- (21) Major Festivals: Seattle Center has long-term commitments to major festivals that are represented in multi-year agreements of generally 3 or more years with renegotiation of terms occurring upon renewal. Major festivals intensively use virtually all of the grounds and many of the Center's building venues. Current major festivals under contract (with date they began at Seattle Center) include:
- ⇒ International Childrens' Festival – Mid-May (1986)
  - ⇒ Folklife Festival – 3 days of Memorial Day Weekend (1972)
  - ⇒ Pride Festival – A new two-day festival, occurring mid-June (2006)
  - ⇒ Bite of Seattle – 3 days the third Friday and weekend of July (1986)
  - ⇒ Bumbershoot – 3 days of Labor Day Weekend (1971)
- (22) Sister City Plaza: Although a location is not defined, the Seattle's Sister City Council has expressed and interest to the Mayor in siting a plaza honoring our 21 Sister Cities at Seattle Center. Notions discussed have been a flag display of some kind. This element is active, but subject to definition.
- (23) 2007-08 Capital Improvements: With the close of the sale of Lot 2, Seattle Center gains \$8 million for capital investments at Seattle Center. The Mayor has proposed these funds be used for new electronic readerboards and wayfinding signage; a comprehensive site lighting plan; design of new entry treatments at 5<sup>th</sup> and Thomas and 2<sup>nd</sup> and Thomas; renovation of the Broad Street Green; purchase of event and customer service equipment; and modernization of parking control and access systems.
- (24) Pacific Science Center: PSC is beginning a strategic planning process that will begin with community discussions examining programs and their potential to impact the community and end with a facilities plan to accommodate the future programmatic commitments. It is PSC's intent to take into consideration their relationships with others on the Seattle Center Campus and to the current and prospective goals of the Center to be as complimentary to those relationships and goals as is possible.