

**THE CITY OF SEATTLE
REQUEST FOR PROPOSALS
FOR REDEVELOPMENT OF
KEYARENA AT SEATTLE CENTER**

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REQUEST FOR PROPOSALS FOR REDEVELOPMENT OF KEYARENA AT SEATTLE CENTER

INTRODUCTION

The City of Seattle, through its Office of Economic Development (OED), invites proposals from qualified parties interested in redeveloping and operating KeyArena at Seattle Center as a world-class civic arena presenting music, entertainment, and sports events, including the potential for NBA and NHL events. The area available for redevelopment includes the existing KeyArena, as well as the 1st Ave N parking garage and adjacent parking lot and support areas located on City-owned property on the Seattle Center campus more completely described in Section 2 (the “Redevelopment Site”).

The City requests proposals for renovation of KeyArena and other facilities within the Redevelopment Site taking into consideration the possibility of a Controls and Incentives Agreement if KeyArena or any other facility within the Redevelopment Site is designated as an historic landmark. Additionally, at its option, any proposer may also submit a second proposal for construction of a new facility to maximize the Redevelopment Site’s potential and achieve the City’s objectives as described in this request. See additional landmarks discussion in Section 2.E below.

Any party presenting a proposal for the redevelopment of KeyArena should be aware of the Memorandum of Understanding Seattle Sports and Entertainment Facility (“MOU”) between the City of Seattle, King County and WSA Properties III (“ArenaCo”), including the provisions related to the use of KeyArena. The MOU remains in effect until December 3, 2017. The City remains fully committed to the terms of the MOU, and is supportive of ArenaCo’s efforts to return NBA basketball and attract NHL hockey to Seattle. However, the City must also consider the future of KeyArena, which is a City property that is part of an important City-owned campus, and make contingency plans for its future.

Through this Request for Proposals process, the City hopes to select a proposal which best meets its Arena Objectives (described below) and to negotiate with the selected proposer (the “Selected Proposer”) a redevelopment agreement (a “Development Agreement”) and long-term lease (a “Lease Agreement”). See Section 3 for additional information about the expected terms of the Development and Lease Agreement. Such agreements will be subject to authorization by the Seattle City Council and completion of all applicable environmental review requirements.

Proposals are due by Wednesday, April 12, 2017 by 5:00 PM (PST).

1. SUMMARY OF THE CITY'S ARENA OBJECTIVES:

The City's objectives for the redevelopment are described below (collectively "Arena Objectives").

- A. Provide a world-class civic arena (the "Arena") to attract and present music, entertainment, and sports events, potentially including NBA and NHL events, to Seattle and the region.
- B. Provide for Project design and Arena operations in a manner that integrates with and enhances connections to Uptown and adjoining neighborhoods and aligns with the Urban Design Framework ("UDF").
- C. Provide for design, permitting, development, demolition (if applicable), and construction of the Arena (the "Project") with minimal City financial participation.
- D. Provide for the continuous, successful, sustainable operation of the Arena as a world-class civic venue with minimal City financial participation.
- E. Provide for mitigation of transportation impacts due to Project construction and Arena operations.
- F. Provide Project construction and Arena operations in a manner that is equitable for workers and consistent with the City's Race and Social Justice Initiative.
- G. Provide for Project design and Arena operational integration with Seattle Center, contributing positively to the vibrancy of Seattle Center.

2. BACKGROUND

A. General Information about the Seattle Center Campus and KeyArena

Seattle Center Purpose Statement:

Seattle Center creates exceptional events, experiences and environments that delight and inspire the human spirit to build stronger communities.

KeyArena is part of the Seattle Center campus. The Seattle Center encompasses 74 acres located immediately north of the downtown area. The campus is situated on the ancestral land of Native people, and was once a tribal gathering place. Civic investment in the Seattle Center campus extends back to the 1920s, with even more significant investment made when the campus redeveloped for the 1962 Century 21 Exposition (more commonly referred to as the "Seattle World's Fair"). Approximately 12 million people visit Seattle Center every year. In addition to KeyArena, the Seattle Center campus includes Marion Oliver McCaw Hall; the Seattle Center Armory which houses food and beverage providers, a high school, offices, a theater, and the Children's Museum; Chihuly Garden and Glass; the Museum of Pop Culture (f/k/a Experience Music Project); Bagley Wright Theater; Cornish Playhouse, other arts and

entertainment venues; the Artists at Play area; and a variety of open spaces which are often used for festivals. Additional attractions which are adjacent to the Seattle Center campus but which are not owned by the City include the Seattle School District's High School Memorial Stadium, Pacific Science Center, and the Space Needle.

Seattle Center has been a long-term supporter of the arts and is home to many arts and cultural institutions, some of which are adjacent to the Redevelopment Site: (i) KEXP, both a public radio station and dynamic arts organization; (ii) VERA, an all-ages volunteer based music and arts venue; (iii) SIFF which brings people together through extraordinary films; and (iv) Art Not Terminal, a non-curated art gallery, all border the Redevelopment Site. Pottery Northwest, a nonprofit arts organization and the Northwest's premier ceramic facility, is located within the Redevelopment Site. The City will continue to support the arts at Seattle Center.

KeyArena was built as the Washington State Coliseum for the 1962 Seattle World's Fair. From 1967 until 2008, the facility was home to the NBA team the Seattle SuperSonics (Sonics), and beginning in 2000, the WNBA team the Seattle Storm. A major remodel in 1995 expanded the facility capacity to 17,100 for basketball and included upgrades to seating, locker rooms, and concession areas. No other significant renovations have been completed since.

Although the Sonics left Seattle after the 2007-2008 NBA season, KeyArena still serves as the home court of the Seattle Storm, and of Seattle University's Redhawks National Collegiate Athletic Association (NCAA) Division I men's basketball team. In addition, KeyArena hosts the PAC 12's annual Division I Women's Basketball Tournament, international gaming competitions, and a variety of concerts, graduations, family shows, and other events. It is also used during the City's annual Bumbershoot festival and for several years has served as the site of a free four-day community health clinic. *Pollstar* recently identified KeyArena as 44th in the world for touring concert ticket sales in arena venues (based on year to date concert ticket sales through the third quarter of 2016).

Maintaining the presence of a WNBA team in the Seattle region is important to the City, and it is anticipated that any operator of the Arena will also recognize the value of the Seattle Storm and be committed to its continued presence.

KeyArena is operated by the Seattle Center Department of the City of Seattle. The Department contracts with AEG Management WA, LLC to provide marketing, sales, technical and operational assistance, and AEG subcontracts with Levy Restaurants for food and beverage services at KeyArena.

In June 2015, the City received a consultant report prepared by AECOM Technical Services, Inc. evaluating options for the future of KeyArena. Additionally, the City has been approached by parties with experience in the development, financing, and operation of arenas. This report and other documents referenced in this RFP are available through eBid under the documents tab.

The City is providing this background information to assist proposers, but the City does not represent that all information which may be of interest is provided. Each proposer is solely

responsible for seeking out additional information and performing due diligence as proposer deems necessary to meet the proposer's needs.

B. Financial Information

During the past five years, the revenues generated by KeyArena exceeded the facility's direct operating and routine maintenance costs, with annual net revenue ranging from \$309,000 to \$1,202,000. The Seattle Center Department use those excess revenues to maintain the campus grounds and help support free and affordable public programming. KeyArena also generates tax revenue for the City through admissions, parking, Washington State leasehold excise, sales, and Business Licensing taxes.

In 2015 the 1st Ave N Parking garage, included in the Redevelopment Site, collected over \$490,000 in parking revenues, net of sales and parking tax.

The Seattle Center operating fund structure does not include a capital reserve fund to cover major capital improvements for KeyArena (i.e., roof repairs, structural repairs, major equipment acquisition or upgrades, or technology improvements). Instead, major capital improvements are addressed through the City's Capital Improvement Program (CIP) for which KeyArena must compete with other City capital projects for funding. The City's CIP budget is updated annually based upon a six year CIP Plan. Since 2011 approximately \$2.5 million has been invested in capital improvements in KeyArena and the 1st Ave N parking garage. Proposers should plan on funding ongoing capital improvements from sources other than the City.

Additional information regarding KeyArena events, attendance, revenue, expense, capital improvements, and taxes generated are available through eBid under the documents tab.

C. Redevelopment Site

The City will consider redevelopment proposals that extend outside of KeyArena, but within the boundaries described and shown below, referred to herein as the "Redevelopment Site."

As part of construction of the 1962 Seattle World's Fair, underground facilities at the north and south of KeyArena were located in various buildings. During the 1995 renovation, these underground connections at the south end of KeyArena were upgraded and expanded to (1) connect the "West Court" building to the main concourse level of the KeyArena, and (2) create the catering kitchen and support facilities adjacent to the KeyArena suite level and south loading area.

The underground connection to the north, the "North Tunnel," was not expanded as part of the 1995 renovation and has been used in an "as-is" condition for Seattle Center's KeyArena staff offices. The North Tunnel is not included in the Redevelopment Site.

The facilities north of KeyArena, the Northwest Rooms and Northwest Rooms Courtyard, both of which are above the North Tunnel, have been designated as Landmarks by the City of Seattle's Landmarks Preservation Board (the "Landmark's Board"). Long term tenants occupy

the Northwest Rooms, namely KEXP, The VERA Project and the Seattle International Film Festival Group (SIFF). Under the terms of KEXP's agreement with the City, KEXP has until December 31, 2018 to construct an up to 800 sq. ft. outdoor stage in the Northwest Rooms Courtyard, subject to a Landmark's Board Certificate of Approval process. The International Fountain Pavilion, occupied by Art Not Terminal, is also a designated Landmark. None of these facilities is included in the Redevelopment Site.

In 1995, KeyArena chiller-related equipment was located in the courtyard areas, and is excepted from the Northwest Rooms Courtyard Landmarks Controls and Incentives. KeyArena's north buttress and exiting stairs are also excepted from the Northwest Rooms Courtyard Landmarks Controls and Incentives.

The City will require that portions of the exterior pedestrian walkways, landscaping and hardscaping and other amenities in the Redevelopment Site remain available for public use and enjoyment, festivals, and other uses consistent with Seattle Center's purpose and Master Plan.

The northern boundary of the available site is the edge of the KeyArena roof line, although the areas occupied by the KeyArena chiller-related equipment and the KeyArena north buttress and exiting stairs are excluded from the Northwest Rooms Courtyard Landmarks Controls and Incentives and may be included in the Project.

The western boundary is 1st Avenue North.

The eastern boundary is the western edge of vacated 2nd Avenue North.

The southern boundary is John Street between 1st Avenue North to the west and Warren Avenue to the east and Thomas Street between Warren Avenue to the west and 2nd Avenue North to the east.

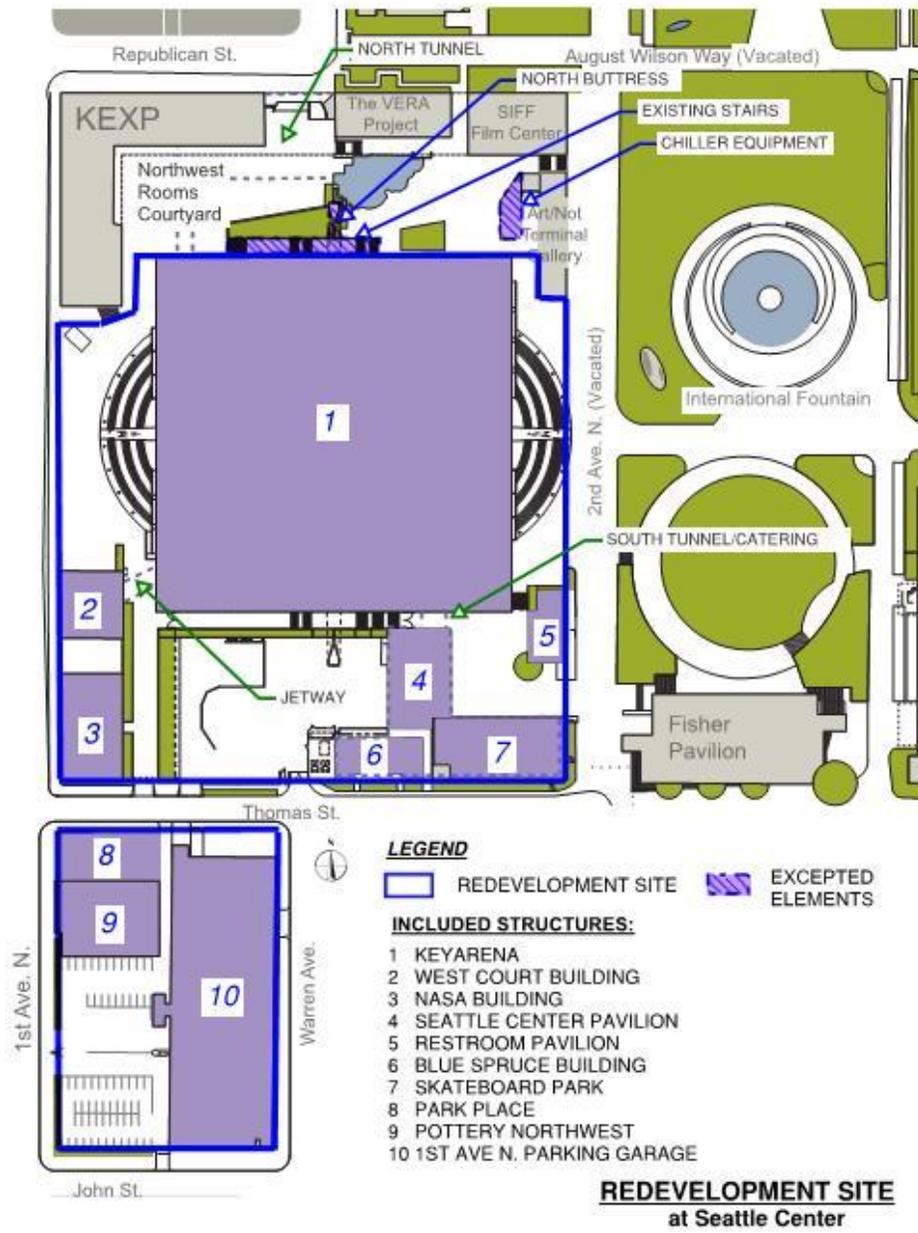
The Redevelopment Site includes the following structures:

- KeyArena
- West Court Building (and connecting jetway)
- NASA Building
- Restroom Pavilion
- Seattle Center Pavilion (and below ground catering area)
- Blue Spruce Building
- 1st Ave N Parking Garage
- Pottery Northwest/Park Place

A basic inventory of KeyArena drawings is available through eBid under the documents tab.

The site is being provided "as is." Proposers are expected to be familiar with KeyArena and the Redevelopment Site, as well as any existing land use conditions, zoning restrictions, landmarks requirements, encumbrances, City transportation plans for surrounding areas, and other laws, rules and regulations affecting the development of the future Arena. The City is providing

general site information to assist proposers, however, each proposer is responsible for its own due diligence to verify site conditions.



D. Principles for Design Integration – Long Term Plans for Seattle Center and the Uptown Neighborhood

The use and development of Seattle Center is guided by the Seattle Center Century 21 Master Plan, as adopted by resolution of the Seattle City Council in August 2008 and amended in 2011. The Master Plan is a flexible framework, based on a series of Planning and Design Principles intended to shape redevelopment over the next 20 years at Seattle Center. Significant Planning and Design Principles include:

- 1) Long term investments should enhance the Center’s ability to meet its mission, bringing people together to share our communal artistic, civic, and cultural expressions.
- 2) The campus should provide programs, services, and attractions for people of every age, background, heritage, culture, and ability as well as for neighborhood residents and workers who may visit every day and for those who travel distances to get here.
- 3) Seattle Center should strive to enliven the campus throughout the hours of the day and the days of the year, balancing out the peaks and valleys of programs and activities.
- 4) The International Fountain and open space around it should be preserved as the “heart” of Seattle Center.
- 5) Development should invigorate and update the campus to appeal to the next generation of users, yet changes should honor the campus’ historic character.
- 6) Pedestrian friendly planning should unify the campus, enhancing the comfort and safety of people on foot.
- 7) All planning and design work should promote environmental sustainability.
- 8) Pathways and pedestrian connections into and through the campus should be clearly legible.
- 9) Design should emphasize flexibility, vibrancy, legibility, and artistic expression.
- 10) Campus edges should open to the community and entries should be inviting and festive.
- 11) Future Seattle Center development should build on the tradition of being a good neighbor to surrounding residents and businesses.
- 12) Transportation planning must be a central element of any development.

KeyArena’s location, connecting to both the Seattle Center campus and the Uptown Urban Center, presents a unique situation. While it is critical that the design of the Project reflect and honor the Century 21 Master Plan principles, KeyArena is also an integral part of the character of a growing urban neighborhood that is both residential and commercial. To that end, the Uptown Urban Design Framework (UDF) also provides a structure for guiding redevelopment. Guiding Principles for the Uptown UDF include the following, stating that Uptown:

- 1) Is a growing urban center,
- 2) Encourages the development of a diverse range of housing types and affordability levels,
- 3) Is a regional hub connecting adjacent neighborhoods and major employers,
- 4) Values its history,
- 5) Celebrates Seattle Center as a vital part of the neighborhood,
- 6) Is best served by a robust multimodal transportation system,

- 7) Open space supports healthy Uptown residents, and
- 8) Is a vibrant emerging Arts and Culture District.

Proposers should consider the full Century 21 Master Plan, including the complete Planning and Design Principles (pages 34-38) and the full Uptown UDF as an incorporated appendix to this RFP. Proposers should consider ways to promote restaurants, bars, and other neighborhood businesses, in support of an emerging Arts and Culture District.

The Century 21 Master Plan and the Uptown UDF are available through eBid under the documents tab.

There are many significant redevelopment opportunities at Seattle Center, and it is the City's goal to plan them holistically and make Seattle Center as iconic as Central Park or Millennium Park. For example, Sound Transit will be planning a ST3 station location which may be on or adjacent to the Seattle Center campus. Seattle Public Schools is planning a new high school and stadium located on its Memorial Stadium properties and adjacent parking lot. Redevelopment of KeyArena will play an important part in this mission.

E. City of Seattle Historic Landmarks – KeyArena and the Redevelopment Site

KeyArena is more than 50 years old, as are some of the other facilities contained in the Redevelopment Site, but has not been designated as a landmark and may qualify for designation and protection. The Landmarks Board, working with the City of Seattle's Department of Neighborhoods, is responsible for administering the Seattle Landmarks Preservation Ordinance, Seattle Municipal Code Chapter 25.12.

Additional information about the City's History Preservation Program may be found at: <http://www.seattle.gov/neighborhoods/programs-and-services/historic-preservation/landmarks>

A 2013 Historic Landmark Study performed for Seattle Center indicates that KeyArena meets all six of the criteria for landmark designation. The Landmarks Criteria Table on page 60 of the 2013 study also includes some of the other facilities in the Redevelopment Site. The study is available through eBid under the documents tab.

To address the status and uncertainty, the City expects that options to redevelop KeyArena may include a range of changes from modification of the existing buildings to construction of a new building. The City does not know whether the Landmarks Board will designate KeyArena or other facilities in the Redevelopment Site as landmark(s), and if designated, what Controls and Incentives might be placed on the facilities.

To address this issue regarding redevelopment opportunities for facilities within the Redevelopment Site, the City intends to nominate potentially eligible facilities and anticipates that the Landmarks Board may consider the nomination(s) during the second quarter of 2017. Proposers should assume that KeyArena and other facilities on the Redevelopment Site, or

portions of them, may be designated as a landmark and that alterations or significant changes to the facility(ies) may be subject to provisions of Seattle Municipal Code Chapter 25.12.

Proposals are being requested for renovation of KeyArena taking into consideration the possibility of a Controls and Incentives Agreement which may be required if the Landmarks Board designates KeyArena as an historic landmark. If that occurs, the City intends to include the Selected Proposer in developing the Controls and Incentives Agreement for KeyArena or any portion of the Redevelopment Site. Additionally, a proposer may, at its option, provide an additional proposal for construction of a new facility if it will maximize the Redevelopment Site's potential and better meet the City's objectives. The Seattle City Council must approve any Controls and Incentives Agreement.

3. CITY'S EXPECTED REDEVELOPMENT TERMS

Proposals should take into consideration the City's expected redevelopment terms and conditions provided in the Subsections below. Where expressly noted below, proposals should specifically address the requirements. Otherwise, unless a proposer states otherwise in its submittal, the City will expect any final agreement to be consistent with the terms in this section.

A. Development and Design Terms

- 1) Under the Development Agreement the Selected Proposer will be responsible for 100% of the funding to be provided to complete the redevelopment and construction of the Project, including assurances for covering cost overruns. In a timeframe to be established the City to adequately verify adequate funding, the Selected Proposer will be required to demonstrate to the City that 100% of construction funds are committed.
- 2) The Project must comply with the City of Seattle's Sustainable Building Policy, which can be found at: <http://www.seattle.gov/environment/buildings-and-energy/city-facilities/sustainable-buildings-and-sites> , including meeting a Gold LEED rating and standards for energy use, water use, construction waste diversion and bicycle facilities.
- 3) The Project design will be consistent with the Century 21 Master Plan Design Principles and the Uptown (UDF) Guiding Principles.
- 4) The Development Agreement will need to comply with the City's 1% for Art program.
- 5) The design of the Project must comply with the Americans with Disabilities Act (ADA). As a public entity, the City is subject to Title II of the ADA, and proposers should consider guidelines of both Title II and III. In cases where the standards differ, the design and construction of the Project shall be held to the standard that provides the highest degree of access to individuals with disabilities. Proposers should be aware that the provisions of the ADA may exceed requirements contained in building codes and other regulations and that in such instances, the ADA requirements shall control.
- 6) The City will cooperate with the Selected Proposer to obtain all needed agreements to relocate parties with contractual use rights within the Redevelopment Site which are impacted by the development, however, the Selected Proposer will be responsible for all associated costs and any contract obligations. The City has identified the following agreements that may be impacted by redevelopment: The Seattle Storm Facility Use

Agreement; Pottery Northwest Lease; Seattle University Facility Use Agreement; and the Northwest Folklife Association Lease in the Blue Spruce Building. The current agreements are available through eBid under the documents tab.

- 7) If the proposed Project utilizes the Blue Spruce Building currently used as administrative office space by short term Seattle Center tenants, the Selected Proposer will be responsible for the costs of relocation. Current Blue Spruce Building short term tenants are: (i) Book-It Repertory Theatre, (ii) Seattle Interactive Media Museum, (iii) Skate Like a Girl, (iv) Teen Tix and (v) WA Alliance for Arts Education/ArtsED Washington.
- 8) If the proposed Project permanently utilizes portions of the Redevelopment Site currently occupied by the Seattle Center Gardener's Complex, the Restroom Pavilion or the Skateboard Park, all of which are used for public purposes, the Selected Proposer will be responsible for all costs and obligations of providing alternative facilities and/or relocating the uses.
- 9) The Selected Proposer will be responsible for compliance with all regulatory requirements including the Seattle Land Use Code, State Environmental Policy Act, Seattle Landmarks Ordinance, and potentially the Seattle Design Commission review process.
- 10) If the redevelopment requires removal/relocation/ or de accessioning of City art installations in the Redevelopment Site, the City will work with the artist and the Selected Proposer to accomplish the removal/relocation/de accessioning, however the Selected Proposer will be responsible for all associated costs.
- 11) The City will require that as part of Project design, and to the extent possible during construction, portions of the exterior pedestrian walkways, landscaping and hardscaping and other amenities in the Redevelopment Site will remain available for public use and enjoyment, festivals, and other uses consistent with Seattle Center's purpose and Master Plan.

B. Social Equity Terms

- 1) As a matter of policy, the City intends that the construction of the Project comply with the following requirements: (i) all contractors will work under a project labor agreement in the form of the City's Community Workforce Agreement consistent with the provisions applicable to City projects under the City's Priority Hire Ordinance at Chapter 20.37, (ii) workers will be paid the rate of prevailing wages established under RCW 39.12, and (iii) construction will include participation of apprentices. The City's master Community Workforce Agreement/Project Labor Agreement is available through eBid under the document tab.
- 2) The Selected Proposer will be required to execute a Community Benefit Agreement (CBA) with appropriate community organizations to foster equity and social justice and provide benefit to the communities that will be affected by the Project. The CBA may include creation of a business stabilization to assist micro business affected by construction. The Lease Agreement will include public benefits that foster equity and social justice.
- 3) To protect the City and the Selected Proposer's investment in the Arena from the financial risks of labor disputes, the Lease Agreement will include an ongoing requirement that the Selected Proposer enter into labor harmony agreements if labor

organizations which represent workers in Seattle indicate their intent to organize workers at the Arena. The labor harmony agreement(s) will include a mutually agreed upon procedure for preventing and responding to disruptive labor actions at the Arena, including such activities as striking, picketing, and boycotting and shall extend to any successor or replacement contractor, sub-contractor, operator, or other third party with the right to develop or operate businesses at the Arena. The Selected Proposer shall maintain any labor harmony agreements for the duration of the City's proprietary interest in uninterrupted revenues from the operation of the Arena where agreements will limit the right of such organizations and their members to engage in economic activity against the operation.

- 4) The Development Agreement will include a plan to provide for the retention of Qualified Workers. "Qualified Workers" means workers employed in a non-management, non-supervisory role at KeyArena at the time it is closed for redevelopment/construction. While the specific scope of Qualified Workers and the details of the plan will be determined in the final Development Agreement, it is the City's intention that once the Arena is re-opened following redevelopment, Qualified Workers will be offered an equivalent job at the new Arena. Additionally, if the number of available Qualified Workers exceeds available positions, offers should be made in order of seniority at the time KeyArena is closed.

C. Sustainable Transportation Access and Mobility Terms

Proposers are asked to identify transportation impacts from the Project and multimodal strategies they would utilize through transportation infrastructure, operations, programmatic and transit service improvements to address and mitigate those impacts. The multimodal transportation strategies should comply with the Seattle Comprehensive Plan and Climate Action goals and focus on accommodating trips to and from the Arena while minimizing single-occupancy (SOV) trips and minimizing impacts to Seattle Center, the Uptown Urban Center, and surrounding neighborhoods.

The proposal should identify the amount of funding that will be committed for capital infrastructure improvements and (separately) for operation and maintenance strategies. Specifically, and identify a proposed approach and strategies to address transportation impacts based on the City's following goals and policies:

- 1) Identify strategies to provide safe, convenient, and efficient access for all modes of travel to and from KeyArena.
- 2) Reduce transportation impacts by implementing programs to reach an established mode share target (percentage of non-SOV or private automobile trips) to balance event access, neighborhood livability, and network resilience.
- 3) Develop vehicular and bicycle event parking management strategies, including area on-street parking, to minimize parking impacts on neighborhood streets, businesses, and residents.
- 4) Increase transit service quality and maximize ridership.
- 5) Leverage and integrate shared mobility services (e.g., Uber, Lyft, taxi, carsharing) to increase vehicle occupancy and serve first/last mile connections to high capacity transit.

- 6) Identify integrated on-site mobility hubs that facilitate access to travel options and seamless connections between transit and other connecting modes at the Redevelopment Site and critical hubs in the Center City.
- 7) Improve network connectivity, innovative mobility strategies, and quality of facilities for people of all ages and abilities to walk and bike to and from the Arena.
- 8) Provide real-time travel information to community members and Arena customers to ensure informed trip choices for all modes.
- 9) Establish freight/goods mobility strategies to minimize impacts on neighborhood streets and other Seattle Center operations.
- 10) Mitigate construction impacts to ensure safety for all travelers.

The Uptown/Seattle Center Strategic Parking Study, a comprehensive look at the area's parking conditions is available through eBid under the documents tab as a resource for proposers.

As part of the final agreements, the Selected Proposer will be required to prepare a full transportation analysis, complete an Environmental Impact Statement (EIS) for the Project to analyze and identify transportation impacts and mitigation measures, and implement the transportation mitigation measures and strategies identified in the EIS and the proposal.

D. Operation and Use Rights

- 1) Under the Lease Agreement, the Selected Proposer will be responsible for 100% of costs of operation and maintenance of the Arena/Project, including assurances for covering cost overruns, and including booking, scheduling, promotion, event operation, ticketing, concessions, insurance, utilities, permits and licenses, taxes, repairs, replacements, capital improvements, and a capital improvement reserve.
- 2) The Lease Agreement will contain rent requirements, a specified number of rent-free use day for City events, terms and conditions of use, including permitted uses, accommodation for certain ongoing or anticipated future uses, and acknowledgement in promotional materials that the Arena is located at Seattle Center.
- 3) The Selected Proposer will be solely responsible for and shall pay all charges for utilities used or consumed at the Arena during both development and operations. Utilities include, but are not limited to gas, electricity, water, sewer, storm water, garbage and recycling collection, and telecommunication services. Heating and cooling for KeyArena and some of the facilities within the Redevelopment Site are currently provided from the Seattle Center Central Utility Plant. Heating and cooling for other facilities within the Redevelopment Site and other utilities (electricity, water, gas) are generally separately metered. Telecommunication, fiber, data, and low voltage wiring pass through KeyArena to other parts of the campus. Proposer will be responsible for separating and relocating all wiring in the Project utilized by other parts of the Seattle Center campus. Proposer may negotiate with the City for continued use of centralized heating and cooling services to KeyArena, but the City is under no obligation to provide such services.
- 4) No later than the end of the Lease Agreement term, including the exercise of any option periods, all existing improvements and all additions and replacements will be owned by the City.
- 5) Proposer and City shall inventory existing City owned furniture, fixtures and equipment

- at the Redevelopment Site and identify which items shall be provided for use by the Selected Proposer. Such existing items shall be provided in as-is/where is condition.
- 6) Several tenants and sponsors at Seattle Center have exclusive use rights, and all uses of the Project are subject to existing exclusive rights granted to other tenants and sponsors. The existing exclusive rights (as of the date of this RFP) are listed on Exhibit 1.
 - 7) The Selected Proposer will have the right to designate the name of the Arena, and other areas within the Project. The name of the Arena shall be subject to City approval. The names of other areas within the Project or within the Arena shall be subject to the terms and conditions negotiated in the Lease Agreement.
 - 8) The Selected Proposer will have the right to sell sponsorships and advertising for the Arena and other facilities within the Redevelopment Site. The City will maintain the right to sell sponsorships and advertising for the Seattle Center grounds and facilities and component parts, excluding the Redevelopment Site. The Selected Proposer and Seattle Center will work cooperatively to minimize conflicts and/or maximize joint sponsorship and advertising opportunities.
 - 9) External signage visible on the Seattle Center campus, including Arena and sponsorship signage, will be subject to approval of the Seattle Center Director unless otherwise negotiated in the Lease Agreement.
 - 10) The Selected Proposer will assume the City's contract obligations for the Seattle Storm Facility Use Agreement and, upon opening of the Arena, the Seattle Storm will continue as a tenant of the Arena through the remaining term of the Facility Use Agreement under the same terms and conditions.

E. General Terms and Conditions

- 1) The Development Agreement and Lease Agreement must include appropriate risk allocations and will at a minimum require the Selected Proposer to defend, hold harmless and indemnify the City for any costs, expenses or losses arising from the Selected Proposer's activities related to its due diligence and for the design and construction of the Project and operation of the Arena.
- 2) The Selected Proposer will secure, and cause its subcontractors to secure, commercial general liability, automobile liability, worker's compensation and property insurance for the Project and Arena, naming the City as an additional insured where required.
- 3) The Selected Proposer will pay all applicable taxes, license, and occupation taxes, including Washington State leasehold excise taxes, unless Selected Proposer provides evidence of exemption. Selected Proposer must have a Seattle Business License and pay all taxes due before entering an agreement with the City.
- 4) Any agreement entered into between the City and a Selected Proposer will include provisions, to be negotiated, which ensure the City's ability to fulfill its obligations to ArenaCo if the conditions precedent in Section 24 of the ArenaCo MOU are satisfied on or before December 3, 2017. Provisions may include mutual rights to renegotiate impacted business terms and termination rights.
- 5) The Development Agreement and Lease Agreement which result from this RFP are subject to authorization by ordinance of the Seattle City Council, and must comply with all applicable City of Seattle ordinances, laws, rules and regulations including but not limited to nondiscrimination provisions under Chapters 14.04, 14.10 and 20.42 of the

4. SUBMITTAL CONTENT REQUIREMENTS

Each submittal should include the information requested in this section for the redevelopment of KeyArena, taking into consideration the possibility of a Controls and Incentives Agreement. To the extent possible, in the narrative section proposers should describe any assumptions about possible controls and incentives. Any proposer electing to also make a proposal for a new facility should clearly describe which, if any, of the elements of its redevelopment proposal would be changed. For example, there may be different financing arrangements, rent proposals, or transportation plans proposed for a new facility than would be proposed for a redeveloped KeyArena.

A. Cover Letter and Executive Summary

The cover letter is the proposer's official letter transmitting the complete proposal to the City. The cover letter must include the full name and address of the proposer's organization(s), the state of incorporation or in which it is licensed to operate, the form of business, and the name and contact information for your organization or team for this proposal. The cover letter should identify who will be the key business negotiator and be signed by an individual who is authorized to commit the proposer to the obligations contained in the proposal. If the proposer consists of a team or joint venture, an authorized representative of each of the participating organizations is required to sign the letter.

The Executive Summary must be presented as a separate document summarizing in clear and concise language, easily understood by persons not having a technical background, the information contained in the proposal. The Executive Summary shall be limited to three (3) pages, including tables and graphs. The City plans to distribute the Executive Summary to public officials, interested parties and the public.

B. Proposer Information

Provide a general overview of proposer's organization, including the legal name and contact information, history, type of ownership, legal structure, officers and directors, and number of employees. Identify key personnel working on the Project, providing a brief resume for each. Provide a brief history of the organization/individual's relevant or comparable developments and any contractual litigation, arbitration, and mediation cases for the last (5) years that are material and relevant to this proposal.

C. Proposer Financial Information

Provide proof of the financial capacity of the proposer entity to perform the Project such as credit information regarding the proposer entity, credit references for the proposer entity, and relevant audited financial statements of the proposer entity. Note to proposers: under the Development and Lease Agreements, the City reserves the right to require a guaranty or other form of recourse liability from any entity on which the Selected Proposer relies upon for financial capacity.

D. References

Provide references, with contact information, for parties with whom proposer has worked on projects similar to the Project.

E. Development Agreement and Lease Agreement Terms

The proposal must include at a minimum the following proposed terms and conditions. A proposer may elect to include additional terms and conditions.

- 1) Guaranteed rent and incentive rent, including rent free use of the Arena for up to 14 days for City events, rent escalators during the initial term, and (if different) guaranteed rent, rent escalators and incentive rent during renewal options. Each proposer is encouraged to provide incentive rent structure(s) tied to (i) revenues, and/or (ii) number and scope of events and other activations, and/or (iii) obtaining an NBA or NHL franchise.
- 2) Initial proposed term of Lease Agreement, as well as any renewal options.
- 3) Confirmation that proposer will bear all costs of development and operation of the Project and Arena; specify the amount to be deposited annually into a capital reserve fund; and specify any circumstances under which the City will bear any costs of repairs/replacements, environmental remediation, or other capital expenditures.
- 4) Specify any contingencies in favor of proposer that proposer will request in the Development Agreement, and confirm that no later than execution of the Development Agreement the Selected Proposer shall pay to the City a deposit to be negotiated that will not be refundable on account of any other contingencies in favor of Selected Proposer, but that will be refundable to Selected Proposer only in the event that the City commits an uncured event of default under the Development Agreement or if the City exercises a termination right under the Development Agreement for reasons other than Selected Proposer's uncured event of default. Upon substantial completion of Selected Proposer's obligations under the Development Agreement and commencement of rent under the Lease Agreement, such deposit shall be credited toward rent coming due under the Lease Agreement.
- 5) Specify any "exclusive" rights that proposer proposes to impose on Seattle Center or the City, and applicable terms, conditions, and limitations thereon. Specify any proposed limitations on imposition by Seattle Center of "exclusive" rights (other than the existing rights listed on Exhibit 1) that would bind the Project. The proposal should identify any key terms for coordinating the naming, sponsorship, promotion, and concessions plans of the Project and Seattle Center.
- 6) Taking into consideration the City's objective of minimal City financial participation, specify any governmental assistance of any nature that the proposal will request from the City or any other governmental entity in connection with redevelopment of the Project or operation of the Arena, including any tax exemption or concession; any tax increment financing; any tax-exempt financing; any in-kind contribution; any use of governmental facilities (other than the Project) or services, or any direct payment.

- 7) Confirmation that the proposed conceptual design(s) are intended to comply with NBA and NHL requirements for potential future tenancy.

F. Narrative Description

Present a detailed narrative description of your proposal, including plans for technology and public art aspects of the facility. If a proposer takes exception to any of the expected redevelopment terms as set forth in Section 3, describe any applicable limitation or modification; if no such limitation or modification is specified, the Development Agreement and Lease Agreement (as applicable) shall contain all the expected redevelopment terms. If the proposal does not demonstrate that it will meet the expected redevelopment terms, the description should explain why.

G. Redevelopment Site

Identify which portions of the potential Redevelopment Site (as well as any adjacent street or Seattle Center areas, if requested by proposer) will be utilized, both during construction and during operation of the Arena, and how each portion will be used.

H. Drawings and Plans

The following drawings must be provided:

- 1) General site plan, with sustainable transportation (transit, walking and bicycling) access and freight loading docks/areas identified.
- 2) Concept level design work including scope narrative, elevations, floor plans, cross sections, and other drawings needed to convey design intent
- 3) Exterior signage plan, including indicating plans for language access on signs.

I. Schedule

Provide the proposed Project milestones and schedule, from the City's selection of the Selected Proposer to opening of the renovated Project to the public. Describe the process and parameters that will determine the durations between: the selection of the Selected Proposer; any due diligence period after selection of the Selected Proposer and additional steps necessary, if any, to negotiate final agreements; the commencement of construction; and the rent commencement date. Specify a "not to exceed" time period for each of these steps.

J. Redevelopment Financing Plan

Provide a financing plan for the redevelopment including all information required to provide the City sufficient data to evidence that the proposed redevelopment can be financed, constructed, and delivered in a timely fashion. The financing plan should, at a minimum, contain the following:

- 1) Sources and uses of funds statement;

- 2) Financing schedule;
- 3) If proposer will require a financing contingency in the Development Agreement, specify its terms and duration.

At the City's request, the proposer will submit a supplemental financing plan setting forth such information as the City deems, in the exercise of its sole discretion, helpful or relevant in evaluating the proposer or any aspect of its proposal.

K. Operational Financial Terms

Provide sufficient information to evidence that the proposed Arena can operate successfully for a sustained period of time, including at a minimum a concept-level operating pro forma for both startup and stable years, with sufficient return to pay debt service, reinvest in maintenance and fund improvements to the facility to ensure its continuation as a world-class facility. The pro forma should, at a minimum, contain the following:

- 1) Estimated facility revenues by type, including estimated naming and promotional, concessions and other primary revenues by type, including estimated: number of events by type, attendance per event by type, and event revenue and expense by event type;
- 2) Estimated facility operating expenses by type; including routine and major maintenance and capital reserve funds, and taking into account rent and incentive rent payable.
- 3) Estimated taxes, fees, or charges paid or collected and submitted by the Selected Proposer to a taxing or other government authority, including but not limited to the City.

L. Operations

Describe the proposed operation and management plans for the Arena. At a minimum, address concept-level plans for organizational structure; staffing; ticketing/suites; naming, sponsorship, and promotion; security; concessions; merchandising; Seattle Storm and Seattle University use; City use (including City use days for Bumbershoot and Seattle/King County Clinic).

M. Sustainable Transportation Access and Mobility

As described in Section 3.C, identify transportation impacts from the Project and address how innovative, multi-modal strategies could be implemented to mitigate the impacts, keeping in mind the City's goals and policies. Identify the amount of funding that will be committed for capital infrastructure improvements and (separately) for operation and maintenance strategies.

N. Collaboration with Uptown Neighborhood

Identify how the proposer will work with the Uptown neighborhood business and community organizations. Elaborate on how the proposer will align with the Uptown Neighborhood's Urban Design Framework and work to address issues related to communication, traffic, parking, noise, security, and the impacts, both positive and negative, of the Arena's operations.

O. Collaboration with Seattle Center

Identify how the proposer will work with Seattle Center and neighboring Seattle Center tenants. With respect to naming, sponsorship, promotion, and concessions plans, identify key terms and rights. Elaborate on the roles that the proposer would expect Seattle Center and its stakeholders to play and the methods the proposer would use in coordinating event scheduling, including event start and end times, events using both the Arena and Seattle Center facilities and the Seattle Center grounds or campus-wide Seattle Center festivals. Address how the proposer will cooperate with the Arena's immediate neighbors, KEXP, VERA, SIFF and Art Not Terminal. Address issues related to communications, decision making, security, marketing, branding, and other elements of the proposer's proposal.

5. NOTICE TO PROPOSERS REGARDING WASHINGTON PUBLIC RECORDS ACT

Under Washington State Law (reference RCW Chapter 42.56, the "Public Records Act") all materials received or created by the City of Seattle are considered public records. These records include but are not limited to the proposal submittals, agreement documents, contract work product, or other proposal materials.

Under the Public Records Act the City is required to promptly make public records available upon request. However, under Washington State Law some records or portions of records are considered legally exempt from disclosure. A list and description of records identified as exempt by the Public Records Act can be found in RCW 42.56 and RCW 19.108.

If proposer believes any of the records being submitted to the City as part of the proposal are exempt from disclosure, the proposer may request that the City notify the proposer before releasing the records. To do so, in the proposal submittal, proposers must very clearly and specifically identify each record for which a proposer claims exemption and the exemption(s) that may apply.

If the City receives a public disclosure request for any records the proposer has properly and specifically identified, the City will notify the proposer in writing of the request and will postpone disclosure for a period of time to allow the proposer to respond. While it is not a legal obligation, the City, as a courtesy, will allow you up to ten business days to file a court injunction to prevent the City from releasing the records (reference RCW 42.56.540). If the proposer fails to obtain a Court order within the ten days, the City may release the documents. The City will NOT assert an exemption on the proposer's behalf.

Please note the City cannot accept generic marking of materials such as marking everything with a document header or footer, page stamp, or a generic statement that a document is non-disclosable, exempt, or confidential, proprietary, or protected. You may not exempt an entire page unless each sentence is entitled to exemption; instead, identify paragraphs or sentences that meet the RCW exemption criteria you are relying upon.

The City will try to redact anything that seems obvious in the City's opinion for redaction as exempt. For example, the City will black out (redact) Social Security numbers, federal tax

identifiers, and financial account numbers before records are made viewable by the public. However, this does not replace your own obligation to identify any materials you wish to have redacted or protected and that you think are so under the Public Records Act.

6. SUBMITTAL PROCESS AND SCHEDULE

A. Proposal Phase

- 1) Proposals shall consist of and follow the outline of the items identified in Section 4 of this RFP titled "Submittal Content Requirements." Each response should be clearly numbered and the full question/requirement identified. Failure to respond fully may disqualify your proposal.
- 2) The proposal must be signed by an individual who is authorized to bind the proposer to all commitments made in the proposal.
- 3) Ten (10) hard copies and one (1) electronic copy of the proposal are due in the Office of Economic Development, addressed to Mr. Karl Stickel, Entrepreneurship and Industry Manager, PO 94708, Seattle, Washington 98124-4708 by 5:00 p.m. PST on April 12, 2017. Proposals received after the above date and time will not be considered. The City is under no obligation to return proposals.
- 4) It is each proposer's responsibility to carefully review all the requirements of this RFP. It is further the proposer's responsibility to ask questions, request clarifications, or otherwise advise the City if any language, specification, or requirement of this RFP appears to be ambiguous, contradictory, or inadvertently restrictive or limiting of the proposer's ability to meet the requirements of this RFP.
- 5) Proposers are responsible for all expenses associated with the preparation and presentation of the proposal, and all due diligence. The City will not reimburse any costs.
- 6) The submission of a proposal in response to this RFP shall be considered a representation that the proposer has carefully inspected all conditions which affect or may, at some future date, affect the performance covered by the proposal, and that the proposer is fully informed concerning the City, the conditions to be encountered, and the character, quality and quantity of work to be performed and that the proposer is familiar with all federal, state, and local laws which in any way affect the performance of the services requested herein.

B. Post-Submittal Phase

- 1) Any selected proposal shall remain a valid proposal, in its entirety, through contract negotiations. Additionally, unless the City rejects all proposals or unless any proposal specifically provides otherwise, all submitted proposals shall be deemed valid for at least four (4) months after the Mayor's selection date.
- 2) Any proposer selected to negotiate with the City has a continuing obligation during such negotiation period to provide the City with any information that was requested in this RFP which requires updating due to circumstances that have changed or occurred since the submission of their proposal.

C. Post-Selection Phase

The Mayor's decision regarding selection or non-selection of a proposal shall be confirmed by written notice to all proposers. If the Mayor selects a proposal for further negotiation, OED and the Selected Proposer will execute a Memorandum of Understanding outlining the schedule and terms for negotiating the future Development Agreement and Lease Agreement contemplated. A proposer shall not acquire any legal rights of any nature with respect to or relating to the Project unless and until the City and proposer execute a Development Agreement approved by the Seattle City Council. The City will not be obligated to accept in any agreement any terms that are inconsistent with the terms of the City's expected redevelopment terms in Section 3 or the terms in the selected proposal.

D. Schedule

ELEMENT	DATE TO BE COMPLETED
RFP Issued	January 11, 2017
Pre-proposal meeting/building walk through	January 25, 2017
Deadline for submission of questions	March 15, 2017
Final Addenda to RFP, if any	March 22, 2017
Proposal due, 5:00 pm PST	April 12, 2017
If applicable, proposers provide additional information (see E.2 below)	To Follow
Notification of shortlisted proposers	To Follow
If applicable, shortlisted proposers provide final and best proposals	To Follow
Proposer interviews	To Follow
Public presentation(s) of shortlisted proposals	To Follow
Recommendations to the Mayor	To Follow
Selection of Selected Proposer, execution of Memorandum of Understanding	To Follow

E. City of Seattle Rights and Options

- 1) The City reserves the right, at any time and in its sole and absolute discretion, to reject any or all proposals, to waive any irregularities or informality with respect to any proposal, to modify the review period and/or request additional information from proposers to inform and support the evaluation process, and to amend or withdraw the RFP without notice. No agreements or understandings between the City and any proposer(s) shall be binding until agreement documents have been duly executed following an authorizing ordinance by the Seattle City Council.
- 2) After submission of a proposal, and before selection of any proposal by the City, OED may request, and proposers shall furnish, such additional information or clarifications related to the proposal and their financial status as OED may reasonably request. After receipt of any

supplemental clarifications or information, the City reserves the right to request final and best proposals from proposers.

- 3) If a Selected Proposer does not execute an agreement, OED may select another proposer for negotiations, may call for new proposals, or may contract with another party to take any other action OED deems to be in the best interest of the City.
- 4) This process does not commit the City to award a contract.
- 5) This process is not intended to be a low bid process, and the City reserves the right to negotiate with a Selected Proposer to modify, amend or change the terms of the proposal for incorporation into a final agreement, as OED determines to be in the best interest of the City.
- 6) All materials submitted in response to this RFP will become the property of the City. Proposers shall retain the copyright to any copyrighted materials, however by submitting them to the City, each Proposer grants the City an irrevocable, unlimited license to copy, distribute and use the proposal materials for purposes relating to this RFP process and negotiation of final agreements.

7. EVALUATION PROCESS

Proposals will be evaluated by a review committee based on the proposal's fulfillment of the City's Arena Objectives identified in Section 1 and the proposer's expertise and financial capability to successfully undertake and complete the Project and operate the Arena. None of the individual objectives will stand alone or be conclusive.

Those proposals considered most responsive and contributing to the City's Arena Objectives will be included on the short list. Shortlisted proposers will be asked to an interview(s) with the review committee and be given an opportunity to make a public presentation(s) regarding their proposal. The review committee will make a recommendation to the Mayor regarding which proposal best meets the City's overall objectives as provided in Section 1. The Mayor will take the review committees evaluation under advisement and make the final selection of the proposal which best meets the City's objectives.

8. INQUIRIES

A. Proposal Inquiries

Questions and inquiries regarding any aspect of the proposal documents, or any other matter relating to this RFP may be directed in writing to:

Mr. Karl Stickel
Entrepreneurship and Industry Manager
Office of Economic Development
PO Box 94708
Seattle, Washington 98124-4708

Or via email to: Karl.Stickel@seattle.gov
Or via phone at: (206) 684-8085

B. Site Plan Inquiries

Proposers may access a basic inventory of KeyArena drawings which are available through eBid under the documents tab. Questions and inquiries regarding reviewing other Seattle Center architectural and engineering drawings for KeyArena or the ancillary buildings included in the Redevelopment Site may be directed to:

Ms. Gina Owens
Administrative Staff Analyst
Seattle Center Redevelopment Team
City of Seattle
305 Harrison
Seattle, WA 98109

Or via email to: Gina.Owens@seattle.gov
Or via phone at: (206) 684-7117

Proposers may review drawings in the Redevelopment Office at Seattle Center. It will be each proposer's responsibility to arrange for reproduction or scanning of any documents not available through eBid.

C. RFP Addendum

Any subsequent addenda or announcements to this RFP will be made available at <http://ebidexchange.com/seattle>. A list of all inquiries and responses will be published on this website as an addendum periodically.

Proposers must complete a free registration prior to viewing, printing and saving the RFP and notices to their own equipment at no cost. Notwithstanding efforts by OED to provide such notices, it remains the obligation and responsibility of the proposer to learn of any addenda, responses, Q&A, or other notices issued by OED. Registering at Ebidexchange.com and being placed on the list for this RFP is the only way to ensure notification of any subsequent addenda or announcements.

EXHIBIT 1 – Seattle Center Tenant and Sponsor Exclusive Use Rights

1. Coca-Cola has exclusive pouring, vending and advertising rights at certain facilities at Seattle Center and all Coca-Cola products must be purchased directly from the bottler. Coca-Cola also has the exclusive right to be recognized as the “Official” or “Exclusive” provider to certain Seattle Center facilities. The agreement with Coca-Cola does not apply to KeyArena.
2. Chihuly Garden and Glass has the exclusive right to 1) retail sales of any items possessing or containing logos, service marks or trademarks pertaining to Chihuly Garden and Glass or Chihuly art of any kind, and 2) operation of a glass art exhibit or retail glass art space. The sale of a de minimis or negligible amount of glass souvenirs, memorabilia or other similar glass products is allowed.
3. KEXP has the exclusive right to operate a radio station broadcast facility at Seattle Center.
4. Microsoft has the exclusive right to advertise as the official provider of Wi-Fi services at Seattle Center through March 30, 2018.
5. The Museum of Pop Culture (MoPOP) has the right to be the only institution at Seattle Center 1) whose primary focus and use is the programming of exhibition space devoted to music and/or popular culture, 2) with retail sales of any items possessing or containing Experience Music Project (now MoPOP) logos, service marks or trademarks.