



**MEETING NOTES
CENTRAL WATERFRONT
LONG TERM STEWARDSHIP SUBCOMMITTEE**

**MEETING #5 October 10th, 2011
3:30 — 5:00 PM Room #1600, Seattle Municipal Tower**

Meeting Attendees

Subcommittee Members & Advisors

- Carol Binder, Co-Chair
- Bob Davidson, Co-Chair
- Gary Glant
- Rollin Fatland
- Bob Donegan
- Patrick Gordon
- Kate Joncas

City Staff & Consultants

- Nathan Torgelson
- Marshall Foster
- Steve Pearce
- Ken Johnsen

Additional Attendees

- Tom Israel
 - Felicia Nitu
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Operations & Maintenance at Seattle Center

*Committee reviewed and referenced documents including: *Seattle Center Map, 2011 Maintenance Budget.*

• **Long Term Stewardship Subcommittee Guests (T. Israel, Finance Director, Seattle Center):**

Background

- The Seattle Center is 74 acres of land with 17 acres of open space, 24-25 buildings, three parking garages and the monorail—it is highly used, maintained and manicured by high-level park standards.
- The Center has a \$34 million budget this year; two-thirds of the budget is earned through commercial activities including Key Arena concerts, the food court, parking garage, the monorail and leases.
- The other third comes from the City's general fund—in the past, it has been as low as 20 percent or as high as 40 percent; it varies depending upon the City's revenue streams and the Center's needs.
- Ownership varies around the grounds: Space Needle is a private entity; EMP is a ground lease; Pacific Science Center is a wholly owned non-profit; there are many leased spaces and exclusive leases.

- We have difficulty benchmarking against others because our mix of activities is unusual; the Center evolves over time and things are always changing.

Programming, Revenue Sources & Infrastructure

- We have a programming arm, which is unusual: we spend approximately \$2 million per year producing our own free and affordable programming, including 20-25 cultural festivals.
- Our staff also partners with community organizations on programming such as ethnic festivals; they may bring food and entertainment and we bring place, labor, sound, lighting, stage-hands and clean up.
- We vet our partners and have a matrix to identify those who meet our goals, mission and the public benefit; AEG is a consultant partner and after a certain threshold we share revenue for Key Arena.
- We hardly ever close, so we're constantly working around events and construction or renovations; the idea of continuing to engage at the Center while activities are going on is very important to us.
- The Center operates on a continuum: we have to weigh if something has a public benefit or if it's something commercial that just benefits the promoter and a narrow slice of the community.
- If it's a commercial activity, we try to maximize our profits; if an event is free and open to the public, our deals take a different shape; we also try to hold down parking rates for affordability.
- We don't take the money we make and earmark it; rather, we have a general fund supporting free, low-cost programming, grounds and fountains; it also offsets the City's below market rents.

Maintenance & Staffing

- Maintenance is about 35 percent of our total budget at \$11-12 million per year, including administration and unionized electricians, landscapers, painters, metal fabricators, janitors, laborers and plumbers.
- Skilled laborers and tradespeople do activities such as routine maintenance on the buildings and grounds, event setup and takedown, collecting and emptying trash and light installation; the labor agreements are the City's, with riders specific to Seattle Center and most negotiated Citywide.
- This does not include major maintenance activities; the City and Parks Department fund their capitol depreciation out of different sources.
- Over time we've built in the ability to flex staffing and we rely on intermittent or seasonal staff with hours that fluctuate based on needs; this is a very powerful tool in managing expenses.
- In terms of labor jurisdictions; the body of work is protected in existing spaces but unions do not have automatic jurisdiction in new spaces on the Center's campuses.

Festivals, Resident Relations & Infrastructure

- We have three or four big festivals per year at the Center, generally covering the whole grounds, and each is a bit different:
 - Bite of Seattle—is commercial; they rent the grounds, pay all costs and we share some profits.
 - Folklife Festival—has rent-free use of any City building; we provide a \$280,000 labor credit.
 - Bumbershoot Festival—has a gate and charges a fee for entrance; they cover labor and pay four percent ticket revenue as rental.
- We work very hard to have a communal feel among resident organizations and every senior level Center staffperson is assigned a relationship; we let tenants know in advance about events.
- It's a big deal for us to lock up a piece of public space that's not open to general use; while tenants can't prevent events from happening, we won't impede entry to their grounds.
- We have transportation options including bus and monorail, as well as parking lots, making it easier for promoters; being in a park after a venue is a much nicer experience than a parking lot.
- We also spent \$1.5 million ten years ago to install utility boxes and water, gas and electrical tie-offs in key locations throughout the campus.

Public Safety

- We have made a conscious design decision to maintain the street grid and have a side lighting program, which gives people a sense of safety and a visual pattern to follow.
- We have safety patrols, non-deputized emergency service operators and a 24-hour security service presence; we also have police bike patrols every day.
- We work with organizations to coordinate their security and have safety meetings with police and fire departments before major events; we try to anticipate problems and adjust accordingly.
- We try to have events end at a reasonable hour and if private events extend past 11:00 p.m. we require that off-duty police be hired; we have ground rules and we trespass those who misbehave.

Recommendations

- When thinking about the Waterfront project:
 - Keep the possibility to earn money on the table and earn as much as you can when you can;
 - Think about where you can accommodate large crowds;
 - Build into the infrastructure to be efficient to operate;
 - Figure out where you're going to put a stage when you need it;
 - Figure out where you'll put a segregated area with a fence if you need it;
 - If there is a fence, have rules, such as no advertising outside;
 - Don't forever try to peddle your way into accommodating an event;
 - Be cautious in letting people close down public spaces.
- **City Staff:**
 - Seattle Center's evolution over the last twenty-five years is remarkable—there is probably a sweet spot we should be thinking about with the Waterfront: things that scale well and generate revenue without undermining the basic public character.
 - As we develop operating cost assumptions, it's important that we count security, major maintenance and programming costs consistently—and not compare apples to oranges.
- **Long Term Stewardship Subcommittee Co-Chairs, Members & Advisors:**
 - Although we're not likely to have the same amount of physical program space, rental properties or tenants, this is very helpful information.

Maintenance & Operations Financing Matrix

*Committee reviewed and referenced documents including: *Subcommittee—Financing Methods*.

- **City Staff:**
 - The previous iteration of the stewardship subcommittee created a matrix of opportunities and challenges; it has been updated and condensed to include funding sources, elements of success, options for providing maintenance and operations/the partnership entity and examples.
 - C. Damon from HR&A will review our materials and develop new ideas for us to think about, as well.
- **Long Term Stewardship Subcommittee Co-Chairs, Members & Advisors:**
 - Pier 48 is in the design, but is probably the longest-term project—if that comes through as the big place for events, we may also want a smaller spot, as well.
 - What kind of infrastructure are we providing to support the pier on days when there are no events? If we forget what we're doing along the length, we'll miss near-term opportunities.

- It's also important to look at storage, shelters and spots of refuge; we should review potential event and gathering spaces that could turn into permanent kiosks or seating.
 - What if there were non-gated aquarium events that activate the spaces? The idea is we are thinking not just about the public realm, but synergies with private property and other tenants.
 - The Design Oversight Subcommittee is developing a timeframe with milestones and we feel it's important to have co-committee meetings; we'll suggest meeting times as we move forward.
 - Part of our success is having an administration expert, with a staff, who is thinking about every single space; one potential resource for our Subcommittee is L. Koch from Governor's Island.
- **Consultants:**
 - The Hudson River Redevelopment Agency has also been dealing with waterfront issues for years, and could also speak with this Committee.
- **Additional Attendees (F. Nitu, Parsons School for Design graduate):**
 - Recently I attended the Solar Decathlon, a well-known design competition; they are looking for a new venue and you might consider bringing it here to symbolize the green principles of Seattle.
- **City Staff:**
 - One challenge in terms of the Pier 48 is identifying our niche and considering how we may impact other event facilities in Seattle; the new space may be like a mural amphitheater.
 - The entity that has day-in and day-out event experience is probably not the Seattle Department of Transportation; it's a different functional role.
 - A. Kochen just joined the Central Waterfront Committee and we should also hear from him, as well; it might be helpful to have phone conversations or Skype with those not in Seattle.

ACTION: City Staff to communicate with potential resources to arrange upcoming Subcommittee conversations; consider timing for potential co-Subcommittee meetings.

Additional Comments

- **Long Term Stewardship Subcommittee Co-Chairs, Members & Advisors:**
 - The Subcommittee is beginning to drill down to costs-by-area and, as we gather information, we'll be coming to conclusions about what we may be looking at for funding.
 - R. Courtney strongly recommended that the property be operated outside a municipality and we'll be considering options for independent organizations.
 - The Full Committee is stretching the project boundaries, raising questions about how we define maintenance responsibilities; we also need to remember that everything won't happen at once.
- **City Staff:**
 - While the parks have some structural budget challenges, R. Courtney's spreadsheet is a great resource; it's important to remember that the Waterfront will also have other funding sources.
 - The Waterfront is partially owned by the Parks Department and the Seattle Department of Transportation; one entity should oversee maintenance and operations to avoid challenges.