

Seattle Center

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

Department Overview

Seattle Center is home to cultural and education 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 mission is to delight and inspire the human spirit, and to bring people together as a rich and varied community.

The history of Seattle Center dates back to a time well before the organization existed as a City department in its current form. Prior to the 1850s, the land on which Seattle Center sits was a part of a Native American trail which was later homesteaded by the David Denny family and eventually donated to the City of Seattle. In 1927, the new Civic Auditorium, now Marion Oliver McCaw Hall, and Arena were constructed with funding from a levy and a contribution from a local business owner. In 1939, a large military Armory was constructed. In 1948, the Memorial Stadium was built, with the Memorial Wall added in 1952. Finally, in 1962, the community pulled together these facilities and added new structures to host the Seattle World's Fair/Century 21 Exposition. At the conclusion of the Fair, the City took ownership of most of the remaining facilities and campus grounds to create Seattle Center. Since its creation in 1963, the Center has nurtured artistry and creativity by providing a home for and technical assistance to a wide variety of arts and cultural organizations. These tenants play a critical role in the arts and cultural landscape of the region.

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 non-profit organizations, sponsorships, food sales and monorail fares.

Due to its heavy reliance on commercial revenues, Seattle Center experiences many of the same financial challenges confronting other businesses. Consumer preferences, fluctuating demand and competition for customer discretionary spending all influence the financial performance of Seattle Center. Seattle Center continues to face financial pressures in several areas including market competition with competing facilities, financial challenges of long-term, non-profit tenants on campus, and balancing the mix of public and private uses on the campus. However, it is making important strides in realigning its operations to fit within the revenue it generates.

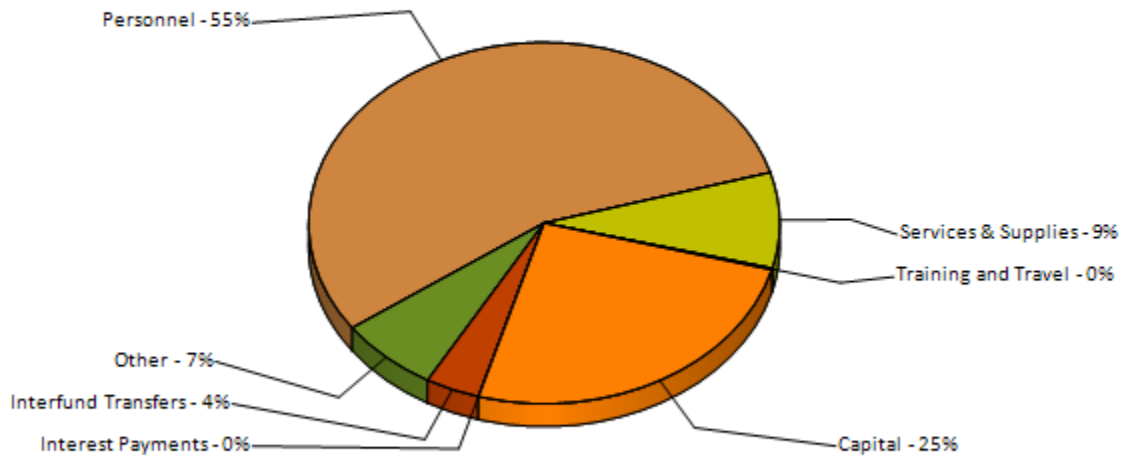
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Budget Snapshot

Department Support	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
General Fund Support	\$12,747,002	\$12,966,348	\$13,463,863	\$13,177,592
Other Funding - Operating	\$22,089,686	\$22,964,210	\$23,409,995	\$23,119,029
Total Operations	\$34,836,688	\$35,930,558	\$36,873,858	\$36,296,621
Other funding - Capital	\$6,478,818	\$8,980,000	\$5,151,000	\$7,119,000
Total Appropriations	\$41,315,506	\$44,910,558	\$42,024,858	\$43,415,621
Full-time Equivalent Total*	245.12	241.62	241.62	240.66

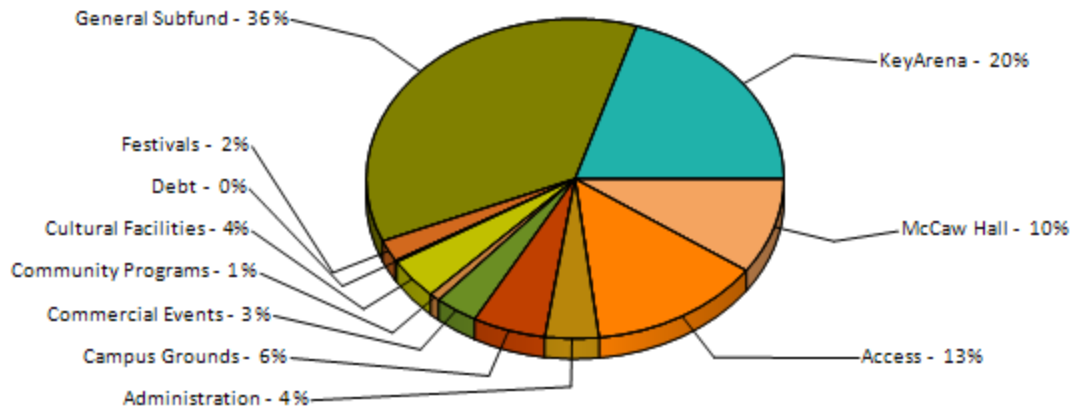
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

2014 Proposed Budget - Expenditure by Category



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2014 Proposed Budget - Revenue by Category



Budget Overview

Seattle Center's 2014 Proposed Budget is largely unchanged from the 2014 Endorsed Budget. After facing financial challenges in recent years as a result of several factors, including the Great Recession, the loss of sponsorship revenue, and the temporary closure of the Armory food court for refurbishing, Center has successfully aligned operating costs with revenues and is on track to break even in both 2013 and 2014.

Seattle Center has more than 75 sources of revenue, with the largest being parking fees, facility rentals, programming at McCaw Hall, and event revenues from KeyArena. As the local economy continues to recover from the recession, Center is experiencing increases in revenues from parking, the monorail and the Armory food court. Despite increases in these revenues, and the public's continued patronage of Seattle Center, Center continues to experience financial pressures due to the inability of some of its non-profit tenants and clients to make their lease payments. These organizations have faced challenges in recent years as a result of the economic downturn. Seattle Center continues to work with the organizations to find solutions, including establishing payment plans and restructuring leases where appropriate.

Seattle Center receives approximately 35% of its revenues from the City's General Fund. Center has identified some modest opportunities to save General Fund dollars, including savings from a vacant parking coordinator position, while preserving core services. The 2014 Proposed Budget maintains funding for all other programs at Seattle Center allowing visitors to continue to have access to a vast array of events and performances.

Other core areas of Seattle Center operations continue to thrive. For the past several years, event bookings at KeyArena have increased. In 2012, an improved ticketing agreement and a new food concessionaire contributed to KeyArena experiencing its most profitable year since the departure of the SuperSonics. Event bookings and

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revenues have remained at these elevated levels through 2013, and the forecast anticipates this trend continuing.

McCaw Hall, which celebrated its tenth anniversary in 2013, continues to have consistent event bookings and attendance. In addition to attracting new concerts and events, the building's primary users, Pacific Northwest Ballet and Seattle Opera, continue to draw large audiences for their productions. Finally, Seattle Center looks forward to welcoming KEXP to the campus in 2014. KEXP plans to move into the upper Northwest Rooms at Seattle Center, and fundraising and planning for the redevelopment of the rooms is underway.

Incremental Budget Changes

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	2014	
	Budget	FTE
Total 2014 Endorsed Budget	\$ 36,873,858	241.62
Proposed Changes		
International Fountain Temporary Closure - One-Time Savings	-\$ 21,000	0.00
Consolidate Customer Service Feedback	-\$ 10,000	0.00
Eliminate Vacant Parking Coordinator Position	-\$ 80,932	-0.96
Proposed Technical Changes		
Eliminate Funding for Postini Spam Software	-\$ 3,197	0.00
Citywide Adjustments for Standard Cost Changes	-\$ 462,108	0.00
Total Incremental Changes	-\$ 577,237	-0.96
2014 Proposed Budget	\$ 36,296,621	240.66

Descriptions of Incremental Budget Changes

Proposed Changes

International Fountain Temporary Closure - One-Time Savings - (\$21,000)

This one-time reduction captures savings in utility and cleaning costs over a three-month period when the International Fountain will be closed for the planned maintenance of mechanical components. This maintenance will take place during the winter months so as to minimize impact on visitors.

Consolidate Customer Service Feedback - (\$10,000)

This change eliminates funding for a web-based customer service feedback system. Instead, Seattle Center will

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rely on the City's new Customer Response System to solicit feedback from Center visitors.

Eliminate Vacant Parking Coordinator Position - (\$80,932)/(.96) FTE

This reduction eliminates a vacant parking coordinator position. Use of automated pay stations in the garages decreased the number of parking attendants needed, and a newly implemented web-based scheduling tool greatly minimized the need for parking coordinator oversight. These two changes have made many of the remaining administrative functions of this role obsolete. This reduction will not affect service levels.

Proposed Technical Changes

Eliminate Funding for Postini Spam Software - (\$3,197)

The City has adopted Microsoft Office 365 as its new software platform, and as a result City departments no longer need to purchase separate anti-spam software.

Citywide Adjustments for Standard Cost Changes - (\$462,108)

Citywide technical adjustments reflect changes due to inflation, central cost allocations, retirement, healthcare, workers' compensation, and unemployment costs. These adjustments typically reflect updates to preliminary cost assumptions established in the 2014 Endorsed Budget.

Expenditure Overview

Appropriations	Summit Code	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Access Budget Control Level	SC670	1,133,624	1,209,050	1,249,107	1,104,817
Administration-SC Budget Control Level	SC690	6,920,107	6,893,147	7,170,263	7,111,676
Campus Grounds Budget Control Level	SC600	11,657,335	11,678,551	12,045,194	11,879,836
Commercial Events Budget Control Level	SC640	1,017,390	891,893	946,294	928,822
Community Programs Budget Control Level	SC620	2,037,252	2,060,255	2,078,339	2,043,852
Cultural Facilities Budget Control Level	SC630	210,847	220,830	229,145	224,855
Debt Budget Control Level	SC680	124,845	134,850	126,450	126,450
Festivals Budget Control Level	SC610	915,438	1,481,593	1,505,509	1,481,009
Judgment and Claims Budget Control Level	SC710	931,564	588,291	702,856	702,856
KeyArena Budget Control Level	SC660	5,791,314	6,297,392	6,613,285	6,532,873

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McCaw Hall Budget Control Level	SC650	4,096,973	4,474,705	4,207,416	4,159,575
Department Total		34,836,688	35,930,558	36,873,858	36,296,621

Department Full-time Equivalent Total*		245.12	241.62	241.62	240.66
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Revenue Overview

2014 Estimated Revenues

Summit Code	Source	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
462300	Parking	709,044	4,377,247	4,351,817	4,429,017
462800	Monorail	4,969,809	450,000	450,000	480,000
	Total Access	5,678,854	4,827,247	4,801,817	4,909,017
441960	Seattle Center Fund	0	100,000	100,000	100,000
462900	Administration	15,845	12,000	12,000	12,000
481500	Lease Settlement	0	0	0	0
541490	CIP	1,431,224	1,371,877	1,402,522	1,402,522
	Total Administration	1,447,069	1,483,877	1,514,522	1,514,522
462500	Leases - Campus Grounds	974,924	894,151	1,134,207	1,117,207
462800	Amusement Park Concessions	0	0	0	0
462800	Armory Concessions	769,429	881,697	1,044,144	953,944
	Total Campus Grounds	1,744,354	1,775,848	2,178,351	2,071,151
462400	Campus Commercial Events	1,427,968	1,234,200	1,214,723	1,214,723
	Total Commercial Events	1,427,968	1,234,200	1,214,723	1,214,723
439090	Campus Sponsorships	23,195	250,000	250,000	250,000
441960	Seattle Center Productions	105,440	58,400	58,400	58,400
	Total Community Programs	128,635	308,400	308,400	308,400
462500	Leases - Cultural Facilities	975,395	1,556,711	1,513,899	1,513,899
	Total Cultural Facilities	975,395	1,556,711	1,513,899	1,513,899
462500	McCaw Hall Tenant Use Fees - Debt	62,422	67,425	63,225	63,225
	Total Debt	62,422	67,425	63,225	63,225
441960	Festivals	677,145	780,835	793,814	793,814
	Total Festivals	677,145	780,835	793,814	793,814
587001	General Fund - McCaw Hall	67,997	557,950	573,759	573,759
587001	General Fund - McCaw Hall Debt	538,981	67,425	63,225	63,225
587001	General Subfund Support	11,208,460	11,752,682	12,124,022	11,837,752
587001	Judgment and Claims Allocation	931,564	588,291	702,856	702,856
	Total General Subfund	12,747,002	12,966,348	13,463,862	13,177,592

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441710	KeyArena Miscellaneous	167,161	513,953	630,040	630,040
441960	KeyArena Reimbursables	2,157,484	2,257,997	2,254,282	2,254,282
462400	KeyArena Premium Seating	782,726	338,849	388,130	388,130
462400	KeyArena Rent	544,183	1,498,336	1,510,393	1,510,393
462800	KeyArena Concessions	1,099,607	1,218,331	1,261,984	1,261,984
462800	KeyArena Sponsorship	0	0	0	0
462800	KeyArena Ticketing	1,845,282	1,180,970	1,337,692	1,337,692
	Total KeyArena	6,596,443	7,008,436	7,382,521	7,382,521
441960	McCaw Hall Reimbursables	1,266,230	1,365,618	1,406,111	1,406,111
462400	McCaw Hall Rent	282,037	300,139	420,155	420,155
462500	McCaw Hall Tenant Use Fees	1,246,241	1,441,206	1,288,271	1,288,271
462800	McCaw Hall Catering & Concessions	304,731	270,000	270,000	270,000
462800	McCaw Hall Miscellaneous	136,245	146,668	166,585	166,585
	Total McCaw Hall	3,235,484	3,523,631	3,551,122	3,551,122
	Total Revenues	34,720,771	35,532,958	36,786,256	36,499,986
379100	Use of (Contribution To) Fund Balance	115,917	397,600	87,600	-203,365
	Total Use of Fund Balance	115,917	397,600	87,600	-203,365
	Total Resources	34,836,688	35,930,558	36,873,856	36,296,621

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Appropriations By Budget Control Level (BCL) and Program

Access Budget Control Level

The purpose of the Access Budget Control Level is to provide the services needed to assist visitors in coming to and traveling from the campus, while reducing congestion in adjoining neighborhoods. Program services include operating parking services, maintaining parking garages, managing the Seattle Center Monorail, and encouraging use of alternate modes of transportation.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Access	1,133,624	1,209,050	1,249,107	1,104,817
Total	1,133,624	1,209,050	1,249,107	1,104,817
Full-time Equivalents Total*	11.23	11.23	11.23	10.27

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Administration-SC Budget Control Level

The purpose of the Administration-SC Budget Control Level is to provide the financial, human resource, technology, and business support necessary to provide effective delivery of the Department's services.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Administration-SC	6,920,107	6,893,147	7,170,263	7,111,676
Total	6,920,107	6,893,147	7,170,263	7,111,676
Full-time Equivalents Total*	22.61	20.11	20.11	20.11

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Campus Grounds Budget Control Level

The purpose of the Campus Grounds Budget Control Level is to provide gathering spaces and open-air venues in the City's urban core. Program services include landscape maintenance, security patrols and lighting, litter and garbage removal, recycling operations, hard surface and site amenities maintenance, management of revenues associated with leasing spaces, and food service operations at the Armory.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Campus Grounds	11,657,335	11,678,551	12,045,194	11,879,836
Total	11,657,335	11,678,551	12,045,194	11,879,836
Full-time Equivalents Total*	78.97	77.97	77.97	77.97

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Commercial Events Budget Control Level

The purpose of the Commercial Events Budget Control Level is to provide the spaces and services needed to accommodate and produce a wide variety of commercial events, both for profit and not for profit, and sponsored and produced by private and community promoters.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Commercial Events	1,017,390	891,893	946,294	928,822
Total	1,017,390	891,893	946,294	928,822
Full-time Equivalents Total*	7.48	7.48	7.48	7.48

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Community Programs Budget Control Level

The purpose of the Community Programs Budget Control Level is to produce free and affordable programs that connect diverse cultures, create learning opportunities, honor community traditions, and nurture artistry, creativity, and engagement.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Community Programs	2,037,252	2,060,255	2,078,339	2,043,852
Total	2,037,252	2,060,255	2,078,339	2,043,852
Full-time Equivalents Total*	11.88	11.88	11.88	11.88

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Cultural Facilities Budget Control Level

The purpose of the Cultural Facilities Budget Control Level is to provide spaces for performing arts and cultural organizations to exhibit, perform, entertain, and create learning opportunities for diverse local, national, and international audience.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Cultural Facilities	210,847	220,830	229,145	224,855
Total	210,847	220,830	229,145	224,855
Full-time Equivalents Total*	3.26	3.26	3.26	3.26

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Debt Budget Control Level

The purpose of the Debt Budget Control Level is to provide payments and collect associated revenues related to the debt service for McCaw Hall.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Debt	124,845	134,850	126,450	126,450
Total	124,845	134,850	126,450	126,450

Festivals Budget Control Level

The purpose of the Festivals Budget Control Level is to provide a place for the community to hold major festival celebrations.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Festivals	915,438	1,481,593	1,505,509	1,481,009
Total	915,438	1,481,593	1,505,509	1,481,009
Full-time Equivalents Total*	8.72	8.72	8.72	8.72

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Judgment and Claims Budget Control Level

The purpose of the Judgment/Claims Budget Control Level is to pay for judgments, settlements, claims, and other eligible expenses associated with legal claims and suits against the City.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
Judgment and Claims	931,564	588,291	702,856	702,856
Total	931,564	588,291	702,856	702,856

KeyArena Budget Control Level

The purpose of the KeyArena Budget Control Level is to manage and operate the KeyArena. Included in this category are all operations related to sports teams playing in the arena, along with concerts, family shows, and private meetings.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
KeyArena	5,791,314	6,297,392	6,613,285	6,532,873
Total	5,791,314	6,297,392	6,613,285	6,532,873
Full-time Equivalents Total*	65.99	65.99	65.99	65.99

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McCaw Hall Budget Control Level

The McCaw Hall Budget Control Level includes funds for the operation and maintenance of the McCaw Hall. In cooperation with Seattle Opera and Pacific Northwest Ballet, Seattle Center manages and operates McCaw Hall as the home of the Opera and Ballet. The Seattle International Film Festival also holds its annual festival and many other film screenings in this facility.

Program Expenditures	2012 Actuals	2013 Adopted	2014 Endorsed	2014 Proposed
McCaw Hall	4,096,973	4,474,705	4,207,416	4,159,575
Total	4,096,973	4,474,705	4,207,416	4,159,575
Full-time Equivalents Total*	34.98	34.98	34.98	34.98

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Seattle Center Fund Table

Seattle Center Fund (11410)

	2012 Actuals	2013 Adopted	2013 Revised	2014 Endorsed	2014 Proposed
Beginning Fund Balance	710,896	609,884	594,979	212,284	197,379
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	34,720,771	35,532,958	35,532,958	36,786,256	36,499,986
Less: Actual and Budgeted Expenditures	34,836,688	35,930,558	35,930,558	36,873,858	36,296,621
Ending Fund Balance	594,979	212,284	197,379	124,682	400,744
McCaw Hall Reserve	1,402,000	700,000	1,004,000	600,000	917,000
Operating Reserve					425,000
Total Reserves	1,402,000	700,000	1,004,000	600,000	1,342,000
Ending Unreserved Fund Balance	-807,021	-487,716	-806,621	-475,318	-941,256

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Capital Improvement Program Highlights

Seattle Center's 2014-2019 Proposed Capital Improvement Program (CIP) is at the heart of Seattle Center's purpose - to create exceptional events, experiences and environments that delight and inspire the human spirit to build stronger communities. Seattle Center's CIP repairs, renovates and redevelops the facilities and grounds of Seattle Center's 74-acre campus to provide a safe and welcoming place for millions of visitors and over 5,000 events each year. In 2014, Seattle Center continues implementation of the Seattle Center Century 21 Master Plan, including development of an Action Plan for redevelopment of the Memorial Stadium site, the centerpiece project in the Master Plan. The City Council adopted the Century 21 Master Plan in August 2008, and the plan will guide development of the Seattle Center campus over the next 20 years.

The 2014-2019 Proposed CIP includes funding for continued renovation of the Armory, including restrooms and other public spaces. Funding is also included for asset preservation investments in Seattle Center's other two large public assembly facilities, KeyArena and McCaw Hall, as well as for campus open space and the Seattle Center Monorail.

The costs of managing Seattle Center's CIP, including project management and administration, are presented in Seattle Center's operating budget. These costs are offset by revenues to the Seattle Center Fund from the funding sources of the CIP projects.

Funding for Seattle Center's 2014-2019 Proposed CIP comes primarily from the Cumulative Reserve Subfund, property sale proceeds, federal grant funds and private sources.

More information and background on Seattle Center's CIP can be found in the 2014-2019 Proposed CIP Budget Book.

Capital Improvement Program Appropriation

Budget Control Level	2014 Endorsed	2014 Proposed
Armory Rehabilitation: S9113		
Cumulative Reserve Subfund - REET I Subaccount (00163)	1,044,000	1,059,000
Subtotal	1,044,000	1,059,000
Campuswide Improvements and Repairs: S03P01		
Cumulative Reserve Subfund - REET I Subaccount (00163)	1,145,000	3,264,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	30,000	30,000
Seattle Center Capital Reserve Subfund	0	20,000
Subtotal	1,175,000	3,314,000
Facility Infrastructure Renovation and Repair: S03P02		
Cumulative Reserve Subfund - REET I Subaccount (00163)	200,000	0
Subtotal	200,000	0
Fisher Pavilion: S9705		

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Cumulative Reserve Subfund - REET I Subaccount (00163)	50,000	0
Subtotal	50,000	0

Key Arena: S03P04

Cumulative Reserve Subfund - REET I Subaccount (00163)	200,000	200,000
Subtotal	200,000	200,000

Lot 2 Development Project: S0501

Seattle Center Capital Reserve Subfund	0	102,000
Subtotal	0	102,000

McCaw Hall Capital Reserve Fund: S0303

McCaw Hall Capital Reserve	500,000	521,000
Subtotal	500,000	521,000

Monorail Improvements: S9403

Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	1,317,000	1,423,000
Subtotal	1,317,000	1,423,000

Public Gathering Space Improvements: S9902

Cumulative Reserve Subfund - REET I Subaccount (00163)	300,000	0
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	90,000	90,000
Subtotal	390,000	90,000

Utility Infrastructure: S03P03

Cumulative Reserve Subfund - REET I Subaccount (00163)	275,000	410,000
Subtotal	275,000	410,000

Total Capital Improvement Program Appropriation	5,151,000	7,119,000
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