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Seattle Center Long Range Master Plan - Phase III Final Report Economics

Walt Disney Imagineering

Harrison Price Company

Peter Moy & Associates

Sharon J. Dalrymple



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SEATTLE CENTER

LONG RANGE MASTER PLAN

PHASE III

FINAL REPORT
ECONOMICS
AUGUST 15, 1988



PREPARED BY

Walt Disney Imagineering

In A Joint Venture With

HARRISON PRICE COMPANY

In Association With

PETER MOY AND ASSOCIATES

and

SHARON J. DALRYMPLE

JK
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SEATTLE

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SEATTLE CENTER
LONG RANGE MASTER PLAN

Section 1

INTRODUCTION

Spread over some 75 acres in the heart of Seattle, Washington is the unique conglomeration of cultural, public assembly, and entertainment facilities jointly known as Seattle Center. The complex, a legacy of the 1962 World's Fair, is the city's premier leisure destination as well as a major conference and exhibition venue. Though still a powerful force in the regional marketplace, it has not been immune to the ravages of time and intensive public use while, at the same time, newer and more glamorous rivals threaten to pare off a liberal slice of its attendance and event base. Symptomatic of the problems confronting Seattle Center is the relentless increase in building maintenance and administrative service requirements that has occurred over the past several years. Despite their cost in manpower and financial resources, these corrective measures have failed to compensate for the flaws inherent in the physical plant. The gap between income and expenses has consequently continued to widen, with the annual operating deficit now approaching \$4 million. In addition, the backlog of deferred maintenance and needed capital improvements has been estimated at some \$65 million over the near term and will grow to \$150 million over the longer term, representing expenditures required simply to preserve the status quo with no likelihood of improved competitive position or operating performance. Recognizing that concerted remedial action is imperative if the Center is to endure and prosper in the future, the City of Seattle retained Walt Disney Imagineering, Inc. and Harrison Price Company to prepare a master conceptual and economic development plan for Seattle Center that would identify a mix of facilities and activities enabling greater competitive strength, enhanced service to the community, and a better financial

result. The work program, initiated in December 1987, was divided into three phases. Phase I encompassed a thorough examination of the physical condition, attendance and use characteristics, and financial performance of Seattle Center buildings and grounds, together with extensive surveys of Seattle area residents as to their perceptions of and aspirations for the Center. Interviews were also conducted with management of all major user organizations and many public officials as well as representatives of the community at large. With this data base established, Phase II then began to define conceptual alternatives, including associated attendance projections, culminating in the presentation of three options, each focusing on a different philosophy of development. The Seattle City Council subsequently approved one of those options—known as the "Regional Family Entertainment Center" concept—for further study and articulation in Phase III. This third and final phase of the work program included a series of public workshops on programming, transportation and design, and economics, which brought together a wide range of interests and expertise in these critical aspects of the master plan.

This report contains the findings of Phase III. It is in part a synthesis and refinement of all previous phases of work and in part an assessment of the economic implications of the design concept as developed by Walt Disney Imagineering, pictorial and narrative descriptions of which have been submitted under separate cover. Following this introduction, Section 2 highlights the study's principal findings and conclusions. Section 3 is devoted to attendance projections and demand for key visitor services, while Section 4 addresses operating revenue and expenses for all component facilities,

both individually and collectively. The report concludes in Section 5 with an analysis of the expected capital cost of the redevelopment program.

The study is a product of a joint venture between Walt Disney Imagineering, Inc. as conceptual designer, represented by Juliann Juras and Gordon Hoopes, and Harrison Price Company as economic consultant, represented by Harrison A. Price and Nicholas S. Winslow. In the capacity of subcontractors, Peter Moy & Associates and Sharon J. Dalrymple provided analytical support.

The conclusions reached in this report are based on the study team's present knowledge of the Seattle market and competitive environment as of completion of field work in March 1988. As in all studies of this type, projected results are predicated on competent and efficient management of the Center's component attractions and presume no significant difference in competitive position from that set forth in this and previous reports. Since annual operating results are based on estimates and assumptions that are subject to an indeterminate amount of uncertainty and variation, particularly at this early stage in the planning process, they are explicitly not represented as results that will actually be achieved. Financial estimates, furthermore, reflect the physical plan independently developed by Disney Imagineering. Just as the physical plan is illustrative and suggestive only and is not intended as a definitive design statement (a task which will fall to the architect selected for the project), the economic analysis is likewise preliminary in the sense that any changes in the mix, size or programming of facilities will have financial consequences that are not reflected here. Finally, the study does not include

the possible impact of government restrictions on the subject development except those identified in the report.

The study team wishes to express its deep appreciation to the many organizations and individuals in the City of Seattle who generously donated their time and assistance in completing the work program.

SEATTLE CENTER
LONG RANGE MASTER PLAN

Section 2

EXECUTIVE SUMMARY

Briefly highlighted in this section are the principal findings and conclusions of the Phase III consulting program. No attempt is made here to provide supporting documentation or to present detailed findings, which are fully set forth in the main body of the report. The reader is encouraged to refer to later sections for explanatory comments and underlying assumptions that are not expressly identified in this summary presentation.

ATTENDANCE PROJECTIONS AND DEMAND FOR KEY VISITOR SERVICES

Attendance is a basic measure of the performance and competitive impact of any entertainment-oriented complex, and the master plan accordingly encompassed a comprehensive attendance analysis. Where applicable, attendance estimates were then converted into capacity requirements and demand for key visitor services. The following paragraphs describe principal findings.

Revised Attendance Estimates

- The existing attendance base for Seattle Center, shown in **Table 2-1**, amounts to approximately 7.2 million visits annually as of 1986. In addition to these visits, which are known to be generated by the specific facilities listed, it is estimated that as many as 800,000 unallocable visits may also be taking place, bringing the overall total to some 8 million.
- This attendance base is in serious jeopardy. Among other factors, the Seattle Supersonics will soon vacate the Coliseum, many convention and trade show events will be

lost to the new Convention Center and other competing venues, competition for food and retail business is increasing markedly, several of Seattle Center's cultural organizations have facility constraints that severely hamper efforts to expand their programs and audience, and many Center facilities are losing appeal as they become more and more outmoded and/or deteriorated. There is growing concern among the general public, meanwhile, for the safety of the Center's grounds, particularly at night. Without a comprehensive redevelopment program such as formulated in this study, a pronounced and irreversible decline in total visitation can be anticipated.

- Projected attendance under the master redevelopment plan is summarized in **Table 2-2**. As indicated, ongoing facilities in tandem with new or refurbished attractions will generate an aggregate volume of 6.7 to 7.7 million visits through the first four phases of the plan, before allowing for unallocable visits. If the size of the Coliseum is reduced to 7,500 seats, an option proposed for the final phase, combined attendance will decrease moderately to a range of 6.5 to 7.5 million.
- In short, by eliminating marginal operations and adding significant new attendance-generators, the master plan preserves the Center's existing visitor base despite liberal allowances for increased competition for selected programs, with the mid-range planning estimate of 7.2 million for Development

Table 2-1
**EXISTING ATTENDANCE BASE
 AT SEATTLE CENTER
 1986**

<u>Facility</u>	<u>Total Estimated Attendance (thousands)</u>
Public Access Facilities	
Coliseum	748
Grounds/Mural Amphitheater ¹	520
Opera House ²	481
Arena	323
Bagley Wright Theater	173
Northwest Rooms	149
Exhibition Hall	134
Flag Pavilion	96
Mercer Forum	88
NASA Building	52
Center House Conference Center	41
Playhouse	31
Center House Theater	16
Poncho Forum	15
PAC Hall	•
	—
Subtotal	2,867
Privately Sponsored Facilities	
Space Needle	1,159
Pacific Science Center	911
Fun Forest	400E
Seattle Children's Museum	108
Seattle Art Museum Pavilion	na
Veteran's Hall	na
	—
Subtotal	2,578

**Table 2-1
(continued)**

<u>Facility</u>	<u>Total Estimated Attendance (thousands)</u>
Center House	
Retail and Food Service Operations	1,400E
Stage and Court	<u>319</u>
Subtotal	<u>1,719</u>
Total	7,164

¹ Includes major festivals.

² Includes Rehearsal Hall and other miscellaneous assembly spaces.

na means not available.

E means estimated.

* Less than 100 visits.

Source: Seattle Center Finance Division, Space Needle Corporation, Pacific Science Center, and Harrison Price Company.

Table 2-2

**SUMMARY OF ESTIMATED TOTAL ATTENDANCE
UNDER THE SEATTLE CENTER
REDEVELOPMENT PROGRAM
(Stabilized Year)**

Program Component	Attendance Range (thousands)	Planning Estimate (thousands)
DEVELOPMENT UNIT 1		
Ongoing Facilities ¹	3,585-3,911	3,750
New or Refurbished Facilities		
Metro Site Complex		
Family Amusement Park	541-709	625
Entertainment Center (increment)	81-142	110
Coliseum (14,000 seats)	468-527	500
Meeting Rooms ²	391-446	420
Public Program Area		
Center House Programs	332-339	335
Theater	56-60	60
Seattle Children's Theater	179-191	185
Seattle Children's Museum	163-169	165
Children's Ride Area	126-176	150
Pavilion Ice Rink	136-164	150
Puget Sound Theater	70-105	85
Intiman Playhouse	61-85	75
Pacific Northwest Ballet School	22-26	25
Subtotal	<u>2,626-3,139</u>	<u>2,885</u>
TOTAL UNIT 1	6,211-7,050	6,635
DEVELOPMENT UNIT 2		
Children's Play Area ³	•	•
Concert Hall	252-281	265
DEVELOPMENT UNIT 3		
Regional Exhibition Center	139-279	210
DEVELOPMENT UNIT 4		
Crafts Museum	<u>70-139</u>	<u>105</u>
TOTAL UNITS 1-4	6,672-7,749	7,215
DEVELOPMENT UNIT 5		
Coliseum (7,500 seats, net change)	<u>[164-208]</u>	<u>[190]</u>
TOTAL UNITS 1-5	6,508-7,541	7,025

¹ Includes Space Needle, Pacific Science Center, Opera House, Bagley Wright Theater, Poncho Forum, and grounds at large including major festivals and Mural Amphitheater.

² Includes Northwest Rooms, Mercer Forum, Exhibition Hall, and Public Program Area meeting facilities.

³ Included with children's rides.

Source: Harrison Price Company.

Units 1-4 virtually identical to present experience. While the absolute volume of visitation is the same, there will be important qualitative differences in the mix of attendance favoring a more even distribution of activity over the range of seasons and over the daily operating schedule due to increased nighttime patronage.

Implications for Supporting Facilities and Services

- A resurgence in Monorail ridership is anticipated on implementation of the Seattle Center redevelopment plan. From a current level of some 1.1 million riders, volume is projected to grow to between 1.7 and 2 million over the 10-year planning period utilized in this study. There will be a temporary dislocation of Monorail patronage while the terminal at Seattle Center is refurbished and relocated, when ridership will drop to about 1 million, but steady increases are expected thereafter in response to the Center's new image and program offerings.
- An analysis of probable attendance patterns for the aggregate of all activities at Seattle Center reveals a need for approximately 4,600 parking spaces on an average peak day, or "design day," basis (a typical weekend day in summer). Average peak requirements during the evening amount to a lesser 3,100 spaces. While there are several advantages to be gained from providing all needed parking on-site, this may not be necessary in view of the generally substantial availability of on-street spaces and commercial lots on the site periphery that absorb an appreciable portion of the Center's parking demand. The analysis has accordingly assumed that roughly 80 percent of the total requirement, or about 3,700 spaces, will be provided on-site (existing lots plus three new garages) over the course of the planning period. The parking situation should be continually monitored, however, since the future status of off-site parking is uncertain.
- Visitor spending at Seattle Center, estimated at \$5.00 per capita in constant 1988 dollars, will generate demand for some 40,000 square feet of food service area and 10,000 square feet of retail sales area. An additional increment of 5,000 square feet of sales space is estimated for arts and crafts. It is suggested that food service area be divided equally between full-service restaurants and convenience food/snack stand outlets.
- The envisioned redevelopment program will generate a net increase in Seattle Center employment of 315 full-time equivalent jobs, distributed among all component facilities as well as Seattle Center Department. This represents an increment of slightly more than 20 percent to the existing base.

ESTIMATED OPERATING REVENUES AND EXPENSES

As noted in the introduction to this report, the financial performance of Seattle Center has steadily worsened over the past several years. One of the strategic

Operations), which will be significant net income-generators; and 2) at the instruction of the client, that rental rates for new or redeveloped nonprofit operations will be geared to recovering the Center's full cost of maintaining and servicing these facilities. The latter is in accordance with Seattle Center's recent leasing philosophy, but is nevertheless subject to negotiation on a case-by-case basis. To the extent that it is necessary or desirable for the Center to underwrite some of these costs (a factor in part contingent on what arrangement is ultimately made relative to the funding of capital improvements to be discussed subsequently), overall financial performance will be less favorable to an indeterminate degree than estimated here.

A consolidated statement of overall operating results for the redeveloped Seattle Center, expressed in constant 1988 dollars, is contained in **Table 2-4**. As indicated, the total deficit in Year 1 (the first full operating year for the components of Development Unit 1, previously listed in **Table 2-2**) amounts to approximately \$3.3 million, which compares to \$3.7 million in 1986. By Year 5 (when Development Unit 3 facilities have been completed), the deficit drops to \$1.2 million, while by the end of the planning period in Year 10 (with all five Development Units in operation), the deficit will have declined to a modest \$519,000.

With respect to new commercial leases, the major net income generators are Parking (\$1.1 to \$1.8 million over the planning period,

objectives of the redevelopment program, consequently, was a mix of facilities and programs that would produce more income together with capital improvements and leasing policies that would tend to reduce operating costs. The paragraphs to follow describe projected financial performance in the context of historical experience.

Historical Performance of Seattle Center

Table 2-3 shows the amount of General Fund (tax-supported) expenditure required over the 1982-1987 period to cover the operating deficit of Seattle Center. From a modest \$207,000 in 1982, the subsidy requirement skyrocketed to about \$3.8 million in 1987, the result of earned revenue unable to keep pace with increased costs—over the five-year period, earned revenues grew by 14 percent while expenses jumped some 40 percent. The latter gain in operating costs has been brought on by the growing maintenance burden, higher utility rates, and heightened service levels required to meet intensified competition in the marketplace.

Projections for the Redevelopment Program

The redevelopment program, if executed under the assumptions employed in this analysis, has the potential to produce a dramatic turnaround in the operating result. Critical assumptions are: 1) that there will be a number of new commercial leases (Family Amusement Park, Children's Ride Area, Ice Rink, and new Food and Retail

Table 2-3
GENERAL FUND SUPPORT
FOR SEATTLE CENTER OPERATIONS
1982-1987

<u>Year</u>	<u>Adopted Budget</u>	<u>Adopted General Fund Support</u>	<u>General Fund Support As Percent of Budget</u>
1982	\$ 8,510,512	\$ 206,645	2%
1983	9,087,703	903,806	10%
1984	13,609,306	2,002,723	15%
1985	12,069,140	3,652,091	30%
1986	11,945,713	3,610,715	30%
1987	12,974,314	3,788,318	29%

Source: City of Seattle Adopted Budgets 1982-1987 and Harrison Price Company.

Table 2-4

**SUMMARY OF CONSOLIDATED OPERATING PERFORMANCE
FOR SEATTLE CENTER**
(Thousands of Constant 1988 Dollars)

Facility ¹	1986 Actual	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
TOTAL OPERATING REVENUE											
Public Access Facilities	\$4,283	\$2,802	\$2,871	\$2,963	\$3,843	\$4,032	\$4,132	\$4,183	\$4,188	\$4,192	\$4,247
Exclusive Use Facilities	\$1,488	\$2,239	\$2,740	\$3,707	\$3,745	\$3,947	\$3,996	\$4,276	\$4,323	\$4,339	\$4,384
Transportation	\$2,260	\$2,513	\$2,644	\$2,940	\$3,223	\$3,447	\$3,674	\$3,847	\$3,992	\$4,047	\$4,333
Public Space and Grounds	\$158	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168
Total	\$8,189	\$7,722	\$8,423	\$9,778	\$10,979	\$11,594	\$11,970	\$12,474	\$12,671	\$12,746	\$13,132
TOTAL OPERATING EXPENSES											
Public Access Facilities	\$6,195	\$4,397	\$4,320	\$4,440	\$5,195	\$5,537	\$5,684	\$5,722	\$5,728	\$5,736	\$5,804
Exclusive Use Facilities	\$894	\$1,081	\$955	\$1,245	\$1,222	\$1,283	\$1,287	\$1,405	\$1,407	\$1,414	\$1,421
Transportation	\$1,807	\$2,044	\$2,101	\$2,201	\$2,342	\$2,447	\$2,554	\$2,628	\$2,701	\$2,733	\$2,865
Public Space and Grounds	\$3,004	\$3,467	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561
Total	\$11,900	\$10,989	\$10,937	\$11,447	\$12,320	\$12,828	\$13,086	\$13,316	\$13,397	\$13,444	\$13,651
NET OPERATING INCOME											
Public Access Facilities	(\$1,912)	(\$1,595)	(\$1,449)	(\$1,477)	(\$1,352)	(\$1,505)	(\$1,552)	(\$1,539)	(\$1,540)	(\$1,544)	(\$1,557)
Exclusive Use Facilities	\$594	\$1,158	\$1,785	\$2,462	\$2,523	\$2,664	\$2,709	\$2,871	\$2,916	\$2,925	\$2,963
Transportation	\$453	\$469	\$543	\$739	\$881	\$1,000	\$1,120	\$1,219	\$1,291	\$1,314	\$1,468
Public Space and Grounds	(\$2,846)	(\$3,299)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)
Total	(\$3,711)	(\$3,267)	(\$2,514)	(\$1,669)	(\$1,341)	(\$1,234)	(\$1,116)	(\$842)	(\$726)	(\$698)	(\$519)

¹ See Tables 4-43 through 4-45 for detailed list of facilities included in each category.

Source: Harrison Price Company.

compared to \$941,000 in 1986), new Food and Retail Operations (\$106,000 to \$1.4 million over the period, compared to \$299,000 for the Center House in 1986), and the Family Amusement Park and Children's Ride Area (\$762,000 to \$1.1 million over the period, compared to \$498,000 for the Fun Forest in 1986). Other net income sources, which have no present counterpart, are the Entertainment Center (\$175,000 to \$217,000 over the period) and the Ice Rink (\$86,000 to \$125,000 over the period).

- With respect to nonprofit operations, the aforementioned assumption that rental payments will equal operating costs results in a breakeven scenario—zero net income and no operating deficit.
- Income from the major generators noted above will increasingly offset the cost of Center-sponsored activities, including the Pavilion and Public Program Areas (operating deficit of \$1.9 million annually, compared to a loss of \$1.8 million in 1986) and Landscaping and Grounds (deficit of \$1.4 million per year, compared to a \$1 million loss in 1986). The operating deficit for the Monorail will amount to \$650,000 in Year 1, compared to \$488,000 in 1986, but will decline with increased ridership to \$375,000 by the end of the planning period.
- On a line of business basis as shown in Table 2-4, Public Access Facilities (Opera House, Bagley Wright Theater, Coliseum, Meeting Rooms, and so on) will continue

to record a loss, but one of somewhat reduced magnitude due to the restructuring of selected programs. Exclusive Use Facilities (a category which encompasses all of the new commercial leases) will be the major source of income, followed by the Transportation category (Parking and Monorail). The largest deficit will be associated with Public Space and Grounds as has historically been the case.

ESTIMATED CAPITAL COSTS

The final task of the work program was a determination of capital costs associated with the conceptual plan developed by Walt Disney Imagineering. Subsequent paragraphs describe funding requirements:

- Seattle Center has recently completed a comprehensive survey of deferred maintenance and capital improvement needs that must be undertaken regardless of whether the subject redevelopment program is implemented. Known as the Capital Asset Management Program (CAMP), these requirements are summarized in **Table 2-5**. The requirement over the next five years amounts to nearly \$65 million, as shown, and grows to a cumulative total of almost \$150 million in 20 years. These expenditures, though vital to the continued functioning of Seattle Center, will not halt the downward trend in performance—attendance will continue to decline, attrition of convention and trade show activity will continue to grow, cultural program expansion will still be facility-constrained, and the revenue/expense gap will continue to

Table 2-5
**SUMMARY OF CAMP REQUIREMENTS
 FOR SEATTLE CENTER¹
 1989-2008**
 (Thousands)

<u>Period</u>	<u>Total Requirement</u>
1989-1993	\$64,452
1994-1998	25,695
1999-2003	29,692
2004-2008	<u>29,852</u>
Cumulative Total	\$149,691

¹ Capital Asset Management Program (includes deferred maintenance and needed capital improvements).

Source: Seattle Center Finance Division.

widen.

- The costs of the redevelopment program should accordingly be viewed in light of the reality that there is no "do nothing no cost" option for Seattle Center—substantial reinvestment in the physical plant is mandatory under any reasonable scenario as to the Center's future.
- **Table 2-6** summarizes estimated capital budget requirements for the redevelopment program, stratified by Development Unit and potential source of funding. The Public Investment category includes those facilities with little or no revenue potential that must be funded by general obligation bonds, levy, or Capital Improvement Program sources. The Public:Revenue-Supported category encompasses facilities that are at least 50 percent revenue-generating and thus partially or fully self-supporting (and thus potentially fundable with revenue bonds or conventional financing). Facilities in whole or in part fundable through private philanthropy comprise the Private Nonprofit category, while the Private Commercial category includes facilities identified in this analysis as attractive investment opportunities for private enterprise. All amounts, it should be noted, are expressed in constant 1988 dollars.
- Estimated costs of Development Unit 1.1 (which corresponds to Year 1 of the planning period), amount to some \$75 million, plus near-term CAMP requirements

associated with ongoing facilities only (as opposed to the total CAMP budget for this period as previously discussed, which includes facilities scheduled for demolition under the master plan) of about \$30 million, for a total of roughly \$105 million. Development Unit 1.2 (corresponding to Year 2) will entail a cost of \$115 million plus \$5 million in CAMP expenses, for a total of \$120 million, while Development Unit 2 (corresponding to Year 4) has an estimated capital requirement of \$50 million plus \$4 million in CAMP costs, for a total of \$54 million. Some \$11.5 million will be required for Development Unit 3 (corresponding to Year 5) including CAMP expenses; costs associated with Development Unit 4 (corresponding to Year 7) total \$28 million including CAMP expenses. Finally, Development Unit 5 (corresponding to Year 8)—regarded as optional pending a reassessment of the parking and Coliseum situations at a later date—will require approximately \$16 million including CAMP expenses.

- The cumulative capital investment requirement for all five phases of development accordingly comes to \$335 million. Of this total, 39 percent will be incurred as Public Investment, 35 percent as Public:Revenue-Supported, 18 percent as Private Nonprofit (most of which is associated with the new Concert Hall in Unit 2), and the balance of 8 percent by Private Commercial enterprise.

- The most essential components of the redevelopment program—facilities and infrastructural im-

Table 2-6

SUMMARY OF
ESTIMATED CAPITAL INVESTMENT REQUIREMENTS
(Thousands of Constant 1988 Dollars)

<u>Program Component</u>	<u>Public Investment</u>	<u>Public: Revenue- Supported</u>	<u>Private Nonprofit</u>	<u>Private Commercial</u>	<u>Grand Total</u>
DEVELOPMENT UNIT 1.1					
Unification Package and Landscaping	\$19,215				\$19,215
Relocate Treasured Objects	\$96				\$96
Purchase "Basil's" Property		\$2,200			\$2,200
Metro Site Garage (250 spaces, 100 bus spaces)		\$9,448			\$9,448
Family Amusement Park				\$16,948	\$16,948
Entertainment Center				\$3,203	\$3,203
Demolition of Fun Forest and Building 50	\$173				\$173
Broad Street Entrance	\$521				\$521
Sister City Court	\$305				\$305
Seattle Children's Museum			\$6,859		\$6,859
Theater District Restaurants		\$2,803		\$2,242	\$5,045
Purchase State Property Near Coliseum	\$850				\$850
Purchase Properties on Concert Hall Site	\$1,500				\$1,500
Temporary Relocation of Utilities	\$688				\$688
Refurbish Coliseum (14,000 seats)		\$7,824			\$7,824
TOTAL UNIT 1.1	\$23,348	\$22,275	\$6,859	\$22,393	\$74,875
Add: CAMP Requirements 1989-1993	\$12,629	\$17,093	-	-	\$29,722
TOTAL UNIT 1.1 PLUS CAMP	\$35,977	\$39,368	\$6,859	\$22,393	\$104,597
DEVELOPMENT UNIT 1.2					
Demolition of Memorial Stadium and Veteran's Annex	\$283				\$283
Pavilion Garage (1,000 spaces)		\$18,094			\$18,094
Pavilion Garage Lid/Community Square	\$2,075				\$2,075
Pavilion	\$18,169	\$2,883		\$1,702	\$22,754
Harrison Street and 5th Avenue North Entrances	\$1,921				\$1,921
Pedestrian Walkways	\$4,804				\$4,804
Redevelop Monorail Terminal		\$11,369			\$11,369
Public Program East	\$8,103	\$663	\$167	\$414	\$9,347
Public Program West	\$6,059	\$2,819		\$884	\$9,762
Seattle Children's Theater (500 seats)			\$6,614		\$6,614
Puget Sound Theater			\$1,471		\$1,471
Children's Ride Area				\$1,658	\$1,658
Opera House Annex/Seattle Center Offices (Arena site)	\$25,036				\$25,036
TOTAL UNIT 1.2	\$66,450	\$35,828	\$8,252	\$4,658	\$115,188
Add: CAMP Requirements 1994-1995	\$2,340	\$2,943	-	-	\$5,283
TOTAL UNIT 1.2 PLUS CAMP	\$68,790	\$38,711	\$8,085	\$4,658	\$120,471

Table 2-6
(continued)

<u>Program Component</u>	<u>Public Investment</u>	<u>Public: Revenue-Supported</u>	<u>Private Nonprofit</u>	<u>Private Commercial</u>	<u>Grand Total</u>
DEVELOPMENT UNIT 2					
Concert Hall (2,800 seats)			\$42,800		\$42,800
Demolition of Center House and Flag Pavilion	\$1,251				\$1,251
Children's Play Area	\$201				\$201
Festival Commons	\$175				\$175
Purchase "Cafe Loc" Property	\$1,000				\$1,000
Purchase "711 Block" Property	\$1,700				\$1,700
Redevelop Mural Amphitheater	\$175				\$175
Pacific Arts Center		\$2,395			\$2,395
TOTAL UNIT 2	\$4,502	\$2,395	\$42,800	- -	\$49,697
Add: CAMP Requirements 1996	\$173	\$4,367	- -	- -	\$4,540
TOTAL UNIT 2 PLUS CAMP	\$4,675	\$6,762	\$42,800	- -	\$54,237
DEVELOPMENT UNIT 3					
Redevelop International Fountain	\$1,921				\$1,921
Plaza of the States	\$609				\$609
Regional Exhibition Center (Nile Temple)		\$593	\$2,984	\$474	\$4,051
Develop "Cafe Loc" and "711 Block" Properties					
TOTAL UNIT 3	\$2,530	\$593	\$2,984	\$474	\$6,581
Add: CAMP Requirements 1997-1998	\$1,673	\$3,266	- -	- -	\$4,939
TOTAL UNIT 3 PLUS CAMP	\$4,213	\$3,859	\$2,984	\$474	\$11,520
DEVELOPMENT UNIT 4					
Demolition of NASA Building and Blue Spruce Building	\$124				\$124
Crafts Museum	\$3,026				\$3,026
Crafts Village	\$6,706				\$6,706
Coliseum Storage	\$2,498				\$2,498
West Coliseum Entrance	\$85				\$85
Refurbish Northwest Rooms		\$6,725			\$6,725
TOTAL UNIT 4	\$12,439	\$6,725	- -	- -	\$19,164
Add: CAMP Requirements 1999	\$2,352	\$6,534	- -	- -	\$8,886
TOTAL UNIT 4 PLUS CAMP	\$14,791	\$13,259	- -	- -	\$28,050

Table 2-6
(continued)

<u>Program Component</u>	<u>Public Investment</u>	<u>Public: Revenue-Supported</u>	<u>Private Nonprofit</u>	<u>Private Commercial</u>	<u>Grand Total</u>
DEVELOPMENT UNIT 5					
Reconfigure Coliseum to 7,500 Seats		\$1,601			\$1,601
Thomas Street Garage (1,000 spaces)		\$12,105			\$12,105
TOTAL UNIT 5	- -	\$13,706	- -	- -	\$13,706
Add: CAMP Requirements 2000	\$1,140	\$940	- -	- -	\$2,080
TOTAL UNIT 5 PLUS CAMP	\$1,140	\$14,646	- -	- -	\$15,786
CUMULATIVE TOTAL UNITS 1-5	\$109,269	\$81,522	\$60,895	\$27,525	\$279,211
CUMULATIVE TOTAL CAMP	\$20,307	\$35,143	- -	- -	\$55,450
CUMULATIVE TOTAL UNITS 1-5 PLUS CAMP	\$129,576	\$116,665	\$60,895	\$27,525	\$334,661

CAMP means Capital Asset Management Program.

1 Development funded by general obligation bonds, levy, or Capital Improvement Program.

2 Development funded in whole or in part by private philanthropy; degree of public involvement subject to negotiation on a case-by-case basis.

3 Development funded by private enterprise.

4 Estimates prepared by Seattle Center Finance Division.

5 Cost included in overall landscaping and unification package itemized in Unit 1.1.

Source: Various (see Table 5-2 for complete list of sources).

provements considered mandatory to enhance the image and performance of Seattle Center—are contained in Development Units 1.1 and 1.2, combined costs for which amount to \$225 million. The Public Investment portion of this total is about \$105 million. If CAMP expenses required with or without the redevelopment program are deducted, the net public cost of these essential components is reduced to \$90 million.

- The choice for the City of Seattle thus becomes one of expending \$65 million for CAMP items over the next five years that will do nothing to reduce the annual operating deficit now standing at \$4 million and rising, or expending \$105 million for a program that will, within 10 or 15 years, virtually erase that deficit if the project is implemented as set forth in this analysis.

SEATTLE CENTER
LONG RANGE MASTER PLAN

Section 3

**ATTENDANCE PROJECTIONS AND
DEMAND FOR KEY VISITOR SERVICES**

Attendance is a basic measure of the performance and competitive impact of any entertainment-oriented complex, and the study program accordingly encompassed a comprehensive attendance analysis, both historical and as projected under the master plan concept. In this section of the report, the process of estimating attendance is described and revisions are made to preliminary figures submitted in the earlier Phase II report. Where applicable, attendance estimates are then converted into capacity requirements and demand for key visitor services, including parking and food/retail space. The impact of the redevelopment program on Monorail patronage and employment is also assessed.

ESTIMATED SEATTLE CENTER ATTENDANCE

Using the existing attendance base at Seattle Center as a framework, the following paragraphs determine probable attendance volume associated with the various individual components of the master plan, together with physical capacity requirements where appropriate as input to the design concept independently articulated by Walt Disney Imagineering.

Existing Attendance Base

An estimate of aggregate visitation to Seattle Center is presented in **Table 3-1**, based on actual results for various facilities where available coupled with extrapolations by Center management or Harrison Price Company where official records are absent (not all user organizations reliably supply attendance figures, while exact attendance at festivals and other free events is difficult or impossible to ascertain). As shown, the Center drew approximately 7.2 million visits during

1986 (the latest year for which complete operating data are available), with the Center House retail/food service operations, the Space Needle, and the Pacific Science Center being the major attendance generators, each of which contributed around a million or more to the total. Attendance was also substantial at the Coliseum, at about 750,000, along with the grounds at large (the estimate for which includes major festivals and the Mural Amphitheater), the Opera House, and the Fun Forest.

Given that an indeterminate number of visits—those associated with casual exploration of the site and with minor festivals and other miscellaneous activities—is unaccounted for, it is not unreasonable to conclude that Seattle Center is drawing close to 8 million visits per year overall. This is a remarkable accomplishment placing Seattle Center on a par with preeminent American recreation attractions located in markets of vastly greater size.

While current attendance performance is impressive, Seattle Center is nevertheless highly vulnerable to changing market conditions, and the task of maintaining attendance volume somewhere near the present level should not be underestimated. The Seattle Supersonics will soon vacate the Coliseum, many convention and trade show events will undoubtedly be lost to the new Washington State Convention Center and other competing venues, competition for food and retail business is increasing markedly, several of Seattle Center's cultural organizations have facility constraints that severely hamper efforts to expand their programs and audience, and many Center facilities are losing appeal as they become more

Table 3-1
EXISTING ATTENDANCE BASE
AT SEATTLE CENTER
1986

<u>Facility</u>	<u>Total Estimated Attendance (thousands)</u>
Public Access Facilities	
Coliseum	748
Grounds/Mural Amphitheater ¹	520
Opera House ²	481
Arena	323
Bagley Wright Theater	173
Northwest Rooms	149
Exhibition Hall	134
Flag Pavilion	96
Mercer Forum	88
NASA Building	52
Center House Conference Center	41
Playhouse	31
Center House Theater	16
Poncho Forum	15
PAC Hall	•
	<hr/>
Subtotal	2,867
Privately Sponsored Facilities	
Space Needle	1,159
Pacific Science Center	911
Fun Forest	400E
Seattle Children's Museum	108
Seattle Art Museum Pavilion	na
Veteran's Hall	<hr/> na
Subtotal	2,578

Table 3-1
(continued)

<u>Facility</u>	<u>Total Estimated Attendance (thousands)</u>
Center House	
Retail and Food Service Operations	1,400E
Stage and Court	<u>319</u>
Subtotal	<u>1,719</u>
Total	7,164

na means not available.

E means estimated.

* Less than 100 visits.

¹ Includes major festivals.

² Includes Rehearsal Hall and other miscellaneous assembly spaces.

Source: Seattle Center Finance Division, Space Needle Corporation, Pacific Science Center, and Harrison Price Company.

and more outmoded and/or deteriorated. There is growing concern among the general public, meanwhile, for the safety of the Center's grounds, particularly at night. Without a comprehensive redevelopment program such as formulated in this study, a pronounced and irreversible decline in total visitation can be anticipated.

Projected Attendance Base

Projected attendance under the master redevelopment plan encompasses a wide variety of separate components, which are described subsequently. All estimates, it should be noted, refer to a typical stabilized year of operation, which usually occurs three to four years after the opening of each component facility. Attendance prior to stabilization will likely be substantially less than estimated here due to the necessary period of build-up in market response and temporary dislocations caused by the construction program; attendance after stabilization will increase in general accordance with overall market growth to the extent possible given inherent capacity constraints on selected operations.

- **Ongoing Facilities** are those attractions to be retained essentially unchanged under the master plan and include the Space Needle, Pacific Science Center, Opera House, Bagley Wright Theater/Poncho Forum, and the Grounds/Mural Amphitheater (in the sense of use for festivals and other special events). Attendance volume for these facilities as of 1986 totaled approximately 3.2 million, as indicated in **Table 3-2**. Given publicity generated by the grand reopening of Seattle Center after redevelopment, the provision of

new and different entertainment opportunities at the Center, and civic pride in the "crown jewel" of the Emerald City, it is reasonable to expect an incremental increase in attendance for these facilities collectively estimated on the order of 10 to 20 percent, for an ultimate stabilized volume of 3.6 to 3.9 million in the aggregate. This increase will not occur across the board, but will instead vary widely among the individual facilities in consideration of capacity limitations and/or financial constraints on program expansion.

- **Table 3-3** shows estimated market penetration and attendance for the **Family Amusement Park**. As indicated, this attraction is expected to capture a healthy share of the regional resident/tourist market—estimated at 8 to 10 percent on an overall basis—in recognition of its uniqueness in the marketplace and lack of significant competition. This capture rate translates into an absolute volume of between 541,000 and 709,000 at stabilization, for a mid-range planning estimate of 625,000. It will subsequently be noted that attendance for the Children's Ride Area is estimated at 150,000, yielding a combined ride park volume of 775,000, which compares with 400,000 at the existing Fun Forest. As a further point of reference on expected performance, attendance volume at amusement parks in comparably sized markets (including both residents and tourists) elsewhere in the country includes 1 million at Valleyfair in Minneapolis, 850,000 at Elitch Gardens in Denver, 750,000 at Iowa Adven-

Table 3-2

ESTIMATED ATTENDANCE FOR
ONGOING FACILITIES
(Stabilized Year)

<u>Facility</u>	<u>Total Attendance (thousands)</u>
Space Needle	1,159
Pacific Science Center	911
Grounds/Mural Amphitheater ¹	520
Opera House	481
Bagley Wright Theater	173
Poncho Forum	<u>15</u>
Subtotal	3,259
Estimated Incremental Increase Induced by Redevelopment Program	10-20%
Adjusted Total	3,585-3,911
Planning Estimate	3,750

¹ Includes major festivals.

Source: Seattle Center Finance Division, Space Needle Corporation, Pacific Science Center, and Harrison Price Company.

Table 3-3

**ESTIMATED ATTENDANCE FOR THE
FAMILY AMUSEMENT PARK
(Stabilized Year)**

	<u>Amount/ Factor</u>
Total Market Size (thousands)	
Primary Resident Market	1,362
Secondary Resident Market	1,104
Tourist Market	<u>4,500</u>
Total	6,966
Estimated Market Penetration Rate	
Primary Resident Market	25-30%
Secondary Resident Market	10-15
Tourist Market	2-3
Estimated Annual Attendance	
Primary Resident Market	340,500-408,600
Secondary Resident Market	110,400-165,600
Tourist Market	<u>90,000-135,000</u>
Total	540,900-709,200
Planning Estimate	625,000

Source: Harrison Price Company.

tureland in Des Moines, and 700,000 at Bob-Lo Island in Detroit.

- An illustrative operating schedule for the Family Amusement Park is contained in **Table 3-4**. It is envisioned that the park would be open approximately 170 days per year, with daily operation during the summer and weekend/holiday-only operation in the spring and fall. The park would be closed during the coldest and wettest months of January and February, but would operate over the Thanksgiving and Christmas holidays in November and December. The peak months of July and August are expected to contribute 20 percent and 25 percent, respectively, of total annual attendance.
- In **Table 3-5**, estimated capacity requirements for this attraction are derived. Attendance on the "design day"—a term referring to the average of the 10 to 15 highest attendance days of the schedule—is estimated at 7,800 people. Based on an average length of stay of about four hours spread over a 14-hour operating period (10 am to midnight), the peak in-grounds crowd will amount to 4,300 people. A standard planning factor for major ride parks is that aggregate entertainment capacity—the combined hourly capacity of all rides, shows, and other attractions—should be on the order of 1.5 units per peak hour visitor. On this basis, some 6,400 total units will be required at stabilization, with the requirement growing over time in accordance with gains in total attendance volume.

As an aid to local traffic planners, **Table 3-6** presents a typical distribution of crowd flows on design day (a Saturday in August, for example) by hour. As indicated, arrivals build up rapidly during the early hours of the operating schedule, with the in-grounds crowd peaking at 55 percent of the day's total between 2 and 3 pm. A secondary peak is reached between 7 and 8 pm. The peak period of departure takes place between 3 and 6 pm, when 39 percent of the day's crowd will leave. The pattern of attendance on weekdays during the summer season would be similar, except that the peak departure period will tend to occur earlier as visitors seek to avoid rush-hour commuter traffic.

The **Entertainment Center** to be located adjacent to the Family Amusement Park is estimated to have a total attendance volume of 216,000 to 319,000, as shown in **Table 3-7**, with 266,000 as a planning target. This estimate was factored at a 15 to 20 percent increment to the ride park, plus 25 percent of ride park attendance (meaning that one out of four amusement park visitors will stay on to enjoy the Entertainment Center, while additional visitation will be generated in the market at large). The incremental attendance induced by this attraction accordingly amounts to some 110,000 on a mid-range basis, comparable to reported experience at Knott's Berry Farm in Los Angeles when it added a facility of this type to its ride offering. The Entertainment Center would probably

Table 3-4

**ILLUSTRATIVE OPERATING SCHEDULE
FOR THE FAMILY AMUSEMENT PARK**

<u>Month</u>	<u>Number of Operating Days</u>	<u>Percent of Annual Attendance</u>
January	--	--
February	--	--
March ¹	9	5%
April	10	3
May	11	7
June	30	14
July	31	20
August	31	25
September	11	6
October	9	4
November ²	9	6
December ³	<u>19</u>	<u>10</u>
Total	170	100%

¹ Includes Easter week.

² Includes Thanksgiving weekend.

³ Includes Christmas-New Year holiday.

Source: Harrison Price Company.

Table 3-5

**ESTIMATED CAPACITY REQUIREMENTS
FOR THE FAMILY AMUSEMENT PARK
(Stabilized Year)**

	<u>Amount</u>
Estimated Annual Attendance	625,000
Peak Month Attendance (at 25 percent)	156,300
Average Peak Week Attendance (at 4.43 weeks)	35,300
Design Day Attendance (at 22 percent of week) ¹	7,800
Peak In-Grounds Crowd (at 55 percent of design day) ²	4,300
Hourly Ride/Attraction Capacity Required (at 1.5 units per person) ³	6,400

¹ Average of 10 to 15 highest attendance days.

² Based on an average length of stay of 4 hours.

³ Combined hourly capacity of all rides and attractions.

Source: Harrison Price Company.

Table 3-6

ILLUSTRATIVE ARRIVAL AND DEPARTURE
PATTERNS FOR THE FAMILY AMUSEMENT PARK¹
(Stabilized Year)

<u>Time of Day</u>	<u>Arrivals</u>		<u>Departures</u>		<u>In-Grounds Crowd</u>
	<u>Hourly</u>	<u>Cumulative</u>	<u>Hourly</u>	<u>Cumulative</u>	
10-11 am	7 %	7 %	--	--	7 %
11-Noon	14	21	--	--	21
Noon-1 pm	15	36	1 %	1 %	35
1-2 pm	13	49	2	3	46
2-3 pm	12	61	3	6	55
3-4 pm	6	67	10	16	51
4-5 pm	4	71	12	28	43
5-6 pm	3	74	17	45	29
6-7 pm	7	81	5	50	31
7-8 pm	12	93	7	57	36
8-9 pm	6	99	8	65	34
9-10 pm	1	100	9	74	26
10-11 pm	--	--	12	86	14
11-Midnight	--	--	14	100	0

¹ Typical pattern for design day (average weekend day in summer) assuming a 4-hour average length of stay and a 14-hour operating schedule.

Source: Harrison Price Company.

Table 3-7

**ESTIMATED ATTENDANCE FOR THE
ENTERTAINMENT CENTER
(Stabilized Year)**

	<u>Amount/ Factor</u>
Attendance Base For Family Amusement Park Range Planning Estimate	540,900-709,200 625,000
Estimated Increment Induced By Entertainment Center	15-20%
Estimated Incremental Attendance Induced By Entertainment Center Range Planning Estimate	81,100-141,800 110,000
Estimated Combined Attendance of Family Amusement Park and Entertainment Center Range Planning Estimate	622,000-851,000 736,000
Total Attendance at Entertainment Center ¹ Range Planning Estimate	216,300-319,100 266,000

¹ Increment plus 25 percent of amusement park attendance.

Source: Harrison Price Company.

operate during evening hours plus weekend afternoons—every day during the summer and three or four days per week at other times of year (Thursday through Sunday).

- Nonsports programming at the **Coliseum** amounted to 98 event-days in 1986, as presented in **Table 3-8**, and an additional 85 nonsports event-days were recorded at the Arena to be converted to other use or demolished under the redevelopment program for Seattle Center. The combined existing activity base is thus 183 events. Assuming that the refurbished Coliseum in its present 14,000-seat configuration makes provision for flexible capacities enabling transfer of much of the Arena's nonsports calendar but, on the other hand taking into account increased competition in the market area, a net loss of 25 to 35 percent of the combined base is considered realistic. **Table 3-9** shows that the remaining 120 to 135 event-days will generate an estimated attendance volume of 468,000 to 527,000 at stabilization at an average of 3,900 visitors per event (the weighted average of the existing Coliseum and Arena nonsports programs). One-half million represents the planning estimate and compares to 750,000 now with the Sonics in residence.
- **Table 3-10** reveals that **Meeting/Exhibit Facilities** at Seattle Center (including the Northwest Rooms, Center House Conference Center, Mercer Forum, Exhibition Hall, Flag Pavilion, and NASA Building) generated an aggregate of 1,550 event-days during 1986

Combined attendance came to 560,000, for an average of 360 per event, as indicated in **Table 3-11**. The redevelopment concept calls for a net reduction in available meeting space at the Center. When this displacement is coupled with heightened competition in the marketplace, a 20 to 30 percent attrition of the existing event base is forecast, as presented in **Table 3-12**, resulting in an overall event load of 1,085 to 1,240 days and an estimated attendance of 391,000 to 446,000 under the plan. The mid-range planning target is 420,000 visits.

- The present event load of the Center House Stage and Court area will be transferred essentially intact to the new **Public Program Area** and **Pavilion** called for in the master plan. Since this public programming is already intense at almost three events per day on average, no appreciable program expansion is envisioned in the future, particularly in view of the financial implications of these subsidized events. **Table 3-13** allows for a modest addition of 30 to 50 events (or up to one additional program per week), which will result in a stabilized attendance volume averaging 335,000 annually.
- The **Public Program Area Theater**, as indicated in **Table 3-14**, will have a capacity of 200 seats under the master plan. Information supplied by potential user groups (including children's theater, festivals, and Seattle Center itself as part of the public program offering) suggests that the overall event load

Table 3-8

NONSPORTS PROGRAMMING AT THE SEATTLE CENTER
COLISEUM AND ARENA
1986

Event Type	Coliseum				Arena			
	Event Days ¹	Total Attendance	Percent of Total Attendance	Average Attendance Per Event	Event Days ¹	Total Attendance	Percent of Total Attendance	Average Attendance Per Event
Trade/Consumer Shows ²	39	94,576	22%	2,400	--	--	--	--
Family/Community Shows ³	17	70,817	17	4,200	16	49,876	29%	3,100
Conventions/Meetings	12	65,070	15	5,400	29	62,565	37	2,150
Concerts	20	195,005	46	9,750	20	58,521	34	2,900
Miscellaneous ⁴	<u>10</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>20</u>	<u>na</u>	<u>na</u>	<u>na</u>
Total	98	425,468	100%	4,800	85	170,962	100%	2,600

na means not available.

¹ Excludes move-in and move-out days and other nonpublic uses.

² So-called "flat floor" events.

³ Includes ice shows, circus, animal shows, truck/tractor pulls, motocross, graduation ceremonies, and so on.

⁴ Includes major festivals, examinations, private parties, and other events not elsewhere classified.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 3-9

**ESTIMATED ATTENDANCE FOR THE
SEATTLE CENTER COLISEUM
AT 14,000 SEATS POST-SONICS
(Stabilized Year)**

	<u>Amount/ Factor</u>
Existing Nonsports Program Base (total event-days)	
Coliseum	98
Arena	<u>85</u>
Total	183
Estimated Attrition Due to Increased Competition in Market Area	25-35%
Net Nonsports Program Base (total event-days)	120-135
Average Attendance Per Event ¹	3,900
Estimated Total Coliseum Attendance	468,000-526,500
Planning Estimate	500,000

¹ Weighted average of existing Coliseum and Arena programs.

Source: Harrison Price Company.

Table 3-10

**PROGRAMMING OF MEETING FACILITIES
AT SEATTLE CENTER
1986**

<u>Meeting Venue</u>	<u>Type of Event</u>						<u>Total</u>
	<u>Meetings/ Seminars</u>	<u>Exhibits/ Shows</u>	<u>Dances/ Parties</u>	<u>Performing Arts</u>	<u>Festivals/ Special Events</u>	<u>Misc.¹</u>	
Total Event-Days²							
Center House Conference Center	491	9	3	14	75	15	607
Northwest Rooms	437	85	36	2	3	5	568
Flag Pavilion	28	65	9	--	24	9	135
Mercer Forum	95	27	1	3	--	7	133
Exhibit Hall	11	68	7	--	--	11	97
NASA Building	--	<u>10</u>	--	--	--	--	<u>10</u>
Total	1,062	264	56	19	102	47	1,550
Total Attendance							
Center House Conference Center	18,598	1,190	120	930	19,168	1,055	41,061
Northwest Rooms	76,582	50,803	15,119	2,800	1,780	2,735	149,819
Flag Pavilion	12,885	57,519	1,573	--	19,810	4,130	95,917
Mercer Forum	11,623	74,796	50	250	--	1,135	87,854
Exhibit Hall	23,350	91,436	12,084	--	--	6,835	133,705
NASA Building	--	<u>51,575</u>	--	--	--	--	<u>51,575</u>
Total	143,038	327,319	28,946	3,980	40,758	15,890	559,931

¹ Includes examinations, graduations, and other events not elsewhere classified.

² Excludes move-in and move-out days, other nonpublic uses, and events for which attendance was not reported.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 3-11

**ATTENDANCE PROFILE OF MEETING FACILITIES
AT SEATTLE CENTER
1986**

<u>Meeting Venue</u>	<u>Type of Event</u>						<u>Total</u>
	<u>Meetings/ Seminars</u>	<u>Exhibits/ Shows</u>	<u>Dances/ Parties</u>	<u>Performing Arts</u>	<u>Festivals/ Special Events</u>	<u>Misc.</u>	
Total Event-Days							
Center House Conference Center	45%	3%	*	2%	47%	3%	100%
Northwest Rooms	51	34	10%	2	1	2	100
Flag Pavilion	13	60	2	--	21	4	100
Mercer Forum	13	85	*	*	--	1	100
Exhibit Hall	18	68	9	--	--	5	100
NASA Building	--	<u>100</u>	--	--	--	--	<u>100</u>
Total	26%	59%	5%	*	7%	3%	100%
Average Attendance Per Event							
Center House Conference Center	40	130	40	65	255	70	70
Northwest Rooms	175	600	420	1,400	595	550	265
Flag Pavilion	460	885	175	--	825	460	710
Mercer Forum	120	2,800	50	85	--	160	660
Exhibit Hall	2,100	1,350	1,700	--	--	620	1,400
NASA Building	--	<u>52,000</u>	--	--	--	--	<u>5,200</u>
Total	135	1,250	520	210	400	340	360

* Less than 1 percent.

Source: Harrison Price Company.

Table 3-12

**ESTIMATED ATTENDANCE FOR
MEETING FACILITIES
(Stabilized Year)**

	<u>Amount/Factor</u>
Existing Program Base (total event-days)	
Center House Conference Center	607
Northwest Rooms	568
Flag Pavilion	135
Mercer Forum	133
Exhibit Hall	97
NASA Building	<u>10</u>
Total	1,550
Estimated Attrition Due to Decreased Meeting Space and/or Increased Competition in Market Area	20-30%
Net Program Base (total event-days)	1,085-1,240
Average Attendance Per Event	360
Estimated Total Attendance	390,600-446,400
Planning Estimate	420,000

Source: Harrison Price Company.

Table 3-13

ESTIMATED ATTENDANCE FOR THE
SEATTLE CENTER PUBLIC PROGRAM AREA
(Stabilized Year)

	<u>Amount/ Factor</u>
Existing Center House Program	
Number of Event-Days ¹	1,025
Total Attendance	319,200
Average Attendance Per Event	315
Estimated Incremental Increase in Event Days ¹	30-50
New Program	
Total Number of Event-Days ¹	1,055-1,075
Average Attendance Per Event	315
Estimated Annual Attendance	332,300-338,600
Planning Estimate	335,000

¹ Excludes move-in and move-out days.

Source: Harrison Price Company.

Table 3-14

**ESTIMATED ATTENDANCE FOR THE
PUBLIC PROGRAM AREA THEATER
(Stabilized Year)**

	<u>Amount/Factor</u>
Total Number of Seats	200
Estimated Annual Number of Event-Days ¹	400-425
Average Seat Occupancy Rate	70%
Estimated Annual Attendance	56,000-59,500
Planning Estimate	60,000

¹ Includes children's theater, major festival events, and miscellaneous public programs; excludes rehearsals and other nonpublic use.

Source: Piccoli Junior Theater, World Mother Goose, and Harrison Price Company.

would be on the order of 400 to 425 days per year. At an average seat occupancy rate of 70 percent based on present experience in the Center House Theater, total annual attendance should be roughly 60,000 people.

- A 500-seat auditorium is proposed for **Seattle Children's Theater**. Management of this organization estimates 420 to 450 days of use annually and an 85 percent average seat occupancy rate, as shown in **Table 3-15**. Using these factors, estimated annual attendance will range from 179,000 to 191,000, with the planning average forecast at 185,000.
- The mid-range **Children's Museum/Library** estimate of 165,000 at stabilization presented in **Table 3-16** was based on management's expectation of an incremental increase of 30 to 35 percent over existing volume given enlarged facilities and an upgraded program.
- Projected attendance for the **Children's Ride Area**, indicated in **Table 3-17**, has been based on an overall resident/tourist market capture rate of 2 to 2.5 percent. The latter translates into an absolute volume of between 126,000 and 176,000, which is consistent with experience of children's ride components of major theme parks. On the basis of the planning estimate of 150,000 visitors per year and an operating schedule akin to that of the Family Amusement Park, **Table 3-18** derives design day planning criteria for this attraction. Assuming an

average length of stay of 1.5 to 2 hours given comparable experience, the peak in-grounds crowd will amount to some 650 people. Children's rides commonly average 300 to 400 persons per hour in capacity and are very short in duration. To ensure an adequate entertainment value, the aggregate hourly capacity goal should be double that of the Amusement Park, or three units per hour, yielding a requirement for some 2,000 units of total ride capacity.

- With respect to the **Pavilion Ice Skating Rink**, the attendance projection for which is delineated in **Table 3-19**, polls conducted by the Gallup Organization reveal that the mean participation rate in ice skating in the western United States is 4 percent of the population. Applying this factor to the local King County market yields a total of some 54,500 regular skaters. The average frequency of participation, again according to Gallup, is 10 days per year, indicating that the local skating market generates 545,000 annual skating visits. A substantial 25 to 30 percent penetration of this market is estimated in recognition of the high-exposure location afforded by Seattle Center and the fact that there is only one competing rink in King County. Total attendance, accordingly, will amount to a planning average of 150,000. As a test of the reasonableness of this projection, the Ice Skating Institute of America reports that the minimum population necessary to support a recreation-oriented rink is 250,000

Table 3-15

**ESTIMATED ATTENDANCE FOR THE
SEATTLE CHILDREN'S THEATER
(Stabilized Year)**

	<u>Amount/Factor</u>
Total Number of Seats	500
Estimated Annual Number of Event-Days ¹	420-450
Average Seat Occupancy Rate	85%
Estimated Annual Attendance	178,500-191,300
Planning Estimate	185,000

¹ Includes children's theater and major festival events; excludes rehearsals and other nonpublic use..

Source: Seattle Children's Theater and Harrison Price Company.

Table 3-16

ESTIMATED ATTENDANCE FOR THE
SEATTLE CHILDREN'S MUSEUM/LIBRARY
(Stabilized Year)

	<u>Amount/ Factor</u>
Existing Attendance Base (1987)	125,000
Estimated Incremental Increase Induced by Redevelopment Program	30-35%
New Attendance Base	162,500-168,800
Planning Estimate	165,000

Source: Seattle Children's Museum and Harrison Price Company.

Table 3-17

**ESTIMATED ATTENDANCE FOR THE
CHILDREN'S RIDE AREA
(Stabilized Year)**

	<u>Amount/ Factor</u>
Total Market Size (thousands)	
Primary Resident Market	1,362
Secondary Resident Market	1,104
Tourist Market	<u>4,500</u>
Total	6,966
Estimated Market Penetration Rate	
Primary Resident Market	6-8%
Secondary Resident Market	3-4
Tourist Market	0.25-0.5
Estimated Annual Attendance	
Primary Resident Market	81,700-109,000
Secondary Resident Market	33,100-44,200
Tourist Market	<u>11,200-22,500</u>
Total	126,000-175,700
Planning Estimate	150,000

Source: Harrison Price Company.

Table 3-18

**ESTIMATED CAPACITY REQUIREMENTS
FOR THE CHILDREN'S RIDE AREA
(Stabilized Year)**

	<u>Amount</u>
Estimated Annual Attendance	150,000
Peak Month Attendance (at 25 percent)	37,500
Average Peak Week Attendance (at 4.43 weeks)	8,500
Design Day Attendance (at 22 percent of week) ¹	1,900
Peak In-Grounds Crowd (at 35 percent of design day) ²	650
Hourly Ride/Attraction Capacity Required (at 3 units per person) ³	2,000

¹ Average of 10 to 15 highest attendance days.

² Based on an average length of stay of 1.5 to 2 hours.

³ Combined hourly capacity of all rides and attractions.

Source: Harrison Price Company.

Table 3-19

ESTIMATED ATTENDANCE FOR THE
PAVILION ICE SKATING RINK
(Stabilized Year)

	<u>Amount/ Factor</u>
Primary Resident Market Population	1,362,000
Average Participation Rate in Ice Skating	4%
Estimated Number of Regular Skaters	54,500
Average Frequency of Participation (days per year)	10
Total Skating Visits Generated By Primary Resident Market	545,000
Estimated Market Penetration Rate	25-30%
Total Skating Visits to Seattle Center	136,300-163,500
Planning Estimate	150,000

Source: Harrison Price Company.

within 5 or 10 miles, suggesting that King County could theoretically support as many as five rinks provided that mileage radii do not overlap, averaging slightly more than 100,000 visits per year (545,000 total skating visits divided by five or, alternatively, 250,000 population times 4 percent participation times 10 visits per year). Since there is only one other rink in the area, the projection for this attraction appears conservative.

- The Urban Land Institute, a respected nonprofit urban planning authority, describes ice rinks as highly desirable in large mixed-use projects since they draw visitors who might not otherwise come to the site and provide an important visual amenity creating a sense of movement and activity in public spaces. Ironically, they are generally more suitable to mild-winter climates, ULI maintains, because they serve as a novelty and a significant destination for skaters and spectators in areas where ice does not naturally form. Programming is critical to the success of an ice arena—special promotions, “theme” events (skating in costume on Halloween Eve, for example, or gospel music sessions), training and lessons, Little League hockey, parties on ice, “date nights,” tie-ins with the physical education program at local schools, exhibitions by professional skaters, and corporate ice skating functions are all part of the picture. Unlike ice arenas in the Midwest and East, where hockey is king, rinks in mild climates are by and large recreation-oriented.

- With this background in mind, **Table 3-20** contains an illustrative scheduling of the Pavilion Ice Skating Rink developed by Mrs. Sherry Winder, a Seattle resident and ice skating instructor. The proposed schedule is presented graphically in **Figure 1** by day of week. As indicated, general public sessions would comprise about half of the overall skating program, followed by figure skating (so-called “private ice” rentals to competitive skaters and trainees) at roughly one-third. Public school programs and junior hockey would each represent 8 percent of the schedule, with special events and parties making up the balance of 4 percent.

- The Seattle Center Foundation has proposed the development of the **Puget Sound Theater**, a sophisticated audio-visual attraction that would serve both as a tourist draw and as an expression of civic pride among local residents. **Table 3-21** presents the attendance estimate for this Center component, amounting to some 85,000 annually as a planning target, which is based on an overall market penetration rate of 1 to 1.5 percent. The most successful existing attraction of this type is the New York Experience located in midtown Manhattan, where attendance currently amounts to approximately 750,000 per year. Given a New York City market of about 25 million (7.5 million residents and 18 million overnight visitors), the attraction’s gross market capture rate is 3 percent. However, the attendance base in this instance includes 300,000 visits generated

Table 3-20

ILLUSTRATIVE SCHEDULING OF THE
PAVILION ICE SKATING RINK

	<u>Total Hours Per Week¹</u>	<u>Percent of Total</u>
General Public Sessions	60	48 %
Figure Skating ²	40	32
Public School Programs ³	10	8
Junior Hockey ⁴	10	8
Special Events and Parties ⁴	<u>5</u>	<u>4</u>
	125	100 %

¹ Typical distribution during October-April peak season; total operating hours would be reduced in summer.

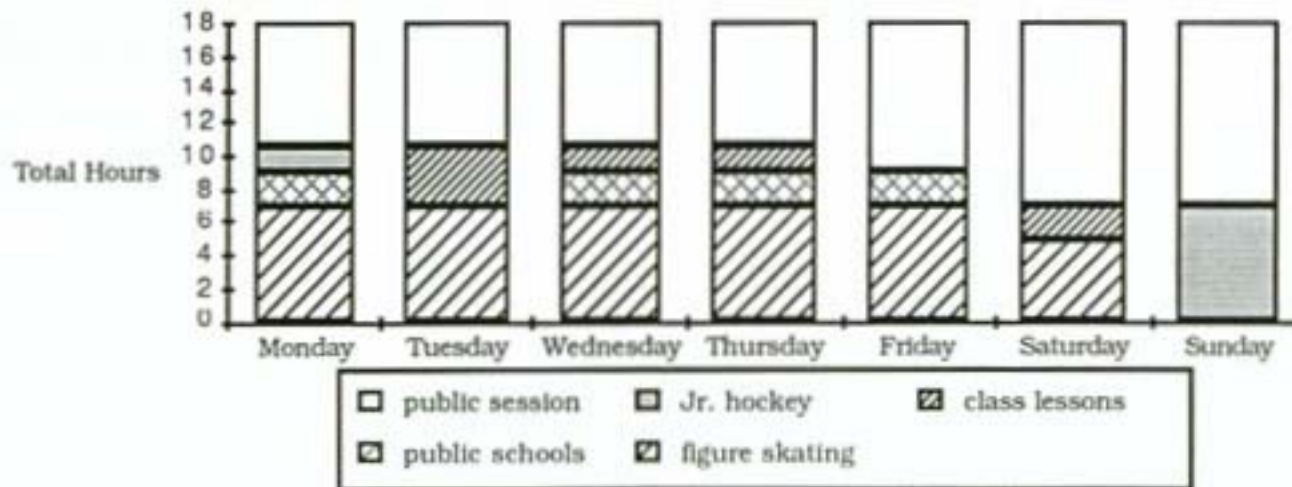
² Private ice "patch" rentals.

³ Free admission program.

⁴ Private ice full-rink rentals.

Source: Mrs. Sherry Winder and Harrison Price Company.

Figure 1
 ILLUSTRATIVE DAILY MIX
 OF ICE SKATING USES



Source: Harrison Price Company (based on programming concept suggested by Mrs. Sherry Winder).

Table 3-21

**ESTIMATED ATTENDANCE FOR
THE PUGET SOUND THEATER
(Stabilized Year)**

	<u>Amount/ Factor</u>
Total Market Size (thousands)	
Primary Resident Market	1,362
Secondary Resident Market	1,104
Tourist Market	<u>4,500</u>
Total	6,966
 Estimated Overall Market Penetration Rate	 1-1.5%
 Estimated Annual Attendance	 69,700-104,500
Planning Estimate	85,000

Source: Harrison Price Company.

through the public school system which, if netted out of the equation, results in a penetration rate of the general market of 1.8 percent. The New York Experience, furthermore, is a very elaborate—and expensive—production utilizing 45 projectors, 16 screens, and quadraphonic sound. The more conservative penetration rate of up to 1.5 percent is considered realistic for Seattle given the much smaller school enrollment base and the assumption that the capital cost of this production must be contained within acceptable limits.

- **Table 3-22** derives capacity requirements for the theater based on the 85,000 attendance figure. Design day attendance, as shown, is estimated at 1,000 persons. Assuming 10 screenings per day and a 65 percent seat occupancy rate (which compares to 60 to 75 percent at the New York Experience depending on the season), a 150-seat theater is indicated.
- The mid-range attendance estimate of 75,000 indicated in **Table 3-23** for the **Intiman Playhouse** is based on guidelines supplied by the Intiman Theater Group.
- Likewise, management of the **Pacific Northwest Ballet School** supplied the planning factors yielding the estimate of 25,000 visits for this operation, as presented in **Table 3-24**.
- **Table 3-25** contains the attendance projection for the **Concert Hall** based on programming and operating characteristics envi-

sioned by the primary tenant, Seattle Symphony Orchestra. At 252,000 to 281,000 visits, or 265,000 as a planning average, this facility will be a major attendance generator at Seattle Center.

- Estimating attendance for the **Regional Exhibition Center** proposed under the master plan is problematical in that no precise definition of program scope and content is available at this point in time—the possibility exists of attracting a major museum tenant; failing this, the building may function as a replacement for the Flag Pavilion to be demolished. Assuming a high-profile museum with moderate admission prices and strong membership support, **Table 3-26** shows that overall market penetration will probably range from 2 to 4 percent, resulting in 139,000 to 279,000 annual visits. The 210,000 planning average should be regarded as preliminary and subject to revision once more is known about the facility program.
- The **Crafts Museum** at Seattle Center, as indicated in **Table 3-27**, is estimated to have an overall market penetration rate on the order of 1 or 2 percent. This capture rate translates into an absolute patronage of 70,000 to 139,000, with 105,000 set as the planning average. Market penetration is presumed to be lower than the possible Regional Exhibition Center museum owing to the comparatively narrow focus and hence more limited market appeal of the Crafts Museum offering.

Table 3-22

ESTIMATED CAPACITY REQUIREMENTS FOR THE
PUGET SOUND THEATER

	<u>Amount</u>
Estimated Annual Attendance	85,000
Peak Month Attendance (at 25 percent)	21,300
Average Peak Week Attendance (at 4.43 weeks)	4,800
Design Day Attendance (at 20 percent of week) ¹	1,000
Average Attendance Per Screening (at 10 shows per day)	95
Seating Capacity Required (at 65 percent average occupancy)	150

¹ Average of 10 to 15 highest attendance days.

Source: Harrison Price Company.

Table 3-23

ESTIMATED ATTENDANCE FOR THE
INTIMAN PLAYHOUSE
(Stabilized Year)

	<u>Amount/ Factor</u>
Total Number of Seats	424
Estimated Annual Number of Event Days ¹	
Intiman Theater Group	150-175
Other Users	<u>60-120</u>
Total	210-295
Average Seat Occupancy Rate	
Intiman Theater Group	70%
Other Users	65
Estimated Annual Attendance	
Intiman Theater Group	44,500-51,900
Other Users	<u>16,500-33,100</u>
Total	61,000-85,000
 Planning Estimate	 75,000

¹ Excludes rehearsals and other nonpublic use.

Source: Intiman Theater Group and Harrison Price Company.

Table 3-24

**ESTIMATED ATTENDANCE FOR THE
PACIFIC NORTHWEST BALLET SCHOOL
(Stabilized Year)**

	<u>Amount/ Factor</u>
Number of Weeks Per Instruction Program	
Fall Semester	20
Spring Semester	20
Summer Session	<u>4</u>
Total	44
Average Number of Students Per Week	
Children's Classes	325-375
Adult Classes	200-250
Summer Session (children only)	150-200
Estimated Annual Attendance	
Fall Semester	
Children's Classes	6,500-7,500
Adult Classes	4,000-5,000
Spring Semester	
Children's Classes	6,500-7,500
Adult Classes	4,000-5,000
Summer Session	<u>600- 800</u>
Total	21,600-25,800
Planning Estimate	25,000

Source: Pacific Northwest Ballet and Harrison Price Company.

Table 3-25

**ESTIMATED ATTENDANCE FOR THE
CONCERT HALL
(Stabilized Year)**

	<u>Amount/ Factor</u>
Total Number of Seats	2,800
Estimated Annual Number of Event-Days ¹	
Seattle Symphony	80-85
Other Users	<u>40-50</u>
Total	120-135
Average Seat Occupancy Rate	
Seattle Symphony	80%
Other Users	65
Estimated Annual Attendance	
Seattle Symphony	179,200-190,400
Other Users	<u>72,800-91,000</u>
Total	252,000-281,400
 Planning Estimate	 265,000

¹ Excludes rehearsals and other nonpublic use.

Source: Seattle Symphony Orchestra and Harrison Price Company.

Table 3-26

**ESTIMATED ATTENDANCE FOR THE
REGIONAL EXHIBITION CENTER
(Stabilized Year)**

	<u>Amount/ Factor</u>
Total Market Size (thousands)	
Primary Resident Market	1,362
Secondary Resident Market	1,104
Tourist Market	<u>4,500</u>
Total	6,966
Estimated Overall Market Penetration Rate ¹	2-4%
Estimated Annual Attendance ¹	139,300-278,600
Planning Estimate	210,000

¹ Nature and scope of Exhibition Center offering is yet to be defined; attendance estimates are accordingly very preliminary.

Source: Harrison Price Company.

Table 3-27

**ESTIMATED ATTENDANCE FOR
THE CRAFTS MUSEUM
(Stabilized Year)**

	<u>Amount/ Factor</u>
Total Market Size (thousands)	
Primary Resident Market	1,362
Secondary Resident Market	1,104
Tourist Market	<u>4,500</u>
Total	6,966
Estimated Overall Market Penetration Rate ¹	1-2%
Estimated Annual Attendance ¹	70,000-139,300
Planning Estimate	105,000

¹ Nature and scope of this offering is yet to be defined; attendance estimates are accordingly very preliminary.

Source: Harrison Price Company.

- The final individual facility at Seattle Center for which an attendance projection can be derived is the **Coliseum** in a 7,500-seat configuration, an option proposed for the last phase of the master plan. **Table 3-28** shows that using the program base of the 14,000-seat facility (refer to Table 3-9) as a starting point, the event loss associated with the size reduction is estimated at 15 to 25 days, primarily major rock concerts but also including large convention gatherings. The net event load at 7,500 seats is accordingly 105 to 110 days. Average attendance per event will also drop (by roughly 1,000 people) to a level of 2,900, for total attendance of 310,000 per year as the mid-range estimate. The latter is nearly 200,000 visits less than projected under the 14,000-seat configuration.
- The preceding attendance forecasts for various individual facilities at Seattle Center are summarized in **Table 3-29** by master plan Development Unit. As indicated, ongoing facilities in tandem with new or refurbished attractions will generate an aggregate volume of 6.7 to 7.7 million visits through the first four phases of the plan, before allowing for unallocable visits. If the size of the Coliseum is reduced to 7,500 seats, combined attendance will decrease moderately to a range of 6.5 to 7.5 million.
- In short, by eliminating marginal operations and adding significant new attendance-generators, the master plan preserves the Center's existing visitor base despite liberal allowances for increased competi-

tion for selected programs, with the mid-range planning estimate of 7.2 million for Development Units 1-4 virtually identical to present experience. While the absolute volume of visitation is the same, there will be important qualitative differences in the mix of attendance favoring a more even distribution of activity over the range of seasons and over the daily operating schedule.

IMPLICATIONS FOR SUPPORTING FACILITIES AND PROGRAMS

The attendance projections just discussed have important implications on demand for key visitor services, such as the Monorail and parking and food/retail operations. An impact will also be felt on the Seattle Center employment base. In the paragraphs to follow, these ancillary effects are evaluated.

Monorail Patronage

- During the 1962 World's Fair, the Seattle Monorail recorded a total of more than 6 million rides over the six-month fair run. Post-fair ridership declined to a base of about one million annually, but then steadily increased during the early 1970s when no fee was charged, reaching a peak of about 2.7 million rides in 1976, as shown in **Table 3-30**. A fare of 10 cents was instituted in 1977, inducing a 5 percent drop in ridership. In the following year, the fare rose to 25 cents; however, possible losses in passenger volume due to this increase were more than offset by the staging of the singular "Treasures of Tutankhamun" exhibit at Seattle Center, and an increase of 14 percent to

Table 3-28

**ESTIMATED ATTENDANCE FOR THE
SEATTLE CENTER COLISEUM AT 7,500 SEATS
(Stabilized Year)**

	<u>Amount/ Factor</u>
Net Nonsports Program Base at 14,000 Seats (total event days) ¹	120-135
Estimated Event-Day Loss Due to Reduction in Seating Capacity	15-25
Net Event Load at 7,500 Seats	105-110
Average Attendance Per Event ²	2,900
Estimated Total Coliseum Attendance	304,500-319,000
Planning Estimate	310,000

¹ From Table 3-9.

² Weighted average of adjusted Coliseum and Arena programs.

Source: Harrison Price Company.

Table 3-29

**SUMMARY OF ESTIMATED TOTAL ATTENDANCE
UNDER THE SEATTLE CENTER
REDEVELOPMENT PROGRAM
(Stabilized Year)**

Program Component	Attendance Range (thousands)	Planning Estimate (thousands)
DEVELOPMENT UNIT 1		
Ongoing Facilities ¹	3,585-3,911	3,750
New or Refurbished Facilities		
Metro Site Complex		
Family Amusement Park	541-709	625
Entertainment Center (increment)	81-142	110
Coliseum (14,000 seats)	468-527	500
Meeting Rooms ²	391-446	420
Public Program Area		
Center House Programs	332-339	335
Theater	56-60	60
Seattle Children's Theater	179-191	185
Seattle Children's Museum	163-169	165
Children's Ride Area	126-176	150
Pavilion Ice Rink	136-164	150
Puget Sound Theater	70-105	85
Intiman Playhouse	61-85	75
Pacific Northwest Ballet School	<u>22-26</u>	<u>25</u>
Subtotal	<u>2,626-3,139</u>	<u>2,885</u>
TOTAL UNIT 1	6,211-7,050	6,635
DEVELOPMENT UNIT 2		
Children's Play Area ³	•	•
Concert Hall	252-281	265
DEVELOPMENT UNIT 3		
Regional Exhibition Center	139-279	210
DEVELOPMENT UNIT 4		
Crafts Museum	<u>70-139</u>	<u>105</u>
TOTAL UNITS 1-4	6,672-7,749	7,215
DEVELOPMENT UNIT 5		
Coliseum (7,500 seats, net change)	<u>(164-208)</u>	<u>(190)</u>
TOTAL UNITS 1-5	6,508-7,541	7,025

¹ Includes Space Needle, Pacific Science Center, Opera House, Bagley Wright Theater, Poncho Forum, and grounds at large including major festivals and Mural Amphitheater.

² Includes Northwest Rooms, Mercer Forum, Exhibition Hall, and Public Program Area meeting facilities.

³ Included with children's rides.

Source: Harrison Price Company.

Table 3-30

**HISTORICAL AND PROJECTED
MONORAIL RIDERSHIP
1973-1989**

<u>Year</u>	<u>Prevailing One-Way Fare¹</u>	<u>Total Riders (thousands)</u>	<u>Percent Change From Prior Year</u>
1973	Free	1,754	---
1974	Free	1,996	13.8%
1975	Free	2,450	22.8
1976	Free	2,657	8.5
1977	10¢	2,514	(5.4)
1978	25¢	2,870	14.2
1979	25¢	2,373	(17.3)
1980	25¢	2,147	(9.5)
1981	35¢/10¢	1,833	(14.6)
1982	35¢/10¢	1,784	(2.7)
1983	50¢/15¢	1,722	(3.5)
1984	50¢/15¢	1,665	(3.3)
1985	60¢/15¢	1,457	(12.5)
1986	60¢/15¢	1,255	(13.9)
1987	60¢/15¢	1,117	(11.0)
1988 Estimated ²	60¢/25¢	1,100	(1.5)
1989 Projected	60¢/25¢	1,250	13.6
Projection Under Redevelopment Program			
Years 1-2 ³	60¢/25¢ ⁴	1,000	---
Years 3-10	60¢/25¢ ⁴	1,700-2,000	---

¹ Where two figures are shown, first fare is full rate, second fare is senior citizen and handicapped rate.

² Based on total ridership through July.

³ Period during which monorail terminal at Seattle Center is relocated and refurbished.

⁴ Constant 1988 dollars.

Source: Seattle Center Transportation Services Division and Harrison Price Company.

nearly 3 million riders was recorded in 1978. The trend since 1978 has been consistently downward, with 1987 volume amounting to 1.1 million. This trend is partly the result of continuing fare increases, but is also due to the waning novelty of the ride experience (at least among local residents) and the absence of incentives to attend Seattle Center comparable to the "King Tut" event. In 1987 and this year, there is the additional factor of dislocation caused by the construction project at the Westlake end of the line.

- A resurgence in Monorail patronage is anticipated on implementation of the Seattle Center redevelopment program. Volume is projected to grow to between 1.7 and 2 million over the 10-year planning period utilized in this study. There will be a temporary disruption of Monorail patronage while the terminal at Seattle Center is refurbished and relocated, when ridership will drop to about 1 million, but steady increases are expected thereafter in response to the Center's new image and program offerings.

Estimated Parking Requirements

- As a first step in estimating parking requirements under the redevelopment program, **Table 3-31** distributes projected overall attendance at Seattle Center by time of day. Maximum parking demand, as shown, will occur during daytime hours, at which time a weighted average of 70 percent of total visits to the site will occur, equivalent to some 4.8 million

people at stabilization. The local market survey conducted as part of the first phase of this study program revealed an average length of stay of about 2.8 hours. New entertainment opportunities provided at the site under the master plan should produce an upward trend in stay times, conservatively forecast at 3 to 3.5 hours.

- On this basis and further allowing for a 16-hour effective operating schedule for the Center as a whole, **Table 3-32** presents an illustrative distribution of hourly crowd flows similar to that shown earlier for the Family Amusement Park. Data in the table are charted graphically in Figure 2. As indicated, the design day peak in-grounds crowd is expected to amount to 45 percent of the daily total, or 18,800 people on completion of Development Units 1-4, as set forth in **Table 3-33**.
- Arrivals by automobile currently amount to roughly 90 percent of total attendance as determined in the Phase I local market survey. This ratio is presumably higher than historical experience in view of the present low of Monorail usage. With revived Monorail operations and the possibility of a future trolley link to Seattle Center, the auto proportion should decline. For conservative planning purposes, a range of 80 to 90 percent auto arrivals has been used in this analysis.
- The local market survey also revealed an average party size of 3.5 persons for most activities, with a

Table 3-31

**ESTIMATED ATTENDANCE DISTRIBUTION
AT SEATTLE CENTER BY TIME OF DAY
(Stabilized Year)**

<u>Program Component</u>	<u>Estimated Attendance Split Day/Evening</u>	<u>Total Attendance¹ (thousands)</u>	
		<u>Day</u>	<u>Evening</u>
DEVELOPMENT UNIT 1²			
Ongoing Facilities			
Space Needle	80/20%	930	230
Pacific Science Center	75/25	680	230
Grounds/Mural Amphitheater	95/5	495	25
Opera House	25/75	120	360
Bagley Wright Theater/ Poncho Forum	<u>25/75</u>	<u>50</u>	<u>140</u>
Subtotal	70/30%	2,275	985
Incremental Increase in Attendance	<u>70/30</u>	<u>345</u>	<u>145</u>
Total	70/30%	2,620	1,130
New or Refurbished Facilities			
Metro Site Complex			
Family Amusement Park	60/40%	375	250
Entertainment Center (increment)	0/100	--	110
Coliseum (14,000 seats)	75/25	375	125
Meeting Rooms	75/25	315	105
Public Program Area			
Center House Programs	70/30	235	100
Theater	80/20	50	10
Seattle Children's Theater	80/20	150	35
Seattle Children's Museum	100/0	165	--
Children's Ride Area	100/0	150	--
Pavilion Ice Rink	65/35	100	50
Puget Sound Theater	65/35	55	30
Intiman Playhouse	25/75	20	55
Pacific Northwest Ballet School	<u>65/35</u>	<u>15</u>	<u>10</u>
Subtotal	70/30%	2,005	880

**Table 3-31
(continued)**

<u>Program Component</u>	<u>Estimated Attendance Split Day/Evening</u>	<u>Total Attendance¹ (thousands)</u>	
		<u>Day</u>	<u>Evening</u>
TOTAL UNIT 1	70/30%	4,625	2,010
DEVELOPMENT UNIT 2			
Children's Play Area ³	•	•	•
Concert Hall	25/75%	65	200
DEVELOPMENT UNIT 3			
Regional Exhibition Center	75/25%	160	50
DEVELOPMENT UNIT 4			
Crafts Museum	<u>75/25%</u>	<u>80</u>	<u>25</u>
TOTAL UNITS 1-4	70/30%	4,930	2,285
DEVELOPMENT UNIT 5			
Coliseum (7,500 seats, net change)	<u>75/25%</u>	<u>(145)</u>	<u>(45)</u>
TOTAL UNITS 1-5	70/30%	4,785	2,240

¹ Mid-range planning estimates.

² Based on extrapolations from Seattle Center Duty Manager's Log and interviews with tenant organizations.

³ Included with children's rides.

Source: Harrison Price Company.

Table 3-32

**ILLUSTRATIVE ARRIVAL AND DEPARTURE
PATTERNS FOR SEATTLE CENTER¹
(Stabilized Year)**

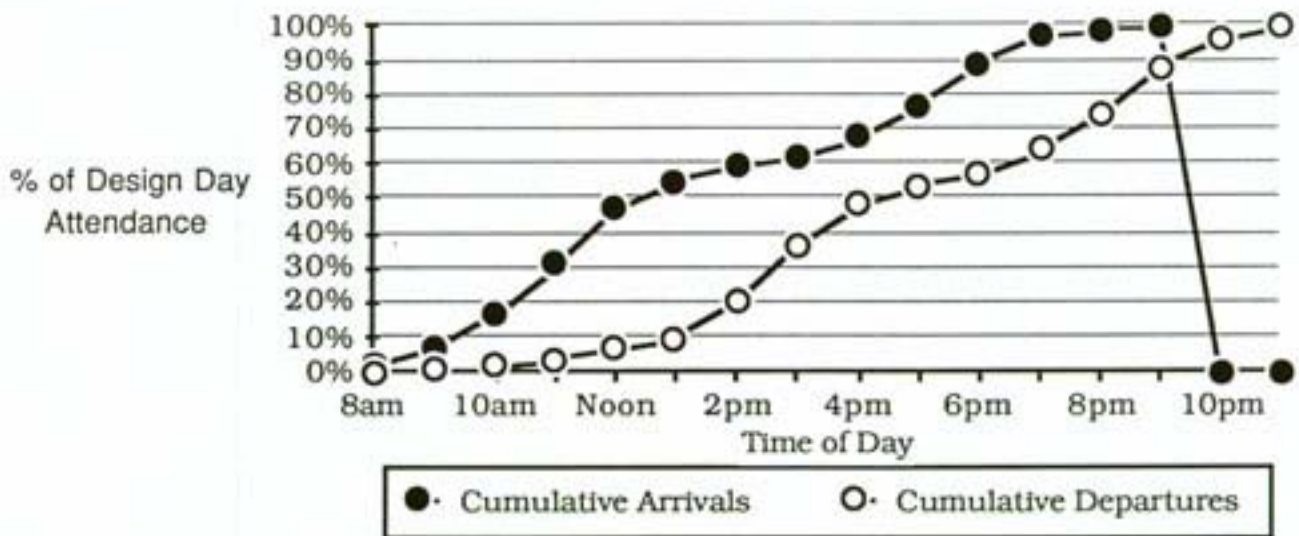
<u>Time of Day</u>	<u>Arrivals</u>		<u>Departures</u>		<u>In-Grounds Crowd</u>
	<u>Hourly</u>	<u>Cumulative</u>	<u>Hourly</u>	<u>Cumulative</u>	
8-9 am	2 %	2 %	--	--	2 %
9-10 am	5	7	1 %	1 %	6
10-11 am	10	17	1	2	15
11-Noon	14	31	2	4	27
Noon-1 pm	16	47	3	7	40
1-2 pm	8	55	3	10	45
2-3 pm	4	59	10	20	39
3-4 pm	3	62	16	36	26
4-5 pm	6	68	12	48	20
5-6 pm	9	77	6	54	23
6-7 pm	12	89	3	57	32
7-8 pm	8	97	7	64	33
8-9 pm	2	99	10	74	25
9-10 pm	1	100	14	88	12
10-11 pm	--	--	8	96	4
11-Midnight	--	--	4	100	0

¹ Typical pattern for aggregate of all activities on design day (average weekend day in summer) assuming a 3- to 3.5-hour average length of stay spread over a 16-hour operating period.

Source: Harrison Price Company.

Figure 2

Illustrative Arrival and Departure Patterns



Source: Harrison Price Company.

Table 3-33

**ESTIMATED DAYTIME PARKING REQUIREMENTS
FOR SEATTLE CENTER
(Stabilized Year)**

	<u>Unit 1</u>	<u>Units 2-4</u>	<u>Total Units 1-4</u>	<u>Unit 5 (Net Change)</u>	<u>Total Units 1-5</u>
Estimated Total Daytime Attendance ¹	4,625,000	305,000	4,930,000	(145,000)	4,785,000
Average Peak Month Attendance (at 15 percent)	693,800	45,800	739,600	(21,800)	717,800
Average Weekly Attendance During Peak Month (at 4.43 weeks)	156,600	10,300	166,900	(4,900)	162,000
Peak Day Attendance (at 25 percent)	39,200	2,600	41,800	(1,200)	40,600
Average Peak In-Grounds Crowd (at 45 percent) ²	17,600	1,200	18,800	(550)	18,300
Estimated Arrivals by Car (at 80-90 percent)	14,100-15,800	900-1,100	15,000-16,900	(450-500)	14,600-16,400
Number of Parking Spaces Required (at 3.5 persons per car) ³	4,030-4,525	265-310	4,295-4,835	(125-140)	4,170-4,695
Planning Estimate	4,280	290	4,570	(130)	4,440

¹ Mid-range planning estimates

² Based on an average length of stay of 3 to 3.5 hours spread over a 16-hour operating period.

³ Excludes employee parking and provision for major festivals.

Source: Peter Moy & Associates and Harrison Price Company.

smaller average of just over 2 persons indicated for performing arts events, as would be expected. Using 3.5 persons as the daytime average, roughly 4,600 parking spaces will be needed to support Center operations through Development Unit 4. If the size of the Coliseum is reduced, the requirement decreases to about 4,400 spaces.

- By means of a similar analysis, evening parking demand at the Center is estimated in **Table 3-34** at 3,100 spaces through Development Unit 4. Here, planning factors included an 80 percent peak in-grounds crowd (a high concentration of on-site patronage associated with the truncated five-hour evening demand period) and 2.25 persons as the nighttime average party size (which includes performing arts as well as other activities with somewhat higher party sizes).
- Parking requirements as just identified, it should be mentioned, do not take into account potential shared visitation (attendees who undertake more than one activity on a single visit). On the other hand, unallocable attendance was also excluded from the analysis. The latter offsets the former to an unknown degree; as a conservative planning guideline, therefore, no net reduction in parking needs due to shared visitation was assumed. Estimated requirements, furthermore, do not include employee parking or provision for major festivals.

- While there are several advantages to be gained from providing all needed parking on-site (including visitor convenience, easing of traffic congestion on the site periphery, and reduced conflict with residents of surrounding neighborhoods), this may not be necessary in view of the generally substantial availability of on-street spaces and commercial lots in the area that absorb an appreciable portion of the Center's parking demand. A preliminary inventory reveals that some 1,100 commercial spaces are available within a two-block radius, supplemented by another 400 spaces in business parking lots allowing public parking after office hours and on weekends. The analysis has accordingly assumed that 80 percent of the total requirement, or some 3,700 spaces, will be provided on-site (existing lots plus three new garages) over the course of the planning period. The parking situation should be continually monitored, however, since the future status of off-site parking is uncertain.

Demand for Food and Retail Space

- Findings of the Phase I local market survey relative to visitor spending at Seattle Center are contained in **Table 3-35**. The overall average expenditure, as shown, is about \$16.50 per party per visit excluding entrance fees and tickets where applicable but including parking. Extrapolations from current parking revenue at the site suggest that parking fees account for approximately \$1 of the total expenditure (a substantial proportion of visitors park free of charge), leaving a

Table 3-34

**ESTIMATED EVENING PARKING REQUIREMENTS
FOR SEATTLE CENTER
(Stabilized Year)**

	<u>Unit 1</u>	<u>Units 2-4</u>	<u>Cumulative Total Units 1-4</u>	<u>Unit 5 (Net Change)</u>	<u>Total Units 1-5</u>
Estimated Total Evening Attendance ¹	2,010,000	275,000	2,285,000	(45,000)	2,240,000
Average Peak Month Attendance (at 10 percent)	201,000	27,500	228,500	(4,500)	224,000
Average Weekly Attendance During Peak Month (at 4.43 weeks)	45,400	6,200	51,600	(1,000)	50,600
Peak Day Attendance (at 20 percent)	9,100	1,200	10,300	(200)	10,100
Average Peak In-Grounds Crowd (at 80 percent) ²	7,300	1,000	8,300	(150)	8,150
Estimated Arrivals by Car (at 80-90 percent)	5,800-6,600	800-900	6,600-7,500	(130-140)	6,470-7,360
Number of Parking Spaces Required (at 2.25 persons per car) ³	2,580-2,935	355-400	2,935-3,335	(60-65)	2,875-3,270
Planning Estimate	2,760	380	3,140	(60)	3,080

¹ Mid-range planning estimates

² Weighted average of performing arts events at 100 percent in-grounds and other activities at 70 percent in-grounds spread over a 5-hour operating period.

³ Excludes employee parking and provision for major festivals.

Table 3-35

**PER CAPITA SPENDING AT SELECTED
SEATTLE CENTER ATTRACTIONS¹
1987**

<u>Facility</u>	<u>Total Spending Per Party²</u>	<u>Average Party Size (persons)</u>	<u>Average Per Capita Expenditure</u>
Performing Arts Facilities	\$11.00	2.10	\$5.23
Concerts (Popular Music)	16.12	3.62	4.45
Children's Activities	16.22	2.99	5.42
Center House	18.38	3.64	5.05
Festivals	17.81	3.59	4.96
Meetings/Trade Shows	17.21	3.44	5.00
Sports Events	16.05	3.20	5.02
Pacific Science Center	17.22	3.90	4.42
Fun Forest	19.78	4.19	4.72
Space Needle	22.71	3.88	5.85
Fine Arts/Crafts Activities	<u>16.37</u>	<u>3.40</u>	<u>4.81</u>
Average	\$16.47	3.52	\$4.68
Less: Estimated Parking Expenditure	1.00	--	--
Net Spending on Food and Merchandise	\$15.47	3.52	\$4.39

¹ Based on telephone survey of Seattle area households conducted during Phase I of this study.

² Includes parking, but excludes admission fees and tickets.

Source: Peter Moy & Associates and Harrison Price Company.

balance of \$15.50 for food and merchandise. Dividing the latter figure by an average party size of 3.52 persons as determined in the survey yields a mean food and merchandise expenditure of roughly \$4.40 per capita.

- Present experience at the Center House suggests that roughly 70 percent of this total, or slightly more than \$3, is expended on food and the balance on merchandise. Modest net increases in spending levels are expected under the redevelopment program given the concept's somewhat greater orientation to comparatively high-revenue activities. In constant 1988 dollars, average food spending is projected at \$3.50 per capita, while average merchandise spending is projected at \$1.50 per capita.
- **Table 3-36** determines food service demand based on the estimated average visitor expenditure. Gross food sales are projected at slightly more than \$25 million, as shown. After allocations to the new commercial attractions at the site (food sales of which will be discussed in Section 4 of this report), the net sales pool available to additional facilities comes to \$21 million. To ensure an adequate range of food service options for Center visitors, it is suggested that 40 percent of this sales pool be assigned to full-service restaurants and 60 percent to convenience food outlets and snack stands. Applying target sales ratios of \$300 per square foot for restaurants and \$500 per square foot for the fast food operations, total space requirements amount to 27,500 square

feet of restaurant space and 24,700 square feet of fast food space. A final adjustment necessary to these estimates is the netting out of existing and/or planned food service area located in the Space Needle and Pacific Science Center. The table reveals a net demand for 40,000 square feet, which is about evenly divided between restaurants and convenience food outlets.

- A comparable analysis is presented for merchandise sales space in **Table 3-37**. After all necessary adjustments to projected overall merchandise sales approaching \$11 million and incorporation of a sales ratio of \$425 per square foot, net demand for new retail facilities amounts to slightly more than 10,000 square feet.
- Not included in this figure is sales space envisioned for the Crafts Museum and Village at the site, potential crafts sales not being fully reflected in the visitor expenditure base in the absence of a present-day counterpart to this attraction (the existing Northwest Crafts and Pottery Northwest operations are relatively limited in comparison to the scale and range of the Village as proposed in the design concept). For planning purposes, a crafts sales area of up to 5,000 square feet is estimated based on a conservative allocation of roughly 10 percent of total Museum and Village area (44,000 square feet in the design concept) to this purpose.

Table 3-36

ESTIMATED DEMAND FOR FOOD SERVICE FACILITIES
AT SEATTLE CENTER
(Stabilized Year)

	<u>Amount/ Factor</u>
Estimated Total Attendance Units 1-4 ¹ (thousands)	7,215
Average Per Capita Expenditure ²	\$3.50
Total Gross Food Sales (thousands) ²	\$25,250
Less Allocations to (thousands):	
Other On-Site Facilities ³	\$1,563
Family Amusement Park	798
Entertainment Center	150
Children's Ride Area	150
Pavilion Ice Rink	
Catering, Concessions, and Major Festivals	<u>2,000</u>
Net Sales (thousands)	\$20,589
Estimated Distribution of Net Sales By Type of Service (thousands)	
Full-Service Restaurant (at 40 percent)	\$8,236
Convenience Food/Snack Stands (at 60 percent)	12,353
Total Supportable Net Floor Area (square feet)	
Full-Service Restaurants (at \$300 per square foot)	27,500
Convenience Food/Snack Stands (at \$500 per square foot)	24,700
Less: Existing or Planned Food Service Facilities	
Full-Service Restaurants (Space Needle)	7,000
Convenience Food/Snack Stands (Pacific Science Center)	5,000
Net Demand for New Food Service Facilities (square feet)	
Full-Service Restaurants	20,500
Convenience Food/Snack Stands	<u>19,700</u>
Total	40,200

¹ Mid-range planning estimate.

² Constant 1988 dollars.

³ Stabilized-year projections for these facilities discussed in Section 4 of this report.

Table 3-37

**ESTIMATED DEMAND FOR RETAIL FACILITIES
AT SEATTLE CENTER
(Stabilized Year)**

	<u>Amount/ Factor</u>
Estimated Total Attendance Units 1-4 ¹ (thousands)	7,215
Average Per Capita Expenditure ²	\$1.50
Total Gross Retail Sales (thousands) ²	\$10,800
Less Allocations to Other On-Site Facilities (thousands) ³	
Family Amusement Park	\$1,250
Entertainment Center	133
Children's Ride Area	75
Pavilion Ice Rink	<u>68</u>
Net Sales (thousands)	\$9,274
Total Supportable Net Floor Area At Average Sales of \$425 Per Square Foot (square feet)	21,800
Less: Existing or Planned Retail Facilities	
Space Needle	5,000
Pacific Science Center	6,500
Net Demand for New Retail Facilities	10,300

¹ Mid-range planning estimate.

² Constant 1988 dollars.

³ Stabilized-year projections for these facilities discussed in Section 4 of this report.

Source: Harrison Price Company.

Impact on Employment

- Total current employment at Seattle Center, highlighted in **Table 3-38**, amounts to about 935 permanent jobs and some 1,600 seasonal or part-time jobs. Major employers are the Space Needle, Seattle Center Department, the Center House retail and food complex, the Pacific Science Center and, during the summer, the Fun Forest. If seasonal and part-time labor is expressed as a full-time equivalent, overall employment is on the order of 1,475 jobs (the typical part-time worker records about 600 hours per year, or roughly one-third of a full-time worker's 2,020 hours).
- Under the redevelopment concept, the Center House and Fun Forest will be demolished, resulting in a loss of 300 full-time equivalent jobs, as shown in **Table 3-39**. Other scheduled demolitions are unlikely to result in an employment decrease since the functions of these structures are largely being transferred to other facilities.
- Employment added by major new commercial operations, on the other hand, is estimated at 495 jobs in the aggregate. Jobs generated by the Amusement Park and Children's Ride Area were factored on the basis of 65 percent of the annual operating budget (discussed in Section 4) representing payroll divided by an average wage of \$15,000 per year (\$5 per hour plus 256 percent in benefits). Based on typical industry standards, food service employment

was based on one worker per 200 square feet of area and merchandise sales employment at one worker per 500 square feet of area. Projections for the ice rink and entertainment center are simply estimates of reasonable staffing levels required to manage, operate, and maintain these attractions.

- Given expanded programs and several new buildings at the Center, the existing employment based can also be expected to increase, with the forecast calling for 120 new jobs. This represents a 10 percent increase over the existing base net of jobs lost (1,475 FTE less 300 jobs times 10 percent).
- The overall net employment increase with redevelopment of Seattle Center thus amounts to 315 jobs, an increment of slightly more than 20 percent to the existing base.

In the context of employment, there are opportunities for Seattle Center to work more actively with the Seattle School District and other agencies in cooperative employment programs. Programs for at-risk youths for example are available under the Department of Human Resources and these programs provide jobs for young people in other city departments. The school district, meanwhile, offers a variety of vocational education courses and has work-experience programs developed jointly with various employers, public and private. Before any specific relationships can be established, however, some basic research is needed that would identify the type and scope of employment programs available within the city, the school district, and at

Table 3-38

**ESTIMATED CURRENT EMPLOYMENT
AT SEATTLE CENTER
1988**

<u>Employer</u>	<u>Number of Employees</u>	
	<u>Permanent</u>	<u>Seasonal/ Part-Time</u>
Major Employers		
Space Needle ¹	-----255 ² -----	-----
Seattle Center	225	540
Center House Retail/Food Complex	-----135 ² -----	-----
Pacific Science Center	100	250
Seattle Opera Association	55 ³	na
Fun Forest	35	400
Seattle Symphony Orchestra	30 ⁴	10
Bagley Wright Theater	25	175
Intiman Theater	<u>15</u>	<u>150</u>
Subtotal	875	1,525
All Other Employers (estimate) ⁵	<u>60</u>	<u>105</u>
Total	935	1,630

¹ Includes off-site employment.

² Expressed as full-time equivalent.

³ Administrative and production personnel only.

⁴ Excludes 90-member orchestra.

⁵ Excludes Seattle Supersonics.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 3-39

**PROJECTED SEATTLE CENTER EMPLOYMENT
UNDER REDEVELOPMENT PROGRAM
(Stabilized Year)**

<u>Employer</u>	<u>Number of Full-Time Equivalent Employees</u>
Existing Employment Base	
Permanent	935
Seasonal/Part-Time Expressed As Full-Time Equivalent ¹	<u>540</u>
Total	1,475
Jobs Lost Through Removal of Selected Activities	
Center House Retail/Food Complex	(135)
Fun Forest ¹	<u>(165)</u>
Total	(300)
Jobs Added by Redevelopment Program	
Family Amusement Park	235
Entertainment Center	10
Children's Ride Area	20
Pavilion Ice Rink	10
Food Service Facilities	200
Retail Sales Facilities	<u>20</u>
Subtotal	495
Incremental Increase to Existing Employment Base	<u>120</u>
Total	615
Net Employment Increase With Redevelopment	315

¹ Assumes a part-time/seasonal employee is equivalent to one-third of a full-time employee.

Source: Harrison Price Company.

other training and employment organizations. An appropriate role must then be determined for Seattle Center that would establish the benefits and any constraints, such as personnel rules or labor agreements, on the Center's participation and possible job categories and work assignments that would be consistent with the training goals of a particular program.

SEATTLE CENTER
LONG RANGE MASTER PLAN

Section 4

ESTIMATED OPERATING REVENUES AND EXPENSES

This section of the report is addressed to the future operating performance of Seattle Center under the master plan for redevelopment. Included is an historical overview that establishes a context for projected operating revenues and expenses during the first ten years of the long-range plan. Estimates are derived for each component facility at Seattle Center, culminating in a consolidated statement of financial results based on the design and program concept and on the attendance and sizing guidelines developed in Section 3. While every effort has been made to ensure that the projections are realistic and conservative, the "dismal science" of economic forecasting is inherently imprecise, and there are varying degrees of confidence attached to specific estimates. This caveat notwithstanding, the analysis presented in these pages is believed to represent a reliable assessment of the master plan's impact in light of pivotal assumptions employed.

HISTORICAL PERFORMANCE OF SEATTLE CENTER

As a prelude to the economic forecast, subsequent paragraphs recapitulate and expand findings relative to Seattle Center's financial performance as originally delineated in Phase I of this study.

Level of General Fund Support

Over the past five years, an increasingly greater injection of General Fund monies—derived primarily from real property and business taxes—has been necessary to cover the operating deficit at Seattle Center. **Table 4-1** shows that despite the Center's intensive level of use, much of which is revenue-producing, the annual General Fund allocation has ballooned from only \$207,000 in 1982 to \$3.8 million in 1987. In relative terms,

the Fund has supplied 30 percent of the total operating budget in each of the last three years, up from a modest 2 percent in 1982. The underlying cause of this growth in tax subsidy is the expanding gap between revenues and expenses, illustrated graphically in **Figure 3**. The total increase in revenues over the 1982-1987 period amounted to 14 percent, while the corresponding gain in expenses was 40 percent. External market conditions, the deteriorating physical condition of many of Seattle Center's facilities, long-term contracts perpetuating low rental fees, and policy decisions to support nonprofit cultural organizations have all played a role in creating the present disparity between revenues and expenses.

The current trend suggests a sustained broadening of the earnings gap, the ultimate consequence of which is either increased General Fund (tax) support or steadily decreased maintenance levels and disinvestment in the Center's facilities and operations.

Sources of Earned Revenue

Earned revenue presently furnishes 70 percent of Seattle Center's total operating budget and amounted to \$9.2 million in 1987, with some 75 separate revenue generators identified in financial reports. A distribution of earned revenue by broad source category for the 1983-1987 period is presented in **Table 4-2**, and it can be seen that the leading source of income is rents charged for the use of public access facilities (Coliseum, Opera House, Northwest Rooms, and so on), which accounted for about one-fourth of the total last year. Next in significance is parking, contributing a 20 percent share, followed by reimbursements (for services such as box office and security) at 14 percent, and

Table 4-1
GENERAL FUND SUPPORT
FOR SEATTLE CENTER OPERATIONS
1982-1987

<u>Year</u>	<u>Adopted Budget</u>	<u>Adopted General Fund Support</u>	<u>General Fund Support As Percent of Budget</u>
1982	\$ 8,510,512	\$ 206,645	2%
1983	9,087,703	903,806	10%
1984	13,609,306	2,002,723	15%
1985	12,069,140	3,652,091	30%
1986	11,945,713	3,610,715	30%
1987	12,974,314	3,788,318	29%

Source: City of Seattle Adopted Budgets 1982-1987 and Harrison Price Company.

Figure 3

SEATTLE CENTER
EARNED REVENUE AND EXPENSES



Table 4-2

DISTRIBUTION OF EARNED REVENUE BY SOURCE
FOR SEATTLE CENTER

1983-1987

<u>Revenue Category</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Catering & Concessions	8%	7%	8%	10%	12%
Leases	3	3	3	4	4
Center House Leases	7	9	8	8	8
Fun Forest	7	7	6	6	6
Fees and Charges	9	9	10	2	3
Monorail	10	9	9	7	7
Parking	16	17	15	20	20
Reimbursables	10	12	13	15	14
Rent	<u>3</u>	<u>27</u>	<u>28</u>	<u>28</u>	<u>26</u>
Total	100%	100%	100%	100%	100%

Source: Seattle Center Revenue Summaries 1983-1987 and Harrison Price Company.

catering and concessions, generating 12 percent.

In viewing the changes that have occurred since 1983 in the relative contribution of each of these revenue categories, two factors have been instrumental. Firstly, the return of the Seattle Super-sonics to the Coliseum in the 1985-86 season had a favorable impact on several revenue sources, such as concessions and parking. Conversely, the creation of an independent Bumbershoot Commission in 1985 had a negative effect on the fees and charges category since admission tickets for this major festival were no longer handled by Seattle Center after that point; currently, the only revenues associated with Bumbershoot are negotiated charges for the use of the Center's grounds to stage the event.

Components of Operating Expense

Seattle Center distributes operating expenses across three broad categories: 1) direct expenses, or labor and materials directly allocable to a given activity or line of business; 2) facility services costs, comprised of labor, materials, and utilities needed to operate and maintain various facilities and programs; and 3) indirect overhead, or the cost of administration and management. In 1986, direct expenses represented 34 percent of the total, while facility services accounted for 46 percent and general overhead for the balance of 20 percent. Revenues from nearly every facility at Seattle Center cover their respective direct costs of operation, the two exceptions being the Monorail and the Center House stage and court area (public program space). After prorated addition of facility services and indirect overhead, however, only the Fun Forest, Center House food and retail operations, and parking generate a net

profit.

Performance By Line of Business

Six general lines of business comprise Seattle Center operations, as set forth in **Table 4-3**. The nature and relative net income generation of each of these activity categories is described below:

- **Property Management** encompasses the administration of exclusive use facilities such as the Center House retail and food service complex, the Fun Forest, KCTS-Channel 9, Northwest Crafts Center and Pottery Northwest, and office space. In 1986, this line of business accounted for 17 percent of total earned revenue and 7 percent of total operating expenses, for a net income of \$656,000.
- Included in the **Public Assembly Facilities** line of business are the Coliseum, Opera House, Arena, Exhibition Hall, and all of the meeting rooms available at the site. The single largest share of Seattle Center's activity was generated by this line during 1986—52 percent of earned revenues, 49 percent of total expenses, and 34 percent of the aggregate net operating deficit. An absolute loss of \$1.7 million was recorded by these facilities in 1986.
- The Center House stage and court and the grounds at large are the principal components of the **Public Space and Grounds** category, which represents the park functions of Seattle Center. Nominal revenue accrues from this activity, while it generates 18 percent of

Table 4-3

**SEATTLE CENTER FINANCIAL SUMMARY
BY LINE OF BUSINESS**

1985 and 1986

Line of Business	1986		
	<u>Total Earned Revenue</u>	<u>Total Expenses</u>	<u>Total Net Income</u>
Property Management	\$1,486,505	\$830,031	\$656,474
Public Assembly Facilities	4,412,615	6,119,400	(1,706,785)
Public Space & Grounds	17,079	2,184,919	(2,167,840)
Seattle Center Productions	12,245	958,538	(946,293)
Transportation Services	2,259,505	1,806,644	452,861
Capital Improvement Program/Adm.	<u>316,219</u>	<u>578,532</u>	<u>262,313</u>
Total	\$8,504,168	\$12,478,064	\$3,973,896

Line of Business	1985		
	<u>Total Earned Revenue</u>	<u>Total Expenses</u>	<u>Total Net Income</u>
Property Management	\$1,463,101	\$1,006,274	\$456,827
Public Assembly Facilities	4,201,401	5,652,449	(1,451,048)
Public Space & Grounds	0	1,393,518	(1,393,518)
Seattle Center Productions	819,137	2,094,350	1,275,213
Transportation Services	2,031,931	1,576,798	455,133
Capital Improvement Program/Adm.	<u>238,642</u>	<u>679,283</u>	<u>(440,641)</u>
Total	\$8,754,212	\$12,402,672	(\$3,648,460)

Source: Seattle Center Cost Accounting Reports 1985 and 1986 and Harrison Price Company.

overall operating expenses and 43 percent of total net losses.

- The public program functions of the Center are lodged in the **Seattle Center Productions** line of business. The Center sponsors much of its own programming and also co-promotes events with outside sponsors. During 1986, this line of business accounted for less than 1 percent of total earned revenue, 8 percent of total operating expenses, and 19 percent of the total deficit.
- Operation of the Monorail and parking facilities is accomplished under the **Transportation Services** umbrella, which in 1986 provided 27 percent of overall earned revenue and incurred 14 percent of overall expenses; some \$453,000 in net income was generated by this line of business (all of which accrued from parking after netting out losses on the Monorail).
- The final general line of business at Seattle Center is **Capital Improvement Program and Administration**, which provides for the management of capital projects. About 4 percent of total earned revenue, 5 percent of total expenses, and 5 percent of the total deficit was associated with this line of business.

The direct or secondary effects of Seattle Center's public service mandate are felt in all of the above lines of business. In fulfilling its mission to serve as a major provider of free entertainment and as an underwriter of nonprofit institutions enriching the cultural life of the city, the Center has an enormous public program-

ing responsibility. In 1986, Center-sponsored events totaled some 680 separate programs encompassing 1,450 individual performances, including free concerts, cultural heritage festivals, senior citizens' dances, special children's events, and holiday celebrations. The Center is also an urban park and furnishes a setting where the public can relax, go for a stroll, or play a quiet game of checkers. In addition, recognizing the financial constraints under which performing arts organizations commonly operate, the Center's traditional policy has allowed for substantially discounted rental rates, although more recently, there has been a move toward recovering a greater proportion of operating expenses from nonprofit tenants as reflected in new lease agreements with such organizations as Intiman Theater Group.

The multitude of subsidized public uses at Seattle Center, highlighted in **Table 4-4**, has contributed heavily to the Center's operating deficit, with the aggregate 1986 burden for these activities amounting to \$3.8 million—the equivalent of the overall Center operating loss in that year. While making money has never been the objective of these programs, the failure of revenue earned from profit-based activities to subsidize their cost is an increasingly onerous problem. Residents of Seattle and their elected representatives are steadfastly opposed to the institution of a general gate charge for Seattle Center, the most obvious solution to the deficit dilemma, and rightfully so, because an admission fee would by definition preclude the attendance of an appreciable segment of the population (the impact of use fees, however nominal, on patronage can be clearly observed from the experience of the Monorail as discussed in the last section of this report).

Table 4-4

NET DEFICIT ASSOCIATED WITH MAJOR PUBLIC PROGRAMS
AT SEATTLE CENTER

1985 and 1986

<u>Type of Use</u>	<u>1985</u>	<u>1986</u>
Nonprofit Performing Arts	(\$616,908)	(\$590,712)
Bumbershoot	(255,994)	(171,941)
Ethnic Programs	(75,587)	(165,443)
Folklife	(101,420)	(153,759)
Seattle Center Holiday Display	(129,913)	(220,275)
Seattle Center Special Events	(320,211)	(167,969)
Seattle Center Ongoing Programs	(108,302)	(115,834)
Whirligig	(131,054)	(93,594)
Public Spaces and Grounds	<u>(1,393,518)</u>	<u>(2,167,840)</u>
Total	(\$3,132,907)	(\$3,847,367)

Source: Seattle Center Cost Accounting Reports 1985 and 1986 and Harrison Price Company.

For all practical intents, this leaves only two other options: increased public subsidies or greater orientation to facilities and leasing strategies that push more net income to the bottom line. The subject master plan is directed to the latter and should be evaluated in that light.

PROJECTED ECONOMIC PERFORMANCE

In the following pages, a facility-by-facility projection is made of expected total operating revenues and expenses over the 10-year planning period of this study. The analysis takes into account both ongoing and new or refurbished facilities, stratified by principal line of business. Consolidated statements of revenue, expenses, and net operating income are then presented. The following general assumptions are pertinent to the analysis:

- All revenues and costs have been expressed in constant 1988 dollars. Where projections have been made on a 1986 data base (the most recent year for which full accounting reports are available), an inflation adjustment of 7 percent was applied, which corresponds to the approximate increase in the Seattle Consumer Price Index over the 1986-1988 period.
- Whenever possible and appropriate, revenue and cost factors have been drawn from current experience at Seattle Center. In those instances where present experience is misleading or irrelevant, forecast assumptions were based on generalized industry standards and/or the experience of similar

facilities in other areas.

- The treatment of nonprofit operations represents a significant departure from historical practice. At the instruction of the client, it has been assumed that rental rates for new or redeveloped nonprofit activities will be geared to recovering the Center's full cost of maintaining and servicing these facilities. This is in accordance with Seattle Center's recent leasing philosophy, but is nevertheless subject to negotiation on a case-by-case basis. To the extent that it is necessary or desirable for the Center to underwrite some of these costs (a factor in part contingent on what arrangement is ultimately made relative to the funding of capital improvements to be discussed in Section 5), overall financial performance will be less favorable to an indeterminate degree than estimated here.
- Another pivotal assumption is that there will be a number of new commercial leases at the site, which will be significant income-generators. Such leases are subject to negotiation and may or may not conform to the parameters utilized here (these guidelines, however, are consistent with typical industry experience).

Other key assumptions specific to individual instances are cited in the footnotes to the various tables. Further explanatory comments will be noted in the discussion to follow.

Public Access Facilities

The first broad line of business addressed in this analysis is Public Access Facilities. Performance expectations for each of the facilities in this group is subsequently described.

- The forecast for **Bagley Wright Theater**, contained in **Table 4-5**, is simply a translation of actual 1986 results to 1988 dollars. This facility already operates on a near-capacity basis, suggesting that little change may be anticipated in attendance or revenue performance. The primary tenant, Seattle Repertory Theater, is moreover locked into a long-term lease, the provisions of which will not change over the forecast period. As shown, this operation will generate an average annual net loss of some \$276,000.
- An income statement for the **Center House Conference Center** is presented in **Table 4-6**. Although this facility will be removed under the master plan, it will still continue to operate through the first year of the planning period. A net loss of \$109,000 is estimated based on an update of actual experience in 1986.
- **Table 4-7** shows that the **Center House Theater**, which will also remain through the first year of the planning time frame, is expected to represent a net loss of \$80,000 given present experience.
- Operating parameters for the **Coliseum** and **Arena** during 1986 are illustrated in **Table 4-8**. These data, limited to the nonsports

components of the respective programs and thus net of the Sonics and other sports users, were employed in developing the projection for the Coliseum under the master plan at the 14,000-seat capacity level. Contained in **Table 4-9**, this projection is based on a combination of the two programs—Arena experience was used as the model for partial-facility rentals envisioned for the refurbished Coliseum, while Coliseum experience was the model for full-facility rentals. No significant real-dollar increase in average rental fees was provided for on the assumption that the only appreciable competitive edge open to this facility is cheaper rates than other venues in the area. A further assumption was that present relationships between revenues and costs and between the major components of each of these budget items remain essentially constant (certainly, opportunities exist to enhance revenue in such areas as concessions but, to be conservative, these opportunities were not taken into account). Event loading estimates, finally, are drawn from the attendance analysis in Section 3. As indicated, net losses associated with the Coliseum range from \$153,000 to \$187,000 over the planning period. At stabilization in about Year 3, the deficit will total \$175,000 (which compares with \$112,000 in 1986 net of sports programming and \$186,000 including sports).

- **Table 4-10** presents a pro forma analysis of the Coliseum in the 7,500-seat configuration proposed as an option for Development Unit

Table 4-5

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
BAGLEY WRIGHT THEATER¹**

(Thousands)

	<u>1986 Actual</u>	<u>Equivalent in Constant 1988 Dollars² Year 1-10</u>
Operating Revenue		
Facility Rentals	\$87	\$93
Reimbursements	92	98
Catering and Concessions	<u>5</u>	<u>5</u>
Total	\$184	\$196
Operating Expenses		
Direct Costs	\$107	\$114
Facility Services	255	273
Indirect Overhead	<u>79</u>	<u>85</u>
Total	\$441	\$472
Net Operating Income	\$(257)	\$(276)

¹ Includes Poncho Forum.

² Based on an inflation adjustment of 7 percent over the 1986-1988 period.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-6

**INCOME STATEMENT FOR THE
CENTER HOUSE CONFERENCE CENTER**

(Thousands)

	<u>1986 Actual</u>	<u>Equivalent in Constant 1988 Dollars¹ Year 1</u>
Operating Revenue		
Facility Rentals	\$26	\$28
Reimbursements	*	*
Catering and Concessions	<u> </u> *	<u> </u> *
Total	\$26	\$28
Operating Expenses		
Direct Costs	\$11	\$12
Facility Services	94	100
Indirect Overhead	<u> </u> 23	<u> </u> 25
Total	\$128	\$137
Net Operating Income	\$(102)	\$(109)

¹ Based on an inflation adjustment of 7 percent over the 1986-1988 period.

* Less than \$1,000.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-7
INCOME STATEMENT FOR THE
CENTER HOUSE THEATER

(Thousands)

	<u>1986</u> <u>Actual</u>	<u>Equivalent</u> <u>in Constant</u> <u>1988 Dollars</u> ¹ <u>Year 1</u>
Operating Revenue		
Facility Rentals	\$13	\$14
Reimbursements	—*	—*
Total	\$13	\$14
Operating Expenses		
Direct Costs	\$ 1	\$ 1
Facility Services	71	76
Indirect Overhead	<u>16</u>	<u>17</u>
Total	\$88	\$94
Net Operating Income	\$(75)	\$(80)

¹ Based on an inflation adjustment of 7 percent over the 1986-1988 period.
 * Less than \$1,000.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-8

**FINANCIAL PERFORMANCE OF THE
SEATTLE CENTER COLISEUM AND ARENA 1
1986**

	Coliseum			Arena		
	1986 Actual	Average Per Use- Day 2	Equiva- lent in Constant 1988 Dollars 3	1986 Actual	Average Per Use- Day 4	Equiva- lent in Constant 1988 Dollars 3
Operating Revenue						
Facility Rentals	\$608,411	\$4,753	\$5,086	\$155,816	\$2,024	\$2,166
Reimbursements	\$334,010	\$2,609	\$2,792	\$145,573	\$1,891	\$2,023
Concessions	\$185,020	\$1,445	\$1,547	\$22,075	\$287	\$307
Total	\$1,127,441	\$8,807	\$9,425	\$323,464	\$4,202	\$4,496
Operating Expenses						
Direct Costs	\$518,918	\$4,054	\$4,338	\$194,193	\$2,522	\$2,699
Facility Services	\$492,428	\$3,847	\$4,116	\$165,575	\$2,150	\$2,301
Indirect Overhead	\$228,324	\$1,784	\$1,909	\$89,329	\$1,160	\$1,241
Total	\$1,239,670	\$9,685	\$10,363	\$449,097	\$5,832	\$6,241
Net Operating Income	(\$112,229)	(\$878)	(\$938)	(\$125,633)	(\$1,630)	(\$1,745)

1 Nonsports programs only.

2 Based on 128 days including moving days.

3 Based on an inflation adjustment of 7 percent over the 1986-1988 period.

4 Based on 77 days including moving days.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-9

TEN YEAR PRO FORMA INCOME STATEMENT FOR
THE COLISEUM AT 14,000 SEATS POST-SONICS
(Constant 1988 Dollars)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Number of Use-Days										
Full Facility Use										
Event Days	65	70	75	75	75	75	77	77	77	80
Move-In/Move-Out Days 1/	26	28	30	30	30	30	31	31	31	32
Subtotal	<u>91</u>	<u>98</u>	<u>105</u>	<u>105</u>	<u>105</u>	<u>105</u>	<u>108</u>	<u>108</u>	<u>108</u>	<u>112</u>
Partial Facility Use										
Event Days	50	53	55	55	55	55	57	57	57	60
Move-In/Move-Out Days 2/	5	5	6	6	6	6	6	6	6	6
Subtotal	<u>55</u>	<u>58</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>63</u>	<u>63</u>	<u>63</u>	<u>66</u>
Total	<u>146</u>	<u>156</u>	<u>166</u>	<u>166</u>	<u>166</u>	<u>166</u>	<u>171</u>	<u>171</u>	<u>171</u>	<u>178</u>
Total Gross Revenue (thousands)										
Facility Rentals 3/										
Full Facility	\$455	\$490	\$525	\$525	\$525	\$525	\$540	\$540	\$540	\$560
Partial Facility	\$121	\$128	\$134	\$134	\$134	\$134	\$139	\$139	\$139	\$145
Subtotal	<u>\$576</u>	<u>\$618</u>	<u>\$659</u>	<u>\$659</u>	<u>\$659</u>	<u>\$659</u>	<u>\$679</u>	<u>\$679</u>	<u>\$679</u>	<u>\$705</u>
Reimbursements 4/										
Full Facility	\$250	\$270	\$289	\$289	\$289	\$289	\$297	\$297	\$297	\$308
Partial Facility	\$109	\$115	\$121	\$121	\$121	\$121	\$125	\$125	\$125	\$131
Subtotal	<u>\$359</u>	<u>\$385</u>	<u>\$410</u>	<u>\$410</u>	<u>\$410</u>	<u>\$410</u>	<u>\$422</u>	<u>\$422</u>	<u>\$422</u>	<u>\$439</u>
Concessions 5/										
Full Facility	\$137	\$147	\$158	\$158	\$158	\$158	\$162	\$162	\$162	\$168
Partial Facility	\$18	\$19	\$20	\$20	\$20	\$20	\$21	\$21	\$21	\$22
Subtotal	<u>\$155</u>	<u>\$166</u>	<u>\$178</u>	<u>\$178</u>	<u>\$178</u>	<u>\$178</u>	<u>\$183</u>	<u>\$183</u>	<u>\$183</u>	<u>\$190</u>
Total	<u>\$1,090</u>	<u>\$1,169</u>	<u>\$1,247</u>	<u>\$1,247</u>	<u>\$1,247</u>	<u>\$1,247</u>	<u>\$1,284</u>	<u>\$1,284</u>	<u>\$1,284</u>	<u>\$1,334</u>

Table 4-9
(continued)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Operating Expenses (thousands)										
Direct Costs 6/										
Full Facility	\$391	\$421	\$452	\$452	\$452	\$452	\$464	\$464	\$464	\$482
Partial Facility	\$138	\$145	\$153	\$153	\$153	\$153	\$158	\$158	\$158	\$165
Subtotal	<u>\$529</u>	<u>\$566</u>	<u>\$605</u>	<u>\$605</u>	<u>\$605</u>	<u>\$605</u>	<u>\$622</u>	<u>\$622</u>	<u>\$622</u>	<u>\$647</u>
Facility Services 7/										
Full Facility	\$352	\$379	\$407	\$407	\$407	\$407	\$418	\$418	\$418	\$434
Partial Facility	\$124	\$131	\$138	\$138	\$138	\$138	\$142	\$142	\$142	\$149
Subtotal	<u>\$476</u>	<u>\$510</u>	<u>\$545</u>	<u>\$545</u>	<u>\$545</u>	<u>\$545</u>	<u>\$560</u>	<u>\$560</u>	<u>\$560</u>	<u>\$583</u>
Indirect Overhead 8/										
Full Facility	\$176	\$189	\$203	\$203	\$203	\$203	\$209	\$209	\$209	\$217
Partial Facility	\$62	\$65	\$69	\$69	\$69	\$69	\$71	\$71	\$71	\$74
Subtotal	<u>\$238</u>	<u>\$254</u>	<u>\$272</u>	<u>\$272</u>	<u>\$272</u>	<u>\$272</u>	<u>\$280</u>	<u>\$280</u>	<u>\$280</u>	<u>\$291</u>
Total	<u>\$1,243</u>	<u>\$1,330</u>	<u>\$1,422</u>	<u>\$1,422</u>	<u>\$1,422</u>	<u>\$1,422</u>	<u>\$1,462</u>	<u>\$1,462</u>	<u>\$1,462</u>	<u>\$1,521</u>
Net Operating Income (thousands)	(\$153)	(\$161)	(\$175)	(\$175)	(\$175)	(\$175)	(\$178)	(\$178)	(\$178)	(\$187)

1 At 40 percent of event-days.

2 At 10 percent of event-days.

3 At an average of \$5,000 per use-day for full facility events and \$2,200 per use-day for partial facility events (includes minimum rents plus an allowance for percentage overrides and discounts for moving days).

4 At 55 percent of rental revenue for full facility events and 90 percent of rental revenue for partial facility events.

5 At 30 percent of rental revenue for full facility events and 15 percent of rental revenue for partial facility events.

6 At an average of \$4,300 per use-day for full facility events and \$2,500 per use-day for partial facility events.

7 At 90 percent of direct costs.

8 At 45 percent of direct costs.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-10
 TEN-YEAR PRO FORMA INCOME STATEMENT FOR
 THE COLISEUM AT 7,500 SEATS POST-SONICS
 (Constant 1988 Dollars)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Number of Use-Days										
Event Days	---	---	---	---	---	---	---	105	107	110
Move-In/Move-Out Days 1	---	---	---	---	---	---	---	42	43	44
Total	---	---	---	---	---	---	---	147	150	154
Total Gross Revenue (thousands)										
Facility Rentals 2	---	---	---	---	---	---	---	\$397	\$405	\$416
Reimbursements 3	---	---	---	---	---	---	---	\$218	\$223	\$229
Concessions 4	---	---	---	---	---	---	---	\$99	\$101	\$104
Total	---	---	---	---	---	---	---	\$714	\$729	\$749
Estimated Operating Expenses (thousands)										
Direct Costs 5	---	---	---	---	---	---	---	\$338	\$345	\$354
Facility Services 6	---	---	---	---	---	---	---	\$368	\$375	\$385
Indirect Overhead 7	---	---	---	---	---	---	---	\$152	\$155	\$159
Total	---	---	---	---	---	---	---	\$858	\$875	\$898
Net Operating Income (thousands)	---	---	---	---	---	---	---	(\$144)	(\$146)	(\$149)

1 At 40 percent of event-days.

2 At \$2,700 per use-day (includes minimum rents plus an allowance for percentage overrides and discounts for moving days).

3 At 55 percent of rental revenue.

4 At 25 percent of rental revenue.

5 At \$2,300 per use-day.

6 At \$2,500 per use-day.

7 At 45 percent of direct costs.

Source: Seattle Center Finance Division and Harrison Price Company.

5. Revenue and cost factors cited in the footnotes are again extrapolated from present experience, with events that are too large for this configuration netted out of the equation. The annual operating deficit is shown to amount to some \$149,000 in the third year (Year 10) of operation for this facility.

- A number of new theater facilities are envisioned under the master plan. To furnish a basis for estimating operating costs associated with operations of this type, **Table 4-11** relates the present experience of existing Seattle Center theaters. It can be seen that while considerable variances are reported in the relative distribution of expenses across the three expense categories, the total expense burden on a per-foot basis is remarkably similar despite differences in comparative facility size. Excluding Bagley Wright Theater, where overall unit costs are considerably higher than those of the other three facilities listed due to its extremely high level of use (cost allocation formulas utilized at Seattle Center assign expenses in proportion to both facility size and event loading), the average operating expense per square foot amounts to some \$5.50. Inflated to 1988 dollars, the average cost becomes about \$5.90 per square foot.
- An income forecast for the **Concert Hall** is presented in **Table 4-12**. As indicated, the assumption that rentals to nonprofit users will be equivalent to total Seattle Center costs of maintaining and servicing the facility results in an annual

revenue from this operation of \$963,000 based on the aforementioned \$5.90 per square foot unit cost factor. Breaking even on costs, then, net income is zero.

- The **Flag Pavilion** will remain in operation during the first three years of the planning period. Adjusting actual 1986 experience to 1988 dollars, **Table 4-13** shows that the annual deficit associated with this facility will amount to \$105,000 assuming no significant change in the present level of use.
- Current operating parameters for various **Meeting and Exhibit Facilities** at Seattle Center are set forth in **Table 4-14** to enable a perspective on probable future performance. Average inflation-adjusted ratios have been applied to meeting/exhibit facilities under the master plan in **Table 4-15**, based on event loading estimated in the prior attendance analysis. As in the case of the Coliseum, no measurable real-dollar increases are assumed in rental rates in order to maximize competitive appeal, and historical relationships between revenues and costs and within revenue and cost categories have been assumed to remain essentially stable. The net operating deficit associated with these operations accordingly ranges from \$439,000 to \$501,000 per year over the time frame of the master plan and amounts to \$439,000 at stabilization in Year 3. The latter compares to \$491,000 in 1986 (it is reiterated that there will be a net decrease in available meeting space under the master plan).

Table 4-11
**OPERATING COSTS FOR
 SEATTLE CENTER THEATER FACILITIES
 1986**

<u>Facility</u>	<u>Total Operating Costs (thousands)</u>	<u>Operating Cost Per Square Foot</u>
Opera House (223,206 square feet)		
Direct Expense	\$369	\$1.65
Facility Services	647	2.90
Indirect Overhead	<u>222</u>	<u>1.00</u>
Total	\$1,238	\$5.55
Bagley Wright Theater (69,213 square feet)		
Direct Expense	\$106	\$1.54
Facility Services	255	3.68
Indirect Overhead	<u>79</u>	<u>1.14</u>
Total	\$440	\$6.36
Playhouse (42,064 square feet) ¹		
Direct Expense	\$93	\$2.21
Facility Services	93	2.21
Indirect Overhead	<u>41</u>	<u>0.98</u>
Total	\$227	\$5.40
Center House Theater (15,768 square feet)		
Direct Expense	\$ 1	\$0.07
Facility Services	71	4.50
Indirect Overhead	<u>16</u>	<u>1.01</u>
Total	\$88	\$5.58

¹ Prior to residency of Intiman Theater Company.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-12

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE CONCERT HALL
(Constant 1988 Dollars)**

	Amount (Years 4-10)			Total
	Seattle Symphony	Other Nonprofit Users	Commercial Users	
Estimated Number of Use-Days				
Event Days	85	25	25	135
Rehearsals and Miscellaneous ¹	128	6	1	135
Total	213	31	26	270
Operating Revenue (thousands) ²	\$771	\$96	\$96	\$963
Operating Expenses (thousands) ³	\$771	\$96	\$96	\$963
Net Operating Income (thousands)	---	---	---	---

- 1 At 1.5 rehearsals per performance for the Seattle Symphony, 25 percent of performance days for other nonprofit users, and 5 percent of performance days for commercial users.
- 2 Assumes that the annual rental payment is equivalent to Seattle Center costs of maintaining and servicing the facility, including administrative overhead.
- 3 At \$5.90 per square foot (based on data contained in Table 4-11); assumes that costs are distributed among users in proportion to their respective share of the total event load.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-13
INCOME STATEMENT FOR THE
FLAG PAVILION

(Thousands)

	<u>1986</u> <u>Actual</u>	Equivalent in Constant 1988 Dollars ¹ <u>Year 1-3</u>
Operating Revenue		
Facility Rentals	\$63	\$67
Reimbursements	20	21
Catering and Concessions	<u>5</u>	<u>6</u>
Total	\$88	\$94
Operating Expenses		
Direct Costs	\$75	\$80
Facility Services	78	83
Indirect Overhead	<u>33</u>	<u>36</u>
Total	\$186	\$199
Net Operating Income	\$(98)	\$(105)

¹ Based on an inflation adjustment of 7 percent over the 1986-1988 period.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-14
**FINANCIAL PERFORMANCE OF SELECTED
 SEATTLE CENTER MEETING/EXHIBIT FACILITIES¹**
 1986

	<u>1986 Actual</u>	<u>Average Per Use- Day³</u>	<u>Equivalent in Constant 1988 Dollars²</u>
Operating Revenue			
Facility Rentals	\$394,690	\$240	\$257
Reimbursements	104,007	63	68
Catering and Concessions	<u>47,294</u>	<u>29</u>	<u>31</u>
Total	\$545,991	\$332	\$356
Operating Expenses			
Direct Costs	\$223,899	\$136	\$146
Facility Services	627,305	382	409
Indirect Overhead	<u>185,988</u>	<u>113</u>	<u>121</u>
Total	\$1,037,192	\$631	\$676
Net Operating Income	\$(491,201)	\$(299)	\$(320)

¹ Aggregate revenues and costs associated with Northwest Rooms, Exhibition Hall, Center House Conference Center and Mercer Forum.

² Based on an inflation adjustment of 7 percent over the 1986-1988 period.

³ Based on 1,642 combined use-days including moving days.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-15

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
MEETING/EXHIBIT FACILITIES 1
(Constant 1988 Dollars)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Number of Use-Days										
Event Days	1,085	1,125	1,160	1,160	1,170	1,190	1,210	1,220	1,230	1,240
Move-In/Move-Out Days 2	163	169	174	174	174	179	182	183	185	186
Total	1,248	1,294	1,334	1,334	1,346	1,369	1,392	1,403	1,415	1,426
Total Gross Revenue (thousands)										
Facility Rentals 3	\$312	\$324	\$334	\$334	\$337	\$342	\$348	\$351	\$354	\$357
Reimbursements 4	\$78	\$81	\$84	\$84	\$85	\$86	\$87	\$88	\$89	\$90
Catering and Concessions 5	\$47	\$49	\$50	\$50	\$51	\$51	\$52	\$53	\$53	\$54
Total	\$437	\$454	\$468	\$468	\$473	\$479	\$487	\$492	\$496	\$501
Estimated Operating Expenses (thousands)										
Direct Costs 6	\$187	\$194	\$200	\$200	\$202	\$205	\$209	\$210	\$212	\$214
Facility Services 7	\$530	\$550	\$567	\$567	\$572	\$582	\$592	\$596	\$601	\$606
Indirect Overhead 8	\$159	\$165	\$170	\$170	\$172	\$174	\$178	\$179	\$180	\$182
Total	\$876	\$909	\$937	\$937	\$946	\$961	\$979	\$985	\$993	\$1,002
Net Operating Income (thousands)	(\$439)	(\$455)	(\$469)	(\$469)	(\$473)	(\$482)	(\$492)	(\$493)	(\$497)	(\$501)

1 Includes Northwest Rooms, Exhibition Hall, Mercer Forum, and Public Program Area meeting and exhibit spaces.

2 At 15 percent of event-days.

3 At \$250 per use-day (includes minimum rents plus an allowance for percentage overrides and discounts for moving days).

4 At 25 percent of rental revenue.

5 At 15 percent of rental revenue.

6 At \$150 per use-day.

7 At \$425 per use-day.

8 At 85 percent of direct costs.

Source: Seattle Center Finance Division and Harrison Price Company.

- Remaining in operation through Year 6 of the redevelopment program is the **NASA Building**, an income statement for which is contained in **Table 4-16**. An average annual deficit of \$35,000 is estimated based on an update of present experience and assuming no substantive change in the current type and level of use.
- **Table 4-17** presents the existing financial performance of the **Opera House**, both with and without the Seattle Symphony, to determine potential impact when the latter organization moves to the new Concert Hall in Development Unit 2. The Opera House forecast is then delineated in **Table 4-18**. The Symphony will remain in residence through Year 3; thereafter, it has been assumed that dates vacated by the Symphony are filled with new full-rate commercial programming as directed by Seattle Center management. All usage and cost factors are derived from historical experience and exclude potential real-dollar increases in average rental fees in consideration of the fact that most major user organizations operate under fixed long-term agreements. Neither has an increase in prevailing commercial rental rates been incorporated in order to preserve competitive status (admittedly, there is an unknown degree of flexibility here depending on over-

all market conditions; management of Seattle Center should pursue the highest rates possible in this context since it has an outstanding, well located facility to offer touring professional attractions). Like the Coliseum, the Opera House could also potentially realize more income from concessions, but no allowance has been made for this in the analysis. The table indicates that given these assumptions, the overall deficit for this facility will range from \$399,000 to \$464,000 annually over the planning period, which compares to \$373,000 in 1986.

- The **Public Program Area Theater** called for in the master plan is the replacement facility for the Center House Theater and will be used both by nonprofit tenants and by Seattle Center itself for its own public programming. Using the previously noted average theater cost factor of \$5.90 per square foot, **Table 4-19** shows that operating expenses are expected to total some \$34,000 per year. Rentals from nonprofit users (prorated to cover their share of total operating costs) will partially offset the deficit associated with public programs, for a residual annual loss of \$19,000.

Table 4-16
INCOME STATEMENT FOR THE
NASA BUILDING

(Thousands)

	<u>1986</u> <u>Actual</u>	<u>Equivalent</u> <u>in Constant</u> <u>1988 Dollars¹</u> <u>Year 1-6</u>
Operating Revenue		
Facility Rentals	\$11	\$12
Reimbursements	<u>5</u>	<u>5</u>
Total	\$16	\$17
Operating Expenses		
Direct Costs	\$ 4	\$ 5
Facility Services	35	38
Indirect Overhead	<u>9</u>	<u>9</u>
Total	\$48	\$52
Net Operating Income	\$(32)	\$(35)

¹ Based on an inflation adjustment of 7 percent over the 1986-1988 period.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-17

FINANCIAL PERFORMANCE OF THE
OPERA HOUSE 1
1986

	Including Seattle Symphony			Excluding Seattle Symphony		
	1986 Actual	Average Per Use- Day 2	Equiva- lent in Constant 1988 Dollars 3	1986 Actual	Average Per Use- Day 4	Equiva- lent in Constant 1988 Dollars 3
Operating Revenue						
Facility Rentals	\$440,754	\$760	\$813	\$361,834	\$806	\$862
Reimbursements	\$359,355	\$620	\$663	\$299,797	\$668	\$714
Catering and Concessions:	\$64,139	\$111	\$118	\$53,265	\$119	\$127
Total	\$864,248	\$1,491	\$1,594	\$714,896	\$1,593	\$1,703
Operating Expenses						
Direct Costs	\$368,507	\$635	\$680	\$306,508	\$683	\$730
Facility Services	\$647,230	\$1,116	\$1,194	\$514,872	\$1,147	\$1,227
Indirect Overhead	\$221,939	\$383	\$409	\$179,472	\$400	\$428
Total	\$1,237,676	\$2,134	\$2,283	\$1,000,852	\$2,230	\$2,385
Net Operating Income	(\$373,428)	(\$643)	(\$689)	(\$285,956)	(\$637)	(\$682)

1 Includes Rehearsal Hall and other miscellaneous spaces.

2 Based on 580 days including rehearsals and other nonpublic uses.

3 Based on an inflation adjustment of 7 percent over the 1986-1988 period.

4 Based on 449 days including rehearsals and other nonpublic uses.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-18

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE OPERA HOUSE 1
(Constant 1988 Dollars)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Number of Use-Days 2										
Event Days	244	244	244	200	220	240	245	245	245	245
Rehearsals/Miscellaneous Uses 3	336	336	336	280	308	336	343	343	343	343
Total	580	580	580	480	528	576	588	588	588	588
Total Gross Revenue (thousands) 4										
Facility Rentals 5	\$472	\$472	\$472	\$480	\$528	\$576	\$588	\$588	\$588	\$588
Reimbursements 6	\$384	\$384	\$384	\$384	\$422	\$461	\$470	\$470	\$470	\$470
Catering and Concessions 7	\$69	\$69	\$69	\$72	\$79	\$86	\$88	\$88	\$88	\$88
Total	\$925	\$925	\$925	\$936	\$1,029	\$1,123	\$1,146	\$1,146	\$1,146	\$1,146
Estimated Operating Expenses (thousands) 4										
Direct Costs 8	\$394	\$394	\$394	\$432	\$475	\$518	\$529	\$529	\$529	\$529
Facility Services 9	\$693	\$693	\$693	\$624	\$686	\$749	\$764	\$764	\$764	\$764
Indirect Overhead 10	\$237	\$237	\$237	\$259	\$285	\$311	\$317	\$317	\$317	\$317
Total	\$1,324	\$1,324	\$1,324	\$1,315	\$1,446	\$1,578	\$1,610	\$1,610	\$1,610	\$1,610
Net Operating Income (thousands) 4	(\$399)	(\$399)	(\$399)	(\$379)	(\$417)	(\$455)	(\$464)	(\$464)	(\$464)	(\$464)

1 Includes Rehearsal Hall and other miscellaneous spaces.

2 Includes Seattle Symphony through Year 3; thereafter, it is assumed that performance dates vacated by the Symphony are gradually replaced with commercial rentals.

3 Experience in 1986 is held constant through Year 3; thereafter, rehearsals are factored at 1.4 per event-day.

4 Assumes continuation of 1986 experience through Year 3, with an inflation adjustment of 7 percent over the 1986-1988 period.

5 At \$1,000 per use-day in Years 4-10.

6 At 80 percent of rental revenue in Years 4-10.

7 At 15 percent of rental revenue in Years 4-10.

8 At \$900 per use-day in Years 4-10.

9 At \$1,300 per use-day in Years 4-10.

10 At 60 percent of direct costs.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-19

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE PUBLIC PROGRAM AREA THEATER
(Constant 1988 Dollars)**

	<u>Amount</u> <u>Years 2-10</u>
Total Building Area (square feet)	5,800
Operating Revenue (thousands) ¹	\$ 15
Operating Expenses (thousands) ²	\$ 34
Net Operating Income (thousands)	\$ (19)

¹ Assumes revenue is equivalent to 45 percent of estimated operating costs (based on current Center House Theater experience).

² At \$5.90 per square foot (based on data contained in Table 4-11).

Source: Seattle Center Finance Division and Harrison Price Company.

- A prediction of economic performance for the **Regional Exhibition Center** cannot be made with a high degree of confidence at this time owing to uncertainties surrounding its ultimate program (refer to the discussion in Section 3). Seattle Center management has accordingly instructed the study team to base estimates on current experience at the Flag Pavilion, for which it may be a replacement facility. Based on data presented earlier for the latter (refer to Table 4-13), then, **Table 4-20** reveals that this operating unit will generate a net annual loss of some \$111,000.

Aggregating all of the preceding estimates for Public Access Facilities, combined revenue from these operations will total \$2.8 million in Year 1 and grow to \$4.2 million by Year 10. Combined expenses, meanwhile, are estimated at \$4.4 to \$5.8 million over the period, yielding a net operating deficit for this class of facilities amounting to \$1.6 million across the 10-year time frame. The deficit does not increase over time, it should be noted, owing to the assumption pertaining to new or redeveloped nonprofit operations.

Exclusive Use Facilities

The second and largest category of facilities under the master plan is the exclusive use group—those operations occu-

pying land or building space devoted to a single purpose. All major commercial leases and a number of nonprofit leases are contained in this classification, the financial implications of which are highlighted subsequently.

- **Center House Retail/Food Operations** will be preserved through Year 1 of the planning period until this facility is demolished. As shown in **Table 4-21**, if actual 1986 operating results are translated to 1988 dollars, some \$319,000 in net income would be generated in that year. This forecast implies that no above-normal attrition would occur among these existing businesses over the implementation period of the master plan (until the demolition program forces them out of the building). If the attrition rate is high, this projection would be optimistic; however, this is not a readily predictable factor. On the assumption that the extremely favorable lease rates enjoyed by these tenants will be difficult to find anywhere else in the city, it is considered reasonable to expect that most of them will stay on as long as permitted.

- An income statement for the first of the major new commercial facilities at Seattle Center, the **Children's Ride Area**, is presented in **Table 4-22**. As indi-

Table 4-20

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE REGIONAL EXHIBITION CENTER**

(Constant 1988 Dollars)

	<u>Amount</u> <u>Years 5-10</u>
Total Building Area (square feet)	22,100
Operating Revenue (thousands) ¹	\$ 91
Operating Expenses (thousands) ²	\$ 202
Net Operating Income (thousands)	\$ (111)

¹ Assumes revenue is equivalent to 45 percent of estimated operating costs (based on current Flag Pavilion experience).

² At \$9.15 per square foot (based on data contained in Table 4-13).

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-21

**INCOME STATEMENT FOR THE
CENTER HOUSE RETAIL/FOOD OPERATIONS**

(Thousands)

	<u>1986 Actual</u>	<u>Equivalent in Constant 1988 Dollars¹ Year 1</u>
Operating Revenue		
Lease Revenue	\$695	\$743
Fees and Charges	<u>12</u>	<u>13</u>
Total	\$707	\$756
Operating Expenses		
Direct Costs	\$116	\$124
Facility Services	219	235
Indirect Overhead	<u>73</u>	<u>78</u>
Total	\$408	\$437
Net Operating Income	\$299	\$319

¹ Based on an inflation adjustment of 7 percent over the 1986-1988 period.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-22

TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE CHILDREN'S RIDE AREA
(Constant 1988 Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Attendance (thousands)	- - - -	125	140	150	150	160	160	165	170	170
Estimated Per Capita Revenue										
Rides 1	- - - -	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
Food and Beverage	- - - -	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Merchandise	- - - -	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Total	- - - -	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70
Total Gross Revenue (thousands)										
Rides	- - - -	\$400	\$448	\$480	\$480	\$512	\$512	\$528	\$544	\$544
Food and Beverage	- - - -	\$125	\$140	\$150	\$150	\$160	\$160	\$165	\$170	\$170
Merchandise	- - - -	\$63	\$70	\$75	\$75	\$80	\$80	\$83	\$85	\$85
Total	- - - -	\$588	\$658	\$705	\$705	\$752	\$752	\$776	\$799	\$799
Estimated Operating Expenses (thousands)										
Cost of Goods Sold										
Food and Beverage 2	- - - -	\$38	\$42	\$45	\$45	\$48	\$48	\$50	\$51	\$51
Merchandise 3	- - - -	\$32	\$35	\$38	\$38	\$40	\$40	\$42	\$43	\$43
Operating Expenses 4	- - - -	\$294	\$329	\$353	\$353	\$376	\$376	\$388	\$400	\$400
Lease Payment to Seattle Center 5	- - - -	\$59	\$66	\$71	\$71	\$75	\$75	\$78	\$80	\$80
Total	- - - -	\$423	\$472	\$507	\$507	\$539	\$539	\$558	\$574	\$574
Net Operating Income (thousands)	- - - -	\$165	\$186	\$198	\$198	\$213	\$213	\$218	\$225	\$225

1 Based on an average of 5 rides per visitor at an average price of \$0.75 per ride and a 15 percent discount allowance.

2 At 30 percent of food/beverage revenue.

3 At 50 percent of merchandise revenue.

4 At 50 percent of total gross revenue.

5 At 10 percent of total gross revenue.

Source: Harrison Price Company.

cated, the estimated average per capita expenditure is projected at \$4.70, about 70 percent of which will be derived from admission charges for the rides (based on an average of five rides per visitor at a mean price of 75 cents less a 15 percent discount). Total gross revenue generated by this attraction thus comes to approximately \$705,000 in the third, stabilized year of operation. Deducting the cost of food and merchandise goods sold and all other costs of operation as suggested by comparable experience as well as a lease payment to Seattle Center equivalent to 10 percent of total gross revenue, net income to the operator will amount to \$198,000 at stabilization and grow to \$574,000 by Year 10. Lease revenue to Seattle Center, as shown, is estimated at \$59,000 to \$80,000 per year over the planning period. Since the operator will have full responsibility for all maintenance and services, Seattle Center's cost of operation will be limited to administrative overhead in managing the lease. Present experience with the Fun Forest suggests that this general overhead should not exceed about 2 percent of revenue, yielding net income to Seattle Center of between \$58,000 and \$78,000 per year.

- The potential financial performance of the **Crafts Museum and Village** proposed for one of the later phases of the master plan is presented in **Table 4-23**. This nonprofit operation is assumed to pay rent equivalent to total annual operating expenses, or \$99,000 per year, for zero net income to Seattle Center. Costs of operating artists' studios were estimated at \$2.00 per square foot based on present (inflation-adjusted) experience for the closest comparable, the existing Northwest Crafts Center, while museum costs were assumed to be twice as great in reflection of the heavier public use that will occur in this instance.
- Another major new commercial operation, the **Entertainment Center** adjoining the Family Amusement Park on the Metro site, is analyzed in **Table 4-24**. In this instance, net admissions revenue has been estimated at \$3.40 per capita, with another \$3.00 per capita estimated for food and beverage sales. With respect to the latter, it has been assumed that no alcoholic beverages would be sold in keeping with the wholesome image of this attraction and the fact that most of its patrons would be young people under the legal drinking age. The total per capita expenditure is estimated at \$6.90,

Table 4-23

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE CRAFTS MUSEUM AND VILLAGE
(Constant 1988 Dollars)**

	<u>Amount Years 7-10</u>
Total Building Area (square feet)	
Museum	10,500
Artists' Studios ¹	<u>28,500</u>
Total	39,000
Operating Revenue (thousands) ²	
Museum	\$42
Artists' Studios	<u>57</u>
Total	\$99
Operating Expenses (thousands)	
Museum ³	\$42
Artists' Studios ⁴	<u>57</u>
Total	\$99
Net Operating Income (thousands)	---

¹ Excludes 5,000 square feet of retail sales space, which is separately accounted for.

² Assumes annual rental payment is equivalent to Seattle Center costs of maintaining the facility, including administrative overhead.

³ At \$4.00 per square foot.

⁴ At \$2.00 per square foot (based on current Northwest Crafts experience).

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-24

TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE ENTERTAINMENT CENTER
(Constant 1988 Dollars)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Attendance (thousands)										
From Thrill Ride Park 1	125	141	156	156	160	166	166	171	171	175
Incremental Visitation	60	80	110	110	120	120	130	140	140	145
Total	185	221	266	266	280	286	296	311	311	320
Estimated Per Capita Revenue										
Admissions 2	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40
Food and Beverage 3	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Merchandise	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Total	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90
Total Gross Revenue (thousands)										
Admissions	\$629	\$751	\$904	\$904	\$952	\$972	\$1,006	\$1,057	\$1,057	\$1,088
Food and Beverage	\$555	\$663	\$798	\$798	\$840	\$858	\$888	\$933	\$933	\$960
Merchandise	\$93	\$111	\$133	\$133	\$140	\$143	\$148	\$156	\$156	\$160
Total	\$1,277	\$1,525	\$1,835	\$1,835	\$1,932	\$1,973	\$2,042	\$2,146	\$2,146	\$2,208
Estimated Operating Expenses (thousands)										
Cost of Goods Sold										
Food and Beverage 4	\$167	\$199	\$239	\$239	\$252	\$257	\$266	\$280	\$280	\$288
Merchandise 5	\$47	\$56	\$67	\$67	\$70	\$72	\$74	\$78	\$78	\$80
Operating Expenses 6	\$639	\$763	\$918	\$918	\$966	\$987	\$1,021	\$1,073	\$1,073	\$1,104
Lease Payment to Seattle Center 7	\$128	\$153	\$184	\$184	\$193	\$197	\$204	\$215	\$215	\$221
Total	\$981	\$1,171	\$1,408	\$1,408	\$1,481	\$1,513	\$1,565	\$1,646	\$1,646	\$1,693
Net Operating Income (thousands)	\$296	\$354	\$427	\$427	\$451	\$460	\$477	\$500	\$500	\$515

1 At 25 percent of ride park attendance.

2 Based on an average admission price of \$4.00 per person and a 15 percent discount allowance.

3 Assumes no alcoholic beverages are offered.

4 At 30 percent of food/beverage revenue.

5 At 50 percent of merchandise revenue.

6 At 50 percent of total gross revenue.

7 At 10 percent of total gross revenue.

Source: Harrison Price Company.

for an aggregate gross revenue of some \$1.8 million at stabilization. Deducting all projected operating expenses including the lease payment to Seattle Center yields net income to the facility operator in the stabilized year of \$427,000. Seattle Center's revenue from this source will range from \$128,000 to \$221,000 over the course of the planning period; after a 2 percent allowance for administrative overhead, net income amounts to between \$125,000 and \$217,000 per year.

- In **Table 4-25**, a comparable analysis is presented for the **Family Amusement Park**, another of the major new commercial attractions. A pay-one-price admission policy is recommended; experience elsewhere suggests that park visitors prefer to pay a single fee at the gate rather than constantly dole out cash for each ride or attraction. Furthermore, from the operator's standpoint, this policy simplifies cash-handling procedures and helps to prevent theft. Based on gross admission prices of \$11.00 per adult and \$9.00 per child in keeping with prevailing prices at other parks of similar scope, net admissions revenue amounts to \$9.05 per capita. Addition of estimated visitor expenditures on food, merchandise, games and

arcade, and other miscellaneous items brings total per capita revenue to \$15.55. Total gross revenue, accordingly, amounts to \$9.7 million in the third, or stabilized, year. Net income to the operator will amount to \$2.1 million at stabilization after subtracting the estimated costs of operation. Seattle Center will realize substantial lease revenue from this operation, projected at \$778,000 to \$1.09 million over the period based on a lease rate equivalent to 10 percent of total gross revenue. Again, a 2 percent deduction for administrative overhead will yield net Seattle Center income ranging from \$762,000 in Year 1 to \$1.06 million by Year 10. When combined with net income generated by the Children's Ride Area, the two ride parks will generate an aggregate of slightly more than \$1 million in Year 3—twice as much as contributed by the Fun Forest now.

- Another important revenue-producer for Seattle Center will be the **New Food Service Facilities** proposed under the redevelopment program. Gross sales of these establishments, as shown in **Table 4-26**, will total \$1.65 million to \$16 million. The analysis assumes a "triple net" lease arrangement, whereby tenants pay all prorated charges for common area

Table 4-25

TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE FAMILY AMUSEMENT PARK
(Constant 1988 Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Attendance (thousands)	500	565	625	625	640	665	665	685	685	700
Estimated Per Capita Revenue										
Admissions 1	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05	\$9.05
Food and Beverage	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Merchandise	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Games and Arcade	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
Rentals and Miscellaneous	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
Total	\$15.55	\$15.55	\$15.55	\$15.55	\$15.55	\$15.55	\$15.55	\$15.55	\$15.55	\$15.55
Total Gross Revenue (thousands)										
Admissions	\$4,525	\$5,113	\$5,656	\$5,656	\$5,792	\$6,018	\$6,018	\$6,199	\$6,199	\$6,335
Games and Arcades	\$625	\$706	\$781	\$781	\$800	\$831	\$831	\$856	\$856	\$875
Food and Beverage	\$1,250	\$1,413	\$1,563	\$1,563	\$1,600	\$1,663	\$1,663	\$1,713	\$1,713	\$1,750
Merchandise	\$1,000	\$1,130	\$1,250	\$1,250	\$1,280	\$1,330	\$1,330	\$1,370	\$1,370	\$1,400
Rentals and Miscellaneous	\$375	\$424	\$469	\$469	\$480	\$499	\$499	\$514	\$514	\$525
Total	\$7,775	\$8,786	\$9,719	\$9,719	\$9,952	\$10,341	#####	\$10,652	\$10,652	\$10,885
Estimated Operating Expenses (thousands)										
Cost of Goods Sold										
Food and Beverage 2	\$375	\$424	\$469	\$469	\$480	\$499	\$499	\$514	\$514	\$525
Merchandise 3	\$500	\$565	\$625	\$625	\$640	\$665	\$665	\$685	\$685	\$700
Games and Arcade 4	\$125	\$141	\$156	\$156	\$160	\$166	\$166	\$171	\$171	\$175
Rentals and Miscellaneous 5	\$75	\$85	\$94	\$94	\$96	\$100	\$100	\$103	\$103	\$105
Operating Expenses 6	\$4,276	\$4,832	\$5,345	\$5,345	\$5,474	\$5,688	\$5,688	\$5,859	\$5,859	\$5,987
Lease Payment to Seattle Center 7	\$778	\$879	\$972	\$972	\$995	\$1,034	\$1,034	\$1,065	\$1,065	\$1,089
Total	\$6,129	\$6,926	\$7,661	\$7,661	\$7,845	\$8,152	\$8,152	\$8,397	\$8,397	\$8,581
Net Operating Income (thousands)	\$1,646	\$1,860	\$2,058	\$2,058	\$2,107	\$2,189	\$2,189	\$2,255	\$2,255	\$2,304

1 Based on admission prices of \$11.00 per adult (age 12 and over) and \$9.00 per child with an attendance mix of 5 adults to 1 child and a 15 percent discount.

2 At 30 percent of food/beverage revenue.

3 At 50 percent of merchandise revenue.

4 At 20 percent of games and arcade revenue.

5 At 20 percent of rental and miscellaneous revenue.

6 At 55 percent of total gross revenue.

7 At 10 percent of total gross revenue.

Source: Harrison Price Company.

Table 4-26

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
FOOD SERVICE OPERATIONS
(Constant 1988 Dollars)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Cumulative Total Leasable Area (square feet) 1										
Restaurants	5,500	5,500	14,000	14,000	14,000	14,000	20,500	20,500	20,500	20,500
Convenience Food/Snack Stands		<u>12,700</u>	<u>16,300</u>	<u>16,300</u>	<u>19,700</u>	<u>19,700</u>	<u>19,700</u>	<u>19,700</u>	<u>19,700</u>	<u>19,700</u>
Total	5,500	18,200	30,300	30,300	33,700	33,700	40,200	40,200	40,200	40,200
Total Gross Sales (thousands)										
Restaurants 2	\$1,650	\$1,650	\$4,200	\$4,200	\$4,200	\$4,200	\$6,150	\$6,150	\$6,150	\$6,150
Convenience Food/Snack Stands 3	--	<u>\$6,350</u>	<u>\$8,150</u>	<u>\$8,150</u>	<u>\$9,850</u>	<u>\$9,850</u>	<u>\$9,850</u>	<u>\$9,850</u>	<u>\$9,850</u>	<u>\$9,850</u>
Total	\$1,650	\$8,000	\$12,350	\$12,350	\$14,050	\$14,050	\$16,000	\$16,000	\$16,000	\$16,000
Estimated Annual Lease Revenue (thousands) 4										
Restaurants	\$165	\$165	\$420	\$420	\$420	\$420	\$615	\$615	\$615	\$615
Convenience Food/Snack Stands	--	<u>\$635</u>	<u>\$815</u>	<u>\$815</u>	<u>\$985</u>	<u>\$985</u>	<u>\$985</u>	<u>\$985</u>	<u>\$985</u>	<u>\$985</u>
Total	\$165	\$800	\$1,235	\$1,235	\$1,405	\$1,405	\$1,600	\$1,600	\$1,600	\$1,600
Estimated Operating Expenses (thousands)										
Direct Costs 5	\$17	\$80	\$124	\$124	\$141	\$141	\$160	\$160	\$160	\$160
Facility Services 6	\$25	\$120	\$185	\$185	\$211	\$211	\$240	\$240	\$240	\$240
Indirect Overhead 5	\$17	\$80	\$124	\$124	\$141	\$141	\$160	\$160	\$160	\$160
Total	\$59	\$280	\$433	\$433	\$493	\$493	\$560	\$560	\$560	\$560
Net Operating Income (thousands)	\$106	\$520	\$802	\$802	\$912	\$912	\$1,040	\$1,040	\$1,040	\$1,040

1 Based on demand analysis in Section 3; does not necessarily correspond directly to design master plan.

2 At an average of \$300 per square foot.

3 At an average of \$500 per square foot.

4 At an average of 10 percent of sales triple net; includes minimum rent plus an allowance for percentage overrides.

5 At 10 percent of total lease revenue.

6 At 15 percent of total lease revenue.

Source: Seattle Center Finance Division and Harrison Price Company.

maintenance, utilities, insurance, and so on in contrast to the present situation at the Center House, where no common area assessments are made. Though subject to negotiation with individual tenants, the average rental payment was assumed at 10 percent of sales in light of typical industry standards, a rate which will generate between \$165,000 and \$1.6 million in lease revenue to the Center during the 10-year planning period. The Center's total costs of servicing these leases were drawn from industry experience and then distributed across the three Center-designated expense categories in a manner believed to represent a reasonable scenario—there is greater confidence attached to the relative magnitude of overall costs, however, than the division of these costs between major expense items. As indicated in the table, after allowing for expected operating expenses, net income to Seattle Center comes to \$106,000 in Year 1 to more than \$1 million by the end of the planning period.

- The corresponding analysis for **New Retail Facilities** at the site is contained in **Table 4-27**. Here, total gross sales are projected to range from \$1.3 million to \$4.8 million over the forecast period. The triple-net lease rate, further,

was set at an average of 12 percent. All other factors are the same as employed in food facility analysis. Net income ranging from \$100,000 to \$370,000 per year will accordingly be generated by this group of Exclusive Use tenants. Combined net income from food and merchandise operations as a whole is thus projected at \$106,000 to some \$1.4 million under the master plan, which compares with \$299,000 for the Center House in 1986.

- In **Table 4-28**, an income statement is shown for the **Opera House Annex/Seattle Center Offices** facility. Half of the total building area will be devoted to performing arts support activities and the other half to Center administration. Assuming that resident arts groups pay rental fees for their portion of the space that is equivalent to the annual cost of operation, total lease income will amount to \$118,000 per year (based on an allowance of \$2.00 per square foot as suggested by existing office facilities). No cost has been charged to the Center-occupied space as these costs are part of the indirect overhead burden allocated to all other facilities at the site. On an overall basis, then, zero net income is associated with this facility.

Table 4-27

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
RETAIL SALES OPERATIONS
(Constant 1988 Dollars)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Cumulative Total Leasable Area (square feet) 1										
Gifts/Souvenirs	--	3000	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300
Arts and Crafts	--	--	--	--	--	--	2,000	2,000	3,500	5,000
Total	--	3000	10,300	10,300	10,300	10,300	12,300	12,300	13,800	15,000
Total Gross Sales (thousands)										
Gifts/Souvenirs 2	--	\$1,275	\$4,378	\$4,378	\$4,378	\$4,378	\$4,378	\$4,378	\$4,378	\$4,378
Arts and Crafts 3	--	--	--	--	--	--	\$150	\$150	\$263	\$375
Total	--	\$1,275	\$4,378	\$4,378	\$4,378	\$4,378	\$4,528	\$4,528	\$4,641	\$4,753
Estimated Annual Lease Revenue (thousands) 4										
Gifts/Souvenirs	--	\$153	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$525
Arts and Crafts	--	--	--	--	--	--	\$18	\$18	\$32	\$45
Total	--	\$153	\$525	\$525	\$525	\$525	\$543	\$543	\$557	\$570
Estimated Operating Expenses (thousands)										
Direct Costs 5	--	\$15	\$53	\$53	\$53	\$53	\$54	\$54	\$56	\$57
Facility Services 6	--	\$23	\$79	\$79	\$79	\$79	\$81	\$81	\$84	\$86
Indirect Overhead 5	--	\$15	\$53	\$53	\$53	\$53	\$54	\$54	\$56	\$57
Total	--	\$53	\$185	\$185	\$185	\$185	\$189	\$189	\$196	\$200
Net Operating Income (thousands)	--	\$100	\$340	\$340	\$340	\$340	\$354	\$354	\$361	\$370

1 Based on demand analysis in Section 3; does not necessarily correspond directly to design master plan.

2 At an average of \$425 per square foot.

3 At an average of \$75 per square foot.

4 At an average of 12 percent of sales triple net; includes minimum rent plus an allowance for percentage overrides.

5 At 10 percent of total lease revenue.

6 At 15 percent of total lease revenue.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-28

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE OPERA HOUSE ANNEX/SEATTLE CENTER OFFICES
(Constant 1988 Dollars)**

	<u>Amount Years 2-10</u>
Total Building Area (square feet)	
Opera House Support	59,000
Seattle Center Offices	<u>59,000</u>
Total	118,000
Operating Revenue (thousands)	
Opera House Support ¹	\$118
Seattle Center Offices ²	<u>---</u>
Total	\$118
Operating Expenses (thousands)	
Opera House Support ³	\$118
Seattle Center Offices ²	<u>---</u>
Total	\$118
Net Operating Income (thousands)	---

¹ Assumes annual rental payment is equivalent to Seattle Center costs of maintaining the facility.

² No revenue derives from this space; operating costs are pro-rated among all other facilities as part of indirect overhead charges.

³ At \$2.00 per square foot.

Source: Seattle Center Finance Division and Harrison Price Company.

²

- Anticipated financial performance for the **Pacific Arts Center** is presented in **Table 4-29**. This operation will be housed in its existing facility during the first three years of the master plan. For these years, present lease arrangements are assumed to continue, generating an annual deficit of some \$47,000 in 1988 dollars. When the Arts Center moves to new quarters in Year 4, however, the assumption is that the lease payment will be structured to cover all costs of operation. Carrying over the average 1986 cost of \$3.40 per square foot in the existing building to the new structure and adjusting for the size differential, an annual rental payment of \$44,000 is estimated and the operation becomes a breakeven proposition.
- **Table 4-30** contains an income statement for the **Pavilion Ice Rink**, the last of the new commercial entertainment attractions envisioned under the master plan. Estimated visitor expenditures amount to \$5.85 per capita, as shown, with about three-fourths of this total derived from the admission charge. Of the total 150,000 attendance at stabilization, it has been assumed that 125,000 admissions are paid and 25,000 free in a public service program offered to area schools. Applying the per

capita expenditure only to the paid admission portion of total attendance and incorporating an allowance for rentals of "private ice" (estimated at 600 hours per year at an average fee of \$150 per hour), some \$585,000 to \$852,000 in gross revenue will be recorded over the period. Private ice revenue represents whole-rink rentals for junior hockey, ice skating exhibitions, private parties, and the like, but also includes an allowance for so-called "patch" rentals to figure skaters, the estimated rate for which is about \$3.50 per hour. After deducting operating expenses, the commercial sponsor of this attraction will receive a net operating income of between \$60,000 to \$96,000 annually. Seattle Center, meanwhile, will realize some \$88,000 to \$128,000 per year in rental revenue. Using the 2 percent cost assumption for servicing this lease, net rental income will come to \$86,000 in Year 1 and \$125,000 in Year 10. The general provisions of this analysis were reviewed with Weisiger Management Company, an operator of eight rinks in the eastern United States and was determined to be reasonable, if not conservative.

- The **Puget Sound Theater** is assessed relative to financial performance in **Table 4-31**. Admis-

Table 4-29

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE PACIFIC ARTS CENTER**

(Constant 1988 Dollars)

	<u>Years 1-3¹</u>		<u>Years 4-10³</u>
	<u>1986 Actual</u>	<u>Equivalent Constant in 1988 Dollars²</u>	
Total Building Area (square feet)	20,224	---	13,000
Operating Revenue (thousands)			
Lease Revenue	\$20	\$21	\$44
Reimbursements	<u>1</u>	<u>1</u>	<u>---</u>
Total	\$21	\$22	\$44 ⁴
Operating Expenses (thousands)			
Direct Costs	\$ 2	\$ 2	\$ 2
Facility Services	50	54	34
Indirect Overhead	<u>12</u>	<u>13</u>	<u>8</u>
Total	\$64	\$69	\$44 ⁵
Net Operating Income (thousands)	\$(43)	\$(47)	\$---

¹ Period during which Arts Center remains in present facility (Nile Temple).

² Based on an inflation adjustment of 7 percent over the 1986-1988 period.

³ Period during which Arts Center is housed in new quarters.

⁴ Assumes annual lease payment is equivalent to Seattle Center costs of maintaining the facility, including administrative overhead.

⁵ Based on estimated operating costs of \$3.40 per square foot as per current experience.

Table 4-30

TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE PAVILION ICE SKATING RINK
(Constant 1988 Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Attendance (thousands)										
Paid Admissions	----	100	115	125	125	125	130	130	130	130
Free Admissions	----	20	20	25	25	25	25	25	30	30
Total	----	120	135	150	150	150	155	155	160	160
Estimated Per Capita Revenue										
Admissions 1	----	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25
Food and Beverage	----	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Pro Shop Merchandise 2	----	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45
Lockers and Miscellaneous 3	----	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15
Total	----	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85	\$5.85
Total Gross Revenue (thousands) 4										
Admissions	----	\$425	\$489	\$531	\$531	\$531	\$553	\$553	\$553	\$553
Food and Beverage	----	\$100	\$115	\$125	\$125	\$125	\$130	\$130	\$130	\$130
Pro Shop Merchandise	----	\$45	\$52	\$56	\$56	\$56	\$59	\$59	\$59	\$59
Lockers and Miscellaneous	----	\$15	\$17	\$19	\$19	\$19	\$20	\$20	\$20	\$20
Private Ice Rentals 5	----	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90
Total	----	\$585	\$763	\$821	\$821	\$821	\$852	\$852	\$852	\$852
Estimated Operating Expenses (thousands)										
Cost of Goods Sold										
Food and Beverage 6	----	\$30	\$35	\$38	\$38	\$38	\$39	\$39	\$39	\$39
Pro Shop Merchandise 7	----	\$27	\$31	\$34	\$34	\$34	\$35	\$35	\$35	\$35
Operating Expenses 8	----	\$380	\$496	\$534	\$534	\$534	\$554	\$554	\$554	\$554
Lease Payment to Seattle Center 9	----	\$88	\$114	\$123	\$123	\$123	\$128	\$128	\$128	\$128
Total	----	\$525	\$676	\$729	\$729	\$729	\$756	\$756	\$756	\$756
Net Operating Income (thousands)	----	\$60	\$87	\$92	\$92	\$92	\$96	\$96	\$96	\$96

1 Based on an admission price of \$4.50 including skate rental; allows for group and promotional discounts averaging 25 percent on 25 percent of admissions.

2 At 10 percent of admissions revenue.

3 At 3 percent of admissions revenue.

4 Based on paid admissions.

5 Assumes 600 hours of private rentals annually at an average rate of \$150 per hour.

6 At 30 percent of food/beverage revenue.

7 At 60 percent of pro shop revenue.

8 At 65 percent of total gross revenue.

9 At 15 percent of total gross revenue.

Table 4-31

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE PUGET SOUND THEATER
(Constant 198 Dollars)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Attendance (thousands)	---	70	80	85	85	90	95	100	100	105
Estimate Per Capita Admissions Revenue	---	\$2.35	\$2.35	\$2.35	\$2.35	\$2.35	\$2.35	\$2.35	\$2.35	\$2.35
Total Gross Revenue (thousands)	---	\$165	\$188	\$200	\$200	\$211	\$223	\$235	\$235	\$247
Estimated Operating Expenses										
Operating Expenses ²	---	\$66	\$75	\$80	\$80	\$84	\$89	\$94	\$94	\$99
Lease Payment to Seattle Center ³	---	\$25	\$28	\$30	\$30	\$32	\$33	\$35	\$35	\$37
Total	---	\$91	\$103	\$110	\$110	\$116	\$122	\$129	\$129	\$136
Net Operating Income (thousands)	---	\$74	\$85	\$90	\$90	\$95	\$101	\$106	\$106	\$111

¹ Based on admission prices of \$3.00 per adult (age 12 and over) and \$1.50 per child with an attendance mix of 5 adults to 1 child and a 15 percent discount allowance.

² At 40 percent of total gross revenue.

³ At 15 percent of total gross revenue.

Source: Seattle Center Foundation, Seattle Center Finance Division, and Harrison Price Company.

sion charges of \$3.00 per adult and \$1.50 per child were assumed, which implies a high-quality presentation. It was further assumed that no food or merchandise would be offered in this facility in recognition of its proximity to the Pavilion and Public Program Area, where a diversity of such facilities will be available. Total gross revenue accordingly amounts to \$165,000 to \$247,000 over the planning period. Deduction of operating expenses consistent with comparable experience in New York and a lease payment to Seattle Center representing 15 percent of gross revenue yields a net income to the theater operator of \$74,000 to \$111,000 per year. The Center's net income from this operation will be zero in that the rental fee is assumed to be the same as the annual cost of servicing this nonprofit operation.

- **Table 4-32** contains a financial analysis for the **Seattle Children's Museum/Library** facility. The Museum's existing quarters in the Center House do not present a reliable model for estimating operating costs in the new structure, which is much larger and presumably involves much more sophisticated exhibitry. It was shown earlier that costs for the Pacific Arts Center amount

to \$3.40 per square foot, while costs for performing arts facilities average \$5.90 per square foot. Assuming that the Museum falls somewhere in that range and closer to the former than the latter, a cost ratio of \$4.00 per square foot was utilized in this analysis. The expense of maintaining the play area component of this attraction was estimated on the basis of comparable experience at 50 cents per square foot. Total expenses—and hence the total rental payment for this nonprofit facility—thus amount to \$98,000 annually, for zero net income to Seattle Center.

- The final major facility in the Exclusive Use category is the **Seattle Children's Theater**, and **Table 4-33** presents the income statement for this attraction. The performing arts facility average operating cost factor of \$5.90 per square foot was utilized, as shown, for \$156,000 in cost-equivalent rental revenue.
- Net operating income accruing from the grab-bag of miscellaneous tenants in the Exclusive Use Category was based on updated continuation of present experience through whatever period these tenants remain at Seattle Center. The **Blue Spruce Building** will continue to operate through Year 6, for example, and will entail a net

Table 4-32

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
SEATTLE CHILDREN'S MUSEUM
(Constant 1988 Dollars)**

	<u>Amount Years 1-10</u>
Total Building Area (square feet)	
Museum	24,000
Play Area	<u>3,600</u>
Total	27,600
Operating Revenue (thousands) ¹	\$98
Operating Expenses (thousands)	
Museum ²	\$96
Play Area ³	<u>2</u>
Total	\$98
Net Operating Income (thousands)	---

¹ Assumes annual lease payment is equivalent to Seattle Center costs of maintaining the facility, including administrative overhead.

² At \$4.00 per square foot.

³ At \$0.50 per square foot.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-33

TEN-YEAR PRO FORMA INCOME STATEMENT FOR
SEATTLE CHILDREN'S THEATER
(Constant 1988 Dollars)

	<u>Amount</u> <u>Years 2-10</u>
Total Building Area (square feet)	26,500
Operating Revenue (thousands) ¹	\$156
Operating Expenses (thousands) ²	\$156
Net Operating Income (thousands)	---

¹ Assumes annual lease payment is equivalent to Seattle Center costs of maintaining the facility, including administrative overhead..

² At \$5.90 per square foot (based on data contained in Table 4-11).

Source: Seattle Center Finance Division and Harrison Price Company.

deficit of \$9,000 per year. **KCTS-Channel 9** has a long-term lease generating \$65,000 in annual net income, while **Northwest Crafts** is a breakeven proposition. The recently enacted lease for the **Pacific Northwest Ballet School** will generate some \$6,000 per year in net income on a long-term basis, and **Pottery Northwest** (assumed to remain in its present quarters for the duration of the planning period) represents a net annual loss of \$5,000. The final group of miscellaneous tenants and facilities, most of which are located in the Center House, will continue only through Year 1 of the redevelopment program. **Table 4-34** indicates that an aggregate net deficit of \$164,000 will be associated with these operations in that year.

The Exclusive Use Facilities category as a whole will, on the basis of the various assumptions described in preceding paragraphs, generate total revenue to Seattle Center of \$2.2 million in Year 1, rising to \$4.4 million by Year 10. Combined operating expenses in these years will amount to \$1.1 million to \$1.4 million, respectively, while net operating income is projected at \$1.2 million to about \$3 million over the planning period.

Transportation

Economic performance of the Seattle Monorail and parking facilities at Seattle Center is discussed below.

- A pro forma income statement for **Monorail** operations is contained in **Table 4-35** based on the ridership analysis discussed in the last section of this report. Per capita fare revenue assumes no real-dollar change over the forecast period; any future increase in fares above and beyond inflation adjustments would obviously affect this analysis. As indicated, total gross revenue ranges from \$550,000 in Year 1 to \$1.1 million in Year 10. In Years 1 and 2, when Monorail service will be unavoidably disrupted by the redevelopment program, present operating cost relationships are assumed to continue. Thereafter, improved cost characteristics should result from increased ridership—the direct cost of operation, for example, should not increase appreciably in constant-dollar terms. The operating deficit associated with the Monorail will therefore decline over time, amounting to \$650,000 in Year 1 and decreasing to \$375,000 by Year 10.
- Expected **Parking** availability by lot location at Seattle Center is

Table 4-34

**INCOME STATEMENT FOR
MISCELLANEOUS TENANTS AT SEATTLE CENTER¹**

(Thousands)

	1986 <u>Actual</u>	Equivalent in Constant 1988 Dollars² <u>Year 1</u>
Operating Revenue ³	\$97	\$103
Operating Expenses		
Facility Services	\$204	\$219
Indirect Overhead	<u>45</u>	<u>48</u>
Total	249	267
Net Operating Income	\$(152)	\$(164)

¹ Includes office tenants in Center House, storage space, coin lockers, bank teller machine, and other miscellaneous space rentals.

² Based on an inflation adjustment of 7 percent over the 1986-1988 period.

³ All revenue for this class of tenants is derived from leases.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-35

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE SEATTLE MONORAIL
(Constant 1988 dollars)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Estimated Number of Riders (thousands)	1,000	1,000	1,300	1,500	1,600	1,700	1,700	1,800	1,900	2,000
Estimated Per Capita Revenue	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Total Gross Revenue (thousands)	\$550	\$550	\$715	\$825	\$880	\$935	\$935	\$990	\$1,045	\$1,100
Estimated Operating Expenses										
Direct Costs 1	\$815	\$815	\$815	\$815	\$815	\$815	\$815	\$815	\$815	\$815
Facility Services 2	\$165	\$165	\$179	\$206	\$220	\$234	\$234	\$248	\$261	\$275
Indirect Overhead 3	\$220	\$220	\$250	\$289	\$308	\$327	\$327	\$347	\$366	\$385
Total	\$1,200	\$1,200	\$1,244	\$1,310	\$1,343	\$1,376	\$1,376	\$1,410	\$1,442	\$1,475
Net Operating Income (thousands)	(\$650)	(\$650)	(\$529)	(\$485)	(\$463)	(\$441)	(\$441)	(\$420)	(\$397)	(\$375)

1 Based on an inflation adjustment of 7 percent to actual 1986 direct (fixed) costs.

2 At 30 percent of total gross revenue in Years 1 and 2, declining to 25 percent thereafter.

3 At 40 percent of total gross revenue in Years 1 and 2, declining to 35 percent thereafter.

Source: Seattle Center Finance Division and Harrison Price Company.

listed in **Table 4-36** and shown in **Figure 4**. New garages scheduled under the master plan are included in the space inventory as well as existing surface lots and the Mercer Garage. Lots 1 and 2, Lots 6 and 7, and the Memorial Stadium are scheduled for removal under the master plan, while all other facilities are assumed to remain. Including all existing and proposed garages, the total space inventory will vary from 2,243 spaces in Year 1 to 4,119 spaces in Year 10. Some of these spaces will be dedicated to monthly permits, reserved parking, and other special programs and will thus not be available to the Center's visitors. Dedicated parking currently totals some 350 spaces and is assumed to increase moderately to between 400 and 450 spaces over the planning period. As a basis for estimating space utilization rates under the master plan, **Table 4-37** shows that in 1983, the overall utilization rate amounted to an average space turnover of 0.53 cars daily per space, with the rate increasing to an average of 0.66 cars daily per space in 1987. It should be noted that these rates are annual averages and do not reflect turnover during peak attendance periods, which is presumably much higher.

• Parking inventory and space turnover data form the basis for a pro forma analysis of revenues generated by parking operations in **Table 4-38**. The table reveals that the utilization rate of available spaces is expected to rise in Year 1 of the master plan owing to the removal of three lots to accommodate the construction program (which will increase demand for remaining lots). In Year 2, the new Pavilion Garage will be completed and the utilization rate will drop temporarily, then rise thereafter in accordance with attendance increases at Seattle Center. Potential addition of the Thomas Street Garage in Year 8 will again cause a drop in the overall rate, with an increasing trend again thereafter. The utilization rates shown translate into an annual number of cars parked totaling 569,000 vehicles in Year 1 and growing to 937,000 vehicles by Year 10. Assuming no constant-dollar rise in the present \$3 per car Center parking fee, total parking revenue will therefore amount to between \$2 million and \$3.2 million over the period, an estimate which includes an incremental addition to public parking fees covering monthly permits and other special programs. Operating expense ratios shown are based on present experience at Seattle Center which, when subtracted from

Table 4-36

**PARKING SPACE AVAILABILITY BY LOCATION
AT SEATTLE CENTER**

Parking Location	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Surface Lots										
Lot 1 /1	---	---	---	---	---	---	---	---	---	---
Lot 2 (Metro Site) /1	---	---	---	---	---	---	---	---	---	---
Lot 3	240	240	240	240	240	240	240	240	240	240
Lot 4	102	102	102	102	102	102	102	102	102	102
Lot 5	27	27	27	27	27	27	27	27	27	27
Lot 6 /1	51	51	51	---	---	---	---	---	---	---
Lot 7 /1	64	---	---	---	---	---	---	---	---	---
Memorial Stadium Lot /1	---	---	---	---	---	---	---	---	---	---
Subtotal	484	420	420	369	369	369	369	369	369	369
Garages										
Mercer Garage	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Metro Site Garage /2	250	250	250	250	250	250	250	250	250	250
Pavilion Garage	---	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Thomas Street Garage	---	---	---	---	---	---	---	1,000	1,000	1,000
Subtotal	1,750	2,750	2,750	2,750	2,750	2,750	2,750	3,750	3,750	3,750
Total	2,234	3,170	3,170	3,119	3,119	3,119	3,119	4,119	4,119	4,119
Less: Dedicated Spaces /3	400	400	400	400	400	400	400	450	450	450
Net Public Parking	1,834	2,770	2,770	2,719	2,719	2,719	2,719	3,669	3,669	3,669

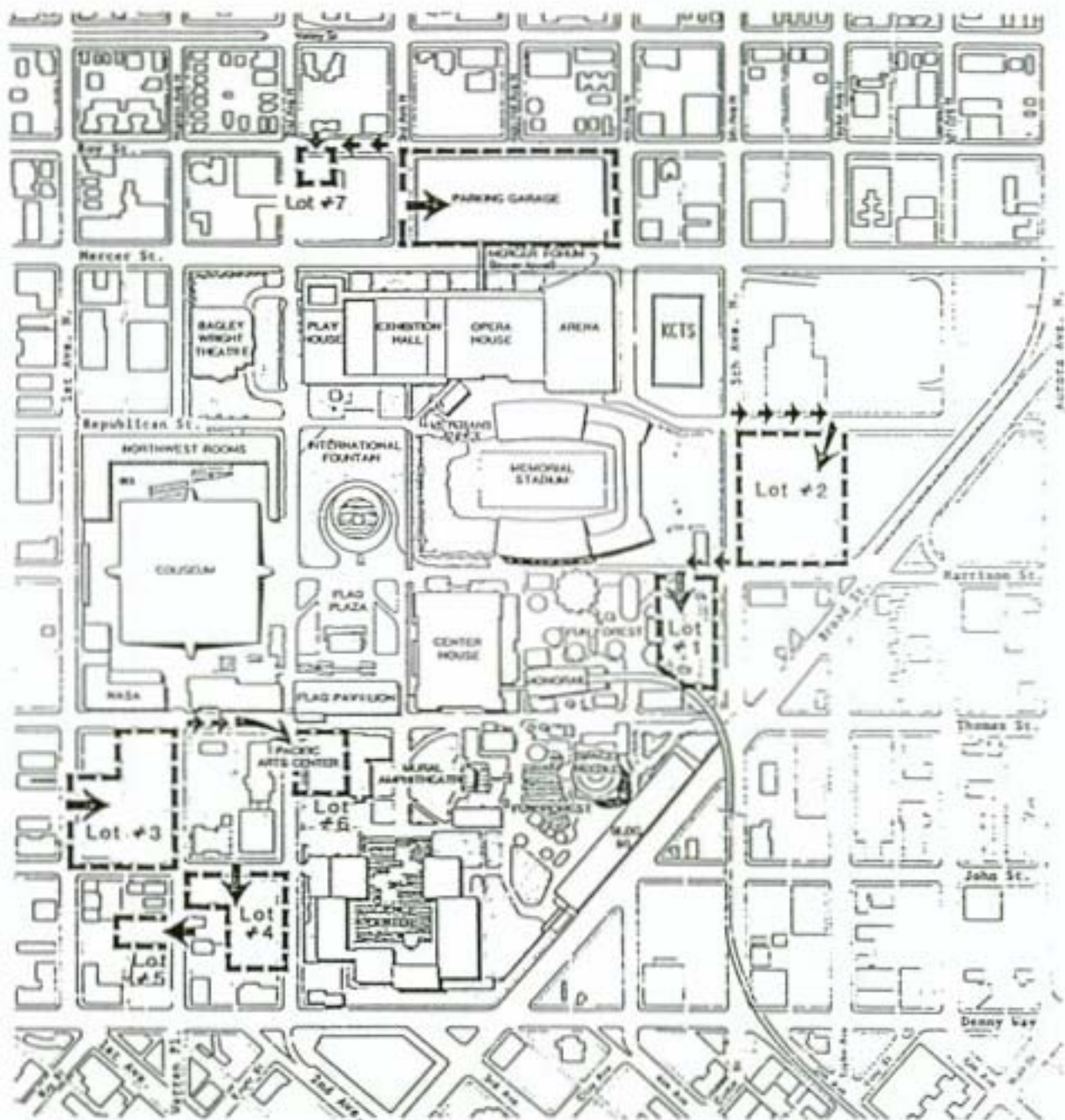
1 Existing lots displaced by redevelopment program.



2 Excludes 100 bus spaces.

3 Spaces allocated to monthly permits, reserved parking, and other special programs.

Source: Seattle Center Transportation Services Division and Harrison Price Company.

Figure 4



Parking Area 
 Enter 

SEATTLE CENTER

PARKING FACILITIES



Table 4-37

**PARKING SPACE UTILIZATION AT SEATTLE CENTER
1983 and 1987**

Parking Facility	1983				1987			
	Number of Spaces	Number of Cars Parked Per Year	Number of Cars Parked Per Day	No. of Cars Per Day Per Space ¹	Number of Spaces	Number of Cars Parked Per Year	Number of Cars Parked Per Day	No. of Cars Per Day Per Space ¹
Lot 1	138	85,894	236	1.71	130	96,200	264	2.03
Lot 2 (Metro Site)	200	30,838	85	0.43	469 ²	101,787	288	0.61
Lot 3	203	29,498	81	0.40	240	39,565 ³	108	0.45
Lot 4	98	24,170	66	0.67	102	35,822	98	0.96
Lot 5	28	9,540	26	0.93	27	10,767	29	1.07
Lot 6	46	15,541	42	0.91	51	28,009	77	1.51
Lot 7	--	--	--	--	64	14,952	41	0.64
Mercer Garage	<u>1,500</u>	<u>235,576</u>	<u>645</u>	<u>0.43</u>	<u>1,500</u>	<u>239,369⁴</u>	<u>675</u>	<u>0.45</u>
Total	2,213	431,057	1,181	0.53	2,343	566,471⁵	1,552	0.66

4-55

¹ Annual average not indicative of space turnover during peak periods.

² Excludes festival parking (up to 750 additional spaces available during festivals).

³ Includes Courtside Club.

⁴ Includes reserved parking program.

⁵ Excludes monthly parking, employee parking in Mercer Garage and Lot 2, courtesy parking all locations, and billed sales all locations.

Source: Seattle Center Transportation Services Division.

Table 4-38

TEN-YEAR PRO FORMA INCOME STATEMENT FOR
PARKING FACILITIES
(Constant 1988 Dollars)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Total Public Spaces Available On-Site	1,834	2,770	2,770	2,719	2,719	2,719	2,719	3,669	3,669	3,669
Average Daily Turnover Per Space 1	0.85	0.60	0.65	0.70	0.75	0.80	0.85	0.65	0.65	0.70
Annual Number of Cars Parked (thousands)	569	607	645	695	744	794	844	870	870	937
Total Gross Revenue (thousands)										
Public Parking 2	\$1,707	\$1,821	\$1,935	\$2,085	\$2,232	\$2,382	\$2,532	\$2,610	\$2,610	\$2,811
Monthly Permits/Other Programs 3	\$256	\$273	\$290	\$313	\$335	\$357	\$380	\$392	\$392	\$422
Total	\$1,963	\$2,094	\$2,225	\$2,398	\$2,567	\$2,739	\$2,912	\$3,002	\$3,002	\$3,233
Estimated Operating Expenses (thousands)										
Direct Costs 4	\$491	\$524	\$556	\$600	\$642	\$685	\$728	\$751	\$751	\$808
Facility Services 5	\$196	\$209	\$223	\$240	\$257	\$274	\$291	\$300	\$300	\$323
Indirect Overhead 6	\$157	\$168	\$178	\$192	\$205	\$219	\$233	\$240	\$240	\$259
Total	\$844	\$901	\$957	\$1,032	\$1,104	\$1,178	\$1,252	\$1,291	\$1,291	\$1,390
Net Operating Income (thousands)	\$1,119	\$1,193	\$1,268	\$1,366	\$1,463	\$1,561	\$1,660	\$1,711	\$1,711	\$1,843

1 Annual average not indicative of space turnover during peak periods.

2 At \$3 per car.

3 At 15 percent of public parking revenue.

4 At 25 percent of total parking revenue.

5 At 10 percent of total parking revenue.

6 At 8 percent of total parking revenue.

Source: Seattle Center Finance Division and Harrison Price Company.

revenue, yield some \$1.1 million in annual net operating income in Year 1 and more than \$1.8 million in net income by Year 10.

The combined operating result for the Transportation category is thus net income of \$469,000 to \$1.5 million over the 10-year time frame, which compares to \$453,000 during 1986.

Public Space and Grounds

Last among the broad lines of business addressed in this analysis is the category encompassing the various public spaces at Seattle Center. Operating performance for this group is subsequently described.

- Remaining in operation during Year 1 of the master plan is the **Center House Stage and Court**. Assuming continuation of actual 1986 experience through this year, the deficit associated with this space will remain at about \$1.8 million, as presented in **Table 4-39**.
- A pro forma income statement for **Landscaping and Grounds** is shown in **Table 4-40**. The net annual deficit in this instance is also based on 1986 experience, but takes into account the increased amount of landscaped area called for under the master plan as well

as heightened maintenance levels for that area. Upgrading of irrigation systems and other landscaping improvements may result in greater operational efficiency, which will partially offset the cost of increased area; for purposes of this analysis, a net cost increase of 20 percent over the 1986 based was assumed, bringing the overall deficit for this category to about \$1.4 million annually.

- Current experience at the Center House provided a frame of reference for projecting costs associated with the **Pavilion** and **Public Program Areas** called for under the master plan. It was mentioned in the last section of this report that programming levels of these spaces are not anticipated to increase measurably since they are already both intensive and extensive. Operating costs, meanwhile, have been factored at Center House averages on a per-foot basis on the assumption that the improved energy efficiency and other characteristics of modern buildings relative to the Center House will tend to offset potential increases in maintenance costs of more sophisticated building "hardware." On this basis, the annual operating deficit associated with the Pavilion amounts to some \$988,000, as shown in **Table**

Table 4-39

**INCOME STATEMENT FOR THE
CENTER HOUSE PUBLIC SPACE/STAGE/COURT
1986
(Thousands)**

	<u>1986 Actual</u>	<u>Equivalent in Constant 1988 Dollars¹ Year 1</u>
Operating Revenue		
Facility Rentals	\$*	\$*
Reimbursements	7	8
Catering and Concessions	7	7
Fees and Charges	<u>(3)²</u>	<u>(4)²</u>
Total	\$11	\$11
Operating Expenses		
Direct Costs	\$440	\$471
Facility Services	962	1,029
Indirect Overhead	<u>306</u>	<u>328</u>
Total	\$1,708	\$1,828
Net Operating Income	\$(1,697)	\$(1,817)

* Less than \$1,000.

¹ Based on an inflation adjustment of 7 percent over the 1986-1988 period.

² Represents amounts refunded on cancellation of events.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-40

**TEN YEAR PRO FORMA INCOME STATEMENT FOR
LANDSCAPING AND GROUNDS¹
1986
(Thousands)**

	<u>1986 Actual</u>	<u>Equivalent in Constant 1988 Dollars² Years 1-10</u>
Operating Revenue		
Reimbursements	\$59	\$63
Catering and Concessions	51	54
Fees and Charges	<u>37</u>	<u>40</u>
Total	\$147	\$157
Operating Expenses		
Direct Costs	\$171	183
Facility Services	802	858
Indirect Overhead	<u>213</u>	<u>227</u>
Subtotal	\$1,186	\$1,268
Add: Adjustment for Increased Maintenance Requirements ³	<u>-----</u>	<u>254</u>
Total	\$1,186	\$1,522
 Net Operating Income	 \$(1,039)	 \$(1,365)

¹ Includes Mural Amphitheater and major festivals.

² Based on an inflation adjustment of 7 percent over the 1986-1988 period.

³ At 20 percent of 1986 base costs.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-41

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
THE PAVILION
(Constant 1988 Dollars)**

	<u>Amount Years 2-10</u>
Total Building Area (square feet) ¹	
Lower Level	38,000
Upper Level	<u>40,000</u>
Subtotal	78,000
Less: Ice Rink and Ancillary Facilities	<u>22,000</u>
Net Public Space	56,000
Estimated Operating Expenses (thousands) ²	
Direct Costs ³	\$255
Facility Services ⁴	557
Indirect Overhead ⁵	<u>176</u>
Total	\$988
Net Operating Income (thousands)	\$(988)

¹ Excludes food service, retail sales, and theater space, which has been separately accounted for.

² Based on data contained in Table 4-39; includes all normal operating costs plus programming expenses.

³ At \$4.55 per square foot.

⁴ At \$9.95 per square foot.

⁵ At \$3.15 per square foot.

Source: Seattle Center Finance Division and Harrison Price Company.

4-41, while the deficit for the Public Program Areas is estimated at \$923,000 per year, as shown in **Table 4-42**.

A combined annual operating deficit of \$3.3 million will be generated by the Public Space and Grounds category over the ten-year planning period.

Consolidated Statement of Financial Performance

Tables 4-43, 4-44, and 4-45 contain summaries of, respectively, aggregate operating revenues, operating expenses, and net operating income generated by all of the component facilities of Seattle Center. A simplified presentation of the same material is shown in **Table 4-46**. As indicated, the mix of facilities and programs envisioned under the master plan coupled with key assumptions employed in this analysis have the potential to produce a dramatic turnaround in Seattle Center's overall operating performance. As indicated, the total operating deficit in Year 1 will amount to about \$3.3 million, compared to \$3.7 million presently. By Year 5, the deficit drops to \$1.2 million, while by the end of the planning period in Year 10, the deficit will have declined to a modest \$519,000. This reduction of deficit is possible because income from the major generators discussed in this analysis will increasingly absorb the cost of Center-sponsored public programming. Public Ac-

cess Facilities will continue to record a loss, but one of somewhat reduced magnitude due to the restructuring of selected programs. Exclusive Use Facilities (the category encompassing all of the new commercial leases) will be the major source of income, followed by the Transportation category. The largest deficit will be associated with Public Space and Grounds as has historically been the case.

Table 4-42

**TEN-YEAR PRO FORMA INCOME STATEMENT FOR
PUBLIC PROGRAM AREAS
(Constant 1988 Dollars)**

	<u>Amount Years 2-10</u>
Total Building Area (square feet) ¹	
Public Program East	44,000
Public Program West	<u>32,900</u>
Subtotal	76,900
Less: Meeting Rooms	<u>24,000</u>
Net Public Space	52,900
Operating Revenue (thousands) ²	\$ 11
Estimated Operating Expenses (thousands) ²	
Direct Costs ³	\$241
Facility Services ⁴	526
Indirect Overhead ⁵	<u>167</u>
Total	\$934
Net Operating Income (thousands)	\$(923)

¹ Excludes food service, retail sales, and theater space, which has been separately accounted for.

² Based on data contained in Table 4-39; includes all normal operating costs plus programming expenses.

²

³ At \$4.55 per square foot.

⁴ At \$9.95 per square foot.

⁵ At \$3.15 per square foot.

Source: Seattle Center Finance Division and Harrison Price Company.

Table 4-43

**CONSOLIDATED STATEMENT OF OPERATING REVENUE FOR
SEATTLE CENTER FACILITIES**
(Thousands of Constant 1988 Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
PUBLIC ACCESS FACILITIES										
Bagley Wright Theater/Poncho Forum	\$196	\$196	\$196	\$196	\$196	\$196	\$196	\$196	\$196	\$196
Center House Conference Center	\$28	---	---	---	---	---	---	---	---	---
Center House Theater	\$14	---	---	---	---	---	---	---	---	---
Coliseum 1	\$1,090	\$1,169	\$1,247	\$1,247	\$1,247	\$1,247	\$1,284	\$1,284	\$1,284	\$1,334
Concert Hall	---	---	---	\$963	\$963	\$963	\$963	\$963	\$963	\$963
Flag Pavillion	\$94	\$94	\$94	---	---	---	---	---	---	---
Intiman Playhouse	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Meeting/Exhibit Facilities 2	\$437	\$454	\$468	\$468	\$473	\$479	\$487	\$492	\$496	\$501
NASA Building	\$17	\$17	\$17	\$17	\$17	\$17	---	---	---	---
Opera House 3	\$925	\$925	\$925	\$936	\$1,029	\$1,123	\$1,146	\$1,146	\$1,146	\$1,146
Public Program Area Theater	---	\$15	\$15	\$15	\$15	15	\$15	\$15	\$15	\$15
Regional Exhibition Center	---	---	---	---	\$91	91	\$91	\$91	\$91	\$91
Subtotal	\$2,802	\$2,871	\$2,963	\$3,843	\$4,032	\$4,132	\$4,183	\$4,188	\$4,192	\$4,247
EXCLUSIVE USE FACILITIES										
Blue Spruce Building	\$36	\$36	\$36	\$36	\$36	\$36	\$---	\$---	\$---	\$---
Center House Retail/Food	\$756	---	---	---	---	---	---	---	---	---
Children's Ride Area	---	\$59	\$66	\$71	\$71	75	\$75	\$78	\$80	\$80
Crafts Museum & Village	---	---	---	---	---	---	\$99	\$99	\$99	\$99
Entertainment Center	\$128	\$153	\$184	\$184	\$193	\$197	\$204	\$215	\$215	\$221
Family Amusement Park	\$778	\$879	\$972	\$972	\$995	\$1,034	\$1,034	\$1,065	\$1,065	\$1,089
KCTS-Channel 9	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130
New Food Service Facilities	\$165	\$800	\$1,235	\$1,235	\$1,405	\$1,405	\$1,600	\$1,600	\$1,600	\$1,600
New Retail Facilities	---	\$153	\$525	\$525	\$525	\$525	\$543	\$543	\$557	\$570
Northwest Crafts	\$9	\$9	\$9	\$9	\$9	\$9	---	---	---	---
Opera House Annex/Seattle										
Center Offices	---	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118
Pacific Arts Center 4	\$22	\$22	\$22	\$44	\$44	\$44	\$44	\$44	\$44	\$44
Pacific Northwest Ballet School	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Pavilion Ice Rink	---	\$88	\$114	\$123	\$123	\$123	\$128	\$128	\$128	\$128
Pottery Northwest	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Puget Sound Theater	---	\$25	\$28	\$30	\$30	\$32	\$33	\$35	\$35	\$37
Seattle Children's Museum	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98
Seattle Childre's Theater	---	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156
Other Tenants 5	\$103	---	---	---	---	---	---	---	---	---
Subtotal	\$2,239	\$2,740	\$3,707	\$3,745	\$3,947	\$3,996	\$4,276	\$4,323	\$4,339	\$4,384

Table 4-43
(Continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
TRANSPORTATION										
Monorail	\$550	\$550	\$715	\$825	\$880	\$935	\$935	\$990	\$1,045	\$1,100
Parking	\$1,963	\$2,094	\$2,225	\$2,398	\$2,567	\$2,739	\$2,912	\$3,002	\$3,002	\$3,233
Subtotal	\$2,513	\$2,644	\$2,940	\$3,223	\$3,447	\$3,674	\$3,847	\$3,992	\$4,047	\$4,333
PUBLIC SPACE AND GROUNDS										
Center House Public Space/Stage	\$11	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Fountains	---	---	---	---	---	---	---	---	---	---
Landscaping and Grounds 6	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157	\$157
Pavilion	---	---	---	---	---	---	---	---	---	---
Public Program Areas	---	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Subtotal	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168
Total	\$7,722	\$8,423	\$9,778	\$10,979	\$11,594	\$11,970	\$12,474	\$12,671	\$12,746	\$13,132

- 1 Based on 14,000-seat configuration.
- 2 Includes Northwest Rooms, Exhibition Hall, Mercer Forum, and Public Program Area meeting spaces.
- 3 Includes Seattle Symphony through Year 3.
- 4 Reflects location in existing building (Nile Temple) through Year 3 and location in new quarters thereafter.
- 5 Includes office space in Center House, coin lockers, bank teller machine, storage space, and other miscellaneous rentals.
- 6 Includes Mural Amphitheater and major festivals.

Source: Harrison Price Company.

Table 4-44

**CONSOLIDATED STATEMENT OF OPERATING EXPENSES FOR
SEATTLE CENTER FACILITIES**
(Thousands of Constant 1988 Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
PUBLIC ACCESS FACILITIES										
Bagley Wright Theater/Poncho Forum	\$472	\$472	\$472	\$472	\$472	\$472	\$472	\$472	\$472	\$472
Center House Conference Center	\$137	---	---	---	---	---	---	---	---	---
Center House Theater	\$94	---	---	---	---	---	---	---	---	---
Coliseum 1	\$1,243	\$1,330	\$1,422	\$1,422	\$1,422	\$1,422	\$1,462	\$1,462	\$1,462	\$1,521
Concert Hall	---	---	---	\$963	\$963	\$963	\$963	\$963	\$963	\$963
Flag Pavilion	\$199	\$199	\$199	---	---	---	---	---	---	---
Intiman Playhouse	---	---	---	---	---	---	---	---	---	---
Meeting/Exhibit Facilities 2	\$876	\$909	\$937	\$937	\$946	\$961	\$979	\$985	993	\$1,002
NASA Building	\$52	\$52	\$52	\$52	\$52	\$52	---	---	---	---
Opera House 3	\$1,324	\$1,324	\$1,324	\$1,315	\$1,446	\$1,578	\$1,610	\$1,610	\$1,610	\$1,610
Public Program Area Theater	---	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34
Regional Exhibition Center	---	---	---	---	\$202	\$202	\$202	\$202	\$202	\$202
Subtotal	\$4,397	\$4,320	\$4,440	\$5,195	\$5,537	\$5,684	\$5,722	\$5,728	\$5,736	\$5,804
EXCLUSIVE USE FACILITIES										
Blue Spruce Building	\$45	\$45	\$45	\$45	\$45	\$45	\$---	\$---	\$---	\$---
Center House Retail/Food	\$437	---	---	---	---	---	---	---	---	---
Children's Ride Area	---	\$1	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2
Crafts Museum & Village	---	---	---	---	---	---	\$99	\$99	\$99	\$99
Entertainment Center	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
Family Amusement Park	\$16	\$18	\$19	\$19	\$20	\$21	\$21	\$21	\$21	\$22
KCTS-Channel 9	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65
New Food Service Facilities	\$59	\$280	\$433	\$433	\$493	\$493	\$560	\$560	\$560	\$560
New Retail Facilities	---	\$53	\$185	\$185	\$185	\$185	\$189	\$189	\$196	\$200
Northwest Crafts	\$9	\$9	\$9	\$9	\$9	\$9	---	---	---	---
Opera House Annex/Seattle Center Offices	---	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118	\$118
Pacific Arts Center 4	\$69	\$69	\$69	\$44	\$44	\$44	\$44	\$44	\$44	\$44
Pacific Northwest Ballet School	---	---	---	---	---	---	---	---	---	---
Pavilion Ice Rink	---	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3
Pottery Northwest	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13
Puget Sound Theater	---	\$25	\$28	\$30	\$30	\$32	\$33	\$35	\$35	\$37
Seattle Children's Museum	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98
Seattle Children's Theater	---	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156
Other Tenants 5	\$267	---	---	---	---	---	---	---	---	---
Subtotal	\$1,081	\$955	\$1,245	\$1,222	\$1,283	\$1,287	\$1,405	\$1,407	\$1,414	\$1,421

Table 4-44
(Continued)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
TRANSPORTATION										
Monorail	\$1,200	\$1,200	\$1,244	\$1,310	\$1,343	\$1,376	\$1,376	\$1,410	\$1,442	\$1,475
Parking	\$844	\$901	\$957	\$1,032	\$1,104	\$1,178	\$1,252	\$1,291	\$1,291	\$1,390
Subtotal	\$2,044	\$2,101	\$2,201	\$2,342	\$2,447	\$2,554	\$2,628	\$2,701	\$2,733	\$2,865
PUBLIC SPACE AND GROUNDS										
Center House Public Space/Stage	\$1,828	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
Fountains	\$117	\$117	\$117	\$117	\$117	\$117	\$117	\$117	\$117	\$117
Landscaping and Grounds 6	\$1,522	\$1,522	\$1,522	\$1,522	\$1,522	\$1,522	\$1,522	\$1,522	\$1,522	\$1,522
Pavilion	- - -	\$988	\$988	\$988	\$988	\$988	\$988	\$988	\$988	\$988
Public Program Areas	- - -	\$934	\$934	\$934	\$934	\$934	\$934	\$934	\$934	\$934
Subtotal	\$3,467	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561
Total	\$10,989	\$10,937	\$11,447	\$12,320	\$12,828	\$13,086	\$13,316	\$13,397	\$13,444	\$13,651

- 1 Based on 14,000-seat configuration.
- 2 Includes Northwest Rooms, Exhibition Hall, Mercer Forum, and Public Program Area meeting spaces.
- 3 Includes Seattle Symphony through Year 3.
- 4 Reflects location in existing building (Nile Temple) through Year 3 and location in new quarters thereafter.
- 5 Includes office space in Center House, coin lockers, bank teller machine, storage space, and other miscellaneous rentals.
- 6 Includes Mural Amphitheater and major festivals.

Source: Harrison Price Company.

Table 4-45

**CONSOLIDATED STATEMENT OF NET OPERATING INCOME FOR
SEATTLE CENTER FACILITIES**
(Thousands of Constant 1988 Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
PUBLIC ACCESS FACILITIES										
Bagley Wright Theater/Poncho Forum	(\$276)	(\$276)	(\$276)	(\$276)	(\$276)	(\$276)	(\$276)	(\$276)	(\$276)	(\$276)
Center House Conference Center	(\$109)	---	---	---	---	---	---	---	---	---
Center House Theater	(\$80)	---	---	---	---	---	---	---	---	---
Coliseum 1	(\$153)	(\$161)	(\$175)	(\$175)	(\$175)	(\$175)	(\$178)	(\$178)	(\$178)	(\$187)
Concert Hall	---	---	---	---	---	---	---	---	---	---
Flag Pavilion	(\$105)	(\$105)	(\$105)	---	---	---	---	---	---	---
Intiman Playhouse	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Meeting/Exhibit Facilities 2	(\$439)	(\$455)	(\$469)	(\$469)	(\$473)	(\$482)	(\$492)	(\$493)	(\$497)	(\$501)
NASA Building	(\$35)	(\$35)	(\$35)	(\$35)	(\$35)	(\$35)	---	---	---	---
Opera House 3	(\$399)	(\$399)	(\$399)	(\$379)	(\$417)	(\$455)	(\$464)	(\$464)	(\$464)	(\$464)
Public Program Area Theater	---	(\$19)	(\$19)	(\$19)	(\$19)	(\$19)	(\$19)	(\$19)	(\$19)	(\$19)
Regional Exhibition Center	---	---	---	---	(\$111)	(\$111)	(\$111)	(\$111)	(\$111)	(\$111)
Subtotal	(\$1,595)	(\$1,449)	(\$1,477)	(\$1,352)	(\$1,505)	(\$1,552)	(\$1,539)	(\$1,540)	(\$1,544)	(\$1,557)
EXCLUSIVE USE FACILITIES										
Blue Spruce Building	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	\$---	\$---	\$---	\$---
Center House Retail/Food	\$319	---	---	---	---	---	---	---	---	---
Children's Ride Area	---	\$58	\$65	\$70	\$70	\$73	\$73	\$76	\$78	\$78
Crafts Museum & Village	---	---	---	---	---	---	---	---	---	---
Entertainment Center	\$125	\$150	\$180	\$180	\$189	\$193	\$200	\$211	\$211	\$217
Family Amusement Park	\$762	\$861	\$953	\$953	\$975	\$1,013	\$1,013	\$1,044	\$1,044	\$1,067
KCTS-Channel 9	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65
New Food Service Facilities	\$106	\$520	\$802	\$802	\$912	\$912	\$1,040	\$1,040	\$1,040	\$1,040
New Retail Facilities	---	\$100	\$340	\$340	\$340	\$340	\$354	\$354	\$361	\$370
Northwest Crafts	---	---	---	---	---	---	---	---	---	---
Opera House Annex/Seattle Center Offices	---	---	---	---	---	---	---	---	---	---
Pacific Arts Center 4	(\$47)	(\$47)	(\$47)	---	---	---	---	---	---	---
Pacific Northwest Ballet School	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Pavilion Ice Rink	---	\$86	\$112	\$121	\$121	\$121	\$125	\$125	\$125	\$125
Pottery Northwest	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)
Puget Sound Theater	---	---	---	---	---	---	---	---	---	---
Seattle Children's Museum	---	---	---	---	---	---	---	---	---	---
Seattle Children's Theater	---	---	---	---	---	---	---	---	---	---
Other Tenants 5	(\$164)	---	---	---	---	---	---	---	---	---
Subtotal	\$1,158	\$1,785	\$2,462	\$2,523	\$2,664	\$2,709	\$2,871	\$2,916	\$2,925	\$2,963

Table 4-45

(Continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
TRANSPORTATION										
Monorail	(\$650)	(\$650)	(\$529)	(\$485)	(\$463)	(\$441)	(\$441)	(\$420)	(\$397)	(\$375)
Parking	\$1,119	\$1,193	\$1,268	\$1,366	\$1,463	\$1,561	\$1,660	\$1,711	\$1,711	\$1,843
Subtotal	\$469	\$543	\$739	\$881	\$1,000	\$1,120	\$1,219	\$1,291	\$1,314	\$1,468
PUBLIC SPACE AND GROUNDS										
Center House Public Space/Stage	(\$1,817)	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Fountains	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)	(\$117)
Landscaping and Grounds 6	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)	(\$1,365)
Pavilion	---	(\$923)	(\$923)	(\$923)	(\$923)	(\$923)	(\$923)	(\$923)	(\$923)	(\$923)
Public Program Areas	---	(\$988)	(\$988)	(\$988)	(\$988)	(\$988)	(\$988)	(\$988)	(\$988)	(\$988)
Subtotal	(\$3,299)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)
Total	(\$3,267)	(\$2,514)	(\$1,669)	(\$1,341)	(\$1,234)	(\$1,116)	(\$842)	(\$726)	(\$698)	(\$519)

4-68

1 Based on 14,000-seat configuration.

2 Includes Northwest Rooms, Exhibition Hall, Mercer Forum, and Public Program meeting spaces.

3 Includes Seattle Symphony through Year 3.

4 Reflects location in existing building (Nile Temple) through Year 3 and location in new quarters thereafter.

5 Includes office space in Center House, coin lockers, bank teller machine, storage space, and other miscellaneous rentals.

6 Includes Mural Amphitheater and major festivals.

Source: Harrison Price Company.

Table 4-46

**SUMMARY OF CONSOLIDATED OPERATING PERFORMANCE
FOR SEATTLE CENTER
(Thousands of Constant 1988 Dollars)**

Facility 1	1986 Actual	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
TOTAL OPERATING REVENUE											
Public Access Facilities	\$4,283	\$2,802	\$2,871	\$2,963	\$3,843	\$4,032	\$4,132	\$4,183	\$4,188	\$4,192	\$4,247
Exclusive Use Facilities	\$1,488	\$2,239	\$2,740	\$3,707	\$3,745	\$3,947	\$3,996	\$4,276	\$4,323	\$4,339	\$4,384
Transportation	\$2,260	\$2,513	\$2,644	\$2,940	\$3,223	\$3,447	\$3,674	\$3,847	\$3,992	\$4,047	\$4,333
Public Space and Grounds	\$158	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168
Total	\$8,189	\$7,722	\$8,423	\$9,778	\$10,979	\$11,594	\$11,970	\$12,474	\$12,671	\$12,746	\$13,132
TOTAL OPERATING EXPENSES											
Public Access Facilities	\$6,195	\$4,397	\$4,320	\$4,440	\$5,195	\$5,537	\$5,684	\$5,722	\$5,728	\$5,736	\$5,804
Exclusive Use Facilities	\$894	\$1,081	\$955	\$1,245	\$1,222	\$1,283	\$1,287	\$1,405	\$1,407	\$1,414	\$1,421
Transportation	\$1,807	\$2,044	\$2,101	\$2,201	\$2,342	\$2,447	\$2,554	\$2,628	\$2,701	\$2,733	\$2,865
Public Space and Grounds	\$3,004	\$3,467	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561	\$3,561
Total	\$11,900	\$10,989	\$10,937	\$11,447	\$12,320	\$12,828	\$13,086	\$13,316	\$13,397	\$13,444	\$13,651
NET OPERATING INCOME											
Public Access Facilities	(\$1,912)	(\$1,595)	(\$1,449)	(\$1,477)	(\$1,352)	(\$1,505)	(\$1,552)	(\$1,539)	(\$1,540)	(\$1,544)	(\$1,557)
Exclusive Use Facilities	\$594	\$1,158	\$1,785	\$2,462	\$2,523	\$2,664	\$2,709	\$2,871	\$2,916	\$2,925	\$2,963
Transportation	\$453	\$469	\$543	\$739	\$881	\$1,000	\$1,120	\$1,219	\$1,291	\$1,314	\$1,468
Public Space and Grounds	(\$2,846)	(\$3,299)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)	(\$3,393)
Total	(\$3,711)	(\$3,267)	(\$2,514)	(\$1,669)	(\$1,341)	(\$1,234)	(\$1,116)	(\$842)	(\$726)	(\$698)	(\$519)

¹ See Tables 4-43 through 4-45 for detailed list of facilities included in each category.

Source: Harrison Price Company.

SEATTLE CENTER
LONG RANGE MASTER PLAN

Section 5

CAPITAL INVESTMENT REQUIREMENTS

The final task of the work program was a determination of capital costs associated with the conceptual plan developed by Walt Disney Imagineering. Projected investment magnitude, stratified by development phase and potential source of funding, is set forth in this section of the report. To establish a framework within which to evaluate these costs, the discussion of the master plan's implications is preceded by a brief review of public capital investment requirements at Seattle Center, both past and future.

CAPITAL IMPROVEMENT PROGRAM

A variety of public funding instruments have been utilized to finance Seattle Center capital improvements in the past, the most important of which are described in subsequent paragraphs. In addition, the Center has recently undertaken a comprehensive survey of needed improvements over the next 20 years, which are also subsequently highlighted.

Historical Perspective

A 1977 Seattle Center Improvement Bond of \$19 million has been the primary source of funding for most of the Center's capital projects in recent years. With the exception of improvements to the Fun Forest, all of the items originally slated in this issue have been completed, provided for, or assessed as infeasible and, excluding the Fun Forest reserve, this fund is for all intents and purposes exhausted. Seattle Center also received some \$4 million under a 1984 City Facilities Renovation and Improvement Bond issue, with all but approximately \$970,000 in interest earnings remaining to be allocated. Since 1982, tax (nonbond) financing has ranged from a high of \$3 million in 1984 to a low of roughly \$200,000 in 1983 and has averaged just over \$1 mil-

lion annually; the Center's 1988 allocation amounts to \$1.9 million. The latter funding encompasses contributions from a number of sources, primarily the city's Cumulative Reserve Fund, which is in turn supported by the Real Estate Transfer Tax, a General Fund allocation, a surcharge on rent charged by the Department of Administrative Services, sale of surplus property, and interest earnings on the fund balance.

Over the past six years, combined total appropriations from these various sources have ranged from a low of roughly \$1 million in 1987 to a high of nearly \$5 million in 1984, yielding an overall average of some \$2.5 million per year. This average level of funding is not inconsequential, especially when paired with the sizable operating deficits discussed in the previous section of this report, yet it is insufficient to prevent continued accumulation of the deferred maintenance backlog.

Capital Asset Management Program (CAMP)

An indication of the significance of this rapidly mounting backlog is provided by the data in **Table 5-1**, which summarizes needed maintenance and capital improvements over the next 20 years. As indicated, the requirement for the next five years is estimated at nearly \$65 million and grows to a cumulative total of almost \$150 million by 2008. In 1989 alone, some \$42.5 million in capital outlays is needed for current and deferred projects. As shown in the table, major near-term (within five years) needs embrace an estimated \$7.8 million in Coliseum improvements, \$7.5 million in general site improvements, \$7.3 million in repairs and improvements to the Center House, almost \$7 million for the

Table 5-1

**SEATTLE CENTER CAPITAL ASSET MANAGEMENT PROGRAM
FACILITY MAINTENANCE REQUIREMENTS
1989-2008
(thousands)**

<u>Facility</u>	<u>1989-1993</u>	<u>1994-1998</u>	<u>1999-2003</u>	<u>2004-2008</u>	<u>Total</u>
Administration	\$17	\$17	\$17	\$17	\$68
Arena	6,969	2,066	2,107	3,062	14,204
Art Museum Pavilion	457	208	165	232	1,062
Bagley Wright Theater	831	678	615	665	2,789
Blue Spruce Building	748	--	236	362	1,346
Building 50	500	--	--	--	500
Center House	7,318	985	4,222	1,592	14,117
Central Plant	2,031	239	747	162	3,179
Coliseum	7,824	5,828	4,361	7,512	25,525
Exhibition Hall	3,232	487	954	424	5,097
Flag Pavilion	2,014	325	589	875	3,803
Flag Plaza	37	--	--	--	37
Fountains					
Coliseum	32	68	16	16	132
Dupen	--	168	--	--	168
Fitzgerald	96	96	--	--	192
International	1,697	68	736	149	2,650
Lagoon	334	47	47	47	475
Lang	16	--	--	--	16
Mural	174	87	87	87	435
Step	178	--	42	--	220
Gardener's Complex	75	76	134	37	322
General Site	7,549	3,050	4,560	4,364	19,523
Grounds	1,350	330	1,020	330	3,030
Mercer Forum	1,142	135	973	437	2,687

Table 5-1
(continued)

<u>Facility</u>	<u>1989-1993</u>	<u>1994-1998</u>	<u>1999-2003</u>	<u>2004-2008</u>	<u>Total</u>
Monorail					
Trains and Guideway	\$1,094	\$108	\$1,094	\$108	\$2,404
Seattle Center Terminal	3,565	--	--	65	3,630
Westlake Terminal	147	205	237	552	1,141
Multi-Facility	221	--	112	--	333
Mural Amphitheater Stage	--	40	40	--	80
Northwest Crafts Annex	217	60	73	137	487
Northwest Rooms	2,798	5,579	1,136	892	10,405
NASA Building	72	156	119	111	458
Opera House	5,472	2,152	1,995	2,821	12,440
PAC Hall	742	659	432	751	2,584
Parking					
General	--	240	--	240	480
Mercer Garage	1,983	582	740	935	4,240
Surface Lots 1-7	2,167	291	1,474	178	4,110
Playhouse	672	48	456	2,029	3,205
Veteran's Annex	108	593	83	372	1,156
Warehouse	<u>573</u>	<u>24</u>	<u>73</u>	<u>291</u>	<u>961</u>
Total	\$64,452	\$25,695	\$29,692	\$29,852	\$149,691

Source: Seattle Center Finance Division.

Arena, \$5.5 million for the Opera House, \$4.8 million for the Monorail, and a little more than \$4 million for parking facilities, among major items. Overall short-range requirements average some \$13 million annually, while beyond 1993, the \$86 million cumulative total requirement is equivalent to an annual outlay of roughly \$6 million.

Clearly, if all of these CAMP expenditures were in fact funded, the average annual level of capital support for Seattle Center would triple—\$7.5 million per year over the indicated 20-year period compared to the recent historical average of \$2.5 million annually. If not funded, or funded only in part, the backlog would continue to swell, perhaps ultimately to the point that it is no longer economically feasible to maintain the physical plant. It is particularly distressing that these CAMP expenditures, though vital to the continued functioning of Seattle Center, will not halt the downward trend in performance—because nothing of substance in the facility inventory or program sense would be changed, there will still be increasing vulnerability to attendance loss, attrition of convention and trade show activity will continue unabated, cultural program expansion will still be facility-constrained and, most importantly, the revenue/expense gap will continue to widen.

The cost of the redevelopment program should accordingly be viewed in light of the reality that there is no "do nothing, no cost" option for Seattle Center. Substantial reinvestment in the physical plant is mandatory under any reasonable scenario as to the Center's future.

ESTIMATED CAPITAL COSTS OF THE MASTER PLAN

Table 5-2 and the paragraphs to follow present estimates of the level of capital investment required to implement the master redevelopment program, expressed in constant 1988 dollars. It should be noted that projections are based on the design concept articulated by Disney Imagineering which, as noted in the introduction to this report, is not intended to be a definitive architectural statement. Rather, it represents a suggested direction as to the general size, mix, and quality standard of physical development. To the extent that any of these general design parameters change on detailed architectural exposition, the magnitude of the associated capital budget will also change. The reader is urged to consult the separate report submitted by the Disney team for a narrative and pictorial description of each item in the capital budget as these descriptions will not be reiterated here.

Capital cost estimates have been divided into four categories of potential funding:

- The **Public Investment** category includes those facilities with little or no revenue potential that must be funded by general obligation bonds, levy, Capital Improvement Program, and similar instruments.
- The **Public:Revenue-Supported** category encompasses facilities that are at least 50 percent revenue-generating and thus partially or fully self-supporting. Such facilities are potentially fundable by means of revenue bonds or conventional financing.

Table 5-2

**ESTIMATED CAPITAL INVESTMENT REQUIREMENTS FOR THE
SEATTLE CENTER REDEVELOPMENT PROGRAM**
(Thousands of Constant 1988 Dollars)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
DEVELOPMENT UNIT 1.1					
Unification Package and Landscaping⁴					
Landscaping	\$5,250				
Irrigation Systems	\$1,500				
Walkways	\$1,500				
Handrails (1,000 ft. at \$500)	\$500				
Graphics	\$350				
Banners	\$150				
Planters	\$275				
Electrical and Lighting (75 acs. at 75c/s.f.)	\$2,475				
Subtotal	\$12,000				
Design and Engineering (10%)	\$1,200				
Contingency (10%)	\$1,200				
State Sales Tax (8.1%)	\$972				
Total	\$15,372				
City Administrative Overhead (25%)	\$3,843				
Grand Total	\$19,215				\$19,215
Relocate Treasured Objects⁴					
Relocation (7 objects at \$10,000)	\$70				
Contingency (10%)	\$7				
Total	\$77				
City Administrative Overhead (25%)	\$19				
Grand Total	\$96				\$96
Purchase "Basil's" Property⁵	\$2,200				\$2,200
Metro Site Garage					
Auto Parking Stalls (250 at \$11,800)		\$2,950			
Bus Parking Stalls (100 at \$29,500)		\$2,950			
Subtotal		\$5,900			
Design and Engineering (10%)		\$590			
Contingency (10%)		\$590			
State Sales Tax (8.1%)		\$478			
Total		\$7,558			
City Administrative Overhead (25%)		\$1,890			
Grand Total		\$9,448			\$9,448

Table 5-2
(continued)

Program Component	Development Entity				
	Public Investment ¹	Public Revenue-Supported	Private Nonprofit ²	Private Commercial ³	Grand Total
Family Amusement Park					
Site Preparation (11 acs. at \$85,000)				\$935	
Rides and Attractions (6,400 units at \$1,700)				\$10,890	
Food Service (3,500 s.f. at \$125)				\$438	
Merchandise Sales (3,000 s.f. at \$90)				\$270	
Games/Arcade (3,500 s.f. at \$90)				\$315	
Entrance Complex (2,000 s.f. at \$90)				\$180	
Support Facilities (10,000 s.f. at \$60)				\$600	
Restrooms (2 at \$150,000)				\$300	
Subtotal				<u>\$13,918</u>	
Design and Engineering (10%)				\$1,392	
Contingency (10%)				\$1,392	
State Sales Tax (8.1%) ⁵				<u>\$245</u>	
Grand Total				\$16,948	\$16,948
Entertainment Center					
Building and FFE				\$2,500	
Design and Engineering (10%)				\$250	
Contingency (10%)				\$250	
State Sales Tax (8.1%)				<u>\$203</u>	
Demolition				\$3,203	\$3,203
Fun Forest Building 50	\$30				
	<u>\$95</u>				
Subtotal	\$125				
Contingency (10%)	<u>\$13</u>				
Total	\$138				
City Administrative Overhead (25%)	<u>\$35</u>				
Grand Total	\$173				\$173
Broad Street Entrance⁴					
Site Improvements	\$325				
Design and Engineering (10%)	\$33				
Contingency (10%)	\$33				
State Sales Tax (8.1%)	<u>\$26</u>				
Total	\$417				
City Administrative Overhead (25%)	<u>\$104</u>				
Grand Total	\$521				\$521
Sister City Court					
Site Improvements (1.75 acs. at \$2.50/s.f.)	\$191				
Design and Engineering (10%)	\$19				
Contingency (10%)	\$19				
State Sales Tax (8.1%)	<u>\$15</u>				
Total	\$244				
City Administrative Overhead (25%)	<u>\$61</u>				
Grand Total	\$305				\$305

Table 5-2
(continued)

Program Component	Development Entity				
	Public Investment ¹	Public Revenue-Supported	Private Nonprofit ²	Private Commercial ³	Grand Total
Seattle Children's Museum					
Building (24,000 s.t. at \$90)			\$2,160		
Exhibitory (10,000 s.t. at \$200)			\$2,000		
Play Area (3,600 s.t. at \$25)			\$90		
Subtotal			\$4,250		
Design and Engineering (15%)			\$638		
Contingency (10%)			\$425		
State Sales Tax (8.1%) ⁷			\$174		
Total			\$5,487		
City Administrative Overhead (25%)			\$1,372		
Grand Total			\$6,859		\$6,859
Theater District Restaurants					
Building Shell (14,000 s.t. at \$125)		\$1,750			
Design and Engineering (10%)		\$175			
Contingency (10%)		\$175			
State Sales Tax (8.1%)		\$142			
Total		\$2,242			
City Administrative Overhead (25%)		\$561			
Grand Total		\$2,803			\$2,803
Tenant Improvements (14,000 s.t. at \$125)					
Design (10%)		\$1,750		\$1,750	
Contingency (10%)		\$175		\$175	
State Sales Tax (8.1%)		\$142		\$142	
Grand Total		\$2,242		\$2,242	\$2,242
Purchase State Property Near Coliseum⁵	\$850				\$850
Purchase Properties on Concert Hall Site⁵	\$1,500				\$1,500
Temporary Relocation of Utilities⁴	\$500				\$500
Contingency (10%)	\$50				\$50
Total	\$550				\$550
City Administrative Overhead (25%)	\$138				\$138
Grand Total	\$688				\$688
Refurbish Coliseum⁸		\$7,824			\$7,824
TOTAL UNIT 1.1	\$23,348	\$22,275	\$6,859	\$22,393	\$74,875

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Add: CAMP Requirements 1989-1993					
Bagley Wright Theater		\$831			
Central Plant	\$2,031				
Exhibition Hall		\$3,232			
Fountains ⁹	\$830				
Gardener's Complex	\$75				
General Site	\$7,549				
Grounds	\$1,350				
Mercer Forum		\$1,142			
Multi-Facility	\$221				
Northwest Crafts Annex		\$217			
Northwest Rooms		\$2,798			
Opera House		\$5,472			
Parking					
Mercer Garage		\$1,983			
Surface Lots 3-5		\$746			
Playhouse					
Warehouse	\$573				
TOTAL CAMP	\$12,629	\$17,093	- -	- -	\$29,722
TOTAL UNIT 1.1 PLUS CAMP	\$35,977	\$39,368	\$6,859	\$22,393	\$104,597
DEVELOPMENT UNIT 1.2					
Demolition					
Memorial Stadium ¹⁰	\$115				
Veteran's Annex	\$90				
Subtotal	\$205				
Contingency (10%)	\$21				
	\$226				
City Administrative Overhead (25%)	\$57				
Grand Total	\$283				\$283
Pavilion Garage					
Parking Stalls (1,000 at \$13,800)		\$13,800			
Less: Savings on Excavation		(\$2,500)			
Subtotal		\$11,300			
Design and Engineering (10%)		\$1,130			
Contingency (10%)		\$1,130			
State Sales Tax (8.1%)		\$915			
Total		\$14,475			
City Administrative Overhead (25%)		\$3,619			
Grand Total		\$18,094			\$18,094

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Pavilion Garage Lid/Community Square					
Site Improvements (518,000 s.f. at \$2.50)	\$1,295				
Design and Engineering (10%)	\$130				
Contingency (10%)	\$130				
State Sales Tax (8.1%)	\$105				
Total	\$1,660				
City Administrative Overhead (25%)	\$415				
Grand Total	\$2,075				\$2,075
Pavilion					
Basic Structure (78,000 s.f. at \$140) ¹¹	\$10,920				
Food Service (9,700 s.f. at \$140)		\$1,358			
Outdoor Food Service (3,000 s.f. at \$125)		\$375			
Subtotal	\$10,920	\$1,733			
Design and Engineering (15%)	\$1,638	\$260			
Contingency (10%)	\$1,092	\$173			
State Sales Tax (8.1%)	\$885	\$140			
Total	\$14,535	\$2,306			
City Administrative Overhead (25%)	\$3,634	\$577			
Grand Total	\$18,169	\$2,883			\$21,052
Tenant Improvements					
Food Service (6,700 s.f. at \$90)			\$603		
Outdoor Food Service (3,000 s.f. at \$75)			\$225		
Ice Rink FFE			\$500		
Subtotal			\$1,328		
Design (10%)				\$133	
Contingency (10%)				\$133	
State Sales Tax (8.1%)				\$108	
Total				\$1,702	\$1,702
Harrison Street and 5th Avenue					
North Entrances⁴	\$1,200				
Design and Engineering (10%)	\$120				
Contingency (10%)	\$120				
Site Sales Tax (8.1%)	\$97				
Total	\$1,537				
City Administrative Overhead (25%)	\$384				
Grand Total	\$1,921				\$1,921

Table 5-2
(continued)

Program Component	Development Entity			Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	
Pedestrian Walkways⁴				
5th Avenue Overpass	\$2,000			
All Other Walkways	\$1,000			
Subtotal	\$3,000			
Design and Engineering (10%)	\$300			
Contingency (10%)	\$300			
State Sales Tax (8.1%)	\$243			
Total	\$3,843			
City Administrative Overhead (25%)	\$961			
Grand Total	\$4,804			\$4,804
Redevelop Monorail Terminal⁴				
New Two-Level Terminal		\$3,500		
Realign 700 ft. Double Beamway		\$1,000		
Refurbish Cars (4 at \$650,000)		\$2,600		
Subtotal		\$7,100		
Design and Engineering (10%)		\$710		
Contingency (10%)		\$710		
State Sales Tax (8.1%)		\$575		
Total		\$9,095		
City Administrative Overhead (25%)		\$2,274		
Grand Total		\$11,369		\$11,369
Public Program East				
Building (44,000 s.f. at \$115)		\$5,060		
Food Service (3,600 s.f. at \$115)			\$414	
Subtotal		\$5,060	\$414	
Design and Engineering (10%)		\$506	\$41	
Contingency (10%)		\$506	\$41	
State Sales Tax (8.1%)		\$410	\$34	
Total		\$6,482	\$530	
City Administrative Overhead (25%)		\$1,621	\$133	
Grand Total		\$8,103	\$663	\$8,766

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Tenant Improvements					
Food Service (3,600 s.f. at \$90)				\$324	
Veteran's Hall (6,500 s.f. at \$20)			\$130		
Subtotal			\$130	\$324	
Design (10%)			\$13	\$32	
Contingency (10%)			\$13	\$32	
State Sales Tax (8.1%)			\$11	\$26	
Grand Total			\$167	\$414	\$581
Public Program West					
Building (32,900 s.f. at \$115)	\$3,784				
Food Service (6,000 s.f. at \$115)		\$690			
Merchandise Sales (3,000 s.f. at \$115)		\$345			
Little Theater (5,800 s.f. at \$125)		\$725			
Subtotal	\$3,784	\$1,760			
Design and Engineering (10%)	\$378	\$176			
Contingency (10%)	\$378	\$176			
State Sales Tax (8.1%)	\$307	\$143			
Total	\$4,847	\$2,255			
City Administrative Overhead (25%)	\$1,212	\$564			
Grand Total	\$6,059	\$2,819			\$8,878
Tenant Improvements					
Food Service (6,000 s.f. at \$90)				\$540	
Merchandise Sales (3,000 s.f. at \$50)				\$150	
Subtotal				\$690	
Design (10%)				\$69	
Contingency (10%)				\$69	
State Sales Tax (8.1%)				\$56	
Grand Total				\$884	\$884
Seattle Children's Theater (500 seats)					
Building and FFE (26,500 s.f. at \$150)			\$3,975		
Design and Engineering (15%)			\$596		
Contingency (10%)			\$398		
State Sales Tax (8.1%)			\$322		
Total			\$5,291		
City Administrative Overhead (25%)			\$1,323		
Grand Total			\$6,614		\$6,614

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Puget Sound Theater (200 seats)					
Building (4,700 s.f. at \$85)			\$400		
FFE (4,700 s.f. at \$20)			\$94		
Audio-Visual Equipment			\$200		
Slide Show Production			\$225		
Subtotal			\$919		
Design and Engineering (10%)			\$92		
Contingency (10%)			\$92		
State Sales Tax (8.1%)			\$74		
Total			\$1,177		
City Administrative Overhead (25%)			\$294		
Grand Total			\$1,471		\$1,471
Children's Ride Area					
Site Preparation (1.7 acs at \$85,000)				\$145	
Rides and Attractions (2,000 units at \$500)				\$1,000	
Food Service (300 s.f. at \$125)				\$38	
Merchandise Sales (175 s.f. at \$90)				\$16	
Ticket Booths (250 s.f. at \$90)				\$23	
Support Facilities (1,000 s.f. at \$60)				\$60	
Restroom (at \$75,000)				\$75	
Subtotal				\$1,357	
Design and Engineering (10%)				\$136	
Contingency (10%)				\$136	
State Sales Tax (8.1%) ⁶				\$29	
Grand Total				\$1,658	\$1,658
Opera House Annex/Seattle Center Offices (Arena site)¹²					
Building and FFE (118,000 s.f. at \$115)	\$13,570				
Technical Equipment for Opera Assn (59,000 s.f. at \$35) ¹³	\$2,065				
Subtotal	\$15,635				
Design and Engineering (10%)	\$1,564				
Contingency (10%)	\$1,564				
State Sales Tax (8.1%)	\$1,266				
Total	\$20,029				
City Administrative Overhead (25%)	\$5,007				
Grand Total	\$25,036				\$25,036
TOTAL UNIT 1.2	\$66,450	\$35,828	\$8,252	\$4,658	\$115,188

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Add: CAMP Requirements 1994-1995					
Bagley Wright Theater		\$237			
Central Plant	\$142				
Coliseum		\$1,502			
Exhibition Hall		\$14			
Fountains	\$316				
Gardener's Complex	\$46				
General Site	\$1,836				
Mercer Forum		\$85			
Monorail		\$121			
Northwest Crafts Annex		\$8			
Opera House		\$672			
Parking					
Mercer Garage		\$146			
Lots 3-5		\$130			
Playhouse		\$28			
TOTAL CAMP	\$2,340	\$2,943	-	-	\$5,283
TOTAL UNIT 1.2 PLUS CAMP	\$68,790	\$38,771	\$8,085	\$4,658	\$120,471
DEVELOPMENT UNIT 2					
Concert Hall (2,800 seats) ¹⁴			\$42,800		\$42,800
Demolition					
Center House	\$850				
Flag Pavilion	\$60				
Subtotal	\$910				
Contingency (10%)	\$91				
Total	\$1,001				
City Administrative Overhead (25%)	\$250				
Grand Total	\$1,251				\$1,251
Children's Play Area					
Site Improvements (5,000 s.f. at \$250)	\$125				
Design and Engineering (10%)	\$13				
Contingency (10%)	\$13				
State Sales Tax (8.1%)	\$10				
Total	\$161				
City Administrative Overhead (25%)	\$40				
Grand Total	\$201				\$201

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Festival Commons					
Site Improvements (1 ac at \$2.50/s.f.)	\$109				
Design and Engineering (10%)	\$11				
Contingency (10%)	\$11				
State Sales Tax (8.1%)	\$9				
Total	\$140				
City Administrative Overhead (25%)	\$35				
Grand Total	\$175				\$175
Purchase "Cafe Loc" Property ⁵	\$1,000				\$1,000
Purchase "711 Block" Property ⁵	\$1,700				\$1,700
Redevelop Mural Amphitheater					
Site Improvements (1 ac at \$2.50/s.f.)	\$109				
Design and Engineering (10%)	\$11				
Contingency (10%)	\$11				
State Sales Tax (8.1%)	\$9				
Total	\$140				
City Administrative Overhead (25%)	\$35				
Grand Total	\$175				\$175
Pacific Arts Center					
Building and FFE (13,000 s.f. at \$115)		\$1,495			
Design and Engineering (10%)		\$150			
Contingency (10%)		\$150			
State Sales Tax (8.1%)		\$121			
Total		\$1,916			
City Administrative Overhead (25%)		\$479			
Grand Total		\$2,395			\$2,395
TOTAL UNIT 2	\$4,502	\$2,395	\$42,800	- -	\$49,697
Add: CAMP Requirements 1996					
Bagley Wright Theater		\$245			
Central Plant	\$24				
Coliseum		\$4,072			
General Site	\$125				
Mercer Forum		\$50			
Warehouse	\$24				
TOTAL CAMP	\$173	\$4,367	- -	- -	\$4,540
TOTAL UNIT 2 PLUS CAMP	\$4,675	\$6,762	\$42,800	- -	\$54,237

Table 5-2
(continued)

Program Component	Development Entity			Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ² / Private Commercial ³	
DEVELOPMENT UNIT 3				
Redevelop International Fountain⁴				
Repairs and Improvements	\$1,200			
Design and Engineering (10%)	\$120			
Contingency (10%)	\$120			
State Sales Tax (8.1%)	\$97			
Total	\$1,537			
City Administrative Overhead (25%)	\$384			
Grand Total	\$1,921			\$1,921
Plaza of the States				
Site Improvements (2 acs at \$3.50/s.f.)	\$305			
Decorative Embellishments	\$100			
Subtotal	\$405			
Design and Engineering (10%)	\$41			
Contingency (10%)	\$41			
Total	\$487			
City Administrative Overhead (25%)	\$122			
Grand Total	\$609			\$609
Regional Exhibition Center (Nile Temple)				
Refurbish Part of Existing Structure ¹⁵ (11,300 s.f. at \$55)		\$622		
Building Addition and FFE (10,800 s.f. at \$115)		\$1,242		
Sidewalk Cafe (3,700 s.f. at \$100)	\$370			
Subtotal	\$370	\$1,864		
Design and Engineering (10%)	\$37	\$186		
Contingency (10%)	\$37	\$186		
State Sales Tax (8.1%)	\$30	\$151		
Total	\$474	\$2,387		
City Administrative Overhead (25%)	\$119	\$597		
Grand Total	\$593	\$2,984		\$3,577

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Tenant Improvements					
Sidewalk Cafe (3,700 s.f. at \$100)				\$370	
Design (10%)				\$37	
Contingency (10%)				\$37	
State Sales Tax (8.1%)				\$30	
Grand Total				\$474	\$474
Develop "Cafe Loc" and "711 Block" Properties ¹⁶					
TOTAL UNIT 3	\$2,530	\$593	\$2,984	\$474	\$6,581
Add: CAMP Requirements 1997-1998					
Bagley Wright Theater		\$196			
Central Plant	\$74				
Coliseum		\$255			
Exhibition Hall		\$474			
Fountains ⁹	\$150				
Gardener's Complex	\$30				
General Site	\$1,089				
Grounds	\$330				
Northwest Crafts Annex		\$52			
Northwest Rooms		\$111			
Opera House		\$1,481			
Parking					
General		\$240			
Mercer Garage		\$436			
Playhouse		\$21			
TOTAL CAMP	\$1,673	\$3,266	- -	- -	\$4,939
TOTAL UNIT 3 PLUS CAMP	\$4,203	\$3,859	\$2,984	\$474	\$11,520
DEVELOPMENT UNIT 4					
Demolition					
NASA Building	\$85				
Blue Spruce Building	\$25				
Subtotal	\$90				
Contingency (10%)	\$9				
Total	\$99				
City Administrative Overhead (25%)	\$25				
Grand Total	\$124				\$124

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
Crafts Museum					
Refurbish Art Museum Pavilion (10,500 s.f. at \$80)	\$840				
Exhibitory (10,500 s.f. at \$100)	\$1,050				
Subtotal	\$1,890				
Design and Engineering (10%)	\$189				
Contingency (10%)	\$189				
State Sales Tax (8.1%)	\$153				
Total	\$2,421				
City Administrative Overhead (25%)	\$605				
Grand Total	\$3,026				\$3,026
Crafts Village					
Buildings (33,500 s.f. at \$90)	\$3,015				
Artists Studios FFE (33,500 s.f. at \$35)	\$1,173				
Subtotal	\$4,188				
Design and Engineering (10%)	\$419				
Contingency (10%)	\$419				
State Sales Tax (8.1%)	\$339				
Total	\$5,365				
City Administrative Overhead (25%)	\$1,341				
Grand Total	\$6,706				\$6,706
Coliseum Storage					
Building (24,000 s.f. at \$65) ¹⁷	\$1,560				
Design and Engineering (10%)	\$156				
Contingency (10%)	\$156				
State Sales Tax (8.1%)	\$126				
Total	\$1,998				
City Administrative Overhead (25%)	\$500				
Grand Total	\$2,498				\$2,498

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
West Coliseum Entrance					
Site Improvements (0.5 acs at \$2.50/s.f.)	\$54				
Design and Engineering (10%)	\$5				
Contingency (10%)	\$5				
State Sales Tax (8.1%)	\$4				
Total	\$68				
City Administrative Overhead (25%)	\$17				
Grand Total	\$85				\$85
Refurbish Northwest Rooms					
Repairs and FFE (70,000 s.f. at \$60)		\$4,200			
Design and Engineering (10%)		\$420			
Contingency (10%)		\$420			
State Sales Tax (8.1%)		\$340			
Total		\$5,380			
City Administrative Overhead (25%)		\$1,345			
Grand Total		\$6,725			\$6,725
TOTAL UNIT 4	\$12,439	\$6,725	- -	- -	\$19,164
Add: CAMP Requirements 1999					
Bagley Wright Theater		\$134			
Central Plant	\$275				
Coliseum		\$3,608			
Exhibition Hall		\$818			
General Site	\$931				
Grounds	\$1,020				
Mercer Forum		\$120			
Multi-Facility	\$112				
Opera House		\$1,230			
Parking (Mercer Garage)		\$240			
Playhouse		\$384			
Warehouse	\$14				
TOTAL CAMP	\$2,352	\$6,534	- -	- -	\$8,886
TOTAL UNIT 4 PLUS CAMP	\$14,791	\$13,259	- -	- -	\$28,050

Table 5-2
(continued)

Program Component	Development Entity				Grand Total
	Public Investment ¹	Public: Revenue-Supported	Private Nonprofit ²	Private Commercial ³	
DEVELOPMENT UNIT 5					
Reconfigure Coliseum to 7,500 Seats		\$1,000			
Design and Engineering (10%)		\$100			
Contingency (10%)		\$100			
State Sales Tax (8.1%)		\$81			
Total		\$1,281			
City Administrative Overhead (25%)		\$320			
Grand Total		\$1,601			\$1,601
Thomas Street Garage					
Subterranean Parking Stalls (200 at \$11,800)		\$2,360			
Structured Parking Stalls (800 at \$6,500)		\$5,200			
Subtotal		\$7,560			
Design and Engineering (10%)		\$756			
Contingency (10%)		\$756			
State Sales Tax (8.1%)		\$612			
Total		\$9,684			
City Administrative Overhead (25%)		\$2,421			
Grand Total		\$12,105			\$12,105
TOTAL UNIT 5	- -	\$13,706	- -	- -	\$13,706
Add: CAMP Requirements 2000					
Bagley Wright Theater		\$324			
Central Plant	\$240				
Exhibition Hall		\$32			
General Site	\$900				
Mercer Forum		\$513			
Opera House		\$71			
TOTAL CAMP	\$1,140	\$940	- -	- -	\$2,080
TOTAL UNIT 5 PLUS CAMP	\$1,140	\$14,646	- -	- -	\$15,786
CUMULATIVE TOTAL UNITS 1-5	\$109,269	\$81,522	\$60,895	\$27,525	\$279,211
CUMULATIVE TOTAL CAMP	\$20,307	\$35,143	- -	- -	\$55,450
CUMULATIVE TOTAL UNITS 1-5 PLUS CAMP	\$129,576	\$116,665	\$60,895	\$27,525	\$334,661

FOOTNOTES TO TABLE 5-2

CAMP means Capital Asset Management Program.

FFE means furnishings, fixtures and equipment.

- 1 Development funded by general obligation bonds, levy, or Capital Improvement Program.
- 2 Development funded in whole or in part by private philanthropy; degree of public involvement subject to negotiation on a case-by-case basis.
- 3 Development funded by private enterprise.
- 4 Estimated by Walt Disney Imagineering, Inc.
- 5 Estimated by Seattle Engineering Department Appraisal Division; excludes cost of relocating existing tenants, if any.
- 6 Calculation excludes rides and attractions.
- 7 Calculation excludes exhibitry.
- 8 Based on estimated 1989-1993 CAMP requirements.
- 9 Excludes International Fountain, which is elsewhere provided for.
- 10 Excludes property acquisition.
- 11 Includes ice rink on lower building level.
- 12 Assumes redevelopment of existing structure; cost of new construction would be comparable.
- 13 Assumes no major purchases of new equipment.
- 14 Estimated by LMN Architects; includes professional fees, contingency, and state sales tax.
- 15 Includes demolition of existing second floor; excludes exhibitry if any.
- 16 Cost included in overall landscaping and unification package itemized in Unit 1.1.
- 17 Includes allowance for nominal excavation required.

Source: Harrison Price Company (except as cited in footnotes), Seattle Center Finance Division (CAMP requirements), and Cleveland Wrecking Company (demolition costs).

- Facilities in whole or in part fundable through private philanthropy comprise the **Private Nonprofit** category.
- Finally, the **Private Commercial** category includes facilities identified in the last section of this report as attractive investment opportunities for private enterprise and would likely be conventionally financed.

The assignment of various individual facilities to a particular category should be regarded as preliminary and illustrative. Obviously, there are alternatives in some cases, while others (the Private Nonprofit group in particular) are contingent on the resources of the philanthropic community and are hence subject to discussion and negotiation with candidate sponsoring entities. Financing of nonprofit facilities is further linked to arrangements ultimately made relative to operating costs as discussed in Section 4. Participation of private commercial interests, finally, is also open to negotiation. The distribution of capital expenditures across these categories is consequently only a guide to the implementation phases of the redevelopment program.

Other broad explanatory comments pertinent to the cost estimates are as follows:

- Each component item includes the basic "hard" cost of construction, plus allowances for architectural and engineering services (10 percent of hard costs in most instances and 15 percent in the case of especially complex buildings) and contingency (10 percent of hard costs across the board). Unit costs per square foot, acre, or other

measure are based on comparable experience, adjusted as necessary to reflect the design concept or the idiosyncrasies of a particular structure.

- The prevailing Washington state sales tax rate of 8.1 percent has been assumed to apply to the total cost of construction, including all labor and materials, with a few notable exceptions as cited in the table footnotes. This implies that 100 percent of the required purchases are made within the state. Undoubtedly, the bulk of materials expenditures and services will be purchased within Washington; nonetheless, the magnitude of the sales tax burden is overstated to the extent that "leakage" of some expenditures will occur. The three specific exceptions to this assumption are ride purchases for the Family Amusement Park and Children's Ride Area and exhibitry for the Seattle Children's Museum. Rides and interactive exhibitry of the type envisioned will almost certainly be purchased outside the state of Washington (the world's two leading ride manufacturers, for example, are located in California and Switzerland). While items of this type may be subject to sales tax wherever they are purchased, it will most likely be at a considerably lesser rate than in Washington, which has one of the highest sales tax assessments in the nation; for the time being, no allowance for sales tax was made in these three cases. Also assumed to be exempt from sales tax are building demolitions and the temporary relocation of utilities at the site as needed during the construction program.

- A city administrative overhead factor of 25 percent was applied to the combined cost of construction, design, contingency, and sales tax for all facilities except those envisioned as private commercial development. This allocation provides for such required public services as contract management, legal and accounting, Design Commission review, public hearings, and other components of the public process. The costs of property acquisitions called for in the redevelopment program were supplied by the Seattle Department of Engineering and are assumed to be already fully loaded with city administrative overhead. Similarly, CAMP costs are fully loaded.
 - Each development unit has been assigned a portion of the previously discussed CAMP requirements for ongoing facilities since elimination of the deferred maintenance backlog is an essential prerequisite to the attendance and financial performance objectives of the redevelopment concept. Unit 1.1 was assigned the 1989-1993 complement, while Unit 1.2 covers the 1994-1995 complement, Unit 2 the 1996 complement, Unit 3 the 1997-1998 complement, and Unit 4 the 1999 complement. The optional Unit 5 CAMP requirement pertains to 2000. No additions were made for the balance of the 20-year CAMP projection period as they are outside the time frame of this study.
 - Costs for some projects were split between two different investment categories. It was assumed, for example, that the City would build the shell for such facilities as food and merchandise space, while private entrepreneurs would furnish and equip the interiors. A similar provision applies to the ice rink located on the lower level of the Pavilion.
 - Area allocations for food service and merchandise sales space, and hence associated costs, are based on the economic analysis contained in Section 4 and do not necessarily correspond exactly with the Disney site plan (which, again, is illustrative and not definitive). The ride capacity assumption for the Family Amusement Park also differs from the design scheme.
 - Estimates for certain facilities, notably the two ride parks and ice rink, refer to initial capital only. Preservation of market share and profitability in the years ahead will be contingent on regular expansion and upgrading of the facility and program offering—a rule of thumb is that the rate of reinvestment should be equivalent to average annual depreciation.
- Other assumptions and explanations pertaining only to specific facilities will be described in the following narrative for each development phase; most of these assumptions are also cited in the table footnotes.
- Development Unit 1.1 (Year 1)**
- Contained in the first phase of the redevelopment plan are a number of fundamental improvements to Seattle Center's physical plant, including a comprehensive landscaping and unification pack-

age, the relocation of treasured objects such as the Kobe Bell, demolition of the Fun Forest and Building 50, development of the Broad Street Entrance and Sister City Court, and completion of all deferred maintenance and other improvements to the Coliseum as estimated under the previously referenced CAMP budget for the next five years (refer to Table 5-1). Also included are construction of a new home for the Seattle Children's Museum, Theater District Restaurants, and the purchase of several properties directly adjacent to the existing Seattle Center site. The major focus of this initial unit, however, will be the development of the old Metro Bus Barn property across 5th Avenue from the Center proper. The Family Amusement Park, Entertainment Center, and a major underground parking garage (providing spaces for 250 cars and 100 buses) are scheduled for this site.

Aggregate capital investment required for this development phase is approximately \$75 million, as shown. With the addition of CAMP expenses, total costs rise to roughly \$105 million. The basis for the various estimates is indicated in the table, either as a lump sum estimate or as a factored cost relating to building or land area. Specific comments necessary for clarification are as follows:

- In the case of the Entertainment Center, the \$3.2 million estimate shown is not so much a projection as a recommended budget—this project would not be feasible as a commercial venture if development costs exceed the recommended level. The prototype attraction—Videopolis at the Disney parks—cost much more than this; on the other hand, a smaller and less elaborate (but nevertheless

comparable) attraction at Knott's Berry Farm was accomplished for a few hundred thousand dollars. A budget of \$3 to \$3.5 million is considered realistic to achieve the standard of development necessary to meet attendance objectives and should accordingly be regarded as a maximum level of investment.

- An explanatory note pertinent to the Metro Garage is that a bus space is equivalent to 2.5 auto spaces; estimated costs for the 100-space bus component are thus the equivalent of developing 250 auto spaces. The per-space allowance is based on the assumption that all parking is provided on one subterranean level with some earth moving required.
- Costs for the Children's Museum are based on the assumption that of the total 24,000 square feet of building area, about 10,000 square feet would be devoted to exhibitry; a precise design plan may alter this proportion. Exhibitry costs, in addition, include an allowance for special exhibit design services over and above the general architectural and engineering fee—this is a highly specialized and relatively expensive professional service.

Development Unit 1.2 (Year 2)

In the second development phase, the central theme structure and public areas of the master plan concept would be completed, including the Pavilion, Public Program Areas East and West, and the Community Square. Also part of this phase is the 1,000-car underground

Pavilion Garage, relocation and refurbishment of the Monorail, the Harrison Street and 5th Avenue entrances, Pedestrian Walkways (the major one being the 5th Avenue overpass linking the Metro site to Seattle Center proper), new quarters for the Seattle Children's Theater in a 500-seat house, the Puget Sound Theater, the Children's Ride Area, and the Opera House Annex/Seattle Center Offices complex on the existing Arena site. Demolitions scheduled for Unit 1.2 are the Memorial Stadium and Veteran's Annex.

The overall cost of this phase amounts to some \$115 million, plus about \$5 million in CAMP expenses, for a grand total of \$120 million. Supplementary comments include the following:

- Demolition costs for Memorial Stadium exclude property acquisition costs, if any. The City of Seattle is presently holding discussions with the School District as to a mutually acceptable agreement for the disposition of this property.
- Two adjustments have been made to capital investment requirements for the Pavilion Garage. First, normal unit costs for an underground parking stall have been increased by a factor of 20 percent given provision in the design concept for later expansion of the size of this garage by dividing the space horizontally in half. The 20 percent incremental cost reflects extra structural reinforcement necessary to accomplish this objective. Conversely, because the site for this facility is already well below surrounding grade, a considerable savings will be realized in excavation costs. The total esti-

mated hard cost has thus been reduced by an amount reflecting savings in excavation expense.

- A rather high unit cost factor (\$140 per square foot) has been applied to the Pavilion, based on the assumption that this structure will be heavily themed and entail more than a customary amount of decorative embellishment. Less elaborate architectural treatment would likely reduce this cost factor, although there would be a concomitant decrease in the standard of development.
- The tenant improvement allowance for the Pavilion Ice Rink is a budgeted sum rather than a factored cost. A wide variance in ice arena fixturing costs can be observed around the country, ranging from a "no frills" approach to the exquisite (the outstanding rink at Plaza of the Americas in Dallas, for example, includes a beautifully landscaped "island" in the center in tandem with sophisticated lighting and sound systems that engender a fantasy-on-ice atmosphere). The allowance of \$500,000 in this instance, which is consistent with the profit potential of this attraction as a private enterprise, assumes a fairly high standard of quality and decorative amenities in keeping with the Pavilion structure as a whole.
- The cost of developing the Puget Sound Theater likewise assumes a high-quality presentation, approaching that of the prototype New York Experience. In the study team's opinion, a less sophisticated production would fail to have

the desired market impact and is probably not worth undertaking.

- Capital investment associated with the Opera House Annex presumes refurbishment of the existing structure rather than new construction. Unit costs of dividing the interior space horizontally in half were drawn from the comparable project now underway in the Exhibition Hall for the Pacific Northwest Ballet School (the total cost of which is currently expected to surpass \$5 million), adjusted to account for the Arena's greater size, seriously deteriorated physical condition, and the nature of both the existing and future uses (which are radically different). The cost of a new building would probably be similar even after allowing for the cost of demolishing the present structure. Also included in this estimate is a moderate allowance for technical equipment in the performing arts section of the complex, which assumes no major new purchases of equipment (any such purchases would logically be the responsibility of tenant organizations).

Development Unit 2 (Year 4)

The primary component of Development Unit 2 is the concert hall proposed for the Kreielsheimer site across Mercer Street from the Opera House. Other components include a new home for the Pacific Arts Center, the Children's Play Area, Festival Commons, and redevelopment of the Mural Amphitheater. The largest single demolition project in the master plan—the Center House—is also contained in this phase and the Flag Pavilion will also come down. A total of roughly

\$50 million will be required for Development Unit 2, along with about \$4 million in CAMP expenses, for an overall budget of \$54 million. Eighty percent of the latter is associated with the Concert Hall. No special comments appear required for Unit 2 facilities, except the note that Concert Hall costs were independently developed by LMN Architects and include all pertinent add-ons for professional services, contingency, and state sales tax.

Development Unit 3 (Year 5)

Encompassed by the third master plan unit are redevelopment of the International Fountain, creation of the Plaza of the States, and the combination of refurbishment and new construction that will result in the Regional Exhibition Center at the Nile Temple site. The overall cost of this phase amounts to roughly \$6.5 million. When CAMP expenses of almost \$5 million are added, the aggregate budget comes to \$11.5 million. It should be noted that a generous allowance of \$3.50 per square foot has been applied to the Plaza of the States, plus an extra budget of \$100,000 for special decorative amenities. These costs could be reduced if a lesser standard of development were assumed. Also, costs of the Exhibition Center include an allowance for demolition of the second floor of the Nile Temple, but do not allow for potential museum exhibitry. Since it is not yet assured that Seattle Center can attract a major museum tenant for this venue, nor is the nature of such a museum predictable, any projection of exhibitry costs would amount to sheer speculation at this stage of planning. It must suffice to say that costs shown are net of this relatively costly component.

Development Unit 4 (Year 7)

The Crafts Museum and Village complex, a new storage facility for the Coliseum, development of the West Coliseum Entrance, and thorough refurbishment of the Northwest Rooms comprise the fourth unit of the master plan. Scheduled demolitions encompass the Blue Spruce Building and the NASA Building (present Coliseum storage facility). Combined Unit 4 costs, as shown, are estimated at \$19 million, while CAMP expenses associated with this phase amount to slightly less than \$9 million, for a grand total investment of some \$28 million. The Crafts Museum projection includes a moderate allocation for exhibitory (attractions of this type do not ordinarily entail elaborate display equipment), while refurbishment costs for the Northwest Rooms are derived from projected 1997 CAMP requirements for this facility. No incremental allocations for tenant improvements have been made for merchandise sales space in the Crafts Village on the assumption that artists' studios can serve a dual production/sales purpose and no special retail fixturing is hence required. Finally, the Coliseum storage facility projection incorporates a small excavation allowance in accordance with the nominal earth moving required.

Development Unit 5 (Year 8)

The last unit of redevelopment, which is viewed as optional and contingent on a reevaluation of the need for these projects in the years ahead, has just two components—reconfiguration of the Coliseum to 7,500 seats and development of the 1,000-space Thomas Street Garage (comprised of one underground and four above-ground levels). Combined costs of these optional components

amount to around \$14 million, most of which would be incurred in the garage construction program. CAMP costs for this phase are projected at about \$2 million, for an overall total of \$16 million.

Cumulative Capital Investment Requirements

Table 5-3 presents a summary of cumulative capital investment for the Seattle Center master plan. As indicated, the aggregate cost of all facilities, including the optional Unit 5, comes to some \$335 million. Of this total, 39 percent (\$130 million) will be incurred as Public Investment, 35 percent (\$117 million) as Public:Revenue-Supported, 18 percent (\$61 million) as Private Nonprofit (most of which is associated with the new Concert Hall in Unit 2), and the balance of 8 percent (\$27 million) as Private Commercial enterprise. As a benchmark on the magnitude of these overall costs, the existing real property assets of Seattle Center were recently valued at \$322 million—the master plan, then, represents an equivalent value in constant dollars.

The most essential components of the redevelopment program—facilities and infrastructural improvements considered imperative to enhance the image and performance of Seattle Center—are contained in Development Units 1.1 and 1.2, combined costs for which amount to \$225 million. The Public Investment portion of this total is about \$105 million. If CAMP expenses required with or without the redevelopment program are deducted, the net public cost of these essential components is reduced to \$90 million. The choice for the City of Seattle thus becomes one of expending \$65 million for CAMP projects over the next five years that will do nothing to diminish the

Table 5-3

**SUMMARY OF
ESTIMATED CAPITAL INVESTMENT REQUIREMENTS
(Thousands of Constant 1988 Dollars)**

<u>Program Component</u>	<u>Public Investment</u> ¹	<u>Public: Revenue- Supported</u>	<u>Private Nonprofit</u> ²	<u>Private Commercial</u> ³	<u>Grand Total</u>
DEVELOPMENT UNIT 1.1					
Unification Package and Landscaping	\$19,215				\$19,215
Relocate Treasured Objects	\$96				\$96
Purchase "Basil's" Property		\$2,200			\$2,200
Metro Site Garage (250 spaces, 100 bus spaces)		\$9,448			\$9,448
Family Amusement Park				\$16,948	\$16,948
Entertainment Center				\$3,203	\$3,203
Demolition of Fun Forest and Building 50	\$173				\$173
Broad Street Entrance	\$521				\$521
Sister City Court	\$305				\$305
Seattle Children's Museum			\$6,859		\$6,859
Theater District Restaurants		\$2,803		\$2,242	\$5,045
Purchase State Property Near Coliseum	\$850				\$850
Purchase Properties on Concert Hall Site	\$1,500				\$1,500
Temporary Relocation of Utilities	\$688				\$688
Refurbish Coliseum (14,000 seats)		\$7,824			\$7,824
TOTAL UNIT 1.1	\$23,348	\$22,275	\$6,859	\$22,393	\$74,875
Add: CAMP Requirements 1989-1993 ⁴	\$12,629	\$17,093	-	-	\$29,722
TOTAL UNIT 1.1 PLUS CAMP	\$35,977	\$39,368	\$6,859	\$22,393	\$104,597
DEVELOPMENT UNIT 1.2					
Demolition of Memorial Stadium and Veteran's Annex	\$283				\$283
Pavilion Garage (1,000 spaces)		\$18,094			\$18,094
Pavilion Garage Lid/Community Square	\$2,075				\$2,075
Pavilion	\$18,169	\$2,883		\$1,702	\$22,754
Harrison Street and 5th Avenue North Entrances	\$1,921				\$1,921
Pedestrian Walkways	\$4,804				\$4,804
Redevelop Monorail Terminal		\$11,369			\$11,369
Public Program East	\$8,103	\$663	\$167	\$414	\$9,347
Public Program West	\$6,059	\$2,819		\$884	\$9,762
Seattle Children's Theater (500 seats)			\$6,614		\$6,614
Puget Sound Theater			\$1,471		\$1,471
Children's Ride Area				\$1,658	\$1,658
Opera House Annex/Seattle Center Offices (Arena site)	\$25,036				\$25,036
TOTAL UNIT 1.2	\$66,450	\$35,828	\$8,252	\$4,658	\$115,188
Add: CAMP Requirements 1994-1995 ⁴	\$2,340	\$2,943	-	-	\$5,283
TOTAL UNIT 1.2 PLUS CAMP	\$68,790	\$38,711	\$8,085	\$4,658	\$120,471

Table 5-3
(continued)

<u>Program Component</u>	<u>Public Investment</u> ¹	<u>Public: Revenue-Supported</u>	<u>Private Nonprofit</u> ²	<u>Private Commercial</u> ³	<u>Grand Total</u>
DEVELOPMENT UNIT 2					
Concert Hall (2,800 seats)			\$42,800		\$42,800
Demolition of Center House and Flag Pavilion	\$1,251				\$1,251
Children's Play Area	\$201				\$201
Festival Commons	\$175				\$175
Purchase "Cafe Loc" Property	\$1,000				\$1,000
Purchase "711 Block" Property	\$1,700				\$1,700
Redevelop Mural Amphitheater	\$175				\$175
Pacific Arts Center		\$2,395			\$2,395
TOTAL UNIT 2	\$4,502	\$2,395	\$42,800	- -	\$49,697
Add: CAMP Requirements 1996 ⁴	\$173	\$4,367	- -	- -	\$4,540
TOTAL UNIT 2 PLUS CAMP	\$4,675	\$6,762	\$42,800	- -	\$54,237
DEVELOPMENT UNIT 3					
Redevelop International Fountain	\$1,921				\$1,921
Plaza of the States	\$609				\$609
Regional Exhibition Center (Nile Temple)		\$593	\$2,984	\$474	\$4,051
Develop "Cafe Loc" and "711 Block" Properties ⁵	.				.
TOTAL UNIT 3	\$2,530	\$593	\$2,984	\$474	\$6,581
Add: CAMP Requirements 1997-1998 ⁴	\$1,673	\$3,266	- -	- -	\$4,939
TOTAL UNIT 3 PLUS CAMP	\$4,213	\$3,859	\$2,984	\$474	\$11,520
DEVELOPMENT UNIT 4					
Demolition of NASA Building and Blue Spruce Building	\$124				\$124
Crafts Museum	\$3,026				\$3,026
Crafts Village	\$6,706				\$6,706
Coliseum Storage	\$2,498				\$2,498
West Coliseum Entrance	\$85				\$85
Refurbish Northwest Rooms		\$6,725			\$6,725
TOTAL UNIT 4	\$12,439	\$6,725	- -	- -	\$19,164
Add: CAMP Requirements 1999 ⁴	\$2,352	\$6,534	- -	- -	\$8,886
TOTAL UNIT 4 PLUS CAMP	\$14,791	\$13,259	- -	- -	\$28,050

Table 5-3
(continued)

<u>Program Component</u>	<u>Public Investment</u> ¹	<u>Public: Revenue-Supported</u>	<u>Private Nonprofit</u> ²	<u>Private Commercial</u> ³	<u>Grand Total</u>
DEVELOPMENT UNIT 5					
Reconfigure Coliseum to 7,500 Seats		\$1,601			\$1,601
Thomas Street Garage (1,000 spaces)		\$12,105			\$12,105
TOTAL UNIT 5	- -	\$13,706	- -	- -	\$13,706
Add: CAMP Requirements 2000 ⁴	\$1,140	\$940	- -	- -	\$2,080
TOTAL UNIT 5 PLUS CAMP	\$1,140	\$14,646	- -	- -	\$15,786
CUMULATIVE TOTAL UNITS 1-5	\$109,269	\$81,522	\$60,895	\$27,525	\$279,211
CUMULATIVE TOTAL CAMP	\$20,307	\$35,143	- -	- -	\$55,450
CUMULATIVE TOTAL UNITS 1-5 PLUS CAMP	\$129,576	\$116,665	\$60,895	\$27,525	\$334,661

CAMP means Capital Asset Management Program.

1 Development funded by general obligation bonds, levy, or Capital Improvement Program.

2 Development funded in whole or in part by private philanthropy; degree of public involvement subject to negotiation on a case-by-case basis.

3 Development funded by private enterprise.

4 Estimates prepared by Seattle Center Finance Division.

5 Cost included in overall landscaping and unification package itemized in Unit 1.1.

Source: Various (see Table 5-2 for complete list of sources).

annual operating loss now standing at \$4 million and rising, or expending \$105 million for a program that will, within 10 or 15 years, virtually erase that deficit if the project is implemented as set forth in this analysis.

POTENTIAL MEANS OF FUNDING REQUIRED PUBLIC INVESTMENT

The estimated Public Investment and Public:Revenue-Supported shares of total master plan costs may be funded in a number of ways, with chief instruments encompassing the following:

- Both the City of Seattle and King County have authority to propose financing of capital improvement projects with **Unlimited General Obligation (GO) Bonds**. Bond issues of this type must be approved by popular vote, with a margin of 60 percent in favor. A further stipulation is that the total number of votes recorded, pro and con, must equal at least 40 percent of the total vote in the previous general election. Debt service on the bonds is funded by increased real estate taxes.
- The city and county also have authority to issue **Limited General Obligation Bonds**, also known as "Councilmanic" Bonds. In contrast to Unlimited GO Bonds, approval is effected by the legislative body of the respective jurisdiction rather than by popular vote. Debt service on this type of bond is paid out of current revenues, taxes, fees, and other charges.
- Available only to the Public:Revenue-Supported group
- of capital improvement projects are **Revenue Bonds**. These bonds do not require voter ratification and are issued only where a revenue stream is generated that is sufficient to cover debt service on the bonds.
- Local jurisdictions may submit for voter consideration a **Special Purpose Levy** allowing an increase in property tax rates, provided that the total rate for the jurisdiction in question does not exceed the current statutory limit of \$3.60 per \$1,000 of assessed valuation. Measures of this type have recently been utilized in financing the new Seattle Art Museum and harborfront improvements.
- **State Funding** in the form of grants or the extension of taxing authority to local jurisdictions for special-purpose projects is another potential source of funding. An increase in the Seattle transient occupancy tax, for example, was facilitated in this manner to provide for part of the debt service on bonds sold to construct the Kingdome.
- Lastly, a number of **Federal Grants** are potentially available, including Economic Development Administration (EDA) grants for projects that stimulate private investment and generate increased local employment. Similarly, Urban Development Action Grant (UDAG) funding can be secured for projects inducing local economic gains.
- Currently missing from the list of typical public funding sources is

tax increment financing. A common instrument in many communities across the country, tax increment uses the difference between the current tax-generation capability of a given tangible asset and its potential tax generation when developed to its "highest and best use" use as a means of servicing debt on the development of the designated higher use.. Real property tax, sales tax, and any other applicable taxes can be used to establish the increment. The study team understands that the state legislature has debated the adoption of enabling statutes on several occasions, but has yet to take affirmative action.

Given the size of the capital investment requirement for Seattle Center, it is likely that a variety of funding sources must be tapped. In those instances where voter approval is necessary, moreover, a concerted public information campaign must be launched that would demonstrate substantial residual benefits, both quantitative and qualitative, to be derived from the master plan program, which seeks to transform Seattle Center from fading star and drag on the local economy to financially sound, vibrant supernova.

APPENDIX
QUALIFICATIONS OF HARRISON PRICE COMPANY

HARRISON PRICE COMPANY

Nicholas S. Winslow
President

Education: BA, Pomona College, 1964
Concentration: Mathematics
MBA, Stanford University, 1966
Concentration: Marketing and Finance

Related Work Experience:

1967-1975 Economics Research Associates, Vice President
1975-1979 Paramount Pictures Corporation, Hollywood, California
Vice President-Technical Subsidiaries (President -
Future General)
1979-1980 United Video Industries, Inc., Hollywood, California
Executive Vice President
1980- Harrison Price Company, Los Angeles, California
President

Other:

1972-1973 Greater Miami Chamber of Commerce, Chairman, Tourist
Development Committee
1981-1982 President, Pomona College Alumni Association, Ex-officio
trustee, Pomona College
1982- Director, Los Angeles Master Chorale
1982-1985 Director, Liaison Citizens, Inc.
1983- Member, Los Angeles Economic Round Table
1985 Director, Live Aid Foundation

Background:

Mr. Winslow brings to his projects an extensive background in leisure time and real estate economics. As the founder and manager of the Florida and San Francisco offices of Economics Research Associates, he conducted and managed studies throughout the world for both private and public sector clients. At Paramount, Mr. Winslow was responsible for the corporation's activities in the application of new technology to the entertainment and commercial recreation industries. In the field of tourism analysis and development, Mr. Winslow has conducted studies for the states of South Carolina, California and Louisiana, the Mount St. Helens' region of Washington, and East Central Florida. Theme park and attractions clients have included The Walt Disney Company, Six Flags, Inc., Knott's Berry Farm, Hershey Entertainment and Resort Company, MGM/UA Home Entertainment, Norfolk Recreational Facilities Authority/The Cousteau Society, Pavilion Recreation Ltd. (England), and Beekse Bergen (Holland). Exposition and special event work has included studies for the Louisiana World Exposition, Durban Expo 85 and Brisbane Expo 88. In the performing arts, Mr. Winslow has conducted management and feasibility studies for Fairfax County (Virginia) Arts Center, the City of New Orleans (amphitheater) and assessment of redevelopment alternatives for the Santa Monica Civic Auditorium. Specialty attraction clients include the Maryland Science Center, Louisiana Science Center, Oregon Agri-Center, Indiana Transportation Museum and Duluth IMAX. Resort projects which Mr. Winslow has studied include Pan American World Airways (worldwide), Sierra Reflections (Nevada), Snow Summit (California) and Sea Pines Plantation on Hilton Head Island, South Carolina.

SHARON J. DALRYMPLE
Market / Economic Analysis

Education: BA, University of California at Los Angeles, 1965

Related Work Experience:

1965-1967	Los Angeles Federal Savings & Loan Association, Administrative Assistant
1967-1978	Economics Research Associates, Los Angeles, Senior Associate
1978-	Independent consulting economist, Galt, California

Background:

Ms. Dalrymple has had 20 years of research experience concentrated in the field of recreation and tourism economics.

One area in which she has developed substantial expertise is that of specialty shopping/entertainment center development. She has analyzed the potential market and financial performance of such facilities in several California communities, including Burbank, San Francisco, Redondo Beach, Cerritos, San Jose, Universal City, Irvine, San Bernardino, and downtown Los Angeles, and has also evaluated specialty center development potentials in Hartford, Connecticut; Fort Lauderdale and Miami, Florida; Tucson, Arizona; Marlton, New Jersey; Lahaina and Honolulu, Hawaii; Norfolk, Virginia, and Monterrey, Mexico.

Among Ms. Dalrymple's other recreational research assignments are a complete master plan for tourism development in the area around the Mount St. Helens volcano in north-western Washington; a feasibility and planning study for a botanical gardens attraction in Hilo, Hawaii; a comprehensive analysis and planning study for a tourist-oriented ethnic/cultural center on the island of Maui in Hawaii; feasibility studies of theme parks proposed for Chicago, Honolulu, Brownsville (Texas), and the San Francisco Bay area; market studies for the Waterville Valley (New Hampshire), Provo (Utah) and Telluride (Colorado) ski areas; and economic planning work for the 1984 Louisiana World Exposition in New Orleans. Her experience in the field of performing arts and cultural centers encompasses feasibility studies of the Orange County (California) Music Center, rehabilitation of the Philharmonic Auditorium in downtown Los Angeles, a museum/auditorium in Fullerton, California, a cultural/conference center in the San Fernando Valley area of Los Angeles, and a civic/convention center in Toledo, Ohio.

Internationally, Ms. Dalrymple was a principal member of the economic planning team engaged to prepare a comprehensive master plan for the first major themed amusement park and environmental zoo to be developed in Seoul, Korea. She has also analyzed the feasibility of theme park development on the island of Mallorca in Spain, investigated tourism development opportunities along the Pan American Highway in Central America, and analyzed the feasibility of proposed theme attraction development in Denmark. Major entertainment center development was evaluated by Ms. Dalrymple in Vancouver, British Columbia, and Acapulco, Mexico, while large-scale resort development was the subject of a comprehensive study on the Red Sea coast of Egypt.

PETER MOY
10000 51st AVENUE SW
SEATTLE, WASHINGTON 98146

Peter Moy is the owner of Peter Moy & Associates, a general management consulting firm. Mr. Moy has over twelve years of public sector experience in policy analysis, public finance, program evaluation, management assessments, and organizational analysis. Mr. Moy has proven technical expertise, as well as extensive experience in researching complex issues and problems and communicating the results to elected officials, management, and the public. He has extensive knowledge about the City of Seattle and its finances.

EDUCATION

MBA. University of California, Berkeley. Major: Finance

BS. University of California, Berkeley. Major: Finance and Organizational Behavior and Industrial Relations. Graduated with honors.

JOB EXPERIENCE

Owner, Peter Moy & Associates. Provided a variety of consulting services involving financial, policy, organizational, and management problems.

Assistant Director, Seattle City Council. Managed City Council staff providing budget, program, and financial analyses and recommendations on a broad spectrum of issues and programs.

Program Evaluation Analyst, Seattle City Council. Performed budget, financial, policy, and program analyses and made recommendations on various issues and programs.

Management Auditor, U.S. General Accounting Office. Performed management and program audits on a variety of federal, state, and local programs and activities.

COMMUNITY ACTIVITIES

Board Member, United Way of King County, 1985-1987

President, Board of Directors, Asian Counseling and Referral Service, 1980, 1981, 1983

Chairman, Fundraising Committee, Asian Counseling and Referral Service, 1982

Lay Member, Young Lawyers Board of Trustees, Seattle-King County Bar Association, 1982-1984

Committee Member, Group Health Cooperative Health Care Committee, 1983-1984

Committee Member, Marketing Committee, Seattle-King County Convention and Visitors Bureau, 1982

Board Member, Totem Girl Scout Council, 1982