

THE TRANSFORMATION OF THE ARENA AT SEATTLE CENTER



EXECUTIVE SUMMARY

Oak View Group, LLC (“OVG”) has structured the development proposal for the new arena at Seattle Center (“NASC”) around our company’s core values: inclusion and diversity, environmental protection and sustainability, and giving back to the local community. OVG will be an integral part of the Seattle Center neighborhood and the City of Seattle as a whole. We will embrace fair labor practices, including entering into project labor and labor harmony agreements and offering apprenticeship, job training, and hiring programs. We will also meet or exceed women and minority-owned business hiring standards.

OVG’s design for NASC honors the history and tradition of the Seattle Center campus and the historic Washington State/Seattle Center Coliseum by providing a world-class, state-of-the-art entertainment and sports arena that continues to preserve original iconic design features.

To accomplish this goal, we have brought together the most experienced team of designers, developers, and operators ever assembled in the history of live entertainment venue development, including the following:



HISTORIC RESOURCES GROUP

OVG will seek to have NASC declared a national landmark and registered on the National Register of Historic Places for its role in the 1962 World’s Fair and its unique design. NASC will expand the existing venue to approximately 660,000 square feet, with the expansion area located primarily below grade.

NASC will have varying capacities based on event type: approximately 18,350 patrons for NBA events, approximately 17,100 patrons for NHL events, and approximately 19,100 patrons for live concerts. NASC will have 16 event level “bunker” suites and 40 sideline suites above the main concourse. OVG has also designed iconic and unique in-venue locations that celebrate Seattle, such as a large capacity club space, restaurant and bar with a view of the Space Needle from the interior.



OVG, in partnership with Live Nation, the largest music promoter in the world, will provide live entertainment content to NASC at an unprecedented level in Seattle. Live Nation has committed to providing an equity investment into NASC if OVG is awarded the project, further strengthening NASC’s ability to have the best content pipeline available.



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NASC will also be a Ticketmaster building that will showcase the latest innovations in ticketing software and fan social and mobile engagement.



OVG's management team has, both in the past and the present, owned, managed, and served on the Executive Committees of both the NHL and NBA and have long standing relationships with the commissioners. OVG is in the strongest position possible to create an environment to be home to both the NBA and NHL should either league come to Seattle. OVG is committed to attracting one or more teams to Seattle that would relocate to NASC, and OVG will do whatever is necessary to realize that vision, including providing equity for the purchase of such teams.

Our experience with professional sports leagues has taught us that we must build NASC without the promise of a team, and we will take all of the financial risk privately. Furthermore, we are confident that our vision for NASC will succeed even without the relocation of an NBA or NHL franchise.

We have designed an arena that is not only NHL and NBA compliant by meeting league-mandated standards, but also an arena that will be one of the greatest sports venues in the country, due to its 9,000 lower bowl seats, steep bowl configuration, and revolutionary, first-of-its-kind, above-goal tri-sided scoreboards.

OVG's design will create one of the great home advantages in the WNBA, NHL, and NBA if given the opportunity. OVG will build to LEED certification standards and will develop an environmentally sustainable project that maximizes recycling and energy efficiencies.

OVG will enter into a public/private partnership with the City that will not require any City investment in the construction of NASC. It will be built and financed entirely from non-City sources. OVG will privately finance NASC by taking all financial risk on the construction, ongoing operations, and capital improvements for the building.

NASC and the land on which NASC is built will remain City property and will revert back to City control when the lease agreement expires. The City will not be required to redirect any existing revenue streams to support NASC. However, OVG will work with the City to identify a mechanism for reinvestment of new revenue streams back into the project.

The estimated construction cost of NASC is approximately \$564,000,000. It will be funded with private equity contributed from OVG, guaranteed by The Madison Square Garden Company and debt financed by Goldman Sachs. The term of the proposed lease agreement will be 35 years, with 5 additional 10-year options. OVG will pay annual base rent of \$1,000,000 per year, with additional rent payments to be made upon revenue thresholds being met by OVG. OVG anticipates generating net revenue of approximately \$18,500,000 a year in its first year, which will allow OVG to pay its debt service and generate a profitable return.

Through its historical knowledge of building similar projects, OVG anticipates a 19-month entitlement period to complete design drawings and secure all required discretionary approvals (including landmarks

approvals and environmental clearance under the State Environmental Policy Act) and construction permits.

OVG anticipates an approximately 20-month construction timeline to build NASC, based upon OVG's proven track record for being on time and on budget.

OVG has commenced a comprehensive community engagement strategy to create an Advisory Council that has provided, and continues to provide, advice and insights on issues important to Seattle and the community.

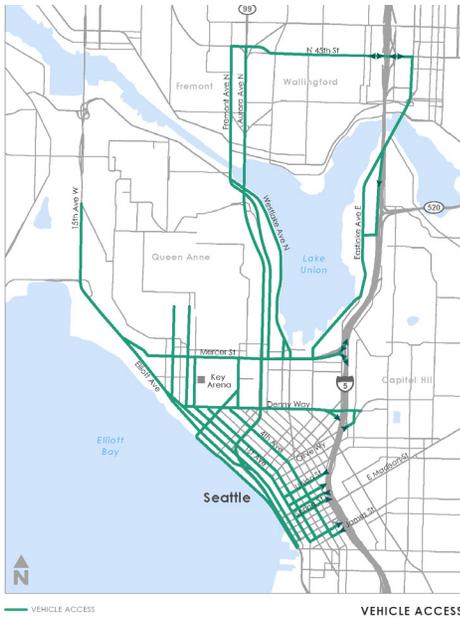
Advisory Council members include Monisha Harrell, community activist; Amy Grotefendt, President of EnviroIssues, mobility expert and Queen Anne resident; Kelly Curtis, the manager of Seattle's iconic band Pearl Jam (Eddie Vedder, Mike McCready, Stone Gossard, Jeff Ament, and Matt Cameron); Brian Sims, Vice President of Tabor 100, a minority and women owned business advisor; Jess Jaunich, Seattle Youth Commission Member; and Melinda Giovengo, Executive Director, YouthCare.

Consistent with OVG's unwavering commitment to the community, we pledge to spend more than \$20 million dollars over the first 20 years on initiatives important to our neighbors and the Seattle Center. That commitment has begun with an agreement for more than \$10 million to partner with YouthCare to help end teen homelessness in Seattle and provide support for at-risk youth. Furthermore, OVG will spend over \$3 million dollars on public art in and around Seattle Center in collaboration with our neighbors to further the Queen Anne Hill neighborhood as an important arts and cultural district.

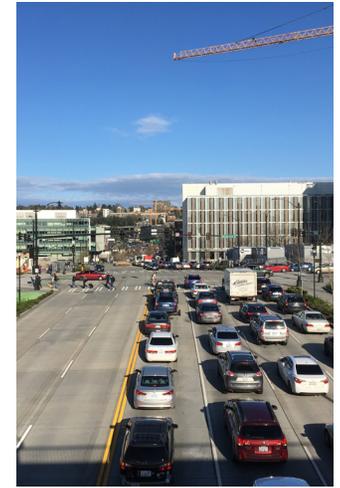
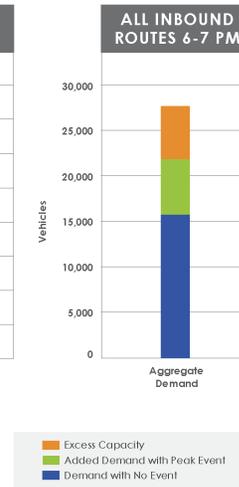
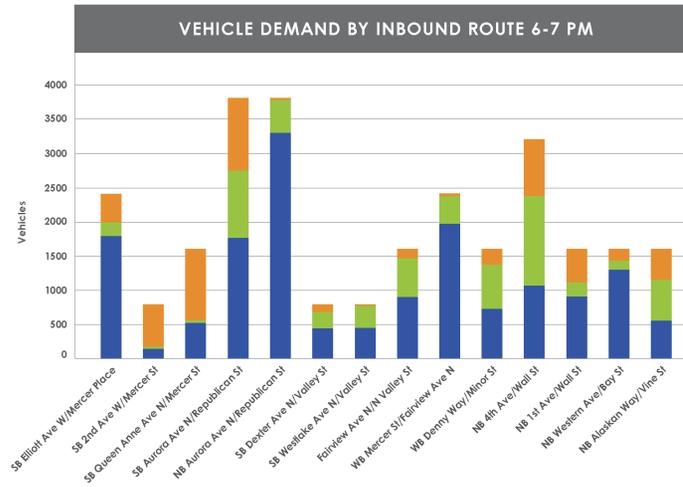


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OVG understands the critical piece that traffic and parking plays in the full execution of this project. OVG and its traffic advisor, Parametrix, believe that NASC proposal includes an effective plan to manage mobility and parking. We also recognize that a fully defined traffic mitigation plan will have a multilayered approach by embracing the public investment in infrastructure, creating new and effective event day mitigation programs, as well as leveraging technological advancements to ensure that our neighbors and fans have a seamless experience on event nights.



NASC will incorporate the latest technology to facilitate pre- and post-event fan communication. For example, OVG will identify available parking spaces in advance for its customers using mobile apps that provide real-time pricing, availability, reservations and other parking services.



Our vision is to create an environment where drivers know their route in advance, predetermined parking destination, and can access real-time traffic updates before they begin their trip to the Seattle Center.

NASC will also include OVG's construction of an approximately 850-stall parking garage. Finally, OVG will financially incentivize ticket buyers by offering bundled tickets with mass transit or rideshare programs. We welcome and would like to explore innovative ride sharing programs and build designated drop-off and pick-up locations for mobility network companies (MNCs), such as Lyft and Uber.

Having been part of countless communities throughout the world, OVG understands that each community is special in its own way. OVG is excited to work with all of the resident organizations at Seattle Center, ranging from the arts and festivals to attractions and sports.

Specifically, Book-it Repertory Theatre, Cornish Playhouse – Cornish College of the Arts, KCTS/Channel 9, Pacific Northwest Ballet, Pottery Northwest, Seattle Children's Theatre, SIFF, Seattle Opera,

Seattle Repertory Theatre, Alhadeff Studio, Seattle Shakespeare Company, Theatre of Puget Sound, The VERA Project, Academy of Interactive Entertainment, Ethnic Heritage Council, Teen Tix, Art/Not Terminal, Center School, KEXP, Museum of Pop Culture, Chihuly Garden and Glass Pacific Science Center, The Monorail, Space Needle, The Children's Museum, Bite of Seattle, Bumbershoot, Northwest Folklife Festival, Festal, Seattle Storm, Seattle Reign FC and Seattle University.

OVG welcomes and would like to structure meaningful partnerships with local neighborhood groups and business as well as Seattle Center stakeholders to provide the best opportunity and success for all and directly address topics like security, parking and traffic mitigation so that all groups benefit from this transformative opportunity and project. As a new member of the Seattle community, OVG will proudly honor Seattle's unique culture, brand and traditions.

**We will be of Seattle, by Seattle,
for Seattle, and from Seattle.
WE ARE SEATTLE.**