

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Central Waterfront Project, authorizing the execution of a Memorandum of Agreement concerning funding for the Parks Central Waterfront Piers Rehabilitation project (K732493) between The City of Seattle and the Friends of Waterfront Seattle; authorizing the Director of the Seattle Department of Transportation to accept non-City funds on behalf of the City; amending Ordinance 124927, which adopted the 2016 Budget, including the 2016-2021 Capital Improvement Program (CIP); changing appropriations to the Seattle Department of Transportation and the Seattle Department of Parks and Recreation; revising allocations for certain projects in the 2016-2021 CIP; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This legislation revises the 2016 Adopted Budget and 2016-2021 CIP to provide funding to advance the Pier 62/63 Phase 1 Rebuild and authorizes execution of a funding agreement between the City of Seattle and the Friends of Waterfront Seattle.

The Seattle Office of the Waterfront (OW) and the Seattle Department of Parks and Recreation (SPR) are pursuing strategies to rebuild Pier 62/63. Collectively part of the Seattle park system, these piers have long been in need of a full structural rebuild and have been closed to events for the past 12 years. Once home to “Summer Nights on the Pier” and other citywide events, Piers 62 and 63 are critical to the park system and a central aspect of the City’s “Waterfront Seattle” program, which will create 20 acres of new parks, trails and transportation improvements on the Central Waterfront with the removal of the Alaskan Way Viaduct.

The project will replace Pier 62 with new concrete piles and deck surface (*Attachment 2*). The footprint of Pier 62 will remain essentially as it currently is with a small reduction in square footage at the west end; a new floating dock intended for moorage of small boats will be added to the south side of Pier 62. Public art, benches, utilities and lighting are integrated into the design. Additional grating in the near shore environment will be added to both Pier 62 and Pier 63 to provide an improved habitat corridor for fish migration. The rebuilt pier will allow active programming to return to the Piers in partnership with Friends of Waterfront Seattle and other organizations. Although Pier 63 will remain open for passive recreation, it will not be rebuilt until the Pier 62/63 Phase 2 Rebuild, for which planning has not yet begun.

An opportunity has emerged to accelerate timing for the rebuild of Pier 62. In November, after reviewing a number of options, the Seawall team at the Seattle Department of Transportation (SDOT) re-bid a portion of the Seawall contract to complete the Seawall work in Box 1, just

north of the Aquarium and adjacent to Pier 62/63, as opposed to adding that scope of work to the current Seawall construction contract with Mortensen-Manson Joint Venture (MMJV). Including the pier rebuild in the SDOT bid package will reduce overall cost and reduce construction impacts to the neighborhood. It will also:

- Complete reconstruction of a failing SPR asset - The structure of Pier 62/63 was identified as failing in 2004 during a structural inspection. As a result the Pier was closed to “Summer Nights” concerts and other events, a closure that caused much disappointment to City residents at the time. Twelve years later, the pier still has not been rebuilt.
- Leverage private fundraising - The Friends of Waterfront Seattle (Friends) are ready to launch their capital campaign and demonstrate fundraising capacity for the waterfront (they have committed to raise \$100M for the waterfront overall). They have pledged \$8M to the Pier 62/63 Phase 1 Rebuild project, assuming the accelerated project schedule that this legislative package describes. This legislation authorizes execution of an MOA with Friends.
- Avoid future construction cost escalation - As a result of the delays in tunnel construction, which have pushed out OW’s construction timeline, OW’s costs have been escalating. It is possible to rebuild Pier 62/63 early because it is not tied to removal of the viaduct. Rebuilding early would allow OW to avoid added costs.
- Build momentum for the new waterfront - On August 13, 2012, the City Council unanimously adopted Resolution 31399 supporting the Central Waterfront Strategic Plan. The Resolution directed staff to “identify ‘early win’ projects, i.e., projects that can be implemented prior to Alaskan Way Viaduct demolition in order to demonstrate progress in implementing the Central Waterfront program.” Delivering the Pier 62/63 Phase 1 Rebuild would be an “early win” for the new waterfront, demonstrating the City’s commitment to the project and allowing public concerts, recreation, and other park programming to take place again.

The total cost of the Pier 62/63 Phase 1 Rebuild is approximately \$29 million (*Attachment 3*). Design and construction management costs are well below our standard targets due to efficiencies gained by packaging with Seawall and confining the project scope to a basic reconstruction of the pier.

The Pier 62/63 Phase 1 Rebuild is included in the Adopted 2016-2021 CIP as part of the Department of Parks and Recreation’s Parks Central Waterfront Piers Rehabilitation project (K 732493) together with the reconstruction of Waterfront Park. Approximately \$88.6M is currently programmed in the CIP for pier rehabilitation. About \$17.2M of this funding was allocated for Pier 62/63, including an \$8 million philanthropic commitment from the Friends for the project. This funding also included \$5 million of local improvement district (LID) funding, which could not be used for this project on an accelerated schedule

Absent the assumed LID funding, an additional \$16.6 million is required through 2019 to complete the project (*Attachment 4*). This legislation would (1) accelerate existing local funding (REET, Seawall Bond proceeds, and CRS-U) programmed for Pier 62/63, the Alaskan Way Main Corridor and Waterfront Park; and (2) use two new funding sources – \$4.35M from the Seattle Parks District and future grant of \$600,000 to fully fund the project.

Park District Funding

Currently, the Park District financial plan allocates \$3.5M annually for operations and maintenance of Central Waterfront parks starting in 2019, when these facilities were originally expected to open. Given delays in tunnel construction, those facilities will not be open until 2021, allowing SPR the flexibility to reallocate \$7.6M (note that this figure anticipates the accrual of approximately \$600,000 in additional revenues).

This legislation reallocates \$4.4 million of these Park District funds from day-to-day Central Waterfront operations and maintenance to the Pier 62/63 Phase 1 Rebuild in 2019 and 2020, addressing an ongoing major maintenance need that has been deferred for 12 years. This funding, along with the other local sources and \$8M in philanthropy committed to by Friends, will fully fund the project and allow OW to start construction in 2017. \$600,000 of the original Park District funds would be kept in place during 2019 and 2020 to fund maintenance and operations of the new pier.

The remainder of the \$7.6M in Park District funds (\$2.6M) will be reallocated to more fully fund development of the 14 land-banked sites designated in the Park District funding package for 2016-18 revenues. This reallocation will be included in a future budget amendment for SPR’s CIP project K730308 – “Develop 14 New Parks at Land-Banked Sites” during the 2017-2018 budget process.

The proposed reallocation of Park District resources has been presented to the Park District Oversight Committee and Board of Park Commissioners, who have expressed support for this shift of funding to support these uses. A resolution concurrent with this legislation has been introduced to the Park District Board to amend the Seattle Park District financial plan to reprogram these funds.

Grant Funding

Parks and the Office of the Waterfront anticipate applying for a Washington State Recreation and Conservation Office (RCO) Boating Facilities Program (BFP) grant later this year to help fund the floating dock that will provide a new public access to Elliott Bay. The City of Seattle has not received a grant through this program in several years, and OW and SPR’s research suggests that such an application would be a strong one.

2. CAPITAL IMPROVEMENT PROGRAM

X This legislation creates, funds, or amends a CIP Project.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:
Parks Central Waterfront Piers Reconstruction	K732493	Alaskan Way	Q1/2015	TBD	92,379
Alaskan Way Main Corridor	TC367330	Various	Q1/2013	Q1/2021	371,208

3. SUMMARY OF FINANCIAL IMPLICATIONS

X This legislation has direct financial implications. (

Budget program(s) affected:	Major Projects (19002), Engineering Services (17002), Docks/Piers/Floats/Seawalls/Shorelines (K72447)			
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2016	2017	2016	2017
			653,000	150,000
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2016	2017	2016	2017
			0	150,000
Positions affected:	No. of Positions		Total FTE Change	
	2016	2017	2016	2017
Other departments affected:	DPR, SDOT			

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2016 Appropriation Change	2017 Estimated Appropriation Change
Cumulative Reserve Subfund - Real Estate Excise Tax II Subaccount	SDOT	Major Projects (19002)	-\$1,500,000	0
	DPR	Docks/Piers/Floats/ Seawalls/ Shorelines (K72447)	\$1,500,000	0
Cumulative Reserve Subfund - Unrestricted Subaccount	SDOT	Major Projects (19002)	-\$1,000,000	0
	DPR	Docks/Piers/Floats/ Seawalls/ Shorelines (K72447)	\$1,000,000	0

Central Waterfront Improvement Fund *	DPR	Docks/Piers/Float s/ Seawalls/ Shorelines (K72447)	-\$100,000	0
Alaskan Way Seawall Construction Fund	SDOT	Major Projects (19002)	-300,000	0
	DPR	Docks/Piers/Float s/ Seawalls/ Shorelines (K72447)	\$400,000	0
Parks Capital Fund (33140)	DPR	Docks/Piers/Float s/ Seawalls/ Shorelines (K72447)	0	\$150,000
Transportation Operating Fund (10310)	SDOT	Engineering Services (17002)	\$653,000	0
TOTAL			\$653,000	\$150,000

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes: See Attachment 1 to this document: Summary Detail Table.

Note: * This item increases the appropriation from the Alaskan Way Seawall Construction Fund and decreases the appropriation from the Central Waterfront Improvement Fund to reflect the correct split of resources between the two funds, updating the revenue table in the 2016 Adopted CIP for the Parks Central Waterfront Piers Rehabilitation project (K732493).

3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2016 Revenue	2017 Estimated Revenue
Parks Capital Fund (33140)	DPR	State Grant Funds	0	\$150,000
TOTAL			0	\$150,000

Revenue/Reimbursement Notes:

This ordinance anticipates a State recreation grant in 2017-2018 for the purpose of constructing the boat dock that will be attached to the pier for small boat access to Elliott Bay. The remainder of grant funds (\$450,000) will be received in 2018.

3.c. Positions

 This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?** Yes. Piers 62/63 is an SPR facility that has been closed to active programming and identified as an asset replacement need for over 12 years. Replacing Pier 62 now will reduce the long-term cost of this replacement and reduce the need for short-term repairs and maintenance. It will also provide an opportunity to return active programming to the pier, allowing it to benefit many more users. Ongoing operations and maintenance both of the Piers and of other Waterfront Parks facilities is funded through the Seattle Park District.
- b) **Is there financial cost or other impacts of not implementing the legislation?** Delaying the replacement of Pier 62 has three long-term financial impacts:
- Construction costs will continue to increase – likely at rates higher than inflation, based on SDOT’s experience over the last decade
 - Higher preventative maintenance costs due to substandard condition of the facility, or the potential need to close the facility to public access
 - Increased financial risk due to potential changes in regulations, design standards and policy goals
- c) **Does this legislation affect any departments besides the originating department?** This legislation affects the Office of the Waterfront (originator of legislation), the Seattle Department of Transportation (lead department for project implementation) and the Department of Parks and Recreation (asset-owning department).
- d) **Is a public hearing required for this legislation?** No.
- e) **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?** No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.
- g) **Does this legislation affect a piece of property?** No.
- h) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?** This legislation is anticipated to have a positive impact on vulnerable and historically disadvantaged communities by providing increased public access to Elliott Bay. The pier would be available to subsistence fishing, which is a common activity on the pier today amongst Seattle’s Southeast Asian communities, as well as to tribes for heritage festivals and other activities. The Office of the Waterfront and Parks are also working with Friends of Waterfront Seattle and other community organizations to continue to provide free programming that engages vulnerable or historically disadvantaged communities in the active programming of the pier; these activities would expand with the rebuilding of the pier.

- i) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.** This legislation does not include a direct expansion of program services; however, replacement of this facility will allow active programming to return to Pier 62/63 after a twelve-year absence. One of the long-term goals of Waterfront Seattle is to increase access to Elliott Bay for all members of the community, including vulnerable or historically disadvantaged communities. Rebuilding this pier and providing the return of active programming to the pier and the ability of small boats to use the pier will give all Seattle residents and visitors an enhanced opportunity to connect with the bay.

j) **Other Issues:**

List attachments/exhibits below:

- Attachment 1 – Summary Detail Table
- Attachment 2 – Updated Site Plan
- Attachment 3 – Pier 62/63 Phase 1 Rebuild Cost Estimate
- Attachment 4 – Pier 62/63 Phase 1 Rebuild Funding Plan