



# **WATERFRONT LEGISLATIVE PACKAGE**

**CIVIC DEVELOPMENT, PUBLIC ASSETS AND NATIVE  
COMMUNITIES COMMITTEE  
JANUARY 16, 2019**

# TODAY'S AGENDA



- Background and policy context
- Review legislative package
  1. LID formation ordinance
  2. Protest waiver agreement ordinance
  3. Funding, operations and maintenance ordinance
- Timeline and next steps



# “WATERFRONT FOR ALL”



## Seattle's waterfront park comes into focus

The basic outlines of the ambitious park, really four big parks connected by a promenade, are now emerging. There are very sensible design decisions being made, but can the city pull off such a spectacular plan?

By David Brewster

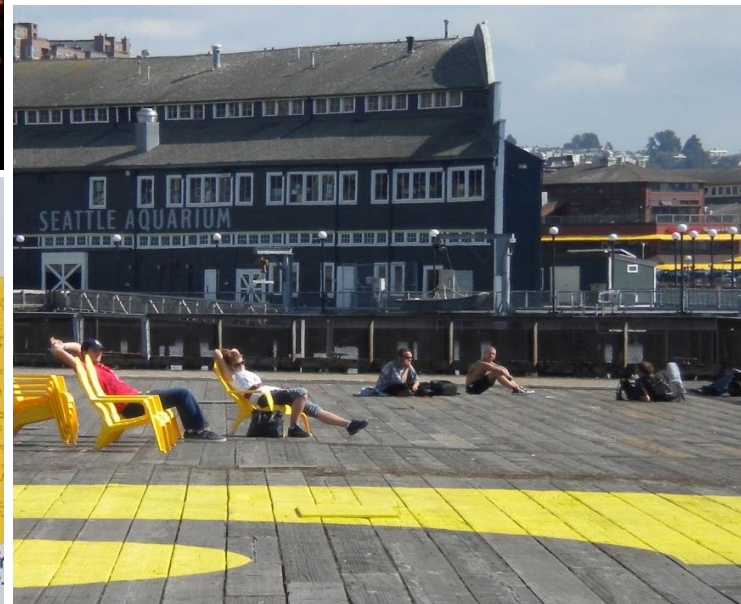
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After all the battles over the Viaduct and the deep-bore tunnel, are we going to manage to create a splendid waterfront park for Seattle? The desire is there, and the setting is certainly spectacular. But it won't be easy, particularly given Seattle's way of building and bungling major projects.

It's now possible to get a better idea of what might happen. After the successful vote for the tunnel last month, the guardedness has been relaxed. Additionally, more details are being filled in, so the design is moving from a generic 26-block esplanade into something far more tailored to the conditions of the spaces. What follows are some of the things I learned from tagging along on a tour put together by the Seattle Parks Foundation and guided by the two principal city officials in charge, city planner Marshall Foster and



City of Seattle/James Corner Field Operations

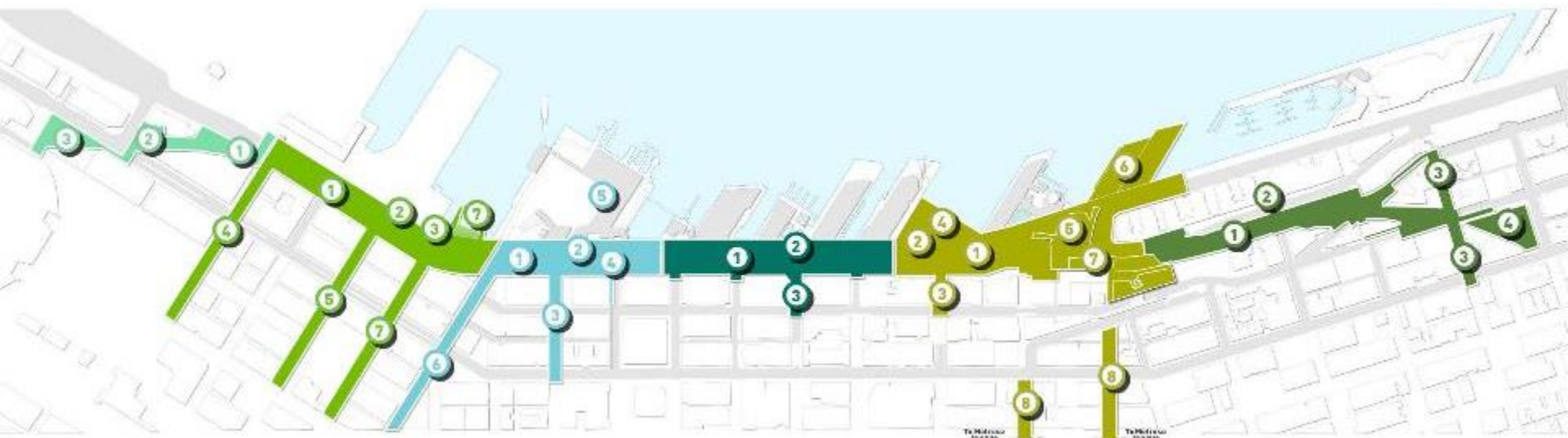


# “WATERFRONT FOR ALL”



1. Create a Waterfront for All
2. Put the Shoreline and Innovative, Sustainable Design at the Forefront
3. Reconnect the City to its Waterfront
4. Embrace and Celebrate Seattle’s Past, Present and Future
5. Improve Access and Mobility (for People and Goods)
6. Create a Bold Vision that is Adaptable Over Time
7. Develop Consistent Leadership – from Concept to Operations

# WATERFRONT SEATTLE PROGRAM

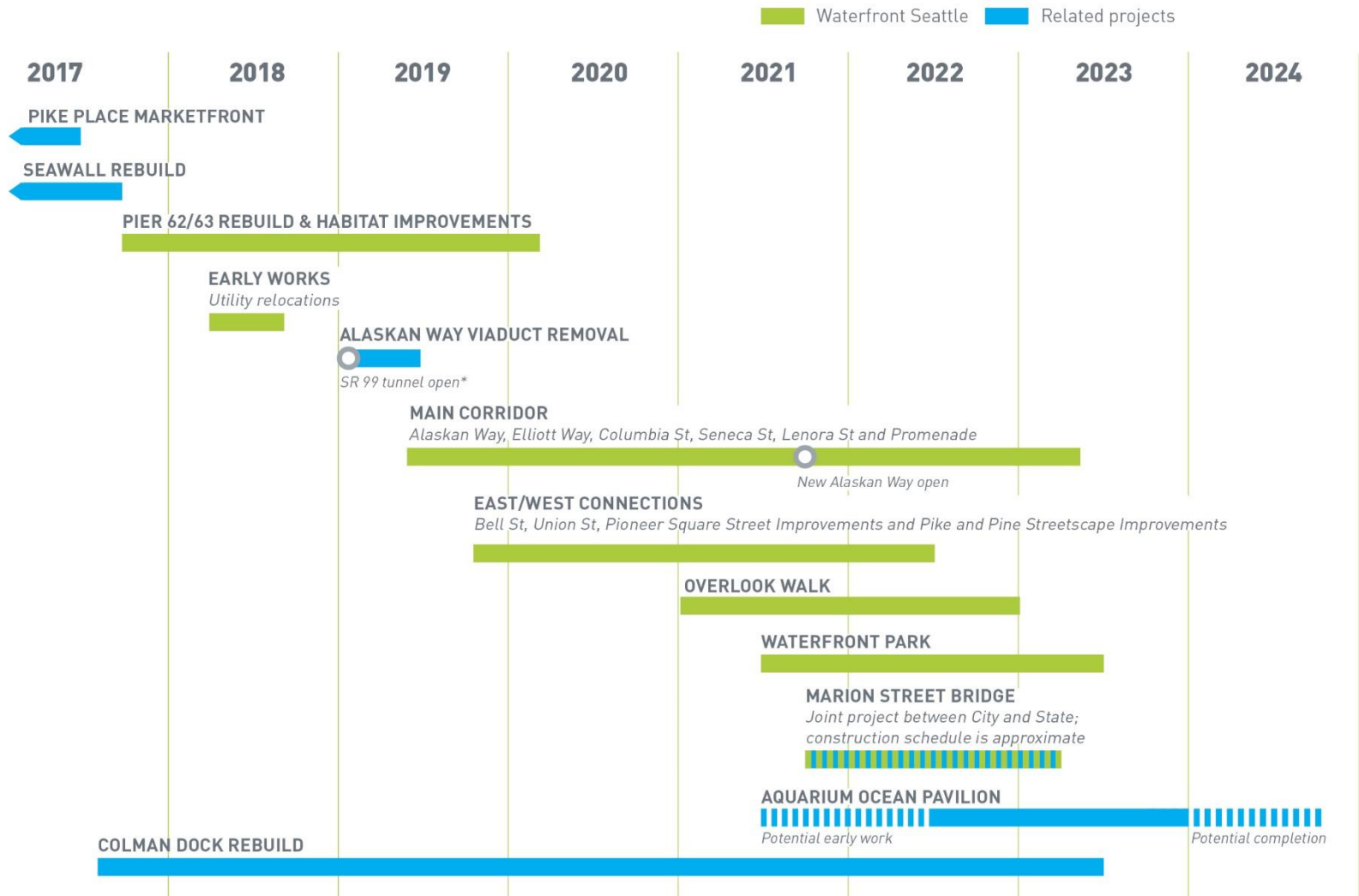


RAILROAD WAY	PIONEER SQUARE	TRANSIT HUB	HISTORIC PIERS	CENTRAL PUBLIC SPACE	BELLTOWN
<ul style="list-style-type: none"> <li>1 WATERFRONT</li> <li>2 PIONEER SQUARE</li> <li>3 STADIUMS</li> </ul>	<ul style="list-style-type: none"> <li>1 ALASKAN WAY</li> <li>2 WATERFRONT PROMENADE</li> <li>3 WASHINGTON ST. BOAT LANDING</li> <li>4 S. KING ST.</li> <li>5 S. MAIN ST.</li> <li>6 S. WASHINGTON ST.</li> <li>7 HABITAT INTERTIDAL ZONE</li> </ul>	<ul style="list-style-type: none"> <li>1 ALASKAN WAY</li> <li>2 WATERFRONT PROMENADE</li> <li>3 COLUMBIA ST.</li> <li>4 MARION ST. PEDESTRIAN BRIDGE</li> <li>5 COLMAN DOCK TERMINAL REPLACEMENT</li> <li>6 YESLER WAY</li> </ul>	<ul style="list-style-type: none"> <li>1 ALASKAN WAY</li> <li>2 WATERFRONT PROMENADE</li> <li>3 SENECA ST.</li> </ul>	<ul style="list-style-type: none"> <li>1 ELLIOTT WAY</li> <li>2 WATERFRONT PROMENADE</li> <li>3 UNION ST.</li> <li>4 WATERFRONT PARK REBUILD</li> <li>5 OCEAN PAVILION</li> <li>6 PIERS 62/63 PHASE 1 REBUILD</li> <li>7 OVERLOOK WALK</li> <li>8 PIKE/PINE STS.</li> </ul>	<ul style="list-style-type: none"> <li>1 ELLIOTT WAY</li> <li>2 LENORA ST. PED BRIDGE RETROFIT</li> <li>3 BELL ST.</li> <li>4 PORTAL PARK</li> </ul>





# CONSTRUCTION SCHEDULE



NOTE: construction dates subject to change

# BACKGROUND: 2009-2018



Year	Action	Purpose
2009	Ordinance 123142	<ul style="list-style-type: none"> <li>Establishes Central Waterfront Partnerships Committee to advise City</li> </ul>
2011	Resolution 31264	<ul style="list-style-type: none"> <li>Endorses Central Waterfront Guiding Principles</li> <li>Creates Central Waterfront Committee</li> </ul>
2012	Resolution 31399	<ul style="list-style-type: none"> <li>Endorses Waterfront Concept Design and Strategic Plan, establishing funding plan, including LID and philanthropy</li> </ul>
	Friends Established	<ul style="list-style-type: none"> <li>Friends of Waterfront Seattle incorporates as non-profit organization</li> </ul>
2013	Detailed work advances	<ul style="list-style-type: none"> <li>Waterfront Program established in CIP, including LID</li> <li>Community engagement on design continues</li> <li>City initiates outreach and technical work on LID</li> </ul>
2014	Early activation begins	<ul style="list-style-type: none"> <li>Friends opens “Waterfront Space” and begins early public programming and activation</li> <li>Office of the Waterfront created</li> </ul>

# BACKGROUND: 2009-2018



Year	Action	Purpose
2017	Resolution 31768	<ul style="list-style-type: none"> <li>• Reaffirms Council's commitment to consider LID</li> <li>• Recognizes Friends as City's non-profit operations and maintenance partner</li> <li>• Friends commits to bring \$25M in committed pledges when Council consider LID Formation</li> </ul>
	LID Outreach	<ul style="list-style-type: none"> <li>• Voluntary LID outreach to full range of property owners begins</li> </ul>
2018	Special Benefit Analysis	<ul style="list-style-type: none"> <li>• Preliminary Special Benefit Study completed</li> <li>• Ongoing outreach to property owners and preliminary assessment search tool available</li> </ul>
	Resolution of Intent to Form	<ul style="list-style-type: none"> <li>• States Council's intention to consider forming LID</li> <li>• Initiates legislative process and public notifications</li> </ul>
	Public Hearings	<ul style="list-style-type: none"> <li>• Required hearings and testimony held</li> <li>• Hearing Examiner reports to Council (<a href="#">report</a> and <a href="#">public testimony</a>)</li> </ul>



# 1. LID FORMATION ORDINANCE



- Forms the Waterfront Local Improvement District #6751
  - Does not establish the final amount of individual assessments (subsequent legislative action to confirm “final assessment roll”)
- Caps total assessment at \$160 million (not including financing costs)
- Orders the construction and completion of LID-funded improvements

# PUBLIC OUTREACH



## Required by State Law

- 2 official public notifications
- Direct mailings: 6100 letters
- 4 public hearing dates: 20 hours (weekdays, evenings, weekends)

## Voluntary Outreach

- Over 100 individual/group briefings
- Direct mailings: 6100 letters
- Information sessions: 400 attended
- LID email newsletter: 1,766 subscribers
- LID customer service: 980 communications (emails, calls)
- Online property search tool: 10,885 unique visitors

# LID – BENEFITS AND ASSESSMENTS



## Study area overall

Total market value without improvements:	\$49 billion
Estimated total special benefit:	\$415 million
Total proposed assessment:	\$160 million*

**Proposed assessment percentage: 38.58%**

*\*\$160 million plus the estimated amounts necessary to pay the costs of financing*



# WHAT WOULD OWNERS PAY?

## One-Time Payment or Financed over 20 Years



**\$1,900**  
MEDIAN ONE-TIME  
ASSESSMENT

or

**\$95**  
PER YEAR  
+ INTEREST\*

OR  
**\$8**  
PER MONTH

**FOR 20 YEARS**

\*Interest rate would be based on the LID bond rates, determined at the time they are sold, and other costs of the financing



*Commercial properties include office, hotel, retail, institutional, parking and residential apartments*

**\$5,900**  
MEDIAN ONE-TIME  
ASSESSMENT

or

**\$295**  
PER YEAR  
+ INTEREST\*

OR  
**\$25**  
PER MONTH

**FOR 20 YEARS**

**Only property owners would be subject to the LID. If landlords choose to pass assessment costs on to apartment tenants, how much would the typical apartment rent increase?**

**\$1,040**  
MEDIAN ONE-TIME  
ASSESSMENT PER  
APARTMENT UNIT

or

**\$52**  
PER YEAR  
+ INTEREST\*

OR  
**\$4**  
PER MONTH

**FOR 20 YEARS**

# DEFERRAL PROGRAMS



## STATE OF WASHINGTON PROGRAMS



You can defer  
**100%**  
of payments  
for 20 years\* if:

You are the owner of record



Your combined income is  
**< \$45,000**  
+ you are age 60 or older  
(57 or older if a surviving spouse)

**OR**

Your combined income is  
**< \$45,000**  
+ you are retired by  
reason of disability



You can defer  
**50%**  
of payments  
for 20 years\* if:

You are the owner of record  
for at least 5 years



Your household  
disposable income is  
**< \$57,000**

## CITY OF SEATTLE PROGRAM



You can defer  
**100%**  
of payments  
for 2 years\* if:

You are the owner of record



No more than  
**200%**  
of the poverty level  
for your family size

\*Payments will be subject to interest. Principal and accumulated interest due upon sale or change of ownership, or at end of deferral term.

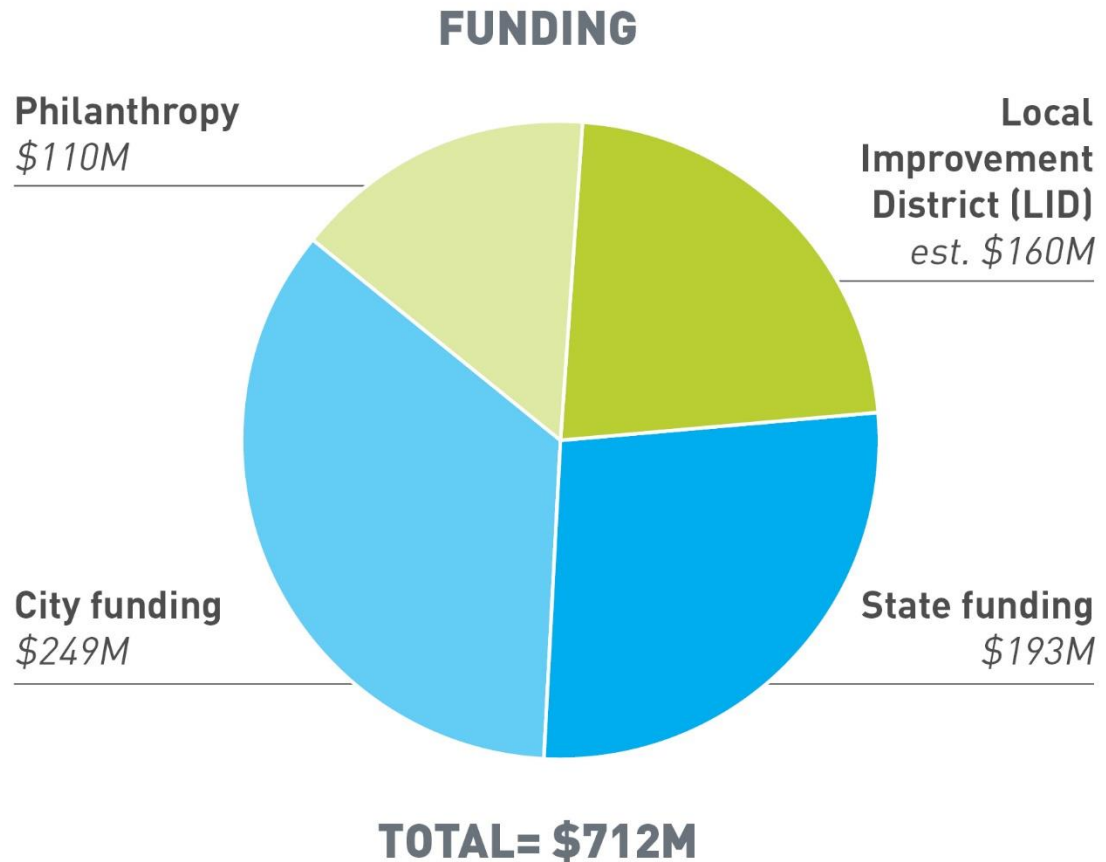
# WATERFRONT SEATTLE FUNDING

## WITH \$160M LID



### Sources to cover revised LID amount:

- \$5M cost reduction (remove three promenade kiosks)
- \$10M additional philanthropy
- \$8M in total of Waterfront MPD funds in 2021-23 (operating converted to capital)
- \$7M in total of Waterfront 2.5% CPT-funded bonds in 2022-23
- \$10M in total of REET in 2021-23
- **Total: \$40M**



\*Does not include WSDOT-funded Marion Street Pedestrian Bridge over Alaskan Way (pending future agreement)



## 2. PROTEST WAIVER AGREEMENT ORDINANCE



Per State law, property owners may waive their protests through an agreement with the City.

Agreement Term: 20 Years

Property Owner Commitments	City Commitments
<p>Property owners representing 51% of LID assessment to sign agreement</p> <ul style="list-style-type: none"><li>• Waive/retract LID formation protest</li><li>• Waive legal challenge to LID formation</li><li>• Designate Waterfront Conservancy as agent</li></ul>	<ul style="list-style-type: none"><li>• Revise LID amount to \$160 million</li><li>• Waive option for supplemental assessment</li><li>• Approve and implement operations and maintenance ordinance</li></ul>

# COUNCIL REVIEW AND NEXT STEPS



January 24, 2019	Second Council committee briefing, possible vote
January 28, 2019	Full Council possible vote
February 2019	<ul style="list-style-type: none"> <li>• Formation protest period – ends 30 days after ordinance action</li> <li>• Budget amendment ordinance submitted to City Council to implement LID funding changes</li> </ul>
March 2019	LID legal appeal period – ends 30 days after conclusion of protest period
Q3 2019	Final Special Benefit Study completed
Q4 2019/Q1 2020	<ul style="list-style-type: none"> <li>• Council considers Assessment Roll resolution</li> <li>• Public hearings on individual assessments</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Council considers Final Assessment Roll ordinance</li> <li>• LID assessments begin</li> <li>• LID bonds are sold</li> </ul>

# 3. FUNDING, OPERATIONS AND MAINTENANCE ORDINANCE



- Outlines philanthropic commitment, contribution schedule for \$110 million
- Formalizes long-term partnership between Friends and Parks to operate Waterfront parks and public spaces
- Authorizes two-year pilot agreement for Pier 62
- Directs City staff to submit Park Boulevard legislation
- Commits to budget \$4.8 million annually for operations and maintenance and safety and security, starting in 2023
- Creates Central Waterfront Oversight Committee



# PHILANTHROPY



- Friends of Waterfront Seattle: \$110 million commitment
- Surpassed \$25 million goal: \$32 million committed to date
- Commits Friends to finance contributions if necessary
- Friends to provide a Fundraising Plan by March 31, 2019
- Establishes a contribution schedule to ensure funds are available consistent with City's construction cashflow needs

# FRIENDS/CITY PARTNERSHIP



# FRIENDS/CITY PARTNERSHIP



- Consistent, dedicated Parks team created to provide long-term, quality maintenance
- City delegates non-First Amendment permitting and concessions to Friends (similar to Westlake and Occidental)
- Friends provides programming (music, games, concerts), safety and outreach services, community partnerships
- All revenue generated by Friends in Waterfront parks and public spaces is reinvested in the same spaces
- Annual reporting

*These and additional terms outlined in Attachment C: Term Sheet*

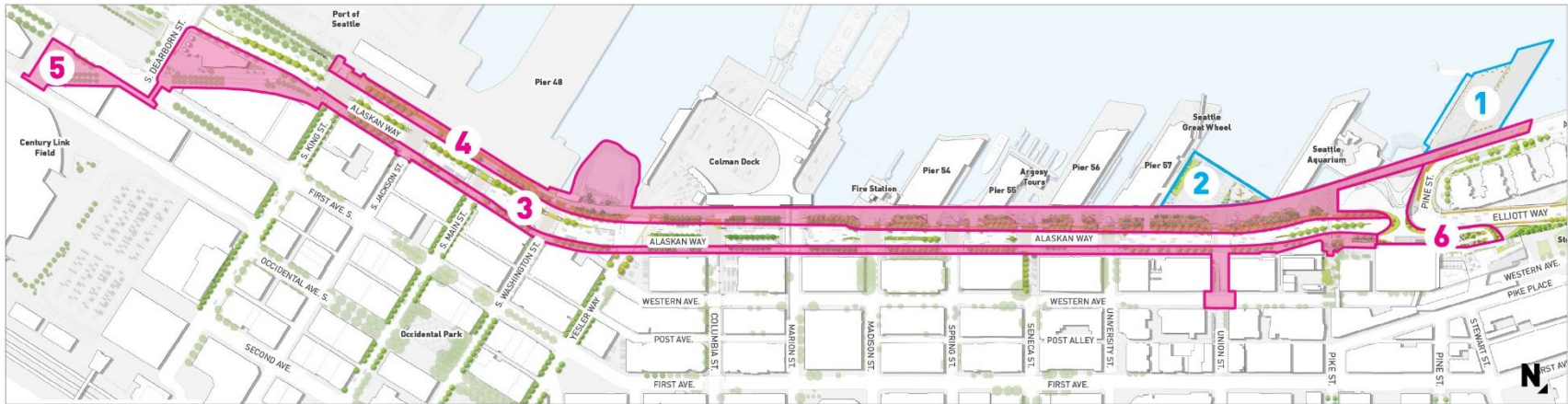
# PUBLIC BENEFITS



- Cultural, educational and recreational programming
  - Free and open to the public: for many ages and demographics
  - Regular programming of different scales
- Engagement and Inclusion Plan
  - Intended WMBE targets and outcomes
  - Recruitment of underserved communities for vendor opportunities
  - Programming is reflective of and marketed towards underserved communities
  - Outreach to vulnerable communities
- Publicly accessible bathrooms



# AREA TO BE COVERED BY MANAGEMENT PARTNERSHIPS



● Current park    ● Park boulevard to be established

## PILOT AGREEMENT (2019 - 2021)

- ① Pier 62 and Floating Dock

## MANAGEMENT AGREEMENT (2021)

- ① Pier 62 and Floating Dock
- ② Pier 58/Waterfront Park
- ③ Alaskan Way East and Union Street
- ④ Park Promenade
- ⑤ Railroad Way

## OVERLOOK WALK AGREEMENT (TBD)

- ⑥ Overlook Walk

# PIER 62 TWO-YEAR PILOT



- Pier 62 projected to open by end of 2019
- City staff and Friends will present pilot agreement to Council committee for review prior to execution
- Performance on pilot will inform long-term management agreement to be reviewed and approved by Council for Waterfront parks and public spaces
- Parks providing maintenance out of existing resources until long-term management agreement in place

# OPERATING BUDGET



- Two-year pilot agreement (Seattle Park District)
  - 2019: \$310K
  - 2020: \$315K
- Anticipated budget sources for long-term management agreement in 2023 (\$4.8M)
  - Seattle Park District (\$4.2M)
  - Baseline Parks funding for Waterfront Park and Pier 62 (\$100K)
  - Commercial Parking Tax for roadway infrastructure (\$500K)
- Friends commits to \$1-1.5M annually for programming and activation

# OVERSIGHT COMMITTEE



- 19 Committee members:
  - 14 Mayor/Council appointed members:
    - At-large (6)
    - LID tenant/owner (8)
  - 5 dedicated non-profits with public space management expertise
- Advises on waterfront park operations, maintenance, safety, cultural and recreational programming
- Identifies “performance standard” in coordination with Friends and City
  - Based on 2018 O&M analysis and national best practices
- Provides annual report to Mayor and Council

# NEXT STEPS



<b>Q4 2019</b>	Pier 62 opens, pilot agreement in place Full Waterfront construction underway
<b>2021/2022</b>	Surface street opens to traffic Park boulevard designation considered by Council Management agreement considered by Council
<b>2023</b>	Waterfront Seattle improvements completed







