

June 4, 2023

MEMORANDUM

To: Public Assets and Homelessness Committee
From: Eric McConaghy, Analyst
Subject: Council Bill 120590 – Waterfront Operations and Maintenance Agreement

On June 7, 2023, the Public Assets and Homelessness Committee (Committee) will receive a briefing on [Council Bill \(CB\) 120590](#) and discuss the legislation. CB 120590 would authorize the Parks and Recreation (SPR) Superintendent and the Seattle Center Director to sign for the City a six-year¹ Waterfront Operations and Management Agreement (OMA) for the Waterfront Park and Public Spaces (WPPS) with the non-profit Friends of the Waterfront Seattle (Friends).

The WPPS include the Habitat Bench, the Washington Street Boat Landing, Pier 58, Pier 62, Railroad Way, and the Waterfront Park Boulevard established under [Ordinance \(ORD\) 126444](#). The Habitat Bench, next to the Washington Street Boat Landing, is a new public beach that supports the ecosystem, including the corridor for salmon swimming along the shore.

On May 17, 2023, representatives from Seattle Center, the Office of the Waterfront and Civic Projects (OWCP) and Friends presented to the Committee an overview of the proposed OMA and the activity to date conducted under the current pilot agreement between the City and Friends². The Mayor transmitted the legislative package on May 17. The Council introduced the legislation as CB 120590 and referred it to the Committee on June 6.

This memorandum provides the key takeaways, an overview of the OMA, and the background on the legislation.

Key Takeaways

If approved, then CB 120590 would:

1. Adopt the findings recommended by the Central Waterfront Oversight Committee (CWOC) determining that Friends of has met the readiness requirements outlined in [Ordinance 125761](#) to be the long-term operating partner with the City for Waterfront Park;
2. Authorize the SPR Superintendent and the Seattle Center Director to sign on the City's behalf the OMA with Friends substantially in the form attached to the legislation; and
3. Ratify and confirm any act consistent with the authority of the ordinance taken after its passage and prior to its effective date.

¹ Expiration on December 31, 2028.

² <https://seattlechannel.org/mayor-and-council/city-council/2022-2023-public-assets-and-homelessness?videoid=x148857&Mode2=Video>. The presentation begins at timestamp 1:05:46

Waterfront Operations and Maintenance Agreement (OMA) Overview

Very simply described, via the OMA the City would allow Friends to occupy and use the WPPS to provide programming of free public and ticketed events; activation amenities and events³; limited park maintenance; and public safety in cooperation with the City. Friends would not acquire any property rights from the City in the WPPS.

Friends would be responsible for maintenance of amenities, installations, and temporary art installations that are purchased, installed by, or provided by Friends. Friends may augment the City's maintenance activities, as necessary.

Friends would employ park ambassadors and would coordinate with social service providers, Seattle Police Department, and community partners. Friends would also provide social service outreach support at WPPS, either through a contracted agency, or professional staff. Friends would contract private security for medium- and large-scale events. Under the OMA, Friends would commit funding to the City in the years 2023 through 2028 to help fund public safety positions in the Seattle Center department budget for work at Waterfront Park. Friends funding would be \$945,000 in 2024 and \$1 million in each of the remaining years.

Under the OMA, the City would provide Seattle Center security staffing for WPPS public safety and dedicated Seattle Center staff for the WPPS maintenance, subject to appropriations. The current Metropolitan Park District (MPD) six-year funding plan includes planned, yearly support for Waterfront maintenance and operations, including public safety. The MPD funding appropriated in Seattle Center to support Waterfront operations and maintenance is \$3.5 million in the 2023 Adopted Budget and \$4.3 million in the 2024 Endorsed Budget.

The City would commit to repair permanent aspects of the WPPS infrastructure, subject to appropriations. The City would also commission permanent art installations supported by the City's 1% for the Arts fund.

The OMA specifies City's and Friends roles and responsibilities regarding many other topics, including:

- Public benefit, equity and inclusion;
- Labor harmony protocols;
- Performance standards;
- Communication, coordination and reporting;
- Fees and free access to programs;
- Free, ticketed, and fundraising events;

³ Activations in the OMA mean amenities and events that "...create a welcoming atmosphere and encourage people to use the (WPPS) for cultural, educational, and recreational purposes."

- Permitting including park, free speech, special events, liquor, fire, parking and Shoreline Substantial Development permit amendments;
- City contractual obligations for the WPPS with the Muckleshoot Indian Tribe, the Suquamish Tribe, Washington State Department of Natural Resources, Pioneer Square Alliance, and Washington Department of Transportation;
- Consultation between the City and Friends on future agreements affecting WPPS;
- Compliance with federal tax laws governing improvements financed with tax-exempt municipal bonds;
- Ingress and egress to the Overlook Walk;
- Compliance with noise ordinances;
- Marketing, branding, and intellectual property;
- Concessions;
- Sponsorship;
- Taxes, utilities, and services;
- Finance and accounting; and
- Environmental protection.

Background

In August 2012, Council adopted [Resolution 31399](#) supporting the creation of Friends to advocate for implementing the City’s plan for redevelopment of the Central Waterfront with the removal of the Alaskan Way Viaduct. Friends was incorporated as a non-profit in the same year to support the Seattle Waterfront through outreach initiatives, to raise the funds necessary to complete its construction, and to ensure the Central Waterfront Improvement Program’s long-term success as a vibrant public park through ongoing maintenance and programming.

In 2015, the City entered into a pilot agreement with Friends for activation of Waterfront park spaces and piers with City financial support. In 2016, [ORD 125089](#) authorized a Memorandum of Agreement between the City and Friends regarding funding for the Pier 62/63 Phase 1 Rebuild, with Friends committing to raise \$8 million for the project, which they did. As authorized by [ORD 125761](#) in 2019, Friends has been programming and managing parks space on the Waterfront under a pilot agreement with the City and has been raising their philanthropic commitment of \$110 million.

In January 2023, the Council passed [ORD 126755](#) thereby authorizing the SPR Superintendent to delegate the authority to operate, maintain, and manage the WPPS⁴ to the Seattle Center Director.

⁴ The WPPS remain a part of the SPR system.

ORD 126755 also required the OWCP Director, the SPR Superintendent, and the Seattle Center Director to develop a long-term management agreement with Friends to provide for the operations, management, public safety, and programming services for the WPPS. And ORD 126755 authorized the SPR Superintendent and OWCP Director to extend the existing Pilot Agreement with Friends until the authorization of the long-term agreement.

Seattle Center reports that the transfer of jurisdiction from SPR to the Seattle Center for the WPPS will happen on July 1, 2023. Seattle Center, SPR and OWCP have negotiated with Friends an OMA per above and the Mayor proposes approval of CB 120590 as the means to authorize the OMA substantially in the form attached to legislation.

The City established the Central Waterfront Oversight Committee (CWOC) via ORD 125761 to “advise and provide feedback to the City and Operating Partner (Friends) on the operations and maintenance and safety and security of the Waterfront Park and Public Spaces that shall include maintenance, public safety, outreach, communications, partnerships, and programming and activation... (and)... review and provide input on the Management Agreement (the OMA) ...”

Regarding Friends’ readiness to enter into a long-term OMA with the City, ORD 125761 required that the City, in consultation with the CWOC, assess Friends according but not limited to the following requirements:

1. Successful management of Pier 62 under Friends’ pilot agreement with the City;
2. Financial stability, including reasonably sufficient and funded operating reserves;
3. Overall operating and capital budgets reasonably acceptable to the City;
4. Staffing plans, including appropriately credentialed and experienced leadership and management personnel;
5. Successful relationships with the OWCP, Seattle Parks and Recreation (SPR), Seattle Department of Transportation (SDOT), the CWOC and stakeholders including the Downtown Seattle Association/Metropolitan Improvement District (DSA/MID), the Pike Place Market Public Development Authority (PPMPDA), the Alliance for Pioneer Square, the Seattle Historic Waterfront Association and the Seattle Aquarium Society (SEAS); and
6. Successful adoption of labor harmony protocols and implementation of area standard wages and benefits.

In their letter to Council, attached to the legislation, CWOC documents their findings that Friends of has met the readiness requirements, fulfilling an important purpose of the CWOC.

In January 2023, the Council passed [ORD 126758](#) that authorized the acceptance of funding from Friends “for the purpose of supporting public safety funding for Waterfront Park and Public Spaces.” ORD 126758 increased appropriation in the Seattle Center Waterfront Budget Summary Level by \$596,000 contingent upon execution of a funding agreement with Friends (part of the OMA) and receipt of funds from Friends. The \$596,000 amount for 2023 to support Seattle Center security staffing for the WPPS beginning on June 1, 2023 would be prorated according to when the Seattle Center staff take over that responsibility. The same ordinance created 11.0 FTE new security officer positions in Seattle Center and converted one part-time FTE to full-time. These positions were in addition to the 3.5 new FTEs included in the 2023 Adopted Budget.

Next Steps

If the Committee votes on a recommendation of CB 120590 at the next Committee meeting on June 21, then the Council could take final action on the legislation as soon as June 27.

cc: Esther Handy, Director
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