

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Seattle Parks and Recreation	Jonathan Garner	Alex Rouse

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE amending the Landscape Conservation and Infrastructure Program Funding Plan for South Lake Union and Downtown as adopted by Ordinance 124286.

#### **Summary and Background of the Legislation:**

Summary: This legislation amends the Landscape Conservation and Infrastructure Program (LCLIP) funding plan adopted by City Council in 2013 as part of the Interlocal Agreement for the Regional Transfer of Development Rights and Tax Increment Financing of Infrastructure by and between the City of Seattle and King County (Ordinance 124285). The ILA included an infrastructure funding plan to be financed by the LCLIP program and adopted separately in companion Ordinance 124286. A condition of that ordinance stipulates that legislative action is required to make any modifications to the original funding plan. Given the original list of Seattle Parks and Recreation (SPR) projects has either been completed or been funded with different funding sources, this legislation requests City Council approval of the proposed project modifications.

Background: The City entered into an agreement with King County in 2013 after the state legislature passed a bill that allows cities to create LCLIP programs to receive funding for infrastructure investments from future property tax revenues in areas that are designated to receive regional transferable development rights (TDRs). The overall purpose of the LCLIP program is to preserve farm and forest land by transferring development capacity from rural areas to cities and generate funds for local infrastructure projects in communities where the additional development capacity is located. The City ultimately implemented the incentive zoning program in South Lake Union and Downtown (see project area in Attachment B). The program began in 2013 and continues through 2038 (25 years).

The LCLIP funding plan proposed financial stages and projects within the designated neighborhoods to be undertaken by Seattle Department of Transportation (SDOT) and SPR over the 25-year timeframe. SDOT received annual funding from the program to implement a list of transportation projects over the first 10 years. SPR is to receive the annual funding beginning in 2025 and for the next 10 years, after which it switches back to SDOT for the remaining five years. The SPR projects identified as Open Space Investments in the original funding plan have been completed with other funding sources since 2013, with the exception of a north downtown community center that has funding as part of a debt financing package within the Park District Cycle 2 Financial Plan. Therefore, a new list of Open Space Investments needs to be proposed

and approved by the City Council through an amendment to the original funding plan (see Summary Attachment A).<sup>1</sup>

To inform the proposed Open Space Investment list, SPR reviewed existing priority projects within the Local Infrastructure Project Area (LIPA) as well as engaged with community groups in each of the three neighborhoods. Specifically with regards to community engagement, throughout 2024, SPR held monthly meetings with numerous community advocacy groups representing the South Lake Union neighborhood where we learned of priorities for these groups and residents to help form the proposed Open Space Investment list. These groups formed a task force and were already established at the time planning began for the LCLIP. Additionally, significant community engagement over the previous 5 years working in conjunction with a downtown interdepartmental team formed during COVID established a clear mandate for an enhanced City Hall Park and Prefontaine Fountain to support downtown recovery. In the second half of 2024, SPR and Department of Neighborhoods began collaboration on developing a similar task force for the Chinatown-International District neighborhood to inform a project list for this area in future years of the program. We will continue these efforts utilizing a neighborhood-led engagement process that relies on both virtual and in-person tools that have been tailored to the language, culture, and lived experience of residents.

The annual funding is contingent on development in the designated areas and is currently estimated to generate between \$1M-\$1.5M annually, or approximately \$14M over the 10 years. It should be noted that a requirement of the program is that the funding be spent proportional to how it is generated e.g., if 60% of the revenue is generated in the South Lake Union neighborhood, 60% of the funding must be spent within the South Lake Union neighborhood over the entirety of the 10 years. Decisions about which projects to implement and project timing will be made by the City based on the amount of funding available, project schedules, opportunities to leverage outside funds, opportunities to leverage developer improvements, and other factors.

## 2. CAPITAL IMPROVEMENT PROGRAM

**Does this legislation create, fund, or amend a CIP Project?** ☐ Yes ☒ No

Note: Funding for the LCLIP program was transferred from SDOT to SPR in the 2025 Adopted Budget and is already part of SPR's 2025-2030 Adopted Capital Improvement Program.

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

**Does this legislation have financial impacts to the City?** ☐ Yes ☒ No

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<sup>1</sup> The LCLIP Funding Plan included a proposal for a full-service community center north of downtown which is being considered separately as part of the Cycle 2 Seattle Park District financial plan.

### 3.d. Other Impacts

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

Funding for the LCLIP program was transferred from SDOT to SPR in the 2025 Adopted Budget. SPR would consider requesting additional funding as part of future budget processes if any capital project funded by LCLIP results in new operations and maintenance expenses for the department.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

The 2025 Adopted Budget and 2025-2030 Adopted Capital Improvement Program includes annual LCLIP funding. The department would not be able to undertake these commitments without the dedicated LCLIP funding.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

Not implementing this legislation would prevent SPR from spending available LCLIP funding to undertake the listed projects.

**Please describe how this legislation may affect any City departments other than the originating department.**

This legislation is not anticipated to impact any other department until funding reverts back to SDOT after ten years with SPR.

### 4. OTHER IMPLICATIONS

- a. **Is a public hearing required for this legislation?** No.
- b. **Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?** No.
- c. **Does this legislation affect a piece of property?** Yes, this legislation will affect property, as depicted in Summary Attachment B – Local Infrastructure Project Areas; Environmental Impact Statements, Determinations of Non-Significance, or other reports will be generated at time of project initiation, if required by law or other development code.

**d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

Many of the projects listed will add investment and infrastructure to areas used by historically disadvantaged communities and came from the results of our Racial Equity Toolkit (See Summary Attachment C).

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

It is attached as Summary Attachment C - Racial Equity Toolkit.

- iii. What is the Language Access Plan for any communications to the public?**

SPR utilizes several strategies to promote access to information in multiple languages and will apply them to varying degrees to projects included in the LCLIP funding plan. Examples include: placing relevant press releases or meeting events in Ethnic Media Outlets, standardizing translation procedures to better guide program staff, and creating a database of employees who speak languages other than English, among others.

**e. Climate Change Implications**

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

This legislation will not increase or decrease carbon emissions in a material way.

- ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

Certain projects proposed with this legislation may impact resiliency to climate change, such as the waterline project at Lake Union which will improve the water distribution system, various tree plantings to increase the tree canopy, and walkway improvements to encourage walkability.

- f. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals? N/A**

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization? No.**

## **5. ATTACHMENTS**

### **Summary Attachments:**

Summary Attachment A – Amended LCLIP Funding Plan Tracked Changes

Summary Attachment B – SPR Local Infrastructure Project Area

Summary Attachment C – Racial Equity Toolkit