



City of Seattle

MEMORANDUM

Date: June 23, 2025
To: Seattle Parks, Public Utilities & Technology Committee
From: Seattle Parks and Recreation
SUBJECT: LCLIP Legislation at Parks, Public Utilities & Technology Committee

This year, funds from the Landscape Conservation and Local Infrastructure Program (LCLIP), created by Ordinance 124286, will go to the Seattle Parks Department (SPR), having previously gone to the Department of Transportation (SDOT) since the program's inception in 2013.

An amendment to the funding plan adopted for LCLIP is required to revise and adopt the project list and associated budget for the Open Space Investments to be developed in the Local Infrastructure Project Area (LIPA). Exhibit A of the LCLIP Infrastructure Funding Plan ("Plan") provides the boundaries for the LIPA. This amendment is needed because the original Open Space Investments referenced in Ordinance 124286 have been completed or been fully funded through other funding sources since the original adoption of this ordinance in 2013, with the exception of a north downtown community center has funding as part of a debt financing package within the Park District Cycle 2 Financial Plan.

SPR is proposing through this legislation an amended Plan that outlines the scope and associated costs for Open Space Investments that qualify for funding generated by LCLIP. These proposed Open Space Investments are based on community needs and direction identified through neighborhood specific community engagement and long-range comprehensive planning. More specifically:

- South Lake Union: 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.
- Downtown: 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.
- Chinatown-International District: In the second half of 2024, SPR and DON 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, cultural, and lived experience of residents.

The budgets for these investments are based on cost estimates developed in 2024 and 2025. Implementation of the Open Space Investments will occur based on more detailed project-specific

scopes of work, the amount of funding available each year, opportunities to leverage outside funds, opportunities to leverage developer improvements, and other factors.

LCLIP Background:

In 2008, the City Council passed Resolution 31104 expressing its intent that additional height and floor area allowed through future rezones should only be allowed when a project provides public benefits through incentive zoning. Incentive zoning allows property owners to achieve an outright-permitted base height and floor area ratio (FAR), and to gain extra height or a higher FAR if they contribute public amenities in proportion to the amount of extra floor area gained. In some cases, there are also certain minimum requirements that must be met to use the incentive zoning program.

In 2011, 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 TDR. This program allows the City to capture a portion of the increased property tax resulting from the increased assessed value of new construction and use the tax revenue to fund local infrastructure projects. To access these funds, cities are required to create a market for regional TDR credits in order to protect farm and forest land through incentive zoning or other mechanisms. 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 the communities where the additional development capacity is located.

After the LCLIP legislation was passed by the state, the City began analyzing the potential benefits of implementing this program. To assist in the effort, the former Seattle Department of Planning and Development (DPD) retained Heartland Consulting, BERK Consulting, and Forterra to create a fiscal model to understand how the program could be applied in multiple areas of the city. Based on model results and ongoing discussions, DPD developed a proposal for implementing LCLIP in South Lake Union, Downtown, and Chinatown/International District.

In 2013, the City Council passed a rezone for South Lake Union based on planning that had been ongoing since 2008. The proposal included LCLIP as part of the new incentive zoning program proposed to carry out the height and density recommendations. In addition, the South Lake Union rezone proposal modified the existing incentive zoning program for Downtown that was last updated in 2006 to include Downtown in the LCLIP program.

When the LCLIP was approved in 2013, the City staged implementation so that the first 10 years of revenue would go toward streetscape and transportation projects managed by SDOT, the second 10 years of revenue would go to open space projects managed by SPR, and the last 5 years again would go to streetscape projects managed by the Department of Transportation.