

Landscape Conservation and Local Infrastructure Program

Infrastructure Funding Plan For South Lake Union and Downtown

June 13, 2013
Amended June 25, 2025
Amended December 16, 2025

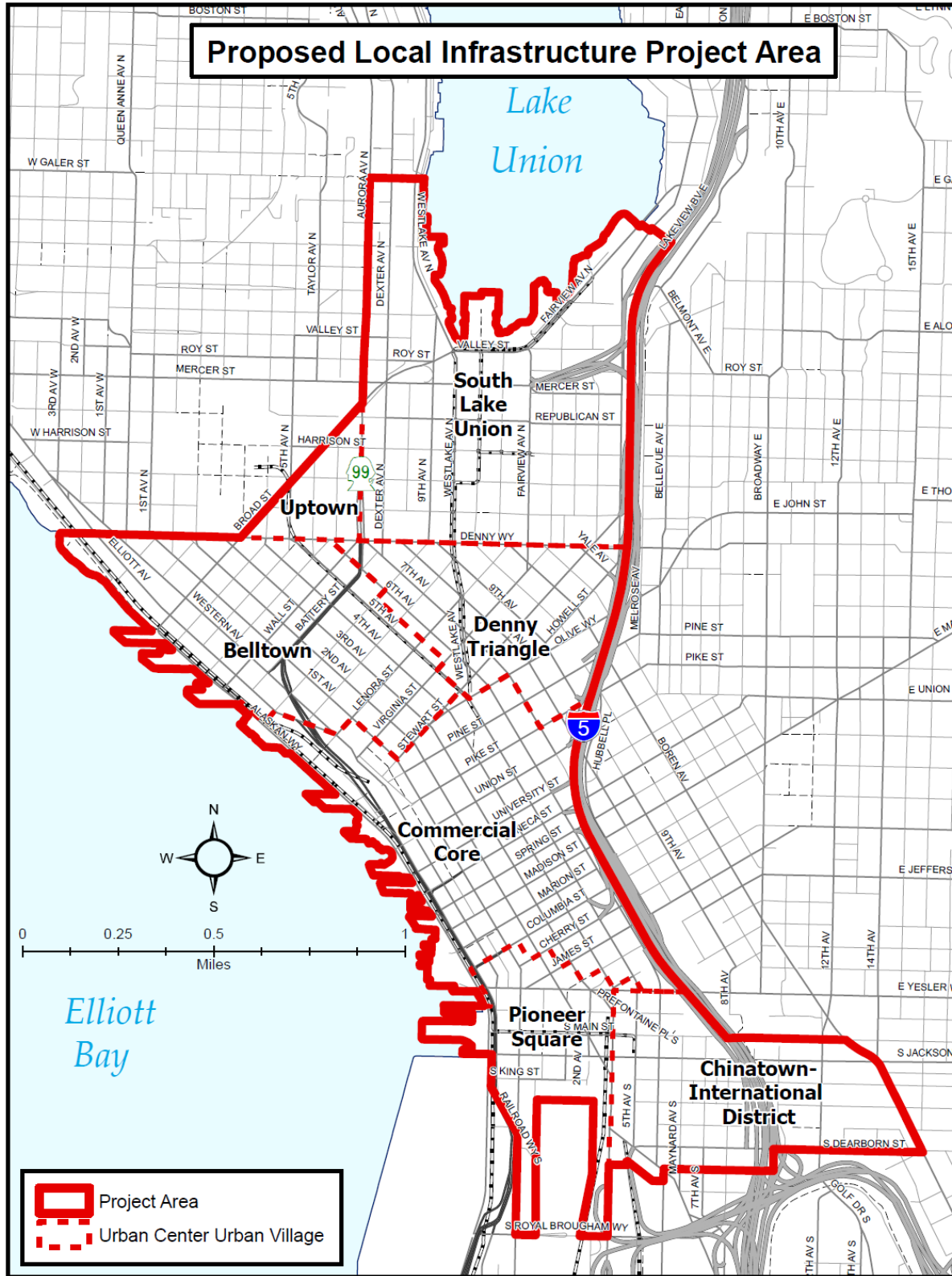
This plan outlines potential infrastructure investments that could be implemented through funding generated by the Landscape Conservation and Local Infrastructure Program (LCLIP) that is being proposed by the City of Seattle in cooperation with King County. While specific funding decisions will be made by the City based on the amount of funding available, project timing, opportunities to leverage outside funds, opportunities to leverage developer improvements, and other factors, this plan outlines the scope of potential items that could be funded through this program. Funding of any items not included in this plan through the LCLIP program would require modification of the plan by legislative action. All dollar amounts are in 2012 dollars.

Background

The City of Seattle, in cooperation with King County, is proposing to implement the LCLIP program in the neighborhoods of South Lake Union and Downtown. The LCLIP program allows cities to receive a portion of future county property tax revenue for local infrastructure investments if they implement a program to obtain regional Transferable Development Rights (TDR). The City is proposing to meet the requirements for capturing TDRs through the incentive zoning program in South Lake Union and Downtown. The overall purpose of the Infrastructure Funding and Regional TDR Programs is to preserve farm and forest land by transferring development capacity from these lands to cities and generate funds for local infrastructure projects in the communities where the additional development capacity is located.

The Regional TDR program would be implemented by requiring developers to earn extra floor area and height in part by purchasing and extinguishing development rights (also known as TDR credits) from regional farms and forests.

In exchange for implementing a Regional TDR Program through the City's incentive zoning program, the City would be entitled to receive 17.44% of property tax revenue from new development occurring in the Local Infrastructure Project Area (LIPA) for up to 25 years according to the standards of RCW 39.108. The boundary area of the proposed LIPA is shown below.



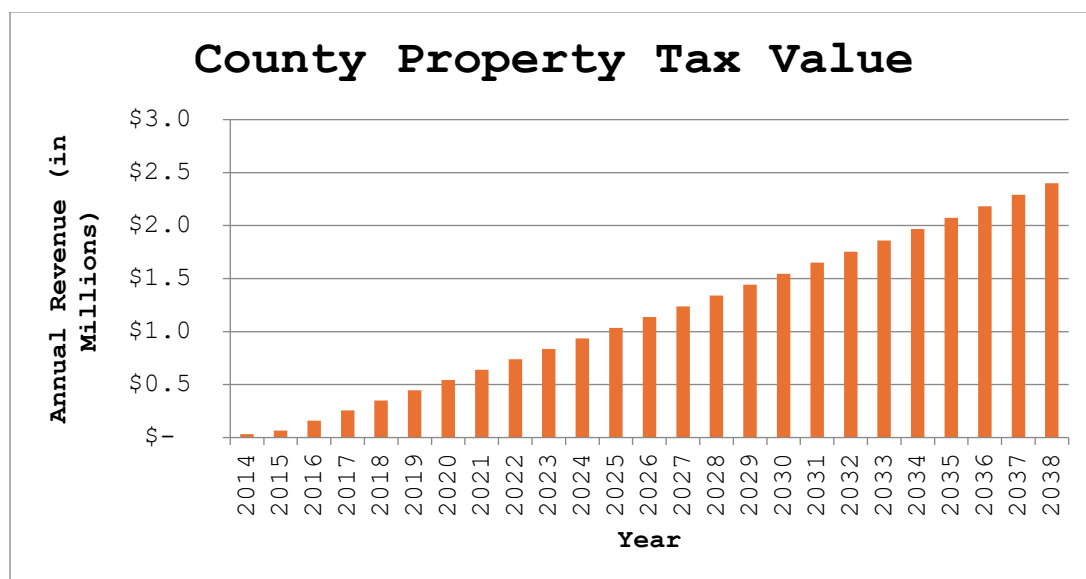
This funding would be contingent on meeting certain thresholds over time. The initial length of the program would be 10 years. The program would be extended to:

- 15 years if 400 credits are obtained within 9.5 years;
- 20 years if 600 credits are obtained within 14.5 years; or
- 25 years if 800 credits are obtained within 19.5 years.

King County would agree to consider each threshold met if, prior to each deadline, at least 70%-80% of the TDR credits necessary to meet the local property tax threshold had been obtained (the exact percentage varies by threshold) and the City requested in writing, that the threshold be considered met. If the option to extend to 25 years is used prior to obtaining 800 credits, the City would be required to continue the TDR program until 800 credits were obtained even if it required the TDR program to extend beyond 25 years.

Anticipated Revenue

It is anticipated that this program will result in \$27.5M in revenue from King County property taxes over 25 years. If an annual discount rate of 3% is used to account for the reduced value of having money in the future, these funds would be equivalent to \$15.7M in 2012 dollars. Below is an estimate of expected revenue by year.



Funding Strategy

Revenue generated from the LCLIP program will be spent on streetscape and open space investments as described below and detailed in the “specific investments” section.

These funds would be split between projects in South Lake Union and Downtown based on the proportion of regional TDR generated in each area. It is estimated that this split will result in about 60% of the funds or \$16.5M (\$9.4M in 2012 dollars) being allocated to South Lake Union projects and 40% of the funds or \$11.0M (\$6.3M in 2012 dollars) to Downtown projects.

Decisions about which projects to implement and when they will be implemented will be made by the City based on the amount of funding available, project timing, opportunities to leverage outside funds, opportunities to leverage developer improvements, and other factors. In order to streamline this process, the City is proposing to stage the projects such that the first 10 years of revenue would go toward streetscape and transportation projects managed by the Department of Transportation, the second 10 years of revenue would go to Open Space Investments managed by the Department of Parks and Recreation, and the last 5 years again would go to streetscape projects managed by the Department of Transportation.

A chart summarizing the proposed staging and projects (with priority projects in **bold**) is shown below:

| Revenue Years | Agency | Estimated Total Revenue (2012 Dollars) | Proposed Projects by Area | |
|---------------|--------|--|---|---|
| | | | South Lake Union | Downtown |
| 0-10 years | SDOT | \$2.9M | <ul style="list-style-type: none"> • Green Streets (Thomas & 8th) • Bike, Pedestrian, and Transit Improvements (Harrison & Denny) | <ul style="list-style-type: none"> • 3rd Avenue Improvements (Capital Projects & Programs) |
| 11-20 years | Parks | \$7.8M | <ul style="list-style-type: none"> • Park Improvements | |
| 21-25 years | SDOT | \$5.0M | <ul style="list-style-type: none"> • Transportation Improvements – specific improvements to be determined later | |

In general, the City plans to spend money as it is received; however, opportunities to use bonding to implement projects prior to the receipt of funds will be considered on a project-by-project basis.

Specific Investments

The specific investments that are proposed to be funded in part through LCLIP are outlined on the following pages. It is anticipated that funds generated through LCLIP will be combined with funds from other sources to accomplish these projects.

South Lake Union Streetscape Investment

Thomas Street Green Street (from Dexter Ave to Fairview Ave)

| Proposed Improvements | Cost Estimate |
|---|---------------|
| Implement “green street” improvements to support Thomas Street’s role as an important new east / west green street and public realm connection, linking the Cascade neighborhood through South Lake Union to the Seattle Center. The current proposal includes a two-way, two-lane configuration with on-street parking. Curb bulbs will be added where appropriate and the north sidewalk will be expanded to provide a green promenade. Pedestrian-scale lighting and streetscape improvements will be made throughout. | \$1,500,000 |

8th Avenue NE Green Street (from Mercer Street to John Street)

| Proposed Improvements | Cost Estimate |
|---|---------------|
| Create a pedestrian-oriented street from Mercer to John with an enhanced green street environment that could serve as a <i>woonerf</i> . The project will likely include widened sidewalks, new trees and plantings, new pedestrian lighting, and streetscape improvements. | \$2,500,000 |

Harrison Street Improvements (from Dexter Avenue to Fairview Avenue)

| Proposed Improvements | Cost Estimate |
|---|---------------|
| Rebuild or repair pavement between Dexter and Eastlake to allow potential transit use and provide a three-lane roadway section as necessary; repair, replace or enhance sidewalks and install curb bulbs as needed; improve planting areas, tree canopy and parking as possible; provide pedestrian lighting and streetscape improvements. Harrison will become the primary street for traveling east / west through South Lake Union between Mercer Street and Denny Street. | \$5,500,000 |

Denny Way Improvements (from Broad Street to Stewart Street)

| Proposed Improvements | Cost Estimate |
|---|---------------|
| Make spot improvements consistent with Denny Way Streetscape Concept Plan; improve pedestrian crossing conditions, enhance signalized intersections, replace sidewalk in poor condition, improve planting strips and provide street trees where needed; Improve roadway delineation in locations where two streets intersect Denny at a diagonal. | \$2,500,000 |

Downtown Streetscape Investments

Third Avenue Corridor Improvements

| Proposed Improvements | Cost Estimate |
|---|----------------------|
| This project makes multimodal improvements in the Third Avenue downtown corridor, a major travel corridor for pedestrians and transit vehicles. The project enhances the walking, biking and transit environment and improves safety for all travel modes. Improvements may include repair or enhancement of streets, improving sidewalks, upgrading or installing curb ramps, remarking crosswalks, and installing pedestrian countdown signals. It may also include pedestrian-scale lighting, bicycle facilities at select locations, high-capacity solar trash receptacles and wayfinding information. Transit will be made more attractive and convenient with improvements such as real-time transit information, transit maps and schedule information, improved weather protection, ticket vending machines or ORCA card readers. | \$40 to 70 million |

Open Space Investments

This funding plan outlines the scope of potential Open Space Investments that could be implemented through funding generated by the Landscape Conservation and Local Infrastructure Program (“LCLIP”) that has been underway by the City of Seattle in cooperation with King County since 2013. This Open Space Investments funding plan in no way affects the proposed South Lake Union Streetscape Investment or the Downtown Streetscape Investments, both of which are under the purview of the Department of Transportation. Funding of any items through the LCLIP program not included in this plan would require modification of the plan by legislative action. The estimated \$7.8M that SPR would get in 2012 dollars (in the table above) is equivalent to \$14M in 2025 dollars.

Decisions about which projects to implement and when, will be made by the City based on the amount of funding available, project timing, opportunities to leverage outside funds, opportunities to leverage developer improvements, and other factors. The Open Space Investments project list below amends the Open Space Investments project list approved with the 2013 legislation (Ord. 124286). The projects initially proposed with that legislation have already been completed by the Department utilizing other sources of funding with the exception of a north downtown community center that has already been identified as part of a debt financing package within the Park District Financial Plan.

Open Space Investments

Northwest Native Canoe Carving Center

| Proposed Improvements | Cost Estimate | Year |
|---|----------------------|-------------|
| Improvements for a new timber framed structure with localized site modifications within the existing Lake Union Park. | \$550,000 | 2025-2026 |

Prefontaine Plaza

| Proposed Improvements | Cost Estimate | Year |
|--|----------------------|-------------|
| Improvements to restoring functionality at existing fountain and improving pathway safety at site. | \$400,000 | 2025-2026 |

Lake Union Waterline Project

| Proposed Improvements | Cost Estimate | Year |
|---|----------------------|-------------|
| Improvements for a new water distribution system needed within Lake Union Park. | \$4,500,000 | 2026-2029 |

City Hall Park

| Proposed Improvements | Cost Estimate | Year |
|--|----------------------|-------------|
| Site improvements at park to address user safety concerns, improved pedestrian circulation, and landscape plantings. | \$3,000,000 | 2030-2032 |

Westlake Park

| Proposed Improvements | Cost Estimate | Year |
|--|----------------------|-------------|
| Expansion of 2025 project scope to include site improvements associated with the removal and storage of the Seven Hills artwork and elements of the existing water wall and arch (relocation will be funded separately). | \$1,000,000* | 2025-2026 |

South Lake Union Community Council SLU Parks Task Force Projects

| Proposed Improvements | Cost Estimate | Year |
|--|----------------------|-------------|
| Projects identified in collaboration with community members from South Lake Union to provide expanded activation and infrastructure to Lake Union Park, Denny Park and Cascade Playground. | \$2,730,000 | 2026-2034 |

Downtown District Community-led Projects

| Proposed Improvements | Cost Estimate | Year |
|---|----------------------|-------------|
| Projects identified in parks in the Downtown District, in collaboration with community members from that district, to expand activation and infrastructure: Myrtle Edwards Park, Alaskan Way Boulevard, Belltown Cottage Park, Urban Triangle Park, Bell Street Park Boulevard, Westlake Square, McGraw Square, Victor Steinbrueck Park, Westlake Park, Freeway Park, Pioneer Square, Prefontaine Place, City Hall Park, Occidental Square, Pioneer Square, Union Station Square. | \$1,070,000 | 2026-2034 |

Chinatown/International District Community-led Projects

| Proposed Improvements | Cost Estimate | Year |
|--|----------------------|-------------|
| Projects identified in parks in the Chinatown/International District, in collaboration with community members from that district, to expand activation and infrastructure: Kobe Terrace, Hing Hay Park, Hoa Mai Park, Donnie Chin International Children's Park, Beacon Place. | \$750,000 | 2030-2034 |

Reserve

| Proposed Improvements | Cost Estimate | Year |
|--|----------------------|-------------|
| Set aside funds to address potential de minimus scope changes or cost increases. | \$1,000,000 | 2030-2034 |

Total Open Space Investments: \$15,000,000 (*note that SPR received approximately \$1,000,000 in excess revenue above the amount originally projected in SPR's first year of the program which is being allocated to the Westlake Project).