

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Legislative	Eric McConaghy/206 615 1071	none

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE modifying, approving, and confirming the final assessments and assessment roll of Local Improvement District (LID) No. 6751, for the construction of the improvements of LID No. 6751, as provided by Ordinance 125760; levying and assessing a part of the cost and expense thereof against the several lots, tracts, parcels of land, and other property as shown on the final assessment roll; and ratifying and confirming certain prior acts.

**Summary of the Legislation:** This Waterfront LID Final Assessments and Assessment Roll Ordinance would approve the final assessments and final assessment roll for Local Improvement District (LID) No. 6751 – the Waterfront LID – in the total amount of \$174,379,463. Approval of the legislation would also declare the levy on Waterfront LID properties – the collection of the assessed amount for each property – according to the approved assessments in the final assessment roll.

The legislation directs the Director of the Department of Transportation (SDOT Director) to modify the final assessment roll according to the recommendations of the Hearing Examiner (HE) and to address changes to parcels within the Waterfront LID due to any subdivision, merger and/or sales. The SDOT Director is charged with filing the final assessment roll with the City Clerk; the City Clerk is charged with transmitting the same to the Director of Department of Finance and Administrative Services (FAS Director). The FAS Director would publish the final assessment roll and begin collecting the payments of assessments.

The legislation would establish the following modes of payment: 1) prepayment, meaning within 30 days of the official publication of the final assessment roll; or 2) installments over 20 years, with interest-only being due for each of the first 10 years and 10 equal, principal-plus-interest installments due annually on the outstanding principal for the second 10 years. The estimated annual interest rate would be 6.5 percent, with the actual annual interest rate to be set by the ordinance authorizing the issuance and sale of the local improvement bonds for the Waterfront LID (Waterfront LID Bonds Ordinance). There would be no penalty for prepayment of a portion or all the principal balance outstanding any time.

The legislation would also provide for handling delinquent payments and for deferral of payments for economically disadvantaged property owners.

**Background:** The City formed the Waterfront LID in 2019 via Ordinance 125760. Ordinance 125760 also called for the preparation of the final assessment roll for the Waterfront LID. The final assessment roll for any LID is a listing of all properties in the LID and the amount to be

assessed against each property based on the increase in value accruing to each property (the “special benefit”) that is attributable to the construction of the local improvements.

Before Council takes action on this legislation, the City will have completed the necessary steps between the formation of the Waterfront LID and Council’s decision on the final assessments and final assessment roll for the Waterfront LID. To date, the City has completed the following:

- 1) The City commissioned ABS Valuation (City Appraiser) to perform a Final Special Benefit Study;
- 2) The SDOT Director filed the final assessment roll based on the Final Special Benefit Study with the City Clerk;
- 3) The City set the date for the hearing and designated the HE to hold the hearing on the final assessment roll;
- 4) The HE conducted the hearing;
- 5) The HE filed his findings and recommendations based on the record from the hearing (the Initial Report), including recommendations to remand 17 properties (Remanded Properties) for further analysis;
- 6) Based on the HE’s recommendations, Council directed the City Appraiser to submit further analysis concerning valuation of the Remanded Properties to the HE – the City Appraiser fulfilled the direction;
- 7) Council directed the HE to review the City Appraiser’s further analysis for the Remanded Properties and to hold a hearing on the results of the analysis on the Remanded Properties – the HE fulfilled the direction;
- 8) Council directed the Hearing Examiner to reduce any findings, recommendations, and decisions on the Remanded Properties to writing and to consolidate them with the findings and recommendations of the Initial Report into a “Final Report” – the HE fulfilled the direction;
- 9) As designated by Council, the Public Assets and Native Communities Committee (Committee) held hearings of all appeals from the HE’s recommendations for both the Initial Report and the Final Report; and
- 10) The Committee recommended that Council deny each appeal and that Council approve the final assessments and the final assessment roll for Waterfront LID, with the revisions recommended by the HE.

Council has not yet completed the necessary, final step at the time of the introduction and referral of this proposed ordinance. For the final step, Council must decide on each of the appeals and approve the final assessments and final assessment roll for the Waterfront LID before voting on this legislation. Council would officially demonstrate the decision by adopting the Findings, Conclusions and Decision of the City Council of the City of Seattle In the Matter of the Final Assessment Roll for Local Improvement District No. 6751 (Waterfront LID) and the Appeals of Multiple Appellants (FCD). Council could take action on the FCD at the same Council meeting as action on this proposed ordinance.

## 2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?                      X   Yes      No

This legislation would enable the City to assess and levy the properties in the Waterfront LID according to final assessments approved by the passage of this ordinance. The levy funds would support the construction of the Waterfront LID improvements specified by Ordinance 126760 by backing the bonds that would be sold if authorized by the approval of a separate Waterfront LID Bonds ordinance. The proceeds of the bonds would pay for the Waterfront LID improvements. The Waterfront LID Bonds Ordinance relies on the passage of this Waterfront LID Final Assessments and Assessment Roll Ordinance.

The total estimated cost of the Waterfront LID improvements is approximately \$347 million, including the planning, design, and construction, together with administration costs of the Waterfront LID and financing costs. The funds from the Waterfront LID would pay for 50 percent of the total estimated cost. The remaining funds would come from City, state and philanthropic sources.

The Waterfront LID improvements are:

**Promenade** A continuous public open space extending along the west side of Alaskan Way from King Street to Pine Street.

**Overlook Walk** An elevated pedestrian bridge situated at the terminus of the Pike/Pine corridor, would include several buildings, an elevated lid over the surface street, open space with excellent view amenities, and an accessible pedestrian pathway with many connections between the Pike Place Market and the waterfront.

**Pioneer Square Street Improvements** Streetscape and new roadway/ sidewalk improvements to portions of S Main Street, S Washington Street, Yesler Way and S King Street from Alaskan Way/First Avenue east to 2nd Avenue S. The improvements would create pedestrian-friendly links from Pioneer Square to the waterfront.

**Union Street Pedestrian Connection** A universally accessible pedestrian link between the new waterfront and Western Avenue. An elevated pedestrian walkway and elevator extends from the southwest corner of Union Street and Western Avenue to the eastern side of Alaskan Way.

**Pike/Pine Streetscape Improvements** Pedestrian improvements along Pike and Pine streets from First Avenue to Ninth Avenue, providing enhanced pedestrian access to and from the Pike Place Market and waterfront.

**Waterfront Park** A rebuilt pier park located at the base of Union Street, would provide a unique atmosphere for social gathering/performance spaces with excellent view amenities.

The improvements are components of three, separate projects of the 2021-2026 Adopted Capital Improvement Program (CIP). Each of the projects is funded from multiple sources in addition to the Waterfront LID:



**b. Is a public hearing required for this legislation?**

No.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**d. Does this legislation affect a piece of property?**

This legislation affects the assessment of the properties located within the Waterfront LID as specified by Ordinance 125760.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

This legislation would result in assessments to fund the construction of public spaces in the Waterfront LID. These spaces have been designed to encourage use by people of all ages, incomes, and abilities and supports free expression. Construction contracts associated with the Waterfront improvements will meet the City's women- and minority-owned businesses (WMBE) and priority hire program requirements. Employment associated with operating and maintaining waterfront parks and public spaces will provide living-wage jobs to local citizens regardless of their age, ethnicity, gender, or sexual orientation. This legislation provides for Deferral of Assessments for Economically Disadvantaged Property Owners per Seattle Municipal Code 20.12 and Revised Code of Washington 35.43.250 and 35.54.100

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

The Waterfront LID projects are designed to improve mobility and access for walkers and bikers in downtown Seattle. In addition, many areas that were previously paved along the waterfront will be replaced landscaping areas with native plantings and trees, providing for improved air quality.

**2. 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.**

No.

**g. 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)?**

No.