CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE accepting an allocation of transferrable development rights and adopting an infrastructure funding plan to support the creation of a Landscape Conservation and Local Infrastructure Program.

WHEREAS, in 2009, the City Council approved resolution 31147 expressing support for entering into a new interlocal agreement with King County to establish a rural transfer of development rights program and identifying South Lake Union as a potential receiving area for the use of additional development rights; and

WHEREAS, in 2011, the State enacted legislation allowing the creation of Landscape Conservation and Local Infrastructure Programs (LCLIP) providing for financing for infrastructure in neighborhoods designated to be receiving areas for regional development rights; and

WHEREAS, in 2013, the City Council approved Ordinance 124172 rezoning portions of the South Lake Union Urban Center and adopting development standards for the South Lake Union Urban Center and certain zones in the Downtown Urban Center that would be implemented if a Landscape Conservation and Local Infrastructure Program were formed; and

WHEREAS, the City of Seattle has consulted with King County and the Washington Department of Transportation in developing the plan for development of public infrastructure; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City of Seattle accepts an allocation of 800 transferable development rights under RCW 39.108 that may be used within one or more local infrastructure project areas.

Section 2. Attachment 1 to this ordinance, Landscape Conservation and Local Infrastructure Program Infrastructure Funding Plan for South Lake Union and Downtown, is adopted as the plan for developing public infrastructure under RCW 39.108 for the proposed Local Infrastructure Project Area for Downtown and South Lake Union.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2013, and signed by me in open session in authentication of its passage this _____ day of _____, 2013.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2013.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: Landscape Conservation and Local Infrastructure Program Infrastructure Funding Plan for South Lake Union and Downtown

Landscape Conservation and Local Infrastructure Program Infrastructure Funding Plan For South Lake Union and Downtown

June 13, 2013

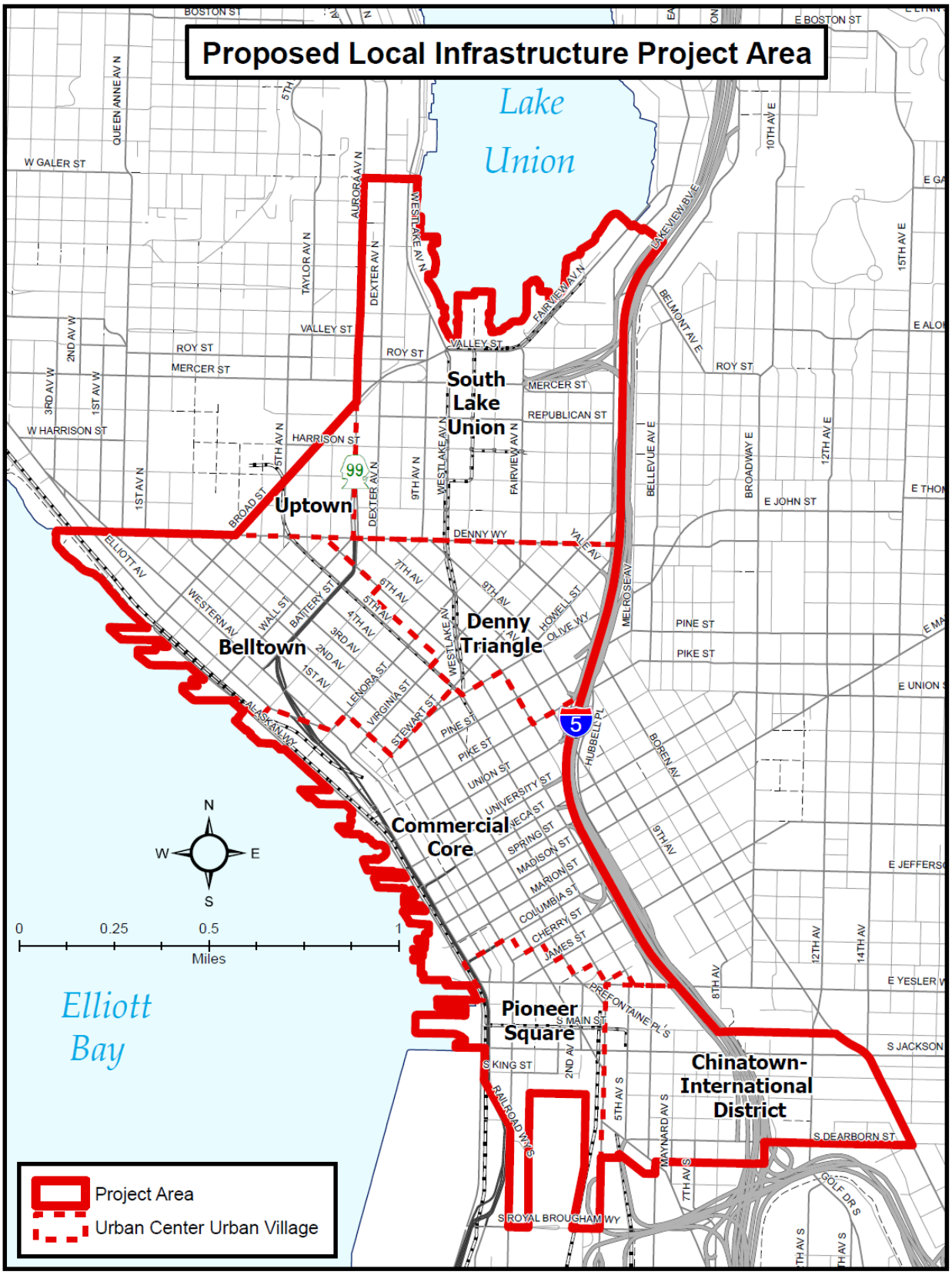
This plan outlines potential infrastructure investments that could be implemented though funding generated by the Landscape Conservation and Local Infrastructure Program (LCLIP) that is being proposed by the City of Seattle in cooperation with King County. While specific funding decisions will be made 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.


Proposed Local Infrastructure Project Area
Lake Union
Elliott Bay
South Lake Union
Uptown
Denny Triangle
Belltown
Commercial Core
Pioneer Square
Chinatown-International District
Project Area
Urban Center Urban Village
N
S
E
W
0
0.25
0.5
1
Miles

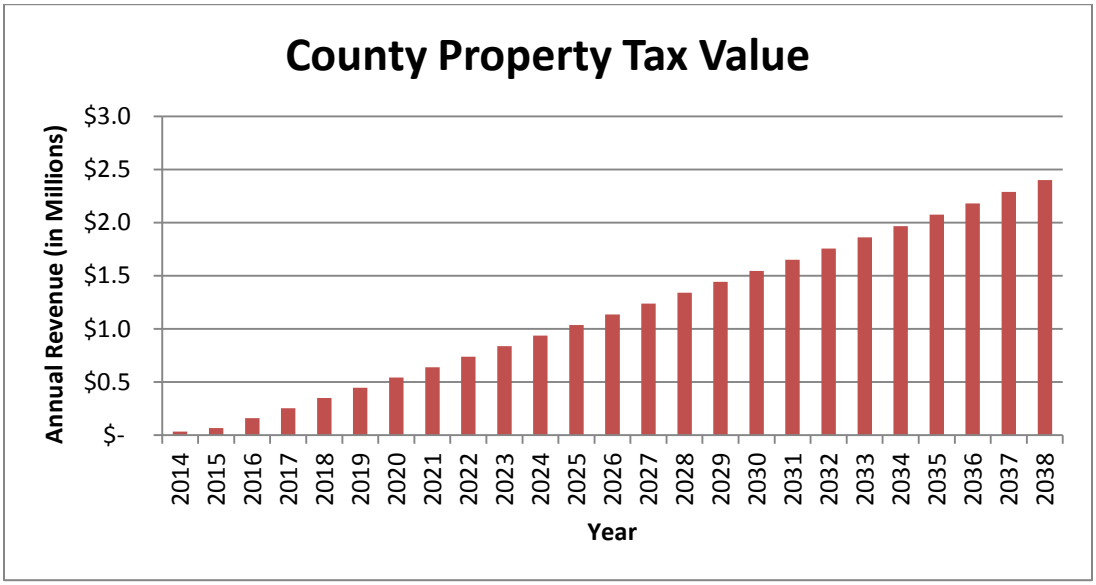
This funding would be contingent on meeting certain thresholds over time. The initial length of the program would be 10 years. The program would be extended to:

- 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, recreational, 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 park projects 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	• **Green Streets** (Thomas & 8th) • Bike, Pedestrian, and Transit Improvements (Harrison & Denny)	• **3rd Avenue Improvements** (Capital Projects & Programs)
11-20 years	Parks	$7.8M	• **Community Center** • Park Improvements and Acquisitions	
21-25 years	SDOT	$5.0M	• 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 though 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 *woonerf*. 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

The priority investment for this portion of the plan is a North Downtown Community Center if the Department of Parks and Recreation finds at a future date that such an investment is justified given services areas, funding needs, and other issues.

North Downtown Community Center

Proposed Improvements	Cost Estimate
Develop a full-service community center. No specific plans exist for this project; however, a 20,000 square-foot, full service center, is the typical size for new centers. These centers can include a gym, multi-purpose rooms, and a kitchen, among other spaces. The cost estimate does not include land.	$10,000,000

Enterprise Car Rental Lot Park Development

Proposed Improvements	Cost Estimate
Pay for a portion of the construction of a park that is proposed for the current Enterprise lot at Lenora and Westlake. This work could include landscaping, paving, lighting, seating, signage, and related park improvements.	$3,000,000

Bell Street Green Street Enhancement

Proposed Improvements	Cost Estimate
Extends the Bell Street Green Street from 5th Avenue to 6th Avenue. This work would provide for enhancement of landscaping, hardscape, and related park features. The estimate is based on the current Bell Street costs of $800,000 per block, plus an allocation for the enhancement work for the existing sections.	$1,300,000

Hing Hay Extension Park Development

Proposed Improvements	Cost Estimate
This project, which is west of the existing Hing Hay Park, will pay for a portion of demolition of the existing structure, site pavement and the construction of the new park. The improvements could include landscaping, paving, lighting, seating, signage, and related park improvements. There may also be renovation elements to the existing Park to ensure the two parts of the park are unified.	$2,500,000

Central Waterfront Pier Redevelopment

Proposed Improvements	Cost Estimate
Make improvements to one of Parks' piers (58 or 62/63), potentially including pier reconstruction and/or stabilization, landscaping, lighting, seating, signage, and related park improvements. The cost estimate was based on Parks' 2013-2018 Asset Management Plan that was derived from a prior study for Pier 58 redevelopment.	$3,000,000