

**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Parks and Recreation	Terry Roche/233-2776	Jeff Muhm/684-8049

**Legislation Title:** AN ORDINANCE relating to the Bell Street Park Boulevard Development Project and the 2008 Parks and Green Space Levy; reallocating funding from the Neighborhood Park Acquisition Subcategory to the Neighborhood Parks and Playgrounds Development Subcategory of the 2008 Parks and Green Spaces Levy; increasing appropriations to the Department of Parks and Recreation in the 2013 Adopted Budget; amending the 2013-2018 Adopted Capital Improvement Program; and ratifying and confirming certain prior acts; all by a three-fourths vote of the City Council.

**Summary and background of the Legislation:**

Belltown has a long and significant history in Seattle and the area provides a unique link to many other neighborhoods including the waterfront, Pike Place Market, downtown, Seattle Center, and the Denny Triangle. The neighborhood has an eclectic mix of businesses, residents, social services and architecture. Belltown has the highest density of residents in the city, but has relatively little park space available for its growing and varied population.

After a recommendation from the Levy Oversight Committee, in June 2009 the City Council approved the initial funding of \$2.5 million from the Park Acquisition subcategory of the Parks and Green Spaces Levy Acquisition Category for the project (Ordinance 123027). This funding request was based on a Department of Planning and Development-funded conceptual design and an SDOT construction estimate completed in early 2009. Additionally, the jurisdiction of the Bell Street right-of-way, from 1st to 5th avenues, was transferred to Parks, and Parks assumed the lead role in design and construction of the project.

In July 2010, with the public design process completed, a better defined concept based on the public comments and a more complete understanding of some of the transportation and utility expectations for the project, Parks sought an additional \$1 million from the Park Acquisition subcategory to supplement the original \$2.5 million of project funding. The City Council approved the additional funding in October 2010 (Ordinance 123442).

In January 2011 the design team revised the project estimate, based on an updated 60% Street Improvement Permit (SIP)/CD. The new estimated cost of construction was \$2,150,864. This amount was \$4,388 under the Department's budget pre-tax construction cost estimate of \$2,155,251. After extensive review through the SIP process and extended negotiations with other City departments, in June 2012 the project progressed to the 90% SIP/CD phase, including an updated cost estimate by the design team. The design team's 90% SIP/CD cost estimate indicated the need for over \$237,000 in additional construction funding to accomplish the original project vision. An independent review by a separate cost-estimating consultant hired by Parks indicated the need for as much as \$520,000 of additional funding (in addition to the design team's estimate) for construction. Parks met with the design team and the independent cost estimator and reviewed the cost information. Based on the estimates and the department's

recent experience from other projects, \$565,000 was the agreed upon estimated amount of additional funding for construction costs. In addition, as estimated, associated (non-construction) costs add an additional \$285,000 (contingency, tax, added project management and inspection) for a total of \$850,000 needed in addition to the current project funding of \$3.5 million.

The project was advertized for bid in January 2013. At the direction of the Levy Oversight Committee, Parks structured the bid with three blocks of development as the base bid, and the fourth block as an additive element. The low bid came in above the estimated amount for the three block base bid, and above the estimate for the fourth block.

On January 28, 2013 the Parks and Green Spaces Levy Citizen Oversight Committee was presented with the new cost information and unanimously recommended moving forward with all four blocks of the project and transferring an additional \$1.5 million from the acquisition to development category for Bell Street Park Boulevard Development to ensure the project could be completed as designed.

To date we are negotiating or have acquired projects in 15 out of the 20 areas indentified in the Levy Neighborhood Park Acquisition program. Total revenue for the program is approximately \$38 million (including anticipated conservation futures tax (CFT) funding and the inflation reserve). Current and projected expenditures are approximately \$27.5 million (including the additional funding requested for Bell Street Park). This level of funding will allow us to acquire property in the remaining five areas (which is unlikely), with approximately \$500,000 remaining in the Levy Neighborhood Park Acquisition program.

Despite the increased cost of the project, the basic premise for pursuing the Bell Street Boulevard remains valid: records from property transactions in Belltown show that from 2009-2012, the cost for land in the neighborhood ranged from \$185 - \$365 per square foot. At 56,800 square feet, a comparable site would cost between \$10.5 million and \$20.7 million to purchase. This land value range does not include the additional funding needed for design and construction of a park.

Even with the increased project costs, the Bell Street Park project continues to make sense to provide additional park space in an area of the City where land acquisition costs are high and existing City land such as SDOT right-of-way is available for other compatible uses. The project continues to meet the goals sets from the project's inception.

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>
Bell Street Park Boulevard Development	K730138	Bell Street between 1st Avenue and 5th Avenue	3 <sup>rd</sup> Quarter 2009	1st Quarter 2014

  X   This legislation creates, funds, or anticipates a new CIP Project.

**X This legislation has financial implications.**

**Appropriations:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Budget Control Level*</b>	<b>Existing 2013 Appropriation</b>	<b>New 2013 Appropriation (if any)</b>	<b>2014 Anticipated Appropriation</b>
2008 Parks Levy Fund #33860	Parks & Recreation	2008 Parks Levy-Neighborhood Parks and Playgrounds (K720020)	\$2,705,000	\$1,500,000	
<b>TOTAL</b>			<b>\$2,705,000</b>	<b>\$1,500,000</b>	

Appropriations Notes: \$2,500,000 was appropriated via Ordinance 123027 and \$1 million via Ordinance 123442.

**Spending Plan and Future Appropriations for Capital Projects:**

<b>Spending Plan and Budget</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Spending Plan	\$ 3,700	\$ 505					<b>\$4,205</b>
Current Year Appropriation	\$1,500						
Future Appropriations							<b>0</b>

Spending Plan and Budget Notes: Improvements include removing existing pavement, sidewalk (50% to remain) and curb; installing new standard and paver sidewalk, new curb, asphalt overlay for travel lane, bio-retention and traditional underground detention to satisfy code compliance (flow control in CSO basin), create on-street parking; and wheel chair ramps. Temporary asphalt pavement, curb and sidewalk, along the south curb between 2nd Ave and 5th Ave. will be removed and replaced with permanent facilities.

**Funding Source:**

<b>Funding Source (Fund Name and Number, if applicable)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
2008 Parks Levy Fund (33860)	\$1,500	\$0	\$0	\$0	\$0	\$0	\$1,500
<b>TOTAL</b>	<b>\$1,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>

Funding Source Notes:

**Bond Financing Required: N/A**

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Bond Notes:

**Uses and Sources for Operation and Maintenance Costs for the Project:**

O&M	2013	2014	2015	2016	2017	2018	Total
Uses	7	112	119	122	124	126	610
Start Up							
On-going							
<b>Sources (itemize)</b>	<b>7</b>	<b>112</b>	<b>119</b>	<b>122</b>	<b>124</b>	<b>126</b>	<b>610</b>

Operation and Maintenance Notes: Implementation of this Levy project will lead to increased operating costs for DPR. The Levy does not include funding for ongoing costs, and costs have been incorporated in the annual operating budget.

**Periodic Major Maintenance Costs for the Project: Not Calculated (N/C)**

Major Maintenance Item	Frequency	Cost	Likely Funding Source
<b>TOTAL</b>	<b>N/C</b>	<b>N/C</b>	<b>N/C</b>

**Funding sources for replacement of project:**

The Levy does not provide a revenue source for ongoing major maintenance.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: None**

Position Title and Department*	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions **	2014 FTE **
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Position Notes: Funding for ongoing maintenance positions (or portions of) may be requested with future legislation or in the annual budget process.

**Do positions sunset in the future? N/A**

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

**b) What is the financial cost of not implementing the legislation?**

The development of a Park Boulevard would provide the same benefits as a neighborhood park and is a far more viable approach given the scarcity and high cost of land suitable for park acquisition and development in the downtown area. Not implementing this legislation would forego this opportunity.

**c) Does this legislation affect any departments besides the originating department?**

Yes, Seattle Department of Transportation, Seattle Public Utilities, and Seattle City Light. SDOT and Parks have negotiated a Memorandum of Understanding to define their respective operations and maintenance responsibilities. Existing maintenance agreements are sufficient to cover potential responsibilities of Seattle City Light and Seattle Public Utilities.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

Buying private property in the neighborhood at a significantly higher cost. Based on current land prices, a comparable project on a private parcel is estimated to cost between \$10.5 and \$20.7 million, assuming \$185 – \$365 per square foot in land acquisition costs.

**e) Is a public hearing required for this legislation? No**

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No**

**g) Does this legislation affect a piece of property? Yes, it is regarding Bell Street between 1<sup>st</sup> and 5<sup>th</sup> Avenues.**

**h) Other Issues: None**

**List attachments to the fiscal note below:**