

FISCAL NOTE FOR NON-CAPITAL PROJECTS

| Department: | Contact Person/Phone: | CBO Analyst/Phone: |
|------------------------------------|------------------------------|----------------------------|
| Seattle Public Utilities | Debbie Harris/3-9050 | Saroja Reddy/ 5-1232 |
| Department of Parks and Recreation | Donald Harris/4-8018 | Catherine Cornwall/ 4-8725 |

Legislation Title:

AN ORDINANCE relating to the Department of Parks and Recreation and Seattle Public Utilities; transferring partial jurisdiction of a portion of Seward Park, located beneath and adjacent to the tennis courts and adjacent parking lot, from the Department of Parks and Recreation to Seattle Public Utilities for maintenance, repair and operation of a combined sewer underground storage tank, associated underground pipes and electrical lines, and limited surface ancillary facilities; and superseding certain requirements of Ordinance 118477, which adopted Initiative 42.

Summary of the Legislation:

This legislation would transfer from Parks to Seattle Public Utilities (SPU) partial jurisdiction of the subsurface area under and adjacent to the tennis courts and adjacent parking lot at Seward Park, as well as a small surface area and the subsurface of certain landscaped areas, within the very southern boundaries of Seward Park. SPU needs to use these areas to maintain, repair, and operate an underground sewage/stormwater storage tank, underground facilities vault and associated pipes and electrical lines to comply with state and federal water quality regulations.

The legislation also supersedes requirements of Ordinance 118477 (Initiative 42). Specifically, it would supersede the requirement that the Council enact an ordinance after a public hearing finding that: (a) the transaction is necessary because there is no reasonable and practical alternative; and (b) the tank, pipes, electrical lines, and limited surface ancillary facilities are compatible with park use and therefore no replacement property is required.

Background:

The City's combined sewer overflow (CSO) discharge permit from the Washington State Department of Ecology (Ecology) and related consent decree between the City, Ecology and the Environmental Protection Agency, requires SPU to construct facilities to reduce CSO discharges into Lake Washington. Ecology identifies Basin 44, which includes Seward Park and upland residential neighborhoods, as a priority to construct a CSO reduction project by 2018. Through a comprehensive siting analysis and public involvement process, SPU determined the appropriate approach to reducing CSOs in Basin 44 is to construct an underground storage tank in Seward Park.

Parks and SPU agree the proposed tennis court and adjacent small parking lot site in the very southern corner of Seward Park will have less impact on short term and long term uses of Seward Park than an alternative location in Seward Park.

This legislation does not have any financial implications.

 X **This legislation has financial implications.**

Spending/Cash Flow Notes:

The capital project to construct the underground storage tank is included in the 2013-2018 Adopted Drainage and Wastewater Fund capital appropriations (Henderson North Combined Sewer Overflow Reduction – Project C304102), within the Combined Sewer Overflows Budget Control Level (BCL) (C360). SPU will make a payment of \$1,097,676 for the partial transfer of jurisdiction from Parks to SPU upon the effective date authorized under this legislation, which is included in the project’s capital budget appropriations above. SPU and Parks will also enter into a revocable use permit issued by Parks under its Revocable Use Permit for Non-park Use of Park Property Policy (RUP), which will cover the terms and conditions of the construction period of the project. Under the RUP, SPU will also make a payment of approximately \$600,000 to \$800,000 in accordance with Parks standard formula for these types of permits, which is also included in the project’s capital budget. No additional appropriations are being requested due to this legislation. The SPU payments to Parks are anticipated to be made in 2015 for the RUP fees and in 2017 for the PTOJ payment as new revenue for Parks budget.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
In addition to the consideration for the partial transfer of jurisdiction and RUP mentioned above, Parks and SPU will need to cooperate and manage their respective facilities and operations in the area and will be entering into an MOA to address these ongoing needs.
- b) **What is the financial cost of not implementing the legislation?**
If the proposed alternative is not implemented, the financial costs are not quantified but could be substantial, including: (1) SPU may be subject to fines if it cannot comply with the requirements of the NPDES permit and related Consent Decree; and (2) SPU may incur substantial additional cost for analysis, new designs, and land acquisition.
- c) **Does this legislation affect any departments besides the originating department?**
Yes. The legislation will have operational impacts on Parks since the tennis court and adjacent small parking lot will be unavailable for use during the two-year long construction period. After construction is completed, Parks’ operations will be minimally impacted.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
SPU has considered multiple alternatives over multiple years and has determined that this transaction is the best alternative.

e) Is a public hearing required for this legislation?

No. The ordinance supersedes the public hearing requirement of Ordinance 118477.

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. The legislation affects a portion of Seward Park, including the tennis courts and adjacent parking lot and landscaped area. A map of the project area is attached.

h) Other Issues:

The City received two federal Urban Park and Recreation Recovery (UPARR) grants for Seward Park, which include a condition to preserve the park for public recreational use. The grants allow an amendment to approve removal of these conditions from one area and placing them on a new area. SPU and Parks have requested grant amendments from National Park Service (NPS) to remove the UPARR grant conditions from the limited area within Seward Park where limited surface ancillary facilities would be constructed and to place the UPARR grant conditions on a portion of Lake Washington Boulevard. In conjunction with the grant amendments, SPU and Parks will also be required to enter into a Memorandum of Agreement (MOA) with the NPS and State Historic Preservation Officer, which is intended to ensure that any federal actions, i.e. approval of the grant amendments, consider impact to properties that are eligible for the national historic register. As part of that MOA, SPU will be required to prepare historic nomination forms, a walking tour and signage for Seward Park as part of the project. There are no additional requirements pertaining to the UPARR grant amendments as long as: (a) SPU does not construct above-ground facilities within the UPARR protected area; and (b) continuous closure of the parking lot adjacent to the tennis courts is limited to two years. SPU plans to meet both of these conditions.

List attachments to the fiscal note below:

Exhibit A – Project Area Map

Debbie Harris
 SPU Seward Park CSO FISC EXH A
 March 14, 2014
 Version #1

Exhibit A

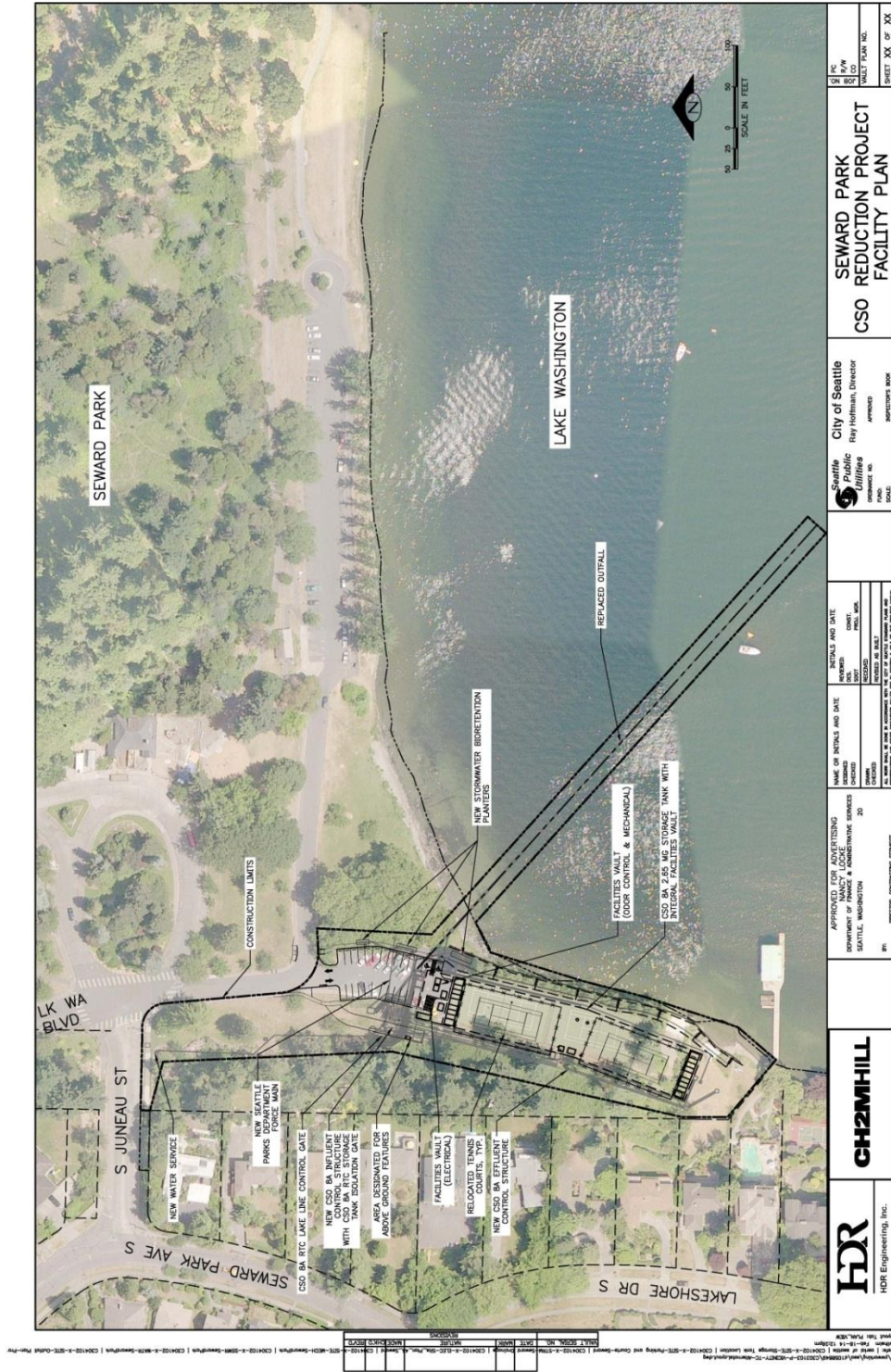


Exhibit A to SPU Seward Park CSO FISC