

SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
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| Office of the Waterfront | Jessica Murphy | Lisa Gaccione/4-5339 |

** 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

1. **Legislation Title:** AN ORDINANCE relating to the Central Waterfront Project; authorizing a “Memorandum of Understanding Concerning Development of New Seattle Aquarium Facilities” between The City of Seattle and the Seattle Aquarium Society, increasing the maximum amount of funding authorized for design, and requiring a comprehensive financial plan prior to execution of a Project Development Agreement.

2. **Summary and background of the Legislation:**
 This legislation authorizes a new 2018 Memorandum of Understanding (“2018 MOU”) with the Seattle Aquarium Society (“SEAS”) concerning the development of the new Ocean Pavilion facility expanding the Seattle Aquarium.

In 2009, the City adopted Ordinance 123205, authorizing the Seattle Parks and Recreation Department (DPR) to enter into an Operations and Management Agreement with the Aquarium, a key element of which was a requirement that a Master Plan be developed consistent with the City’s overall waterfront planning.

In 2013, the City signed an MOU which appropriated \$1 million to SEAS for design and planning of an Aquarium expansion located over water to the south of Pier 59. The MOU directed the Office of Waterfront (OWCP) and the DPR to coordinate design efforts with Aquarium, so that a potential expansion would be consistent with the overall central waterfront design and vision. The MOU also had a section on funding that identified a potential City contribution of up to \$45 million toward the partner project contingent on LID and/or city-wide property levy as potential funding sources.

In 2014, the City’s contribution to the Aquarium expansion project was reduced to \$34 million as shown in the adopted 2015-16 City budget and CIP.

In 2015, the City approved SEAS’s Master Plan, which introduced a new potential location for an Aquarium expansion at the Overlook Walk Location, different from the direction set forth in the MOU executed in 2013. By approving the Master Plan, the City Council directed the Office of the Waterfront and DPR to advance the design and environmental review of the Aquarium expansion at the Overlook Walk Location.

Also in 2015, the City adopted Ordinance 124908, amending the MOU to increase the City’s maximum compensation to SEAS for 50 percent of its expenditures for the Aquarium Expansion Project engineering, design, and consultant services incurred beginning January 1, 2013 from \$1,000,000 to \$1,800,000.

The purpose of this new MOU between SEAS, OWCP and DPR is to define the scope of the Ocean Pavilion project, its integration into the Overlook Walk design and the City and SEAS shared goals for the projects. It also outlines the responsibilities of the City and SEAS for design management, project reviews and approvals, as well as for funding.

The MOU identifies eligible expenses for City reimbursement, the timing for invoice review and the need for SEAS to include public art in the design of the Ocean Pavilion, in coordination with the Office of Arts and Culture. The minimum cost for this art may not be less than 1% of the City's contribution to the project.

In the 2013 ordinance (Ord #124121) placed limits on City reimbursements for design spending including requiring a 50:50 split of eligible costs and setting a maximum reimbursement of \$1 million. In 2015, City Council increased the cap on spending to \$1.8 million. This ordinance increases the cap for reimbursements to \$4.7 million, the total funds appropriated in the City's adopted 2018-2023 CIP.

The ordinance also states the conditions for authorization of a future Project Development Agreement (PDA) at the completion of 60% design, including the provision to the Director of CBO a cost estimate and comprehensive funding plan identifying the principal sources of funding to complete development and construction of the Ocean Pavilion.

2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?** ___ Yes X No
This ordinance does not amend the Aquarium Expansion CIP project; however it does raise the limit for spending existing appropriations set in Ordinance 124908.

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. **Does this legislation amend the Adopted Budget?** ___ Yes X No
This ordinance does not change appropriations for the Aquarium Expansion CIP project, however it does allow additional spending from existing appropriations.
- b. **Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**
Expansion of the Seattle Aquarium increases the size of the DPR's capital assets related to the Aquarium. Short-term operations and maintenance costs are addressed through DPR's Operations and Maintenance Agreement with SEAS, however, there may be long-term financial implications related to major maintenance and replacement of assets.
- c. **Is there financial cost or other impacts of *not* implementing the legislation?**
As visitation to the Seattle Aquarium has risen, pressures to expand the facility and its programs has grown. The construction of the new Ocean Pavilion facility on-shore, integrated with the Overlook Walk provides an opportunity to ensure Aquarium Expansion has minimal impacts on over-water coverage and near-shore habitat for fish and wildlife. If this project did not move forward, on-shore opportunities for aquarium expansion would be extremely limited and pressure to increase the size of the aquarium

overwater increase. Overwater expansion would be extremely difficult from a regulatory perspective.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
OWCP is leading the Waterfront program working closely with DPR on development of the Park Pier projects and the Aquarium Expansion.
- b. **Is a public hearing required for this legislation?** No.
- c. **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?** No.
- d. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No
- e. **Does this legislation affect a piece of property?** No.
- f. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
This legislation supports the provision of improved public spaces along Seattle's Waterfront that encourages use by people of all ages, incomes, and abilities, and supports free expression. The Seattle Aquarium offers extensive free and discounted programming to disadvantaged communities through its partnerships with the Seattle School District; this expansion project once completed will support and expand that programming
- 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).**
NA

List attachments/exhibits below: