

SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | Executive Contact/Phone: |
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| Office of the Waterfront | Dorinda Costa/5-0765 | Lisa Mueller/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

a. Legislation Title: A RESOLUTION relating to funding for construction and long-term operations and management of public spaces on the Central Waterfront; reaffirming the overall funding plan for the Central Waterfront Improvements and the principles that will guide implementation of these improvements; outlining the process for formation of a Local Improvement District and completion of a fundraising plan for philanthropy; and identifying a framework for an agreement with the non-profit Friends of Waterfront Seattle to operate and manage public spaces on the Central Waterfront.

b. Summary and background of the Legislation:

In 2012, the City Council adopted resolution 31399, which stated the City’s support of the Central Waterfront Concept Design and Framework Plan and endorsed the Central Waterfront Strategic Plan that were developed based on broad and inclusive public engagement and the advice and leadership of the Central Waterfront Steering Committee.

The Strategic Plan established a funding plan and set of action steps to implement the improvements and relied on a funding strategy calling for leveraging a mix of public, private, and philanthropic sources to achieve the public’s vision for the Central Waterfront. The plan also recommended that the City develop long-term relationships with third-party, non-profit entities to perform a range of services to provide safe, accessible and high-quality parks, similar to other cities who have implemented this model.

This resolution confirms the overall funding plan for the Central Waterfront program, which has been reflected in the City’s on-going budget and Capital Improvement Plan and lays out steps for its implementation. The funding plan includes the formation of a local improvement district and private philanthropy.

The resolution outlines the City Council’s process to create a LID in 2018 and explains that the LID assessment amounts will be determined through the development of a Special Benefit Study, which will analyze the increase in property values each parcel receives from the package of improvements, the “Special Benefit”. FAS and the Office of the Waterfront currently have a licensed real estate appraiser under contract to perform an LID feasibility study and intend to extend the firm’s contract to perform the Special Benefit Study as well. The LID will require a number of specific legislative actions by Council (outlined below) and public hearings.

Since adoption of the strategic plan in 2012, the Friends have worked to lay the foundation for a successful capital campaign to raise the \$100 million in private philanthropy. Friends are committed to raising these funds and are confident that capacity and interest are in place in the donor community in the Seattle region to allow the Friends to achieve their goal. This resolution recognizes a major initial pledge which demonstrates its commitment to raise the philanthropic funds identified in the City's budget and CIP.

In addition, the legislation includes an outline of the legislative actions necessary in 2018 to carry out the funding plan. These actions include:

- Legislation to form the Waterfront Local Improvement District (LID)
 - A resolution stating Council's intent to form the LID, including notice of public hearings
 - An ordinance to form the LID that will include a preliminary LID assessment roll
 - A resolution setting assessment roll hearing date(s)
 - An ordinance to confirm and ratify the final LID assessment roll
- Legislation to authorize entering into a funding agreement(s) with the Friends of Waterfront Seattle (Friends) for philanthropic contributions to construct the Waterfront improvements

An important part of the Strategic Plan was a recommendation that the City develop long-term relationships with non-profit entities to perform a range of services including operations, maintenance and programming to provide a safe, accessible, and high-quality parks experience to the public. The City has since implemented a similar model for programming and activating Westlake Park and Occidental Square Parks as well as with Friends for activating certain portions of the Waterfront. These partnerships have successfully demonstrated that non-profit partnerships can increase access, vibrancy and safety for all users.

The resolution also identifies a framework, principles and process for an agreement to operate and manage the public spaces and amenities provided along the waterfront in a manner that meets City objectives and goals for inclusiveness and public access. To address respective roles in this partnership the Office of the Waterfront and Seattle Parks and Recreation and Friends will jointly develop a long-term agreement for operating and maintaining park elements of the Waterfront. The agreement will include the following elements:

- **Maintenance**: including identifying a baseline level of maintenance to be performed by the appropriate City department as well as an enhanced level to be provided by SPR through an agreement with Friends.
- **Programming and Activation**: including protocols to allow Friends to permit and program waterfront spaces, host free public events and manage concessions.
- **Phasing**: allowing for the phased completion of the Waterfront improvements
- **Budget**: providing an integrated funding plan for operations of park spaces, including Seattle Parks District's \$3.5 million budget allowance for Waterfront improvements, revenue generated through concessions, permitting and special events and private

- funding raising by Friends.
- Accountability: identifying a set of annual reporting requirements to the City and the public
 - City Oversight and Participation: including participation by City staff in the Friends organization as ex-officio members

2. CAPITAL IMPROVEMENT PROGRAM

- a. **Does this legislation create, fund, or amend a CIP Project?** ___ Yes No

This legislation states the intent of the City Council to form a Local Improvement District to fund CIP projects that are part of the Waterfront program. It also states the intent of the Friends of Waterfront Seattle to provide philanthropic funding for these projects.

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. **Does this legislation amend the Adopted Budget?** ___ Yes No

- 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?**

This legislation does not have direct financial impacts on the City of Seattle, however it does outline the process to carry out future actions to fund capital improvements and carry out long-term operations and maintenance of these improvements. The City would be required to provide LID participants with financing should they want to pay their assessment over time. This financing would likely take the form of LID bonds. Given the nature of the management structure described in this legislation, the LID bonds may need to be issued on a taxable basis, which would probably result in a higher interest rate for LID participants, than if the bonds were tax-exempt, which is more common for LID financing.

- c. **Is there financial cost or other impacts of *not* implementing the legislation?**

Not implementing this legislation could jeopardize securing the necessary agreements for funding, operating and maintaining the Central Waterfront program consistent with the Strategic Plan endorsed by Council in 2012.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**

This legislation affects Seattle Parks and Recreation.

- 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, the legislation does identify future actions that may affect a piece of property.

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. It also helps to ensure that any 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.

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).

This legislation supports the City's long-term goal to improve Seattle's Waterfront and for its operation to provide free public access to high-quality parks and recreation.

h. Other Issues:

List attachments/exhibits below: