

**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Legislative	Norm Schwab/684-9292	N/A

**Legislation Title:**

A RESOLUTION relating to the Central Waterfront Concept Design and Framework Plan and the Central Waterfront Committee’s Strategic Plan and recommendations; and addressing the funding plan for the Waterfront Improvement Program including the formation of a local improvement district, partnerships with the Pike Place Market and Seattle Aquarium, formation of a Friends of the Seattle Waterfront non-profit organization, and initial steps for implementation.

**Summary and background of the Legislation:**

The Central Waterfront Concept Design and Framework Plan have been developed by City staff and a multi-disciplinary team of consultants with lead designer James Corner Field Operations over the last two years building on broad public engagement and under the oversight of the Central Waterfront Committee (CWC) appointed by the Council and Mayor in January 2011. The proposed resolution does the following:

- 1) Supports the overall direction of the CWC’s Strategic Plan and recommendations, which are contained in Clerk File Number XXXXXX, as a guide to transforming and revitalizing the Central Waterfront, recognizing that it is offered to the City as a dynamic plan that will evolve over time, subject to updates and amendments to the Concept Design project elements (e.g., the Core Projects) as Central Waterfront design, funding, and partnerships become better defined and refined. The Strategic Plan includes an Action Plan with a clear and concise series of steps and a timeline for moving forward with these efforts (Attachment 1 to the Resolution).
- 2) Supports the Framework Plan as a long-term vision for which the City will continue to seek opportunities to realize. The proposed resolution also supports the Concept Design as the departure point for moving design efforts forward on the Core Projects, which are preliminarily designated for implementation over the next five or more years, recognizing that each element of the design will be subject to considerable refinement as design progresses in partnership with stakeholders and the public. The resolution calls for the concepts, ideas, and proposals in the Concept Design to be refined further through preliminary design and engineering into a recommended implementation program for Mayor and City Council consideration.
- 3) Addresses the Central Waterfront Committee’s recommended Waterfront Improvement Program funding strategy for leveraging public, private and philanthropic resources to

implement the Core Projects along with a City contribution to partner projects with the Pike Place Market and Seattle Aquarium. The strategy includes a bond measure proposal to fund the replacement of the Elliott Bay Seawall and a proposed local improvement district to help fund other portions of the Waterfront Improvement Program. The resolution states that the City intends to form and confirm the assessment roll for a local improvement district by Spring 2014 before leveraging other funding sources. Future sources identified include levy lid lift, City General Fund, and philanthropic funding. A Funding Sources Pie Chart and Funding Options Matrix developed by the CWC are Attachments 3 and 4 respectively to the proposed resolution.

- 4) Calls for the City to enter into agreements by the end of 2012 with the Pike Place Market and Seattle Aquarium to continue design collaboration and to develop a process for refining other aspects of these partnerships. The agreements should include principles to determine an appropriate City contribution to the public infrastructure improvements on the PC-1 north site and the Aquarium renovation, in coordination with the next phase of design work. The agreements should also address how the Pike Place Market and Seattle Aquarium will raise the funds necessary for their share of each project and demonstrate to the City their ability to do so as a condition of City support.
- 5) Supports the creation of a not-for-profit Friends of the Seattle Waterfront to advocate for implementing the Central Waterfront Framework Plan and Concept Design. Other cities that have undertaken the development of complex, signature public spaces have partnered with similar independent organizations to provide consistent, strong leadership to realize such visionary plans and designs.
- 6) Begins initial steps toward implementation of plans and concept designs by requesting:
  - a. The Executive to include sufficient resources in the City's 2013-2014 biennial budget to advance design work and funding strategies for the Core Projects, community outreach, efforts to form a local improvement district, and design collaboration with the Pike Place Market Development Authority on the PC-1 north site and the Seattle Aquarium on its renovation.
  - b. The interdepartmental staff team, led by the Seattle Department of Transportation (SDOT), to prepare an annual Central Waterfront Work Program by January 31 in each of the years 2013 and 2014, including the identification of deliverables for review by the Central Waterfront Committee and the Mayor and City Council. The City Council anticipates major review of the Waterfront Improvement Program at project milestones such as project definition to begin environmental review and 30% design completion.
  - c. The Central Waterfront Committee to begin developing a plan to secure adequate operating funds to maintain, operate and program the Central Waterfront after Waterfront Improvement Program project components are constructed to ensure that a high level of use and quality is sustained over time.
  - d. SDOT to identify "early win" projects, i.e., projects that can be implemented prior to Alaskan Way Viaduct demolition in 2016 to produce visible progress on the Waterfront Improvement Program.

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

This resolution anticipates that a new Waterfront Improvement Program will be added to the 2013-2018 Proposed Capital Improvement Program (CIP) to be submitted to the Council by the Executive in September 2012. The resolution itself does not amend the current CIP or make any appropriations. It does, however, provide a framework for the City and its partners to move forward on refining concept designs for the Central Waterfront Core Projects and to being initial steps to implement preliminary plans and designs. The Elliott Bay Seawall Project and Alaskan Way Viaduct Replacement Program are currently addressed in CIP Project TC366050 in SDOT's 2012-2017 Adopted CIP. It is anticipated that the seawall project will be separated from the AWVR Program in the 2013-2018 Proposed CIP, and both projects will be updated as part of the Mayor's proposed 2013-2014 biennial budget and CIP submittal to the City Council.

**X This legislation has financial implications.**

This legislation has indirect or longer-term financial implications, not direct fiscal impacts. No appropriation is made with this resolution. See "Other Implications" section for more information.

**Other Implications:**

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

The Funding Plan for the Waterfront Improvement Program referenced in the proposed resolution is a strategy for leveraging public, private and philanthropic resources to implement the Core Projects in the Concept Design and a City contribution to partner projects with the Pike Place Market and Seattle Aquarium, conditioned on entering in agreements with both entities. The current estimates for all of the Core Projects is \$1.07 billion based on less than 10 percent design for many of the projects. The Funding Plan is aligned to total \$1.07 billion with about 60 percent of the funds already secured or pending, including a 30-year voted \$290 million seawall bond measure, \$290 million for demolition of the Highway 99 viaduct and replacement of the surface Alaskan Way and associated access committed from the Washington State Department of Transportation in agreements with the City, \$32 million in King County Flood District funds and another approximately \$28 million in City funding for seawall replacement. This leaves approximately \$420 million in funding that still needs to be secured through a variety of sources including a local improvement district, a City 9-year levy lid lift or other City funding, corporate, foundation and individual philanthropy, and the City's General Fund. The funding strategy will evolve as funding proposals are refined and subject to voter, property owner, and/or partner entities approvals. Thus, the funding strategy represents a preliminary project budget based on the current level of design (10 percent for many of the projects), and as funding sources are realized and cost estimates are updated the project designs will need to be refined to match secured funding. The proposed resolution makes clear that future funding with partner entities is dependent on the City successfully forming a local improvement district with the support of specially benefitted property owners by Spring 2014. The local improvement district, if approved, will provide a funding stream to support issuance of project capital bonds. The Funding Plan for the Waterfront Improvement Program is summarized in a Funding Sources Pie Chart and Funding Options Matrix developed by the CWC both of which are attached as Attachments 3 and 4 respectively to the proposed resolution.

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

Without adoption of this legislation, the City will be in a less favorable position to work with partner entities to realize the vision for a rehabilitated and revitalized Central Waterfront that better connects the city to Elliott Bay. The resolution serves as demarcation point from more than ten years of community effort and planning to initial steps of implementing an economically, environmentally, and socially interwoven vision that seizes upon the opportunity arising from the demolition of the Alaskan Way Viaduct and replacement of the Elliott Bay Seawall to create a series of public open spaces on about 24 acres of land that will remain in public ownership for perpetuity.

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

This legislation affects many City departments, but principally the Seattle Department of Transportation, the Department of Parks and Recreation, and the Department of Planning and Development.

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

The “No Action” alternative is available, but the past two years of work by hundreds of City staff, consultants, and the volunteer Central Waterfront Committee, and thousands of people who attended meetings and workshops would go unrecognized.

**e) Is a public hearing required for this legislation?**

No formal public hearing is required. The City Council does take public testimony and has received briefings on the public input process for Waterfront Seattle that reached thousands in the community.

**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?**

Attachment 2 to the proposed resolution is a Framework Strategies Implementation Illustration that shows the extent of the properties included in the proposal. All of the property is (or will be) in public ownership; although a complementary set of land use regulations may be proposed under separate legislation to update land use regulatory codes to be consistent with the waterfront redevelopment envisioned in this resolution.

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

See Resolution Attachments:

- Attachment 1 – Central Waterfront Committee Action Plan
- Attachment 2 – Framework Strategies Implementation Illustration
- Attachment 3 – Central Waterfront Committee Funding Sources Pie Chart
- Attachment 4 – Central Waterfront Committee Funding Options Matrix