WATERFRONT FUNDING PLAN AND PARTNERSHIP FOR MANAGEMENT AND OPERATIONS

September 7, 2017

PARKS, SEATTLE CENTER, LIBRARIES, AND WATERFRONT COMMITTEE
TODAY’S AGENDA

- Background
- Overview of proposed resolution
- Funding plan
- Local improvement district
- Philanthropy
- Operations and maintenance
## BACKGROUND

<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>2009</td>
<td>Ordinance 123142</td>
<td>• Established Central Waterfront Partnerships Committee</td>
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<td>2012</td>
<td>Resolution 31399</td>
<td>• Endorsed Waterfront Program Strategic Plan, established funding plan,</td>
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<td></td>
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<td>including local improvement district and philanthropy</td>
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<td>• Acknowledged role of non-profit conservancies in other cities,</td>
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<td>recommends City pursue similar arrangement for Waterfront Program</td>
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<td>2014</td>
<td>Letter</td>
<td>• Letter from Central Waterfront Committee to City recommending Friends</td>
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<td>for operations and management</td>
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<td>2015</td>
<td>Ordinance 118478</td>
<td>• Authorized execution of Westlake/Occidental Park agreement between</td>
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<td>Downtown Seattle Association and Parks Department</td>
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<td>2015-2017</td>
<td>Agreements</td>
<td>• Successful operating agreements between City and Friends to program</td>
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<td>and activate waterfront spaces</td>
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<td>2016</td>
<td>Ordinance 125248</td>
<td>• Authorized joint funding agreement with non-profit partner Friends</td>
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<td>of Waterfront Seattle to finance Pier 62/63 Phase 1 Rebuild</td>
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OVERVIEW OF PROPOSED RESOLUTION

• Reaffirm final elements of funding plan
• Create transparency for local improvement district (LID) formation process
• Identify milestones for Friends of Waterfront Seattle philanthropic campaign plan and early pledge
• Create framework for operations and management with Friends of Waterfront Seattle
FUNDING PLAN

- Philanthropy - $100M
- Local Improvement District (LID) - est. $200M
- State funding - $193M
- City funding - $195M

**TOTAL= $688M**

*Does not include WSDOT-funded Marion Street Pedestrian Bridge over Alaskan Way (pending future agreement)*
LOCAL IMPROVEMENT DISTRICT (LID)

• Assessment of properties that will receive special benefit
• Council forms LID through prescribed legislative process
• Robust outreach to ensure transparent and fair process
• Resolution affirms City will pursue LID and is clear about timeline and opportunities for property owner and stakeholder input
## LID FORMATION STEPS

| **SPRING 2018** | Council announces intent to form (by resolution)  
|                 | o Formal notice of public hearing  
|                 | o Public hearing |  
| **FALL 2018** | Council establishes LID (by ordinance)  
|                 | o 30-day protest period  
|                 | o 30-day appeal period |  
| **EARLY 2019** | Assessment roll  
|                 | o Formal notice of public hearing  
|                 | o Public hearing  
|                 | Council confirmation of assessment roll  
|                 | o 10-day appeal period |
PHILANTHROPY

• Friends of Waterfront Seattle: $100 million commitment

• Pier 62 rebuild campaign
  o $5.1 million of $8 million raised already

• Resolution calls for Friends to provide the following prior to LID formation:
  o Philanthropic campaign plan with pledge/payment schedule
  o Initial $25 million pledge (inclusive of Pier 62 rebuild campaign)
OPERATING AGREEMENT

Baseline Maintenance

• Managed by appropriate City departments

Enhanced Maintenance

• Parks and Friends Operating Agreement
  
  o All maintenance work performed and managed by Parks staff; close ongoing coordination with Friends.
  
  o Consistent and dedicated Parks staff presence on Waterfront
  
  o Negotiated level of service
  
  o Protocols established for Friends to:
    ▪ Provide feedback on staff selection and performance
    ▪ Work with Parks to address changing needs in real time
OPERATING AGREEMENT

Programming and Activation

• Informed by Westlake/Occidental Model

• Friends manages:
  o Park Ambassadors
  o Permitting and Scheduling Events (non-First Amendment)
  o Concessions

Phased Implementation

• Agreement phased to include elements that are completed early (i.e., Pier 62/63)
OPERATING AGREEMENT

Budget
- Seattle Parks District: $3.5 million annually dedicated to Parks staff
- Friends of Waterfront Seattle: anticipated $1+ million annually

City Oversight and Participation
- Annual report to Council
- Two City ex-officio seats on Friends’ board
- Stakeholder oversight committee

Agreement Review
- Term of no less than five years, joint review
AGREEMENT TIMELINE

- 2018 – Operating Agreement to Council (prior to LID formation)
- 2019-20 – Initial operations in Pier 62/63
- 2023 – Full operations begin
QUESTIONS?