LOCAL IMPROVEMENT DISTRICT
RESOLUTION OF INTENT TO FORM
May 16, 2018

CIVIC DEVELOPMENT, PUBLIC ASSETS AND
NATIVE COMMUNITIES COMMITTEE

Seattle
Office of the Waterfront
and Civic Projects
TODAY’S AGENDA

• Review Background & Resolution Overview
• Waterfront Seattle Budget and Fundraising Update
• LID Key Facts
• Deferral Options
• Legislative Next Steps
## BACKGROUND: 2009-2013

<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>• Establishes Central Waterfront Partnerships Committee to advise City.</td>
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<td>2011</td>
<td>Resolution 31264</td>
<td>• Creates Central Waterfront Committee to support Waterfront Seattle, including identifying public and private funding sources.</td>
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<td>2012</td>
<td>Resolution 31399</td>
<td>• Endorses Waterfront Program Strategic Plan, establishing funding plan, including local improvement district and philanthropy.</td>
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<td>2013</td>
<td>Special Benefit Study commissioned</td>
<td>• City initiates LID process by hiring third party independent appraiser and commissioning special benefit study.</td>
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<td>• Process put on hold after Bertha stalled.</td>
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# BACKGROUND: 2016-2018

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<tr>
<th>Year</th>
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<th>Purpose</th>
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<tbody>
<tr>
<td>2016-2017</td>
<td>Feasibility Study</td>
<td>• Valbridge Property Advisers hired as new third party independent appraiser, completes Feasibility Study.</td>
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<td>• Estimated $300-420 million of total special benefit.</td>
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<td>2017</td>
<td>Resolution 31768</td>
<td>• Reaffirms Council’s commitment to consider LID.</td>
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<td>• Recognizes Friends of Waterfront Seattle as City’s non-profit operations and maintenance partner.</td>
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<td>• Friends commits to bring $25 million in committed pledges when Council consider LID formation.</td>
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<td>2018</td>
<td>Special Benefit Study complete</td>
<td>• Valbridge completes Special Benefit Study.</td>
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<td>• Online search tool updated to include preliminary assessments for each property.</td>
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<td>• Ongoing outreach to property owners and the general public.</td>
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PROPOSED RESOLUTION

• States Council’s intention to consider the formation of the Waterfront Seattle Local Improvement District.

• Does not consider the final amount of assessments (part of second phase of legislative actions).

• Commits City to capping total assessment at $200 million during next phase of legislation

• Initiates public notification, which includes posting in newspaper of record and letter to all property owners.
EXAMPLES OF LIDS IN SEATTLE

- South Lake Union Streetcar (2008)
- Portage Bay Place (1998)
- Third Avenue Transit Tunnel (1992)
- Delridge Alley (1980)
- 31st Avenue South (1980)
- Aurora Bridge (1930s)
- Denny Regrade (1910)
PUBLIC PROCESS

- Two consecutive ads placed in newspaper of record
- Letters sent to all property owners:
- Assessment information
- Public hearing dates, times, locations
- Instructions for protesting

Public Hearings:
Public comment and protest letter submissions.

- **July 13** (Friday), 9am-1pm & 2pm-6pm, Convention Center
- **July 17** (Tuesday), 5pm-9pm, City Hall
- **July 18** (Wednesday), 5pm-9pm, City Hall
- **July 28** (Saturday), 9am-1pm, City Hall
WATERFRONT SEATTLE FUNDING

- Philanthropy: $100M
- Local Improvement District (LID): est. $200M
- Public funding: $388M
  - State funding: $193M
  - City funding: $195M

**Total:** $688M

*Does not include WSDOT-funded Marion Street Pedestrian Bridge over Alaskan Way (pending future agreement)*
CENTRAL WATERFRONT - OVERALL INVESTMENTS

Total Investment: $4.7 Billion

• Alaskan Way Viaduct Replacement
• Colman Dock Rebuild
• Elliott Bay Seawall Project
• Utility infrastructure
• Waterfront Seattle
LID PROPOSAL: KEY FACTS

• LIDs enabled by State law (RCW 35.43).
• Special benefit = increase in a property’s market value resulting from Waterfront Seattle’s park and streetscape improvements.
• One-time assessment that can be paid upfront or over 20 years.
• Final assessment will not be more than $200 million.
• Once LID is finalized, City will commit to not pursue supplemental LID assessments.
• Costs/budget are carefully vetted and updated annually and at each design milestone.
• Partnership for operations and maintenance in place along with LID formation, including dedicated funding.
## Study Area Overall
- Total Market Value Without Improvements: $49 Billion
- Total Special Benefit: $415 Million
- Total Proposed Assessment: $200 Million

## Commercial (includes office, hotel, retail, institutional, residential apartments)
- Total Market Value (TMV) Without Improvements: $45 Billion
- Preliminary Assessment Amount (of the $200M total): $175 Million
- Assessment Range (% of TMV): 0 – 2.87%
- Median Assessment Amount: $7,370
- Range: $0 - $4.1 M (80% less than $100K)

## Condominiums
- Total Market Value: $4 Billion
- Preliminary Assessment Amount (of the $200M total): $25 Million
- Assessment Range (% of TMV): 0 – 1.45%
- Median Assessment Amount: $2,379
- Range: $0 - $171K (85% less than $10K)
# DEFERRAL PROGRAMS

<table>
<thead>
<tr>
<th>Policy Detail</th>
<th>Seniors (RCW 84.28)</th>
<th>Disabled (RCW 84.28)</th>
<th>Low-Income (RCW 84.37)</th>
<th>Economic Hardship (City, Proposed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income level at time of application</td>
<td>$45K or less combined</td>
<td>$45K or less combined</td>
<td>$57K household disposable</td>
<td>200% poverty level/family size</td>
</tr>
<tr>
<td>Personal requirements at time of application</td>
<td>Owner of record age 60+ (57+ surviving spouse)</td>
<td>Owner of record retired by reason of disability</td>
<td>Owner of record for 5 years, cannot defer under both 84.37 and 84.38</td>
<td>Owner of record</td>
</tr>
<tr>
<td>Deferrable amount</td>
<td>100%, not to exceed 80% of owner’s equity</td>
<td>100%, not to exceed 80% of owner’s equity</td>
<td>50%, not to exceed 40% of owner’s equity</td>
<td>100% of payments within 2-4 year period</td>
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<tr>
<td>Duration</td>
<td>20 years, due on sale/change of ownership</td>
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<td>20 years, due on sale/change of ownership</td>
<td>Two-four years, due at end of period</td>
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# COUNCIL REVIEW AND NEXT STEPS

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<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>5/2</td>
<td>Committee briefing on resolution (completed)</td>
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<tr>
<td>5/16</td>
<td>Follow-up Committee briefing on resolution, potential action</td>
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<tr>
<td>5/21</td>
<td>Full Council potential action</td>
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<td>July</td>
<td>Public hearings – Convention Center and City Hall</td>
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<tr>
<td>September</td>
<td>Hearing summary sent to Council</td>
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<td>September/October</td>
<td>Council consideration of LID formation ordinance, potential action</td>
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<tr>
<td>October</td>
<td>Protests – 30 days after ordinance action, 60% threshold</td>
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<tr>
<td>November</td>
<td>Legal appeals – 30 days after protest period</td>
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<tr>
<td>December</td>
<td>LID formation effective</td>
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QUESTIONS?

Seattle
Office of the Waterfront and Civic Projects