



**MEETING NOTES  
CENTRAL WATERFRONT  
FINANCE & PARTNERSHIPS SUBCOMMITTEE**

**MEETING #3 February 22, 2011  
3:30 — 5:00 PM Room 1610, Seattle Municipal Tower**

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**Meeting Attendees**

*Subcommittee Members*

- Gerry Johnson, Co-Chair
- John Nesholm, Co-Chair
- Catherine Stanford
- Ron Turner

*Other Central Waterfront Committee Members*

- Maggie Walker

*City Staff & Consultants*

- Nathan Torgelson
- Hannah McIntosh
- Paul Elliott
- Tracy Burrows
- Stephanie Brown
- Norm Schwab

*Other*

- Kate Joncas
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**Subcommittee Business**

**MEETING SUMMARIES**

- **Finance & Partnerships Subcommittee Co-Chairs noted that:**
  - The February 8<sup>th</sup>, 2011 meeting summary has been finalized and will be distributed to Subcommittee members following this meeting.

**MARCH MEETING**

- **Finance & Partnerships Subcommittee Co-Chairs noted that:**
  - The next Finance & Partnerships meeting was scheduled for one week from today, March 1<sup>st</sup>, 2011, to accommodate co-chair availability.
  - That meeting will be cancelled and agenda items will be consolidated into the meeting scheduled for March 22<sup>nd</sup>, 2011.

- **City Staff noted that:**
  - The major agenda item for the March 22<sup>nd</sup>, 2011 meeting will be a survey of potential funding sources for both transportation infrastructure and public open space; City staff will develop a presentation for this meeting.

#### POTENTIAL SUBCOMMITTEE ADVISORS

- **Finance & Partnerships Subcommittee Co-Chairs noted that:**
  - The Subcommittee Co-Chairs have reviewed a list of potential advisors and if anyone has additional suggestions they should be sent to G. Johnson.
  - K. Joncas (President, DSA) has been identified as a potential advisor and is attending today as a gesture of good faith and enthusiasm until the Executive Committee approves her appointment.

**ACTION: Subcommittee members should provide any additional advisor recommendations to G. Johnson.**

#### Peer Project Review

\*Subcommittee reviewed and referenced documents including: *Waterfront Seattle Peer Public Space Project Analysis*.

- **City Staff noted that:**
  - Based on feedback, the team has created an updated matrix with relevant new projects including Pioneer Courthouse Square in Portland.
  - D. Conway, the City finance analyst who compiled the report, is running into interesting facts about sources people tried to use that did not pan out for various reasons.
  - The team is going to sit down and develop a “Lessons Learned” document to accompany the matrix.
  - Right now the team is arranging a conference call with Candace Damon, a member of the project consultant team and president of HR&A Advisors.
  - She has agreed to travel to Seattle and meet with the Subcommittee, most likely in April.
  - It will also be useful to confirm whether she’s aware of similar challenges within the matrix; for example, there are places where people tried to form LID’s but they did not pan out.
  - Is the first or second meeting in April the best choice for timing? *\*Subcommittee Co-Chairs suggested the team check her availability and consider a longer meeting with perhaps a bigger group and/or a series of engagements including a Waterfront walk in order to maximize her time.*

**ACTION: City Staff and Subcommittee Co-chairs to follow-up with C. Damon to determine visit timing.**

#### Transportation Benefit Districts 101 & Citizen Transportation Advisory Committee

\*Subcommittee reviewed and referenced documents including: *TBD/CTAC PowerPoint Presentation*

- **Finance & Partnerships Subcommittee Co-Chairs noted that:**
  - T. Burrows, an SDOT project manager for the Citizens Transportation Advisory Committee (CTAC) III, is here today to give us a presentation regarding Transportation Benefit Districts (TBD) and CTAC III.
  - This session is mostly informational because TBD’s are not likely to be a source of money for this project.

- However, it is good for the F&P Subcommittee to understand the TBD as a mechanism, particularly since the horizon for this project is such a long one.
- **SDOT Project Manager T. Burrows noted that:**
  - TBDs are local funding options, created by the legislature a number of years ago.
  - Only in the past three to four years have changes in legislation been made to make these more useful to local governments and that's when we started taking advantage of them.
  - TBDs allow the governing authority (in this case the Seattle City Council acting as the Board of the Benefit District to impose a \$20 Vehicle License Fee (VLF) without going to voters for approval.
  - Revenues may be used for transportation improvements and must be consistent with local plans, necessitated by reasonable and foreseeable congestion levels.
  - There are currently no transportation impact fees in Seattle; while there is a possibility that we could adopt them, right now we don't have authority to use impact fee revenues for pedestrian, bicycle, or transit improvements.
  - However, there are: property taxes, up to two percent sales tax, up to \$100 annual VLF and vehicle tolls *\*City Staff asked how many other TBDs are in the State of Washington \*T. Burrows noted there are a number; mostly using \$10 or \$20 licensing fees—other cities with a TBD include Des Moines, Edmonds, Lake Forest Park; Bellingham just went to vote; Sequim is a city with sales tax.*
    - The estimate of annual revenue derived from a \$20 VLF is about \$7 million per year; this goes into effect in May of this year. This year we'll only generate half a year's worth of revenue; in 2012 we'll have the full \$6.8 million.
    - When voter approved, there is \$28 million in additional revenue, but there's the question of whether that's politically palatable.
    - A two percent sales tax would generate \$35 million per year; every 10 cents generates \$11.6 million per year.
    - A toll on local roads would have to be approved by the State; but T. Burrows does not think there are any immediate plans for implementing that and we don't have an estimate *\*Subcommittee members asked if City Council, without voter approval, can only do the \$20 VLF \*T. Burrows replied yes.*
  - City Council and the Mayor, in the past budget season, looked at transportation needs in relation to revenues and created the TBD; they also established the Citizen's Transportation Advisory Committee (CTAC).
  - In terms of revenues for SDOT over the last few years, other than Bridging the Gap initiative, revenues have declined 21 percent.
  - In September 2010 City Council established the TBD and convened the current CTAC; in October the \$20 fee was adopted and on January 14<sup>th</sup> CTAC members were appointed; seven by the City Council and seven by the Mayor, including K. Joncas.
    - The first task of the CTAC is to focus on the \$20 fee; adopt the project list and spending plan; consider preservation and maintenance; enhance pedestrian and bike mobility; and improve mobility for people with disabilities, to be completed by May 2011.
    - The second task is to consider a transportation funding ballot measure; the CTAC has been given a broad charge in prioritizing projects and doing public outreach; the final report is to identify pros and cons of ballot measures and the resolution calls for completion by June 30<sup>th</sup>, 2011.
  - The original thought was possibly a ballot this year, but SDOT is right in the middle of creating a Transit Master Plan, so we won't have recommendations until this summer.
  - In terms of the work plan:

- We have a significant maintenance backlog we're nibbling at;
    - There's also been the Bridging the Gap measure;
    - As well as completion of the Bicycle/Pedestrian Master Plan;
    - We're also working on a Freight Strategy (those are the big picture needs we'll discuss);
    - We're also working on a methodology for prioritizing revenue sources and will look at that in the Comprehensive Plan, Climate Action Plan and Transportation Strategic Plan.
    - We want to prioritize consistent with Council's goal of becoming a climate neutral city.
  - There is huge interest by Committee members in what the public's appetite is for voting for any kind of ballot measure related to transportation right now, how much people understand, how successful and accountable we've been.
  - Since Bridging the Gap is such a core piece of SDOT funding, we don't want to do anything to jeopardize the renewal of it.
  - The Transit Master Plan is a big piece that begs the question of whether we can recommend anything before taking into account other ballot measures; Seawall being one.
  - We're interested in timing and how they coordinate; whatever happens in the State legislature could put other local funding options into play, or we could suffer some losses of transportation funding.
- **Subcommittee Members noted that:**
    - When you say someone is working on the Transportation Plan, does that include integration of the light rail station, metro and other transportation where we have stations—the detail of where busses and trains come together? *T. Burrows noted that there is a Transit Master Plan under development in which we'll look at the highest priority transit corridors in the City, but it won't get to an operational level.*
    - If you're spending billion of dollars, it seems there should be thought devoted to how buses and trains come together. *\*T. Burrows noted that Metro is doing their strategic planning; although they are in a worse financial situation than SDOT, they're looking at how to allocate transit services.*
    - There does not seem to be any evidence that detailed planning is happening in the new North-South light rail corridor in terms of how systems attach to each other *\*T. Burrows noted that, out of the Transit Master Plan effort, it could present an opportunity for the bus service to provide better connections.*
    - The general presumption seems to be that this money is generally for smaller projects, as opposed to large major capitol projects? *\*CTAC member K. Joncas noted that the Mayor, when tasking his appointed Committee members, stated that there is no reason Seattle couldn't run its own transit and he specifically talked about light rail.*
    - In the the jcfo presentation we studied the park as a single element/linear form, but it almost seems to be a series of many smaller projects, connecting to the City on one side and park on another. We're looking at a period of time where small projects could be packaged in long-term references and framing this as a series of smaller projects might be the way we have to look at it long term. *\*Subcommittee members agreed.*
    - Is there a sense for the City's embedded need for transportation money, in terms of projects you're already committed to—i.e. such as Mercer and the Waterfront, plus the maintenance and smaller things you've already committed to—do you know what those numbers are? Is that enough to do that, let alone new stuff? *\*T. Burrows noted we'll make progress on each of these.*
    - One thing I've been thinking about with Bridging the Gap; there was some messaging about how we really need this levy to fix backlog of maintenance, to "do it now and get it over

- with”—were calculations of funding needed inaccurate? *\*T. Burrows noted that SDOT initially envisioned it as a 20-year funding source and it became a nine-year funding source with half as much funding—at the time SDOT didn’t have the asset management data we have now, so we now know more about the actual state of our infrastructure and its maintenance needs.*
- Has the general fund contribution gone down? It looked fairly level from the graph but doesn’t show as a percentage of general funding. *\*T. Burrows noted that primarily because the general fund overall is less than projected; she doesn’t know if the general fund allocation in terms of percentage has changed over time.*
  - What is the deliverable in June? *\*T. Burrows noted that likely it will be recommended to move forward in 2012.*
  - Meaning elements of the ballot measure developed over the course of the year leading up to adoption of proposition? We all have an interest in connection to the Waterfront and if waterfront elements could be developed enough to be considered, we’d like to do that. *\*T. Burrows noted that you’d want to weigh in more on prioritization process. \*CTAC member K. Joncas noted that first there is the \$20 dollar vehicle license fee which the City has already spent; her guess is that priorities will then come down to biking, pedestrian and freight plan. Since there won’t be specific recommendations coming out of Waterfront process yet to consider she can’t imagine that there will be advocates at this point. The Bike Master Plan has priorities for a wide number of projects and the CTAC III will also have lists of priorities from each sector; they’ll have to figure out if we think something should go to ballot.*
  - One element of interest to this group is thoughts about Streetcar; it would be great to have one on First Avenue to increase connectivity—if there’s opportunity for us to weigh in; that’s directly related to our project *\*T. Burrows noted the Transit Master Plan will recommend corridors where rail could be suitable.*
  - Could we get work done on that question? Thinking about the return of the Waterfront Streetcar and if there’s a corridor, can it be broad enough to include locations? *\*City Staff noted that in terms of timing, there are three venues to have that conversation: the Waterfront Seattle project, the Transit Master Plan and Streetcar planning are a focus at a staff level and they’re looking at timing of all of that.*
  - It also seems important to note that the LID Feasibility Study looked at replacement of the Streetcar.
  - Is there planning for pedestrians and bicycles along the waterfront? Are those projects contained within the Bicycle and Pedestrian Master Plans? *\*CTAC Member K. Joncas noted that the Committee hasn’t looked at that in detail; their recommendations will probably be on how to prioritize between different modes; don’t think it will get to projects level. \*T. Burrows noted that prioritization is important to then translate to the project level. \*Subcommittee member noted that we want bikes on the Waterfront without question.*
  - In terms of coordination, the City is moving more and more toward all streets working for vehicles, bicycles and pedestrians so it’s harder to separate funding into traditional silos. Because a lot of work on Waterfront Seattle will be street elements, is there an agency such as DPD which look at this comprehensively? *\*T. Burrows noted that SDOT has made incredible strides in being more integrated; everything we maintain has to be done as a Complete Street, including bike and pedestrian—we’re thinking along those lines and there’s a lot of openness.*
  - With the City including urban design elements in the comprehensive plan, which will be done within a two year period, it might be an interesting element to integrate or at least discuss since we’re thinking about the public realm holistically now—it’s important for us and the park.

- Other than having access to this process through some people who are on the Subcommittee or advisors, how would we engage with this and the rest of the SDOT planning? As our project unfolds we'll want to make sure people are mindful. We know for a fact Waterfront Seattle will have a level of use equal to Pike Place Market. We know the project area is in right of way and that people want meaningful connections; we are a transportation project maybe even more than a park project. Can you give us advice on how we get into the universe of the City's planning for transportation projects? *\*City Staff noted that for bicycle and pedestrian transportation plans we included a placeholder for the Waterfront because we knew that was coming later; we're about a year away from knowing what we're building. Once we do, we'll start folding the projects into these existing plans or we'll make the choice to have Waterfront Seattle remain its own plan. \*Subcommittee members noted there is huge usage on the existing trail and a number of bicyclists; it is a wonderful loop coming down from South Lake Union that ends at stadium—it might be useful to consider a "Lake to Bay" Trail.*

## **Seawall**

- **Finance & Partnerships Subcommittee Co-Chairs noted that:**
  - Subcommittee members expressed a number of concerns surrounding the Seawall's financing and impact on the Waterfront project:
    - A number of \$230 million has been floating around for Seawall financing. Does this cover the whole project or part of the project? Is that enough to embrace everything? This number was used in a PowerPoint presentation given to the Downtown Seattle Association. *\*Subcommittee members suggested that it only covers the first portion; the \$230 million is for a proposed ballot measure and the total price is higher. \*City Staff noted the. The \$230 million number has been out there since the beginning of 2010; it's the unfunded projects, subtracting \$30 million that King County assumed they would get from flood districts plus money allocated. It does not represent where they might pull the Seawall back.*
    - This could be a big problem; for example, can we be sure we will get the \$30 million from the flood districts? *\*Seawall Staff noted that this year they've received \$5 million from the flood district.*
    - We were told the Seawall and Waterfront projects would evolve in tandem and that they would be responsive to and integrate into the Waterfront design. This suggests the only way to pay is a public vote, and if we publicly vote for the Seawall, it has to be the Seawall as we intend to build it.
    - The Council has to make a decision in April regarding whether to put the Seawall on the ballot in August—if the Design Oversight Subcommittee is not in rough design concept until May, it does not add up.
    - If the whole Seawall is dangerous, why are we only building the Central portion—what about the North piece? Do we build a fraction of the Seawall with City money, and the rest is left in dangerous condition?
    - How much of the Seawall is paid for by the design of the park? If it is integrated in design, then it can be hard to separate what the park is doing from the underlying Seawall. *\*Subcommittee members noted that as it is currently conceived, Waterfront Seattle begins inboard of the Seawall.*
    - It seems like there has to be a holistic funding plan for the Seawall and the team does not know what that is. There is concern about going out to the public with a vote to pay for only half; that

logic does not make sense. *\*Seawall Staff noted that they can talk with City Council; the long-term plan is that the City would perform the first southern portion of the project and the Army Corps of Engineers would perform the northern portion; the team feels positively about their chances but they will have to go through a congressional authorization process.*

- How long will an authorization process take? *\*Seawall Staff noted that feasibility would be done in the realm of 2015, then the team would have multiple ways to get the money appropriated such as having it in an authorization bill or doing it through an appropriation process.*
- The real crux of the issue seems to be that, even if it is OK to do the project in phases and even if the Corps may agree to provide money in the second half at some point, it seems imperative that the Corps agrees now that their money counts as a match for the second half. We don't have to wait for the authorization process to do that—it could be a matter of a contract with the Corps at this point and that is not yet in hand—you do not want to spend money you count on as a match, otherwise the Corps won't recognize it as a match.
- In terms of the timeline, with City Council meeting in April, there's concern: to build the Seawall we want, it has to be publicly funded and having to deal with the Corps; that is a lot to accomplish in a short time and \$230 million may not even be the number that is needed.
- If City Council takes up the matter, don't they have an April drop date? *\*Seawall Staff noted that May 24<sup>th</sup> is the drop date although they would certainly introduce the idea long before that. \*N. Schwab noted that May 24<sup>th</sup> is the last date to submit a resolution to the County. \*City Staff noted that the initial big ideas from jcfo will occur in May; the Design Oversight Subcommittee will be working through those ideas through April.*
- It seems that saying “we'll build half of a Seawall” is a difficult sell.
- Is there an Environmental Impact Statement done showing configuration/placeholder design of walls? *\*Seawall Staff noted that they do not have official EIS alternatives yet.*
- We have a number for Seawall based on an obsolete placeholder and when the person on the other side doesn't understand the subtlety, there is a danger that we wind up with something we don't want or end up having a funding gap with no way to fill.
- Subcommittee Co-chair noted that, with Lake Union Park, they decided they needed two things:
  - Complete costs estimate with adequate contingencies to build what they needed to build
  - Assurance that if we got donors to ante up, they'd build the whole thingBoth of those items were in place before they talked to the first donor, and it seems this project should be the same.
- Subcommittee Co-chairs would like to see what the Seawall Staff has in terms of:
  - Configuration of Seawall related to design of Waterfront;
  - Cost of Seawall based on that configuration;
  - A deal with the Corps before going to vote.
- Essentially, the Subcommittee would like to review everything involving the Corps' commitment, any discussion of the match and whatever else the Seawall Staff has with respect to the process. *\*Seawall Staff noted that there has been language to authorize and a letter from the Corps talking about how they see the Seawall as a viable project; they will share this information.*
- These are tricky but fundamental issues and members of the Finance & Partnerships Subcommittee are not the only people who concerned about this.
- The Full Committee will be meeting on April 12<sup>th</sup> at which time this should be discussed further; it's important to time Committee meetings around these issues. *\*City Staff noted that, at a staff level, they are thinking about all of that right now and when they have jcfo travel to Seattle next.*

- At the end of the day, it seems imperative to have a complete logical package to present to voters.
  - Subcommittee Co-chair noted that officials are aware of that issue.
  - Perhaps the Finance & Partnerships Subcommittee should have permanent agenda items that include the:
    - Current state of design evolution of Seawall with respect to design concept;
    - Current estimate for Seawall as we intend to build it;
    - Status of Corps agreements/where we are.
- \*City Staff noted there is also a Subcommittee tasked just with that agenda item (Design Oversight) \*Subcommittee members noted they're hoping for an update of where things are so they know it's moving in a positive direction just to be sure everyone has the complete package of information and have no desire to duplicate another subcommittee's work.*
- \*Subcommittee Co-chair noted we should also have an update on prospective sources of funding put to number on Seawall estimate.*

**ACTION: S. Brown to share information about Seawall communications with the Army Corps of Engineers.**