



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

**MEETING #7 September 13, 2011
3:30 PM — 5:00 PM Room #3832, Seattle Municipal Tower**

Meeting Attendees

Committee Members & Advisors

- John Nesholm, Co-Chair
- Gerry Johnson- Co-Chair
- Bob Klein
- Ron Turner
- Kate Joncas
- Ben Franz-Knight
- Thatcher Bailey
- David Moseley

Other Central Waterfront Committee Members

- Carol Binder

City Staff & Consultants

- Steve Pearce
- Hannah McIntosh
- Nathan Torgelson
- Bob Chandler
- Erin Taylor

Additional Attendees

- Susan Mueller
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Programming Follow-up

- **City Staff:**
 - While many good programming ideas resulted from the last Subcommittee meeting, there were also cautions about how much revenue can be generated from any new retail spaces.
 - Following that meeting, the Executive Committee and design team had a working session and concluded that we need more focus on overall goals, rather than listing potential programming ideas.
 - Since then jco has developed a draft program summary; we're currently incorporating the Executive Committee's comments and will circulate it to post to the Waterfront Seattle website.
- **Finance & Partnerships Subcommittee Co-Chairs:**
 - The Committee should continue to work with jco in making sure this informs their ongoing work, and also remember the criteria should include a developed concept, program and budget for each element.

Key Partner Conversations

- **City Staff:**
 - We are continuing to have dialogues with key partners including the Port of Seattle, Pike Place Market, the Seattle Aquarium, Washington State Ferries, Colman Dock, the Historic Piers Association, the Stadium District and the Belltown and the Pioneer Square communities. Specifically:
 - We had our first briefing with the Port Commission, which was very positive.
 - We have been communicating with the Seattle Aquarium about their expansion plans and we're working with their design team to create a concept that fits with the fold design while maximizing views.
 - We are pursuing a letter or memorandum of understanding (MOU) with Washington State Ferries (WSF) about how we might cooperate to build a fold on the top of Colman Dock.
 - We have met with Pike Place Market and they have articulated a set of principles and issues that we will work into the next iteration; we'll be meeting with them again this week and next.

Seattle Aquarium

- **Additional Attendees (S. Mueller, Seattle Aquarium):**
 - The Waterfront Park Board and City Council previously approved an expansion resolution using overwater coverage to the south of the aquarium; however, it does not align with jcfo's current design.
 - The question now is what concepts might work for us and whether we should build to the north; we're excited about the project and want to participate in this process.

Colman Dock

- **City Staff:**
 - While we haven't agreed to anything yet, WSF has delayed their environmental review process until early next year in order to help further our discussions surrounding Colman Dock.
 - Pier 48 is a separate discussion; from the City's standpoint, we see opportunities to address the ferry system's needs for vehicle holding in the broader project that may lessen the need for additional holding at Pier 48.
- **Finance & Partnerships Subcommittee Co-Chairs:**
 - What is the timing for construction of Colman Dock? Also, how does everything work conceptually? Overwater coverage is a precious commodity.
- **Finance & Partnerships Subcommittee Advisors (D. Moseley, Washington State Ferries):**
 - While we're moving forward with the letter relating to Colman Dock, there is still a need for further discussion around Pier 48.
 - The dock work starts in 2015, subject to appropriation; we cannot bear the cost of sizing our pilings to accommodate a significant structure, so we would need to figure out a way to provide that.
- **City Staff:**
 - WSF's Colman Dock project proposes moving overwater coverage around on the site but does not increase overwater coverage.
 - We will be studying ways of providing funding to study additional structural capacity to support the fold on top of Colman Dock.

Pike Place Market

- **Finance & Partnerships Subcommittee Advisors (B. Franz Knight, Pike Place Market):**
 - To clarify our approach:

- The way the market functions as an entity is first in placing emphasis on preservation, and then development—our natural instinct is one of protection.
- We’ve done work internally to prepare for this activity and ensure cooperative engagement with the process; we have designated an ad hoc committee and are considering hiring a design consultant.
- The intent is not to design over the great work being done, but to ensure that we’re communicating our principles and priorities with as many voices as possible.
- We’re also having dedicated working meetings to discuss the concept and to make sure that we’re appropriately marrying with the Waterfront project’s processes.
- In terms of the areas we’re currently reviewing:
 - The immediate focus is on PC1; there are a host of priority uses for PC1 and adjacent areas including parking, storage, affordable housing, commercial frontage on Western and other programs.
 - We’ll be reviewing the ongoing costs and returns from those spaces, the costs of developing them, how are the costs born and by whom.
 - One of the biggest risks we see is stretching too far: we want to stay focused on our core needs and understand how the project will benefit or serve as a drain in terms of capital and operating costs.
 - For example, who will be responsible for security? There are also some technical concerns about transportation, which we’ll discuss in a meeting tomorrow.
- **City Staff:**
 - It would be helpful to have some of the building programs or thoughts about what would support the Pike Place Market articulated in terms of specific pieces of design work.

Partner Schedule & Phasing

- **Finance & Partnerships Subcommittee Co-Chairs**
 - While design integration is not within the Finance & Partnerships Subcommittee’s purview, partner relationships are part of this Subcommittee’s charge.
 - The long-term success of the Waterfront project depends on stakeholder engagement and successful partner relationships; it’s encouraging that others are involved in this conversation and taking it seriously.
 - We will see the last iteration of the concept design in February and we want to be ready to start the next phase of design this summer; an important question is when we need a contract with all partners? We need to respect the project schedules of others; it’s possible that phasing will be influenced by available partnerships.
 - We are looking to ensure that this is a venue of collaboration and cooperation and we hope that, when the time comes to develop documents of these relationships, we all aspire to be mutually agreeable.
- **City Staff:**
 - While timing for partnerships is contingent on the phasing strategy created through the strategic plan, we would like to agree upon early elements as soon as possible.

ACTION: City Staff to circulate letters sent to the City from Pike Place Market, Seattle Aquarium.

Strategic Plan & Subcommittee Work Plan

September 8 Executive Committee Meeting

- **City Staff:**
 - The Central Waterfront Committee’s charter spells out the need for a strategic plan to act as a blueprint in determining next steps for stewardship, operations and maintenance.

- The Executive Committee discussed this on September 8th and co-chairs will develop the draft along with a few Committee members; M. Foster and N. Torgelson from the City will staff that group.
 - Work on the plan will begin after the jcfo's presentation in October; the goal will be to have a draft completed in four months to guide the City in expectations, milestones and responsibilities.
 - The plan should also be specific about project phasing and what the first version of the "it" is, including project implementation, marketing and building support.
 - The idea is that there will be alliances around each phase, and we will have goals and actions associated with year one, year two and year three.
- **Finance & Partnerships Subcommittee Co-Chairs:**
 - The strategic plan is a roll-up of all of the Subcommittees' work and will determine what we do with that work in its present condition as well as articulating the project's future direction.
 - It also has to be well coordinated with jcfo and whatever stage the relationships are with the partners, which will be key.

Work Plan through Mid-2012

- **City Staff:**
 - The City is beginning to develop a work plan for the Finance & Partnerships Subcommittee and will meet with co-chairs to discuss further.
 - We'll need a lot of strategic input from the Subcommittee on timing and working with City Council on the Local Improvement District (LID).
- **Finance & Partnerships Subcommittee Co-Chairs:**
 - There will need to be state legislation in support of whatever happens with the ferry system; we ought to start talking with the legislative folks at the City, as well.
 - We still have uncertainty related to the Army Corps of Engineers: when do we talk to the congressional delegation again? Are they busy until the end of the year?
 - There are additional financing questions to clarify: if there is a Phase I, is it reasonable to have a Phase II? Is there something we can consider in terms of the leases and how they work in the piers?
 - We may have an issue approaching voters on the Waterfront alone, without this being perceived as a benefit for the entire city or region. Is there a way to think bigger?
 - Major elements of the work plan will include supporting development of the strategic plan; addressing these questions is precisely the work of this Subcommittee.
- **City Staff:**
 - We'll provide updates on the congressional delegation and the Corps in the next meeting and will make it a standing agenda item moving forward.
 - One additional issue will be how to capture any future real estate value increments, to help fund maintenance and operations.
 - We've talked about DNR leases internally and whether there should be an effort to change the terms; we're considering whether that's an investment obstacle.
- **Finance & Partnerships Subcommittee Co-Chairs:**
 - We might consider advising P. Goldmark of this discussion and having a conversation with him about leasing and what some of the issues might be.

Phasing Parameters/Assumptions

*Subcommittee reviewed & referenced documents including: *Alaskan Way Viaduct & Seawall Replacement Program Schedule & Program Map*; *Replacing the Seawall PowerPoint Slides*.

Program Schedule & Program Map

- **City Staff:**
 - The program schedule details the anticipated timeline for the Elliott Bay Seawall, Waterfront Seattle, Transmission Line Relocation, Mercer East, Mercer West and Bored Tunnel from 2009-2018.
 - There are important construction milestones and assumptions that will inform the phasing conversation; these documents are meant as a building block as we begin these conversations.
 - The year 2016 will be significant: the viaduct demolition will only take a matter of months if done properly and we can begin Waterfront work very shortly after in areas where seawall construction is complete as soon as the tunnel opens.
 - Replacing the Seawall first in 2013 is about preparing for the Waterfront project and addressing the safety issue; the seawall will be close to complete when the tunnel is done.
- **Finance & Partnerships Subcommittee Co-Chairs, Members & Advisors:**
 - Is the viaduct demolition the state or City's responsibility? You might consider adding the Colman Dock construction schedule into the program schedule.
 - We've struggled with the geographic definition of the project scope, and it might be helpful to have a graphic that details the Waterfront project, jcfo's scope, the seawall, the tunnel and surface improvements so we can visualize where things overlap.
- **City Staff:**
 - The state's program budget of \$290 million includes demolition of the viaduct, decommissioning the Battery Street Tunnel and construction of the surface street; the latest version of the MOU assumes that demolishing the Viaduct is a joint responsibility between the City and state.

ACTION: City staff to create a more detailed graphic detailing the various projects.

Replacing the Seawall PowerPoint Slides

- **City Staff:**
 - In terms of our current thinking:
 - Seawall construction will begin in 2013 and during that period traffic will be under the Viaduct.
 - Once the seawall is finished in 2015 traffic moves back to the existing street location on the west side of the right of way.
 - When we begin the viaduct demolition in 2016, the assumption is that Alaskan Way will be working hard from a transportation standpoint and we assume we'll need all four existing lanes during that period.
 - Next is building the new surface street connection between the Waterfront and Elliot and Western.
 - During the same time period, we'll start thinking about timing to build supports for the fold and the structure behind the market, as well as pedestrian connections.
 - Most of the elements we've been talking about will be built during 2016, 2017 and early 2018; another factor is how we phase pieces not seen here, including the Seattle Aquarium, Piers 62-63 and Pier 48.
 - Elements that can be constructed earlier than 2018 include Pier 62-63, overwater public properties, and east-west connections such as hill climb assists; these are not dependent on viaduct demolition.

- The last slide shows construction of the promenade and public spaces on the west side of the right of way once traffic is moved to its final location on the new surface street on the east side of the right of way.
 - Through next spring we'll be determining what to build when, which informs financing; we'll try to move as quickly as possible to reduce overall construction time and costs.
 - There may be additional opportunities not shown here that we haven't identified yet; that's also part of the conversations we're having.
 - Staging and parking will be challenging because we have much less room than normal for a project of this magnitude; we have to plan much further than we normally would at this phase of construction.
 - Once the opportunity presents itself, if the economy is good we're also likely to see interest from private entities, which may generate private construction that we'll also have to work with.
- **Consultants:**
 - Partner phasing will also impact our phasing; we should be looking at doing things with partners that allow us to start building elements sooner than 2018 that are not impacted by the roadway.
- **Finance & Partnerships Subcommittee Co-Chairs:**
 - Should the graphic separate the transportation pieces from public realm pieces? On the financial side, should we look at things that might impact our schedule, such as partner projects or deadlines for securing funding elements? This will be a key part of our plan.
 - With so much public input, every decision has a ripple effect on the rest of the project; it might behoove us to have an inventory system so decision makers know how choices are integrally related.
 - We also need to be mindful of this when raising private money for specific elements but we also need to be nimble to allow for serendipity.
 - Has jco committed to putting the public promenade on the west or east side?
 - One additional item we might consider is adding reference to the state's obligation to fund replacement parking—there's a constituency to that and it's a big worry for a lot of people.
- **City Staff:**
 - We have a need for the inventory tool you are describing—now that this project is real, there is a layer of pressure added.
 - Jco is strongly leaning toward having the public space on the west side of the street.
 - There is also a series of issues involving the folds, including the structural issues of the roadway, keeping the railway in operation 24 hours per day and what we build over it matters in terms of ventilation.

Next Steps/Adjourn

- **Finance & Partnerships Subcommittee Co-Chairs:**
 - Now that the voters have clarified the project and our work is less theoretical and more realistic; I hope this Subcommittee will move forward with greater confidence, renewed energy and commitment.
 - We'll bring the work plan to the next meeting and will likely then start meeting more frequently.
- **City Staff:**
 - The Long Term Stewardship Subcommittee is meeting on September 27th; R. Courtney from the Parks Department will speak to get us thinking about challenges and opportunities for maintenance and operations for the new space.