



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



Year	Action	Purpose
2009	Ordinance 123142	<ul style="list-style-type: none">• Establishes Central Waterfront Partnerships Committee to advise City.
2011	Resolution 31264	<ul style="list-style-type: none">• Creates Central Waterfront Committee to support Waterfront Seattle, including identifying public and private funding sources.
2012	Resolution 31399	<ul style="list-style-type: none">• Endorses Waterfront Program Strategic Plan, establishing funding plan, including local improvement district and philanthropy.
2013	Special Benefit Study commissioned	<ul style="list-style-type: none">• City initiates LID process by hiring third party independent appraiser and commissioning special benefit study.• Process put on hold after Bertha stalled.

BACKGROUND: 2016-2018



Year	Action	Purpose
2016-2017	Feasibility Study	<ul style="list-style-type: none">• Valbridge Property Advisers hired as new third party independent appraiser, completes Feasibility Study.• Estimated \$300-420 million of total special benefit.
2017	Resolution 31768	<ul style="list-style-type: none">• Reaffirms Council's commitment to consider LID.• Recognizes Friends of Waterfront Seattle as City's non-profit operations and maintenance partner.• Friends commits to bring \$25 million in committed pledges when Council consider LID formation.
2018	Special Benefit Study complete	<ul style="list-style-type: none">• Valbridge completes Special Benefit Study.• Online search tool updated to include preliminary assessments for each property.• Ongoing outreach to property owners and the general public.

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



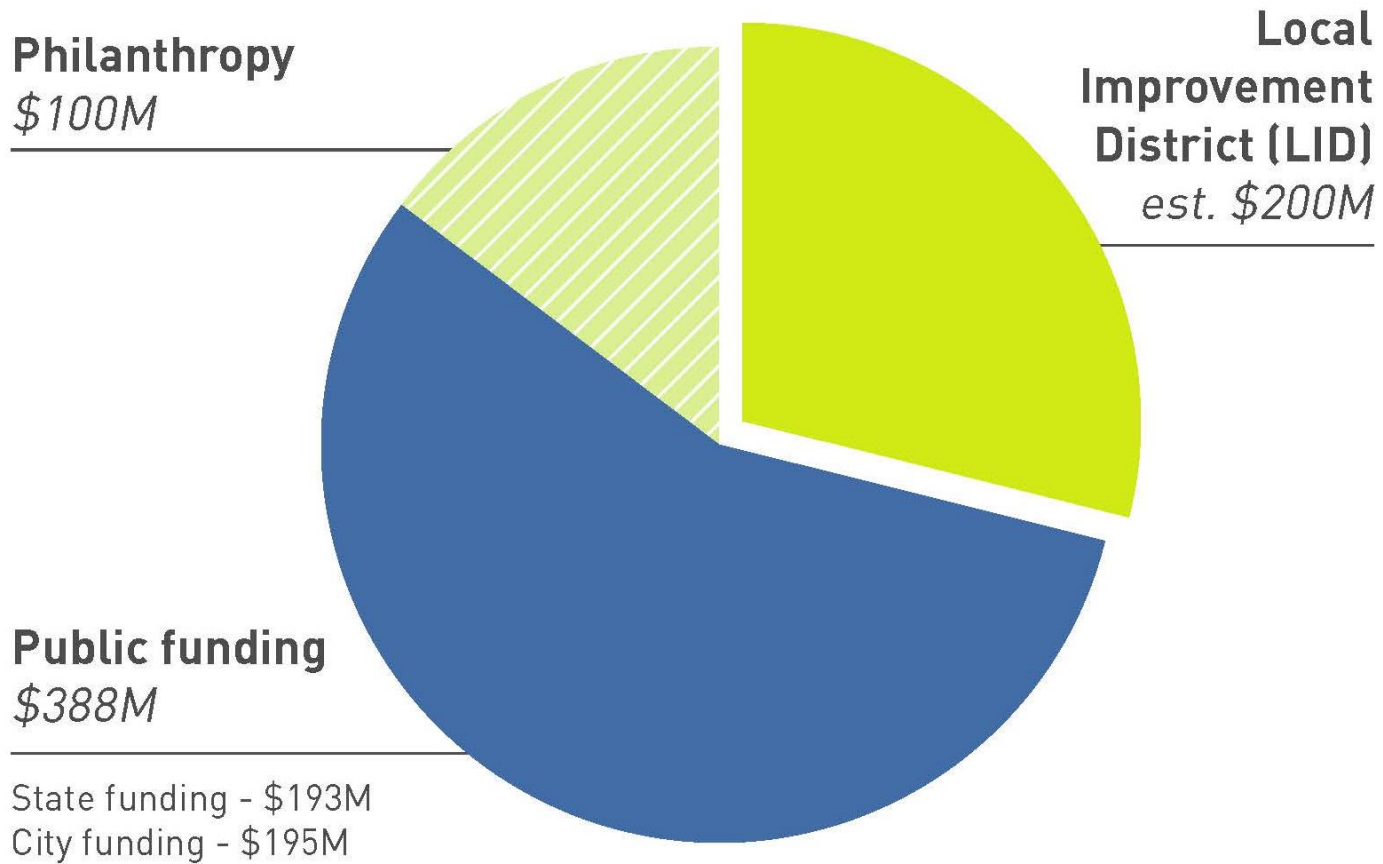
- Two consecutive ads placed in newspaper of record
- Letters sent to all property owners:
 - Assessment information
 - Public hearing dates, times, locations
 - Instructions for protesting

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



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.

LID – BENEFITS AND ASSESSMENTS



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



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

COUNCIL REVIEW AND NEXT STEPS



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



QUESTIONS?



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