

# Central Waterfront Improvement Fund

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## Department Overview

The Office of the Waterfront is responsible for coordinating the City's waterfront improvement efforts, including project management, design, construction, and financial management. Organizationally, it is a unit of the Seattle Department of Transportation (SDOT), although its director reports directly to the Mayor. The Office of the Waterfront is charged with administering the overall program and ensuring that it is managed efficiently and delivers on the Concept Design and Framework Plan for the Central Waterfront as adopted by the City in Resolution 31399.

The projects that make up the Central Waterfront program are included in SDOT's budget and in the budgets of two other City departments. Although there are multiple funding sources and multiple projects within the waterfront improvement program, the program itself includes all of the projects listed below.

### Seattle Department of Transportation

- Alaskan Way Main Corridor project (TC367330)
- Overlook Walk and East/West Connections (TC367620)

### Department of Parks and Recreation

- Parks Central Waterfront Piers Rehabilitation (K732493)
- Aquarium Expansion (K732492)

### Department of Financial and Administrative Services

- Pike Place Market PC-1 North Waterfront Entrance project
- Local Improvement District Administration

The Central Waterfront Improvement Fund is a single fund from which multiple departments draw funding resources. This section describes its use by the Office of the Waterfront. The fund supports certain costs associated with the design and construction of the waterfront improvement program, costs eligible for financing by a future Local Improvement District (LID), and related costs for City administration, including the Office of the Waterfront. Appropriations made from the Central Waterfront Improvement Fund are for these purposes.

The Office of the Waterfront is supported by a range of funding sources, including funds from state and private partners, the City's commercial parking tax and real estate excise taxes, fee revenue and bonds. As noted above, a portion of the Office of the Waterfront's current funding is supported by an interfund loan until the formation of a Local Improvement District (LID), anticipated for 2018 with revenues available beginning in 2019. A LID is a financing mechanism that, in this case, will allow the City to establish a geographically bounded area within which the construction of capital improvement projects will provide a special benefit to property owners. The formation of a LID will allow the City to assess property owners a fee that captures a percentage of the increase in property values created by the local improvements. The interfund loan will be repaid over the life of the waterfront improvement program from the LID and other revenues. Philanthropic contributions to the design and

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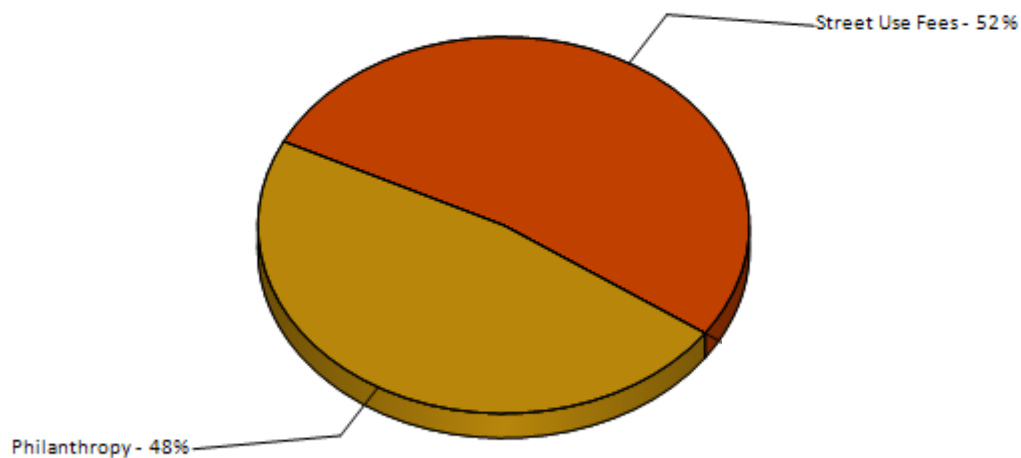
construction of the waterfront improvement program will also be tracked against the balance of the interfund loan.

### Budget Snapshot

Department Support	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
Other Funding - Operating	\$1,877,501	\$416,555	\$1,701,155	\$1,878,881
<b>Total Operations</b>	<b>\$1,877,501</b>	<b>\$416,555</b>	<b>\$1,701,155</b>	<b>\$1,878,881</b>
<b>Total Appropriations</b>	<b>\$1,877,501</b>	<b>\$416,555</b>	<b>\$1,701,155</b>	<b>\$1,878,881</b>
Full-time Equivalent Total*	0.00	0.00	0.00	0.00

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

### 2017 Adopted Budget - Revenue by Category



### Budget Overview

The estimated cost to complete the waterfront improvement program is approximately \$785 million across all relevant City departments. The 2017 Adopted and 2018 Endorsed Budget provides the program \$16.8 million and \$37.9 million in new appropriations in 2017 and 2018 respectively. Office of the Waterfront employees are housed organizationally in SDOT. This structure allows effective coordination between the Seawall project management team and the Office of the

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Waterfront and streamlines administration by making use of SDOT's existing organizational capacity.

The following paragraphs and tables summarize the multiple elements of the waterfront improvement program and their planned spending.

### City Projects

These are projects led by the City of Seattle and managed by City staff.

**Alaskan Way Main Corridor:** This project designs and constructs the rebuilt Alaskan Way/Elliott Way surface streets and the adjoining pedestrian promenade along the Seattle waterfront following the demolition of the Alaskan Way Viaduct and the opening of the new State Route (SR) 99 Bored Tunnel. The project also includes improvements to four key connections impacted by the viaduct removal, including Seneca Street, Columbia Street, and the Marion Street and Lenora Street pedestrian bridges. The Washington State Department of Transportation (WSDOT) is reimbursing the City of Seattle for the cost of replacing the surface streets and key connections that are part of this project. Local funds will help fund the improvements that are part of this project but not reimbursable by WSDOT. For details about this project, please see the SDOT CIP project for Alaskan Way Main Corridor (TC367330).

*For informational purposes only*

<b>Alaskan Way Main Corridor Planned Spending</b>	2016 LTD	2017 Proposed	2018 Proposed	<b>Total Project Budget</b> (through 2022)
Central Waterfront Improvement Fund	15,116,395	0	0	<b>56,875,000</b>
Local Funds	40,455,023	8,268,569	7,265,966	<b>88,163,000</b>
State Funding	22,536,184	17,194,173	9,539,548	<b>220,834,000</b>
<b>Total Alaskan Way Main Corridor</b>	<b>78,107,602</b>	<b>25,462,742</b>	<b>16,805,514</b>	<b>365,872,000</b>

**Overlook Walk and East/West Connections:** Removing the viaduct provides the opportunity for the City to improve key connections between the downtown core and the waterfront. These east/west streets include Bell Street, Union Street, Pike Street and Pine Streets, Main Street, Washington Street and Railroad Way. In addition to these east/west street connections, the waterfront improvement program also includes the Overlook Walk, which will provide a major new pedestrian connection between the waterfront, the Aquarium and the Pike Place Market that will feature ADA access, views and public open spaces. For details about this project, please see the SDOT CIP project for Overlook Walk and East/West Connections (TC367620).

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<b>Overlook Walk and East/West Connections Planned Spending</b>	2016 LTD	2017 Proposed	2018 Proposed	<b>Total Project Budget</b> (through 2022)
Central Waterfront Improvement Fund	1,000,000	1,501,000	1,410,000	<b>149,141,000</b>
Local Funds	2,984,000	4,821,000	3,665,000	<b>18,525,000</b>
State Funding	0	0	0	<b>0</b>
<b>Total Overlook Walk and E/W Connections</b>	<b>3,984,000</b>	<b>6,322,000</b>	<b>5,075,000</b>	<b>167,666,000</b>

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**Parks - Central Waterfront Piers Rehabilitation:** Waterfront Park and Pier 62/63 are public park facilities owned by Seattle's Department of Parks and Recreation (DPR) that provide public access to Elliott Bay and have hosted a range of public events, markets and performances. Pier 62/63 is aged and can no longer bear heavy loads; its ability to support parks programming has been restricted since 2004. Both piers need a full seismic upgrade to meet current life safety codes, and Waterfront Park needs significant access improvements. In 2016, the City Council amended the 2016 Adopted Budget to allow Phase 1 of the rebuild of Pier 62/63 to move ahead. When Pier 62 is rebuilt, it will have a new floating dock providing water access to the public and it may again be actively programmed as a DPR-run facility. The vision for Waterfront Park is as a flexible public recreation and open space. The Central Waterfront Improvement Fund will provide funding for Phase 1 of the rebuild. For details about this project, please see the DPR CIP project for Parks Central Waterfront Piers Rehabilitation (K732493).

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Parks – Central Waterfront Piers Rehabilitation Planned Spending	2016 LTD	2017 Proposed	2018 Proposed	Total Project Budget (through 2022)
Central Waterfront Improvement Fund	2,147,000	500	2,700,000	<b>73,411,000</b>
Local Funds	2,900,000	2,223,000	12,000,000	<b>21,997,000</b>
State Funding	0	150,000	450,000	<b>600,000</b>
<b>Total Parks CWF Piers Rehabilitation</b>	<b>5,047,000</b>	<b>2,723,000</b>	<b>15,150,000</b>	<b>96,008,000</b>

**FAS - Local Improvement District Administration:** Because the Department of Finance and Administrative Services (FAS) is leading the development and administration of the planned Local Improvement District (LID), the FAS operating budget provides additional details.

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FAS – Local Improvement District Administration Planned Spending	2016 LTD	2017 Proposed	2018 Proposed	Total Project Budget (through 2022)
Central Waterfront Improvement Fund	3,430,000	1,098,824	923,225	7,313,428

### Partner Projects

These are projects within the scope of the waterfront improvement program that are under the leadership of other partner organizations and involve some financial contribution from the City.

**Parks - Aquarium Expansion:** As part of the City's overall vision for the waterfront, the non-profit Seattle Aquarium Society (SEAS) is planning an expansion to its existing facilities to support increased visitor capacity and include a major new exhibit. The Department of Parks and Recreation (DPR) owns the Seattle Aquarium and SEAS operates it. The Seattle City Council approved a master plan for this expansion for the purpose of environmental review in August 2015. The master plan identifies an on-land site adjacent to the Overlook Walk as the preferred site for this expansion. For details about this project, please see the DPR CIP project for Aquarium Expansion (K-732492). Note that this table and the CIP project only address anticipated City costs for the Aquarium expansion. Total project costs are higher.

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*For informational purposes only*

Parks – Aquarium Expansion Planned Spending	2016 LTD	2017 Proposed	2018 Proposed	Total Project Budget (through 2022)
Central Waterfront Improvement Fund	250,000	0	0	696,900
Local Funds	1,090,000	2,480,000	2,370,600	5,940,600
State Funding	0	0	0	27,362,500
<b>Total Aquarium Expansion</b>	<b>1,340,000</b>	<b>2,480,000</b>	<b>2,370,600</b>	<b>34,000,000</b>

**Pike Place Market PC-1 North Waterfront Entrance project:** The City and the Pike Place Market Preservation and Development Authority (PPMPDA) are partnering to develop this project, which will provide a mixed-use development building on the north side of the Pike Place Market. This project is part of the waterfront improvement program, but there is no spending in 2017 or 2018 against the Central Waterfront Improvement Fund. The FAS operating budget details ongoing project work.

### Total Central Waterfront Improvement Fund Appropriations for 2017 Adopted and 2018 Endorsed Budget By Department and Revenue Type

Department/Revenue Type (in \$ thousands)	2017 Proposed			2018 Proposed		
	CWIF Direct	Dept. Budget	CWIF Total	CWIF Direct	Dept. Budget	CWIF Total
<b>Transportation</b>	<b>1,410</b>	<b>0</b>	<b>1,410</b>	<b>1,410</b>	<b>0</b>	<b>1,410</b>
Interfund Loan	1,410	0	1,410	1,410	0	1,410
Philanthropy	0	0	0	0	0	0
<b>Parks and Recreation</b>	<b>0</b>	<b>1,050</b>	<b>1,050</b>	<b>0</b>	<b>2,700</b>	<b>2,700</b>
Interfund Loan	0	0	0	0	0	0
Philanthropy	0	500	500	0	2,700	2,700
Street Use Fees	0	550	550	0	0	0
<b>Finance and Administrative Services</b>	<b>291</b>	<b>1,099</b>	<b>1,390</b>	<b>469</b>	<b>924</b>	<b>1,393</b>
Interfund Loan – Interest Expense	291	0	291	469	0	469
Interfund Loan – LID Admin	0	1,099	1,099	0	924	924
<b>Total</b>	<b>1,701</b>	<b>2,149</b>	<b>3,850</b>	<b>1,879</b>	<b>3,624</b>	<b>5,503</b>

### City Council Changes to the Proposed Budget

The Council made no changes to the 2017-2018 Proposed Budget.

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## Incremental Budget Changes

### Central Waterfront Improvement Fund

	2017		2018	
	Budget	FTE	Budget	FTE
<b>Total 2016 Adopted Budget</b>	<b>\$ 416,555</b>	<b>0.00</b>	<b>\$ 416,555</b>	<b>0.00</b>
<b>Proposed Technical Changes</b>				
Technical Financial Adjustment	\$ 1,410,000	0.00	\$ 1,410,000	0.00
Technical Adjustment for Interest	-\$ 125,400	0.00	\$ 52,326	0.00
<b>Total Incremental Changes</b>	<b>\$ 1,284,600</b>	<b>0.00</b>	<b>\$ 1,462,326</b>	<b>0.00</b>
<b>2017 Adopted/2018 Endorsed Budget</b>	<b>\$ 1,701,155</b>	<b>0.00</b>	<b>\$ 1,878,881</b>	<b>0.00</b>

## Descriptions of Incremental Budget Changes

### Proposed Technical Changes

#### **Technical Financial Adjustment - \$1,410,000**

The current Central Waterfront Improvement Fund (CWF) interfund loan limit is \$31.2 million. Spending through 2015 was about \$18.5 million (leaving a balance of about \$12.7 million). The 2016 Adopted budget assumed formation in 2017 of the local improvement district (LID) for financing waterfront improvements, but due to schedule changes with WSDOT's SR99 Bored Tunnel program, LID formation has been delayed until 2018, with revenues anticipated in 2019. This adjustment represents the incremental effect of these schedule changes on spending against the current interfund loan. It includes appropriations for the Department of Transportation, Department of Parks and Recreation and the Department of Finance and Administrative Services and reflects anticipated philanthropic contributions to support the design and construction of the waterfront improvement program.

#### **Technical Adjustment for Interest - (\$125,400)**

Because the schedule change in LID formation requires that the current interfund loan be extended, the 2017-2018 Proposed Budget includes an increase in expected interest expense. This technical adjustment reflects a shift in the Central Waterfront Fund interest expense from 2017 to 2018.

## City Council Provisos

*There are no Council provisos.*

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### Expenditure Overview

Appropriations	Summit Code	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
Central Waterfront Improvement Fund Interest Expense Budget Control Level	CWIF-INT	0	416,555	291,155	468,881
Central Waterfront Improvement Fund Support to Transportation Budget Control Level	CWIF-CAP	1,877,501	0	1,410,000	1,410,000
<b>Department Total</b>		<b>1,877,501</b>	<b>416,555</b>	<b>1,701,155</b>	<b>1,878,881</b>
<b>Department Full-time Equivalent Total*</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

### Revenue Overview

#### 2017 Estimated Revenues

Summit Code	Source	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
544900	IF OTHER CHARGES - TRANSPORTAT	3,021,929	0	0	0
	<b>Total Interfund</b>	<b>3,021,929</b>	<b>0</b>	<b>0</b>	<b>0</b>
439090	Other Private Contrib & Donatn	0	0	500,000	2,700,000
	<b>Total Philanthropy</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>2,700,000</b>
587103	Oper TR IN-FR C-Tran Fund	0	0	550,000	0
	<b>Total Street Use Fees</b>	<b>0</b>	<b>0</b>	<b>550,000</b>	<b>0</b>
	<b>Total Revenues</b>	<b>3,021,929</b>	<b>0</b>	<b>1,050,000</b>	<b>2,700,000</b>
	<b>Total Resources</b>	<b>3,021,929</b>	<b>0</b>	<b>1,050,000</b>	<b>2,700,000</b>

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## Appropriations By Budget Control Level (BCL) and Program

<b>Central Waterfront Improvement Fund Interest Expense Budget Control Level</b>				
The purpose of the Central Waterfront Improvement Fund Interest Expense BCL is to appropriate interest expense allocated to the Fund.				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Central Waterfront Improvement Fund Interest Expense	0	416,555	291,155	468,881
<b>Total</b>	<b>0</b>	<b>416,555</b>	<b>291,155</b>	<b>468,881</b>

<b>Central Waterfront Improvement Fund Support to Transportation Budget Control Level</b>				
The purpose of the Central Waterfront Improvement Fund Support to Transportation Budget Control Level is to appropriate funds from the Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Waterfront Improvement Program.				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Central Waterfront Improvement Fund Support to Transportation Budget Control Level	1,877,501	0	1,410,000	1,410,000
<b>Total</b>	<b>1,877,501</b>	<b>0</b>	<b>1,410,000</b>	<b>1,410,000</b>

## Central Waterfront Improvement Fund Table

### Central Waterfront Improvement Fund

	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>Actuals</b>	<b>Adopted</b>	<b>Revised</b>	<b>Adopted</b>	<b>Endorsed</b>
<b>Beginning Fund Balance</b>	-19,370,959	-19,728,046	-18,335,288	-23,868,843	-26,668,998
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	3,021,929	0	0	1,050,000	2,700,000
Less: Actual and Budgeted Expenditures	1,877,501	3,286,555	3,286,555	2,800,155	2,802,881
Less: Capital Improvements	108,757	2,247,000	2,247,000	1,050,000	2,700,000
<b>Ending Fund Balance</b>	<b>-18,335,288</b>	<b>-25,261,601</b>	<b>-23,868,843</b>	<b>-26,668,998</b>	<b>-29,471,879</b>
<b>Ending Unreserved Fund Balance</b>	<b>-18,335,288</b>	<b>-25,261,601</b>	<b>-23,868,843</b>	<b>-26,668,998</b>	<b>-29,471,879</b>