

**SEATTLE PARK DISTRICT
KING COUNTY, WASHINGTON**

RESOLUTION 12

A RESOLUTION OF THE BOARD OF COMMISSIONERS of the Seattle Park District, King County, Washington, amending the Seattle Park District financial plan.

WHEREAS, the Seattle Park District is a metropolitan park district authorized under chapter 35.61 RCW with statutory powers including the power to levy and impose various taxes and fees to generate revenues to maintain, operate and improve parks, community centers, pools, and other recreation facilities and programs; and

WHEREAS, on August 19, 2014 King County certified voter approval of the Seattle Park District, a district with the same boundaries as the City of Seattle; and

WHEREAS, on October 30, 2014 an interlocal agreement was executed that established the responsibilities of the City of Seattle and the Seattle Park District in performing and funding Park District services; and

WHEREAS, the interlocal agreement between the City and District describes the process by which the City and District will develop and approve annual budgets and includes a six-year financial plan; and

WHEREAS, changes to the financial plan are necessary due to project delays: the delay in replacing the Alaskan Way Viaduct has postponed creation of the new Waterfront Park, now with an estimated opening in 2021; and the timelines for designing and developing Smith Cove Park and the 14 land-banked properties have been refined since the financial plan was developed in 2014; and

1 WHEREAS, the refined timelines for Smith Cove Park and the land-banked properties moved
2 park openings from 2017 to 2018 through 2020, eliminating the need for maintenance
3 funds in 2017 and reducing the amount needed in 2018-2020; and

4 WHEREAS, the District Board wishes to amend the financial plan, changing the allocations for
5 the 2017 maintenance funds for Smith Cove Park and the 2017-2020 maintenance funds
6 for the land-banked properties, and redirecting these funds to development of the 14
7 land-banked properties; and

8 WHEREAS, the Park District financial plan currently includes funding for Waterfront Park
9 maintenance in 2019 and 2020, before Waterfront Park will be completed; and

10 WHEREAS, the District Board wishes to amend the financial plan in order to reprogram the
11 Waterfront Park maintenance funds from the operating program to the capital program to
12 support redevelopment of Piers 62 and 63 and provide funds for development of the 14
13 land-banked properties; and

14 WHEREAS, the land-bank sites, including Smith Cove, will not require maintenance funds on
15 the schedule estimated in the original financial plan; and

16 WHEREAS, on May 10, 2016 the Seattle Park District Oversight Committee (Oversight
17 Committee) expressed support for amending the Seattle Park District financial plan to
18 reprogram maintenance funds from the Park District operating to capital program, and
19 expressed support for the Pier 62 and 63 redevelopment and for providing funds for the
20 land-banked properties; and

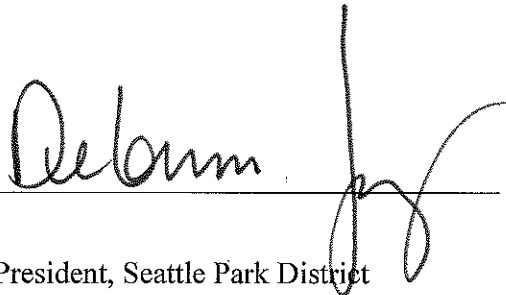
21 WHEREAS, the proposal recommended for approval by the Oversight Committee is presented in
22 Attachment B to this Resolution; NOW, THEREFORE,

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SEATTLE PARK
DISTRICT, KING COUNTY, WASHINGTON THAT:**

Section 1. The revised Seattle Park District Financial Plan included as Attachment A to
this resolution is adopted.

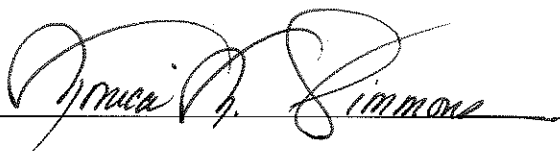
Section 2. This resolution shall take effect on passage.

Adopted by the Seattle Park District this 27th day of JUNE, 2016, and
signed by me in open session in authentication of its adoption this 27th day of JUNE, 2016.



President, Seattle Park District

ATTEST:



City Clerk

City Clerk

Attachments:

Attachment A – Revised Seattle Park District Financial Plan

Attachment B – April 5, 2016 Memo to Park District Oversight Committee

Att A - Revised Seattle Park District Financial Plan

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6/27/2016

Park District BCL

		2015	2016	2017	2018	2019	2020	
Revenues								
	Park District Property Tax	-	47,798,347	49,843,850	51,000,332	52,091,227	53,338,893	
	Interfund Loan	10,008,808	-	-	-	-	-	
	Total Revenues	10,008,808	47,798,347	49,843,850	51,000,332	52,091,227	53,338,893	
Operating Expenses								
1.3	Major Maintenance Backlog and Asset Management	1,492,509	1,640,012	619,882	635,379	651,263	667,545	Fix It First
2.1	Saving Our City Forests	99,680	499,175	511,654	524,446	537,557	550,996	Fix It First
2.2	Increase Preventive Maintenance	844,721	1,417,700	1,453,143	1,489,471	1,526,708	1,564,876	Maintaining Parks and Facilities
2.2	Provide Clean, Safe, Welcoming Parks	1,839,430	2,088,854	2,141,075	2,194,602	2,249,467	2,305,704	Maintaining Parks and Facilities
2.4	Make Parks Safer	30,000	243,248	249,329	255,562	261,951	268,500	Maintaining Parks and Facilities
2.5	Improve Dog Off-leash Areas (move to capital 2017)	103,819	106,414	109,075	111,802	114,597	117,462	Maintaining Parks and Facilities
3.1	Restore Community Center Operations	1,351,689	1,385,481	1,420,118	1,455,621	1,492,012	1,529,312	Programs for People
3.2	Recreation Opportunities for All	130,105	471,638	483,429	495,515	507,903	520,601	Programs for People
3.3	Better Programs for Young People—Seattle's Future	250,467	256,729	263,147	269,726	276,469	283,380	Programs for People
3.4	Meeting the Needs of People with Disabilities	166,000	170,150	174,404	178,764	183,233	187,814	Programs for People
3.5	More Programs for Older Adults	262,000	268,550	275,264	282,145	289,199	296,429	Programs for People
3.6	Put the Arts in Parks	-	344,488	353,100	361,928	370,976	380,250	Programs for People
3.7	Get Moving Fund	76,644	256,250	262,656	269,223	275,953	282,852	Programs for People
3.8	Customer Service and Technology	-	307,500	315,188	323,067	331,144	339,422	Programs for People
4.3	Maintain and Activate Seattle's New Waterfront Park ¹	-	-	-	375,000	310,000	315,250	Building for the Future
4.5	Maintain 14 New Parks at Land-Banked Sites	-	-	-	215,879	875,000	1,335,000	Building for the Future
4.7	Maintain Smith Cove Park	-	118,744	121,713	124,756	127,875	131,071	Building for the Future
4.9	Activating and Connecting to Greenways	-	900,634	923,150	946,228	969,884	994,131	Building for the Future
4.10	Performance Monitoring and Strategic Management	439,333	570,000	584,250	598,856	613,828	629,173	Building for the Future
4.11	Performance Monitoring and Strategic Management (Legislative)	342,001	697,000	697,000	697,000	697,000	697,000	Debt Service
4.6	Urban Parks Partnership	125,000	1,487,592	1,487,592	1,487,592	1,487,592	1,487,592	Debt Service
5.1	Develop Smith Cove Park ²	-	1,080,000	-	-	-	-	Fix It First
1.4	Interfund Loan Payback ⁴	300,000	-	-	-	-	-	-
	Aquarium Major Maintenance (Operating in 2015&2016 budget)	7,853,397	13,613,159	12,445,168	13,292,562	14,370,886	15,111,168	
Total Operating		7,853,397	13,613,159	12,445,168	13,292,562	14,370,886	15,111,168	
Capital Expenses								
1.1	Major Maintenance Backlog and Asset Management	843,291	16,861,863	18,359,659	18,818,651	19,289,117	19,771,345	Fix It First
1.1a	Phase 1, Pier 62/63 Redevelopment	-	-	-	-	1,102,551	3,252,412	Pier 62/63 Redevelopment
1.2	Community Center Rehabilitation & Development ⁵	358,000	4,329,000	4,437,225	4,548,156	4,661,860	4,778,406	Fix It First
1.3	Saving Our City Forests	353,320	2,196,575	2,251,489	2,307,777	2,365,471	2,424,608	Fix It First
1.4	Aquarium Major Maintenance (Operating in 2015&2016 budget)	-	-	1,107,000	1,134,675	1,163,042	1,192,118	Fix It First
1.5	Zoo Major Maintenance	500,000	1,800,000	1,845,000	1,891,125	1,938,403	1,986,863	Fix It First
2.6	Rejuvenate Our P-Patches	100,000	200,000	205,000	210,125	215,378	220,763	Maintaining Parks and Facilities
4.1	Park Land Acquisition and Leverage Fund	-	2,000,000	2,050,000	2,101,250	2,153,781	2,207,626	Building for the Future
4.2	Major Projects Challenge Fund	-	1,600,000	1,640,000	1,681,000	1,723,025	1,766,101	Building for the Future
4.4	Develop 14 New Parks at Land-Banked Sites ³	-	4,997,750	5,298,308	4,804,887	2,892,335	406,721	Building for the Future
4.9	Activating and Connecting to Greenways	-	200,000	205,000	210,125	215,378	220,763	Building for the Future
	Total Capital	2,154,611	34,185,188	37,398,682	37,707,770	37,720,341	38,227,725	
	Grand Total	10,008,808	47,798,347	49,843,850	51,000,332	52,091,227	53,338,893	

Original Footnotes and Notes:

Att A - Revised Seattle Park District Financial Plan

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¹ 4.3 assumes a 2019 start date with funds going to develop 14 landbanked sites from 2016-2018 (4.4).

² 4.6 assumes development in 2016 with debt service starting in 2017, ending in 2028. The debt service in 4.6 assumes 5% interest rate on a \$6 million bond.

³ 4.4 assumes no annual costs in 2015-2016 with costs increasing as facilities are developed. Unused funds will go towards development of land-banked sites along with funds from 4.3 from 2016-2018.

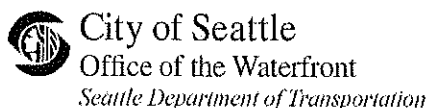
⁴ Park District revenues will not be received until 2016 and a bridge loan will be needed in 2015. Annual payback amount assumes 8 years at 1% interest from 2016-2023.

⁵ Up to \$1.3million of Initiative 1.2 Community Center Rehab & Development may be used for Initiative 3.1 Restore Community Center Operations, contingent on the Executive proposing and the Council approving a strategic plan for community center operations that would then be reflected in the proposed budget for the following year.

- NOTE: Initiatives shaded in gray in the Reference # column have both capital and operating costs.
- NOTE: The above revenues and expenditures assume 2.5% inflationary increases.

Notes for Update:

- 4.3 funds for 2019 and 2020 redistributed to landbank sites (\$2.67M) and to develop Pier 62 (\$4.35M). Funds remaining in 2019-2020 are to maintain Pier 62 upon opening.
- 4.5 certain maintenance funds from 2017-2020 were redirected to landbank site development (\$2.05M) based on updated timeline for opening parks.
- 4.7 funds for 2017 maintenance were redirected to landbank site development (0.21M) based on updated timeline for park improvements coming online.
- 1.1a A new initiative is created to support the redevelopment of Pier 62, a key component of the Seattle Waterfront Program.
- NOTE: The annual budget process may include budget neutral proposals to realign initiative funds between operating and capital.
- NOTE: The Park District reimburses Seattle Parks and Recreation for services, as such interest charges will be applied as needed to invoices.



Park District Oversight Committee Briefing

Date: April 5, 2016

To: Seattle Park District Oversight Committee

From: Jesús Aguirre, Superintendent, Seattle Parks and Recreation (4-8022)
Marshall Foster, Director, Office of the Waterfront (4-8413)
Michael Shiosaki, Seattle Parks and Recreation (4-0750)
Angela Brady, Design and Delivery Manager, Office of the Waterfront (4-3115)
Dorinda Costa, Finance Manager, Office of the Waterfront (5-0765)

Subject: Funding for Pier 62/63 Phase 1 Rebuild and additional funding for land-banked sites

Introduction

The Seattle Office of the Waterfront (OW) and the Seattle Department Parks and Recreation (SPR) are pursuing strategies to rebuild Pier 62/63. Part of the Seattle park system, this pier has long been in need of a full structural rebuild and has been closed to events for the past 12 years. Once home to "Summer Nights on the Pier" and other citywide events, this park is a critical part of the park system and a central aspect of the City's "Waterfront Seattle" program, which will create 20 acres of new parks, trails and transportation improvements on the Central Waterfront with the removal of the Alaskan Way Viaduct.

An opportunity has emerged to accelerate timing for the rebuild. The final phase of reconstruction of the Elliott Bay Seawall, the portion in front of Pier 62/63, will be bid late this year. We have identified significant benefits of including the pier rebuild in this bid package. It would reduce overall cost, reduce construction impacts to the neighborhood, and re-open the pier for recreation and public events by 2019, building momentum for the completion of the waterfront program in 2021.

Recommendation

A total of \$29M is needed to complete the phase 1 rebuild of the Piers. This will completely rebuild the south half (Pier 62) with a new concrete pile structure, deck, railing, lighting and services. This will allow us to re-introduce a full range of programming for the public. Pier 63 will continue to be usable and would be a candidate for a similar rebuild in the future. The phasing plan and packaging with the Seawall allows for a very efficient project reducing design and construction management costs.

The Waterfront budget currently contains just over \$12 million for Parks' Pier reconstruction, including an \$8 million philanthropic commitment from the Friends of Waterfront Seattle for the project. Almost \$17 million of additional funding is required for the project. **To meet this need, we propose to accelerate \$12M in existing local funding programmed for the Alaskan Way Main Corridor and Waterfront Park, and to use two new sources – a \$600k State Recreation Grant and \$4.4M from the Park District.**

Currently, the Park District financial plan allocates \$3.5M annually for operations and maintenance of waterfront parks starting in 2019, when these facilities were originally expected to open. With Bertha's delays, those facilities will not be open until 2021, allowing for \$7.6M to potentially be reallocated (this includes approximately \$600k in additional revenues expected to accrue).

We recommend that \$4.4 million of these Park District funds be reallocated from day-to-day waterfront operations and maintenance to the Pier 62/63 Phase 1 Rebuild in 2019 and 2020, addressing an ongoing major maintenance need that has been deferred for 12 years. This, along with the other city sources and \$8M in philanthropy committed to by the Friends of Waterfront Seattle, will fully fund the project and allow it to start construction in 2017. \$600,000 of the original Park District funds would be kept in place from 2019 to 2020 to fund maintenance and operations of the new pier.

In addition, we recommend that \$2.6M of these Park District funds be reallocated to more fully fund development of the 14 land banked sites. Within the Park District funding package the initiative that designates funding for operations and maintenance of waterfront parks provides an allocation for development of 14 land banked sites (in 2016-18). This funding utilizes the annual allocation for waterfront maintenance as well as land-bank site maintenance and totals approximately \$13.5M. Some leveraging of the Park District funding is anticipated but clearly the current funding is inadequate.

The sites are distributed geographically across the city (see figure 6 below). One land-banked site has a completed schematic design and a preliminary cost estimate. The other 13 sites had no cost estimates so recently, SPR staff developed early rough order of magnitude cost estimates for the other 13 sites. The early cost estimates were based on educated assumptions on the development potential for each site, probable infrastructure needs and site constraints. Public involvement has not yet been conducted so the actual development for each site may end up being quite different. The sites vary in size but all tend to be small urban sites in urban villages. Significant hardscape elements/special paving and new utilities will likely be part of many of these park projects. Based on these assumptions, the total estimated cost for the 14 sites is \$18.4M.

\$13.5 M	Current allocation, Initiative 4.4
\$2.64M	Proposed transfer from Waterfront, Initiative 4.3
\$2.26M	Proposed transfers from maintenance funding based on anticipated project on-line date, Initiatives 4.5 and 4.7
\$18.4M	TOTAL

The OW and the SPR team believe that accelerating funding of Pier 62/63 Phase 1 Rebuild has significant benefits. It will reduce overall cost and simplify the schedule for both the park and the seawall project. In addition to cost and schedule efficiencies, there are significant advantages to the waterfront program and Parks system of completing the project early:

- **Completing reconstruction of a failing Park asset.** The structure of Pier 62/63 was identified as failing in 2004 as part of a structural inspection. As a result the Pier was closed to "Summer Nights" concerts and other events, a closure that caused much disappointment to City residents at the time. Twelve years later, the pier still has not been rebuilt.
- **Leveraging private fundraising.** The Friends of Waterfront Seattle are ready to launch their capital campaign and demonstrate fundraising capacity for the waterfront (they have

committed to raise \$100M for the waterfront overall). They have pledged \$8M to the Pier 62/63 phase 1 project if the City can accelerate the timing.

- **Avoiding future construction cost escalation.** As a result of the tunnel delays we are seeing waterfront costs escalate as we push out construction. It is possible to rebuild Pier 62 early because it is not tied to removal of the viaduct. This would allow us to avoid added costs because of the tunnel delays.
- **Building momentum for the new waterfront.** Delivering Pier 62 would be an 'early win' for the new waterfront, demonstrating our commitment to the project and allowing public concerts, recreation, and other park programming to take place again.
- **Fully fund 14 land banked sites.** Current Park District funding package falls short of estimated costs and \$2.6 million reallocated from Initiative 4.3 allows for a more fully developed funding plan.

Public Involvement Process

To support delivery of Pier 62/63 phase 1 and Box 1, OW and SDOT's Seawall team will conduct joint outreach to educate the public about plans to build the pier and Seawall together in fall 2017. While outreach activities will continue to evolve as the project progresses, major outreach components include:

- **Early and coordinated notification.** OW will work with SPR, SDOT and the permitting agencies to ensure that communication from each agency or department to the public is well coordinated, streamlined and delivered in a manner/order that promotes timely public understanding of the process.
- **Opportunities for face-to-face engagement.** Public open houses will be held at key milestones leading up to construction. The first is planned for late May and will focus on sharing the latest plan to build Pier 62/63 phase 1 and Sewall Box 1 together in 2017. Additional open houses and briefings will be held as construction plans are more certain.
- **Consistent and reliable access to information.** A page dedicated to Pier 62/63 phase 1 and Box 1 progress will be added to the Waterfront Seattle/Sewall joint website to provide consistent and regular updates about progress. Regular updates via social media and in the Waterfront Seattle e-newsletter will help direct people to the website when new information is available.

Environmental Sustainability

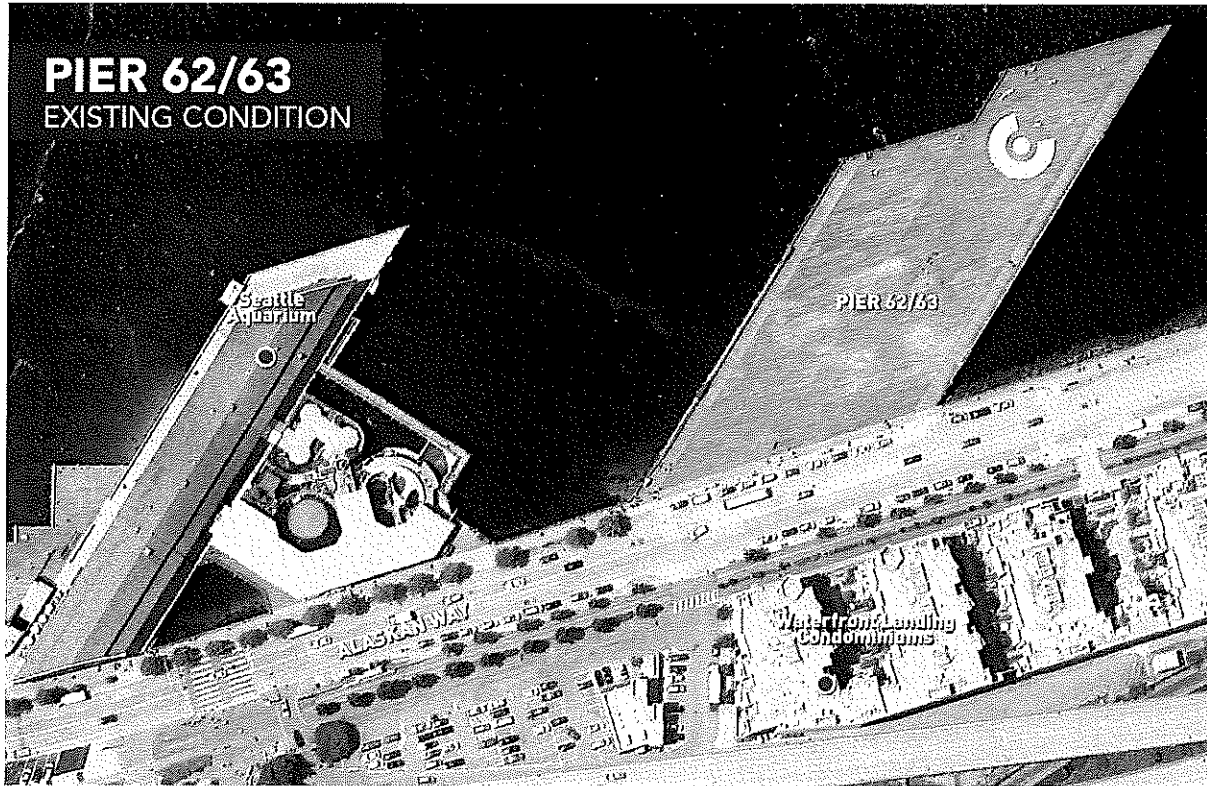
The Pier 62/63 Phase 1 Rebuild will undergo an independent environmental review and permitting process. Thus far that process is on track.

Schedule

- First Park District Oversight Committee Briefing – 4/12/2016
- Public notice for the JARPA, shoreline permit – after 4/12/2016
- MOU drafted between Parks/OW – May 2016
- 100 % Design review of Pier 62/63 – May 2016
- Second Park District Oversight Committee Briefing: TBD (next meeting date)
- Council action on Park District reallocation, Friends MOA and amending CIP – July-August 2016

Site Plan

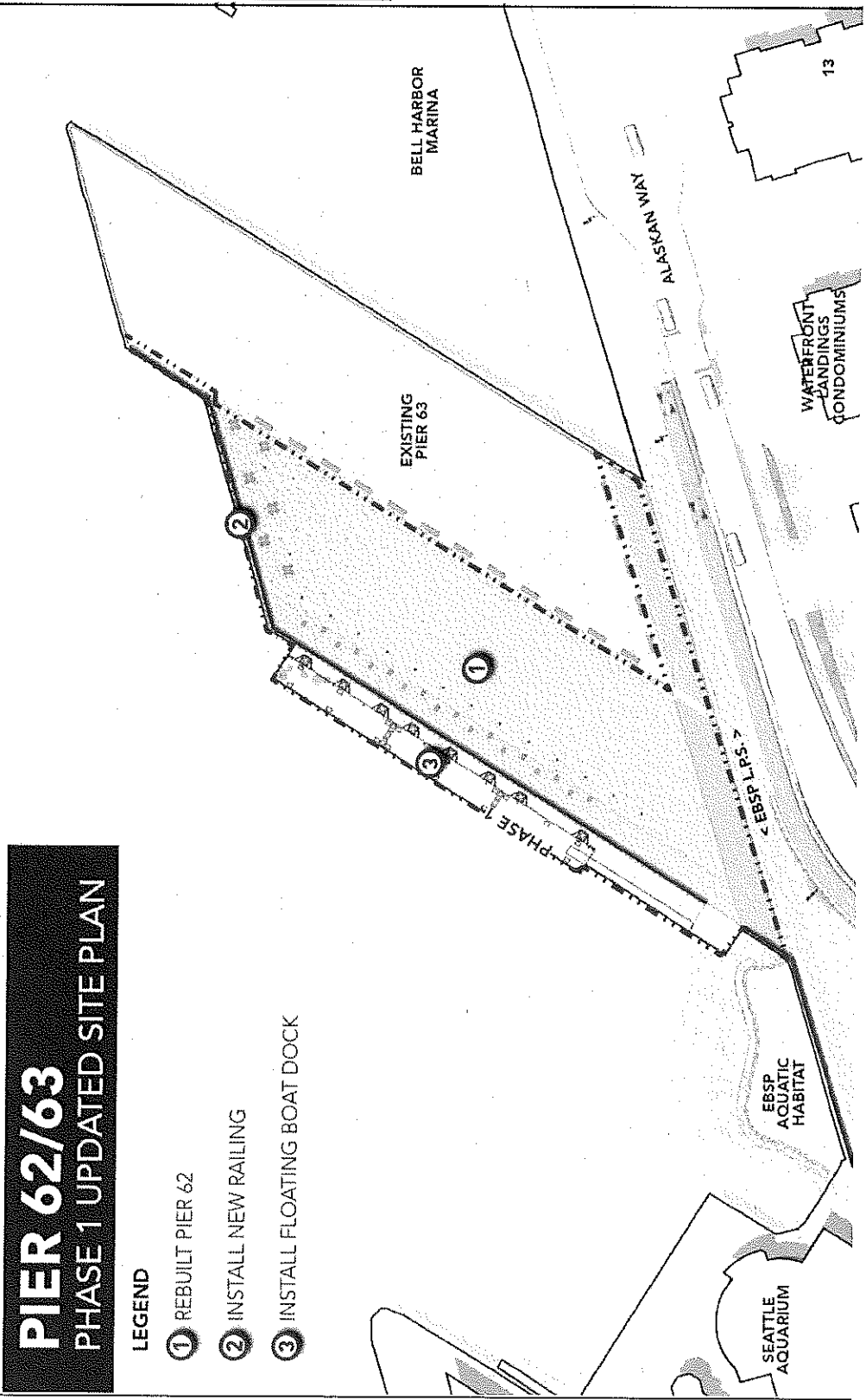
Figure 1: Pier 62/63 Existing Condition



Figures 2 and 3: Pier 62/63 Existing Conditions



Figure 4: Pier 62/63 Phase 1 Rebuild Plans



Figures 5 and 6: Pier 62/63 Programming

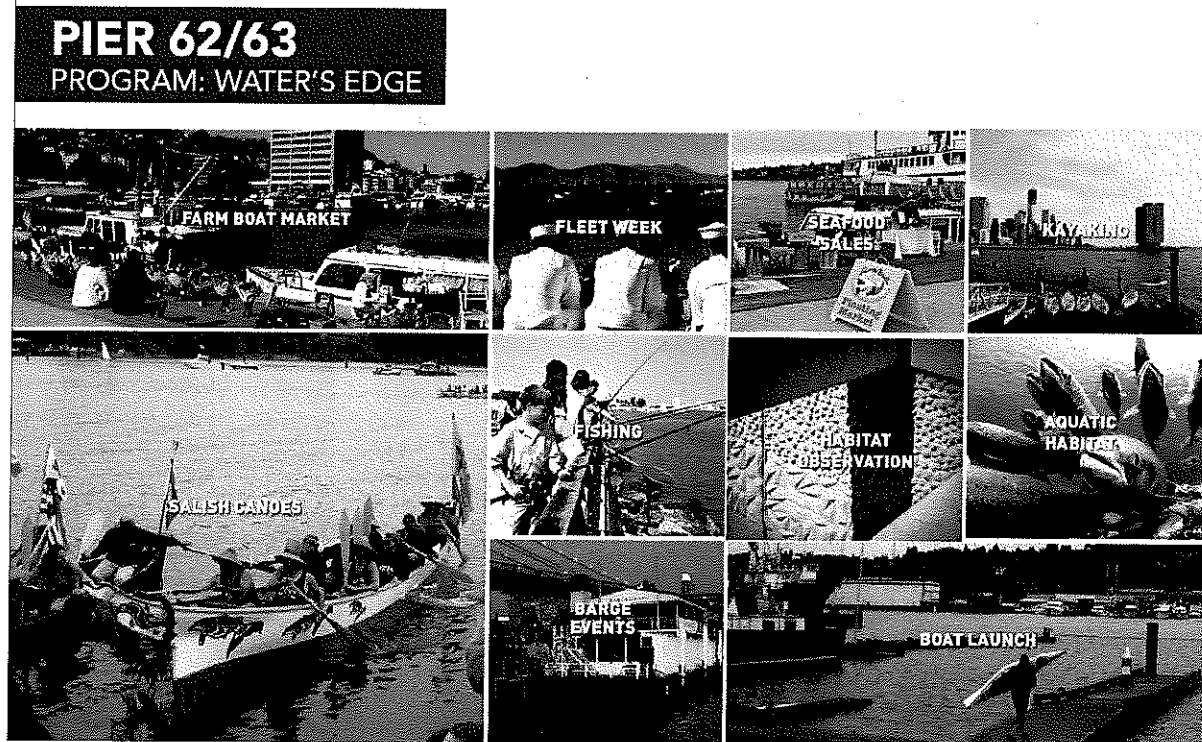
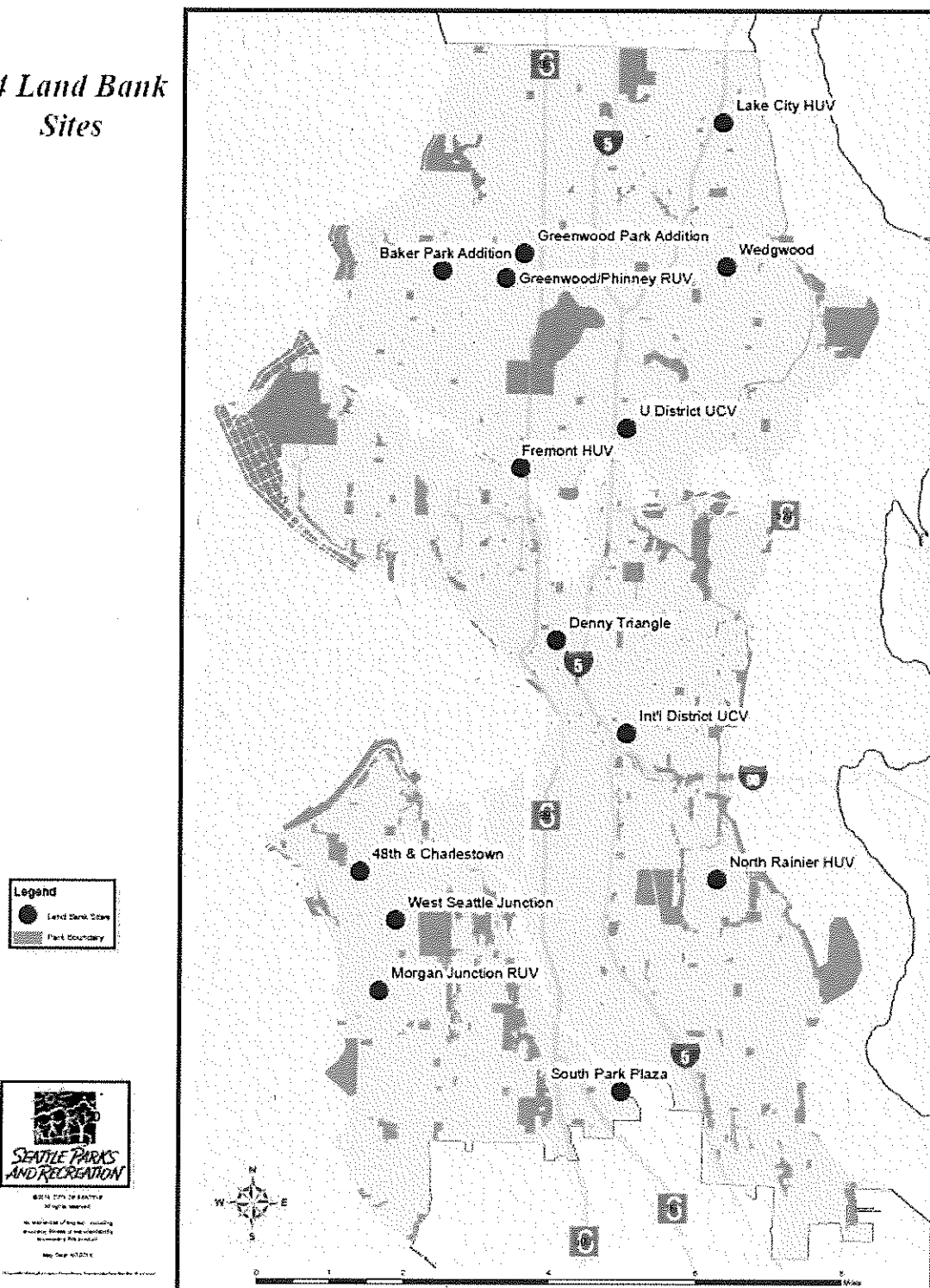


Figure 6: Land banked sites

14 Land Bank Sites



Additional Information

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SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Parks and Recreation	Michele Finnegan/684-7053	Michael McVicker/727-8516

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: A RESOLUTION OF THE BOARD OF COMMISSIONERS of the Seattle Park District, King County, Washington, amending the Seattle Park District financial plan.

Summary and background of the Legislation:

The proposed Resolution approves changes to the Seattle Park District six-year financial plan originally adopted by the Park District Board of Commissioners (City Council acting ex officio) in 2014. The changes are consistent with the intent of the financial plan and are being proposed due to changed circumstances.

The original Park District financial plan allocated \$7.65 million for maintaining and activating the new waterfront park in 2019 and 2020. However, because construction of the new park has been postponed due to delays constructing the SR 99 tunnel, the 2019 and 2020 maintenance funds are no longer needed. The proposed Resolution reallocates the \$7.65 million as follows:

- \$4.35 million to support the rebuild of Piers 62/63
- \$2.67 million to support the development of 14 land banked sites into neighborhood parks
- \$625,000 to maintain and activate the rebuilt piers in 2019 and 2020.

The proposal to accelerate rebuilding the piers ahead of the full central waterfront development takes advantage of the final phase of reconstruction of the Elliott Bay Seawall, which is the portion in front of Piers 62/63. The schedule for seawall construction has the project going out to bid later this year. There are significant benefits of including the pier rebuild in the seawall bid package: it will reduce overall cost, reduce construction impacts to the neighborhood, and re-open the pier for recreation and public events by 2019.

Additional changes to the financial plan are proposed in the Resolution to reflect updated timelines for the 14 land-banked sites and the development of a new park at Smith Cove. As planning for the new parks has become more precise since the financial plan was developed in 2014, completion dates have shifted for Smith Cove and the first of the land-banked sites to be built. The Resolution proposes reallocating maintenance and operations funds to development of the land-banked sites as these maintenance funds will not be needed until these projects are constructed. Attachment A to the Resolution presents the proposed changes to the financial plan.

2. CAPITAL IMPROVEMENT PROGRAM

_____ This legislation creates, funds, or amends a CIP Project.

(If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

_____ This legislation has direct financial implications. (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section.)

X This legislation does not have direct financial implications.
(Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

No.

- b) **Is there financial cost or other impacts of not implementing the legislation?**

Not implementing the legislation would 1) delay redevelopment of Piers 62/63 and 2) not increase funding available for the development of 14 land-banked sites. The impacts of delaying pier redevelopment would include the absence of an amenity on the central waterfront for the people of Seattle to enjoy. Bringing back the opportunity for events and activation of the pier will result in some financial return, but the primary impact will be a fun, accessible place to go on the waterfront.

Not adding to the available funding for the land-banked sites maintains their current status of having approximately \$750,000 per park for new development. This amount will enable basic park development but will not provide the park features many communities want.

- c) **Does this legislation affect any departments besides the originating department?**

Yes, the Office for the Waterfront.

- d) **Is a public hearing required for this legislation?**

No.

- e) **Does this legislation require landlords or sellers of real property to provide**

information regarding the property to a buyer or tenant?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle*

No.

g) Does this legislation affect a piece of property?

This Resolution affects Piers 62 and 63 on the central waterfront and the 14 land-banked park sites.

h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The land-banked sites are spread throughout the city. Without the additional funds approved with this Resolution, neighborhoods may be more likely to seek additional grant and philanthropic donations for the development of the sites in their neighborhoods. Traditionally, vulnerable and historically disadvantaged communities have more difficulty raising private and non-profit funds. Therefore, this legislation may have a positive impact for historically-disadvantaged communities.

i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

N/A

j) Other Issues:

None.

List attachments/exhibits below:

Attachment A: Proposed Changes to the Park District Financial Plan