

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

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

Budget Snapshot

Department Support	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
Other Funding - Operating	\$2,999,557	\$1,701,155	\$1,878,881	\$1,878,881
Total Operations	\$2,999,557	\$1,701,155	\$1,878,881	\$1,878,881
 Total Appropriations	 \$2,999,557	 \$1,701,155	 \$1,878,881	 \$1,878,881
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.*

Budget Overview

The estimated cost to complete the waterfront improvement program is approximately \$778 million across all relevant City departments. The 2017 Adopted and 2018 Endorsed Budget included \$37.9 million in appropriations. The City's 2018 Proposed Budget does not change the 2018 endorsed amount. Office of the Waterfront employees are housed organizationally in the SDOT. This structure allows effective coordination between the Seawall project management team and the Office of the Waterfront and streamlines administration by making use of SDOT's existing organizational capacity.

The following paragraphs and tables summarize the multiple elements in the waterfront improvement program and their planned spending:

City Projects

These are projects that are being 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).

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LTD Spending and Appropriations	2016 LTD	2018 Endorsed	2018 Proposed	Total Project Budget (through 2023)
Central Waterfront Improvement Fund	10,403,000	0	0	57,560,000
Local Funds	22,891,000	7,266,000	7,266,000	91,985,000
State Funding	19,833,000	9,540,000	9,540,000	199,153,000
Total Alaskan Way Main Corridor	53,177,000	\$16,806,000	16,806,000	348,608,000

*Dollars in thousands

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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LTD Spending and Appropriations	2016 LTD	2018 Endorsed	2018 Proposed	Total Project Budget (through 2023)
Central Waterfront Improvement Fund	726,000	1,410,000	1,410,000	151,355,000
Local Funds	1,098,000	3,665,000	3,665,000	19,075,000
State Funding	0	0	0	0
Total Overlook Walk and E/W Connections	1,824,000	5,075,000	5,075,000	170,430,000

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. Phase 1 of the rebuild of Pier 62/63 is going to advertisement for construction in 2017 and should be complete in 2019. A rebuilt Pier 62 may again be actively programmed as a parks facility, and will have a new floating dock providing water access to the public. The vision for Waterfront Park is as a flexible public recreation and open space. The Central Waterfront Improvement Fund will provide funding for these rebuilds. For details about this project, please see the DPR CIP project for Parks Central Waterfront Piers Rehabilitation (K732493).

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LTD Spending and Appropriations	2016 LTD	2018 Endorsed	2018 Proposed	Total Project Budget (through 2023)
Central Waterfront Improvement Fund	0	2,700,000	2,700,000	72,861,000
Local Funds	1,095,000	12,000,000	22,547,000	22,547,000
State Funding	0	450,000	450,000	600,000
Total Parks CWF Piers Rehabilitation	1,095,000	15,150,000	15,150,000	96,008,000

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 details this work.

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LTD Spending and Appropriations	2016 LTD	2018 Endorsed	2018 Proposed	Total Project Budget (through 2023)
Central Waterfront Improvement Fund	2,334,000	924,000	1,880,000	\$8,261,000

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. 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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LTD Spending and Appropriations	2016 LTD	2018 Endorsed	2018 Proposed	Total Project Budget (through 2023)
Central Waterfront Improvement Fund	250,000	0	0	250,000
Local Funds	1,090,000	2,370,000	2,370,000	5,940,000
State Funding	0	0	0	0
Total Aquarium Expansion	1,340,000	2,370,000	2,370,000	6,190,000

Pike Place Market PC-1 North Waterfront Entrance project: The City and the Pike Place Market Preservation and Development Authority (PPMPDA) have partnered to develop this project, which provides a mixed-use development building on the north side of the Pike Place Market. The project opened this summer.

Total Central Waterfront Improvement Fund Appropriations for 2018 Proposed by department and revenue type

Department/Revenue Type (in \$ thousands)	2018 Proposed			
	CWIF Direct	CWIF Direct	Dept. Budget	CWIF Total
Transportation	1,410	1,410	0	1,410
Interfund Loan	1,410	1,410	0	1,410
Philanthropy	0	0	0	0
Parks and Recreation	0	0	2,700	2,700
Interfund Loan	0	0	0	0
Philanthropy	0	0	2,700	2,700
Street Use Fees	0	0	0	0
Finance and Administrative Services	469	469	924	1,393
Interfund Loan – Interest Expense	469	469	0	469
Interfund Loan – LID Admin	0	0	924	924
Total	1,879	1,879	3,624	5,503

Incremental Budget Changes

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	2018 Budget	FTE
Total 2018 Endorsed Budget	\$ 1,878,881	0.00
2018 Proposed Budget	\$ 1,878,881	0.00

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Expenditure Overview

Appropriations	Summit Code	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
Central Waterfront Improvement Fund Interest Expense Budget Control Level	CWIF-INT	274,732	291,155	468,881	468,881
Central Waterfront Improvement Fund Support to Transportation Budget Control Level	CWIF-CAP	2,724,825	1,410,000	1,410,000	1,410,000
Department Total		2,999,557	1,701,155	1,878,881	1,878,881
Department Full-time Equivalents Total*		0.00	0.00	0.00	0.00

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Revenue Overview

2018 Estimated Revenues

Summit Code	Source	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
	Other Private Contrib & Donatn	0	500,000	2,700,000	2,700,000
	Total Philanthropy	0	500,000	2,700,000	2,700,000
	Oper TR IN-FR-C-Tran Fund	0	550,000	0	0
	Total Street Use Fees	0	550,000	0	0
	Use of (Contribution to) Fund Balance	299,557	651,155	-821,119	-821,119
	Total Use of (Contribution to) Fund Balance	299,557	651,155	-821,119	-821,119
	Total Revenues	299,557	1,701,155	1,878,881	1,878,881
	Total Resources	299,557	1,701,155	1,878,881	1,878,881

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Appropriations By Budget Control Level (BCL) and Program

Central Waterfront Improvement Fund Interest Expense Budget Control Level

The purpose of the Central Waterfront Improvement Fund Interest Expense BCL is to appropriate interest expense allocated to the Fund.

	2016	2017	2018	2018
Program Expenditures	Actuals	Adopted	Endorsed	Proposed
Central Waterfront Improvement Fund Interest Expense	274,732	291,155	468,881	468,881
Total	274,732	291,155	468,881	468,881

Central Waterfront Improvement Fund Support to Transportation Budget Control Level

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.

	2016	2017	2018	2018
Program Expenditures	Actuals	Adopted	Endorsed	Proposed
Central Waterfront Improvement Fund Support to Transportation Budget Control Level	2,724,825	1,410,000	1,410,000	1,410,000
Total	2,724,825	1,410,000	1,410,000	1,410,000

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	2016 Actuals	2017 Adopted	2017 Revised	2018 Endorsed	2018 Proposed
Beginning Fund Balance	-18,478,490	-23,868,843	-21,486,021	-26,668,998	-24,286,176
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	-7,974	1,050,000	1,050,000	2,700,000	2,700,000
Less: Actual and Budgeted Expenditures for Interest Expense	274,731	291,155	291,155	468,881	468,881
Less: Actual and Budgeted Expenditures for SDOT	345,184	1,410,000	1,410,000	1,410,000	1,410,000
Less: Actual and Budgeted Expenditures for Finance and Administrative Services (FAS)	1,118,829	1,099,000	1,099,000	924,000	1,880,000
Less: Actual and Budgeted Expenditures for Parks and Recreation (PARKS)	1,260,813	1,050,000	1,050,000	2,700,000	2,700,000
Ending Fund Balance	-21,486,021	-28,768,998	-24,286,176	-29,471,879	-28,045,057
Ending Unreserved Fund Balance	-21,486,021	-28,768,998	-24,286,176	-29,471,879	-28,045,057