



Introduction to Special Assessments

Disclaimer

The contents of this presentation do not have the force and effect of law and are not meant to bind the public in any way. This presentation is intended only to provide information and clarity to the public regarding a funding option that may be available to FHWA grant and sub-grant recipients. Value capture techniques and policies are often implemented outside of Federal funding or regulatory requirements.

Presentation Outline

- 1 Overview of Special Assessments
- 2 Application
- 3 Establishment
- 4 Calculating The Fee
- 5 Administration
- 6 Legal and Regulatory Issues
- 7 Financing
- 8 Examples

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What is a Special Assessment?

1

Special Assessments



Property Owners



Municipal Government

... fees paid by property owners to a municipality based on receipt of special benefits from infrastructure investments

Special Assessments are also called:

Special Assessment Districts

Benefit Assessment Districts

Local Improvement Districts

Transportation Improvement Districts

Community Improvement Districts

Neighborhood Improvement Districts

Overview: Concept behind SADs

1

Transportation enhances property values

- New or improved infrastructure provides special benefits to nearby properties.
- Access to transportation infrastructure creates higher land values.
- Special assessments return a portion of this special benefit to the public sector that created it.

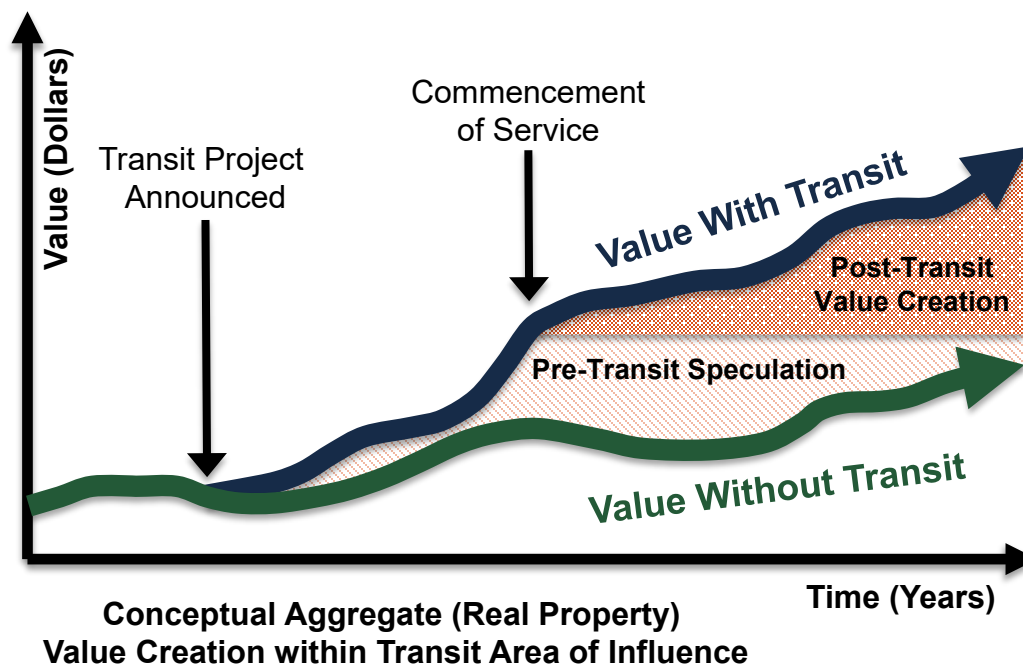
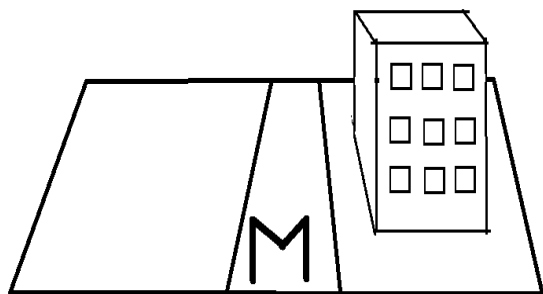


Figure source: Transportation Research Board, TCRP Report 190, 2016.

Overview: Concept behind SADs

1

**Financial beneficiaries pay
in proportion to benefits received**



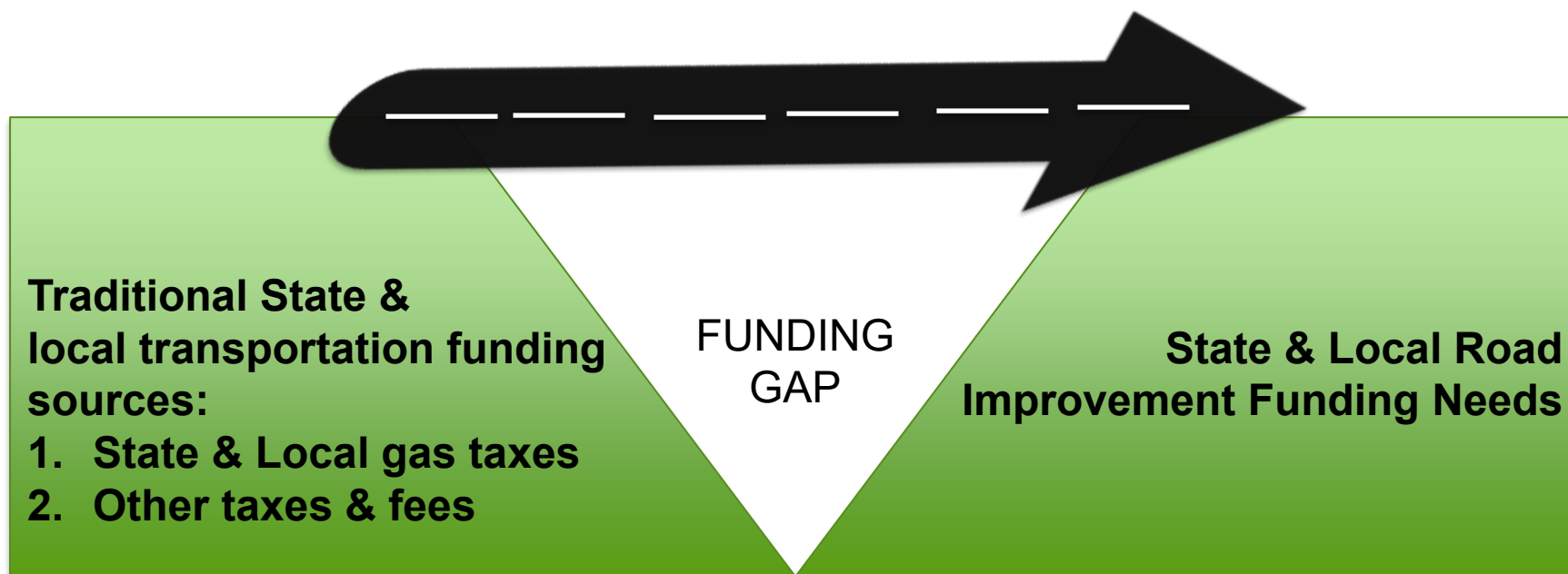
**Both Lots Benefit Equally
from New Infrastructure “M”**

- Even if a landowner lives elsewhere and never uses the transportation facilities near his/her property, higher land values provide the owner with a direct benefit.
- Fees based on increased land value will be paid by beneficiaries in proportion to the benefits received.

Overview: Why use SADs?

1

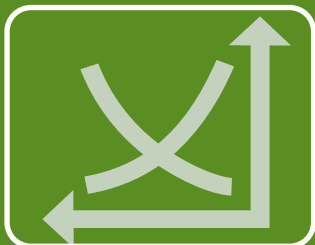
Closing Funding Gaps



Overview: Why use SADs?

1

Efficiency, equity, and stakeholder benefits



Economic Efficiency

- Linking benefits and payments can encourage more efficient land development decisions
- Simple administration (property tax billing in place)



Equitable

- Those who benefit pay
- Payments in proportion to benefits received



Stakeholder Benefits

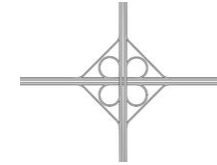
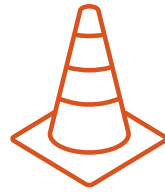
- Transparency in how Special Assessments are spent
- Transparency & accountability build trust

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Application of Special Assessments

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- Street & sidewalk paving, curb cuts,
- Municipal Parking Facilities
- Transit Stations
- Intersections & Interchanges
- Elimination of RR Grade Crossings
- Road Widening

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Establishing a Special Assessment

3

1

Special Benefits?
Enabling legislation?

2

Identifying properties
Defining boundaries

3

Defining exclusions

4

Fee basis: Cost or Benefit?
Schedule or rate ?

5

Termination date

6

Enact Legislation or Ordinance

Establishing a Special Assessment

3



DOES PROJECT CREATE A SPECIAL BENEFIT? IF SO, IS THERE STATE ENABLING LEGISLATION?

- Does a capital project create a special benefit for one or more properties that is not generally available to all properties in the jurisdiction?
- “Special assessments are authorized in all 50 States, the District of Columbia and Puerto Rico, either under explicit enabling legislation or by State constitutional provisions.”
- However, are special assessments authorized for the level of government undertaking the project?

Establishing a Special Assessment



2 Identifying the properties receiving a special benefit;

New or improved infrastructure provides special benefits to nearby properties. Typically, access to transportation infrastructure creates higher land values.

- Typically, being close to a highway does not create a benefit. It's access to the highway (via an interchange) that creates a benefit.
- Typically, the intensity of the benefit diminishes with distance from the interchange.
- But some properties might not benefit, despite proximity.
 - Residences near an airport beneath the flight path
 - Industrial property near a municipal parking garage.

Establishing a Special Assessment

3

2

Defining a District Boundary

EXAMPLE: Route 17 Special Tax District

APPENDIX J: ROUTE 17 SPECIAL TAX DISTRICT IN THE CITY OF SUFFOLK, VIRGINIA



Reprinted by permission of the Suffolk News-Herald.

Real estate professionals can be helpful in determining the geographic extent of project benefits.

The Route 17 Special Tax District was created to pay the debt service for road improvements and to foster economic development in a portion of the City of Suffolk in Virginia. The special assessment rate was \$0.25 per \$100 of assessed value in FY16.

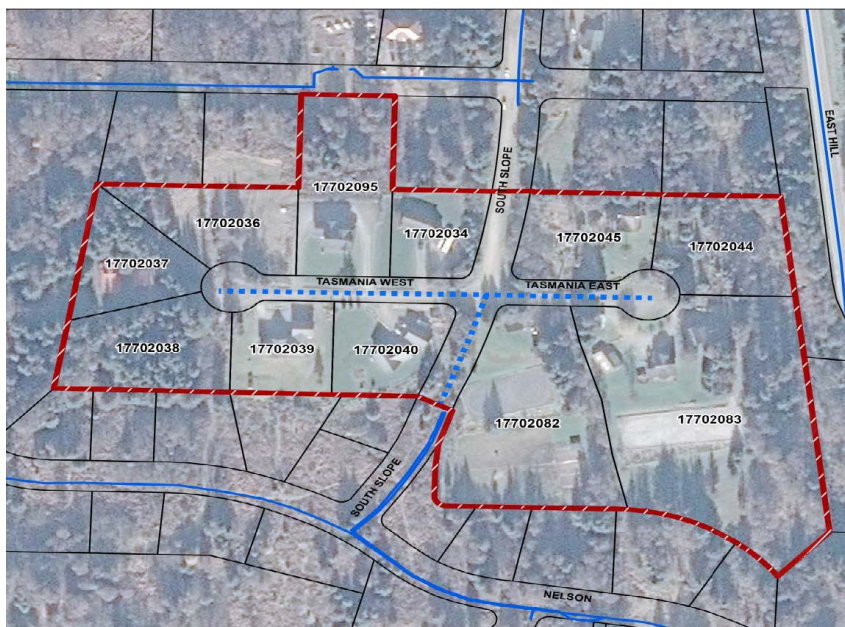
Establishing a Special Assessment

3

2

Defining a District Boundary

EXAMPLE: Homer, Alaska



The City of Homer, Alaska, established a boundary for a new special assessment district for the extension of water and sewer lines. The district consists of properties serviced by the extensions.

Establishing a Special Assessment

3

3

Defining any exclusions of properties within the district

Separate Beneficiaries from Non-Beneficiaries

Example: Municipal Parking Facility

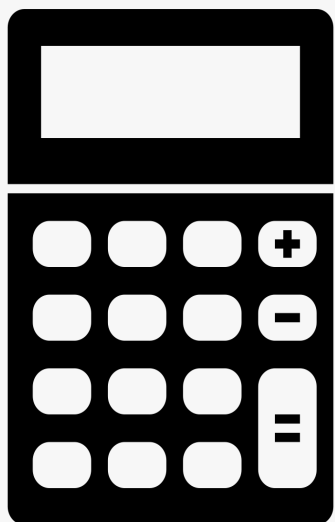
- Retail establishments within walking distance will get the most benefit from this facility.
- Residential and industrial land uses will likely receive no benefit. Therefore, these properties might be exempted from liability for the special assessment, even if they are in close proximity to the facility and within its geographic benefit zone or district.

Establishing a Special Assessment

3

4

**Defining the basis for the fee;
Establishing the fee as a schedule or rate**



A. Fixed cost (fee schedule) for standard activity?

- Water & sewer hookups:

B. Variable cost for standard activity?

- Water & sewer extensions, sidewalk creation, new street construction:

C. Variable Benefit Based Upon:

- Relationship of Infrastructure & Land Use
- Distance from Infrastructure

Establishing a Special Assessment

3

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Establishing a termination date for the special assessment.



If a special assessment is established to fund a capital project, termination is typically determined to be the date when specified capital costs (such as payment of debt service on a bond) have been completed.

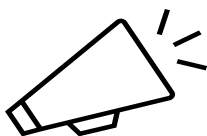
Alternatively, if the special assessment funds ongoing operating costs, there might be a sunset or termination date with an option for renewal.

Establishing a Special Assessment

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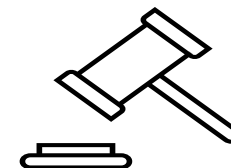
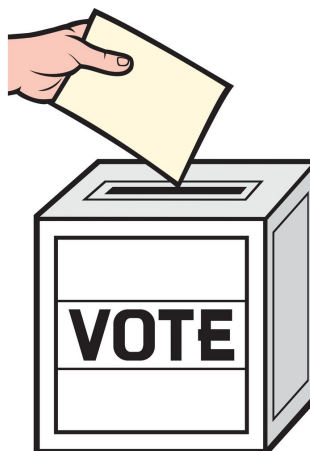
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NOTIFYING THE PUBLIC & ADOPTING AN ORDINANCE



Notice & Public Hearing

Hearings are held to obtain input from the affected public. Interested persons are provided an opportunity to support, oppose or suggest changes to the proposed SAD legislation.



Enact SAD Ordinance

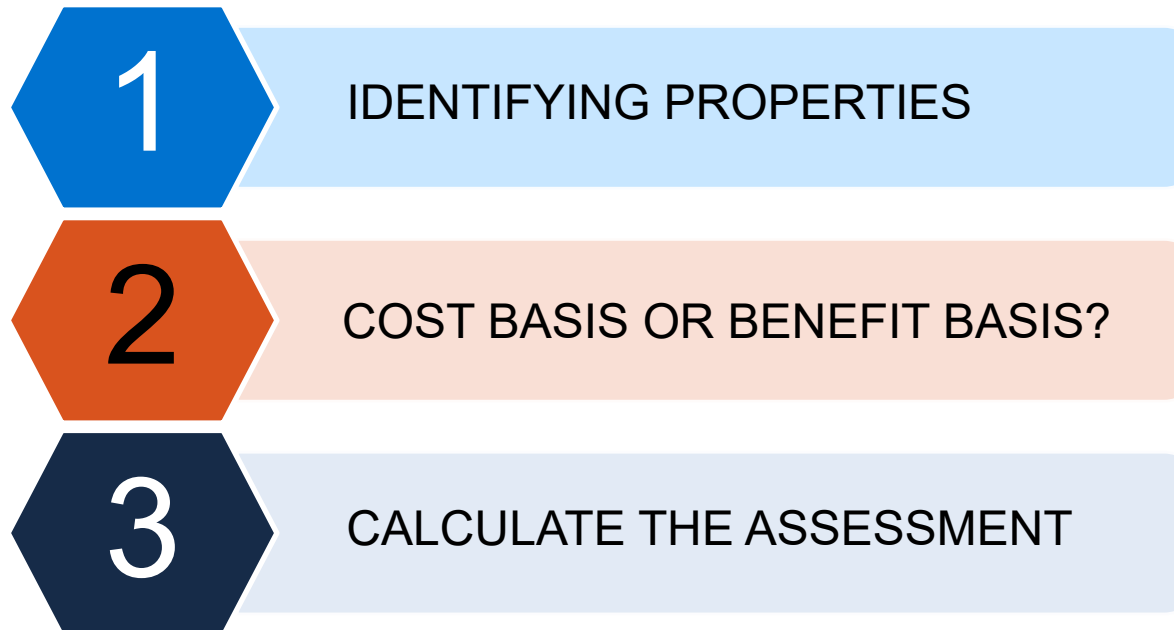
State enabling legislation will provide substantive and procedural requirements for local legislation to implement a SAD.

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Calculating Special Assessments

4

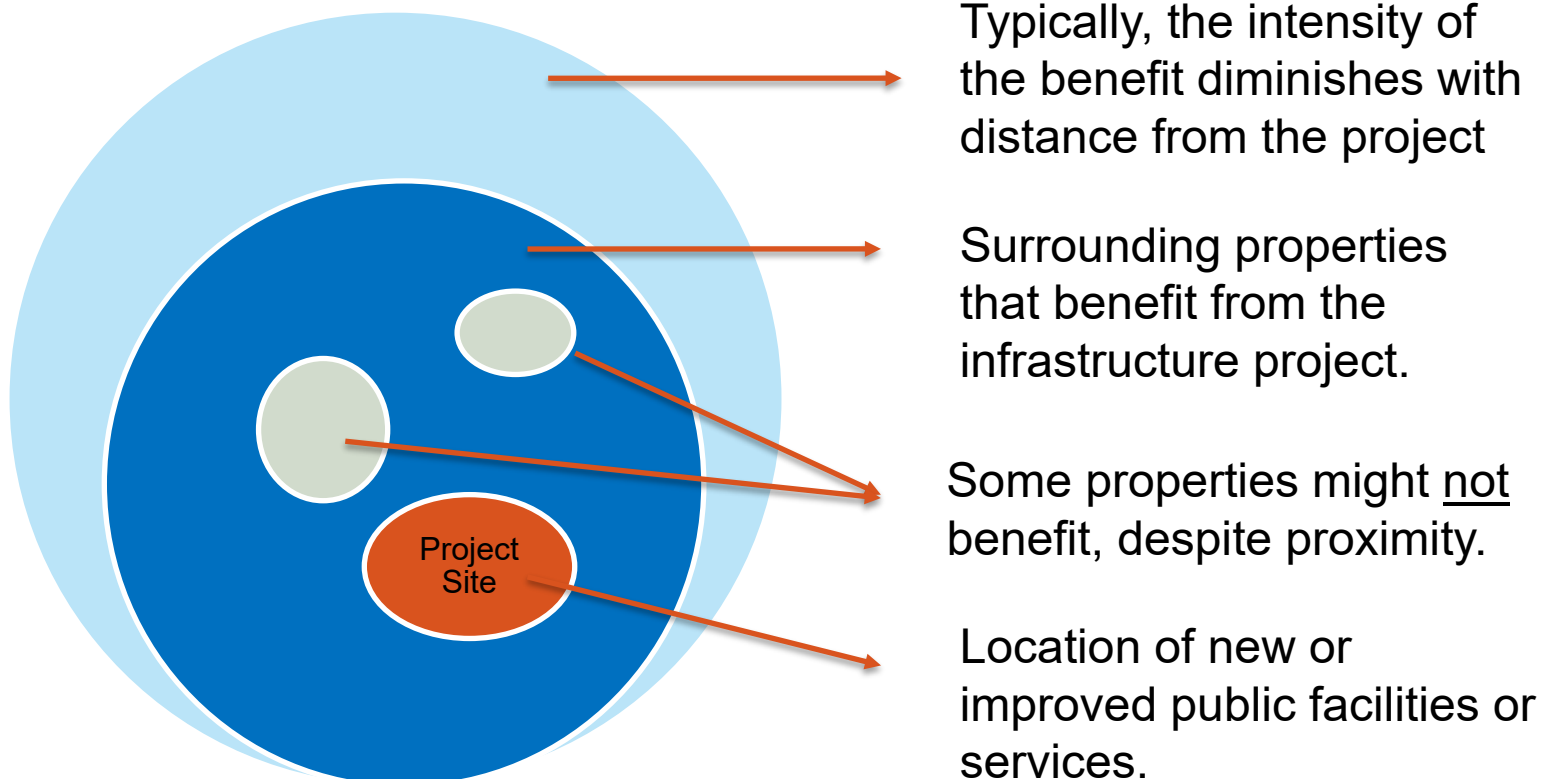


Calculating Special Assessments

4

1

Identifying the properties receiving a special benefit



Calculating Special Assessment

4

2

Cost Basis or Benefit Basis

A. Fixed cost for standard activity?

- Water & sewer hookups
- Curb Cuts

B. Variable cost for standard activity?

- Street Lights
- Water & sewer extensions,
- Sidewalk creation
- New street construction:

C. Variable Benefit?

- Assessment by property or by zone

Calculating Special Assessment

4

2

Cost Basis or Benefit Basis

A. Fixed cost for standard activity

- Water & sewer hookups
- Curb Cuts

Establish a Fee Schedule:

- Water connection & valve: \$XYY
- Sewer connection \$ZYX
- Curb Cut:
 - Permit Review & Approval . . \$ KJ
 - Impact mitigation (zone A) . . \$BCD
 - Impact mitigation (zone B) . . \$EAA

Calculating Special Assessment

4

2

Cost Basis or Benefit Basis

B. Variable cost for standard activity

- Street Lights
- Water & sewer extensions
- Sidewalk creation
- New street construction

Establish a Cost Reimbursement Formula:

- $(\text{Cost} / \text{Distance}) \times \text{front footage}$
(e.g., \$51.20/linear foot for a 4' wide sidewalk)
 - Total Costs / # of properties served
- or
- Other Formula Related to the Costs Incurred or Benefits Received

Calculating Special Assessment

4

2

Cost Basis or Benefit Basis

C. Variable Benefit

- Assessment by property or by district

Percentage rate applied to land value

- Uniform rate throughout district (e.g., \$0.05/\$100 assessed land value)
- Graduated or zone rates within district
 - \$0.05/\$100 assessed land value within 1,000 feet of project
 - \$0.02/\$100 assessed land value within 1,001 ft & 1,500 ft of project

Or

- Other formula related to costs incurred or benefits received

Calculating Special Assessments

4

3

CALCULATE THE ASSESSMENT

A. Fixed cost (fee schedule) for standard activity?

- Fee collected for permit approval

B. Variable cost for standard activity?

- Fee is a surcharge collected with the standard property tax

C. Variable Benefit Based Upon:

- Fee is a surcharge collected with the standard property tax

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Administering Special Assessments

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Standard Activity – Fixed Fee

- Collect Fee for Permit Approval

Standard Activity – Variable Cost Variable Benefits

- Properties Identified (individually or by district)
 - Property Owners May Appeal Designation
- Surcharge Formula Applied Annually Until Termination
- Collection Via Standard Property Tax Billing
- Fee Receipts Segregated & Deposited to Account Dedicated to the Project for which Fees Were Assessed

Enforcement

- Special Assessments Are Liens Against The Property
- Compliance Is Almost Universal

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Legal and Regulatory Issues

6

Definitions:

A Special Assessment is **NOT** a **Tax**!

A “**tax**” is a compulsory payment required from “individuals, businesses or property to support and carry on the legitimate functions of the government.”

A tax can be levied “without reference to peculiar benefits to particular individuals or property.” Indeed, “[n]othing is more familiar in taxation than the imposition of a tax upon a class or upon individuals who enjoy no direct benefit from its expenditure, and who are not responsible for the condition to be remedied.” — *U.S. Supreme Court, Carmichael v. Southern Coal Co. (1937)*

Legal and Regulatory Issues

6

Definitions:

A Special Assessment **IS** a **Fee**

A “**fee**” is also a compulsory payment required from individuals, businesses or property. Unlike a tax, a fee is compensation for particular services or facilities.

Legal and Regulatory Issues

6

Definitions:

A special assessment is a type of fee levied against real property particularly and directly benefited by a local improvement in order to pay the cost of that improvement.

The rationale of special assessment is that the assessed property has received a special benefit over and above that received by the general public.

The general public should not be required to pay for special benefits for the few, and the few specially benefited should not be subsidized by the general public.

Legal and Regulatory Issues

6

Ensuring Appropriate Legal Authority

States can levy special assessments and they can delegate this power to subordinate levels of government by statute.

Check The State's Special Assessment Enabling Statute:

- Does it apply to your jurisdiction?
- What are the substantive requirements?
- What are the procedural requirements?

Legal and Regulatory Issues

Key Legal Issues

Uniformity

- All people and property in the same situation are treated the same.
- Special assessments treat some properties differently than others.
 - **OK if** community establishes justification for different treatment.

Due Process

- Prior to having a mandatory fee imposed, affected property owners are provided with
 - Notice of the proposed project and associated fees
 - Opportunity to comment in support or opposition

Legal and Regulatory Issues

6

Surviving Legal Challenges

- **Jurisdictions proposing special assessments will document that:**
 - Substantive and procedural requirements of the special assessment enabling legislation have been satisfied;
 - A methodology was selected to accurately and fairly ascertain which properties benefit and which ones don't;
 - This methodology identified properties receiving special benefits and this justifies their liability for a special assessment fee;
 - A relationship exists between the benefits received and the fees imposed;
 - The method for apportioning costs among the properties receiving special benefits is fair; and
 - Fees collected will be applied to the services or facilities conferring the benefit and will not exceed actual costs.

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Special Assessments and Financing

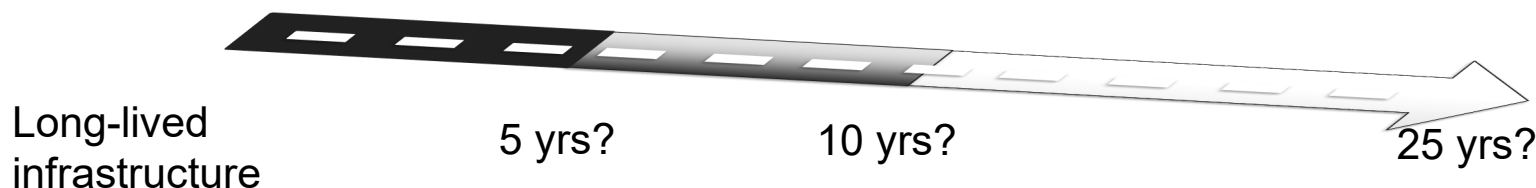
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OPERATIONS, LOCAL MATCH & PAY-GO

- Special assessments for curb cuts or water & sewer connections are typically a one-time payment.
- Operating expenses (and capital expenses also) for business improvement districts (BIDs) might be paid for through a special assessment. However, BIDs are typically created by property owners pursuant to a process established by a local government.
- Special Assessment revenue can be used as a local match for state or federal funding.
- Assessments for long-lived assets, such as street or water main extensions, may be calculated to provide steady funding for many years. Revenues can fund construction as funds become available.

Special Assessments and Financing

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CAPITAL PROJECTS & FINANCING

- Assessments for long-lived assets, such as street or water main extensions, may be calculated to provide steady funding over the life of the asset.
- Because special assessment revenue tends to be certain and secure over a long period of time, investors are willing to make loans (or buy bonds) to provide up-front cash for infrastructure projects that will be paid back by special assessment revenues over the life of the special assessment.
- Special Assessments can also serve as backstops for less certain revenue, such as Tax Increment Financing.

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Examples: California Irrigation Districts

8

Transporting Water to Fertile But Arid Valleys

- The Wright Act of 1897 enabled the creation and operation of irrigation districts;
- Initially, these irrigation districts were funded by user fees levied on the amount of water withdrawn from the canals.
- Large estates next to the canals became valuable, but some owners contributed nothing because they were not farming and not withdrawing water.
- The Wright Act was amended to require special assessments based on land value from all land benefiting from proximity to the canals. Benefiting lands included both farmland and nearby towns.
- Revenues increased and were more equitably distributed among beneficiaries.
- Special assessments motivated the intensive cultivation of nearby land.



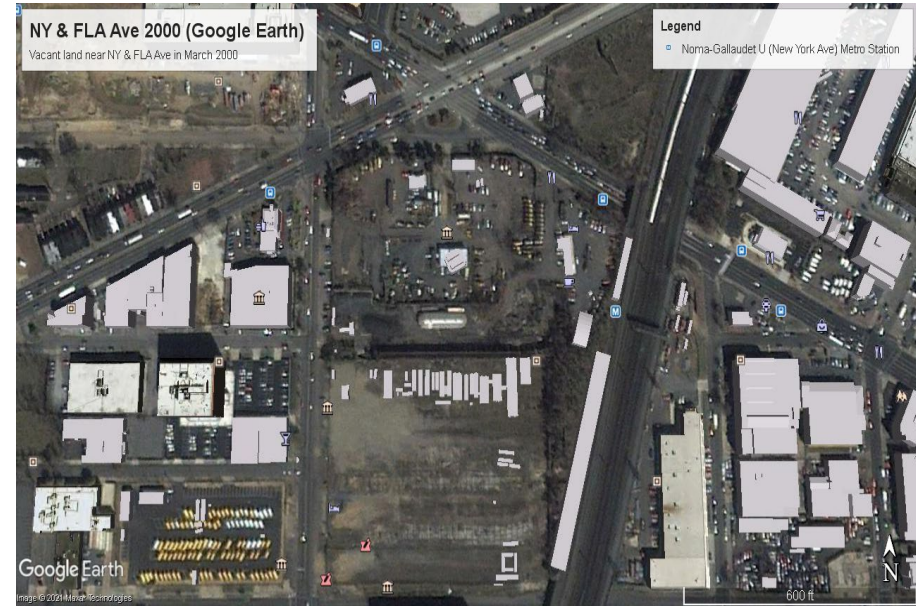
Source: Fresno Water District

Examples: NoMA Transit Stations & Streets

8

Development-Oriented Transit

- The aerial photo on the right is from 2000. Owners of vacant land wanted to develop office buildings. But permits were denied because the only access was via over-crowded arterial streets.
- Landowners petitioned the District Government to construct a transit station nearby to facilitate development.*
- The District Government was in receivership and refused to proceed unless the landowners contributed significantly to the project.
- Landowners offered \$25 million (about 1/3 of the estimated initial cost). The District Government issued a \$25 million bond. The nearby landowners are paying it off over 20 years through a special assessment that was enacted with their support. (Pre-existing residential properties were exempted.)



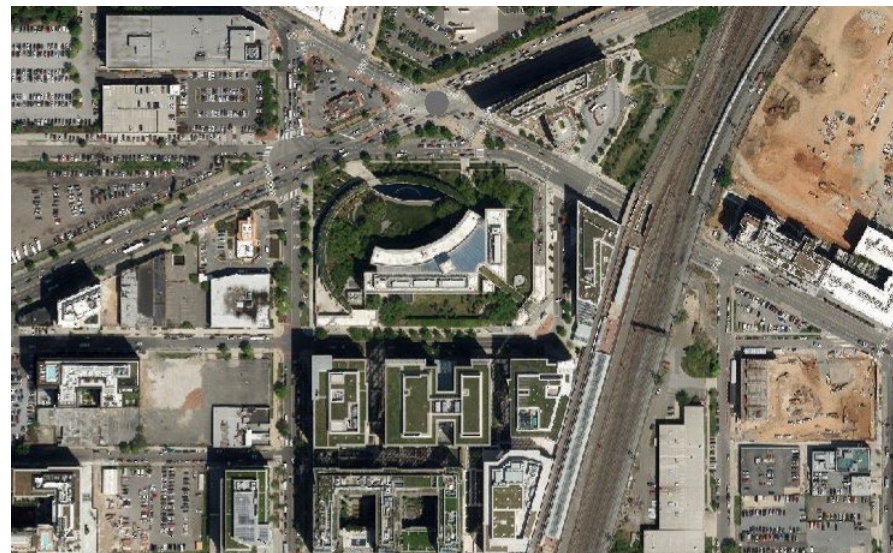
Source: Google Earth

Examples: NoMA Transit Stations & Streets

8

Development-Oriented Transit (continued)

- The aerial photo on the right is from 2019. The new transit station is near the center on the left side of the tracks.
- New street segments to the east and south of the new Bureau of Alcohol Tobacco & Firearms were paid for by the adjacent landowners because they primarily provide access to those properties.
- As of 2021, most of the vacant land in this photo near the new transit station has been developed. Old warehouses (east of the tracks) are being redeveloped.
- Special assessment payments, based on land value, encourage development.
- For more info, see [NoMa- Gallaudet U Metro Station: Success Built on Transit](#) by ULI Washington.



Source: District of Columbia



FHWA WEBINAR – SPECIAL ASSESSEMENT DISTRICTS WATERFRONT SEATTLE PROGRAM: A CASE STUDY

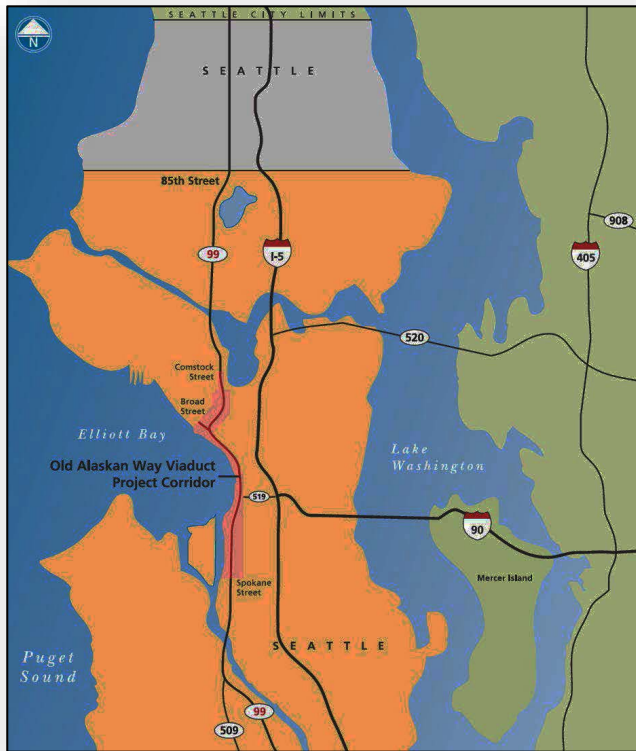
Angela Brady, PE

Deputy Director, Office of the Waterfront and Civic Projects

August 2021



Geography

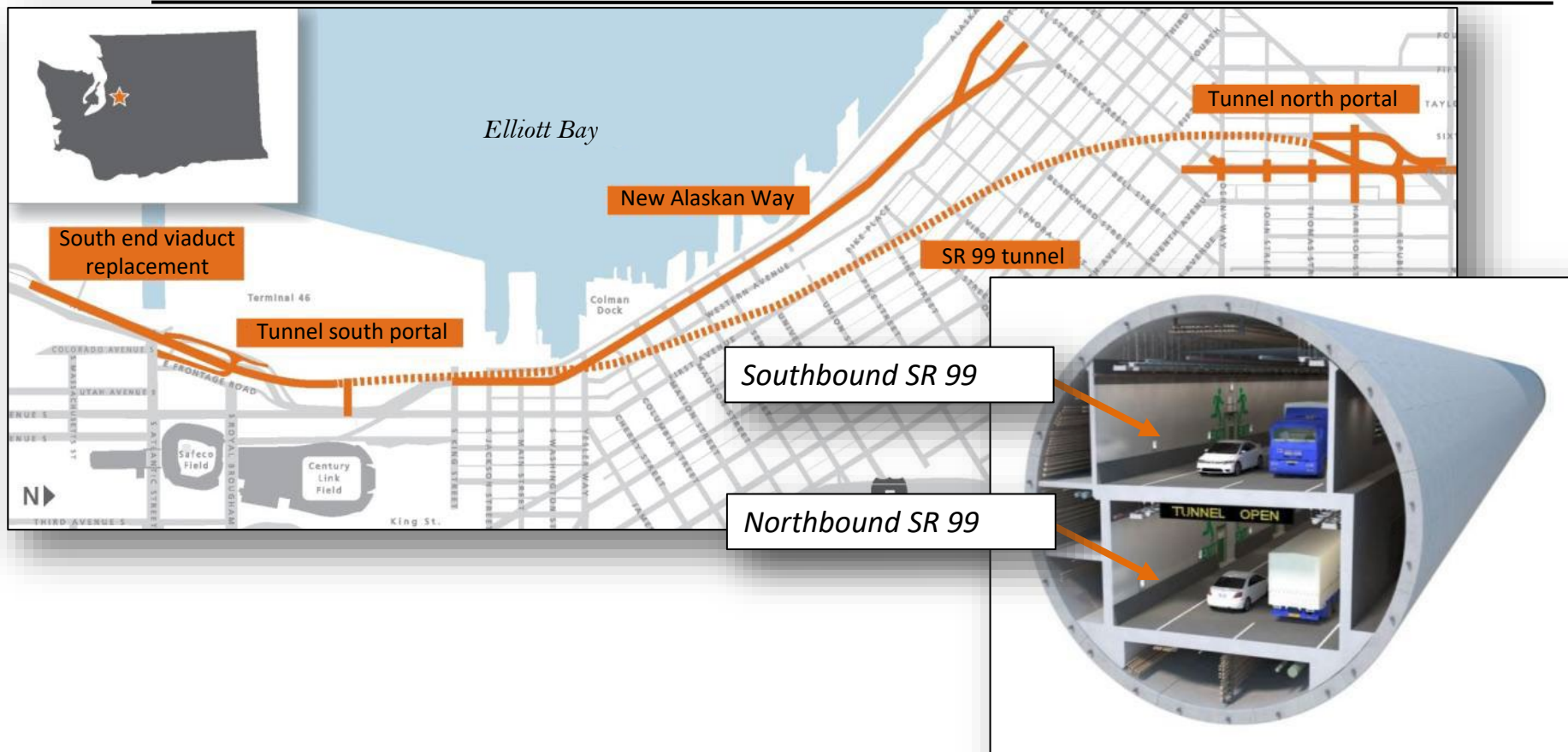


vs. **drivers**



Configuration for the

BORED TUNNEL



















WATERFRONT SEATTLE PROGRAM



SEAWALL PROJECT



SR 99 TUNNEL PROJECT



**SEATTLE MULTIMODAL TERMINAL AT
COLMAN DOCK PROJECT**



PARTNER PROJECTS

Project construction dates are tentative and
subject to change

ELLIOTT BAY

OLYMPIC
SCULPTURE
PARK

Waterfront Seattle
(2018-2024)

Pier 62 Rebuild
(2017-2020)

Seattle Aquarium Ocean
Pavilion (2021-2024)

Seattle Multimodal Terminal
at Colman Dock Project
(2017-2023)

Seawall Project
(2013-2017)

BELLTOWN

Pike Place Market's
MarketFront (2015-2017)

PIKE PLACE
MARKET

WEST EDGE

RETAIL CORE

STADIUMS

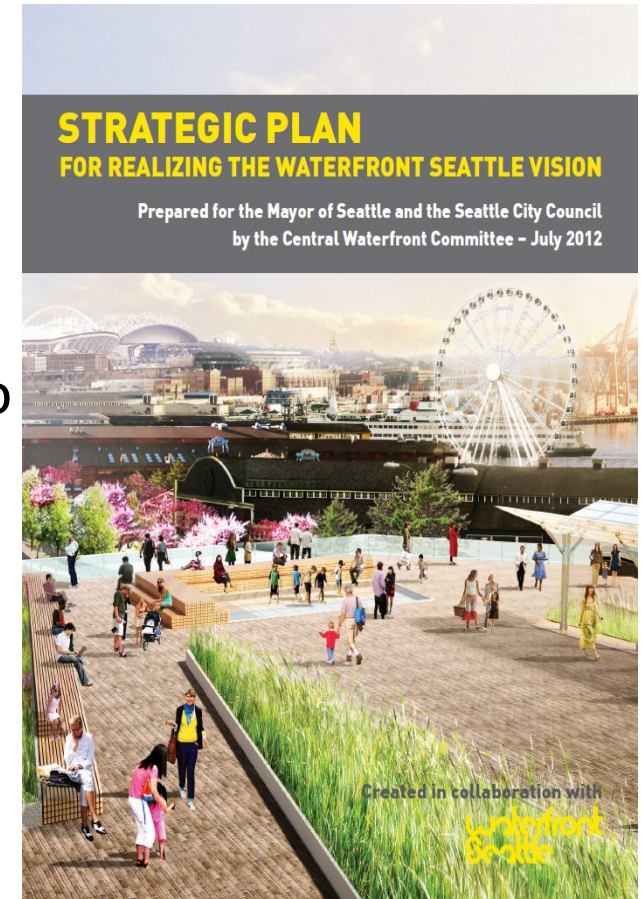
PIONEER
SQUARE

SR 99 Tunnel Project
(2011-2019)

WATERFRONT SEATTLE – WHAT WORKED



- Create multi-department leadership team to drive the program (Transportation, Planning & Development, Parks and Recreation)
- Create a committee of volunteer community representatives and leaders to help develop and support project goals – champions over the long haul
- Develop a Strategic Plan with Guiding Principles and obtain political leadership and stakeholder endorsement from the beginning – important to include a clear and achievable funding plan



WATERFRONT SEATTLE – WHAT WORKED



- Design competition – Develop a vision
- Soliciting meaningful community input and buy-in generates excitement (and financial investors/supporters)
- Develop a Framework Plan from which all design will be based
- Continued public outreach as design and construction progresses
- Both the Strategic Plan and the Framework Plan developed early in the process were repeatedly referenced throughout the program





Seattle's waterfront park comes into focus

The basic outlines of the ambitious park, really four big parks connected by a promenade, are now emerging. There are very sensible design decisions being made, but can the city pull off such a spectacular plan?

By David Brewster

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After all the battles over the Viaduct and the deep-bore tunnel, are we going to manage to create a splendid waterfront park for Seattle? The desire is there, and the setting is certainly spectacular. But it won't be easy, particularly given Seattle's way of building and bungling major projects.

It's now possible to get a better idea of what might happen. After the successful vote for the tunnel last month, the guardedness has been relaxed. Additionally, more details are being filled in, so the design is moving from a generic 26-block esplanade into something far more tailored to the conditions of the spaces. What follows are some of the things I learned from tagging along on a tour put together by the Seattle Parks Foundation and guided by the two principal city officials in charge, city planner Marshall Foster and



City of Seattle/James Corner Field Operations



WATERFRONT SEATTLE PROGRAM



- Waterfront Seattle Program Area
- Related Projects

- | | | |
|-----------------------------------|------------------------------------|------------------------------------|
| 1 Railroad Way | 7 Seneca Street | 14 Pike Pine Renaissance: Act One |
| 2 Alaskan Way + Elliott Way | 8 Promenade | 15 Pier 62 Rebuild |
| 3 Pioneer Square Streets | 9 Union Street Elevator and Stairs | 16 Pike Place Market's MarketFront |
| 4 Columbia Street | 10 Waterfront Park | 17 Bell Street Park Extension |
| 5 Marion Street Pedestrian Bridge | 11 Protected bike lane | |
| 6 Seawall | 12 Seattle Aquarium expansion | |
| | 13 Overlook Walk | |

THE NEW WATERFRONT – TYPICAL CROSS-SECTION



ALASKAN WAY (HISTORIC DISTRICT) AND ADJACENT DEVELOPMENT



ALASKAN WAY AT MAIN STREET BEFORE



ALASKAN WAY AT MAIN STREET



ALASKAN WAY - EAST SIDE DEVELOPMENT



- Substantial increases in property values
- Renovations/Redevelopments either underway, planned, or completed on every block of Alaskan Way



HISTORIC PIERS - BEFORE



HISTORIC PIERS - PROMENADE



E/W CONNECTIONS AND OLW



E/W CONNECTIONS AND OLW



E/W CONNECTIONS AND OLW



PIER 58 AND PROMENADE



MAJOR PUBLIC INVESTMENTS ALONG SEATTLE'S WATERFRONT



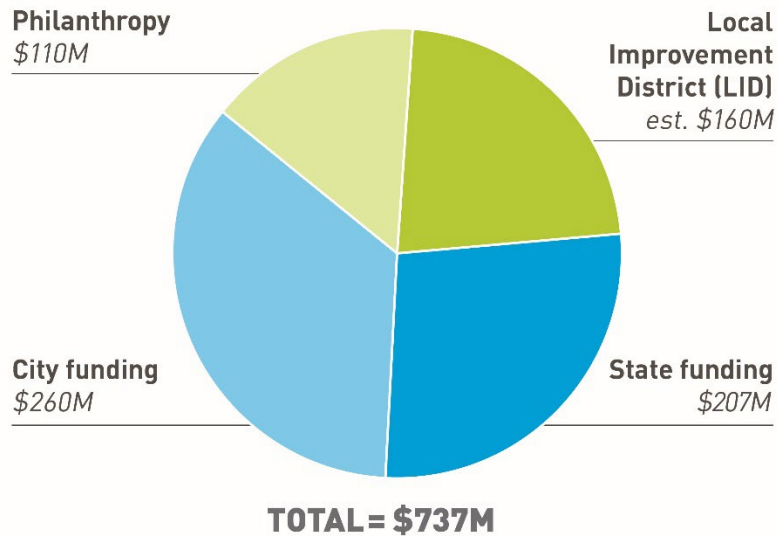
Major public investment projects include:

- Washington State Alaskan Way Viaduct Replacement Program - **\$3.1B**
- Washington State Ferries Colman Dock Replacement - **\$455M**
- Elliott Bay Seawall Project - **\$400M**
- Public utilities infrastructure - **\$220M**
- Waterfront Seattle - **\$737M**, including proposed LID

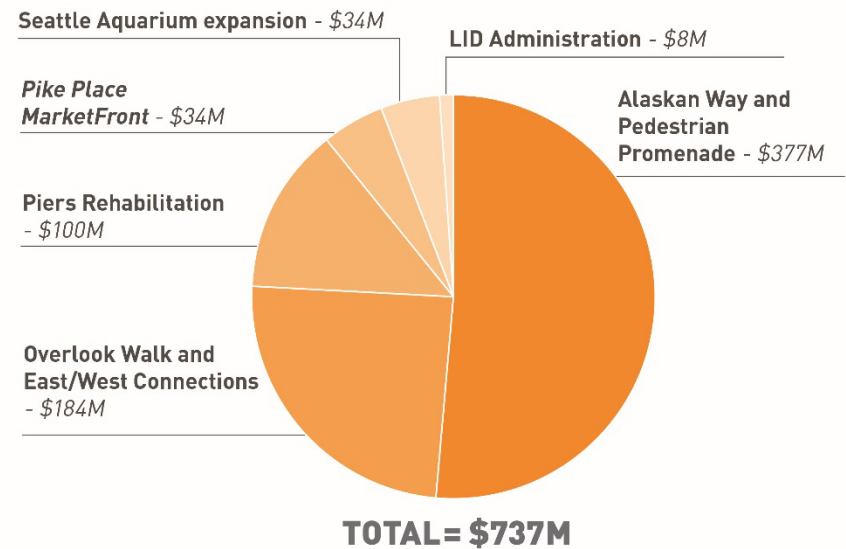
WATERFRONT SEATTLE FUNDING



FUNDING



BUDGET



*Does not include additional Seawall project costs of \$410M.

LID PROCESS

LOCAL IMPROVEMENT DISTRICT



- Washington State has very limited ‘value capture’ revenue options allowed by law
- Local Improvement Districts (LIDs) are state’s best mechanism to capture value created by improvements and future development due to those improvements
- LIDs have a long, established history in Washington, going back before its statehood.

WHAT IS A LOCAL IMPROVEMENT DISTRICT (LID)?



- Funding tool by which property owners financially contribute to a project that will increase the value of their property
- LIDs have funded very large public projects in State of Washington including the Aurora Ave (SR 99) Bridge, the Magnolia Bridge and the Downtown Seattle Transit Tunnel
- The process is governed by specific state and local laws (including special benefit study) that require a lot of time, patience and risk.

LEGAL PROTECTIONS AND GUIDELINES



- Total LID assessments not more than total cost of the improvements
- Total LID assessments not more than special benefits accrued to properties because of the infrastructure improvements
- Assessments are roughly proportionate to each other

SPECIAL BENEFIT STUDY

“PROXIMATE PRINCIPLE”



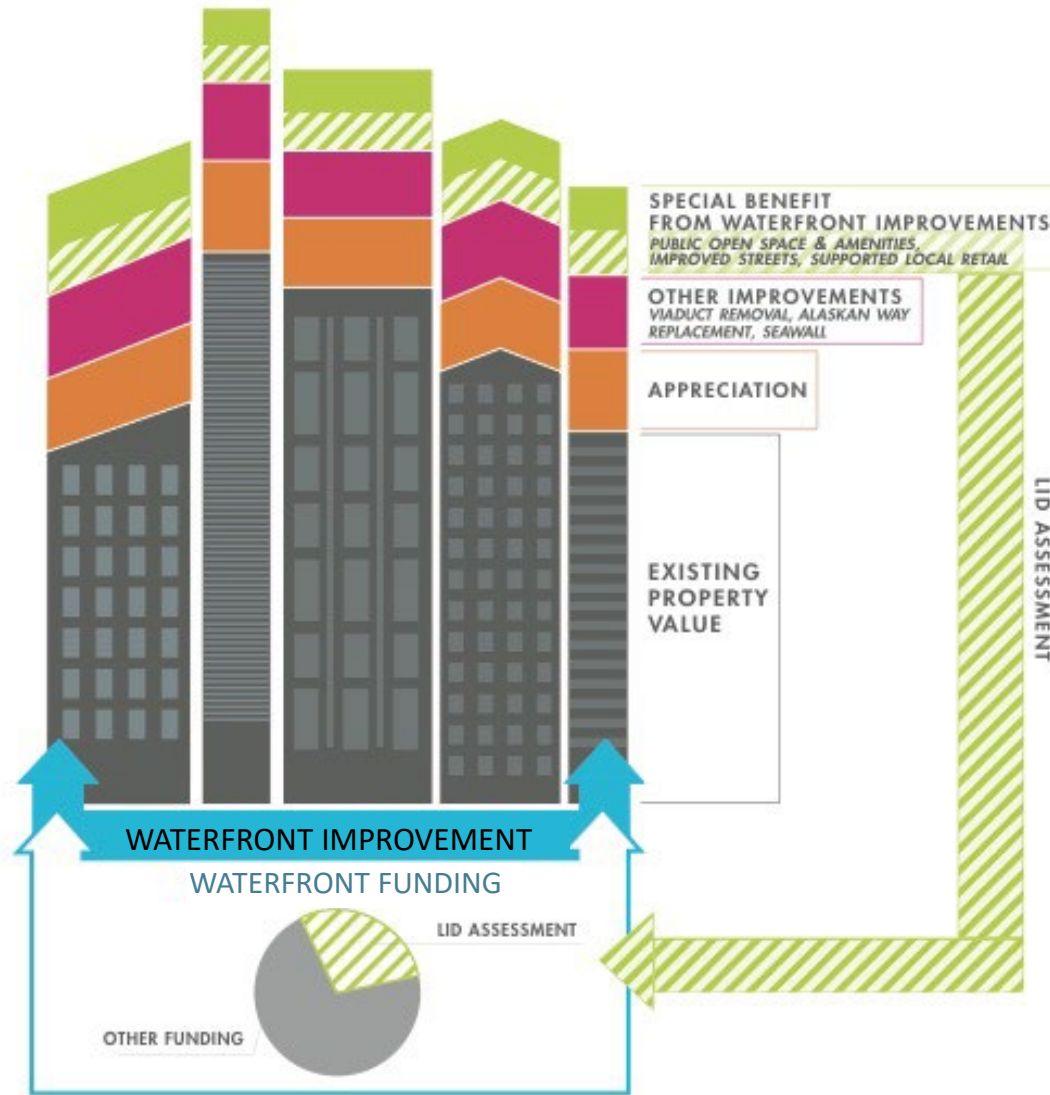
Hudson River Park, NYC



Gov. Tom McCall Waterfront Park



SPECIAL BENEFIT



BEFORE/AFTER

Uses March 1, 2018 as baseline for market conditions



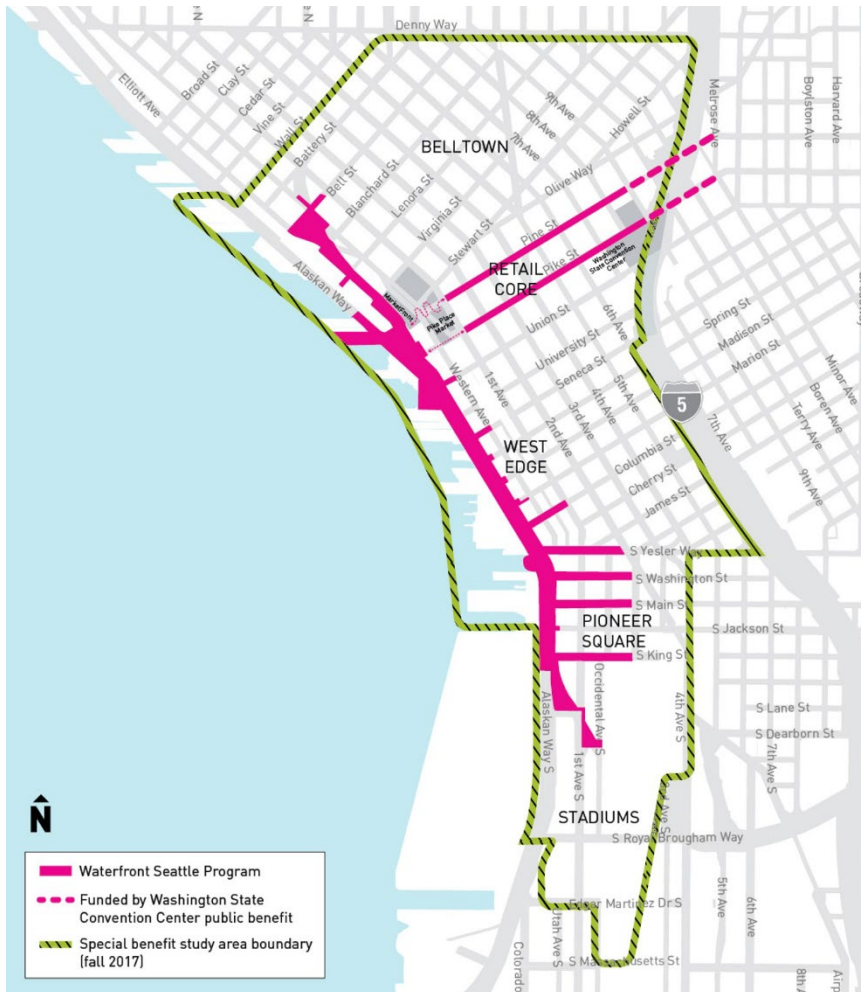
BEFORE: WITHOUT LID

- Viaduct demolished
- New Alaskan / Elliott Way surface street
- Seawall
- Tunnel
- Pier 62 rebuild
- Bell St. Improvements
- 115 parking spaces fronting piers between Pike and Madison

AFTER: WITH LID

- “Before” assumptions (minus parking)
- Promenade
- Overlook Walk
- Union St. Pedestrian Connection
- Pike & Pine Streetscapes
- Pioneer Square Streetscapes
- Waterfront Park

WATERFRONT LOCAL IMPROVEMENT DISTRICT (LID)



Total parcels: 6,130
(4,960 condominiums)

Total appraised value: \$49B

Total special benefit from the new waterfront:

\$415M (\$58M condominiums)

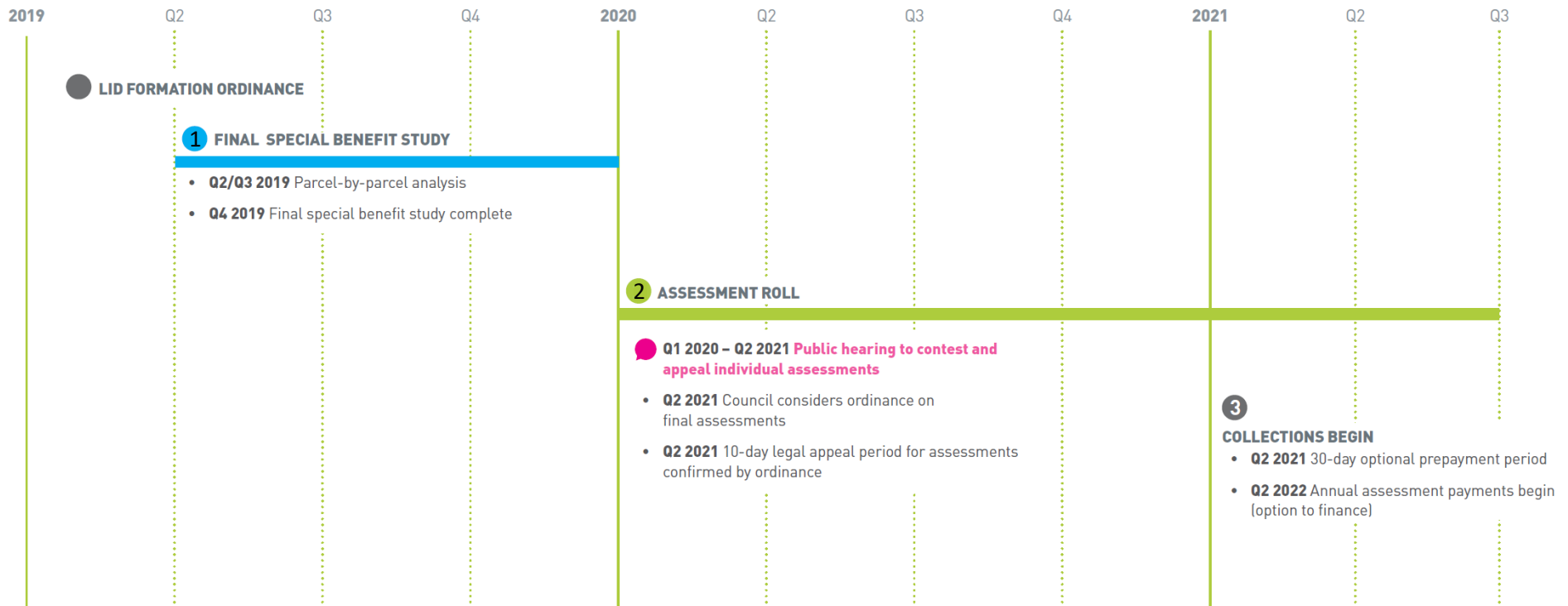
Total Assessment:

\$160M

Assessment ratio:

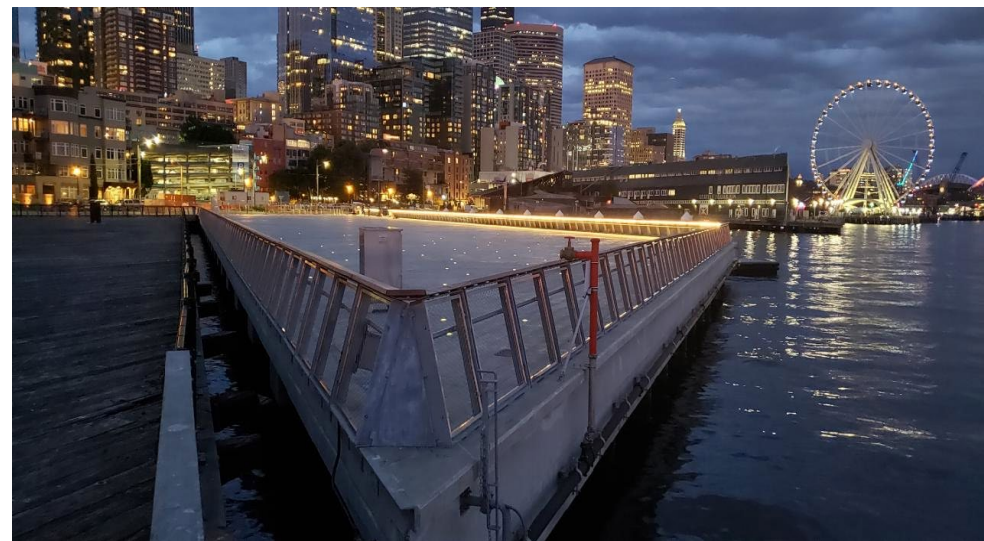
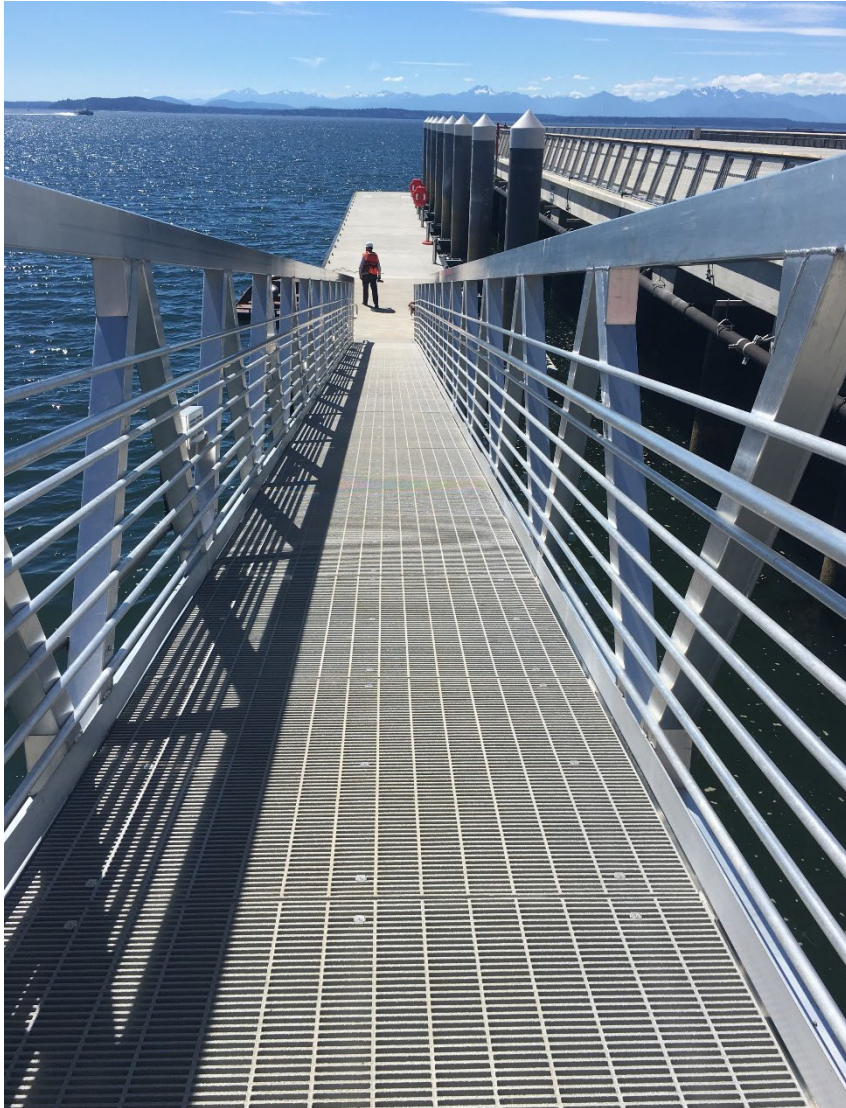
38% of total benefit

LID FORMATION PROCESS



*Preliminary, subject to change

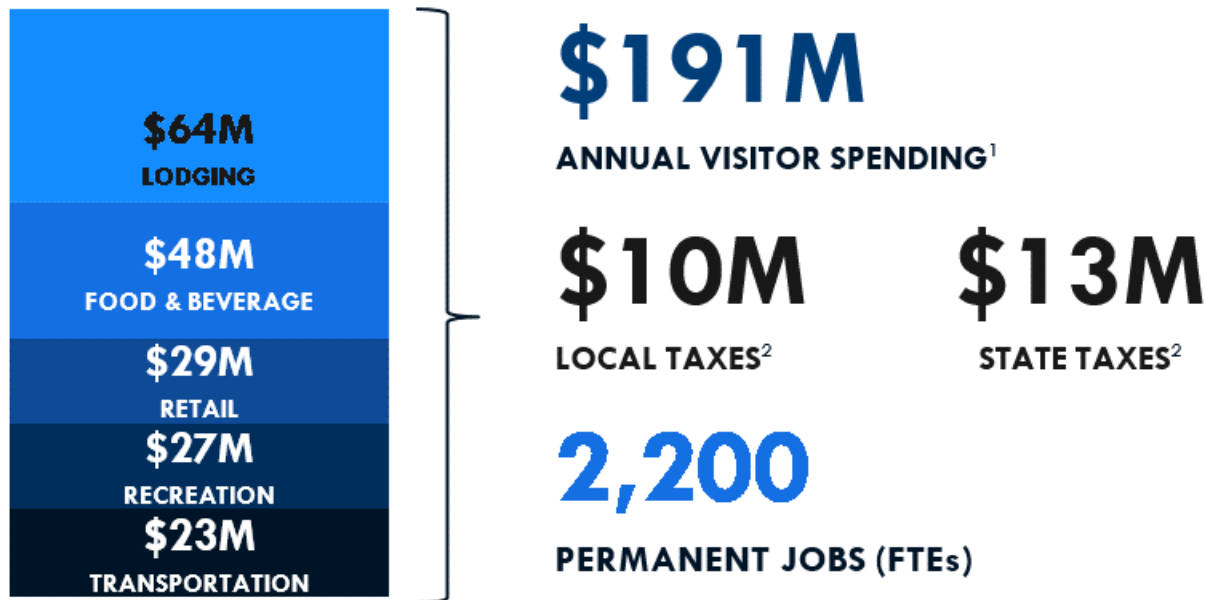
“EARLY WINS” HELP SUPPORT LID PROCESS AND GENERATE ECONOMIC DEVELOPMENT INTEREST - PIER 62



VISITATION AND ECONOMIC IMPACT



Based on typical visitor spending patterns, 1.5 million net new day and overnight visitors associated with the Waterfront Seattle are estimated to generate \$191 million in spending.



1. Excludes visitor spending captured by on-site commercial activity. Based on an analysis of the 2016 Longwood Tourism Study, spending was assumed to average \$78 per person for day trips and \$275 per person for overnight trips. These averages were then multiplied by the net number of new visitor days for both day and overnight visitors.

2. Sales & Use taxes (including Convention & Trade Center taxes at the local level) and Business & Occupation taxes.

FRIENDS/CITY PARTNERSHIP – PHILANTHROPY, O&M, SECURITY AND PROGRAMMING



IMPLEMENTING A LID:

LESSONS LEARNED - 1



- LID process requires A LOT of time, planning, patience, and risk tolerance
- Political support changes over time - Need large property owners and strong civic leaders to champion the LID over the long haul
- Build public trust - Leadership consistency challenging; consider organization structure with focus on the Program (OWCP example)
- Consider annual Council support action to show clear history of support
- Budget appropriately: administration and financing costs, renderings, public communications (materials and countless meetings), legal support

IMPLEMENTING A LID:

LESSONS LEARNED - 2



- Online data sharing and clear communications with the public throughout process is critical (assessment portal)
- Communications with public:
 - ✓ Use renderings showing before and after;
 - ✓ Be ready to show renderings of “NO LID” conditions;
 - ✓ Address operations and maintenance
- Consider exemptions, impacts to individual condominium owners (small) vs. large property owners
- Legal appeals/challenges can be long, expensive and exhausting, and can result in lower overall assessments
- Funding timing and impacts to construction start – high risk to start prior to LID formation; consider project sequencing and early wins without LID funds



QUESTIONS?

Contact me at:

Angela.Brady@seattle.gov

206.391.7981

waterfrontseattle.org

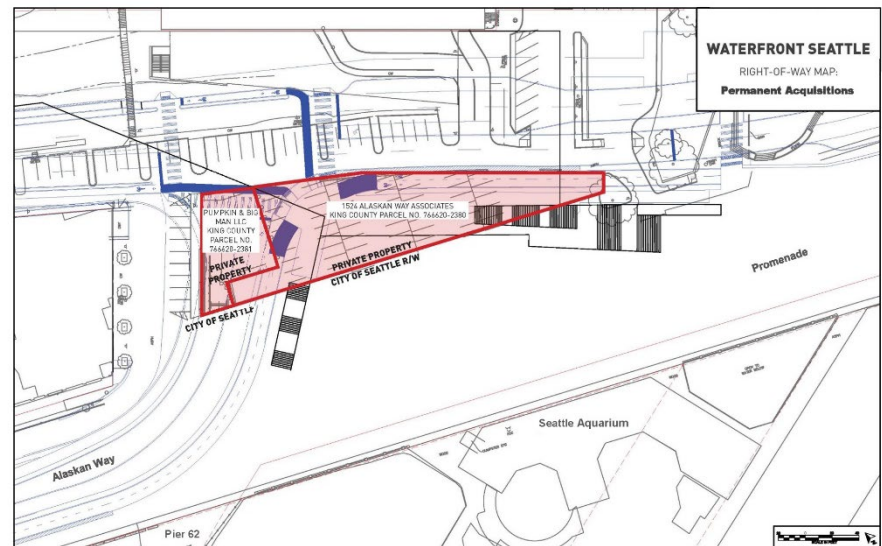


POCKET SLIDES

VARYING ROW APPROACHES FOR WATERFRONT MAIN CORRIDOR



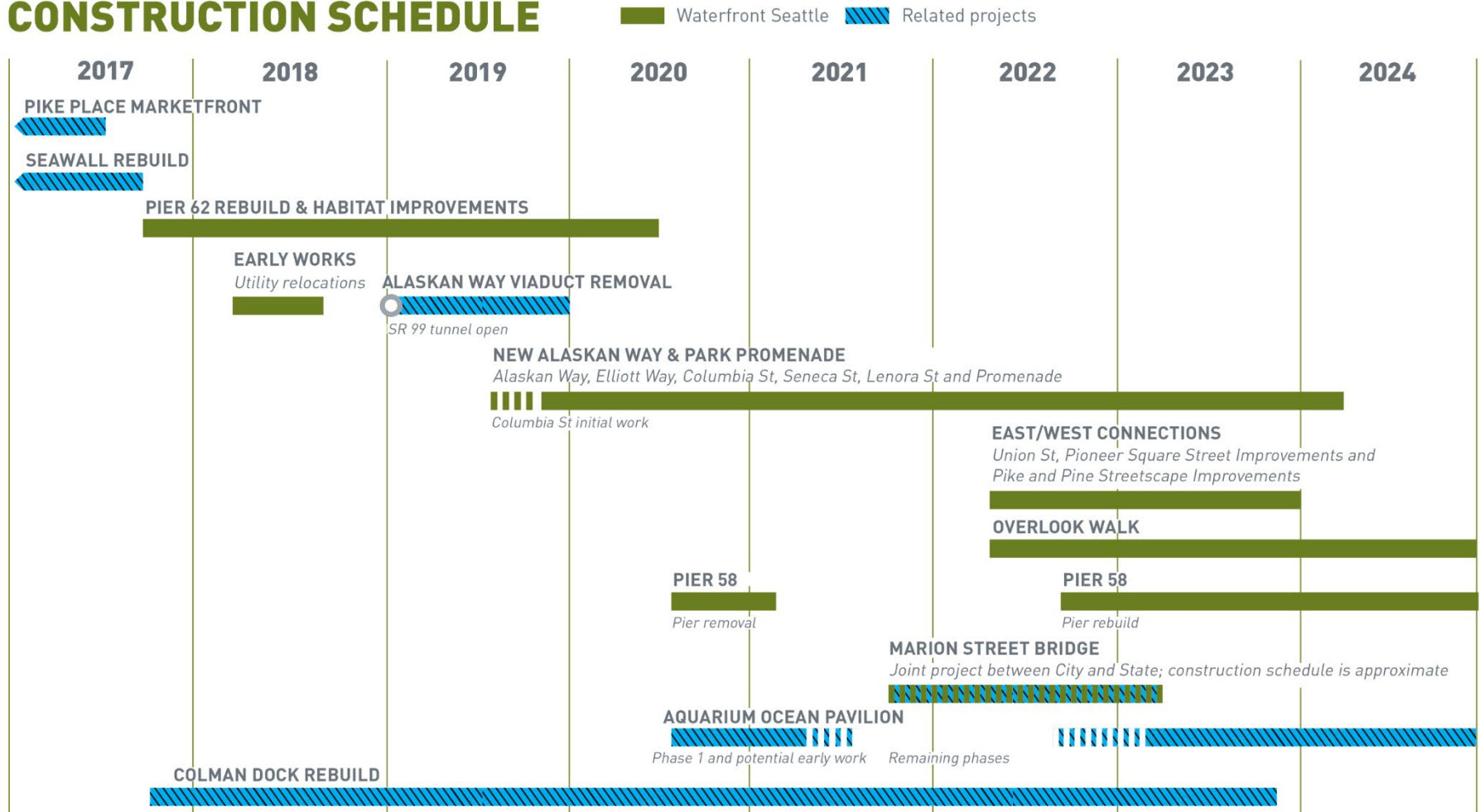
- 37 Temporary Construction Easements: private parties and public agencies
- 2 fee acquisitions
- 1 permanent easement
- MOU: Pike Place Market (PDA)
- Assignment of Port Maintenance Agreement to City: Lenora Street Bridge Improvements
- Construction and Maintenance Agreement: BNSF Railroad



SCHEDULE



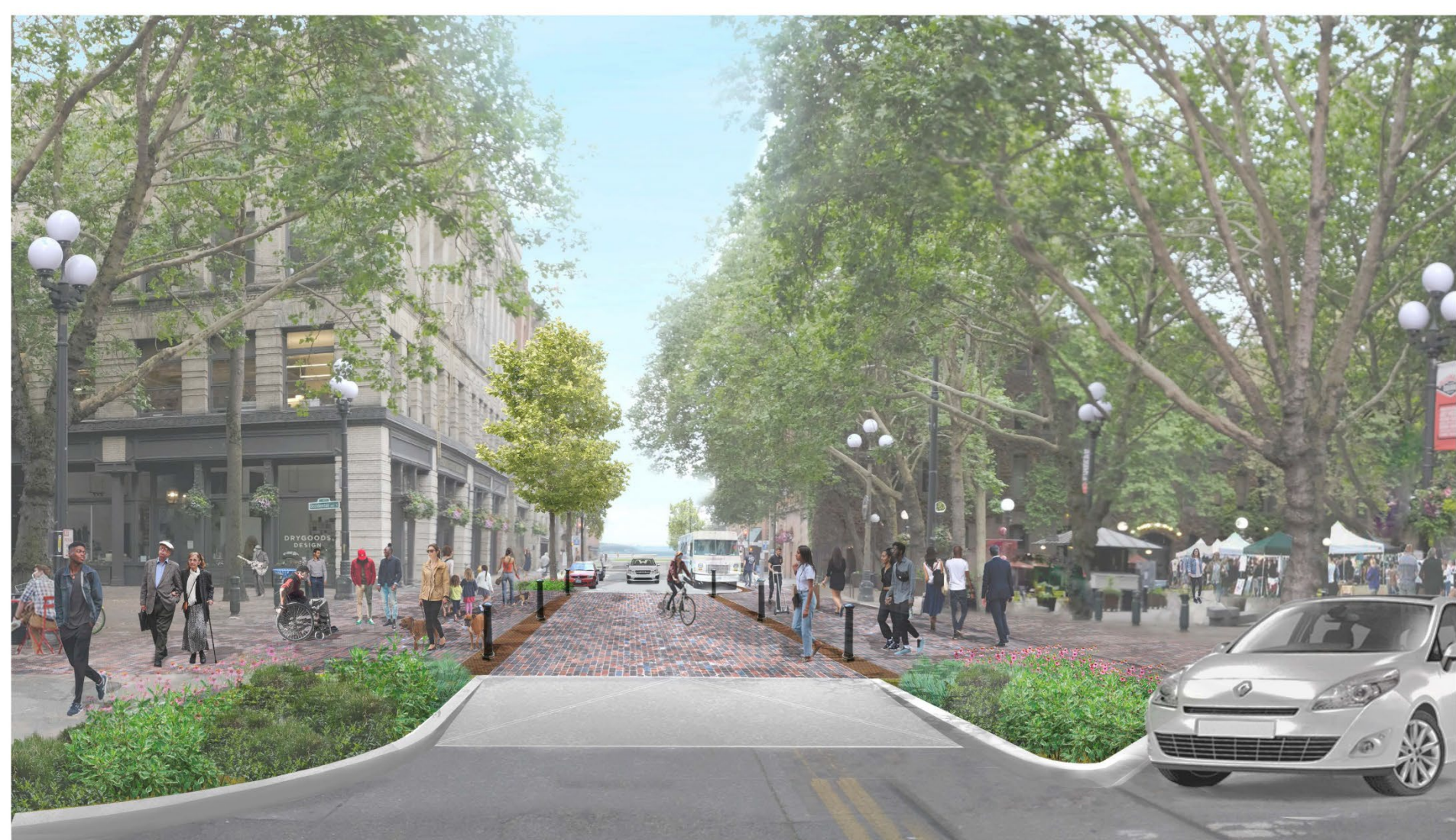
CONSTRUCTION SCHEDULE



MAIN AT OCCIDENTAL - BEFORE



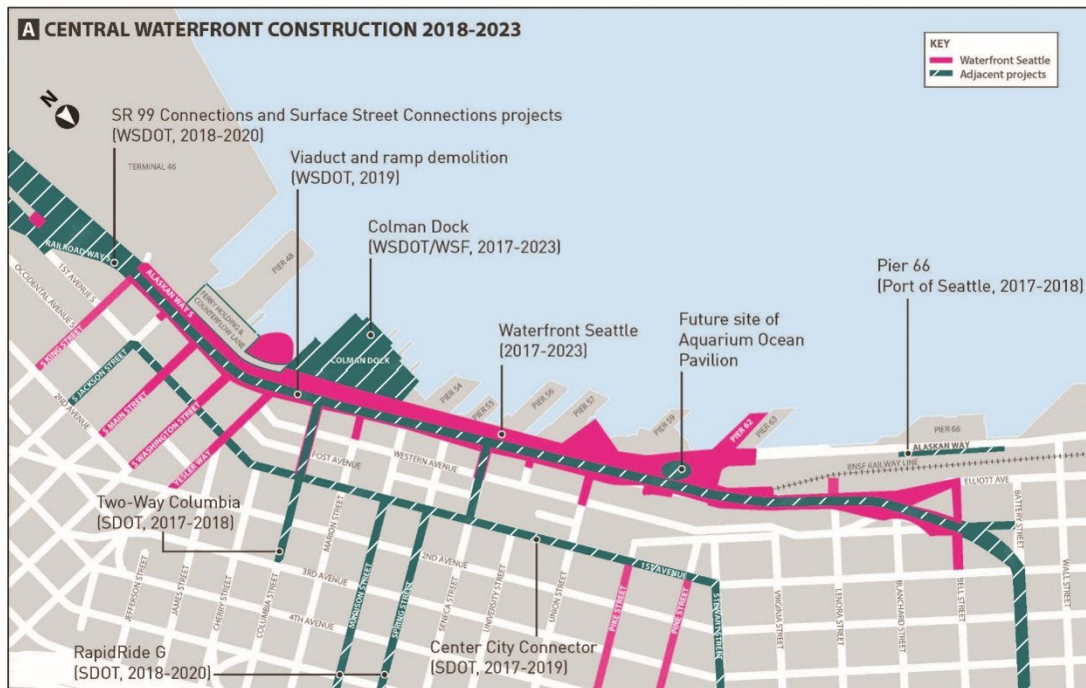
MAIN AT OCCIDENTAL - FUTURE



WATERFRONT CONSTRUCTION SEQUENCING



- Plan the Work
- Communicate the Plan
- Update the Plan
- Work the Plan



Dates of work subject to change pending all Tunnel & ARV Demolition completion dates and, ii) Ongoing evaluation of sequencing and packaging assumptions for all projects. Private development not shown, coordination is ongoing.

-1-

Last updated: 11/14/17

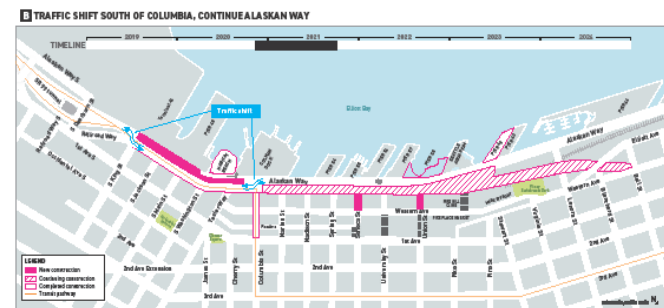


CONSTRUCTION SEQUENCING

Waterfront Seattle construction is underway and we're making progress! Over the next several years we will continue to build different elements of the program, spanning from the stadiums to Belltown. Please note that there are other projects under construction in the area; the maps below only show Waterfront projects to make it clear when and where we will be working. Dates are subject to change.



In fall 2019, we began building the new Alaskan Way in the footprint of the former viaduct. In 2020, we completed work on Pier 62 and Columbia Street, which provided a new transit pathway between downtown Seattle and southwest King County.



In fall 2020, traffic will shift to the new Alaskan Way, in the footprint of the former viaduct, from S King to Columbia streets. We will be continuing utility work on the new Alaskan Way north of Columbia. The removal of Pier 58 will be completed in early 2021.

SEPTEMBER 2020

WATERFRONTSEATTLE.ORG

<https://waterfrontseattle.org/construction/construction-overview>

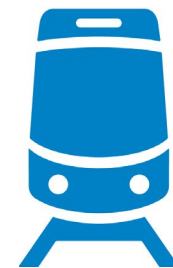


KC Streetcar & Value Capture

FHWA WEBINAR ON SPECIAL ASSESSMENT DISTRICTS



TOM GEREND
EXECUTIVE DIRECTOR
KC STREETCAR AUTHORITY



RideKC
STREETCAR™



The Rail Story in Kansas City

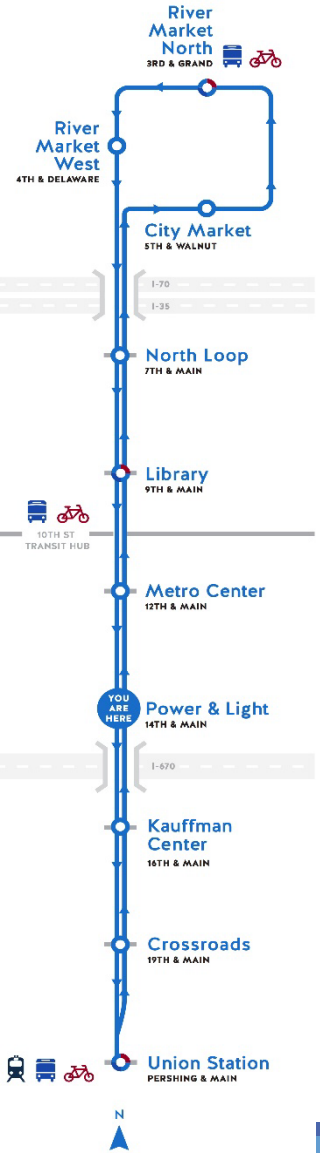
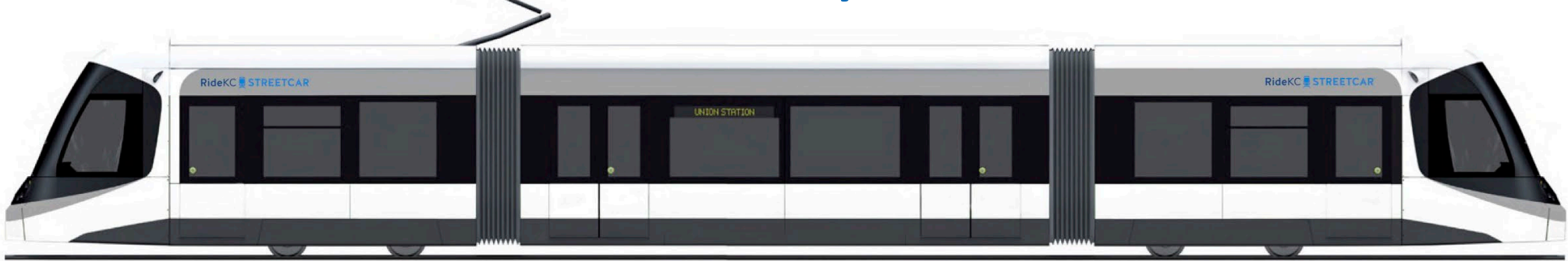
9 separate
efforts over 14
years for
various
light rail
plans

- 1997 Election defeat #1 (KCATA) downtown starter line
Mayor Cleaver calls it “touristy frou-frou”
- 1998 Election defeat #2 (Chastain/Initiative Process)
- 1999 Election defeat #3 (Chastain/Initiative Process)
- 2000 Election defeat #4 (Chastain/Initiative Process)
- 2001 Election defeat #5 (Mayor Barnes)
- 2002 Election defeat #6 (Chastain/Initiative Process)
- 2003 Election defeat #7 (Chastain/Initiative Process)
- 2006 Election win #1 (53%) (Chastain/Initiative Process)
Repealed by Council as infeasible; Court sustains repeal
- 2008 Election defeat #8 (Mayor Funkhouser)
- 2011-2014 (Chastain/Initiative Process)
\$2.5 Billion “Plan”; Following more than two years
of litigation, the Court required the City to place the proposed
initiative on the ballot in Nov 2014, but only as a tax measure
not mentioning rail project

Lessons Learned

- Downtown residents supported previously failed attempts
- City-wide elections and city-wide political pressure resulted in plans there were too big and too expensive, often collapsing under their own weight
- Our City as a whole wasn't yet ready to take the next step
- Efforts were better spent on smaller scale demonstrations, with more targeted funding mechanisms. Those who benefit pay.
- 2011- Plan advanced for downtown streetcar starter-line funded by special taxing district (TDD)

The KC Streetcar System



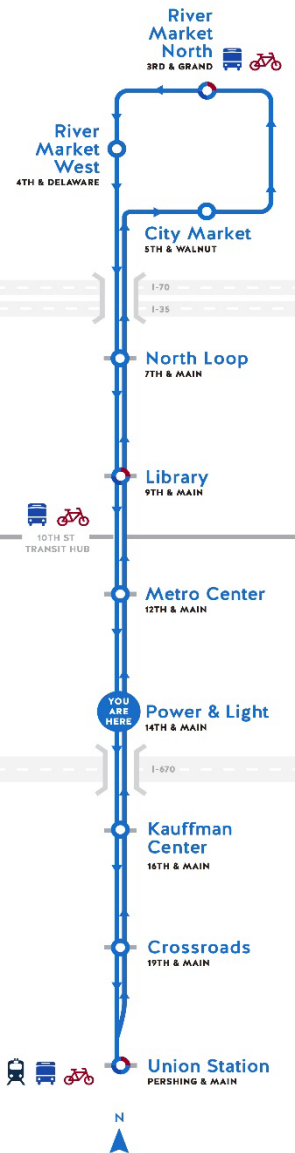
\$102 Million Investment

2.2 Route Miles

May 2014 Groundbreaking

Fall 2015 Substantial Completion

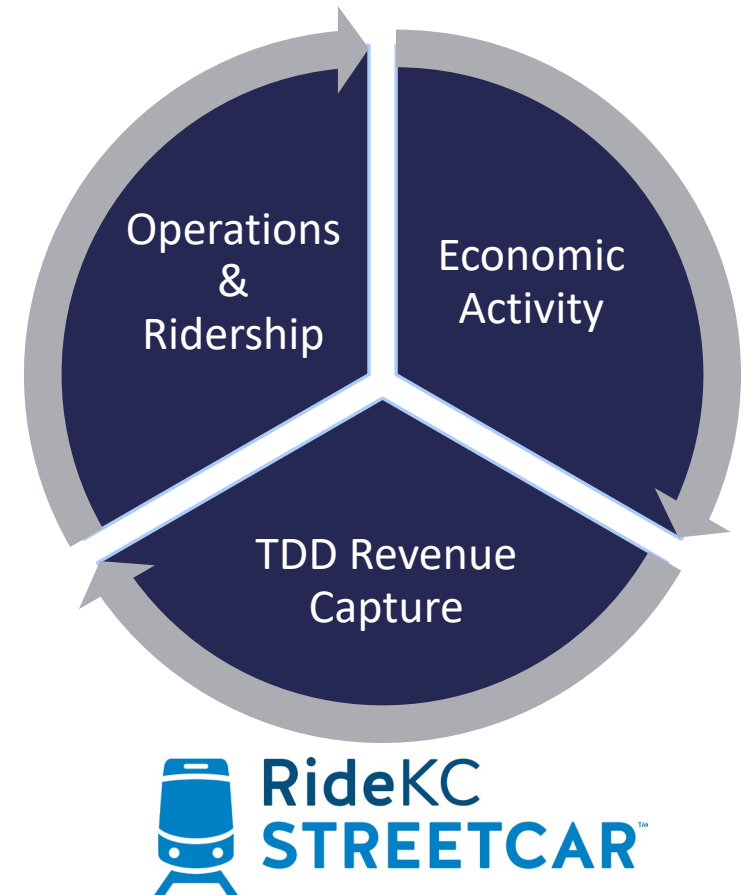
May 6, 2016 Grand Opening





Revenue Capture as path forward

- Existing Missouri State Law existed to form special taxing district (Transportation Development District)
- Potential to “localize” financial strategy - *those who benefit pay*
- Potential to create “win-win” cycle between project and downtown business



Transportation Development District Components

TDD REVENUE COMPONENTS

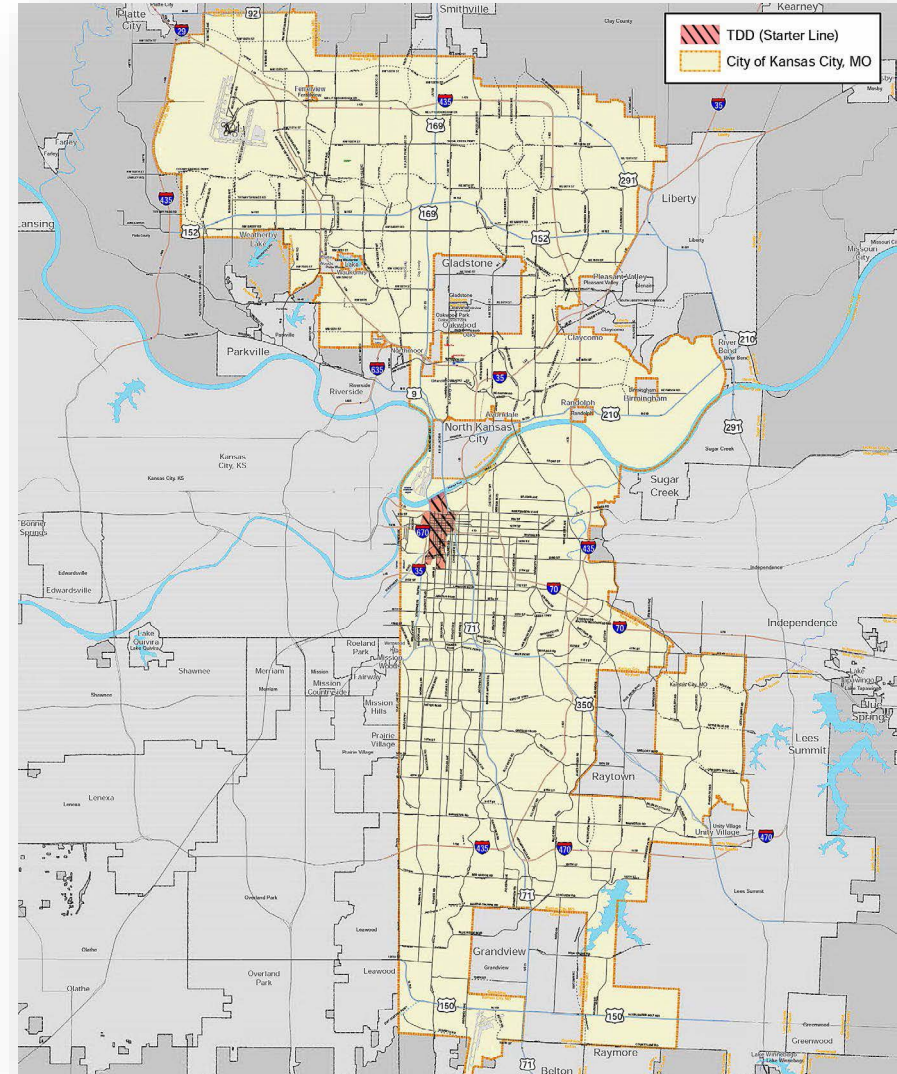
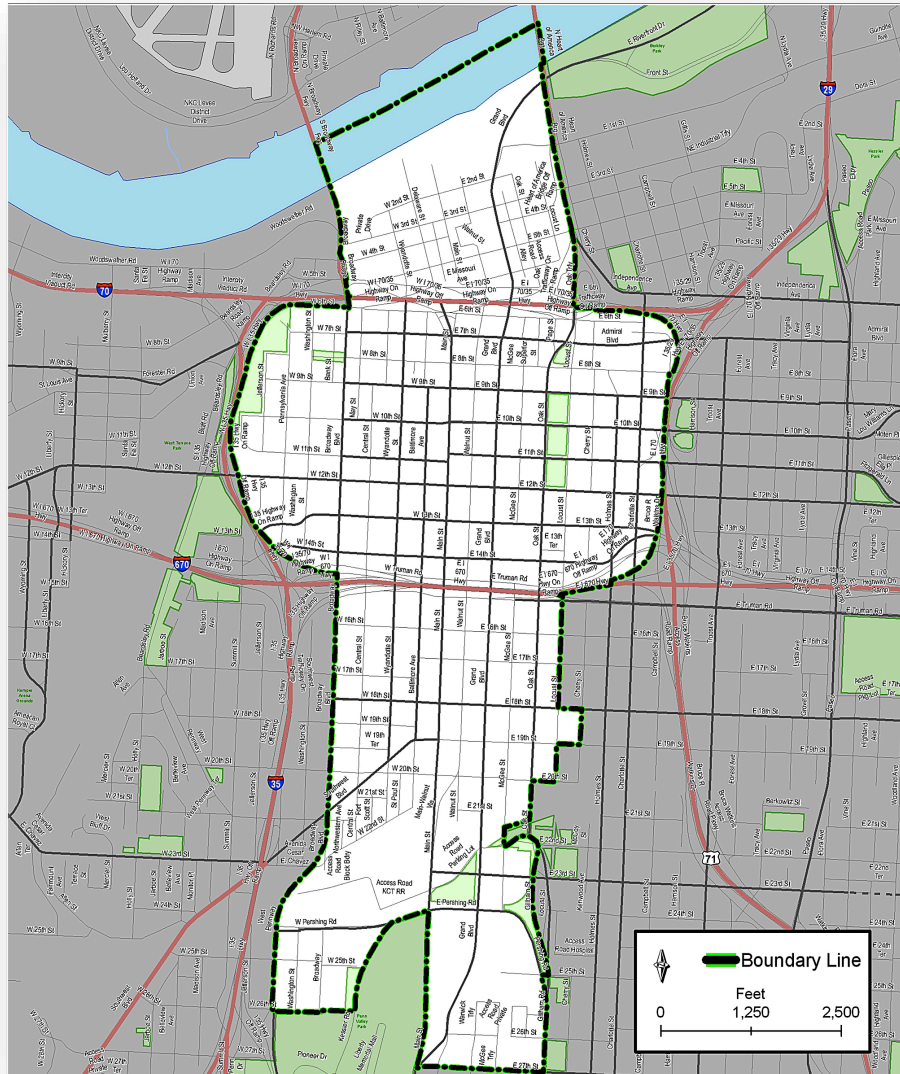
- > One Percent Sales Tax Within TDD
- > Special Assessments on Real Property Within TDD

TDD SPECIAL ASSESSMENTS RATE PER \$100 AV

Residential Property	\$0.70
Non-Residential Property	\$0.48
City Property	\$1.04
Non-Profit Property (\$300,000 floor)	\$0.40
RATE/SURFACE PAY PARKING SPACE	
SURFACE PAY PARKING SPACE	\$54.75



Downtown Transportation Development District



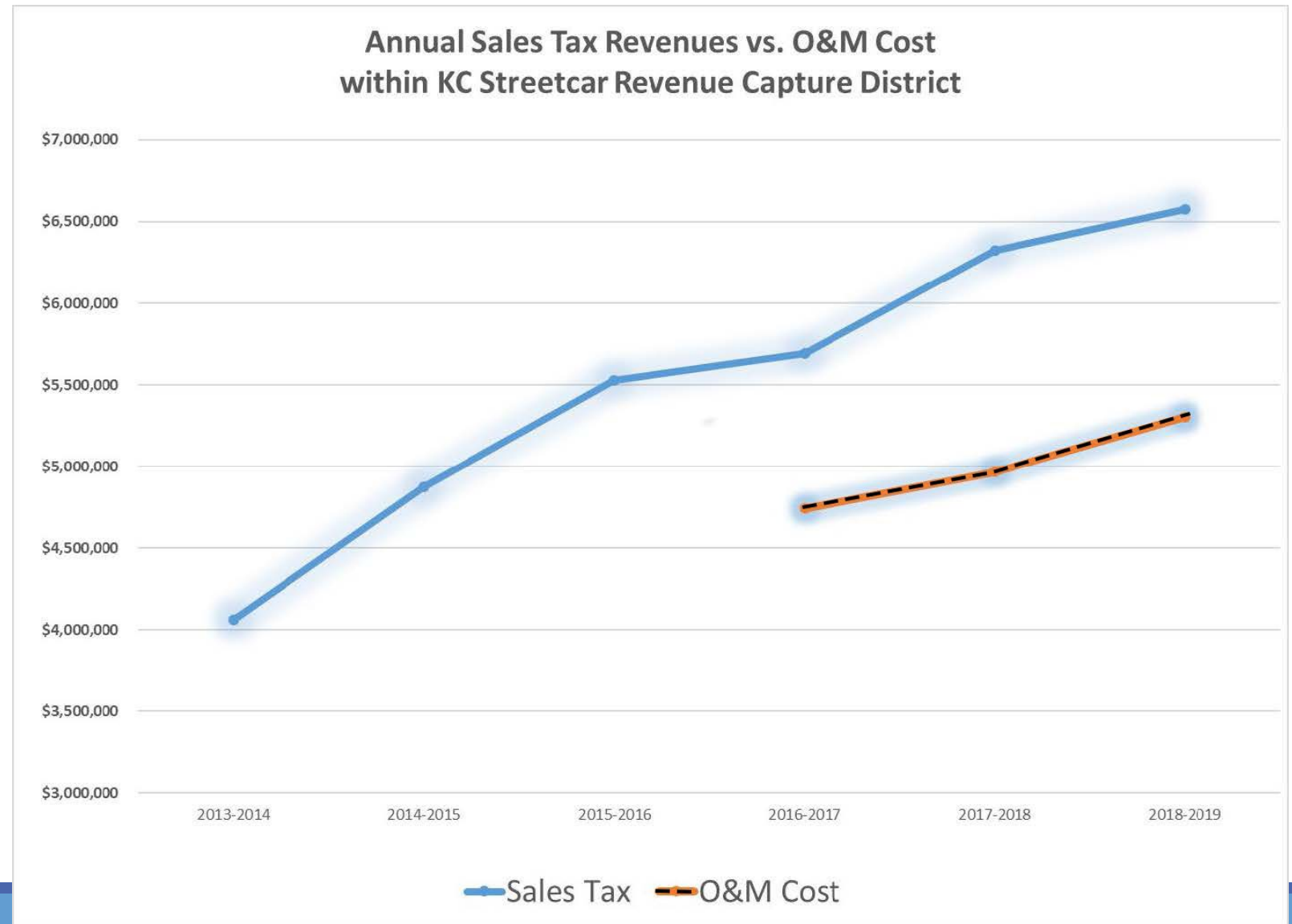
Assessment Examples

ANNUAL ASSESSMENT EXAMPLES		
TYPE	ASSESSMENT	EFFECTIVE RATE
Residential Parcel With \$70,000 County Appraised	\$93.10	0.13%
Commercial Parcel With \$1,000,000 County Appraised Value	\$1,536.00	0.15%
City Parcel With \$1,000,000 County Appraised Value	\$3,328.00	0.33%
Non-Profit Parcel With \$300,000 County Appraised Value	\$0.00	N/A
Non-Profit Parcel With \$500,000 County Appraised Value	\$256.00	0.05%
Non-Profit Parcel With \$690,625 County Appraised Value	\$500.00	0.07%
Surface Pay Parking Lot With 40 Pay Parking Spaces	\$2,190.00	N/A



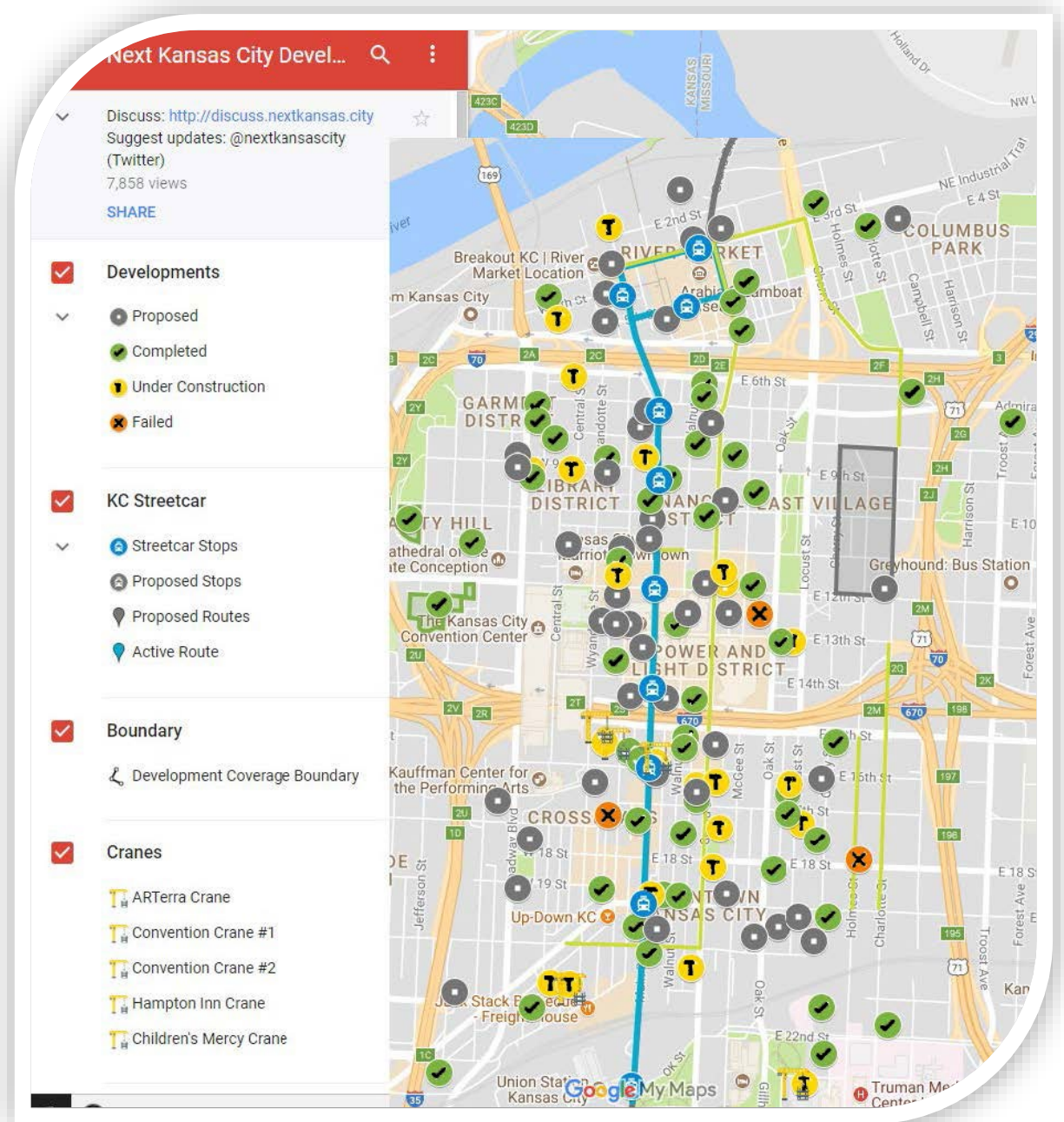
Performance of Transportation Development District

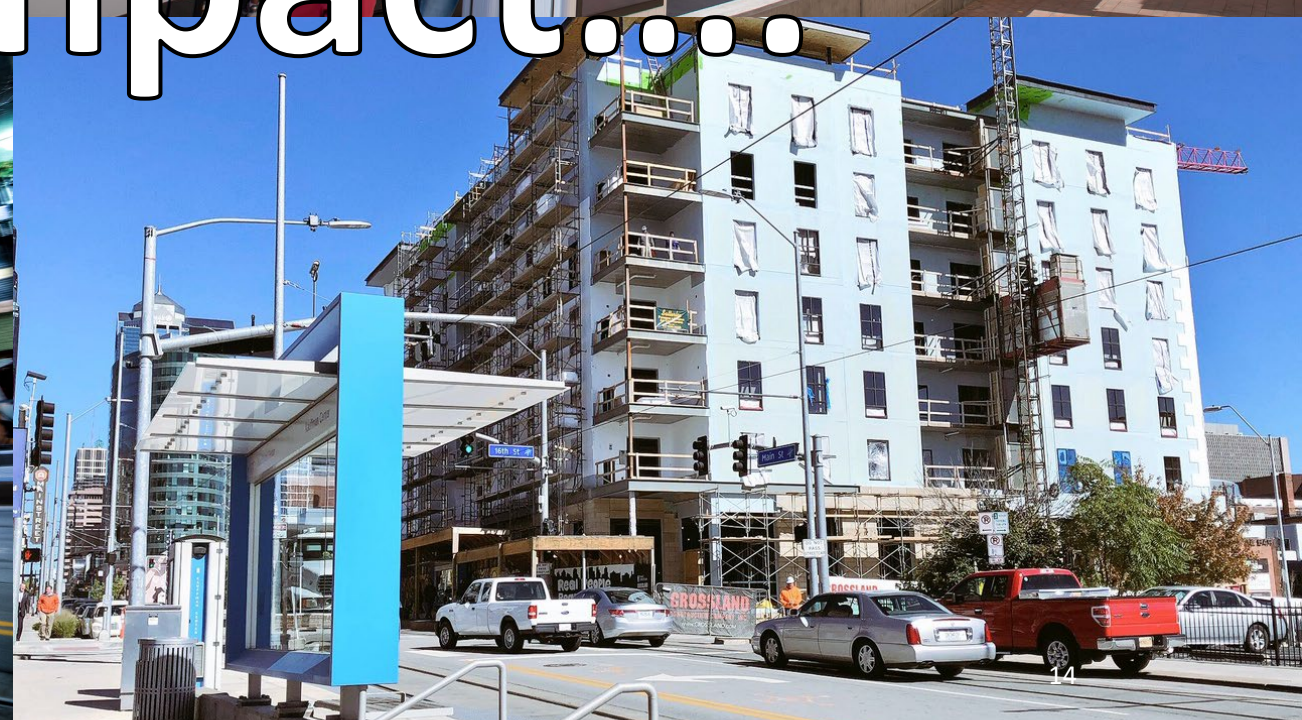
- 62% growth in sales tax receipts within district since 13-14
- 16% growth in city-wide receipts over same period
- System is young but growth in revenues outpacing growth in O&M



Downtown Development by the Numbers:

- ❑ **\$3.1 Billion** in new downtown development
- ❑ **94** major private development projects
- ❑ **3,900** new residential units
- ❑ **Many** projects cited the KC Streetcar as a “major positive factor” in decision making
- ❑ **4:1** to **20:1** return on investment... after year 2





The Impact....



1914 Main St, *before/ after*
Crossroads

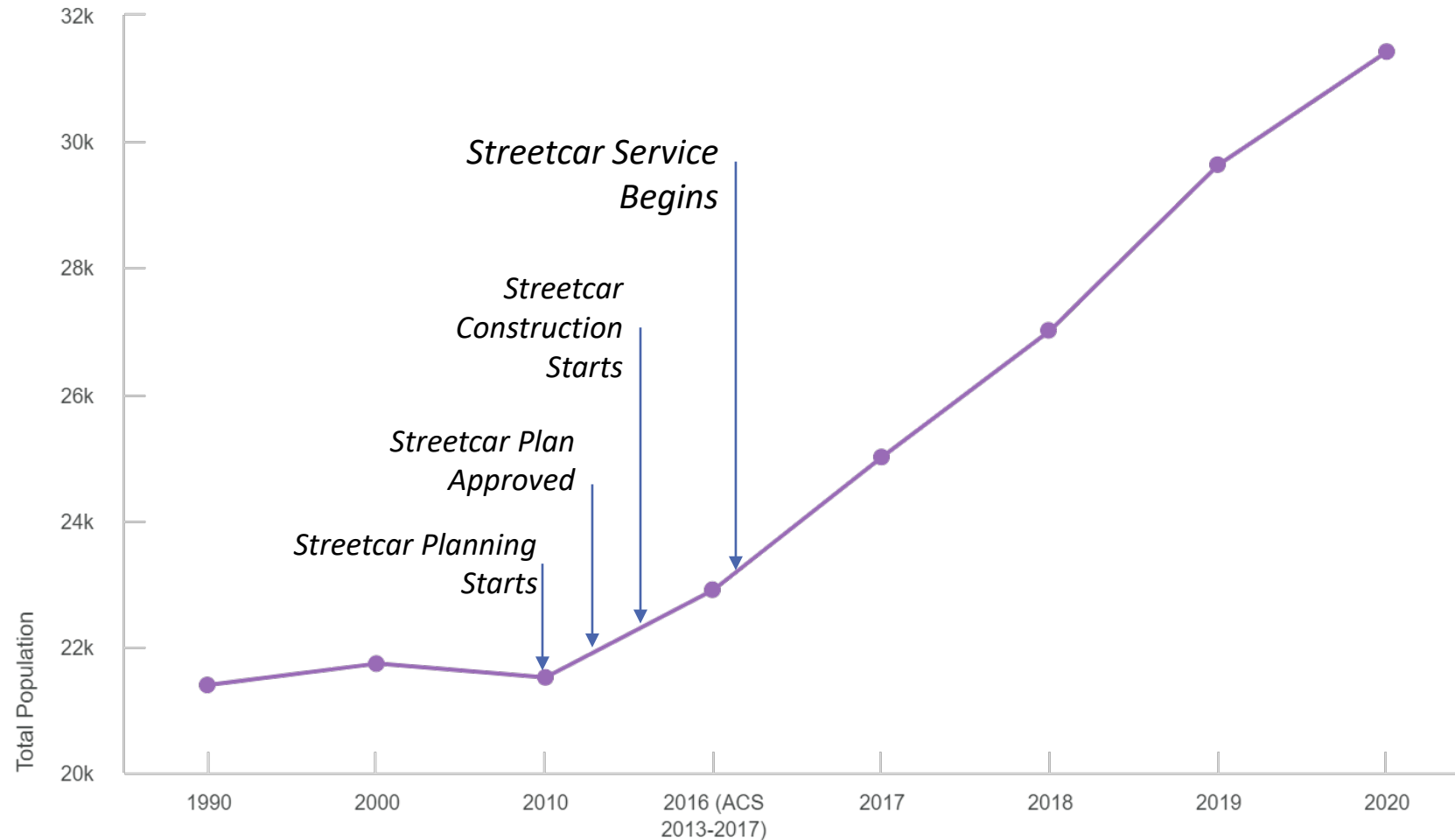
Centropolis, *before / after*
River Market

16th and Main, Kauffman Streetcar Stop New Hampton Inn, *before / after*



Downtown Population Growth and KC Streetcar - Growing Together -

Time Series: Population with Projections



Starter-line: Goals and Results

6+ Years in Service- May 6, 2016

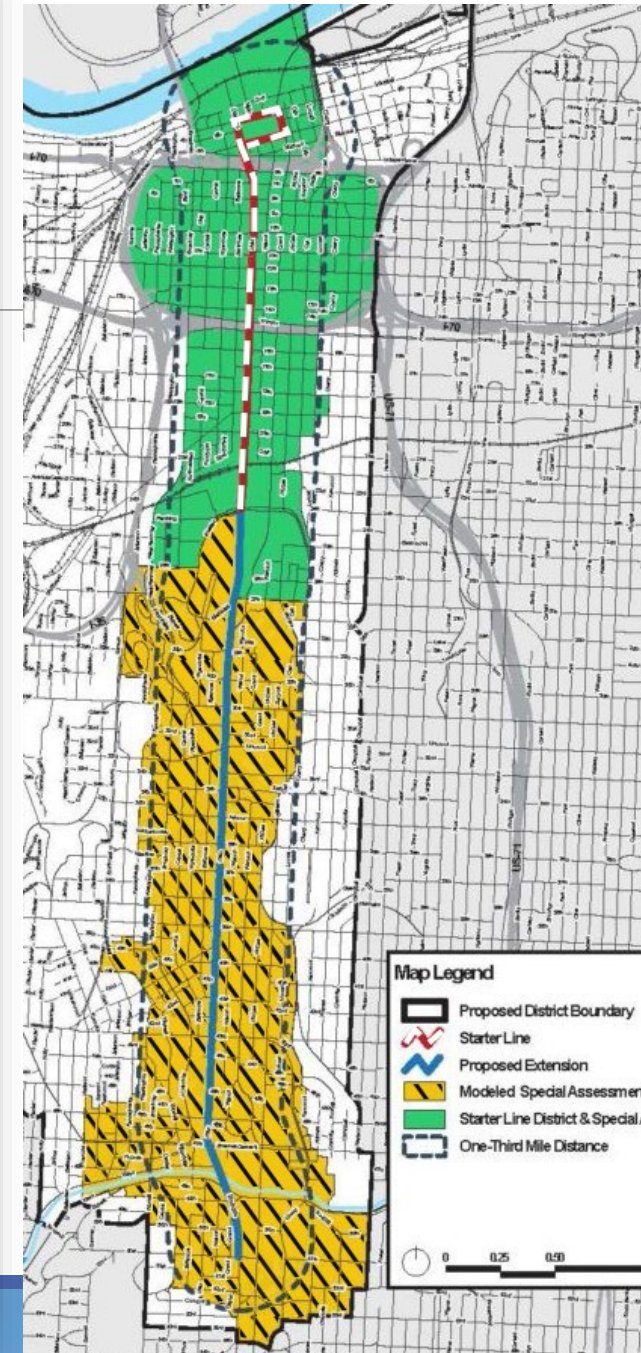
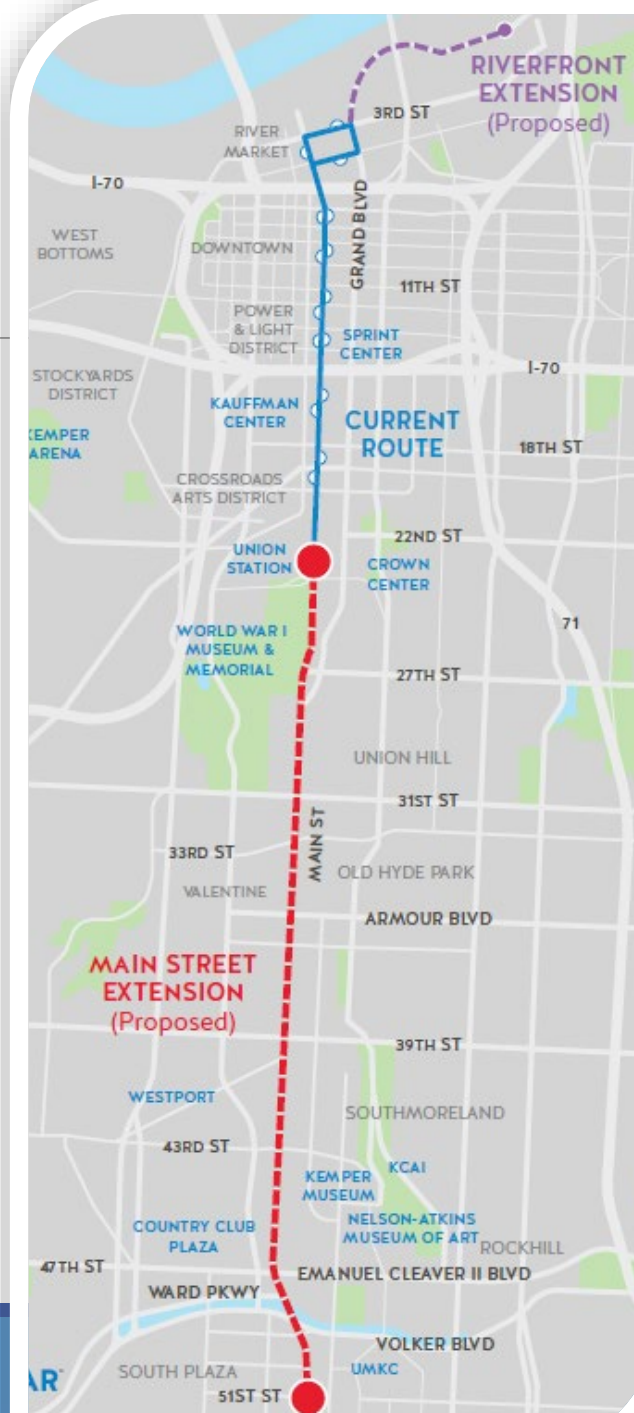
- **Connect:** 9+ million passenger trips
- **Develop:** Record setting development levels along route (surface lot conversions, new mixed use, hotels)
 - 40% increase in residential density within 3 blocks of route
 - 56% increase in downtown TDD sales tax receipts
- **Thrive:** 98% of business on route indicate positive impact on business
- **Sustain:** 77% public satisfaction versus 7% dissatisfied



Moving Forward – Maximizing Value

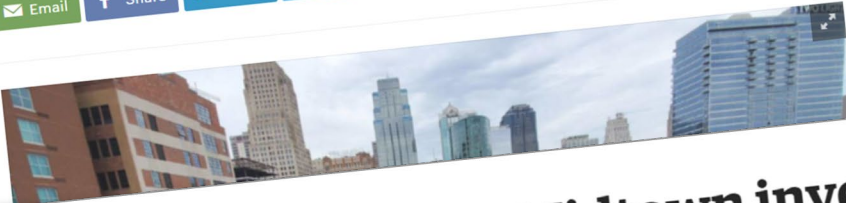
Growing the Benefits

1. Connecting assets city-wide
2. Growing the Local Revenue Model (vote passed 70-30)
3. Connect the University and Plaza (New Starts)
4. Connect the Riverfront (Build)



Developers plan \$253M mixed-use with 506 apartments near Power & Light District

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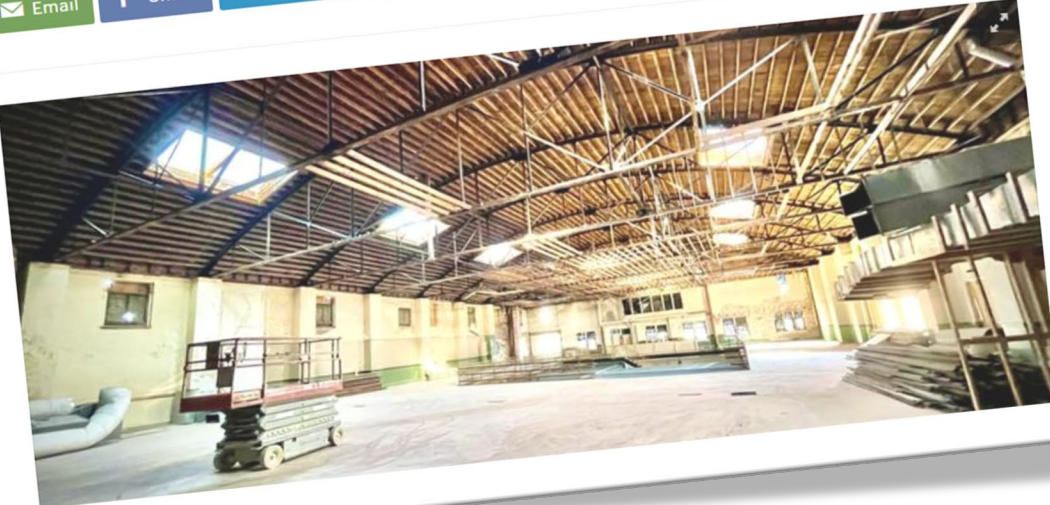
Cordish sets groundbreaking for \$140M Three Light, \$25M affordable Midland apartments

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Exact Partners pushes Midtown investments after streetcar funds finalized [RENDERINGS]

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\$116M tower becomes largest-yet development proposed along future streetcar route

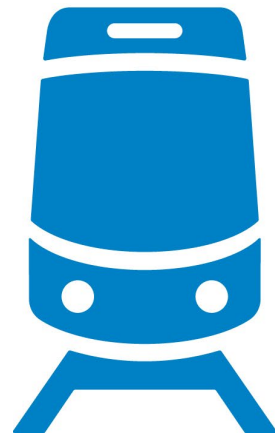
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Office Tower Proposed Near Planned 27th and Main Streetcar Stop

Land Rush Along Streetcar Line Continues



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