



# **Administering, Financing & Implementing**



***Seattle's Central Waterfront Vision***

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# Introduction

In recognizing both the tremendous opportunity and potential pitfalls waterfront redevelopment offers, stakeholders involved in early planning efforts have asked the city to consider setting up a special oversight agency to manage redevelopment activities on the waterfront.

This report is intended to be a starting point. It is intended to introduce core issues pertaining to mega project implementation to decision makers as they begin codifying the process and administrative structure for managing and implementing Seattle's Central Waterfront plan. It also seeks to clarify questions surrounding legal limitations Seattle faces in how it structures redevelopment projects, especially with regards to the pros and cons of various administrative structures for implementing such projects. Research for this report included conversations with local officials as well as a case study analysis of how peer cities have attempted similarly scaled redevelopment projects focusing specifically on how they addressed implementation and funding strategies.

Seattle's central waterfront is a complex project spanning the jurisdiction of numerous local, regional, state and federal agencies and advocacy groups. With removal, of the Alaska Way Viaduct, properties along the city's western edge will become highly desirable. The areas transportation system will also be significantly reconfigured with land mark ferry terminal, new bicycle and pedestrian facilities and investments in public transit. Finally bulldozing the viaduct will create significant opportunities for open space development at Pike Place Market, Pioneer Square and Belltown. The situation is further compounded by a clause in the Washington State constitution that places severe restrictions on cities' ability do conduct redevelopment activities through eminent domain.

The complexity and vast scope of work involved in carrying out waterfront redevelopment does not imply that this should not be done. Evidence from other cities that have successfully gone through their own waterfront redevelopment processes suggests that, if done well, the project will bring a host of benefits including economic rejuvenation in the center city, expanded habitat, civic pride and even increased international prestige for the city and region.

## Summary of Findings

Given the civic importance, intrinsic complexity and long-term timeline inherent in the project along with Washington State's legal restrictions on cities' eminent domain powers, community members have expressed concerns that existing city and state agencies may be ill-equipped to manage central waterfront redevelopment and that a special oversight agency is needed to manage the project. Thus, this study was designed under the assumption that Seattle should establish a waterfront development oversight entity modeled on those established in peer cities to manage their respective redevelopment projects.

As is often the case in surveys, the assumptions behind the questions do not necessarily mirror reality. In most of the projects surveyed, rather than via one special oversight agency, redevelopment was handled through several agencies including traditional city planning departments, or even a sequence of different agencies throughout the redevelopment timeline. This is not to say that Seattle's interest in setting up a special oversight agency is not justified, but rather to suggest that there is no one-size-fits-all formula for successful waterfront redevelopment. Each project has its own market conditions, political framework, legalistic quirks, and unique historical context. Not surprisingly, one finds that financing mechanisms and managerial structures in peer cities reflect the diversity of where these projects were born. Seattle's situation is no different.

Indeed, during the interview process, planners from peer cities lauded the idea for a centralized waterfront planning and redevelopment authority. Such an agency can give the project the focus and longevity it needs to steer waterfront redevelopment. With this in mind, Seattle should attempt to capitalize on the initial opportunity presented by public consensus for an oversight agency and do so early in the planning process. Currently, a political window of opportunity exists for the formation of such an agency. The city enjoys strong support from initial waterfront planning efforts, both amongst the public and with related governing entities (such as the Port of Seattle and the WSDOT). As the waterfront planning effort matures, and decisions become finalized, the opportunity to establish an oversight agency with the necessary powers to successfully complete waterfront redevelopment may be lost. The city should use this window to ensure that the agency created is equipped with the tools such as access to long-term capital and the ability to acquire property it needs to successfully manage a 30-year redevelopment project.

In establishing the lead agency the city should seek to create a nimble adaptive organization. This will not require a large project staff, probably around three to seven employees will be needed initially to oversee waterfront redevelopment.<sup>1</sup> It should have access to people with funding expertise such as bankers or developers. Also, a project of this scale and timeline will require long term political and

community buy-in. Accordingly the lead agency should strive to maintain an active, meaningful dialogue with the general public and maintain the sense of inertia that are a legacy from early planning activities such as the Waterfront Visioning Charrette. Relationships with decision makers and elected officials will also need to be maintained. One way to encourage continual support for the project among decision makers would be to establish key project milestones (especially the opening of new public facilities like parks or significant buildings) to overlap with Seattle mayoral election cycles. Such a move would give subsequent mayoral administrations a tangible reason to support the project.

## **Agency Functions**

The impetus for this report stems from a recognition that the City of Seattle should think strategically about the financing and implementation strategy for the central waterfront. Accordingly, this report was written concurrently with the Draft Central Waterfront Concept Plan. One of the challenges of recommending a managerial structure so early in the planning process is that the scope of the project—that is, the specific projects that will ultimately make up the central waterfront’s vision—is still being fleshed out. To illustrate, many of the various agency structures listed below are inherently more effective at performing certain activities than others. A redevelopment agency for example, may be best suited for fundraising and land consolidation while a non-profit may be the most effective model for maintaining new public spaces (see the Milwaukee case study below). Thus rather than recommend a specific agency structure, this report seeks to inform decision makers of the pros and cons that various models for managing redevelopment projects offer.

With this in mind, two themes stand out as areas for consideration in choosing a managerial model. The first is that decision makers should not limit themselves to forming one particular agency for managing the entire waterfront redevelopment process. Two or more agencies working in different phases of the project may be appropriate. A logical extension of the above example is that a redevelopment agency is established to finance and build new open spaces along the waterfront that would then be turned over to a newly established non-profit organization chartered with maintain these spaces.

This brings us to the second theme: decision makers need to be aware of the various functions a managerial agency will need to oversee. The central waterfront plan involves coordinating numerous individual projects within the planning area. Some of these projects, like the design of the public esplanade, will fall under the jurisdiction of the city. Others, like the new Olympic Sculpture Park, a rebuilt Colman Dock or a new Pacific Northwest Aquarium, are being organized by other jurisdictions which are in turn, at different stages of their respective planning processes. In choosing how the central waterfront project will be managed, the following responsibilities should be considered:

- Fundraising for planning and construction of waterfront projects (e.g. bonding authority)
- Assembling land for redevelopment
- Planning and designing new public open space and right-of-way improvements
- Ensuring projects planned and built by jurisdictions other than the city of Seattle are well integrated into the central waterfront (permitting authority)
- Coordinating various construction schedules
- Maintaining new public open spaces

### **General Findings**

There are various methods for conducting economic development in the State of Washington, all of which offer their own unique strengths and weaknesses. Regardless of whichever organizational type is chosen to guide the central waterfront's redevelopment the leading agency should be granted significant authority to address the following basic criteria for successful waterfront redevelopment.

- **The ability to procure land (eminent domain).**
- **Access to long-term capital rather as opposed to short-term loans for project implementation.** *(e.g. debt increment financing, long term bonds)*
- **The agency board should include members with political access at city, regional, state and federal levels to mitigate against changing political administrations.**
- **The city must retain responsibility to manage and program improvements to the surface and should emphasize the movement of people (pedestrians, bikes and transit) over the movement of cars.** *(street right of way)*
- **The city should have planning jurisdiction over redevelopment projects.** *(e.g. improvements to Coleman Dock, a WSDOT project, should be subject to city permitting processes)*

The following table further details important elements for implementing a successful waterfront redevelopment project.

## **Key Elements for Successful Waterfront Redevelopment**

### **Sponsoring Agency**

- + Good relations with sponsoring government
- + Board of directors both independent as well as well connected to all levels of government
- + Strong links to local government at staff & board levels
- + Good relations w/ local residents (planning, transparency)
- + Ability to link private development w/ public benefits (e.g. open space)
- + Needs access to startup capital
- + Freedom from restrictive government personal and government policies

### **Early Characteristics of Effective Agencies**

- + Active board
- + Small Staff
- + Entrepreneurial chief executive
- + Sometimes hired key staff from peer agencies (mitigates against opposition) esp. planning and transportation
- + Strong knowledge of local values and processes

### **Managing Political Change Over the Long Term**

- + Recruiting local staff for key agency positions
- + Retaining trusted local consultants
- + Appointing local elected officials to the agency board
- + Offering public benefits and development charges
- + Maintaining good relations with local residents

### **Financial Strategy**

- + Needs ownership of land
- + High initial costs (land acquisition)
- + Needs a streamlined process for approving developers
- + Needs a streamlined municipal approval process
- + Ability to issue long-term bonds insulates project from market swings, reduces cash demands on local government, build high quality infrastructure
- + Significant private investment generally takes a long time to materialize (longer than political cycles)
- + Plans for recessions

### **Planning/ Urban Design**

- + Small development increments
- + Tight phasing plans
- + Simple infrastructure that can be phased
- + Adoption of existing infrastructure and buildings for other uses
- + Continuous public access to the water's edge

*Adapted from: Urban Land Institute, Remaking the Urban Waterfront 2004, pp .80 – 99*



## Agency Structure

### **Agency Structure: Quasi-Public Redevelopment Agency**

*DEFINITION: Redevelopment agencies are a kind of government entity established to revitalize blighted and economically depressed areas of a community and foster economic growth. The two primary tools redevelopment agencies employ are 1) the ability to acquire and assemble land via eminent domain and then resell that land to a private developer, and 2) the ability to sell public bonds to finance their redevelopment projects which are then paid off by an increase in property taxes reaped from the area after redevelopment.*

In many of the peer cities, redevelopment agencies managed large urban redevelopment projects such as San Francisco's Transbay Terminal, Boston's Big Dig, and to a lesser extent Milwaukee's park east freeway. Currently, there is an assumption that establishing a traditional redevelopment agency is unfeasible Seattle. A typical explanation would read as follows: *Due to Washington state constitutional limitations on cities' ability to procure land via eminent domain, Seattle currently cannot consolidate and then resell land for large urban redevelopment schemes. Barring a state constitutional amendment, Seattle will be unable to manage its own redevelopment projects.* While the above assumption does have some historical precedence, it may no longer be entirely accurate.

In 2002, in an attempt to circumvent Washington State constitutional restriction on redevelopment the legislature passed the Washington State Community Renewal Law. Rather than amend the constitution, they sought to expand the legal definition of the sorts of conditions that would justify urban redevelopment. While a constitutional amendment would have provided more clarity; such a move would most likely be politically infeasible thus lawmakers chose a legislative fix. Under the new law, Washington cities are now empowered to redevelop parcels for the sake of job creation or economic development. The catch is that the new law has yet to be tested in court as it has never been attempted at a large scale. Should the City form a new redevelopment agency to manage the Central Waterfront project, that agency's legal authority would most likely be tested in court. How the courts are likely to decide is anyone's guess. For more information on Washington's Constitutional limitations and the new community renewal law, see Appendix A.

Aside from a public redevelopment authority, choices for how to structure an oversight agency include: a waterfront development council, the port, non-profit development corporations or public private partnerships.

### **Agency Structure: Waterfront Development Council**

*DEFINITION: Waterfront Development Councils are essentially officially recognized advisory boards composed of experts and stakeholders who are appointed by elected officials or planning*

departments. These organizations can be useful for debating initial concept plans yet due to a lack of powers (they can neither sell bonds, nor acquire land via eminent domain) tend to be ineffective at managing waterfront redevelopment projects in the long run.

Of these tacks, a waterfront development council is *not* recommended as a long-term strategy. Typically these organizations are not equipped to deal with the political fracturing that occurs as complex waterfront projects develop. They also do not have access to land ownership or redevelopment revenue which serves to dilute any incentive for successful redevelopment.

### **Agency Structure: Port Authority**

*DEFINITION: The Port of Seattle is a municipal corporation that is a semi-independent branch of local government. Washington State Ports' stated public purpose is to foster economic development in the communities they serve. Washington ports have been granted specific tools to achieve their economic development mandate. These include:*

- *Develop marine terminals, airports and other facilities for handling cargo and accommodating passengers*
- *Buy and improve pieces of property for lease - or sometimes to sell - to private industry for industrial and commercial uses*
- *Provide air and water pollution control facilities*
- *Operate trade centers and export trading companies*
- *Establish and operate foreign trade zones*
- *Provide environmental enhancement, protection and public access*
- *Build and operate or lease out marinas and related facilities and provide public boat ramps for public use*
- *Promote tourism as an economic stimulus within the port district<sup>2</sup>*

The port option is intriguing and feasible, but should be approached with caution. On the one hand, the port is not a city agency but a semi autonomous municipal corporation and is not set up to solve problems with a city's perspective. The ports primary objective is to generate income. It is unclear the public good would dominate its development focus. Furthermore, the face of the port and the policy it advocates may change drastically with the electoral cycle. New port commissioners may not share their predecessor's commitment or vision to waterfront redevelopment.

At the same time, the port has successfully completed some redevelopment projects on its property and, unlike the city, is granted more freedom under the Washington State constitution to pursue redevelopment projects. The city of Seattle generally enjoys healthy working relationship with the port and might consider establishing some kind of joint development partnership to pursue its waterfront goals. Under such a deal, the city would develop a plan for the area and makes the necessary zoning changes while the port handles land assembly and manages redevelopment of the project.

There are several ways to structure an oversight agency in the state of Washington. These include:

	Pro	Con	Examples	Legal in WA
<b>Quasi-public</b>	<ul style="list-style-type: none"> <li>+ Proven vehicle for waterfront redevelopment under proper circumstances</li> <li>- political insulation</li> <li>- broadly inclusive vision (especially during startup)</li> <li>- Politically connected board (insulates it against changing political administrations)</li> </ul>	<ul style="list-style-type: none"> <li>+ Changing political administrations can weaken effectiveness</li> <li>+ Political appointments can be done via patronage rather than qualified candidates</li> </ul>	<ul style="list-style-type: none"> <li>+ San Francisco</li> <li>+ Boston</li> </ul>	Maybe (see below)
<b>Waterfront Development Council</b>	<ul style="list-style-type: none"> <li>+ Easy to establish</li> <li>+ Can be useful in initial phases of a project to help establish vision</li> </ul>	<ul style="list-style-type: none"> <li>+ Lack of teeth: cannot sell bonds, or acquire property</li> </ul>	<ul style="list-style-type: none"> <li>+ Seattle's Waterfront Advisory Team</li> </ul>	Yes
<b>Port Authority</b>	<ul style="list-style-type: none"> <li>+ Seattle's Port Authority has experience with development</li> <li>+ Port may be allowed to acquire land in ways the city can't</li> </ul>	<ul style="list-style-type: none"> <li>+ The port is a semi-private corporation, not a city agency and thus may not develop the waterfront with the best urban values (e.g. Amgen campus: great open space w/ no public access)</li> </ul>	<ul style="list-style-type: none"> <li>+ NY World Trade Center</li> <li>+ San Francisco Waterfront</li> <li>+ Bellingham Waterfront</li> </ul>	Yes
<b>Public/Private Partnership</b>	<ul style="list-style-type: none"> <li>+ Public sector has more control</li> <li>+ Organizational structures vary widely from city to city</li> </ul>	<ul style="list-style-type: none"> <li>+ May be legal issues regarding what the city can feasibly do</li> </ul>	<ul style="list-style-type: none"> <li>+ SF Mission Bay?</li> </ul>	Yes
<b>Special private, for-profit development corporation</b>	<ul style="list-style-type: none"> <li>+ Useful in cities with small waterfronts</li> <li>+ Useful if city has limited development expertise</li> <li>+ Useful in small sites</li> <li>+ Useful if local development industry has little capacity</li> </ul>	<ul style="list-style-type: none"> <li>+ Limited control</li> <li>+ Developers priorities may change esp. w/ shifting market conditions</li> <li>+ Developer may proceed slowly during boom times due to limited project management capacity or access to financing</li> </ul>	<ul style="list-style-type: none"> <li>+ London's Canary Wharf</li> <li>+ Boston's Charlestown Navy Yard</li> </ul>	Yes
<b>Non-Profit Corporation</b>	<ul style="list-style-type: none"> <li>+ Political insulation for government</li> <li>+ Independence allows organizations to be nimble</li> <li>+ Can issue bonds</li> </ul>	<ul style="list-style-type: none"> <li>+ Cannot assemble land via eminent domain</li> <li>+ Too much autonomy from government can lead to abuses of public trust if project is mismanaged</li> </ul>	<ul style="list-style-type: none"> <li>+ Seattle has several non-profit housing developers</li> </ul>	Yes

*Partially Adapted From: Urban Land Institute, Remaking the Urban Waterfront 2004, pp .80*

**Agency Structure: Other Structures—Public Private Partnerships, Public Development Authorities, Public Facilities Districts & Non-Profit Corporations**

Non-profit corporations, public private partnerships and public facilities districts are difficult to generalize about. This is because in a large part the powers associated with these agencies vary greatly as they depend on the legalistic nuances of how the agencies are chartered. Specifically the powers conferred upon these agencies are generally reflective of opportunities and constraints present in the legal, political and economic environment in which they will operate, as well as the agency's intended mission or goals.

**DEFINITION: Public-Private Partnerships**

The National Council on Public-Private Partnerships (NCP PPP) defines these organizations as follows “A Public-Private Partnership is a contractual agreement between a public agency (federal, state or local) and a for-profit corporation. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.”

The NCP PPP’s website also offers the following advice to policy makers when establishing a public private partnership (PPP).

1. There must be real incentives for the private sector or they will not participate
2. The public-sector must use its resources effectively and judiciously, focusing on projects where there can be success
3. Keep it simple for the private-sector by minimizing the bureaucratic procedures that can cripple a project
4. Remember that “Land is King” —it provides the public with the opportunity to control the projects<sup>3</sup>

**DEFINITION: Public Development Authority (PDA)**

Not to be confused with Redevelopment Corporations, cities and counties in Washington State are authorized to create PDAs to perform a specific public purpose. This purpose can be general or specific<sup>4</sup>. PDAs are authorized to “create public corporations, commissions, and authorities to: Administer and execute federal grants or programs; receive and administer private funds, goods, or services for any lawful public purpose; and perform any lawful public purpose or public function” PDAs have neither eminent domain authority nor the authority to levy taxes. Though they can issue tax-exempt bonds.

PDAs in Washington State are able to:

- Own and sell real and personal property;
- Contract with a city, town or county to conduct community renewal activities;
- Contract with individuals, associations, corporations, the State of Washington and the United States;
- Sue and be sued;
- Loan and borrow funds and issue bonds and other instruments evidencing indebtedness;
- Transfer funds, real or personal property, property interests or services;
- Engage in anything a natural person may do; and
- Perform all types of community services.<sup>5</sup>

In short, these organizations have limited powers but can legally operate under a broad definition of purposes. Seattle’s Art Museum and the Tacoma Thea Foss Waterway project are both PDAs.

**DEFINITION: Public Facilities Districts (PFDs)**

*In the state of Washington PFDs are municipal corporations created by a city or county or by neighboring or overlapping jurisdictions (e.g. Tacoma and Pierce County) to redevelop certain kinds of regional facilities such as a convention centers or sports stadiums. Unfortunately for the purposes of this paper, cities in King County are prohibited from forming PFDs.<sup>6</sup>*

Under the law regional facilities are defined as: “convention, conference or special events center or any combination of facilities and related parking facilities, serving a regional population constructed, improved or rehabilitated after July 25, 1999 at a cost of at least \$10,000,000, including debt service.”<sup>7</sup>

One challenge for using a PFD along the waterfront would be justifying it under the narrow list of uses that PFDs are allowed to be created to build. Perhaps the definition of “regional facilities” might include (or be expanded to include) significant public open spaces. This would require further legal counsel.<sup>8</sup>

However, there are benefits to the city establishing a PFD for its Central Waterfront project. Namely, they can impose both voted and non-voted taxes and are also permitted to generate income from user fees.

**DEFINITION: Nonprofit Corporations [501(c)(3)s]**

*These entities, independent of government, are legally entitled to enter into contracts with the public sector and, depending on how they are chartered, may be able to issue tax-exempt bonds for projects that will ultimately be transferred to public ownership. By operating as an independent organization, they provide an opportunity to shift risks associated with large construction projects away from government and, finally may have access to otherwise unavailable private resources and expertise which can prove beneficial to the success of a project.*

Nonprofits’ political autonomy can create a win-win situation. Because they are not technically a part of government, they may enjoy a level of operational nimbleness not always feasible in the public sector. Additionally, they can be viewed as having a more independent perspective in a project which can insulate the public sector from controversy that may evolve during large redevelopment projects.

Under 63-20 financing (the number is a reference to Internal Revenue Service code), qualified non-profit corporations can issue tax exempt bonds to finance public facilities as long as the facilities are transferred to a government entity once the debt has been serviced.<sup>9</sup>

# Case Studies

## ***Thea Foss Waterway, Tacoma Washington***

### *Project Description*

Tacoma's Thea Foss waterway, locally known as "The Foss" involves the redevelopment of formerly industrial parcels adjacent to the city's downtown. The project's focal points include a public esplanade, new housing, a museum and a landmark pedestrian bridge across a freeway.

### *Organizational Structure*

Projects in Tacoma's downtown are not administered by the City other than for ensuring planning and zoning consistency and consistency with the building codes, whereas redevelopment of Tacoma's downtown Westside waterfront properties are administered by the Foss Waterway Development Authority through an operating agreement. The city purchased the majority of the waterfront properties, developed a master plan and is selling these parcels to qualified developers.

In 1996, the Tacoma City Council formed the Foss Waterway Development Authority (FWDA) with a seven member board to oversee property development and marketing of the publicly-owned Foss Waterway property. The FWDA has a staff of three.

The City and now the FWDA are the landowners and require developers to conform to the city's redevelopment vision, development requirements, covenants, design review and other requirements. Currently, they are in the process of selling these properties through an RFQ process.

The FWDA is a public nonprofit corporation and has many of the powers that a traditional planning authority has with the exception of passing laws, regulations, imposing taxes, lending of credit, adopting plans, etc...

### *Funding Strategy*

Tacoma's process involved advisory groups with diverse stakeholders. These included bankers, developers and business leaders as well as various non-financial interests. As for financing, waterfront construction, public space improvements, esplanade construction and environmental cleanup were all financed through general obligation bonds, grants and some proceeds from the sale of property. All building construction is being funded by the project developer.

*Summarized Project Scope*

<b>Coordination of public and private improvements</b>	Yes
<b>Condemnation/power of eminent domain</b>	No
<b>Programming and Management of public spaces</b>	Yes
<b>Development</b>	Yes
<b>Master leasing</b>	Yes
<b>Fund raising</b>	Yes
<b>Business relocation support</b>	No
<b>Mitigation banking</b>	Haven't Done
<b>Sustainability advocacy</b>	Yes
<b>Education</b>	Yes

*Lessons Learned*

Tacoma offers a good example of the scale and quality of waterfront development that can be achieved under existing state regulations. It's worth noting that the development process in Tacoma differs substantially from that in Seattle. Tacoma has merged all city agencies involved with real estate development into one agency, which in turn has developed an extremely streamlined permitting process. City officials chose to establish the city's liberal regulatory framework after a period of prolonged urban decay. Moreover, when the planning for Tacoma's downtown was underway, the downtown residential population was miniscule and the city enjoyed tremendous public support.

In contrast, Seattle has a strong tradition of public participation in planning and a downtown population that is comparatively larger than Tacoma's. Indeed, part of Tacoma's success in its downtown development strategy stems from that city's streamlined approach to development. Whether or not such an approach is feasible in Seattle's political climate, or even desirable, needs to be factored carefully before reorganizing the development process.

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Project Websites

<http://www.theafoss.com/Home.asp>

<http://www.ci.tacoma.wa.us/econdev/2Opportunities/TheaFoss.htm>

## **Octavia Boulevard, San Francisco California**

### *Project Description*

The Octavia Boulevard has its origins in the 1989 Loma Precita Earthquake. A short stretch of San Francisco's Central freeway collapsed and a greater portion was rendered seismically unsafe. The city went through several initiatives over whether or not the derelict structure should be replaced, voting once to replace the freeway with a boulevard, a second time to rebuild an aerial viaduct it and a third time to build a surface boulevard. The new street is not dissimilar in design to traditional European Boulevards of Paris and Barcelona. Fast moving central lanes separated by a center median. Heavily landscaped side medians define a pedestrian realm and separate slow moving local traffic and bicycles on the edges roadway's edges. The new roadway will terminate in a new park built into excess right of way that was left from the freeway's demolition.

### *Organizational Structure*

No special agency tasked with freeway redevelopment was established. Rather, the project was managed through various agencies within the city bureaucracy. The Octavia Boulevard project was not a redevelopment agency project, but rather a conglomeration of various city departments: San Francisco County Transportation Authority<sup>10</sup> (project management); the Department of Public Works (construction); the Mayors office of Economic Development (disposition of the property). The redevelopment agency was involved as an affordable housing developer.

City Planning's role in the project was coincidental. The planning department had started its Better Neighborhoods 2002 planning program in the neighborhood before consensus had been reached between the city and state over whether or not to demolish the freeway. At the beginning of the planning process, it was unclear whether or not the project would happen. Public indecision (as represented by a series of seemingly contradictory voter initiatives; state posturing to rebuild etc... all contributed to a sense of uncertainty surrounding the project. City planning was instrumental in raising expectations, building public support and guiding growth as city planners were supporting the boulevard concept throughout the planning process.

### *Funding Strategy*

Because the earthquake had damaged a state structure, Caltrans (the state transportation agency) was responsible for repairing it. Moreover, the city didn't want the freeway. An agreement was worked out between the city and Caltrans where the state would demolish the existing freeway and hand over the right-of-way to the city. The city would pay to build the new surface boulevard. The sale of developable parcels previously covered by the elevated freeway to housing developers will fund the project with one half of the new housing units to be affordable. A new park (the Hays Green) is an amenity that is a component of the boulevard design.



Since the project was self-financing, financial people such as lenders were not really involved with the project.

*Summarized Project Scope*

<b>Coordination of public and private improvements</b>	County Transportation Authority
<b>Condemnation/power of eminent domain</b>	N.A.
<b>Programming and Management of public spaces</b>	County TA
<b>Development</b>	Department of Public Works
<b>Master leasing</b>	N.A.
<b>Fund raising</b>	N.A. Project is self-financing
<b>Business relocation support</b>	N.A.
<b>Mitigation banking</b>	N.A. No habitat issues
<b>Sustainability advocacy</b>	City Planning
<b>Education</b>	City Planning

*Lessons Learned*

A project of this scale should have some sort of centralized office to coordinate the project activities. At times, jurisdictional boundaries stalled progress. For example, it was difficult to get transportation, real-estate, planning etc... to work together. Thus, there needs to be commitment at highest levels of city government to establish a hierarchy of direction.

Projects need a popular life. Three citywide ballot initiatives over the project (1: boulevard, 2: rebuild viaduct, 3: boulevard) are indicative of a healthy discourse and splintered public sentiment over the project. The city should come up with a strong vision, leadership, marketing.

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Octavia Boulevard  
<http://www.octaviacentral.org>  
[http://www.sfgov.org/site/octavia\\_blvd\\_index.asp](http://www.sfgov.org/site/octavia_blvd_index.asp)

## **Park East Freeway, Milwaukee Wisconsin**

### *Project Description*

In major urban centers like Buffalo, and Cleveland the United States Department of Transportation has co-opted local state transportation departments and caused them to build over waterfronts all over the country. Milwaukee is fighting back because it is a bad land use. The project involves demolishing a mile long freeway spur adjacent to Milwaukee's Central Business District and replacing it with a surface boulevard. The plan knits together Milwaukee's broken downtown street grid and involves the redevelopment of 16 acres of underutilized land formerly blighted by the freeway's presence.

### *Organizational Structure*

The city of Milwaukee's development arm which is responsible for the Park East Freeway project is organized similarly to that of Tacoma where all city agencies dealing with development and the built environment have been rolled into one super agency called the Department of City Development (DCD). Staffing-wise, DCD has an executive director who is the director of all development agencies within the city. Each city board has its own assistant director (e.g. the board of zoning appeals) and everybody else is departmental staff. DCD is a City staffed agency, and is funded by property tax. The agency handles anything relating to property in the city of Milwaukee. All public property in the city is owned by DCD. They also own all tax deed properties.

A planner working for DCD is staff of the housing authority, the redevelopment authority, planning, historic preservation, the board of zoning appeals etc... DCD houses the Milwaukee Economic Development Corp. which is a 501(c)(3) non profit corporation that issues low interest loans for business development and the Neighborhood Development Corporation which funds residential development and infill housing rehabilitation loans with HUD grants. The agency can also enter into contracts with non-profits one example was a successful program through which a local non-profit was established to maintain new open spaces created by the removal of the Park East freeway (see below). Finally, DCD includes the city redevelopment authority (enabled under chapter 6633 of Wisconsin statutes). Affectionately known as a "one stop shop for development" DCD has absolute control of all development in the city of Milwaukee.

The agency tries to use its myriad of responsibilities to its advantage, a DPD planner may introduce herself on the telephone as staff from the redevelopment agency and ten minutes later go into a meeting representing the city’s historic preservation board. The condensed structure of the department serves to reduce inter-departmental jurisdictional rivalries and reduce red-tape. In Milwaukee there are no myriad of agencies doing planning.

*Funding Strategy*

DCD procured a grant from the state to fund the removal of a freeway and pay for its replacement with a surface boulevard. The city spent an additional \$13 million to make it work. Milwaukee County owns freeway in a deed of trust for the state, but Milwaukee is both a city and county, the city effectively controls of all redevelopment in the project area.

Programming and management of public spaces done and built by DCD, but they try to negotiate for other people to maintain the new park space. The strategy is for the city to retain ownership of the park space and establish non-profits to manage parks. This keeps non-profits immune from recreational liability.

*Summarized Project Scope*

<b>Coordination of public and private improvements</b>	Yes
<b>Condemnation/power of eminent domain</b>	Yes
<b>Programming and Management of public spaces</b>	Yes
<b>Development</b>	Yes
<b>Master leasing</b>	Yes
<b>Fund raising</b>	Yes (can issue bonds)
<b>Business relocation support</b>	Yes (but wasn't necessary)
<b>Mitigation banking</b>	Didn't do for Park East
<b>Sustainability advocacy</b>	Yes
<b>Education</b>	Yes

*Lessons Learned*

The ability to assemble land via eminent domain and the ability to sell long-term bonds are two of the most powerful and effective tools DCD uses to create quality open spaces.

*Contact, Resources*

Michael Wisniewski  
 Milwaukee Department of City Development

## ***Transbay Terminal, San Francisco California***

### *Project Description*

The Transbay Terminal project is a three-pronged redevelopment project currently underway in San Francisco, CA. While neither a freeway nor a waterfront project, the Transbay project involves multiple governing jurisdictions vital transportation infrastructure (similar in scale to Seattle's proposed Coleman dock project) and a significant TOD around the proposed terminal.

The Project has three components: 1. the Transbay Terminal, 2. the Caltrain (commuter rail) Downtown subway Extension, and 3. the Redevelopment Plan. All three are related. The new Transbay Terminal will be a major benefit for the region and is essential to revitalizing the immediate area, which is the primary goal of the Redevelopment Plan, which in turn will facilitate the creation of a new residential and commercial neighborhood surrounding the new Terminal. These projects will generate necessary funding for the Terminal and Caltrain Extension. The Caltrain Extension makes the Terminal a multi-modal facility, thus increasing its role in the area and in the region.

The project is being jointly managed by two agencies: The Transbay Joint Powers Authority (TJPA) and the San Francisco Redevelopment Agency. The TJPA is responsible for the Terminal and the Caltrain Extension while the Redevelopment Agency is responsible for implementing the Redevelopment Plan.

### *Organizational Structure*

The project is being jointly managed by two agencies: The Transbay Joint Powers Authority (TJPA) and the San Francisco Redevelopment Agency. The TJPA is responsible for the Terminal and the Caltrain Extension while the Redevelopment Agency is responsible for implementing the Redevelopment Plan.

The TJPA has a Board of Directors consisting of 5 members representing various regional and San Francisco transportation agencies. The Redevelopment Agency has a commission consisting of 7 members appointed by the Mayor of San Francisco. The San Francisco Board of Supervisors controls the budget for the Redevelopment Agency, while the TJPA has funding from a variety of local, regional, and federal sources, including sales taxes, bridge tolls, and loan programs.

The Redevelopment Plan gives the Redevelopment Agency its powers within the

Project Area. It has not been adopted yet by the Board of Supervisors, but it has been approved by the Redevelopment Commission. The Redevelopment Plan is prepared according to the requirements of the California Community Redevelopment Law (CRL). Two of the powers that are most commonly associated with the CRL are tax increment financing and eminent domain. Through tax increment financing (which involves redirecting all incremental increases in property tax revenue generated within a project area after a redevelopment plan is adopted to programs and activities within that project area) the Redevelopment Plan will generate hundreds of millions of dollars for the Transbay Terminal and Caltrain Extension. Eminent domain in California is the power to acquire, for fair market value, property for a public purpose, or, in the case of redevelopment agencies, a redevelopment purpose. The TJPA does not have eminent domain power, so when it is necessary for property acquisitions related to the Transbay Terminal or Caltrain Extension they must use either the San Francisco Board of Supervisors (which, like all city legislative bodies in California, has eminent domain power) or the Redevelopment Agency.

*Funding Strategy*

The project is still in the planning stages. The TJPA has been responsible for funding the Terminal. The Agency uses tax increment financing for all of its programs. The Caltrain extension is to be partially funded by future California High Speed Rail bonds. The project’s advisory group, *The Mayor’s Transbay Citizens Advisory Committee*, includes residents and community organizations from the area as well as real estate developers, property owners, architects, and other consultants.

*Summarized Project Scope*

<b>Coordination of public and private improvements</b>	Yes, except that the TJPA is responsible for the Terminal and Caltrain Extension.
<b>Condemnation/power of eminent domain</b>	Yes, except that the TJPA is responsible for condemnations related to the Terminal and Caltrain extension and can go through either the San Francisco Board of Supervisors or the Redevelopment Agency.
<b>Programming and Management of public spaces</b>	It depends. For new parks and other public spaces, yes. For the Terminal, the TJPA is responsible.
<b>Development</b>	The Agency is not a developer of projects. TJPA facilitates development by private or non-profit groups. TJPA is responsible for overseeing the development of the entire Project Area, but not for the construction of individual projects.
<b>Master leasing</b>	Yes, where appropriate
<b>Fund raising</b>	Yes, but the TJPA is responsible for funding the Terminal and Caltrain Extension.

<b>Business relocation support</b>	Yes, the Redevelopment Agency would be responsible for relocation of businesses affected by the proposed future development in the Project Area, except that the TJPA would pay for the relocations resulting from the Terminal and Caltrain Extension.
<b>Mitigation banking</b>	There are no wetlands or other natural environments within the Project Area, so I don't think this applies. It is a completely urbanized part of San Francisco.
<b>Sustainability advocacy</b>	Yes, except for the Terminal and Caltrain Extension.
<b>Education</b>	Yes, with the TJPA.

### *Lessons Learned*

At this early phase, community outreach and involvement has been critical to the success of the planning process for all three components of the project.

### *Contact, Resources*

Michael J. Grisso  
 Project Manager  
 San Francisco Redevelopment Agency  
 770 Golden Gate Avenue  
 San Francisco, CA 94102

### *Project Homepage*

[http://sfgov.org/site/tjpa\\_index.asp](http://sfgov.org/site/tjpa_index.asp)

### *San Francisco Redevelopment Authority Project Page*

[http://www.ci.sf.ca.us/site/sfra\\_page.asp?id=5583](http://www.ci.sf.ca.us/site/sfra_page.asp?id=5583)

## **Big Dig, Boston Massachusetts**

### *Project Description*

The Big Dig project is arguably among the largest public works projects yet attempted by an American City. The project involves replacing an obsolete six-lane freeway with a eight to ten lane freeway. The new structures include a signature cable stayed suspension bridge, five new interchanges, and a freeway extension to the airport most of which will be underground or underwater. Burying the freeway will free up acres of formerly blighted land on the city surface for redevelopment. Parcels vacated by the freeway's removal are, for the most part slated to be converted to open space.

### *Organizational Structure*

The Big Dig is being managed through the city bureaucracy. No special agency was established for the purposes of managing the project. The Boston Redevelopment Authority (which houses economic development as well as city planning functions) is acting in its planning role and was responsible for development. The Boston

Transportation Department is responsible for constructing new streets.

*Funding Strategy*

The Big Dig is effectively two projects. The highway portion, originally under the jurisdiction of the Massachusetts Highway Department was transferred to the Massachusetts Turnpike Authority as the latter agency has the ability to collect tolls as a revenue source.

For the surface portion, land was acquired by the Commonwealth of Massachusetts on understanding that surface transportation improvements, once constructed, would be turned over to city. The commonwealth paid for new construction and will collect future tax revenues that the surface parcels will generate. The city did however create a master plan for how the parcels will be developed.

The project is being funded by various sources including federal sources and tolls.

*Summarized Project Scope*

<b>Coordination of public and private improvements</b>	Streets –Transport Dept. Parks: Redevelopment Authority
<b>Condemnation/power of eminent domain</b>	Mass hwy Dept.
<b>Programming and Management of public spaces</b>	Created a non-profit conservancy which is to be programmed and maintained by the Mass Turnpike Authority. For the first 5 years, the non-profit raises \$\$\$ to run a non-profit modeled on Central Park Conservancy
<b>Development</b>	The development protocol went as follows: The Federal government put up 70 % of funds. All properties were competitively advertised by request for proposals by the owner, Mass Turnpike Authority. These were governed by RFP guidelines written by the Boston Redevelopment Authority and the community. The guidelines covered the use and design of the parcel.
<b>Master leasing</b>	N.A.
<b>Fund raising</b>	70 % fed, 30 % state (general revenues of mass) now shifted to Mass. Turnpike Authority
<b>Business relocation support</b>	Only one or two instances
<b>Mitigation banking</b>	For the part of the project that went through downtown there were very high costs to neighborhoods. These ranged from new parks to insulating resident’s windows. Turnpike Auth., a state agency oversees environmental documents and implementation set up a committee to track commitments and hold public meetings on achievements

<b>Sustainability advocacy</b>	All agencies not a huge focus on that heading.
<b>Education</b>	yes

*Lessons Learned*

Having a state agency managing redevelopment was fractious and problematic. State government shouldn't be in business of controlling redevelopment projects in the heart of the city.

*Contact, Resources*

Richard Garver,

Project Manager

Boston Redevelopment Authority

Boston Redevelopment Authority Central Artery Homepage

<http://www.ci.boston.ma.us/bra/Planning/PlanningInitsIndividual.asp?action=ViewInit&nitID=11>

Massachusetts Turnpike Authority

<http://www.masspike.com/bigdig/index.html>



# Appendix A: Constitutional Issues Surrounding Economic Redevelopment & the Washington State Community Renewal Law

Washington State's constitutional limitations on redevelopment stem from a populist sentiment during the Washington State Constitutional Convention in 1889. The authors of our constitution weary of dubious federal giveaways to the railroad industry feared unchecked private corporations' corrupting influence on government. Accordingly, attendees at the constitutional convention were concerned with issues revolving around whether or not the state should be able to use public funds for private purposes in exchange for some kind of public benefit. Accordingly, they wrote several clauses into the state constitution placing severe restrictions on such activities.<sup>11</sup> It is due to these restrictions that Washington State cities do not utilize Redevelopment Agencies.

In deciding whether or not the aforementioned constitutional clauses have been violated, the State courts employ a test to see whether the government program in question constitutes a legitimate public purpose. The courts, however, have generally defaulted to the legislature to define the parameters of what constitutes legitimate public purposes. In other words, the state legislature chooses what kinds of activities are acceptable and the courts, in turn enforce the law. For urban planning purposes, public purpose has traditionally been granted for issues surrounding public health and safety<sup>12</sup>. Job creation and eliminating blight have not fared as well. It was understood that a city's ability to conduct an urban redevelopment process was contingent on an amendment to the state constitution.

At the same time, the threshold for what constitutes legitimate public purpose has evolved significantly over time and some feel that the courts may be ready to include the elimination of blight in their criteria as a legitimate public purpose for a city to undertake a redevelopment project. Furthermore, recent changes in the law have sought to bolster the legitimacy of urban redevelopment in the eyes of the law.

In 2002 the Washington State legislature passed the State Community Renewal Law<sup>13</sup>. This law amended an older statute (formerly titled The Washington State Urban Renewal Law) and expanded its definition of what constitutes public purpose without amending the constitution. In the case of redevelopment public purpose has been expanded to include concepts such as using eminent domain powers to acquire land for the purposes of job creation and elimination of blight.

The law defines a blighted area as follows:

- Substantial physical dilapidation, deterioration or obsolescence,

- Overcrowding,
- Unsanitary or unsafe conditions,
- Dangerous or unhealthful conditions,
- Hazardous soils or substances,
- Inappropriate or mixed uses of land or buildings,
- Defective or inadequate street layout or lot layout, improper subdivision or obsolete platting,
- Excessive land coverage,
- Persistent and high levels of unemployment or poverty,
- Diversity of ownership, or
- Tax or special assessment delinquencies.

Under RCW 35.81.010(2) blight is divided into two categories. The first six bullets above are related to maintaining standards of public health and safety. These provisions have been recognized in Washington statutes since the 1950s. The latter six bullets were added in the 2002 revision of the law. They broaden the law's scope to include economic and land use problems. Cities' redevelopment efforts are likely to face less scrutiny in the courts when attempting to deal with public health and safety than when attempting to eliminate economic blight.

In reviewing these cases, the courts will test whether or not the redevelopment project in question falls within the parameters set by the public purpose provisions in article VII, section 1 (amendment 14),<sup>14</sup> the lending of credit provisions in article VIII, sections 5 and 7,<sup>15</sup> and the tax uniformity provisions in article XI, section 9<sup>16</sup> of the Washington state constitution. In doing so, the Washington State Supreme Court will presume any declaration of a statute's public purpose as written by the legislature to be constitutional unless it is found to be arbitrary or unreasonable. The burden in these cases is on the plaintiff to prove beyond any reasonable doubt that the constitutional provisions have been violated. Furthermore, the court has clearly established its unwillingness to place constitutional restrictions on public agencies as to render them unable to perform recognized and essential powers of government

It should be noted that while it is impossible to predict how the court will react in future cases, the court's treatment of the aforementioned constitutional provisions with regards to economic development has evolved over time. Recent cases surrounding redevelopment issues suggest a more lenient interpretation of the law.<sup>17</sup> To pass legal scrutiny however, an economic development scheme will need to prove that it passes the court's tests: *"Clearly economic development incentives will be challenged and usually found unconstitutional by the court if the scheme cannot show it meets a public purpose or recognized governmental function, if the transaction does not show consideration and there is donative intent, and if the scheme causes non-uniformity in the taxing structure"*<sup>18</sup>

## ***Highlights of the Washington State Community Renewal Law: RCW 35.81***

Under RCW 35.81.010(14), “Redevelopment” may include:

- Acquisition of blighted areas,
- Demolition,
- Construction of streets, utilities, parks, playgrounds and other improvements necessary to carry out community renewal,
- Making land available for development or redevelopment “by private enterprise or public agencies” (including the City), including sale or lease, or
- Making loans or grants for job creation or retention.

Under RCW 35.81.010(15), “Rehabilitation” may include the restoration and “renewal of a blighted area in accordance with a community renewal plan” by:

- Carrying out a program of voluntary or compulsory repair and rehabilitation,
- Acquisition of property and demolition of buildings to eliminate unsafe or unsanitary conditions, lessen density, reduce traffic hazards, eliminate blight-causing, obsolete uses or other uses detrimental to the public welfare, or to provide land for public facilities,
- Construction of streets, utilities, parks, playgrounds and other improvements, and
- Disposition and sale of property.<sup>19</sup>

The catch; however is that the new law has not yet been tested in court. The law’s initial supporters, understanding that a constitutional amendment was politically unfeasible, attempted a legislative fix. Rather than amend the state constitution, they broadened the definition of when redevelopment is justified in Washington State and, by doing so, were able to circumvent a referendum by the voters that a constitutional amendment would require.

In summary, had the legislature managed to amend the state constitution, there would be no question about the legitimacy of Seattle establishing a redevelopment agency to handle waterfront redevelopment. In the current legal environment, the legality of the city establishing such an agency is murky.

Thus should the city decide it wants to pursue the project as a redevelopment project it has two options. 1) The city can lobby the legislature to amend the state constitution or, 2) the city can try to manage a redevelopment project under the existing law and hope that such a project would survive a legal challenge.

It should be noted that the passage of an amendment to the state constitution is probably politically unfeasible at this time. Firstly, an amendment to the state constitution would require ratification by the voters. In 1984, Washington State voters

resoundingly defeated a proposal that would allow tax increment financing for public projects, suggesting that the public does not have much appetite for broadening local government's role in its ability to undertake urban redeployment projects. In addition to the legalistic hurdles the City would have to overcome, external factors in the current political landscape suggest that a constitutional amendment might be seen as politically risky by elected officials. When one factors in that the incumbent governor is fighting for legitimacy and the visceral reaction to the new critical areas ordinance in rural King County, it seems unlikely that the city's efforts to lobby for a constitutional amendment would meet with success. In short, in deciding whether to pursue the mammoth lobbying effort required to amend the state constitution, decision makers need to carefully weigh both technical and contextual factors. If a constitutional amendment is ultimately sought, policy makers should consider postponing the requisite lobbying effort until frustration over the governor's race and property rights issues in rural areas subside.

If the City does attempt to establish a redevelopment arm under the existing law (option 2) it might consider expanding the role of the Seattle Housing Authority to include managing redevelopment projects citywide. The idea is that the city could avoid expensive overhead costs associated with establishing a new agency, especially the costs of adding development expertise such an agency would presumably need. Such a move would effectively broaden the Housing Authority's mission to include redevelopment as the Office of Housing already has experience in managing development projects and its current role could easily be expanded from developing housing projects to managing redevelopment projects in general. The cons of such a move is that expanding Housing's role in redevelopment negates the benefits the city would gain from having a separate agency and the waterfront project might take a secondary role to the agencies core mission of building housing.

## **Appendix B: Sample Survey Questioner**

Dear \_\_\_\_\_:

I am a graduate student in urban planning at the University of Washington and an intern at the city of Seattle's Department of Planning and Development. As you may know the Seattle is currently in the process of planning for the removal of the Alaskan Way Viaduct along its central waterfront.

Local stake holders recognize that successful waterfront redevelopment a will require some kind of public authority specifically tasked with waterfront redevelopment that has more discretionary powers than a traditional planning office. At the same time, as you are probably well aware, the Washington state constitution places severe limitations on cities' ability to conduct redevelopment by restricting their ability to procure land via eminent domain.

As the City of City Name is currently going through a similar process with the City Planning/RedevelopmentProject Name redevelopment project, I am researching the City Name model to see which aspects may be applicable here. Of particular interest, is how City Name has structured the governing body responsible for *implementing* the city's vision for waterfront redevelopment, and what financing mechanisms were employed.

Below are a few questions:

1. Who is responsible for the waterfront redevelopment?
2. Is there some kind of oversight agency specifically set up for the task? (E.g. PDA, Development Authority, Non-Profit w/ specific mission, city department, coalition of public/non-profit organizations?)
3. What special powers does it have that differ from those of a traditional planning authority?
4. How many staff members does it have
5. Is the redevelopment agency responsible for:
  - a. Coordination of public and private improvements
  - b. Condemnation/power of eminent domain
  - c. Programming and Management of public spaces
  - d. Development
  - e. Master leasing
  - f. Fund raising
  - g. Business relocation support (during and after highway demolition)
  - h. Mitigation banking
  - i. Sustainability advocacy
  - j. Education

6. How has the financial community been involved in your process? (E.g.: what kinds of people were included on your advisory groups?)
7. What funding mechanisms have been employed fund the project?
8. Lessons Learned / Your two cents. Any advice? Especially regarding the organizational structure of the project: What has been successful in implementing the waterfront development? What could be improved upon?

Warm Regards,

Paul Chasan

Planning Intern: Seattle Department of Planning and Development

## Notes

<sup>1</sup> For an example of a similarly scaled agency, see the Transbay Terminal Case Study, *Organizational Structure* section below.

<sup>2</sup> [http://www.washingtonports.org/economic\\_development/edc\\_cover.htm](http://www.washingtonports.org/economic_development/edc_cover.htm)

<sup>3</sup> The National Council for Public-Private Partnerships:  
<http://ncppp.org/howpart/index.html><sup>4</sup> RCW 35.21.730(5)

<sup>5</sup> Preston Gates & Ellis, p.4

<sup>6</sup> The Preston Gates & Ellis article (cited below) mentions that cities are prohibited from pursuing PFDs. The county itself however is not. Safeco Field was a PFD recently developed in King County. For the city to pursue the PFD approach, it may need to get special permission from the county.

<sup>7</sup> RCW 35.57.020(1)

<sup>8</sup> *City and County Options for Creative Financing: PFDs, PDAs and 501(c)(3)s*. Preston Gates & Ellis LLP. 2003.

Available at The Municipal Research & Services Center's website: [www.mrsc.org/Subjects/Econ/ed-pfd.aspx](http://www.mrsc.org/Subjects/Econ/ed-pfd.aspx)

<sup>9</sup> Preston Gates & Ellis, p.15

<sup>10</sup> San Francisco is both a city and county and San Francisco County includes no municipalities other than the City of San Francisco.

<sup>11</sup> These include: The Public Purpose Provision Article VII, section 1 (amendment 14) which "limits the levy and collection of taxes for only public purposes." (Pittman, 8); and Article VIII, sections 5 and 7 which are similar the Article VII provision but more restrictive in scope (Pittman, 12)

<sup>12</sup> Rat infested housing, or exposed sewers etc...

<sup>13</sup> Chapter 35.81 RCW COMMUNITY RENEWAL LAW

<sup>14</sup> Applies to the levying and collecting of taxes for public purposes: "The power of taxation shall never be suspended, surrendered or contracted away. All taxes shall be uniform upon the same calls of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only..."

<sup>15</sup> WASH. CONSTITUTION art VIII s 5: "The credit of the state shall not, in any manner be given or loaned to, or aid of, any individual, association, company or corporation."

WASH. CONSTITUTION art. VIII, s 7: "No county, city town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation."

<sup>16</sup> WASH. CONST. art XI, s 9: No country, nor the inhabitants thereof, nor the property therein, shall be released or discharged from its or their proportionate share of taxes to be levied for state purposes, nor shall commutation for such taxes be authorized in any form whatever.”

<sup>17</sup> Pittman, K. (2000). *Constitutional Restraints on Economic Development Incentives in Washington State*. Office of Program Research, Washington House of Representatives.

<sup>18</sup> Pitman, 44

<sup>19</sup> Spitzer(author); Wolfe (editor), 2003



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Chapter 35.81 RCW COMMUNITY RENEWAL LAW







citydesign

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