



City of Seattle
Office of Planning and Community Development

Date: March 15, 2016

To: Councilmember Sally Bagshaw, Councilmember O'Brien, Councilmember Johnson

From: Steven L. Shain, OPCD

CC: Diane Sugimura, Ben Noble, Scott Kubly, Nathan Torgelson, Brian Surratt
Hillary Hamilton, Eric Tweit, Katherine Tassery, Jessica Brand

Subject: Teardrop Site and Public Input

The purpose of this memo is to provide a clear history on an important publically owned property that could maximize many public priorities. This potential disposition of this site has been investigated for a couple years. It is imperative that the City of Seattle agree on clear path forward on disposition. This property is bounded by Mercer Street to the south, Roy Street to the North, Dexter Avenue to the west and 9th Avenue to the east. The Seattle Department of Transportation (SDOT) has proposed vacating approximately 66,811 square feet of Broad Street within this boundary. This irregularly shaped portion of Broad Street is to be vacated as part of larger strategy to reconfigure and reconnect the street grid within the framework of the realignment of State Route 99 and the related Mercer Street Improvements.

Background

There have been three Green Sheets relative to this site: 14-1-A-1 (2014); 90-3-A-1 (2016); 90-3-A-2 (2016). Council's specific interest in the Teardrop and two nearby sites grows out of an effort developed several years ago to use City assets in South Lake Union (SLU) to address neighborhood interests and to create opportunities for all City residents to take advantage of SLU as a "neighborhood of opportunity". Examples of opportunities that have been proposed are affordable housing near this robust employment center, and some type of training center to provide career opportunities that might be fulfilled in SLU.

Memorandum

Although the focus of Council interest has been on the Teardrop property, there are actually three properties that have been considered as part of various Green Sheets:

Location	Lot Size	Maximum Height per City Zoning	Fund Source Used for Purchase	Financial Obligations
Mega-Block Seattle Department of Transportation (SDOT), owner	89,000 square feet	240' residential; 160' commercial	30% commercial parking tax; 12% Gas Tax; 58% private/GSF	\$26M Interfund loan repayment
"Copiers Northwest" SDOT, owner	24,000 square feet	240' residential; 160' commercial	Gas Tax Revenue	Fair Market Value
8 th and Roy Seattle City Light, owner	67,000 square feet; including a 30,000 square foot building that has been landmarked	85' residential and commercial	SCL Enterprise Fund	Fair Market Value

The Mayor's Office responded to GS 14-1-A-1 in a report to Seattle City Council on July 31, 2015. The Executive responded with outlining opportunities identified by various City departments for programs that could operate in South Lake Union

The report included the following three recommendations:

1. Sell the Copiers Northwest site to pay the balance of the \$10 million debt on the South Lake Union Streetcar.
2. Facilitate the purchase of the 8th and Roy site from Seattle City Light to a developer for affordable housing through an RFP process.
3. Sell the 800 Mercer St "Teardrop" site after assembling the block and taking it through the street vacation process. The report recommended using the proceeds to pay for the Mercer West project and to invest any net proceeds) towards the cost of developing affordable housing at 8th and Roy.

Evolving Priorities

Since the Mayor's Office response of July 31, 2015, Office of Housing (OH) has determined that the 8th and Roy site cannot be developed in a cost-effective manner and has shifted its attention to parcels elsewhere in the area (Dexter and Uptown Queen Anne).

Memorandum

Recognizing that Council's interest in opportunities to pursue expanded access to SLU as a neighborhood of opportunity, the Executive has now tasked the Office of Planning and Community Development (OPCD) and Finance and Administrative Services (FAS) to develop a plan for redeveloping the Teardrop site, potentially in conjunction with the other two nearby sites.

- OPCD has been assisting SDOT with developing the public benefits to vacate the remnants of Broad Street. The vacation petition is unique in that it is not concurrent with new development. SDOT has been soliciting public input on the vacation at various public forums. The Seattle Design Commission will hear the proposed public benefits for vacation on April 7, 2016.
- Since the issuance of the 2016 Seattle City Council Green Sheet 90-3-A-2, there has been competing interests expressed for the site that are not fully compatible with the direction provided by the Council Green Sheets. SDOT in conjunction with King County Metro (KCM) has studied this site as part of the Center City Layover Study. SDOT and KCM are considering the use of the Broad Street property as an interim (2017-19) layover site for about 12 articulated buses. Another competing interest is discussion of using this site for construction staging by Sound Transit as part of ST3.

Current Council Direction

The most current Green Sheet, 90-3-A-2, has key deliverables:

- Executive to analyze options for selling the 89,000 square foot City-owned surplus property at 800 Mercer Street in South Lake Union
- Council requested that the analysis explore options maximize community-serving uses and provide most or all of the funding needed to repay the interest and principal on an Interfund loan for the Mercer West transportation project
- Council requested that the Executive engage the South Lake Union community in a process for soliciting input on the types of benefits or uses that the community would like to see as a part of the site redevelopment
- That FAS and the OPCD will lead this work
- That the Executive provide the analysis and recommendations to the Transportation Committee by May 31, 2016

Public Input

Street Vacation

In 2015, SDOT conducted outreach soliciting public input on public benefits relative to the vacation of Broad Street:

Memorandum

- SDOT presented the proposal to vacate Broad Street to the Mercer Corridor Stakeholder Committee on February 12, 2015 and to the South Lake Union Community Council on March 3, 2015. The presentation described the area to be vacated and the overall purpose of the vacation: to consolidate City-owned right-of-way and property and sell it to provide funding for the Mercer West Project. Input from the Mercer Corridor Stakeholder Committee included suggestions to consider extending bike lanes (or similar bikeway improvements) on 8th Avenue N through the site connecting north the Westlake Cycle Track. This would be an alternative to the proposed and existing bike lanes on 9th Avenue N. This would require a new signal on Mercer to facilitate a crossing at 8th Avenue N.
- The South Lake Union Community Council discussed their interests in what should be developed on the site to meet the neighborhood's priorities, including: open space, a community center, a transit hub, and a coordinated mobility plan. SDOT subsequently met with community council members in 2015 to discuss how SDOT could address their transportation-related priorities through the Center City Mobility Plan (CCMP). In addition to providing the 'coordinated mobility plan' for South Lake Union, the CCMP will include a process with stakeholders, WSDOT, and King County to design a transit hub on the re-built Aurora Ave N between Harrison and Thomas streets.

More General Public Interests

In addition to the specific dialogue about public benefits related to the street vacation, the City has also met with the community to discuss their more general interests. For example, there was a public open house on December 1, 2015 at MOHAI that addressed various issues of interest in the South Lake Union community, staff received input on the Broad Street vacation and the disposition of the Teardrop site.

Staff has met individually with neighboring property owners and Mike McQuaid, President South Lake Union Community Council. OPCD staff is meeting with Mark Ostrow with Queen Anne Greenways.

Next Steps

The City's outreach efforts will be continuing; staff will be presenting to South Lake Union Community Council on April 5, 2016 soliciting South Lake Union community input on benefits or uses to be incorporated in the site redevelopment. In addition, FAS, OPCD and DON are exploring reaching out to the broader community utilizing direct mail and social media.

Memorandum

At the same time, OPCD will continue its work to determine how best to address community interests as development at the site proceeds, and will be coordinating with FAS, SDOT and other City departments to evaluate the potentially competing uses that have recently emerged. The results of this work will be presented to Council by May 31 of this year.