

**PRELIMINARY RECOMMENDATION REPORT**  
**REUSE AND DISPOSAL OF EXCESS PROPERTY**

**Mercer Mega-block**  
**800 Mercer St.**  
**November 10, 2017**

**Purpose of Preliminary Report**

In response to a City Jurisdictional Department identifying a property as “Excess” to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled “Preliminary Recommendation Report on the Reuse and Disposal of Excess Property”, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution 29799, as modified by Resolution 30862 and Resolution 31770.

**Executive Recommendation Summary**

A Request for Proposals (RFP) process will be used to identify a purchaser and developer who will be able fulfill community benefits that have been identified for the development of the property. A Disposition and Development Agreement that will be negotiated which will assure the community benefit benefits are condition of the property sale.

**BACKGROUND INFORMATION**

There have been three Green Sheets relative to this site: GS 14-1-A-1 (2014); GS90-3-A-1 (2016); GS 90-3-A-2 (2016). The Seattle City Council’s specific interest in the 800 Mercer Street 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, a childcare center, a pre-school, a community or performing arts space, multi-modal transportation infrastructure or some type of training center to provide career opportunities in the industries located in SLU.

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 by outlining opportunities identified by various City departments for programs that could operate in South Lake Union. The 2015 report included a recommendation to sell the 800 Mercer St property after the street vacation is complete. 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.

The Mayor’s Office responded to GS 90-3-A-1 (2016); GS 90-3-A-2 (2016) in a briefing to the Sustainability and Transportation Committee on May 31, 2016 with the following recommendations supported by the Committee:

- 800 Mercer Street and 620 Aurora Ave N will be marketed together as part of a joint RFP.
- Engage a consultant, allocating the funds identified in GS-90-3-A-2, to assist OPCD and FAS in the preparation of Requests for Proposals (RFP), developing objective criteria, marketing plan and review of responses to the RFP;
- Issue the RFPs, allowing respondents to propose on all sites;
- The RFP for 800 Mercer and 620 Aurora Ave N (SDOT) will identify and include the Office of Housing's preferred development concept;
- SDOT's RFP will clarify and present the public's interest in and aspirations for the site;
- Neither RFP will propose a specific development scheme(s) for the property(s), rather the RFPs will outline various opportunities and potential constraints on the site(s);
- Authorize this property disposition to differ from the current FAS disposition guidelines for a "complex" site.

After the May 31, 2106 Sustainability and Transportation Committee meeting:

- The Seattle Design Commission supported the proposed public benefits for the vacation of the remnants of Broad Street on July 21, 2016, the vacation petition was unique in that it is not concurrent with new development;
- On April 10, 201 City Council approved through Ordinance 125291, changed the zoning of these properties to ensure that future development will participate in Mandatory Housing Affordability (MHA) programs as authorized under SMC 23.58B (for commercial development) and 23.58C (for residential development);
- Through a competitive Requests for Proposals, the City selected Jones Lang LaSalle Americas, Inc. (JLL), to provide real estate consulting, brokerage services, preparation of RFPs, developing objective criteria, marketing plan and provide review of responses to the RFP;
- Seattle City Light received City Council approval on July 31, 2017 for Ordinance 125372 that declared the City's 8th and Roy Street property as surplus to the City's needs and no longer required for providing public utility service or other municipal purpose; authorizing the sale of this property for fair market value through a brokered sale;
- SDOT's Mercer West Team transmitted support documentation for the Broad Street conditional vacation to Street Use on August 1, 2017. The materials submitted included the Broad Street Vacation Public Benefits Matrix.

The September 8, 2017 Sustainability and Transportation Committee briefing included the recommendations on how community benefits would be addressed in the RFP.

- Affordable housing options
- Sustainability standards
- Labor Harmony Agreements
- Environmental contamination remediation
- Property sold at fair market value

**Physical Description and Related Factors:**

The 800 Mercer Street 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 was closed 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. The site is generally rectangular and in total measures approximately 104,000 square feet. Underground utility easements will continue to encumber the property.

**Reuse or Disposal Options Evaluation Guidelines**

The Executive is to make its recommendation for the reuse or disposal of any property that is not needed by a Department using the following guidelines.

**GUIDELINE A: CONSISTENCY**

*The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.*

Purpose originally acquired: The properties were acquired for transportation projects, including the Bay Freeway, a limited access freeway that was not built, and the Mercer Corridor Project West Phase improvements, which were constructed.

Funding Sources: Funding for the parcels include 2007 LTGO Bonds and Commercial Parking Tax. A portion was acquired with Arterial City Street Funds, Urban Arterial Trust Account, and Seattle General Improvement Bonds.

Deed, title, and contract Restrictions:

Restrictions on the properties include the following:

- Plat restrictions as shown on plat and reflected in title report.
- Easements to allow for the right to make necessary cuts and fills for supports and retaining walls.
- Limited access restriction related to the Bay Freeway.
- Restrictions of the Broad street vacation conditional approval.

**GUIDELINE B: COMPATIBILITY AND SUITABILITY**

*The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities, and in support of other priorities reflected in adopted City policies.*

**Neighborhood Plans:**

The property is in the South Lake Union Neighborhood Plan passed in 2013. This plan allowed for an increase in density and greater building heights. These properties together with the portion included in the street vacation will conform to the stated goals, policies and strategies of the plan.

The Landscape Conservation and Local Infrastructure Program includes design guidelines, which include optimizing the arrangement of uses and activities on site, architectural and open-space concepts.

**Housing**

In review of responses to the Request for Proposals and relative to community benefits, preference would be given to the following:

- Minimum of 150 apartment units of affordable housing, which shall be income- and rent-restricted for households earning up to 60% of Area Median Income (AMI), as defined by U.S. Department of Housing and Urban Development (HUD), for a period of not less than 50 years. This housing would not count towards the developer's requirement to meet the City's Mandatory Housing Affordability and will not count towards any Multi-Family Tax Exemption units.
- Under MHA, developers would be required to contribute to affordable housing as part of commercial or residential development. This contribution could be met either by including affordable housing units within new development (performance) or paying into a fund that will support development of affordable housing (payment).

**Economic development**

The success of the disposition of these City owned properties depends on a clear, strategic and achievable vision, defined through principles which will guide the redevelopment of these properties. By clarifying this, the City of Seattle can achieve benefits that will build upon and grow the vitality, affordability and economic development of South Lake Union and the City of Seattle overall. The RFP principles are meant to be used as tools to evaluate the responses for an economically, environmentally, and socially sustainable community.

**Park or open space**

Lake Union Park provides both passive and active park and open space opportunities.

Nearby City owned property: The following table shows nearby City owned property.

<b>Property</b>	<b>Description / Use</b>	<b>Location relative to PMA</b>
560 Roy St	Vacant land / leased	North and east several blocks
900 Broad St	Building used for storage	North and west one block

Lake Union Park	Park, moorage and museum	North and to the west two blocks along Lake Union
800 Aloha St	Building and parking lot	North of the property
911 Aurora Ave N	Vacant Lot	North and west several blocks

**Child care facilities**

No child care facilities have been proposed as a part of the RFP, although commercial space, which could be used for child care facilities may be included in the future development of the property.

**Other Agencies Uses**

No non-City public agencies responded to the excess property notice.

**GUIDELINE C: OTHER FACTORS**

*The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the property.*

**Highest and Best Use**

The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value. The highest and best use is determined by evaluating potential uses as follows:

**Legally Permissible Use:**

Based on City Council action through Ordinance 125291, the properties zoning designation is SM 175'/85'-280', with a commercial height limit of 175' and a residential base height limit of 85' and maximum residential height limit of 280'. The base floor area ratio (FAR) limit for nonresidential uses in 4.5; the maximum FAR is 8 for commercial uses. The base FAR for R&D use is 5.0 with a maximum of 8.

**Physically Possible Use:**

Additionally, the zoning code includes a provision whereby development proposals must show that the proposed structure will not interfere with the South Lake Union Seaport Flight Corridor. 800 Mercer is partially located in the flight path corridor and therefore actual maximum height limits in the northwest corner of the site are limited to 216'.

**Financially Feasible Use:**

The success of the disposition of these City owned properties depends on a clear, strategic and achievable vision, defined through principles which will guide the redevelopment of these

properties. By clarifying this, the City of Seattle can achieve benefits that will build upon and grow the vitality, affordability and economic development of South Lake Union and the City of Seattle overall. The RFP principles are meant to be used as tools to evaluate the responses for an economically, environmentally, and socially sustainable community.

**Maximally Productive Use:**

**Compatibility with the physical characteristics and surrounding uses:**

**Timing and Term of Proposed Use:**

It is anticipated that a sale could occur in 2018 with development of the property in 2019-2020.

**Appropriateness of the consideration:**

Based upon sales of other properties, the price per square foot could range between \$500 and \$900 a square foot. The actual price is dependent on developer's response to conditions included in the street vacation approval and the conditions included in the request for proposal.

**Unique Attributes:** The site is relatively flat with a slope to the east. The eastern portion contains a temporary drainage control pond that will be removed upon future development.

**Potential for Consolidation with adjacent public property:**

This property is being consolidated with property that is currently street right of way. Portions of the property will be dedicated to street right of way.

**Conditions in the real estate market:**

There is strong demand for real estate located in the South Lake Union neighborhood. Available land for affordable housing is limited, as demand for commercial office buildings and market rate housing is strong.

**Known environmental factors:**

**Topography/Geotechnical:**

The site previously contained buildings with foundations, surface parking lots, and a below grade street. These have been removed and the site is graveled with a temporary storm water pond occupying the eastern portion of the site. The subsurface of the site has been evaluated as related to the Alaskan Way Viaduct replacement project and tunnel construction. Shannon and Wilson also conducted Geotech evaluations associated with the evaluation of the site for the street vacation.

**Environmental Site Assessment:**

Environmental phase I and phase II environmental reports were prepared by Shannon & Wilson. The reported dated June 2, 2017 showed that some limited subsurface contamination will required remediation as a part of the future development of the property.

**GUIDELINE D: SALE**

*The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the public.*

**PUBLIC INVOLVEMENT**

FAS mailed approximately 2,480 neighborhood fliers to addresses within a 1,000 feet radius of this the property located at 615 Dexter/ 620 Aurora Ave. FAS received approximately six comments from the initial mailing. A summary of the emails is included as an attachment to this report. Most comments requested more information about the future request for proposal. All interested parties are included as parties of record.

**Range of Options.**

*Excess property is defined as “real property that the Jurisdictional Department has formally determined it no longer needs for the Department’s current or future use.” Guiding principles for the reuse and disposal of excess real property states that “it is the intent of the City to strategically utilize real property to further the City’s goals and to avoid holding properties without an adopted municipal purpose.”*

A wide range of options have been considered for the property. The current proposal is a result of several years of evaluation and public outreach.

**RECOMMENDATION**

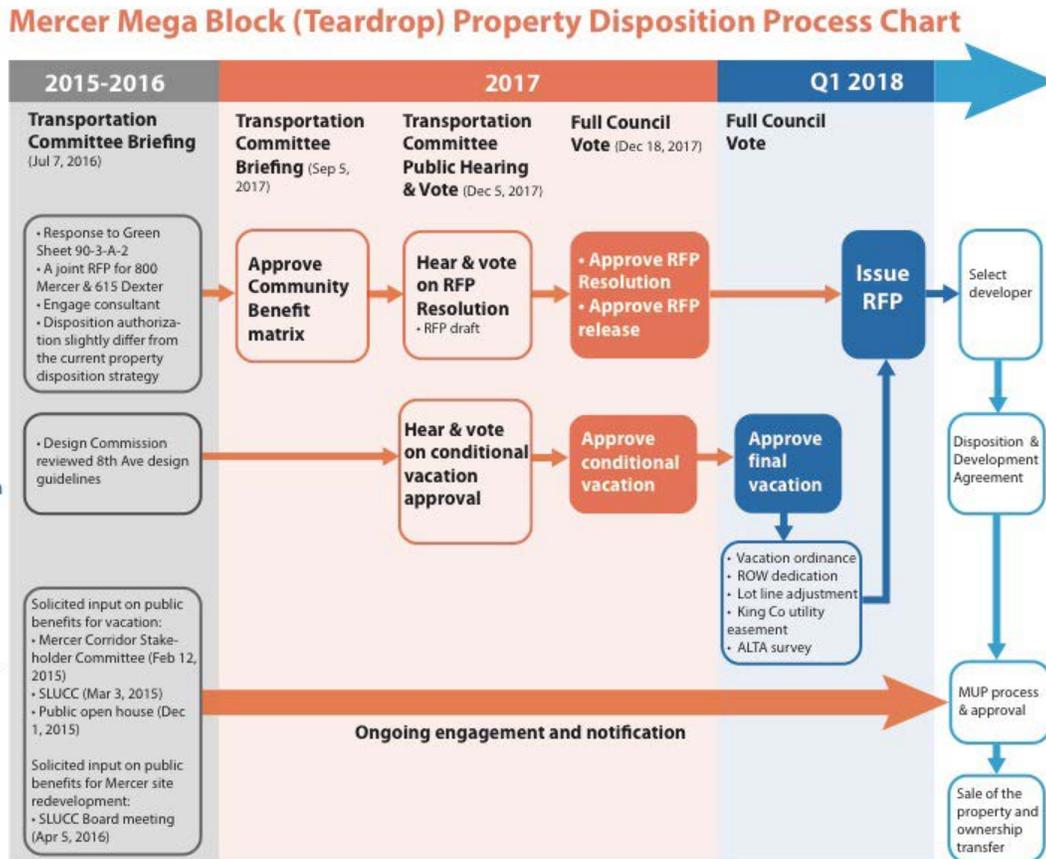
A Request for Proposals (RFP) process will be used to identify a purchaser and developer who will be able fulfill community benefits that have been identified for the development of the property. A Disposition and Development Agreement that will be negotiated which will assure the community benefit benefits are condition of the property sale.

**THRESHOLD DETERMINATION**

The Disposition Procedures provide that FAS assesses the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council. The Property Threshold Determination Form is on page 10 of this report. Based on the value of the property and initial public comment, this is a “Complex Disposition”. As required, a draft Public Involvement Plan accompanies this report.

**NEXT STEPS**

The Disposition Procedures are being followed within a larger disposition process that includes the council briefings, a public request for proposals, a street vacation process, and a continuing public-engagement process. The following table was from a memo to the Sustainability & Transportation committee meeting dated September 8, 2017.



FAS will provide a copy of this Preliminary Report to City Departments and Public Agencies that expressed an interest in the Excess Property, as well as members of the public who responded to the Initial Public Notice or subsequent contacts. FAS will send a renotification flyer to neighbors within the initial radius search because of the length of time elapsed since the first mailing as well as members of the Seattle Excess Property @listserv. FAS will also post a large public notice sign visible on street frontage near the Excess Property. Comments on the Preliminary Report will be collected on an ongoing basis until legislation is sent to the City Council, but no less than 30 days after mailing.

As required, FAS prepared a Public Involvement Plan (PIP) for a complex property disposition. The PIP is tailored to the specific property and those issues which have been raised during the circulation and notification phase of the process. FAS will collect public comments on the PIP.

FAS will continue to take public comment until the Council holds the public hearing and votes on the legislation. A Final Report normally accompanies legislation to the City Council. A Public Involvement Report will summarize all comments received.

## **Mercer Mega Block (Teardrop) Disposition Proposed Public Involvement Plan (PIP)**

City procedures require a proposed Public Involvement Plan for property disposition which have been determined to be complex. The PIP's purpose is to assure there is an adequate amount of public involvement on significant real estate transactions. In June 2016, the Sustainability and Transportation Committee has authorized that the Mercer Mega Block disposition process would slightly differ from the City's current property disposition strategy and would be exempted from current FAS guidelines for a "complex" site. Therefore, FAS is recommending a PIP that focuses on the public comments received to date, and collection and presentation of any additional comments received through posting and publication of this plan.

### **PREVIOUS OUTREACH**

OPCD/CBO 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 solicited public input on the vacation at various public forums and neighborhood specific meetings. The Seattle Design Commission has heard the proposed public benefits for vacation on July 21, 2016 and recommended future development to be heard by the Seattle Design Commission during the Master Use Permit (MUP) process to ensure that the proposed 8<sup>th</sup> Ave will meet the intent and standards of the 8<sup>th</sup> Ave design guidelines.

#### **Public Input on Broad Street Vacation**

There has been robust outreach engaging the South Lake Union and surrounding communities. Initially the outreach revolved around the potential vacation of Broad Street. Most recently City staff has been engaging the South Lake Union Community Council (SLUCC), representatives of Queen Anne Greenways, neighboring property owners, and the broader public on benefits or uses the community would like to see as part of the site development.

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

- SDOT presented the proposal to vacate Broad Street to the Mercer Corridor Stakeholder Committee on February 12, 2015 and to the SLUCC 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 retire debt obligations 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 have required a new signal on Mercer to facilitate a crossing at 8th Avenue N.
- SLUCC 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. Scott Kubly, Director of SDOT has responded to SLUCC in a letter (attached) dated April 4, 2016, that addresses timing and approach to SLUCC concerns

### **Public Input on Mercer Mega Block Development**

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 public meeting addressed various issues of interest in the South Lake Union community, staff received input on the Broad Street vacation and the disposition of the 800 Mercer Street.

To solicit community input on the type of benefits the community would like to see as part of site redevelopment, City staff has met individually with neighboring property owners; Vulcan Inc., Copiers NW, Mike McQuaid President South Lake Union Community Council, Mark Ostrow and Gordon Padelford of the Seattle Neighborhood Greenways. Staff also presented to the SLUCC Board and public in a meeting April 5, 2016 to solicit public input.

Generally, the community expressed interest in benefits falling into the following broad categories:

- Overriding focus is that the 8th Avenue be continued through the site an accessible public pedestrian non-motorized vehicular open space.
- That 8th Avenue be developed into an open space in a thoughtful, innovative manner and usable to the public.
- This open space on 8th Avenue should not read as part of closed corporate campus.
- Retail and street level activities in the buildings that will be built on either side of the 8th Avenue public realm should be open to the public and not solely available to building tenants.
- That pedestrian connections be strengthened across Mercer Street, particularly at 8th Avenue.
- Improve street right-of-way and extend the separated bike trail along Mercer Street between Dexter Avenue and 9th Avenue.
- That the selected developer work in an early consultative manner with the community and SLUCC on the 8th Avenue public space design.
- Explore partnerships with non-profits to explore homeless shelters and affordable housing.
- South Lake Union Community Council's specific response related to site related benefits from their May 25, 2016 letter (attached) emphasized public accessible open space within the site, and future development in line with the priorities established in the update of the SLU Urban Design Framework, SLU/Uptown Mobility Plan and the recent rezone of South Lake Union.

Staff presented an update on the status of the RFP disposition process for both 800 Mercer and 620 Aurora at a SLUCC meeting November 7, 2017. Staff solicited comments and responded to questions.

### **Public Input on Mercer Mega Block Development as part of FAS Disposition Process**

- A combined mailer with public notices on the disposition for both 800 Mercer and (615 Dexter) was sent to property owners, residents and businesses within 1,000 feet of the property. The notice included 2,480 notices.
- The notices were published on the City's Real Estate Services email list, which interested parties can self-subscribe and receive updates.
- A Preliminary Report was sent to parties of record and is available on the City website.
- In November 2017, the Real Estate Oversight Committee (REOC) will review and approve the Preliminary Report and the Public Involvement Plan.

- A public notice sign will be placed onsite indicating the recommendation regarding the property, and advising how to contact FAS for information and/or make comments

## **FUTURE OUTREACH**

The remainder of the process will provide the following sequential opportunities for input:

- After a developer is selected and prior to legislative action, FAS will publish a Final Report, incorporating the REOC's comments as necessary, and notify the mailing list of the availability of the Final Report
- CBO will forward resolution authorizing disposition for the property disposition to the successful respondent of the competitive RFP including the Final Report and Public Involvement Report, to the City Council.
- FAS will continue to collect all comments and or proposals a until the Council committee meeting acts on the legislation regarding the property. FAS will provide an updated summary of all comments received to date.
- FAS will provide notice of the council public hearing so that interested parties can attend the public hearing and present their ideas and interests to the City Council.
- During development process, the community will be notified and can provide input through the MUP process about site development.

**PROPERTY REVIEW PROCESS DETERMINATION FORM**

Property Name: 800 Mercer St.

Address: 800 Mercer St.

PMA ID: 3324, 4192, 4192

Parcel Numbers: 224900-0040-09, 224900-0055-01, 224900-0006-01

Dept./Dept. ID: Seattle Department of Transportation

Current Use: Vacant Land

Area (Sq. Ft.): Approximately 96,0000 Sq. Ft.

Zoning: SM 175/ 85-280

Appraised Value: multi-million dollars

Assessed Value: The County assessor no longer provides values for public properties.

**PROPOSED USES AND RECOMMENDED USE**

Department/Governmental Agencies:  
Seattle Department of transportation

Proposed Use: A mixed commercial and multi-family development as proposed through a request for proposal process that meets conditions of street vacation approval.

Other Parties wishing to acquire: None

Proposed Use: N/A

Other Proposed Uses: Housing

Proposed Use: Commercial Development

**RECOMMENDED USE:** Sale to a developer subject to Request for Proposal conditions and street right of way vacation conditions.

**PROPERTY REVIEW PROCESS DETERMINATION** (circle appropriate response)

1.) Is more than one City dept./Public Agency wishing to acquire?	<input type="checkbox"/> No / Yes	15
2.) Are there any pending community proposals for Reuse/ Disposal?	<input type="checkbox"/> No / Yes	15
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options? A small community group proposed an edible food forest in 2013. Listed on change.org, the petition generated over 130 signers.	No / <input checked="" type="checkbox"/> Yes	15
4.) Will consideration be other than cash?	<input type="checkbox"/> No / Yes	10
5.) Is Sale or Trade to a private party being recommended?	No / <input checked="" type="checkbox"/> Yes	25
6.) Will the proposed use require changes in zoning/other regulations?	<input type="checkbox"/> No / Yes	20
7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000?	<input type="checkbox"/> No / Yes	10
8.) Is the estimated Fair Market Value over \$1,000,000?	No / <input checked="" type="checkbox"/> Yes	45
Total Number of Points Awarded for "Yes" Responses:		<b>85</b>

Property Classification for purposes of Disposal review: Simple /  Complex (circle one) (a score of 45+ points result in a "Complex" classification)

Signature: Daniel Bretzke

Department: Finance and Administrative Services

Date: November, 2017

**EXCESS PROPERTY DESCRIPTION**  
**Mercer Mega-block**  
**800 Mercer St.**  
**October 11, 2017**

The Seattle Department of Transportation as the Jurisdictional Department of this City owned property has identified the following information about these excess properties that constitute the Mercer Mega-block.

**Parcel**

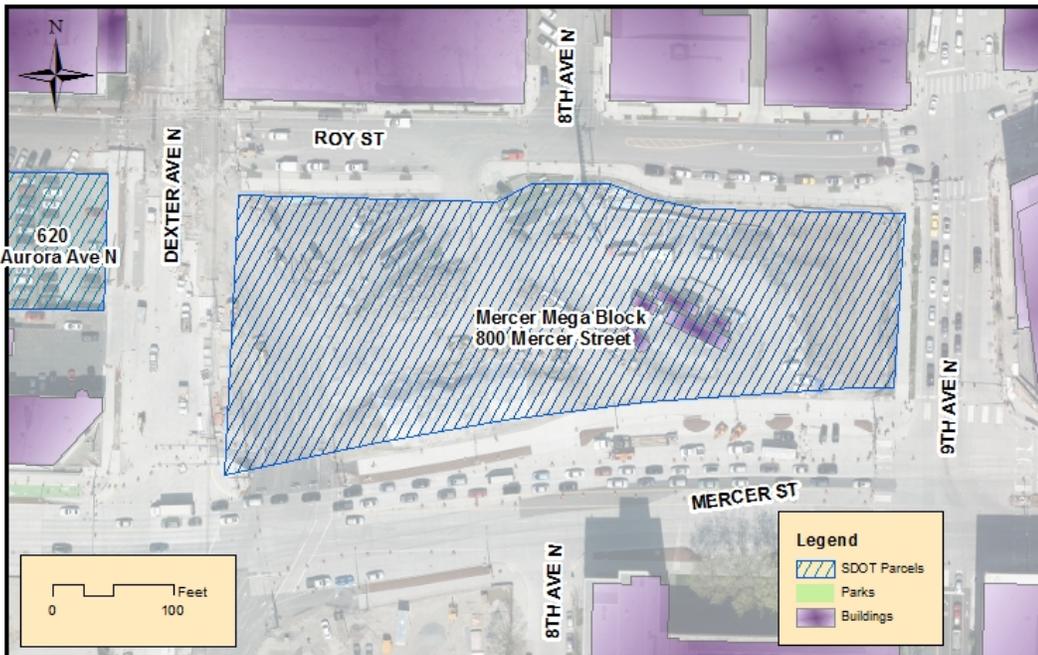
**PMA:** 4192 (portion)  
**Parcel number:** 224900-0080,  
**Addresses:** 702 Roy St  
**Size of excess portion:** 9,106 square feet  
**Portion for street:** 1,501 square feet

**Parcel**

**PMA:** 3324: (portion)  
**Parcel number:** 224900-0040, 224900-006  
**Addresses:** 714 & 816 Mercer St  
**Size excess portion:** 33,860 square feet  
**Portion for street:** 20,180 square feet

**Parcel**  
**PMA:** Street Portion  
**Parcel number:** NA  
**Size:** 61,811 square feet

**Total Excess Parcel Size:** 104,777 square feet although due to other street requirements the approximate size will be 96,000 square feet.



**Zoning:** SM 160/180-140

**History:**

This property has a long City history, beginning with purchase of land for construction of the Bay Freeway from 1967-1972. The project was abandoned in 1972. In 2002, the City sold a large parcel to City Investors, but repurchased the property in 2007 to complete the Mercer Corridor Project West Phase improvements. Traffic realignments resulted in the abandonment of the segment of Broad Street between Dexter and Mercer Streets, and City is proceeding with a street vacation process for Broad Street to create a large parcel suitable for redevelopment.

The City Council's Sustainability and Transportation Committee on May 31, 2016 recommended marketing 800 Mercer St and 615 Dexter Avenue N as part of a joint RFP for development consistent with the underlying zoning and neighborhood plans.

The City will use some of the proceeds from the sale of the property to fund the Mercer Corridor Project West Phase improvements. The City adopted disposition policy resolutions, which requires this property to be reviewed under those guidelines.

**Acquisition Deeds:**

Parcel 224900-0080-00

Property Address: 702 Roy Street, Seattle, WA 98109

Ptn Lots 4-6, Block 2, Eden Add. to the City of Seattle, Vol. 1, P. 61A,

Acquired title by instrument(s) recorded under Recording Number(s) 6472139 and 7107020159.

Parcel 224900-0040-09, 224900-0055-01, 224900-0006-01

Property Address: 816, 800 and 714 Mercer Street, Seattle, WA 98109.

Acquired title by instrument(s) recorded under Recording Number(s) 20090911001475. PTN LOT 6 AND ALL OF LOTS 7 AND 8, BLOCK 1 AND PTN LOTS 1, 2 AND 8, BLOCK 2, EDEN ADD. TO THE CITY OF SEATTLE, VOL. 1, P. 61-A, KING COUNTY

**Ordinances:**

[Ord. 123992](#), 9/17/2012: AN ORDINANCE relating to the Mercer Corridor Project West Phase; removing a proviso in the 2012 Adopted Budget to authorize the Seattle Department of Transportation to spend appropriated funds for construction of the Mercer Corridor Project West Phase.

[Ord. 122505](#), 10/3/2007: An ordinance relating to the Mercer Corridor Project; authorizing the Director of Transportation to acquire all the property rights necessary for reconstructing the existing Mercer Street/Valley Street couplet with a widened two-way Mercer Street.

[Ord 124904](#), 12 /2015 AN ORDINANCE relating to the financing of the Mercer West project; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the Transportation Master Fund; and providing for the repayment thereof.

[Ord 123336](#), 7/2/2010 AN ORDINANCE relating to the Mercer Corridor Project; redesignating a portion of two parcels of property owned by the City and needed to construct the Mercer Corridor Project from limited-access highway purposes to general-street purposes; one parcel being a portion of Parcel 40, Block 2, Eden Addition, and the other parcel being a portion of Parcel 57, Block 81, Lake Union Shoreland Addition.

**Other:**

Limited Access Plans, 4/23/1971 KC Records 197104230427 Right of Way and Limited Access Plans for the Bay Freeway, Findings of the City Council, and Ordinance 99377.

7/11/1991, Interdepartmental Agreement: Management of Property between Seattle Engineering Department and Department of Administrative Services dated July 11, 1991.

**Acquisition Fund Source:** Portion from gas revenue funds and arterial street funds.

**Destination of funds upon sale:** Proceeds from the sale authorized to be used first to reimburse costs incurred and paid by the Department of Finance and Administrative Services relating to the sale. A portion of the proceeds are to be deposited in the City Street Fund (10340), a sub fund of the Transportation Master Fund (10300) and the proceeds shall be used for "highway purposes"

as required by the Eighteenth amendment of Washington State. Portion to be deposited in the Mercer Corridor West Capital Improvement Program

**Current easements, covenants and restrictions:** State Law requires government organizations to receive fair market value for the disposal of surplus real property.

All offers of dedication, conditions, restrictions, easements, boundary discrepancies or encroachments, notes and/or provisions shown or disclosed by Short Plat or Plat of Eden Addition to the City of Seattle recorded in Volume 1 of Plats, Page(s) 61a.

Terms and conditions of Ordinance Numbers 17628, 50890 and 84452 of the City of Seattle, including, but not limited to the right to make necessary slopes for cuts and fills, including lateral supports and retaining walls.

Indemnity Agreement and the terms and conditions thereof: Between: Carol S. Stanhope Recording number 5461596. Said agreement released the City of Seattle from all future claims for damages resulting from the construction of side sewer.

Provisions contained in the City of Seattle Ordinance No. 99377 and instrument recorded under King County Recording Number 7104230427 regarding limited access.

The terms and provisions contained in the document entitled "Off-Site Accessory Parking Covenant" Recorded: June 02, 1998 Recording No.: 9806022054

City of Seattle condemnation ordinance number 84452 and the terms and conditions thereof, including, but not limited to the following: The right to make necessary slopes for cuts or fills and lateral supports.

City of Seattle ordinance number 89653 and the terms and conditions thereof, including, but not limited to the following:

Easement, including terms and provisions contained therein: Recording Information: 20010607000440 In Favor of: King County, a Political Subdivision of The State of Washington for: Utility/sewer pipeline. Area Affected: A 20-foot strip, as constructed, through Block 2 and vacated 8th Avenue North

Matters disclosed by unrecorded survey prepared by Bush, Roed & Hitchings, Inc., dated August 16, 2000, Job No. 2000189.00, notice of which is given by recital contained in Deed recorded under Recording Number 20020319000936. Reference is hereby made to recorded document for full particulars. Modification and/or amendment by instrument: Recorded: April 17, 2007 Recording Information: 20070417900001

Easement, including terms and provisions contained therein: Recording Information: 20020920000078 In Favor of: King County, a Political Subdivision of The State of Washington For: Utility/sewer pipeline Area Affected: A 20-foot strip, as constructed, through Block 2 and vacated 8th Avenue North (an extension northerly of easement recorded under Recording Number 20010607000440) Said easement is also reserved in City of Seattle Ordinance Number 120863, recorded under Recording Number 20020813000330.

**Recommended easements, covenants and restrictions upon Transfer:**

Easements to King County for subsurface utility corridors in the right of way portions are to be recorded prior to vacation of street right of way.

**Jurisdictional Department's estimated market value:** The value is several tens of million dollars as there are unknown development costs so the final price will be determined through a competitive sales process.

**Potential problems with property and possible measures to mitigate their recurrence:**

- Some environmental assessments have been completed. Additional subsurface testing may be needed.
- Portions of the property are designated for limited access highway purposes for the Bay Freeway. This limitation will be lifted through City legislation before transfer. 800 Mercer is partially located in the flight path corridor and therefore actual maximum height limits in the northwest corner of the site are limited to 216'. A wind study will be required for development over 85'.
- Certain public benefits related to the proposed street vacation for Broad Street are proposed for Council review in late 2017.

- Certain community benefits for future development are contemplated as part of a proposed property offering. The City Council will review these proposals in late 2017 or early 2018.

**Neighborhood:** South Lake Union

**Building Information:** There are currently no buildings on this property.

**Nearby Property /Taxpayers:**

601 Dexter Ave N	Copiers Northwest/Base Properties LLC
614/620 Dexter Avenue North	City of Seattle
701 Dexter Ave N	701 Dexter Investments LLC
700 Dexter Ave N	BNR Dexter LLC
800 Roy Street	City of Seattle
900 Roy Street	City of Seattle
607-615 Westlake Ave N	Allen Institute for Brain Science/ Washington Builders LLC
515 Westlake Ave N	Amazon Phase VI – N & S Bldgs.
850 Republican Street	Blue Flame Building / Brotman Building
530 Dexter Ave N (former address)	City Investors XII LLC

Respondents

Name /Email address	comment
Adele Rudolph/ <a href="mailto:alrmerc@yaho.com">alrmerc@yaho.com</a>	I have walked and driven through that area for some time and feel that what would be most appreciated would be a parking area for food trucks with seating. There are very limited budget food options in that part of South Lake Union. It would require limited funding to establish and would encourage small business, startups, and entrepreneurs. There are already plenty of people in that area and they need services
Sam Gordon samg@intra-corp.com	Can you please send some more info on 620 Aurora? Sam Gordon   Acquisition Associate dir 206.728.6502   cel 206.669.2324   fax 206.625.9133  INTRACORP NW, LLC   411 1st Avenue South, Suite 650   Seattle WA 98104   www.intracorphomes.com
Andrei Krotkov akrotkov@gmail.com	(Please add me to future electronic correspondence.)  My preference is to continue 8th avenue through the block for car traffic, preferably northbound-only, or whatever a traffic study would suggest.  Additionally, some additional retail space in the neighborhood would be appreciated.

<p>Sargun Vohra /  sargun.vohra@gmail.com</p>	<p>The 8th Ave extension should be a combination of pedestrian open space and separated bike ways. Any remaining space should be developed into a pedestrian plaza open to the public. If possible, there should be space for local art displays such as sculptures and statues.</p>
<p>Kevin Heim /  kjamesh89@gmail.com</p>	<p>I support the public benefits package as outlines in the Policy Briefing Memo sent to the Sustainability &amp; Transportation Committee on September 8, 2017. I strongly support the redevelopment requirement of the extension of the protected bike lane to 9th Avenue N., and the inclusion of 150 affordable apartments on the site.</p> <p>However, I believe the city should require that a portion of those 150 affordable apartments are 2bd/1-2ba or 3bd/1-2ba in order to provide adequate housing for families. This could be achieved by allowing the developer to count these larger apartments against their MHA and/or MFTE Requirements.</p>
<p>Leigh Crybaby Studios/  crybabystudios@gmail.com&gt;</p>	<p>I am a local developer and Arts &amp; Culture advocate. I attended the Square Feet event and talked with Matthew Richter about excess city owned properties. He got back to me with the warehouse at 620 Aurora. My questions for you are:</p> <ul style="list-style-type: none"> <li>• is the whole 24,000 sq./ft. parcel available or just the warehouse?</li> <li>• what are the restrictions?</li> <li>• if it is just the warehouse, is it also the parking lot?</li> <li>• what is the remaining lease term with Copiers NW?</li> <li>• I see there was an RFP for developers or was this in the past — can I see this?</li> </ul> <p>I have a team of accomplished developers that I am currently working with that might be very interested in teaming up to develop a low-income artist's complex. Please forward me any information you might have</p>