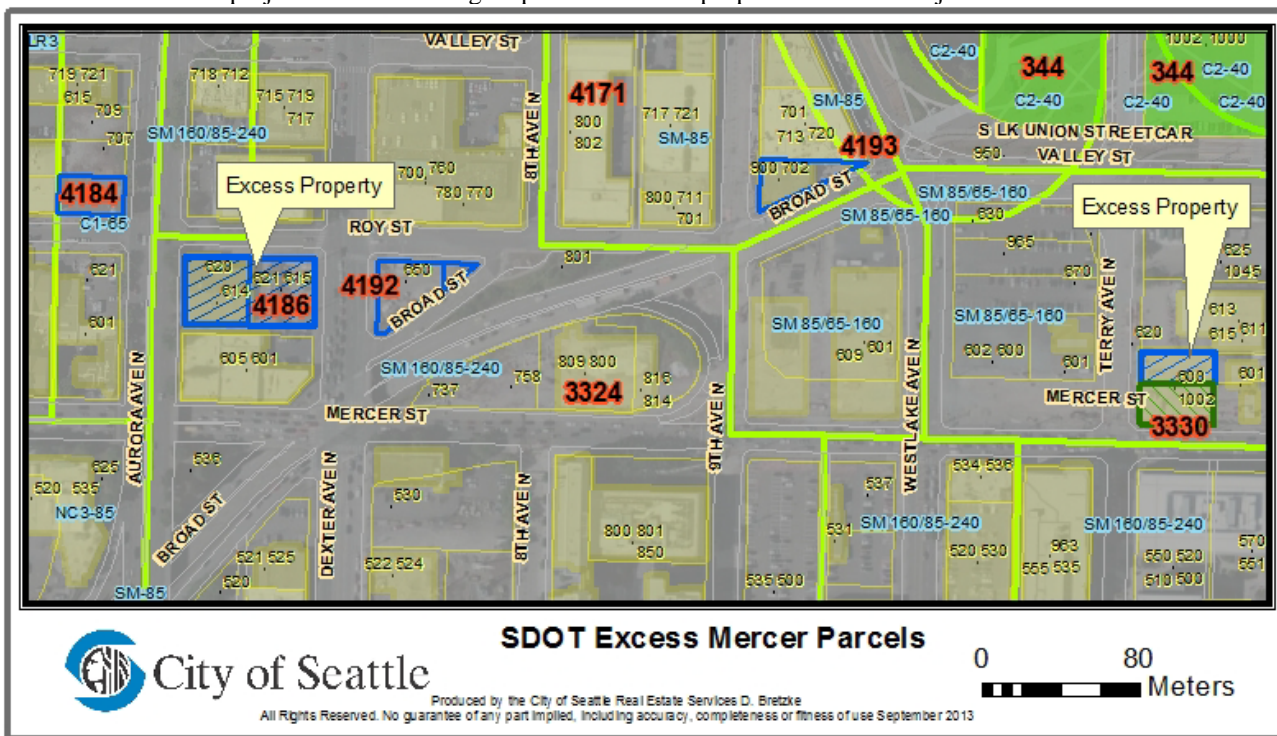


**EXCESS PROPERTY NOTICE
SDOT MERCER CORRIDOR PARCELS
September 24, 2013**

TO: City of Seattle Departments and Other Public Agencies
 FROM: Daniel Bretzke, Department of Finance and Administrative Services
 SUBJECT: Mercer Corridor Excess Property

The Seattle Department of Transportation has identified two parcels which are excess to the needs of their Department. In accordance with City of Seattle property disposition policies, this notice informs other City Departments and public agencies of their availability.

The West Phase of the Mercer Corridor project is a culmination of historical transportation projects in the South Lake Union Neighborhood of Seattle. Since the early 1970's properties have been purchased for road and arterial purposes. Road construction projects often only need a portion of a parcel, but the City is required to purchase the entire parcel. The portions of the parcel that are not needed for roadway purposes are then sold to return economic activity to the neighborhood and/or to partially fund the project. The 2013-2018 Adopted Capital Improvement Program Project includes projected revenue from excess property sales to fund the Mercer Corridor West project. The following map shows the two properties that are subject to this notice.



FAS manages the evaluation process for the reuse or disposal of City property. This is in accordance with City Council policies adopted under Resolution 29799 and amended by Resolution 30862. We invite you to review the attached information and maps.

All departments and agencies are requested to return the **Excess Property Response Form**. In particular, please identify if your department has existing facilities, utilities, or property rights that affect the property. Please complete the **Excess Property Proposed Use Form** if your Department or agency is interested in acquiring the property for :

- Short term use (less than two years)
- Permanent easements or covenants that will run with the land
- Potential City uses
- Other public agency use

For questions regarding the City's excess property disposition process please contact Daniel Bretzke at 206-733-9882 or at daniel.bretzke@seattle.gov Please provide your comments and completed forms by **October 31, 2013** to the following:

Daniel Bretzke
Daniel.bretzke@seattle.gov

Inter office mail
 Daniel Bretzke
 Mail Stop SMT -50-01

US Mail
 Daniel Bretzke
 City of Seattle - FAS
 P.O. Box 94689
 Seattle, Washington, 98124-4689

**CITY OF SEATTLE
EXCESS PROPERTY RESPONSE FORM**

- Seattle Public Utilities**
- Seattle Department of Transportation**
- Seattle Office of Housing**
- Seattle City Light**
- Seattle Parks and Recreation**
- Seattle Department of Neighborhoods**
- Seattle Department of Planning and Development**
- Seattle Office of Economic Development**
- _____

_____ We have no interest in PMA 3330

_____ We have no interest in PMA 4186

_____ We are interested in acquiring the PMA _____ or jurisdiction over it. A completed **Excess Property Proposed Use Form** is attached to this response.

_____ We have facilities on the PMA _____ or access rights through or across the property as described below (add additional sheets as necessary):

_____ We need facilities on the PMA _____ or access rights through or across the property as described below (add additional sheets as necessary)

We have identified the following plans, policies, objectives, limitations or other factors as found in adopted or proposed City plans and policies that may affect the Reuse or Disposition of the property (add additional sheets as necessary):

PLEASE SEE ATTACHED

Reviewer

Department

Date

Date: November 7, 2013
From: Miriam Roskin, Office of Housing
To: Daniel Bretzke, Finance and Administrative Services
Cc: FAS: Hillary Hamilton and Chris Potter
OH: Rick Hooper, Mike Kent, and Laura Hewitt Walker
DPD: Mike Podowski and Jim Holmes
Subject: Excess Property: PMA 3330 and PMA 4186

We have identified the following plans, policies, objectives, limitations or other factors as found in adopted or proposed City plans and policies that may affect the Reuse or Disposition of the property.

PMA 3330 and PMA 4186 both provide exceptional opportunities to accommodate projected growth in the South Lake Union Urban Center, particularly by capitalizing on recent increases to the sites' development capacity, as follows:

- PMA 3330 (1000 Mercer Street, at Terry, 6,274 sq ft): Upzoned from SM40 to SM85/65-160
- PMA 4186 (620 Aurora Ave N, at Roy, 12,096 sq ft): Upzoned from SM65 to SM160/85-240.

Sale of these parcels offer a means for the City to act upon principles that led to the South Lake Union rezone as well as goals and policies appearing in multiple City planning documents. In particular, incentivizing maximum build-out of the land in question and incentivizing residential development, including below-market-rate housing, would help realize language appearing in the Comprehensive Plan, the South Lake Union Neighborhood Plan, the South Lake Union Urban Design Framework, and the recitals to Ordinance 124172, which rezoned South Lake Union. Relevant excerpts from those documents are attached.

Simple disposition of the sites via negotiated sale would sacrifice the opportunity to shape the use of these properties in a manner consistent with the City's vision for South Lake Union. As owner of these sites, the City is positioned to ensure that their future development does not under-deliver on the land use possibilities made available under the rezone.

We therefore urge that the parcels be sold through a competitive process (presumably a request for proposals) that includes a series of conditions and/or incentives. Sample conditions and incentives could encourage the respondents to:

- Maximize development capacity (threshold criterion: build beyond base zoning (and thus trigger incentive zoning); additional points for degree of buildout)
- Include residential uses (threshold criterion: include housing; additional points for greater residential use)
- Accelerate development (additional points for earlier development)
- Exceed housing affordability requirements (additional points for providing more affordability (e.g., greater percentage setaside or deeper affordability) than triggered under incentive zoning)
- Privately fund the project (points deducted for reliance on City subsidies to achieve affordability goals).

These conditions are suggested merely as examples. Assuming that FAS agrees to pursue a competitive disposition process, we would look forward to working with you and DPD to structure appropriate RFP language.

ATTACHMENT: SUPPORTING POLICY LANGUAGE

The following excerpts from Seattle’s Comprehensive Plan, South Lake Union Neighborhood Plan, South Lake Union Urban Design Framework, and Ordinance 124172 express City principles, goals, and policies that suggest point towards a property disposition process that will yield specific development outcomes.

- Comprehensive Plan, Housing Element, Goal HG16: “Achieve a distribution of household incomes in urban centers and urban villages similar to the distribution of incomes found citywide.”
- Comprehensive Plan, Housing Element, Policy H31: “Promote the continued production and preservation of low-income housing through incentive zoning mechanisms, which include density and height bonuses and the transfer of development rights. Consider expanding the use of incentive zoning for affordable housing in neighborhoods outside downtown, particularly in urban centers.”
- South Lake Union Urban Design Framework, Guiding Principles: Revise zoning and design guidelines to support an urban form appropriate to SLU’s physical setting and Urban Center designation. Ensure new development activates streets, helps preserve neighborhood landmarks, enhances public views and encourages sustainable design, and leverages resources to support needed affordable housing and infrastructure to serve growth – all while expanding and enhancing SLU as a hub for employment and housing opportunity.
- Guide new affordable housing investments, make full use of incentive zoning potential, and utilize surplus property to ensure the neighborhood remains affordable to people from all walks of life, consistent with the City’s Comprehensive Plan.
- South Lake Union Neighborhood Plan, Goal 11: “A wide range of housing types is integrated into the community accommodating households that are diverse in their composition and income.”
- South Lake Union Neighborhood Plan, Policy 33: “Provide incentives to encourage housing for people across a range of incomes in a variety of housing types, particularly in mixed income buildings.”
- Ordinance 124172:
...WHEREAS, the South Lake Union Neighborhood Plan also recommends using increased height through an incentive zoning program to mitigate impacts of development in the neighborhood; and
WHEREAS, the South Lake Union Neighborhood Plan also recommends using increased height through an incentive zoning program to mitigate impacts of development in the neighborhood; and
WHEREAS, in 2008 the City Council approved resolution 31104 expressing its intent to consider requiring participation in affordable housing incentive programs when significantly increasing residential or commercial densities;....