

CITY OF SEATTLE
ORDINANCE 126416
COUNCIL BILL 120137

AN ORDINANCE vacating the alley in Block 20, Heirs of Sarah A. Bell’s Second Addition, bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 312262).

WHEREAS, Clise Properties, Inc., on behalf of Acorn Development LLC, filed a petition under Clerk File 312262 to vacate the alley bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street; and

WHEREAS, Acorn Development LLC (“Petitioner”) is the successor in interest and the current Petitioner; and

WHEREAS, following a September 25, 2012, public hearing on the petition, the Seattle City Council (“City Council”) conditionally granted the petition on November 5, 2012; and

WHEREAS, a Property Use and Development Agreement recorded on December 10, 2020, with the King County Recorder’s Office under Recording No. 20201210002757 commits the Petitioner and their successors to fulfill ongoing public-benefit obligations required as part of the vacation; and

WHEREAS, as provided for in Revised Code of Washington (RCW) 35.79.030 and Seattle Municipal Code Chapter 15.62, the Petitioner has paid the City a vacation fee of \$5,188,000 on January 8, 2015, which is the full appraised value of the property; and

WHEREAS, the Petitioner has met all conditions imposed by the City Council in connection with the vacation petition; and

WHEREAS, vacating the alley in Block 20, Heirs of Sarah A. Bell’s Second Addition, is in the public interest; NOW, THEREFORE,

1 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

2 Section 1. The alley in Block 20, Heirs of Sarah A. Bell's Second Addition, described

3 below, is vacated:

4 The alley in Block 20, Heirs of Sarah A. Bell's Second Addition, recorded in Volume 1 of
5 Plats, page 121, Records of King County, Washington, being the block bounded by 7th
6 Avenue, Blanchard Street, 8th Avenue, and Lenora Street (Clerk File 312262)

7 Section 2. The Property Use and Development Agreement, King County Recording No.

8 20201210002757, attached as Exhibit 1 to this ordinance is accepted.

1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 9th day of August, 2021,
5 and signed by me in open session in authentication of its passage this 9th day of
6 August, 2021.

7 

8 President Pro Tem of the City Council

9 Approved returned unsigned / vetoed this 12th day of August, 2021.

10 **Returned Unsigned by Mayor**

11 Jenny A. Durkan, Mayor

12 Filed by me this 12th day of August, 2021.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

16
17
18 Attachments:
19 Exhibit 1 - Property Use and Development Agreement

Instrument Number: 20201210002757 Document:AG Rec: \$113.50 Page-1
Record Date:12/10/2020 4:39 PM
King County, WA



20201210002757

AGREEMENT Rec: \$113.50
12/10/2020 4:39 PM
KING COUNTY, WA

When Recorded, Return to:
HILLIS CLARK MARTIN & PETERSON P.S.
Attention: T. Ryan Durkan
1221 Second Avenue, Suite 500
Seattle, WA 98101-2925

PROPERTY USE AND DEVELOPMENT AGREEMENT

Grantor:	<u>Acorn Development LLC</u>
Grantee:	<u>City of Seattle</u>
Legal Description (abbreviated):	<u>Alley in Block 20, Heirs of Sarah A. Bell's Second Addition to the City of Seattle</u>
Assessor's Tax Parcel ID #:	<u>066000-0275; 066000-0280; 066000-0270; 066000-0320</u>
Reference Nos. of Documents Released or Assigned:	<u>N/A</u>

This PROPERTY USE AND DEVELOPMENT AGREEMENT (the "Agreement") is executed this _____ day of _____, 2020, in favor of the CITY OF SEATTLE (the "City"), a Washington municipal corporation, by ACORN DEVELOPMENT LLC (the "Owner"), a Delaware limited liability corporation.

RECITALS

A. WHEREAS, Owner is vested in fee simple title and has a substantial beneficial interest in certain real property, which is legally described in EXHIBIT A (the "Property"); and

B. WHEREAS, Owner applied for and received approval of a Master Use Permit (Project No. 3013153) to develop a commercial tower on the above-described property and has redeveloped the property in accordance with approvals (the "Development"); and

C. WHEREAS, in connection with the Development, a petition was filed under City of Seattle Clerk's File No 312262 pursuant to Chapter 35.79 of the Revised Code of Washington and Seattle Municipal Code Chapter 15.62, by the Owner and its predecessor in interest, Clise Properties, Inc., to vacate the alley in Block 20 of Sarah A. Bell's Second Addition of Seattle as legally described in EXHIBIT B; and

D. WHEREAS, the Transportation Committee of the Seattle City Council held a public hearing on the street vacation petition and recommended approval of the street vacation petition, subject to conditions; and

E. WHEREAS, the Seattle City Council granted preliminary approval of the street vacation petition, subject to conditions, on November 5, 2012, in City of Seattle Clerk's File No. 312262 ("Council Vacation Decision"), including the public benefit improvements listed in Section 1; and

F. WHEREAS, execution of a Property Use and Development Agreement is desired to ensure compliance with any conditions of alley vacation approval that will not be fully satisfied prior to passage of the ordinance vacating the above-referenced alley; and

G. WHEREAS, the Owner now seeks final vacation of the alley in Block 20 of Sarah A. Bell's Second Addition as described in EXHIBIT B;

NOW, THEREFORE, the Owner agrees that if the ordinance vacating the above-referenced alley is passed by the Seattle City Council and approved by the Mayor, then the Owner shall operate and maintain the Development in accordance with this Agreement:

AGREEMENT

Section 1. Public Benefit Improvements. Addressed below are those on-site and off-site public benefit improvements of the alley vacation approval that require ongoing maintenance during the operation of the Development, which shall be collectively referred to as the "Public Benefit Improvements" and which are depicted on EXHIBIT C.

A. Blanchard Street Voluntary Building Setback

- i. Approximately 2,140 sf of voluntary 10' building setback to allow for widened sidewalk, additional landscape, and use by adjacent retail.

B. Other Voluntary Building Setbacks

- i. Approximately 2,270 sf of voluntary building setbacks within the property line to allow for landscape and sidewalk improvements (excluding Blanchard Street).

C. Enhanced Right-of-Way Improvements

- i. 4-6 additional trees as part of a double row of trees (allee) on 7th. The location and quantity of trees will be determined by SDOT and local utilities.
- ii. Two wayfinding signs per the City Center Wayfinding Plan (one onsite and one offsite).

D. Art

- i. One signature art piece.
- ii. Integrated art in the right-of-way.

Section 2: Maintenance. The Owner shall maintain all of the Public Benefit Improvements in good repair for the life of the Development.

Section 3: Public Access. Public access will be allowed to the following Public Benefit Improvements such that the public can pass through or use the amenity regardless of whether such use by the public is associated with the Development: Blanchard Street Voluntary Building Setback and Other Voluntary Building Setbacks (as described in Section 1.A and 1.B), as depicted on EXHIBIT D. The Owner may adopt reasonable rules and regulations regarding use of and access to such Public Benefit Improvements as are necessary to ensure the security of the users of the Public Benefit Improvements and the Development. The rules and regulations may not be inconsistent with the terms of this Agreement. A summary of the rules and regulations may be posted in visible locations in the Development.

Free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within these public benefit features. While engaged in allowed activities, members of the public may not be asked to leave for any reason other than conduct that unreasonably interferes with the enjoyment of the space by others. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.

Section 4. Closures. The Owner shall have the right to temporarily close or modify the Public Benefit Improvements for: construction; maintenance and repair; temporary use for private functions directly related to the Development or the Owner; the maintenance of safety or security for the Development or persons using the Development; or other circumstances beyond the Owner's control.

Section 5. Binding Effect. An executed copy of this Agreement shall be recorded in the records of King County and the covenants hereof shall be deemed to attach to and run with the Property. The Owner agrees that terms of this Agreement shall be binding on and benefit the Owner during the term of its ownership and subsequent to its ownership this Agreement shall be binding on and benefit its successors, heirs, and assigns.

Section 6. Modification. This Agreement may be amended or modified by mutual agreement between the City and Owner, according to the following procedure. Minor changes to this Agreement may be approved by SDOT, if the approved change is consistent with the purpose and intent of the conditions in the Council Vacation Decision. Any major changes to this Agreement, as reasonably determined by SDOT, shall require approval by the City Council

by resolution or ordinance. SDOT shall provide the Owner with notice and the opportunity to comment on whether a change is considered minor or major, prior to SDOT making that determination. Nothing in this Agreement shall be construed as a surrender of the City's governmental powers.

Section 7. Enforcement. This Agreement is made for the benefit of the City and the public. The City may institute and prosecute any proceeding in law or in equity to enforce this Agreement.

Section 8. Insurance. Upon the effective date of the vacation ordinance, the Owner shall provide and thereafter maintain in full force and effect, commercial general liability insurance providing for a limit of not less than \$1,000,000 per occurrence for damages arising out of bodily injuries or death. The insurance policies obtained shall be issued by companies authorized to conduct business in Washington State and shall name the City as an additional insured. Owner shall provide evidence of insurance to the City Risk Manager at the City's reasonable request.

Section 9. Indemnity. Owner covenants and agrees to defend, indemnify, and hold harmless the City of Seattle, its officials, officers, employees, and agents from all liabilities, claims, causes of action, judgments, or expenses, including reasonable attorney fees and necessary litigation expenses, resulting from any actual or alleged bodily injury (including death) or actual or alleged damage to property arising out of or in connection with the use or occupation of the Public Benefit Improvements during the term of its ownership. Upon any transfer of ownership, this obligation will be binding on successors and assigns. The indemnification obligations under this agreement do not apply to any liabilities, claims, causes of action, judgments or expenses resulting from bodily injury or property damage caused by the negligence or intentional acts of the public or the City, or its officers, employees, elected officials, agents or subcontractors.

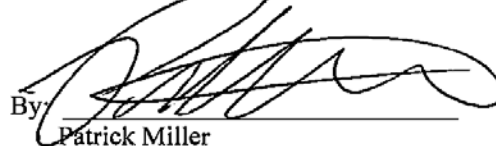
Section 10. Reservation. The Owner reserves the right to use the Public Benefit Improvements for any purpose that does not materially interfere with the public's use of the Public Benefit Improvements, including but not limited to the right to use the Public Benefit Improvements as described in Sections 1 and 3 of this Agreement and the right to grant easements-a right of use within the Development, provided the easements-right of use does not materially interfere and is consistent with the public's use of the Public Benefit Improvements.

Section 11. No Dedication. Notwithstanding the covenants contained in this Agreement, nothing in this Agreement shall constitute a public dedication of any portion of the Property, Development, or Public Benefit Improvements.

Section 12. Severability. It is expressly agreed that in the event any covenant or condition or restriction in this instrument or any portion thereof is invalid or void, such invalidity or voidness shall in no way affect any other covenant, condition, or restriction.

SIGNED this 17 day of September, 2020.

Acorn Development LLC
a Delaware limited liability company

By: 
Patrick Miller
Its: Authorized Signatory

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me John Schoettler, to me known to be the Vice President, of Acorn Development LLC, a Delaware limited liability company that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 17 day of September, 2020.





Printed Name AMY CASAVAN
NOTARY PUBLIC in and for the State of
Washington, residing at SUMMIT, WA
My Commission Expires 3-05-2024

Exhibit A

Legal Description of Acorn Development, LLC Property (Block 20)

ALL OF BLOCK 20, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 36118 AND KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437, AS PROVIDED BY ORDINANCE NUMBERS 7733 AND 50890 OF THE CITY OF SEATTLE.

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON

Exhibit B

Legal Description of Alley to be Vacated (CF 312262)

ALLEY IN BLOCK 20, CLERK FILE 312262: ALLEY IN BLOCK 20, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF, RECORDED IN VOL. 1 OF PLATS, PAGE 121, IN KING COUNTY, WASHINGTON. THE BLOCK IS BOUNDED BY LENORA STREET, 7TH AVENUE, BLANCHARD STREET, AND 8TH AVENUE.

Exhibit C

Public Benefit Improvements

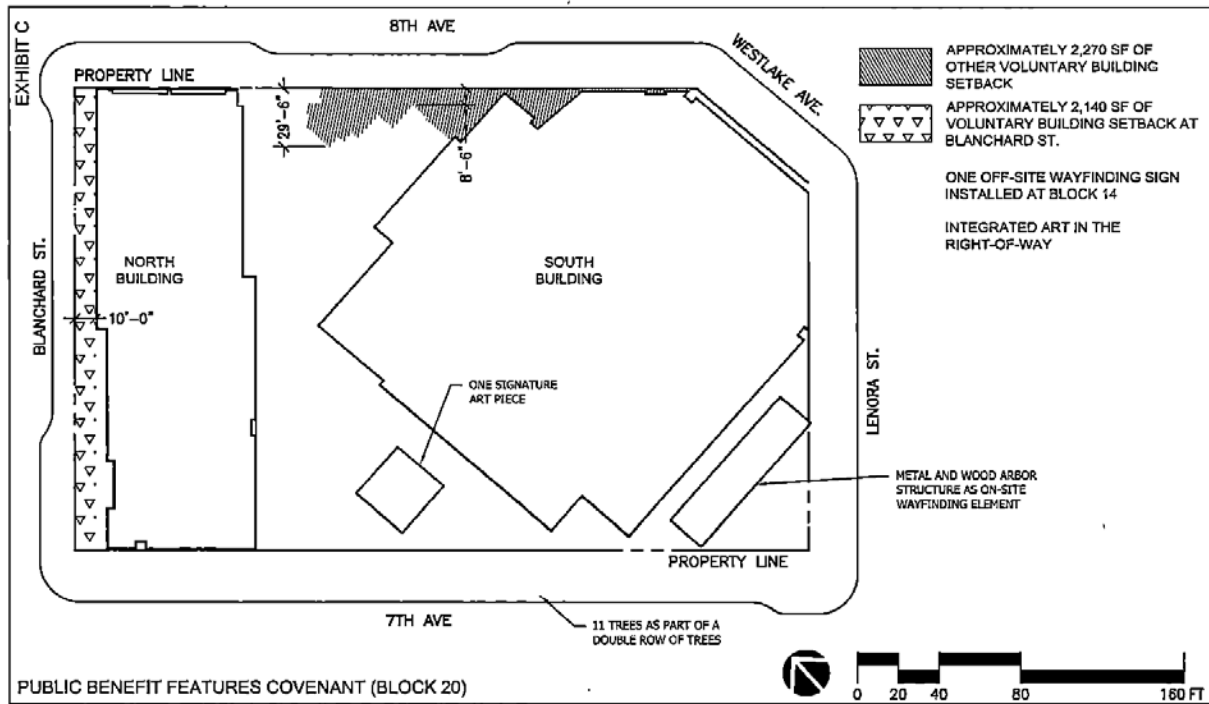


Exhibit D

Public Benefit Improvements Available for Public Access

