

September 17, 2020

## MEMORANDUM

**To:** Seattle City Councilmembers  
**From:** Brian Goodnight, Analyst  
**Subject:** Council Bill 119881: SDOT Arena Transit Improvements Agreement

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On September 21, 2020, the Council will discuss and possibly vote on [Council Bill \(CB\) 119881](#), proposed legislation that would authorize the Mayor or her designees to enter into a Memorandum of Agreement (MOA) with Seattle Arena Company, LLC for constructing transit, bicycle, and other improvements near the Seattle Center Arena redevelopment project. This memorandum provides background information on the City's relationship with Seattle Arena Company and summarizes the commitments contained in the MOA.

### Background

In January 2017, the City released a Request for Proposals for the redevelopment of KeyArena. After receiving and evaluating proposals, the City selected Oak View Group, LLC, and in December 2017 the Council passed [Ordinance 125480](#) authorizing a Memorandum of Understanding (MOU) with Oak View Group. Following the execution of the MOU, Oak View Group and its partners formed Seattle Arena Company (ArenaCo) as the entity that would redevelop, lease, and operate the Arena. In September 2018, the Council approved a series of agreements with ArenaCo, via [Ordinance 125669](#), for the redevelopment project.

With respect to street improvements, the City's land use code requires ArenaCo to install pedestrian and bicycle improvements along Queen Anne Ave N and 1<sup>st</sup> Ave N. Additionally, after executing the project agreements, the City issued ArenaCo a Master Use Permit that requires ArenaCo to pay for a portion of three transit-related projects in the same area. These transit-related projects, along with some additional improvements described below, are the subject of the MOA that would be approved by CB 119881.

### Memorandum of Agreement

The purpose of the MOA is to establish the roles and responsibilities of ArenaCo and the City with respect to the design and construction of street improvements related to the redevelopment of the Arena. In order to minimize impacts on the surrounding neighborhood, the MOA would have ArenaCo construct a set of "Transit Improvements" and some "Additional Improvements" concurrent with its obligations to install pedestrian and bicycle improvements.

As described above, the Master Use Permit issued for the project requires ArenaCo to partially fund three Transit Improvement projects. The three projects are:

- Converting a travel lane on 1<sup>st</sup> Ave N to a bus-only lane between Denny Way and Republican St;

- Installing a transit queue jump at 1<sup>st</sup> Ave N and Republican St; and
- Converting a travel lane on Queen Anne Ave N to a bus-only lane from Mercer St to John St.

ArenaCo is responsible for contributing \$594,000 of the estimated total cost of \$990,000 for the improvements. The Seattle Department of Transportation (SDOT) would fund the balance of the cost for the projects, approximately \$396,000, through a credit to the street use fees that ArenaCo would otherwise owe for the redevelopment project. ArenaCo is expected to owe a total of approximately \$3.5 million in street use fees associated with the project, and the MOA requires that the credited fees only be used for the design and construction of the Transit Improvements.

Additionally, the MOA specifies that ArenaCo would install a set of “Additional Improvements” for SDOT. The Additional Improvements include:

- Raised driveways and concrete barriers for protected bicycle lanes;
- Green bicycle boxes;
- New signage at unsignalized intersections;
- Thomas St bicycle and signal improvements; and
- A curb extension on the NW corner of Thomas St and 1<sup>st</sup> Ave N.

The Additional Improvements are expected to cost approximately \$445,000 and would be funded entirely through credits against the street use fees that ArenaCo would otherwise pay to the City.

In total, SDOT staff estimate combined street use fee credits of \$841,000 resulting from the proposed MOA for installation of both the Transit Improvements and the Additional Improvements. The Seattle Municipal Code, in [SMC 15.04.100](#), allows the SDOT Director to “credit up to \$300,000 in use fees from an individual project in exchange for voluntary transportation improvements of equal value.” Credits above this amount must be approved by the Council, and Council authorization would be granted through passage of CB 119881.

cc: Dan Eder, Interim Director