



Legislation Details (With Text)

File #: CB 118339 **Version:** 1 **Name:** CB 118339
Type: Ordinance (Ord) **Status:** Passed
In control: City Clerk
On agenda: 3/23/2015
Final Action: 3/27/2015 **Ord. No.** Ord 124737

Title: AN ORDINANCE relating to the Pike Place Market Preservation and Development Authority; authorizing the Director of the Office of the Waterfront to enter into a development agreement to distribute \$34 million in bond proceeds and to convey certain real property located at 1901 Western Avenue, Seattle, Washington to the Authority for the development of a mixed-used project with public parking, low-income housing, public open space, retail and commercial space; authorizing the acceptance of an easement from the Authority on that property; and authorizing the Director of the Office of the Waterfront and the Housing Director to execute documents and take other actions in connection with this project.

Sponsors: Jean Godden

Indexes:

Attachments: 1. Att A: Pike Place Market PC1-North Development Agreement v2, 2. Att A: Pike Place Market PC1-North Development Agreement v1, 3. Summary and Fiscal Note, 4. Summary Att 1: PC1-North Property Map, 5. Pike Place Market Development Agreement Presentation, 6. Central Staff Memo, 7. Memo Att: Proposed Substitute to Att A, 8. Signed Ord 124737

Date	Ver.	Action By	Action	Result
3/27/2015	1	City Clerk	attested by City Clerk	
3/27/2015	1	Mayor	Signed	
3/27/2015	1	Mayor	returned	
3/25/2015	1	City Clerk	submitted for Mayor's signature	
3/23/2015	1	City Council	passed	Pass
3/16/2015	1	Committee on Central Waterfront, Seawall, and Alaskan Way Viaduct Replacement Program	pass as amended	Pass
3/2/2015	1	City Council	referred	
2/25/2015	1	Council President's Office	sent for review	
2/24/2015	1	City Clerk	sent for review	
2/24/2015	1	Mayor	Mayor's leg transmitted to Council	

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the Pike Place Market Preservation and Development Authority; authorizing the Director of the Office of the Waterfront to enter into a development agreement to distribute \$34 million in bond proceeds and to convey certain real property located at 1901 Western Avenue, Seattle, Washington to the Authority for the development of a mixed-used project with public parking, low-

income housing, public open space, retail and commercial space; authorizing the acceptance of an easement from the Authority on that property; and authorizing the Director of the Office of the Waterfront and the Housing Director to execute documents and take other actions in connection with this project.

WHEREAS, the Pike Place Market Preservation and Development Authority (Authority) was chartered pursuant to Seattle Municipal Code 3.110 (Ordinance 103387 as amended), and RCW 35.21.730 *et seq.*, to undertake “renewal, rehabilitation, preservation, restoration and development of structures and open spaces” in the Pike Place Market “in a manner which affords a continuing opportunity for Market farmers, merchants, residents, shoppers and visitors to carry on their traditional market activities” and, among other activities, “preserve and expand the residential community, especially for low-income people;” and

WHEREAS, the City owns certain land in the Pike Place Urban Renewal Project area designated as PC-1 North in the Pike Place Urban Renewal Plan as amended in January of 1974, pursuant to Ordinance 102916, and as extended by Ordinance 124361. The property consists of approximately 0.75 acres and is bounded by Western Avenue to the east, the Alaskan Way Viaduct (Viaduct) to the west, the existing Pike Place Market parking garage to the south, and Victor Steinbrueck Park and the Market Place North parking garage to the north; and

WHEREAS, the PC-1 North site was occupied by the old Municipal Market building, which contained public parking and Market-related commercial uses until that building burned down in 1974; since 1979, the Authority has operated surface level public parking on the site under a series of agreements with the City; and

WHEREAS, the PC-1 North site is the last undeveloped parcel remaining in the Pike Place Urban Renewal Project area and redevelopment of the PC-1 North site for Market-related purposes has been a City priority in order to restore the property to its historic uses, reintegrate it into the Pike Place Market and provide additional low-income housing; and

WHEREAS, the City executed a Memorandum of Understanding (MOU) pursuant to Ordinance 124122, concerning the development of this property with specific guidelines and requirements related to the conveyance of the property to the Authority and the construction of a new mixed-use structure known as the “PC-1 North/ MarketFront” (Project) to be joined to the existing Public Market Parking Garage on the adjacent PC-1 South property owned by the Authority; and

WHEREAS, the Project will provide approximately 300 parking spaces, 40 units of low-income housing, approximately 12,000 square feet of new retail and vendor space, and over 30,000 square feet of public open space, all of which will further the charter of the Authority and is consistent with the intent of the Pike Place Market Historical District Ordinance 100475, as amended; and

WHEREAS, state law authorizes the transfer of property to a public development authority with or without consideration, subject to appropriate deed restrictions necessary to ensure the continued use of such property for public purposes, including redevelopment that would provide public benefits; and

WHEREAS, the state’s SR 99 bored tunnel project, removal of the Viaduct, and the City’s redevelopment of the central waterfront will eliminate on-street short-term public parking spaces; and

WHEREAS, replacement public parking is needed to serve visitors to the Market and the central waterfront, and to preserve the viability of the Market as a retail center; and

WHEREAS, the Project has been designed in close coordination with the City’s Office of the Waterfront to ensure that it will connect with the future “Overlook Walk” and includes pathways that will provide public access between the Aquarium Plaza on the central waterfront and the City’s central retail district on Pike and Pine Streets through the Market; and

WHEREAS, the Project will achieve certain of the City’s objectives for development of the central waterfront as expressed in the City’s Central Waterfront Concept Design and Framework Plan and Resolution 31399; and

WHEREAS, the Seattle Design Commission reviewed and recommended approval of the PC1-North

development, specifically related to the creation of public spaces and new connections from Pike Place Market via the future Overlook Walk to the central waterfront; and

WHEREAS, in 2014 the Seattle Design Commission also reviewed and recommended approval of a partial street vacation of an unimproved section of Armory Way, approved by City Council under Clerk's File 313716, to accommodate portions of the structure in that unimproved right of way; and

WHEREAS, in 2015, the Pike Place Market Historical Commission approved the use, design and donor recognition elements of the Project; and

WHEREAS, the Authority has completed environmental review for the Project and the City's Department of Planning and Development has issued a determination of nonsignificance for the Project; and

WHEREAS, the MOU articulated a series of guiding principles and specific requirements for the Project to be addressed in the Development Agreement, including but not limited to the principle that the Authority "must demonstrate that the Project as designed and funded is feasible and can be undertaken in a manner consistent with the prudent financial management" of the Authority and its properties; and

WHEREAS, to satisfy the goals articulated in the MOU for replacement parking, the Project construction will begin prior to the demolition of the Viaduct and is expected to take 18 months to complete from the Project commencement date; and

WHEREAS, the Development Agreement is intended to satisfy the requirements of the MOU and memorialize the relationship between the City and the Authority to address issues, including but not limited to conveyance of the property, funding, design, and construction of the Project, and serve as the basis for the City's financial contribution to the Project and continued involvement and oversight until Project completion; NOW, THEREFORE;

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the City of Seattle's Office of the Waterfront (Director) is authorized to

execute and perform, for and on behalf of the City, an agreement (Development Agreement) with the Pike Place Market Preservation and Development Authority (Authority) for the transfer and development, on the terms and subject to the conditions authorized in this ordinance, of the following described property (Property):

Those portions of Lots 5 through 12, Block 36, and that certain unnumbered tract or lot lying generally southeast of Block 36, delineated on an Addition to the Town of Seattle as Laid Out by A.A. Denny (commonly known as A.A. Denny's 6th Addition to the City of Seattle), as recorded in Volume 1 of plats, page 99, in King County, Washington, and those portions of the vacated alley in said Block 36 and vacated Pine and Stewart Streets more particularly described as follows:

Beginning at the most northerly corner of Lot 5, Block 36, of said plat of A.A. Denny's Sixth Addition to the City of Seattle;

Thence southwesterly along the northwesterly margin of said Lot 5 to its intersection with the northeasterly line of Armory Way, as established by condemnation Ordinance No. 66339, as amended by Ordinance No. 67125;

Thence southeasterly along said northeasterly line of Armory Way to a point on a line parallel with and 30 feet northwest of the northwesterly line of Block H, Addition to the Town of Seattle as Laid out by A.A. Denny (commonly known as A.A. Denny's 4th Addition to the city of Seattle), as recorded in Volume 1 of plats, page 69, in King County, Washington;

Thence northeasterly along said parallel line to the southwesterly line of Western Avenue as widened under the provisions of Ordinance Nos. 11704 and 18109 of the City of Seattle;

Thence northwesterly along said southwesterly line of Western Avenue to its intersection with the northwesterly line of Lot 6, Block 36, said plat of A.A. Denny's 6th Addition to the City of Seattle;

Thence southwesterly along the northwesterly line of said Lot 6 to the most westerly corner thereof;

Thence southwesterly along the southwesterly projection of the northwesterly line of said Lot 6 to the point of beginning;

(Also known as Parcel B of City of Seattle Lot Boundary Adjustment Number 8800103, recorded under recording number 8807250812 and amended by recording number 8811290942).

The Development Agreement shall be substantially in the form attached to this ordinance as Attachment A except that the Director may make such minor modifications, revisions, and additions to the covenant and easement attached to the Development Agreement as are consistent with the purpose and intent of this ordinance and in the City's best interests. In order to carry out the Development Agreement for and on behalf of the City, the Director is authorized to execute a deed for the Property substantially in the form attached as Exhibit E to the Development Agreement and upon satisfaction of the conditions precedent under the Development Agreement, the Director is authorized to cause the deed to be recorded and delivered to the Authority. Subject to Section 3 of this Ordinance, the Director is further authorized to execute, deliver, accept, record, modify, administer, and perform such other documents as he/she shall deem necessary or advisable to implement the purpose of this ordinance, which may include subordination agreements and priority agreements, and to grant, deny, or condition any consents or approvals required or allowed under the terms of the Development Agreement or related documents.

Section 2. The Development Agreement shall require the Authority to use diligent efforts to pursue financing applications, permit applications, and all other steps necessary to construct and permanently finance improvements on the Property consistent with the Development Agreement. All such efforts of the Authority shall be at its own expense and risk, provided that nothing in this ordinance or the Development Agreement shall relieve any contractor, insurer, or other third party from any liability or obligation.

Section 3. The Director of the Office of Housing (Housing Director) is authorized to execute, deliver, accept, record, modify, administer, and perform such other documents, including without limitation the master lease, as the Housing Director may deem necessary or appropriate to facilitate construction of the affordable housing component of the Project, and may grant such consents and approvals as may be required under the Development Agreement or Covenant for the leasing and financing of that component.

Section 4. As a condition to the transfer of the Property, the Authority shall deliver to the City a covenant (Covenant) pursuant to which the Authority agrees to use the Property for low-income housing and public parking for a term of 50 years from the Project completion date, substantially in the form of Exhibit F to the Development Agreement. The Director is authorized to accept and record the Covenant, and to enforce and administer the rights of the City thereunder.

Section 5. As a condition to the transfer of the Property, the Authority shall deliver to the City an easement (Easement) granting to the City rights of public access in, on, across, and through the public access areas to be constructed on the Property, all as described in the form of the required Easement, substantially in the form of Exhibit G to the Development Agreement. The Director is authorized to accept and record the Easement, and to enforce and administer the rights of the City thereunder.

Section 6. At the time the Covenant and Easement required herein are delivered to the City, the Property shall not be encumbered in any way except by instruments of record or reservations in favor of the City.

Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2015, and signed by me in open session in authentication of its passage this ____ day of _____, 2015.

President _____ of the City Council

Approved by me this ____ day of _____, 2015.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment A: MARKETFRONT/PC-1 NORTH DEVELOPMENT AGREEMENT including Exhibits