



November 8, 2021

Honorable M. Lorena Gonzalez, President  
Seattle City Council  
600 Fourth Avenue  
Seattle, Washington 98104

**Subject: Petition of Grand Street Commons LLC for the vacation of the Alley in Block 14 Jos C. Kinnear's Addition to the City of Seattle in the North Rainier Hub Urban Village within City Council District 3 Clerk File 314459**

Dear Council President Gonzalez and Honorable Members of the City Council:

We are returning the petition from Grand Street Commons LLC, now Grand Street Commons MBH LLLP, ("GSC", "Grand Street" or "Petitioner") for the vacation of the Alley in Block 14 Jos C. Kinnear's Addition to the City of Seattle being the alley in the block bounded by S Grand Street, 23 Avenue South, S Holgate Street, and 22<sup>nd</sup> Avenue South in the North Rainier Hub Urban Village, described as:

That certain alleyway, being 16 feet in width, created by Plat, between South Grand Street and South Holgate Street and lying between Lots 1, 2, and 3, and Lots 4, 5, and 6, Block 14, Jos C. Kinnear's Addition to the City of Seattle, according to the Plat thereof, recorded in Volume 1 of Plats, Page 123, records of King County, Washington.

The alley proposed for vacation is approximately 180 feet in length by 16 feet in width for a total of approximately 2,880 square feet of right-of-way.

Seattle Department of Transportation (SDOT) recommends the vacation be granted subject to conditions.

**I. CITY COUNCIL DISTRICT**

The proposed street vacation is in City Council District 3.

**II. ACTIVITIES PRIOR TO FORMAL VACATION APPLICATION**

In the policy revisions adopted in Resolution 31809 in 2018, the City Council formalized several procedural obligations that a developer must address before filing a vacation petition. The policy revisions provide that these steps must be completed before SDOT should accept a vacation petition and before beginning the formal review of a proposed vacation.

The Council imposes a much more rigorous and consistent plan to engage the community before the review process begins. This early work is intended to move beyond notification about a proposed vacation and create an opportunity for early input on a proposal and public benefit plan.

The pre-petition activities outlined in the Vacation Policies includes:

- Feasibility assessment: SDOT requires a developer to provide conceptual information about the proposal and how the vacation contributes to the development. SDOT staff can then provide information about the time frame, costs, and obligations of a vacation, including the public benefit obligations, and the appraisal process to determine the vacation fee. SDOT may include other City staff such as Seattle Department of Construction & Inspections (SDCI), Department of Neighborhoods (DON), utility representatives, and the Seattle Design Commission (SDC). City staff will work to provide an initial feasibility assessment based on the information provided.
- Community Engagement Plan: The developer is required to consult with DON staff and develop a Community Engagement Plan that must be included in the vacation application.
- Conduct early community engagement: Consistent with the plan, the developer must proceed with early community engagement.
- SDC early review: The vacation proposal must be presented to the SDC before any Early Design Guidance (EDG) meeting so that the SDC can provide input to the Design Review Board (DRB).
- Capital Improvement Projects (CIP): If a CIP project is proposed by the City or other public agency, the proposal including a vacation and a no-vacation alternative must be presented to the SDC at predesign or 15% review of the proposed facility.
- Early Design Guidance: If the project is subject to design review the EDG process must be completed before the vacation can be accepted by SDOT.

This work creates opportunities for early input from the community and various City staff and can assist a developer in determining whether to proceed with a vacation.

### **III. COMMUNITY ENGAGEMENT PLAN**

A significant change in the revised Vacation Policies is the obligation that before a Petitioner can begin the formal vacation review, the Petitioner must work with DON on developing a Community Engagement Plan. The City first expanded the obligation to develop Community Engagement Plans in Ordinance 125429. This legislation added requirements to Seattle Municipal Code (SMC) Chapter 23.41 that all projects going through Streamlined, Administrative, or the Full Design Review program administered by SDCI must prepare a community outreach plan before scheduling the EDG meeting. SDCI Director's Rule 4-2081 and DON Director's Rule 1-2018 provide more guidance about the components of the plan.

The vacation review follows the guidance provided by the SMC and the Director's Rule. The developer can then work with DON on a plan that will be accepted by SDCI and SDOT.

The Community Engagement Plan uses a number of strategies to reach individuals and organizations in the neighborhood where a vacation is proposed. DON will guide the developer on the strategies to employ, organizations to contact or meet with, and whether translation of materials or at meetings is necessary. DON provides support throughout the process.

The Community Engagement Plan for the Grand Street Commons project used a number of strategies to reach individuals and organizations in the neighborhood where the alley vacation is proposed. DON guided the developer on strategies to employ, organizations to contact or meet, and whether translation of materials or at meetings is necessary. In many instances, materials were translated from English into Mandarin, Japanese, Vietnamese and Spanish.

With DON's guidance, Mt Baker Housing and Lake Union Partners, the two associates in Grand Street Commons LLC, conducted outreach throughout 2020 by mailing translated letters and flyers to residents and businesses within 500 feet of the site, to provide information about the proposed vacation and project. The team also created an online feedback platform that attracted more than 3,273 website visitors and more than 340 comments.

Outreach was also conducted to more than 50 neighborhood organizations, non-profits, neighbors, community groups and leaders near the site and held more than 20 individual meetings, including:

- Central Area Chamber of Commerce
- Casa Latina
- Central Area Latina Association
- Central Area Collaborative
- Asian Counseling and Referral Services
- Central Area Youth Association
- Eritrean Community Center
- Hamlin Robinson School
- Japanese Presbyterian Church
- Mt Baker Hub Alliance
- Rainier Valley Chamber of Commerce
- Urban League
- Wellspring Family Services

Based on this outreach, feedback from these groups aligned around the following themes:

- Strong Support for the Project, especially the quantity of affordable housing;
- Landscaping & trees highly desired;
- Plaza very important, a place to sit and relax, hang out with friends, occasional community-wide events at plaza, request for public seating;
- Good wayfinding important; and
- Security & cameras important.

Jevon Washington, Director of Community Engagement for Mount Baker Housing, and art curator Elisheba Johnson will be re-engaging the community this fall in line with the Art Plan outreach requirements.

#### **IV. EARLY CITY COUNCIL REVIEW**

The Vacation Policies provide that the Council may host a briefing on a new vacation petition. The purpose of the briefing is to provide the public with an early opportunity to give input on the vacation to the City Council, the Petitioner, and City reviewers. The briefing provides an opportunity for the Council to hear about the vacation, and to provide early feedback regarding the process.

The briefings are held after a petition has been accepted and introduced at City Council and early in the review process. The goal is for the Petitioner to present the vacation to the City Council and the community before the elements of the formal review process such as Seattle Design Commission (SDC), Design Review Board (DRB) meetings, Street Improvement Permit (SIP) review, or other City procedures have begun to identify issues and work to refine the proposal.

An early Council briefing was held on December 16, 2020, at the Sustainability & Transportation Committee. During that briefing the Committee expressed clear support for the proposed development of affordable housing and was interested in the number of units proposed as well as the financing and affordability level of the apartment units. The Committee also asked for clarity on the public benefit proposal and how the spaces would be used by the adjacent community.

#### **V. BACKGROUND**

The proposal is to vacate the alley in Block 14 lying between S Grand Street, 23<sup>rd</sup> Avenue S, S Holgate Street, and Rainier Avenue S. The alley is approximately 180 feet long and 16 feet wide for a total of approximately 2,880 square feet. The alley is currently unimproved and most of the site is vacant. Mt Baker Housing owns about  $\frac{3}{4}$  of the block with Dere Auto Repair Shop owning the remaining portion. Dere Auto uses S Holgate Street for access to its business. Dere Auto is located on the southwest portion of the block at S Holgate Street and will remain on the site and continue its current use. The alley is generally flat and was used to provide parking and access to the property.

The proposed alley vacation is a part of a larger development plan. Grand Street Commons LLC was formed by Lake Union Partners, an urban real estate firm specializing in residential mixed-use and commercial development and Mt Baker Housing. Mt Baker Housing is an affordable housing provider formed in 1988 from the anti-displacement efforts of residents of the Mount Baker neighborhood.

Grand Street Commons is a transit-oriented three-block development in the Judkins Park neighborhood. A part of the development plan includes environmental clean-up as the site is

classified as a brownfield site that was contaminated by prior industrial activity. The developer is working with the Washington Department of Ecology and its Healthy Housing program to clean up the site.

The larger Grand Street Commons vision is for development of three blocks. Maps and exhibits label the blocks as GSC West, GSC East, and GSC South. Lake Union Partners will be developing the two blocks to the north of S Grand Street. These two blocks, GSC West and GSC East will be developed for approximately 569 units of housing. The apartments are planned to be a combination of market rate rental and affordable housing; affordable housing will be provided by Mandatory Housing Affordability (MHA) onsite performance and Multifamily Tax Exemption (MFTE) totaling 155 units. Commercial and retail space will also be provided at the street level. GSC West has been designed for the potential inclusion of a grocery store in the proposal.

Grand Street Commons developed a vision statement that lists the goal of creating a mixed income, transit-oriented community featuring Office of Housing funded family units at 60% Adjusted Median Income (AMI), market rate apartments and additional affordable units via MHA onsite performance and MFTE programming. This new neighborhood center will feature a variety of retail and commercial uses, pedestrian friendly streets, green public spaces, and proximity to the Judkins Park Light Rail Station.

Mt Baker Housing will be developing the block south of S Grand Street, GSC South, which is the subject of the vacation petition. Mt Baker Housing hopes to develop 206 units of affordable housing at 60% AMI on the site and there will be retail activity and a cultural space at the street level.

During the review of this proposal the two organizations, as Grand Street Commons LLC, outlined shared and individual obligations for some of the required street improvements and some of the public benefit features required for the alley vacation. Mt Baker Housing recently formally acquired the Grand Street Commons south block. This block is now held by Grand Street Commons MBH LLLP, this business entity change confirms that Mt Baker Housing is the developer of the affordable housing block. The obligations regarding the public benefit features and other onsite enhancements remain largely the same.

The Grand Street Commons vision and the background information about the development to the north of the site proposed by Lake Union Partners is provided to understand the overall development plan and provide context but there is no specific action required related to the two blocks to the north.

## **VI. REASON FOR VACATION**

The vacation is sought to support Mt Baker Housing's affordable housing project, which is one component of the Grand Street Commons proposal. The alley vacation allows for consolidation

of the site so that one building can be developed. This consolidation eliminates the duplication of service and access points and supports a more efficient development. Developing two buildings on the site would require redundant services in each building such as vertical circulation, lobbies and building entries, and trash/recycling service. Mt Baker has indicated that the elimination of duplicative services may reduce construction costs by as much as \$70,000 per unit.

In addition, the consolidated site can accommodate more units of housing. It is expected that 45 additional units of affordable housing can be constructed if the alley vacation is approved. The percentage of family-sized units increase from 21% to 29% in the single building configuration.

The reduction in development costs of the single building plan results in a 40% reduction in cost per unit for the Office of Housing funding. This supports the additional 45 units of housing and results in a saving of over \$4.7 million in Office of Housing costs.

Vacating the alley allows Mt Baker Housing to develop more units of affordable housing, a greater number of family units, and reduces per unit development costs sufficient to add 45 additional units.

## **VII. NO-VACATION ALTERNATIVE**

For many large-scale projects such as a full-block office tower located downtown or institutional expansion such as a new hospital building, the proposed projects cannot be built without using the vacation process to connect property and create a site of sufficient size for development. For other projects the vacation is requested because of the flexibility to develop the site to meet the functional and program goals of the developer. Site flexibility can provide for anything from a more desirable building orientation on the site or for a plaza area with more sunlight or visibility.

With this site, housing could be developed with the existing alley remaining in place. The alley right-of-way could serve to provide access to a separate building site on either side of the alley. While this might be feasible for a commercial project or for market rate housing, it is less clear that project would be financially feasible for affordable housing without the alley vacation. Without the alley vacation the project could include 2 buildings with approximately 157 units of housing. The overall Office of Housing cost per unit would rise from \$83,309 with the alley vacation to \$137,345 without the alley vacation.

Without the vacation, the site could be developed but with fewer units, likely with fewer family units and a higher Office of Housing per unit development cost.

The no-vacation alternative would not require any public benefits.

## VIII. PROJECT DESCRIPTION

Grand Street Commons is located at 2201 S. Grand St. and is being redeveloped as a 3.3-acre transit-oriented development. The project will include a mix of affordable and market-rate housing near the planned Judkins Park Light Rail Station. The entire project is expected to have around 771 units, 360 of which will be affordable, and 60,000 square feet of retail/commercial space. Grand Street Commons will be about a five-minute walk north to Judkins Park Light Rail Station, where light rail service begins in 2023. The mixed income projects are being developed by Lake Union Partners and HAL. The affordable housing will be developed by Mt Baker Housing. The Mt Baker Housing proposal will cost approximately \$71M and the total development costs of the two Lake Union Partners is approximately \$217M.

The proposal is to vacate a currently unused alley between S Grand Street and S Holgate. Grand Street Commons LLC owns more than two-thirds of the property that abuts the alley. The alley exists only on this block and does not extend to the north or to the south, terminating at private property to the south creating a dead-end section of right-of-way. The alley right-of-way that will be vacated is approximately 16 feet wide and is approximately 180 feet long for a total of about 2,880 square feet.

The alley proposed for vacation is unimproved and part of a Brownfield site that will be remediated as part of the Department of Ecology's Healthy Housing program. The site is largely vacant and remediation activity is taking place. There is one existing building fronting this alley, Dere Auto, this use will remain on the site. The owner of Dere Auto has signed the alley vacation petition and if the alley vacation is approved would acquire a portion of the alley right-of-way.

The GSC South building will have the main residential entry on S Grand Street to the north and includes office and retail space. As S Grand Street curves west to Rainier Avenue S, retail space and cultural space will be provided. Around the site landscaping, paving treatments, art or wayfinding, and street furniture are proposed.

The 206 units will be restricted to residents earning at or below 60% AMI. It is anticipated that this will include about 70% of the units for those earning at 50% AMI and about 30% of the units for those earning at 60% AMI. The project also features a variety of sizes of units including approximately 50 units of 2 or 3 bedrooms for larger families.

The proposal includes:

- Total Gross Floor Area: 200,422 square feet
- Residential Floor Area: 134,853 square feet
- Office/Retail Floor Area: 11,581 square feet
- Building Height: 73 feet/7 stories
- Number of Residential Units: 206
- Number of Vehicle Stalls: 30 stalls

- Number of Bike Stalls: 60 spaces
- Uses: Affordable Multifamily units with retail
- Unit mix and size:
  - 1 bed: 101
  - 2 beds: 8
  - 3 beds: 42
  - Open 1: 12
  - Studio: 43

The public benefit proposed for the project includes:

- Development of a public plaza in the right-of-way adjacent to the site,
- Enhance the streetscape around the project,
- Work with the community on art and design features for the plaza space, and
- Include cultural space in the project.

## **IX. CIRCULATION/REGULATORY REVIEW/ISSUE IDENTIFICATION**

The vacation proposal was circulated to various City departments, outside agencies, and community groups to identify any issues specific to the alley vacation. The vacation review process also includes review by the Seattle Design Commission (SDC).

Development projects proposing a vacation are also obligated to comply with any applicable regulatory and environmental regulations. In addition to the vacation review, this project is subject to:

- Early Design Guidance (EDG): completed 4/2020
- Administrative Design Review as required by SDCI: completed and published 5/2021
- Master Use Permit (MUP): submitted to SDCI 4/2020 and accepted 5/2021
- Preparation of a SEPA Checklist
- Preparation of a traffic study: completed 2/2021, additional requests for turning movement analysis
- Land Use and Zoning review: correction cycle completed 6/2021, awaiting vacation approval
- Building Permit: SDCI accepted 12/2020, in final correction cycle
- Street Improvement Plan (SIP) review: 30% submitted 7/2020, currently at 60% approval
- Utility Major Permit (UMP): submitted 4/2020, submitted 90% plan 7/2021
- Term Permit for plaza: submitted 8/2021

The purpose of the broad review of the vacation petition is to identify issues that need to be addressed through the vacation process by changes to the project or by adding vacation conditions. The various regulatory reviews would address code related issues for the project and the overall development. The vacation comments, summarized below, reflect the statements



made by the reviewers and any issues identified during the initial portion of the review process. The comments reflect a "snapshot in time" when the comments were received and do not reflect any project revisions, updates, or responses to comments. All the comments received are a part of the record and are not revised or amended by SDOT. The comment section does not reflect the resolution of the issue, subsequent design changes, or mitigation.

Grand St Commons comments summary

Responding agencies	Comment summary
SDOT Sound Transit	Coordinate with other projects in the area
SDCI	<ul style="list-style-type: none"> <li>• Maximize pedestrian experience at ground level</li> <li>• OPCD supports public space relationship to commercial areas</li> <li>• Concerns with maintenance and operation of water feature</li> <li>• Clearly define public areas that should not seem private</li> <li>• Maximize seating while maintaining pedestrian flows</li> <li>• Design water feature as stand-alone art piece</li> <li>• Maximize pedestrian safety of plaza due to bisection by S Grand St.</li> <li>• Design benches for durability and water resistance</li> </ul>
SPU <ul style="list-style-type: none"> <li>• Wastewater</li> <li>• Water</li> <li>• Solid Waste</li> </ul>	Outlined water distribution asset requirements
SDOT Trans Ops	Desirable to have traditional alley functions accommodated on project site
SDOT St Use	Provided comments to SDC before public benefit approval on 5/6/21
OPCD	<ul style="list-style-type: none"> <li>• Proposal is consistent with Seattle 2035 Comp plan</li> <li>• Could be improved with space for small and ethnic business and tactile art in open spaces</li> </ul>
SFD	No concerns with proposed curbless section of S Grand St
Seattle Design Commission (SDC)	SDC provided meeting minutes, recommendations, and presentation material for each of its 4 review meetings

**X. DESIGN COMMISSION REVIEW**

The Seattle Design Commission (SDC) reviews all vacation proposals and provides advice to the City Council and City departments on specific elements of the proposal. The SDC focuses their review on two areas established by the City Council in Resolution 31809: how the loss of the right-of-way impacts the functions of the remaining rights-of-way near the project, the public trust functions and how improvements to the public realm offset the loss of the right-of-way, and

the public benefit obligation. To evaluate the implications of the loss of the right-of-way, the SDC considers elements such as the community context, how project features such as building orientation and scale are affected, how utilities are modified as a result of the loss of the right-of-way, and how the project engages with the public realm around the development site. The SDC is particularly interested in the community engagement plan and how the goals of the community are reflected in the development and the public benefit features.

Following the review of how the elements of the right-of-way are modified as a result of the vacation, the SDC then considers the proposed public benefit package. This includes a review of whether the proposed features are of value to the public and rise to the level of public benefit. The review considers whether the public benefit elements are public in nature and how the elements exceed any project related improvements that benefit the project over the public. Finally, the SDC review considers whether the public benefit proposal is adequate considering the scale of the project, the loss of the public right-of-way, and the impacts of the vacation.

The SDC reviewed the Grand Street Commons project at its meetings on November 21, 2019, November 5, 2020, February 4, 2021, and May 6, 2021.

November 21, 2019: at the pre-petition review the SDC provided the following comments:

- The project team should continue to understand how the vacation and realignment of S Grand Street will affect transportation and circulation around and through the development as the project evolves.
- SDC recognizes the limited impacts the proposed alley vacation will have but questioned how the development will engage and relate to the street edge. Strongly recommend that the project team look at the street edge and how it interacts with the surroundings and particularly on S Grand Street.
- Appreciate the traffic analysis to understand how the realignment will respond to traffic issues.
- SDC expressed concern about the public space along Rainier Ave S and need more information how it can feel public.
- SDC stressed the need for meaningful community engagement and strongly recommended the team broaden outreach to better reflect the diversity of the larger community. More outreach is needed. Consider providing space for locally owned and minority owned businesses.

November 5, 2020: at the meeting the SDC voted to approve the public trust phase of the project with the following recommendations:

1. Work proactively with SDOT to explore crossing improvements across Rainier Avenue S and 23<sup>rd</sup> Avenue S. SDC expressed strong concerns about approving changes to the street grid at a location with long-standing inequities in pedestrian safety investment. Turning movements are concerning in particular because of the transit stop and increased number of pedestrians from the project development.

2. Consider how the changes to the vehicular circulation pattern bisect the open space at S Grand Street. SDC is concerned that this creates a stronger relationship to the northern market rate development rather than the southern affordable housing development. Realigning S Grand Street to the south provides open space access to the retail of the market rate development and forms a barrier to the affordable housing residents.
3. Carry out the on-going community group outreach to ensure the larger community vision and goals can be incorporated in this project.
4. Consider options that reduce bulk and scale of the affordable housing building. Refine the building design to further integrate it with the public realm.

Public benefit recommendations:

1. Work with SDOT to provide safe access to the open space from communities west of Rainier Avenue S and east of 23<sup>rd</sup> Avenue S. As long as it is dangerous for the greater public to reach the site the SDC will have difficulty supporting the public benefit.
2. Examine the relationship of the proposed open space to the developments and to open spaces and plazas in the vicinity. SDC is concerned the open space is of more benefit to the market rate development and less to the affordable housing residents and the greater public. This is of particular concern because the alley vacation is in an area of undergoing gentrification.
3. If the realignment remains as proposed, work to ensure that it has a pedestrian focus that this space is not a through route. Explore a woonerf concept to improve permeability across S Grand Street so the benefits of the open space is more connected to GSC South.
4. Explore solutions to the challenge of providing a public plaza along a loud, busy street.
5. Consider the nearby bus stop in the plaza design.
6. Engage in additional targeted community outreach. Refine the design of the public plaza to reflect the vision and goals of the community.
7. Work with City departments who address displacement and advancing racial equity to develop an appropriate community preference plan.
8. Consider additional public benefit items such as public art reflecting the populations in the community and indoor community space. Please work with the community to support providing retail space for local and minority owned businesses.

February 4, 2021: the SDC did not vote on the public benefit package but provided the following comments.

1. Work with SDOT on opportunities to provide east-west pedestrian crossing of Rainier Avenue S and 23<sup>rd</sup> Avenue S including supportive design features that can be implemented now or in the future to improve connections the adjacent community.
2. Curbless street
  - Evaluated design attributes for curbless streets with the traffic volume forecast.
  - Consult with SDOT on the shared/festival street concept and Vision Zero improvements.
  - Explore moving the west transition strip closer to Rainier Avenue S.
  - Explore extending the east transition street through the S Grand St/22<sup>nd</sup> Avenue S intersection.

- Create a mix of landscape barriers and bollards.
  - Explore reducing space devoted to auto/truck parking.
  - Consider long-term maintenance issues of traffic volumes on hardscape features.
3. Contiguous and separate open spaces
    - Provide studies to program the separate and joined plazas for farmers markets and community events.
    - Research permitting requirements for use of the plaza space.
    - Reconsider the location, cost, maintenance, and extent of a water feature.
  4. Hardscape/landscape improvements
    - Design the public realm to reflect and support the cultural identity of the place.
    - Engage community in an active role to develop designs that reflect the community.
    - Extend design for hardscape improvements to 23<sup>rd</sup> Avenue S to the east and 22<sup>nd</sup> Avenue S to the north.
    - Reconsider the role of lighting including designs that reflect the larger community.
  5. Funding for community expression plan
    - Extend area through the whole plaza; consider to the north as well.
    - Develop framework for community engagement that includes targeted populations based on neighborhood demographics.
  6. Equitable outcomes in program and design solutions
    - Provide more definition on the \$150,000 budget for partnering with underserved communities that will use the plaza space.
    - Expand design in the plaza that reflects community demographics. Create welcoming community expression with choices in the planting palette, furnishings, paving materials, and other elements.
    - Work with community groups and agency partners to identify space for community organizations.
    - Work with the Cultural Space Agency PDA for partnerships to provide community-based programming and active cultural spaces.
    - Consider a set-aside of retail space for minority and disadvantaged business owners.
  7. Refine the dollar amount represented at public benefit. The cost of the street realignment appears to be a project related cost and not related to the public benefit package. The construction costs should be accurately reflected as cost independent of the public benefit package. The costs of retaining any existing sidewalk or roadway conditions should also be considered in accurately reporting the true public benefit value.

May 6, 2021: the SDC approved the public benefit package with the following conditions.

1. If any substantive changes are proposed to elements of the public benefit package, including funding associated with any public benefit feature, removing, relocating, or changing the type of design features for the plaza or related right-of-way improvements,

the size and orientation of any spaces provided for cultural or artistic activities, or any changes to the proposed street furniture, paving, landscaping, lighting, or any other similar feature, the revisions shall be brought to the SDC for review and approval. The review and approval by the SDC shall occur prior to the issuance of any associated street use permit or a building permit for GSC South needed to install or implement any such elements.

2. Prior to the issuance of any Certificate of Occupancy for GSC South the SDC's Executive Director shall review and approve the agreement to between the Office of Arts & Culture and the Cultural Space PDA to create a condominium of approximately 1,500 square feet for the PDA to use as a community focused space that will help activate the public plaza throughout the year.
3. Within 180 days of issuance of a building permit associated with GSC South (MUP 3035498-LU) the SDC shall review and approve the final Cultural Expression and Public Art Plan developed as a part of the vacation public benefit package. A member of the SDC shall be a voting member in the selection of artists.
4. Funds used to create items of cultural expression to be incorporated into the plaza designs shall result in the creation of elements that have a long-term or permanent quality as opposed to items that are temporary in nature.

The SDC also recommended the following refinements to the public benefit features.

- Include a section on the public benefit matrix that lists the affordable housing units that will be achieved because of the vacation and the aspiration to lease upwards of 75% of non-anchor commercial space to minority owned businesses and organizations.
- Strongly reconsider the use of bollards to separate the curbside street from the plaza; consider using other elements such as trees, that better integrate with the surrounding environment.
- If the roadway through the plaza is retained, consider the anticipated vehicular volumes and movements, and adjust the roadway design to improve the safety of pedestrians.
- If the road is eliminated, redesign the plaza.
- For the future, the City is advised to require pedestrian crossings of arterials such as Rainier Avenue South when amenities are planned that will serve the broader community and to link Transit Oriented Developments to transit stops.
- Prepare an art plan for the plaza. Define a process with a timeline that allows artists time to develop their work. Provide time and resources for artists and the plaza design team to collaboratively integrate their work.

## **XI. POLICY FRAMEWORK**

Street vacation decisions are City Council decisions as provided by State statute and have not been delegated to any City department. There is no right under the zoning code or elsewhere to vacate or to develop public right-of-way. Vacating public right-of-way requires discretionary legislative approval that must be obtained from the City Council, and the Council may not vacate

public right-of-way unless it determines that to do so is in the public interest. The City uses a two-part test to determine whether a vacation is in the public interest. First, the City undertakes a “Public Trust Analysis,” a determination of whether the street is needed and whether the public interest can be protected if the street is vacated. Second, the City undertakes a “Public Benefit Analysis,” assessing the Petitioner’s proposal to provide benefits to the public.

Established plans, policies, and standards guide this review as called for by the Vacation Policies. The City will not support vacations that conflict with City planning goals, particularly if the vacation would be inconsistent with the desired intensity of development and preferred uses, or if a clear harm would result. But land use policies and codes do not bind the Council’s decision to grant or deny a street vacation petition. The Council may condition or deny vacations as necessary to protect the public interest.

The City’s Street Vacation Policies provide that vacation requests may be approved only when they significantly serve the public interest. The Street Vacation Policies provide for a two-step review of any vacation petition to determine if the vacation is in the public interest. The Policies define the components of public interest as protecting the public trust and providing public benefit.

The Street Vacation Policies provide that during its review of the petition, the Council will weigh the public trust and land use effects of a vacation, the mitigating measures, and the public benefits provided by the vacation to determine if the vacation is in the public interest. In balancing these elements of the public interest, the Council places primary importance upon protecting the public trust it holds in rights-of-way.

This petition has been reviewed for its consistency with the vacation policies in Resolution 31809, which were in effect when the petition was submitted.

## **XII. PUBLIC TRUST ANALYSIS**

City streets are held in trust for the public and City acts as a guardian for the public in reviewing vacations. The Council may approve vacations only when they are in the public interest. Streets will be retained unless it can be shown that they are not needed for a current or foreseeable public use and the Council is convinced the vacation is in the public interest. The policies define the public trust functions of rights-of-way as being circulation, access, utilities, free speech, public assembly, open space, light and air, and views.

Vacations affect the land use and development patterns in an area by adding to the developable land base, altering the local land division pattern, changing vehicular and pedestrian movement patterns, and increasing the development potential on the vacated and abutting streets. A vacation petition may be approved only when the increase in development potential that is attributable to the vacation would be consistent with the Comprehensive Plan.

**Circulation:** Streets provide for the movement of people, goods, and vehicles through the city as part of a network. If a part of the network is removed, there may be impacts to the transportation network. The City will only vacate right-of-way if it will not disrupt the movement of people, goods, and vehicles through the city, and only if it is consistent with the City's transportation plans.

The main purpose of alleys is to provide for access to the individual parcels on a block and to provide for services and utilities. Alleys generally are not considered part of the larger circulation system and do not provide for the circulation of vehicles around a site or a community. Since the alley proposed for vacation does not continue in the blocks to the north or the south of the site the alley does not provide for continuity of utility infrastructure or service vehicles. The project design addresses access to the parcels and no impacts to the larger street grid were identified from the loss of the alley.

In addition to considering the impacts from the loss of the alley, the review process has considered elements of the circulation around the three blocks of the Grand Street Commons proposal and connections to the surrounding street grid.

The maps and exhibits forwarded with this recommendation illustrate the project area and the proposed changes to the street grid. These maps are helpful as the description of streets and street changes can be difficult to follow.

The street system around the larger three block project includes S State Street to the north, 23<sup>rd</sup> Avenue S to the east, S Holgate Street to the south, and Rainier Avenue S to the west. S Grand Street is between the Lake Union Partners projects to the north and the Mt Baker block to the south. S Grand Street currently runs between S Rainier Street and 23<sup>rd</sup> Avenue S. There is also a 23<sup>rd</sup> Avenue S spur lane adjacent to the Mt Baker proposal that guides traffic onto S Holgate Street.

The two blocks being developed by Lake Union Partners, GSC West and GSC East lie on either side of 22<sup>nd</sup> Avenue S, which runs north and south and leads to S Grand Street, which currently runs east to west. 22<sup>nd</sup> Avenue S is not in direct alignment south of S Grand Street but rather 22<sup>nd</sup> Avenue S currently curves to the west and connects with S Rainier Avenue. The streets are platted at an angle which creates some blocks of a nonstandard shape and means that the streets meet at an angle. The nonstandard geometry at the street connections means that it is more difficult for vehicles to turn without wide intersections and can create visibility issues for vehicles and longer crossing times for pedestrians.

Grand Street Commons has proposed some changes to address the anomalies in the existing street grid. North of S Grand Street, 22<sup>nd</sup> Avenue S will continue as currently configured but south of S Grand Street, 22<sup>nd</sup> Avenue S will not continue. S Grand Street will not continue to the west of 22<sup>nd</sup> Avenue S. Instead, S Grand Street will curve to the west and continue to Rainier Avenue S. The new street configuration includes:

- 22<sup>nd</sup> Avenue South north of S Grand Street remains,
- 22<sup>nd</sup> Avenue South south of S Grand Street goes away,
- S Grand Street between 23<sup>rd</sup> Avenue South and 22<sup>nd</sup> Avenue South remains,
- S Grand Street in its current alignment from 22<sup>nd</sup> Avenue South to Rainier Avenue S goes away, and
- S Grand Street in its new alignment curves south of 22<sup>nd</sup> Avenue South to a new point on Rainier Avenue South.

The newly realigned segment of S Grand Street extending south from the existing S Grand Street will become a one-way street. Vehicles will enter from Rainier Avenue S and travel northbound. The street will be approximately 12 feet in width, be curbless, and will have parking on one-side. There will be a driveway style entry at both ends of the street to slow vehicles and indicate the priority is on pedestrian movement. The new street segment is designed to emphasize and prioritize pedestrian activity. The street will support pedestrian movements between the public plazas being developed east and west of realigned S Grand Street. Some elements of the street design will be consistent with the adjacent plazas to create a cohesive space. The newly realigned, one-way northbound, curbless street can be closed to support larger community events and programs.

The changes to the street grid are intended to remove intersections that provide for difficult vehicle turning movements, reduce visibility, and require longer pedestrian crossing times. In addition, the changes emphasize the pedestrian character for the new developments and prioritize pedestrian access and use. The changes to the street grid create space for public plazas to be developed on both sides of the new segment of S Grand Street and provide space for community programming and events.

The changes to the street grid do not privatize any of the rights-of-way but rather reconfigure the rights-of-way to best serve the circulation and access needs of the project and provide community and pedestrian space. Because the area remains as public right-of-way a vacation is not required. Community events and festivals will be accommodated with permits from SDOT.

While a vacation is not required, the street design and alignment must be approved through the SIP review process. In addition, the nonstandard paving treatments and other enhancements must include responsibility about maintenance, insurance, and utility access. Continued coordination between the review procedures is important so that the code required elements, right-of-way enhancements, and public benefit features work together. An example would be to make sure that an art element or public benefit feature is not placed over utility infrastructure or create visibility concerns at an intersection.

Currently being finalized is the proposed fountain location and the impact on SPU lines lying beneath the fountain location. The resolution may include sleeves over the pipes or minimizing the depth of the fountain. Also in review is the sidewalk dimensions on the



north side of the project and options to protect the large trees while providing adequate sidewalk dimension. The SIP review may require additional analysis on turning movements to finalize the vehicle access entering S Grand Street from Rainier Avenue South. Some reviewers have questions about the scoring proposed for the street enhancements and will need to review drainage and maintenance obligations.

The work on the development plans through the SDCI review and review in SDOT's Street Improvement Permit (SIP) review and approval process will address specific regulatory, utility, and design standards requirements. The SIP review has reached the 60% level and SDOT can approve the street alignment and street design. There is also a term permit application for the nonstandard and public benefit features in the right-of-way. Work is continuing to determine the best method to address maintenance, insurance, use fees, and other considerations. The vacation conditions should include obligations for enhancements or deviations to standards related to public benefit obligations or enhancements proposed by the development team. Close coordination between the various review procedures will continue to be important as this project moves forward.

Access: Streets and alleys provide access to individual parcels as well as providing for access around and through the surrounding and larger community. Streets are designed to provide for the range of transportation modes, including walking, bicycling, transit, and driving. The City will only approve vacations if they do not result in negative effects on the current or future needs of the City's vehicular, bicycle, or pedestrian circulation systems, or on access to private property. If the negative impacts can be appropriately mitigated, the City may choose to vacate the street.

The main function of alleys is to provide for access to individual parcels, space to access service, loading areas and parking, and to provide for utility vehicles and services such as solid waste pickup. When the vacation of an alley is proposed the review looks at the impact to the surrounding parcels and whether the service and access uses that should be contained within the parcel are pushed out to the surrounding streets. If the Mt Baker property was developed without the alley vacation the existing alley could continue to provide for access to the property east and west of the alley. The use of the alley would keep the project related services and access away from the surrounding streets.

With the proposed alley vacation the project still needs to accommodate access and services associated with the Mt Baker housing development. In addition, the project will need to continue access for Dere Auto which will remain in the corner of the block at Holgate Avenue South and Rainier Avenue South. The proposal provides that access for Dere Auto will remain in its current location. The garage entry for parking and services such as solid waste and recycling associated with Mt Baker housing will be on S Holgate Street, this will provide access to the parking garage for vehicles and can be used by bicyclists as well.

The lobby for residential access will be on S Grand Street and access to retail will occur on S Grand Street to the north and west of the site.

The Street Improvement Permit (SIP) review has looked at the access and street level plan for the development and while that review is still under way, it is possible to approve the proposed access. As the permitting review moves forward the specific design and dimensions of the garage entry, loading areas, and dimensions and street design issues for S Grand Street and the realignment of S Grand Street will be finalized.

Utilities: City and private utilities use streets to serve their customers. The City will only vacate a street when all utilities using or potentially using the right-of-way can be adequately protected with an easement, relocation, fee ownership, or similar agreement satisfactory to the utility owner. The Council will require that future potential utilities can be accommodated.

The review of the vacation did not identify that the loss of the alley created any utility issues. Since the alley does not continue north or south of the proposed vacation the vacation does not disrupt any continuous utility services. As the proposal moves forward the developer will need to continue to work with Seattle Public Utilities (SPU) and Seattle City Light (SCL) to coordinate the development activity. The SIP process identifies the utility needs for the proposed development and the service needs for the new Mt, Baker housing and the Lake Union Partners project to the north will be addressed through the regulatory review process.

Free Speech: The public has traditionally used Seattle's streets to exercise constitutional rights under the First Amendment ranging from large scale protests to newspaper vendors. Streets will only be vacated if publicly accessible spaces on the site will be kept open for the same speech-related purposes.

Alleys traditionally provide for access to the adjacent parcels, parking access, service access such as deliveries and solid waste pickup. Alleys also provide space for utility infrastructure such as City Light vaults and drainage catch basins. The alley proposed for vacation is open and available for public use, but the alley is unimproved and there are no active adjacent uses that draw the public. One existing use will remain on the block, Dere Auto. Dere Auto provides a service to the neighborhood but it is not the type of business to draw members of the general public to use the alley.

While it is possible for the public to use the alley and to exercise free speech rights in the alley it does not appear to have much value for those purposes absent some adjacent buildings or uses or the alley being a neighborhood short cut or route to public spaces. If the block was developed with the alley remaining in place any members of the public who accessed the alley would be behind the buildings with little visibility.

The vacation will remove the alley, but adjacent public right-of-way will be developed as a public plaza. The proposed plaza improvements will be in public right-of-way, and this means that the public has the right to access and use the plazas. The plaza development should welcome the community to gather and can be used by the public as a place to exercise free speech rights. This new space will provide more meaningful opportunities for the freedom of expression.

The vacation should be conditioned to require that free speech be protected on the public spaces around the project.

Public Assembly: Streets also act as places for people to gather, to meet others in the community, space for children to play, and for all segments of society to interact. The role of the right-of-way can be particularly important for people who have the fewest resources. The Council will consider the importance of each street or alley as a place for community activity in considering any vacation.

As noted, alleys function as the back door of a block and provide important space for services and access to property but generally don't provide space for the public to gather. The alley is about 180 feet long and 16 feet wide for a total of about 2,880 square feet. In its unimproved state the narrow width of the alley would provide an awkward and likely insufficient space for a community event or public gathering. The alley does not currently serve as a place of public assembly nor is it adjacent to a public use. Even if the right-of-way was retained and improved as part of a different project it is unlikely that it would have much value as a space for the public to gather. The narrow width of any alley and its uses for access to loading, parking, and services make it an unlikely space for public assembly.

The open spaces provided by the new development are specifically intended to provide for an enhanced pedestrian environment and to provide plaza space for the community to gather. This size and amenities proposed for the plazas will create space for the public to gather and sufficient space for organized community events.

Open Space: Streets provide spaces for people to gather, interact, and travel, and offer open space benefits. These benefits include space between structures, connection to open spaces, places for trees and vegetation, and contributions to the open space network. The open space roles of boulevards, green streets, urban trails, shoreline street ends, and future open space are of heightened importance; all streets and alleys provide these benefits.

The alley proposed for vacation includes about 2,880 square feet. The geometry of the street grid between the Lake Union Partners development and the Mt Baker Housing developments creates right-of-way that is more than what is needed for street purposes. The triangular right-of-way adjacent to GSC West and GSC South will be improved by creating two public plazas. One will be north of the realigned S Grand Street adjacent to the Lake Union Partners project this will be approximately 9,100 square feet and one plaza will be south of realigned S Grand Street adjacent to the Mt Baker Housing affordable housing

project of approximately 11,600 square feet. The realigned portion of S Grand Street running between the two plazas is designed to prioritize pedestrians while still providing for necessary vehicular use. This will include approximately 10,000 square feet of street ROW that can be closed and included in community events and festivals.

The adjacent plazas will include special paver treatment, landscaping, street furniture, and a signature fountain is proposed at the north plaza. The project is working on a plan for Artistic & Cultural Expression that creates the opportunity for local artisans to create art pieces and artist designed elements for the plaza area.

The two developments have street level retail that will have entries facing the space. A cultural art space is included in the Mt Baker Housing block that will provide for community artists to work, perform or display work. Landscaping and wayfinding will also be included.

The SDC reviewed the plaza design in great detail and pushed the development team to demonstrate that the design reflected the community where the project is located before being satisfied that the proposal could serve as welcoming space for the public. The SDC and City staff wanted the plaza and other public elements to create opportunities for community input on the art selection or elements and the final design choices.

The Grand Street Commons project provides public open spaces of a scale and design that will be impactful in the neighborhood. The improvements will be done in public right-of-way so that the public's ability to gather and exercise first amendment rights is protected. The project's goal is to create a "commons" that draws the larger community to the area and provides a variety of experiences and opportunities. The open space proposed through the vacation is significantly larger than what would be provided without a vacation and should prove to be an asset to the larger community.

Light and Air: Streets and alleys maintain access to light and air to their users and to surrounding property. The Council will consider the loss of light and air, and shadow impacts in considering whether to approve a street vacation. Shadow impacts on public spaces will be given importance.

The street grid provides for consistency in the development pattern. Streets provide for open, undeveloped space, and breathing room and access to sunlight between buildings. Streets provide for light and air onto buildings and public spaces. The alley proposed for vacation is an alley segment that is not part of a continuous alley grid that creates a balanced pattern of space and buildings. The scale of the building proposed on the consolidated site is consistent with the zoning and for anticipated new development in the area. The new building proposed by Mt Baker should not have significant shadow impacts on any public spaces. The modest diminution in light and air will be offset by the significant public plazas proposed adjacent to the site. The vacation supports the development of an affordable housing project reflecting one of the highest goals for the City. The vacation will support

development that is consistent with the anticipated development pattern and will not have significant impacts on light and air, or shadow impacts on any public spaces.

Views: Street and alleys provide views to mountains, bodies of water, and the city itself. The City will protect designated view corridors along specifically-identified streets. The City will consider impacts of a street vacation on views of designated public places and designated landmarks.

The portion of alley right-of-way proposed for vacation does not provide views of any natural feature or community landmark. The alley is a one block segment that does not continue in the block to the north or to the south. Should the vacation be approved, the alley will be developed but there is not a loss or diminution of any public views. With or without the vacation, at grade level the only views are of the buildings and streets around the site. There are no views of importance that will be lost by vacating this alley.

Land Use and Urban Form: Streets and alleys also play a significant role in the shape of the city. The City will consider the relationship between the intended character of the area as described in Seattle's Comprehensive Plan and other adopted neighborhood, subarea, or community plans. The width and spacing of streets, the presence and absence of alleys, and the location and path of boulevards and other linear open spaces have significant impacts on neighborhoods and how they function. The Council will pay attention to vacations that disrupt an existing pattern of development in the neighborhood. The Council may place conditions on a vacation to mitigate negative land use effects.

This project is consistent with the zoning for the area and would be consistent with the scale of any future developments. The larger Grand Street Commons proposal also provides more open space and pedestrian amenities than would likely be provided with smaller one block developments. This area can anticipate the development of additional housing with the recent zoning changes approved by the City Council. The Neighborhood Commercial zoning and the site are well suited to a mixed-use project of this scale. The retail, cultural space, and pedestrian amenities will support small business and enhance community building by supporting active pedestrian use as well as small spaces to stop or rest.

This project which will be 100% affordable housing units implements the goals identified during the City's review and discussion of ways to increase the production of affordable housing.

This area is well served by existing transit and will be a short walk away from the future Judkins Park Light Rail Station. This should all support an active and walkable community.

No adverse land use impacts were identified.

### **XIII. PUBLIC BENEFIT ANALYSIS**

The Street Vacation Policies note that a vacation shall include a commitment to provide public benefits. The concept of providing a public benefit is derived from the public nature of streets. Streets, whether improved or unimproved, provide important benefits to the public. Among the various benefits are preserving the street grid that provides for consistency in the development pattern and influences the scale and orientation of buildings. Streets provide for breathing space, open space and views, natural drainage, and urban wildlife corridors. These benefits are in addition to the public functions provided by streets including moving people and goods in vehicles, on foot, or by bicycle; and providing for current and future utility services, for street trees, and for other amenities.

Vacations cannot be granted for a purely private benefit. Before this public asset can be vacated for private purposes, there shall be a permanent or long-term benefit to the public. To best address the needs of the community, a strong focus on race and social equity is important in assessing the public benefits included as a part of vacation petition. The Vacation Policies stress the importance of the public benefit proposal responding to the needs of those most vulnerable to the negative impacts of development.

Proposed vacations may be approved only when they provide a permanent or long-term public benefit. Because the public permanently loses the street, short-term public benefits or public benefits that solely benefit individuals will not be considered. The Vacation Policies specify that the following are not public benefits:

- Mitigating the vacation's adverse effects;
- Meeting code requirements;
- Paying the required vacation fee;
- Facilitating economic development; or
- Providing a public, governmental, or educational service.

The vacation review looks very closely at the proposed public benefit package. SDOT, various City staff, and the SDC considered the amenities proposed for the vacation and whether the package was adequate. One challenge for reviewers with this vacation was what role the provision of affordable housing should play in the public benefit package. The provision of 206 units of 100% affordable housing is of benefit to the public and increasing the amount of affordable housing is well-established as a high priority for the City. The community work also noted that the affordable housing was supported by the adjacent community.

While the Mt Baker Housing project is proposing a vacation to support affordable housing, about one-half of all vacation petitions are for public or government projects. This includes everything from schools, libraries, and hospitals to City utilities such as Seattle City Light's Denny Substation. The Vacation Policies specifically state that while the nature of the project is a factor in deciding the adequacy of a public benefit proposal, it is not itself a public benefit. This has been interpreted as a need to provide a public benefit that serves the general public and not

merely a benefit to those who reside in the building or access the services. When no significant impacts have been identified projects may proposed more moderate public benefit packages that implicitly recognize the public benefit in supporting the proposal.

In Section IV, A the policies note, in part, that the following factors are not public benefits, but may be considered when reviewing the public benefit package:

- Project compliance with City policies and goals;
- Proposals designed to improve race and social equity, improve access to opportunity, and reduce the threat of displacement by ...increasing the supply of affordable housing beyond City requirements;
- Providing affordable housing...; and
- Neighborhood support or opposition.

The SDC was very engaged in discussions of how to measure the value of the affordable housing as a part of the public benefit obligations. There was much discussion of whether affordable housing should be considered as a public benefit. The SDC clearly supported the value of the affordable units attributable to the vacation being considered an element of the public benefit and included that in its recommendation to the City Council. The SDC recommended that Mt Baker Housing include the affordable housing and the number of additional affordable units in the public benefit matrix.

The Vacation Policies are equally clear in specifying that affordable housing is not in itself a vacation public benefit but that providing the housing should be considered when determining the amount of public benefit that is required.

This has been the consistent direction from the City Council even before the 2018 revisions to the Vacation Policies. The end result may be the same. Whether the affordable housing is defined as a vacation public benefit or is considered when evaluating the scale of the public benefit proposal, the value of the addition of affordable housing is valued and credited. The analysis is that the affordable housing balances the public benefit obligation rather than meeting the public benefit obligation. The affordable housing is recognized as an important element but is not listed in the public benefit matrix.

Public benefit elements must also exceed elements required by the Seattle Municipal Code or mitigation required under the State Environmental Policy Act or other regulations and is in addition to vacation fees and other obligations. The public benefit proposal should recognize the loss of the benefits provided by the street to the public and the gains received by the Petitioner. The public benefit proposal should reflect the comments, ideas, and concerns voiced by the public during the early community engagement work. The public benefit must be more than just compensatory and should provide something of benefit to the public.

In addition to addressing the scale or amount of public benefit that must be provided, the policies are clear that the public benefit elements proposed must clearly benefit the general public and not merely the project's tenants.

The public benefit proposal includes enhancements to the right-of-way, an art and community plan for open space areas, providing space for a Cultural Space agency, a north and south plaza developed on either side a realigned section of S Grand Street designed to prioritize pedestrians.

Right-of-way enhancements: Right-of-way enhancements add to the pedestrian experience and help to create a sense of community in an area, but Right-of-way enhancements do not always rise to the level of public benefit. New development proposals must meet code requirements and do sometimes add to the public realm around a project to enhance the leasing and retail opportunities. To be considered a public benefit, the enhancements need to support the general public use of the area and not merely support the private development. Previous vacations have included elements that support the public by providing voluntary building setbacks to create wider sidewalks and create space for street furniture, wayfinding, art, pedestrian lighting, and other amenities. The proposal for enhancements around the Mt Baker project are consistent with other public benefit proposals supported by the City Council and should be considered as public benefit. The project has some building setbacks to meet street width requirements, it is anticipated this will be exceeded to add to the pedestrian environment.

Lake Union Partners also proposes an upgrade to the sidewalk adjacent to GSC West and GSC East, while these enhancements are welcome, they appear to support the market rate development are not included in the public benefit matrix.

Evaluating whether the realigned S Grand Street should be considered as a public benefit has been challenging. The street segment is being designed to prioritize the pedestrian experience and minimize the impact of vehicles moving between two public plazas. But it is still a street and most of the time will serve the standard street functions providing for access to and through the site. In most circumstances an improved street that still must function as a street would not be considered as a public benefit. With the Grand Street Commons proposal, the street will be designed to have features consistent with the plazas north and south of the right of way. It is also anticipated that the street segment can be closed for community events and festivals. The design is intended to create the entire space, the two plazas and the street segment, as a consistent public asset. Because of the consistency in the design vocabulary and the proposal to allow for street closures, in this circumstance, the street improvements can be considered as a part of the public benefit. The inclusion of this work in the public benefit package provides accountability tool to provide for the improvements for the life of the project. Even if the improvements to S Grand Street are not considered by the City Council as a public benefit the rest of the proffered public benefit package is very strong and would be sufficient without the right-of-way work.

Plan for Artistic & Cultural Expression (art plan): The proposed plaza areas north and south of the realigned S Grand Street segment are generous in scale and provide a public benefit.



However, through the review there were questions about specific design elements and whether the proposal reflected the adjacent community. The SDC was particularly concerned about the inclusion of a variety of community voices and artists in creating these public spaces. While the development team has been responsive to these concerns timing has been tight to complete this work and stay on the necessary schedule. The SDC took the unusual step of conditioning its recommendation of approval on completing and implementing an art plan that includes and empowers community representation. The SDC recommendations are included as conditions of the vacation approval. The art plan has the potential to be a powerful voice for new artists and its implementation can enrich the public spaces with culturally-relevant elements. The conditions imposed on this work allow the vacation approval to proceed and move the project forward while providing check in points for the implementing this public benefit obligation. The specific location of art pieces or artist designed elements such as street furniture or lighting elements should also be coordinated with the SIP review.

**Cultural Space:** In 2020, the City created the Cultural Space Agency Public Development Authority (PDA). This is a cultural space real estate development company, chartered by the City of Seattle and guided by Black, Indigenous, and People of Color (BIPOC) leaders from across the cultural, community development, and commercial real estate sectors. The stated purpose of the Cultural Space Agency is to develop cultural space real estate projects in a way that reflects the needs and desires of communities that have borne the burden of institutional racism, build community wealth through investment opportunities in cultural real estate projects, and partner with commercial real estate developers and cultural commercial stakeholders.

Mt Baker Housing is offering the Cultural Space Agency 1,500 square feet of space in the affordable housing development. This space will be on the west side of the project fronting on the public plaza and adjacent to other planned retail. The 1,500 square feet of space is dedicated to the Cultural Space Agency at no cost for the life of the building. Mt Baker has estimated this at a cost of \$250,000. This specific space is the result of a new vision established last year but is very consistent with the vacation policies and the goals in the revised policies to create a more powerful voice for communities. This space is a first for a vacation petition and presents an exciting opportunity for the community. A Letter of Intent has been signed between Mt Baker Housing and the Cultural Space Agency. The space could provide for gallery showings, performances, classes or any events related to the mission of the program.

**Public plazas:** Open space is often proposed as a public benefit with vacation petitions. The open space can create the opportunity for space that is more useable for the public than a street segment or an alley and can help balance a new and large-scale development. Many vacations include open spaces that add to the public realm and are used and enjoyed by the community.

The City Council looks closely at whether the spaces are truly public or whether the space only attract and welcome certain users. The review of proposed public spaces and public uses must consider who is welcomed to enter and use the space. Many public spaces are proposed on private property and those spaces can sometimes feel as though the public space is only

accessible to certain members of the public such as building tenants or customers. The Grand Street Commons proposal is creating public plazas in existing public right-of-way. This means the public is welcome into the spaces 24 hours a day, every day. The public does not need to be shopping or spending money in a café to be able to use and enjoy the plazas. The public’s right to gather and exercise free speech rights cannot be infringed. The proposal elevates excess right-of-way and creates useable, accessible community space. Signage should be included to make sure the public is informed of the ability to access and use the public plazas.

The elements of the generous public benefit proposal are outlined in the matrix below. This also identifies whether the benefit is the obligation of Lake Union Partners or Mt Baker Housing.

**Public Benefit Matrix:**

PUBLIC BENEFIT		CODE REQUIRED	APPROXIMATE VALUE	RESPONSIBLE PARTY (IMPLEMENTATION AND COST)
<b>ROW Enhancements</b>	Added 12,124 SF of ROW enhancements, for a total of 33,800 SF <ul style="list-style-type: none"> <li>• Nine new bike racks</li> <li>• Two new street lights</li> <li>• Building setbacks</li> <li>• Pre-construction work (surveying, clearing, fencing, staking, erosion control)</li> </ul>	None	\$391,000	Mt Baker Housing
<b>Arts &amp; Culture Community Space Fronting the Plaza</b>	<i>Contract executed with the Cultural Space Agency (CSA) as year-round programming for the plaza, as well as community-focused opportunities and events</i>	None	N/A	Mt Baker Housing
<b>Arts &amp; Cultural Implementation</b>	<i>Dedicating 1,500 SF of commercial space fronting the public plaza to the CSA for the life of the building</i>	None	\$250,000	Mt Baker Housing
<b>South Public Plaza, Woonerf &amp; Landscaping</b>	<i>11,601 SF of New Plaza and 10,075 SF of woonerf. (\$250,000).            14 new trees, 412 new plants and groundcover plantings (\$47,000)</i>	None	\$297,000	Mt Baker Housing

<b>North Public Plaza</b>	<i>Additional 9,100 SF of extended plaza and special paving within the plaza</i>	None	\$307,000	Lake Union Partners
	<b>TOTAL COST FOR PUBLIC BENEFITS</b>		<b>\$1,940,000</b>	

The Grand Street Commons project is a very strong development proposal that includes a number of elements that support the public beyond the public benefit obligations as defined by the vacation policies. The development will clean up a contaminated site and provide affordable housing, including family units, in an area with good transit access. The vacation of the alley will add 45 additional affordable housing units and bring down the development costs per unit as well as the cost per unit for the Office of Housing. The public benefit package is very strong and will add significant and useable open space in the community. The addition of the Cultural Opportunity space is a first for a vacation proposal and creates a special opportunity for artists and community members.

The cooperation between Lake Union Partners and Mt Baker Housing will provide a number of enhancements to the pedestrian realm around the proposal. The reduction in vehicle circulation through the site with the realignment of the street grid supports pedestrian activity and creates opportunities for community events and the inclusion of community support art and artist designed elements. The Grand Street Commons project will be a welcome addition to the area and provide a range of housing options, public open space, and retail and cultural experiences.

#### **XIV. RECOMMENDATION**

It is recommended that the vacation be granted upon the Petitioner meeting the following conditions. The Petitioner shall demonstrate that all conditions imposed by the City Council have been satisfied and all fees paid before the street vacation ordinance is passed.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. This approval constitutes the substantive Council approval of the vacation and the Petitioner may proceed with the permitting and development of the project, consistent with the conditions of this approval.
2. All street improvements shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements, and be reviewed and approved by SDOT through a Street Improvement Permit, including:
  - Establishing curb lines, sidewalk dimensions and garage entry,
  - Proposed use of pavement scoring in the right-of-way,

- Design features, dimensions, and material of curbless portion of S Grand Street,
  - Use of bollards,
  - Location of utility facilities, including SCL poles and SPU solid waste bins,
  - Landscaping, and
  - Material use, signage, art elements and other public benefit features in the right-of-way.
3. Cooperation between Lake Union Partners and Mt Baker Housing shall continue on the review and implementation of the proposed and required regulatory elements such as the SIP and UMP, the recommendations from the SDC including the Art & Cultural Expression Plan and the vacation conditions. It shall be the responsibility of the development team to provide information to review bodies and make sure that the varying elements can be implemented as required by City Council. If project changes or regulatory provisions impact any vacation conditions, including the public benefit features, SDOT Street Vacations will facilitate a resolution of any conflicts. Lake Union Partners and Mt Baker Housing shall provide information to SDOT about the coordination activities before the passage of the final vacation ordinance.
  4. The utility issues shall be resolved to the full satisfaction of the affected utility before the final vacation ordinance is approved. Before starting any development activity on the site, the Petitioner shall work with the affected utilities and provide protection for the utility facilities. This may include easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner. The utilities that may be impacted include SCL and SPU.
  5. It is expected that development activity will commence within approximately 24 months after this approval and that development activity will be completed within 7 years. To ensure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide SDOT with regular reports, following City Council vacation approval, providing an update on the development activity, schedule, and progress on meeting the conditions and anticipated date of project completion and opening. This report shall include an update on other elements of the development review. The Petitioner shall not request or be issued a Final Certificate of Occupancy until SDOT determines that all conditions have been satisfied and all fees have been paid as applicable. If development activity has not commenced within 7 years, the Petitioner must seek an extension of the approval from the City Council.
  6. In addition to the conditions imposed through the vacation process, the project as it proceeds through the permitting process is subject to SEPA review and to conditioning pursuant to City codes through the regulatory review processes.

7. The Petitioner shall work with the Office of Housing to implement the anti-displacement policy to give preference to renters already located in the neighborhood to the extent feasible.
8. 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 the on-site vacation public benefit features. While engaged in allowed activities, members of the public shall 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 shall be 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 spaces. Any violation of this condition by the Petitioner or its successors will be enforced through Chapter 15.90 of the Seattle Municipal Code.
9. Additional review by the SDC shall include the following:
  - If any substantive changes are proposed to elements of the public benefit package, including funding associated with any public benefit feature, removing, relocating, or changing the type of design features for the plaza or related right-of-way improvements, the size and orientation of any spaces provided for cultural or artistic activities, or any changes to the proposed street furniture, paving, landscaping, lighting, or any other similar feature, the revisions shall be brought to the SDC for review and approval. The review and approval by the SDC shall occur before issuing any associated street use permit or a building permit for GSC South needed to install or implement any such elements.
  - Before issuing any Certificate of Occupancy for GSC South, the SDC's Executive Director shall review and approve the agreement to between the Office of Arts & Culture and the Cultural Space PDA to create a condominium of approximately 1,500 square feet for the PDA to use as a community focused space that will help activate the public plaza throughout the year.
  - Within 180 days of issuing a building permit associated with GSC South (MUP 3035498-LU) the SDC shall review and approve the final Cultural Expression and Public Art Plan developed as a part of the vacation public benefit package. A member of the SDC shall be a voting member in the selection of artists.
  - Funds used to create items of cultural expression to be incorporated into the plaza designs shall result in the creation of elements that have a long-term or permanent quality as opposed to items that are temporary in nature.

10. The Petitioner shall develop and maintain the public benefit elements as defined by the City Council. A Property Use and Development Agreement (PUDA) or other binding mechanism shall be required to ensure that the public benefit elements remain open and accessible to the public and to outline future maintenance obligations of the improvements.
  
11. Public amenities and nonstandard elements in the right-of-way shall require a binding mechanism to ensure that the features remain open and accessible and to outline future maintenance and insurance provisions. This may, as determined by SDOT, include a City Council Term Permit, a long-term permit from SDOT, a maintenance agreement, provisions in the SIP, or inclusion in the vacation PUDA.
  
12. Signage clearly identifying public access shall be required at the public open space elements and shall require the review of SDOT Street Vacations. The final design of the public benefit elements shall require the review and approval of SDOT Street Vacations. SDOT Street Vacations may require additional review by the SDC as needed. Changes to the proposed public benefits require SDOT review and may necessitate additional SDC review. The public benefit requirements include the following features including approximate quantities and square footage dimensions, shall be described in the PUDA:

**Public Benefit Matrix:**

PUBLIC BENEFIT		CODE REQUIRED	APPROXIMATE VALUE	RESPONSIBLE PARTY (IMPLEMENTATION AND COST)
<b>ROW Enhancements</b>	Added 12,124 SF of ROW enhancements, for a total of 33,800 SF <ul style="list-style-type: none"> <li>• Nine new bike racks</li> <li>• Two new street lights</li> <li>• Building setbacks</li> <li>• Pre-construction work (surveying, clearing, fencing, staking, erosion control)</li> </ul>	None	\$391,000	Mt Baker Housing
<b>Onsite Art &amp; Cultural Opportunities</b>	Hired local BIPOC art consultant to oversee, manage and implement opportunities for onsite Cultural and Artistic Expression (\$50,000)  Budget for hiring local artists (BIPOC priority) and	None	\$695,000	\$240,000 (Mt Baker Housing)  \$455,000 (Lake Union Partners)

	materials to create art (\$190,000)  Cultural and Artistic Expression elements in the public plaza that are part of the artists' scope of work: <ul style="list-style-type: none"> <li>• 150 SF water feature              (\$250,000)</li> <li>• 29 artistic plaza pole              lights, 12 seats / benches              (\$205,000)</li> </ul>			
<b>Arts &amp; Culture Community Space Fronting the Plaza</b>	<i>Contract executed with the Cultural Space Agency (CSA) as year-round programming for the plaza, as well as community-focused opportunities and events</i>	None	N/A	Mt Baker Housing
<b>Arts &amp; Cultural Implementation</b>	<i>Dedicating 1,500 SF of commercial space fronting the public plaza to the CSA for the life of the building</i>	None	\$250,000	Mt Baker Housing
<b>South Public Plaza, Woonerf &amp; Landscaping</b>	<i>11,601 SF of New Plaza and 10,075 SF of woonerf. (\$250,000). 14 new trees, 412 new plants and groundcover plantings (\$47,000)</i>	None	\$297,000	Mt Baker Housing
<b>North Public Plaza</b>	<i>Additional 9,100 SF of extended plaza and special paving within the plaza</i>	None	\$307,000	Lake Union Partners
	<b>TOTAL COST FOR PUBLIC BENEFITS</b>		<b>\$1,940,000</b>	

Sincerely,



Sam Zimbabwe (Nov 4, 2021 12:43 PDT)

Sam Zimbabwe  
 Director  
 City of Seattle Department of Transportation  
 Enclosures