

Seattle Arena



FEIS Appendix F - Economic Impact Analysis FEIS Appendix G - DEIS Comments & Responses

**(Appendices A-D are bound with the FEIS
Appendix E is bound separately)**

Date Published: May 7, 2015

**City of Seattle
Department of Planning and Development**

The intent and purpose of this Final Environmental Impact Statement is to satisfy the procedural requirements of the State Environmental Policy Act (RCW 43.21c) and City Ordinance 114057. This document is not an authorization for an action, nor does it constitute a decision or a recommendation for an action; in its final form it will accompany the final decision on the proposal.

Appendix F

Economic Impact Analysis

Appendix F Economic Impact Analysis

Updated Port and Non-Port Truck Impacts

Pro Forma Advisors completed a study on the potential impacts of the proposed new SoDo arena in July, 2013. Subsequent to this date, the transportation analysis in the FEIS was updated to integrate additional variables and to modify initial assumptions. The revisions included changes to transit mode split percentages, parallel route reallocations due to possible reduced capacity from forecasted increases in train activity and related street blockages, and updated parking assumptions. These modifications changed the calculated operation at intersections throughout the study area and, as a result, Pro Forma Advisors' Port transportation activity cost impacts changed.

The updated transportation analysis results increased the previous estimated annual additional costs resulting from port truck delays and the estimated annual costs associated with non-port truck delays.

The related port and non-port truck delay cost impacts are summarized below.

Updated Port Truck Cost Impacts

The updated impacts resulting from the modifications to the transportation analysis for port truck delay costs are summarized in Exhibit ES-16U below. The modifications to the transportation analysis increased the annual truck trip delay hours from 2,299 hours to 2,408 hours (or \$110,370 to \$115,584).

The primary reason that the impact on port truck trips delay costs increased was an overall increase in the estimated delay on corridors and intersections used by port trucks, most significantly for Alternative 2 Case S2. When multiplied by the estimated port truck trips on those routes for the different event cases, the revised intersection delay estimates increased the projected annual port truck delay by 109 hours (from 2,299 to 2,408), and annual cost by \$5,214 (from \$110,370 to \$115,584).

Exhibit ES-16U: Updated Summary of Port Truck Cost Impacts

| Route | Trip Delay | Total Delay | | Cost @\$48/hour |
|-------------------------------|-------------------------|------------------------|----------------------|-----------------------------------|
| | Average Delay – Minutes | Annual Delay – Minutes | Annual Delay – Hours | Estimated Annual Truck Delay Cost |
| T-25/30/46 to Freeways | 3.4 – 4.5 | 38,345 | 639 | \$30,676 |
| T-25/30/46 to SIG North | 0.2 – 0.2 | 3,074 | 51 | \$2,459 |
| T-25/30/46 to SODO | 2.7 – 4.5 | 3,175 | 53 | \$2,540 |
| T-25/30/46 to SIG South | 2.7 – 4.5 | 53,101 | 885 | \$42,480 |
| T-5/18 to SIG North | 2.6 – 4.4 | 43,610 | 727 | \$34,888 |
| T-25/30/46 to Argo/South DMIC | 2.7 – 4.5 | 3,175 | 53 | \$2,540 |
| Total Truck Trips | | 144,480 | 2,408 | \$115,584 |

Exhibit PI-23U augments the summary in Exhibit ES-16U (above) and provides additional drayage detail and costs based on the updated transportation analysis.

Exhibit PI-23U: Updated Estimated 2030 Port Truck Delay by Drayage Route

| Route | Trips 4 - 8 PM w/ Night Gates | Case | Annual Frequency | Corridor Delay | | Intersection Delay | | | | Total Delay (minutes & hours) | | | |
|-------------------------------|-------------------------------|------------|------------------|---------------------|------------------------------|----------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|------------------------|--------------------|----------------------|
| | | | | S Atlantic Corridor | 1 st Ave Corridor | Atlantic St/E Marginal Way | Atlantic St/E Frontage St | Atlantic St/ Colorado Ave | Hanford St/E Marginal Way | Trip Delay – Min | Daily Case Delay - Min | Annual Delay – Min | Annual Delay - Hours |
| T-23/30/46 to Freeways | 93 | S1 | 102 | 3.5 | | 0.14 | -0.21 | 0.02 | | 3.4 | 321 | 32,746 | 546 |
| | 93 | S2 | 12 | 4.3 | | 0.14 | -0.22 | 0.02 | | 4.3 | 396 | 4,757 | 79 |
| | 93 | S3 | 2 | 4.6 | | 0.15 | -0.21 | 0.02 | | 4.5 | 421 | 842 | 14 |
| | 93 | | | | | | | | | 3.4 – 4.5 | | 38,345 | 639 |
| T-25/30/46 to SIG North | 161 | S1 | 102 | | | 0.14 | | 0.02 | | 0.2 | 26 | 2,702 | 45 |
| | 161 | S2 | 12 | | | 0.14 | | 0.02 | | 0.2 | 27 | 319 | 5 |
| | 161 | S3 | 2 | | | 0.15 | | 0.02 | | 0.2 | 26 | 53 | 1 |
| | 161 | | | | | | | | | 0.2 – 0.2 | | 3,074 | 51 |
| T-25/30/46 to SODO | 10 | S1 | 102 | | 2.7 | | | | 0.03 | 2.7 | 26 | 2,636 | 44 |
| | 10 | S2 | 12 | | 3.9 | | | | 0.02 | 3.9 | 38 | 454 | 8 |
| | 10 | S3 | 2 | | 4.4 | | | | 0.01 | 4.5 | 43 | 86 | 1 |
| | 10 | | | | | | | | | 2.7 – 4.5 | | 3,175 | 53 |
| T-25/30/46 to SIG South | 161 | S1 | 102 | | 2.7 | | | | 0.03 | 2.7 | 432 | 44,078 | 735 |
| | 161 | S2 | 12 | | 3.9 | | | | 0.02 | 3.9 | 633 | 7,592 | 127 |
| | 161 | S3 | 2 | | 4.4 | | | | 0.01 | 4.5 | 715 | 1,430 | 24 |
| | 161 | | | | | | | | | 2.7 – 4.5 | | 53,101 | 885 |
| T-5/18 to SIG North | 134 | S1 | 102 | | 2.7 | 0.14 | -0.21 | 0.02 | 0.03 | 2.6 | 355 | 36,162 | 603 |
| | 134 | S2 | 12 | | 3.9 | 0.14 | -0.22 | 0.02 | 0.02 | 3.9 | 522 | 6,265 | 104 |
| | 134 | S3 | 2 | | 4.4 | 0.15 | -0.21 | 0.02 | 0.01 | 4.4 | 592 | 1,183 | 20 |
| | 134 | | | | | | | | | 2.6 – 4.4 | | 43,610 | 727 |
| T-25/30/46 to Argo/South DMIC | 10 | S1 | 102 | | 2.7 | | | | 0.03 | 2.7 | 26 | 2,636 | 44 |
| | 10 | S2 | 12 | | 3.9 | | | | 0.02 | 3.9 | 38 | 454 | 8 |
| | 10 | S3 | 2 | | 4.4 | | | | 0.01 | 4.5 | 43 | 86 | 1 |
| | 10 | | | | | | | | | 2.7 – 4.5 | | 3,175 | 53 |
| Total Truck Trips | 568 | S1 | 102 | | | | | | | | 1,186 | 120,959 | 2,016 |
| | 568 | S2 | 12 | | | | | | | | 1,654 | 19,842 | 331 |
| | 568 | S3 | 2 | | | | | | | | 1,839 | 3,679 | 61 |
| | 568 | All | 116 | | | | | | | | 4,679 | 144,480 | 2,408 |

Updated Non-Port Truck Impacts

The updated impact of non-port truck costs are summarized in Exhibit ES-18U below. The modifications to the transportation analysis increased the annual truck trips from 185 to 199, and increased the estimated delay on affected corridors. Correspondingly, the additional estimated annual costs increased from \$38,351 to \$66,141.

The reasons for the increased delay cost impact on non-port trucks include the higher number of projected daily 2030 truck trips, and longer estimated delays on relevant corridors. The total trucks trips for 2030 increased from 10,572 to 11,396; the non-port truck total (“cordon entries”) increased from 1,109 to 1,196; and the estimate of affected (4 PM – 6 PM) non-port truck trips increased from 185 to 199. When applied to the greater expected corridor travel time delays in the current FEIS Appendix E Table 2-41 (p. 2-252), the higher number of non-port trucks results in an estimated annual cost increase of \$27,790 (from \$38,351 to \$66,141).

Exhibit ES-18U: Updated Estimated Annual Delay and Cost to Non-Port of Seattle Trucks @ \$48/hour

| Annual Totals | | | | | |
|----------------|---------|-------|-------|------------|-----------------|
| | Minutes | Hours | Cost | Trips | Total Cost |
| NB | 523 | 8.7 | \$418 | 72 | \$30,269 |
| SB | 325 | 5.4 | \$260 | 63 | \$16,328 |
| EB | 141 | 2.4 | \$113 | 36 | \$4,082 |
| WB | 692 | 11.5 | \$554 | 28 | \$15,462 |
| Average | 417 | 6.9 | \$333 | | |
| Total | | | | 199 | \$66,141 |

Exhibit PI-22U and PI-31U updates the estimated delays at relevant intersections and the projected increase in truck quantities based upon the updated transportation data.

Exhibit PI-22U: Updated Intersection Delay Estimates

| Intersection Number | Intersection | | 2020 Added Delay Alternative 2 v Alternative 1 (No Action) | | |
|---------------------|-----------------------|----------|------------------------------------------------------------|------|------|
| | Location | Approach | S1 | S2 | S3 |
| 61 | Atlantic and Marginal | NB | 0.7 | 0.8 | 1.3 |
| | | SB | 2.9 | 2.8 | 3.0 |
| | | SEB | 17.4 | 17.4 | 17.4 |
| | | NWB | -0.1 | -0.1 | 0.0 |
| 62 | Atlantic and Colorado | NB | 8.0 | 8.0 | 6.9 |

| | Intersection | | 2020 Added Delay Alternative 2 v Alternative 1 (No Action) | | |
|---------------------|-------------------------|----------|------------------------------------------------------------|-------|-------|
| Intersection Number | Location | Approach | S1 | S2 | S3 |
| | | SB | 1.1 | 1.1 | 1.1 |
| | | EB | 0.2 | 0.3 | 0.2 |
| | | WB | -4.3 | -4.2 | -3.6 |
| 63 | Atlantic and E Frontage | NB | NA | NA | NA |
| | | SB | 4.2 | 4.1 | 4.1 |
| | | EB | -1.2 | -1.2 | -1.1 |
| | | EB | -24.5 | -24.6 | -23.9 |
| 64 | Hanford and Marginal | NB | 6.0 | 5.8 | 1.3 |
| | | SB | 0.0 | 0.0 | 1.6 |
| | | EB | 0.0 | 0.0 | 0.0 |
| | | WB | 0.0 | 0.0 | 0.0 |

**Exhibit PI-31U: Updated Study Area Non-POS Truck Counts
(All 2030 Trucks, subtracting Port of Seattle Trucks)**

| | Intersection | EB | WB | NB | SB | SEB | NWB | Total |
|----|-------------------------------|-----|----|----|-----|-----|-----|-------|
| 1 | 1st Ave/Madison St | 0 | 23 | 21 | 19 | | | 63 |
| 2 | 1st Ave S/Railroad N Way S | 28 | 0 | 35 | 16 | | | 78 |
| 3 | 1st Ave S/Main St | 0 | 0 | 19 | 10 | | | 29 |
| 4 | 1st Ave S/ S Massachusetts St | 9 | 1 | 67 | 73 | | | 150 |
| 5 | 1st Ave S/S Atlantic St | 76 | 72 | 42 | 42 | | | 232 |
| 6 | 1st Ave S/S Holgate St | 0 | 5 | 74 | 102 | | | 181 |
| 7 | 1st Ave S/S Jackson St | 0 | 21 | 21 | 17 | | | 59 |
| 8 | 1st Ave S/S Lander St | 8 | 51 | 57 | 81 | | | 197 |
| 9 | 1st Ave S/S Royal Brougham Wy | 33 | 9 | 43 | 38 | | | 123 |
| 10 | 1st Ave S/S Spokane St | 130 | 55 | 86 | 93 | | | 364 |
| 11 | 1st Ave S/Yesler Wy | 11 | 14 | 22 | 8 | | | 66 |
| 12 | 2nd Ave Ext S/S Main St | 0 | 0 | 0 | 90 | 150 | | 90 |
| 13 | 2nd Ave/Yesler Way | 13 | 0 | 0 | 196 | | | 210 |
| 14 | 2nd Ave S Ext/S Jackson St | 23 | 19 | 3 | 156 | | | 201 |

| | Intersection | EB | WB | NB | SB | SEB | NWB | Total |
|----|--------------------------------------|----|-----|-----|-----|-----|-----|-------|
| 15 | 2nd Ave S/S Jackson St | 9 | 24 | 11 | 12 | | | 56 |
| 16 | 4th Ave S/S Main St | 23 | 20 | 328 | 0 | | | 371 |
| 17 | 4th Ave S/Airport Wy S | 0 | 147 | 110 | 192 | | | 449 |
| 18 | 4th Ave S/I-90 WB Off Ramp | 55 | 0 | 71 | 143 | | | 269 |
| 19 | 4th Ave S/S Holgate St | 26 | 9 | 56 | 122 | | | 212 |
| 20 | 4th Ave S/S Jackson St | 32 | 77 | 278 | 0 | | | 387 |
| 21 | 4th Ave S/S Lander St | 38 | 34 | 72 | 99 | | | 243 |
| 22 | 4th Ave S/S Royal Brougham Wy | 8 | 80 | 26 | 154 | | | 269 |
| 23 | 4th Ave S/S Spokane St | 47 | 64 | 60 | 82 | | | 255 |
| 24 | 4th Ave S/S Weller St | 0 | 0 | 270 | 177 | | | 447 |
| 25 | 4th Ave/James St | 11 | 14 | 166 | 0 | | | 191 |
| 26 | 4th Ave/Madison St | 0 | 22 | 185 | 0 | | | 207 |
| 27 | 5th Ave S/Airport Way/S Dearborn St | 0 | 16 | 60 | 94 | | | 170 |
| 28 | 5th Ave S/S Jackson St | 47 | 48 | 64 | 92 | | | 251 |
| 29 | 5th Ave/James St | 9 | 18 | 0 | 31 | | | 58 |
| 30 | 6th Ave S/Airport Wy S | 74 | 36 | 98 | 0 | | | 208 |
| 31 | 6th Ave S/S Dearborn St | 10 | 26 | 8 | 6 | | | 50 |
| 32 | 6th Ave S/S Forest St | 1 | 12 | 22 | 26 | | | 62 |
| 33 | 6th Ave S/S Holgate St | 29 | 34 | 31 | 15 | | | 109 |
| 34 | 6th Ave S/S Jackson St | 53 | 59 | 2 | 20 | | | 134 |
| 35 | 6th Ave S/S Lander St | 37 | 21 | 29 | 15 | | | 102 |
| 36 | 6th Ave S/S Royal Brougham Wy | 38 | 18 | 134 | 51 | | | 241 |
| 37 | 6th Ave S/S Spokane St | 71 | 105 | 43 | 37 | | | 256 |
| 38 | 6th Ave/James St | 11 | 27 | 0 | 16 | | | 54 |
| 39 | 7th Ave S/S Dearborn St | 11 | 47 | 36 | 0 | | | 94 |
| 40 | 7th Ave S/S Jackson St | 53 | 48 | 12 | 2 | | | 114 |
| 41 | 8th Ave S/S Dearborn St | 50 | 58 | 0 | 5 | | | 112 |
| 42 | 8th Ave S/S Jackson St | 63 | 55 | 7 | 0 | | | 125 |
| 43 | Airport Wy S(NB)/S Royal Brougham Wy | 19 | 5 | 63 | 0 | | | 88 |
| 44 | Airport Wy S/S Holgate St | 12 | 0 | 12 | 93 | | | 117 |
| 45 | Airport Wy S/S Lander St | 21 | 0 | 13 | 80 | | | 114 |

| | Intersection | EB | WB | NB | SB | SEB | NWB | Total |
|--------------|---------------------------------------------------|--------------|--------------|--------------|--------------|------------|------------|---------------|
| 46 | Airport Wy S/S Royal Brougham Wy | 52 | 31 | 0 | 55 | | | 138 |
| 47 | Atlantic St/ Occidental Ave S | 75 | 68 | 0 | 0 | | | 144 |
| 48 | Atlantic St/Colorado Ave | 182 | 75 | 102 | 13 | | | 372 |
| 49 | Atlantic St/E Frontage St | 106 | 1223 | 0 | 45 | | | 274 |
| 50 | Atlantic St/E Marginal Way | 70 | 149 | 143 | 21 | | | 383 |
| 51 | E-3 Busway/S Royal Brougham Wy | 92 | 61 | 84 | 24 | | | 261 |
| 52 | Edgar Martinez Dr/ E Pkg Garage | 63 | 58 | 0 | 0 | | | 121 |
| 53 | Edgar Martinez Dr/ W Pkg Garage | 62 | 58 | 0 | 0 | | | 121 |
| 54 | Hanford St/E Marginal Way | 22 | 211 | 208 | 112 | | | 553 |
| 55 | Holgate St/ Occidental Ave S | 21 | 12 | 2 | 1 | | | 35 |
| 56 | I-5 NB/S Dearborn St | 43 | 29 | 13 | 3 | | | 87 |
| 57 | I-5 SB/S Dearborn St | 37 | 26 | 0 | 23 | | | 86 |
| 58 | I-90 off-ramp/ Edgar Martinez Dr | 68 | 5 | 0 | 56 | | | 129 |
| 59 | I-90 on-ramp/Edgar Martinez Dr/4th Ave S | 72 | 0 | 25 | 44 | | | 142 |
| 60 | Lander St/ Occidental Ave S | 36 | 53 | 1 | 3 | | | 93 |
| 61 | Maynard Ave S/S Dearborn St | 13 | 44 | 0 | 15 | | | 72 |
| 62 | Maynard Ave S/S Jackson St | 57 | 59 | 5 | 2 | | | 123 |
| 63 | Occidental Ave/Massachusetts St | 0 | 0 | 0 | 0 | | | 0 |
| 64 | Royal Brougham Way/ Occidental Ave S | 29 | 5 | 0 | 2 | | | 37 |
| Total | | 2,304 | 2,460 | 3,338 | 2,925 | 184 | 185 | 11,027 |
| | Non-Port Truck Cordon Entries – Daily | 216 | 168 | 249 | 337 | 0 | 185 | 1,196 |
| | Non-Port Truck Cordon Entries - 4-6 PM | 36 | 28 | 42 | 63 | 0 | 31 | 199 |

Corrected Executive Summary Table

It was noted that Exhibit ES-5 located on page xiii of the Economics Report contained property tax information that was inconsistent with the property tax information shown for the City of Seattle and King County found on Exhibit F-3 Tax Summary – Annual on page 32.

Exhibit ES-5 has been corrected to match Exhibit F-3:

Exhibit ES-5U: Tax Summary – Annual

| | City of Seattle | King County | Total |
|---------------------------------|--------------------|------------------|--------------------|
| Admissions Tax | \$4,884,000 | | \$4,884,000 |
| B&O Tax | \$940,000 | | \$940,000 |
| Property Tax | \$1,150,000 | \$534,000 | \$1,684,000 |
| Sales Tax | \$181,000 | \$32,000 | \$213,000 |
| Leasehold Tax | \$40,000 | \$20,000 | \$60,000 |
| Total Debt Service Taxes | \$7,195,000 | \$586,000 | \$7,781,000 |
| Utility Tax | \$141,000 | | \$141,000 |
| Commercial Parking Tax | \$450,000 | | \$450,000 |
| Total All Taxes | \$7,786,000 | \$586,000 | \$8,372,000 |

Source: www.seattle.gov, www.kingcounty.gov, www.dor.wa.gov



Report for:

Proposed Seattle Arena Economic Impact Analysis Seattle, WA

Prepared for: City of Seattle and King County

Prepared by: Pro Forma Advisors LLC

July 2013

PFAID: **10-412**

Version: 01

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General Limiting Conditions

Certain information included in this report contains forward-looking estimates, projections and/or statements. Pro Forma Advisors LLC has based these projections, estimates and/or statements on expected future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

No warranty or representation is made by Pro Forma Advisors that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Pro Forma Advisors accepts no liability in relation to the estimates provided herein.

In the production of this report, Pro Forma Advisors has served solely in the capacity of consultant and Pro Forma Advisors has not rendered any "expert" opinions and does not hold itself out as an "expert" (as the term "expert" is defined in Section 11 of the Securities Act of 1933).

This report is not to be used in conjunction with any public or private offering of securities, and may not be relied upon with the express written consent of Pro Forma Advisors.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions, and considerations.

Executive Summary

Pro Forma Advisors was retained by the City of Seattle and King County to evaluate the economic and fiscal impact of a proposed basketball and hockey arena in Seattle, Washington (“Project”). The City of Seattle and King County are considering potential investments of \$120M and \$80M (\$5M if no NHL team commits to play in the arena), respectively.

The City of Seattle has commissioned a full SEPA Environmental Impact Study (“EIS”) to review the proposed SoDo site. The EIS will also consider alternate sites at Key Arena and Memorial Stadium. Pro Forma Advisors has evaluated each site including two alternatives for the SoDo site (i.e. an 18,000 seat option and 20,000 seat option).

The analysis evaluates the economic impacts of the proposed Seattle arena to the City of Seattle and King County economies. The analysis evaluates one-time construction impacts and ongoing gross economic impacts of the proposed arena in four alternatives.

- ▶ Scenario A: 18,000 seat arena in SoDo
- ▶ Scenario B: 20,000 seat arena in SoDo
- ▶ Scenario C: Key Arena
- ▶ Scenario D: Memorial Stadium

The Developer is proposing the project be located in the SoDo area of Seattle. The neighborhood is on Elliott Bay, south of downtown Seattle in the same general area as Safeco Field and Century Link Field. The SoDo site is also located in close proximity to several Port of Seattle terminals and industrial businesses.

Pro Forma evaluated:

- 1) The arena and team operation projections that will be used to pay the City and County annual rent and additional rent, if necessary
- 2) Fiscal impacts, or tax benefits from construction and on-going operation of the arena, that accrue to the City of Seattle and King County. The majority of this fiscal benefit will be used to pay the public financing of the arena, but some fiscal benefits will accrue to the City and County’s general funds.
- 3) Economic impacts generated by the proposed arena’s onsite and offsite direct impacts (i.e. arena jobs, output, and earnings), which spur a series of subsequent indirect impacts (new output, earnings and employment generated because of purchases of industries that supply goods and services to the arena and arena visitors) and induced activities (new output, earnings and employment generated as a result of household purchases by employees).

Due to logistical issues associated with possible increased traffic on event days related to the SoDo site (Scenario A), Pro Forma Advisors estimated the potential impact to the Port and SoDo industrial businesses and reduced the gross impacts accordingly. Pro Forma Advisors also adjusted Scenario A (18,000 SoDo site) for the effects of substitution.

Exhibit ES-1 presents the annual net economic impacts for Scenario A. The Economic Impact Analysis concludes that the proposed Seattle Arena will have a total positive economic benefit of \$230 to \$286 million to the King County economy (inclusive of the City of Seattle impacts) and \$188 to \$236 million to the City of Seattle economy on an annual basis.

Net Economic Impacts (Scenario A)

Exhibit ES-1: Net Annual Economic Impacts - Scenario A

| Scenario A | Output | | |
|------------------------------------------------------------|----------------------------|----------------------------|---------------------------------------|
| Net Economic Impacts | City of Seattle | Remainder of King County | Total King County (including Seattle) |
| Gross Impacts | \$257.8 Million | \$55.3 Million | \$313.1 Million |
| Substitution Impacts | - \$21.7 to \$69.7 Million | - \$5.5 to \$12.7 Million | - \$27.1 to \$82.4 Million |
| Upper Limit of Port and Industrial Business Impacts | - \$0.21 to \$0.23 Million | - \$0.00 to \$0.02 Million | - \$0.23 to \$0.23 Million |
| Net Economic Impacts | \$187.8 to \$235.9 Million | \$42.6 to \$49.9 Million | \$230.4 to \$285.7 Million |

Source: Pro Forma Advisors

Context

The Developer's proposed Project site is located in the SoDo neighborhood in Seattle, Washington. This location makes up part of the Duwamish Manufacturing and Industrial District and is bounded on the north by South King Street, beyond which is Pioneer Square, and on the south by South Spokane Street.



Pro Forma Advisors has evaluated the market and used relevant factors in conjunction with actual financial data from comparable arenas as the basis for our operating projections. Based on the economic results from similar markets, Seattle is a highly appealing market that we believe can support additional sports teams.

Operating Projections

Pro Forma Advisors has developed the following operating projections based on anticipated market demand and the expected financial and operating performance of the proposed Project. Amounts are based on economics of similar existing arenas in comparable markets. Operating revenue and expense estimates assume two main tenants (i.e. NBA team and NHL team) and eighty-two other events (e.g. concerts, family shows, other sporting events, etc.). Amounts are realistic and reflect actual results of existing arenas in similar

markets. Where appropriate, we have updated projections to reflect anticipated changes resulting from changes to the the NBA and NHL Collective Bargaining Agreements which are expected to be fully phased in at build out.

Consistent with the EIS, Pro Forma Advisors has prepared operating projections for the SoDo site (based on 18,000 and 20,000 seat capacities), the Key Arena site and Memorial Stadium site. Due to the proximity and similar market factors for the alternate sites, operating projections remain constant for all sites; the one exception is the difference in the SoDo site driven by a 2,000 seat increase in capacity.

Exhibit ES-2: Proposed Arena and Team Operating Projections

| Millions | SoDo Site (18,000 Seats) | SoDo Site (20,000 Seats) | Key Arena Site | Memorial Stadium Site |
|----------------------------------------------------|--------------------------------|-----------------------------------|----------------------|-----------------------------|
| Revenues | \$221.3 | \$228.7 | \$221.3 | \$221.3 |
| Expenses | -\$191.0 | -\$194.7 | -\$191.0 | -\$191.0 |
| Net Operating Income/(Loss) | \$30.3 | \$34.0 | \$30.3 | \$30.3 |
| Less: Net Playoff Revenue | -\$3.5 | -\$3.6 | -\$3.5 | -\$3.5 |
| Operating Income/(Loss) Before Playoffs | \$26.8 | \$30.4 | \$26.8 | \$26.8 |

Note: Amounts are for the first year of operations and are expected to grow in subsequent years.

Source: Pro Forma Advisors

Fiscal Impact Results

Fiscal impacts are the tax benefits from one-time construction and ongoing operation of the team and arena that accrue to the City of Seattle and King County. Fiscal benefits are directly attributable to the arena and its operations.

Pro Forma Advisors estimates that approximately \$7.97 million in taxes will be available annually to support the City of Seattle's and King County's debt service on the arena. With an average estimated annual debt of \$14 to \$15 million, and an annual rent payment of \$1 million by the Developer, it is expected that the Developer will need to provide approximately \$5 to \$6 million in additional rent to the City and County. Operating projections appear sufficient to cover the additional debt service.

One-Time Construction Fiscal Impacts

Construction impacts measure the one-time impacts to the regional economy resulting from construction activity related to the proposed Project. These fiscal impacts will accrue to the City of Seattle and King County prior to the opening of the arena. Amounts are based on the following values:

Exhibit ES-3: Construction Costs

| \$ Millions | Total |
|--------------------------------------------|----------------|
| Construction (excluding Land and F, F & E) | \$350.0 |
| Furniture, Fixtures & Equipment | \$40.0 |
| Estimated Total Value | \$390.0 |

Source: Developer

Following is a summary of the related fiscal impacts which accrue to the City of Seattle and King County. These amounts augment the ongoing annual impacts. Amounts are deemed incremental to the City of Seattle and King County and are a direct result of the Project.

Exhibit ES-4: Construction One Time Fiscal Impacts

| | Construction Sales Tax | Real Estate Excise Tax * | Retail B&O Tax | Total |
|--------------------------------|------------------------|--------------------------|------------------|--------------------|
| City of Seattle | \$2,975,000 | \$1,000,000 | \$838,500 | \$4,813,500 |
| King County | \$525,000 | \$0 | \$0 | \$525,000 |
| King County (with City) | \$3,500,000 | \$1,000,000 | \$838,500 | \$5,338,500 |

* *The Real Estate Excise Tax (REET) is levied by the City of Seattle at a rate of 0.5 percent on sales of real estate measured by the full selling price which is assumed to be \$200 million.*

Annual Ongoing Fiscal Impacts

In addition to the one time construction fiscal impacts, Pro Forma Advisors has estimated the following annual ongoing fiscal impacts. These impacts, generated by the Project, accrue directly to the City of Seattle and King County.

We have distinguished fiscal impacts expected to support the related debt service and additional amounts expected to be generated as a direct result of the Project but not used to support debt service. In addition to the amounts specifically identified in the chart below, we expect that additional taxes (e.g. hotel, rental car, restaurant, etc.) will also be generated as a result of the Project. However, due to the indirect nature of these incremental amounts and

the difficulty in quantifying specific amounts, we have not included these in our analysis.

Exhibit ES-5 presents a summary of the aggregate annual fiscal impacts (Note: Amounts are at build-out, in a year of stabilized project occupancy presented in constant 2013 dollars):

Exhibit ES-5: Tax Summary - Annual Fiscal Impact

| | City of Seattle | King County | Total |
|-------------------------------------|--------------------|------------------|--------------------|
| Admissions Tax | \$4,884,000 | | \$4,884,000 |
| B&O Tax | \$940,000 | | \$940,000 |
| Property Tax | \$1,281,368 | \$596,000 | \$1,877,368 |
| Sales Tax | \$181,000 | \$32,000 | \$213,000 |
| Leasehold Tax | \$40,000 | \$20,000 | \$60,000 |
| Sub-total Taxes ¹ | \$7,326,368 | \$648,000 | \$7,974,368 |
| Utility Tax | \$141,000 | | \$141,000 |
| Commercial Parking Tax | \$450,000 | | \$450,000 |
| Total All Taxes | \$7,917,368 | \$648,000 | \$8,565,368 |

¹ Used to support the City of Seattle's and King County's debt service on the arena

Source: www.seattle.gov, www.kingcounty.gov, www.dcr.wa.gov

Pro Forma Advisors has reviewed the City of Seattle annual tax estimates relating to the proposed Project and compared them to our estimates. Pro Forma estimated that, approximately \$7.97 million in taxes will be available

annually to support debt service. This is compared to the City's estimate of \$7.07 million.

Pro Forma Advisor's and the City's estimates differ by approximately \$900,000 primarily due to Pro Forma using a higher new construction value for the property tax calculation. The City's estimates were based on a new construction value of \$250 million. Pro Forma's new construction value, provided by the Developer (excluding Land and Furniture, Fixture and Equipment), was approximately \$100 million higher (i.e. \$350 million). In addition, the City's operating revenue estimates were slightly lower than Pro Forma's amounts and accordingly the related tax impact was lower. Pro Forma also included four additional other arena events. Conversely, the City included a base rent of \$2 million. This was adjusted during negotiations to \$1 million. Pro Forma Advisors included the revised \$1 million base rent amount.

Tax Benefits - Other Taxing Districts

In addition to the one-time construction and annual operating fiscal benefits identified in Exhibit ES-4 and ES-5, the arena is expected to generate the following tax benefits from other taxing districts:

Exhibit ES-6: Tax Benefits - Other Taxing Districts

| Additional Fiscal Benefits | One Time Construction | Annual Operating |
|---------------------------------------------|-----------------------|--------------------|
| Property Taxes - State School | \$848,000 | |
| Property Taxes - Other County | \$147,000 | |
| Sales Taxes - State | \$22,750,000 | \$1,389,000 |
| Sales Taxes - Metro King County | \$3,150,000 | \$192,000 |
| Sales Taxes - Sound Transit | \$3,150,000 | \$192,000 |
| Sales Taxes - King County Criminal Justice | \$350,000 | \$21,000 |
| Sales Taxes - King County Mental Health | \$350,000 | \$21,000 |
| State Real Estate Excise Taxes | \$2,560,000 | |
| State Leasehold Excise Tax | | \$68,000 |
| Total Taxes - Other Taxing Districts | \$33,305,000 | \$1,883,000 |

Source: www.seattle.gov, www.kingcounty.gov, www.dor.wa.gov, Pro Forma Advisors

Economic Impacts

The analysis evaluates one-time construction economic impacts and ongoing gross economic impacts of the proposed Seattle arena for all alternatives. Economic impacts, do not include fiscal impacts, and can be described as the sum of the economic activity within a defined geographic region resulting from an initial change in the economy. This initial change spurs a series of subsequent indirect and induced activities (the re-spending of dollars) as a result of interconnected economic relationships.



Impacts are typically expressed in terms of three variables:

- ▶ Output -The value of goods and services produced within a defined geographic region.
- ▶ Earnings - The component of Output that is attributed to labor income. Earnings include wages, benefits and income received by employees, self-employed workers, and proprietors.
- ▶ Employment - The total number of net new jobs created in the economy.

Net economic impacts are evaluated for Scenario A. Net of substitution and the port and industrial business impacts, the annual net economic impacts of the proposed arena in Scenario A are estimated at \$187.8 - \$235.9 million in the City of Seattle economy and \$230.4 to \$285.7 million in the King County (including Seattle) economy.

It should be noted that the Seattle economy is a subset of the King County economy.

One-Time Construction Impacts

The proposed arena is projected to generate total one-time construction economic impacts of \$480.4 million in the City of Seattle economy. The proposed arena is projected to generate total one-time construction economic impacts of \$533.1 million in King County (including Seattle) economy.

Total construction costs for the arena facility are anticipated to be \$390 million and include hard and soft costs as well as fixtures, furnishing and equipment (FF&E). With specialized FF&E, only a limited amount is expected to be purchased within the region. There are \$351.7 million in direct impacts to the City of Seattle economy and \$354.2 million in direct construction impacts to the King County economy.

Using the appropriate multipliers, the indirect and induced impacts are generated based on these direct impacts. Exhibit ES-7 presents the total (direct, indirect, and induced) one-time construction economic impacts. Construction costs and impacts are assumed to be the same for all scenarios.

Exhibit ES-7: Total One-Time Construction Impacts

| One-Time Construction Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|---------------------------------------------|----------------|----------------------------|---------------|
| City of Seattle | | | |
| Output (Millions) | \$351.4 | \$128.9 | \$480.4 |
| Earnings (Millions) | \$215.6 | \$50.2 | \$265.8 |
| Jobs | 2,335 | 863 | 3,199 |
| Remainder of King County¹ | | | |
| Output (Millions) | \$2.8 | \$50.2 | \$53.0 |
| Earnings (Millions) | \$1.0 | \$21.8 | \$22.8 |
| Jobs | 14 | 357 | 371 |

| One-Time Construction Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------------------------------------|----------------|----------------------------|---------------|
| Total King County (including Seattle) | | | |
| Output (Millions) | \$354.2 | \$179.2 | \$533.4 |
| Earnings (Millions) | \$216.5 | \$72.0 | \$288.5 |
| Jobs | 2,349 | 1,220 | 3,570 |

¹Geographic region outside of the City of Seattle, but still within King County

Source: IMPLAN and Pro Forma Advisors

Gross Annual Arena Impacts

In Scenario A, the proposed arena is projected to generate total gross annual arena impacts of \$257.8 million in the City of Seattle economy and \$313.1 million in the King County economy.

Direct Impacts

Gross annual arena impacts include both impacts generated as a result of onsite arena operations and impacts generated offsite by arena visitors. Direct onsite impacts represent adjusted projected annual arena revenues. Offsite impacts are generated from arena visitors' offsite spending within each geography, but outside of the arena. The aggregate of onsite and offsite impacts are included within the direct impacts.

Indirect and Induced Impacts

Indirect and induced onsite impacts are calculated based on the share of arena expenditures, wage and non-wage, purchased in each local geography. Indirect and induced offsite impacts are estimated based on the direct visitor spending within the region.

Total Impacts

Total impacts include the direct, indirect, and induced economic activity generated by the arena's direct impacts. Exhibits ES-9 to ES-10 present the total annual direct, indirect, and induced gross impacts generated by the arena for each scenario.

Exhibit ES-8: Annual Gross Arena Economic Impact - Scenario A

| Scenario A - 18,000 Seat SoDo | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------------------------------------|----------------|----------------------------|---------------|
| City of Seattle | | | |
| Output (Millions) | \$197.8 | \$60.0 | \$257.8 |
| Earnings (Millions) | \$79.5 | \$23.6 | \$103.1 |
| Jobs | 1,570 | 476 | 2,045 |
| Remainder of King County | | | |
| Output (Millions) | \$10.3 | \$45.1 | \$55.3 |
| Earnings (Millions) | \$8.6 | \$18.4 | \$27.0 |
| Jobs | 102 | 326 | 428 |
| Total King County (including Seattle) | | | |
| Output (Millions) | \$208.1 | \$105.1 | \$313.1 |
| Earnings (Millions) | \$88.1 | \$42.0 | \$130.1 |
| Jobs | 1,672 | 802 | 2,473 |

Source: Pro Forma Advisors

Exhibit ES-9: Annual Gross Arena Economic Impact - Scenario B

| Scenario B - 20,000 Seat SoDo | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------------------------------------|----------------|----------------------------|---------------|
| City of Seattle | | | |
| Output (Millions) | \$210.5 | \$64.6 | \$275.2 |
| Earnings (Millions) | \$82.2 | \$25.5 | \$107.7 |
| Jobs | 1,700 | 516 | 2,216 |
| Remainder of King County | | | |
| Output (Millions) | \$10.7 | \$47.8 | \$58.5 |
| Earnings (Millions) | \$9.0 | \$19.5 | \$28.4 |
| Jobs | 111 | 346 | 457 |
| Total King County (including Seattle) | | | |
| Output (Millions) | \$221.2 | \$112.4 | \$333.7 |
| Earnings (Millions) | \$91.2 | \$45.0 | \$136.2 |
| Jobs | 1,811 | 862 | 2,673 |

Source: IMPLAN and Pro Forma Advisors

Exhibit ES-10: Annual Gross Arena Economic Impact - Scenarios C/D

| Scenario C/D - 18,000 Seat Key Arena/Memorial Stadium | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|-------------------------------------------------------|----------------|----------------------------|---------------|
| City of Seattle | | | |
| Output (Millions) | \$194.5 | \$58.4 | \$252.9 |
| Earnings (Millions) | \$77.8 | \$23.0 | \$100.8 |
| Jobs | 1,555 | 464 | 2,019 |
| Remainder of King County | | | |
| Output (Millions) | \$10.2 | \$44.4 | \$54.6 |
| Earnings (Millions) | \$8.7 | \$18.1 | \$26.8 |
| Jobs | 102 | 322 | 424 |
| Total King County (including Seattle) | | | |
| Output (Millions) | \$204.7 | \$102.8 | \$307.5 |
| Earnings (Millions) | \$86.5 | \$41.1 | \$127.5 |
| Jobs | 1,657 | 786 | 2,443 |

Source: IMPLAN and Pro Forma Advisors

Substitution Impacts

Substitution impacts are estimated at \$21.7 - \$69.7 million annually in the City of Seattle economy and \$27.1 - \$82.4 million annually in the King County economy.

The analysis evaluates issues of substitution from the proposed Seattle arena, specifically in Scenario A. The Substitution Impact section addresses whether the introduction of a new "variable" (e.g. new team entering the marketplace) results in incremental revenues to the area or it simply shifts (reallocates) revenues from an existing source (e.g. baseball stadium).

The study addresses three key substitution considerations:

Level I Events at Similar Venues - Key Arena concerts, events, etc.

Level II Alternate Sporting Events - Baseball, Football, Soccer

Level III Alternate Entertainment Activities - Movies, Dining, Travel, etc.

Direct Substitution Estimates

- ▶ **Level I Substitution.** Based on our understanding of the market and comparable arena data, the shift of events between Key Arena and the Project is estimated to be in the range of 35 to 40 events with revenues of \$3.2 million to \$3.7 million. The shifted Key Arena events have an estimated attendance of approximately 300,000. This represents 28.8 percent of projected offsite visitor spending.
- ▶ **Level II Substitution.** Historical attendance data was reviewed after the Supersonics left the market and, with the exception of the Seattle Sounders, the Seattle Seahawks and Seattle Mariners each had reductions in attendance annually until the 2012 season (i.e. when the

Seattle Seahawks attendance increased). This in itself does not eliminate the existence of some level of substitution but contradicts the notion of 100 percent substitution/redistribution. There are a limited number of similar cases to study and the number variables impacting each market do not allow us to quantify the impact specific to the Seattle market with statistical accuracy. However, sports experts suggest substitution between live sporting events are not large enough to be identified. To be conservative, Pro Forma Advisors has assumed 0-20 percent direct impact of Level II substitution for the Project.

- ▶ **Level III Substitution.** Pro Forma Advisors evaluated changes in restaurant and drinking establishment revenues based on sales tax data adjusted by the consumer price index. Substitutability of spending would imply that patrons would reallocate/redistribute monies previously spent on Seattle Supersonics games to drinking and dining. Spending on drinking and dining actually decreased in the year after they Sonics left the market. In addition, while we did not find a clear relationship between sports and travel, it is helpful to point out that, in cases such as this, the substitution of sports for travel may actually increase local travel. Based on our analysis, any alternative substitutability was deemed negligible.

Total Substitution Impacts

The analysis estimates the indirect and induced impacts generated by direct substitution impacts on a proportional basis.

The Exhibit ES-11 presents estimated total--direct, indirect, and induced--substitution for each level of impact.

Exhibit ES-11: Annual Total Substitution Impacts

Millions

| Output Impacts | City of Seattle | Remainder of King County | King County (including Seattle) |
|---------------------------------------|------------------------|--------------------------|---------------------------------|
| Level I Substitution Impacts | \$21.7 | \$5.5 | \$27.1 |
| Level II Substitution Impacts | \$0 - \$48.0 | \$0 - \$7.3 | \$0 - \$55.3 |
| Level III Substitution Impacts | N/A | N/A | N/A |
| Total Substitution Impacts | \$21.7 - \$69.7 | \$5.5 - \$12.7 | \$27.1 - \$82.4 |

Source: Pro Forma Advisors

Port and Industrial Business Economic Impacts

On the upper limit, Port and industrial business traffic impacts are estimated at \$210,000 to \$230,000, annually, in the City of Seattle economy and approximately \$230,000, annually, in the King County economy.

The Port and Industrial Business Impact section quantifies the direct costs of projected traffic delays generated as a result of a proposed arena in SoDo (Scenario A). Using data provided by the Port on projected future truck trips and routes and estimates of worst case projected traffic delays generated by a new arena at the SoDo site prepared as part of the Seattle Arena Draft EIS, the Port and SoDo Industrial Business Impact section estimates the total annual

number of trucks delayed and the projected annual time delay. Local port trucking costs from the EPA SmartWay DrayFLEET model are then used to estimate the annual trucking delay cost.

As detailed in the next section, traffic delays are expected to generate a maximum direct annual cost of \$110,000 to Port-related trucking activity and a maximum direct annual cost of \$38,000 to non-Port truck activity.

The table below present the maximum total--direct, indirect, and induced--Port and industrial business truck delay impacts. Total truck delay impacts to the Port are estimated as a range based on the total traffic delay cost absorbed either by trucking companies or as a reduction of import/export revenues. Impacts to non-Port industrial business assume a worst case of a one-to-one reduction in industrial revenues as a result of traffic delays. Multipliers are used to estimate the indirect and induced impacts of traffic delay costs. The table below summarizes the total direct, indirect, and induced impacts of arena traffic delays.

Exhibit ES-12: Annual Port and Industrial Business Traffic Delay Impacts

| Output Impacts | City of Seattle | Remainder of King County | Total King County (including Seattle) |
|------------------------------------------------------------------|------------------------------|---------------------------|---------------------------------------|
| Upper Limit of Port Truck Traffic Delay | \$152,100 - \$168,000 | \$4,300 - \$19,500 | \$171,600 - 172,300 |
| Non-Port Industrial Business Truck Traffic Delay | \$58,200 | \$1,700 | \$59,900 |
| Upper Limit of Total Port and Industrial Business Impacts | \$210,300 - \$226,300 | \$5,900 - \$21,200 | \$231,500 - \$232,200 |

Source: Pro Forma Advisors

As mentioned in the next section, under a more conservative Port growth scenario than used for this analysis, the direct impacts could be closer to \$87,000 for Port-related trucking activity. At approximately 80 percent of the direct impact, total Port and industrial impacts would be in the range of \$180,000 to \$190,000 in the City of Seattle economy and approximately \$195,000 in the King County (including Seattle) economy.

Annual Net Economic Impacts - Scenario A

Accounting for substitution impacts and traffic delay impacts to the Port and industrial businesses resulting from the arena, the City of Seattle economy and King County economy are still expected to have positive net economic impacts for Scenario A in the SoDo site, as shown in Exhibit ES-13.

Exhibit ES-13: Annual Net Economic Impacts - Scenario A

| Scenario A | Output | | |
|------------------------------------------------------------|----------------------------|----------------------------|---------------------------------------|
| Net Economic Impacts | City of Seattle | Remainder of King County | Total King County (including Seattle) |
| Gross Impacts | \$257.8 Million | \$55.3 Million | \$313.1 Million |
| Substitution Impacts | - \$21.7 to \$69.7 Million | - \$5.5 to \$12.7 Million | - \$27.1 to \$82.4 Million |
| Upper Limit of Port and Industrial Business Impacts | - \$0.21 to \$0.23 Million | - \$0.00 to \$0.02 Million | - \$0.23 to \$0.23 Million |
| Net Economic Impacts | \$187.8 to \$235.9 Million | \$42.6 to \$49.9 Million | \$230.4 to \$285.7 Million |

Source: Pro Forma Advisors

Port and Industrial Business Impacts

The dollar impact of Port truck delay is very small in relation to total Port transportation activity. The Port of Seattle, however, is facing intense competition from other Pacific Northwest ports for both cargo and carrier vessel calls. The scope of that competition is expected to expand with the completion of larger Panama Canal locks in 2015. To the extent that higher trucking costs and reduced trucking reliability adversely affect customer and carrier perceptions, the Port's competitive position could be diminished and the threat of carrier or cargo diversion increased. While that risk cannot be reliably quantified, the realities of port competition and the importance of customer and carrier perceptions suggest that appropriate measures to minimize the adverse impacts be considered.

Overview

In 2009, a report produced by the Port of Seattle found that in 2007 the seaport, itself, created 21,695 direct jobs and generated another 34,561 indirect and induced jobs. The seaport activity is responsible for another 135,100 import/export related jobs in Washington State. The Port of Seattle's 2012 operating revenue from the marine terminals was approximately \$85.7 million. The value of import and export trade through the Port was about \$30 billion in 2012, although much of that trade moves to and from the Port by rail.

The development of the proposed Seattle arena on the SoDo site (Alternative 2 in the Seattle Arena Draft EIS - DEIS¹) is expected to result in traffic delays to both Port and non-Port trucks. The truck transportation impacts of event-

induced Stadium District congestion following arena development will depend on:

- ▶ The number and routing of Port and non-Port trucks operating in the hours affected by stadium and arena events.
- ▶ Delays on normal truck routes.

The Port of Seattle provided estimates on the number of affected Port trucks and route allocations. Non-port truck volumes were based on Transpo's DEIS analysis.

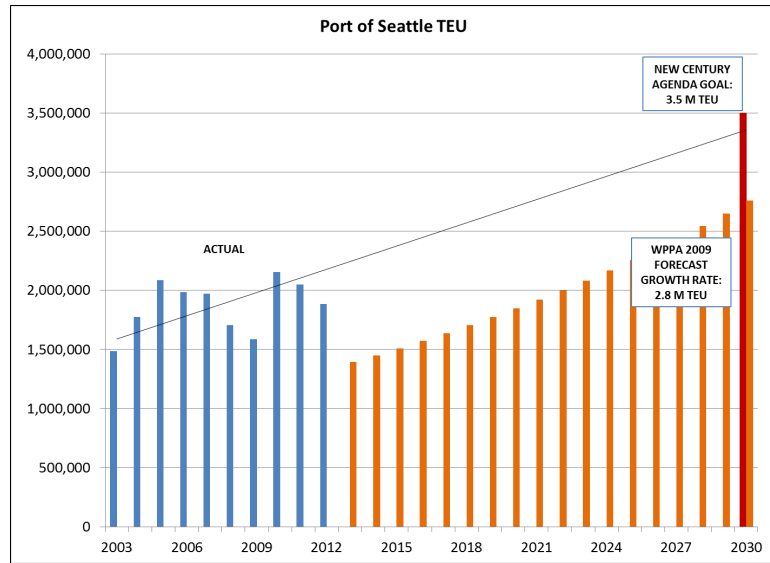
Estimates of truck delays for 2030 were constructed from corridor and intersection delay estimates provided in Appendix E of the DEIS, combined as required to approximate truck impacts. All of the data presented reflect delays expected compared to the No-Action Alternative, rather than the actual travel times. The No-Action Alternative by itself contemplates longer travel times than at present. Trucking cost impacts were estimated from the EPA SmartWay DrayFLEET model. The estimate for trucking costs in the Seattle area is \$48/hr.

Port Truck Impacts

To estimate the upper limit of Port truck impacts, the analysis used Port estimates of expected Port truck trips when the total Port throughput reaches 3.5 million annual TEU (Twenty-foot Equivalent Units). The Port has set a 3.5 million TEU goal in its New Century Agenda. It is not possible to predict with certainty if or when the Port will meet this goal. To estimate the upper limit of truck delays impacts, it was assumed that the 3.5 million TEU goal is reached in 2030.

¹ The DEIS evaluates traffic impacts for a proposed 20,000 seat arena in SoDo. Thus, the traffic impact delays results, likely somewhat overstate traffic impacts for the 18,000 seat proposed arena in Scenario A.

Exhibit ES-14: Port of Seattle Actual and Target TEU



Source: www.portseattle.org, 2009 WPPA/WSDOT Marine Cargo Forecast

Exhibit ES-14 indicates, the Port’s recovery from the recent recession has been uneven, with the 2012 loss of the Grand Alliance to Tacoma being a notable setback. If the Port does not attain its 3.5 million TEU goal in 2030, the Port truck impact in that year would be less. The graph also shows a more conservative scenario using a growth rate from the 2009 Washington Public Ports Association/WSDOT forecast yielding an estimate of 2.8 million TEU in 2030.

The estimated number of daily truck trips associated with 3.5 million TEU was based on the assumption that: 1) 40 percent moved by truck and 60 percent moved by rail; 2) conversion of TEU counts to container counts was based on an average of 1.76 TEU/container; 3) an average of 2.2 truck trips per container

was necessary to account for round trips and repositioning; and 4) there are 250 working weekdays per year. These factors yielded a daily average of 13,664 Port truck trips.

Delays would be experienced primarily by trucks serving Terminals 25/30/46, with lesser impacts on trucks serving T-5/18. About 5.1 percent of the truck traffic is expected to move in the event-vulnerable 4–8 PM period with day gates only, at lower port volumes. With the night gates expected to be necessary at higher port volumes, 11.2 percent of the truck traffic is expected to move in the event-vulnerable time period. Exhibit ES-15 applies these percentages to projected Port truck trips. The trips affected by event congestion are highlighted.

Exhibit ES-15: Event-Vulnerable Port Trips

| Route | Distribution Pattern 3.5 M TEU | T-25/30/46 | T-5/18 | Trips 4-8PM Day Gates | Trips 4-8PM w/Night Gates |
|------------------------------|-----------------------------------|--------------|--------------|--------------------------|------------------------------|
| Local/Regional | 41% | 2,301 | 4,739 | 118 | 112 |
| North on Interstate 5 | 8% | 449 | 925 | 23 | 22 |
| South on I-5, SR 509, SR 599 | 18% | 1010 | 2081 | 52 | 49 |
| East on I-90 | 8% | 449 | 925 | 23 | 22 |
| Local Seattle | 7% | 393 | 809 | 20 | 19 |
| SIG | 42% | 2,353 | 1,967 | 121 | 321 |
| North | | 1,177 | 983 | 111 | 295 |
| South | | 1,177 | 983 | 60 | 161 |
| ARGO | 17% | 784 | 1,520 | 40 | 107 |
| Total | 100% | 5,438 | 8,226 | 330 | 675 |

Source: Port of Seattle, Tioga Analysis

As Exhibit ES-15 indicates, about 675 weekday trips would be affected at the 3.5 million TEU volume goal with night gates, or roughly 5 percent of total port truck trips. The delay impact would depend on the route:

- ▶ Trips between T-25/30/46 and the freeway, a total of 93 with night gates, would ordinarily use S. Atlantic St. The alternative would be E. Marginal Way and SW Spokane Ave.
- ▶ Trips between T-25/30/46 and local Seattle points in the Duwamish Manufacturing Industrial Center (MIC) or other areas (19 with night gates) would ordinarily use E. Marginal Way to an east-west access point (e.g. S. Horton). The alternative would be S. Atlantic.
- ▶ Trips between T-25/30/46, T-5/18, and the North SIG gate (295 with night gates) would use the North SIG driveway (constructed on a BNSF franchised right of way which runs parallel to Colorado Avenue). This driveway accesses Atlantic Street approximately 200 feet east of railroad crossing on the south side of Atlantic Street.
- ▶ Trips between T-25/30/46 and the South SIG gate (161 with night gates) would use E. Marginal Way to S. Hanford.
- ▶ Trips between T-25/30/46 and Argo Yard (107 with night gates) would use E Marginal Way and the East Marginal Way Grade Separation (“Argo Connector”, when fully complete)

Exhibit ES-16 applies average delay estimates derived from the DEIS Appendix traffic analysis to these Port truck trips, using a weighted average delay from multiple Stadium District event scenarios, and cost factors derived from the EPA SmartWay DrayFLEET model.

Exhibit ES-16: Summary of Port Truck Cost Impacts

| Route | Trip Delay | Total Delay | | Cost @ \$48/ hour |
|-------------------------------|-------------------------|------------------------|----------------------|-----------------------------------|
| | Average Delay - Minutes | Annual Delay - Minutes | Annual Delay - Hours | Estimated Annual Truck Delay Cost |
| T-25/30/46 to Freeways | 1.3 - 3.3 | 16,784 | 280 | \$13,428 |
| T-25/30/46 to SIG North | 0.2 - 0.3 | 5,196 | 87 | \$4,157 |
| T-25/30/46 to SODO | 2.9 - 4.2 | 3,414 | 57 | \$2,731 |
| T-25/30/46 to SIG South | 2.9 - 4.2 | 57,097 | 952 | \$45,678 |
| T-5/18 to SIG North | 3.2 - 4.5 | 52,056 | 868 | \$41,645 |
| T-25/30/46 to Argo/South DMIC | 2.9 - 4.2 | 3,414 | 57 | \$2,731 |
| Total Truck Trips | | 137,962 | 2,299 | \$110,370 |

Source: Seattle arena DEIS, Tioga Analysis

The total direct truck cost impact estimated in Exhibit ES-16 is small in the context of total Port activity². This is since only about 5 percent of the trucks are affected and many of the delays are estimated to be just a few minutes. The cost impact would be more significant if borne by a narrow cross-section of customers or truckers. Ocean carriers, importers, and exporters may not see actual trucking cost increases, because the competitive nature of the Port trucking industry may force the truckers to absorb the additional cost. If so, the full impact will be felt locally.

Under a more conservative growth scenario with about 2.8 million TEU³ and night gates in 2030 (Exhibit ES-14), there would be about 1,813 hours of

² Total economic impacts of the direct truck cost impact (which includes the additional indirect and induced impacts) are presented in the Economic Impact section.

³ Using a 2013 estimate of 1,367,118 TEU (27.5% below 2012, per YTD results) and a 4.1% CAGR as forecast in the WPPA /WSDOT *Marine Cargo Forecast* of March 2009

annual delay and an annual Port truck delay cost of about \$87,044. The delay cost would be lower still if Port operations were restricted to day gates because the number of evening rail terminal trips would be reduced.

Potential Port Impacts

The Port of Seattle is faced with intense competition from the Ports of Tacoma, Vancouver, and Prince Rupert. The ocean carriers that call at T-30 and T-46 can shift discretionary cargo to other Pacific Northwest ports with relative ease – particularly rail intermodal cargo. In the larger sense, the Port of Seattle also competes with California ports for Asia-Midwest cargo, and will face increased competition from East Coast ports once the new Panama Canal locks are open. The largest risks to the Port would be from adverse shifts in this competitive balance. This report is confined to a discussion of the potential role of arena traffic impacts in such a shift, and does not speculate on the overall comparative outlook for the Port.

Ocean carriers and their customers consider many factors in choosing a port and a terminal, balancing cost and service considerations. For more valuable time-sensitive imports and exports, customers emphasize service, reliability, and ease of doing business over small cost differences.

From the Port's perspective, increased trucking cost, and especially diminished reliability could adversely affect the competitiveness of Terminals 25/30 and 46. These terminals together account for about one third of the Port's terminal space, effective capacity, and expected future throughput.

The most serious potential arena impacts on Port competitiveness may come from carrier or customer perceptions of reduced reliability and ease of doing business at T-30 and T-46. *The risk thus depends as much or more on the*

industry's perception of Terminal 30 and 46 competitiveness than on objective analysis.

- ▶ One potential serious risk to the Port of Seattle would be a carrier decision to shift significant intermodal rail volume from SIG to one of the on-dock transfer facilities at Tacoma or to the Port of Vancouver.
- ▶ The most serious potential risk to the Port of Seattle would be the loss of service to T-46, T-30, or both. As explained in the report, most of these carriers already call at Tacoma and Vancouver terminals.

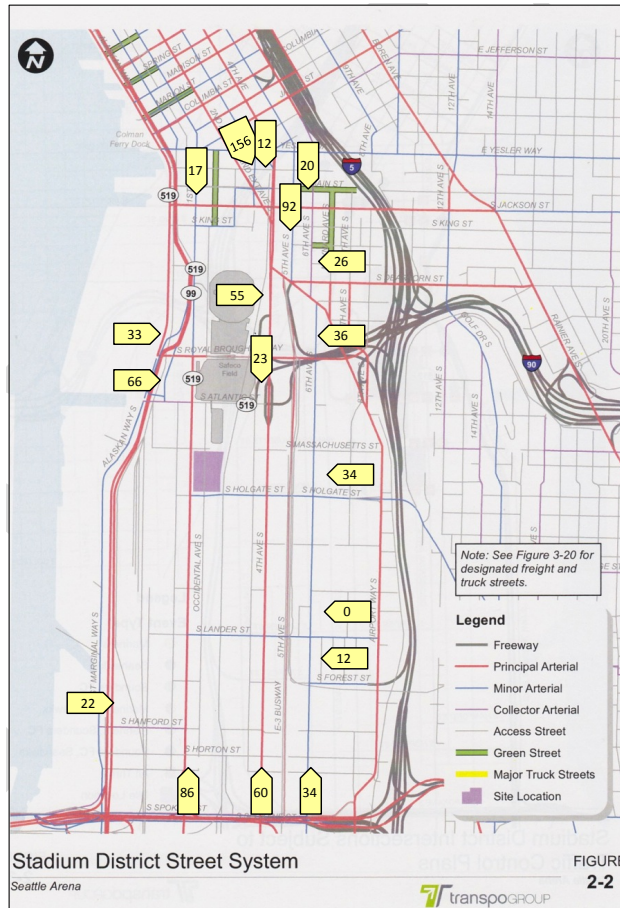
An actual shift would significantly reduce cargo through the Port of Seattle and shift revenue and jobs to Tacoma or Vancouver. The threat of a shift would likely reduce long-term Port of Seattle and terminal operator revenue as a result of lower negotiated rates.

The risks associated with adverse industry perceptions of Port of Seattle terminals suggest that appropriate measures may be considered to both minimize truck delays and to signal Port and City commitment to efficient cargo operations.

Non-Port Trucks

The main information source regarding non-Port trucks is the traffic analysis presented as Appendix E to the DEIS. Tioga, the economic impact team port and freight consulting expert, subtracted the estimates for 2030 Port trucks from the 2030 estimates for all trucks to derive a set of 2030 counts for non-Port trucks. To avoid double-counting trucks that pass through multiple study intersections, Tioga attempted to define "cordon entry points" as shown in Exhibit ES-17.

Exhibit ES-17: SoDo Truck Entry Cordon Points and Counts



The truck movements in pre-event hours will be affected. Freight trucks in urban areas typically concentrate their movements in a 12-hour span from about 6 AM to 6 PM, corresponding to commercial business hours. The impact analysis anticipates that those trucks will be evenly spread over the 12-hour spans, and that two hours, 4-6 PM, will see the major event impacts.

Exhibit ES-18 then applies the estimated cordon trip counts to the delays on each directional route type and uses an average cost of \$48 per hour (derived from the EPA SmartWay drayage model) to estimate the annual delay cost to truck operators⁴.

Exhibit ES-18: Estimated Annual Delay and Cost to Non-POS Trucks @ \$48/hr.

| Annual Totals | | | | | |
|---------------|---------|-------|-------|-------|-------------------|
| | Minutes | Hours | Cost | Trips | Total Direct Cost |
| NB | 396 | 7 | \$317 | 71 | \$22,441 |
| SB | 215 | 4 | \$172 | 57 | \$9,738 |
| EB | 58 | 1 | \$47 | 29 | \$1,370 |
| WB | 215 | 4 | \$172 | 28 | \$4,802 |
| Total | 137 | 2 | \$109 | 185 | \$38,351 |

Source: Seattle Arena Draft EIS, Tioga Analysis

The actual cost will depend heavily on the actual pattern of truck trips and on the coping strategies adopted by truck drivers and dispatchers. Attempting to

⁴ Exhibit ES-18 represents direct non-port truck delay costs. The additional indirect and induced impacts of non-port truck delays are calculated in the economic impact section.

conduct “business as usual” during pre-event congestion would likely result in driver delays, added costs, and missed appointments.

The estimated dollar impact of truck delay generated by the proposed arena is low in relation to the total Port of Seattle drayage activity or cost, with approximately 5 percent of the port truck trips being affected. The compelling reason for appropriate measures, however, is to minimize adverse impacts on reliability and ease of doing business that might otherwise affect the competitiveness of Terminals 25/30 and 46.

Measures that may help minimize adverse impacts primarily consist of:

- ▶ Improved communications regarding upcoming events and traffic control measures to facilitate trucker operator planning.
- ▶ Traffic control measure or manning at critical intersections to keep trucks moving in congested pre-event hours.
- ▶ Selected upgrades to impacted intersections or alternate routes.

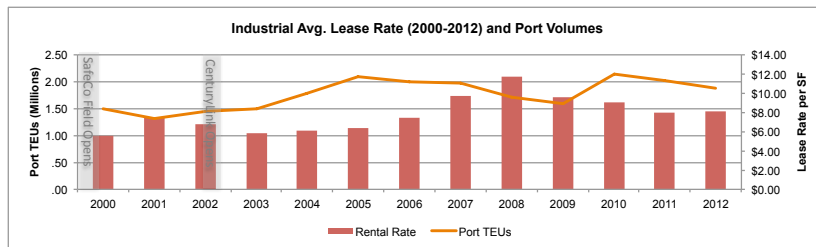
Real Estate and Land Use

The Real Estate and Land Use section reviews the real estate and land use context within the SoDo Study Area and Lower Queen Anne Study Area.

SoDo Study Area

- ▶ The nature of the SoDo study area has been changing over the last 20 years. Across the last decade the SoDo study area has seen the addition of 443,000 square feet of office space and 76,000 square feet of retail commercial space. Industrial space has declined by 1.4 million square feet of rentable space.
- ▶ Industrial rents have increased significantly and industrial uses in the SoDo area are being converted into other uses. The pattern of these changes suggest these changes are occurring on the north end of the district, above Holgate Street.

Exhibit ES-19: SoDo Industrial Lease Rates and Port Volumes



Source: CoStar and Pro Forma Advisors

- ▶ Industrial property values and SoDo raw land has escalated in value. However, this escalation in value does not appear to be solely related to the development of the new stadiums, but is a reflection of overall downtown real estate expansion pressures.

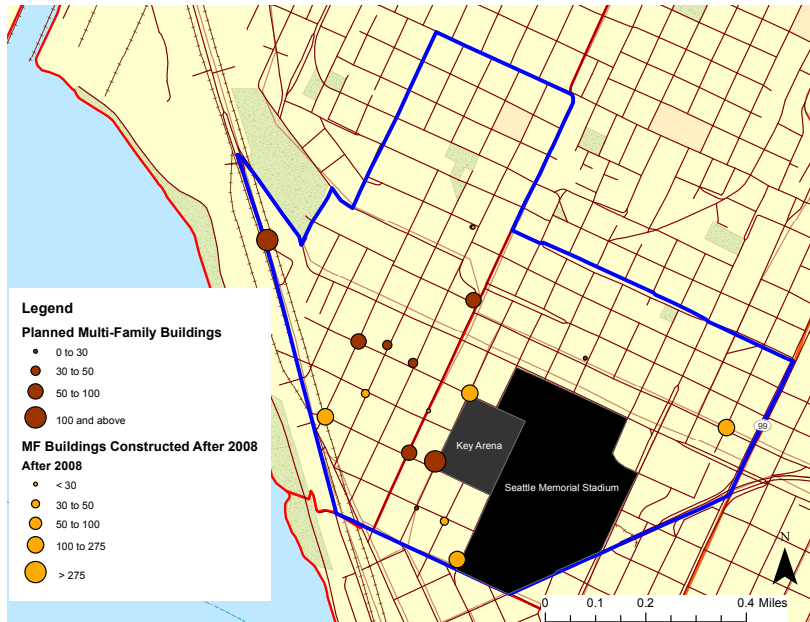
- ▶ Approximately 70 percent of all SoDo industrial rentable space is in buildings smaller than 30,000 square feet, compared to only 25 percent of rentable building area (RBA) throughout the full Duwamish MIC. Also there is a substantial amount of stock built before the 1960's in the SoDo area relative to the Duwamish MIC. As described by brokers in the area, the smaller older industrial properties in the SoDo area are not functional for larger industrial businesses, the smaller older industrial stock in SoDo will continue to hamper the capacity of the area for larger industrial uses.
- ▶ Real estate brokers suggest that property values and rents have become expensive in the area due to the development and economics of Seattle as a whole, rather than as a direct result of the development of the sports venues within the SoDo neighborhood. Many suggest that it was the addition of the Starbucks corporate office, the school district facilities, addition of Home Depot, and the light rail that have had the most significant impact in the SoDo study area.

Lower Queen Anne Study Area

- ▶ The presence of the NBA team at Key Arena helped to buoy retail lease rates in the Lower Queen Anne District and their departure had a negative impact on retail lease rates. However, existing retail remained occupied after the departure of the NBA, at lower rates, and some properties were converted to other uses.
- ▶ The office market in the Lower Queen Anne District has had higher occupancies relative to the Seattle MSA and downtown business cluster since 2007. The office market was not negatively impacted by the departure of the NBA team and has, in fact, expanded and performed better than other areas of the City, inline with growth in the Seattle technology sector.

- ▶ Multi-family development has grown substantially in Lower Queen Anne in recent years, as mentioned above this is primarily due to overall real estate growth in the greater area. However, brokers also suggested that perhaps the departure of the Sonics provided the opening for new redevelopment and residential growth in the area.
- ▶ With exception to retail, the area has seen more real estate development than the period in which the NBA played at Key Arena.

Exhibit ES-20: Recently Built and Planned Lower Queen Anne Multi-Family Buildings



Source: CoStar, ESRI, CBRE, Pro Forma Advisors

Case Studies

Pepsi Center Denver

- ▶ The three sports venues located in downtown Denver, Colorado, are touted as the prime example of how sports venues can help to revitalize downtown, but even in this example it is clear that much of the redevelopment occurred as a result of the Coors Field Stadium, rather than Pepsi Center Arena. Coors Field is better integrated into downtown than Pepsi Center Arena, but also generates higher attendance. Much of the retail and hospitality developments are oriented to Coors Field.
- ▶ While noting that Pepsi Center is isolated by surface parking, this example suggests that an arena generates less ancillary development impact relative to the stadiums.
- ▶ This case study, as well as Philadelphia, suggest that the location of parking—specifically, the route visitors walk to arrive at the sports venue—can impact where supporting real estate development occurs.

Wells Fargo Center and South Philadelphia Sports Complex

- ▶ The Wells Fargo Center in South Philadelphia demonstrates how design of an area impacts the real estate/economic impacts produced in the area. The Wells Fargo Center and other sports venues are surrounded by a significant amount of parking that separates the complex from other areas. The parking as well as the I-95 freeway are physical barriers that limit the growth surrounding the sports venues.
- ▶ The Wells Fargo Center and South Philadelphia Sports Complex demonstrate that sports venues alone do not stimulate development. Located several miles from downtown Philadelphia, the Sports Complex has not stimulated significant growth in the area. Instead only through

current specific revitalization efforts of Xfinity Live! have the sports venue created ancillary development.

PetCo Park, San Diego

- ▶ While a stadium, PetCo Park demonstrates the capacity of a well-designed sports venue to improve a neighborhood, capture private investment, and increase property values.
- ▶ It should be noted that several of the catalytic developments around PetCo Park, including the hotel, office complex, and retail were required as part of the MOU between the City and stadium developer.

Potential Real Estate Changes in the SoDo District with the Proposed Arena

- ▶ **Ongoing Industrial Trends and Real Estate Pressure.** Industrial space was lost in SoDo as a result of the two existing stadiums, particularly north of Holgate Street. However, since 2005, economic growth and the real estate expansion of downtown has accelerated this loss. The existing trend of gentrification within the SoDo area is likely to occur with or without the development of a new arena and, with appropriate regulatory policies and enforcement of those policies, the development impacts of the arena can be focused in particular areas of SoDo.
 - ▶ **Revitalization with Sports Venues Typically Results from Purposeful Efforts.** In the cases where sports venues helped to redevelop and catalyze development in an area, the sports venues were typically stadiums and there were intentional efforts made by jurisdictions to support development growth in the area. In cases where there was not an intentional effort to spur growth, and even in cases where there were ineffective efforts, the development of a new arena often did not change the development path of the area.
- ▶ **Physical Barriers Can Help to Limit Unwanted Impacts.** The proposed SoDo site will not be surrounded by surface parking, but the proposed arena at the SoDo site (and close by vicinity) will still have natural barriers to growth including the BNSF tracks to the east and the north SIG Yard, approximately two blocks to the west.
 - ▶ **Spinoff Retail Estimates.** Offsite visitor spending provides a benchmark to understand support for additional retail and ancillary development. Projected visitor spending for the new arena supports approximately 150 rooms and 32,000 square feet of retail. The larger Stadium District and/or a focused entertainment retail area are likely to generate additional non-arena visitors that will support additional ancillary development.
 - ▶ **Conflict with Port Uses.** Currently residential is not allowed within the SoDo area because these uses often conflict with Port and Port-related industrial uses. As described by brokers in the area, SoDo does not have the amenities to be a strong residential area. Given the economic importance of the Port the City should carefully consider the limitation of residential uses within the proposed arena area.
 - ▶ **A SoDo Arena Coexisting with Industrial Development.** As shown by the case studies, a development of an arena alone is not the main catalyst for development and arenas can co-exist with high performing industrial development. However, there are ongoing property value pressures in the SoDo area due to its proximity to downtown Seattle and efforts need to be made to protect the industrial developments in the area from both the operational traffic impacts of the arena and to limit/regulate the capacity of the area to transition into higher performing uses.

Engagement

Pro Forma Advisors has been engaged by City of Seattle (“the Client”) to conduct an economic impact study which examines the net economic impact of constructing and operating a proposed arena in the SoDo neighborhood of Seattle.

Pro Forma Advisors research and analysis in support of the scope of services includes:

1. Developing Operating Projections
2. Determining Fiscal Impacts
3. Projecting Arena Economic Impacts
4. Evaluating the Potential Effect of Substitution, and
5. Determining Possible Impacts to the Port of Seattle and Related Industrial Businesses

Context

Proposed Project

The City of Seattle and King County have been approached by Chris Hansen (“Developer”) with a proposal to participate in the ownership of a sports and entertainment arena (“Project”). The arena is expected to have approximately 700,000 square feet of useable space and it is believed the construction and equipping of the arena (including cost of acquiring the site) will be \$490 million - \$500 million.

The City of Seattle and King County are considering potential investments of \$120M and \$80M (\$5M if no NHL team commits to play in the arena), respectively.

In response to concerns, \$40 million of the tax revenue is expected to be used to fund transportation improvements and offset possible negative effects which the proposed arena may have on Port of Seattle (“Port”) container operations, railway lines and truck activity.

The City has required that a full SEPA Environmental Impact Study (“EIS”) be completed on the site options. This economic impact report will be included as an appendix to the EIS.

Location and Sites

The proposed Project is expected to be located in the SoDo area of Seattle. Consistent with the scope of the EIS, the City of Seattle and King County are reviewing alternate sites and seating capacities for the proposed arena. Pro Forma Advisors evaluation of the different sites/seating options does not address construction costs which are deemed to be the same regardless of location. The operating projections will change slightly based on seating capacity and other variables. The sites evaluated are identified below:

SoDo

SoDo, a neighborhood in Seattle, Washington, that makes up part of the Duwamish Manufacturing and Industrial District, is the primary site under consideration. It is bounded on the north by South King Street, beyond which is Pioneer Square; on the south by South Spokane Street, beyond which is more of the Duwamish Manufacturing and Industrial District; on the west by the Duwamish Waterway, across which is West Seattle; and on the east by Metro Transit’s Downtown Seattle Transit Tunnel and SoDo Busway, beyond which is the International District and the rest of the Duwamish Manufacturing and Industrial District. SoDo’s main thoroughfares are First and Fourth Avenues S. and Alaskan Way S. (north- and south- bound) and S. Lander and Holgate Streets, Edgar Martínez Drive S., and S. Royal Brougham Way (east- and west-bound).

The neighborhood is on Elliott Bay, south of downtown Seattle. It is currently the home of Safeco Field (1999) and CenturyLink Field (2002) and is located in close proximity to several Port of Seattle terminals. The Seattle Mariners and Port of Seattle have publicly opposed the new arena with the Port raising concerns regarding transportation, infrastructure and land use.

SoDo Site - Scenario A

The base scenario evaluated by Pro Forma Advisors is expected to have a capacity of 18,000 attendees for concerts, 18,000 attendees for National Basketball Association (NBA) games and 17,000 attendees for National Hockey League (NHL) games.

SoDo Site - Scenario B

In addition to the proposed 18,000 seat arena capacity (**Scenario A**), Pro Forma Advisors developed operating projections for a 20,000 seat option. This option would have a capacity of 20,000 attendees for concerts, 20,000 attendees for NBA games and 19,000 attendees for NHL games.

Exhibit C-1: SoDo Arena Site



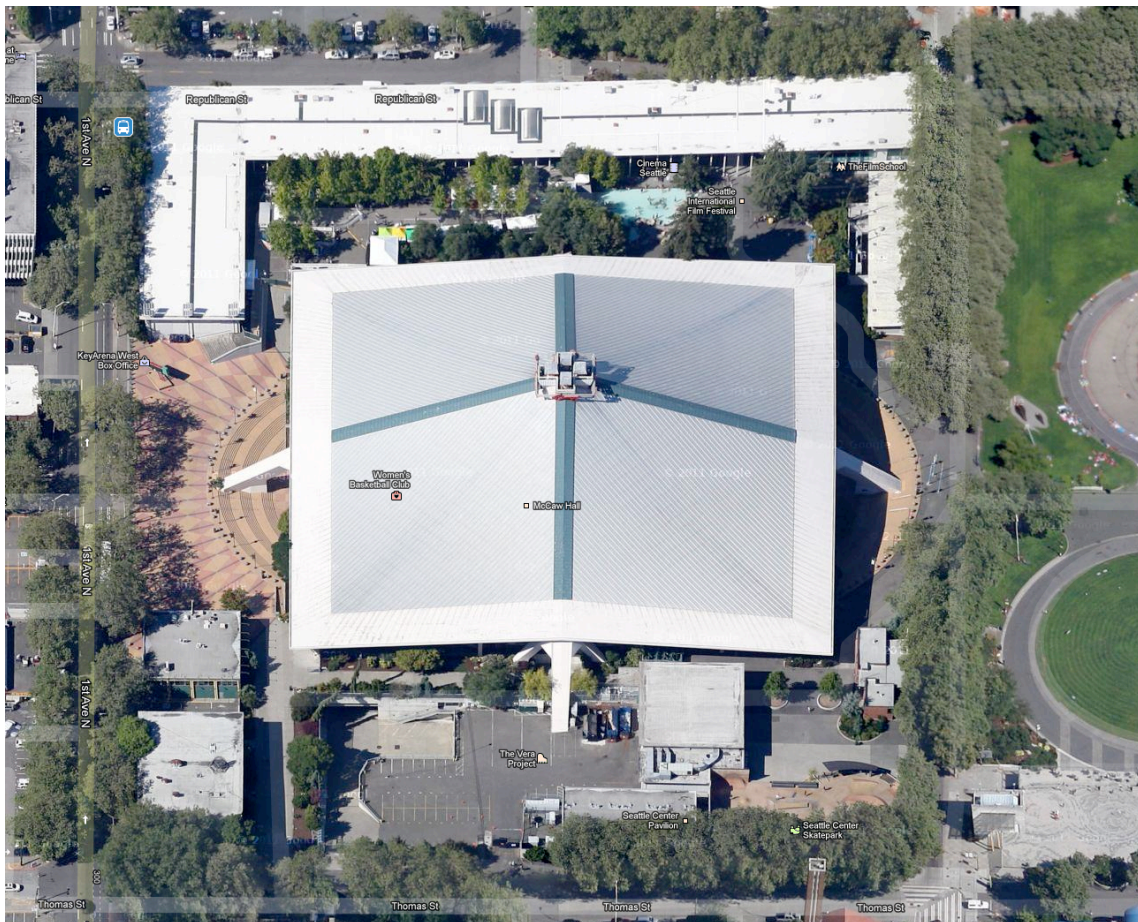
Key Arena and Memorial Stadium Sites

A Key Arena site and Memorial Stadium site are also being reviewed. For the purposes of this economic impact study and due to the proximity of these sites to one another, we have determined that these two sites have no material economic differences. Both sites are located in the same general area whose landmark feature is the 605-foot tall Space Needle, a now-iconic building that was, at its completion, the tallest building west of the Mississippi River.

Key Arena Site - *Scenario C*

The Key Arena site, where the Seattle SuperSonics played until 2008, is pictured below. The site is part of the Seattle Center in Seattle, Washington and is located just north of Belltown in the Lower Queen Anne neighborhood.

Exhibit C-2: Key Arena Site



Memorial Stadium Site - Scenario D

Memorial Stadium is located in the northeast corner of the Seattle Center grounds in Seattle, Washington. The facility is not operated by the Seattle Center. It is owned by the Seattle School District ("District") and still serves as the "home field" for football games played by high schools within the District.

Exhibit C-3: Memorial Stadium Site



Market Context

Projections for the Project are affected by the location and market context of the Project site. This section provides an overview of the conditions the Project will operate within.

Demographic Overview

The Project is located in King County and is expected to draw customers primarily from within King County. However, as per the Seattle Center/Key Arena survey, approximately 25% to 30% of attendees are likely to come from other counties within the state of Washington and 5% to 10% are expected from outside of Washington. This section provides additional market context of the resident and tourist markets.

Population

King County is currently home to approximately 1.9 million people and has seen significant population growth in the last decade. The largest city is Seattle with approximately 608,000 people, representing 31.5% of the total King County population. The second largest city is Bellevue with approximately 122,000 people (6.3% of the County population). King County is the 14th most populous county in the United States (9th for counties which currently have NBA teams).

Exhibit C-4: King County Population Estimates

| Place | 2010 | | 2013 | |
|---------------|---------|------------|----------|------------|
| | 2010 | % of Total | Estimate | % of Total |
| Seattle | 608,660 | 31.5% | 626,600 | 31.6% |
| Bellevue | 122,363 | 6.3% | 132,100 | 6.7% |
| Kent | 92,411 | 4.8% | 120,500 | 6.1% |
| Renton | 90,927 | 4.7% | 95,540 | 4.8% |
| Federal Way | 89,306 | 4.6% | 89,720 | 4.5% |
| Auburn (part) | 62,761 | 3.2% | 64,320 | 3.2% |
| Redmond | 54,144 | 2.8% | 55,840 | 2.8% |
| Shoreline | 53,007 | 2.7% | 53,670 | 2.7% |
| Kirkland | 48,787 | 2.5% | 81,730 | 4.1% |
| Sammamish | 45,780 | 2.4% | 48,060 | 2.4% |
| Burien | 33,313 | 1.7% | 48,030 | 2.4% |
| Issaquah | 30,434 | 1.6% | 32,130 | 1.6% |
| Des Moines | 29,673 | 1.5% | 29,730 | 1.5% |
| SeaTac | 26,909 | 1.4% | 27,310 | 1.4% |
| Mercer Island | 22,699 | 1.2% | 22,720 | 1.1% |
| Maple Valley | 22,684 | 1.2% | 23,910 | 1.2% |

| Place | 2010 | | 2013 | |
|--------------------------|------------------|------------|------------------|------------|
| | 2010 | % of Total | Estimate | % of Total |
| Kenmore | 20,460 | 1.1% | 21,170 | 1.1% |
| Tukwila | 19,107 | 1.0% | 19,160 | 1.0% |
| Covington | 17,575 | 0.9% | 18,100 | 0.9% |
| Bothell (part) | 17,090 | 0.9% | 17,440 | 0.9% |
| Lake Forest Park | 12,598 | 0.7% | 12,680 | 0.6% |
| Woodinville | 10,938 | 0.6% | 10,990 | 0.6% |
| Snoqualmie | 10,670 | 0.6% | 11,700 | 0.6% |
| Enumclaw (part) | 10,669 | 0.6% | 11,100 | 0.6% |
| Newcastle | 10,380 | 0.5% | 10,640 | 0.5% |
| Other Incorporated | 42,904 | 2.2% | 43,910 | 2.2% |
| Other Unincorporated | 325,000 | 16.8% | 253,100 | 12.8% |
| Total King County | 1,931,249 | | 1,981,900 | |

Source: 2010 US Census

King County gained almost 200,000 residents (11.2%) over the last decade. This growth is higher than the nation as a whole, which grew at a rate of 9.7%. During the past decade, King County's population growth comprised nearly one-quarter of Washington state's increase (approximately 830,000 people).

King County is projected to grow by almost 190,000 people (9.8%) from 2010 to 2017. The projected growth of King County represents approximately one-third of the state's projected increase (approximately 551,000 people) over the same period.

Exhibit C-5: Population Growth

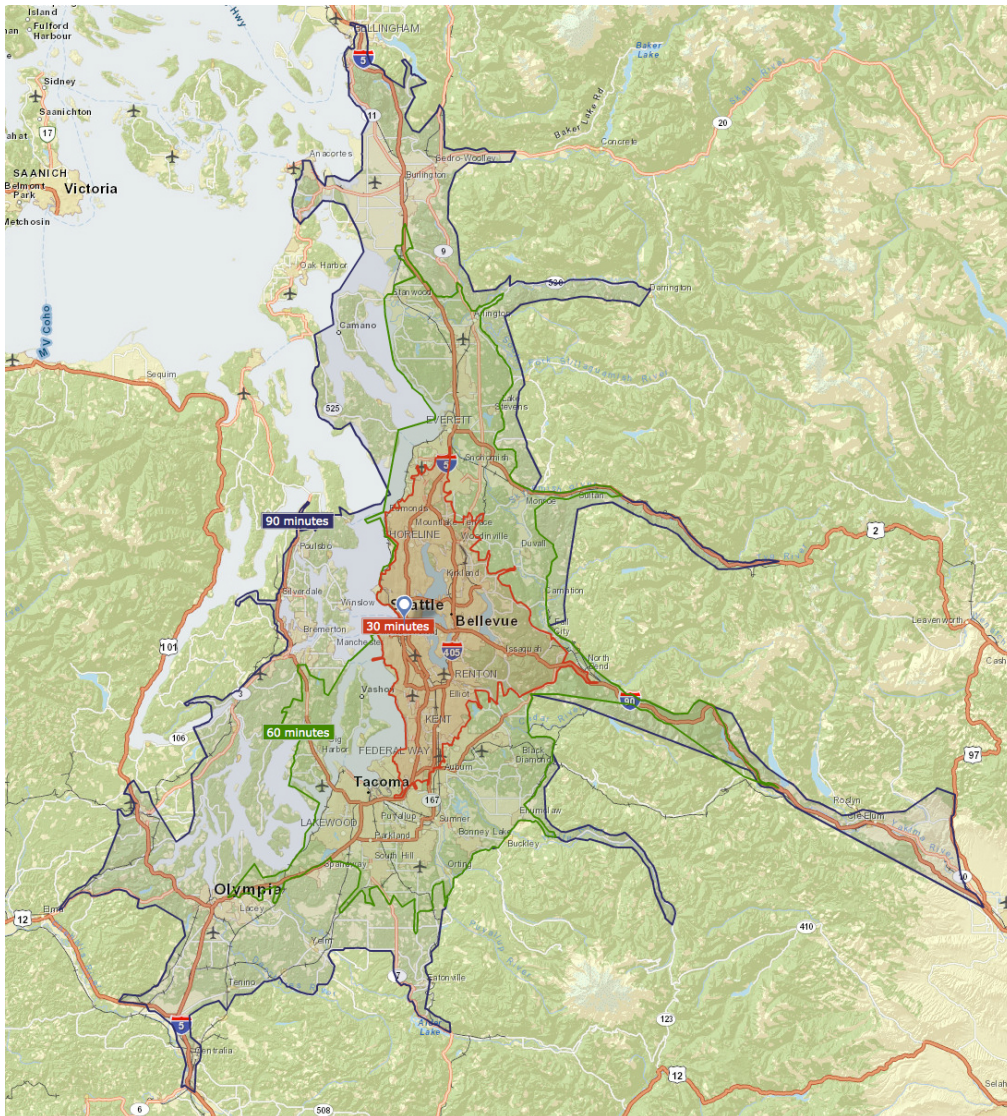
| (thousands) | City of Seattle | King County | Washington State |
|---------------------------|-----------------|----------------|------------------|
| 2000 | 563,590 | 1,737,303 | 5,894,121 |
| 2010 | 608,660 | 1,931,249 | 6,724,540 |
| 2012 | 626,015 | 1,982,696 | 6,878,781 |
| 2017 | 670,385 | 2,120,328 | 7,275,529 |
| 2000 - 2010 Change | 45,070 | 193,946 | 830,419 |
| % Change 2000 - 2010 | 8.0% | 11.2% | 14.1% |
| 2010 - 2017 Change | 61,725 | 189,079 | 550,989 |
| % Change 2010 - 2017 | 10.1% | 9.8% | 8.2% |

Source: ESRI Business Analyst and Pro Forma Advisors

Market Summary

While located in King County, the Project market area draws patrons beyond King County. The following section provides augments the data provided above relative to drive-time (i.e. 30, 60, 90-minutes from the proposed primary SoDo site. Drive time review assists in the comparability with other teams and markets. The 90-minute drive time is generally a good proxy for the distance a non-overnight visitor will drive for a game and/or event.

Exhibit C-6: Travel Time Map - 30, 60, 90-minutes



Source: ESRI

The Seattle market is considered a robust market. The population within a 90-minute drive time to the proposed SoDo site has grown 13.3% from 2000 to 2010 and is expect to grow another 8.4% from 2010 to 2017.

Exhibit C-7: Summary of Population by Travel Time

| Year | Population (thousands) | | |
|-------|------------------------|---------|---------|
| | Travel Times | | |
| | 30 mins | 60 mins | 90 mins |
| 2000 | 1,596.2 | 2,916.8 | 3,552.4 |
| 2010 | 1,777.4 | 3,297.3 | 4,023.4 |
| 2012 | 1,824.4 | 3,377.4 | 4,117.8 |
| 2017P | 1,948.5 | 3,581.6 | 4,360.4 |

Source: ESRI Business Analyst and Pro Forma Advisors

Age

Generally, the core group of sports and entertainment attendees falls within the 15-49 age group. This represents approximately 50% of the population within a 90-minute drive time of the Project. The 15-49 age group cohort is highest (53%) within a 30-minute drive time of the Project which represents the highest proportion of attendees.

Exhibit C-8: Primary Market Age Distribution

| Cohort | Travel Times (min) | | | | | | | |
|----------------------|--------------------|--------------|------------------|--------------|----------------|--------------|------------------|--------------|
| | <30 | % of Total | 30-60 | % of Total | 60-90 | % of Total | 0 - 90 | % of Total |
| Age 0 - 4 | 111,252 | 6.3% | 103,085 | 6.8% | 44,030 | 6.1% | 258,367 | 6.4% |
| Age 5 - 9 | 100,311 | 5.6% | 104,198 | 6.9% | 44,160 | 6.1% | 248,669 | 6.2% |
| Age 10 - 14 | 95,262 | 5.4% | 108,607 | 7.1% | 46,452 | 6.4% | 250,321 | 6.2% |
| Age 15 - 19 | 103,040 | 5.8% | 109,861 | 7.2% | 49,387 | 6.8% | 262,288 | 6.5% |
| Age 20 - 24 | 125,794 | 7.1% | 96,498 | 6.3% | 52,710 | 7.3% | 275,002 | 6.8% |
| Age 25 - 29 | 158,959 | 8.9% | 102,247 | 6.7% | 48,862 | 6.7% | 310,068 | 7.7% |
| Age 30 - 34 | 147,274 | 8.3% | 99,870 | 6.6% | 44,141 | 6.1% | 291,285 | 7.2% |
| Age 35 - 39 | 139,513 | 7.8% | 103,941 | 6.8% | 43,633 | 6.0% | 287,087 | 7.1% |
| Age 40 - 44 | 134,544 | 7.6% | 111,869 | 7.4% | 46,500 | 6.4% | 292,913 | 7.3% |
| Age 45 - 49 | 131,031 | 7.4% | 121,883 | 8.0% | 52,836 | 7.3% | 305,750 | 7.6% |
| Age 50 - 54 | 127,212 | 7.2% | 118,591 | 7.8% | 55,048 | 7.6% | 300,851 | 7.5% |
| Age 55 - 59 | 113,586 | 6.4% | 99,397 | 6.5% | 53,200 | 7.3% | 266,183 | 6.6% |
| Age 60 - 64 | 92,594 | 5.2% | 79,379 | 5.2% | 46,009 | 6.3% | 217,982 | 5.4% |
| Age 65 - 69 | 61,183 | 3.4% | 53,707 | 3.5% | 33,396 | 4.6% | 148,286 | 3.7% |
| Age 70 - 74 | 41,984 | 2.4% | 36,498 | 2.4% | 22,235 | 3.1% | 100,717 | 2.5% |
| Age 75 - 79 | 33,229 | 1.9% | 28,055 | 1.8% | 16,720 | 2.3% | 78,004 | 1.9% |
| Age 80 - 84 | 27,721 | 1.6% | 21,188 | 1.4% | 13,120 | 1.8% | 62,029 | 1.5% |
| Age 85+ | 32,930 | 1.9% | 20,973 | 1.4% | 13,689 | 1.9% | 67,592 | 1.7% |
| Total | 1,777,419 | | 1,519,847 | | 726,128 | | 4,023,394 | |
| Total (15-49) | 940,155 | 52.9% | 746,169 | 49.1% | 338,069 | 46.6% | 2,024,393 | 50.3% |

Source: Department of Finance

Demographic Characteristics

Currently, the primary population in the <30-minute market is 67% white, 16% Asian and 7% black. The percentage of the white population increases at further distances from the Project, while the percentage of the black population decreases.

Overall, the racial composition of populations in the Seattle market are comparable to other NBA markets.

Generally, the NBA attracts a higher percentage of black fans compared to other sports. Seattle's total white and black population ranges from 73%-86% (depending on drive time) while the NBA market average is approximately 87%.

Exhibit C-9: Market Projected Population by Race

| Cohort | Travel Times (minutes) | | | | | | | | NBA City Market Averages % of Total |
|------------------|------------------------|------------|------------------|------------|----------------|------------|------------------|------------|----------------------------------------|
| | <30 | | 30-60 | | 60-90 | | 0-90 | | |
| | Persons | % of Total | Persons | % of Total | Persons | % of Total | Persons | % of Total | |
| White | 1,185,523 | 66.7% | 1,159,949 | 76.3% | 608,061 | 83.7% | 2,953,533 | 73.4% | 56.9% |
| Black | 117,557 | 6.6% | 72,510 | 4.8% | 15,888 | 2.2% | 205,955 | 5.1% | 29.9% |
| Native American | 13,354 | 0.8% | 22,043 | 1.5% | 10,181 | 1.4% | 45,578 | 1.1% | 0.9% |
| Asian American | 284,761 | 16.0% | 106,735 | 7.0% | 28,188 | 3.9% | 419,684 | 10.4% | 6.4% |
| Pacific Islander | 12,802 | 0.7% | 14,926 | 1.0% | 4,984 | 0.7% | 32,712 | 0.8% | 0.2% |
| Other Race | 72,651 | 4.1% | 56,028 | 3.7% | 23,428 | 3.2% | 152,107 | 3.8% | 3.8% |
| Multi-racial | 90,896 | 5.1% | 87,531 | 5.8% | 35,398 | 4.9% | 213,825 | 5.3% | 1.9% |
| Total | 1,777,544 | | 1,519,722 | | 726,128 | | 4,023,394 | | |

Source: ESRI Business Analyst

Income

The immediate market (<30 minute drive time) skews to a slightly higher income level, with approximately 30% of the households earning \$100,000 or higher, than further distances. Per Scarborough Sports media, 22% of NBA fans have a household incomes of \$100,000 or more and 35% of NHL fans have a household incomes of \$75,000 or more.

Exhibit C-10: Households by Income

| Cohort | Travel Times (min) | | | | | |
|-----------------------|--------------------|------------|----------------|------------|----------------|------------|
| | <30 | | 30-60 | | 60-90 | |
| | Households | % of Total | Households | % of Total | Households | % of Total |
| <\$15,000 | 76,360 | 10.0% | 51,843 | 9.0% | 29,189 | 10.1% |
| \$15,000 - \$24,999 | 61,718 | 8.1% | 43,961 | 7.6% | 27,831 | 9.6% |
| \$25,000 - \$34,999 | 70,272 | 9.2% | 48,551 | 8.4% | 28,495 | 9.9% |
| \$35,000 - \$49,999 | 97,828 | 12.9% | 77,591 | 13.5% | 41,056 | 14.2% |
| \$50,000 - \$74,999 | 130,270 | 17.1% | 116,317 | 20.2% | 61,855 | 21.4% |
| \$75,000 - \$99,999 | 94,947 | 12.5% | 84,875 | 14.7% | 39,429 | 13.7% |
| \$100,000 - \$149,999 | 128,217 | 16.8% | 98,048 | 17.0% | 41,011 | 14.2% |
| \$150,000 - \$199,000 | 52,180 | 6.9% | 33,853 | 5.9% | 12,457 | 4.3% |
| \$200,000+ | 49,453 | 6.5% | 21,311 | 3.7% | 7,196 | 2.5% |
| Total | 761,245 | | 576,350 | | 288,519 | |

Source: ESRI Business Analyst

| Cohort | Travel Times (min) | | | | | |
|--------------------------|--------------------|----------|----------|----------|----------|----------|
| | <30 | | 30-60 | | 60-90 | |
| | 2012 | 2017P | 2012 | 2017P | 2012 | 2017P |
| Median Household Income | \$61,979 | \$75,707 | \$61,872 | \$75,138 | \$60,395 | \$72,641 |
| Average Household Income | \$82,595 | \$94,098 | \$80,338 | \$90,849 | \$78,322 | \$88,437 |
| Per Capita Income | \$35,158 | \$39,922 | \$32,465 | \$36,651 | \$31,602 | \$35,657 |

Source: ESRI Business Analyst

Employment

A market's unemployment rate can be an indicator of the relative strength of the local economy and discretionary spending. As of the end of 2012, King County's unemployment rate of 6.0% was approximately 2.5% lower than the state as a whole (8.5%) and 1.7% lower than the US average.

Exhibit C-11: King County Employed Population by Industry

| Category | 2012 |
|------------------------------|----------------|
| Civilian Labor Force | 1,115.0 |
| Civilian Employment | 1,048.0 |
| Civilian Unemployment | 67.0 |
| Unemployment Rate | 6.0% |

Source: WA State Employment Security Dept, Labor Market

Tourism

Based upon a Key Arena survey, the annual event attendees (in the stabilized year), from outside of the state, assumed to stay overnight is approximately 7.5 percent of NBA/NHL attendees and 17.5 percent of concert attendees. These are higher than we have seen in other markets but appear to reflect the draw of the Seattle market.

Historical Visitor Spending

The following figures show historical visitor spending through 2009. The number of visitors to King County has decreased in certain years however, aggregate spending and spending by visitor has continued to grow.

Exhibit C-12: Historical King County Visitor and Expenditure Trends

| Year | Visitor ¹ Expenditure (millions) | % Change | Number of Visitors ¹ (millions) | % Change | Expenditure Per Visitor ¹ | % Change |
|-------------|---------------------------------------------------|----------|--------------------------------------------------|----------|--------------------------------------------|----------|
| 2003 | \$3,770.0 | N/A | 8.50 | N/A | \$443.5 | N/A |
| 2004 | \$3,970.0 | 5.3% | 8.73 | 2.7% | \$454.8 | 2.5% |
| 2005 | \$4,330.0 | 9.1% | 9.10 | 4.2% | \$475.8 | 4.6% |
| 2006 | \$4,750.0 | 9.7% | 9.41 | 3.4% | \$504.8 | 6.1% |
| 2007 | \$5,160.0 | 8.6% | 9.49 | 0.9% | \$543.7 | 7.7% |
| 2008 | \$5,140.0 | -0.4% | 9.34 | -1.6% | \$550.3 | 1.2% |
| 2009 | \$6,900.0 | 34.2% | 8.80 | -5.8% | \$784.1 | 42.5% |

Source: Dean Runyan Associates

¹ Visitor - Any in state or out-of-state resident who does not reside in King County.

The following figures show visitor spending broken out by year and commodity purchased. Aggregated King County travel expenditures decreased from 2008 to 2009 but rebounded in 2012 (see 2012 data below).

Exhibit C-13: King County Visitor Spending by Commodity Purchased

| By Commodity (\$ Millions) | 1991 | 2000 | 2002 | 2004 | 2006 | 2008 | 2009 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Accommodations | \$405 | \$804 | \$734 | \$813 | \$1,071 | \$1,209 | \$986 |
| Food Service | \$442 | \$756 | \$797 | \$910 | \$1,060 | \$1,163 | \$1,119 |
| Food Stores | \$70 | \$117 | \$124 | \$141 | \$154 | \$175 | \$164 |
| Local Transportation and Gas | \$379 | \$679 | \$639 | \$851 | \$1,067 | \$1,264 | \$979 |
| Arts, Recreation, Entertainment | \$226 | \$363 | \$371 | \$409 | \$449 | \$465 | \$434 |
| Retail Sales | \$320 | \$492 | \$487 | \$512 | \$559 | \$566 | \$535 |
| Visitor Air Transportation | \$402 | \$617 | \$545 | \$559 | \$724 | \$782 | \$812 |
| Total Destination Spending | \$2,244 | \$3,828 | \$3,697 | \$4,195 | \$5,084 | \$5,624 | \$5,029 |

Source: Dean Runyan Associates

Exhibit C-14: Historical King County Travel Tax Receipts

(Millions)

| | 1991 | 2000 | 2002 | 2004 | 2006 | 2008 | 2009 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Local Tax Receipts ² | \$46 | \$128 | \$124 | \$138 | \$166 | \$185 | \$160 |
| State Tax Receipts ³ | \$115 | \$189 | \$190 | \$217 | \$247 | \$267 | \$246 |
| Total Direct Tax Receipts | \$161 | \$317 | \$314 | \$355 | \$413 | \$452 | \$406 |

Source: Dean Runyan Associates

² Local Tax Receipts - Tax receipts collected by counties and municipalities, as levied on applicable travel-related purchases. Includes local sales taxes, auto rental taxes, and all transient occupancy taxes, including the two percent state shared tax, additional hotel/motel taxes, and King County convention center tax (which is technically a state tax).

³ State Tax Receipts - State excise taxes such as sales, auto rental, and gasoline taxes attributable to travel expenditures and business taxes levied on travel industry firms (i.e. B&O taxes).

2012 Visitor Spending

King County had a total of 10.2 million visitors in 2012. This is higher than historically. However, visitors spent a total of \$5.9 billion, or approximately \$578 per visitor which is lower than prior years. Total direct earnings from King County travel spending was \$2.5 billion (representing approximately 56% of the \$4.5 billion generated for the entire state of Washington). Tourism industry spending resulted in 53,500 jobs within King County.

Exhibit C-15: 2012 King County Visitor Spending

| Type | Expenditure (Millions) | % of Total |
|---------------------------------|---------------------------|---------------|
| Food Service | \$1,500.0 | 25.4% |
| Lodging | \$1,200.0 | 20.4% |
| Retail Sales | \$591.0 | 10.0% |
| Local Transportation and Gas | \$710.0 | 12.0% |
| Arts, Recreation, Entertainment | \$593.0 | 10.1% |
| Visitor Air Transportation | \$1,300.0 | 22.1% |
| Total | \$5,894.0 | |

Source: Dean Runyan Associates - 2012

Visitors to King County generated \$479 million in tax receipts in 2012. This represented approximately 27% of the aggregate \$1.8 billion received by Washington state.

Exhibit C-16: Visitor Tax Receipts

| (Millions) | Amount | % of Total |
|----------------------------------|----------------|------------|
| State Sales Taxes | \$188.0 | 39.2% |
| Local Sales Taxes | \$96.0 | 20.0% |
| Lodging Taxes | \$94.0 | 19.6% |
| State/County Auto Rental | \$41.0 | 8.6% |
| Passenger Facility Charge | \$23.0 | 4.8% |
| B&O Taxes | \$22.0 | 4.6% |
| State Gas Taxes | \$15.0 | 3.1% |
| Total Direct Tax Receipts | \$479.0 | |

Source: Dean Runyan Associates

Sports Demographics

Although the potential new arena will host numerous events and draw from various demographics, the core tenants are expected to be NBA and NHL teams. As such, a significant amount of focus is on sports demographics which in many instances, have similar patron demographics to other anticipated arena events (i.e. concerts, other sports, world wrestling and ultimate fighting events, etc.).

General Note: The below market data focuses on U.S. NBA markets. These markets often overlap with other major league franchise markets (NHL, NFL, MLB) and are deemed most relevant in evaluating the proposed arena. We have focused on US markets even though Hockey has a strong Canadian/international presence. This is since differences in international markets do not translate to domestic markets and accordingly may incorrectly skew results.

Major League Franchises

The addition of two major league teams to the Seattle market will result in Seattle being ranked 24th on the basis of CBSA ⁽¹⁾ population per franchise and 24th on the basis of household per franchise. Currently, nine NBA cities support five or more major league franchises. While it is necessary to highlight this variable, it should be noted that several of the franchises that fall below Seattle in population and households per franchise have successfully supported five or more franchises and several markets ranking higher than Seattle have seen a lack of support.

⁽¹⁾ *Where appropriate, we have used the related Core Based Statistical Area (CBSA) when comparing the Seattle market to other current NBA markets. CBSA is a US geographic area defined by the Office of Management and Budget (OMB) based around an urban center of at least 10,000 people and adjacent areas that are socioeconomically tied to the urban center by commuting.*

Exhibit C-17: Population Per Franchise (NBA Markets)

| City | NBA Team | 2010 CBSA | # of Major League Franchises* | Population per Franchise |
|----------------------------------|------------------|------------------|-------------------------------|--------------------------|
| Sacramento | Kings | 2,149,127 | 1 | 2,149,127 |
| San Antonio | Spurs | 2,142,508 | 1 | 2,142,508 |
| Orlando | Magic | 2,134,411 | 1 | 2,134,411 |
| New York | Knicks, Nets | 19,567,410 | 10 | 1,956,741 |
| Atlanta | Hawks | 5,286,728 | 3 | 1,762,243 |
| Los Angeles | Lakers, Clippers | 12,828,837 | 8 | 1,603,605 |
| Chicago | Bulls | 9,461,105 | 6 | 1,576,851 |
| Houston | Rockets | 5,920,416 | 4 | 1,480,104 |
| Miami | Heat | 5,564,635 | 4 | 1,391,159 |
| Memphis | Grizzlies | 1,324,829 | 1 | 1,324,829 |
| Dallas | Mavericks | 6,426,214 | 5 | 1,285,243 |
| Oklahoma City | Thunder | 1,252,987 | 1 | 1,252,987 |
| Philadelphia | 76ers | 5,965,343 | 5 | 1,193,069 |
| Washington | Wizards | 5,636,232 | 5 | 1,127,246 |
| Portland | Trail Blazers | 2,226,009 | 2 | 1,113,005 |
| Charlotte | Bobcats | 2,217,012 | 2 | 1,108,506 |
| Detroit | Pistons | 4,296,250 | 4 | 1,074,063 |
| Phoenix | Suns | 4,192,887 | 4 | 1,048,222 |
| Indianapolis | Pacers | 1,887,877 | 2 | 943,939 |
| Boston | Celtics | 4,552,402 | 5 | 910,480 |
| Minneapolis | Timberwolves | 3,348,859 | 4 | 837,215 |
| Milwaukee | Bucks | 1,555,908 | 2 | 777,954 |
| Cleveland | Cavaliers | 2,077,240 | 3 | 692,413 |
| Seattle/Tacoma/Balleveue** | Sonics | 3,439,809 | 5 | 687,962 |
| Oakland/SF/Northern CA | Golden State | 4,335,391 | 7 | 619,342 |
| New Orleans | Pelicans | 1,189,866 | 2 | 594,933 |
| Salt Lake City | Jazz | 1,087,873 | 2 | 543,937 |
| Denver | Nuggets | 2,543,482 | 5 | 508,696 |
| Average (NBA Market Only) | | 4,450,416 | 4 | 1,208,600 |
| Median (NBA Market Only) | | 3,394,334 | 4 | 1,120,126 |

*Major League (NFL, MLB, NBA, NHL, MLS) Franchises **Includes an NBA and NHL franchise. Source: 2010 Census and Pro Forma Advisors

Exhibit C-18: Households Per Franchise (NBA Markets)

| City | NBA Team | Households | # of Major League Franchises* | Households per Franchise |
|----------------------------------|------------------|------------------|-------------------------------|--------------------------|
| Orlando | Magic | 778,178 | 1 | 778,178 |
| Sacramento | Kings | 777,373 | 1 | 777,373 |
| New York | Knicks, Nets | 6,873,593 | 10 | 687,359 |
| San Antonio | Spurs | 687,182 | 1 | 687,182 |
| Atlanta | Hawks | 1,865,741 | 3 | 621,914 |
| Chicago | Bulls | 3,431,388 | 6 | 571,898 |
| Los Angeles | Lakers, Clippers | 4,301,513 | 8 | 537,689 |
| Miami | Heat | 2,079,180 | 4 | 519,795 |
| Memphis | Grizzlies | 482,754 | 1 | 482,754 |
| Houston | Rockets | 1,914,046 | 4 | 478,512 |
| Oklahoma City | Thunder | 470,187 | 1 | 470,187 |
| Philadelphia | 76ers | 2,221,104 | 5 | 444,221 |
| Detroit | Pistons | 1,738,130 | 4 | 434,533 |
| Dallas | Mavericks | 2,171,092 | 5 | 434,218 |
| Portland | Trail Blazers | 829,870 | 2 | 414,935 |
| Washington | Wizards | 2,029,059 | 5 | 405,812 |
| Phoenix | Suns | 1,568,904 | 4 | 392,226 |
| Boston | Celtics | 1,705,968 | 5 | 341,194 |
| Indianapolis | Pacers | 658,480 | 2 | 329,240 |
| Minneapolis | Timberwolves | 1,237,926 | 4 | 309,482 |
| Charlotte | Bobcats | 614,864 | 2 | 307,432 |
| Milwaukee | Bucks | 610,139 | 2 | 305,070 |
| Cleveland | Cavaliers | 856,796 | 3 | 285,599 |
| Seattle ** | Sonics | 1,302,483 | 5 | 260,497 |
| Oakland | Golden State | 1,571,191 | 7 | 224,456 |
| New Orleans | Pelicans | 401,314 | 2 | 200,657 |
| Denver | Nuggets | 939,573 | 5 | 187,915 |
| Salt Lake City | Jazz | 345,652 | 2 | 172,826 |
| Average (NBA Market Only) | | 1,587,989 | 4 | 430,827 |
| Median (NBA Market Only) | | 1,270,205 | 4 | 424,577 |

*Major League (NFL, MLB, NBA, NHL, MLS) Franchises **Includes an NBA and NHL franchise. Source: 2007 ACS data, Claritas and Pro Forma Advisors

Operating Results

Financial Projections

Pro Forma Advisors has, within the context of available markets, competition, and comparable economics of other arenas, developed the following operating projections based on anticipated market demand and the expected financial and operating performance of the proposed arena. Operating projections are based on current, real dollars and include revenue and expense estimates for an NBA team, NHL team and eighty-two other events (e.g. concerts, family shows, other sporting events, etc.). Amounts assume the arena operator owns both teams and accordingly retains 100% of the revenues and pays 100% of the related expenses.

The Project is estimated to generate \$30.3 million (\$26.9 million excluding playoffs) in operating income annually in a stabilized year with a capacity of 18,000 seats.

Exhibit OR-1: Operating Projections - Capacity 18,000 Seats

(Build Out, Stabilized Year-\$ millions, not-inflated)

| | |
|-----------------------------------------|----------------|
| | |
| Net Ticket, Suite and Club Seat Revenue | \$83.2 |
| Local Media | \$35.8 |
| Sponsorship and Naming Rights | \$22.4 |
| Concessions and Merchandise | \$19.5 |
| Preseason, Playoff and Other Revenue | \$12.8 |
| Total Local Revenue | \$173.7 |
| National Revenue | \$53.5 |
| Less: League Assessment Expense | -\$5.9 |
| NET REVENUE | \$221.3 |
| Player and Team Salaries and Benefits | \$123.4 |
| Other Team Costs | \$17.1 |
| Event Staffing | \$8.6 |
| Other Expenses | \$41.9 |
| TOTAL EXPENSES | \$191.0 |
| OPERATING INCOME | \$30.4 |
| Less: Net Playoff Revenue | \$3.5 |
| OPERATING INCOME BEFORE PLAYOFFS | \$26.9 |

Source: Pro Forma Advisors

Seating Capacity

The above operating projections are based on operating a new 18,000-seat arena. It is expected that NHL games will have 1,000 fewer seats compared to NBA games or approximately 17,000 seats. It is expected that the NHL game seats lost will be those nearest to the floor (some of the most costly seats). Similar seating adjustments/seat losses are expected for certain large concerts and events.

Sporting Events

The operating projections include forty-one regular season home games and three pre-season games for both Basketball and Hockey. We have also included revenue and expense projections for two playoff games per year. While there is no guarantee that the teams will reach the playoffs in any season, given the high probability of reaching the playoffs (i.e. sixteen of the thirty teams advance to the playoffs annually), we have included two games for each team. This assumes, should the team make the playoffs, that they will not advance past the first round. It is important to note that the actual number of playoff games (should the teams reach the playoffs) will fluctuate and, although remote, should the teams advance to the finals, Seattle could host as many as sixteen home playoff games (4 per round).

Other Arena Events

The projections also include eighty-two non-Basketball/Hockey events. These events range from large concerts, family shows (Disney, etc.) and other adult events (e.g. World Wrestling Entertainment, Ultimate Fighting Championships, etc.) to small, lower margin events (e.g. meetings, non-professional local sporting events, conferences, conventions, etc.).

Amounts included herein only reflect the portion of total revenues retained by or paid to the Developer. The projections do not reflect the majority (i.e. 85%-95%) of the aggregate revenues earned for each event. The Developer revenue allocation/share is based on data from comparable markets along with expectations based on previous Key Arena revenue sharing arrangements.

Event economics are determined through negotiation with third parties (e.g. promoters, producers, etc.) and are unique to each type of event and the availability of other venues. Consistent with industry practice for similar events, Pro Forma Advisors has assumed the Developer would receive approximately 10% of aggregate ticket and merchandise/novelty revenue. For certain events, the Developer would also receive a facility surcharge or rent payment (which is generally expected to cover/offset staffing and other expenses incurred by the Developer) and net concession revenue.

The Developer generally pays labor and other facility costs (e.g. utilities, equipment, etc.) required to stage the performance/event.

REVENUES

Ticket and Suite Revenue

Ticket sales levels, pricing and in-arena attendance are driven by the market, competition, event mix and other economic and market factors. Amounts were derived using comparative market and industry data with adjustments for relevant local market considerations.

It is assumed that most suites will be sold on a season basis for combined regular season Basketball and Hockey games as well as exhibition games. Suites for playoff games and other arena events are expected to be sold independently or

included at a premium. The price per suite reflects suite pricing in comparable markets and venues. The number of seats per suite is expected to range between 16 - 20 seats per suite as indicated by the Developer.

Suites that are sold on a per game basis often include a premium compared to full season pricing. However, due to the uncertainty of selling suites for every available suite night (i.e. for non-season suites) we have not included this premium and assumed annualized individual suite revenues will mirror season amounts since slightly lower occupancy rates are expected to be offset by higher per game fees.

Admission Taxes

Ticket revenues are shown gross with a corresponding deduction for admission taxes (5% of ticket revenues).

Local Media

Television/cable and radio rights fee revenues are based on existing local NBA and NHL media deals in comparable markets. We attempted to address recent escalation in media rights fees, however, the recent renewals are in larger markets (e.g. Los Angeles and Boston) and reflect the teams assuming a partial ownership stake in the related regional sports network (RSN). We expect that this is something that will be accessed by the team owner, but the economics of this type of deal is more complicated, and accordingly, we have used a straight rights fee comps to derive our projections. Deals are also impacted by competition between providers in their pursuit for content which is not clear at this point.

It is also difficult to assess the impact of the recent deal with the Seattle Mariners and DirecTV whereby the Mariners assumed a controlling stake in a new regional sports network (RSN) in partnership with DirecTV that will run through the 2030 baseball season. As such, we have included the more conservative option but expect that if the opportunity is available that the developer will pursue a partial ownership stake in a regional network in order to benefit from potential dramatic escalations in fees under this alternative.

Naming Rights, Sponsorships and Rent/Facility Surcharge

Naming rights estimates are based on average new arena deals in comparable markets. Sponsorship projections are based on comparable arenas hosting two major sports tenants. Consistent with the anticipated Seattle sports market, the comparable market data was obtained for markets with multiple franchises (e.g. NFL, MLB, NBA, NHL and MLS).

Naming rights revenues are 100% allocated to the arena. Sponsorship revenues are allocated between the two core tenants.

With regard to other arena events/concerts we have included revenues paid by the promotor for rent/facility surcharge. Amounts were based on data received on Key Arena events and from other comparative markets.

Regular Concessions, Premium Concessions and Merchandise

Regular concessions, premium concessions and merchandise revenues are based on average industry per capita spending by patrons, applied to the projected in-house attendance for NBA games, NHL games and other arena events.

Parking

Parking is generally a significant revenue stream for arena owners/operators. Per our discussion with Developer representatives no onsite parking structure is currently envisioned for the new arena. Based on other markets and since this is considered a favorable amenity for many higher value ticket holders, we expect that an arrangement will be negotiated with one or all of the adjacent parking structures or the Developer will construct a structure. We have not included any direct parking revenue to the team at this time which is the most conservative scenario based on the information available.

National Revenues

National revenues reflect shared NBA and NHL league-wide revenues (i.e. national television rights fees, etc.). Amounts are negotiated on a national basis and distributed equally between all teams annually. It is important to note that the NBA's national media deal expires after the 2015-16 season and the NHL national media deal expires after the 2020-21 season. Recent renewals and extensions of the national media deals for Major League Baseball and the National Football League have resulted in increases of 120%⁽¹⁾ and 64%⁽²⁾, respectively. While we can not guarantee similar increases in the rights deal of the NBA and NHL, it is highly likely that both leagues will negotiate significant increases under the next deal. Given that aggregate amounts are distributed equally to teams any increase inures directly to the teams.

⁽¹⁾ Sports Business Journal, September 2012. ⁽²⁾ Sports Business Journal, December 2011.

League Assessment

For the purposes of our projections we have deducted league assessments on ticket revenues by the NBA and NHL from aggregate revenues. Amounts are levied on all teams based a percentage of the respective ticket revenues of the teams and are used to fund the operations of the central league office.

Expenses

Expenses include direct team and arena expenses as well as allocations between events for various overhead categories. Where applicable, expense allocations mirror related revenue allocations (e.g. suite sales cost allocations mirror related revenue allocations). We have included certain cost efficiencies (due to the sharing of resources), where expected, between teams and other events.

Where appropriate, amounts have been adjusted to reflect the impact of industry changes that will be in full effect at the time the new arena is expected to be available for occupancy. Example: both the NBA and NHL have negotiated new collective bargaining agreements with the corresponding Players Unions within the past two years. The new agreements include various components that are likely to effect team economics (e.g. player salaries). There are also material changes to revenue sharing amounts between large and small market teams. Note: given the strength of the Seattle market we have assumed Seattle is unlikely to be a recipient and is not expected to be a payee.

Players Salaries

Players' salaries reflect the high-end of average spending levels for teams in comparative markets, adjusted for changes in the Collective Bargaining Agreements (CBA) that are expected to be fully phased in when the arena is ready for

occupancy. Both new Collective Bargaining Agreements (NBA and NHL) are expected to have a favorable impact (i.e. restrict excess spending by large market teams with higher cash flows) on player salaries which is expected to potentially improve competitive balance by all teams. It is also assumed that team profitability will improve since salary escalation will not continue to grow in excess of revenues. We have included an offset for player escrow based on new levels established by the CBA. While it is not guaranteed escrow amounts will be retained and applied as offsets by teams to players salaries, history implies this will be the case (i.e. only one year-2008 during the past decade under the previous CBA have amounts been returned to the players union).

G&A Salaries

Amounts were based on a detailed review of staffing levels for comparative teams along with prior Seattle Supersonics data. Estimates have been adjusted to reflect expected staffing and income levels in the Seattle market and include related taxes and benefits. We expect some economies for certain overhead personnel with respect to arena, NBA and NHL operations compared to stand alone operations. The economies are based on data from comparative teams who own and operate their arenas and an NBA and NHL team and those that only own an NBA team and do not own their arena.

Remaining expenses are based on historical Seattle Supersonics data, comparable market expenses and/or dictated by the current memorandum of understanding (e.g. rent, taxes paid by the team). We have included a \$1 million annual rent payment to the City and County in our projections.

Repairs and Maintenance

We expect that the Developer will incur approximately \$1m to \$1.5m annually in repairs and maintenance expense for the arena. We have included additional amounts annually (expected to be less material) as an expense for operations. However, the \$1.5m expense is not included in operations but is expected to be capitalized and expenses over the life of the related expense. This is important since this is a cash outflow but is not reflected as a direct cost of operations. The actual annual expense is unknown and is based on estimates from comparative markets on arenas which have been in existence for 5-10 years. It is unlikely that material expenses will be incurred prior to 5 years and possible they will not be incurred until year 10 or later. This is not a direct cost to operations but given that it is a potential outflow we are highlighting this cost as a footnote.

10 Year Financial Projections

Pro Forma Advisors has projected revenues and expenses for a ten year period (in constant, 2013 dollars). Amounts are summarized below,

Exhibit OR-2: 10 Year Financial Projections

(\$ millions, not-inflated)

| 10 Year Financial Projections | | | | | | | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Ticket/Premium | \$83.2 | \$85.5 | \$87.9 | \$88.9 | \$89.8 | \$90.8 | \$91.8 | \$92.9 | \$93.7 | \$94.5 |
| Media | \$35.8 | \$36.8 | \$37.9 | \$39.0 | \$40.2 | \$41.3 | \$42.5 | \$43.8 | \$45.0 | \$46.3 |
| Other Revenue | \$48.8 | \$46.7 | \$51.5 | \$49.5 | \$55.4 | \$51.8 | \$56.3 | \$53.5 | \$59.2 | \$55.4 |
| Nat'l Revenue | \$53.5 | \$71.5 | \$73.0 | \$74.4 | \$75.9 | \$81.7 | \$83.4 | \$85.0 | \$86.7 | \$88.5 |
| Total Revenues | \$221.3 | \$240.6 | \$250.3 | \$251.8 | \$261.3 | \$265.7 | \$274.1 | \$275.2 | \$284.6 | \$284.7 |
| Player and Team | \$140.5 | \$155.6 | \$160.4 | \$163.9 | \$167.6 | \$172.5 | \$176.3 | \$180.1 | \$184.0 | \$187.9 |
| Other Expenses | \$50.4 | \$51.5 | \$52.7 | \$53.8 | \$55.0 | \$56.1 | \$57.4 | \$58.6 | \$59.9 | \$61.2 |
| Total Expenses | \$190.9 | \$207.2 | \$213.1 | \$217.7 | \$222.5 | \$228.7 | \$233.7 | \$238.7 | \$244.0 | \$249.2 |
| Net Operating | \$30.4 | \$33.4 | \$37.3 | \$34.0 | \$38.8 | \$37.0 | \$40.3 | \$36.5 | \$40.7 | \$35.5 |
| Playoffs | \$3.5 | | \$3.6 | | \$4.6 | | \$3.7 | | \$4.8 | |
| Operating Before Playoffs | \$26.9 | \$33.4 | \$33.7 | \$34.0 | \$34.2 | \$37.0 | \$36.7 | \$36.5 | \$35.9 | \$35.5 |

Source: Pro Forma Advisors

For the purposes of our projections we have assumed the following:

- Ticket/Premium Revenues - Reflect a moderate growth (flat in the latter years) with the majority of the increase coming from pricing.
- Media Revenues - The growth is based on standard media deal escalation factors.
- Other Revenues - Amounts reflect average increases experienced in other comparable markets.
- National Revenues - Expected to increase significantly in Year 2 and Year 6 due to the renewal of the NBA and NHL national media deals, respectively. As indicated previously, recent renewals and extensions of the national media deals for Major League Baseball and the National Football League have resulted in increases of 120% and 64%, respectively. For the purpose of our projections we have included a 50% increase for the NBA national media deal in Year 2 and a 25% increase in the NHL national media deal in Year 6.
- Playoff Revenues - We have included two playoff games for the NBA and NHL every other year and one additional game every fourth year. It is reasonable that both teams will reach the playoffs every three to four years and play two

or more home games. However, it is not known with certainty when and if the teams will reach the playoffs (which is generally highly profitable to teams). As such, we have included conservative playoff estimates in revenues but have removed amounts from operating income to distinguish between amounts that reflect standard operating revenues compared to amounts contingent upon reaching the playoffs.

- Player and team expenses are expected to grow at moderate rates. We have assumed that in Year 2 and Year 6 player salaries for all teams will increase at a higher rate due to the impact of the high growth in revenues from the renegotiation of the national media deals. Revenues are linked to the salary cap in both leagues so any material increase in revenues is often reflected by an increase in player salaries.
- Other expense increases are consistent with related revenue increases and grow at a higher rate in latter years to reflect higher costs (i.e. Marketing, Sales, etc.) required to support the incremental growth in revenues.

Per Capita Estimates

Pro Forma Advisors has, within the context of available markets, competition, and comparable economics of other arenas, developed the following per capita data which was used to develop the operating projections included above. Amounts were based on comparative market data and demand. Amounts were adjusted to reflect any differences in the Seattle market and are based on constant 2013 dollars.

Per Capita and Attendance

The tables below summarize the expected attendance, no show % and per caps for NBA games, NHL games and other arena events.

Amounts are based on the following:

Events

National Basketball Association Games

Our projections include 41 regular season home games, 3 pre-season home games and 2 playoff games. It is not guaranteed that the team will proceed to the playoffs every year, however, due to the high probability of reaching the playoffs (i.e. sixteen of the thirty teams advance to the playoffs annually), we have included two games.

National Hockey League Games

Our projections include 41 regular season home games, 3 pre-season home games and 2 playoff games. Consistent with the NBA, due to the high probability of reaching the playoffs (i.e. sixteen of the thirty teams advance to the playoffs annually), we have included two games.

Other Arena Events

Our projections include eighty-two other arena events (i.e. concerts, family shows, other sporting events, etc.). This is on the low end of reported events in other arenas in comparable markets.

Seating

The proposed seating quantities are based on discussions with Developer's representatives. We have reviewed seating by level and the amounts are reasonable and consistent with other new arenas. As such, we have used the respective seating composition to project annual revenues.

Exhibit OR-3: Basketball Per Capita and Attendance

| Description | Regular | Playoffs | Exhibition |
|--------------------------------|----------|----------|------------|
| # of Events | 41 | 2 | 3 |
| General Admissions Seats | 14,785 | 14,785 | 14,785 |
| Suite Seats | 990 | 990 | N/A |
| Club Seats | 2,000 | 2,000 | 2,000 |
| Floor Seats | 220 | 220 | 220 |
| Upper Bowl | 10,000 | 10,000 | 10,000 |
| Lower Bowl (excluding Premium) | 4,785 | 4,785 | 4,785 |
| Ticket Price | \$60.00 | \$80.00 | \$50.00 |
| Suite Seat Price | \$125.00 | \$300.00 | N/A |
| Club Seat Price | \$150.00 | \$250.00 | \$100.00 |
| Floor Seat Price | \$250.00 | \$350.00 | \$150.00 |
| Concession Per Cap | \$12.00 | \$15.00 | \$12.00 |
| Suite Food Per Cap | \$30.00 | \$35.00 | \$25.00 |
| Club Seat Food Per Cap | \$20.00 | \$25.00 | \$20.00 |
| Novelty/Retail Per Cap | \$2.00 | \$3.00 | \$2.00 |
| Parking Per Cap | N/A | N/A | N/A |
| No Show % - General | 15.0% | 10.0% | 20.0% |
| No Show % - Suite | 10.0% | 10.0% | N/A |
| No Show % - Club | 10.0% | 10.0% | 20.0% |
| No Show % - Floor Seats | 5.0% | 5.0% | 10.0% |
| Ticket Sold % | 85.0% | 90.0% | 60.0% |
| Suite Sold % | 90.0% | 90.0% | N/A |
| Club Seat % | 90.0% | 90.0% | 60.0% |
| Floor Seats % | 95.0% | 95.0% | 85.0% |

Source: Pro Forma Advisors

Exhibit OR-4: Hockey Per Capita and Attendance

| Description | Regular | Playoffs | Exhibition |
|--------------------------------|----------|----------|------------|
| # of Events | 41 | 2 | 3 |
| General Admissions Seats | 14,785 | 14,785 | 14,785 |
| Suite Seats | 990 | 990 | |
| Club Seats | 1,200 | 1,200 | 1,200 |
| Floor Seats | N/A | N/A | N/A |
| Upper Bowl | 10,000 | 10,000 | 10,000 |
| Lower Bowl (excluding Premium) | 4,785 | 4,785 | 4,785 |
| Ticket Price | \$55.00 | \$80.00 | \$45.00 |
| Suite Seat Price | \$125.00 | \$300.00 | N/A |
| Club Seat Price | \$150.00 | \$250.00 | \$80.00 |
| Floor Seat Price | N/A | N/A | N/A |
| Concession Per Cap | \$12.00 | \$15.00 | \$10.00 |
| Suite Food Per Cap | \$30.00 | \$35.00 | \$25.00 |
| Club Seat Food Per Cap | \$20.00 | \$20.00 | \$15.00 |
| Novelty/Retail Per Cap | \$2.00 | \$3.00 | \$2.00 |
| Parking Per Cap | N/A | N/A | N/A |
| No Show % - General | 15.0% | 10.0% | 25.0% |
| No Show % - Suite | 10.0% | 10.0% | N/A |
| No Show % - Club | 10.0% | 10.0% | 20.0% |
| No Show % - Floor Seats | N/A | N/A | N/A |
| Ticket Sold % | 80.0% | 90.0% | 60.0% |
| Suite Sold % | 85.0% | 90.0% | N/A |
| Club Seat % | 85.0% | 90.0% | 60.0% |
| Floor Seats % | N/A | N/A | N/A |

Source: Pro Forma Advisors

Exhibit OR-5: Event Per Capita and Attendance

| Arena Events | | | | | | | |
|--------------------------|---------------|-----------------|--------------|-------------|--------------|--------------|-----------------|
| Description | Large Concert | Medium Concerts | Other Sports | Large Adult | Family Shows | Other Events | Private Rentals |
| # of Events | 8 | 4 | 20 | 8 | 30 | 12 | 2 |
| General Admissions Seats | 14,785 | 14,785 | 14,785 | 14,785 | 14,785 | 14,785 | |
| Suite Seats | 990 | 990 | 990 | 990 | 990 | 990 | |
| Club Seats | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | |
| Ticket Price | \$75.00 | \$50.00 | \$15.00 | \$50.00 | \$20.00 | \$30.00 | |
| Suite Seat Price | \$150.00 | \$125.00 | N/A | N/A | N/A | N/A | |
| Club Seat Price | \$250.00 | \$150.00 | \$30.00 | \$60.00 | \$30.00 | \$40.00 | |
| Concession Per Cap | \$10.00 | \$10.00 | \$5.00 | \$6.00 | \$2.00 | \$2.00 | |
| Suite Food Per Cap | \$35.00 | \$30.00 | N/A | N/A | N/A | N/A | |
| Club Seat Food Per Cap | \$25.00 | \$20.00 | N/A | N/A | N/A | N/A | |
| Novelty/Retail Per Cap | \$10.00 | \$5.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | |
| Parking Per Cap | N/A | N/A | N/A | N/A | N/A | N/A | |
| No Show % - General | 5.0% | 5.0% | 30% | 10% | 5% | 10% | |
| No Show % - Suite | 5.0% | 5.0% | N/A | N/A | N/A | N/A | |
| No Show % - Club | 5% | 5% | 25% | 10% | N/A | N/A | |
| Ticket Sold % | 90% | 85% | 40% | 40% | 30% | 20% | |
| Suite Sold % | 80% | 70% | N/A | N/A | N/A | N/A | |
| Club Seat % | 85% | 80% | 60% | 60% | 50% | 40% | |
| Rental Fee | | | | | | | \$60,000 |

Source: Pro Forma Advisors

Ticket, Premium and Suite Per Caps

Ticket pricing is consistent with comparative market data and industry averages. Amounts have been broken out between general admission seating and premium seating. Amounts were based on comparative markets. Pre-season pricing is lower, reflect industry averages and sales levels were adjusted to reflect lower expected sales levels for the pre-season.

Floor seats

Floor seats are generally the costliest seats in the venue with the highest sales percentage. These are unique to each venue and generally dependent on what the market will bear. Seattle has higher income levels compared to many NBA markets so they are more likely to support the seat quantities and pricing.

Club Seats

Generally a significant portion of Club seats are sold on a season basis. Pricing is consistent with average values in comparative markets.

Suites

Suite sales amounts were based on comparable market data with minor adjustments to percentages sold based on sales at other arenas.

Concessions, Premium Food and Beverage and Merchandise Per Caps

General and premium concessions and merchandise per caps were established based on the type event (e.g. NBA game, NHL game, concert, etc.) and average spending levels within the industry.

Parking per caps have not been included since we were informed that the arena is currently not planning to build a dedicated parking structure and accordingly would not receive the related revenue streams.

Show factor

We have estimated the percentage of people actually attending the game based on data from comparable markets and using industry averages. This is an important number since it adjusts amounts "sold" by the percentage of patrons who actually attend the game. Percentages are applied to sales quantities to derive the actual in-house attendees. The actual in-house attendance is used to estimate concession, retail/merchandise and premium food and beverage revenues.

Percentage of Tickets Sold

We have applied a sales rate to the available seats for NBA, NHL and other arena events. Amounts have been applied to each seating/ticket type based on data from comparable arenas.

Fiscal Impacts

Pro Forma Advisors' fiscal impact analysis focuses on the City of Seattle and King County fiscal revenues only. For the purposes of this report, we have excluded non-discretionary fiscal revenues (i.e. dedicated to specific uses). The analysis does not include impacts relating to the interim use of Key Arena. Amounts exclude fiscal costs and, accordingly do not reflect net fiscal impacts.

Construction One-Time Fiscal Impacts

Construction impacts measure the one-time impacts to the regional economy resulting from construction activity related to the proposed Project. These fiscal impacts will accrue to the City of Seattle and King County prior to the opening of the arena. Amounts are based on the following values:

Exhibit F-1: Construction Costs

| \$ Millions | Total |
|--------------------------------------------|----------------|
| Construction (excluding Land and F, F & E) | \$350.0 |
| Furniture, Fixtures & Equipment | \$40.0 |
| Estimated Total Value | \$390.0 |

Source: Hansen Representatives

Following is a summary of the related fiscal impacts.

Exhibit F-2: Construction One Time Fiscal Impacts

| | Construction Sales Tax | Real Estate Excise Tax * | Retail B&O Tax | Total |
|--------------------------------|------------------------|--------------------------|------------------|--------------------|
| City of Seattle | \$2,975,000 | \$1,000,000 | \$838,500 | \$4,813,500 |
| King County | \$525,000 | \$0 | \$0 | \$525,000 |
| King County (with City) | \$3,500,000 | \$1,000,000 | \$838,500 | \$5,338,500 |

* The Real Estate Excise Tax (REET) is levied by the City of Seattle at a rate of 0.5% on sales of real estate measured by the full selling price which is assumed to be \$200 million.

Annual Ongoing Fiscal Impacts

Pro Forma Advisors has estimated the annual ongoing fiscal impacts generated by the planned arena to the City of Seattle and King County, at build-out, in a year of stabilized project occupancy. All values are presented in constant 2013 dollars.

City of Seattle Fiscal Projections

Pro Forma Advisors has reviewed the City of Seattle annual tax estimates relating to the proposed Project and compared them to our estimates (below). Based on our calculation, approximately \$7.78 Million in taxes will be available annually to support debt service. This is compared to the City's estimate of \$7.07 Million.

The primary reason for the difference between the Pro Forma Advisor's and the City's estimate (i.e. approximately \$700,000) is due to Pro Forma using a higher new construction value for the property tax calculation compared the the City of Seattle. The City's estimates were based on a new construction value of \$250 Million. Pro Forma's new construction value, provided by the Developer (excluding Land and Furniture, Fixture and Equipment), was approximately \$100 Million higher (i.e. \$350 Million). In addition, the City's operating revenue estimates were slightly lower than Pro Forma's amounts and Pro Forma had a higher number of other arena events. Conversely, the City included an annual rent of \$2 Million while Pro Forma Advisors included the revised \$1 Million amount.

Using the average estimated annual debt of \$14.0 Million - \$15.0 Million and an annual rent payment of \$1.0 Million, it is expected that the Developer will need to provide approximately \$5.0 Million - \$6.0 Million in incremental rent. It is expected that these incremental payments will be subsidized from operations. Based on our projections, operating profits appear sufficient to cover the incremental debt service.

Following is a summary of the estimated aggregate annual fiscal impacts:

Exhibit F-3: Tax Summary - Annual

| | City of Seattle | King County | Total |
|---------------------------------|--------------------|------------------|--------------------|
| Admissions Tax | \$4,884,000 | | \$4,884,000 |
| B&O Tax | \$940,000 | | \$940,000 |
| Property Tax ⁽¹⁾ | \$1,150,000 | \$534,000 | \$1,684,000 |
| Sales Tax | \$181,000 | \$32,000 | \$213,000 |
| Leasehold Tax | \$40,000 | \$20,000 | \$60,000 |
| Total Debt Service Taxes | \$7,195,000 | \$586,000 | \$7,781,000 |
| Utility Tax | \$141,000 | | \$141,000 |
| Commercial Parking Tax | \$450,000 | | \$450,000 |
| Total All Taxes | \$7,786,000 | \$586,000 | \$8,372,000 |

Source: www.seattle.gov, www.kingcounty.gov, www.dor.wa.gov

(1) Used 2013 City Levy Rate including dedicated and non-dedicated amounts.

Admissions Tax

The City imposes a 5% tax on admissions to most Seattle entertainment events including pre-season, regular season and post-season sporting events, concerts, family shows and other events. It is estimated that the City of Seattle will receive an incremental \$4.8 Million in gross admissions revenues from the new arena annually. Note: Generally premium seats (i.e. suites, club seats and floor seats) include amenities (e.g. private restaurant access, food and beverage, parking, etc.). For the purpose of our calculation, we have applied admissions tax to the full value of the related ticket and have not segregated an “implied” value of parking and food. Example: The admissions tax on a \$150 club seat which includes complimentary parking and food is applied to the full \$150 value.

Exhibit F-4: Admissions Tax

| | City of Seattle Annual | City of Seattle NPV* |
|-------------------------|---------------------------|-------------------------|
| Admissions Tax Revenues | \$4,884,000 | \$83,800,000 |

*Period: Contract Term - Thirty Years

Business and Occupation Tax

The City levies Business and Occupation (B&O) tax to gross receipts at different rates on different types of business activity. Manufacturing and retailing is subject to a tax of 0.215% on gross receipts while services are taxed at a rate of 0.415%. We estimate that the Project will generate approximately \$940,000 in B&O taxes annually.

Exhibit F-5: Business and Occupation Tax

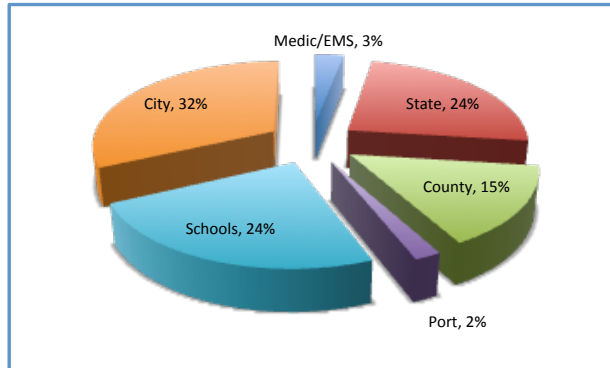
| | City of Seattle Annual | City of Seattle NPV* |
|----------------------|---------------------------|-------------------------|
| Service B&O | \$894,000 | \$16,300,000 |
| Retail B&O | \$46,000 | \$834,000 |
| Total B&O | \$940,000 | \$17,134,000 |

*Period: Contract Term - Thirty Years

Property Tax

Property tax is levied primarily on real property owned by individuals and businesses. Real property consists of land and permanent structures. In addition, property tax is levied on various types of personal property. This approved levy amount is then divided across the assessed value (AV) of all property in the jurisdiction to determine the tax rate. Property taxes paid by a property owner are determined by a taxing district’s rate, which is calculated as the rate per \$1,000 of assessed value, applied to the value of a given property. The chart below shows the different jurisdictions whose rates make up the total property tax rate imposed on Seattle property owners.

Exhibit F-6: Property Tax Distribution



Source: www.seattle.gov

Using the 2012 property tax rate (\$10.16 per 1,000), we applied the pro-rata amount received by the City (32%) and County (15%) to the aggregate projected assessed value of the property. Based on this we estimate that the project will generate approximately \$2 million in incremental property tax revenues annually.

Exhibit F-7: Property Tax

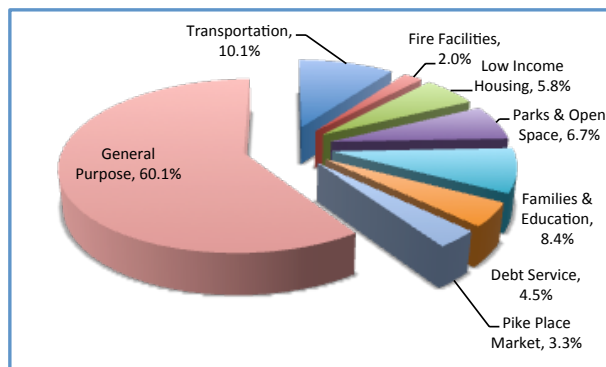
| | Annual | NPV* |
|-----------------------------------------------------|--------------------|---------------------|
| Property Tax - City of Seattle ⁽¹⁾ | \$1,149,946 | \$18,643,491 |
| Property Tax - King County | \$534,450 | \$8,664,767 |
| Total Property Tax - King County (with City) | \$1,684,396 | \$27,308,258 |

*Period: Contract Term - Thirty Years

(1) Used 2013 City Levy Rate including dedicated and non-dedicated amounts.

The City of Seattle's 2012 property tax components are summarized in the chart below.

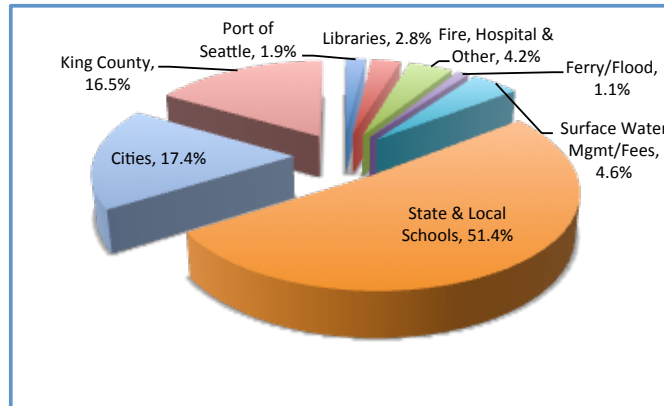
Exhibit F-8: City of Seattle Property Tax Allocation



Source: www.seattle.gov

King County's 2012 property tax components are summarized in the chart below.

Exhibit F-9: King County Property Tax Allocation

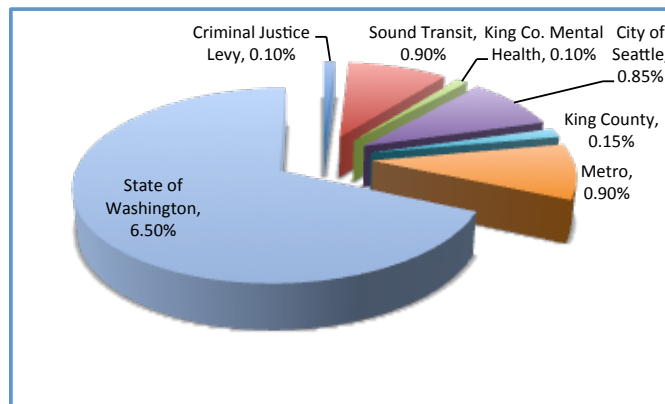


Source: www.kingcounty.gov

Sales Tax

The sales tax rate in Seattle is 9.5% for all taxable transactions. Of this amount, 0.85% is allocated to the City of Seattle and 0.15% is allocated to King County as per the chart below.

Exhibit F-10: Washington Sales Tax Distribution



Based on our calculation, we estimate that approximately \$213,000 in sales tax revenues will accrue to the City of Seattle and King County annually from the Project.

Exhibit F-11: Sales Tax

| | Annual | NPV* |
|-----------------------------|-----------|-------------|
| Sales Tax - City of Seattle | \$181,000 | \$3,299,000 |

| | Annual | NPV* |
|--------------------------------------------------|------------------|--------------------|
| Sales Tax - King County | \$32,000 | \$582,000 |
| Total Sales Tax - King County (with City) | \$213,000 | \$3,881,000 |

*Period: Contract Term - Thirty Years

Leasehold Tax

Cities and counties may levy a local leasehold excise tax on leasehold interests in public property within their jurisdictions at a rate up to a maximum of 6 percent. The maximum city rate is 4 percent and it is credited against the county tax. Thus, the maximum county rate is 2 percent in cities which levy the maximum city rate. We estimate that the Project will generate approximately \$60,000 annually in incremental leasehold taxes.

Exhibit F-12: Leasehold Tax

| | Annual | NPV* |
|------------------------------------------------------|-----------------|------------------|
| Leasehold Tax - City of Seattle | \$40,000 | \$649,000 |
| Leasehold Tax - King County | \$20,000 | \$324,000 |
| Total Leasehold Tax - King County (with City) | \$60,000 | \$973,000 |

*Period: Contract Term - Thirty Years

Utility Tax

The City levies a tax on most revenue collected by City-owned utilities (Seattle City Light and Seattle Public Utilities). Tax rates range from 6% on City Light up to a current 15.54% on the City Water Utility, as follows:

- City Light - 6.00%
- City Water - 15.54%
- City Drainage - 11.50%
- City Wastewater - 12.00%
- City Solid Waste - 11.50%

While it is expected the proposed new arena will incur material utility costs, we do not have the specific allocation of utility costs by type (i.e. water, waste, etc.). Using the lowest rate (i.e. City Light 6%) Pro Forma Advisors estimates the Project will generate approximately \$141,000 in incremental utility taxes annually.

Exhibit F-13: Utility Tax

| | Annual | NPV* |
|----------------------------------------|-----------|-------------|
| Utility Business Tax - City of Seattle | \$141,000 | \$2,286,000 |

*Period: Contract Term - Thirty Years

Commercial Parking Tax

The commercial parking tax is levied upon a person who pays to park a motor vehicle in a commercial parking lot within Seattle city limits. Effective January 1, 2011, the parking tax rate is imposed at 12.5%. We estimate that approximately \$450,000 in incremental parking taxes will be generated annually due to the Project.

Exhibit F-14: Commercial Parking Tax

| | Annual | NPV* |
|------------------------------------------|-----------|-------------|
| Commercial Parking Tax - City of Seattle | \$450,000 | \$8,191,000 |

*Period: Contract Term - Thirty Years

Tax Benefits - Other Taxing Districts

The arena is also expected to generate the following tax benefits from other taxing districts:

Exhibit F-15: Tax Benefits - Other Taxing Districts

| Additional Fiscal Benefits | One Time Construction | Annual Operating |
|---------------------------------------------|-----------------------|--------------------|
| Property Taxes - State School | \$848,000 | |
| Property Taxes - Other County | \$147,000 | |
| Sales Taxes - State | \$22,750,000 | \$1,389,000 |
| Sales Taxes - Metro King County | \$3,150,000 | \$192,000 |
| Sales Taxes - Sound Transit | \$3,150,000 | \$192,000 |
| Sales Taxes - King County Criminal Justice | \$350,000 | \$21,000 |
| Sales Taxes - King County Mental Health | \$350,000 | \$21,000 |
| State Real Estate Excise Taxes | \$2,560,000 | |
| State Leasehold Excise Tax | | \$68,000 |
| Total Taxes - Other Taxing Districts | \$33,305,000 | \$1,883,000 |

Source: www.seattle.gov, www.kingcounty.gov, www.dor.wa.gov, Pro Forma Advisors

Economic Impacts

The economic impact section evaluates the economic impacts generated by the proposed Seattle arena to the Seattle and King County economies, for each project alternative.

The section first provides a description of economic impacts and its components. The section then provides a detailed review of the net economic fiscal impacts in Scenario A, including arena construction impacts, gross arena onsite and offsite impacts, substitution, and port and industrial business impacts. Next the analysis reviews gross arena impacts for Scenarios B, C and D. Finally, additional impacts, such as intangible arena benefits, are discussed.

A detailed economic impact methodology can be found in the Appendix.

Economic Impact Overview

The economic impact analysis evaluates the total economic impacts produced as a result of the proposed project. This section provides a general explanation of economic impact analysis, describes the components of economic impact, and presents the methodology and key assumptions used to estimate the economic impacts in this report.

Introduction

Economic impacts can be described as the sum of the economic activity within a defined geographic region resulting from an initial change in the economy. This initial change spurs a series of subsequent indirect and induced activities (the re-spending of dollars) as a result of interconnected economic relationships.

Economic impact is composed of the following components:

- **Direct Impact:** Direct Impact is the initial change in the economy attributed to the development of the proposed project, i.e. new jobs, output, and earnings generated directly by the proposed development.
- **Indirect and Induced Impacts**, commonly referred to as the “multiplier effect”:
 - **Indirect Impacts:** Additional output, earnings, and employment generated as a result of the purchases of the industries that supply goods and services to the development under consideration.
 - **Induced Impacts:** Additional output, earnings, and employment generated as a result of the household purchases of employees.
- **Total Impacts:** the cumulative impact of the above components.



Impacts are typically expressed in terms of three variables - Output, Earnings, and Employment, which are defined as:

- **Output.** The value of goods and services produced within a defined geographic region. For this analysis, it is expressed in constant 2013 dollars.
- **Earnings.** The component of Output that is attributed to labor income. Expressed in constant 2013 dollars. Earnings include wages, benefits and income received by employees, self-employed workers, and proprietors.
- **Employment.** The total number of net new jobs created in the economy.

Economic Multipliers

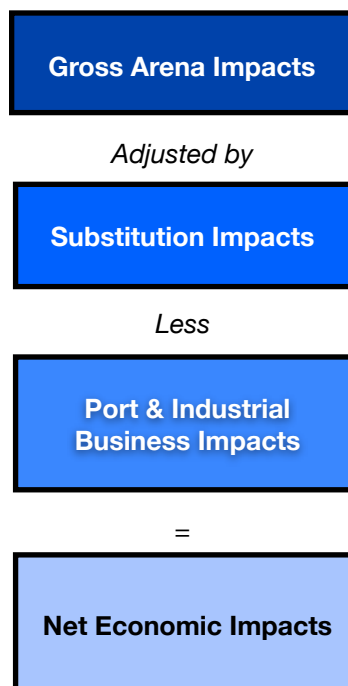
Economic multipliers measure the re-spending of dollars in an economy and are used to calculate indirect and induced impacts or “multiplier effect.” Pro Forma Advisors has utilized the IMPLAN Software system, produced by the Minnesota Implan Group, to derive economic multipliers and total economic impacts (Direct, Indirect & Induced).

Multipliers use input-output tables to measure the business and employee purchases made by industries within a geography and the ongoing rounds of subsequent purchases. The IMPLAN program assembles an enhanced input-output scheme, called social accounting matrices, that capture the actual dollar amounts of all business transactions taking place in a regional economy as reported each year by businesses and governmental agencies. The IMPLAN model is widely used across the United States by government and private entities to prepare location specific economic impact analysis.

Net Economic Impacts

This analysis aims to project the net economic impact generated as a result of the Project, considering the gross ongoing economic impacts generated directly by a Seattle arena as well as potential negative ongoing impacts to the Port of Seattle and local SoDo industrial business arising from increased traffic congestion and displacement impacts arising from substitution effects.

To better understand the overall impact on the City of Seattle and King County, PFA has separately evaluated and defined the various ongoing impacts. The figure below describes the relationship between each of the economic impacts. Each impact is evaluated to determine the total impact--direct, indirect and induced impacts--so they may be applied to the total net economic impact.



Scenario A Arena Economic Impacts

The section presents the arena construction and gross ongoing impact analysis for Scenario A. A detailed methodology can be found in the Appendix.

Construction Impacts

Direct Construction Impacts

Total construction costs for the arena facility are anticipated to be \$390 million. Hard and soft construction costs are expected to be \$350 million, while Furnishing, Fixtures, and Equipment (FF&E) are anticipated to cost \$40 million.

All hard and soft construction costs are final demand change within the City of Seattle and King County. Given the specialized nature of the FF&E, we assume that key items will be purchased directly from the manufacturer and other FF&E will be purchased wholesale.

Table A-1 in the Appendix outlines the estimation of local FF&E purchases. It is anticipated that items such as the scoreboard and audio/visual equipment will be purchased 100% outside of King County. Some portions of the FF&E are anticipated to be purchased from local wholesalers. These items have been distributed into their wholesale margin components based on IMPLAN estimates for each industry. The amount of each good purchased in the area was also estimated based on IMPLAN average regional purchase estimates for each commodity.

Direct construction impacts are summarized in the table below. It should be noted that all City of Seattle purchases and impacts are included in King County figures. The County typically has additional purchases and impacts beyond those that occur in the City. In the case of construction impacts, \$351.7 million is anticipated to be purchased in the City of Seattle and an additional \$2.5 million is purchased outside of Seattle, but still within King County for a King County total purchase of \$354.2 million.

IMPLAN is used to estimate the direct earnings and jobs impacts from the total direct output.

Exhibit E-1: Direct Construction Impacts

| Direct Construction Impacts | Local Purchases (Millions) | |
|-------------------------------------|----------------------------|----------------|
| | City of Seattle | King County |
| Hard and Soft Construction Costs | \$350.0 | \$350.0 |
| Fixtures, Furnishing, and Equipment | \$1.7 | \$4.2 |
| Total Purchases | \$351.7 | \$354.2 |

Source: Pro Forma Advisors and Developer

Total One-time Construction Impact Results

Using an Industry Change approach as described in the Appendix, the direct construction impacts are used to estimate the total impacts through IMPLAN. The table below presents the total construction economic impacts.

Total construction impacts of the proposed arena are estimated at \$480 million in the City of Seattle and \$533 million in King County.

In the City of Seattle, construction activities will generate approximately 3,200 person-year jobs¹ with earnings of \$266 million, spread across the construction period. In King County, construction activities will generate a total of approximately 3,600 person-year jobs with earnings of \$290 million, spread across the construction period.

Exhibit E-2: Total Construction Impacts

| Total Construction Impacts | City of Seattle | | | King County | | |
|----------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$351.4 | \$128.9 | \$480.4 | \$354.2 | \$179.2 | \$533.4 |
| Earnings (Millions) | \$215.6 | \$50.2 | \$265.8 | \$216.5 | \$72.0 | \$288.5 |
| Jobs | 2,335 | 863 | 3,199 | 2,349 | 1,220 | 3,570 |

Source: Pro Forma Advisors

Annual Ongoing Impacts

Annual ongoing impacts measure the annual impacts of operations of the arena and the offsite spending generated by arena visitors and performers.

Onsite Arena Impacts

Direct Arena Impacts (Adjusted)

Total revenues generated by arena operations are presented in the Projections section. Anticipated arena revenues include luxury suites, club seats, and regular season ticket sales, corporate sponsorships, local media revenues, and team national revenue for the NBA, NHL games, as well as large concerts and other events. It should be noted that the economic impacts include total revenues generated to 3rd party promoters, such as Disney on Ice, rather than only the share to the arena owner.

As described in the methodology section, this analysis uses an adjusted direct impact that accounts for players' salaries not spent in the local economy. Direct earnings as presented in the Operating Revenues section are also adjusted by players' salaries not spent in the local economy.

Employment was estimated based on attendance and comparable facilities and team sizes. Employment includes facility and team staffs, as well as players.

¹ A person-year job equates to one job for one person for a year, e.g. if a construction worker is on a project for two years, this equates to 2 person-year jobs. Please note this job is not required to be a full-time job.

Exhibit E-3: Total Arena and 3rd Party Operations Revenues and Direct Onsite Impacts

| Scenario A - 18,000 Seat SoDo Arena | Projected Revenues (Millions) | Direct Impacts (Millions) | |
|-------------------------------------|-------------------------------|---------------------------|-------------|
| | | City of Seattle | King County |
| Output | \$243.9 | \$156.7 | \$161.8 |
| Earnings | | \$57.9 | \$63.0 |
| Jobs | | 1,005 | 1,005 |

Source: Pro Forma Advisors

Indirect and Induced Arena Impacts

Expenditures related to the operations of the arena are used to estimate the indirect and induced impacts. Appendix Table A-3 presents detailed arena expenditures and local purchase adjustments.

Facility and team expenditures are both categorized into wage and non-wage industry expenditures, as shown in the table below. It should be noted that wage expenditures includes wages, salaries, and benefits. The Project has a total of \$192.5 million in annual expenditures.

Only a portion of wage and non-wage expenditures are expected to be purchased in the City of Seattle or King County. Using IMPLAN estimates and adjusting these figures based on Pro Forma Advisor's knowledge of the sports operations, the amount of each non-wage industry goods and services are estimated. As described in the methodology section, OntheMap LEHD Census data was used to help estimate the share of workers that are residents in the City of Seattle and King County. This is used as a proxy for the share of household spending that will be made within each geography. The table below summarizes the locally purchased goods, services, and labor.

As with construction impacts, all local purchases that occur in Seattle are included in the King County figure. In this example, \$41.6 million in wage and non-wage purchases are expected to be made in Seattle. An additional \$25.2 million are expected to be made within King County, for a total of \$66.8 million local King County purchases.

Exhibit E-4: Locally Purchased Expenditure Summary

| Summary | Total Expenditures | Local Purchases | |
|-----------------------------------------|--------------------|-----------------|---------------|
| | | City of Seattle | King County |
| Non-Wage | \$47.3 | \$14.1 | \$17.1 |
| Wage | | | |
| Facility Staff, Event Staff, Team Staff | \$35.4 | \$11.9 | \$28.9 |
| Players | \$109.8 | \$15.6 | \$20.8 |
| <i>Subtotal Wage</i> | <i>\$145.1</i> | <i>\$27.5</i> | <i>\$49.7</i> |
| Total Wage and Non Wage | \$192.5 | \$41.6 | \$66.8 |

Source: Pro Forma Advisors and IMPLAN

Using the IMPLAN program, multipliers will be applied to these local purchases to estimate the amount of ongoing re-spending in the economy generated by arena operations.

Offsite Arena Impacts

Offsite impacts evaluate the impacts produced by visitors' offsite spending and the spending of arena performers and their staff. Total estimated offsite spending and the share of spending within the local region are estimated in Appendix Table A-4.

Offsite Visitor Expenditures

Patrons who attend games or events at a venue/arena often make expenditures outside of the venue/arena. Spending types (e.g. transportation, parking, food, etc.) and amounts spent differ depending on the initial origin of the visitor (e.g. city or county resident, those from outside of the county or those from outside of the state). Amounts also differ based on the type of event (e.g. NBA game, NHL game, concert, family show, other sports, convention, etc.). The major categories include lodging, retail, local travel, food/beverage and entertainment. Below is a summary of estimated average spending levels by type and origin for visitor to events at the proposed SoDo arena.

Exhibit E-5: Average Spending by Visitor Origin

| | Within City | Within County | Outside of County | Outside of State | Weighted Average |
|--------------------------------|----------------|----------------|-------------------|------------------|------------------|
| Lodging | \$0.13 | \$0.34 | \$6.45 | \$44.99 | \$7.78 |
| Retail/Merchandise/Souvenirs | \$1.68 | \$5.24 | \$9.96 | \$19.10 | \$7.72 |
| Bus/Public Transit | \$0.07 | \$0.17 | \$0.34 | \$1.06 | \$0.32 |
| Parking | \$2.91 | \$5.55 | \$6.59 | \$7.20 | \$5.56 |
| Auto Travel | \$1.98 | \$4.79 | \$5.94 | \$12.89 | \$5.62 |
| Food & Beverage | \$4.37 | \$7.62 | \$11.28 | \$19.58 | \$9.60 |
| Entertainment | \$0.95 | \$2.32 | \$3.88 | \$4.30 | \$2.77 |
| Total Off-Site Spending | \$12.09 | \$26.03 | \$44.44 | \$109.12 | \$39.37 |

Source: Seattle Center/Key Arena GMA Research Survey, 2006 Bayers Key Arena Economic Impact. Comparative Market Data.

In order to estimate the aggregate offsite visitor spending we applied the above averages to the projected number of arena attendees. Using data from the 2006 Key Arena/Seattle Center survey (updated for current dollars) we applied the proportionate visitor origins to the estimated attendance. Visitor surveys are often used as a means of quantifying visitor data since they can be developed to address area of origin and spending level. However, amounts are estimates since responses are subjective and based on interpretation. Although markets differ, where possible, we compared the data to available data from other comparative markets to provide a level of comfort that amounts are reasonable and adjusted data if necessary. It is important to note that the above amounts are combined averages for those attending sporting events and concerts which differ. Generally, offsite spending for concerts skews higher for most categories than sporting events. Where possible the aggregate impacts were developed using the highest level of detail available to derive the

most accurate amounts. Spending levels were compared to overall spending in comparative markets (adjusted for market differences) and deemed realistic.

Similar to the above, in order to ensure visitor origin allocations were reasonable, we compared percentages to season ticket-holder data by the other local teams and with other markets and amounts are consistent.

Pro Forma Advisors estimates the aggregate annual “in-house” attendance to the proposed arena will be approximately 1,132,000 visitors for NBA and NHL games and an additional 517,000 visitors for other arena events. Utilizing survey and comparative market data on visitor origin we estimated the distribution of visitors between overnight visitors and resident visitors. Resident visitors were further analyzed by distance of residence from the proposed SoDo arena. We then applied a regional adjustment to aggregate spending to determine the amounts made locally.

Overnight Visitors

Based on the Key Arena/Seattle Center survey data discussed above, the annual event attendees (in the stabilized year), from outside of the state assumed to stay overnight is approximately 7.5 percent of NBA/NHL attendees and 17.5 percent of concert attendees. These are slightly higher than we have seen in other markets but appear to reflect the draw of the Seattle market. These new overnight, out-of-town visitors are estimated to spend approximately \$45 per capita on lodging (excluding those staying with friends/family) \$22 per capita for eating and drinking and \$21 per capita for retail with businesses outside of the arena. In addition, these overnight out of town visitors are estimated to spend approximately \$13 per capita on transportation and \$7 per capita on parking.

Exhibit E-6: Scenario A Total Visitor Spending Table

| | Within City | Within County | Outside of County | Outside of State | Total |
|-----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Estimated Attendance | 313,786 | 638,296 | 487,771 | 209,346 | 1,649,199 |
| Estimated Visitor Spending | | | | | |
| Lodging | \$41,257 | \$218,733 | \$3,145,424 | \$9,418,837 | \$12,824,250 |
| Souvenirs/Gifts/Retail | \$526,987 | \$3,344,914 | \$4,858,076 | \$3,999,392 | \$12,729,369 |
| Bus | \$21,912 | \$109,687 | \$165,260 | \$222,848 | \$519,706 |
| Parking | \$911,659 | \$3,544,820 | \$3,212,821 | \$1,508,082 | \$9,177,382 |
| Auto Travel | \$622,252 | \$3,058,325 | \$2,898,009 | \$2,697,873 | \$9,276,459 |
| Food/Beverage | \$1,370,962 | \$4,863,789 | \$5,502,281 | \$4,099,085 | \$15,836,116 |
| Entertainment | \$297,466 | \$1,482,131 | \$1,892,153 | \$900,558 | \$4,572,307 |
| Total Visitor Off-Sites | \$3,792,494 | \$16,622,398 | \$21,674,025 | \$22,846,673 | \$64,935,590 |

Source: Pro Forma Advisors and 2006 Beyers Key Arena Economic Impact.

Traveling Team/Performer Spending

Generally, each game or event includes a group of visitor performers or participants who compete in or stage a game or event, such as visiting sport teams, concert performers, production staff, etc. Utilizing data on average party size, length of stay and spending levels, Pro Former Advisors estimates that personnel traveling (players, coaches, etc.) with the NBA and NHL teams will spend approximately \$355 per person for overnight travel and personnel traveling for other events (talent, production staff, etc.) will spend \$268 per person for overnight travel (76.7%) and \$93 per person for day travel (23.3%).

Exhibit E-7: Average Spending for Traveling Teams/Performers

| | Sports | Other Events | Average |
|------------------------------------------|-----------------|-----------------|-----------------|
| Lodging | \$250.00 | \$175.00 | \$200.00 |
| Local Travel/Transportation | \$30.00 | \$30.00 | \$30.00 |
| Food & Beverage | \$75.00 | \$63.00 | \$67.00 |
| Traveling Team/Performer Spending | \$355.00 | \$268.00 | \$297.00 |

Source: Pro Forma Advisors. Comparative Market Data

Exhibit E-8: Scenario A - Total Traveling Team/Performer Spending

| | All Events |
|------------------------------------------|--------------------|
| Lodging | \$845,600 |
| Local Travel/Transportation | \$151,800 |
| Food & Beverage | \$328,500 |
| Traveling Team/Performer Spending | \$1,325,900 |

Source: Pro Forma Advisors.

Local Offsite Purchases

As shown in Appendix Table A-4, visitor spending is adjusted to account for purchases made within the City of Seattle and King County.

Local offsite purchases are inputted into the IMPLAN program to estimate total (direct², indirect, and induced) offsite impacts. As with arena purchases, City of Seattle local purchases are a subset of King County local purchases, an estimated \$9.1 million additional purchases are made outside of Seattle, but still within King County by arena visitors.

² The IMPLAN program accounts only for the retail margins on the Souvenirs/Gifts/Retail category thus direct impacts are lower than the local offsite purchases.

Exhibit E-9: Scenario A - Local Offsite Purchases

| Scenario A Offsite Spending Summary | Total Spending (Millions) | Local Purchases (Millions) | |
|-------------------------------------|---------------------------|----------------------------|---------------|
| | | City of Seattle | King County |
| Lodging | \$13.7 | \$10.4 | \$12.4 |
| Souvenirs/Gifts/Retail | \$12.7 | \$11.5 | \$12.7 |
| Food/Beverage | \$16.2 | \$13.0 | \$14.6 |
| Parking | \$9.2 | \$9.2 | \$9.2 |
| Other (Travel and Entertainment) | \$14.5 | \$4.9 | \$9.1 |
| Total Offsites | \$66.3 | \$48.9 | \$58.0 |

Source: Pro Forma Advisors

Total Arena Gross Annual Ongoing Impact Results

The table below presents the total gross annual impacts of the arena.

In the 18,000 seat SoDo arena scenario (Scenario A), direct impacts from on-site arena operations and off-site visitor expenditures are \$198 million annually to the City of Seattle. The indirect and induced impact from all activities is approximately \$60 million annually.

The total of all annual impacts is approximately \$258 million with approximately 2,000 total new jobs in the City of Seattle. Of the \$258 million in output, \$103 million is related to annual earnings in the City of Seattle.

In the 18,000 seat SoDo arena scenario, direct impacts from on-site arena operations and off-site visitor expenditures are \$208 million annually to King County. The indirect and induced impact from all activities is approximately \$105 million annually.

The total of all annual impacts is approximately \$313 million with a total of 2,500 new jobs in King County. Of the \$313 million in output, \$130 million is related to annual earnings in King County.

Exhibit E-10: Scenario A Total Impacts

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|------------------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Onsite Arena Impacts | | | | | | |
| Output (Millions) | \$156.7 | \$39.7 | \$196.3 | \$161.8 | \$71.6 | \$233.4 |
| Earnings (Millions) | \$57.9 | \$15.4 | \$73.4 | \$63.0 | \$28.3 | \$91.4 |
| Jobs | 1,005 | 338 | 1,343 | 1,005 | 575 | 1,580 |
| Offsite Arena Impacts | | | | | | |

Economic Impacts

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|---------------------------------------|-----------------|-----------------------|------------------|-------------|-----------------------|------------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$41.2 | \$20.3 | \$61.5 | \$46.3 | \$33.5 | \$79.8 |
| Earnings (Millions) | \$21.6 | \$8.2 | \$29.7 | \$25.1 | \$13.7 | \$38.8 |
| Jobs | 565 | 138 | 702 | 667 | 227 | 894 |
| Onsite and Offsite Impacts | | | | | | |
| Output (Millions) | \$197.8 | \$60.0 | \$257.8 | \$208.1 | \$105.1 | \$313.1 |
| Earnings (Millions) | \$79.5 | \$23.6 | \$103.1 | \$88.1 | \$42.0 | \$130.1 |
| Jobs | 1,570 | 476 | 2,045 | 1,672 | 802 | 2,473 |

Source: Pro Forma Advisors

Substitution

One of the major issues associated with economic impact studies is the impact of substitution or displacement. In other words, does the introduction of a new "variable" (e.g. new team entering the marketplace) result in incremental revenues to the area or does it simply shift (reallocate) revenues from an existing source (e.g. baseball stadium). Conceptually, substitution/displacement relates to reducing revenues of one existing element (e.g. venue, entertainment medium, restaurant, etc.) and reallocating it to the new medium introduced into the market.

Often times this is not addressed in economic impact studies or substitution/displacement is assumed to be 100% (i.e. 100% reallocation of existing spending in the market) thereby eliminating any local/resident economic impact. Essentially, it is assumed there is no net new contribution to the area since these expenditures would have occurred anyway within the city/county region in question.

However, unlike other entertainment options (restaurants, movies, etc.) it has been suggested that a new arena with new entertainment options is a different matter due to the drawing power. The venue essentially acts as a magnet to attract individuals from other regions/states ("new money") and also may encourage residents to stay within the region rather than travel outside.

Our analysis addresses incremental spending from individuals within the area who reside in the area but otherwise would not have made the expenditure and individuals who visit the area from outside the City/County to attend a game and spend monies within the region. This includes the extent to which the existence of the new venue result in people staying locally.

Substitution

With respect to economic benefit analysis, the substitution effect is a key issue that can materially affect the true economic impact of an arena and operations. Although there are no definitive studies on the correlation and substitutability of various economic activities of a new venue being added to a market, Pro Forma Advisors believes there are three main categories to consider:

- I. Events at Similar Venues - Key Arena Concerts, Events, Non-Major League Sports**
- II. Alternate Sporting Events - Baseball, Football, Soccer**
- III. Alternate Entertainment Activities - Movies, Dining, Travel, etc.**

Level I Substitution Impacts

The immediate tendency by many is to assume 100% substitution (i.e. spending at the new arena/event similar replaces previous spending at a comparable event). However, because of scheduling conflicts and differences in facilities (size, location, service, marketing, consumer perceptions, price points, etc.) this is only partially substitutable.

Based on our understanding of the market and comparable arena data, the shift of events between Key Arena and the Project is estimated to be in the range of 35 to 40 events with revenues of \$3.2 million to \$3.7 million. A \$3.7 million shift in concert and other event revenue represents approximately 12 percent of estimated gross Project revenues for concerts and events at the Seattle arena.

To adjust the gross arena impacts of the Project, we must understand the total onsite arena operations impacts of the \$3.7 million in concert and other events shift, as well as the scale of the shift of the offsite impacts. The scale of the substitution impact is estimated proportionally to the gross arena total impacts.

Onsite Concert Operations Substitution Impacts

\$3.7 million in revenues represents the direct substitution impact to Key Arena. To account for indirect and induced impacts, the anticipated other event substitution, 12 percent, is applied to expenditures allocated to the concerts and events. Based on an estimate of concert and other expenditures at 14 percent of total expenditures³, on a proportional basis the substitution impacts will represent 1.7 percent of the gross indirect and induced impacts.

Offsite Concert Substitution Impacts

The shifted Key Arena events have an estimated attendance of approximately 300,000. This represents 28.8% of projected offsite visitor spending. Direct, indirect & induced offsite impacts are calculated as a share of gross arena offsite spending.

Total Level I Substitution Impacts

Including the indirect and induced impacts and onsite and offsite impacts, approximately 10 percent of the projected Project gross arena impact is a shift away from Key Arena.

Exhibit E-11: Level I - Total Substitution Impact

| Total Substitution Impacts | City of Seattle | | | King County | | |
|-------------------------------|-----------------|-----------------------|---------------|-------------|-----------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$15.6 | \$6.1 | \$21.7 | \$17.1 | \$10.1 | \$27.1 |
| Earnings (Millions) | \$6.3 | \$2.4 | \$8.8 | \$7.4 | \$4.1 | \$11.5 |
| Jobs | 166 | 42 | 208 | 196 | 69 | 265 |

Source: Pro Forma Advisors

³ It is difficult to separate the expenditures that should be allocated only to concerts and other events. Thus, the proportion of gross concert and other revenues to total revenue is used to estimate total expenditures for concerts and other events.

Level II Substitution Impacts

There is a belief by some that spending for live sports in each market is static. There is a perception that when a new sports option enters a market that there is a redistribution from existing sports options to the new one. In other words, there is a shift of spending between options/facilities when a new option enters the market while aggregate total revenues and attendance levels remains unchanged. Conversely, if a team exits a market there is no overall change but rather a redistribution to remaining teams/venues.

Although there are no definitive studies measuring the impact of new teams entering a market, we reviewed data when the Supersonics left the market and, with the exception of the Seattle Sounders, the Seattle Seahawks and Seattle Mariners each had reductions in attendance annually until the 2012 season (i.e. when the Seattle Seahawks attendance increased). This in itself does not eliminate the existence of some level of substitution but contradicts the notion of 100% substitution/redistribution. The following factors also come into play when considering substitutability relating to varying live sports options.

- Market segments/Fans - Fans show a high affinity for specific types of sports. Fan preference is not always transferable particularly with avid fans of any sport but also for more casual fans. Generally, there is not an immediate transferability between live sporting events since often there is a strong dedication to specific sports and also teams.
- Entertainment environment - Each sport differs in venue, atmosphere and entertainment value aligned with the sport (e.g. tailgating, etc.)
- Demographics- Fan market segments differ from one another and there are moderate differences in demographics of different sports.
- Market preference - Success of different sport options in each market is not consistent (e.g. soccer in the Seattle market compared to soccer other markets).
- Season and number of events - The length and timing of the regular season, number of games/matches, attendance capacity and ticket prices for each live sporting option varies.

Pro Forma Advisors has reviewed cases involving multiple live sporting options to determine the level of substitutability and to identify impacts. There are a limited number of cases to study and number variables impacting each market which do not allow us to quantify the impact to the Seattle market with statistical accuracy. However, we have discussed the impacts with individuals with sports and market knowledge and substitution for live sporting events in market similar to Seattle is not large enough to be identified. To be conservative, Pro Forma Advisors has assumed 0-20% impact of Level II substitution for the Project.

Onsite Level II Substitution Impacts

At the max level of 20 percent of Seattle sports revenue, the Project may draw up to \$35 million of revenue from other sports venues. Indirect and induced impacts are evaluated, proportionally, based on anticipated 20 percent of estimates sports expenditures, approximately 17 percent of total expenditures.

Offsite Level II Substitution Impacts

At the max level, 20 percent of Project sports attendees may be drawn from other sports venues, or approximately 220,000 visitors. Sports attendees spend less than concert attendees and in aggregate these visitors spending make up approximately 9.8 of the Projects total offsite visitor spending. Direct, indirect & induced and total Level II offsite impacts are calculated as a share of gross arena offsite spending.

Total Level II Substitution Impacts

Including the indirect and induced impacts and onsite and offsite impacts, approximately 10 percent of the projected Project gross arena impact is a shift away from Key Arena.

Exhibit E-12: Level II - Maximum Total Substitution Impact

| Total Substitution Impacts | City of Seattle | | | King County | | |
|----------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$39.2 | \$8.8 | \$48.0 | \$39.7 | \$15.6 | \$55.3 |
| Earnings (Millions) | \$12.0 | \$3.5 | \$15.5 | \$13.3 | \$6.2 | \$19.5 |
| Jobs | 228 | 71 | 299 | 238 | 121 | 358 |

Source: Pro Forma Advisors

Level III Substitution Impacts

Level III (alternative entertainment options) are assumed to be substitutable with sports. There is no definitive study that quantitatively defines the substitutability of alternative entertainment options with sports. However, based on our analysis, any alternative entertainment substitutability is deemed negligible.

Pro Forma Advisors evaluated changes in revenue based on sales tax data adjusted by the consumer price index (which is used as a measure of inflation). Our analysis focused on changes in revenues for restaurants and drinking establishments based on tax payments. We evaluated the period prior to and after the Seattle Supersonics vacated the market at the end of the 2008 season. Our expectation was that the these revenue streams would have grown after the Seattle Supersonics left the market under the notion of substitutability. Substitutability of spending would imply that patrons would reallocate/redistribute monies previously spent on Seattle Supersonics games to drinking and dining. Contrary to our expectation, spending on drinking and dining actually decreased in the year after they Sonics left the market. This is most relevant since related revenues decreased during only one year in the decade prior to 2008 and has increased each year thereafter.

Another potential substitution activity is travel. Again, no data exists on the relationship between travel spending as a substitute for sports. However, travel has a significant leakage with respect to economic activity, since most of the transaction revenue leaves a region through airfare, hotel lodging, food & beverage, etc. while on the trip. As such, substituting sporting spending for travel spending could actually increase local economic activity rather than neutralize it.

A similar dynamic occurs for movie theater spending. Substituting sports spending for movie theater spending could increase local spending since most of the movie theater spending leaks out of localized region to the movie distributor and theater owner.

Based on the above, the impact of substitutability is most clearly defined in Level I. Level II substitutability is more likely to be zero or negligible but we have included a maximum 20 percent substitutability to be conservative. Based on our analysis of the local market, it does not appear there is any measurable impact of substitutability for Level III.

Substitution Summary

The following table shows the gross arena impacts adjusted by substitution impacts.

Exhibit E-13: Substitution Impacts

Millions

| Output Impacts | City of Seattle | King County |
|----------------------------------------------|--------------------------|--------------------------|
| Gross Arena Output | \$257.8 | \$313.1 |
| Level I & II Impacts | \$21.7 - \$69.7 | \$27.1 - \$82.4 |
| Level III Impacts | N/A | N/A |
| Gross Area Impacts After Substitution | \$188.1 - \$236.2 | \$230.7 - \$286.0 |

Source: Pro Forma Advisors

Port and SoDo Industrial Business Economic Impacts

In considering the total net economic impacts of the proposed arena, the net economic impacts consider the potential displacement impacts that may arise to the Port and industrial businesses within the SoDo area from potential operational pressures relating to increased traffic congestion from events/games at the proposed arena. The Port and SoDo Industrial Business Impact section, following the Economic Impacts section, quantifies the direct truck traffic costs to Port businesses and other SoDo industrial businesses and presents the traffic-related costs impact methodology and analysis.

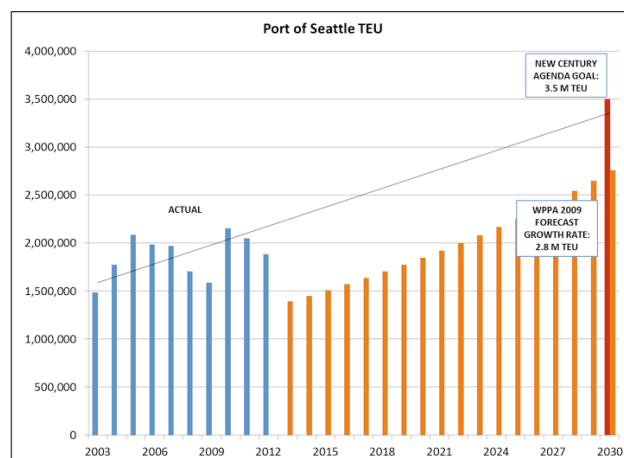
This section of the report, Port and SoDo Industrial Business Economic Impacts, summarizes the truck traffic impact cost findings and projects the indirect and induced Port and industrial impacts, to estimate total economic impacts from truck traffic delay costs.

Economic Impacts to the Port

The Port of Seattle is major driver of economic development for the greater Seattle area and for the State of Washington as a whole. Based on a 2009 economic impact report, seaport activities accounted for 56,256 direct, indirect and induced jobs, and another 135,100 related import/export jobs in Washington State. The seaport generates \$1.6 billion in direct personal income, \$2.5 billion, in business revenue, and \$457 million in state and local taxes. More than half of the Ports exports are agricultural products, chiefly from Washington State.

As Exhibit 14 shows, Port of Seattle container cargo (measured in Twenty-foot Equivalent Units, or TEU) peaked in 2010 after recovering from the recession. Container cargo volume was down in 2012 due to the shift of Grand Alliance vessel calls to Tacoma. The Exhibit also shows the 3.5 million TEU goal set in the Port's New Century Agenda. It is not possible to predict with certainty if or when the Port will meet this goal. For purposes of this analysis, it is assumed that the 3.5 million TEU goal is reached in 2030, which is the horizon year for the analysis. Tioga prepared a second, much more conservative growth scenario to that yielded an estimated 2.8 million TEU in 2030 (based on year-to-date results the July 2013 Global Port Tracker import forecast, and the 2009 Marine Cargo Forecast prepared for the Washington Public Port Association and WSDOT).

Exhibit E-14: Port of Seattle Actual and Target TEU



Source: www.portseattle.org, 2009 WPPA/WSDOT Marine Cargo Forecast

Direct Port Trucking Delay Cost Impacts

Three of the Port of Seattle’s terminals, Terminals 46, 30, and 25, are less than one mile away from the proposed SoDo arena site. This section quantifies the direct impacts of the proposed arena in SoDo, specifically as a result of traffic created by new arena visitors, on Port operations. The direct impacts of traffic include additional time and trucking costs for trucks moving Port-related cargo in, around, and out of the SoDo area.

Using data provided by the Port on projected future truck trips and routes and estimates of worst case projected traffic delays generated by a new arena at the SoDo site prepared as part of the Seattle Arena Draft EIS, the Port and SoDo Industrial Business Impact section estimates the total annual number of trucks delayed and the projected annual time delay. Local port trucking costs from the EPA SmartWay DrayFLEET model are then used to estimate the annual trucking delay cost. Maximum truck delay costs, at 3.5 Million TEU, are shown in the table below. As mentioned above, more information on the development of this estimate can be found in the following Port and SoDo Industrial Business Impact section.

Exhibit E-15: Summary of Port Trucking Delay Cost Impacts at 3.5 Million TEU

| | Daily Case Delay Minutes | Annual Delay - Minutes | Annual Delay - Hours | Annual Truck Delay Cost |
|-------------------|--------------------------|------------------------|----------------------|-------------------------|
| Total Truck Trips | 4,348 | 137,962 | 2,299 | \$110,370 |

Source: Toga Group

The total estimated annual delay is 2,299 hours at a cost of \$110,370 for a port volume of 3.5 million TEU. For 2.8 million TEU with night gates the total delay would be 1,813 hours and the cost would be \$87,044.

Total Port Trucking Delay Cost Impacts

The direct truck delay cost impact is small relative to total Port operation activity, but, as discussed in the Port and SoDo Industrial Business Impact section, the cost may be focused on the customers of T-25/30 and T-46, or it is possible that, due to the high competition in the trucking industry, truckers may have to absorb the additional costs.

Both importers and exporters or the truck drivers who would have to absorb the additional costs are likely spread throughout the Seattle, King County, and larger northwest region. However, for purposes of this analysis we will assume the full cost will be borne by either importers and exporters or truckers within the City of Seattle. Additionally, it should be noted that the truck delay costs is either (1) a reduction in profit for companies (lower earnings in the case of trucking independent contractors) or a shift in costs to trucking that causes the business to spend less on employee earnings or other business purchases, or (2) gets passed along to importer/exporter customers which could cause a decrease in purchases from their business. Due to elasticity, a decrease in purchases is unlikely to be one-to-one, but for purposes of this analysis we will consider the worst case 100% reduction in demand purchases of import/export purchases. Based on these cases, we analyze truck cost delay costs as either a reduction in trucker earnings or a reduction in import/export revenues.

The IMPLAN program is used to estimate the indirect and induced impacts from the initial truck delay costs to truckers.

Exhibit E-16: Impacts of a Reduction in Port Trucking Earnings

| Case 1 - Reduction in Trucker Earnings | Initial Impact on Truckers Earnings | Total impact | |
|----------------------------------------|-------------------------------------|-----------------|-------------|
| | | City of Seattle | King County |
| Output | \$110,370 | \$152,077 | \$171,565 |
| Earnings | | \$126,416 | \$134,301 |
| Jobs | | 0.3 | 0.4 |

Source: Tioga Group, Pro Forma Advisors and IMPLAN

In the case where the truck delay cost is estimated as a reduction in trucker earnings, there are additional induced output impacts of \$42,000 in the City of Seattle and \$61,000 in King County due to the lower household spending by truckers.

To estimate the case where import/export revenue is impacted, the trucking cost delay is spread across the categories of agriculture, manufacturing and wholesale trade based on the weighted average of each industrial sector in King County.

Exhibit E-17: Estimated Distribution of Reduction in Import/Export Revenues

| Industrial Sectors | King County Employees | Employee Distribution | Distribution of Truck Delay Costs |
|--------------------------------|-----------------------|-----------------------|-----------------------------------|
| Agriculture, Forestry, Fishing | 2,382 | 1.2% | \$1,322 |
| Mining | 377 | 0.2% | \$209 |
| Manufacturing | 91,120 | 45.8% | \$50,556 |
| Wholesale Trade | 57,943 | 29.1% | \$32,149 |
| Transportation and Warehousing | 47,103 | 23.7% | \$26,134 |
| Total | 198,925 | 100.0% | \$110,370 |

Source: Census OntheMAP LEHD Employment Data, Tioga Group, and Pro Forma Advisors

IMPLAN is used to estimate the indirect and induced impacts from the potential reduction in import/export revenues⁴.

Exhibit E-18: Impacts of a Reduction in Import/Export Final Demand from Truck Delay Cost

| Case 2 - Reduction in Import/Export Sector Final Demand | Initial Industry Change | Total impacts | |
|---------------------------------------------------------|-------------------------|-----------------|-------------|
| | | City of Seattle | King County |
| Output | \$110,370 | \$168,022 | \$172,296 |
| Earnings | | \$54,601 | \$58,055 |
| Jobs | | 0.7 | 0.7 |

Source: Tioga Group, Pro Forma Advisors and IMPLAN

⁴ An IMPLAN model with industrial sectors aggregated to the 2-digit NAICS codes for industrial sectors was used to estimate the total impacts. The 2-digit Manufacturing and Mining County multipliers were adjusted to align with higher City multipliers for these sectors.

In the case where the truck delay cost is estimated as a reduction in importer/exporter revenue, there are additional indirect and induced output impacts of \$58,000 in the City of Seattle and \$62,000 in King County due to reduced spending by import/export firms.

Based on these two cases, the annual direct Port-related trucking delay cost generates a total displacement impact of between \$150,000 and \$168,000 in the City of Seattle and approximately \$170,000 in King County.

It should be noted that based on a lower 2.8 million TEU assumption, total Port truck delay impacts would be in the range of \$120,000 to \$130,000 in the City of Seattle economy and approximately \$136,000 in the King County (including Seattle) economy.

Additional Potential Impacts

The Port of Seattle faces stiff competition from the Port of Tacoma as well as from other ports along the Northwestern seaboard, such as the Port of Vancouver and Port of Prince Rupert. Described in more detail in the Port and Industrial Business Impacts section, there could be additional potential impacts beyond those quantified in this section in the case that the proposed arena causes reliability issues to an extent that trigger carriers or customers to move cargo or operations to other ports.

Economic Impacts to SoDo Industrial Businesses

In addition to Port-related trips, other industrial businesses within the SoDo area will be impacted by additional arena visitor traffic. This section quantifies the total impacts of arena-related traffic on local truck traffic and the operations of non-port related businesses in SoDo.

Industrial Business in SoDo

To understand the scale of the truck delay impacts, we include a comprehensive review of industrial businesses within the SoDo Area. Hoovers Business Data was used to examine the industrial businesses within the greater SoDo study area⁵. For purposes of this analysis, industrial businesses are generally defined as the manufacturing, wholesale trade, and transportation and warehousing industry sectors⁶. Approximate 40 percent of the businesses and one-third of the employment in the area is supported by these industrial businesses in SoDo.

Exhibit E-19: SoDo Study Area Industrial Businesses

| 2-Digit NAIC Industry Sector | # of Businesses | Employees | Revenue (Millions) |
|-----------------------------------------|-----------------|--------------|--------------------|
| Manufacturing | 82 | 2,446 | \$252.0 |
| Wholesale Trade | 141 | 1,712 | \$214.0 |
| Transportation and Warehousing | 52 | 760 | \$17.0 |
| Total SoDo Industrial Businesses | 275 | 4,918 | \$483.0 |

Source: Hoovers Business Data, ESRI, and Pro Forma Advisors

⁵ See the Real Estate and Land Use Analysis section for a definition of the SoDo Study Area.

⁶ Based on 2-digit NAICs codes.

Direct Trucking Delay Cost to Non-Port Industrial Businesses

The Port and SoDo Industrial Business Truck Impact section projects the traffic delay impacts to non-Port industrial businesses during arena events, as shown below.

Exhibit E-20: Summary of Non-Port Trucking Delay Cost Impacts

| | Trips | Annual Truck Delay Cost |
|-------------------|-------|-------------------------|
| Total Truck Trips | 185 | \$38,351 |

Source: Tioga Group

Total Economic Impact of Truck Cost Delay on Other Industrial Businesses

For local industrial businesses, cargo movements may be completed by company owned trucks and/or trucking companies. Rather than assuming a trucking company absorbs the cost, we assume the cost is absorbed by industrial businesses or is passed along to customers. Again, using a worst case, we assume that there is a reduction in demand for the full amount of the truck cost delay. For these impacts, we estimate the overall impacts of a reduction in industrial revenues equal to the amount of the truck cost delay.

Exhibit E-21: Estimated Distribution of Reduction in SoDo Industrial Revenues

| 2-Digit Industry Sector | SoDo Industrial Employee Distribution | Distribution of Truck Delay Costs |
|--------------------------------|---------------------------------------|-----------------------------------|
| Manufacturing | 50% | \$19,074 |
| Wholesale Trade | 35% | \$13,350 |
| Transportation and Warehousing | 15% | \$5,927 |
| Total | | \$38,351 |

Source: Hoovers Data, Tioga Group, and Pro Forma Advisors

An IMPLAN model, aggregated to the two-digit NAICS level for the appropriate industrial sectors, was used to estimate the indirect and induced impacts.

Exhibit E-22: Impacts of a Reduction in Industrial Business Final Demand from Truck Delay Cost

| Reduction in Industrial Business | Initial Industry Change | Total impacts | |
|----------------------------------|-------------------------|-----------------|-------------|
| | | City of Seattle | King County |
| Output | \$38,351 | \$58,230 | \$59,900 |
| Earnings | | \$18,914 | \$19,434 |
| Jobs | | 0.2 | 0.3 |

Source: Tioga Group, Pro Forma Advisors and IMPLAN

If SoDo industrial businesses were to have a loss in demand due to the truck traffic delay costs, there are additional indirect and induced impacts of approximately \$19,000 in both the City of Seattle and \$22,000 in King County economies due to the lower household spending by truckers.

In total, non-Port related trucking delay cost generate a displacement impact of \$58,000 in the City of Seattle and approximately \$60,000 in King County.

Additional Potential Impacts

Similar to Port truck traffic delays there are additional concerns beyond the direct cost of traffic delays. For non-Port industrial businesses reliability of goods movement may also be a significant potential risk with the development of the arena, particularly for businesses such as brokers and freight forwarders that compete with relatively narrow margins. Although increased trucking costs would initially be borne by the truckers themselves, in the long run they must be passed on to the customers either directly or through the brokers. While the extent of the anticipated delay and its direct costs has been quantified, there are additional risks that these displacement impacts are focused on only a few businesses within SoDo.

A new arena may also have additional impacts on industrial businesses in that the arena may increase property values in the area and make it challenging for industrial businesses to afford to remain in the area. SoDo property values have increased across the last decade. However, there are many factors increasing property values in SoDo and the direct relationship between a new sports venues and property values is not clear. Property values do not directly impact economic activity and are not included in economic impact analysis. However, property value impacts are discussed in a qualitative manner in the Real Estate and Land Use section.

Port and Industrial Business Traffic Delay Impacts Summary

Exhibit E-23: Port and Industrial Business Traffic Delay Impact Summary

| Output Impacts | City of Seattle | King County |
|---------------------------------------------------|------------------------------|------------------------------|
| Port Truck Traffic Delay (Upper Limit) | \$152,100 - \$168,000 | \$171,600 - 172,300 |
| Non-Port Industrial Business Truck Traffic Delay | \$58,200 | \$59,900 |
| Total Port and Industrial Business Impacts | \$210,300 - \$226,300 | \$231,500 - \$232,200 |

Source: Pro Forma Advisors

Under the lower 2.8 million TEU assumption, total Port and industrial impacts would be in the range of \$180,000 to \$190,000 in the City of Seattle economy and approximately \$195,000 in the King County (including Seattle) economy.

Scenario A Net Arena Impacts

Accounting for substitution impacts and traffic delay impacts to the Port and industrial businesses caused by the arena, the City of Seattle and King County economies are expected to have positive net economic impacts for Scenario A, as shown below.

Exhibit E-24: Net Economic Impacts of Scenario A

| | City of Seattle | King County |
|-----------------------------------------------|----------------------------------|----------------------------------|
| Gross Arena Impacts | \$ 257.8 Million | \$313.1 Million |
| <i>Adjusted by</i> | <i>Adjusted by</i> | <i>Adjusted by</i> |
| Substitution Impacts | \$21.7 - \$69.7 Million | \$27.1 - \$82.4 Million |
| <i>Less</i> | <i>Less</i> | <i>Less</i> |
| Port & Industrial Business Impacts | \$210,000 - \$226,000 | \$231,000 - \$232,000 |
| = | = | = |
| Net Economic Impacts | \$187.9 - \$235.9 Million | \$230.5 - \$285.8 Million |

Source: Pro Forma Advisors

It should be noted that there would be additional potential impacts if Port carriers perceived reliability issues in the area and shifted cargo away from the Port of Seattle or move to another location. There are several factors that go into these decisions and this risk could not be quantified. More description of these concerns can be found in the Port and Industrial Business Impacts section.

Alternative Scenarios

As part of the Project, Pro Forma Advisors prepared financial projections for two alternate scenarios. The first scenario is based on an increased capacity of the current proposed SoDo location. The base case assumes an 18,000 seat arena whereas alternate Scenario B assumes a 20,000 seat capacity. The second and third scenarios (Alternatives C&D) remained constant at 18,000 seats but the location changed from SoDo to the current Key Arena and Memorial Stadium locations.

Consistent with the base case scenario (Scenario A), operating projections for the alternate scenarios use current, real dollars and include revenue and expense estimates for an NBA team, NHL team and eighty-two other events (e.g. concerts, family shows, other sporting events, etc.). Amounts assume the arena operator owns both teams and accordingly retains 100% of the revenues and pays 100% of the related expenses.

The economic impacts of the alternative scenarios are evaluated using the methodology, as described in the Analysis Framework section. The following section summarizes the results of the analysis for the alternative scenario and highlights key input differentiations between the Project, Scenario A and the alternatives, Scenario B, C & D.

Scenario B - SoDo Location - 20,000 Seats

The Project is estimated to generate \$34 million in operating income annually based on a capacity of 20,000 seats. This is primarily due to increased attendance levels due to the addition of 2,000 incremental seats. The increased attendance resulted in corresponding increases in ticket, concession and merchandise revenues. The growth in revenue was offset by increases in part-time, seasonal event staffing levels and concessions, merchandise, sales and other expenses.

Exhibit E-25: Operating Projections - Capacity 20,000 Seats (@Build Out)

(\$ millions, not-inflated)

| | |
|-----------------------------------------|----------------|
| | |
| Net Ticket, Suite and Club Seat Revenue | \$88.8 |
| Local Media | \$35.8 |
| Sponsorship and Naming Rights | \$22.4 |
| Concessions and Merchandise | \$20.9 |
| Preseason, Playoff and Other Revenue | \$13.5 |
| Total Local Revenue | \$181.5 |
| National Revenue | \$53.5 |
| Less: League Assessment Expense | -\$6.3 |
| NET REVENUE | \$228.7 |
| Player and Team Salaries and Benefits | \$123.4 |
| Other Team Costs | \$17.1 |
| Event Staffing | \$9.5 |
| Other Expenses | \$44.7 |

| | |
|-------------------------|----------------|
| TOTAL EXPENSES | \$194.7 |
| OPERATING INCOME | \$34.0 |

Source: Pro Forma Advisors

Economic Impacts

One-Time Construction Impacts

The construction costs are assumed to be the same for all of the alternatives and, thus, total one-time construction impacts are assumed to be the same as well. Total construction impacts are presented in the table below.

Exhibit E-26: Total Construction Impacts

| Total Construction Impacts | City of Seattle | | | King County | | |
|----------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$351.4 | \$128.9 | \$480.4 | \$354.2 | \$179.2 | \$533.4 |
| Earnings (Millions) | \$215.6 | \$50.2 | \$265.8 | \$216.5 | \$72.0 | \$288.5 |
| Jobs | 2,335 | 863 | 3,199 | 2,349 | 1,220 | 3,570 |

Source: Pro Forma Advisors

Annual Ongoing Impacts

Onsite Arena Annual Impacts

Scenario B, a 20,000-seat arena at the SoDo site, has higher projected attendance revenues and expenditures than Scenarios A, C and D.

Both the direct onsite impacts and the local arena operating purchases are expected to be slightly higher than the 18,000 seat arena. It should be noted that the economic impacts include additional total revenues generated to 3rd party promoters, rather than only the share to the arena owner shown in the projections.

Exhibit E-27: Total Operations Revenues and Adjusted Direct Onsite Impacts

| Scenario | Projected Revenues (Millions) | Direct Impacts (Millions) | |
|----------------------------------------|-------------------------------|---------------------------|-------------|
| | | City of Seattle | King County |
| Scenario B - 20,000 Seat Seattle Arena | \$253.1 | \$165.8 | \$171.0 |

Source: Pro Forma Advisors

Exhibit E-28: Scenario B - Locally Purchased Expenditure Summary

| Summary | Total Expenditures | Local Purchases | |
|-----------------------------------------|--------------------|-----------------|-------------|
| | | City of Seattle | King County |
| Non-Wage | \$50.2 | \$16.2 | \$19.6 |
| Wage | | | |
| Facility Staff, Event Staff, Team Staff | \$36.2 | \$12.2 | \$29.7 |
| Players | \$109.8 | \$15.6 | \$20.8 |
| Subtotal Wage | \$146.0 | \$27.8 | \$50.5 |

Source: Pro Forma Advisors and IMPLAN

Offsite Impacts

Scenario B is expected to have the same per capita offsite spending as Scenario A, but the greater attendance will generate greater total offsite spending.

Exhibit E-29: Scenario B Total Visitor Spending Table

| | Within City | Within County | Outside of County | Outside of State | Total |
|-----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Estimated Attendance | 340,536 | 693,455 | 529,640 | 228,596 | 1,792,227 |
| Estimated Visitor Spending | | | | | |
| Lodging | \$44,843 | \$238,339 | \$3,419,624 | \$10,294,255 | \$13,997,061 |
| Souvenirs/Gifts/Retail | \$572,989 | \$3,644,258 | \$5,282,693 | \$4,378,017 | \$13,877,957 |
| Bus | \$23,763 | \$119,128 | \$179,377 | \$243,467 | \$565,735 |
| Parking | \$988,873 | \$3,847,934 | \$3,487,439 | \$1,645,759 | \$9,970,005 |
| Auto Travel | \$674,773 | \$3,320,033 | \$3,144,878 | \$2,944,193 | \$10,083,877 |
| Food/Beverage | \$1,488,672 | \$5,288,748 | \$5,979,108 | \$4,477,523 | \$17,234,050 |
| Entertainment | \$322,989 | \$1,611,422 | \$2,055,499 | \$983,973 | \$4,973,884 |
| Total Visitor Off-Sites | \$4,116,901 | \$18,069,861 | \$23,548,619 | \$24,967,187 | \$70,702,568 |

Source: Pro Forma Advisors and 2006 Beyers Key Arena Economic Impact.

Traveling Team/Performer offsite spending is expected to be the same between all scenarios. The following table summarizes the local purchase adjustments for the visitor and traveling performing offsite spending.

Exhibit E-30: Scenario B - Local Offsite Purchases

| Scenario A Offsite Spending Summary | Total Spending (Millions) | Local Purchases (Millions) | |
|-------------------------------------|---------------------------|----------------------------|---------------|
| | | City of Seattle | King County |
| Lodging | \$14.8 | \$11.3 | \$13.4 |
| Souvenirs/Gifts/Retail | \$13.9 | \$12.5 | \$13.9 |
| Food/Beverage | \$17.6 | \$14.1 | \$15.8 |
| Parking | \$10.0 | \$10.0 | \$10.0 |
| Other (Travel and Entertainment) | \$15.8 | \$5.3 | \$9.9 |
| Total Offsites | \$72.0 | \$53.2 | \$63.0 |

Source: Pro Forma Advisors

Total Annual Ongoing Impacts

The table below presents the total gross annual impacts of Scenario B.

In Scenario B, a 20,000-seat arena at the SoDo site, direct impacts from on-site arena operations and off-site visitor expenditures are \$211 million annually to the City of Seattle. The indirect and induced impact from all activities is approximately \$65 million annually.

The total of all annual impacts is approximately \$276 million with approximately 2,200 total new jobs in the City of Seattle. Of the \$276 million in output, \$108 million is related to annual earnings in the City of Seattle.

In Scenario B, direct impacts from on-site arena operations and off-site visitor expenditures are \$221 million annually to King County. The indirect and induced impact from all activities is approximately \$112 million annually.

The total of all annual impacts is approximately \$334 million with a total of 2,700 new jobs in King County. Of the \$334 million in output, \$136 million is related to annual earnings in King County.

Exhibit E-31: Scenario B Total Impacts

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|------------------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Onsite Arena Impacts | | | | | | |
| Output (Millions) | \$165.8 | \$42.5 | \$208.4 | \$171.0 | \$76.0 | \$247.0 |
| Earnings (Millions) | \$58.8 | \$16.6 | \$75.4 | \$63.9 | \$30.1 | \$94.0 |
| Jobs | 1,086 | 366 | 1,452 | 1,086 | 615 | 1,701 |
| Offsite Arena Impacts | | | | | | |

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|------------------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$44.7 | \$22.1 | \$66.8 | \$50.3 | \$36.4 | \$86.7 |
| Earnings (Millions) | \$23.4 | \$8.9 | \$32.3 | \$27.3 | \$14.9 | \$42.1 |
| Jobs | 614 | 150 | 764 | 725 | 247 | 972 |
| Onsite and Offsite Impacts | | | | | | |
| Output (Millions) | \$210.5 | \$64.6 | \$275.2 | \$221.2 | \$112.4 | \$333.7 |
| Earnings (Millions) | \$82.2 | \$25.5 | \$107.7 | \$91.2 | \$45.0 | \$136.2 |
| Jobs | 1,700 | 516 | 2,216 | 1,811 | 862 | 2,673 |

Source: Pro Forma Advisors

Scenario C and D - Key Arena and Memorial Stadium Locations

Scenarios C and D is estimated to generate \$30.4 million in operating income annually based on a capacity of 18,000 seats. This is consistent with the SoDo (Scenario A) projections. This is due to the proximity of both locations and the lack of any information which would suggest there would be any differences in the operations of the two locations.

Exhibit E-32: Operating Projections - Capacity 18,000 Seats (@Build Out)

(\$ millions, not-inflated)

| | |
|-----------------------------------------|----------------|
| Net Ticket, Suite and Club Seat Revenue | \$83.2 |
| Local Media | \$35.8 |
| Sponsorship and Naming Rights | \$22.4 |
| Concessions and Merchandise | \$19.5 |
| Preseason, Playoff and Other Revenue | \$12.8 |
| Total Local Revenue | \$173.7 |
| National Revenue | \$53.5 |
| Less: League Assessment Expense | -\$5.9 |
| NET REVENUE | \$221.3 |
| Player and Team Salaries and Benefits | \$123.4 |
| Other Team Costs | \$17.1 |
| Event Staffing | \$8.6 |
| Other Expenses | \$41.9 |

| | |
|-----------------------------------------|----------------|
| TOTAL EXPENSES | \$191.0 |
| OPERATING INCOME | \$30.4 |
| Less: Net Playoff Revenue | \$3.5 |
| OPERATING INCOME BEFORE PLAYOFFS | \$26.9 |

Source: Pro Forma Advisors Economic Impacts

Economic Impacts

One-Time Construction Impacts

The construction costs are assumed to be the same for all of the alternatives and, thus, total one-time construction impacts are assumed to be the same as well. Total construction impacts are presented in the table below.

Exhibit E-33: Total Construction Impacts

| Total Construction Impacts | City of Seattle | | | King County | | |
|----------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$351.4 | \$128.9 | \$480.4 | \$354.2 | \$179.2 | \$533.4 |
| Earnings (Millions) | \$215.6 | \$50.2 | \$265.8 | \$216.5 | \$72.0 | \$288.5 |
| Jobs | 2,335 | 863 | 3,199 | 2,349 | 1,220 | 3,570 |

Source: Pro Forma Advisors

Annual Ongoing Impacts

Onsite Arena Annual Impacts

As described above, the projected revenues, expenditures and regional adjustments are the same for Scenario A, the 18,000 seat Seattle arena, and Scenarios C and D, an 18,000-seat arena at the Key Arena and Memorial Stadium sites. Thus, the anticipated onsite arena impact is anticipated to be the same between the two scenarios. It should be noted that the economic impacts include total revenues generated to 3rd party promoters, rather than only the share to the arena owner.

Variations are anticipated with the offsite impacts between Scenario A & Scenarios B and C.

Offsite Impacts

Minor variations in offsite spending are anticipated at the Key Arena and Memorial Stadium sites, such as lower parking revenues (due to the greater presence of public transportation) as well as higher entertainment and souvenirs, gifts, and retail (due to greater retail and entertainment options) and slightly lower food and beverage spending.

Exhibit E-34: Scenario C and D Total Visitor Spending Table

| | Within City | Within County | Outside of County | Outside of State | Total |
|-----------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Estimated Attendance | 313,786 | 638,296 | 487,771 | 209,346 | 1,649,199 |
| Estimated Visitor Spending | | | | | |
| Lodging | \$41,257 | \$218,733 | \$3,145,424 | \$9,418,837 | \$12,824,250 |
| Souvenirs/Gifts/Retail | \$683,492 | \$3,344,914 | \$5,345,847 | \$4,204,380 | \$13,578,633 |
| Bus | \$21,912 | \$109,687 | \$165,260 | \$222,848 | \$519,706 |
| Parking | \$594,767 | \$2,901,240 | \$1,735,515 | \$677,346 | \$5,908,868 |
| Auto Travel | \$622,252 | \$3,058,325 | \$2,898,009 | \$2,697,873 | \$9,276,459 |
| Food/Beverage | \$1,214,069 | \$4,542,012 | \$5,495,271 | \$4,099,085 | \$15,350,437 |
| Entertainment | \$297,854 | \$1,483,400 | \$1,906,546 | \$900,558 | \$4,588,358 |
| Total Visitor Off-Sites | \$3,475,603 | \$15,658,311 | \$20,691,873 | \$22,220,926 | \$62,046,712 |

Source: Pro Forma Advisors and 2006 Bayers Key Arena Economic Impact.

Traveling Team/Performer offsite spending is expected to be the same between all scenarios. The following table summarizes the local purchase adjustments for the visitor and traveling performing offsite spending.

Exhibit E-35: Scenarios C and D - Local Offsite Purchases

| Scenario A Offsite Spending Summary | Total Spending (Millions) | Local Purchases (Millions) | |
|-------------------------------------|---------------------------|----------------------------|---------------|
| | | City of Seattle | King County |
| Lodging | \$13.7 | \$10.4 | \$12.4 |
| Souvenirs/Gifts/Retail | \$13.6 | \$12.2 | \$13.6 |
| Food/Beverage | \$15.7 | \$12.6 | \$14.1 |
| Parking | \$5.9 | \$5.9 | \$5.9 |
| Other (Travel and Entertainment) | \$14.5 | \$4.9 | \$9.1 |
| Total Offsites | \$63.4 | \$46.0 | \$55.1 |

Source: Pro Forma Advisors

Total Annual Ongoing Impacts

The table below presents the total gross annual impacts of the arena at the Key Arena/Memorial Stadium site.

In Scenarios C and D, an 18,000-seat arena at the Key Arena and Memorial Stadium sites, direct impacts from on-site arena operations and off-site visitor expenditures are \$195 million annually to the City of Seattle. The indirect and induced impact from all activities is approximately \$58 million annually.

The total of all annual impacts is approximately \$253 million with approximately 2,000 total new jobs in the City of Seattle. Of the \$253 million in output, \$101 million is related to annual earnings in the City of Seattle.

In Scenarios C and D, direct impacts from on-site arena operations and off-site visitor expenditures are \$205 million annually to King County. The indirect and induced impact from all activities is approximately \$103 million annually.

The total of all annual impacts is approximately \$308 million with a total of 2,400 new jobs in King County. Of the \$308 million in output, \$128 million is related to annual earnings in King County.

Exhibit E-36: Scenarios C and D Total Impacts

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|------------------------------------|-----------------|--------------------|----------------|-------------|--------------------|----------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Onsite Arena Impacts | | | | | | |
| Output (Millions) | \$156.7 | \$39.7 | \$196.3 | \$161.8 | \$71.6 | \$233.4 |
| Earnings (Millions) | \$57.9 | \$15.4 | \$73.4 | \$63.0 | \$28.3 | \$91.4 |
| Jobs | 1,005 | 338 | 1,343 | 1,005 | 575 | 1,580 |
| Offsite Arena Impacts | | | | | | |
| Output (Millions) | \$37.8 | \$18.7 | \$56.5 | \$42.9 | \$31.2 | \$74.1 |
| Earnings (Millions) | \$19.9 | \$7.5 | \$27.4 | \$23.4 | \$12.7 | \$36.2 |
| Jobs | 550 | 126 | 676 | 652 | 211 | 863 |
| Onsite and Offsite Impacts | | | | | | |
| Output (Millions) | \$194.5 | \$58.4 | \$252.9 | \$204.7 | \$102.8 | \$307.5 |
| Earnings (Millions) | \$77.8 | \$23.0 | \$100.8 | \$86.5 | \$41.1 | \$127.5 |
| Jobs | 1,555 | 464 | 2,019 | 1,657 | 786 | 2,443 |

Source: Pro Forma Advisors

Additional Impacts

Minority and Women Business Enterprise Impacts

Pro Forma Advisors was unable to quantify the construction and operating impact associated with the use of minority and women owned business enterprises (MWBE). This is since the Developer had yet to execute applicable construction and operating agreements and therefore the data is not available.

It is expected that the Developer will achieve MWBE spending patterns consistent with those obtained during the construction of Safeco Stadium and CenturyLink Field. This initiative is also consistent with other markets. Within the last decade new several new stadiums and arenas were erected utilizing MWBE businesses for 25% to 40% of construction and development expenditures and 15% to 25% of professional service spending.

Utilizing MWBE businesses for standard services (e.g. promotional giveaways, transportation, food service, etc.) is a current league office initiative in both the NBA and NHL.

Quality of Life Considerations

In addition to the tangible economic impacts of the proposed SoDo or Key Arena/Memorial Center Arena, there are often additional intangible quality of life benefits of NBA and NHL franchises. Many of these impacts are subjective, generate more benefit to some residents than others (particularly sports fans), and are difficult to measure. This section describes key potential quality of life benefits.

The Sports Franchise as an Amenity

The NBA/NHL teams will add to the entertainment/recreation amenities available to Seattle and King County residents. In addition to Mariner's baseball games (MLB), Seahawk football games (NFL), the Storm basketball games (WNBA), Sounders FC (MLS) soccer games, and university sports, residents will have the choice of attending 80 additional NBA or NHL events. The addition of the NBA/NHL teams represents an expansion of the recreational options of Seattle and King County residents and may lift the overall status of the City and region. (It should be noted that the sports team represent a greater amenity to those most interested in sports.)

Technology and digital and social media are the fastest growing sectors in the nation and, specifically, within Seattle. The growth of these industries in Seattle and King County is tethered to major King County technology sector anchors such as Microsoft and Amazon.com, but many technology and digital and social media firms are able to locate their business in several locations and often are vying for employees that may consider job opportunities at a number of firms within "the Silicon Coast." Creative economy businesses such as technology and digital and social media firms grow based on the quality of their workers and often complain of the limited supply of qualified workers. Young professionals working in the creative economy have been known to prefer businesses located in amenity rich locations.

An NBA team is also a unique amenity that is not offered in every City. There are more than 30,000 incorporated cities in the United States and only 29 cities (Los Angeles has two teams) that have NBA teams. The location of an NBA or NHL franchise (equally true for all the sports facilities) can be a signal for visitors and the nation that a city has an active civic and recreation life. The location of a franchise may signal that a city is of a certain caliber.

Regional Camaraderie & Pride

Two of the main direct quality of life benefits from a sports franchise are the regional camaraderie that can be generated through a shared sports team and civic pride. In addition to the straight entertainment value of following a sports team, sports franchises provide an opportunity for existing friends and families to get together and creates a common link between residents. For both fans and the average resident, sports franchises can strengthen individuals' sense of "community." When sports franchises are doing well, and even in cases when they are not, sports franchises can be a source of civic pride.

Dallas Mavericks' 2011 Victory Parade



Source: Copyright 2011 NBAE (Photo by Glenn James/NBAE via Getty Images) via Danny Bollinger, Creative Commons

National Awareness/Marketing Value

As mentioned above, only a limited amount of US cities and regions have an NBA or NHL franchise. Sports franchises can help to promote national awareness of the region and, with appearances on television and general sports celebrity, sports franchises can act effectively as indirect national and global marketing. In the regular 2013 season, TNT averaged 2 million viewers for its 52 game broadcasts and in 2012 ABC averaged 5,421,000 viewers for its 15 prime time broadcasts according to Nielsen. Game 7 of the 2013 NBA finals captured a viewership of 17.7 million according to Nielsen.

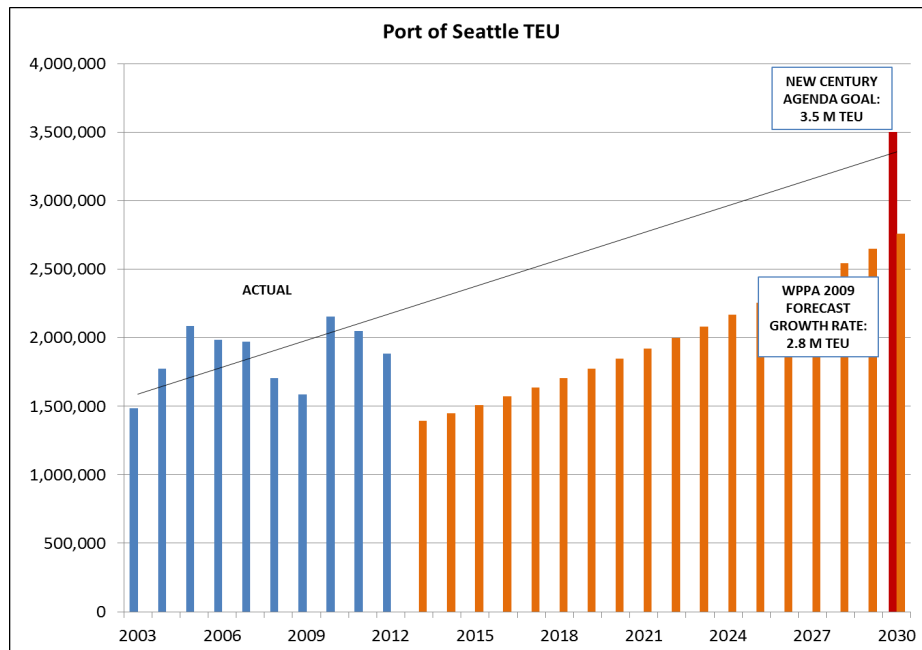
While viewers are tuning in for the sports, in both regular and play off games, the names of cities are prominently mentioned by game announcers and are often displayed on jerseys, and within the arena. While generating direct visitors for only the smaller percentage of non-regional fans of the team, a sports franchise provides additional exposure of a city or region to the general public and may help overall regional tourism. Private companies pay hundreds of millions for naming rights of an arena, suggesting there is a significant marketing value of a city or region having their name attached to the sports teams playing within the arena.

Port and Industrial Business Impacts

The Port of Seattle and industrial businesses in the Duwamish MIC are important employers within the City of Seattle and King County. In 2009, a report produced by the Port of Seattle found that in 2007 the seaport itself created 21,695 direct jobs and another 34,561 indirect and induced jobs. Seaport activity is responsible for another 135,100 import/export related jobs in Washington State. The Port of Seattle's 2012 operating revenue from the marine terminals was approximately \$85.7 million (Port of Seattle CAFR 2012, p. 56). The value of import and export trade through the Port was about \$30 billion in 2012 (Annual Report, p 19 and 2), although much of that trade moves to and from the Port by rail. Further, international trade is a key driver of the Washington State's economy, with ties to 40 percent of jobs in the state⁷. Given the importance of the Port, the analysis considers major concerns posed by the new arena.

As explained above and as Exhibit PI-1 shows, Port of Seattle container cargo was down in 2012 due to the shift of Grand Alliance vessel calls to Tacoma. The Port has set a 3.5 million TEU goal set in its New Century Agenda. It is not possible to predict with certainty if or when the Port will meet this goal. For purposes of this analysis it assumed that the 3.5 million TEU goal is reached in 2030, which is the horizon year for the analysis.

Exhibit PI-1: Port of Seattle Actual and Target TEU



Source: www.portseattle.org, 2009 WPPA/WSDOT Marine Cargo Forecast

Tioga prepared a second, much more conservative growth scenario. Based on year-to-date imports results through June, the July 2013 Global Port Tracker import forecast, a prorated export forecast, and a flat domestic forecast compared to 2012, Tioga estimated annual 2013 TEU at 1,394,094. As shown in Exhibit PI-1, Tioga then applied a 4.1%

⁷ www.wcit.org

annual 2007-2030 growth rate derived from the 2009 Marine Cargo Forecast prepared for the Washington Public Port Association and WSDOT to yield an estimated 2.8 million TEU in 2030.

The study evaluates the Project's potential impacts on the Port of Seattle and industrial businesses within the SoDo study area, particularly in relation to increased traffic congestions from events/games at the proposed SoDo site. The first portion of the following section quantifies the direct traffic congestion delay to Port cargo within the SoDo study area. The second portion of the section quantifies the truck delay cost, discusses current status of the Port and the potential impacts and risks that increased traffic congestion may pose to the Port, and describes potential traffic recommendations. The final section quantifies the traffic delay costs to non-Port related industrial businesses in SoDo.

It should be noted that the results from the Port and non-Port direct traffic delay analyses have been used to estimate the economic impacts to the Port and SoDo industrial businesses in the previous section.

Seattle Arena Port Truck Impacts

Overview

The Port truck impacts of event-induced Stadium District congestion following arena development will depend on:

- ▶ The number and routing of Port trucks operating in the hours affected by stadium and arena events.
- ▶ Delays on normal terminal access routes compared to alternate routes.
- ▶ The effectiveness of traffic control measures or other mitigations.

Port Truck Projections

Exhibit PI-2 shows the expected port truck trips when and if the total port throughput reaches 3.5 million annual TEU (the Port's "New Century Agenda" goal, assumed to be reached in 2030 for purposes for this analysis). These estimates are based on 2.2 truck trips per container, 250 working days per year and 1.76 TEU/container. The number of daily truck trips associated with 3.5 million TEU was estimated using: 1) a split of 40% trucked and 60% moved by rail; 2) an average of 1.76 TEU/container to convert TEU counts to container counts; 3) an average of 2.2 truck trips per container to allow for round trips and repositioning; and 4) 250 working weekdays per year. These factors yielded a daily average of 13,664 Port truck trips.

Exhibit PI-2: Average Daily Truck Trips for 3.5 Million TEUs and 60% IM

| Terminal | to/from SIG | to/from Argo | Total Trucked to Local/Regional | Total Truck Trips | % of All Trucked |
|----------|-------------|--------------|---------------------------------|-------------------|------------------|
| T-5 | 37 | 693 | 2,224 | 2,954 | 22% |
| T-18 | 1,930 | 827 | 2,515 | 5,272 | 39% |
| T-30 | 1,153 | 384 | 1,127 | 2,665 | 20% |
| T-46 | 1,200 | 400 | 1,173 | 2,773 | 20% |
| Total | 4,320 | 2,304 | 7,039 | 13,664 | 100% |

Source: Port of Seattle – T-30 data include former T-25

For the more conservative 2.8 million TEU forecast there would be an estimated 10,776 truck trips.

Exhibit PI-3 applies the expected truck trip distribution to these projections to identify the daily volume on routes vulnerable to delay from Stadium District events.

Exhibit PI-3: Expected Daily Port Truck Trip Distribution Pattern

| Route | Distribution Pattern | T-25/30/46 | T-5/18 |
|------------------------------|----------------------|--------------|--------------|
| 3.5 M TEU | | | |
| Local/Regional | 41% | 2,301 | 4,739 |
| North on Interstate 5 | 8% | 449 | 925 |
| South on I-5, SR 509, SR 599 | 18% | 1010 | 2081 |
| East on I-90 | 8% | 449 | 925 |
| Local Seattle | 7% | 393 | 809 |
| SIG | 42% | 2,353 | 1,967 |
| North | | 1,177 | 983 |
| South | | 1,177 | 983 |
| ARGO | 17% | 784 | 1,520 |
| Total | 100% | 5,438 | 8,226 |

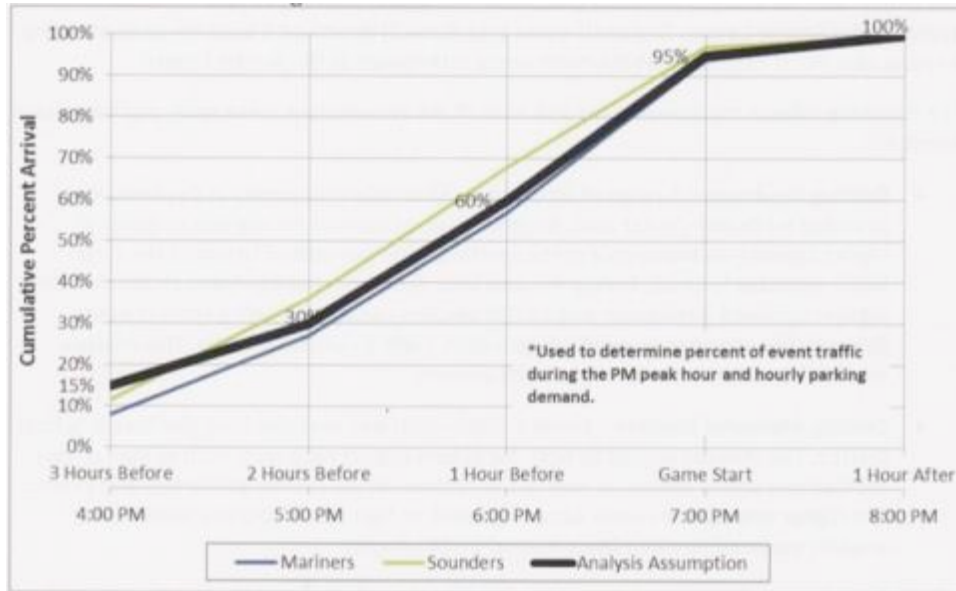
Source: Port of Seattle, Tioga Analysis

Vulnerable trip routes are highlighted in Exhibit PI-3. The proximity of T46 and T-25/30 to the arena site makes all truck trips in event hours subject to delay of some kind. Trips between T-5 and T-18 and the north BNSF SIG gate would also be affected, as explained in more detail below.

Truck Trip Vulnerability Times

As Exhibit PI-4 shows, the expected influx of event traffic and congestion lasts from 4 PM to 8 PM for a 7 PM event.

Exhibit PI-4: Event Traffic Arrival Patterns (DEIS Figure 1-5)



Source: Seattle Arena Draft EIS

Exhibit PI-5 provides hourly truck traffic patterns for marine terminal gates (based on 2005 T-18 data). The exhibit highlights the event-vulnerable 4–8 PM period. Port terminals have usually closed their gates at 4PM (“day gates”) With day gates, 5.1% of the truck traffic is expected to move in this time period. Port terminals occasionally extend their gate hours (“night gates”) to cope with late vessels or high container volumes. As the Port approaches the 3.5 million TEU goal, the use of night gates will become more prevalent and eventually become the norm. . The analysis assumes regular night gates with the 3.5 million TEU volume in 2030. With night gates, 13.6% of the intermodal and 4.9% of the local and regional truck traffic is expected to move in the event-vulnerable time period, or 11.0% of the total.

Exhibit PI-5: Terminal Gate Traffic Patterns with Event-vulnerable Zone

| Hour Begins | Day Gate Only | With Night Shift Gates | | |
|-------------------------|---------------|------------------------|---------------|-------------------------------|
| | | IM Cargo* | Other Cargo | Combined (70% IM + 30% Other) |
| 12:00 AM | 0.0% | 7.0% | 1.4% | 5.3% |
| 1:00 AM | 0.0% | 6.1% | 1.2% | 4.6% |
| 2:00 AM | 0.0% | 4.4% | 0.9% | 3.4% |
| 3:00 AM | 0.0% | 2.7% | 0.3% | 2.0% |
| 4:00 AM | 0.0% | | | 0.0% |
| 5:00 AM | 0.0% | | | 0.0% |
| 6:00 AM | 0.0% | | | 0.0% |
| 7:00 AM | 8.8% | 4.4% | 8.0% | 5.5% |
| 8:00 AM | 13.1% | 6.5% | 11.8% | 8.1% |
| 9:00 AM | 11.7% | 5.8% | 11.4% | 7.5% |
| 10:00 AM | 10.1% | 5.0% | 9.1% | 6.2% |
| 11:00 AM | 11.2% | 5.6% | 11.7% | 7.4% |
| 12:00 PM | 4.8% | 2.4% | 3.5% | 2.7% |
| 1:00 PM | 14.1% | 7.0% | 12.3% | 8.6% |
| 2:00 PM | 12.3% | 6.1% | 11.2% | 7.6% |
| 3:00 PM | 8.8% | 4.4% | 8.4% | 5.6% |
| 4:00 PM | 5.1% | 2.5% | 2.7% | 2.6% |
| 5:00 PM | 0.0% | 0.2% | 0.0% | 0.1% |
| 6:00 PM | 0.0% | 4.4% | 0.9% | 3.3% |
| 7:00 PM | 0.0% | 6.5% | 1.3% | 5.0% |
| 8:00 PM | 0.0% | 5.8% | 1.3% | 4.4% |
| 9:00 PM | 0.0% | 5.0% | 1.0% | 3.8% |
| 10:00 PM | 0.0% | 5.6% | 1.3% | 4.3% |
| 11:00 PM | 0.0% | 2.4% | 0.4% | 1.8% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| Event-vulnerable | 5.1% | 13.6% | 4.9% | 11.0% |

*Assumes 50% of IM move at night and 10% of Regular Traffic

Source: Port of Seattle, Tioga Analysis

Exhibit PI-6 applies these percentages to projected Port truck trips at 3.5 million annual TEU (nominally assumed to occur in 2030). Not all these truck trips would be affected, or affected equally. The affected trips are highlighted.

Exhibit PI-6: Event-Vulnerable Port Trips

| Route | Distribution Pattern 3.5 M TEU | T-25/30/46 | T-5/18 | Trips 4-8PM Day Gates Only | Trips 4-8PM w/Night Gates |
|------------------------------|-----------------------------------|--------------|--------------|-------------------------------|------------------------------|
| Local/Regional | 41% | 2,301 | 4,739 | 118 | 112 |
| North on Interstate 5 | 8% | 449 | 925 | 23 | 22 |
| South on I-5, SR 509, SR 599 | 18% | 1010 | 2081 | 52 | 49 |
| East on I-90 | 8% | 449 | 925 | 23 | 22 |
| Local Seattle | 7% | 393 | 809 | 20 | 19 |
| SIG | 42% | 2,353 | 1,967 | 121 | 321 |
| North | | 1,177 | 983 | 111 | 295 |
| South | | 1,177 | 983 | 60 | 161 |
| ARGO | 17% | 784 | 1,520 | 40 | 107 |
| Total | 100% | 5,438 | 8,226 | 330 | 675 |

Source: Port of Seattle, Tioga Analysis

Exhibit PI-6 indicates that about 675 daily truck trips would be affected to some degree by event-related traffic if and when the Port reaches 3.5 million TEU and is regularly operating night gates. This is roughly 5% of the 13,664 total estimated daily trips.

At 2.8 million TEU, the number of affected trips with day gates would be 260 and with night gates 532.

As Exhibit PI-6 suggests most trips to and from T-46 and T-25/30 would be affected due to their proximity to the project site and the Stadium District in general.

- ▶ Trips between T-25/30/46 and the freeway, a total of 93 with night gates, would ordinarily use S. Atlantic St. The alternative would be E. Marginal Way and SW Spokane Street.
- ▶ Trips between T-25/30/46 and local Seattle points in the Duwamish MIC or other areas (19 with night gates) would ordinarily use E. Marginal Way to an east-west access point (e.g. S. Horton). The alternative would be S. Atlantic.
- ▶ Trips between T-25/30/46, T-5/18, and the North SIG gate (295 with night gates) would use the North SIG driveway (constructed on a BNSF franchised right of way which runs parallel to Colorado Avenue). This driveway accesses Atlantic approximately 200 feet east of railroad crossing on the south side of Atlantic Street.
- ▶ Trips between T-25/30/46 and the South SIG gate (161 with night gates) would use E. Marginal Way to S. Hanford.
- ▶ Trips between T-25/30/46 and Argo Yard (107 with night gates) would use E Marginal Way and the East Marginal Way Grade Separation ("Argo Connector", when fully complete)

Other trips to and from T-5 and T-18 would be less affected.

- ▶ Trips between T-5/18 and the freeways would ordinarily use SW Spokane St. They may be affected by event traffic NB on I-5 or EB on I-90, but not within the study area.
- ▶ Trips between I-5/18 and local Seattle points would likewise use SW Spokane St. and access the SODO area from the south, away from the Stadium District congestion. Impacts in this area are expected to be small.
- ▶ Trips between T-5/18 and the south SIG gate would likely use SW Spokane St./E. Marginal Way to S. Hanford and experience only minor event-related delay.
- ▶ Trips between T-5/18 and Argo would likely use the Argo Connector.

T-25/30/46 Truck Routes and Impacts

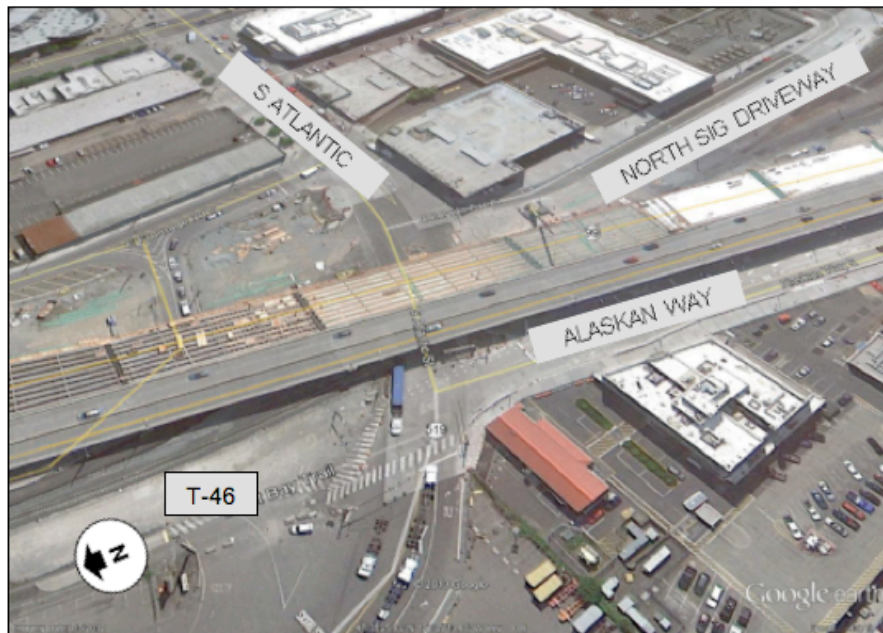
Truck traffic to and from Terminal 25/30 and Terminal 46 (T-25/35/46) moves two ways:

- ▶ East and west on S. Atlantic Street
- ▶ North and south on Alaskan Way S./E. Marginal Way

S. Atlantic St. (Exhibit PI-7) connects the two terminals to:

- ▶ SR 519 and I-90/I-5 via Edgar Martinez Dr. S.
- ▶ 1st Ave. South and 4th Ave. South accessing SODO area customers.
- ▶ The North SIG driveway (constructed on a BNSF franchised right of way which runs parallel to Colorado Avenue). E. Frontage Rd. South or 1st Ave. South to reach customers north of the Stadium District.

Exhibit PI-7: S Atlantic St Terminal Access



Source: Google Earth

The S. Atlantic St./Edgar Martinez Dr. S. route is heavily affected by existing stadium events as it passes between the stadium and the large parking garage to the south. The Seattle Arena Draft EIS (DEIS) indicates that this route will incur progressively serious delays under area event conditions.

The spur track crossing Atlantic St just east of the Terminal 46 entrance at East Marginal Way limits Port of Seattle business operations as well as connectivity to downtown. The Alaskan Way Viaduct/tunnel replacement project addresses the freight and vehicle movements to and from Terminal 46, East Marginal Way, BNSF North SIG, and I-5/90 access by constructing an overpass (known as Little 'h', Exhibit PI-8) and working with BNSF to create a truck-only driveway entrance/exit to North SIG running parallel to the Colorado Avenue alignment.

Little 'h'

Once completed in 2014, all modes of travel will have the ability to bypass the BNSF grade crossing by using the Little 'h' overpass. On the west side of the railroad crossing, the overpass touches down just north of the Terminal 46 entrance on the East Marginal Way alignment. The east end touches down approximately 200 feet east of the railroad crossing on the north side of Atlantic Street. The overpass is available for travel at all times but will likely be used only when the railroad crossing is blocked by trains.

North SIG Driveway

The North SIG driveway is constructed on BNSF franchised right of way, which runs parallel to the Colorado Avenue alignment. The driveway accesses Atlantic St approximately 200 feet east of the railroad crossing on the south side of Atlantic St. Because it is a private facility, it will operate as a freight-only access point to the North SIG.

Benefits

These projects join together at a traffic signal on Atlantic Street and, in combination, directly benefit freight movement by allowing direct continuous access from East Marginal Way to the North SIG Yard. The signal operation eliminates movement from the Southbound SR-99 off-ramp to Colorado Ave while also keeping the SIG Yard drive clear. While the railroad crossing is blocked, reactive signal detection adjusts timing to maximize the Little 'h' overpass movement to the North SIG Yard driveway and effectively eliminates delays by Atlantic Street operations to freight movements from all Terminals (5, 18, 25, 30, 46) to the BNSF North SIG Yard.

Exhibit PI-8: "Little h" Overcrossing



Source: SODO Arena presentation to the King County Council Budget and Fiscal Management Committee, 6/12/12

T-25/30/46 to/from Freeway

Exhibit PI-9 shows the existing route on S. Atlantic St. between the terminals and the I-90/I-5 freeways. With night gates, about 93 port trucks would operate on this route during the evening event window. For purposes of this analysis it was assumed that the volume would be evenly split EB and WB. EB delays would range from 0.5 minutes for the S1 case to 0.9 minutes in the S3 case. WB delays would be more severe due to the congested inbound flow from I-90 to the Stadium District. WB S1 delay was estimated at 1.6 minutes while S3 delay would be 5.2 minutes compared to the No Action Alternative.

These delay estimates assume that S. Atlantic between 1st Ave. and the SR 519 ramps remains open to truck traffic in the pre-event hours. The truck delay could be longer if S. Atlantic is closed to through traffic while the Mariners parking garage is filled (which happens when Safeco Field sells out or there are multiple events).

Exhibit PI-9: Terminal to Freeway Routes



Source: Google Earth

The alternate route between T-25/30/46 and the freeway system is also shown in Exhibit PI-9. The route would use E. Marginal Way and Spokane Street. (under the viaduct) to reach I-5, and then turn north or south, as required. This route is about 3.7 miles versus 0.9 miles via S. Atlantic, and would add roughly 8–10 minutes at 20 mph.

Terminals to/from BNSF SIG North Gate

The route between the T-25/30/46 and the BNSF SIG North gate is shown in Exhibit PI-10, and the existing gate itself in Exhibit PI-11. The North SIG Driveway, being developed parallel to Colorado St, will replace this route. Trucks from T-5/18 would probably also use this route after they come up E Marginal Way. For day gates only the vulnerable volume would be about 111 trucks, but would rise to 295 trucks with night gates. The night gates may be particularly significant because SIG operates 24 hours a day, and opening regular night gates at the Port terminals would allow truckers to shift more of their work to less-congested night hours. Although the cutoff for outbound containers to depart on trains that night is 5 PM, truckers can deliver containers for the next day's trains and pick up inbound containers around the clock. The route from Alaskan Way is short, only about 400 yards. The "Little h" overpass would lengthen this trip, but allow access when the railroad crossing on S. Atlantic is blocked.

Exhibit PI-10: Existing Route to BNSF SIG North Gate (7/12)



Source: Google Earth

Exhibit PI-11: Existing BNSF SIG North Gate on S Massachusetts Ave. (8/11)



Source: Google Earth

There is no alternate route, since other options are closer to the arena site.

While the anticipated delay on this route may be short when measured in minutes, the greater risk could be gridlock in the segment of S. Atlantic between Colorado Ave. and Alaskan Way. The finished intersections will be very complex, with multiple streets and driveways in less than 800 feet between Alaskan Way and 1st Avenue. The complexity of this section of road makes it vulnerable to congestion, and the occasional need for manual traffic control should be anticipated.

T-25/30/46 to/from SODO

There are a handful of importers and exporters in the SODO area north of the Spokane Viaduct who reportedly ship and receive containerized cargo (yellow pushpins). Exhibit PI-6 shows 19-20 trucks moving between T-25/30/46 and local Seattle points in the vulnerable hours. If half of them move to the SODO area and the other half south of the Spokane Viaduct, about 10 trucks would be affected on this route. If they stay on S. Atlantic, these trucks would experience delays similar to those on the S. Atlantic/I-90 corridor.

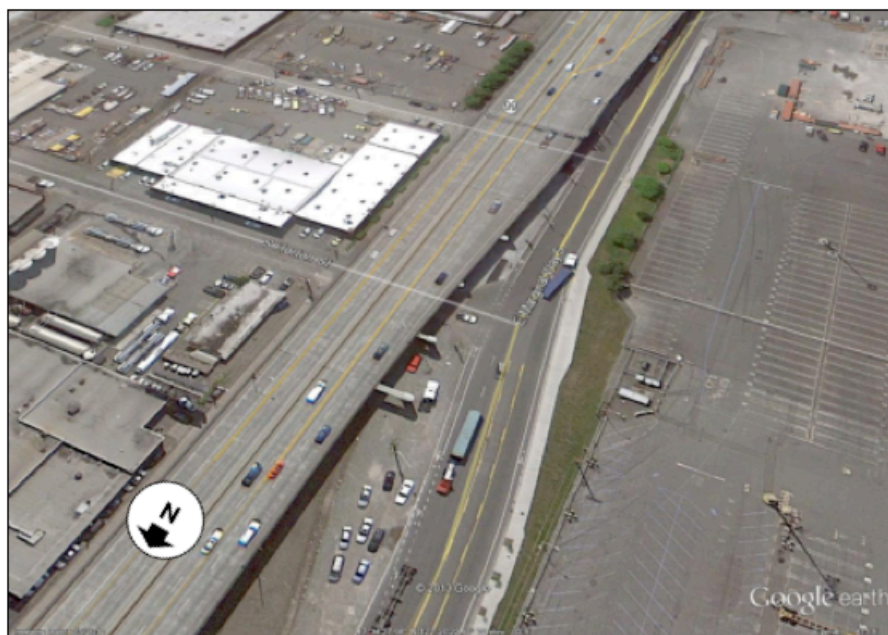
Exhibit PI-12: T-46/25/30 to SODO Routes



Source: Google Earth

The alternate route, also shown on Exhibit PI-12, would be to use E. Marginal Way to S. Horton (Exhibit PI-13). This route would add about 1.5 miles and 5–8 minutes, depending on the customer location within the SODO area.

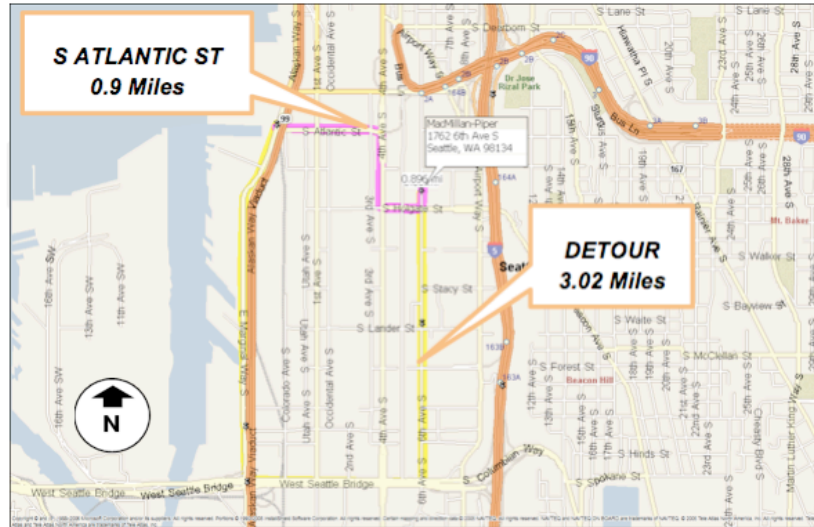
Exhibit PI-13: E Marginal Way and S Horton (7/12)



Source: Google Earth

As Exhibit PI-12 shows, reported customer locations are dispersed through the district. The worst-case detour is illustrated in Exhibit PI-14, which shows the two different routes to the current MacMillan-Piper location at 1762 6th Ave. S.

Exhibit PI-14: Routes from T-46 to MacMillan-Piper



Source: Google Earth and Tioga Group

T-25/30/46 to/from BNSF SIG South Gate

Based on Port information, about 1,117 trucks will move between T-25/30/46 and the South SIG gate off S. Hanford St. on an average day in 2030 (based on 3.5 million TEU at the Port). About 161 of these would be in the vulnerable event period with night gates. These trucks would most likely use E. Marginal Way and S. Hanford (Exhibit PI-15).

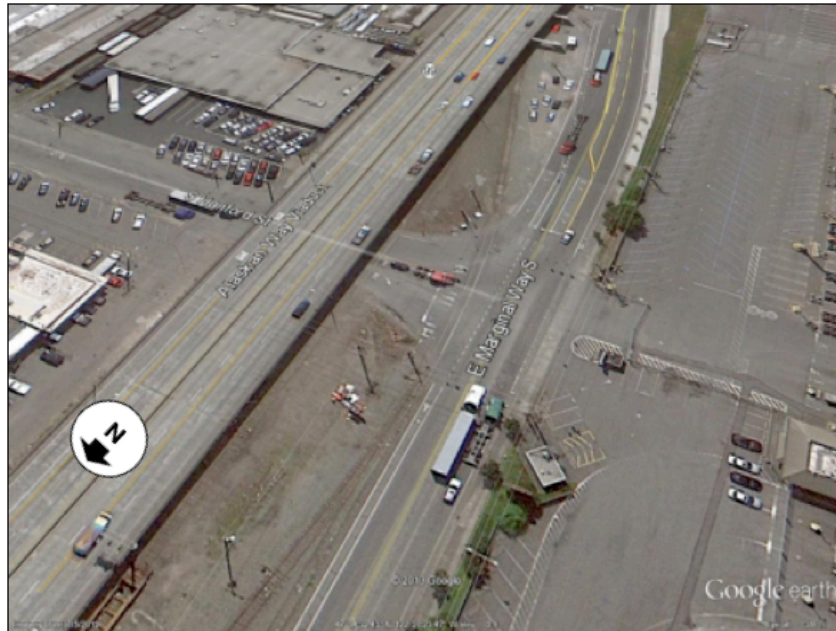
Exhibit PI-15: Terminal to BNSF SIG South on S Hanford St.



Source: Google Earth

S. Hanford and E. Marginal is a signaled intersection with a left turn pocket (Exhibit PI-16). As shown in Exhibit PI-17 a line of trucks can form between the South SIG Gate (Exhibit PI-18) and E. Marginal Way.

Exhibit PI-16: E Marginal Way and South Hanford (7/12)



Source: Google Earth

Exhibit PI-17: Port Trucks Turning Left from E Marginal to South Hanford (8/11)



Source: Google Earth

Exhibit PI-18: BNSF SIG South Gate on S Hanford Street



Source: Google Earth

Event-induced delays on this route may be minor as only 2% of the inbound event vehicles are expected to use E. Marginal Way. The SB delay on 1st Ave. parallel to E. Marginal Way is estimated at about 1.5 minutes for the S3 case compared to the No Action alternative. The NB delay on 1st Ave. from Railroad Ave. to S Horton is expected to be longer at 5.8 minutes for the S3 case. The E. Marginal Way route, however, does not pass through LOS F intersections.

T-25/30/46 to/from Argo Yard and South Duwamish MIC

Exhibit PI-19 shows the most likely route for trucks between T-25/30/46 and either the UP Argo Yard or customers south of Argo in the Duwamish MIC. Based on Port estimates (Exhibit PI-5), about 117 trucks would use this route daily with night gates – about 107 to/from the Argo Yard and 10 to/from other customers. This route coincides with the BNSF SIG South Gate route along E. Marginal Way.

Exhibit PI-19: Terminal to Argo/South DMIC Route



Source: Google Earth

Exhibit PI-20 shows the entrance to the UP yard from Denver St.

Exhibit PI-20: UP Argo Yard Entrance on Denver Street



Source: Google Earth

Port Truck Impact Summary

Estimates of port truck delays for 2030 were constructed from corridor and intersection delay estimates provided in Appendix E of the DEIS. The study corridors and intersections in the DEIS do not correspond exactly to the port truck routes described above, so the delay estimates were combined as required to approximate port truck impacts.

All of the data shown are the additional delays expected compared to the No-Action Alternative, not the actual travel times. The No-Action Alternative by itself contemplates longer travel times than at the present.

Exhibit PI-21 displays the delay estimates in minutes for the major study corridors compared to the no-action case. There are two qualifications:

- ▶ Since port trucks will move both ways, the directional delays were averaged. This may slightly understate the impact on S Atlantic, where in the event periods most port trucks will be trying to leave the terminals eastbound.
- ▶ The closest study corridor to E Marginal Way was 1st Ave S from Railroad Way to S Horton St, which was used as the best available proxy. Delays on E Marginal are likely to be less than on 1st Ave S, since a smaller percentage of event traffic is expected to use E Marginal Way. Use of the 1st Ave S corridor as a proxy may therefore be regarded as a worst-case estimate for delays on E Marginal Way.

Exhibit PI-21: Corridor Delay Estimates

| Corridor | Delay (minutes) vs. No-Action | | | |
|-------------------------------------------|-------------------------------|------------|------------|------------|
| | Direction | Case S1 | Case S2 | Case S3 |
| 1st Ave S - Railroad Way S to S Horton St | NB | 4.6 | 7.0 | 5.8 |
| | SB | 1.2 | 1.4 | 1.5 |
| | Avg. | 2.9 | 4.2 | 3.6 |
| 4th Ave S - S King St to S Horton St | NB | 2.2 | 3.1 | 3.1 |
| | SB | 2.7 | 2.5 | 2.5 |
| | Avg. | 2.4 | 2.8 | 2.8 |
| | NB Avg. | 3.4 | 5.0 | 4.4 |
| | SB Avg. | 1.9 | 2.0 | 2.0 |
| S Atlantic St - I-90 to 1st Ave. S. | EB | 0.5 | 0.9 | 0.9 |
| | WB | 1.6 | 5.0 | 5.2 |
| | Avg. | 1.0 | 2.9 | 3.0 |

Source: Seattle Arena DEIS, Tioga Analysis

On the other hand, port trucks accelerate and brake more slowly than passenger cars and take up more pavement space, and so are likely to be more affected by congestion.

Exhibit PI-22 displays the delays estimated at relevant intersections, taken from supplementary data provided by Transpo. The delays are small, mostly less than a minute, because they are the marginal delays for the arena alternative compared to the No-Action alternative. Some intersection approaches are expected to move more quickly in the arena case (due to signal timing).

Exhibit PI-22: Intersection Delay Estimates

| Int Number | Intersection | | 2030 Added Delay Alt 2 vs Alt 1 | | |
|------------|-------------------------|----------|---------------------------------|-------|-------|
| | Location | Approach | S1 | S2 | S3 |
| 61 | Atlantic and Marginal | NB | -2.4 | -2.4 | -2.6 |
| | | SB | -1.2 | -1.2 | -1.2 |
| | | SEB | 19.9 | 19.9 | 19.9 |
| | | NWB | -0.9 | -0.9 | -0.9 |
| 62 | Atlantic and Colorado | NB | -0.5 | -0.5 | -0.5 |
| | | SB | 0.1 | 0.1 | 0.1 |
| | | EB | 1.1 | 1.1 | 1 |
| | | WB | -15.4 | -13.5 | -13.2 |
| 63 | Atlantic and E Frontage | NB | na | na | na |
| | | SB | -5 | -5 | -5 |
| | | EB | 2.3 | 2.1 | 2.1 |
| | | WB | 20 | 15.4 | 15 |
| 64 | Hanford and Marginal | NB | 4.1 | 0 | 2 |
| | | SB | 0 | 0 | 0 |
| | | EB | 0 | 0 | 0 |
| | | WB | 0 | 0 | 0 |

Source: Seattle Arena DEIS, Transpo Data, Tioga Analysis

Depending on the likely port truck routes or turns through these intersections, the analysis averaged multiple approach delays as follows:

- ▶ Atlantic and Marginal: Average of SEB and NWB delays
- ▶ Atlantic and Colorado (also representative of North SIG Driveway): Average of all approaches
- ▶ Atlantic and E Frontage: Average of EB and WB approaches
- ▶ Hanford and Marginal: Average of all approaches

Exhibit PI-23 then combines the estimates of affected truck trips by route (with the best available estimates of event-induced delay on those routes. The truck trip totals, as noted above, are based on 2.2 truck trips per container, 250 working days per year and 1.76 TEU/container. For each analysis case, S1-S3, the table uses the annual frequency, the applicable corridor delay, and additional applicable intersection delays to estimate the total truck delay on the route. The total estimated annual delay is 2,299 hours for a port volume of 3.5 million TEU. For 2.8 million TEU with night gates the total delay would be 1,813 hours.

Exhibit PI-23: Estimated 2030 Port Truck Delay By Drayage Route

Exhibit PI-23: Estimated 2030 Port Truck Delay By Drayage Route

| Route | Trips 4-8PM w/Night Gates | Case | Annual Frequency | Corridor Delay | | Intersection Delay | | | | Hanford St/E Marginal Way | Trip Delay - Minutes | Total Delay | | |
|-------------------------------|---------------------------|------------|------------------|--------------------|------------------|--------------------|--------------------|-------------------------|----------------------------|---------------------------|----------------------|----------------------|----------------|--------------|
| | | | | S Atlantt Corridor | 1st Ave Corridor | Atlantt St | Atlantt E Frontage | Atlantt S/ Colorado Ave | Daily Case Delay - Minutes | | | Annual Delay - Hours | | |
| T-25/30/46 to Freeways | 93 | S1 | 102 | 1.0 | | 0.2 | 0.2 | -0.1 | | | 1.3 | 124 | 12,600 | 210 |
| | 93 | S2 | 12 | 2.9 | | 0.2 | 0.1 | -0.1 | | | 3.2 | 298 | 3,573 | 60 |
| | 93 | S3 | 2 | 3.0 | | 0.2 | 0.1 | -0.1 | | | 3.3 | 306 | 612 | 10 |
| | | | | | | | | | | | | | 16,784 | 280 |
| T-25/30/46 to SIG North | 161 | S1 | 102 | | | 0.2 | 0.2 | -0.1 | | | 0.3 | 45 | 4,633 | 77 |
| | 161 | S2 | 12 | | | 0.2 | 0.1 | -0.1 | | | 0.3 | 40 | 483 | 8 |
| | 161 | S3 | 2 | | | 0.2 | 0.1 | -0.1 | | | 0.2 | 40 | 80 | 1 |
| | | | | | | | | | | | | | 5,196 | 87 |
| T-25/30/46 to SODO | 10 | S1 | 102 | | 2.9 | | | | | 0.0 | 2.9 | 28 | 2,856 | 48 |
| | 10 | S2 | 12 | | 4.2 | | | | | 0.0 | 4.2 | 41 | 488 | 8 |
| | 10 | S3 | 2 | | 3.6 | | | | | 0.0 | 3.7 | 35 | 70 | 1 |
| | | | | | | | | | | | | | 3,414 | 57 |
| T-25/30/46 to SIG South | 161 | S1 | 102 | | 2.9 | | | | | 0.0 | 2.9 | 468 | 47,770 | 796 |
| | 161 | S2 | 12 | | 4.2 | | | | | 0.0 | 4.2 | 680 | 8,156 | 136 |
| | 161 | S3 | 2 | | 3.6 | | | | | 0.0 | 3.7 | 586 | 1,172 | 20 |
| | | | | | | | | | | | | | 57,097 | 952 |
| T-5/18 to SIG North | 134 | S1 | 102 | | 2.9 | | | -0.1 | | 0.0 | 3.2 | 429 | 43,791 | 730 |
| | 134 | S2 | 12 | | 4.2 | | | -0.1 | | 0.0 | 4.5 | 602 | 7,219 | 120 |
| | 134 | S3 | 2 | | 3.6 | | | -0.1 | | 0.0 | 3.9 | 523 | 1,046 | 17 |
| | | | | | | | | | | | | | 52,056 | 868 |
| T-25/30/46 to Argo/South DMIC | 10 | S1 | 102 | | 2.9 | | | | | 0.0 | 2.9 | 28 | 2,856 | 48 |
| | 10 | S2 | 12 | | 4.2 | | | | | 0.0 | 4.2 | 41 | 488 | 8 |
| | 10 | S3 | 2 | | 3.6 | | | | | 0.0 | 3.7 | 35 | 70 | 1 |
| | | | | | | | | | | | | | 3,414 | 57 |
| Total Truck Trips | 568 | S1 | 102 | | | | | | | | | 1,123 | 114,506 | 1,908 |
| | 568 | S2 | 12 | | | | | | | | | 1,701 | 20,406 | 340 |
| | 568 | S3 | 2 | | | | | | | | | 1,525 | 3,050 | 51 |
| | 568 | All | 116 | | | | | | | | | 4,348 | 137,962 | 2,299 |

Impact on the Port of Seattle

Port Structure and Competition Overview

Marine container terminals are ordinarily operated by *stevedores*, terminal operating companies that lease the terminals from the Port and operate them for a profit. Most U.S. container ports thus operate as *landlord* ports, rather than engaging in day-to-day terminals operations⁸. The terminal operators at Seattle are:

- ▶ T-5: Eagle Marine (a subsidiary of American President Lines)
- ▶ T-18: Stevedoring Services of America (SSA)
- ▶ T-30: Stevedoring Services of America (SSA)
- ▶ T-46: Total Terminals International (TTI, a subsidiary of Hanjin Shipping)

All of these companies also operate terminals at other ports.

Terminal operators typically sign a long-term lease for the terminal (TTI extended their lease for T-46 through 2025 in December of 2012, after approval of the Arena MOU). Terminal operators and the Port typically cooperate in seeking to attract new steamship line service and new cargo.

Ocean carriers in turn sign service agreements with the terminal operators to call at the terminal. (For example, Maersk renewed its agreement with SSA to call at T-18 in July of 2012.) The carrier pays the terminal operator for handling the vessel and the containers under a confidential contractual agreement. The Port receives fees for use of the dock (“dockage”) and for the volume of cargo handled (“wharfage”), also under a confidential contractual agreement. Such contracts typically include a minimum annual cargo commitment, and incentives to route additional cargo through the port and terminal.

Ports compete both for cargo and for ocean carrier tenants and vessel calls. The two are linked; a growing cargo volume will attract ocean carriers and vessel calls, and a wide choice of ocean carriers and sailings will attract cargo.

Ocean carriers (steamship lines) offer regularly scheduled service between seaports. Ocean carriers own and operate ships, and most are also members of alliances or consortia with other carriers. The major tenant at T-46, Hanjin Shipping, is a good example. Hanjin offers its customers 18 different transpacific services, each with multiple vessel and port calls. Some services are offered using only Hanjin vessels, and some with vessels of alliance partners. The exhibit below lists the Hanjin services calling at Pacific Northwest (PNW) ports. Hanjin can thus offer its customers service to Seattle, Tacoma, Portland, Prince Rupert, and Vancouver. Even though Hanjin has a commitment to call at Seattle’s Terminal 46, Hanjin’s customers have complete flexibility in their choice of ports.

Exhibit PI-24: Hanjin Shipping Pacific Northwest Services

| Service | PNW Port Calls |
|---------|--------------------------------------|
| PCN | Prince Rupert - Vancouver - Seattle |
| CAX | Long Beach - Oakland - Seattle |
| GEN | Prince Rupert - Long Beach - Oakland |

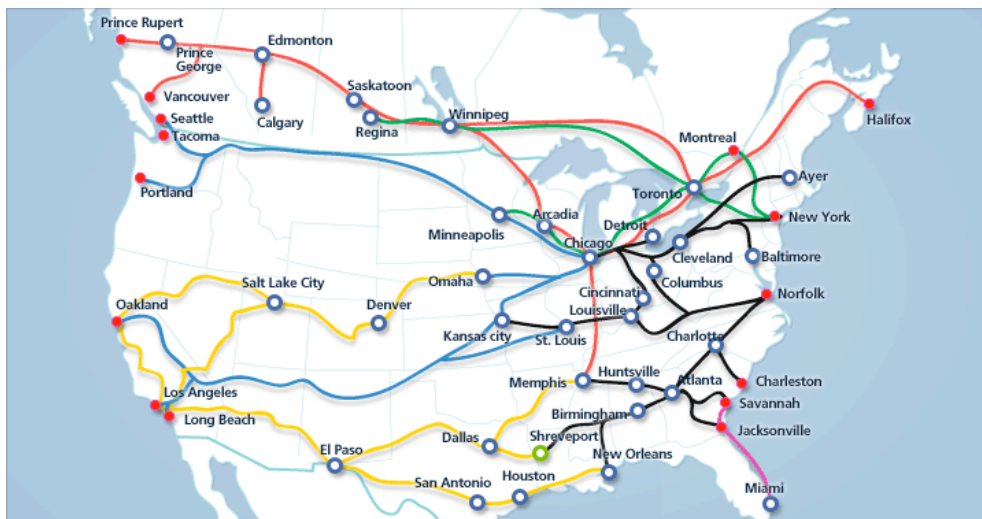
⁸ The Port of Tacoma operates one of its container terminals directly.

| | |
|-----|------------------------------------------------|
| PNY | Tacoma - Vancouver |
| KPN | Tacoma - Vancouver |
| PNH | Prince Rupert - Seattle - Portland - Vancouver |

Source: www.Hanjin.com

The map in Exhibit PI-25 illustrates a second aspect of ocean carrier service: inland intermodal connections. Hanjin can offer an Asian exporter or a U.S. importer rail intermodal service to Chicago through any major West Coast port. For such shipments, Seattle must compete with every other West Coast port.

Exhibit PI-25: Hanjin Inland Intermodal Services



Source: www.Hanjin.com

The Port of Seattle's nearest competitor is the Port of Tacoma, about 30 miles south. The two ports are close enough to be highly competitive for almost all local and regional markets except for customers clustered around the port terminals themselves. Even for those customers the two ports may offer competitive choices if the ocean carriers equalize rates or take other steps to pull Seattle customers to Tacoma or vice-versa.

The Ports of Seattle and Tacoma together define the Pacific Northwest U.S. port market. Every major container carrier serves this market by calling at either Seattle or Tacoma, either with their own vessels or as part of a vessel-sharing agreement. While there is some market and hinterland overlap with Vancouver (BC) to the north and Portland (OR) to the south, all major carriers serve either Seattle or Tacoma directly.

The Port of Seattle also competes with other North American ports. In British Columbia, Prince Rupert and Vancouver offer highly competitive rail intermodal service to the same inland markets as Seattle. In California, Oakland, Los Angeles, and Long Beach also compete for intermodal cargo to and from Midwestern markets. To the extent that Port of Seattle cargo originates or terminates east of Chicago, Seattle must also compete with East Coast ports being served via the Panama Canal.

The Port of Seattle will face increasing competition from the Panama Canal over the time horizon for this analysis. All-water routes to eastern U.S. markets are typically less costly than rail intermodal options via West Coast ports, and tend to attract lower-value, lower-priority, cost-sensitive cargo. The completion of new, larger canal locks expected in 2015 will allow carriers to use larger ships on Panama Canal routes. As these ships are phased in over several years, their scale economies will allow the carriers to compete for more cargo presently moving via the West Coast.

There are numerous factors in a carrier's choice of port and terminal, including terminal capacity, port fees, stevedoring (terminal operation) costs, the availability of on-dock rail, terminal age and efficiency, market access, and the operations of partners and competitors. The most important factor is customer preference. Ocean shipping is highly competitive, and ultimately ocean carrier services follow the available cargo rather than the availability of service dictating cargo routes.

The July 2012 shift of the Grand Alliance from Seattle to Tacoma illustrates the competition for ocean carrier tenants and vessel calls. The Grand Alliance is a consortium of three major carriers: Hapag-Lloyd, OOCL, and NYK Line, and also involves ZIM. Prior to July 2012 the Grand Alliance called at Port of Seattle's Terminal 18. The move from T-18 to Tacoma's Washington United Terminal significantly reduced Seattle's overall containerized cargo volume.

There have also been carrier shifts that favor Seattle. MSC added a Seattle call to an existing service in February 2011. MOL created a new service in May of 2012 that included a Seattle call.

Ocean carrier customers include importers, exporters, and third parties that control shipment routing and have the final say over choice of carrier, port, and terminal. The key factors in their choices include:

- ▶ Capacity – Customers avoid carriers, ports, and terminals that may not be able to handle their business in a timely fashion. Capacity is seldom a problem except in peak shipping season.
- ▶ Service – Customers have shipment requirements including volume, container supply, day of departure and arrival, and transit time. Their range of candidate shipping options will be narrowed to those that meet requirements.
- ▶ Reliability – Customers are highly adverse to unreliable services, as service delays or failures disrupt their supply chain plans.
- ▶ Cost – Once candidate shipping options have met capacity, service, and reliability requirements, customers will prefer the lowest cost option.
- ▶ Ease of doing business – There is a tradeoff between cost and service attributes and the level of customer effort required to maintain them. Customers may walk away from otherwise favorable options that require unreasonable management attention or cause frequent problems.

Factors in customer choice thus include both quantitative and qualitative factors. The qualitative factors are heavily influenced by the customer's perception of service quality, reliability, and ease of doing business under each option.

Trucking Cost Impacts

Trucking cost impacts were estimated from trucking data and projections provided by the Port, traffic impacts estimated for the DEIS by Transpo (Exhibit PI-23), and cost factors derived from the EPA SmartWay DrayFLEET model. The estimate for port trucking costs in the Seattle area is \$48/hr. These cost impacts are summarized in Exhibit PI-26.

Exhibit PI-26: Summary of Port Truck Cost Impacts

| Route | Total Delay | | Cost @ \$48/Hour |
|-------------------------------|------------------------|----------------------|-----------------------------------|
| | Annual Delay - Minutes | Annual Delay - Hours | Estimated Annual Truck Delay Cost |
| T-25/30/46 to Freeways | 16,784 | 280 | \$13,428 |
| T-25/30/46 to SIG North | 5,196 | 87 | \$4,157 |
| T-25/30/46 to SODO | 3,414 | 57 | \$2,731 |
| T-25/30/46 to SIG South | 57,097 | 952 | \$45,678 |
| T-5/18 to SIG North | 52,056 | 868 | \$41,645 |
| T-25/30/46 to Argo/South DMIC | 3,414 | 57 | \$2,731 |
| Total Truck Trips | 137,962 | 2,299 | \$110,370 |

Source: Seattle Arena DEIS, Tioga Analysis

The corresponding truck delay cost estimate at 2.8 million annual TEU would be \$87,044.

The total truck cost impact estimated in Exhibit ES-14 is small in the context of total Port activity, because only about 5% of the trucks are affected and many of the delays are estimated to be just a few minutes. It would be more significant if borne by a narrow cross-section of customers or truckers. The costs would affect carriers and their customers at T-25/30 and T-46 much more than at T-5 and T-18, and could lead specific customers to favor the carriers at T-5 and T-18.

Ocean carriers, importers, and exporters may not see actual trucking cost increases, because the competitive nature of the port trucking industry may force the truckers to absorb the additional cost. If so, the full impact will be felt locally.

The trucking cost impacts raise a corollary issue: driver and trucker earnings. Port drayage firms and owner-operator drivers are paid by the completed revenue move, not by the hour. If a trip takes longer due to Stadium District traffic congestion, the driver's earnings remain the same. If the driver cannot complete as many trips on the days with arena-related congestion, the driver's earnings decline.

Potential Additional Port Impacts

Based on the Tioga Group's experience with the container port industry, there are potential impacts on port and terminal competitiveness that cannot readily be quantified.

The Port of Seattle is faced with intense competition from the Ports of Tacoma, Vancouver, and Prince Rupert. The ocean carriers that call at T-30 and T-46 can shift discretionary cargo to other Pacific Northwest ports with relative ease – particularly rail intermodal cargo. In the larger sense, the Port of Seattle also competes with California ports for Asia-Midwest cargo, and will face increased competition from East Coast ports once the new Panama Canal locks are open.

Ocean carriers and their customers consider many factors in choosing a port and a terminal, balancing cost and service considerations. For more valuable time-sensitive imports and exports, customers emphasize service, reliability, and ease of doing business over small cost differences.

Throughput Capacity

The ability of marine container terminals to sustain adequate throughput depends on the ability of truckers to deliver exports and pick up imports on a timely and predictable basis. Failure to deliver exports on time can cause either vessel delays or, more likely, cause export containers to miss vessel sailings. Failure to pick up import containers on a timely basis can cause container yard congestion as well as delays to import customers.

The effective capacity of the port drayage truck fleet depends on its velocity – the ability to make multiple round trips in a working day. Trucks delayed by congestion or detours reduce the working velocity and capacity of the fleet.

Reliability

The most serious potential impacts on port competitiveness may come from reduced reliability. While informed planning may minimize the cost and capacity impacts, it is harder for all the stakeholders involved – terminal operators, customers, truckers, railroads – to adjust to unpredictable delays. These delays can be compounded when truck drivers are attempting to complete specific trips late in the afternoon when Stadium District congestion begins to build on event days.

- ▶ Many customers, both importers and exporters, tend to close their doors at 5-6 PM. A driver arriving 10–20 minutes late may not be able to deliver an import container or pick up and export load as planned. While customer hours may be flexible in the long run, predictable truck service will continue to be essential.
- ▶ Rail intermodal terminals are typically open 24 hours daily but have fixed cut-off times for train departures. At BNSF's SIG yard, for example, the cutoff time for major eastbound departures is 5 PM. Late arrivals will be delayed until the next day's train.

Potential Risk to the Port of Seattle

From the Port of Seattle's perspective, increased trucking cost, reduced throughput capacity and especially diminished reliability could adversely affect the competitiveness of Terminals 25/30 and 46 and the Port's competitive position on the West Coast. As Exhibit PI-27 indicates, Terminal 30 (including former Terminal 25) and Terminal 46 together account for about one third of the Port's terminal space, effective capacity, and expected future throughput. Stadium District traffic conditions that left these terminals less than fully competitive would handicap the Port and reduce its potential for economic development. These risks could not be quantified in this report.

Exhibit PI-27: Port of Seattle Container Terminals

| Terminal | Total Lease | Total Container Yard Area | Future Increase in Terminal Area | Future Total CY | % Port Terminal Acreage | Throughput Proportional To CY Area |
|--------------|-------------|---------------------------|----------------------------------|-----------------|-------------------------|------------------------------------|
| T-5 | 158 | 130 | 24 | 154 | 32% | 1,105,900 |
| T-18 | 194 | 174 | | 174 | 36% | 1,250,200 |
| T-30 | 70 | 62 | 16 | 78 | 16% | 560,600 |
| T-46 | 88 | 81 | | 81 | 17% | 583,300 |
| Total | 510 | 448 | 40 | 488 | 100% | 3,500,000 |

Source: Port of Seattle, May 2013. [E-mail from Jasmin Contreras to Geri Poor, May 7, 2013] + expansion areas at T-5 & T-30

Terminal 46 is operated by Total Terminals International (TTI) and is served by Hanjin, COSCO, "K" Line, Yang Ming, and MSC (per port website 6/18/13). Yang Ming, Hanjin, COSCO, and "K" Line are in a vessel sharing agreement that also

calls at the Olympic and Husky Container Terminals at Tacoma (Exhibit PI-24). Carriers or their customers are, thus, readily able to shift cargo to Tacoma in response to increased cost or reduced reliability at T-46.

Terminal 30 (including the former T-25, converted by an internal bridge) is currently served by China Shipping and United Arab Shipping (UASC) and operated by SSA (which also operates T-18). This terminal is lightly used at present, but its capacity will be needed as cargo grows.

Container-by-container cargo loss to other ports is difficult to predict as it depends on case-by-case decisions by importers and exporters, and on contractual obligations to ports and terminal operators.

There are relatively few major ocean carriers. With a small number of decision makers their port and terminal choices cannot be modeled statistically, nor can the risks to the Port of Seattle be accurately quantified. The potential risk depends as much or more on the industry's *perception* of Terminals 30 and 46' competitiveness than on objective analysis.

One serious potential risk to the Port of Seattle would be a carrier decision to shift significant intermodal rail volume from BNSF SIG or UP Argo to one of the on-dock transfer facilities at Tacoma or to the Port of Vancouver. The Olympic and Husky Terminals at Tacoma used by Yang Ming, Hanjin, "K" Line, and COSCO both have on-dock rail service. All of the T-46 and T-30 carriers (except UASC) also call at Vancouver, BC terminals with on-dock rail capabilities. If access to the North Gate at SIG becomes unreliable, these carriers could shift intermodal rail traffic within existing vessel calls. As noted above, Seattle also competes with other North American West Coast ports for intermodal cargo, and could even be in competition with some East Coast ports. While shifting cargo to these other entry and exit ports would be more difficult than shifting to Tacoma or Vancouver, such shifts are possible in the long run.

The most serious potential risk to the Port of Seattle would be the loss of service to T-46, T-30, or both. As noted, most of these carriers already call at Tacoma and Vancouver terminals. Although the terms and details of carrier commitments and terminal leases are confidential, the 2012 shift of the Grand Alliance demonstrated the ability of carriers to shift when circumstances are favorable.

An actual shift would significantly reduce cargo through the Port of Seattle and shift revenue and jobs to Tacoma or Vancouver. The threat of a shift would likely reduce long-term Port of Seattle and terminal operator revenue as a result of lower negotiated rates.

The dollar impact of Port truck delays is very small in relation to total Port transportation activity. The Port of Seattle, however, is facing intense competition from other Pacific Northwest ports for both cargo and carrier vessel calls. The scope of that competition is expected to expand with the completion of larger Panama Canal locks in 2015. To the extent that higher trucking costs and reduced trucking reliability adversely affect customer and carrier perceptions, the Port's competitive position could be diminished and the threat of carrier or cargo diversion increased. While that risk cannot be reliably quantified, the realities of port competition and the importance of customer and carrier perceptions suggest that appropriate measures to minimize the adverse impacts be considered.

Recommendations

The risks associated with adverse industry perceptions of Port of Seattle terminals suggest that appropriate measures be considered to both minimize truck delays and signal Port and City commitment to efficient cargo operations. While direct

traffic delay costs are small relative to total port activity, the potential impacts to the Port of Seattle, port truckers, terminal operators, importers, and exporters, described above, suggest the value of measures to reduce the traffic effects of arena and multi-revenue events could be significant.

The emphasis placed above on movement reliability implies a priority need to keep routes open for the high-volume movements most likely to be seriously delayed or interrupted:

- ▶ Trips between T-25/30/46 and the I-90 and I-5 freeways (Exhibit PI-9).
- ▶ Trips between all marine terminals and the BNSF SIG North Gate (Exhibit PI-10).

Protected access to the freeways might be maintained either by facilitating truck movements on S. Atlantic St./Edgar Martinez Way through the arena/stadium area, or, perhaps more realistically, by insuring that trucks can move expeditiously along E. Marginal Way between the S. Atlantic Ave./Alaskan Way intersection and SW Spokane Street. Keeping E Marginal Way open and fluid during event peaks would have the added benefit of facilitating:

- ▶ Movement between T-25/30/46 and the SIG South Gate, Argo Yard, and the southern Duwamish MIC.
- ▶ Movements between T-25/30/46 and the SODO area via S. Horton.
- ▶ Movements between T-5/18 and the SIG South Gate via S. Hanford.

Measures to maintain fluidity for truck traffic on E. Marginal Way may also include improvements to the intersections at S. Hanford (Exhibit PI-16, accessing the SIG South Gate), S. Horton (Exhibit PI-13, accessing the SODO area), and SW Spokane (accessing the freeways).

The vulnerability and complexity of traffic moving on the west end of S. Atlantic St. between Alaskan Way and 1st Ave. implies a potential need for event-period traffic control measures. A combination of manual traffic control and selective diversions may be able to protect the ability of port trucks to move between the SIG North Driveway and Alaskan Way during the 4–8 PM peak pre-event congestion periods. Manning the intersections at Alaskan Way and S. Atlantic, S. Atlantic and the North SIG Driveway, and the “Little h” ramp may be required to control the traffic.

These and other measures would likely be most effective if combined with a system of notices for event-related detours and traffic controls. Drayage firms and their drivers are generally responsive and resourceful. Given timely notice both the firms and the drivers would be better able to plan their trips to either avoid the affected periods or operate most efficiently during those periods.

Non-Port Truck Impacts

Overview

The development of the proposed Seattle arena on the SoDo site (Alternative 2 in the Seattle Arena Draft EIS - DEIS) is expected to result in traffic delays to both port and non-port trucks. Delays to port trucks were analyzed in a separate working paper.

Less is known about the non-port trucks. The main information source regarding non-port trucks is the traffic analysis presented as Appendix E to the DEIS. That Appendix contains extensive intersection truck counts, which have been supplemented and updated in separate data compilations made available by Transpo. Tioga subtracted the estimates for 2030 port trucks from the 2030 estimates for all trucks to derive a set of 2030 counts for non-port trucks. A sample of these intersection counts is shown in Exhibit PI-26. Because counts were taken at multiple locations along major routes, it is likely that trucks passing over most or all of the route are counted at multiple intersections.

Exhibit PI-28: Sample of DEIS Daily Intersection Counts

| All Trucks (2030, subtracting ROS) | | | | | | | | |
|------------------------------------|-------------------------------|----|----|----|-----|-----|-----|-------|
| Int | | EB | WB | NB | SB | SEB | NWB | Total |
| 1 | 1ST AVE AND MADISON ST | 0 | 23 | 21 | 19 | | | 63 |
| 2 | 1ST AVE S AND RAILROAD N W | 28 | 0 | 35 | 16 | | | 78 |
| 3 | 1ST AVE S AND S MAIN ST | 0 | 0 | 19 | 10 | | | 29 |
| 4 | 1st Ave S/ S Massachusetts St | 9 | 1 | 67 | 73 | | | 150 |
| 5 | 1st Ave S/S Atlantic St | 36 | 32 | 42 | 42 | | | 152 |
| 6 | 1st Ave S/S Holgate St | 0 | 5 | 74 | 102 | | | 181 |

Source: Supplemental data provided by Transpo

Cordon Entry Points

To avoid double-counting trucks that pass through multiple study intersections, Tioga attempted to define “cordon entry points” as shown in Exhibit PI-30. Truck trips into the SoDo study area through these points would not ordinarily be duplicated by other inbound trips. This approach, however, may miss truck trips wholly within the SoDo area, e.g. deliveries from a SoDo origin to a SoDo destination.

With the SoDo area bounded by E Marginal Way/Alaskan Way on the west, S Spokane St. on the South, and I5 on the east, there are relatively few arterial streets on which a significant volume of trucks passes to or from the area. Exhibit PI-30 shows the intersections and counts in the DEIS that most closely correspond to cordon points, and the total by direction.

- ▶ On the North, S Jackson forms an effective northern boundary, with 1st Ave S, 2nd Ave S, 5th Ave S, and 6th Ave S providing access. Southbound access is also provided from the I-90 off ramp on Edgar Martinez Way. The DEIS shows a total of 340 southbound truck counts at those intersections.
- ▶ On the East, I-5 and Airport Way S form the boundary, with S Forest St, S Holgate St, S Royal Brougham Way, S Dearborn St, and S Jackson St providing access. The DEIS shows a total of 168 westbound truck counts at those intersections.

- ▶ On the South, Access is via 1st Ave S, 4th Ave S, and 6th Ave S as they cross S Spokane St. The DEIS shows a total of 240 northbound truck counts at those intersections. Northbound trucks (185) also come into the area from Airport way S at 5th and Dearborn
- ▶ On the West, E marginal Way/Alaskan Way S form the boundary, with access at S Hanford St, S Atlantic St, and S Royal Brougham St. The DEIS shows a total of 176 westbound truck counts at those intersections.

Exhibit PI-29 summarizes these counts. The truck movements in pre-event hours will be affected. Freight trucks in urban areas typically concentrate their movements in a 12-hour span from about 6 AM to 6 PM, corresponding to commercial business hours. Exhibit PI-29 anticipates that those trucks will be evenly spread over the 12 hour spans, and that two hours, 4-6 PM, will see the major event impacts. Accordingly, Exhibit PI-27 allocates one sixth of the total to the affected 4-6PM pre-event period.

Exhibit PI-29: Summary of Estimated Non-Port Truck Trips to/from SoDo Area

| Int | EB | WB | NB | SB | SEB | NWB | Total |
|----------------------------------------------|------------|------------|------------|------------|----------|------------|--------------|
| Non-Port Truck Cordon Entries - Daily | 176 | 168 | 240 | 340 | 0 | 185 | 1,109 |
| Non-Port Truck Cordon Entries - 4-6PM | 29 | 28 | 40 | 57 | 0 | 31 | 185 |

Source: Seattle Arena Draft EIS, Toga Analysis

Exhibit PI-30: SoDo Truck Entry Cordon Points and Counts

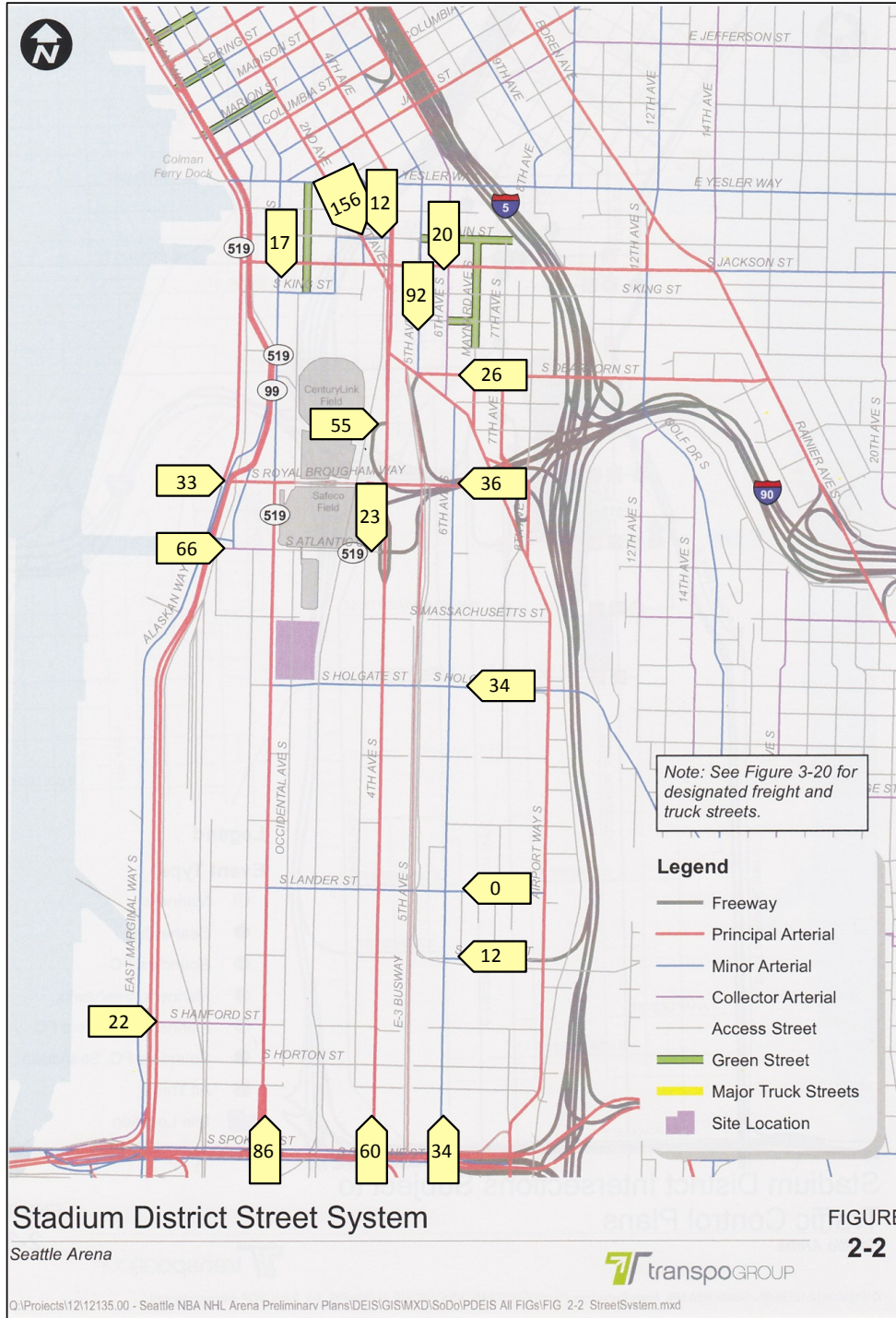


Exhibit PI-31: Study Area Non-POS Truck Counts

| All Trucks (2030, subtracting POS) | | | | | | | | |
|----------------------------------------------|-----------------------------------------|-------------|-------------|-------------|-------------|----------|------------|--------------|
| Int | | EB | WB | NB | SB | SEB | NWB | Total |
| 1 | 1ST AVE AND MADISON ST | 0 | 23 | 21 | 19 | | | 63 |
| 2 | 1ST AVE S AND RAILROAD N WAY S | 28 | 0 | 35 | 16 | | | 78 |
| 3 | 1ST AVE S AND S MAIN ST | 0 | 0 | 19 | 10 | | | 29 |
| 4 | 1st Ave S/ S Massachusetts St | 9 | 1 | 67 | 73 | | | 150 |
| 5 | 1st Ave S/S Atlantc St | 36 | 32 | 42 | 42 | | | 152 |
| 6 | 1st Ave S/S Holgate St | 0 | 5 | 74 | 102 | | | 181 |
| 7 | 1st Ave S/S Jackson St | 0 | 21 | 21 | 17 | | | 59 |
| 8 | 1st Ave S/S Lander St | 8 | 51 | 57 | 81 | | | 197 |
| 9 | 1st Ave S/S Royal Brougham Wy | 33 | 9 | 43 | 38 | | | 123 |
| 10 | 1st Ave S/S Spokane St | 109 | 34 | 86 | 93 | | | 322 |
| 11 | 1st Ave S/Yesler Wy | 22 | 14 | 22 | 8 | | | 66 |
| 12 | 2ND AV ET S AND S MAIN ST | 17 | 0 | 0 | 91 | 150 | 0 | 108 |
| 13 | 2ND AVE AND YESLER WAY | 13 | 0 | 0 | 196 | | | 210 |
| 14 | 2nd Ave S Ext/S Jackson St | 23 | 19 | 3 | 156 | | | 201 |
| 15 | 2nd Ave S/S Jackson St | 9 | 24 | 11 | 12 | | | 56 |
| 16 | 4TH AVE S AND S MAIN ST | 23 | 20 | 328 | 0 | | | 371 |
| 17 | 4th Ave S/Airport Wy S | 0 | 147 | 110 | 192 | | | 449 |
| 18 | 4th Ave S/I-90 WB Off Ramp | 55 | 0 | 71 | 143 | | | 269 |
| 19 | 4th Ave S/S Holgate St | 25 | 8 | 55 | 120 | | | 208 |
| 20 | 4th Ave S/S Jackson St | 32 | 77 | 278 | 0 | | | 387 |
| 21 | 4th Ave S/S Lander St | 38 | 34 | 72 | 99 | | | 243 |
| 22 | 4th Ave S/S Royal Brougham Wy | 8 | 80 | 26 | 154 | | | 269 |
| 23 | 4th Ave S/S Spokane St | 26 | 43 | 60 | 82 | | | 213 |
| 24 | 4th Ave S/S Weller St | 0 | 0 | 270 | 177 | | | 447 |
| 25 | 4th Ave/James St | 11 | 14 | 166 | 0 | | | 191 |
| 26 | 4th Ave/Madison St | 0 | 22 | 185 | 0 | | | 207 |
| 27 | 5th Ave S/Airport Way/S Dearborn St | 0 | 16 | 60 | 94 | 21 | 185 | 170 |
| 28 | 5th Ave S/S Jackson St | 47 | 48 | 64 | 92 | | | 251 |
| 29 | 5th Ave/James St | 9 | 18 | 0 | 31 | | | 58 |
| 30 | 6th Ave S/Airport Wy S | 74 | 36 | 98 | 0 | | | 208 |
| 31 | 6th Ave S/S Dearborn St | 10 | 26 | 8 | 6 | | | 50 |
| 32 | 6th Ave S/S Forest St | 1 | 12 | 22 | 26 | | | 62 |
| 33 | 6th Ave S/S Holgate St | 29 | 34 | 31 | 15 | | | 109 |
| 34 | 6th Ave S/S Jackson St | 53 | 59 | 2 | 20 | | | 134 |
| 35 | 6th Ave S/S Lander St | 37 | 21 | 29 | 15 | | | 102 |
| 36 | 6th Ave S/S Royal Brougham Wy | 38 | 18 | 134 | 51 | | | 241 |
| 37 | 6th Ave S/S Spokane St | 48 | 105 | 34 | 30 | 0 | 0 | 217 |
| 38 | 6th Ave/James St | 11 | 27 | 0 | 16 | | | 54 |
| 39 | 7th Ave S/S Dearborn St | 11 | 47 | 36 | 0 | | | 94 |
| 40 | 7th Ave S/S Jackson St | 53 | 48 | 12 | 2 | | | 114 |
| 41 | 8th Ave S/S Dearborn St | 50 | 58 | 0 | 5 | | | 112 |
| 42 | 8th Ave S/S Jackson St | 63 | 55 | 7 | 0 | | | 125 |
| 43 | Airport Wy S(NB)/S Royal Brougham Wy | 19 | 5 | 63 | 0 | | | 88 |
| 44 | Airport Wy S/S Holgate St | 12 | 0 | 12 | 93 | | | 117 |
| 45 | Airport Wy S/S Lander St | 21 | 0 | 13 | 80 | | | 114 |
| 46 | Airport Wy S/S Royal Brougham Wy | 52 | 31 | 0 | 55 | | | 138 |
| 47 | Atlantc St/ Occidental Ave S | 35 | 28 | 0 | 0 | | | 64 |
| 48 | Atlantc St/Colorado Ave | 56 | 35 | 12 | 13 | | | 116 |
| 49 | Atlantc St/E Frontage St | 66 | 83 | 0 | 45 | | | 194 |
| 50 | Atlantc St/E Marginal Wy | 4 | 30 | 75 | 21 | | | 130 |
| 51 | E-3 Busway/S Royal Brougham Wy | 92 | 61 | 84 | 24 | | | 261 |
| 52 | Edgar Martiez Dr / E Rg Garage | 22 | 18 | 0 | 0 | | | 40 |
| 53 | Edgar Martiez Dr / W Rg Garage | 22 | 18 | 0 | 0 | | | 40 |
| 54 | Hanford St/E Marginal Way | 22 | 28 | 62 | 63 | | | 175 |
| 55 | Holgate St/ Occidental Ave S | 22 | 12 | 2 | 2 | | | 39 |
| 56 | I-5 NB/S Dearborn St | 43 | 29 | 13 | 3 | | | 87 |
| 57 | I-5 SB/S Dearborn St | 37 | 26 | 0 | 23 | | | 86 |
| 58 | I-90 offramp / Edgar Martiez Dr | 27 | 3 | 0 | 19 | | | 48 |
| 59 | I-90 on-ramp/Edgar Martiez Dr/4th Ave S | 32 | 0 | 22 | 42 | | | 96 |
| 60 | Lander St/ Occidental Ave S | 36 | 53 | 1 | 3 | | | 93 |
| 61 | Maynard Ave S/S Dearborn St | 13 | 44 | 0 | 15 | | | 72 |
| 62 | Maynard Ave S/S Jackson St | 57 | 59 | 5 | 2 | | | 123 |
| 63 | Occidental Ave/Massachusetts St | 0 | 0 | 0 | 0 | | | 0 |
| 64 | Royal Brougham Way/ Occidental Ave S | 29 | 5 | 0 | 2 | | | 37 |
| Total | | 1782 | 1873 | 3023 | 2829 | | | 9507 |
| Non-Port Truck Cordon Entries - Daily | | 176 | 168 | 240 | 340 | 0 | 185 | 1,109 |
| Non-Port Truck Cordon Entries - 4-6PM | | 29 | 28 | 40 | 57 | 0 | 31 | 185 |

Source: Seattle Arena Draft EIS, Tioga Analysis

Exhibit PI-32 draws on the corridor delay analysis in the DEIS to derive average delays for northbound, southbound, eastbound, and west bound trucks. These estimates would likely correspond to a worst-case scenario, as not all the trucks will travel the full distance of the affected corridors. Exhibit PI-32 further assumes that Case S1 will occur 100 times annually, Case S2 10 times, and Case S3 once to derive an annual delay per truck trip on each route and directional average.

Exhibit PI-32: Corridor Delays vs. No-Action Alternative

| Corridor | Delay (minutes) vs. No-Action | | | | Annual Totals | |
|-------------------------------------------|-------------------------------|------------|------------|------------|---------------|----------|
| | Direction | Case S1 | Case S2 | Case S3 | Minutes | Hours |
| Annual Frequency | | 100 | 10 | 1 | | |
| 1st Ave S - Railroad Way S to S Horton St | NB | 4.6 | 7.0 | 5.8 | 539 | 9 |
| | SB | 1.2 | 1.4 | 1.5 | 133 | 2 |
| | Avg. | 2.9 | 4.2 | 3.6 | 336 | 6 |
| 4th Ave S - S King St to S Horton St | NB | 2.2 | 3.1 | 3.1 | 252 | 4 |
| | SB | 2.7 | 2.5 | 2.5 | 298 | 5 |
| | Avg. | 2.4 | 2.8 | 2.8 | 275 | 5 |
| | NB Avg. | 3.4 | 5.0 | 4.4 | 396 | 7 |
| | SB Avg. | 1.9 | 2.0 | 2.0 | 215 | 4 |
| S Atlantic St - I-90 to 1st Ave. S. | EB | 0.5 | 0.9 | 0.9 | 58 | 1 |
| | WB | 1.6 | 5.0 | 5.2 | 215 | 4 |

Source: Seattle Arena Draft EIS, Tioga Analysis

Exhibit PI-33 then applies the estimated cordon trip counts to the delays on each directional route type and uses an average cost of \$48 per hour (derived from the EPA SmartWay drayage model) to estimate the annual delay cost to truck operators.

Exhibit PI-33: Estimated Annual Delay and Cost to Non-POS Trucks @ \$48/hr.

| Annual Totals | | | | | |
|---------------|------------|----------|-------|------------|-----------------|
| | Minutes | Hours | Cost | Trips | Total Cost |
| NB | 396 | 7 | \$317 | 71 | \$22,441 |
| SB | 215 | 4 | \$172 | 57 | \$9,738 |
| EB | 58 | 1 | \$47 | 29 | \$1,370 |
| WB | 215 | 4 | \$172 | 28 | \$4,802 |
| | 137 | 2 | \$109 | | |
| Total | | | | 185 | \$38,351 |

Source: Seattle Arena Draft EIS, Tioga Analysis

Implications

The estimate in Exhibit PI-33 should reflect the additional cost to non-port freight trucking to and from the SoDo area as a result of event congestion. The actual additional cost will depend heavily on the actual pattern of truck trips and on the coping strategies adopted by truck drivers and dispatchers. Attempting to conduct “business as usual” during pre-event congestion would likely result in driver delays, added costs, and missed appointments. If truck operators chose to alter schedules and shipment patterns to avoid delays, they or their customers may incur other costs (e.g. overtime for shipping personnel) in the tradeoff.

As with the port trucks, potential recommendation measures would primarily consist of:

- ▶ Improved communications regarding upcoming events and traffic control measures to facilitate trucker operator planning.
- ▶ Traffic control measure or manning at critical intersections to keep trucks moving in congested pre-event hours.
- ▶ Selected upgrades to impacted intersections or alternate routes.

Real Estate and Land Use Analysis

The following section reviews the real estate context and performance near the proposed Seattle arena SoDo and Key Arena and Memorial Stadium sites. The Real Estate and Land Use section describes the current performance of real estate in the SoDo and Lower Queen Anne area, evaluates regulatory framework for development, reviews comparable sports venue case studies, and evaluates possible land use impacts from development of a new arena.

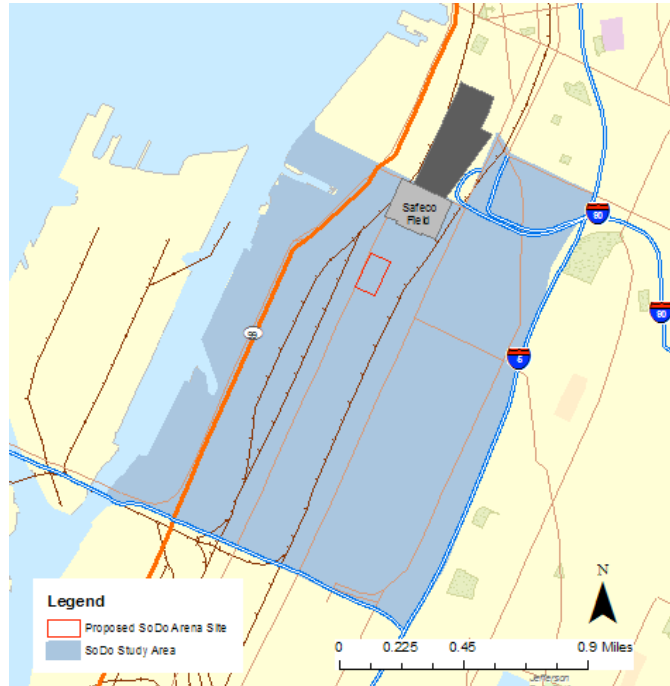
The real estate and land use section uses secondary proprietary data provided by CoStar to understand the current real estate inventory. CoStar is the nation's leading provider of commercial real estate information and maintains a comprehensive real estate database that is updated with regular calls to brokers, owners and developers of real estate product. Other secondary sources of data include InfoUSA and Hoovers Data business listings. Both these sources provide lists of existing businesses by industry category. Lists include additional information such as number of employees and estimated business revenues. Another secondary data source, LEHD OntheMap data is maintained by the US Census and provides small geography data on employment in place and by area of residence.

Secondary data sources were also supplemented with discussions with local industrial, retail, and residential real estate brokers working in the SoDo and Lower Queen Anne areas.

Real Estate and Land Use Study Areas

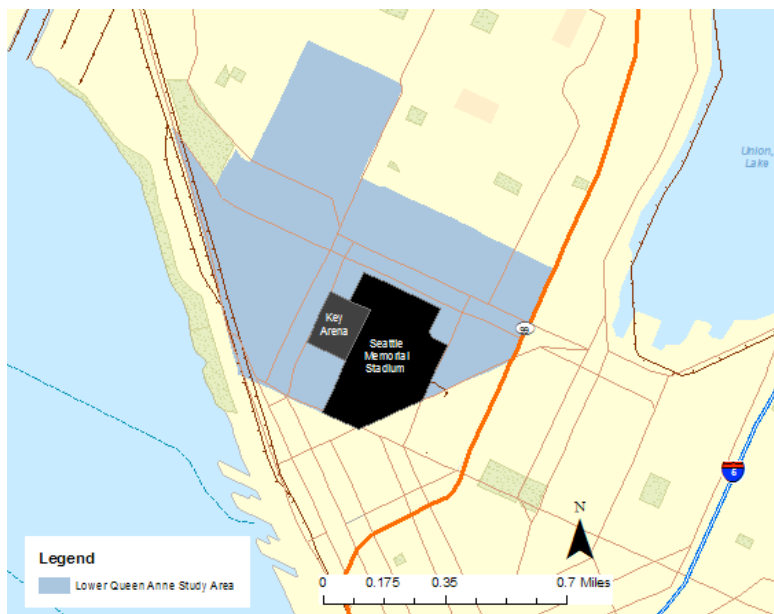
For purposes of this analysis, the study areas for the real estate and land use analysis include the SoDo Study Area for the proposed Seattle arena in SoDo and the Lower Queen Anne Study Area which includes the proposed Key Arena and Memorial Stadium sites. The City of Seattle Comprehensive Plan's Duwamish Manufacturing and Industrial Area generally extends from Royal Brougham on the north, south past Spokane Street to Brandon Street and is bounded by Elliott Bay on the west and the I-5 on the east. For this study, the SoDo Study Area was defined in line with the northern portion of the industrial area but is bounded by Spokane Street on the south. The City of Seattle Comprehensive Plan Uptown Urban Center was used to represent the Lower Queen Anne Study Area. The study areas are shown in the maps below.

Exhibit RE-1: Map of SoDo Study Area



Source: Pro Forma Advisors, City of Seattle, ESRI

Exhibit RE-2: Map of Lower Queen Anne Study Area

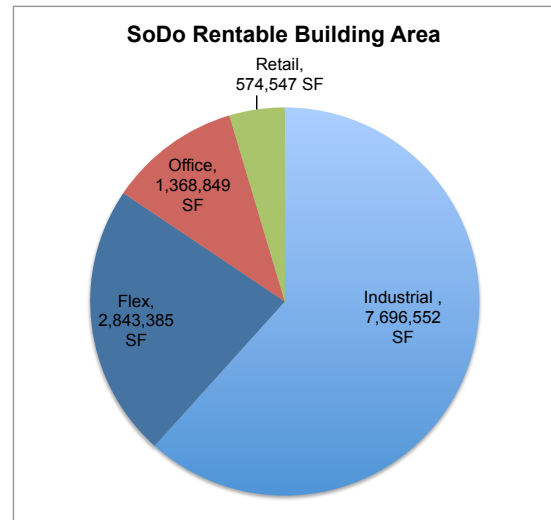


Source: Pro Forma Advisors, City of Seattle, ESRI

SoDo Study Area

The SoDo study area is made up primarily of industrial properties. As reflected in the pie chart below, industrial and flex space make up 84 percent of total commercial space within the SoDo study area. Office represents 11 percent of leasable space and retail only 5 percent.

SoDo stakeholders, including the nearby Port of Seattle, have concerns about the impact of a new proposed arena on industrial rents and property values in the SoDo area and, thus, the following analysis pays close attention to existing industrial trends with the previous sports venue additions of the Seattle Mariner's Safeco Field (opened July 1999) and the Seattle Seahawks' Century Link Field (opened July 2002). Real estate data is available only as far back as 2000 in most cases, so it is difficult to understand the direct impacts of the initial development of Kingdome and the addition of Safeco Field. However it is helpful to examine the overall changes in the study area across the last decade.



Industrial Trends

There currently is 7.7 million square feet of industrial rentable building area (RBA) in the SoDo study area. The table on the next page presents trend data for industrial properties within the SoDo study area.

Exhibit RE- 3: SoDo Study Area Industrial Trends

| Period | # Bldgs | Total RBA | Total Vacant SF | Total Vacant % | Occupied SF | Total Net Absorption | RBA Delivered | RBA Under Const | Total Average Rate |
|--------|---------|-----------|-----------------|----------------|-------------|----------------------|---------------|-----------------|--------------------|
| 2000 | 302 | 9,141,122 | 517,229 | 5.6% | 8,653,482 | -63,026 | 0 | 0 | \$5.58 |
| 2001 | 298 | 9,057,122 | 518,976 | 5.7% | 8,559,147 | -98,252 | 0 | 0 | \$7.48 |
| 2002 | 285 | 8,837,355 | 628,030 | 7.1% | 8,250,237 | -282,157 | 0 | 0 | \$6.83 |
| 2003 | 280 | 8,592,102 | 682,825 | 7.8% | 8,013,011 | -227,773 | 0 | 7,518 | \$5.82 |
| 2004 | 276 | 8,534,697 | 587,229 | 6.8% | 7,986,845 | 21,508 | 7,518 | 5,460 | \$6.14 |
| 2005 | 271 | 8,197,299 | 336,664 | 4.1% | 7,890,298 | -108,968 | 21,460 | 0 | \$6.43 |
| 2006 | 272 | 8,207,989 | 268,923 | 3.3% | 7,933,721 | 100,576 | 10,690 | 0 | \$7.39 |
| 2007 | 270 | 8,160,502 | 225,720 | 2.8% | 7,957,829 | 63,801 | 0 | 0 | \$9.68 |
| 2008 | 270 | 8,160,502 | 177,622 | 2.2% | 7,982,881 | -104,236 | 0 | 0 | \$11.72 |
| 2009 | 267 | 8,022,585 | 292,238 | 3.6% | 7,767,327 | -269,290 | 0 | 16,500 | \$9.58 |
| 2010 | 265 | 7,884,525 | 286,693 | 3.6% | 7,589,582 | -155,708 | 16,500 | 0 | \$9.01 |
| 2011 | 261 | 7,716,352 | 431,789 | 5.5% | 7,394,743 | -214,927 | 0 | 0 | \$7.98 |
| 2012 | 260 | 7,696,552 | 404,658 | 5.3% | 7,296,845 | 3,868 | 0 | 0 | \$8.14 |
| 1Q2013 | 260 | 7,696,552 | 338,501 | 4.4% | 7,358,051 | 53,341 | 0 | 0 | \$8.59 |

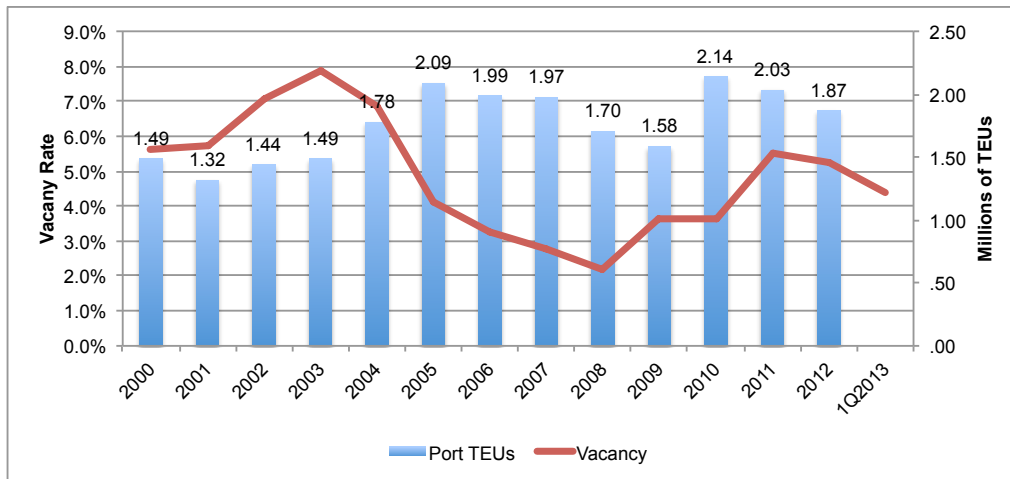
Source: CoStar

Vacancy

The performance of SoDo industrial businesses and properties are historically related the import and export volumes at the Port of Seattle. The figure below plots Port volumes (TEU's of imports and exports thought the Port) and vacancy rates of the industrial properties within SoDo.

The average industrial vacancy rates was a low 4.8 percent between 2000 and 2013. As to be expected vacancy rates have fluctuated inline with the productivity of the Port, though lagged by a year or two. Vacancy rates were approximately 5.6 percent in 2000 and rose to a peak of 7.8 percent in 2003. Throughout the 90's, Port volumes ranged between 1.45 and and 1.5 million TEUs, but fell to 1.3 million in 2001. Between 2001 and 2005 volumes grew briskly to 2.1 million TEUs. With the higher level of port cargo, occupancy increased and industrial vacancies fell to a low of 2.0 percent in 2008 before inching up slowly again.

Exhibit RE- 4: Port of Seattle Historical Import & Export Volume and SoDo Industrial Vacancy Rates



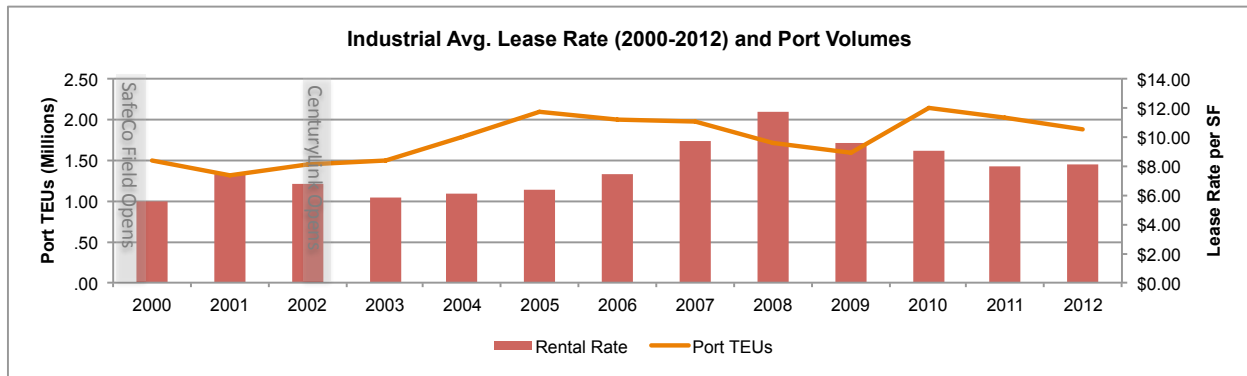
Source: Port of Seattle Marine Terminal Information System and CoStar

Lease Rates

Rental rates have grown from an annual average of \$5.60 per square foot of RBA, triple net, to a current rate of \$8.60 per square foot of RBA triple net, an increase of approximately 50 percent between 2000 and 2013. SoDo's rental rates were always at a premium to the overall MSA, which currently has an average lease rate of \$6.01 per square foot triple net, but this premium has grown from 10 percent to a premium of 40 percent above the MSA between 2000 and the 1Q2013. Between 2000 and 2005, with the development of Safeco and Century Link Fields SoDo lease rates still averaged \$6.50.

Rates grew substantially, starting in 2005, even as Port traffic began to fall. This growth in rates was likely due to general economic pressures as downtown users started to expand into the SoDo area.

Exhibit RE-5: SoDo Industrial Average Lease Rate and Port Volumes



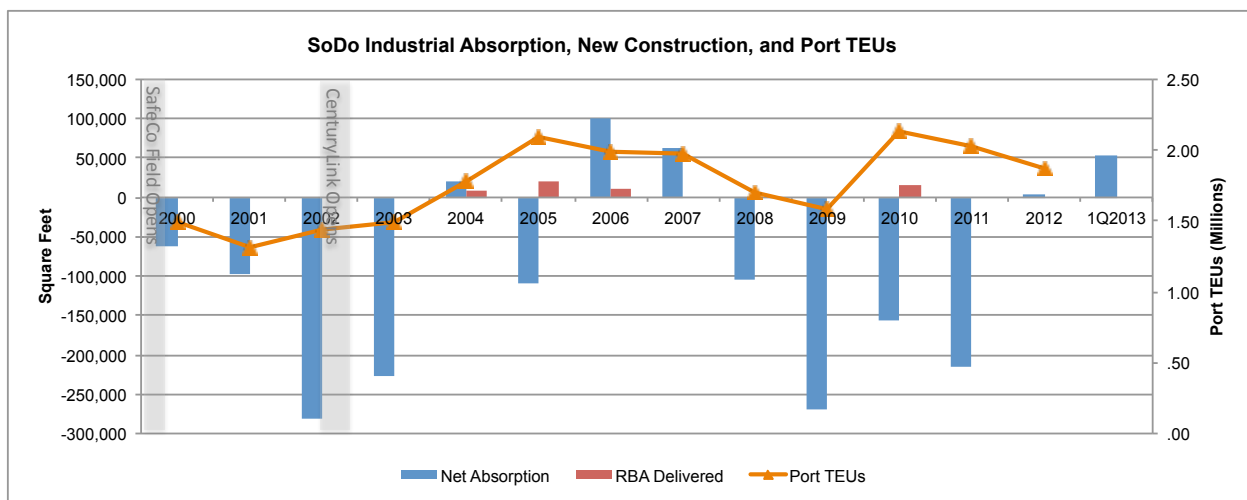
Source: CoStar and Pro Forma Advisors

Net Absorption

Net absorption is a measure of change in the amount of space occupied during a period. A positive net absorption means more space was leased than released and a negative net absorption means that more space was vacated than leased.

Between 2000 and 2013 1.3 million square feet of industrial space was vacated in the SoDo study area. As presented in the chart below, 2002 and 2003 had substantial negative absorption as well as between 2008 and 2011. The negative absorption in 2002 and 2003 follows the drop in Port cargo between 2000 and 2002 and overall slump in the economy. The negative absorption in 2008 and 2009 is also inline with a drop in Port cargo between 2008 and 2009, but as the Port recovered and rental rates grew there was additional negative absorption. This negative absorption also accounts for the removal of approximately 440,000 square feet of industrial space from the market during this period.

Exhibit RE-6: SoDo Industrial Absorption, Construction and Port TEUs



Source: CoStar

Change in Industrial Inventory

Only 56,000 square feet of new industrial space has been delivered to the market between 2000 and 2013.

During the same period, 42 buildings have been removed from the stock and total industrial space has contracted by 1.44 million, a total change of 16 percent. Almost half of the removed spaces are north of Edgar Martinez Drive⁹.

Many of these properties, 550,000 square feet, were removed in 2000 - 2003 which coincides with the development of CenturyLink Field, but also coincides with the 2000 Dot.com bust and a period where the Ports TEU's fell by 22 percent between 2000 and 2002. However, when Port volumes increased in 2005, development pressure on industrial space continued.

The SoDo industrial brokers interviewed all agreed that the SoDo has been losing industrial space, with at least one suggestion that this trend has been occurring for over 25 years. **Real estate brokers suggest that property values and rents have become expensive in the area due to the development and economics of Seattle as a whole, rather than as a direct result of the development of the sports venues within the SoDo neighborhood.** Industrial businesses are moving to Kent Valley because they need cheaper rents, greater acreage and because the area is equidistant from Tacoma and Seattle.

When asked how the development of existing stadiums changed the nature of the industrial market of North of Spokane Street several industrial brokers conveyed that not much of the change in the area was due to the stadiums and instead suggested that new development such as the Starbucks corporate office relocation to the Old Sears Building in 1993, the opening of the 107,000 square foot Home Depot retail store in 1992/1993 and the the school district headquarters relocation were greater catalysts for change. A number of brokers also mentioned that the light rail impacted the area, one mentioning how the light rail negatively impacted local businesses because it was at grade and a second describing how the light rail provided better access to the area and increased the area's intrinsic property value.

Industrial Flex Trends

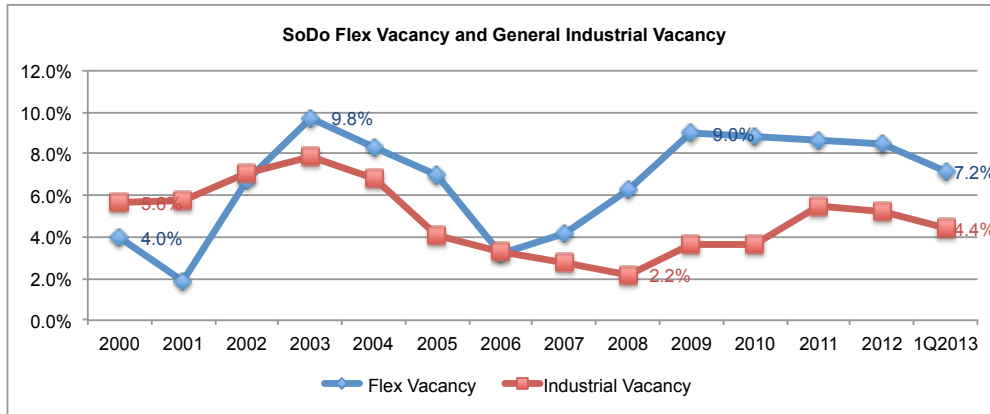
CoStar reports 2.84 million square feet of flex space. Flex space is defined by CoStar as an industrial building designed to be versatile. The building "may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses".

The performance of flex space follows that of industrial. However, with the combination office and industrial uses, lease rates are higher for flex space. As a result vacancy rates have been higher as well. Four new flex buildings were delivered within the SoDo study area, containing 54,000 square feet of flex space between 2000 and 2012.

The following charts show the vacancy and lease rates of industrial flex spaces, relative to general industrial vacancy and lease rates.

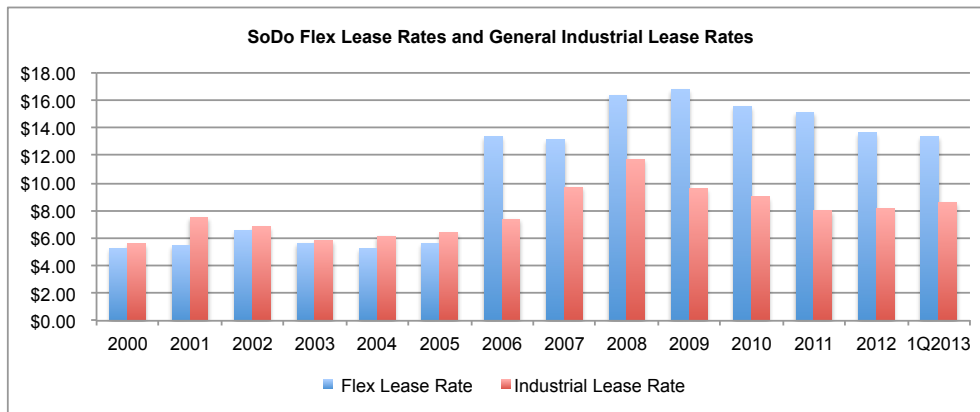
⁹ Approximately 440,000 square feet of industrial space was demolished at the Safeco Fields site. CenturyLink Field was built on the former Kingdome site.

Exhibit RE-7: SoDo Flex Vacancy and General Industrial Vacancy



Source: CoStar and Pro Forma Advisors

Exhibit RE-8: SoDo Flex Lease Rates and General Industrial Lease Rates



Source: CoStar and Pro Forma Advisors

Exhibit RE- 9: SoDo Study Area Industrial Flex Trends

| Period | # Bldgs | Total RBA | Total Vacant SF | Total Vacant % | Occupied SF | Total Net Absorption | RBA Delivered | RBA Under Const | Total Average Rate |
|--------|---------|-----------|-----------------|----------------|-------------|----------------------|---------------|-----------------|--------------------|
| 2000 | 19 | 2,811,104 | 111,170 | 4.0% | 2,699,934 | -140,970 | 0 | 0 | \$5.24 |
| 2001 | 19 | 2,811,104 | 52,975 | 1.9% | 2,758,129 | 69,870 | 0 | 0 | \$5.48 |
| 2002 | 19 | 2,811,104 | 188,931 | 6.7% | 2,622,173 | -46,577 | 0 | 0 | \$6.54 |
| 2003 | 19 | 2,811,104 | 274,273 | 9.8% | 2,536,831 | -152,507 | 0 | 23,143 | \$5.64 |
| 2004 | 20 | 2,834,247 | 235,282 | 8.3% | 2,598,965 | 85,323 | 23,143 | 0 | \$5.22 |
| 2005 | 20 | 2,834,247 | 198,239 | 7.0% | 2,636,008 | 85,107 | 0 | 0 | \$5.63 |
| 2006 | 20 | 2,834,247 | 91,510 | 3.2% | 2,742,737 | 27,744 | 0 | 0 | \$13.40 |
| 2007 | 21 | 2,848,025 | 118,844 | 4.2% | 2,718,847 | -14,017 | 13,778 | 0 | \$13.14 |
| 2008 | 22 | 2,860,025 | 178,613 | 6.3% | 2,675,412 | -90,253 | 12,000 | 0 | \$16.38 |
| 2009 | 22 | 2,860,025 | 256,543 | 9.0% | 2,603,482 | -54,664 | 0 | 5,200 | \$16.76 |
| 2010 | 22 | 2,843,385 | 251,307 | 8.8% | 2,590,779 | 14,041 | 5,200 | 0 | \$15.58 |
| 2011 | 22 | 2,843,385 | 246,371 | 8.7% | 2,597,014 | 2,075 | 0 | 0 | \$15.13 |
| 2012 | 22 | 2,843,385 | 241,065 | 8.5% | 2,602,320 | 29,963 | 0 | 0 | \$13.64 |
| 1Q2013 | 22 | 2,843,385 | 203,632 | 7.2% | 2,639,753 | 13,514 | 0 | 0 | \$13.41 |

Source: CoStar and Pro Forma Advisors

Industrial Properties

The following section analyzes the characteristics of the industrial properties in the SoDo area. For comparative purposes, we also include data from the broad Duwamish MIC area. It should be noted that the Duwamish MIC area is inclusive of the SoDo properties.

Industrial properties within the SoDo area are characterized by older, smaller buildings and smaller lots. According to brokers, the area is getting smaller infill tenant types and, with the high occupancy rates in the area, the only available properties are “old and outdated”.

Several brokers have described the available industrial north of Spokane Street as less functional product for larger modern manufacturing and distribution operations because buildings are smaller, multi-story buildings and are not well configured for larger uses. Newer manufacturing and distribution center industrial is typically 300,000 to 500,000 big box warehouses. While brokers describe how current industrial users are looking for buildings larger in size with truck access, trailer parking and more land, there are also a wide variety of industrial users who can take advantage of the smaller spaces within SoDo.

Industrial Building Types

CoStar categorizes industrial real estate by type. It should be noted that industrial type descriptions are based on the building as opposed to the specific use, i.e. it is possible for a manufacturer to work out of a building categorized as a warehouse. Nonetheless, the data presents useful information about the types of industrial real estate in the area and their general use.

Approximately two-thirds of the buildings in the SoDo study area are categorized as warehouse buildings and 28 percent categorized as manufacturing. The larger Duwamish MIC has a greater variety of building types including distribution and refrigerated/cold storage buildings. Almost half of the truck terminals are located in the SoDo study area, but the buildings are smaller than throughout the rest of the Duwamish MIC. SoDo study area truck terminals make up 22 percent of the total truck terminal space in the Duwamish MIC.

Exhibit RE-10: Industrial Building Type

| Industrial Type | SoDo Study Area | | | Duwamish MIC | | |
|----------------------------|-----------------|------------------------------|--------------|--------------|-----------|--------------|
| | Properties | Rentable Building Area (RBA) | Share of RBA | Properties | RBA | Share of RBA |
| Distribution | | | | 10 | 1,103,054 | 4% |
| Food Processing | | | | 1 | 7,485 | 0% |
| Manufacturing | 59 | 2,163,452 | 28% | 259 | 9,986,453 | 32% |
| Refrigeration/Cold Storage | | | | 7 | 836,972 | 3% |
| Service | 10 | 132,144 | 2% | 28 | 337,390 | 1% |
| Showroom | 3 | 34,488 | 0% | 5 | 83,262 | 0% |
| Truck Terminal | 13 | 405,448 | 5% | 27 | 1,811,570 | 6% |

| | | | | | | |
|---------------|------------|------------------|-------------|------------|-------------------|-------------|
| Warehouse | 174 | 4,952,020 | 64% | 589 | 16,269,437 | 52% |
| Not Available | 1 | 9,000 | 0% | 7 | 1,014,307 | 3% |
| Total | 260 | 7,696,552 | 100% | 933 | 31,449,930 | 100% |

Source: CoStar and Pro Forma Advisors

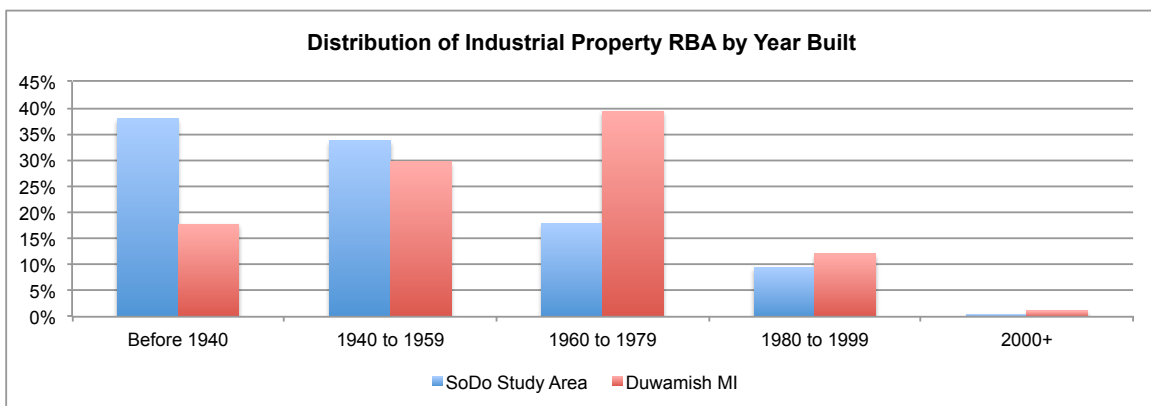
Building Age

The bulk of buildings within the study area were built between 1900 and 1960. Approximately 2.2 millions square feet of current stock was constructed after 1960. While a larger area, the complete MIC has almost eight times the amount of rentable building area, 16.6 million square feet, built after the 1960's relative to the SoDo area.

As shown, both in the SoDo Study Area and Duwamish MIC, older properties have higher vacancies than more recently built properties.

Exhibit RE-11: Industrial Buildings Year Built

| Year Built | SoDo Study Area | | | Duwamish MIC | | |
|---------------|-----------------|------------------|--------------|--------------|-------------------|--------------|
| | Properties | RBA | % Leased | Properties | RBA | % Leased |
| Before 1940 | 83 | 2,915,857 | 93.57 | 152 | 5,578,489 | 95.98 |
| 1940 to 1959 | 102 | 2,590,624 | 96.07 | 274 | 9,316,423 | 97.47 |
| 1960 to 1979 | 48 | 1,366,588 | 96.23 | 375 | 12,363,019 | 97.27 |
| 1980 to 1999 | 20 | 728,335 | 95.00 | 109 | 3,780,076 | 95.99 |
| 2000+ | 4 | 40,168 | 100.00 | 18 | 351,686 | 98.42 |
| Not Available | 3 | 54,980 | 100.00 | 5 | 60,237 | 80.00 |
| Total | 260 | 7,696,552 | 95.32 | 933 | 31,449,930 | 96.90 |



Source: CoStar and Pro Forma Advisors

Building Size

The table below presents industrial properties by size. In SoDo, the greatest amount of industrial space is in buildings that are 30,000 to 50,000 square feet in size, but 40 percent of all properties are smaller than 15,000 square feet. Approximately 70 percent of all properties are under 30,000 square feet.

In the Duwamish MIC, over 30 percent of all industrial space is found in 29 buildings that are larger than 150,000 square feet. 42 percent of rentable building space are in buildings larger than 100,000 square feet. Only 25 percent of rentable building area is in buildings smaller than 30,000 square feet.

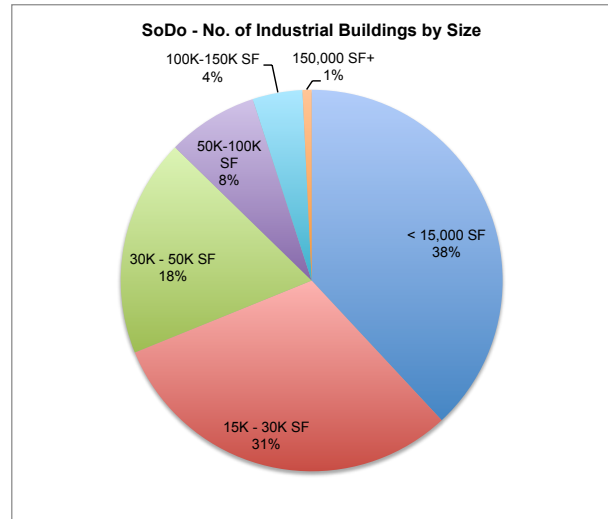
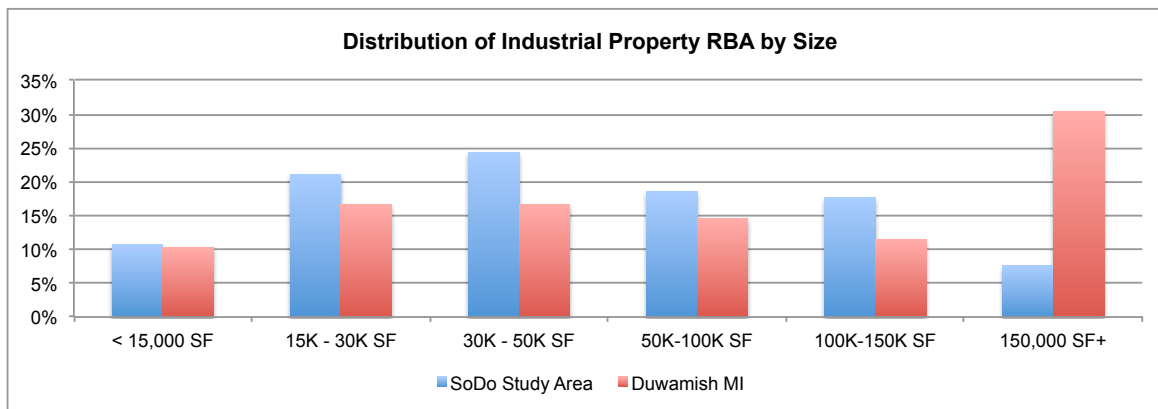


Exhibit RE- 12: SoDo and Duwamish MIC Industrial Properties by Size

| Rentable Building Area | SoDo Study Area | | | Duwamish MIC | | |
|---------------------------|-----------------|------------------|---------------|--------------|-------------------|---------------|
| | Properties | RBA | Avg. RBA | Properties | RBA | Avg. RBA |
| < 15,000 Square Feet (SF) | 99 | 823,053 | 8,314 | 418 | 3,255,835 | 7,789 |
| 15,000 - 30,000 SF | 80 | 1,627,875 | 20,348 | 252 | 5,223,476 | 20,728 |
| 30,000 - 50,000 SF | 48 | 1,876,151 | 39,086 | 137 | 5,227,876 | 38,160 |
| 50,000-100,000 SF | 20 | 1,426,281 | 71,314 | 67 | 4,572,054 | 68,240 |
| 100,000-150,000 SF | 11 | 1,356,035 | 123,276 | 30 | 3,613,225 | 120,441 |
| 150,000 SF+ | 2 | 587,157 | 293,579 | 29 | 9,557,464 | 329,568 |
| Total | 260 | 7,696,552 | 29,602 | 933 | 31,449,930 | 33,708 |



Source: CoStar and Pro Forma Advisors

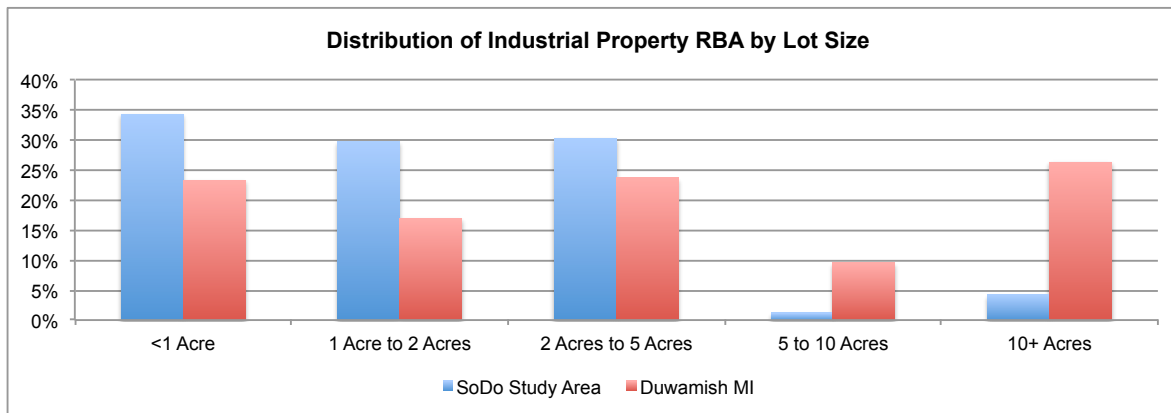
Industrial Property Lot Size

The table below shows the number of properties by lot size category and the average lot size. As shown in the table, in SoDo, while there are many more buildings on the lots smaller than an acre, total industrial space is fairly evenly split between lots of 1 acre or less, 1 to 2 acres, and lots 2 to 5 acres in size. Only 5 percent of RBA is located on acres of 5 acres are larger. In the Duwamish MIC, there is a much greater share of rentable building area on larger lots. 36 percent of the rentable building area is on lots that are 5 Acres or larger.

Exhibit RE- 13: Industrial Properties by Lot Size

| Lot Size | SoDo Study Area | | | Duwamish MIC | | |
|--------------------|-----------------|-----------|---------------|--------------|------------|---------------|
| | Properties | RBA | Avg. Lot Size | Properties | RBA | Avg. Lot Size |
| <1 Acre | 163 | 2,645,224 | 0.47 | 542 | 7,336,860 | 0.47 |
| 1 Acre to 2 Acres | 58 | 2,296,032 | 1.43 | 167 | 5,333,074 | 1.40 |
| 2 Acres to 5 Acres | 33 | 2,337,251 | 3.17 | 140 | 7,468,342 | 3.11 |
| 5 to 10 Acres | 2 | 92,017 | 6.59 | 37 | 3,022,995 | 6.30 |
| 10+ Acres | 4 | 326,028 | 10.59 | 47 | 8,288,659 | 194.94* |
| Grand Total | 260 | 7,696,552 | 1.23 | 933 | 31,449,930 | 11.09 |

*16 of the 10+ acre properties within the Duwamish MIC are on one 565 Acre parcel.



Source: Costar and Pro Forma Advisors

Office and Retail Developments

Office and retail space has been expanding in the SoDo area, but still only makes up less than 20 percent of commercial properties in the study area.

Office

Commercial office space is currently approximately 1.4 million square feet of office space in the SoDo study area. Of this space, approximately 30 percent, 440,000 SF, was constructed after 2000 and the majority in 2010 or after.

Exhibit RE-14: Office Building Development

| Year Built | No. of Buildings | Rentable Building Area (SF) |
|----------------------|------------------|-----------------------------|
| Before 2000 | 31 | 1,012,879 |
| 2000 - 2009 | 2 | 84,930 |
| 2010 - 2013 | 5 | 353,174 |
| Demolished Buildings | 4 | 82,134 |
| Total | 34 | 1,368,849 |

Source: CoStar and Pro Forma Advisors

The SoDo area was historically an industrial area, but in recent years growth from the downtown has spilled over to SoDo with creative and tech businesses looking for centrally located space in unique buildings. The corporate offices of Starbucks moved into the old Sears building in 1993 (whose lease is set to expire in 2015) and Zulily, the internet children's flash sale retail site moved into approximately 80,000 square feet near Starbucks in 2011. Much of the office conversion growth in the general vicinity has been north of Edgar Martinez Way/Atlantic Street on 1st Avenue and Occidental or around the Starbucks area, but since 2010 there have been a few buildings built south of Edgar Martinez Way.

Two major recent additions include the Stadium Innovations Center, a 170,000 square feet, 6-story LEED certified building built in 2010 and Home Plate Center. The Stadium Innovation Center was a speculative office building developed by American Life. Financed, at least in part, with less costly EB-5 investments, the office building had difficulty reaching full occupancy. Currently the building is approximately 60 percent leased. Home Plate Center Phase I, 1501 1st Avenue, is a 6-story approximately 150,000 square foot building currently under construction. Located at the southwest corner of Edgar Martinez Way and 1st Avenue (caddy corner to Safeco Field) this development is also reported at 60 percent leased.

Office absorption had not been particularly strong within the SoDo district before the development of the new properties in 2010, but absorption grew as developers looked to attract new businesses to the area with the larger Class A developments. Developers such as American Life are attempting to create a new office market within the SoDo area.

Exhibit RE-15: SoDo Office Trends

| Period | # Bldgs | Total RBA | Total Vacant SF | Total Vacant % | Occupied SF | Total Net Absorption | RBA Delivered | RBA Under Const | Total Avg. Rate |
|--------|---------|-----------|-----------------|----------------|-------------|----------------------|---------------|-----------------|-----------------|
| 2000 | 31 | 1,012,879 | 44,477 | 4.4% | 968,402 | -73,460 | 0 | 0 | \$13.62 |
| 2001 | 31 | 1,012,879 | 52,171 | 5.2% | 960,708 | -8,695 | 0 | 26,930 | \$15.16 |
| 2002 | 32 | 1,039,809 | 102,411 | 9.8% | 937,399 | -96 | 26,930 | 0 | \$13.29 |
| 2003 | 31 | 1,025,283 | 60,852 | 5.9% | 964,431 | 29,548 | 0 | 0 | \$14.43 |
| 2004 | 30 | 984,455 | 71,019 | 7.0% | 944,057 | -36,544 | 0 | 0 | \$10.74 |
| 2005 | 30 | 984,455 | 63,359 | 6.4% | 921,097 | -8,821 | 0 | 58,000 | \$13.68 |
| 2006 | 31 | 1,042,455 | 55,225 | 5.3% | 987,230 | 64,089 | 58,000 | 0 | \$15.06 |
| 2007 | 31 | 1,042,455 | 65,051 | 6.2% | 977,404 | 18,041 | 0 | 0 | \$19.58 |
| 2008 | 31 | 1,042,455 | 60,976 | 5.8% | 981,479 | -13,126 | 0 | 173,758 | \$19.88 |
| 2009 | 31 | 1,042,455 | 99,685 | 9.6% | 942,770 | -58,290 | 0 | 195,358 | \$22.64 |
| 2010 | 34 | 1,217,053 | 288,641 | 23.5% | 939,407 | 26,824 | 195,358 | 157,816 | \$23.52 |
| 2011 | 33 | 1,211,033 | 296,427 | 24.4% | 919,121 | -1,211 | 0 | 347,418 | \$24.49 |
| 2012 | 34 | 1,368,849 | 288,940 | 21.6% | 1,040,456 | 108,896 | 157,816 | 189,602 | \$30.52 |
| 1Q2013 | 34 | 1,368,849 | 251,793 | 18.4% | 1,117,056 | 58,722 | 0 | 189,602 | \$34.92 |

Source: CoStar

Exhibit RE-16: SoDo Retail Trends

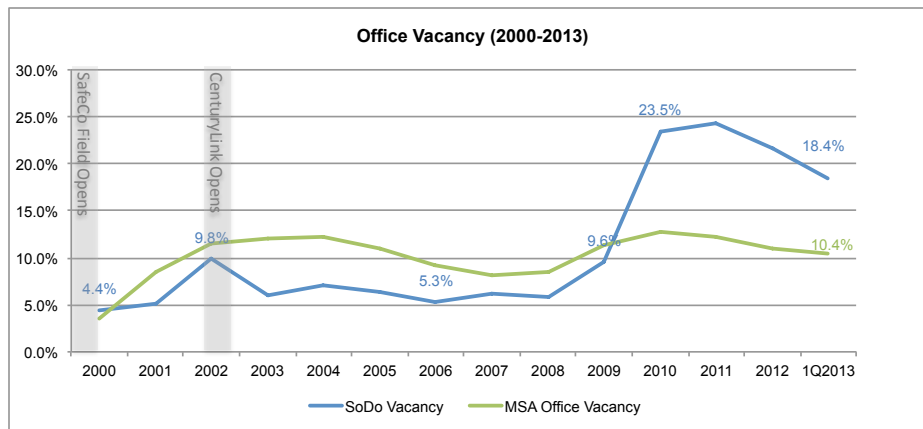
| Period | # Bldgs | Total RBA | Total Vacant SF | Total Vacant % | Occupied SF | Total Net Absorption | RBA Delivered | RBA Under Const | Total Avg. Rate |
|--------|---------|-----------|-----------------|----------------|-------------|----------------------|---------------|-----------------|-----------------|
| 2006 | 54 | 536,416 | 28,939 | 5.4% | 507,478 | -11,577 | 1,750 | 0 | \$12.53 |
| 2007 | 54 | 536,416 | 31,027 | 5.8% | 505,389 | 18,500 | 0 | 51,856 | \$13.65 |
| 2008 | 54 | 570,072 | 22,677 | 3.9% | 551,945 | 34,056 | 51,856 | 0 | \$17.47 |
| 2009 | 55 | 571,247 | 40,158 | 7.0% | 530,502 | -50,223 | 1,175 | 3,300 | \$18.47 |
| 2010 | 56 | 574,547 | 48,530 | 8.4% | 526,017 | 23,775 | 3,300 | 0 | \$16.27 |
| 2011 | 56 | 574,547 | 43,217 | 7.5% | 531,330 | 7,099 | 0 | 0 | \$15.63 |
| 2012 | 56 | 574,547 | 38,310 | 6.7% | 536,237 | 13,326 | 0 | 0 | \$15.67 |
| 1Q2013 | 56 | 574,547 | 27,525 | 4.8% | 547,022 | 0 | 0 | 0 | \$11.42 |

Source: CoStar

Rents and Vacancy

Between 2000 and 2013 the overall Seattle Office market had 42 million square feet of new office and absorbed only half of the new space, raising the vacancy rates throughout the market to an average of 10 percent. Vacancy rates within the SoDo study area were inline, but slightly better than the overall market in the early part of the last decade. However, the deliveries of new office space in 2010 made vacancy rates balloon from their previous decade average of 6.6 percent to vacancy rates above 20 percent.

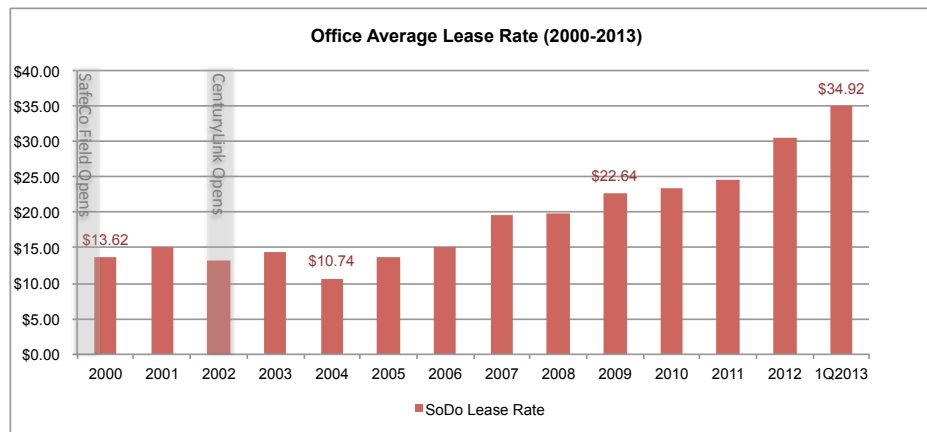
Exhibit RE-17: SoDo and MSA Office Vacancy



Source: CoStar and Pro Forma Advisors

While not part of Seattle's central business district, the SoDo area is part of the larger downtown office submarket. Average rental rates in the downtown submarket are \$29.06. In SoDo average rental rates have climbed from approximately \$14.00 in 2000 to almost \$35.00 in 2013. This is largely due to the new product available for lease in the area. It should be noted that given the high level of vacancies, lease rates are likely to be reduced.

Exhibit RE-18: SoDo Office Lease Rates



Source: CoStar and Pro Forma Advisors

Retail

The SoDo study area has approximately 575,000 square feet of gross leasable retail area in 56 buildings. The SoDo study area represents only 13 percent of the 5.8 million retail properties within the South Seattle downtown market.

Exhibit RE-19: Downtown South Seattle Retail Submarket 1Q2013 Snapshot

| Downtown S. Seattle Retail Submarket | Total Retail (1Q 2013) |
|--------------------------------------|------------------------|
| No. of Buildings | 665 |
| Total GLA | 5,770,145 |
| Vacancy (Total SF) | 203,040 |
| Vacancy Rate | 3.50% |
| YTD Net Absorption | 19,378 |
| Quoted Rate | \$16.78 |

Source: CoStar

Most of the retail in the area is general freestanding retail. There are three reported strip centers in the area, containing 40,000 square feet of retail. In addition to general retail there are two reported auto dealership properties that make up approximately 90,000 square feet of leasable space.

Limited historical information is available for retail (only back as far as 2006), but reviewing the date of construction on individual properties reveals that approximately, 76,000 square feet of retail space has been added since 2000. The bulk of which was the 50,000 square foot BMW Dealer at 1002 Airport Way. Three retail locations have opened near the corner of Holgate Street and 1st Avenue, Krispy Kreme (9,900 SF), a bank (3,000 SF) and the Walker Street building, bringing retail growth south.

Exhibit RE-20: SoDo Retail Building Development

| Year Built | No. of Buildings | Rentable Building Area (SF) |
|----------------------|------------------|-----------------------------|
| Before 2000 | 50 | 557,203 |
| 2000 - 2005 | 3 | 15,922 |
| 2005 - 2013 | 5 | 60,256 |
| Demolished Buildings | 2 | 58,834 |
| Total | 56 | 574,547 |

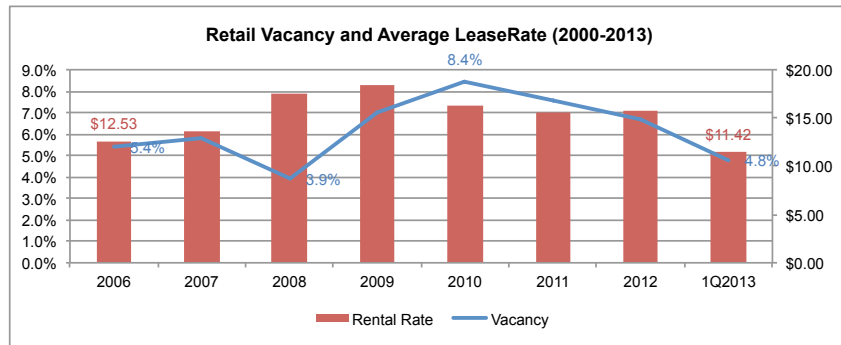
Source: CoStar and Pro Forma Advisors

Rent and Vacancy

Rental rates averaged almost \$16.00 between 2010 and 2013. Current rates are reported at \$11.40 per square foot, a drop from 2012. SoDo study area retail lease rates had been in line with the overall South Seattle downtown market, but are currently 30 percent lower than the average rate.

Between 2008 and 2010, 56,000 square feet of retail space was added, approximately 10 percent of the market. Vacancy rates were 5% in in 2006 and fell as low as 4 percent before the recession brought down consumer spending in the Seattle region. Vacancy rates inched up to 8.4 percent before falling back down to a current low of 5 percent.

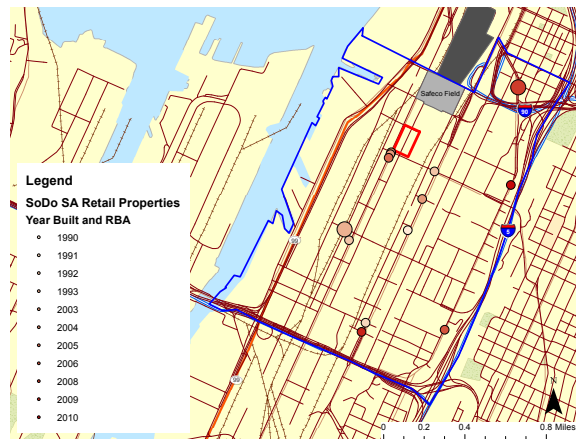
Exhibit RE-21: SoDo Retail Vacancy and Average Lease Rates



Source: CoStar and Pro Forma Advisors

Real estate brokers remind us that even before the development of Safeco and CenturyLink field many Stadium District supporting retail uses were already in place. The development of Kingdome (1976 - 2000) was the initial catalyst that turned the Stadium District area around from largely industrial to a semi-entertainment district, but generally north of Safeco. As shown in the maps, there has been growth in larger retail with the addition of the Home Depot and Starbucks on Utah Avenue. Smaller retail locations have grown along 1st Street near Holgate Avenue and interspersed along 4th Avenue. Also there has been growth of the auto dealerships closer to the freeway.

Exhibit RE-22: Retail Properties Built After 1990 and Sized by Rentable Building Area



Source: CoStar, ESRI, and Pro Forma Advisors

Residential

The SoDo study area is primarily a commercial area. There are currently no major residential projects within the SoDo study area and residential is expressly not permitted under the current zoning within the area.

Beyond SoDo Study Area

While there are no residential projects within the SoDo study area, there is a major project currently under construction north of CenturyLink Field worth noting. Phase I of the Stadium Place Project is currently under construction by developer the Daniels Real Estate Company, with project sponsor R.D. Merrill Company.

Located just west of King Street Station, a regional transit hub, and close to Union Station to the east and in a half-mile walking distance of the Washington State Ferry Terminals to Bremerton or Bainbridge Island, the Stadium Place Project is positioned as a transit-oriented development. In the Pioneer Square neighborhood and on the north edge of the Stadium District, commercial is positioned to meet the needs of both stadium event patrons as well as Pioneer neighborhood residents.

Phase I of the project includes 18,600 square feet of retail and two residential towers. Current conceptual plans for the project include a total of approximately 790 apartment units. Phase II of the project is planned to include a 23-story, 278-room hotel, and a proposed 170,000 square foot office building.

Rendering of Stadium Place Project

Source: Stadium Place Brochure, Daniels Real Estate Company.

While the strong downtown Seattle residential market may continue to put pressure to develop additional residential in the area., PFA concurs with feedback we received from real estate brokers that, even if allowed, residential units are not best suited for the SoDo area. In addition to the main factor that residential uses may be incompatible with existing industrial uses in the SoDo study area, the SoDo neighborhood also lacks the amenities and services, such as grocery stores, retail, neighborhood services and parks/open space, that are desirable to new residents.

Residential uses are more likely to occur on the north end of the Stadium Overlay District where there are better connections with downtown Seattle and residents can access the neighborhood-level amenities in Pioneer Square.

Planned and Proposed

SoDo Study Area

As shown below, there are only four recent permits for new construction developments over \$500,000 in value in the SoDo area. There are additional proposed projects within the SoDo area as well as additional projects smaller than \$500,000 or not considered new construction renovations. Key projects are described below.

Exhibit RE-23: New Construction Permits Issued

| Permit Type | Address | Description | Value | Issue Date | Expiration |
|--------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|------------|
| Construction | 1501 1ST AVE S | Construct New Mixed Use Building (Home Plate), shell and core permit only for B offices (levels 4 - 7), occupy per plan. | \$41,151,845 | 08/09/12 | 02/09/14 |
| Construction | 2025 AIRPORT WAY S | Construct auto sales showroom and service garage(Autohaus-Mercedes Benz of Seattle) and occupy, per plans | \$6,217,932 | 08/30/12 | 02/28/14 |
| Construction | 701 S DEARBORN ST | New construction of a maintenance shop for new 1st Hill streetcar alignment along with a new parking deck to relocate parking displaced by construction of maintenance shop. | \$6,000,000 | 05/18/12 | 11/18/13 |
| Construction | 2729 6TH AVE S | Establish use as and construct new mixed use building with surface parking/occupy per plan. | \$1,943,488 | 07/26/12 | 01/26/14 |

Source: City of Seattle Permit Database and Pro Forma Advisors

Home Plate Center. As described in the office section, Home Plate Center Phase I was recently completed and Home Plate Center Phase II is currently under construction. Developed by American Life Inc., the two buildings will include a total of approximately 300,000 square feet of office and were developed for approximately \$155 million. Phase I was completed in May 2012 and Phase II is to be completed in May 2013 with a projected stabilized occupancy June 2014.

Mercedes Benz Showroom and Auto Dealerships. The SoDo area has become a new growth area for auto dealers within Seattle. The area now includes BMW, Mercedes Benz and there also are plans for Toyota and Honda to also move their dealerships to locations at South Holgate and Airport Way South in SoDo as well.

First Hill Streetcar Maintenance Facility. Construction of a maintenance shop for the First Hill Streetcar, planned to open in Spring 2014, and a parking deck to replace displaced parking.

Proposed Arena Ancillary Development. In addition to the arena property, the arena Developer owns additional lands in the proposed SoDo arena site vicinity that may be redeveloped or renovated in the future.

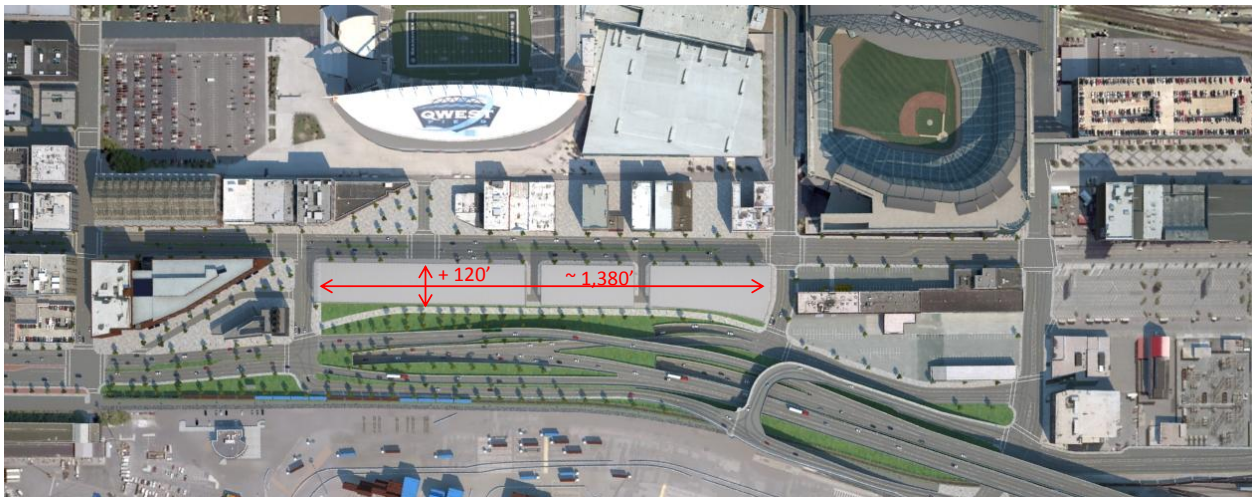
Beyond SoDo Study Area

Major projects within the vicinity of the proposed SoDo site, but outside of the SoDo Study area include the currently under construction Stadium Place and potential future development at the WOSCA site.

Stadium Place. As described above in the residential section Phase I of Stadium Place is currently under construction. Phase II will be developed with the market.

WOSCA Site. The WOSCA Site is a key opportunity site currently located within the current Stadium Transition Area Overlay District boundaries. The long, approximately 4 acre site, is located on the west side of 1st Avenue South between Railroad Way and Royal Brougham Way. A part of the site includes an industrial building while the balance is covered with the temporary alignment of SR-99. When the Alaskan Viaduct replacement project is completed the site will be freed for development. The City is currently working on a study of the Stadium District and development opportunities for this site are being considered as part of the study.

Exhibit RE-24: WOSCA Site



Source: City of Seattle, Stadium District Stakeholder Meeting Group #2 Presentation 03-26-13

Land Values

The table on the next page presents unimproved land in the SoDo area. CoStar reports 17 unimproved properties and only eight properties include recent sales information. Two of these properties have recently been improved or are currently under construction (the Stadium Innovation Center and Home Plate Center developments). Excluding these two properties there is a reported 46 acres of unimproved land.

There are a limited amount of recent land sales within the SoDo area. As shown, two earlier land purchases in 1998 and 2002 were approximately \$30 per square foot. Both of these land sales occurred while the Safeco Field and CenturyLink Field stadiums were under development.

Since 2008 there have been six land sales in the SoDo study area. During this period, land sales averaged \$120 per square foot. It should be noted that several of these sales were made by real estate investment firm called American Life who are the developer/owners of Home Plate Center and Stadium Innovation Center. The company purchased the land for these two development and also own land at 3100 S. Airport Way, the old Rainer Brewery. Excluding their land purchases, there were three sales since 2008 that averaged approximately \$96 per square foot.

Geographically, the three land sales south of Holgate Avenue averaged approximately \$104 per square foot and the three land sales north of Holgate Avenue averaged \$130 per square foot.

Exhibit RE-25: Reported SoDo Land Properties

| Building Address | Location | Land Area (AC) | Secondary Type | Last Sale Date | Last Sale Price |
|-----------------------------------|--------------------------------------------------|----------------|----------------|----------------|-----------------|
| 1531 Utah Ave S | N. of Holgate St. (Stadium Innovation Center) | 1.61 | Industrial | 10/6/1998 | \$2,100,000 |
| 3410 2nd Ave S | S. of Holgate Street | 0.35 | Industrial | 8/2/2002 | \$497,407 |
| 3100 Airport Way S | S. of Holgate Street | 0.37 | Industrial | 4/1/2008 | \$1,800,000 |
| 1000 6th Ave S | N. of Holgate Steet | 0.29 | Commercial | 6/30/2008 | \$1,100,000 |
| 1501 1st Ave S | N. of Holgate (Home Plate Center) | 2.21 | Commercial | 1/7/2010 | \$17,760,000 |
| 1732 4th Ave S | N. of Holgate Steet | 0.37 | Industrial | 6/30/2010 | \$1,930,000 |
| 3100 Airport Way S | S. of Holgate Street | 0.65 | Commercial | 3/20/2012 | \$3,300,000 |
| 2918 1st Ave S | S. of Holgate Street | 0.21 | Commercial | 12/31/2012 | \$750,000 |
| 1201 1st Ave S | N. of Holgate Steet | 0.02 | Commercial | Not Available | Not Available |
| 1740 1st Ave S | N. of Holgate Steet | 1.04 | Commercial | Not Available | Not Available |
| 3225 3rd Ave S | S. of Holgate Street | 0.20 | Industrial | Not Available | Not Available |
| 3400 6th Ave S | S. of Holgate Street | 2.11 | Industrial | Not Available | Not Available |
| 2229 6th St | S. of Holgate Street | 0.15 | Commercial | Not Available | Not Available |
| Airport Way S @ Spokane Street | S. of Holgate Street | 1.68 | Industrial | Not Available | Not Available |
| S Hinds St | S. of Holgate Street | 0.65 | Industrial | Not Available | Not Available |
| 500 S Lander St | S. of Holgate Street | 1.58 | Industrial | Not Available | Not Available |
| 3300 E Marginal Way S | S. of Holgate Street | 36.55 | Commercial | Not Available | Not Available |

Source: CoStar and Pro Forma Advisors

Industrial Property Values

Due to stakeholder concerns of the viability of industrial uses in SoDo, this analysis also reviews the industrial property sales within the SoDo Area. The chart below presents industrial properties' sales price per square foot of building and lot square feet annually, for reported properties.

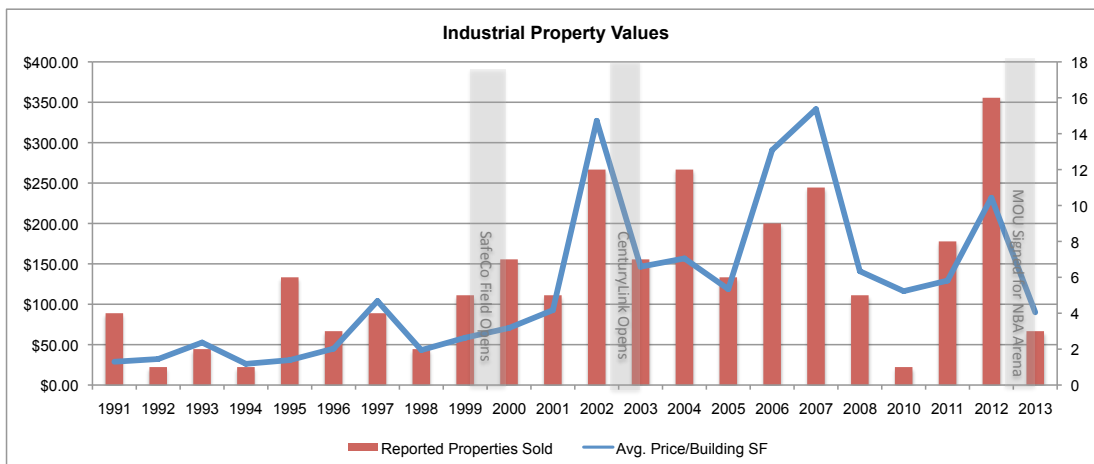
Industrial property prices have grown significantly across the last 20 years, but prices are cyclical and also depend on the properties sold. The average price of industrial lands grew by 240% from \$29.00 to \$70.00 between 1991 and 2000. Between 2000 and 2012 (a peak) prices grew by 330% from \$70.00 to \$231.00 per building square foot.

The weighted average price per square foot between 2000 and 2013 was \$139.00 per Building square foot, but as shown in the chart below there have been significant peaks in the average price per building square foot during high periods in the economy. As reflected in the chart below, the opening of Safeco field had limited impact on industrial prices. While the opening of CenturyLink Field coincides with a peak in industrial prices, the peak in 2002 and trough in 2003 is well in line with the dot.com boom and bust during this period. The greatest growth in prices occurred in 2001 - 2002 and between 2005 and 2008 with growth in the Seattle economy and as businesses, offices, breweries, and others looking for creative space expanded beyond downtown and into the SoDo area.

There was an uptick in industrial property sales values in 2012 with the announcement of the arena. Half of the properties sold during the period were purchased by Valiant Capital, a company of the arena developer. Two transactions, that same year, were made by American Life, the real estate investment firm who built Home Plate Center and Stadium Innovations.

Exhibit RE-26: Industrial Property Average Pricing

| Period | Price per Square Foot of Building Square Feet |
|--------------------------------------|-----------------------------------------------|
| Weighted Average Price (1991 - 2000) | \$38.16 |
| Weighted Average Price (2000 - 2013) | \$138.89 |



Source: CoStar and Pro Forma Advisors

Business Listings

The table below presents historical business data in the SoDo study area. Data points include 1997 (in advance of the new Safeco Field Stadium), 2000, 2005 (after the construction of CenturyLink Field in 2002) and current 2011 business and employment data¹⁰.

As shown, there have been notable changes in the make up of businesses within the district between 1997 and 2011. While the number of businesses have contracted from almost 780 to a little over 730, a decrease of 7.5 percent, overall, the SoDo study area has had a decrease in employment of less than 5 percent between 1997 and 2011. The most notable changes have been in the make up of businesses within the district.

Exhibit RE-27: SoDo Study Area Businesses

| NAICS 2 -Digit Industry | 1997 | | 2000 | | 2005 | | 2011* | |
|--------------------------------------------------|-------|-----------|-------|-------|-------|-------|-------|-------|
| | Firms | Employees | Firms | Emps. | Firms | Emps. | Firms | Emps. |
| Manufacturing | 120 | 3,809 | 90 | 2,167 | 77 | 1,737 | 82 | 2,446 |
| Wholesale Trade | 186 | 3,177 | 133 | 2,116 | 128 | 1,496 | 141 | 1,712 |
| Transportation and Warehousing | 54 | 1,373 | 43 | 705 | 48 | 776 | 52 | 760 |
| Construction | 38 | 1,385 | 32 | 858 | 45 | 843 | 54 | 776 |
| Retail Trade | 107 | 1,710 | 101 | 1,708 | 129 | 1,959 | 100 | 1,341 |
| Accommodation and Food Services | 35 | 685 | 33 | 427 | 34 | 500 | 26 | 314 |
| Other Services (except Public Administration) | 49 | 638 | 30 | 1,377 | 50 | 1,564 | 44 | 403 |
| Professional, Scientific, and Technical Services | 75 | 562 | 68 | 580 | 79 | 513 | 69 | 532 |
| Management of Companies and Enterprises | 1 | 500 | 1 | 700 | 3 | 700 | 1 | 763 |
| Health Care and Social Assistance | 16 | 436 | 15 | 381 | 12 | 348 | 18 | 390 |
| Real Estate and Rental and Leasing | 26 | 330 | 23 | 175 | 19 | 89 | 39 | 345 |
| Admin. and Support & Waste Mngm't Svc. | 16 | 248 | 19 | 282 | 19 | 360 | 40 | 698 |
| Finance and Insurance | 18 | 121 | 19 | 379 | 14 | 226 | 10 | 70 |
| Information | 13 | 113 | 12 | 49 | 27 | 448 | 24 | 297 |
| Public Administration | 4 | 85 | 7 | 202 | 10 | 284 | 14 | 1,845 |
| Arts, Entertainment, and Recreation | 8 | 75 | 7 | 1,818 | 8 | 1,819 | 9 | 1,846 |
| Educational Services | 4 | 14 | 2 | 19 | 7 | 196 | 6 | 176 |
| Utilities | 1 | 4 | | | | | | |

¹⁰ It should be noted that 2011 data was obtained from a different data source as the 1997 - 2005 data. The data points were reviewed and certain points adjusted to make them as comparable as possible. Such adjustments include the addition of key points to appropriate earlier data that were included in 2011 data and were in existence in the study area at earlier points.

| | | | | | | | | |
|--------------------------------------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|
| Agriculture, Forestry, Fishing and Hunting | 2 | 3 | | | | | 2 | 5 |
| Unclassified | 6 | 167 | 69 | 311 | 22 | 32 | | |
| Grand Total | 779 | 15,435 | 704 | 14,254 | 731 | 13,890 | 731 | 14,719 |

*Hoovers Business Listing Data

Source: InfoUSA, Hoovers, and Pro Forma Advisors

3,400 jobs in industrial uses, defined as manufacturing, wholesale trade and transportation, have moved out of the area. It should be noted that the bulk of this change occurred between 1997 and 2000, likely when the entertainment uses supporting the Stadium District was first developed. In 2005, after the construction of CenturyLink Field, there were still similar departures of wholesale industries, but the departure of manufacturing was substantially less and transportation actually grew.

It is important to also consider external economic and real estate factors with these changes in SoDo. Manufacturing, was the largest category to lose employees in the area. Between 2002 and 2010 the City of Seattle lost approximately 27 percent of its employment in manufacturing¹¹ likely due to the loss of manufacturing nationwide with increasing globalization and the dynamics of an evolving real estate market in the City of Seattle as a whole. While the areas north of Spokane having lost 3,400 industrial jobs between 1997 and 2011, between 2002 and 2010 the full Duwamish MIC has lost 10,400 jobs and King County lost 5,400 jobs according to US Census LEHD On the Map data.

As mentioned by brokers many of the buildings in the SoDo study area were built in the early 1900's and are less functional than newer industrial buildings elsewhere in the area. Rather than losing these jobs, certain industrial companies may be moving to elsewhere in the MIC area or moving from the Duwamish MIC to other areas of King County, such as Kent Valley. It is not clear if these movements were accelerated by the development of the existing sports venues or from the changing real estate dynamics in the central Seattle area.

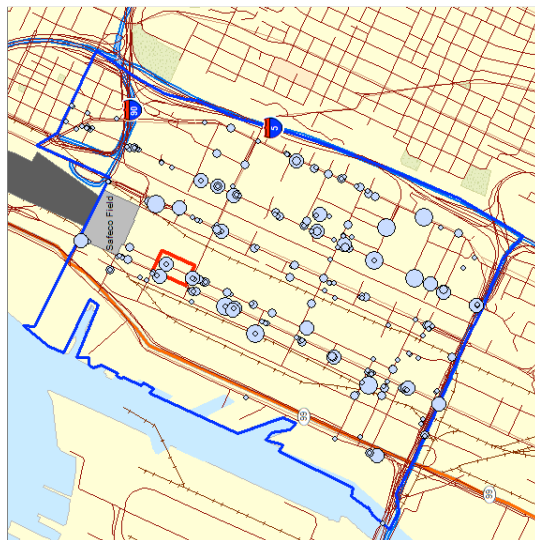
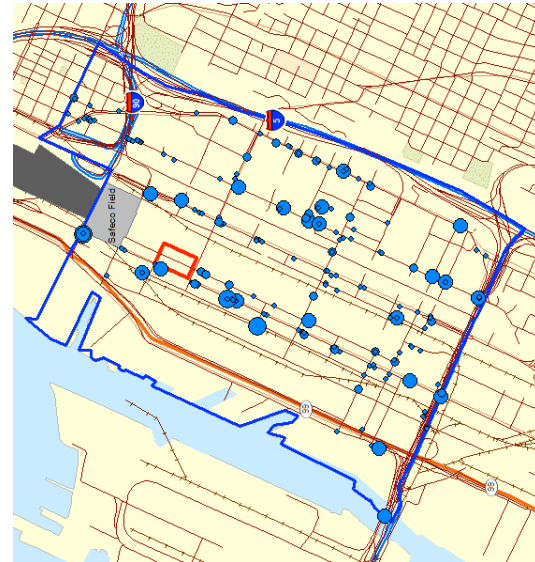
While there have been losses in industrial sectors, employment gains in the area have been seen in the arts, entertainment, and recreation sector, public administration and other service categories, such as information and administrative and support services. Much of this growth directly relates to the development of Safeco Field, the Seattle School District headquarters buildings and the growth and expansion of general office users into the area.

Surprisingly, the data reports departures in the number and employment within retail trade and accommodations and food service in the study area. Retail trade losses may be due to the fact that some wholesale type industrial uses may get categorized as retail as opposed to wholesale.

The figure below maps historical industrial employment by business location and employment size. Based on review of the maps, the areas north of Holgate Avenue have seen a greater share of decrease of industrial uses, but industrial departures, likely those based on the overall changing real estate dynamics in the area are also evident throughout the SoDo study area.

¹¹ US Census LEHD On the Map Employment Data

SoDo Study Area Map of Manufacturing, Wholesale Trade and Transportation Businesses



2005

2000

1997

Source: InfoUSA, ESRI, and Pro Forma Advisors

SoDo Conclusions

- ▶ The nature of the SoDo study area has been changing over the last 20 years. Across the last decade the SoDo study area has seen the addition of 443,000 square feet of office space and 76,000 square feet of retail commercial space. Industrial space has declined by 1.4 million square feet of rentable space.
- ▶ Industrial rents have increased significantly and industrial uses in the SoDo area are being converted into other uses. The pattern of these changes suggest these changes are occurring on the north end of the district, above Holgate Street.
- ▶ Industrial property values and SoDo raw land has escalated in value. However, this escalation in value does not appear to be solely related to the development of the new stadiums, but is a reflection of overall downtown real estate expansion pressures.
- ▶ Approximately 70 percent of all SoDo industrial rentable space is in buildings smaller than 30,000 square feet compared to only 25 percent of RBA throughout the full Duwamish MIC. Also there is a substantial amount of stock built after the 1960's in the Duwamish MIC relative to the SoDo area. As described by brokers in the area, the smaller older industrial properties in the SoDo area are not functional for larger industrial businesses, the smaller older industrial stock in SoDo will continue to hamper the capacity of the area for new, larger industrial uses.
- ▶ High office vacancy rates on spec office buildings in SoDo may dampen the conversion of industrial space to office space in the short term. However, the proximity of downtown Seattle will continue to apply pressure to the SoDo area for higher value property development.
- ▶ Small retail properties, with national credit tenants, have been growing south of Holgate Street, but total retail property additions between 2000 and 2013 remain at only 70,000 square feet, with much of that space in auto dealers.
- ▶ Real estate brokers suggest that property values and rents have become expensive in the area due to the development and economics of Seattle as a whole, rather than as a direct result of the development of the sports venues within the SoDo neighborhood. Many suggest that it was the addition of the Starbucks corporate office, the school district facilities, Home Depot and the light rail that have had the most significant impact in the SoDo study area.

Lower Queen Anne Study Area

The Lower Queen Anne study area is the core neighborhood surrounding the Key Arena and Memorial Stadium alternative sites. The Lower Queen Anne neighborhood has a mix of retail, office, residential, and, home to the Seattle Center, entertainment and tourist-oriented uses as well. This study explores the retail, office, multi-family, and hospitality commercial uses within the Lower Queen Anne study area.

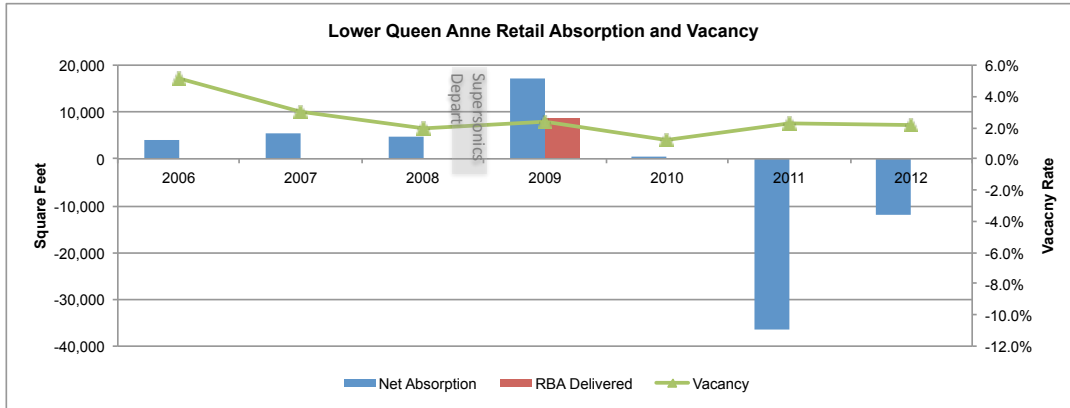
In this analysis, close attention is paid to the changes in development and real estate trends with the departure of the Seattle Supersonics from Key Arena at Seattle Center. It should be noted that while the area of analysis is focused on the Lower Queen Anne District, the South Lake Union area, northeast of the Lower Queen Anne area, has been booming with development. Amazon's new campus and growth in the area's bio-technology firms have spurred real estate growth in the South Lake Union area, with spill over effects in Lower Queen Anne. Around the Seattle Center there was also the recent development of the Bill and Melinda Gates Foundation and Visitors Center building and the addition of the Chihuly Garden and Glass exhibit at Seattle Center. Several real estate brokers confirm, that while the NBA departure from Key Arena impacted retail, real estate, technology, medical and outdoor industries are the key economic drivers of real estate development in the area.

Retail Trends

There is 800,000 square feet of retail gross leasable area in the study area. In 2008, the area lost one small property. Overall, leasable inventory peaked at 833,000 square feet in 2009 and 2010 but has declined by 30,000 square feet since then. Net absorption, a measure of space leased, was a positive through 2010 and then declined by 40,000 square feet since then. The negative absorption in 2011 in the chart below reflects a loosening of the market as well as the contraction of retail space in the study area.

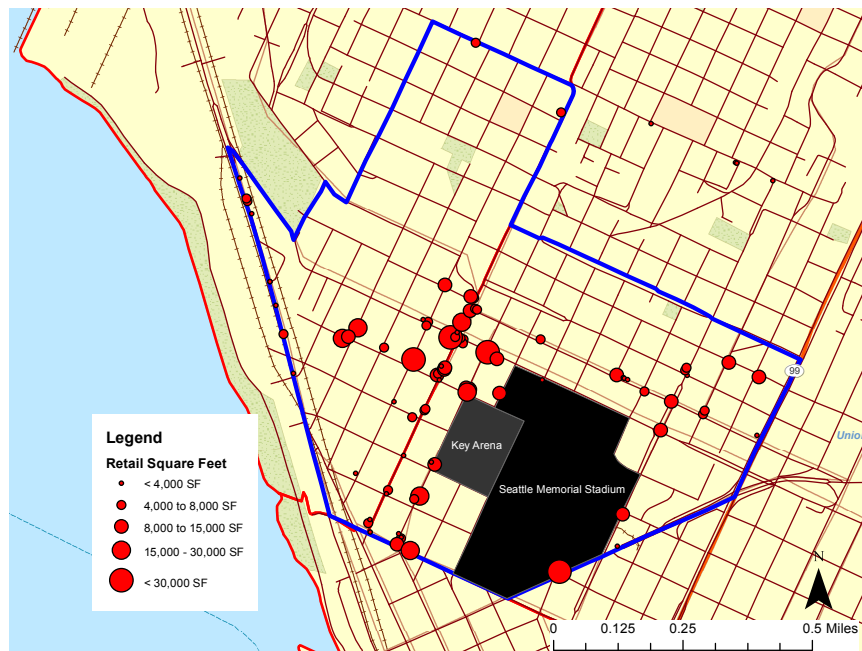
Exhibit RE-28: Lower Queen Anne Retail Trends

| Period | # Bldgs | Total GLA | Total Vacant SF | Total Vacant % | Occupied SF | Total Net Absorption | RBA Delivered | RBA Under Const | Total Average Rate |
|--------|---------|-----------|-----------------|----------------|-------------|----------------------|---------------|-----------------|--------------------|
| 2006 | 97 | 825,487 | 42,759 | 5.1% | 786,819 | 3,852 | 0 | 0 | \$23.52 |
| 2007 | 97 | 825,487 | 24,793 | 3.0% | 800,695 | 5,409 | 0 | 0 | \$33.34 |
| 2008 | 96 | 824,849 | 16,189 | 2.0% | 809,139 | 4,589 | 0 | 0 | \$33.21 |
| 2009 | 97 | 833,342 | 19,199 | 2.3% | 807,774 | 17,171 | 8,493 | 0 | \$27.11 |
| 2010 | 97 | 833,342 | 9,790 | 1.2% | 823,552 | 407 | 0 | 0 | \$21.46 |
| 2011 | 95 | 804,722 | 18,984 | 2.3% | 800,048 | -36,260 | 0 | 0 | \$23.55 |
| 2012 | 94 | 798,672 | 17,268 | 2.2% | 781,405 | -12,050 | 0 | 0 | \$26.52 |
| 1Q2013 | 94 | 798,672 | 17,778 | 2.2% | 780,894 | 5,650 | 0 | 0 | \$26.95 |



In the Lower Queen Anne District, retail is centered around Seattle Center, but, as shown in the map on the next page, the focal point is Queen Anne Boulevard between Republican Street and Roy Street.

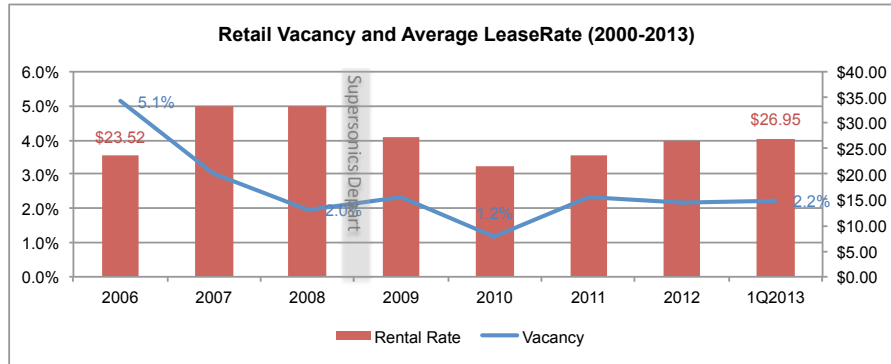
Exhibit RE-29: Map of Lower Queen Anne Retail by Size



There are three larger neighborhood centers, such as the Market Place at Queen Anne anchored by the Metropolitan Market and Bartell Drugs, and two shopping centers categorized as strip centers in Lower Queen Anne. The balance of retail is generally smaller storefront and free standing retail.

Retail vacancy rates are fairly low in the Lower Queen Anne study area. Rates increased by 30 basis points between 2008 and 2009 when the Supersonics stopped playing at Key Arena, but quickly recovered and tightened in 2010. Vacancy rates have been steady at about 2.2 percent since 2010.

Exhibit RE-30: Lower Queen Anne Retail Vacancy and Lease Rates

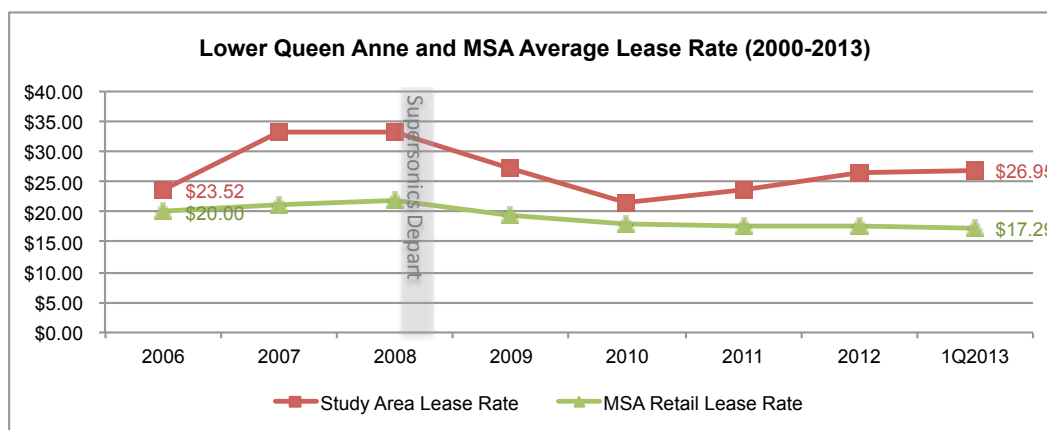


Source: CoStar and Pro Forma Advisors

As presented below, lease rates in the Lower Anne Queen study area and throughout central Seattle, are higher than the lease rates in the greater MSA. Retail lease rates in the area were impacted by both the recession and the departure of the NBA team. Throughout the MSA lease rates fell by almost 20 percent between 2008 and 2010, but within the Lower Queen Anne District lease rates fell by 47 percent, from a high of \$33.00 in 2008 to \$21.50 in 2010.

Brokers believe that the departure of the Sonics impacted local bars and restaurants in the neighborhood most significantly. One local retail broker estimated that overall retail sales were hurt by 10 to 20 percent after the departure of the NBA in Key Arena.

Exhibit RE-31: Lower Queen Anne and MSA Average Retail Lease Rates



Source: CoStar and Pro Forma Advisors

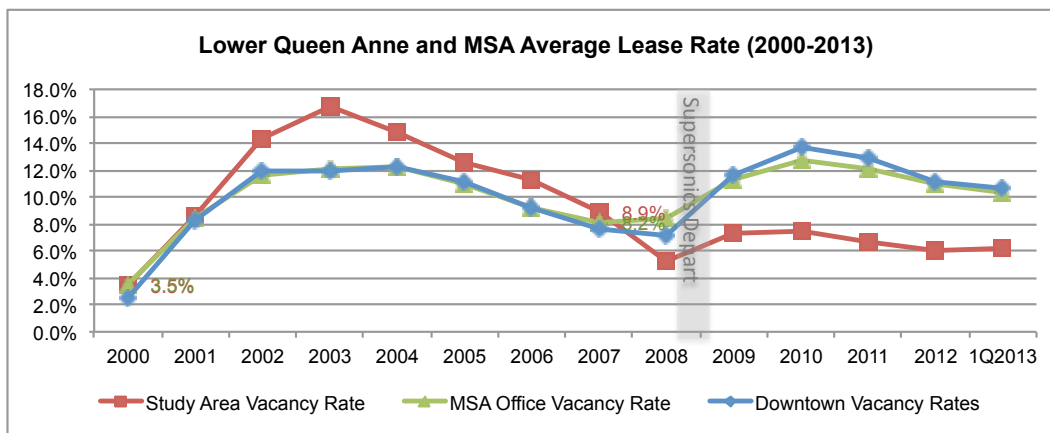
Office Trends

There is currently 2.49 million square feet of rentable office space in the Lower Queen Anne study area, approximately 3.4 percent of the 73.6 million-square foot downtown Seattle office market cluster¹².

While not within the boundaries of the Lower Queen Anne submarket, it is worth noting that Amazon.com has proposed a 3 million square foot 3-office tower development on three blocks in the Denny Triangle, on the edge of the South Lake office submarket but within the Belltown/Denny Regrade submarket. Real estate brokers believe this development will have a strong impact on the Lower Queen Anne real estate market, particularly in terms of residential (for new Amazon workers).

The Lower Queen Anne study area office space has outperformed the overall Seattle MSA market and, while rental rates in the area are lower compared to the overall downtown Seattle Market, the study area has also had higher occupancy and lower vacancy rates relative to the downtown market since 2007. Office vacancies were a low 3.5 percent but jumped to a peak of almost 17 percent in 2003 with the dot.com collapse, which was focused on the technology sector. Office vacancy rates have steadily fallen since 2003 and are currently at 6.3 percent. While it is not likely that there are any strong relationships between office and the departure of the NBA, any relationship between office and the departure of the NBA has been an inverse relationship, the office market has performed better since the departure and more office development has occurred.

Exhibit RE-32: Lower Queen Anne and MSA Average Office Lease Rates



Source: CoSta and Pro Forma Advisors

¹² This cluster includes the Central Business District, Ballard/U Dist, Belltown/Denny Regrade, Capitol Hill/Central Dist, Lake Union, Pioneer Sq/Waterfront, Queen Anne/Magnolia, and S Seattle submarkets.

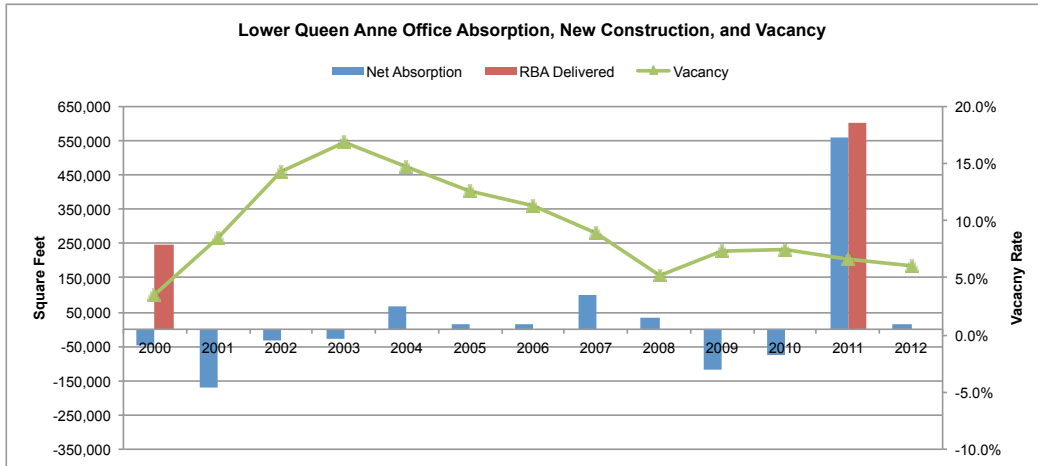
Exhibit RE-33: Lower Queen Anne Office Trends

| Period | # Bldgs | Total RBA | Total Vacant SF | Total Vacant % | Occupied SF | Total Net Absorption | RBA Delivered | RBA Under Const | Total Average Rate |
|--------|---------|-----------|-----------------|----------------|-------------|----------------------|---------------|-----------------|--------------------|
| 2000 | 89 | 2,084,257 | 72,210 | 3.5% | 2,012,048 | -48,011 | 244,775 | 0 | \$26.23 |
| 2001 | 87 | 2,074,457 | 177,017 | 8.5% | 1,897,440 | -170,564 | 0 | 0 | \$24.95 |
| 2002 | 87 | 2,074,457 | 296,301 | 14.3% | 1,778,156 | -32,981 | 0 | 0 | \$21.50 |
| 2003 | 86 | 2,070,717 | 347,663 | 16.8% | 1,723,054 | -26,901 | 0 | 0 | \$18.83 |
| 2004 | 85 | 2,066,891 | 305,943 | 14.8% | 1,763,818 | 68,203 | 0 | 0 | \$18.90 |
| 2005 | 85 | 2,066,891 | 259,588 | 12.6% | 1,807,304 | 15,738 | 0 | 0 | \$18.77 |
| 2006 | 85 | 2,066,891 | 234,338 | 11.3% | 1,832,553 | 16,828 | 0 | 0 | \$20.05 |
| 2007 | 85 | 2,066,891 | 183,189 | 8.9% | 1,883,702 | 98,448 | 0 | 0 | \$22.17 |
| 2008 | 84 | 2,064,024 | 108,294 | 5.2% | 1,957,881 | 33,618 | 0 | 300,000 | \$23.53 |
| 2009 | 79 | 1,971,231 | 147,099 | 7.3% | 1,870,528 | -117,521 | 0 | 600,000 | \$21.40 |
| 2010 | 77 | 1,910,297 | 145,594 | 7.5% | 1,791,872 | -74,421 | 0 | 600,000 | \$21.24 |
| 2011 | 77 | 2,493,108 | 152,737 | 6.6% | 2,194,668 | 558,476 | 600,000 | 0 | \$21.28 |
| 2012 | 77 | 2,493,108 | 149,400 | 6.0% | 2,343,708 | 14,747 | 0 | 0 | \$21.20 |
| 1Q2013 | 77 | 2,493,108 | 155,983 | 6.3% | 2,337,125 | -5,929 | 0 | 0 | \$21.49 |

Source: CoStar and Pro Forma Advisors

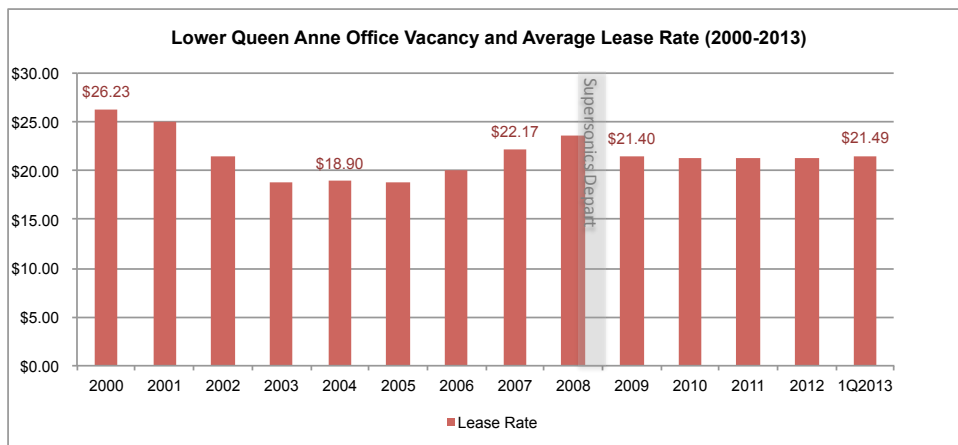
600,000 square feet of office space was delivered to the market in 2011, generating a roughly 30 percent increase in rentable building area. 560,000 square feet of this space was absorbed during the same year and vacancy rates declined further by 2013.

Exhibit RE-34: Lower Queen Anne Office Absorption, Construction and Vacancy



Lower Queen Anne's lease rates were as high as \$26.00 per square foot, full service, before the dot.com collapse, but dipped to a low of \$18.80 in 2005. Lower Queen Anne office lease rates have leveled off to a steady \$21.00 per square foot.

Exhibit RE-35: Lower Queen Anne Office Vacancy and Average Lease Rate



Multi Family Buildings

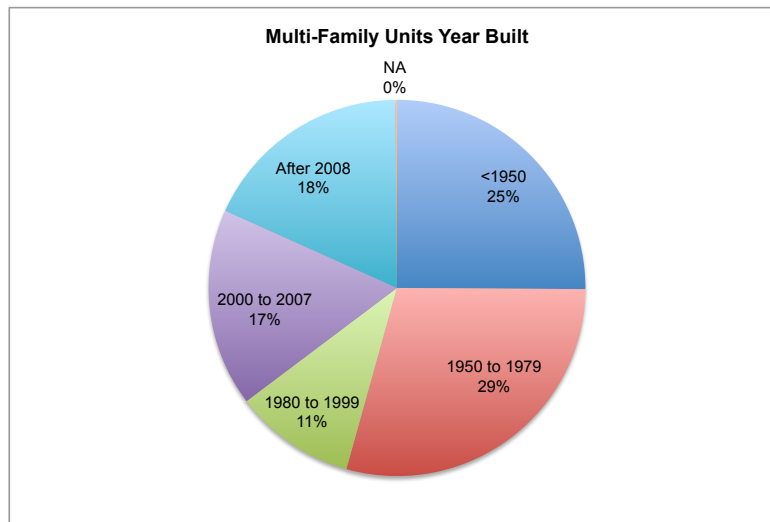
There has been substantial growth in the residential market in Lower Queen Anne District and more is expected with the development of the nearby new 3 million square foot Amazon corporate headquarters in the Denny Triangle (approximately 1 mile away from Seattle Center) and continued growth in the South Lake Union area.

CoStar reports 199 existing rental multi-family buildings containing 4,500 units in the Lower Queen Anne area¹³.

Since 2000, 21 buildings have been constructed in the area. Where as the majority of units in buildings built before 1980 were in low-rise buildings 4 stories and lower, the majority of units in buildings built after 2000 have been in mid-rise buildings above 4 stories. 35 percent of the existing multi-family unit inventory was added after 2000, with more than half of that number added in the approximate 5 years since 2008.

Exhibit RE-36: Lower Queen Anne Rental Multi-Family Buildings

| Period built | No. of Buildings | Number of Units | Avg No. of Units per Bldg |
|--------------|------------------|-----------------|---------------------------|
| <1950 | 84 | 1,134 | 14 |
| 1950 to 1979 | 69 | 1,321 | 19 |
| 1980 to 1999 | 17 | 469 | 28 |
| 2000 to 2007 | 12 | 769 | 64 |
| After 2008 | 9 | 819 | 91 |
| NA | 8 | 6 | 1 |
| Grand Total | 199 | 4,518 | 23 |



Source: CoStar and Pro Forma Advisors

¹³ This figure includes approximately 64 percent of the 7,600 multi-family buildings in the Lower Queen Anne Study Area reported by ESRI using Census American Community Survey 2005 - 2009 data.

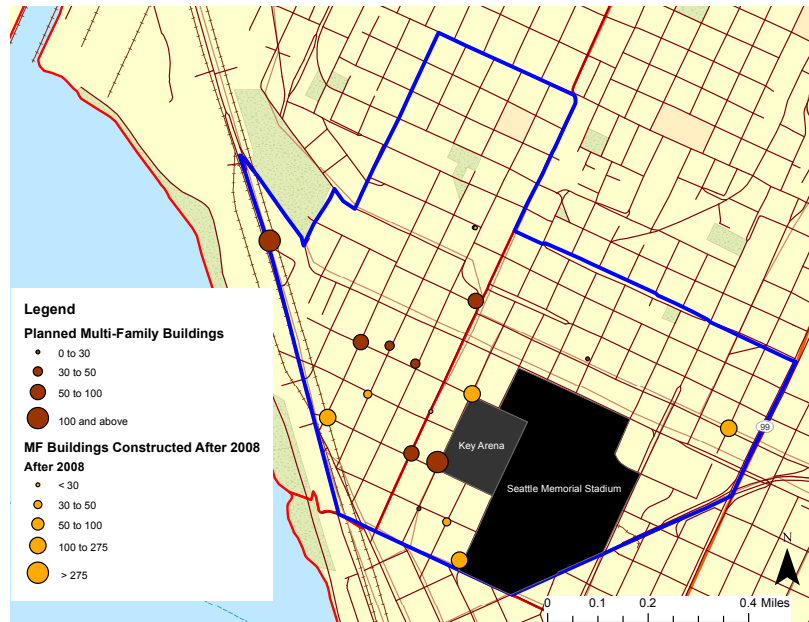
There are 9 residential buildings containing a projected 660 units currently proposed within the Lower Queen Anne study area. The Expo project (100 Republican Street) and the planned Astro Project (315 1st Avenue N) are the two largest projects within close proximity to Key Arena.

Exhibit RE-37: Planned Lower Queen Anne Rental Multi-Family Buildings

| Planned Residential Buildings | Developer Name | Anticipated Year of Development | Number Of Units |
|-------------------------------|------------------------------|---------------------------------|-----------------|
| 509 1st Ave W | Gramor Development | 2013 | 43 |
| 521 2nd Ave W | Isola Capital Management LLC | 2013 | 33 |
| 717 3rd Ave N | | 2014 | 20 |
| 600 Elliott Ave W | Goodman Real Estate, Inc. | 2013 | 124 |
| 306 Queen Anne Ave N | Gramor Development | 2014 | 53 |
| 101 John Street | Indonesian Developments | 2014 | 20 |
| 14 W Roy Street | | 2015 | 77 |
| 500 3rd Avenue W | Continental Properties | 2014 | 76 |
| 315 1st Avenue N | SRM Development | 2015 | 212 |
| Total Units | | | 658 |

Source: CoStar, CBRE, and Pro Forma Advisors

Exhibit RE- 38: Map of Recently Built and Planned Lower Queen Anne Multi-Family Buildings



Source: CoStar, ESRI, CBRE, Pro Forma Advisors

Hospitality

Seattle Center is one of the main attractions for visitors to the area. NBA visitors likely provided some support to local hotels, but the existing Seattle Center venues, and new additions such as the the Chihuly Garden and Glass exhibit, provide sufficient hotel demand to support the more than 800 hotel rooms in the area.

As shown in the table below, there are currently eight major hotels in the Lower Queen Anne District. Most of the existing hotels were built before 2000. With 180 rooms, the Mediterranean was built between 2000 and 2010. The Maxwell House is the newest hotel addition in the Lower Queen Anne District. Maxwell House is a well-regarded 139-room boutique hotel that opened up in the area in 2010 near the Seattle Center.

Exhibit RE-39: Lower Queen Anne Hotels

| Building Name | Building Address | Rooms | No. Of Stories | Rentable Building Area |
|--------------------------------------|----------------------|-------|----------------|------------------------|
| Maxwell Hotel | 300 W Roy St | 139 | 5 | 111,856 |
| The Mediteranian | 425 Queen Anne Ave N | 80 | 6 | 117,738 |
| Comfort Suites/ Four Points Sheraton | 601 Roy St | 158 | 4 | 122,942 |
| Homewood Suites | 206 Western Ave W | 161 | 6 | 155,602 |
| Hampton Inn & Suites Downtown | 700 5th Ave N | 198 | 4 | 154,300 |
| Inn at Queen Anne | 505 1st Ave N | | 3 | 33,744 |
| The Marqueen Hotel | 600 Queen Anne Ave N | 58 | 3 | 38,489 |
| Civic Center Motel | 615 Valley St | | 2 | 6,241 |

Source: CoStar and Pro Forma Advisors

Industrial and Flex Real Estate

The Lower Queen Anne study area is primarily retail, office, and tourist-related. There is only a limited amount of industrial and flex space. The area holds 160,000 square feet of industrial space in 17 buildings and 67,000 square feet of flex space in 3 buildings. The table below presents the summary of industrial and flex building real estate performance.

Exhibit RE-40: Lower Queen Anne Industrial and Flex Summary

| Lower Queen Anne | Industrial | Flex |
|-----------------------------|------------|---------|
| First Quarter 2013 Snapshot | | |
| No. of Buildings | 17 | 3 |
| Rentable Building Area (SF) | 160,361 | 66,436 |
| Vacancy (SF) | 0 | 5,970 |
| Vacancy Rate | 0% | 9.0% |
| Lease Rate | \$12.00 | \$12.30 |
| 2000 - 1Q2013 | | |
| Net Absorption | 17,412 | -11,670 |
| RBA Delivered | 0 | \$0.00 |

Source: CoStar

Lower Queen Anne Conclusions

- ▶ The presence of the NBA team at Key Arena helped to buoy retail lease rates in the Lower Queen Anne District and their departure had a negative impact on retail lease rates. However, existing retail remained occupied after the departure of the NBA, at lower rates, and some properties were converted to other uses.
- ▶ The office market in the Lower Queen Anne District has had higher occupancies relative to the Seattle MSA and downtown business cluster since 2007. The office market was not negatively impacted by the departure of the NBA team and has, in fact, expanded and performed better than other areas of the City, inline with growth in the Seattle technology sector.
- ▶ Multi-family development has grown substantially in Lower Queen Anne in recent years, as mentioned above this is primarily due to overall real estate growth in the greater area. However, brokers also suggested that perhaps the departure of the Sonics provided the opening for new redevelopment and residential growth in the area.
- ▶ With exception to retail, the area has seen more real estate development than the period in which the NBA played at Key Arena.

Regulatory Framework

In considering the potential real estate and land use impacts of a proposed new arena in the SoDo study area, it should be noted that any potential development impacts of the proposed Seattle arena will occur in the context of the existing planning and regulatory frameworks.

For a description of this framework, please refer to Chapter 3.10, Regulatory Framework, in the Seattle Arena Draft EIS.

Case Studies

This section reviews case studies of comparable sports venues and their impacts on their local area. The two detailed case studies include Pepsi Center Arena in Denver, Colorado, and the Wells Fargo Arena in South Philadelphia, Pennsylvania. Other venues reviewed include PetCo Park in San Diego, California.

Pepsi Center was selected because the area includes three sports venues, Pepsi Center Arena and two stadiums, Coors Field and Sports Authority Mile High Center, within a 2-mile area also adjacent to downtown Denver. The sports venues, in particular Coors Field, has been touted as one of the prime examples of how sports venues can help to spark development in an area. Though a stadium rather than an arena, PetCo Park, was also surveyed to understand the high level development impacts that can be supported with a sports venue. Differences from arenas rather than stadiums are also mentioned.

Philadelphia's Wells Fargo Arena provides an understanding of the opposite side of the spectrum from the Denver case. The Wells Fargo Arena is set in a sports complex that includes an NFL stadium and baseball stadium. Similar to SoDo the sports complex is located near to historically industrial areas near a port. However, the sports complex is 3.5 miles away from the Philadelphia central business district in South Philadelphia.

Pepsi Center Arena and Denver Sports District

The Pepsi Center Arena is located in Denver's lower downtown (Lodo) area, approximately one mile west of the downtown area and one mile southwest of Coors Field. The immediate area is dominated by Elitch Gardens to the west (an amusement park), and the Auraria Campus to the south, which is composed of three educational institutions: the Community College of Denver, Metropolitan State University of Denver, and University of Colorado Denver.

Sports Teams in Denver

Denver is a major sports market, with professional baseball and football teams in addition to the NBA basketball and NHL hockey tenants at the Pepsi Center.

The Pepsi Center is equidistantly located to the Sports Authority Field and Coors Field, both of which are located within one mile of the arena. This concentration of venues – and their collective location within the general downtown area of Denver – is often cited as one of the primary reasons for the market's 'success' in sports team-driven redevelopment. This is in contrast to markets such as Phoenix, where the lack of a true 'downtown' and concentration of activity has dispersed the potential gravity effects of new development.

| Venue | Pepsi Center | Sports Authority Field at Mile High | Coors Field |
|----------|------------------------------------|-------------------------------------|-------------------|
| Location | 1000 Chopper Circle | 1701 Mile High Stadium Circle | 2001 Blake Street |
| Opened | Oct-99 | Sep-01 | Apr-95 |
| Team | Denver Nuggets, Colorado Avalanche | Denver Broncos | Colorado Rockies |
| Cost | \$160 million | \$401 million | \$300 million |
| Capacity | 21,000 | 76,000 | 50,500 |

Development of Pepsi Center Arena

The arena cost \$160 million, and occupies 45 acres of land area. The 5-level arena seats 21,000, and comprises 675,000 square feet of built area. The arena holds 200 events a year, and employs 1,000 people.

Rationale

The project was built to provide an arena for the Denver Nuggets (NBA) and Colorado Avalanche (NHL), while making use of dilapidated former railroad grounds of the Southern Pacific Railroad. The site was originally acquired by the Denver Urban Renewal Authority (DURA), lacked basic infrastructure, and was severely contaminated.

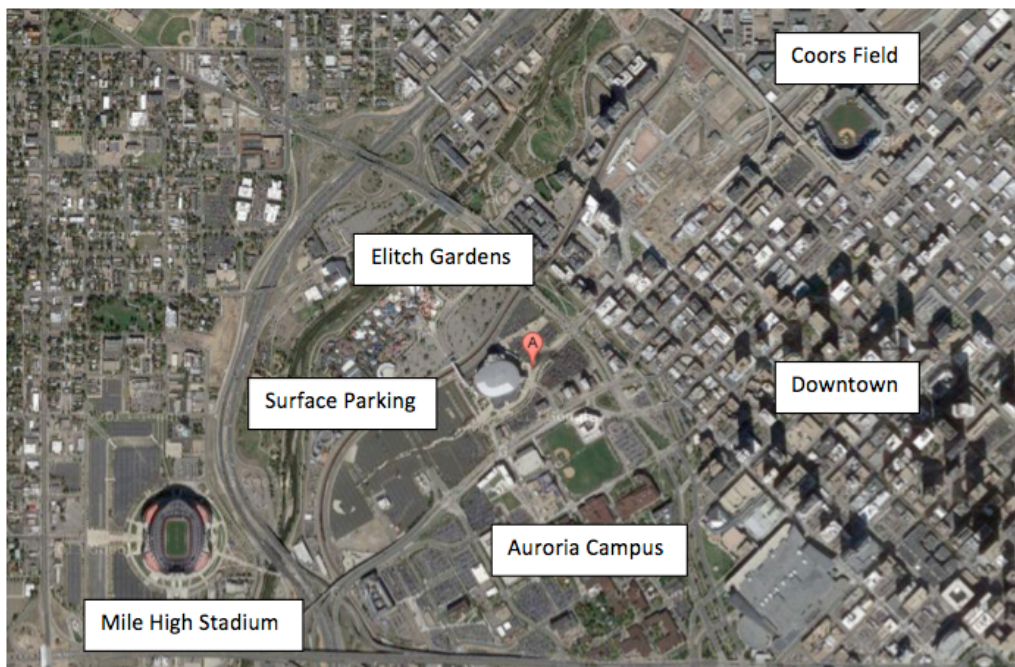
Financing

Tax increment financing (TIF) was used to fund site demolition, environmental remediation, and other site improvements totaling \$36.5 million. An additional \$4.5 million in City funds was used to construct infrastructure.

Denver Sports Venue Impacts

The impact of the Pepsi Center Arena is difficult to isolate from other venues in the immediate area. Coors Field completed construction in 1995, just four years before the Pepsi Center. Coors Field is the sports venue primarily lauded for helping to redevelop downtown Denver, as opposed to Pepsi Center. There has been limited new development surrounding Pepsi Center.

Exhibit RE-41: PepsiCo Center and Surrounding Downtown Denver Venues



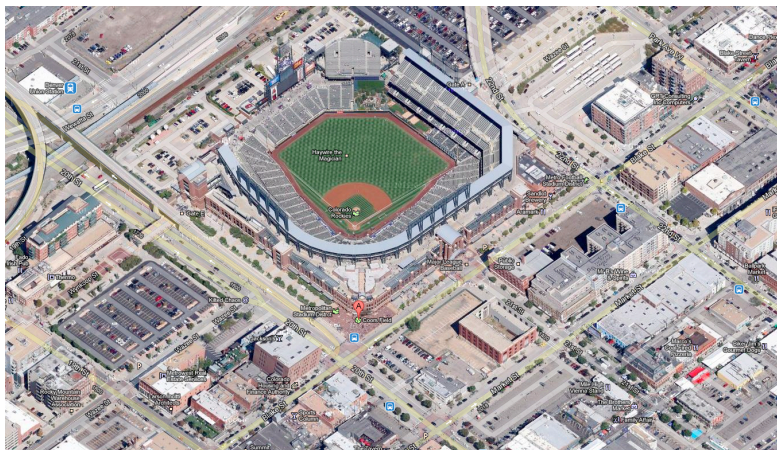
Source: Googlemaps and Pro Forma Advisors

Much of the potential impact of the Pepsi Center has been shared with the neighboring attraction venues, most notably Coors Field. Preceding the opening of the Pepsi Center by four years, Coors Field is more highly integrated into the Northeast Downtown Area, and has had a greater measurable impact on the surrounding community than the Pepsi Center.

Within a year of Coors Fields completion housing units, retail and restaurants in the area of the stadium doubled and after it opened the stadium's "economic influence was estimated at \$195 million a year."¹⁴

- ▶ This is partially due to design; the Northeast Downtown Area has been operating under the framework of a general strategy that assigned a mixed-use designation to the Ballpark District from the outset, and fostered supporting retail uses surrounding the stadium.
- ▶ As part of this overall framework, among other measures, designers did not grant the stadium its initial request for the maximum number of parking spaces. This limitation drove the use of existing parking lots and garages – and pedestrian traffic to and from the ballpark. The City encouraged pedestrian-friendly links between the downtown and the stadium and purposefully leveraged this foot traffic to promote greater exploration and spending in the Northeast Downtown district¹⁵.
- ▶ The area immediately surrounding Coors Field did not hem in the Pepsi Center – as the latter was by the universities and Elitch Gardens.
- ▶ In addition to design, the greater ancillary development impact of Coors Field is also likely an effects of both a higher capacity at Coors Field and a greater number of annual visitors – approximately 3 million to Pepsi Center's 2 million.

Coors Field



Source: GoogleMaps

¹⁴ Jaffe, Eric. "How to Build a Successful Downtown Stadium," *The Atlantic Cities*, March 2012.

¹⁵ Gest, David. "Stadium as Catalyst? Thing Again," *Panorama*.

As noted above, there has been limited new development around Pepsi Center Arena. The Pepsi Centers value was primarily in cleaning up the dilapidated railroad site. Coors Field, which has higher attendance and was designed with pedestrian-orientation in mind, is more highly credited for increasing the vitality in the area.

Surrounding Businesses

Existing businesses within a half-mile of Pepsi Center were analyzed and data on these businesses is shown on the next page. The accommodations and food service, and health care and social assistance categories dominate the immediate half-mile area. While the number of business establishments exhibits a more dispersed pattern, these two categories account for more than 70 percent of the employment base in the immediate area, and nearly 80 percent of taxable sales.

Food service establishments include the several clustered in and around the Pepsi Center, and in the Auroria Campus. The Health Care and Social Assistance category includes the cluster of businesses located just north of Cherry Creek, immediately north of the arena.

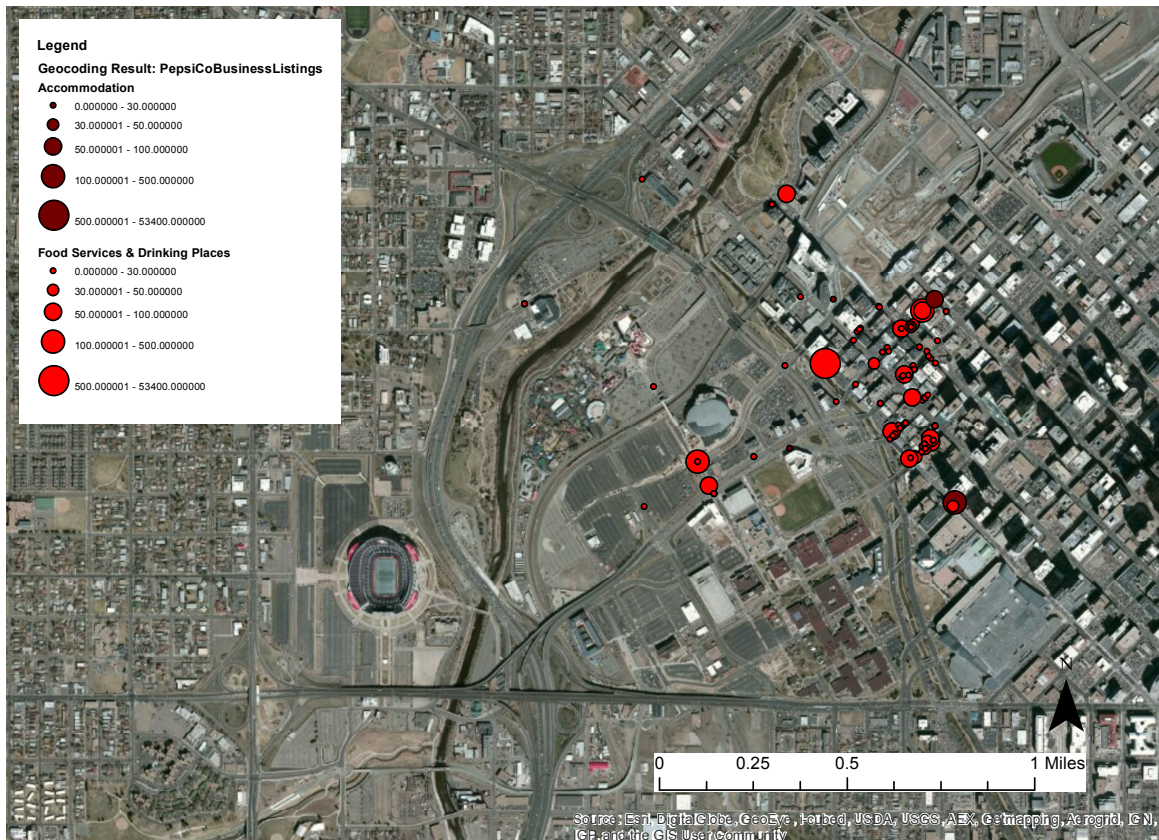
As shown in the aerals of Pepsi Center, a significant share of the area is covered by surface parking lots, limiting the ancillary development around the arena. The figure on the next page maps the accommodations and food service businesses within a half-mile of the arena. Accommodations in the area are located equidistant between the Pepsi Center and Coors Field. There is a limited amount of retail outside of Pepsi Center; the majority of the food service is integrated into the downtown neighborhood.

Exhibit RE- 42: Existing Businesses within 0.5 Miles of Pepsi Center Arena

| | Firm Count | Employees | Revenues | Distribution | | |
|-------------------------------------------------------------------------|---------------|----------------|-------------------------|--------------|-------------|-------------|
| | | | | Firms | Emps. | Revenue |
| Accommodations and Food Service | 149 | 40,822 | \$2,908,041,000 | 14% | 31% | 20% |
| Administrative Support and Waste Management and Remediation Services | 43 | 275 | \$39,342,000 | 4% | 0% | 0% |
| Arts, Recreation and Entertainment | 24 | 785 | \$53,763,000 | 2% | 1% | 0% |
| Construction | 36 | 279 | \$106,459,000 | 3% | 0% | 1% |
| Educational Services | 9 | 315 | \$125,948,000 | 1% | 0% | 1% |
| Finance and Insurance | 77 | 749 | \$372,924,000 | 7% | 1% | 3% |
| Health Care and Social Assistance | 54 | 53,855 | \$8,230,225,000 | 5% | 41% | 57% |
| Information | 41 | 347 | \$105,613,000 | 4% | 0% | 1% |
| Management of Companies and Enterprises | 1 | 2 | \$3,266,000 | 0% | 0% | 0% |
| Manufacturing | 16 | 2,038 | \$839,608,000 | 1% | 2% | 6% |
| Mining | 14 | 148 | \$52,554,000 | 1% | 0% | 0% |
| Other Services (except Public Administration) | 65 | 428 | \$14,197,000 | 6% | 0% | 0% |
| Professional, Scientific, and Technical | 188 | 2,822 | \$444,551,000 | 17% | 2% | 3% |
| Public Administration | 7 | 942 | \$0 | 1% | 1% | 0% |
| Real Estate, Rental, and Leasing | 67 | 566 | \$375,634,000 | 6% | 0% | 3% |
| Retail Trade | 104 | 1,122 | \$120,727,000 | 10% | 1% | 1% |
| Transportation and Warehousing | 6 | 27 | \$216,070,000 | 1% | 0% | 1% |
| Utilities | 2 | 1,006 | \$273,824,000 | 0% | 1% | 2% |
| Wholesale Trade | 22 | 23,098 | \$218,004,000 | 2% | 17% | 1% |
| Other | 163 | 3,117 | \$54,337,000 | 15% | 2% | 0% |
| Grand Total | 1088 | 132,743 | \$14,555,087,000 | 100% | 100% | 100% |

Source: CoStar and Pro Forma Advisors

Exhibit RE- 43: Map of Retail and Accommodation Businesses Surrounding Pepsi Center



Source: InfoUSA and Pro Forma Advisors

Real Estate Characteristics

With the renovation of the surrounding area, industrial inventory has steadily fallen, from approximately 500,000 square feet of built area in 2000 to less than 100,000 square feet at the beginning of this year. During the same period, office product has increased from 2 million to over 3.5 million square feet. A total of nearly 800,000 square feet of retail inventory has been added in the market since 2006.

Office space is at a premium in this market, due to its close proximity to downtown. Industrial inventory has decreased in tandem with occupancy rates, as tenants have left the area. The drastic increase in office inventory has been accompanied by a corresponding increase in tenants, with only a mild decrease in overall occupancies.

Exhibit RE- 44: Market Characteristics (0.5 mile radius)

| Type | 2000 | 2005 | 2012 | Change (2000-2012) |
|-----------------------|-----------|-----------|-----------|--------------------|
| Inventory (SF) | | | | |
| Industrial | 488,996 | 426,068 | 80,009 | -408,987 |
| Retail | NA | NA | 770,457 | 770,457 |
| Office | 1,923,414 | 2,231,165 | 3,786,387 | 1,862,973 |
| Occupancy (%) | | | | |
| Industrial | 98% | 91% | 79% | -19% |
| Retail | NA | NA | 98% | NA |
| Office | 95% | 96% | 93% | -2% |
| Rental Rates* | | | | |
| Industrial | NA | \$0.46 | NA | NA |
| Retail | NA | NA | \$1.53 | NA |
| Office | \$2.01 | \$1.39 | \$2.57 | 28% |

*Rental Rate data is limited for smaller geographies.

Source: CoStar and Pro Forma Advisors

Broader Market Impacts

A two-mile radius encompasses much of Denver's downtown districts, including the Denver central business district with over 40 million square feet of office product and all three sports venues, Pepsi Center, Coors Field, and the Sports Authority Stadium.

On this broader scale, office space has grown by 2.9 million square feet, while industrial space has contracted by 2.4 million square feet. Retail, only reported between 2006 and 2013, contracted since 2006, but this is likely due to the great recession.

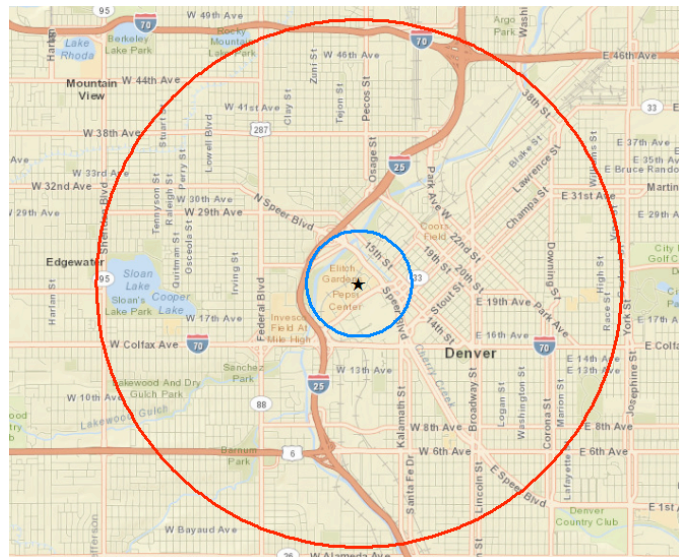
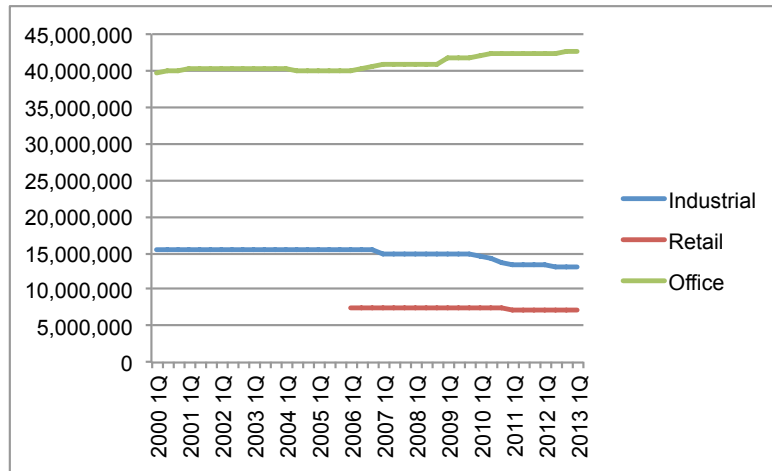


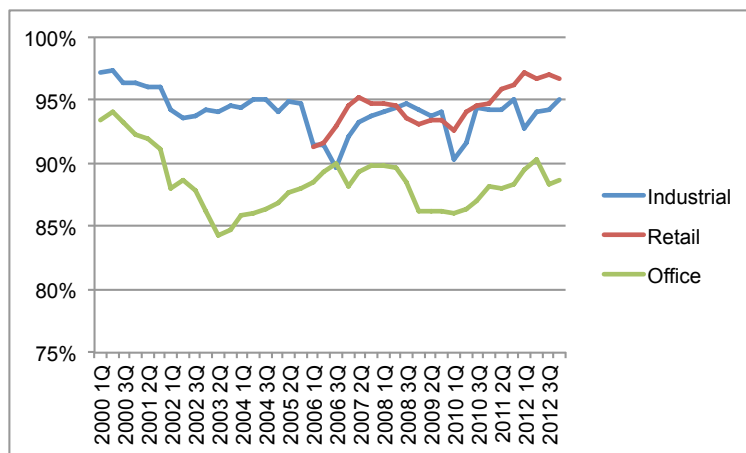
Exhibit RE-45: SF of Inventory by Product Type (2 mile radius)



Source: CoStar and Pro Forma Advisors

The larger two-mile market area has experienced fluctuations in industrial and office occupancy rates, but retail product has seen a steady increase during the time period for which data is available, from the low 90s to nearly 97 percent.

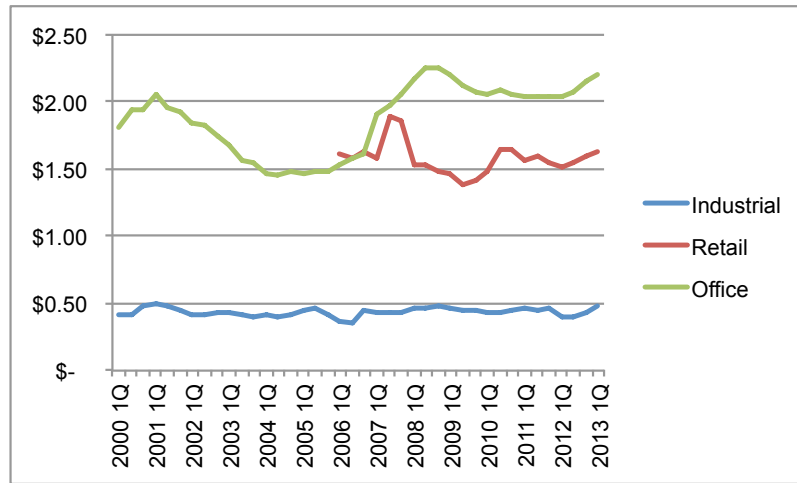
Exhibit RE-46: Occupancy by Product Type (2 mile radius)



Source: CoStar and Pro Forma Advisors

Rental rates were impacted by the economics of the Great Recession. It is interesting to note that industrial rates were less impacted relative to retail and office uses, and despite the growth in the downtown area, the sports venues have not escalated the industrial rental rates.

Exhibit RE-47: Rental Rates by Product Type (2 mile radius)



Source: CoStar and Pro Forma Advisors

Wells Fargo Center Arena and the South Philadelphia Sports Complex

The South Philadelphia Sports Complex is the current home of Philadelphia's professional sports teams. It is the site of the Wells Fargo Center Arena, Lincoln Financial Field, Citizens Bank Park, and a retail/entertainment center Xfinity Live!

It is an example of a sport facility that complements a larger economic development effort rather than existing as the sole driver of revitalization. The overall Sports Complex is part of a larger district, Lower South Philadelphia, that is devoted not only to the sports facility area, but to a large public park, a port district and transportation facility, a refinery and a decommissioned navy shipbuilding yard that has recently transitioned to become the home a burgeoning tech and corporate business park.

Unlike the proposed SoDo and Key Arena/Memorial Center sites, the Wells Fargo Center is not in or near the City's downtown. Instead it is approximately 3.5 miles to the south of the downtown in an area has traditionally been dominated by port, industrial and distribution uses to the east and west of the Sports Complex area, the Navy shipyards to the south and a residential/commercial neighborhood to the north. Construction of I-76 and I-95 freeways in the late 1950's, improved vehicular transportation and access to the area but also resulted in major physical barriers which isolate the area for other areas of the City.

The Wells Fargo Center and South Philadelphia Sports Facility Complex

The contemporary Sports Facility area consists of three sporting venues:

| Venue | Wells Fargo Center | Lincoln Financial Field | Citizens Bank Park |
|----------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------|
| Opened | 1996 | 2003 | 2004 |
| Team | Philadelphia Flyers (NHL), Philadelphia 76ers (NBA), Philadelphia Wings (NLL), and Philadelphia Soul (AFL) | Philadelphia Eagles (NFL) and Temple Owls (NCAA football) | Philadelphia Phillies (MLB) |
| Capacity | 20,300 | 68,500 | 43,650 |

The co-location of four sports teams/venues in the same complex is due in part to the area's historic location as an entertainment destination. The South Philadelphia Sports Complex was once home to the condemned John F. Kennedy Stadium (1926-1992), the multi-purpose Veterans Stadium (NFL and MLB) and the Spectrum Arena (NBA/NHL). These earlier arenas and stadiums were replaced with the current more efficiently-designed modern facilities that freed up land area for synergistic development opportunities.

The City is the sole landowner of the property in this area and all future growth is planned for the land area owned by the City. The Sports Complex uses a master plan-based special purpose zoning district, Sports Stadium (SP-STa). The master plan is defined by long-term leases between the City and managers of the sports complex.

Exhibit RE-48: Orientation Map to the Lower South Area



Source: City of Philadelphia, Lower South District Plan

The Lower South Area

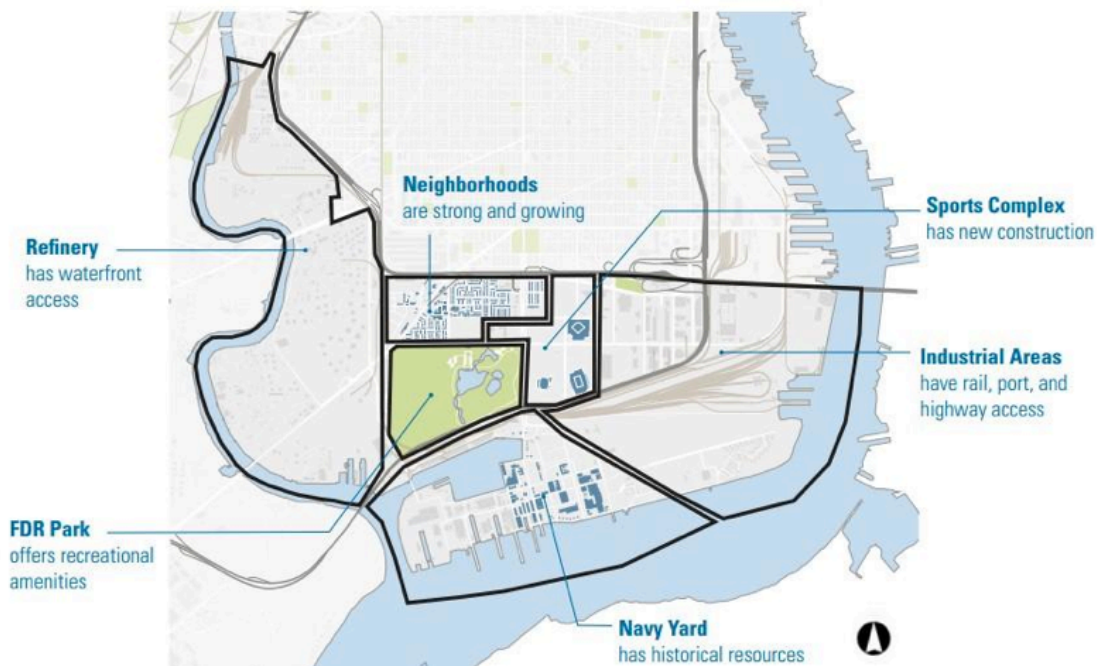
Lower South, covering 6.6 square miles, is very different than other districts in the City because it is primarily non residential in character and broken into large, distinct areas with limited access and use. There are nearly three times the number of people employed here than residents. As both an employment center and entertainment hub, the district is a major and growing economic driver in the region.

Much of Lower South’s legacy of vast properties and large-scale use is tied to its early development as an industrial and military hub located far from the populous city center on land unsuitable for other uses.

In recent years, Lower South has experienced both population and employment growth despite the closure of the Navy Yard in 1996 as an active military base. Most of this growth has come from the repurposing of naval sites for civilian housing (Siena Place and the Reserve at Packer Park) and modern industrial, port, and office uses at the Navy Yard itself. Today Lower South has six distinct areas: the refineries, the Navy Yard, sports complex, FDR Park, the residential neighborhoods, and the port and food distribution area.

All of these areas have clear boundaries created by infrastructure such as streets, highways and freight rail lines. The Wells Fargo Center and the other Sports Complex venues are bounded by 21,000 surface parking spaces that isolate the venues from the other areas within Lower South.

Exhibit RE-49: Key Planning Areas in Lower South Philadelphia



Source: City of Philadelphia, Lower South District Plan

The Sports Complex Impacts

Existing Arena and Sports Complex Impacts

Up until 2012, limited development occurred in the Lower South area as a result of the development of the sports venues in the South Philadelphia Sports Complex. The Wells Fargo Center Arena and other venues failed to attract a significant amount of ancillary retail, restaurant, hospitality or entertainment uses within the greater Lower South Philadelphia area. This is believed to be a result of the surface parking lots of the area with the sports complex isolated from the neighborhoods as well as a result of the distance of the venues from downtown.

However, in recent years the City of Philadelphia is making purposeful efforts to leverage the foot traffic and infrastructure of the Sports Complex. The Xfinity Live center was purposefully developed in the Sports Complex by the City of Philadelphia to serve the restaurant and entertainment needs in the area.

Xfinity Live! - Entertainment Retail Center

Xfinity Live! (formerly Philly Live!) is a dining and entertainment complex located at the corner of 11th and Pattison Avenue on a parking lot of the South Philadelphia Sports Complex previously occupied by the Spectrum arena. The first structure in the complex is a beer garden style center with five bars and restaurants surrounding an internal open market space and an adjacent large outdoor patio concert venue.

The first phase opened in March 2012 and includes a 60,000-square foot cluster of businesses, enclosed with a 40,000-square foot outdoor event space and access to 20,000 parking spaces. The cost for the initial phase is an estimated \$50 million. It is anticipated that a later phase will add 290,000 square feet that will include a music performance space, additional restaurants and shops, and a 300-room hotel.

Further, recognizing the high attendance at events, the existing Broad Street Line subway station, and the large amounts of available land currently used as surface parking, the City wants to redevelop the Sports Complex area as a transit-oriented project(TOD) with additional residential, and mixed-use projects.

Exhibit RE-50: Proposed Infill for Sports Complex Site



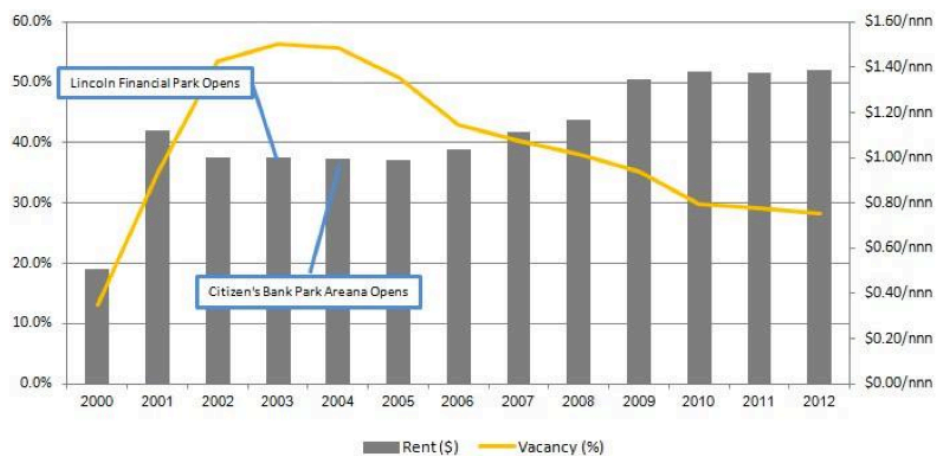
Economic Development in the Areas Surrounding the Sports Complex

The Navy Yard, located directly south of the Sports Complex area was an important naval shipyard of the United States for over a century. It is now a large industrial park that includes a commercial shipyard. The City of Philadelphia became the landlord and owner of The Navy Yard in March 2000. A comprehensive master plan was developed in 2004 to turn the former industrial yard to a mixed-use campus.

The Navy Yard is currently home to 120 companies with 10,000 employees and the campus continues to expand and develop. Clothing manufacturer Urban Outfitters consolidated its Philadelphia headquarters on the site, while Tasty Baking Company, makers of Tastykakes, has moved their bakery to the 26th Street side of The Yard. Other companies there include Iroko Pharmaceuticals, Rhoads Industries, Efficient Buildings Hub (EEB Hub), RevZilla Motorsports, and Mark Group, Inc. Pharmaceutical giant GlaxoSmithKline is currently building a 205,000-square-foot building in The Navy Yard's Corporate Center.

The figure below shows a timeline of office vacancies and average space rent for the area within one mile of the Sports Complex. While this may include some small office spaces in the neighborhoods located to the northwest of the sports areas, it is mostly comprised of office space located in the Navy Shipyard Business Park.

Exhibit RE-51: Office Occupancy Metrics Since 2000



Source: CoStar

Since 2000, the Navy Yard has added more than 460,000 square feet of office space to existing inventories. At the same time, vacancies have decreased and rents increased, indicating a healthy market, especially in the recent down economy. The increase in office rents in the area as well as a decrease in vacancy roughly correlates with the opening of the new stadium and arena complexes. However, the timing is also in line with the development of the Navy Yard Master Plan document and efforts by the City to locate large tenants in the newly created business park. While the sports complex may have contributed to the positive economic climate for development in the area, it is not the sole source of stimulus within the Lower South district.

Nonetheless, the redevelopment the Navy yard as a business park has been a success and is likely to continue. Future development is planned for the area abutting the southern end of Sports Complex, which is unfortunately separated from the Navy Yard by the I-95 Delaware Expressway (see Figure 5).

Exhibit RE-52: Planned Development - Navy Yard Site



Source: City of Philadelphia, Lower South District Plan

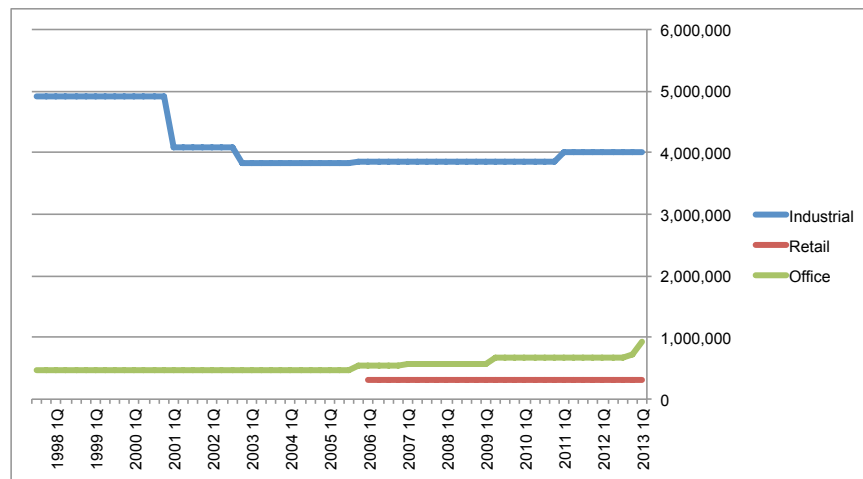
Industrial Developments

The sports venues within the Sports Complex have not pushed out industrial uses in Lower South. There has been loss of industrial inventory within the Lower South area, but this is inline with city-wide losses in industrial jobs.

The table below presents changes in industrial stock and occupied space between 1998 and 2013. Overall industrial real estate stock has decreased by 19 percent. However, across the city of Philadelphia industrial employment, defined as manufacturing, wholesale trade, and transportation, has decreased by 12 percent.

When examining these trends closer it is interesting to note that there is little change in the industrial inventory after the opening of the new Wells Fargo Arena in 1996. There are change in inventory in the couple of years before the opening of Lincoln Financial Field and Citizen's Bank Park which expected higher attendance than the arena.

Exhibit RE-53: Industrial, Retail, and Office Inventory within 1-Mile of Wells Fargo Center



Source: CoStar

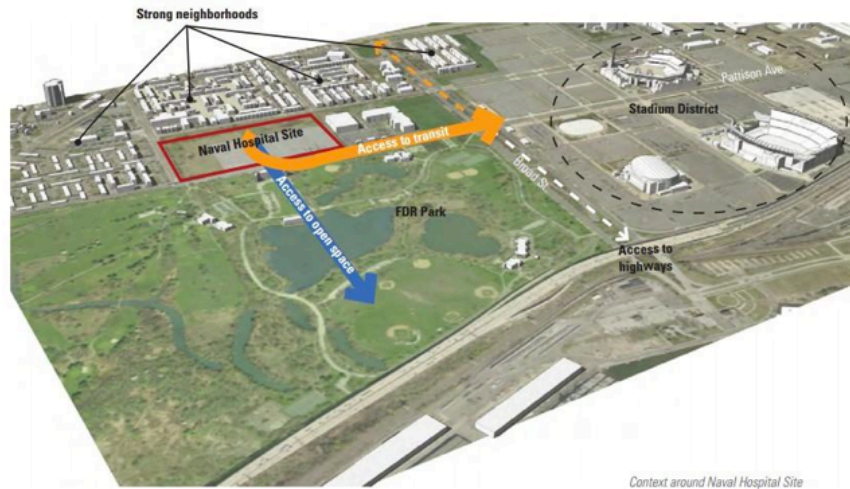
Retail Developments

Until the recent addition of the Xfinity Live! complex in 2012, retail inventory within the Lower South district consisted entirely of neighborhood serving stores located primarily in the Packer Park area to the northwest of the sports complex. The area currently has 314,000 square feet of leasable retail area with an ongoing vacancy rate of only 3 to 4 percent. Despite this the area appears to be a stabilized market catering to the local population. Because of the location of the sports complex and it's unique site plan, (facilities set in the middle of a sea of parking) there is very little pedestrian interaction between the sporting areas and the residential neighborhood.

Residential Uses

The Lower South has had some recent residential development however. Between 2003 and 2007, 230 new townhomes were built in a development known as Packer Park West. Beginning in 2008 and continuing, 313 luxury townhomes have been built in a development known as Sienna Place. The relative location of this area to the Stadium District can be seen in Fig 6. The new project is not the Sports Complex area, but is included within the existing neighborhood.

Exhibit RE-54: Packer Park Neighborhood



Source: City of Philadelphia, Lower South District Plan

Wells Fargo Center and South Philadelphia Sports Complex Conclusions

The South Philadelphia Sports Complex alone was not a catalyst for economic development, but the venues in combination with purposeful redevelopment efforts are bringing new development to the area. The Stadium District has been highly successful as a destination, but land planning and transportation infrastructure issues have effectively isolated its impact on surrounding areas. The Xfinity Live!, a relatively new “outside the gate” entertainment-retail complex is off to a good start attracting large crowds even when there are no events scheduled for the day. But it is located within the larger Stadium District site area, which is largely self contained and provides little revitalization impact on the nearby neighborhood.

Nonetheless, it is likely to provide an anchor for future development on the site which will include additional retail, entertainment and hotel uses as well as medium-density housing oriented for easy access to the City’s rail network.

Additional Case Studies

PetCo Park

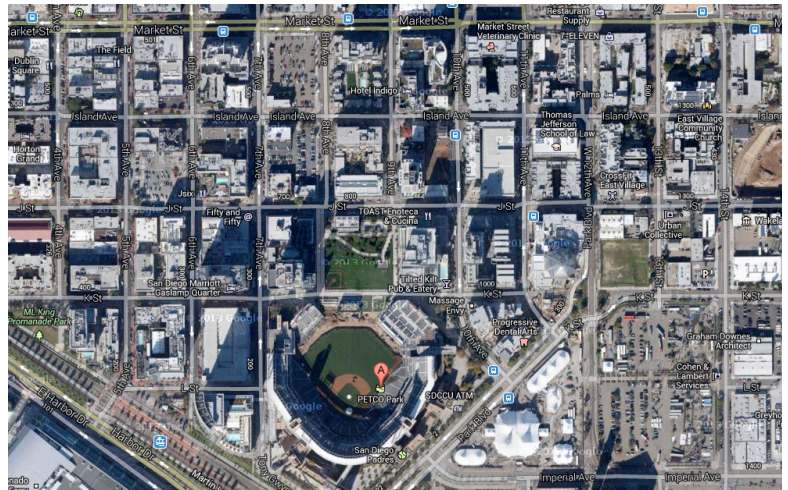
Though a single stadium development, the success of PetCo Park in revitalizing a challenged neighborhood in San Diego, makes the PetCo Park development worth quick review. PetCo Park is located in an industrial neighborhood, but in an area characterized as blighted and dangerous, not a successful industrial area like SoDo.

PetCo Park Development

The area selected for PetCo Park, the East Village neighborhood, was a former industrial area that was filled with abandoned warehouses and empty lots. East Village was located near the popular Gaslamp District and the convention center, but itself consisted of parking lots, warehouses, and outdoor storage yards and was considered a cash drain to

the city, with businesses that required subsidies to remain¹⁶. The City of San Diego had an interest to redevelop this downtown area.

| Venue | PetCo Park |
|-----------------|--------------------------------------------|
| Neighborhood | East Village |
| Location | On waterfront, Harbor Dr., west of the I-5 |
| Opened | 2004 |
| Team | San Diego Padres |
| Cost | \$474 million |
| Capacity | 42,500 |
| 2012 Attendance | 2,123,721 |



Impact of PetCo Park

With an interest to redevelop the area, the City required the Padres, as part of their agreement, to secure private development in the area. The memorandum of understanding required that the developers of the arena be the master developers of a stadium district that included:

- ▶ 150-room extended stay hotel,
- ▶ 700 additional hotel rooms, with associated parking,
- ▶ Office complexes of at least 600,000 square feet, with associated parking,
- ▶ Retail development of at least 150,000 square feet,
- ▶ Additional parking of approximately 2,238 stalls.

Approximately \$4.25 billion has been committed on the ball park and in the area since 2007. \$4 billion is private money. \$1.6 billion has been spent as of 2012¹⁷. JMI Real Estate, an entity created by the owner's of the Padre eventually developed developed two hotels, sold most of other property to other developers.

It should be noted that that the ball park was the central focus of this redevelopment and that the park was contextually well designed to its urban surroundings and helped to create connections throughout the downtown. Architects and planners used a “dramatic” suspension bridge to connect the stadium to a high-end hotel and created a public park

¹⁶Gest, David. “San Diego Padres: PETCO Park As A Catalyst For Urban Redevelopment”. [Stanford GSB Case Study SPM27](#), 02/19/2008.

¹⁷ Weisberg, Lori and Roger Showley, “Padres Sold by What About the Land?” [UT San Diego](#), August 10th, 2012

beyond the center fields seats with views into the Padre's playing field, a free and popular amenity that encourages families to spend an afternoon downtown¹⁸.

As a result of the direct requirement by the City, JMI developed two hotels and several properties to meet the conditions of the MOU. Combined with the strong housing market in California before 2007, PetCo Park and these developments attracted additional investment. As of 2007, there were 3,040 residential units built (with an additional 5,273 units pending) in the East Village. 594 of the units built in the area were low income and another 241 low-income units were in process. There were 747 hotel rooms built (430 pending), 546,670 SF of commercial space, 727,000 under construction, 3,000 parking spaces, 650 under dev in the East Village¹⁹.

JMI Realty have been very involved in the Ballpark District. Their development projects include:

- ▶ Hotel Solamar– a 235-room Kimpton boutique hotel
- ▶ Omni San Diego Hotel and The Metropolitan Condominiums– a four-star, 511-room hotel and 38 luxury condominiums with direct access to PETCO Park via a pedestrian sky bridge;
- ▶ Ballpark Village - an urban, master-planned “village” with more than 3.2 million square feet of mixed-use development located on 7.1 acres adjacent to PETCO Park
- ▶ East Village Square - a three-city block urban, master planned mixed-use development including a high-rise residential tower, 275,000 square feet of office space and 130,000 square feet of retail
- ▶ Island Village - a four-city block urban, master planned residential project;
- ▶ East Village District Plant - a 10,000-ton chilled water facility; and Candy Factory and Schiefer & Sons - two historic buildings recently retrofitted by JMI Realty²⁰.

Exhibit RE-55: JMI Developments in the PetCo Park Area

John Moores' development legacy

JMI Realty, Padres owner John Moores' real estate company, helped develop hotels, offices, retail and residential projects around Petco Park.



Source: Excerpt from Weisberg, Lori and Roger Showley, “Padres Sold by What About the Land?” *UT San Diego*, August 10th, 2012.

¹⁸ Gest, David. “Stadium as Catalyst? Think Again.” *Panorama*, pgs. 36 - 38.

¹⁹ Gest, David. “San Diego Padres: PETCO Park As A Catalyst For Urban Redevelopment”. *Stanford GSB Case Study SPM27*, 02/19/2008.

²⁰ www.jmirealty.com

Land values in the Ballpark District reportedly increased from \$40 to \$400 per square foot in 2008, before the recession²¹.

Case Study Conclusions

Pepsi Center Denver

- ▶ Sports venues located in downtown Denver, Colorado, are touted as the prime example of how sports venues can help to revitalize downtown, but even in this example it is clear that much of the redevelopment occurred as a result of the Coors Field Stadium, rather than Pepsi Center Arena. Coors Field is better integrated into downtown than Pepsi Center Arena, but also generates higher attendance. Much of the retail and hospitality developments are oriented to Coors Field.
- ▶ While noting the barrier created by Pepsi Center's surface parking, this example suggests that an arena generates less ancillary development impact relative to the stadiums.
- ▶ This case study, as well as Philadelphia, suggest that the location of parking, specifically where you have the visitors walking from to arrive at the sports venue, can impact where supporting real estate development occurs.

Wells Fargo Center and South Philadelphia Sports Complex

- ▶ Demonstrates how design of an area impacts the real estate/economic impacts produced in the area. The Wells Fargo Center and other sports venues are surrounded by a significant amount of parking that separates the complex from other areas. This shows how barriers can be used where desired to limit growth.
- ▶ The Wells Fargo Center and South Philadelphia Sports Complex demonstrate that sports venues alone do not stimulate development. Located several miles from downtown Philadelphia, the Sports Complex has not stimulated significant growth in the area. Instead only through current specific revitalization efforts have the sports venue created ancillary development.
- ▶ This example demonstrates that sports venues and industrial uses can exist in close proximity. While there has been contraction in the industrial market, primarily from economic factors, changes in the market were not "tipped" by the arena and were more likely to be tipped with the redevelopment of the stadiums that have greater attendance figures.

PetCo Park, San Diego

- ▶ Demonstrates the capacity of a well-designed sports venue to improve a neighborhood, capture private investment, and increase property values.
- ▶ As noted in other case studies, it reminds us that revitalization does not occur directly by the development of a sports venue alone, but instead by purposeful efforts made by the public and private entities.

²¹ Gest, David. "San Diego Padres: PETCO Park As A Catalyst For Urban Redevelopment". Stanford GSB Case Study SPM27, 02/19/2008.

Potential Real Estate Changes in the SoDo District with the Proposed Arena

There are a number of factors that will impact real estate changes in the SoDo area in the short, mid-term, and long-term. Based on conclusions in the overall Land Use Analysis section, we make the following observations and projections regarding the potential real estate impacts of a proposed Seattle arena in SoDo:

Ongoing Industrial Trends and Real Estate Pressure

As shown in the SoDo real estate and land use section, there have been ongoing losses in industrial real estate and businesses in the SoDo study area. There were increases in losses, particularly north of Holgate Street, as a result of the stadiums (which includes the direct replacement of industrial space on the existing stadium sites) when Safeco Field and Century Link Field were developed. However, there has been a greater acceleration of that loss since 2005 which appears to be a result of the economic growth and real estate expansion of downtown. The new arena will also replace existing industrial space and may impact industrial spaces within the Stadium Overlay District, but, based on the case studies, as a third sports venue and an arena with lower attendance projections, the arena's impact will not be as significant as the existing stadiums' impacts on development. The existing trend of gentrification within the SoDo area is likely to occur with or without the development of a new arena and, with appropriate regulatory policies and enforcement of those policies, the development impacts of the arena can be focused in particular areas of SoDo.

Revitalization with Sports Venues Typically Results from Purposeful Efforts

It is important to point out that the development of an arena, alone, is not likely to spur development in the area. In the cases where sports venues helped to redevelop and catalyze development in an area, the sports venues were typically stadiums and there were intentional efforts made by jurisdictions to support development growth in the area, e.g. Denver's Coors Field vs. Pepsi Center and the requirements written into the PetCo Park MOU. In cases where there was not an intentional effort to spur growth, and even in cases where there were ineffective efforts, the development of a new arena often did not change the development path of the area, such as in the case of Philadelphia's Wells Fargo Center Arena or for other arenas such as Phoenix's US Airways Center and Houston's Reliant Park.

Physical Barriers Can Help to Limit Unwanted Impacts

In the main case studies, Denver and Philadelphia, the arenas had less impact in the area because they were isolated from the neighborhoods by a sea of parking. The proposed SoDo site will not be surrounded by surface parking, but the proposed arena at the SoDo site (and close by vicinity) will still have natural barriers to growth including the BNSF tracks to the east and the north SIG Yard, approximately two blocks to the west. Actual development is likely to be limited to north of Holgate Street along 1st Avenue and north of the arena on Occidental, based on current regulations within the Stadium Overlay District.

Spinoff Retail Estimates

Based on projections of offsite arena visitor spending, the table below estimates the amount of restaurant and bar square footage (resulting from visitor food service and beverage), general retail square footage (resulting from offsite souvenir and retail purchases), and hotel rooms are directly supported in the City of Seattle by arena events. Accommodations are likely to be more focused towards the general arena vicinity, if available, while retail and restaurant spending may be more

likely to occur throughout the City. Based on this assumptions, we estimate the capture rate of accommodations in the arena vicinity is 70 percent while the restaurants and retail represent approximately 50 percent.

Exhibit RE-56: Estimates of Arena Visitor-Supported Development in the Arena Vicinity

| Lodging | Estimated Offsite Spending in Seattle ¹ | Estimated Avg. Room Price | Est. Room Nights | Rooms Supported @ Est. Occupancy of 75% | Arena Area Capture Rate | Arena Supported Rooms in Immediate Area |
|---------|----------------------------------------------------|---------------------------|------------------|-----------------------------------------|-------------------------|-----------------------------------------|
| Lodging | \$9,618,188 | \$160 | 60,114 | 220 | 70% | 154 |

| Retail and Entertainment | Estimated Offsite Spending in Seattle ¹ | Estimated Sales PSF | Estimated SF | Arena Area Capture Rate | Arena Supported Real Estate in Immediate Area (SF) |
|--------------------------|----------------------------------------------------|---------------------|---------------|-------------------------|----------------------------------------------------|
| Souvenirs/Gifts/Retail | \$11,456,432 | \$400 | 28,641 | 50% | 14,321 |
| Food/Beverage | \$12,668,893 | \$550 | 28,793 | 50% | 14,397 |
| Entertainment | \$3,657,846 | \$400 | 11,431 | 30% | 3,429 |
| Total | \$27,783,171 | | 68,865 | | 32,146 |

¹City of Seattle Offsite spending estimates from Economic Impact section.

Source: Pro Forma Advisors

The larger Stadium District and a focused entertainment retail area are likely to generate additional non-arena visitors that will support additional square feet, but the analysis of offsite arena visitor spending provides a benchmark understanding for the ancillary development directly supported by the arena operations. The table above shows support for 150 rooms in the arena vicinity. In the SoDo area these rooms could be satisfied within the two planned hotels in the north lot Stadium Place project. The arena Developer has proposed retail in the SoDo area in the range of 30,000 to 60,000 square feet in addition to office and residential uses. Actual retail developments and ancillary development will be dependent on the SoDo ability to brand itself as a dynamic entertainment district beyond arena events.

Ancillary Developments Best Located in Areas That Can Serve All the Stadium District Sports Venues

Ancillary retail and accommodations to support a proposed arena at the SoDo site are best located in an area that can serve the two stadiums as well as the arena. Approximately 30 to 40 percent of the foot traffic generated between the sports venues will be attending the arena. It is in the City's best interest to focus the ongoing development of an entertainment district in areas immediately adjacent to the proposed SoDo site or north of the arena.

Residential Uses Conflict with Port Uses

Currently residential is not allowed within the SoDo area because these uses often conflict with Port and Port-related industrial uses. As described by brokers in the area, SoDo does not have the amenities to be a strong residential area. Given the economic importance of the Port the City should carefully consider the limitation of residential uses within the proposed arena area.

A SoDo Arena Coexisting with Industrial Development

The arena will bring additional retail uses and foot traffic to SoDo, but, as shown by the case studies, a development of an arena alone is not the main catalyst for development. The proposed arena can co-exist with high performing industrial development. However, there are greater ongoing property value pressures in the SoDo area due to its proximity to downtown Seattle and efforts need to be made to protect the industrial developments in the area from both the operational traffic impacts of the arena and to limit/regulate the capacity of the area to transition into higher performing uses.

Appendices

Economic Impact Methodology

This analysis evaluates the one-time construction impact and ongoing gross economic impact of a proposed NBA and NHL arena for all scenarios. Given concerns raised by SoDo stakeholders, the analysis also evaluates the net economic impacts for Scenario A. As described in the Economic Impact Overview section the ongoing net economic impacts consist of (1) the gross arena impacts and account for (2) substitution impacts, and impacts on the Port and Port related industrial businesses within the SoDo area. Additional tangible and intangible impacts are also discussed.

The following section describes the overall analysis framework and the methodology used to estimate each of the impacts.

Geography

For purposes of this analysis the City of Seattle and King County are the geographic areas of analysis.

Key Assumptions

The following are key assumptions:

1. The timing of development is evaluated at full build-out, with an assumed stabilized year of 2018 for the arena development. Revenue estimates are adjusted to reflect 2013 dollars.
2. All currency figures, except where otherwise noted, are in 2013 dollars.
3. Jobs include players, management, full time, and part time event employees and staff. Jobs are not are not full time equivalent.

Gross Arena Impacts Methodology

The gross arena impact analysis quantifies: (1) the one-time construction impacts generated by the construction of the arena; and (2) the ongoing annual economic impacts generated as a result of the ongoing operations of the arena.

The IMPLAN program uses enhanced input-output tables, which reflect historical purchases and sales made between businesses and their suppliers within a region, to estimate the re-spending of an initial change (direct impact) within a geography. **There are two main approaches to estimating the multiplier effect (indirect and induced impacts) and total impacts, the “Industry Change Approach” and the “Analysis by Parts” or expenditure approach.**

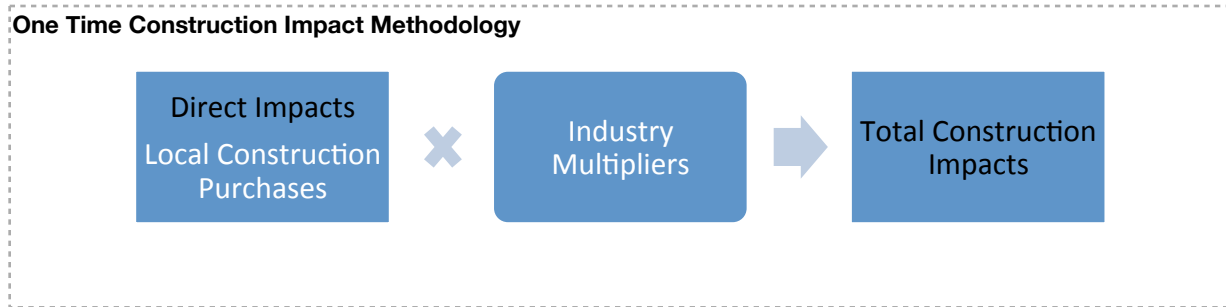
In the Industry Change Approach, model-produced industry multipliers are applied to the total initial change to estimate total impacts. This approach works well when the initial change aligns with a standard industry found in the geography. However, when the activity being evaluated is new or its general spending patterns differs from the standard industry's, the “Analysis By Parts” approach can be used to tailor the multiplier effect based on a project's specific spending pattern.

In the Analysis by Parts approach, rather than applying the multipliers to the initial change, such as the ticket revenues generated by the arena, multipliers are applied to the second round purchases, i.e. the local arena's business and employee expenditures. The application of the multipliers to the second round purchases produces the indirect and

induced effect. The initial change is then added to the indirect and induced impacts to estimate total impacts within the region.

One-Time Construction Impacts

An “Industry Change” approach is used to estimate construction impacts. In the Industry Change approach, final-demand purchases made in the geography, represent the direct impact generated by the project. The appropriate industry multipliers are applied to the direct impact to estimate the total impact (direct, indirect, and induced impacts). Construction impacts are estimated based on the overall estimated construction cost. The IMPLAN program is used to estimate the industry multipliers and the resultant total construction impacts.



Estimating Construction Direct Impacts

Total construction costs of \$390 million for the arena facility were provided by the Developer. Direct impacts represent only purchases made within the region. The hard and soft costs of developing the Project are considered direct impacts within the local area, but the share of fixtures, furnishing and equipment purchases in the area must be estimated separately.

Fixtures, furnishing, and equipment (FF&E) line items were estimated using data provided by the Developer, review of CenturyLink Field and Safeco Field major purchases, and PFA's understanding of the market. FF&E were then broken down into component costs based on whether the items are expected to be purchased wholesale or directly from the manufacturer. The IMPLAN model includes estimates for the locally purchased percentage of each industry within each geography. This data was reviewed, but given that many of these large fixtures are specialized equipment the IMPLAN model estimates were reduced as appropriate.

Direct construction earnings and jobs impacts are estimated through IMPLAN based on overall construction costs and FF&E purchases.

Construction costs are assumed to be the same for all alternatives.

Estimating Indirect and Induced Construction Impacts

The IMPLAN program is used to estimate total construction impacts. Direct inputs are inputted into the software and the program provides a summary of the total (direct, indirect, and induced) impacts.

While the level of detail necessary to do an Analysis by Parts approach for the construction impacts was not available, the IMPLAN commercial construction industry multipliers used for this analysis was adjusted to account for data that is available²².

Ongoing Annual Impacts

The Project will generate gross economic impacts directly from onsite operations of the arena as well as from arena visitor's offsite spending.

Arena Onsite Impacts

The Analysis by Parts Approach, as described above, was used to estimate annual ongoing economic impacts of the arena. This approach allows the multiplier effect to be customized to the specific spending pattern anticipated at the proposed arena.

As described above, rather than applying multipliers to the initial final demand change (the direct impacts), the multipliers are applied to locally purchased goods, services, and labor. Using IMPLAN, multipliers are applied to the local purchases, producing the indirect and induced impacts. The direct impact is then added back to the indirect and induced impacts to estimate total impacts.

Direct Arena Impacts

The direct impact of the arena is the total final demand change generated by the arena. On a gross analysis, the final demand generated is the total revenues generated by the arena. Direct impacts arise from the arena's ticket, food and beverage, and parking revenues generated by visitor spending as well as media and other team revenues.

Some economists argue that the geography does not receive the full impact of this final demand change because NBA & NHL players, which are a significant share of expenditures, may not live locally and their incomes immediately leak out of the economy. In this analysis, **the indirect and induced impacts account for the leakage of 80 to 85 percent of Player's salaries out of the geography and, to remain conservative, PFA has also excluded the non-local portion of players' salaries from the direct impacts.**

Direct jobs are the total jobs supported by arena onsite operations. Direct jobs include players, NBA & NHL team staff, facilities permanent staff, and event staff. As described in the Operating Revenues section, direct jobs were estimated based on NBA & NHL average team size, average facilities staffing, and anticipated event attendance.

Direct earnings are the total earnings generated by the proposed arena less the non-local player's salaries. As described in the Projections section, earnings were estimated based on staffing levels and data from comparable facilities. Players salaries are estimated based on average players salaries with assumptions for recent bargaining agreement changes.

²² Architectural and engineering is one of the top purchases made by the commercial facility construction industry. The IMPLAN construction industry production function was edited to account for the fact that a specialized sports facility architect, who is not local, was utilized to design the arena.

Indirect & Induced Impacts

Indirect and induced impacts are determined based on the locally purchased goods, services, and labor in the Analysis by Parts Approach.

Estimated arena expenditures are categorized as wage and non-wage expenditures. Non-wage expenditures are adjusted based on the anticipated share of each purchase that are made locally. Estimates for the regionally purchased share of each commodity type are based on geographically-specific estimates in the IMPLAN model, but are adjusted (typically downward) to account for anticipated spending patterns for the proposed arena.

Goods purchased for concessions and merchandise have been margined into their key cost components to account for a difference in purchase prices and producers prices²³. Only the portion of the retail or wholesale margin or transportation costs made in the local region are included within local purchases.

Taxes & Licenses as well as the Rent/Lease Payment are excluded from the local purchases, as they do not generate second round changes in demand for private goods and services in the economy.

The share of workers who live locally is used as a proxy for the share of facility, event, and team staff wages that are spent locally. The locally purchased share of labor purchases were estimated using Census Bureau On the Map LEHD employment data, shown in the table below. This data estimates the share of employees by work place that are local (residents) vs. the number of employees that commute from other geographies. In the economic analysis, approximately 30 - 37 percent of team, event, and facility staff are expected to live within the City of Seattle. Given that the On the Map data likely includes employment of businesses located closer to other counties than the Project, the analysis assumes that 70 to 90 percent of the staff will reside in King County.

City and County Share of Resident Employees

| Share of Geography Employees that Reside in the Geography | |
|-----------------------------------------------------------|-------|
| City of Seattle | 37.2% |
| King County | 66.8% |

Source: Census On the Map LEHD Inflow/Outflow Data and Pro Forma Advisors

Players are expected to be in the Seattle area throughout much of their season. The regular basketball season is approximately 28 weeks. Accounting for away games as well as assuming Players are not in town on the weekends, players must still spend approximately 100 days in the area, approximately 27 percent of the year in Seattle. In actuality, many players often choose to take up residence in their team's local area and may be in the region throughout the year. Without a survey it is difficult to estimate the share of players' salaries that are spent in the local area. For this analysis, we assume that 15 to 20 percent of player's annual salaries are spent locally.

Wage expenditures are appropriated into cash wages, payroll taxes, health and insurance benefits and retirement benefits, such as a 401K. Payroll taxes and retirement benefits are excluded from the model, because they do not

²³ IMPLAN inputs must be at producers' prices. Unlike other industries, where the producer is selling directly to their end user, i.e. a bakery makes the bread and sells to its customers, sales made by retail stores must be adjusted to account for final demand use at producers prices rather than purchase prices.

generate additional private output in the economy, and health and insurance benefits are applied to the appropriate industry multipliers.

Non-wage and wage local purchases are inputted into IMPLAN and IMPLAN estimates the total indirect and induced impacts generated by the local purchases. Indirect and induced impacts are provided in terms of output, earnings, and jobs.

Total Onsite Impacts

Indirect and induced output, earnings, and job impacts are added to the adjusted direct output, earnings, and jobs impacts to determine total arena output, earnings, and jobs impacts.

Arena Offsite Impacts

Offsite impacts evaluate the impacts produced by visitors' offsite spending. Offsite spending includes visitor spending at offsite locations, such as food and beverage spending before or after the game, parking and auto expenditures on the way to the game, and accommodations for those who are coming from long distances to see a NBA/NHL game or major concert.

Offsite spending equates to revenue for restaurants, hotels, parking lots, and other industries throughout the City and County. The Industry Change Approach is used to estimate the total impacts as shown below.

Direct Offsite Impacts

To estimate direct impacts, the amount of visitor spending that occurs within the City of Seattle and King County must be estimated.

The share of spending that is local is based on both the origin of residents and the context of each of the venues. Certain spending categories are expected to occur closer to the venue, such as parking, entertainment, souvenirs/gifts, and accommodations, while others such as auto travel, bus travel or likely to happen at the place of origin.

Similar to concessions and merchandise sales in the arena, retail purchases need to be margined to properly account for the share of the output that occurs in the geography. Through the IMPLAN software we account for only the retail store (margin) portion of the purchase for both the Souvenirs/Gifts/Retail category and gas purchases under the Auto Travel category.

Offsite earnings and jobs impacts are estimated by IMPLAN.

Total Offsite Impacts

The local offsite visitor revenues are inputted into IMPLAN and the software program estimates the total impacts (direct, indirect, and induced).

Total Annual Ongoing Impacts

Total onsite and offsite impacts are aggregated to represent total annual ongoing impacts.

Substitution Impact Methodology

To get a comprehensive understanding of the impact of the Project, the economic analysis looks not only at new gross economic impacts of the proposed arena, but also evaluates any shifts in demand, substitution impacts, that may occur between existing entertainment spending and the Project.

The substitution methodology and analysis is described in detail in the Substitution Impacts section following the Arena Economic Impacts section.

Port and Related Industrial Business Impact Methodology

PFA has been tasked with evaluating potential impacts to the Port of Seattle and related SoDo industrial businesses as a result of the proposed arena. Potential impacts are expected to be generated as a result of traffic.

A Port Impact and Industrial Business Impact section, that quantifies potential traffic impacts from a proposed arena and discusses additional impacts, follows the Economic Impact section. The methodology for the Port impacts and related SoDo industrial business is described in detail in the Port and Industrial Business Impact section.

Results from this Port and Industrial Business section provide the base for the direct Port and industrial business impacts. Using the Revenue Approach, additional indirect and induced impacts are generated from the direct Port and industrial business impacts.

Additional Impact Considerations

In addition to impacts that will be integrated into the net economic impact for the proposed SoDo, additional impacts will be evaluated. These impacts include potential intangible impacts of the arena, and potential land use implications.

MWBE Impacts

The MWBE Impacts are the impacts generated to minority and women-owned businesses as a result of the proposed arena. These impacts were considered but could not be estimated at this time.

Quality of Life Considerations

The Additional Impact section examines how development of the arena might influence broader perceptions of the region, including the value of living in or visiting the area.

Real Estate/Land Use Considerations

A separate Real Estate and Land Use section describes the current performance of real estate in the SoDo and Lower Queen Anne areas and evaluates possible land use impacts from development of the new arena.

One Time Construction Impacts
A-1: Direct Construction Impacts
 Seattle Economic Impact
 10-412.01

Scenario A

| Stadium Facility Construction Costs | Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|--------------------------------------|----------------------|---------------------------------------------------------------------|---------------------------|-------------|----------------------|----------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Construction | \$350,000,000 | Construction of Other Non-Residential Structures | 100% | 100% | \$350,000,000 | \$350,000,000 |
| Fixtures, Furnishing and Equipment | | | | | | |
| Equipment (Direct from Manufacturer) | | | | | | |
| Scoreboard/Visual | \$9,000,000 | Sign manufacturing | 0% | 0% | \$0 | \$0 |
| Sound/Audio | \$2,500,000 | Audio and video equipment manufacturing | 0% | 0% | \$0 | \$0 |
| Furniture and Equipment (Wholesale) | \$18,500,000 | | | | | |
| Wholesale Purchase Component | \$2,405,000 | Wholesale trade distribution services | 20% | 35% | \$481,000 | \$835,250 |
| Transportation Component | \$1,110,000 | Transportation Services | 10% | 28% | \$111,000 | \$308,400 |
| Goods Manufacturing | | | | | | |
| Food Service Equipment | \$5,265,000 | Other commercial and service industry machinery manufacturin | 5% | 15% | \$263,250 | \$789,750 |
| Seating | \$3,240,000 | Institutional furniture manufacturing | 0% | 0% | \$0 | \$0 |
| Floor, Office, Telecom, Furniture | \$6,480,000 | Office furniture and other millwork manufacturing | 0% | 2% | \$0 | \$135,626 |
| Fixtures (Wholesale) | \$10,000,000 | | | | | |
| Wholesale Purchase Component | \$1,500,000 | Wholesale trade distribution services | 30% | 60% | \$450,000 | \$892,500 |
| Transportation Component | \$400,000 | Transportation Services | 15% | 48% | \$60,000 | \$190,400 |
| Goods Manufacturing | | | | | | |
| Mechanical | \$3,045,000 | All other miscellaneous manufactured products | 1% | 10% | \$30,450 | \$304,500 |
| Electrical | \$2,610,000 | Electronic capacitor, resistor, coil, transformer, and other induct | 10% | 27% | \$261,000 | \$704,700 |
| Lighting/Telecom | \$3,045,000 | Lighting fixture manufacturing | 1% | 2% | \$30,450 | \$60,900 |
| Total Development Costs | \$390,000,000 | | | | \$351,687,150 | \$354,222,026 |

Source: Pro Forma Advisors, Developer, IMPLAN

One Time Construction Impacts
A-2: Gross Economic Impact - Total Construction Impacts

Seattle Economic Impact

10-412.01

CITY OF SEATTLE IMPACTS

| Construction Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------------|----------------|----------------------------|---------------|
| Output | \$351,426,135 | \$128,941,279 | \$480,367,414 |
| Earnings | \$215,588,974 | \$50,186,960 | \$265,775,934 |
| Employment | 2,335 | 863 | 3,199 |

Source: Pro Forma Advisors

KING COUNTY IMPACTS

| Construction Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------------|----------------|----------------------------|---------------|
| Output | \$354,222,011 | \$179,177,884 | \$533,399,895 |
| Earnings | \$216,549,252 | \$71,992,710 | \$288,541,961 |
| Employment | 2,349 | 1,220 | 3,570 |

Annual Ongoing Impacts
A-3: Onsite Impacts - Arena Expenditures
 Seattle Economic Impact
 10-412.01

| Scenario A Expenditures | Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|---------------------------------------------------------|----------------------|------------------------------------------------------------|---------------------------|-------------|---------------------|---------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Facility Operations / General and Administrative | | | | | | |
| NON-WAGE EXPENDITURES | | | | | | |
| General and Administrative | | | | | | |
| Ticket/Club Seat Sales and Service Expenses | \$4,250,000 | Promotion of spectator sports | 75% | 90% | \$3,187,500 | \$3,825,000 |
| Suite Sales and Services | \$1,300,000 | Promotion of spectator sports | 75% | 90% | \$975,000 | \$1,170,000 |
| Sponsorship Sales and Services | \$1,900,000 | Sales comm., Promotional mtrl, Food srvc & Merch. gifts | 75% | 85% | \$1,431,872 | \$1,624,099 |
| Marketing, PR, CR Creative | \$1,800,000 | Advertising and related services | 80% | 85% | \$1,440,000 | \$1,530,000 |
| Travel | \$135,000 | Local Transportation and Air Travel | 59% | 75% | \$79,000 | \$101,000 |
| Entertainment | \$45,000 | Local meals | 85% | 95% | \$38,250 | \$42,750 |
| Accounting and Tax Accounting | \$240,000 | 3rd party Accounting, tax, payroll services | 75% | 80% | \$180,000 | \$192,000 |
| Equipment Leases | \$100,000 | Commercial machinery and equipment rental and leasing | 56% | 76% | \$56,000 | \$76,000 |
| Telephone | \$720,000 | Telecommunications | 50% | 95% | \$360,000 | \$684,000 |
| Service and Finance Charges | \$80,500 | Fees, credit card fees, and bank fees | 20% | 30% | \$16,100 | \$24,150 |
| Supplies, Postage and Dues | \$429,000 | Office supplies, Postage, Magazines, membership, org. dues | 45% | 65% | \$193,050 | \$278,850 |
| Legal and Professional | \$500,000 | Legal Services | 80% | 95% | \$400,000 | \$475,000 |
| Repairs & Maintenance | \$100,000 | Arena Ops. machinery & equipment repairs&maintenance | 60% | 96% | \$60,000 | \$96,000 |
| Rent/Lease Payment | \$2,000,000 | - Excluded - | | | | |
| Utilities | \$2,100,000 | Electricity and Water | 100% | 100% | \$2,100,000 | \$2,100,000 |
| Taxes & Licenses | \$1,583,000 | - Excluded - | | | \$0 | \$0 |
| Insurance | \$900,000 | General liability, workers compensation | 40% | 60% | \$360,000 | \$540,000 |
| Other Expenses | \$630,000 | Business support services | 60% | 90% | \$378,000 | \$567,000 |
| Concessions - Costs of Goods Sold | | | | | | |
| | \$6,287,760 | Food, Beverage, F&B Supplies Manufacturing | 20% | 25% | \$1,257,552 | \$1,571,940 |
| | \$920,160 | Wholesale Trade (Margins) | 80% | 90% | \$736,128 | \$828,144 |
| | \$460,080 | Truck Transportation | 55% | 80% | \$253,044 | \$368,064 |
| Merchandise - Cost of Goods Sold | | | | | | |
| | \$1,578,500 | Apparel, Accessories, Footwear, Paper Merchandise | 5% | 10% | \$78,925 | \$157,850 |
| | \$338,250 | Wholesale Trade (Margins) | 80% | 90% | \$270,600 | \$304,425 |
| | \$338,250 | Truck Transportation | 55% | 80% | \$186,037.50 | \$270,600 |
| Repairs and Maintenance of the Facility (3rd Party) | \$1,500,000 | Maintenance and repair of non-residential structures | 75% | 95% | \$1,125,000 | \$1,425,000 |
| TOTAL FACILITY NON-WAGE EXPENDITURES | \$30,235,500 | | | | \$11,254,772 | \$13,325,849 |
| WAGE EXPENDITURES | | | | | | |
| Team/Event Staffing | \$8,623,000 | Household Spending Change, Health care benefits | 35% | 85% | \$3,018,050 | \$7,329,550 |
| Personnel (Including Payroll Taxes and Benefits) | \$13,127,000 | Household Spending Change, Health care benefits | 37% | 90% | \$4,856,990 | \$11,814,300 |
| TOTAL FACILITY WAGE EXPENDITURES | \$21,750,000 | | | | \$7,875,040 | \$19,143,850 |
| Team Expenses | | | | | | |
| NON-WAGE EXPENDITURE | | | | | | |
| Team Travel | \$7,650,000 | Air and auto travel, Ground transport, Meals, and Lodging | 21% | 28% | \$1,606,500 | \$2,142,000 |
| Other Team Costs | \$3,163,000 | Physicians, uniforms, business expenses, etc. | 39% | 52% | \$1,242,582 | \$1,642,874 |
| Player Insurance | \$6,300,000 | League Office insurance (Not Local) | 0% | 0% | \$0 | \$0 |
| Total Non-Wage Expenditure | \$17,113,000 | | | | \$2,849,082 | \$3,784,874 |
| WAGE EXPENDITURE | | | | | | |
| Player Salaries (Net Escrow/Tax) | \$102,615,000 | Household Spending Change | 15% | 20% | \$15,392,250 | \$20,523,000 |
| Taxes and Benefits - Players | \$7,158,000 | | | | | |
| Health and Insurance Benefits | \$1,338,906 | Insurance and Medical Sectors | 15% | 20% | \$200,836 | \$267,781 |
| Payroll Taxes and Retirement Benefits | \$5,819,094 | - Excluded - | | | | |
| Team Salaries and Benefits - Coach Etc. | \$13,601,000 | Household Spending Change, Health care benefits | 30% | 72% | \$4,025,896 | \$9,792,720 |
| Total Wage Expenditure | \$123,374,000 | | | | \$19,618,982 | \$30,583,501 |
| TOTAL TEAM EXPENDITURES | \$140,487,000 | | | | \$22,468,064 | \$34,368,375 |
| TOTAL ANNUAL ONSITE EXPENDITURES | \$192,472,500 | | | | \$41,597,876 | \$66,838,074 |

Source: Pro Forma Advisors and IMPLAN

Annual Ongoing Impacts
A-4: Offsite Impact - Local Purchases

Seattle Economic Impact

10-412.01

Offsite Impacts
Scenario A

| Spending Categories | Est. Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|----------------------------------------------------|---------------------|--------------------------------------------------------|---------------------------|-------------|---------------------|---------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Arena Visitors | | | | | | |
| Lodging | \$12,824,250 | Hotels and motels | 75% | 90% | \$9,618,188 | \$11,541,825 |
| Souvenirs/Gifts/Retail ¹ | \$12,729,369 | Retail Margin- Gen. Merch., Clothing, Sport goods etc. | 90% | 100% | \$11,456,432 | \$12,729,369 |
| Bus | \$519,706 | Transit & ground passenger transportation | 30% | 40% | \$155,912 | \$207,883 |
| Parking | \$9,177,382 | Other personal services | 100% | 100% | \$9,177,382 | \$9,177,382 |
| Auto Travel | \$9,276,459 | Retail Margins - Gasoline stations | 10% | 50% | \$927,646 | \$4,638,229 |
| Food/Beverage | \$15,836,116 | Food services and drinking places | 80% | 90% | \$12,668,893 | \$14,252,505 |
| Entertainment | \$4,572,307 | Museums, historical sites, zoos, & parks | 80% | 90% | \$3,657,846 | \$4,115,077 |
| Total Arena Visitor Spending | \$64,935,590 | | | | \$47,662,299 | \$56,662,270 |
| Travelling Performers | | | | | | |
| Lodging | \$845,600 | Hotels and motels | 95% | 100% | \$803,320 | \$845,600 |
| Local Travel | \$151,800 | Car rental and ground transport | 95% | 100% | \$144,210 | \$151,800 |
| Food and Beverage | \$328,500 | Food services and drinking places | 95% | 100% | \$312,075 | \$328,500 |
| Total Travelling Performer Visitor Spending | \$1,325,900 | | | | \$1,259,605 | \$1,325,900 |
| Total Offsite Spending | \$66,261,490 | | | | \$48,921,904 | \$57,988,170 |

¹The determination of impacts includes only the retail margin portion of purchases.

Source: Pro Forma Advisors and IMPLAN

Annual Ongoing Impacts
A-5: Gross Economic Impact - Total Impacts Scenario A

Seattle Economic Impact

10-412.01

CITY OF SEATTLE IMPACTS

| | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|-------------------------------|----------------|----------------------------|---------------|
| Onsite Impacts | | | |
| Output | \$156,655,523 | \$39,675,417 | \$196,330,939 |
| Earnings | \$57,901,250 | \$15,449,392 | \$73,350,642 |
| Employment | 1,005 | 338 | 1,343 |
| Offsite Impacts | | | |
| Output | \$41,166,693 | \$20,332,599 | \$61,499,292 |
| Earnings | \$21,564,964 | \$8,182,850 | \$29,747,813 |
| Employment | 565 | 138 | 702 |
| Annual Ongoing Impacts | | | |
| Output | \$197,822,215 | \$60,008,016 | \$257,830,231 |
| Earnings | \$79,466,214 | \$23,632,241 | \$103,098,455 |
| Employment | 1,570 | 476 | 2,045 |

Source: Pro Forma Advisors

KING COUNTY IMPACTS

| | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|-------------------------------|----------------|----------------------------|---------------|
| Onsite Impacts | | | |
| Output | \$161,786,273 | \$71,568,657 | \$233,354,930 |
| Earnings | \$63,032,000 | \$28,331,225 | \$91,363,225 |
| Employment | 1,005 | \$575 | 1,580 |
| Offsite Impacts | | | |
| Output | \$46,286,846 | \$33,499,823 | \$79,786,669 |
| Earnings | \$25,080,347 | \$13,681,613 | \$38,761,959 |
| Employment | 667 | 227 | 894 |
| Annual Ongoing Impacts | | | |
| Output | \$208,073,118 | \$105,068,481 | \$313,141,599 |
| Earnings | \$88,112,347 | \$42,012,838 | \$130,125,185 |
| Employment | 1,672 | 802 | 2,473 |

Annual Ongoing Impacts
B-1: Onsite Impacts - Arena Expenditures
 Seattle Economic Impact
 10-412.01

Scenario B

| Expenditures | Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|---------------------------------------------------------|----------------------|-----------------------------------------------------------|---------------------------|-------------|---------------------|---------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Facility Operations / General and Administrative | | | | | | |
| NON-WAGE EXPENDITURES | | | | | | |
| General and Administrative | | | | | | |
| Ticket/Club Seat Sales and Service Expenses | \$5,100,000 | Promotion of spectator sports | 75% | 90% | \$3,825,000 | \$4,590,000 |
| Suite Sales and Services | \$1,300,000 | Promotion of spectator sports | 75% | 90% | \$975,000 | \$1,170,000 |
| Sponsorship Sales and Services | \$1,900,000 | Sales comm., Promotional mtrl, Food srvc & Merch. gifts | 75% | 85% | \$1,431,872 | \$1,624,099 |
| Marketing, PR, CR Creative | \$2,340,000 | Advertising and related services | 80% | 85% | \$1,872,000 | \$1,989,000 |
| Travel | \$135,000 | Local Transportation and Air Travel | 59% | 75% | \$79,000 | \$101,000 |
| Entertainment | \$45,000 | Local meals | 85% | 95% | \$38,250 | \$42,750 |
| Accounting and Tax Accounting | \$288,000 | 3rd party Accounting, tax, payroll services | 75% | 80% | \$216,000 | \$230,400 |
| Equipment Leases | \$120,000 | Commercial machinery and equipment rental and leasing | 56% | 76% | \$67,200 | \$91,200 |
| Telephone | \$792,000 | Telecommunications | 50% | 95% | \$396,000 | \$752,400 |
| Service and Finance Charges | \$104,650 | Fees, credit card fees, and bank fees | 20% | 30% | \$20,930 | \$31,395 |
| Supplies, Postage and Dues | \$557,700 | Office supplies, Pstg., Magazines, membership, org. dues | 45% | 65% | \$250,965 | \$362,505 |
| Legal and Professional | \$600,000 | Legal Services | 80% | 95% | \$480,000 | \$570,000 |
| Repairs & Maintenance | \$160,000 | Arena Ops. machinery & equipment repairs&maintenance | 60% | 96% | \$96,000 | \$153,600 |
| Rent/Lease Payment | \$2,000,000 | - Excluded - | | | | |
| Utilities | \$2,730,000 | Electricity and Water | 100% | 100% | \$2,730,000 | \$2,730,000 |
| Taxes & Licenses | \$1,679,000 | - Excluded - | | | \$0 | \$0 |
| Insurance | \$1,080,000 | General liability, workers compensation | 40% | 60% | \$432,000 | \$648,000 |
| Other Expenses | \$759,000 | Business support services | 60% | 90% | \$455,400 | \$683,100 |
| Concessions - Costs of Goods Sold | | | | | | |
| | \$6,287,760 | Food, Beverage, F&B Supplies Manufacturing | 20% | 25% | \$1,257,552 | \$1,571,940 |
| | \$920,160 | Wholesale Trade (Margins) | 80% | 90% | \$736,128 | \$828,144 |
| | \$460,080 | Truck Transportation | 55% | 80% | \$253,044 | \$368,064 |
| Merchandise - Cost of Goods Sold | | | | | | |
| | \$1,578,500 | Apparel, Accessories, Footwear, Paper Merchandise | 5% | 10% | \$78,925 | \$157,850 |
| | \$338,250 | Wholesale Trade (Margins) | 80% | 90% | \$270,600 | \$304,425 |
| | \$338,250 | Truck Transportation | 55% | 80% | \$186,037.50 | \$270,600 |
| Repairs and Maintenance of the Facility (3rd Party) | \$1,500,000 | Maintenance and repair of non-residential structures | 75% | 95% | \$1,125,000 | \$1,425,000 |
| TOTAL FACILITY NON-WAGE EXPENDITURES | \$33,113,350 | | | | \$13,365,617 | \$15,769,449 |
| WAGE EXPENDITURES | | | | | | |
| Team/Event Staffing | \$9,485,000 | Household Spending Change, Health care benefits | 35% | 85% | \$3,319,750 | \$8,062,250 |
| Personnel (Including Payroll Taxes and Benefits) | \$13,127,000 | Household Spending Change, Health care benefits | 37% | 90% | \$4,856,990 | \$11,814,300 |
| TOTAL FACILITY WAGE EXPENDITURES | \$22,612,000 | | | | \$8,176,740 | \$19,876,550 |
| Team Expenses | | | | | | |
| NON-WAGE EXPENDITURE | | | | | | |
| Team Travel | \$7,650,000 | Air and auto travel, Ground transport, Meals, and Lodging | 21% | 28% | \$1,606,500 | \$2,142,000 |
| Other Team Costs | \$3,163,000 | Physicians, uniforms, business expenses, etc. | 39% | 52% | \$1,242,582 | \$1,642,874 |
| Player Insurance | \$6,300,000 | League Office insurance (Not Local) | 0% | 0% | \$0 | \$0 |
| Total Non-Wage Expenditure | \$17,113,000 | | | | \$2,849,082 | \$3,784,874 |
| WAGE EXPENDITURE | | | | | | |
| Player Salaries (Net Escrow/Tax) | \$102,615,000 | Household Spending Change | 15% | 20% | \$15,392,250 | \$20,523,000 |
| Taxes and Benefits - Players | \$7,158,000 | | | | | |
| Health and Insurance Benefits | \$1,338,906 | Insurance and Medical Sectors | 15% | 20% | \$200,836 | \$267,781 |
| Payroll Taxes and Retirement Benefits | \$5,819,094 | - Excluded - | | | | |
| Team Salaries and Benefits - Coach Etc. | \$13,601,000 | Household Spending Change, Health care benefits | 30% | 72% | \$4,025,896 | \$9,792,720 |
| Total Wage Expenditure | \$123,374,000 | | | | \$19,618,982 | \$30,583,501 |
| TOTAL TEAM EXPENDITURES | \$140,487,000 | | | | \$22,468,064 | \$34,368,375 |
| TOTAL ANNUAL ONSITE EXPENDITURES | \$196,212,350 | | | | \$44,010,421 | \$70,014,374 |

Source: Pro Forma Advisors

Annual Ongoing Impacts

B-2: Offsite Impact - Local Purchases

Seattle Economic Impact

10-412.01

Offsite Impacts

Scenario B

| Spending Categories | Est. Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|----------------------------------------------------|---------------------|-------------------------------------------------|---------------------------|-------------|---------------------|---------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Arena Visitors | | | | | | |
| Lodging | \$13,997,061 | Hotels and motels | 75% | 90% | \$10,497,796 | \$12,597,355 |
| Souvenirs/Gifts/Retail ¹ | \$13,877,957 | Retail Margin- Gen. Merch., Clothing, Sport goc | 90% | 100% | \$12,490,161 | \$13,877,957 |
| Bus | \$565,735 | Transit & ground passenger transportation | 30% | 40% | \$169,720 | \$226,294 |
| Parking | \$9,970,005 | Other personal services | 100% | 100% | \$9,970,005 | \$9,970,005 |
| Auto Travel | \$10,083,877 | Retail Margins - Gasoline stations | 10% | 50% | \$1,008,388 | \$5,041,938 |
| Food/Beverage | \$17,234,050 | Food services and drinking places | 80% | 90% | \$13,787,240 | \$15,510,645 |
| Entertainment | \$4,973,884 | Museums, historical sites, zoos, & parks | 80% | 90% | \$3,979,107 | \$4,476,495 |
| Total Arena Visitor Spending | \$70,702,568 | | | | \$51,902,417 | \$61,700,689 |
| Travelling Performers | | | | | | |
| Lodging | \$845,600 | Hotels and motels | 95% | 100% | \$803,320 | \$845,600 |
| Local Travel | \$151,800 | Car rental and ground transport | 95% | 100% | \$144,210 | \$151,800 |
| Food and Beverage | \$328,500 | Food services and drinking places | 95% | 100% | \$312,075 | \$328,500 |
| Total Travelling Performer Visitor Spending | \$1,325,900 | | | | \$1,259,605 | \$1,325,900 |
| Total Offsite Spending | \$72,028,468 | | | | \$53,162,022 | \$63,026,589 |

¹ The determination of impacts includes only the retail margin portion of purchases.

Source: Pro Forma Advisors and IMPLAN

Annual Ongoing Impacts
B-3: Gross Economic Impact - Total Impacts Scenario B

Seattle Economic Impact

10-412.01

CITY OF SEATTLE IMPACTS

| Onsite Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------|----------------|----------------------------|---------------|
| Output | \$165,830,217 | \$42,535,132 | \$208,365,349 |
| Earnings | \$58,763,250 | \$16,636,428 | \$75,399,678 |
| Employment | 1,086 | 366 | 1,452 |

Offsite Impacts

| | | | |
|------------|--------------|--------------|--------------|
| Output | \$44,709,580 | \$22,088,096 | \$66,797,676 |
| Earnings | \$23,436,711 | \$8,888,865 | \$32,325,577 |
| Employment | 614 | 150 | 764 |

Annual Ongoing Impacts

| | | | |
|------------|---------------|--------------|---------------|
| Output | \$210,539,796 | \$64,623,228 | \$275,163,025 |
| Earnings | \$82,199,961 | \$25,525,293 | \$107,725,255 |
| Employment | 1,700 | 516 | 2,216 |

Source: Pro Forma Advisors

KING COUNTY IMPACTS

| Onsite Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------|----------------|----------------------------|---------------|
| Output | \$170,960,967 | \$76,013,380 | \$246,974,346 |
| Earnings | \$63,894,000 | \$30,141,041 | \$94,035,041 |
| Employment | 1,086 | 615 | 1,701 |

Offsite Impacts

| | | | |
|------------|--------------|--------------|--------------|
| Output | \$50,282,098 | \$36,400,703 | \$86,682,801 |
| Earnings | \$27,261,788 | \$14,865,692 | \$42,127,480 |
| Employment | 725 | 247 | 972 |

Annual Ongoing Impacts

| | | | |
|------------|---------------|---------------|---------------|
| Output | \$221,243,064 | \$112,414,083 | \$333,657,147 |
| Earnings | \$91,155,788 | \$45,006,733 | \$136,162,521 |
| Employment | 1,811 | 862 | 2,673 |

Annual Ongoing Impacts
C/D-1: Onsite Impacts - Arena Expenditures
 Seattle Economic Impact
 10-412.01

Scenario C and D

| Expenditures | Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|---------------------------------------------------------|----------------------|------------------------------------------------------------|---------------------------|-------------|---------------------|---------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Facility Operations / General and Administrative | | | | | | |
| NON-WAGE EXPENDITURES | | | | | | |
| General and Administrative | | | | | | |
| Ticket/Club Seat Sales and Service Expenses | \$4,250,000 | Promotion of spectator sports | 75% | 90% | \$3,187,500 | \$3,825,000 |
| Suite Sales and Services | \$1,300,000 | Promotion of spectator sports | 75% | 90% | \$975,000 | \$1,170,000 |
| Sponsorship Sales and Services | \$1,900,000 | Sales comm., Promotional mtrl, Food svc & Merch. gifts | 75% | 85% | \$1,431,872 | \$1,624,099 |
| Marketing, PR, CR Creative | \$1,800,000 | Advertising and related services | 80% | 85% | \$1,440,000 | \$1,530,000 |
| Travel | \$135,000 | Local Transportation and Air Travel | 59% | 75% | \$79,000 | \$101,000 |
| Entertainment | \$45,000 | Local meals | 85% | 95% | \$38,250 | \$42,750 |
| Accounting and Tax Accounting | \$240,000 | 3rd party Accounting, tax, payroll services | 75% | 80% | \$180,000 | \$192,000 |
| Equipment Leases | \$100,000 | Commercial machinery and equipment rental and leasing | 56% | 76% | \$56,000 | \$76,000 |
| Telephone | \$720,000 | Telecommunications | 50% | 95% | \$360,000 | \$684,000 |
| Service and Finance Charges | \$80,500 | Fees, credit card fees, and bank fees | 20% | 30% | \$16,100 | \$24,150 |
| Supplies, Postage and Dues | \$429,000 | Office supplies, Postage, Magazines, membership, org. dues | 45% | 65% | \$193,050 | \$278,850 |
| Legal and Professional | \$500,000 | Legal Services | 80% | 95% | \$400,000 | \$475,000 |
| Repairs & Maintenance | \$100,000 | Arena Ops. machinery & equipment repairs&maintenance | 60% | 96% | \$60,000 | \$96,000 |
| Rent/Lease Payment | \$2,000,000 | - Excluded - | | | | |
| Utilities | \$2,100,000 | Electricity and Water | 100% | 100% | \$2,100,000 | \$2,100,000 |
| Taxes & Licenses | \$1,583,000 | - Excluded - | | | \$0 | \$0 |
| Insurance | \$900,000 | General liability, workers compensation | 40% | 60% | \$360,000 | \$540,000 |
| Other Expenses | \$630,000 | Business support services | 60% | 90% | \$378,000 | \$567,000 |
| Concessions - Costs of Goods Sold | | | | | | |
| | \$6,287,760 | Food, Beverage, F&B Supplies Manufacturing | 20% | 25% | \$1,257,552 | \$1,571,940 |
| | \$920,160 | Wholesale Trade (Margins) | 80% | 90% | \$736,128 | \$828,144 |
| | \$460,080 | Truck Transportation | 55% | 80% | \$253,044 | \$368,064 |
| Merchandise - Cost of Goods Sold | | | | | | |
| | \$1,578,500 | Apparel, Accessories, Footwear, Paper Merchandise | 5% | 10% | \$78,925 | \$157,850 |
| | \$338,250 | Wholesale Trade (Margins) | 80% | 90% | \$270,600 | \$304,425 |
| | \$338,250 | Truck Transportation | 55% | 80% | \$186,037.50 | \$270,600 |
| Repairs and Maintenance of the Facility (3rd Party) | \$1,500,000 | Maintenance and repair of non-residential structures | 75% | 95% | \$1,125,000 | \$1,425,000 |
| TOTAL FACILITY NON-WAGE EXPENDITURES | \$30,235,500 | | | | \$11,254,772 | \$13,325,849 |
| WAGE EXPENDITURES | | | | | | |
| Team/Event Staffing | \$8,623,000 | Household Spending Change, Health care benefits | 35% | 85% | \$3,018,050 | \$7,329,550 |
| Personnel (Including Payroll Taxes and Benefits) | \$13,127,000 | Household Spending Change, Health care benefits | 37% | 90% | \$4,856,990 | \$11,814,300 |
| TOTAL FACILITY WAGE EXPENDITURES | \$21,750,000 | | | | \$7,875,040 | \$19,143,850 |
| Team Expenses | | | | | | |
| NON-WAGE EXPENDITURE | | | | | | |
| Team Travel | \$7,650,000 | Air and auto travel, Ground transport, Meals, and Lodging | 21% | 28% | \$1,606,500 | \$2,142,000 |
| Other Team Costs | \$3,163,000 | Physicians, uniforms, business expenses, etc. | 39% | 52% | \$1,242,582 | \$1,642,874 |
| Player Insurance | \$6,300,000 | League Office insurance (Not Local) | 0% | 0% | \$0 | \$0 |
| Total Non-Wage Expenditure | \$17,113,000 | | | | \$2,849,082 | \$3,784,874 |
| WAGE EXPENDITURE | | | | | | |
| Player Salaries (Net Escrow/Tax) | \$102,615,000 | Household Spending Change | 15% | 20% | \$15,392,250 | \$20,523,000 |
| Taxes and Benefits - Players | \$7,158,000 | | | | | |
| Health and Insurance Benefits | \$1,338,906 | Insurance and Medical Sectors | 15% | 20% | \$200,836 | \$267,781 |
| Payroll Taxes and Retirement Benefits | \$5,819,094 | - Excluded - | | | | |
| Team Salaries and Benefits - Coach Etc. | \$13,601,000 | Household Spending Change, Health care benefits | 30% | 72% | \$4,025,896 | \$9,792,720 |
| Total Wage Expenditure | \$123,374,000 | | | | \$19,618,982 | \$30,583,501 |
| TOTAL TEAM EXPENDITURES | \$140,487,000 | | | | \$22,468,064 | \$34,368,375 |
| TOTAL ANNUAL ONSITE EXPENDITURES | \$192,472,500 | | | | \$41,597,876 | \$66,838,074 |

Source: Pro Forma Advisors and IMPLAN

Annual Ongoing Impacts
C/D-2: Offsite Impacts - Local Purchases

Seattle Economic Impact

10-412.01

Offsite Impacts
Scenario C and D

| Spending Categories | Est. Purchases | Description | Local Purchase Adjustment | | Local Purchases | |
|----------------------------------------------------|---------------------|---------------------------------------------------|---------------------------|-------------|---------------------|---------------------|
| | | | City of Seattle | King County | City of Seattle | King County |
| Arena Visitors | | | | | | |
| Lodging | \$12,824,250 | Hotels and motels | 75% | 90% | \$9,618,188 | \$11,541,825 |
| Souvenirs/Gifts/Retail ¹ | \$13,578,633 | Retail Margin- Gen. merch., Clothing, Sport goods | 90% | 100% | \$12,220,770 | \$13,578,633 |
| Bus | \$519,706 | Transit & ground passenger transportation | 30% | 40% | \$155,912 | \$207,883 |
| Parking | \$5,908,868 | Other personal services | 100% | 100% | \$5,908,868 | \$5,908,868 |
| Auto Travel | \$9,276,459 | Retail Margins - Gasoline stations | 10% | 50% | \$927,646 | \$4,638,229 |
| Food/Beverage | \$15,350,437 | Food services and drinking places | 80% | 90% | \$12,280,349 | \$13,815,393 |
| Entertainment | \$4,588,358 | Museums, historical sites, zoos, & parks | 80% | 90% | \$3,670,686 | \$4,129,522 |
| Total Arena Visitor Spending | \$62,046,712 | | | | \$44,782,420 | \$53,820,354 |
| Travelling Performers | | | | | | |
| Lodging | \$845,600 | Hotels and motels | 95% | 100% | \$803,320 | \$845,600 |
| Local Travel | \$151,800 | Car rental and ground transport | 95% | 100% | \$144,210 | \$151,800 |
| Food and Beverage | \$328,500 | Food services and drinking places | 95% | 100% | \$312,075 | \$328,500 |
| Total Travelling Performer Visitor Spending | \$1,325,900 | | | | \$1,259,605 | \$1,325,900 |
| Total Offsite Spending | \$63,372,612 | | | | \$46,042,025 | \$55,146,254 |

¹ The determination of impacts includes only the retail margin portion of purchases.

Source: Pro Forma Advisors and IMPLAN

Annual Ongoing Impacts
C/D-3: Gross Economic Impact - Total Impacts Scenario C and D

Seattle Economic Impact

10-412.01

CITY OF SEATTLE IMPACTS

| Onsite Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------|----------------|----------------------------|---------------|
| Output | \$156,655,523 | \$39,675,417 | \$196,330,939 |
| Earnings | \$57,901,250 | \$15,449,392 | \$73,350,642 |
| Employment | 1,005 | 338 | 1,343 |

Offsite Impacts

| | | | |
|------------|--------------|--------------|--------------|
| Output | \$37,822,325 | \$18,719,658 | \$56,541,984 |
| Earnings | \$19,900,417 | \$7,523,433 | \$27,423,850 |
| Employment | 550 | 126 | 676 |

Annual Ongoing Impacts

| | | | |
|------------|---------------|--------------|---------------|
| Output | \$194,477,848 | \$58,395,075 | \$252,872,923 |
| Earnings | \$77,801,667 | \$22,972,825 | \$100,774,492 |
| Employment | 1,555 | 464 | 2,019 |

Source: Pro Forma Advisors

KING COUNTY IMPACTS

| Onsite Impacts | Direct Impacts | Indirect & Induced Impacts | Total Impacts |
|----------------|----------------|----------------------------|---------------|
| Output | \$161,786,273 | \$71,568,658 | \$233,354,930 |
| Earnings | \$63,032,000 | \$28,331,225 | \$91,363,225 |
| Employment | 1,005 | 575 | 1,580 |

Offsite Impacts

| | | | |
|------------|--------------|--------------|--------------|
| Output | \$42,928,832 | \$31,195,027 | \$74,123,859 |
| Earnings | \$23,436,277 | \$12,732,134 | \$36,168,411 |
| Employment | 652 | 211 | 863 |

Annual Ongoing Impacts

| | | | |
|------------|---------------|---------------|---------------|
| Output | \$204,715,105 | \$102,763,685 | \$307,478,790 |
| Earnings | \$86,468,277 | \$41,063,359 | \$127,531,636 |
| Employment | 1,657 | 786 | 2,443 |

Appendix G

Response to Comments

Common Responses

Contents

| | |
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| 2. Project Objectives | CR-1 |
| 3. Concurrent Event Scheduling | CR-1 |
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| 5. Mitigation Measures | CR-1 |
| 6. Mitigation Measures - Traffic | CR-2 |
| 7. Mitigation Measures – Pedestrian Access | CR-2 |
| 8. Consistency with Plans and Policies | CR-2 |
| 9. Un-adopted Plans and Policies. | CR-2 |
| 10. Street Vacation Policies | CR-3 |
| 11. Secondary and Cumulative Impacts. | CR-3 |
| 12. Gentrification | CR-3 |
| 13. Adaptive Traffic Control | CR-3 |

1. Public vs Private Project; Range of Alternatives

The range of alternatives to be considered in an EIS is different for a private project than for a public project. As stated in the DEIS (p.2-4), a private project is “any proposal primarily initiated or sponsored by an individual or entity other than an agency.” Because the proposed Arena was initiated by a private entity, ArenaCo, would be financed primarily by ArenaCo, and would be constructed and operated by ArenaCo, it is a private project for purposes of the alternatives analysis required by SEPA.

SMC 25.05.440 (D) (4) prescribes the range of alternatives that are to be included in an EIS for a private project: *When a proposal is for a private project on a specific site, the lead agency shall be required to evaluate only the no-action alternative plus other reasonable alternatives for achieving the proposal’s objectives on the same site. Further, alternative sites may be evaluated if other locations for the type of proposed use have not been included or considered in existing planning or zoning documents.* (emphasis added)

Accordingly, this FEIS includes alternatives for development of the project on the proponent’s site in SODO. And to help inform the City and County’s decision whether to participate in the ArenaCo project, the EIS also includes a discussion of other locations (KeyArena and Memorial Stadium), as authorized by this ordinance, even though no proposal exists to build the Arena at those locations. SMC 25.05.440, and not rules applicable to the determination of lead agency status, SMC 25.05.922 et seq, defines the range of alternatives to be considered in an FEIS.

2. Project Objectives

As stated in the FEIS summary, the proponent’s (ArenaCo) objective is to build and operate a spectator sports facility on its property located at 1700 1st Avenue S. in Seattle. The City and County’s objective is to determine whether to participate in ArenaCo’s proposal to build and operate that facility; neither the City or County proposes to independently build and operate a spectator sports facility.

3. Concurrent Event Scheduling

The evaluation of the proposed Arena does not assume that venues would be able to reschedule events. Instead three event cases are evaluated for each Action Alternative including an Arena event only (Case S1), an Arena event and another sporting event (Case S2 - Arena and Mariners game), and an Arena event, Mari-

ners game, and Event Center event (Case S3) (see Appendix E, Section 1.3.1.4). Given the potential variability in attendance and capacity of nearby facilities, the FEIS analysis provides a revised Case S3 to reflect a combined attendance of 72,500. This analysis has been updated throughout the report addressing all transportation elements previously evaluated in the DEIS. The results are similar to the previous Case S3 evaluation, as a relatively minor increase in peak hour trip generation is anticipated. For the multiple event scenarios that include an attendance of 72,500, traffic associated with Safeco Field was assigned to the Safeco Field and Century Link Field facilities as is the case today.

4. Parking

The DEIS assumed parking in the Safeco Field and Century Field parking areas was available (Arena-only scenario). The FEIS includes a sensitivity analysis (Section 3.8.2.12) that documents the parking impacts of the proposed arena assuming that parking at these facilities is not available for users of the arena. If these facilities were not available, there would be approximately 4,500 fewer parking spaces within the study area (see Section 3.8.2.12. A review of both weekday and weekend conditions shows without these parking facilities there would be further reliance on the expanded study area (i.e., the CBD).

The DEIS and FEIS provide a comprehensive parking analysis, which reviews parking supply as well as existing and future utilization (see Section 3.8.2.8). Consideration was given to the loss of parking supply with the proposed Arena and other future development in the study area. The FEIS has been revised to present two scenarios in which the parking code can be met including: 1) through shared parking agreements with existing parking facilities, and 2) the South Warehouse site.

5. Mitigation Measures

Except for mitigation measures that ArenaCo has agreed to implement as part of its project, decisions establishing mitigation measures, including the nature, amount and responsibility for mitigation, are made when substantive actions regarding the proposed project occur following issuance of this FEIS, such as issuance of development permits. The level of detailed analysis required by the comment, including the technical feasibility and economic practicability of potential mitigation measures, is not required in an EIS.

6. Mitigation Measures - Traffic

The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (Section 4.0 of Appendix E). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. Consistent with other venues in the area, the project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

7. Mitigation Measures – Pedestrian Access

The FEIS identifies and evaluates two mitigation options to address the pedestrian-access issues identified in the DEIS (Section 4.0 of Appendix E) that could address potential property trespass. The first option includes the construction of a pedestrian bridge across the tracks and connecting to the Arena. Holgate would remain open to vehicles and would be controlled during pre/post event conditions via manual traffic control. The second option also assumes closure of Holgate to pedestrians, but instead of a pedestrian bridge, would implement shuttles from King Street Station to the Arena, pedestrian improvements to the south along 1st Avenue, and pedestrian improvements along Lander Street across the tracks. The applicant has committed to the construction of a pedestrian bridge, however the design details and approvals from BNSF and Amtrak are still to be developed. If the Arena is approved and ready to be open before the pedestrian bridge is completed, the applicant would implement the shuttle system and pedestrian improvements as noted above. The shuttle system would remain in place until the bridge is open for use. In addition to the pedestrian bridge and shuttle system, other area improvements would include pedestrian-scale lighting and sidewalk improvements where deficient.

8. Consistency with Plans and Policies

As stated in the DEIS (p. 3.10-1), an EIS is to include a “summary” of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, “as appropriate.” SMC 25.05.440(e)(4).

The comment asserts that allowing ArenaCo’s proposed stadium is inconsistent with numerous policies contained in a variety of plans and other documents. However as stated in the DEIS (p. 3.10-1), the consistency analysis described in SMC 25.05.440 applies only when the analysis is “appropriate.” Consistency analysis may be “appropriate” in the context of a use not clearly permitted under existing zoning, but is not appropriate and not required when, as here, the proposed arena use is clearly and specifically permitted under a Growth Management zoning code.

Pursuant to RCW 36.70B.030, whether to allow a type of land use in a zone is a “fundamental land use planning choice” that is made when the development regulation allowing such uses is adopted, and that legislative policy decision may not be re-opened in the context of review of a subsequent project proposal for such a use. As stated in RCW 36.70A.030 (3), “[D]uring project review, the local government or any subsequent reviewing body shall not reexamine alternatives to or hear appeals on the items identified in subsection (2) of this section, except for issues of code interpretation.” Subsection (2) includes whether a “type of land use is permitted at the site.” This prohibition includes project review under SEPA¹.

The Seattle City Council decided to allow spectator sports facilities as a land use permitted outright within the zone when the Council adopted the Stadium Transition Area Overlay zoning district. That development regulation was specifically adopted to implement Comprehensive Plan policy GD-P20, and neither that policy or the overlay zone which implements it were appealed on the grounds that those legislative decisions were inconsistent with the various plans, policies and documents identified in the comment, or for any other reason.

The project level consistency analysis requested in the comment is not “appropriate” under SMC 25.05.440 because it is not permitted under RCW 36.70B.030. Therefore, it is not necessary or appropriate to include such an analysis in this FEIS.

9. Un-adopted Plans and Policies

The referenced plans or planning processes have not been adopted by the Seattle City Council, and the consistency analysis requested by the comment applies only to adopted plans.

¹ “In enacting RCW 36.70B.030 ...the legislature finds that:

(1) Given the extensive investment that public agencies and a broad spectrum of the public are making and will continue to make in comprehensive plans and development regulations for their communities, it is essential that project review start from the fundamental land use planning choices made in these plans and regulations. If the applicable regulations or plans identify the type of land use ... these decisions at a minimum provide the foundation for further project review unless there is a question of code interpretation. The project review process, including the environmental review process under chapter [43.21C](#) RCW and the consideration of consistency, should start from this point and should not reanalyze these land use planning decisions in making a permit decision.” Ch. 347 Laws of 1995, sections 404 and 405.

10. Street Vacation Policies

Application of street vacation policies occurs in the context of the City Council's action on the street vacation petition. The FEIS provides a general summary and discussion of street vacation criteria and considerations.

11. Secondary and Cumulative Impacts

The EIS includes an analysis of the proposed Arena's impacts and includes, among the other information considered, pending permits and approvals for the area. It is also acknowledged that ArenaCo owns additional properties within and outside of the Stadium Overlay District. However, no development has been proposed for those properties. ArenaCo has not applied for any permits for additional development and has not proposed rezoning or other actions to facilitate such development, e.g., the LA entertainment district concept. While the EIS acknowledges the possibility of cumulative and secondary impacts associated with the potential future development of those properties, *see e.g.* Table 1-3, the quantitative extent of any such impact cannot be meaningfully determined at this point given the absence of an actual proposal, and accordingly such analysis would be remote and speculative in nature. As the DEIS indicates, if further development is subsequently proposed in the project vicinity, it would be subject to a site specific evaluation under SEPA and Land Use Code development and use regulations.

12. Gentrification

The Economic Impact Analysis (included as Appendix F to the FEIS) evaluated the impacts in SoDo of the previous sports facilities to understand the potential implications of the proposed Arena (Pro Forma Advisors LLC (Pro Forma)). The analysis shows that there have been major changes in value and rents in the SoDo market, but these do not align with the opening of the existing sports facilities. Based on Pro Forma's review of rents and property values, increases occurred in 2000 – 2002 in line when CenturyLink Field opened, but the greatest increases came between 2005 and 2008 with the growing overall Seattle economy. Based on this review and the comparables reviewed by Pro Forma, Pro Forma believes there may be pressure on industrial uses in the immediate blocks around the proposed arena, but still in the confines of the Stadium Overlay District, and that there will be limited displacement due to the new proposed arena beyond the Stadium Overlay District.

13. Adaptive Traffic Control

Adaptive control is more efficient than on-street personnel for traffic control, as it operates as a system, accounting for the overall traffic needs by corridor, or by subarea, and also reacts to vehicle demand. This is not to say that traffic control personnel will not be required, but their function will be focused on pedestrian safety and intersection clearance.

The Seattle Arena mitigation would be a comprehensive, multimodal program focused on an interconnected set of actions to enable maximization of available street capacity while ensuring safe and effective multimodal operations. The overall approach leverages SDOT's existing and planned transportation and parking management systems to support conditions during event ingress and egress periods.

This approach will implement systems (including sensors and variable signs) that will support positive and active traffic management, aligned with a pre-developed event access and egress plan. The objectives of the systems are to:

- balance parking demand both north and south of the stadiums
- balance inbound and outbound event travel demand, using available capacity
- improve real-time travel time monitoring and reporting (via DMS and the web) on key corridors to support informed trip, mode, and route choices
- provide rail crossing delay information, to support pedestrian load management and improved circulation for all modes, including freight
- provide required traffic signal control devices to support pedestrian and traffic management in a manner that supports a safe multi-modal system

The detailed traffic control plans would be developed prior to the opening of the Arena.

Agencies

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City of Des Moines



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City of Des Moines

1. Comments are noted. This EIS includes an analysis of the economic impacts on industrial jobs. See Appendix F Economic Impact Analysis.

September 30, 2013

Mr. John Shaw
Senior Transportation Planner, City of Seattle
700 5th Avenue, Suite 2000
PO Box 34019
Seattle, Washington 98104-4019

Dear Mr. Shaw,

I am writing you regarding the City of Seattle Draft Environmental Impact Statement for the Seattle Arena.

The Seattle Arena is a recreational facility, and as such should not be placed at the very center of Port operations where it will have a negative impact on jobs. It is very important that alternative sites be proposed.

The fact that there are stadiums located in the vicinity now adds to the expense and difficulty of getting our Washington State goods to market. The proposed arena should not compound the existing problem. These jobs are vitally important for the residents of our communities, and this is an unnecessary burden.

It is important that the EIS take job losses fully into account. This type of decision costs the people at the margin of the economy their livelihoods. These types of negative impacts are easily overlooked in the process, but fall heavily on our poorest residents. Those who have limited skills and job options are the ones who pay the price when opportunities are reduced.

The EIS report must quantify these impacts or provide mitigation comments that resolve the issues.

Respectfully,

Marion Yoshino

Marion Yoshino
Economic Development Manager

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City of Normandy Park

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Respectfully,

Marion Yoshino

Marion Yoshino

Council Member

1



September 30, 2013

Via e-mail and regular mail

City of Seattle, Dept. of Planning and Development
Attn: John Shaw, Senior Transportation Planner
700 5th Ave, Suite 2000
P.O. Box 34019
Seattle, WA 98124-4019
Via e-mail: John.Shaw@Seattle.Gov

Re: **Comments on the Draft EIS (DEIS) for Proposed Seattle Arena
DPD project #3014195**

Dear Mr. Shaw:

Thank you for the opportunity to comment on the Draft Environmental Impact Statement (DEIS) for the Seattle Arena. As noted below and in the attached matrix, Attachment A, the port is concerned with numerous potential negative effects on marine cargo and industrial uses and activities in south Elliott Bay, adverse effects of which may be irreversible, due to the proposed arena. These impacts will harm our ability to create and sustain jobs in the maritime and industrial sectors, ultimately weakening our region's economy.

The Port of Seattle Commission has also outlined its concerns in a letter to Seattle Mayor Mike McGinn, Attachment B.

Summary of the Port of Seattle's Comments on the DEIS

Port of Seattle marine cargo facilities in south Elliott Bay are critically located in the center of the city's maritime and industrial area and are essential to the region's trade and shipping economy. Port cargo terminals, related marine industrial uses, and surrounding industrial locations in the Duwamish industrial area rely on existing and future improvements of public and private infrastructure. The "Regional Transportation Hub" (Attachment C) demonstrates that the proposed arena's site is located amidst land devoted to Port uses (dark blue for port terminals, rail yards, warehouses and transloading facilities) and passenger transportation facilities (green for Metro, Sound Transit commuter and light rail, and Amtrak). Along with investments by other stakeholders supporting the industrial and maritime sector, the Port has invested more than \$1 billion in the past 15 years to redevelop, improve, and increase the utility and efficiency of

Port of Seattle

1. Comment noted. See detailed responses to comments included in Attachment A to the Port of Seattle comment letter below.
2. Comment noted.

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marine shipping facilities in south Elliott Bay and in the Duwamish Manufacturing/Industrial Center (MIC) to support international trade and export Washington goods.

As part of the Port's Century Agenda, a twenty-five year vision, we intend to increase marine cargo volume to 3.5 million TEUs (twenty-foot equivalent units) and significantly increase the value of export cargo creating thousands of new jobs in the region through re-investment in export/import shipping and transportation needs. The present and long-term future economic health and sustainability of cargo facilities and the surrounding industrial area must not be jeopardized. Present marine cargo and industrial area uses and activities in south Elliott Bay are a principal contributor to the city, and the region's economy, including:

- The City of Seattle's Manufacturing and Industrial Sector accounts for 36% of the city's annual sales tax receipts and 38% of the City's total B&O tax revenue.
- Two-way trade flowing through the Port of Seattle, valued at \$38.4 billion in 2012, depends on efficient port facilities as an essential gateway for international trade.
- Port of Seattle container terminals support 30,000 direct jobs.
- The marine-cargo business adds \$3 billion to our economy annually.
- Approximately 100,000 jobs are located in south Elliott Bay, comprising 80% of Seattle's industrial area, with an annual payroll exceeding \$2.5 billion.
- According to the Washington Council on International Trade, 4 in 10 jobs in Washington depend on international trade.

Attachment A, "Port of Seattle's Matrix of Comments on Arena Draft EIS," includes an extensive number of issues the Port has identified in review that emphasize deficiencies with the DEIS analysis that must be addressed before the City makes further decisions regarding this project. This cover letter emphasizes the most critical matters raised by locating a sports and entertainment arena in an existing industrial area. The table/matrix has many additional substantive comments that the City should have addressed in the DEIS and should respond to in the Final EIS (FEIS).

The DEIS considers five alternatives. Two of the Arena alternatives under consideration are located in the SoDo neighborhood, which is part of the designated Duwamish Manufacturing/Industrial Center (MIC), and at the junction of heavy vehicle and rail freight infrastructure critical to marine cargo and industrial use. The DEIS fails to provide sufficient information for elected officials to make an informed decision to locate the proposed arena in SoDo for the following reasons.

1. The SoDo location would encourage further incursion of incompatible land uses into the industrial area, a decision that is counter to prior policies established to protect Seattle's port and industrial facilities. This situation would be exacerbated by the probable significant adverse effects created by the project for which the DEIS does not offer sufficient mitigation. The negative effects of this project will jeopardize the future of the Port of Seattle.
2. The DEIS identifies substantial direct and secondary impacts from the proposed development, but fails to adequately evaluate potential negative effects, and does not

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3. See specific responses to Attachment A below.
4. Comment noted.
5. See Common Response #5 Mitigation Measures.
6. See Common Response #11 Secondary and Cumulative Impacts

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include numerous additional potential adverse effects. Irreversible impacts which cannot be mitigated (negative project effects which cannot be avoided or minimized) are associated with incompatible land use, increased acute and chronic traffic congestion, and substantial negative effects on rail operations and public safety. The Port of Seattle asserts that some of the impacts cannot be mitigated and will create severe effects on the Port of Seattle, which the DEIS does not address.

3. Because the City improperly characterized the Arena project as a private project, instead of a public project, the DEIS fails to fully evaluate alternative sites (including sites outside of Seattle) that would have likely avoided impacts to the industrial area.
4. However, if Seattle chooses to approve the SoDo location, then the proponent must be required to implement extensive mitigation in order to off-set and minimize many of the identified negative effects to traffic and freight mobility. Necessary mitigation actions are not adequately identified in the DEIS and specific implementation commitments are not identified. Since necessary mitigation actions are not adequately identified and specific implementation commitments are absent, decision makers cannot reach conclusions regarding mitigation given the current level of analysis provided.

Land Use Issues

The DEIS fails to adequately discuss and analyze consistency of the proposed arena with applicable land use plans, including the City's Comprehensive Plan.

The Growth Management Act (GMA) requires the City to conform to its requirements. RCW 36.70A.040(1). The purpose of the City's Land Use Code is "to protect and promote public health, safety and general welfare through a set of regulations and procedures for the use of land which are consistent with and implement the City's Comprehensive Plan." Seattle Municipal Code Section (SMC) 23.02.020(A). The contents of the DEIS are required to include

A summary of existing plans (for example: land use and shoreline plans) and zoning regulations applicable to the proposal, and how the proposal is consistent and inconsistent with them...

SMC 25.05.440(E)(4)(a). The DEIS did not discuss how locating a new arena in SoDo would be inconsistent with applicable plans such as the City of Seattle Comprehensive Plan (specifically related to the Container Port Element and other container port references), regional freight mobility plans, the Duwamish Manufacturing/Industrial Center Neighborhood Plan and other relevant plans and policies.

One of the main purposes of a draft EIS is to help decision-makers choose among alternatives. SMC 25.05.440(D)(3)(e). These decisions should take into account which of the alternatives has the least probable significant adverse environmental impacts, either as a result of the scope of the proposal, or as a result of proposed and required mitigation. SMC 25.05.440(D)(3)(f). Local, state, and regional entities and their stakeholders put significant time and effort to provide plans and policies for future land use for their constituencies. The decision made on the proposal

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7. See Common Response #1 Public vs Private Projects; Range of Alternatives
8. See Common Response #5 Mitigation Measures and Common Response #6 Mitigation Measures – Traffic.
9. See Common Response #8 Consistency with Plans and Policies

described in this DEIS will have substantial impact on a major economic hub in the region and thus demands a robust and objective discussion of concerns that the Port of Seattle, as submitted to the scoping process on November 30, 2012.

At a minimum, the following land use policies and adopted plans and recommendations should have been included in the DEIS land use analysis:

1. City of Seattle Comprehensive Plan, including the Container Port Element, Land Use element (Section B-4, Industrial Areas) and Industrial Use Policies
2. Greater Duwamish Manufacturing and Industrial Center Neighborhood Plan
3. Seattle Planning Commission, "Review of the Proposed Sport Arena in the Duwamish Manufacturing and Industrial Center, "July 2012"
4. Seattle Planning Commission, "Future of Seattle's Industrial Lands," 2007
5. Seattle Center Century 21 Master Plan
6. Key Arena Subcommittee Report
7. Port of Seattle Century Agenda, 2012
8. Port of Seattle Seaport Shoreline Plan, 2008
9. King County Countywide Planning Policies
10. Puget Sound Regional Council VISION 2040
11. Container Port provisions of the Growth Management Act (GMA), 2009

All of these plans and policies are relevant to the discussion and analysis of the proposal in the DEIS, yet only two were given consideration; the DEIS provided a cursory review of the City of Seattle Comprehensive Plan and the Seattle Center Century 21 Plan. Since the latter mainly applies to Alternatives 4 and 5, the DEIS actually contains more extensive plan consistency review for the Seattle Center sites than for the SoDo site, which is identified as the preferred alternative. Since the preferred alternative proposes to locate the arena in SoDo, there is a greater need for reconciliation of the proposal with adopted plans for SoDo than with adopted plans for Seattle Center. The City adopted the Seattle Center Century 21 Master Plan which includes a goal of attracting an NBA team to the Key Arena site. The DEIS should acknowledge this goal and provide analysis of how locating an NBA team in the SoDo area is consistent or inconsistent with the existing Seattle Center Century 21 Master Plan and provide analysis of impacts for not adhering to this goal.

The DEIS failed to analyze whether the proposal was consistent with the King County Countywide Planning Policies (CPPs).

CPPs

The CPPs provide a countywide vision and serve as a framework for each jurisdiction to develop its own comprehensive plan, which must be consistent with the overall vision for the future of King County. A regional concern and major objective of the Countywide Planning Policies is the protection and management of resource lands, including manufacturing and industrial:

"Manufacturing/Industrial Employment Centers are key components of the regional economy. These areas are characterized by a significant amount of manufacturing, industrial, and

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advanced technology employment. They differ from other employment areas, such as business/office parks in that a land base and the segregation of major non-manufacturing uses are essential elements of their operation."

The Duwamish Manufacturing/Industrial Center is a designated center in the CPPs. Here, the DEIS failed to consider whether the proposal to locate the arena in SoDo is consistent with the King County CPPs. Since the arena is proposed to be located in King County and King County has committed to contributing significant financing toward the arena, the DEIS should have analyzed the consistency of the proposed arena's location with the CPPs.

The DEIS failed to adequately analyze the consistency of the proposal with the City's Comprehensive Plan policies.

The GMA requires the City to conform to its requirements. RCW 36.70A.040(1). The purpose of the City's land use code is to implement the comprehensive plan. SMC 23.02.020(A). In addition to reducing sprawl and focusing the development of necessary infrastructure in urban centers, the GMA defines Regional Manufacturing and Industrial Centers as having statewide importance under GMA.

Industrial Areas, Land Use Goals, City Comprehensive Plan - The proposal to locate the arena in SoDo contradicts a number of the City's Comprehensive Plan policies and elements. For example:

LUG24: Preserve industrial land for industrial uses and protect viable marine and rail-related industries from competing with non-industrial uses for scarce industrial land. Give special attention to preserving industrial land adjacent to rail or water-dependent transportation facilities.

Section B-4 Industrial Areas, Goal LUG24. The proposal to locate the arena in SoDo will create new pressures to gentrify industrial land near Terminal 46 and Terminal 30 and convert scarce industrial land for commercial uses.

Container Port Element, City Comprehensive Plan - In 2009, the Washington State legislature amended the GMA to require a "port element" be added to GMA comprehensive plans because

... container port services are increasingly challenged by the conversion of industrial properties to nonindustrial uses, leading to competing and incompatible uses that can hinder port operations, restrict efficient movement of freight, and limit the opportunity for improvements to existing port-related facilities.

It is the intent of the legislature to ensure that local land use decisions are made in consideration of the long-term and widespread economic contribution of our international container ports and related industrial lands and transportation systems, and to ensure that container ports continue to function effectively alongside vibrant city waterfronts.

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RCW 36.70A.085 (legislative findings (2) and (3)). The City of Seattle adopted the container port element of the comprehensive plan with a number of policies designed to respond to the legislature's findings. See City of Seattle Ordinance #123854, Container Port Element, Land Use CP 1- 18. For example, Land Use Policy, CP 3 provides

Discourage non-industrial land uses, such as retail and residential, in industrially-zoned areas to minimize conflicts between uses and to prevent conversion of industrial land in the vicinity of cargo container terminals or their support facilities.

The proposal to locate the arena in SoDo is inconsistent with CP 3 as well as the other land use policies in the port element because it would encourage new non-industrial land uses in this area, create conflicts between the arena and neighboring industrial uses, and encourage the conversion of industrial land near Terminals 30 and 46.

2008 Port of Seattle Seaport Shoreline Plan - The Port of Seattle Seaport Shoreline Plan was developed in 2008 to identify the long term business goals for each of the Port properties in the Seattle Harbor. The plan expresses the Port's commitment to maintain industrial uses on all Harbor Island-area properties including Terminal 30 and 46 near the Proposed Project. The DEIS neglects to discuss this important land use plan or acknowledge that locating the proposed Seattle Arena in SoDo would be contrary to this plan.

Port of Seattle Century Agenda - The Century Agenda is a 25-year vision developed by the Port of Seattle. In addition to providing for the aggressive cargo growth goal mentioned previously, the Century Agenda also endeavors to help anchor industrial land use in the region to prevent sprawl to areas that have not already developed a sufficient level of supporting infrastructure.

Seattle Planning Commission Reports - Two reports by the Seattle Planning Commission speak directly to the need to preserve industrial land as scarce resource. "The Future of Seattle's Industrial Lands," July 2007, deals with the citywide issue of loss of industrial land. "Review of the Proposed Sports Arena in the Duwamish Manufacturing and Industrial Center," July 2012 speaks to the Proposed Project in particular and finds that it creates land use conflicts. It is ironic that these two plans were generated by the City, yet ignored in the DEIS.

Duwamish Manufacturing and Industrial Center Neighborhood Plan - The Duwamish Manufacturing and Industrial Center Neighborhood Plan was adopted in 2000 and is an appendix to the Seattle Comprehensive Plan. It concludes that the viability of the Center is threatened by pressure to develop non-industrial uses within it. Despite the Plan being developed with extensive stakeholder participation, the DEIS ignores the conclusions of this important planning document and proposes to locate the arena, which is a non-industrial use, within the Plan area.

The DEIS fails to adequately analyze how the proposed arena is consistent with existing land uses.

The DEIS fails to provide an analysis that is sufficiently robust to enable the public to understand why the City believes the SoDo site is the preferred alternative. The DEIS analysis touches on some of the important questions listed below, but in a non-cohesive way:

10. See Section 3.6 Land Use

11. Comment noted. The information requested in the comment is included in the EIS and in appendices.

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- To what extent do the different site alternatives contradict these same existing land use and other policies for the area?
- To what extent does the proposed use preclude other uses or encourage related development? What impact will the proposal have on current uses? How do the alternatives differ in their impact on the operation of current uses?
- To what extent do the different alternatives displace existing businesses or uses, and can such displacement be mitigated?
- How do alternatives compare in their impacts of the area and to what extent can those impacts be mitigated?

Substantive and Organization Deficiencies - The DEIS separates the overall discussion and analysis by including a section called the “Regulatory Framework” in addition to the Land Use section, even though both sections appear to cover Land Use. As a result of this segmentation, the reader is forced to go back and forth between the two sections to piece together information on existing land use, affected environment, impact analysis, and proposed mitigation. In addition, much information related to land use is actually found in the Economic Impact appendix. The inclusion of land use issues in three different sections of the DEIS forces the reader to review all three sections in order to find enough information to consider whether the land use analysis is complete, whether the information is internally consistent, and then to reach conclusions as to a preferred alternative. Table 1-1 provides an opportunity to summarize land use information from the separate sections to form conclusions, but is not successful in doing so.

As a result of the deficiencies described above, the DEIS fails to adequately address many of the major land use plans and other policies for the area. Many of the essential issues and questions stated above are not discussed with sufficient depth to reach any conclusion as to a preferred alternative in the DEIS. Moreover, the DEIS fails to offer a conclusion as to whether the project proponent will implement mitigation that could reduce or eliminate the probable significant adverse impacts of the proposal. In short, the DEIS fails in its most essential purpose which is to provide a decision-maker with the necessary information to reach an informed decision.

The DEIS Land Use section should be thoroughly revised to include a detailed analysis of the proposal’s compatibility with existing and project land uses and plans, the City’s comprehensive plan and the required analysis of consistency under the GMA. RCW 36.70B.040. The DEIS land use analysis should have addressed the types of existing land use; level of development, such as units per acre or other measures of density; infrastructure, including public facilities and services needed to serve the development; and characteristics of the development, such as development standards.

Locating the arena in SoDo will induce new and competing land uses that will raise the value of land in the existing industrial district and threaten the viability of existing industrial uses.

SEPA requires that the likely adverse cumulative impacts of the proposal be considered in the DEIS. SMC 25.05.792 (3)(c). The cumulative impacts of the proposal are the “past, present, and reasonably foreseeable impacts” of the proposal. 40 C.F.R. 1508.7. Among the cumulative impacts that the DEIS should have considered, but failed to consider, are the reasonably

12. Comment noted.

13. Comment noted.

14. Comment noted. See Common Response #8 Consistency with Plans and Policies and Common Response #11 Secondary and Cumulative Impacts

15. See Common Response #11 Secondary and Cumulative Impacts

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foreseeable cumulative impacts of land use changes that locating the arena in SoDo would likely induce. The pattern of new uses raising the value of land in existing industrial districts due to projects such as the present proposal has been documented in numerous locations (Seattle Planning Commission, "Future of Seattle's Industrial Lands," 2007). Alternatives 2 and 3 will likely catalyze new commercial development and contradicts the assertion that locating the arena in SoDo is compatible with applicable plans.

Locating the arena in SoDo will induce land use changes between the proposed arena location and WSA Properties LLC's neighboring properties.

Various newspaper articles have reported on ArenaCo representative Chris Hansen's interest in an "entertainment district" near the proposed arena

Hansen outlined his vision for the area around Seattle's existing professional sports stadiums in the SoDo neighborhood, where he wants to build a professional basketball arena. "That's plenty of space," said Hansen. He said the district would go "hand in hand" with his arena plans, and he pointed out that his consultants are discussing the district with the operators of Safeco Field and CenturyLink Field. Hansen said he won't be building the entire district, but wants to help create it. "We would be very happy if other people can make some money off of it too. We just want to make sure it's done right." *Puget Sound Business Journal*, 10/16/2012.

While the DEIS speaks to ownership of other properties by ArenaCo, and notes that no development has been proposed for these properties, (p. 3.6-5), Mr. Hansen's comments show that it is reasonably foreseeable that ArenaCo purchased these neighboring properties in order to redevelop them for entertainment uses to support the arena.

The analysis should have included the nearby land holdings of WSA Properties LLC, the development of the properties listed in Exhibit RE-23 "New Construction Permits Issued" in the Economic Impact appendix (p. 122), and other projects in the vicinity that are currently undergoing permit review at the City DPD (reference Comment 11 attached). The analysis should have also included the construction permits issued or currently being processed by the City of Seattle in the areas of the alternatives including the 44,000 sq. ft. mixed-use development proposal at 2225 1st Avenue South, the 5-story office building 1526 1st Avenue South, the 15,000 sq. ft. of retail and office building at 2727 6th Avenue South and any other newly permitted projects in the immediate vicinity of any of the alternatives. The analysis should have further listed other major projects for the area including the major transportation improvements proposed for the Seattle waterfront and the regional public transportation system. With the inclusion of appropriate development proposals, the cumulative impacts would have been better analyzed. In addition, the DEIS incorrectly states the arena is "north of the industrial center," when in fact it is proposed for location within the Duwamish MIC.

Locating the arena in SoDo will induce land use changes to the Greater Duwamish MIC.

16. See Common Response #11 Secondary and Cumulative Impacts and Appendix F Economic Impact Assessment

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The DEIS also neglects to consider the likely adverse cumulative impacts for Alternatives 2 and 3, of developing another large spectator sports facility adjacent to the two existing facilities, in the industrial center. If the proposed arena is located in SoDo, land uses outside the Stadium Transition Area Overlay District (STAOD) would likely change to serve the expanding needs and more commercial character of the Stadium District. As noted already, these land uses would conflict with the Industrial-Commercial and General Industrial character of the Port and the Greater Duwamish MIC (P. 1-54).

Acknowledging the pressure of these competing land uses, the DEIS suggests that stricter land use controls could be developed to protect against the incursion of incompatible uses on industrial areas. Instead of attempting to develop new land use controls to address the problem, the DEIS should have acknowledged the inherent conflict that the proposed stadium presents with the existing industrial uses. The better approach, which would be consistent with SEPA's directives to first avoid creating probable adverse environmental impacts, would be to avoid the siting the arena in SoDo so that the pressure to introduce competing land uses is not created. Meanwhile, the land use studies called for in the City/ County/ArenaCo Memorandum of Agreement would accelerate the incursion of incompatible uses because the proposed staff recommendations of the Stadium District Land Use Advisory Committee call for allowing hotels and residential in a portion of the STAOD.

Economic Impacts

The DEIS fails to adequately identify, quantify, and evaluate the likely adverse cumulative economic impacts of the proposal.

Economic Impact Analysis - The Economic Impact Analysis does not adequately quantify and evaluate the potential negative effects on Port and marine cargo operations and business. Although insufficient for decision-making purposes, the DEIS includes a general statement regarding the Port's competitiveness, compared with other alternative west coast export/import gateways:

To the extent that higher trucking costs and reduced trucking reliability adversely affect customer and carrier perceptions, the Port's competitive position could be diminished and the threat of carrier or cargo diversion increased. While that risk cannot be reliably quantified, the realities of port competition and the importance of customer and carrier perceptions suggest that appropriate measures to minimize the adverse impacts be considered. (Appendix F, p. xxi)

There would be additional potential impacts if Port carriers perceived reliability issues in the area and shifted cargo away from the Port of Seattle or moved to another location.

(Appendix F, p. 57). Seattle and other US West Coast ports are battling for market share in an increasingly competitive global marketplace. Ports in Canada, as well as the US Gulf and East Coasts, are expanding facilities, deepening berths, and offering tax breaks and other incentives to lure Asian cargo. At the same time, the shipping industry is consolidating into a few large

17. See Common Response #11 Secondary and Cumulative Impacts

18. Comments noted. Impacts to freight mobility have been updated. See Appendix F Economic Impact Analysis

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consortiums, and building significantly larger ships which require major investments by ports in deeper berths and larger cargo-handling cranes.

To compete successfully, Seattle must continue to offer shippers low-cost, efficient service with a minimum of delays in moving cargo to and from vessels, rail yards and trucks. Increased street congestion slows cargo movement; redevelopment and gentrification can lead to loss of port-dependent warehouse and distribution operations. From direct experience, marine terminal operators have expressed substantial concern about the impact of the proposed sports arena on their operations.

Without quantification, the information in the DEIS is insufficient. No mitigation is identified, nor has any mitigation committed to in the DEIS. Additional risks related to rising industrial land values and rents, gentrification, industrial conflicts with residential uses, and impacts of operational traffic, are articulated on page xxix, and discussed in Port comments 34-41, Economics, Attachment A.

An “Implications” section relates to mitigation (Appendix. F, p. 102) of the risks raised in the Economics section. Commitments to potential mitigation actions, essential to decision-making are absent, however. For example, there are no commitments to potential mitigation measures including: (1) improved communications regarding events; (2) specific event traffic control measures; (3) specific freight vehicle and rail traffic control measures to protect freight corridor movement trucks moving; and, (4) upgrades and structural improvements for specific intersections and alternative routes. The DEIS includes minimal statements illustrating potential steps to improve an unreliable transportation system in SoDo that would result from the present proposal. These small measures lack sufficient detail and are insufficient to fully off-set and mitigate the adverse impacts associated with the new arena.

Vehicle Traffic, Freight Mobility, Rail, and Pedestrian Impacts

Locating the proposed arena in SoDo will result in probable significant adverse traffic, freight mobility, rail, and pedestrian impacts which cannot be mitigated.

In Table 1-4, Summary of Significant Unavoidable Adverse Impacts, all of Traffic Volumes, Traffic Operations and the Freight and Goods Movement sections (p. 1-57) state that traffic delays would increase on event days due to Arena event traffic. While not quantified, these impacts were determined to be a significant unavoidable impact.

The vacation of Occidental Avenue to construct the Arena presents an irreversible loss of street capacity, which will forever affect traffic movements in SoDo. Currently, in the area sandwiched between the railroad facilities, there are only two north-south streets that connect between S Lander Street and SR 519: 1st Avenue S and Occidental Avenue S. The other north-south street, Utah Avenue S, has already been vacated in the segment just north of S Lander Street. If there is an incident on 1st Avenue S north of Holgate Street, there would be no escape for traffic. Therefore, vacation of Occidental Avenue will further degrade SoDo's grid system and make the system less resilient to incidents. In addition, the transportation analysis has only

19. Comment noted.

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evaluated impacts during the PM peak hour; however, the loss of capacity would affect all hours of the day and all days of the year, whether there is an event or not.

A new arena in SoDo will increase traffic volumes and congestion. While the volumes and congestion levels may be similar to conditions that occur for events today, the arena would increase the number of days that industrial and Port traffic would be affected. Of particular concern is the potential for dual or triple events at the three sports venues, which have substantial effect on the Port (see further detail in Comment 4 below). Will the proponent agree to not allow events to be scheduled in the proposed Arena when other sport events are scheduled? How would such an agreement be memorialized and how would the City enforce it? Such a condition should be made a condition of the Master Use Permit for the proposal.

The traffic analysis evaluated the PM peak period only; it failed to evaluate other periods, including the post-event egress period from the arena. Other critical potential traffic effects, which are essential to a thorough DEIS evaluation include: (1) effect of recirculating vehicles as motorists look for parking in a crowded system; (2) assumptions for traffic effects resulting from signal optimization (a mitigation measure requiring particular funding commitments); (3) potential for increased traffic on streets due to traffic diversion from a tolled SR99 bored tunnel; and, (4) lengthened freight travel times due to police officer traffic control of stopping pedestrian crossings, or un-managed pedestrian flows blocking intersection turning movements. As traffic volumes grow at the Port, the ability to accommodate increases in container throughput using existing marine terminal facilities may depend on extending hours of operations (i.e., extending gate operations and site access hours). The EIS does not analyze impacts of Arena traffic egress on extended port operational hours, particularly evening hours of operation as a non-structural means of deriving increased value from existing marine cargo infrastructure. The EIS does not provide mitigation for the potential that demand for Arena parking could impact SoDo overnight truck parking (ref p. 1-30).

The DEIS fails to describe impacts to the rail system from loss of rail storage area, risk of system shut down in the case of a train/pedestrian accident, and a potential for restrictions on transport of hazardous materials (reference Attachment A, comments 25-28). The availability and reliability of rail transportation is a critical link in marine export/import and industrial logistics supply chains. The DEIS should have identified, appropriate mitigation, if such mitigation can be developed.

Alternatives

The DEIS is inadequate because it erroneously considered the arena as a private, rather than a public, project.

The SEPA rules provide

When the proposal involves both private and public activities, it shall be characterized as either a private or a public project for the purposes of lead agency designation, depending upon whether the primary sponsor or initiator of the project is an agency or from the

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- 20.** Existing traffic use of Occidental Avenue S has been documented and an analysis of potential impacts included in Section 3.8 Transportation and in Appendix E.
- 21.** Traffic impacts have been documented in Section 3.8 and in Appendix E. The evaluation of the proposed Arena does not assume that venues would be able to reschedule events. Instead three event cases are evaluated for each Action Alternative including an Arena event only (Case S1), an Arena event and another sporting event (Case S2 - Arena and Mariners game), and an Arena event, Mariners game, and Event Center event (Case S3) (see Appendix E, Section 1.3.1.4). Given the potential variability in attendance and capacity of nearby facilities, the FEIS analysis provides a revised Case S3 to reflect a combined attendance of 72,500. This analysis has been updated throughout the report addressing all transportation elements previously evaluated in the DEIS. The results are similar to the previous Case S3 evaluation, as a relatively minor increase in peak hour trip generation is anticipated.
- 22.** The FEIS also includes an expanded analysis of the post-event conditions (see Appendix E, Section 2.6.4.5). The FEIS includes an evaluation of the AM and mid-day peak hours for purposes of the no-street vacation alternative (Appendix E, Section 2.10).
- With respect to overnight truck parking, additional field observations were conducted in the immediate vicinity of the Arena and determined that only one truck was observed to be parked overnight. Overnight truck use varies depending on the level of Port or event activity. Most events typically end by 11 p.m. and overnight parking is likely to be available after this time.
- The forecast traffic volumes were based on the Alaskan Way Viaduct EIS. This considers future development in the study area consistent with land use plans and shifts in travel patterns related to major transportation improvements.
- 23.** The Arena project will not affect rail storage. Mitigation has been proposed for pedestrian access to avoid pedestrian use of Holgate Avenue S before and after events.
- 24.** See Common Response #1 Public vs Private Project; Range of Alternatives.

private sector. Any project in which agency and private interests are too intertwined to make this characterization shall be considered a public project. WAC 197-11-928.

The proposed arena is a public project because the public will provide financing in the amount of \$200 million to acquire the arena after it is constructed, because the City and County will lease the arena back to ArenaCo and because of the diversion of \$200 million from the city's tax base to repay bonds.

The distinction between private and public proposals is important because SEPA rules create different responsibilities for agencies depending upon whether the proposal is private or public. If private, the lead agency must consider the "no action" alternative and other reasonable alternatives. See WAC 197-11-440(5)(d). For this DEIS, the City has confined its consideration of alternatives to the ArenaCo property in SoDo, the Key Arena, and Memorial Stadium.

For public proposals, lead agencies are responsible for considering the reasonable off-site alternatives to the proposal. "Reasonable alternatives" are those actions capable of attaining or approximating the proposal's objectives but at a lower environmental cost or decreased level of environmental degradation. WAC 197-11-440(5)(b) and 786. As a consequence of the City erroneously identifying the proposal as a private proposal, the City failed to consider any alternative sites outside the City of Seattle, even though King County is a party to the MOU.

The DEIS fails to adequately analyze the alternatives to locating the arena in SoDo.

Moreover, the alternative sites selected within the City of Seattle were unrealistic and poorly analyzed. The "process for identifying and screening the locations for comparative environmental analysis" in Appendix A of the DEIS confined the criteria for identifying and screening alternative sites to the size of the site area (6 acres), the adequacy of the facility size (seating capacity and floor plate size), and the applicable zoning. Appendix A at A-1. Then, the DEIS analyzed the "impacts of relocation or repurposing," access to mass transit, and final screening. This narrow approach failed to analyze the possible alternatives in light of the probable adverse significant impacts as required by WAC 197-11-440(6)(a). This meant that the probable significant adverse environmental impacts of the proposed arena upon the Port's maritime industrial uses in the SoDo area were largely ignored by the City in its consideration of alternative sites. This approach further led to the consideration of such unrealistic sites as the newly constructed Bill and Melinda Gates Foundation Building, the Mariners stadium, and the Port of Seattle grain terminal property at Terminal 86

In addition, the concept that Key Arena could work as a hockey venue is lightly discarded because "...the floor plate is not large enough..." The document provides no official citation, analysis or reference for concluding that the Key Arena could not be remodeled to accommodate the NHL rink size and attendance standards; it simply states that it would be precluded. If there is adequate information to make such a conclusion, then it should be added to this analysis or cited so that the reader understands the evidence for the statement. One key source may be the Key Arena Subcommittee Final Report. The Report should be referenced in the EIS and analyzed to gain information from the extensive analysis that was accomplished on the proposals to remodel Key Arena and their report findings should be included in this DEIS analysis.

25. See Common Response #2 Project Objectives. Between 2004 and 2008, Seattle Center studied how the KeyArena could be remodeled to meet current NBA standards. There have been diverse opinions by various NBA ownership groups as to whether this study, "NewArena Imagine the Future" (SRG Partnership Inc and Threesixty Architecture, January 2008) successfully met current NBA building standards. Because the current basketball seating bowl was to be retained, the enhanced KeyArena described in the 2008 study did not meet NHL standards.

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There is also no clear distinction between the differences and purposes of Alternatives 2 and 3. How were the impacts different in any significant way? These two alternatives are essentially the same. The comparison of alternatives is generally insufficient and fails to meet the standard established by SEPA rules (see WAC 197-11-440(5)). Even if the contention is accepted that this is a “private” proposal, there is not adequate evaluation of other reasonable alternatives for achieving the proposal’s objectives at the same site (WAC 197-11-44-(5)(d)).

The DEIS analysis of the Seattle Center site alternatives is inadequate and biased since it applies different assumptions for the Seattle Center site alternatives than it applies for the SoDo sites.

These different assumptions include

- Primary parking area assumed for the Seattle Center is substantially smaller than assumed for the SoDo site resulting in a conclusion that makes the impact for Seattle Center seem worse than SoDo.
- Future parking supply increases in the Seattle Center neighborhood are not included in the analysis but are included for SoDo site, again making the parking impact at the Seattle Center seem worse than SoDo.
- Denny Way is described as a barrier to walking near the Seattle Center sites by virtue of its two-way traffic and high traffic volume. That same analogy is **not** applied to the many busy arterials in SoDo, including SR 519, 1st Avenue S, 4th Avenue S, S Lander Street and others, nor is crossing the railroad tracks listed as a barrier.
- Transit services are excluded from the Seattle Center sites analysis as being too distant, including light rail at Westlake Center. Yet, Westlake Center is nearly as close to the Seattle Center as the International District station is to the SoDo site (about 5200 feet vs. about 5000 feet); and
- The number of events that could occur at the SoDo site could be limited by event management requirements imposed as a result of proximity to Safeco Field and CenturyLink Field; limitations would not likely be as restrictive for the Seattle Center option and the Pro Forma analysis should consider the differences in Arena revenue if such restrictions are imposed at the SoDo site.

Unmitigated Significant Adverse Traffic Impacts

The proposed mitigation in the DEIS for pedestrian impacts at the S Holgate Street railroad crossings is inadequate and significantly increased safety risks.

If the City of Seattle chooses to approve the SoDo location for the arena after reviewing the environmental documents, then the proponent must be required to implement extensive mitigation to lessen some of the impacts. Since necessary mitigation actions are not adequately identified and specific implementation commitments are absent, decision makers cannot reach conclusions regarding mitigation given the current level of analysis provided.

The EIS summary text on page 1-47 states that “*Increased active traffic and pedestrian management during pre-and post-event conditions to assist in helping pedestrians navigate the*

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26. The difference between Alternatives 2 and 3 is the number of seats to be included in the Arena, with different traffic impacts. The applicant, ArenaCo, has proposed an Arena to be located in SoDo. There are no proposals for a new arena to be located at Seattle Center. However, the size of facilities and uses considered at both sites are the same.

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27. Seattle Center parking analysis in the FEIS has been updated to reflect revised primary and expanded study area boundaries (described in Appendix E Section 3.8.1.1 and included throughout Appendix E Section 3.8). These revised boundaries are consistent with the walking distances presented for the Stadium District and reflect the Uptown, Uptown Triangle, Denny Triangle, Belltown and South Lake Union neighborhoods as the primary study area and the CBD as the expanded study area.

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28. The SoDo site would require either new parking or agreements within existing parking facilities to meet Land Use Code requirements.

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29. Comment noted.

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30. The analysis of traffic impacts for the Seattle Center sites includes the use of available transit.

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31. Comment noted.

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32. See Common Response #7 Mitigation Measures – Pedestrian Access.

many railroad crossing points along with enhance surface management of railroad crossing through the implementation of additional crossing gates for pedestrians together with the development of wider sidewalks to accommodate surges in pedestrian demands before and after events and the associated pedestrian queuing.” However on page 1-34 of that same summary the text stated, *“The S. Holgate Street corridor has multiple at-grade rail crossings closely spaced in the immediate vicinity of the site and pedestrian gates may not be feasible or appropriate.”* The potential surges in post-event pedestrian flows as well as the number of train crossings and potential blockage times have been substantially underestimated (see detail in attached comments). Therefore, the potential safety implications have also been understated.

In addition to the potential tragedy that can occur with conflicts between pedestrians and railroad equipment, increased, un-managed pedestrian traffic can result in substantial adverse impacts to existing rail operations and result in future rail operational changes, including limitations in use, reduction in rail marshaling area, and potential costly future rail line and rail crossing improvements. BNSF, Amtrak and Sound Transit rail equipment crosses Holgate Street round the clock. Just one pedestrian accident at any of the many railroad crossings would create a significant disruption to freight and passenger rail services along what is the state’s primary rail corridor. Stopping or delaying freight operations on this corridor to deal with an accident would affect Port operations. If the Arena project intends to rely on parking supply and transit services located east of the railroad tracks, but does not commit to constructing a pedestrian bridge at Holgate Street, significant adverse impacts to pedestrian safety and rail operations would likely occur. Such significant adverse impacts would increase the potential likelihood that the BNSF Railway and/or Amtrak move to close Holgate Street to all crossing traffic, a scenario that would have further significant adverse impacts to overall traffic circulation in the neighborhood. For these reasons, the pedestrian bridge must be included as a mitigation measure, not as an option to be “considered.”

Additional dual event scenarios created by the proposed arena are unacceptable significant adverse environmental impacts; an event management strategy must be adopted to prevent these risks.

The transportation section evaluated various combinations of event cases, and implies that those cases are similar to the large events that already occur at CenturyLink Field. The largest events that now occur at CenturyLink typically occur on a Sunday and have limited effect on the Port. When a large event does occur on a weeknight, such as a Monday Night Football game or a large soccer match, it severely disrupts Port operations beginning with disruptions of freight traffic by midday. With the expectation that over 120 events per year at the new Arena could have 10,000 or more attendees, there would be many more weeknights each year that experience dual events. The Port is also already substantially affected by daytime events, which is why the Mariners are limited to the number of day games that can occur per year.

The Port understands the logistical difficulties of managing events at multiple arenas. The Mariners for example have no control related to their daily game schedule. Yet the basketball and hockey schedules would be set before baseball. An event management agreement must include sufficient detail and commitments for implementation. Key elements of an event management agreement include:

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- 33.** The evaluation of the proposed Arena does not assume that venues would be able to reschedule events. Instead three event cases are evaluated for each Action Alternative including an Arena event only (Case S1), an Arena event and another sporting event (Case S2 - Arena and Mariners game), and an Arena event, Mariners game, and Event Center event (Case S3) (see Appendix E, Section 1.3.1.4). Given the potential variability in attendance and capacity of nearby facilities, the FEIS analysis provides a revised Case S3 to reflect a combined attendance of 72,500. This analysis has been updated throughout the report addressing all transportation elements previously evaluated in the DEIS. The results are similar to the previous Case S3 evaluation, as a relatively minor increase in peak hour trip generation is anticipated.

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- a) Seek to reschedule to a different day large (14,000 or more attendees) weeknight events at the Seattle Arena when they would otherwise occur concurrent with a major league sporting or concert event at either of the other two stadiums,
- b) If rescheduling to a different day is not possible, then the event start time at the new Arena must be changed to begin at least one hour later in the evening than the other concurrent event, and
- c) Under no circumstances shall the scheduling conflict be resolved by changing the start time of one or more events to occur before 4:00 P.M. on a weekday because of the impact on freight traffic.

Addressing the inadequate sidewalk on 1st Avenue S between S Atlantic Street and S Massachusetts Street could substantially affect traffic operations of the 1st Avenue S/S Atlantic Street intersection.

The EIS determined that the existing sidewalk on 1st Avenue between S Atlantic Street and S Massachusetts Street would experience “severely restricted” operations with just an event at the Arena. As with the S Holgate Street crossing, we believe that the peak pedestrian flows used to reach this conclusion were likely underestimated.

The existing sidewalk on the east side of 1st Avenue S between S Massachusetts Street and S Atlantic Street already extends to the property line, and near the intersection with S Atlantic Street narrows to as little as 6-feet due to the adjacent northbound right-turn-only lane. Unless the project were to acquire the adjacent property and demolish existing buildings, it is not likely possible to widen that sidewalk without taking some of the street width now dedicated to traffic flow. Loss of a right turn lane to Atlantic Street to accommodate a wider sidewalk is unacceptable to the Port and would exacerbate already poor traffic operations through our key regional access point. The DEIS does not adequately evaluate pedestrian circulation and associated effects on vehicle movement in the area. In particular, the effect of peak egressing pedestrian volumes, combined with other events in the 1st Avenue S area must be evaluated. It is essential that single and combined pedestrian volumes do not lead to proposed foot-traffic improvements that create a permanent loss of traffic capacity due to the loss of traffic lanes on 1st Avenue S.

Examples of appropriate mitigation if the SoDo site is pursued despite insufficient analysis of probable adverse traffic impacts in the DEIS.

- A. Comments 25-30, attached, reflect Transportation Mitigation that must be included. Comments 8-9, attached, reflect mitigation related to Land Use. Additionally, the Economic Impact Analysis suggests a series of ideas to improve the perception of reliability of transportation operations: improved communications regarding events and traffic control measure, traffic control measures to keep trucks moving, and selected upgrades to impacted intersections or alternate routes (appendix. F, p. 102). These mitigation commitments should be added to Table 1.2, Mitigation.
- B. Attachment D provides a table (prepared in advance of the DEIS) of recommended Performance Measures to evaluate concerns, and Potential Mitigation if the performance demonstrated in the transportation analysis is not acceptable.

34. SDOT is in the process of developing a streetscape plan for this section of 1st Avenue S which would provide for wider sidewalks similar to those that exist adjacent to Safeco Field.

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35. See responses below to Port of Seattle Attachments.

36. Comment noted. See response to Attachment D below.

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- C. To comply with the MOU's requirement to assess the economic impacts, the EIS should disclose the total cost of all mitigation, and provide a comparison among the alternatives. This analysis should detail who is responsible for cost, and whether the commitment would be for the full cost or a share of the cost. In addition, any reduction in revenue associated with event scheduling restrictions that would limit the number of events should also be disclosed.

Conclusion

The Port of Seattle remains opposed to locating the Seattle Arena in the SoDo neighborhood, and after review of the Seattle Arena DEIS, finds that it is incompatible with prior policies established to protect Seattle's port and industrial facilities. Thus, even with mitigation, the change in land use and the further gentrification of the area associated with this project cannot be mitigated and will have long-term consequences on the operation of the Port and supporting facilities such as the rail yards and warehouse/cross-dock facilities. Alternative sites were not fully evaluated which would avoid impacts to this industrial area, leaving too many unanswered questions about the project, its impact to the Port of Seattle, and the economic activity that the Port supports. Our final overarching concern is the lack of definition and commitment to the long list of "potential" mitigation measures for the project.

As they review this proposal, Seattle and King County elected leadership will be faced with important choices about whether they will strengthen or undermine the port and industrial community that on a citywide basis account for \$5 billion in annual sales and one-third of the city's retail tax revenue, and which has been the basis for our economic success for generations. We believe the choice that best meets the long-term economic needs of our community is to protect and constantly re-invest in and improve maritime and industrial activities and to follow policies that will preserve harbor access for those uses that cannot exist elsewhere. City and regional decision makers must receive objective, detailed and comprehensive analysis of project effects and outcomes through the EIS. The Draft EIS falls far short in providing regional decision makers with the critical information they need to make wise judgments about this project.

Thank you for the opportunity to provide input into the DEIS. We would be happy to work with your staff in development of the Final EIS process, in particular with regard to our comments above. Please do not hesitate to call Geri Poor at (206) 787 3778 or Joseph Gellings at (206) 787 3368 if you need any further information.

Sincerely,



Geraldine H. Poor
Regional Transportation Manager

37. See Common Response #5 Mitigation Measures.

38. Comments noted.

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Attachments:

- Attachment A: Port of Seattle's Matrix of Comments on Arena Draft EIS, 9/30/13
- Attachment B: Port of Seattle Commission letter, Comments on the Draft EIS for
Proposed Seattle Arena, 9/30/13
- Attachment C: Regional Transportation Hub, 9/10/13
- Attachment D: Transportation Analysis Needs for New Arena EIS, 8/7/12

cc: City of Seattle: Sugimura, Foster, Hauger
Port of Seattle: Beckett, Styrk, Graves, Akiyama, Goodwin, Jones Stebbins, Merritt,
Meyer, Blomberg, Gellings, Hanson, Gedlund, Guthrie, Wolf

Attachment A
Port of Seattle's Matrix of Comments on Arena Draft EIS (9/30/13)

Page numbers are for reference only and the comment may apply to more than one location in the DEIS. If the comment applies to information in multiple locations, such as in the DEIS and the Technical Appendix, it should be corrected in all applicable locations.

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| APPLICATION OF SEPA RULES | | | |
| 1 | Throughout | <p>Public vs. private project – The DEIS erroneously identifies the arena as a private rather than a public project. The SEPA rules provide:</p> <p>When the proposal involves both private and public activities, it shall be characterized as either a private or a public project for the purposes of lead agency designation, depending upon whether the primary sponsor or initiator of the project is an agency or from the private sector. Any project in which agency and private interests are too intertwined to make this characterization shall be considered a public project.</p> <p>WAC 197-11-928.</p> <p>The City and County have already contracted with the proponent, ArenaCo, to contribute significant public financing in the amount of \$200 million to acquire the arena after it is constructed. Then, the City and County will lease the arena back to ArenaCo. Interlocal Agreement, arena development, financing, acquisition, and operation (ILA), paragraph 5(b) and (c), dated October 8, 2012. The Memorandum of Understanding (MOU) between the City, the County and WSA Properties III (ArenaCo) also sets forth the business terms and conditions for the City-County financing structure for the proposed arena. See MOU, Seattle Sports and Entertainment Facility, paragraph 10, dated October 8, 2012. Because the City and County have already contracted with ArenaCo to provide significant public financing to purchase this arena, the City has erred in characterizing the arena proposal as a private proposal. The significant roles played by the City and County in financing this project also makes their interests “too intertwined” under the SEPA rules to fairly characterize the project as a private project.</p> | The project must be characterized and treated as a public project in the application of SEPA. |
| 2 | Throughout | <p>Improper consideration of alternatives - The distinction between private and public proposals is important because the SEPA rules create different</p> | The EIS must consider reasonable off-site alternatives |

- 39. See Common Response #1 Public vs Private Project; Range of Alternatives
- 40. See Common Response #1 Public vs Private Project; Range of Alternatives.

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| 3 | Throughout | <p>responsibilities for agencies depending upon whether the proposal is private or public. If the proposal is private, the lead agency must consider the “no action” alternative and other reasonable alternatives. See WAC 197-11-440(5)(d). For this DEIS, the City has confined its consideration of alternatives to the ArenaCo property in SoDo, the Key Arena, and Memorial Stadium.</p> <p>For public proposals, lead agencies are responsible for considering the reasonable off-site alternatives to the proposal. Weyerhaeuser v. Pierce County, supra. “Reasonable alternatives” are those actions capable of attaining or approximating the proposal’s objectives but at a lower environmental cost or decreased level of environmental degradation. WAC 197-11-440(5)(b) and .786. As a consequence of the City erroneously identifying the proposal as private proposal, the City failed to consider any alternative sites outside the City of Seattle.</p> <p>Here, the DEIS failed to consider any off-site alternatives outside the City of Seattle, even though King County is a party to the MOU. Because the proposed arena is a public proposal, the DEIS should have considered off-site alternatives located outside the City of Seattle. Since King County is a party to the MOU, it would have been appropriate and reasonable for the City to evaluate alternatives in King County. As a party to the MOU and ILA, King County could have assisted the City with evaluating appropriate off-site alternatives.</p> <p>Moreover, the alternative sites selected within the City of Seattle were unrealistic and poorly analyzed. The “process for identifying and screening the locations for comparative environmental analysis” in appendix A of the DEIS confined the criteria for identifying and screening alternative sites to the size of the site area (6 acres), the adequacy of the facility size (seating capacity, floor plate size), and the applicable zoning. Appx A at A-1. Then, the DEIS analyzed the “impacts of relocation or repurposing,” access to mass transit, and final screening. This narrow approach failed to analyze the possible alternatives in light of the probable adverse significant impacts as required by WAC 197-11-440(6)(a). This meant that the probable significant adverse environmental impacts of the proposed arena upon the Port’s</p> | <p>to the proposal, including alternatives outside the City of Seattle.</p> |
| | | | <p>In the screening of alternative sites, the EIS must evaluate the compatibility of the nearby uses and other adverse environmental impacts of the proposed arena on neighboring uses.</p> |

41. See Common Response #1 Public vs Private Project; Range of Alternatives.

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| | | <p>maritime industrial uses in the SoDo area were largely ignored by the City in its consideration of alternative sites. This approach further led to the consideration of such unrealistic sites as the newly constructed Bill and Melinda Gates Foundation Building, the Mariners stadium, and the Port of Seattle grain terminal property at Terminal 86.</p> <p>After dismissing these unsuitable sites, the DEIS narrowed the options to Key Arena, Memorial Stadium, and the ArenaCo site in SoDo. Although the DEIS purported to examine the compatibility of these sites, its approach was crabbled because it focused primarily on height and bulk of the neighboring structures instead of the compatibility of the nearby uses and other adverse environmental impacts of the proposed arena on neighboring uses. Appendix A, A-7 and A-8. Again, the City ignored the elements of the environment as a means of analysis and erroneously concluded that the ArenaCo site in SoDo was the best alternative.</p> | |
| 4 | Throughout | <p>The City Department of Planning and Development requires that the EIS contain a "No Vacation" alternative. The only analysis for a "No Vacation" alternative is in the EIS in a portion of the Transportation section for the analysis of the No Action Alternative. The proponent will need to provide a copy of the Draft and Final EIS with vacation/no vacation alternatives analyzed for all elements of the environment – not just a portion of the transportation analysis. The EIS is not in compliance with Seattle Municipal Code without a "No Vacation" alternative.</p> | <p>Provide a "No Vacation" alternative for the EIS as an additional alternative with a full analysis of the existing conditions, identification of potential impacts and identify mitigation as appropriate.</p> |
| 5 | Throughout | <p>The EIS does not make use of the EIS's that were prepared for the CenturyLink football stadium and the Safeco Field baseball stadium to allow the environmental review to build off of the existing impacts and mitigation analyzed and provided for these two major sports facilities in the area. Analysis of whether the calculations and analysis were accurate as to real conditions would provide a good context to formulate appropriate mitigation commitments for the size of a proposed large sports facility.</p> | <p>Refer to the <i>Washington State Major League Baseball Stadium Project DEIS and FEIS</i> and the <i>Football / Soccer Stadium and Exhibition Center DEIS and FEIS, 1998</i>. Review the mitigation measures associated with impacts similar to those that will be created by the proposed arena. Commit to equal or higher mitigation levels for equal or higher adverse impacts</p> |

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- 42. The ‘no vacation’ alternative is a consideration for the City in reviewing the street vacation proposal. Information concerning the traffic impacts of vacating a portion of Occidental Avenue S is included in this EIS.
- 43. Comment noted. New analysis has been prepared for this EIS.

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| 6 | EIS Summary Section 1 | Summary is so general that it does not accurately portray the information and analysis provided by the DEIS. Most of the section is a description of the proposal, rather than an analysis of impacts and mitigation. The tables are acceptable, but in many cases, especially related to required mitigation measures, and to secondary and cumulative impacts, there is no clear relationship to the analysis in the text. The document would be greatly improved if all of the tables in Section 1 included a reference to the DEIS section on which they are based, since there is not necessarily a corresponding analysis and conclusion within the body of the text. | from the arena. Provide correlation between Section 1 and corresponding reference in the body of the DEIS. |
| LAND USE | | | |
| 7 | Page 3.6-1 | 3.6.1.1 The DEIS states in the Existing Land Use section that "The Seattle Comprehensive Plan 2004-2024 job target for the Greater Duwamish is to add new 9,750 jobs." However, there is no correlating statement in the Impacts section to show how Alternative 2 or 3 would impact that job target either in a positive or negative way. | Provide information in the Impacts section that shows how Alternatives 2 or 3 would impact the Comprehensive Plan job target for the Duwamish. |
| 8 | Page 3.6-1 | 3.6.1.1 The DEIS states in the Existing Land Use section that "The primary employer is the Port of Seattle. Port-related businesses also account for a substantial number of jobs.....Port and industrial-related job growth is the goal for development in this area." However, there is no correlating statement in the Impacts section to show how Alternative 2 or 3 would impact Port-related businesses. | Provide information in the Impacts section that shows how Alternative 2 or 3 would impact Port-related businesses. |
| 9 | Page 3.6-4 | 3.6.1.3 The DEIS states "Land use impacts of the street closure are minimal since the uses related to that street would be demolished in construction of the Proposed Project or Alternative 3." Wouldn't the impact be the complete loss of the existing uses since they would not be demolished but for the Alternative 2 or 3? | Provide information on why the description of the impacts as "minimal" is appropriate given there would be a complete loss of the existing uses. |
| 10 | Page 3.6-5 | Alternative 2 and 3's location relative to the port and the traffic network creates a direct impact on the viability of the port through deteriorated access to port terminals caused by arena traffic and the vacation of Occidental Avenue. Traffic becomes a land use issue when a zone allowing commercial uses with significant traffic generation surrounds an industrial zone. This must be mentioned here. | Provide information on how allowing commercial uses with significant traffic generation will impact the industrial zone. |

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- 44. The summary tables in Section 1 of the EIS are organized by element of the environment, and labeled by element of the environment, in the same order that the elements of the environment are presented in Section 3 Environmental Analysis. The summaries of potential mitigation measures and secondary and cumulative impacts come from the discussion included within each element of the environment. For example, potential mitigation measures summarized for geology at the SoDo site in Summary Table 1-2 come from Section 3.1 Geology. See Subsection 3.1.1.4 Mitigation Measures under Section 3.1.1 Stadium District Alternatives – Alternatives 2 and 3 in Section 3.1 Geology.
- 45. See Appendix F Economic Impact Analysis.
- 46. See Appendix F Economic Impact Analysis.
- 47. Uses north of Massachusetts St would remain.
- 48. See Transportation Analysis included in Section 3.8 of the FEIS, Appendix E Transportation and updated truck impact analysis included at the beginning of Appendix F Economic Impact Analysis.

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| 11 | Page 3.6-5 | This is a good discussion of the efforts to reconcile the conflicting land use goals of industry protection and meeting the needs of stadium users. However the listed actions are all things that occurred in the past and are part of Existing Conditions and therefore this discussion does not belong in the Mitigation section. After moving the discussion, a new item should be added: the 2007 Industrial Lands ordinance (which significantly limited the amount of commercial development allowed in industrial zones). | Move the information on listed actions that have already occurred to Affected Environment or Existing Conditions and only list actions that are mitigation for impacts in the Mitigation section. Add the 2007 Industrial Lands Ordinance to the list of Existing Conditions. |
| 12 | Page 3.6-5 | The Mitigation items listed are past actions and should be listed as part of Existing Conditions. The Mitigation section should identify future actions necessary to mitigate for impacts from Alternatives 2 and 3. | Based on the commercial- industrial land use conflicts mitigation must include 1) limitations on concurrent events in the three spectator sports facilities, 2) restrictions on daytime events, and 3) land use code changes that will mitigate the arena's role in catalyzing more commercial development in and near the Duwamish MIC. |
| 13 | Page 3.6-5 | The stifling effect of increased property values in an industrial district is well established. This is an impact caused by Alternatives 2 and 3. Their role in catalyzing further commercial development that must be mentioned here. | Discuss how Alternatives 2 and 3 impact further commercial development in the area. |
| 14 | Page 3.6-5, Section 3.6.1.5 | The DEIS states "ArenaCo owns additional properties within and outside the Stadium Transition Overlay District. No development has been proposed for those properties, however development of the Proposed Project or Alternative 3 could induce the redevelopment of those properties for commercial uses designed to support the Proposed Arena or stadiums. New development would be subject to a site specific evaluation under SEPA and Land Use Code development and use regulations." Although there may not be specific plans ready for potential development of the properties, there should be an analysis of the conceptual uses of the properties and potential impacts and required mitigation. In addition, there is no mention of | Provide a cumulative impacts analysis that includes the potential development of additional ArenaCo properties within and outside the Stadium Transition Overlay District, all permitted projects in the vicinity awaiting construction and projects that are pending permits from the City. |

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49. Comment noted.

50. Comment noted.

51. See Appendix F Economic Impact Analysis.

52. The potential impacts from the Arena are primarily related to traffic and transportation impacts. The traffic and transportation analysis (Section 3.8 of the FEIS and Appendix E) include the estimated transportation impacts of known and anticipated development.

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| 15 | 3.6-6 | <p>ongoing development in the area surrounding the proposed project site. There should be a cumulative impacts analysis that includes all projects in the vicinity that are currently undergoing permit review at the City DPD.</p> <p>The undermining of the port-related businesses and other industrial base near Alternatives 2 and 3 are in conflict with adopted Comprehensive Plan growth targets for such jobs is a significant unavoidable adverse land use impact that must be mentioned here.</p> | <p>Provide information discussing the impacts to port-related and other industrial base business job targets listed in the Comprehensive Plan from Alternatives 2 and 3.</p> <p>Please make the correction to the square footage and re-analyze impacts in the DEIS based on the correct figure.</p> |
| 16 | 3.8-115 | <p>The EIS's comparisons to a 940,000 sf hypothetical development are flawed in that the development concept does not comply with use or dimensional code standards. It exceeds the 3.0 FAR limit for the Stadium Transition Area Overlay District (STAOD). Here the EIS is referencing the development concept put forward by the applicant in the Design Review Board materials for the Street Vacation Petition. That document, dated 3/12/13, on page 13 describes the development as retail, office, and residential. Residential is not allowed categorically in the STAOD.</p> <p>Placing so much discussion of land use in the Regulatory Framework section instead of the Land Use section is confusing and impacts the document's readability.</p> | <p>Combine the information from Regulatory Framework section into Land Use section.</p> |
| 17 | 3.10-1 | | |
| 18 | 3.10-3 | <p>Per above comment the broader discussion may need to be moved back to the Land Use Section but the reference to the MOU-mandated land use studies must be augmented with information on the emerging conclusions of those studies. In particular the study has led to a preliminary recommendation to allow hotels throughout the STAOD and residential in a portion of the STAOD which creates new impacts that must be mentioned.</p> | <p>Provide information on the conclusions of the MOU-mandated land use studies. Provide specific information on impacts that may result from allowing hotels throughout the STAOD and residential in a portion of the STAOD.</p> |
| 19 | 3.10-3 | <p>The statement is made that Comprehensive Plan policies "...have no application to the Proposed Project..." based on spectator sports facilities being an allowed use in the Stadium Transition Area Overlay District. By law, the Comprehensive Plan forms the basis for development regulations. The fact that a use is allowed does not preclude environmental analysis of projects incorporating the use and reviewing Comprehensive Plan policies is a valid means of identifying impacts. Comp Plan Goal LUG-24 is salient and</p> | <p>Provide environmental analysis of impacts on surrounding land use from Alternatives 2 and 3 in relationship to the goals of the Comprehensive Plan.</p> |

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53. See Appendix F Economic Impact Analysis.

54. FEIS analysis for the no-vacation option was revised to reflect a building potential of up to 750,000 sf office and 60,000 sf of retail space (see Section 2.10 of Appendix E). Development assumptions for the no vacation option were provided by the applicant.

55. Comment noted.

56. See Common Response #8 Consistency with Plans and Policies..

57. See Common Response #8 Consistency with Plans and Policies.

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| 20 | Page 2-3, Section 2.3.1 zoning, paragraph 2 | should be mentioned here. "The applicant is not proposing to build new attendee parking but instead to share existing parking with other facilities." Per SMC 23.74.008, footnote 1. "Parking required for a spectator sports facility or exhibition hall is allowed and shall be permitted to be used for general parking purposes or shared with another such facility to meet its required parking." This section does not eliminate the need to provide required stadium-associated parking. | The DEIS narrative should include what parking would be required both by code and to meet the anticipated facility needs. It should further assess whether existing facilities are adequate or additional parking is needed, and whether there would be adverse impacts which can be avoided or mitigated by the proponent. |
| 21 | Page 3.6-1, Section 3.6.1.1. Entire section | The DEIS text does not include a complete and accurate description of the existing environment related to the land use elements, nor does it provide a thorough analysis of how the proposal would comply with existing land use plans and to estimated population, growth, and other critical factors. No mention is made, nor is analysis provided of multiple Port and City land use and comprehensive plans and policies that would protect the industrial uses in the area. The analysis is selective in citing only those policies that could be interpreted to support a third arena within the overlay district, when a third arena was never part of the planning discussions. The proposal is inconsistent with the following: <ul style="list-style-type: none"> Land Use Element: LUG24, LUG 26, LUG27, LUG28, LU 140, LU148, LU160, LU161, and LU169. Container Port Element: CP1, CP2, CP3, CP4, CP5, CP6, CP7, CP8, CP9, CP10, CP11, CP12, and CP14. | Include a thorough and comprehensive narrative and analysis of existing land use plans. Include analysis of consistency with port development and transportation plans, all sections of the City comprehensive plan that apply to the site, and how the proposal fits with GMA mandated goals for preservation of industrial uses and job sectors. The analysis fails to comply with requirements of the SEPA rules; see WAC 197-11-440(6)(d)(i). |
| 22 | Page 3.6-1, Section 3.6.1.1., paragraph 4 | "There has been an annual decline in covered employment...since the high of 67,728 in 2008. This section implies that declines in employment since 2008 are part of a normal natural trend, when this decline is more likely attributed to the recession which followed 2008. | Revise this section to include longer trends, and current trends related to port-related businesses. |
| 23 | Page 3.6-4, Section 3.6.1.3, paragraph 1 | "No land use impacts during construction are anticipated..." What is the basis for this conclusion? There is no analysis provided. With an estimated two year construction period, and potential associate disruptions, there is a | Provide a factual or analytical basis for the conclusion. |

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58. The FEIS presents the demand based analysis for SEPA purposes (see Appendix E Section 2.8). Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E Section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases, it would become more difficult to find parking in the area and the reliance on parking further from the site would increase.
59. See Common Response #8 Consistency with Plans and Policies.
60. Comment noted.
61. Construction impacts are acknowledged and described in the FEIS. The land uses would not change.

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| 24 | Page 3.6.4, Section 3.6.1.3, paragraph 4 | potential for existing businesses and uses to be affected. “Land use impacts of the street closure are minimal since the uses related to that street would be demolished...” The Port does not agree with this statement regarding Occidental Avenue, since the street closure will have significant transportation impacts on the entire industrial area. See transportation comments. | Provide discussion/analysis of impacts (direct, long term, cumulative) to land uses in the surrounding area due to elimination of this key corridor. |
| 25 | Page 3.6-5, Section 3.6.1.4 and 3.6.1.5. Entire section | The listed measures are not mitigation but existing and applicable land use policies. No mitigation measures have been identified related to the impacts of the current proposal. While it is acknowledged here that ArenaCo “...owns additional properties within and outside the Stadium district, the cumulative impacts of such likely development is unspecified and mitigation measures are not identified. The Port does not agree that the contemplated future uses would be considered as providing support services for industrial and maritime businesses in the area. In fact, these businesses will be negatively impacted by the proposal and analysis of these impacts is missing here. | Identify / provide a commitment to funding & implementation of adequate mitigation of the identified impacts, which include a significant conversion of industrial uses to commercial, retail & mixed use development. This analysis fails to comply with the requirements of SEPA rules, WAC 197-11-440(6)(a), (d) & (e). |
| 26 | Fact Sheet page iii, Proposed Action | The proposed action description is remiss in excluding the fact that the proposal proposes 60-65 additional events (that may be non-sport related). | The description of the proposed action should clearly state that the purpose of the arena is not just for a sports facility but also for other events and provide some description of the types of events expected to occur, the times of those events and analysis of potential environmental impacts. |
| 27 | Table 1-1, pg. 1-36, Alternative 2 | As previously noted, the use of 940,000 sf office development is flawed. “By 2030, the Arena and street vacation would degrade intersection operations along 1 st Avenue S. As compared to a 940,000 sf office development that could be allowed under the current zoning” The DEIS use of a 940,000 sf office development is flawed. It exceeds the 3.0 FAR limit for the Stadium Transition Area Overlay District. | The DEIS analysis should use the appropriate FAR limit for the hypothetical development. |
| 28 | Table 1-2, pg. 1-43, Land Use | Land Use, Operation, “No mitigation measures are required” The DEIS has not conducted a thorough analysis of existing land use plans and policies. Therefore, it is not appropriate to conclude whether mitigation measures | The DEIS land use or regulatory framework sections should analyze all relevant local, state |

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62. See discussion of transportation impacts from the closure of Occidental Avenue S in Section 3.8 Transportation and in Appendix E Transportation.
63. See Common Response #5 Mitigation Measures.
64. Section 2.4.3 and Figure 2-4 of the FEIS identify the potential of 60 – 65 additional events and show that they could occur throughout the year with a slightly higher concentration in November and December. The traffic and transportation analysis includes the potential impacts of the traffic and transportation that may result from these additional events.
65. FEIS analysis for the no-vacation option was revised to reflect a building potential of up to 750,000 sf office and 60,000 sf of retail space (see Section 2.10 of Appendix E). Development assumptions for the no vacation option were provided by the applicant.
66. Comment noted. As stated in the DEIS (p. 3.10-1), an EIS is to include a “summary” of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, “as appropriate.” RCW 36.70B.030.

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| | | are required at this time. | & regional plans/policies include the City's Comprehensive Plan, PSRC VISION 2040, King County Countywide Planning Policies, Seattle Planning Commission's "Review of the Proposed Sport Arena in the Duwamish Manufacturing and Industrial Center", Port of Seattle Century Agenda, Seattle Center Century 21 Master Plan, Key Arena Subcommittee Report, Container Port provisions of the State Growth Management Act (GMA), Greater Duwamish Manufacturing & Industrial Center Neighborhood Plan & City's industrial area policies. |
| 29 | Table 1-3, pg. 1-54, Land Use Summary of Secondary and Cumulative Impacts | "Land uses outside of the Stadium Transition Area Overlay District would likely change to serve the expanding needs and more commercial character of the Stadium District in contrast to the industrial-commercial and general residential character of the Port of Seattle and the Greater Duwamish MIC." This statement discloses that the proposal will likely have an adverse impact on the Port of Seattle and the Greater Duwamish MIC. It does not conclude whether it will be significant or not. However, Table 1-2 listing mitigation states that no mitigation is required. Regardless of whether the proposal is in compliance with existing land use codes, it is the responsibility of the SEPA review to provide another level of review over and above the regulatory requirements. The SEPA review must objectively analyze whether there is going to be a significant adverse impact to the environment. In this case, it is an impact to existing industrial land uses. "Arenaco owns additional properties within and outside Stadium District Overlay District" should be "Stadium Transition Overlay District" | The DEIS should go beyond stating that the proposal is or is not in compliance with local, state and federal regulations and respond to the question of whether there is a significant adverse impact to industrial land uses and propose mitigation to reduce those impacts as appropriate if there are impacts. |
| 30 | Table 1-3, Land Use | "Arenaco owns additional properties within and outside Stadium District Overlay District" | Make correction. |
| 31 | Table 1-3, Land Use | "Arenaco owns additional properties within and outside Stadium District Overlay District. No development has been proposed for those properties, | Provide a conceptual environmental review of the |

- 67. Comment noted. As stated in the DEIS (p. 3.10-1), an EIS is to include a "summary" of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, "as appropriate." RCW 36.70B.030.
- 68. Text has been revised.
- 69. Comment noted. As stated in the DEIS (p. 3.10-1), an EIS is to include a "summary" of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, "as appropriate." RCW 36.70B.030.
See Common Response #11 Secondary and Cumulative Impacts.

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| | | however development of the Proposed Project or Alternative 3 could induce the redevelopment of those properties for commercial uses designed to support the Arena or stadiums. " It is appropriate and reasonable in this SEPA review to provide a conceptual review of redevelopment of those properties within this DEIS for the proposed arena. Leaving the analysis out of the DEIS for these additional properties does not provide a full impact analysis of the proposed development proposal in terms of secondary or cumulative impacts. In addition, the analysis should include all of the properties listed in Exhibit RE-23 New Construction Permits issued in the Economic Impact appendix on page 122. The analysis should also include the construction permits issued or currently in process by the City of Seattle in the areas of the alternatives including the 44,000 sq ft mixed-use development proposal at 2225 1 st Avenue S, the 5-story office building 1526 1 st Avenue S, the 15,000 sq ft of retail and office building at 2727 6 th Avenue S and any other newly permitted projects in the immediate vicinity of any of the alternatives. The DEIS describes why the KeyArena cannot be remodeled. The DEIS does not provide any citation or reference to provide evidence of why the KeyArena cannot be remodeled to accommodate NBA and NHL events. If there is documentation available, it should be cited for the reader to review. | additional properties and include analysis in the secondary and cumulative impact sections. Include the project listed in Exhibit RE-23 and other recently permitted projects that are located in the general vicinity of the alternatives in the SEPA analysis. |
| 32 | 2.6 Alternatives Considered But Not Advanced, pg. 2-6 | The DEIS provides Appendix A as a list of locations that were considered but not advanced for further study. The criteria used to determine alternatives to consider were not reasonable as the resultant list indicates. The list is limited to locations within the City of Seattle. | Provide information with citation for reader to understand why a remodeled KeyArena would not work for this project. There are other sites that could serve as alternatives that may have less environmental impacts. Understanding that the location would need to meet the purpose and needs of the proposed action, the DEIS needs to provide a full explanation of why sites outside the City of Seattle were not considered. For example, a prior proponent of |
| 33 | 2.6 Alternatives Considered But Not Advanced, pg. 2-6 | | |

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70. See Common Response #2 Project Objectives. Between 2004 and 2008, Seattle Center studied how the KeyArena could be remodeled to meet current NBA standards. There have been diverse opinions by various NBA ownership groups as to whether this study, "NewArena Imagine the Future" (SRG Partnership Inc and Threesixty Architecture, January 2008) successfully met current NBA building standards. Because the current basketball seating bowl was to be retained, the enhanced KeyArena described in the 2008 study did not meet NHL standards.

71. See Common Response #1 Public vs Private Project; Range of Alternatives.

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| 34 | 2.7. Benefits and Disadvantages of Delaying Project Implementation, pg. 2-6 | "The disadvantage of delaying construction may be to delay or reduce the likelihood of the presence of an NBA and NHL team in Seattle, with the resulting loss of the jobs and economic stimulus that major sports facilities can provide." The Port agrees that a disadvantage would be to reduce the likelihood of the presence of an NBA or NHL team in Seattle. However, the DEIS did not present an analysis sufficient to state how the potential resulting loss of jobs and economic stimulus that the Ports and industrial lands bring to the area compares to how much a major sports facility can provide. | an arena located a site in the City of Renton that might have worked. Even though the proponent does not own a property outside the site for Alternative 2 or 3, including a site for analysis outside of the city could provide a clear comparison of an impact analysis of in-city vs. out of city environmental impacts. The DEIS should provide a more thorough review and conclusion in regard to how Port and industrial lands will fare in tandem with the proposed action in terms of jobs and economic stimulus. If there will be an equal loss of stimulus from the Port and industrial lands, it is not clear that it is detrimental to delay the proposed action. |
| TRANSPORTATION | | | |
| Analysis of Seattle Center vs. SoDo Alternatives | | | |
| 35 | Many | Different assumptions applied for analyses of the Seattle Center site alternatives than for the SoDo site alternatives resulted in an unfair and biased portrayal of impacts for the Seattle Center alternatives. These are highlighted in the following comments. | The EIS must present a fair and unbiased analysis for the alternatives. |
| 35a | Appendix E Table 1-2 vs. Table 1-4 | Cumulative event attendance potential not fairly disclosed for the Seattle Center sites. Table 1-2 presents a good summary of how the new arena would affect cumulative attendance in SoDo. There is no similar table for the Seattle Center. The table that describes existing Seattle Center events | Table 1-4 must be amended to include the same attendance ranges for the Seattle Center sites as were provided for the |

- 72. Comment noted. See Economic Impact Analysis included as Appendix F.
- 73. Comment noted. See responses to comments on Appendix E below.
- 74. DEIS explains the difference between the nature of current events at the Seattle Center versus the Stadium District as well as the difference in the context requiring a different methodology to determine the event cases. The SoDo area experiences more large-scale events than the Seattle Center as illustrated in Tables 1-2 and 1-4 contained in Section 1.3.2 of Appendix E.

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| 35b | Appendix E Fig 2-5 vs. Fig 3-3 | (Table 1-4) has ranges that are so large at the upper end, that the various alternatives cannot be compared. Available transit is not fairly evaluated for the Seattle Center sites. Link Light Rail service is not mentioned as a potential transit option for the Seattle Center sites, likely because it was deemed to be too distant from the site. However, the "International District Station" is described as a viable transit option for the SoDo site. That station is about 5,000 feet walking distance from the SoDo site along a route with many deficiencies as noted by the text (page 2-61), while Westlake Station is about 5,200 feet from the Seattle Center site along routes with good sidewalks, lighting, and no capacity restrictions such as stairs. Since the distance is about the same, the potential for riders to use these stations should be treated equally. It is noted that the SoDo site is closer to the Lander Street station (about 3,500 feet), but that walking route is in even worse condition than the route to the International District Station in terms of surface and light levels and requires crossing the railroad tracks at grade. In addition, one of the primary origin/destinations for Arena attendees, the Eastside, cannot be reached by trains that serve the Lander Street or Stadium District stations. This latter fact should be mentioned in the description of transit facilities for SoDo. | SoDo sites. The same parameters must be used to describe available transit for each site. |
| 35c | | | The EIS should disclose that the Eastside will not be accessible from the Lander Street and Stadium District stations. |
| 35d | Same as above | Available transit is not fairly evaluated for the Seattle Center sites. The transit figures for the two sites do not show the same level of information. For SoDo, Figure 2-5 of the EIS shows bus stops (even those as far away as Beacon Hill). For Seattle Center, major elements of the transit system are missing including all bus stops, the future Rapid Ride E Line, and transit routes along Fairview Avenue N. These should be shown on the figure as well as included in the transit analysis. | Transit figures and text must show the same level of information for the alternatives. |

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- 75. Trip generation for the Stadium District site was revised to reflect consistent assumptions regarding transit mode splits between the Stadium District and Seattle Center alternatives (Appendix E Section 1.3.1.4 and 2.0).
- 76. The transit capacity analysis was not conducted at a stop level; instead it focused on regional destinations including the eastside.
- 77. Figure 3-3 in Appendix E has been updated to reflect consistent information between Seattle Center and SoDo related to transit facilities.

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| 35e | Figure 2-94 vs. Figure 3-64 | Primary parking area is not fairly evaluated for the Seattle Center sites. For parking impacts, the "primary study area" evaluated for the SoDo sites extends north to Columbia St (about 5,500 feet from the northwest corner of the site) to S Spokane St (about 5,500 feet from the southwest corner of the site), and then from Alaskan Way to I-5. There were no "barriers" described that would hinder parking for event patrons. However, for the Seattle Center site, the "primary study area" for parking was constrained to the area north of Denny Way and it was stated that, "Parking in the Denny Regrade requires crossing Denny Way to access it. High traffic volumes on Denny Way reduce the desirability of parking compared to locations immediately east or west of the Seattle Center." (page 3-130). This is less than 1,000 feet distance from the Key Arena site and about 1,400 feet from the Memorial Stadium site. There was no mention in the SoDo area about the similar barriers of high volume arterials such as 1 st Avenue S, 4 th Avenue S, S Atlantic St or S Lanier St, or mention about the barrier associated with crossing the railroad tracks on Halgate St. | Additional information should be provided in the EIS related to the location of facilities and quantity of parking assumed to be used for each of the site alternatives under different operating conditions, and to accurately depict how far from the sites those parking facilities are located. The "barriers" should be treated equally for the alternative sites. |
| 35f | Appendix E page 3-137 | Parking supply available for event attendees is not fairly presented for the Seattle Center sites. The parking supply available in the SoDo neighborhood accounted for new parking associated with dozens of proposed development projects. However, at the Seattle Center, the text mentions that "over 8,000 additional parking spaces will be developed with over 65 percent of those spaces located in the SLU neighborhood... However, to be conservative, no additional parking supply was assumed under the No Action Alternative." (page 3-137). It is noted that the entire SLU neighborhood (west of Interstate 5) is closer to the two Seattle Center sites than the 5,500 foot primary parking study area assumed for SoDo. Excluding these spaces from the Seattle Center analysis does not present a fair comparison among alternatives. | Additional information should be provided in the EIS related to the future parking supply assumed to be available for each alternative, and the location of that supply. The assumptions used to determine whether to include future increases in parking supply should be treated equally among the alternatives. |
| 35g | EIS page 1-31 | Summary related to parking is not fairly presented for Seattle Center sites. With the differences in primary parking areas described above, and the omission of future parking supply near the Seattle Center, the EIS Summary Table conveys that parking near the Seattle Center would be worse than near the SoDo sites. This is not the case. | The analysis must be corrected to treat the likely walking areas and parking supply for the various sites in an unbiased manner. |

Traffic Analysis

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78. Seattle Center parking analysis in the FEIS has been updated to reflect revised primary and expanded study area boundaries (described in Appendix E Section 3.8.1.1 and included throughout Appendix E Section 3.8). These revised boundaries are consistent with the walking distances presented for the Stadium District and reflect the Uptown, Uptown Triangle, Denny Triangle, Belltown and South Lake Union neighborhoods as the primary study area and the CBD as the expanded study area.

79. The parking methodology in the DEIS and FEIS is consistent for both the Stadium District and Seattle Center Alternatives. DEIS Section 2.8.1.3 notes that for the Stadium District "no additional parking supply was assumed under the No Action Alternative" and Section 3.8.1.3 makes this same statement for the Seattle Center Alternatives (as noted in the comment). The discussion of parking for both the Stadium District and Seattle Center note that additional parking would be constructed in the study areas with future development. However, since it is unclear if the additional parking constructed by other developments would be made available to the public, no new parking was assumed for the Alternatives analysis and parking supply was assumed consistent with existing conditions within both the primary and expanded study areas. This results in a potentially conservative estimate of the future parking supply for each study area.

See also response to your following comment, which describes how the Seattle Center primary and expanded study areas have been revised consistent with the Stadium District assumptions.

80. Seattle Center parking analysis in the FEIS has been updated to reflect revised primary and expanded study area boundaries (described in section 3.8.1.1 and included throughout section 3.8). These revised boundaries are consistent with the walking distances presented for the Stadium District and reflect the Uptown, Uptown Triangle, Denny Triangle, Belltown and South Lake Union neighborhoods as the primary study area and the CBD as the expanded study area.

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| 36 | Throughout | The traffic analysis only evaluated the PM peak period. It failed to evaluate other periods including the peak egress period when extensive police-officer control and traffic management occurs. The Affected Environment section acknowledged that Port gates could operate at night in the future in response to growth at the Port. In addition, although the arena would not likely generate traffic during the morning or midday peak hours, the vacation of Occidental Ave S would affect traffic during those time periods. | The EIS must evaluate periods other than the PM peak hour, including the peak egress period. The adverse effect of the Occidental Avenue S vacation should also be evaluated for the AM and midday peak hours. |
| 37 | Appendix E Table 2-40 & 2-41 | The freight corridor travel time analysis performed for the EIS does not account for additional delay experienced on the freeways related to increased event congestion. Nor does the analysis account for increased delay associated with excess circulation to find available parking, with police-officer control of traffic, or with rerouting of traffic that can occur before and after events. | The EIS must account for delay on I-5 as well as additional delay associated with excess circulation and event-related traffic control. |
| Holgate Street Railroad Grade Crossing | | | |
| 38 | Appendix E Table 2-8 | Peak egress pedestrian flows are substantially underestimated. The text states that the analysis of peak pedestrian flows were performed for the peak 15-minute egress period. However, in Table 2-8, the peak flow for egressing pedestrians along S Holgate Street under condition S1 (only an event at the Arena) was presented as 2,220 pedestrians per hour or 555 pedestrians during the peak 15 minutes. Figure 2-41 (for the same condition) shows the post-event pedestrian volume on the north side of S Holgate Street as 1,795 pedestrians. Therefore, the peak flow rate assumed represents only 30% of the total egress traffic (555/1,795). The rate above is about half of what prior studies of the stadiums in SoDo have assumed. Analysis performed for the <i>Football / Soccer Stadium and Exhibition Center DEIS – Appendix M-1 (The Transpo Group, January 15, 1998, page 65)</i> documented that “pedestrian counts taken at football games in September and October, 1997 corroborated the methods used to estimate pedestrian flows in previous analyses in the Kingdome area...the letting out of an event, or the break, shows just under 90 percent leaving in the hour after the break—just over 70 percent in the first half-hour. The peak 15-minute period accounts for about 55-60 percent of the departures.” Likewise, the pedestrian analysis performed for the original | All of the pedestrian analysis, including the analysis of sidewalk capacity and railroad crossings must be redone using the previously documented egress assumption that 60% of the total egress demand occurs in the peak 15-minutes after an event. Rail blockages of the non-mainline tracks must also be included in this analysis. |

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81. The FEIS also includes an expanded analysis of the post-event conditions (section 2.6.4.5). The FEIS includes an evaluation of the AM and mid-day peak hours for purposes of the no-street vacation alternative (section 2.10).
82. The DEIS summarized traffic operations in the vicinity of the SoDo and Seattle Center project sites. As described, regional freeway impacts are not anticipated to worsen during peak hour conditions but to instead increase the length of time that congested conditions occur (Appendix E, Sections 2.6.2.4, 2.6.3.4, & 2.6.4.4). Potential travel time impacts to freeway facilities are anticipated to be similar to travel time increases observed during event days under existing conditions (Appendix E, Figure 2-90)

Visitors to the proposed arena were proportionally assigned to parking lots throughout the study area instead of to the nearest parking lot. This methodology captures the effect of excess circulation (appendix E Section 2.5.1).
83. FEIS pedestrian analysis (see Appendix E, Section 2.3) has been updated to reflect revised forecasts, further information related to proposed post-event Arena door flows and egress distribution, and refinements in sidewalk widths and capacity.

Additional data were collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data were collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E Section 2.7.3.2). The pedestrian and vehicle analysis has been updated to reflect the revised rail traffic data and forecast.

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| 39 | EIS Page 3.8-42 and Appendix E page 2-78 | <p>Safeco Field EIS (Washington State Major League Baseball Stadium Project Environmental Impact Statement, Draft, May 29, 1996, page 3-336) had documented that 60% of the total egress demand occurs in the peak 15 minutes after an event. Therefore, the peak pedestrian flows assumed for the new Arena analysis are likely half of what should be realistically assumed.</p> <p>Comments below related to Rail Impacts, which indicate that the volume of train crossing activity and gate closure times have also been underestimated, must also be included in the updated pedestrian analysis.</p> <p>Inadequate mitigation proposed for pedestrian impacts at the S Holgate St railroad crossings. Table 2-8 describes the potential pedestrian accumulation at the railroad crossing on S Holgate St. As previously described, the peak pedestrian flows on this route were underestimated (by about half), therefore, it is expected that the queue space needed for pedestrians during a train crossing would be nearly double what was assumed.</p> <p>However, even with the lower volumes assumed in the EIS, the analysis disclosed substantial pedestrian queues could form during a train crossing. The freight analysis determined that the average blockage in the year 2030 could be 21 minutes. At that level of delay, the analysis determined that 3,930 sq ft of queue area would be needed. If the street were improved with a typical 12-foot wide sidewalk, that queue would extend 330 feet back from the rail crossing (further if one accurately accounted for buffers at the edge of the sidewalk and obstructions). This analysis depicted the future rail lines along S Holgate Street and showed the limited queue space between the tracks. If this length of queue were to form from the BN Railway's mainline, it would extend across Amtrak yard tracks, with serious safety and railroad operational impacts. The mitigation measures in that section list "surface street improvements or pedestrian bridge on S Holgate St;" however, the pedestrian bridge is not listed in the mitigation summary. In fact, the summary section on Page 1-34 stated that "pedestrian gates may not be feasible or appropriate."</p> | <p>The project must either commit to fully fund construction of a new pedestrian bridge on S Holgate Street or disclose the unfunded public liability.</p> |

84. See Common Response #7 Mitigation Measures - Pedestrian Access

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| 40 | | If this project does not commit to building a pedestrian bridge across the railroad tracks on S Holgate St, will that obligation fall to the public? And if no bridge is built, who will bear the liability of the safety issues created by the additional pedestrians? These issues and the potential unfunded liability must be addressed in the EIS. Need for Pedestrian Bridge at S Holgate St Rail Crossing: In addition to the issues raised above about pedestrian safety along S Holgate Street, it should be noted that similar pedestrian and vehicular safety issues were addressed at the S Royal Brougham Way and SR 519 railroad crossings by grade-separating that crossing. In order to avoid, after-the-fact street and rail line design impediments, it is critical that the Holgate Street Pedestrian bridge must be required to be built before a new Arena is open. | The project must be required to build the Holgate Street Pedestrian Bridge before the new Arena is open. |
| Adverse Effects to 1st Avenue S | | | |
| 41 | Appendix E page 2-76 | Fully disclose the impact of the inadequate sidewalk on 1 st Avenue S between S Atlantic Street and S Massachusetts Street. The pedestrian analysis in Table 2-7 noted that existing sidewalk on 1 st Avenue between S Atlantic Street and S Massachusetts Street would experience "severely restricted" operations with just an event at the arena. As described in the above comment, the peak pedestrian flows used to reach this conclusion were likely underestimated. The existing sidewalk on the east side of 1st Avenue S between S Massachusetts Street and S Atlantic Street already extends to the property line, and near the intersection with S Atlantic Street gets as narrow as 6-foot due to the adjacent northbound right-turn-only lane. Unless the project were to acquire the adjacent property and demolish existing buildings, it is not likely possible to widen that sidewalk without taking some of the street width now dedicated to traffic flow. Loss of that right turn lane to accommodate a wider sidewalk is unacceptable to the Port and would exacerbate already poor traffic operations through our key regional access point. | The EIS must disclose the change in traffic operations that could occur at the 1st Avenue S/S Atlantic Street intersection if the northbound right turn lane were removed to accommodate a wider sidewalk. That analysis should address the impact during all peak hours (AM, midday and PM) as well as without and with event conditions. |
| 42 | Appendix E Table 2-7 | Analysis obscures data and assumptions about pedestrian impacts. Additional information is needed in this table to cross check the assumptions made about pedestrian flows and existing facility widths. As | Table 2-7 should be redone to show the assumptions made about pedestrian volumes and |

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- 85. See Common Response #7 Mitigation Measures - Pedestrian Access
- 86. The FEIS includes an updated pedestrian analysis including revised forecasts and width for the 1st Avenue S sidewalk between S Atlantic Street and S Massachusetts Street (see Appendix E, Section 2.3). As noted in the text, Occidental Avenue provides a parallel pedestrian route option to 1st Avenue. Thus, actual impact may be less than described. Removal of the eastbound right-turn lane is not recommended as this condition only exists during peak pedestrian flow volumes anticipated during post event conditions. Additionally, the removal of the right-turn lane conflicts with the City's plan to extend the length of the northbound right-turn lane.
- 87. Appendix E in the FEIS includes a revised pedestrian analysis, the presentation of additional material, and updated Table 2-7 (see Appendix E, Section 2.3). The analysis summarized in the figures and tables presented in the FEIS are based on the widths shown in the table. These widths were assumed to apply for the length of the roadway segment but are based on the narrowest practical width of sidewalk observed during field visits.

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| Vacation of Occidental Avenue | | | |
| 43 | Appendix E Section 2.10 | Vacation would eliminate only alternative route to 1st Ave S. The EIS analysis must acknowledge the impact that the vacation of Occidental Ave S would have to the neighborhood's street grid. There are only two north-south streets that connect between S Lander St and SR 519: 1st Ave S and Occidental Ave S. The other north-south street, Utah Ave S, has already been vacated in the segment just north of S Lander St. Since traffic through this corridor is sandwiched between railroad facilities with no east-west escape, vacation of Occidental Ave will further degrade SoDo's grid system and make the system less resilient to incidents. Overestimate impact of the No Action Alternative. The analysis performed for No Street Vacation assumes that 940,000 sf of commercial space could be constructed on the sites if the street were not vacated. There is no documentation of this size development. Given that most, if not all, of the project's parking would need to be above grade due to water table issues, it is highly unlikely that any development could reach the maximum allowed FAR before reaching the height limit. Occidental Avenue S is often used by motorists to escape a long train blockage on S Holgate Street. The City of Seattle's <i>South Holgate Street Railroad Crossing Study, Phase II, Final Report</i> (Fehr & Peers, January 2010) recommended adding U-turn routes so that vehicles waiting for a train could choose an alternative route. | The EIS must discuss how the vacation of Occidental Avenue would affect the grid continuity in SoDo and affect the reliability of the transportation system. |
| 44 | Appendix E Section 2.10 | | Detailed information related to the development that could occur under the No Action/No Vacation condition should be provided. |
| 45 | No analysis provided | | The EIS must disclose how arena and the vacation of Occidental Avenue S would address allowing vehicles to escape a train queue. |
| Lack of Parking and Secondary Impacts | | | |
| 46 | Appendix E Section 2.8.4 Parking Impacts | Parking within the primary study area would be over utilized, creating secondary impacts as motorists circulate to find available or cheaper parking. Extreme congestion now occurs during large events at CenturyLink field that would be similar to those for a dual or triple event condition. The EIS traffic operations analysis does not fully disclose the impact of dual events because it does not consider the additional circulation caused by the lack of parking. Even with parking guidance, motorists are likely to circulate | A sensitivity analysis should be performed to show the potential effect of excess circulation through key intersections. |

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88. The FEIS includes additional analysis evaluating the impacts associate with the Occidental Street vacation (see Appendix E, Section 2.10) based on the collection of additional data during the weekday AM, mid-day, and PM peak hour. This analysis considered the level of activity and basic functionality of the roadway during these periods. The analysis also considered traffic volumes along Occidental Avenue, south of Holgate Street to assess its role in the local transportation system, and to help assess the overall impact of the loss of the parallel travel route to 1st Avenue due to the street vacation.
89. FEIS analysis for the no-vacation option was revised to reflect a building potential of up to 750,000 sf office and 60,000 sf of retail space (see Section 2.10 of Appendix E). Development assumptions for the no vacation option were provided by the applicant.
90. The FEIS includes ITS mitigation strategies (Section 4.0 of Appendix E) to help alert drivers of train crossing closures. This is anticipated to reduce the likelihood of drivers needing to make U-turns. Other improvements are also presented as well as pro-rata contributions to regional improvement projects (including ITS Next Generation improvements) and the planned Lander Street grade separation.
91. The traffic assignment utilized for the technical analysis does not rely on an assignment of vehicles to the closest lot. Instead traffic is assigned to the area parking proportionally from all regional inbound routes (i.e. I-5, I-90, local streets north and south of the arena; Appendix E Sections 2.5.1.4 and 2.5.1.5). This methodology captures the effect of excess circulation.

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| 47 | Appendix E Section 2.8.4 Parking Impacts | seeking cheaper parking when dual events increase demand and thus the price to park. Although it is hard to quantify, sensitivity analysis should be performed to show the potential effect of excess circulation through key intersections. Parking within the primary study area would be over utilized, creating secondary pedestrian and/or transit impacts as event attendees need to travel into financial district or retail district to park. The analysis presented on Figures 2-116 and 2-118 shows that parking in the CBD would be needed to support dual event conditions. Because the secondary parking area is about a mile from the arena site, it could create secondary impacts as those who park in the CBD use transit to access it. That secondary impact was not discussed in the transit impacts section. | Some of the event attendees who park in the retail core and financial district should be included as transit riders in the transit impacts analysis. |
| 48 | p. 1-30 | The DEIS Summary comments that Arena parking may displace overnight SoDo truck parking. | Please quantify level of impact, and the remedy or mitigation for this impact. |
| Rail Impacts | | | |
| 49 | Section 2.7.2.2 Rail Crossing Delay | The EIS does not disclose findings from two prior studies that have been performed for the S Holgate Street railroad crossings: one by WSDOT (<i>S Holgate Street Railway Crossing Closure Traffic Study, 2003</i>) and another by the City of Seattle (Fehr & Peers, <i>South Holgate Street Railroad Crossing Study, Phase II, Final Report</i> ; January 2010). These studies evaluated the potential to close S Holgate Street to all vehicular and pedestrian traffic, and what improvements would be needed to keep the street open. The Port is very concerned that increased vehicular and pedestrian conflicts associated with the arena would increase pressure to fully close the street. | The EIS must acknowledge prior studies that have evaluated S Holgate Street and assess the potential to exacerbate vehicular and pedestrian safety on this corridor. |
| 50 | Section 2.7.2.2 Rail Crossing Delay | The EIS relied on recent data from the <i>Coal Traffic Impact Study</i> to determine the number of at-grade crossings and delay per crossing. However, that study only evaluated the effect on the BNSF mainline tracks. It does not include crossings or delays that occur on all of the secondary tracks that cross S Holgate Street. The <i>South Holgate Street Railroad Crossing Study, Phase II, Final Report</i> included more detailed information about the number of crossings, the blockage time, and more importantly, the amount of time the gates were | The traffic and pedestrian analysis performed in the EIS must be updated to include all of the rail crossings on S Holgate Street, not just those on the BNSF mainline. Higher average blockage rates should also be evaluated for evening event conditions. |

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92. There would be some event attendees who would park or already be in downtown Seattle who would take transit, walk, or another mode to an event. Presently, this occurs for events at Safeco Field and CenturyLink field. The increased demand for transit can result in increased congestion on transit and longer distances to walk to connect to transit. The number of event attendees walking or taking transit is likely to be highest closer to event start-time after 6 PM, which is beyond the evening peak commute time. Some capacity exists on southbound transit routes through Downtown Seattle during this time period. The new Arena would increase the frequency that this condition occurs.
93. Additional field observations were conducted in the immediate vicinity of the Arena and determined that only one truck was observed to be parked overnight. Overnight truck use varies depending on the level of Port or event activity. Most events typically end by 11 p.m. and overnight parking is likely to be available after this time.
94. Impacts associated with increased traffic due to the Arena were evaluated within the DEIS and FEIS. Additional data were collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data were collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).
95. Additional data were collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data were collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

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| 51 | Appendix E Section 2.7 Freight & Goods Movement | <p>closed (down) at the crossings. In 2009, the study determined that the railroad gates on S Holgate St closed an average of 112 times per day during the weekdays and 79 times during the weekends. During the weekday, the total time that the gates were closed to stop traffic was 4 hours and 50 minutes per day. This is much higher than the number of crossings reported in the EIS for just the BNSF mainline. That same report found that the average minutes per hour the gate was closed was 12 minutes; however, the average closure time per hour during the evening period (6 to 10 PM) was 17 minutes, significantly higher than the 24-hour average. There were also times when the gates were closed for more than 30 minutes. The traffic and pedestrian analysis performed in the EIS must be updated to include all of the rail crossings on S Holgate St, not just those on the BNSF mainline. Higher average blockage rates should also be evaluated for evening event conditions.</p> <p>Adjacent rail use areas: Rail lines and facilities east of the proposed site are committed to passenger service (Amtrak and Sound Transit) and adjacent freight rail operations. Portions of this rail marshaling area have contracted in recent years due to previous stadium development. The proposed use may further reduce rail line capability in this area, creating secondary negative effects on rail operations, including essential rail sidings and spurs used for non-passenger service. Freight line facilities are essential to the port and it is imperative that sufficient information is available to determine if the proposal will further reduce or impede rail capacity. In particular, a pedestrian bridge in the area could require alteration of rail lines in order to locate structural bridge supports and maintain necessary clearances and barrier-free area between rail lines and the new obstruction. This could diminish existing rail line capacity, require substantial re-routing, and foreclose future improvements.</p> | <p>The EIS must provide additional information analyzing potential effects on rail facilities, including secondary rail operational effects.</p> |
| 52 | Appendix E Section 2.7 Freight & Goods Movement | <p>New Arena effect on hazardous materials shipments via rail: The EIS should address how the SoDo site alternative, adjacent to working rail yards and tracks, would affect the ability to transport petroleum, pressurized gas, or other hazardous materials on those tracks.</p> | <p>The EIS should address how the SoDo site alternative, adjacent to working rail yards and tracks, would affect the ability to transport petroleum, pressurized gas, or other hazardous materials on those</p> |

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- 96. See Common Response #7 Mitigation Measures - Pedestrian Access.
- 97. Rail shipment of hazardous materials occurs under existing conditions. Impacts and mitigation to hazardous material movement within the study area would be similar to those for the existing baseball and football/soccer facilities based on a similar proximity of the rail lines to the proposed basketball/hockey facility the same as those identified for all freight movement. No significant impact to rail operations is anticipated.

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| <i>Transportation Mitigation</i> | | | |
| 53 | EIS Page 1-45 | Dual event scenarios are unacceptable, and there must be a firm commitment to an event management strategy that will prevent them. The transportation section evaluated various combinations of event cases, and implies that those cases are similar to the large events that occur in CenturyLink Field today. The largest events that now occur at CenturyLink typically occur on a Sunday and have limited effect on the Port. When a large event does occur on a weeknight, such as a Monday Night Football game or a large soccer match, it severely disrupts Port operations starting midday. With the expectation that over 120 events per year at the new Arena could have 10,000 or more attendees, there will be many more weeknights per year that experience dual events. The traffic operations and travel time analyses performed for this scenario do not account for the fact that during large events more vehicles circulate repeatedly through the neighborhood looking for parking. This is evidenced by the fact that vehicle exiting I-5 onto the ramps to SR 519 often back up onto the mainline during a large event. In addition to delay on local arterials, freight would also experience increased delay on the regional highways, particularly Interstate 5 and Interstate 90. If there is no firm commitment to event management, then the full level of delays must be disclosed in the analysis, including the increased delay through traffic experience on I-5 and I-90, as well as additional delay caused by excess circulation to parking (see below), and delay associated with post-event traffic management protocols. | The project must commit to an event management strategy that will: a) Seek to reschedule to a different day/large (14,000 or more attendees) weeknight events at the Seattle Arena when they would otherwise occur concurrent with a major league sporting or concert event at either of the other two stadiums, b) If rescheduling to a different day is not possible, then the event start time at the new Arena must be changed to begin at least one hour later in the evening than the other concurrent event, and c) Under no circumstances shall the scheduling conflict be resolved by changing the start time of one or more events to occur before 4:00 P.M. on a weekday. The project must either fully commit to upgrading signal equipment and help fund the traffic control center or revise the analysis to eliminate the assumption that the signals will be optimized. |
| 54 | EIS Page 1-45 | Some of the mitigation measures presented as "optional" with the phrase "could be..." should be changed to firm commitments in order to obtain the performance evaluated in the EIS. On page 1-49, the summary states, "For Alternative 2 and 3, consider working with SDOT to upgrade the traffic control equipment at signalized intersections in the Stadium District to increase its reliability through improving communications with SDOT traffic control center and utilizing current Adaptive Traffic Control technology." | |

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98. The multiple event scenario included in the FEIS has been increased to reflect a 72,500 attendee level (Section 1.3.1.4 and throughout Section 2 of Appendix E Transportation Report).

The traffic assignment utilized for the technical analysis does not rely on an assignment of vehicles to the closest lot. Instead traffic is assigned to the area parking proportionally from all regional inbound routes (i.e. I-5, I-90, local streets north and south of the arena; Sections 2.5.1.4 and 2.5.1.5 of Appendix E). This methodology captures the effect of excess circulation

99. See Common Response #6 Mitigation Measures – Traffic.

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| 55 | EIS Page 1-49 | These types of improvements are needed to "optimize" the signal timing to accommodate changes in traffic flow associated with events. Signal optimization was already assumed for the area intersections to assess the impacts of the projects as described in the note on page 2-162 of Appendix E. "Some routes show a small improvement in travel time as a result of the signal timing optimization procedures..." Likewise, the Arena should commit to the Parking Guidance System that "provides direction and information regarding parking availability to those drivers who do not pre-purchase parking. This system could notify drivers as to the location and number of spaces available in public and event garages...reducing excess circulation." There is a high potential for excess circulation due to the lack of parking in the SoDo area, which would exacerbate traffic operations. However, no additional circulation was assumed during dual events. Therefore, this mitigation should be included in order to achieve the performance presented in the EIS. | The project should commit to implementing a Parking Guidance System for area parking garages. |
| 56 | EIS Page 1-45 | Commit to Port of Seattle Protocols for Freight Access - The transportation analysis was limited to the PM peak hour. However, it was acknowledged that the Port terminal gates as well as the rail yards can be open at night. A route between the Port and the rail terminals as well as between those terminals and Interstate 5/90 via SR 519 must remain open and available before, during and after events. | The project must commit to Port of Seattle Protocols to retain freight access through the SR 519 and 1 st Avenue S corridors whenever the Port gates are open. |
| 57 | EIS Page 1-49 | Commit to funding higher staffing level at the City's Traffic Control Center - SDOT's traffic control center is not staffed 24/7. Additional staffing will likely be required to accommodate more event days per year. These additional staff members are necessary to make other elements of the mitigation program function, including dynamic message signs and monitoring of traffic cameras to respond to congestion, parking and traffic incidents. | ArenaCo should commit to funding for additional staff. |
| 58 | EIS Page 1-47 | A pedestrian bridge over the railroad tracks at Holgate Street MUST be included as mitigation. This text states that "Increased active traffic and pedestrian management during pre-and post-event conditions to assist in helping pedestrians navigate the many railroad crossing points along with enhance surface management of railroad crossing through the implementation of additional crossing gates for pedestrians together with the development of wider sidewalks to accommodate surges in pedestrian | The project must commit to fund and construct a pedestrian bridge across the railroad tracks on S Holgate Street before the Arena is open. |

- 100. Your comment is noted. See Common Response #4 Parking.
- 101. The FEIS has identified protocols as a potential mitigation measure.
- 102. Your comment is noted. See Common Response #3 Concurrent Event Scheduling and Common Response #13 Adaptive Traffic Control.
- 103. See Common Response #7 Mitigation Measures - Pedestrian Access.

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| | | <p><i>demands before and after events and the associated pedestrian queuing."</i> However on page 1-34 of that same summary the text stated, <i>"The S. Holgate Street corridor has multiple at-grade rail crossings closely spaced in the immediate vicinity of the site and pedestrian gates may not be feasible or appropriate."</i></p> <p>In addition, we believe that the potential surges in post-event pedestrian traffic have been substantially underestimated. The potential safety implications have been understated. Just one pedestrian accident at any of the many railroad crossings would create a significant disruption to freight and passenger rail services along what is the state's primary rail corridor. If this project does not commit to constructing the pedestrian bridge, that need could fall to the public's responsibility. Worse yet would be the potential that the BNSF Railway or Amtrak move to close S Holgate Street to all crossing traffic, a scenario that would have significant adverse impacts to overall traffic circulation in the neighborhood. For these reasons, the pedestrian bridge must be included as a mitigation measure, not as an option to be "considered."</p> | |
| ECONOMICS (Appendix F - Economics Report) | | | |
| 59 | xxviii-xxix | Reference is made to the Sports Complex in Philadelphia that "only through current specific revitalization efforts of Xfinity Live! have the sports venue created ancillary development". Under PetCo Park, the report notes "catalytic development around PetCo Park, including the hotel, office complex and retail were required as a part of the MOU between the City and stadium developer". The true intent of the developer is for an entertainment center in addition to an arena. These additional effects should be considered in the Seattle Arena traffic analysis. This will greatly compound the traffic congestion along all routes serving the Port and industrial area but in addition, the introduction of a hotel into this area could lead to reduction of service or closure of SIG. | Consider the additional effects of entertainment events in the traffic analysis and state mitigation commitments in the case of adverse environmental impacts. |
| 60 | 22 | On-site parking was not included in the revenue analysis for the SoDo site, which is reasonable since neither the City nor the proponent would control the parking supply. However, any revenue analysis for Alternatives 4 and 5 should include potential revenue at City-owned facilities. | Include a revenue analysis for Alternatives 4 and 5. |

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104. Ancillary development was not required as part of the Seattle Arena MOU. The project being considered for environmental review is solely the proposed Arena.
105. On-site parking revenues were not included as direct revenues to the proponent for the SoDo site or the alternate sites. Parking was included, as appropriate, for all sites with applicable funds for Alternative 4 and 5 city owned parking facilities reverting to the City or facility owner and not the proponent. In all cases associated revenue flows and related impacts were addressed.

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| 61 | 54 | Report notes that half of the exports are agricultural products, "chiefly from Washington State". Please note that nearly all of these products arrive by truck and a high portion moves through the impacted area. This impact seems to be excluded from the port impact analysis. | Provide analysis of the impacts to trucks carrying agricultural products in the economic analysis if traffic congestion is a factor. |
| 62 | 57 | Report notes that "there could be additional potential impacts beyond those quantified in this section in the case that the proposed arena causes reliability issues to an extent that triggers carriers or customers to move cargo or operations to other ports". The recent renewal of the Hanjin lease at T46 illustrates that carriers and shippers are becoming increasingly concerned about the impacts of redevelopment in the north SoDo area. The placement of an arena and the likely addition of an entertainment center in the overlay zone will greatly exacerbate this situation. It could also cause the southern limit of the stadium overlay zones to move farther south. This could cause a loss of container business, and this should be quantified. | Provide quantitative analysis of a potential loss of container business that could result from Alternatives 2 and 3. |
| 63 | 59 | Report states: "reliability of goods movement may also be a significant potential risk with the development of an arena". We concur and believe that the additional risks be quantified. | Provide quantitative analysis of potential impacts to the reliability of goods movement in the vicinity of all of the Alternatives. |
| 64 | 59 | Report notes "Property values do not directly impact economic activity and are not included in economic impact analysis". Increasing property values have a direct impact on uses and can lead to a shift from industrial to non-industrial uses. Further, the introduction of the arena (and entertainment center) will cause additional impacts outside of the Stadium Overlay zone, leading to increased displacement of industrial uses to the south and east. | Provide quantitative analysis of the potential impacts from increasing property values and their impacts that could lead to a shift from industrial to non-industrial uses. |
| 65 | 60 | Report states: "there would be additional potential impacts if Port carriers perceived reliability issues in the area and shifted cargo away from the Port of Seattle or move to another location." We concur and these impacts | Include the potential impacts that could lead to increased displacement of industrial uses to the south and east. Provide quantitative analysis of potential impacts if Port carriers perceive reliability issues in the |

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106. All Port commodities were included in the analysis.

107. It is not possible to quantify potential losses of container business resulting from Alternatives 2 and 3.

Competitive Risk to the Port. Several parties cited potential competitive risks to the Port from traffic congestion. These risks are explained in the Economics analysis, on pages 90–92 and 94–95 (Appendix F). Commenters express a desire for quantification, however, which is not feasible within the current state of the art. As noted, due to the small number of relevant decision makers, the large number of decision variables, the lack of accurate information on future reliability, and the large role of perception in the outcome, there is no dependable method to estimate either the degree of risk or the volume of cargo at risk. "What if" scenarios suggested in the comments (e.g. Cerf page 8, "...Seattle could lose 100% of that business", or Cerf p. 9, "If only 5% of the agricultural shipments are lost...") are inherently speculative. As suggested on p. 95–96 of the analysis, a more productive approach may be measures that maintain the fluidity of truck routes and minimize any adverse impacts on reliability.

108. It is not possible to quantify the impacts of the reliability of goods movement. See Response to Comment 107 above.

109. As real estate researchers, Pro Forma Advisors acknowledges that industrial businesses tend to locate in lower land price areas. By the nature of the industry, industrial users tend to perform business activities that are land or space intensive and do not need premium land locations relative to uses such as retail and residential and thus land value and rents are important to industrial users. This is also why historically industrial uses tend to, of their own accord, either be located or move to the edges of cities where there is plentiful affordable available land. General urban economics also suggests that land further away from the core of an urban center is less expensive and land closer to urban centers will be more expensive.

1. Our review of comparables and academic studies/articles identified that in certain cases, sports facilities can be a catalyst for change in an area (which would draw higher value land uses), but this is not the case for all sports facilities. Our review of comparables illustrated that to achieve significant catalytic development, public and private players typically made development a specific goal of the project. This is not the intention outlined in the Seattle MOU for the proposed arena.

2. We looked specifically how rents and property values changed with the opening of Safeco Field and CenturyLink Field.

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| 66 | 71 | should be quantified. Reports states "although much of the trade moves to and from the Port by rail." This statement and the analysis of impacts seems to under-estimate the number of trucks that are engaged in Port traffic in the affected area even if the final movement is by rail. A growing share of imports is now transloaded from ocean containers to domestic containers. There are transload operations that are located just east and south of the arena location. Traffic would move from the terminal to the transloader, with an empty return to the terminal and a domestic container to the rail yards. Likewise, exporters truck their containers from Eastern Washington through the area to reach T46 and T25/30 and some export cargo is loaded from bulk railcar to ocean container for export. Prior analyses performed by the Port account for the trips that begin and end at the Port terminals, but not for ancillary trips that might be generated by these transloaders back to the rail yards or to other non-Port locations. These ancillary movements need to be quantified. Further, if the transloaders close these operations, then there would be an additional drayage cost for all of the affected movements. These do not appear to be captured. | Quantify the ancillary movements to account for the trips that begin and end at the Port terminals. Provide quantified analysis of additional drayage cost for all the affected movements if transloaders close these operations. |
| 67 | 74 | Report estimates that with night gates that 11% of traffic would move in "event vulnerable time period" with night gates. Although this estimated forecast came from the Port of Seattle, new data from the Ports of Los Angeles and Long Beach indicate that approximately 19% of gate moves occur between 4pm and 8 pm and 32% occur between 3pm and 9pm. Therefore, the impact could be three times the magnitude for the traffic that is quantified in the economic impact report. The report ignores the delays that would occur on game days on I-5, I-90, and other roads used by arena visitors. | Update the analysis to account for the new information provided from Ports of Los Angeles & Long Beach to account for the impact on traffic. Provide analysis of impact to Port traffic & operations from delays that would occur on game days on I-5, I-90, & other roads used by arena visitors. |
| 68 | 79 | The report assumes that S. Atlantic Street is open during Mariner game days but indicates that delays could be larger if it is not. This should be quantified. | Provide quantitative analysis of potential impacts from traffic delays if S. Atlantic Street is not |

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See Common Response #12 Gentrification.

The City of Seattle is currently going through a planning process to further protect the industrial areas located outside of the Stadium Overlay District. A proposed arena is likely to bring additional retail uses and foot traffic, but this is likely to be located within the Stadium District overlay area. The arena itself and this retail development may directly displace current industrial uses in the Stadium Overlay District, but our analysis does not suggest that the proposed arena will significantly increase lease rates and property values throughout the study area.

110. It is not possible to provide quantify potential impacts if carriers shift cargo to another location due to perceived reliability issues.

See Response to Comment 107 above.

111. It is not possible to quantify additional drayage cost for all the affected movements if transloaders close these operations since the required transloader movement data is not available

Transloading. The Port and other parties have expressed concern that truck trips to and from import or export transloaders in the SODO area have not been included in the analysis. The analysis has captured transloader movements to the extent possible from the available data. Movement between transloaders and port terminals would be reflected in gate counts and projections provided by the Port. We used a Port-provided multiplier of 2.2 to allow for ancillary repositioning, empty container, and bobtail tractor movements as well as actual gate entries and exits. Movements between transloaders and domestic points would be reflected in truck counts provided by Transpo.

112. Comparisons with Southern California. In its item 67, the Port notes that the Ports of Los Angeles and Long Beach have a higher percentage of truck moves in the evening hours. That difference, however, is due to the PierPASS program, which assesses substantial fees for truck moves during the day shift. In the absence of plans for such measures at the Port of Seattle, the estimates provided by the Port and used in the analysis should be a better basis for evaluation.

113. There are no plans to close S. Atlantic Street as a result of the SoDo Arena. Impacts to the Atlantic Street corridor are disclosed for all cases and Mitigation Measures are identified for the Arena impacts taken as a whole. These include manual traffic control at intersections along Atlantic Street, similar to how it is handled for current events.

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| 69 | 81 | Report states: "the greater risk could be gridlock in the segment of S Atlantic..." This impact should be quantified. | open during Mariner game days. Provide quantitative analysis of potential risks of gridlock in the segment of S. Atlantic Street. Revise as appropriate. |
| 70 | 90 | Port doesn't collect dockage and wharfage. | Explain why the risks could not be quantified. These risks should be quantified and provided in the EIS. |
| 71 | 94 | Report states: "Stadium District traffic that left these terminals less than fully competitive would handicap the Port and reduce its potential for economic development. These risks could not be quantified in the report." These impacts should be quantified. | Provide quantitative analysis of how the impacts from a threat of a shift would likely reduce long-term Port and terminal operator revenue as a result of lower negotiated rates. |
| 72 | 95 | Report states: "threat of a shift would likely reduce long-term Port of Seattle and terminal operator revenue as a result of lower negotiated rates." This is a likely result and should be quantified. | Provide relative mitigation costs of alternative sites. |
| 73 | Economics | To comply with the MOU's requirement to assess the economic impacts, the EIS should disclose the total cost of all mitigation, and provide a comparison among the alternatives. This analysis should detail who is responsible for cost, and whether the commitment would be for the full cost or a share of the cost. In addition, any reduction in revenue associated with event scheduling restrictions that would limit the number of events should also be disclosed. | |
| AIR QUALITY AND GHG EMISSIONS | | | |
| 74 | Air Quality, section 3.2 | There is no analysis to substantiate claims that the operation phase of the various alternatives will not cause adverse air quality impacts. There is no analysis to substantiate claims that "incremental increases in traffic emissions likely would be small", as well as claims that the project alternatives will cause no significant unavoidable adverse impacts to air quality. It is clear from the traffic analysis that significant traffic congestion will be created, and especially during multiple stadium events. Localized impacts from project-induced traffic should be analyzed, i.e. by "hot spot" modeling of intersections where the Level of Service (LOS) is predicted to worsen as a result of the project. | Provide quantitative analysis to substantiate claims that the operation phase of the alternatives and secondary impacts of the alternatives will not cause adverse air quality impacts. At a minimum, include an analysis of localized impacts |

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114. The potential impacts to Atlantic Street have been documented for a range of event scenarios, including dual and triple events. While the frequency of event days in the area are forecast to increase, the level of additional congestion to be managed via manual traffic control at key locations (through the Transportation Management Plan) is not expected to significantly increase due solely to the component of demand associated with the Arena itself. In addition to the Transportation Management Plan, which includes demand reduction and demand management elements, the Arena may participate in other area improvements, as described in the Physical Improvements section of the discussion of mitigation, including paying a prorata share of a long-recognized area project, the Lander Street Overcrossing (of the railroad tracks), which would provide additional east-west capacity for all vehicles throughout the day, with or without event conditions occurring. Also see Common Response #13.

115. Wharfage and Dockage.

The Port states (item 70) that it does not collect wharfage and dockage. The Port's current Terminals Tariff No. 5 (effective 7/10/2013) provides for wharfage and dockage fees. However, these fees may have been superseded by specific agreements with ocean carriers or terminals. The analysis should have said, "The Port receives fees for use of the dock ('dockage') and for the volume of cargo handled ('wharfage'), or equivalent fees under a confidential contractual agreement." Since the actual agreements are assumed to be confidential, we cannot verify the terms or terminology used therein.

116. Competitive Risk to the Port.

Several parties cited potential competitive risks to the Port from traffic congestion. These risks are explained in the analysis, on pages 90–92 and 94–95. *Commenters express a desire for quantification, however, which is not feasible within the current state of the art.* As noted, due to the small number of relevant decision makers, the large number of decision variables, the lack of accurate information on future reliability, and the large role of perception in the outcome, there is no dependable method to estimate either the degree of risk or the volume of cargo at risk. "What if" scenarios suggested in the comments (e.g. Cerf page 8, "...Seattle could lose 100% of that business", or Cerf p. 9, "If only 5% of the agricultural shipments are lost...") are inherently speculative. As suggested on p. 95–96 of the analysis, a more productive approach may be measures that maintain the fluidity of truck routes and minimize any adverse impacts on reliability.

117. All port terminal revenues are, to our knowledge, confidential. Only the Port is in a position to estimate any impacts.

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| 75 | Greenhouse Gas Emissions, Section 3.2 & Appendix C | The DEIS does not provide a substantive or accurate analysis of GHG impacts associated with the project, particularly of operations and traffic congestion impacts, nor does it provide any comparison of greenhouse gas emissions associated with each alternative. The use of the King County DEES SEPA GHG Emission Worksheet is an inadequate tool for estimating GHG emissions from this project. The King County worksheet includes a caveat that it "...should not be used to estimate GHG emissions from large, complex projects, such as urban planned developments, major infrastructure projects, or projects that required an Environmental Impact Statement (EIS)." King County also provides notes that the worksheet has not been updated since 2007 and "...should be used with caution." Consequently the analysis drastically underestimates the actual associated emissions, particularly since the King County tool only includes a generic tool for estimated emissions for project-associated vehicle trips and does not analyze for emissions created by traffic congestion or from regional increases in VMT due to longer-distance trips from a dispersed fan base. Ecology's GHG guidance for analysis of GHG emission in SEPA reviews clearly requires that the analysis include both vehicle emissions once the project is complete and vehicle trips generated by the project during construction and operation, including those of employees, customers, vendors, or residents. See http://www.ecy.wa.gov/climatechange/docs/sepa/20110603_SEPA_GHGintermalguidance.pdf | The EIS must include an accurate and complete disclosure of GHG emissions associated with construction and operation of the project for each alternative. An accurate analysis, which includes the impacts of emissions associated with congestion, will likely raise the projected emissions substantially over 25,000 MTCO2e. In which case, per Ecology SEPA guidance, the EIS must provide a quantitative analysis of emissions and mitigation measures to reduce emissions by 11% below what emissions would have been without those measures (BAU). |
| 76 | Page 3.2-3 | On June 17, 2013, Seattle City Council adopted Resolution 31447, formally adopting Seattle's 2013 Climate Action Plan. The Climate Action Plan is | The EIS should provide analysis of whether the proposed project |

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118. Potential economic impacts from the development of a new Arena are discussed in the Economic Impact Analysis included as Appendix F to the EIS.
119. As described in Section 3.2 Air Quality, in urban areas of the Puget Sound, motor vehicles are the largest source of air emissions. Over the last two decades, many pollutant levels have declined, and air quality has generally improved. This improvement has occurred with the increase in traffic volumes described in Section 3.8.
120. Operational impacts under the Proposed Project would be attributable to vehicular traffic during events. Event traffic would primarily emit CO, precursors of ozone, particulate matter, and GHGs from vehicles. Highest event emissions would likely occur during a weekday peak hour with additional traffic arriving at the Arena. The Proposed Project would include traffic mitigation to reduce volumes and congestion, and to encourage transit use, which would reduce traffic emissions of air pollutants during events. See Section 3.8 Transportation.
- The GHG worksheets include a transportation component to account for vehicle emissions.
- The City of Seattle and King County do not require direct mitigation for greenhouse gas emissions with the exception of effects of transportation. Transportation mitigation measures are described in Section 3.8.
- Ecology's guidelines are applicable only to projects where Ecology is the SEPA lead agency: *"Guidance for Ecology Including Greenhouse Gas Emissions in SEPA Reviews: The purpose of this document is to assist Ecology staff in determining which projects should be evaluated for greenhouse gas emissions and how to evaluate those emissions under SEPA when Ecology is the lead agency."*
- As stated on page 3.2-1, motor vehicles are the largest source of air emissions, and pollutant levels have declined over the last 2 years. This is largely due to vehicle inspection programs, changes in gasoline, and improvements in combustion design.
121. As described on page 3.2-7 of the FEIS, the Proposed Project would be designed to reduce its GHG emissions. The Arena would be designed and operated to meet or exceed green building and sustainability practices, which would reduce its overall carbon footprint and would help the City of Seattle to achieve its goal of being carbon neutral.

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| | | composed of recommended actions to be taken to meet Seattle's goal of becoming carbon neutral by 2050. The EIS does not provide information as to whether the proposed project would make it more difficult or less difficult for the City to meet its goals as a result of the proposed project action. The EIS states that the Plan has a wide range of GHG-reduction strategies and outlines some operational features that could be included in the proposal but it does not commit to any of these features. | would make it more difficult or less difficult for the City to meet its carbon neutral goals and thereby create an adverse impact to the environment. The EIS should commit to specific operational features that would meet the carbon neutral goals if the analysis shows that these features are needed to mitigate for adverse impacts. |
| NOISE | | | |
| 77 | EIS Section 3.5 | The associated and ancillary development expected to follow the development of an additional stadium (bars, restaurants, commercial uses) will create a need to reduce unwanted sounds at the venue. Animated crowds within a purported industrially developed land use area will want to reduce noise impacts from existing noise source including traffic, loading-dock operations, rail yard and trains, overhead aircraft and trucks serving the industrial and Port uses. This inherent conflict will require management of commercial expectations as to level and type of noises expected both in and around the arena and related development. New development should be required to acknowledge and accept existing industrial noise conditions as part of any land use application and not be allowed to make complaints as to the nature and character of noise conditions unless the emitters are non-compliant with the Seattle noise code. | The DEIS should commit to the following mitigation: <i>New development is required to acknowledge and accept existing industrial noise conditions as part of any land use application and not be allowed to make complaints as to the nature and character of noise conditions unless the emitters are non-compliant with the Seattle noise code.</i> |
| 78 | 3.5.1 | "Noise from crowds outside of a spectator sports facility or from traffic going to or from a spectator sports facility are not typically included in a noise analysis of a facility." This is an erroneous statement. Noise from these sources are environmental impacts and do affect the natural conditions of the site. The facility will generate significant noise levels from related traffic and crowds entering and leaving the site that must be evaluated in order for a complete EIS. These noise levels should be | Provide quantitative analysis of the noise levels relative to a baseline and model the increase in noise relative to existing conditions for the duration of typical events. |

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Design and operational features could include:

- Efficient lighting fixtures, in both interior and exterior
- Bicycle and pedestrian improvements, which would reduce the number of vehicles and their exhaust emissions
- Measures to encourage transit use and car pools during events
- Parking for bicycles
- Electric car infrastructure
- LEED (Leadership in Energy and Environmental Design) Silver or higher certification
- Solid waste reduction during events
- Water conservation and reuse fixtures
- Promoting solar use where possible, and using alternative energy sources
- Onsite stormwater management and treatment

122. Comment noted. The Arena is an indoor facility and noise impacts during the events will be confined within the building structure. As noted in the EIS, noise from crowds outside of a spectator sports facility or from traffic going to or from a spectator sports facility are not typically included in a noise analysis of a facility.

123. Comment noted. The Arena is an indoor facility and noise impacts during the events will be confined within the building structure. As noted in the EIS, noise from crowds outside of a spectator sports facility or from traffic going to or from a spectator sports facility are not typically included in a noise analysis of a facility

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| | | evaluated relative to a baseline and to model the increase in noise relative to existing conditions for duration of typical events. Finally the impact should be compared to the local noise code, relative to potential receivers and whether the noise increase are compatible to the ambient acoustic environment. Additionally, how the arena fits into the existing environment and its impacts to existing businesses and land uses both individually and cumulatively must be evaluated. | The impact should be compared to the local noise ordinance, relative to potential receivers and to discern if the noise increase is compatible to the ambient acoustic environment. Evaluate how the arena fits into the existing environment and what its potential noise impacts may be to existing businesses and land uses both individually and cumulatively. |
| 79 | 3.5 | As with above, ground vibration is noted in this section, with the potential for negative effects in adjacent areas. In addition, only construction-related noise effects are evaluated. From an operational perspective, heavy truck traffic in adjacent ROW areas may be a negative long-term effect. Also, industrial area noise may have potential for adverse effects on performance uses at the completed arena. | Provide analysis of potential noise impacts from heavy truck traffic in adjacent ROW areas. Provide analysis of how industrial area noise may have potential impacts on performance uses at the completed arena. |
| 80 | 3.5-4 | Ground vibration and construction noise evaluations should include analysis of future operations and potential for negative effects due to existing and continuing industrial area uses and activities. | Provide analysis of future operations and potential for negative noise impacts due to existing & continuing industrial area uses and activities. |
| 81 | 3.5-6 | 3.5.2.6: Discussion of secondary noise impacts includes changes in use due to arena induced economic growth. This section does not consider the potential for "inverse" or off-site secondary noise impacts. | Provide analysis of the potential for "inverse" or off-site to arena secondary noise impacts. |
| OTHER | | | |
| 82 | Section 3.4, Geology & Soils | Generally, the report focuses on technical matters relating to predicted liquefaction & earthquake hazards. The information is limited to description of conditions important to construction of the proposed arena, including | Provide analysis of how vibration related construction impacts raise an "inverse" issue |

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- 124.** Construction noise is described in the EIS along with applicable noise regulations and recommended mitigation measures.
- 125.** Construction noise is described in the EIS along with applicable noise regulations and recommended mitigation measures.
- 126.** Cumulative changes to noise levels are discussed in Section 3.5.3.6.
- 127.** The foundation and structural design for the Arena will account for the potential of off-site vibration that could affect the Arena.

| # | Location in EIS or Appendices | Comment | EIS Action / Remedy / Mitigation Required |
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| | | vibration effects on adjacent structures. Absent from the analysis & evaluation is information describing a complete facility, located in unstable, filled industrial area. The potential for off-site vibration effects due to adjacent transportation uses & activities to negatively affect the arena must be included. Adjacent heavy industrial vehicle & rail traffic may result in vibration in a completed arena structure. Such existing conditions require detailed analysis. | that would impact an arena constructed in Alternative 2 or 3. |
| 83 | 3.1-13 | Third bullet: Indicates that construction truck traffic may result in "annoying" off-site ground movement. The DEIS notes off-site ground movement and vibration due to construction traffic. Existing heavy freight and rail transportation produces similar "annoying" ground movement. | Provide analysis and evaluation of this existing condition relating to operation of a future area facility in Alternatives 2 and 3. |
| 84 | Section 3.3, Water: | Similar to 3.1, vibration in liquefaction-prone soils is noted as a potential adverse effect on buried storm water, sewer & water supply utilities. It may be that a constructed facility would be adversely affected by truck vibration. | Provide analysis of how a constructed arena may be adversely affected by freight truck vibration. |
| 85 | 3.3-3 | First para, storm water discussion does not indicate location of discharge for storm water in area of project. This is via sub-grade, large diameter utility lines passing under Terminal 46 and discharging beneath existing apron facilities at site. The potential for adverse effects and changes in this essential storm water infrastructure requires analysis. | Indicate the location of the discharge for stormwater in the area of the project for Alternatives 2 and 3. |
| 86 | Section 3.4, Scenic Resources | This section does not acknowledge height and mass of adjacent marine industrial landscape and potential for change. | Acknowledge the height/mass of the adjacent marine industrial landscape & potential for change. Describe potential impacts & mitigation as appropriate. |
| 87 | Section 3.7, Historic and cultural resources | The evaluation distinguishes between structures 25-50 years old and greater than 50 years old. No primary or secondary matters include port properties. Historic shoreline plot is incorrect. | Provide analysis of primary & secondary matters including Port properties. Correct the historic shoreline plot. |

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- 128. The facility is being designed to withstand common vibration.
- 129. The facility is being designed to withstand common vibration.
- 130. Stormwater collection from the SoDo site is described in Section 3.3 Water. Table 3.3-1 of the Final EIS identifies the anticipated stormwater from the SoDo Arena site to be approximately 1 million gallons less than existing stormwater flows.
- 131. Information has been added to the discussion of the No Action Alternative.
- 132. The comment did not identify Port properties to be included, nor are there any Port properties adjacent to either the SoDo or Seattle Center sites. The comment also did not indicate what was incorrect about the historic shoreline plot included in Section 3.1 Geology as provided by the Alaska-Yukon-Pacific Exhibition in 1909.



September 30, 2013

Mayor Mike McGinn
City of Seattle
700 5th Ave, Suite 2000
P.O. Box 34019
Seattle, WA 98124-4019

Re: **Comments on the Draft EIS for Proposed Seattle Arena**

Dear Mayor McGinn:

After reviewing the Draft Environmental Impact Statement (DEIS) on the proposed SoDo arena, the Port of Seattle Commission remains deeply concerned that this project is a threat to middle-class jobs -- in Seattle, but also throughout the region. As an agency charged with creating opportunity and family-wage job growth, the Port of Seattle believes that it is a profound mistake to trade middle-class employment and a diversified tax base for the indeterminate economic value of an additional sports and concert venue in the city.

The long-term health of our city's maritime and industrial jobs base is at stake. These businesses and jobs are what help anchor our urban middle class. Fifty thousand people work in SoDo every day. The state's manufacturers and agricultural producers depend on this area to get \$10 billion in products to markets across the country and around the world. The economic impacts that must be considered ripple way beyond SoDo. Seattle's manufacturing and industrial businesses provide more than one-third of the city's sales tax receipts and B&O tax revenue. Not only are arena proponents risking SoDo's full-time, middle class jobs, they are also gambling with city finances.

To be sure, the Port Commission remains a solid supporter of the prospect of NBA basketball and NHL hockey coming to the region. We do believe that in the right venue, these sports franchises would attract more tourism and economic activity to our community. But we conclude that the cost of an arena in the proposed SoDo location is simply too high when considering the impact on the middle class. We must seriously consider other locations that

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maximize the benefits of an arena while minimizing the economic impacts on our community, something this DEIS fails to do.

This DEIS erroneously approaches the issue as though this arena is a private project, rather than a public project that will receive \$200 million in taxpayer financing and, after construction, be owned by the public. For public projects, the city is required under the law to consider a broader range of alternatives and should have considered sites outside Seattle. Instead, the arena proponents seem prepared to use millions of dollars in public financing for a private purpose while hoping to avoid consideration of the full range of alternative sites. Frankly, the analysis before us describes numerous benefits of the arena, but fails to acknowledge obvious costs to the public. This DEIS was a cursory review of the impacts an additional sports venue would have on existing activities in SoDo. The analysis of alternative arena sites was biased in favor of the SoDo site. This ignores precedents established during planning and construction of Safeco and CenturyLink, and does the public a disservice.

The DEIS acknowledges that the competitive position of the port and maritime businesses could be diminished due to traffic concerns, but the impact is not reasonably quantified and no remedy is specified. The estimated additional impact – 4 minutes per truck – is so narrowly defined that it lacks all credibility. Existing data show that current stadium traffic does lead to congestion. Before a Friday night Mariners’ game, the Washington State Department of Transportation has identified an increase of westbound I-90 traffic of 20 to 30 percent between 3pm and 5pm. Area businesses, schools and communities are struggling with the current level of congestion. Regional leaders continue to work to shore up our fragile transportation and transit systems.

Despite the impacts we know will occur, the funds needed to address those impacts have not been adequately identified to prevent job losses at existing businesses. We know the public cost to reduce these traffic impacts will be enormous, even hundreds of millions of dollars. The DEIS suggests an incomplete list of transportation mitigation options, but does not identify necessary funding or demonstrate they provide a remedy. The city may need new signal timing investments, new highway access and new east-west vehicle and pedestrian overpasses to relieve the additional pressure. The 17 rail tracks immediately adjacent to the site are broadly acknowledged to be a serious safety concern to families attending arena events. Who pays for transportation improvements remains an open question.

Finally, we do not see the need to rush forward with a decision on an arena. Several larger reviews are underway to support this area’s continued prosperity. We can use these analytical insights to inform smart, collaborative approaches to SoDo’s current challenges, which will only worsen if we add a new arena to the mix. Also, to move forward with an Occidental Avenue street vacation and begin construction of a new arena is premature. The NBA has said they are

not contemplating expansion and the developer has no firm prospect of luring an existing team from another city.

We urge the city to begin the process anew. We must start over with a full consideration of the cumulative and secondary impacts on existing economic activities in our city, region and state. We must view this issue through the lens of the single largest challenge of our generation – the growth of middle-class jobs.

The community we all represent is served by a cooperative relationship between the city and port. We resolve to ensure that this project undergoes a full and complete review of the environmental and economic impacts. We look forward to working with the city to promote SoDo as home to family-wage jobs in manufacturing and maritime industries. We know you share our community’s priority to promote long-term economic growth and workforce diversity in Seattle.

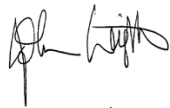
133
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Sincerely,

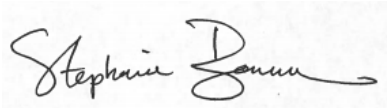
Port of Seattle Commission



Commissioner Tom Albro, President



Commissioner John Creighton, Vice President



Commissioner Stephanie Bowman



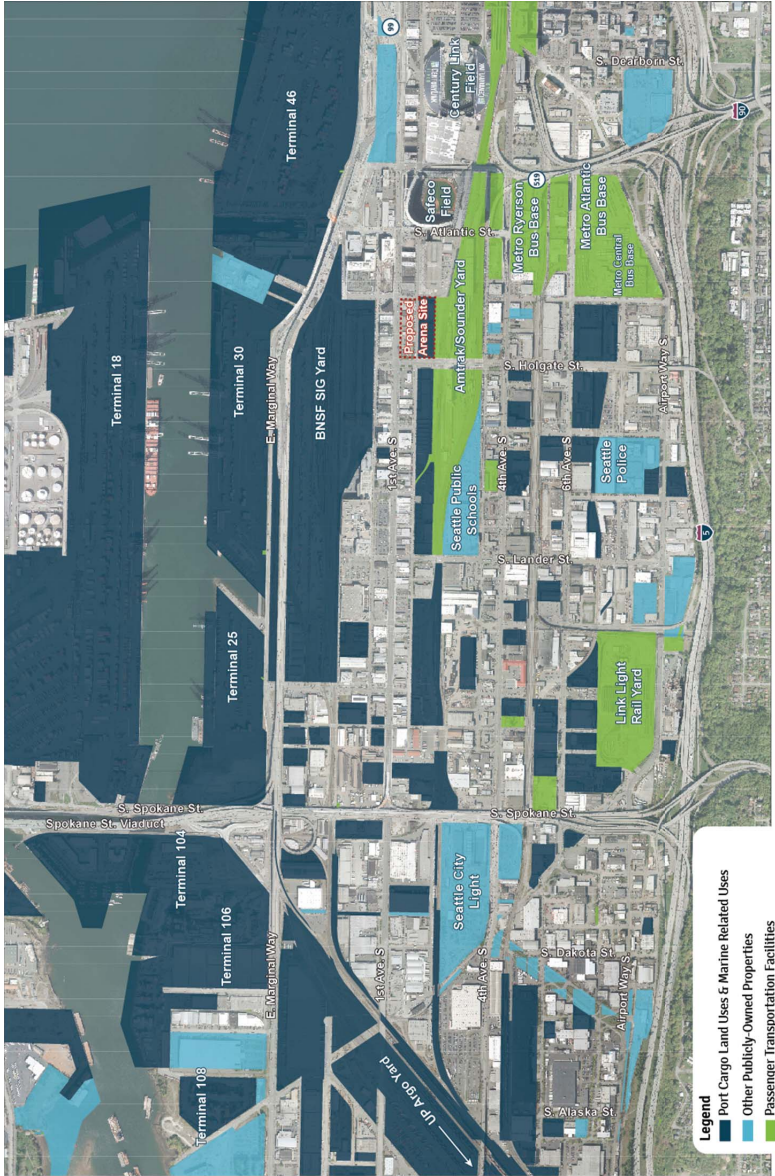
Commissioner Bill Bryant



Commissioner Courtney Gregoire

cc:

Seattle City Council
King County Executive Dow Constantine
King County Council
Governor Jay Inslee
Don "Bud" Hover, Director, Washington State Department of Agriculture
Brian Bonlender, Director, Washington State Department of Commerce
State Representative Judy Clibborn
State Senator Tracey Eide
State Senator Curtis King
John Shaw, Seattle Department of Planning and Development



Legend

- Port Cargo Land Uses & Marine Related Uses
- Other Publicly-Owned Properties
- Passenger Transportation Facilities

Scale: 0 200 400 800 1,200 1,600 Feet

Source: King County Assessor parcel data and North American Industry Classification System as administered by the Washington State Department of Administrative Services. Last updated: 9/10/2013

Port of Seattle
www.portseattle.org

Regional Transportation Hub

Land Devoted to Port Uses and Passenger Transportation Facilities

134 134. Comment noted.

Table 5. Transportation Analysis Needs for New Arena EIS

| Concern | Performance measures to evaluate | Potential Mitigation if Performance is not acceptable |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Effect on regional highways (I-5 and I-90) | <ul style="list-style-type: none"> Net change in peak period and early afternoon travel time related to single event and concurrent event day. Net change in annual vehicle hours of delay for base and banner year conditions. Variability in delay created by event traffic (a measure of system reliability) | <ul style="list-style-type: none"> Restrictions on concurrent events such as staggered starts or weekends only. Improved signage to alternative routes |
| B. Effect on primary access routes to Port terminals | <ul style="list-style-type: none"> Level of service analysis for key intersections in SoDo for the commuter peak hour, pre-event arrival peak, and post-event egress peak. The following should be evaluated: <ul style="list-style-type: none"> -- 1st Ave S/S Atlantic St -- 1st Ave S/S Mass. St -- 1st Ave S/S Lander St -- 4th Ave S/SR-519 Ramps -- 4th Ave S/S Holgate Street -- S Atlantic St/Colorado Ave/Little "h" cluster Effect that rerouting event traffic to the Spokane Street Viaduct would have on access to Terminals 5 and 18 as well as to the SIG Yard. Net change in delay related to single-event and concurrent-event day. Net change in annual vehicle hours of delay for base and banner year conditions. Variability in delay created by event traffic (a measure of system reliability) | <ul style="list-style-type: none"> Restrictions on concurrent events such as staggered starts or weekends only. Locate new parking to reduce traffic along the Port's primary routes (e.g., garage located east of tracks). Event traffic management plans that provide priority for truck traffic. Infrastructure improvements Parking management measures and technologies that better allow attendees to find and pay for parking before events Pedestrian access and control management measures that improve safety and traffic flow through key intersections Same as above |
| C. Effect of street vacations | <ul style="list-style-type: none"> Peak period and early afternoon level of service analysis for key intersections listed above to determine Net change in delay without and with the street vacations. Net change in annual vehicle hours of delay for base and banner year conditions. Variability in delay created by street vacation(s) and event traffic (a measure of system reliability) | <ul style="list-style-type: none"> Same as above |
| D. Safety of RR Crossings | <ul style="list-style-type: none"> Net change in pedestrians and vehicles crossing tracks at S Holgate Street. Frequency and duration of train blockages at the at-grade crossings Historic rail-vehicle and rail-pedestrian collisions in SoDo (all crossings) Safety analysis of RR crossing Pedestrian storage needs when waiting for a train Effect of additional queues, delays or safety issues on the potential to close S Holgate Street during events or permanently | <ul style="list-style-type: none"> Safety enhancements including improved side-walks, gates, lights, pedestrian landings and other features. Active police management before and after events Alternative east-west vehicle crossing Grade-separated pedestrian crossing |

August 7, 2012

135. Your suggested mitigation measures are noted.



WASHINGTON STATE
MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT

110 Edgar Martinez Drive South
P.O. Box 94445
Seattle, WA 98124
(206) 664-3076
www.ballpark.org

Washington State Major League Baseball Stadium Public Facilities District

1. Comment noted

September 30, 2013

City of Seattle
Department of Planning and Development
Attention: John Shaw, Senior Transportation Planner
700 Fifth Avenue, Suite 2000
P.O. Box 34019
Seattle, WA 98124-4019

Re: Comments on the Draft Environmental Impact Statement for the Proposed Arena
Project Nos. 3014195 and 3014293

Dear SEPA Responsible Official:

The Washington State Major League Baseball Stadium Public Facilities District (PFD) appreciates the opportunity to review and comment on the draft environmental impact statement (EIS) for the proposed NBA/NHL arena project (Proposed Arena). We commented on the scope of this EIS in November 2012. We look forward to seeing responses to all of our comments in the final EIS.

As you know, the PFD is the public entity that developed and owns Safeco Field. The PFD is responsible for overseeing this public asset and for ensuring that the public's investment in the ballpark is not compromised.

Safeco Field is located immediately to the north of the SoDo site alternative for the Proposed Arena evaluated in the draft EIS (Alternatives 2 and 3). In our scoping comment letter, we expressed our deep concerns about the SoDo site and the likely significant adverse impacts that would result from developing an arena at that location. The analysis in the draft EIS confirms our concerns, disclosing that an arena at the SoDo site would have "significant unavoidable adverse impacts" on all of the following:

- traffic volumes and operations
- freight and goods movement
- parking
- pedestrian safety and connections, and
- construction noise.

(See Draft EIS, Table 1-4, pp. 1-57 to 1-58) (Summary of Significant Unavoidable Adverse Impacts).

BOARD OF DIRECTORS

Charley Royer, Chair
Bob Wallace, Vice-Chair
Terrence A. Carroll
Joan Enticknap
Charles V. "Tom" Gibbs
Hyeok Kim
Dale R. Sperling

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Under the State Environmental Policy Act (SEPA) rules and the City of Seattle's own SEPA policies, these significant adverse impacts provide a basis for the City to deny permits and other approvals for construction at the SoDo site unless these impacts are mitigated. WAC 197-11-660 (1); SMC 25.05.660 and .665 A. 2. If reasonable mitigation measures are insufficient to mitigate these impacts, then development of an arena at the SoDo location should not proceed.

The PFD appreciates the lengthy analysis of environmental impacts contained in the draft EIS, but we remain concerned that the evaluation of (and project commitment to) mitigating impacts is inadequate. Unless the proposed mitigation measures are more fully developed in the final EIS, and the project proponent commits to implementing those measures, then we must conclude that an arena developed at the SoDo site will have significant adverse impacts on Safeco Field, our fans, and our tenant the Seattle Mariners.

Our concerns with the draft EIS, identified impacts, and potential mitigation measures are expressed in more detail below:

Site Alternatives: During scoping, we were pleased that the City committed to evaluating a range of site alternatives for the Proposed Arena. We are disappointed, however, with the range of alternatives ultimately evaluated in the draft EIS. The main body of the EIS evaluates three site alternatives while Appendix A only makes a cursory examination of other alternative sites. (See Draft EIS, Appendix A, which identifies 21 sites to be evaluated and then eliminates many of them because they do not meet basic criteria, such as site size and zoning, leading one to wonder why they were identified as candidate sites in the first place.) We believe that meaningful evaluation of additional site alternatives in the final EIS could lead to better choices. It would also help support the decision-making of the King County Council in determining whether it participates in this project, especially if other locations in King County are identified and evaluated.

Really? No New Parking? Under the City's land use code, a minimum of 2,500 parking spaces are required for a 20,000 seat arena. An 18,000 seat arena requires a minimum of 2,250 parking spaces. In 2012, the arena-commissioned feasibility study on traffic and parking concluded that a sold-out arena event would add "approximately 6,000 vehicles" to the SoDo area. In assessing parking availability it also assumed that approximately 1,500 "new" spaces would be provided by the arena and 2,000 potential spaces would be provided by "other" projects (presumably by parking covenant).

Since Safeco Field opened for play in 1999, there has been a cumulative loss of on-street and off-street parking in the SoDo neighborhood totaling more than 3,900 spaces. This loss was caused by various WSDOT, SDOT, and other projects, including the Alaskan Way Viaduct Replacement Project. This loss of parking continues to have a ripple effect that impacts the neighborhood and local businesses.

In late 2012, following nearly two years of study, the PFD and its neighbor to the north, the Washington State Public Stadium Authority (PSA), completed the Stadium District Concept Plan. The plan represents the PFD's and PSA's collective vision for what a Stadium District might become, over a ten-year period and beyond, to dramatically and positively impact its neighborhood. Among other things, the Concept Plan concludes that there is a need for a minimum of 2,000 new parking spaces in the Stadium District, *even before the new arena was proposed*. The addition of the arena to the stadium area and the parking demand it would generate would only increase the need for more parking.

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2. See Common Response #1 Public vs Private Project; Range of Alternatives
3. The FEIS presents the demand based analysis for SEPA purposes (see Appendix E, Section 2.8). Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E, Section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases, it would become more difficult to find parking in the area and the reliance on parking further from the site would increase.

In fact, the construction of the arena and the street vacation of Occidental Avenue S. will result in the loss of more than 500 additional parking spaces (based on a recent count conducted by the Seattle Mariners). The draft EIS similarly concludes that at least 400 event parking spaces will be lost as a result of arena construction in SoDo. (Draft EIS, p. 3.8-104).

Despite all this prior work showing an existing need for new parking, the draft EIS continues to assume that “no new attendee parking would be built” for the arena and that “code required parking would be met through shared agreements with existing or new parking facilities not associated with the arena.” (Draft EIS, p. 3.8-100)¹. The consequences of not including event parking in the construction of the new arena are obvious, and they are confirmed by the draft EIS: *unavoidable significant adverse parking impacts in the neighborhood*. This includes “greater competition for parking with other area stakeholders, including commercial businesses in neighborhoods such as SoDo, Pioneer Square, and the International District.” (Draft EIS, Table 1-4).

Essentially, the Proposed Arena is shifting the burden of its decision not to provide any new event parking to all of its neighbors, including Safeco Field. As the draft EIS concludes, this is especially problematic when there are simultaneous events at the Proposed Arena and Safeco or CenturyLink Field. At those times, parking demand “exceeds the parking supply within the primary study area” and parking spills over into the Waterfront and Central Business District. (Draft EIS, p. 3.8-108).

None of the parking mitigation proposed in the draft EIS gets to the root of the problem—lack of adequate parking supply in the Stadium District—but instead focuses on various ways of shifting the parking burden. Proposed mitigation includes using “expanded on-street parking controls”, changing “parking rates and time limits”, establishing “covenant parking agreements”, “shared use parking protocols”, and other measures to promote, pre-sell, or share the existing parking supply. Rather than mitigating the significant impacts caused by the loss of parking, these measures simply shift the burden to the surrounding neighborhoods, local businesses and other existing uses in the Stadium District, Pioneer Square, and the International District.

While the PFD supports the notion of shared parking facilities, the Safeco Field garage is fully committed to the Seattle Mariners under our lease with the team. It also provides shared, covenanted parking to CenturyLink Field and Event Center for football, soccer, flat shows, and other events at CenturyLink. As a result, the Safeco Field garage is simply not available during all the times that would be required to meet the City’s code requirements for shared parking with a SoDo arena.

The final EIS should analyze the impacts of the cumulative parking loss identified above and should ensure that adequate parking is provided for the new arena, including *new parking* for event attendees. If new structured parking is added to mitigate the significant adverse impacts of the Proposed Arena on parking loss and increased parking demand, then the final EIS should fully evaluate the impacts of that facility. That evaluation should include the impacts on traffic and transportation in order to ensure that the new parking facility’s size and location can be optimized.

Traffic and Transportation: The draft EIS confirms that development of an arena at the SoDo site will result in “significant unavoidable adverse impacts” on both traffic volumes and traffic operations. (Draft EIS, Table 1-4). The draft EIS concludes that traffic volumes in SoDo will “increase substantially over current levels” even without the arena. (*Id.*) If the arena is added to SoDo, high traffic volumes during peak conditions on event days would occur more frequently than ever before. Traffic volumes

¹ Recent design changes for the arena show that it will now include 60-70 on-site parking spaces for players, coaches, and arena staff.

4. See Common Response #6 Mitigation Measures – Traffic.

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on surrounding streets would increase anywhere from 3-22% during peak periods as a result of the arena project. (Draft EIS, Table 1-1, p. 1-22).

For traffic operations, development of an arena in SoDo would result in a greater number of intersections operating at the worst levels of service (LOS): LOS E and LOS F. For arena only events, the number of intersections operating at LOS E/F would increase by 5 over the no-action alternative. For dual events (events at the arena and either Safeco or CenturyLink Field), an additional 7 intersections would operate at LOS E/F. For multiple events at all three locations, 21-25 of the study area's 66 intersections would operate at LOS E/F. As the draft EIS concludes, these represent significant adverse impacts on traffic operations. (Draft EIS, Table 1-4, p. 1-57).

As with the parking impacts discussed above, rather than directly mitigating these significant adverse impacts on traffic volumes, the draft EIS proposes a series of mitigation measures that rely on demand reduction strategies or vehicle management tools (using signage, electronic media, and other means) to orient vehicles to the appropriate route. Traffic operation mitigation measures include a wide set of potential measures many of which have been used successfully at Safeco Field (e.g., an event scheduling agreement, directional event signage, variable message signs, traffic control center improvements, traffic management plans, and construction management plans).

The PFD is concerned that these measures alone are not adequate to mitigate the significant adverse traffic impacts caused by a SoDo arena. Physical roadway improvements and other tangible measures will likely be required to ensure that adverse traffic impacts are appropriately mitigated.

The PFD is also concerned that the City ensure that when implementing proposed mitigation measures the cost of such mitigation is borne by the arena and is *not* shifted to the neighborhood. Safeco Field, CenturyLink Field, the Port of Seattle, and all of the surrounding local businesses currently deal with the effects of traffic congestion, and each has participated in financing solutions to address such issues, including the SR-519 roadway improvements (phases 1 and 2). Now the arena needs to step up and accept responsibility for mitigating the impacts caused by its development without shifting that burden to the existing uses.

The final EIS should identify with more specificity how certain proposed mitigation measures will be accomplished (including funding), and it should identify specific traffic and transportation improvements that would directly mitigate the significant adverse traffic volume and traffic operations impacts identified in the EIS. This could include specific plans for physical intersection improvements (striping, channelization, signaling, etc.) for those intersections failing LOS standards, along with order-of-magnitude cost estimates for such mitigation. This would provide additional information that allows the arena team and City/King County decision makers to more fully understand the full cost of developing an arena at the SoDo location. The final EIS should also include specific traffic reduction goals to be included in an arena traffic management plan along with requirements for measuring success in meeting those goals and back-up measures if the initial measures are not successful.

Pedestrian and Fan Safety/Pedestrian Connections: The draft EIS identifies several significant impacts to pedestrians resulting from constructing an arena in SoDo. There are multiple impediments to pedestrian connectivity and safe pedestrian travel along key travel routes to and from the arena, and the site's proximity to the active BNSF rail line and rail crossings at S. Holgate Street increases the potential for conflict between pedestrians and rail traffic.

The pedestrian connectivity issues are serious, with pedestrian flows in some areas near the SoDo site being "severely restricted" with pedestrians experiencing "crowded conditions". (Draft EIS, 3.8-41). Fortunately, these impacts can be mitigated by requiring that the arena complete the off-site

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5. See Common Response #5 Mitigation Measures

The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (see Appendix E, Section 4.0). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

6. See Common Response #6 Mitigation Measures – Traffic and Common Response #7 Mitigation Measures – Pedestrian Access.

pedestrian improvements needed to complete the missing sidewalk links, provide new sidewalks, and expand existing sidewalks where warranted. The project proponent should commit to these mitigation measures before the final EIS is issued in order to ensure that they will be completed as part of project construction. The final EIS should also provide more detail on area-wide sidewalk and other off-site improvements necessitated by the arena, including their locations and estimated costs.

The pedestrian/railroad conflict issue is both more serious and more difficult to solve. The draft EIS reveals that the problem is created by an existing lack of pedestrian queuing capacity at the SE corner of the SoDo arena site and an absence of pedestrian controls at the S. Holgate Street railroad crossing, which includes multiple, closely-spaced mainline and spur tracks. Even if appropriate controls were added, such as enhanced at-grade crossings, "accommodating the large storage needs" for pedestrians during post-arena event egress "would be difficult". (Draft EIS, p. 3.8-42). As a result, a pedestrian bridge is recommended as project mitigation.

We note that similar (although less severe) challenges were faced by the PFD and the Mariners with the development of Safeco Field. Ultimately, the railroad crossing at S. Royal Brougham Way was closed and a road and pedestrian overcrossing were provided. The PFD and the Mariners both participated financially in these improvements, along with other project partners to ensure that the project was completed. The overcrossing at Royal Brougham eliminated the pedestrian/railroad conflict and provided safe and secure pedestrian access to the ballpark from east of the tracks. A similar pedestrian overcrossing at S. Holgate Street should be evaluated in the final EIS.

While SEPA does not typically require that mitigation measures be evaluated in detail, the addition of a pedestrian bridge would be a substantial change to the proposal (perhaps requiring modifications to the arena design), and it could itself result in significant impacts. Accordingly, it should be discussed in detail, including estimated costs, in the final EIS. (See WAC 197-11-440(6)(c)(iv)).

Freight and Goods Movement: On event days, the draft EIS reports that delays to freight and goods movement can be expected to increase as a result of arena event traffic with the level of service at key freight intersections dropping to LOS E/F. Delays would increase further when multiple events are held at the arena and other venues. The draft EIS identifies these impacts as significant, but it only proposes programmatic measures to address them.

While we will defer to the Port of Seattle and others regarding the adequacy of the EIS impact analysis of freight and goods movement, we note again that it is important that the EIS identify specific mitigation measures and that the cost of these measures be borne by the arena and not by others.

Public Services and Utilities: The draft EIS evaluates the impact of the arena on public services and utilities and concludes that any impacts would not be significant. But as the Seattle Mariners and First and Goal, Inc. both point out, there is another dimension to this issue not yet evaluated. The teams are concerned that the addition of a third major event venue will significantly strain the availability of the police department to provide adequate trained staff for event traffic control, especially with overlapping events. These potential impacts should be evaluated in the final EIS.

Construction Noise: The draft EIS identifies unavoidable significant adverse noise impacts that would be caused by pile-driving at the SoDo site during arena construction. The final EIS should include as a mitigation measure potential limits on pile driving to off-season periods or to non-event days at Safeco and CenturyLink Fields. Such mitigation should be incorporated into the construction management plan for the site.

7. See Common Response #7 Mitigation Measures - Pedestrian Access

8. See Common Response #5 Mitigation Measures

The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (see Appendix E, section 4.0). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

9. See Common Response #13 Adaptive Traffic Control

10. See Common Response #5 Mitigation Measures

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Mitigation Planning: As we did during the scoping process, we would like to again offer our support to work with the City, the County, and the arena developer regarding mitigation planning for implementing this major public project. We learned a lot during the environmental review and project permitting for Safeco Field, including the needs of the surrounding neighborhood. The Mariners have also learned a lot over the years from Safeco Field's construction and subsequent operation, including what mitigation measures have been the most effective. We would be happy to share with the City what we learned.

Final EIS: Because of the length and complexity of the draft EISs for this project and the likelihood of substantial changes between the draft and the final, we ask that the City make available to commentors an electronic version of the final EIS that shows all of the changes made to the text of the final document in redline/strikeout form. Given that the City is no longer distributing hard copies of its environmental documents to the public, providing a redlined and a clean electronic version of the final EIS should not be difficult.

Seattle Mariners' Comments: We note that our tenant, the Seattle Mariners, prepared a separate comment letter. The PFD joins in the concerns and issues raised by the team.

Conclusions: As a spectator sports facility and pedestrian venue, the continued success of Safeco Field turns in large part on our baseball fans' and patrons' ability to access and park near our facility. If facility access or parking is compromised, the impacts on our tenant's operations are significant. As the draft EIS confirmed, a Proposed Arena in SoDo will have unavoidable significant adverse impacts that must be mitigated.

We remain concerned about the permanent impacts that would result from arena construction at the SoDo site, and we believe that the mitigation measures proposed in the draft EIS are too ephemeral and uncertain at this stage to ensure that significant adverse impacts will be mitigated. We believe that the final EIS must address these deficiencies by evaluating additional substantive measures designed to reduce impacts. In addition, the project design must be modified to incorporate these additional mitigation measures, including new event parking, physical transportation and intersection improvements, and commitments to participate in the construction of required improvements, such as an elevated pedestrian crossing of the BNSF railroad tracks at S. Holgate Street and other pedestrian improvements.

Again, we appreciate the opportunity to comment, and we look forward to continuing to work with the City as this project proceeds. If you have any questions, please call our Executive Director, Kevin Callan, at (206) 664-3076 or (206) 767-7800.

Sincerely,



Charley Royer
Board Chair

Cc: Via Email

Seattle Public Resources Center: PRC@Seattle.Gov
PFD Board Members
Kevin Callan, Executive Director

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11. Thank you for your offer.

12. For the ease of reading the document, the Final EIS has been prepared with a vertical line in the margin to indicate where changes to the DEIS text have been made, or additional information added.

13. Comment noted

14. Comment noted. Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). Pedestrian-access improvements have been identified and are included in the mitigation measures. See Section 4 of the Transportation Resource Report.

Harris, Johnny

From: Shaw, John
Sent: Monday, September 30, 2013 4:47 PM
To: PRC
Subject: FW: Arena DEIS Comments from SPU
Attachments: Seattle Public Utilities Comments.DEIS.docx; SPU Final Comments Occidental.pdf

For #3014195.

From: Stevens, Bryan
Sent: Monday, September 30, 2013 4:46 PM
To: Shaw, John
Subject: FW: Arena DEIS Comments from SPU

These were sent to me instead of you.

Sent with Good (www.good.com)

-----Original Message-----

From: Brennan, Michael
Sent: Monday, September 30, 2013 04:18 PM Pacific Standard Time
To: Stevens, Bryan
Cc: Jaeger, Mark
Subject: Arena DEIS Comments from SPU

Bryan, attached are the comments to the DEIS report, as well as the previously submitted comments for the proposed street vacation of Occidental Ave S. Please include both as comments to the DEIS.

Let me know if you have any questions/concerns.

Hope I'm not too late!

Mike

Seattle Public Utilities Comments

To

Draft Environmental Impact Statement for the Arena Project

Note: These comments are to supplement the previously submitted SPU comments for the proposed street vacation of Occidental Ave S. The street vacation comments shall also be incorporated into the final EIS.

P. 3.2-14, Water System (SPU) – There is a 16 inch cast iron watermain, constructed in 1917, on Occidental Ave S, within the project site boundaries. It will be impacted by the planned street vacation, and it's conveyance and service functions must be mitigated by the project.

Figure 3.3-1 Utilities in the Vicinity of Alternative 2 and Alternative 3 – The utilities maps show all of the sewer lines in the vicinity of the project as sanitary sewers. They are actually all combined sewers, including King County's 96" METRO trunk line. The only sewer lines classified as sanitary are on Occidental Ave S, north of Massachusetts St, where they become sanitary at the point where a storm drain exists and is available.

P. 3.3-3 Sanitary Sewer System (SPU and King County) – revise header to indicate the system is combined. It is important to understand that the sewer system includes stormwater flows, and sewer system performance is greatly influenced by rainfall events.

P. 3.3-4 Groundwater – add bullet to state that dewatering associated with excavations can cause ground subsidence and damage adjacent utilities, in the absence of mitigation measures, due to the presence of fill soils. Vibration and/or settlement monitoring could be required to protect utilities and other structures. Damage to underground utilities has occurred in the vicinity as a result of dewatering activities.

P. 3.3-4 Groundwater – add bullet to state that SPU's combined sewer system and storm systems also have limited capacity for accommodating dewatering flows. It should not be assumed that contaminated groundwater can be dewatered to the sewer system. A King County Discharge Authorization, as well as SPU approval, is required prior to discharging contaminated groundwater to the sewer system.

P. 3.3-4 Water System (SPU), first paragraph – The water availability certificate will identify any required water system improvements that are required under Seattle Municipal Code and SPU policy for development projects.

Seattle Public Utilities

1. See revised Section 3.3 Water main functions will be replaced by the applicant.
2. See revised Figure 3.1-1. The figure has been corrected per the comment.
3. The header on page 3.3-3 has been revised per the comment.
4. See revised Section 3.3.3.1 on page 3.3-4. A bullet has been added per the comment.
5. See revised Section 3.3.3.1 on page 3.3-4. A bullet has been added per the comment.
6. See revised page 3.3-4. The text has been added per the comment.

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P. 3.3-4 – Water System (SPU), paragraph 3 – “No major water facilities are planned to be removed or relocated as part of the development.” This is incorrect. The street vacation will decommission SPU’s 16 inch water feeder main, and this decommissioning must be mitigated by the project. See SPU’s street vacation comments and requirements.

P. 3.3-5 Stormwater System (SPU), first paragraph – Due to the flat topography in the area, it could be difficult to discharge to the City 12 inch storm line on Occidental Ave S, without pumping.

P. 3.3-6 Stormwater System (SPU), top of page – since only the “first flush” stormwater discharges to the combined sewer, and higher flows discharge to the Duwamish River via the Kingdome CSO outfall, the possibility that water quality treatment of stormwater from the project is required should be considered. Under the current Stormwater Code, Green Stormwater Infrastructure requirements can only be applied as flow control mitigation, not as stormwater quality mitigation.

P. 3.3-7 mid page – the assumption that new/replace sewer mains would not be required to support the development of Alternative 2 or 3 will need to be confirmed through capacity analysis and system modeling. This is needed to protect SPU interests as well as King County METRO.

P. 3.3-8 Construction – add bullet that before temporary or permanent discharge of groundwater to SPU sewer system is allowed, the project will need to evaluate alternatives such as on-site treatment before discharging to sewer or storm drain facilities, depending upon the type and concentration of contaminants in the groundwater.

P. 3.3-8 Construction – to the bullet on Ground vibrations, add that in addition to vibration monitoring, it may be necessary to establish baseline conditions for underground utilities, such as elevation data, leak surveys, and other means. Settlement monitoring and reporting may be required during dewatering and/or construction activities that generate high impacts or ground vibration.

P. 3.3-8 Operation – If contaminated soils and/or groundwater are encountered, special design considerations may be required in order to minimize hazards encountered later by SPU crews performing routing maintenance or repairs to water, stormwater, and sewer systems. SPU may also be required to utilize specialized safety equipment and PPE’s for maintenance.

P. 3.3-8 Operation Water System (SPU) – Since the proposed vacation of Occidental Ave S will result in the decommissioning of SPU’s existing 16 inch cast iron feeder main, there may be short term operational changes during construction in order to

- 7. See revised text under “Water System”. The text has been revised per the comment.
- 8. See revised discussion on stormwater. The information has been added to clarify the potential difficulty.
- 9. Comment noted. A capacity analysis and system modeling would be performed as part of permitting approval for the project.
- 10. See revised discussion in text of Section 3.3. The information provided in the comment has been added to the text.
- 11. See revised text under “construction” in Section 3.3.1.4. The suggested information has been added.
- 12. See revised text under “operation” in Section 3.3.1.4. The information has been added to the bullet.
- 13. See revised text under “operation” in Section 3.3.1.4. The information has been added.
- 14. See revised text under “operation” in Section 3.3.1.4. The information has been added.

preserve fire flow and customer service, as well as longer term operational changes due to the relocation and possible upsizing of water feeder mains in the vicinity. Due to the high domestic demand for water that could be generated by the stadium project, it is not clear whether domestic demand will drive water system requirements, or fire flow. This will need to be analyzed in order to determine water system needs.

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Cont.



City of Seattle
Seattle Public Utilities

DATE: May 30, 2013
To: Moira Gray, Street Vacation Office
FROM: Carolyn Johnson, Senior Real Property Agent;
Seattle Public Utilities Street Vacation Reviewers
VACATION:
REVIEWED Proposed Vacation of Occidental Avenue South; Clerk File 312905

Seattle Public Utilities (SPU) has reviewed the proposed vacation, and has identified the following concerns and has the following conditions:

SPU Sewer & Drainage:

SPU currently has a 15" diameter main line sewer in Occidental Ave So., built in 1916 per Exhibit "A" vault plan number 66-92 (see attached).

Please see Exhibit "B" attached as side sewer cards 5157, 5158 and 5158-1 with the bubble number legend coinciding with conditions listed below.

1. Existing side sewers to be verified "live" and reconnect to the 15" PSS in Occidental Ave S south of S Holgate Street if it is sewage only.
2. Existing 15" PS pipe. SPU to relinquish ownership of pipe to the petitioner.
3. Existing catch basin/inlet. SPU to relinquish ownership of the drainage appurtenances to the petitioner.
4. Existing drain pipe. SPU to relinquish ownership of pipe to the petitioner.
5. Existing maintenance hole (MH). SPU to relinquish ownership of the structure to the petitioner.
6. Install a new MH a minimum of 5 feet north of the vacated property line. SPU to own and maintain the MH and the existing sewer line to the north of S Massachusetts Street. It'll be permissible for the Arena's new sewer connection to connect in this MH.
7. Plug existing pipe
8. Abandon and Fill existing pipe per City of Seattle Standard Specifications.
9. Abandon and Fill existing MH per City of Seattle Standard Specifications.
10. Verify existing sewer to be removed during Arena construction.

1

Ray Hoffman, Director
Seattle Public Utilities
700 5th Avenue, Suite 4900
PO Box 34018
Seattle, WA 98124-4018

Tel (206) 684-5851
Fax (206) 684-4631
TDD (206) 233-7241
ray.hoffman@seattle.gov

<http://www.seattle.gov/puttl>

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided on request.

Seattle Public Utilities

1. Comments noted. These comments have been provided to the applicant as part of the City's response to requirements of street vacation approval.

2. Comments noted. These comments have been provided to the applicant as part of the City's response to requirements of street vacation approval.
3. Comment noted.

SPU Water:

The existing 16" feeder main in Occidental Ave S is one of two alternate feeds to the Pioneer Square seismic backbone main from Beacon Hill Reservoir. If Occidental Ave S, between S Massachusetts St and S Holgate St were to be vacated, the current ability to feed the 24" Pioneer Square seismic backbone main from either the Holgate St feeder or the 1st Ave S feeder will be lost.

To accommodate the loss of the 16" Occidental feeder in the proposed vacation area, the remaining 16" feeder in 1st Ave S would need to be upsized and reconstructed to be seismically resistant. The existing 16" Occidental feeder, severed by the street vacation at S Massachusetts, would need to be extended west to connect with the upgraded 24" seismically resistant feeder in 1st Ave S. Valving at the supply junction of 1st Ave S & S Massachusetts St would need to be arranged so that either the 16" feeder in Occidental Ave S or the 16" feeder in 1st Ave S – north of Massachusetts – could be supplied from the upgraded 24" feeder approaching Massachusetts from the south. Similarly, at 1st Ave S & S Holgate St, valving would need to be provided such that the single, seismically upgraded 24" feeder north of Holgate could receive two alternate supplies from the reservoir: from either the east (via Holgate) or from the south (via 1st Ave S)

Significant water system reconfiguration required by the street vacation would include:

- Approximately 800 LF of 24" seismically resistant feeder main in the 1700 block of 1st Ave S, including hydrant and water service laterals
- Retirement of the existing 16" main in the 1700 block of 1st Ave S
- Retirement of the existing 16" main in the 1700 block of Occidental Ave S
- Approximately 230 LF of 16" seismically resistant feeder main in S Massachusetts St between the shortened Occidental feeder and the new 24" feeder in 1st Ave S
- Contiguous with the seismically resistant pipe in 1st Ave S, two line valves controlling the two alternate supply connections at Holgate
- Contiguous with the seismically resistant pipe in 1st Ave S, two line valves controlling the two alternate supply connections at Massachusetts.

After reconfiguration of the existing distribution system grid, water service to the facilities located in the street vacation area would need to be established via new metered water service connections, per standard charges.

Recommendations:

SPU recommends the Vacation Petition of Occidental Avenue South; Clerk File 312905 be approved with the enclosed conditions considered and meet.

Cj\SPU Reviewers

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Exhibit "A"

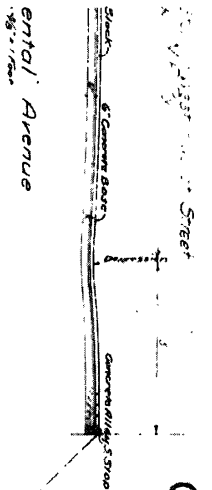
Improvement of Occidental Avenue at Paving etc.

Resolution No. 5248
Local Improvement District No. 5095

Ordinance No. 37133, Approved Apr. 4, 1916.
August, 1916.

A. H. Dymally
City Engineer

Scale: 1 in. = 50 ft.



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| Sheet Order No. | Drawing No. | Approved | Date |
| Made by <i>W. S. Dymally</i> | 8-7-16 | <i>A. H. Dymally</i> | |
| Checked by <i>D. J. Miller</i> | 8-9 | | |
| Plotted by <i>W. S. Dymally</i> | | | |
| City | | | |

Approved by the Board of Public Works.
Seattle, Wash. 1916.

Total No. of sheets 43
 Part of sheet No. 40 43
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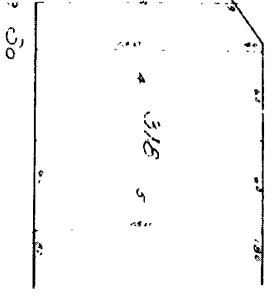


Exhibit "A"

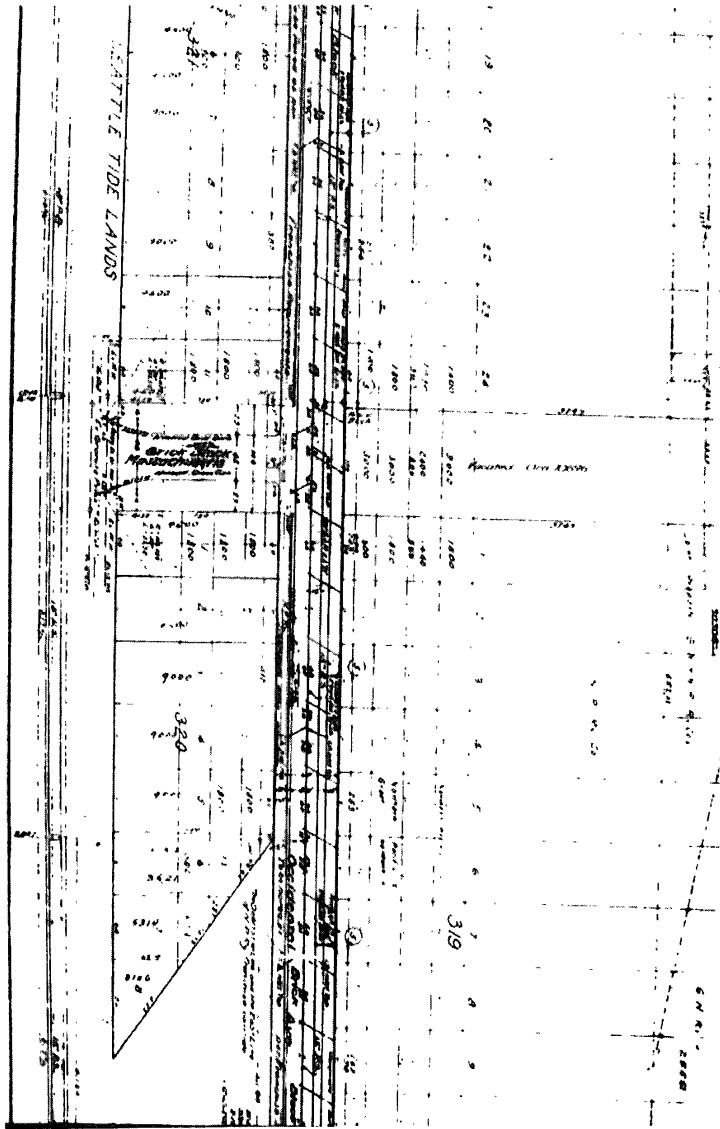


Exhibit "A"

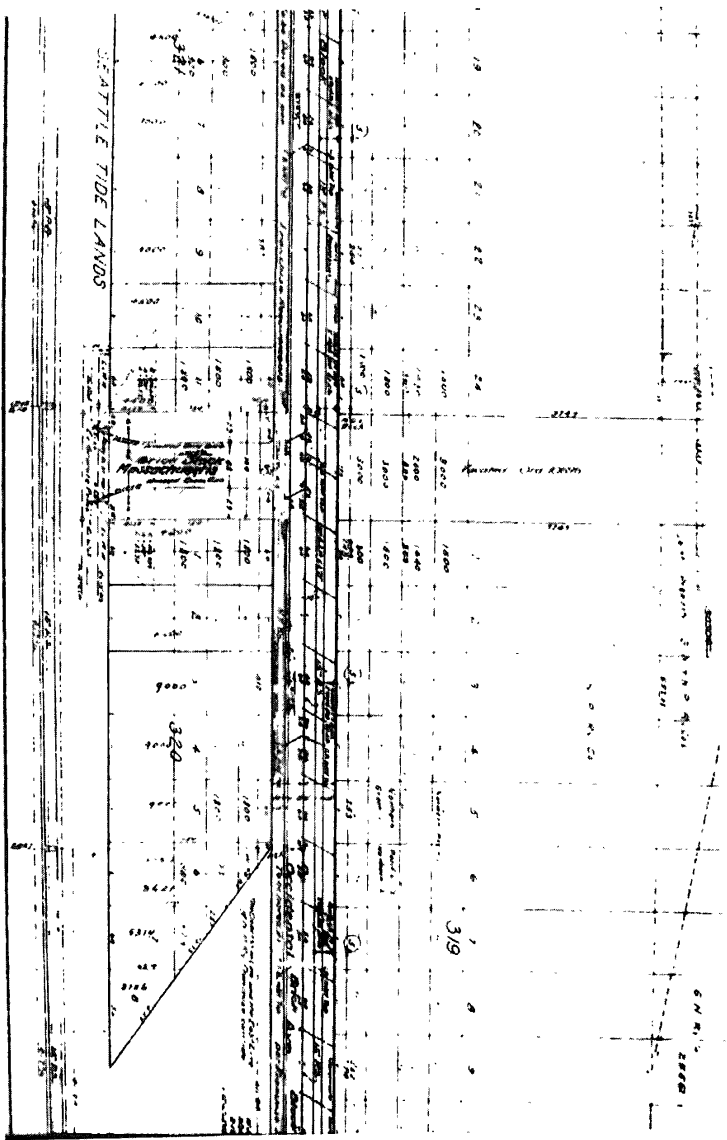


Exhibit "B"

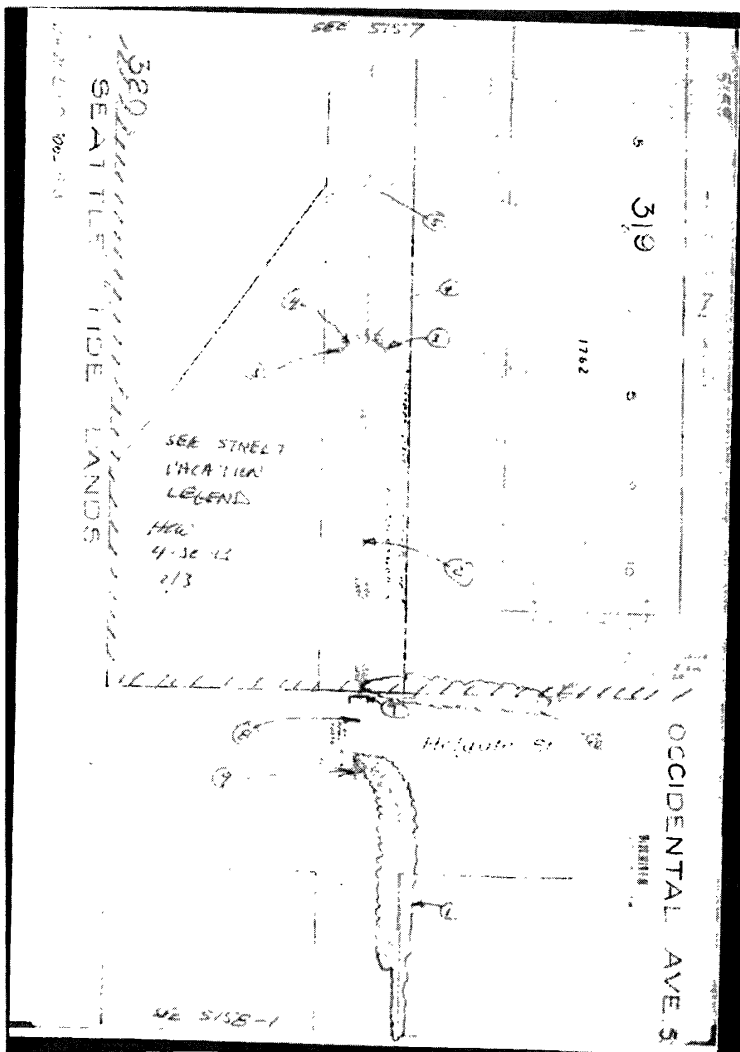


Exhibit "B"

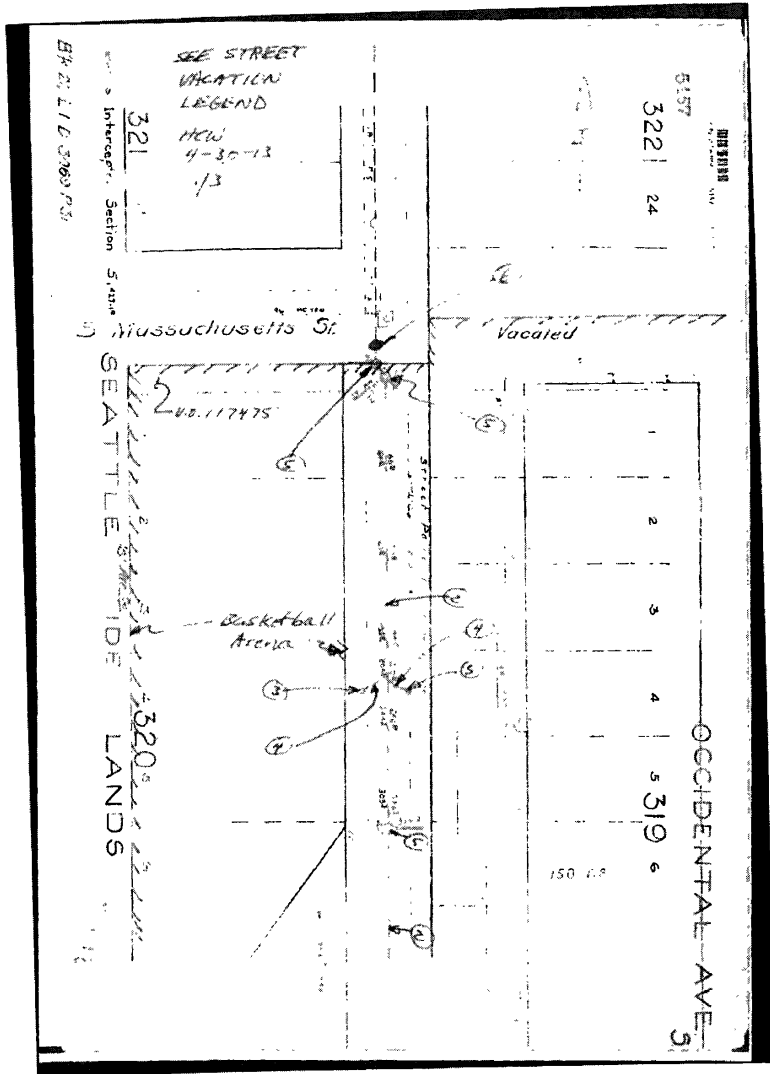
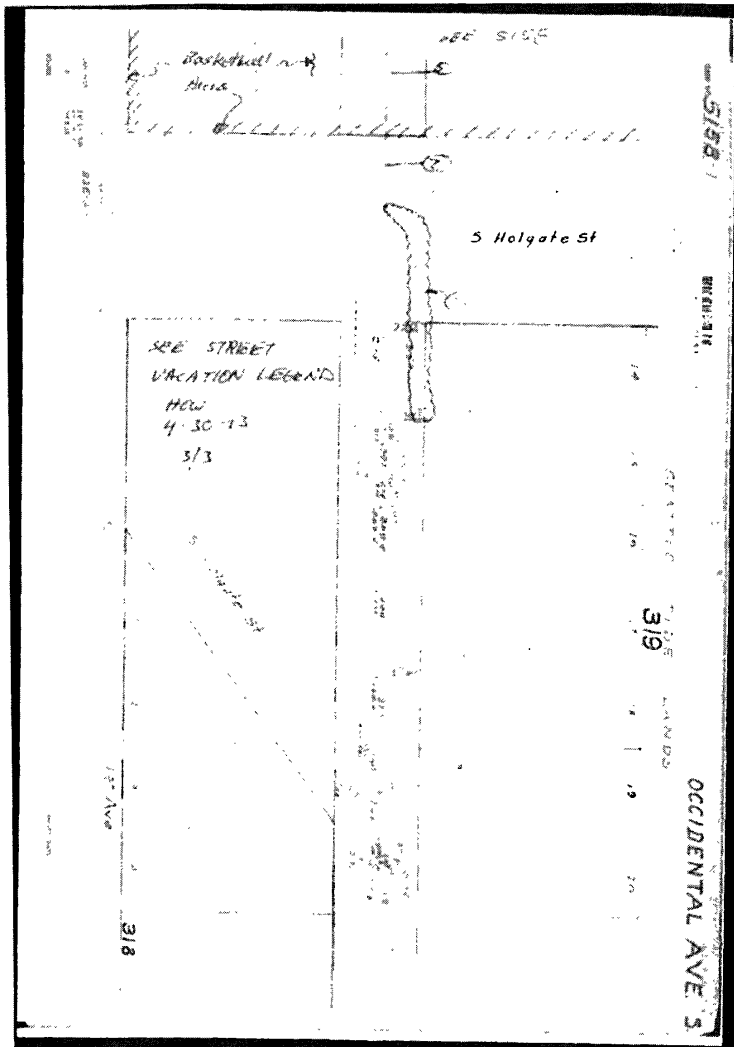


Exhibit "B"



September 30, 2013

Mr. John Shaw
Department of Planning and Development
City of Seattle
700 5th Ave, Suite 2000
PO Box 34019
Seattle, WA 98124

Dear Mr. Shaw,

I am writing on behalf of the Washington State Department of Transportation with our comments on the City's Environmental Impact Statement for the Proposed Seattle Sports Arena.

The transportation analysis within the EIS has been responsive to our scoping comments on the matter. However, the document does not specify a commitment to mitigation actions, nor does it identify the funding source.

A substantial level of public investment in transportation infrastructure and services has been made in and around the SODO site as well as the Seattle Center sites and it is important to preserve the functionality of these investments. Should you decide to move forward with one of the proposed action alternatives for a new arena, then the final proposal must commit the city and/or arena operator to the following transportation mitigation actions:

- Event Scheduling Protocol/Transportation Management Plan
- Directional Signing Enhancements
- Adaptive Traffic Management Infrastructure

Event Scheduling Protocol/Transportation Management Plan

It is imperative that the city and three Stadium District venues commit to the Event Scheduling Protocol and Management strategy described in the EIS. In addition to effective event management, we request the Transportation Management Plan include the following key areas at a minimum: a demand management target for arena patrons; the approach to intersection control – both manual (i.e. uniformed officers) and signal operations planning; the approach to safe pedestrian travel – particularly near railroad crossings; the variable message sign and driver information plan; and the public information and coordination plan.

Washington State Department of Transportation

1. The Appendix E of the FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (Section 4.0 of Appendix E). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.
2. These recommendations for TMP conditions may be considered by the City when substantive decisions are made for the proposed project. The City cannot require third parties to abide by requirements as a condition of approvals for the applicant.

Mr. John Shaw
September 30, 2013
Page 2

Directional Signing Enhancements

The EIS notes adding directional signage to guide drivers to the arena location. While not specifically mentioned, we presume signing on Interstate 5 would be desired but remaining space for additional signing on I-5 is limited to non-existent, regardless of whether the Seattle Center or SODO location is selected as the arena site. For any of the arena site locations, our position is that with special event facilities already in place, the signing approach will need to be to consolidate and simplify the signing scheme. In the case of Seattle Center sites it would be to primarily rely on the signing for Seattle Center; in the case of the SODO location it would require using the "Stadium District" designation as the key signing message. Any signing revisions and additions must be funded by the proponent.

Adaptive Traffic Management Infrastructure

As we noted in our scoping letter, adaptive traffic management strategies are an important component for reducing the effects of special events on the transportation system. The EIS includes identifying the potential for these systems on city arterials and for parking management. However, as the EIS analysis shows and as we see currently, a large proportion of special event patrons are arriving via I-5 and I-90, often inducing congestion on the sections approaching the Stadium District. Therefore, as we have previously indicated, adaptive traffic management strategy investments on I-5 and I-90 should be funded as part of the arena mitigation plan. Should the SODO site be selected, these strategies should be tailored to minimizing effects to freight movements and to traffic bound to or from Colman Dock, while facilitating the efficient movement of event goers.

Should you have any questions about our comments, please do not hesitate to contact me at (206) 440-4706.

Sincerely,

Lorena Eng, P.E.
Northwest Region Administrator
Washington State Department of Transportation

LEE/ml/th

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3. Section 4 of Appendix E Transportation includes Directional (Dynamic / Static) Event Signage. Directional signage between the freeway and other limited access facilities will be revised to incorporate the Arena. For Alternatives 2 and 3, this would complement the existing signage that currently exists for CenturyLink Field and Safeco Field and for Alternatives 4 and 5, it would further integrate with the Seattle Center signing. There is not currently a proposal to add signage to I-5.

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4. See Section 4 of Appendix E Transportation for a summary of mitigation measures for traffic. In addition to measures designed to reduce the number of people who drive alone to the Arena, measures include directional (dynamic/static) event signage, parking guidance signage, SDOT Traffic Control Center improvements, signal system upgrades, and a pro-rata contribution to a grade separated crossing at Lander Street.

STATE REPRESENTATIVE
4TH LEGISLATIVE DISTRICT
JUDY CLIBBORN

State of
Washington
House of
Representatives



TRANSPORTATION
CHAIR
HEALTH CARE &
WELLNESS

State of Washington House of Representatives

1. Comment noted
2. The Draft and Final Environmental Impact Statement (EIS) include a detailed analysis of potential impacts on the Port of Seattle and other businesses, including economics and transportation. The EIS includes a list of potential mitigation measures. If this project is approved, permits would include specific conditions that must be met prior to opening.
3. Comment noted

September 27, 2013

City of Seattle, Dept. of Planning and Development
Attn: John Shaw, Senior Transportation Planner
700 5th Ave, Suite 2000
P.O. Box 34019
Seattle, WA 98124-4019

Via e-mail: John.Shaw@Seattle.Gov

Dear Mr. Shaw:

I am providing the following comments on the Draft Environmental Impact Statement (DEIS) for the proposed Seattle sports and entertainment arena.

As Chair of the Washington State House of Representative's Transportation Committee, I see the critical role played by the Port of Seattle and the Duwamish manufacturing-industrial center to a strong Washington State economy. This industrial crossroads connects trade, manufacturing and transportation interests that directly contribute to Washington's economy and help make us the nation's leading exporting state, with 40 percent of our jobs tied to trade.

The State of Washington has a significant stake in the future of the Duwamish and SoDo area. The state is investing more than \$3 billion in the Alaskan Way Viaduct Replacement program, in addition to nearly \$200 million for the SR 519 connections to Seattle's waterfront. We are making these investments because we know these projects and others will speed the movement of freight and increase our state's competitive position in the global marketplace.

The City of Seattle, the Port and Washington State should be working together closely to promote and expand our manufacturing and industrial base, which will create new jobs and economic opportunity for all our citizens across the state.

The City of Seattle and the project proponents must thoroughly examine the potential impacts of the proposed sports and entertainment arena on the Port of Seattle and related businesses. This impact goes well beyond the city limits and affects businesses and employers everywhere. The City should carefully consider the potential that new sports and entertainment development will create traffic congestion and other conflicts with established maritime and industrial activities. The EIS should identify potential mitigation and necessary funding for these improvements.

Our state's deep-water ports are irreplaceable assets for the creation of stable, family-wage jobs that sustain our economy. I urge the City of Seattle, as it moves forward with review of the arena development, to ensure that the maritime and industrial sectors can continue to grow and support a strong Washington economy.

LEGISLATIVE OFFICE: 415 JOHN L. OBRIEN BUILDING • PO BOX 40600, OLYMPIA, WA 98504-0600 • 360-786-7926
E-MAIL: Judy.Clibborn@leg.wa.gov

TOLL-FREE LEGISLATIVE HOTLINE: 1-800-562-6000 • TDD: 1-800-635-0993 • www.leg.wa.gov

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STATE REPRESENTATIVE
41ST LEGISLATIVE DISTRICT
JUDY CLIBBORN

State of
Washington
House of
Representatives



TRANSPORTATION
CHAIR
HEALTH CARE &
WELLNESS

Respectfully,

A handwritten signature in cursive script that reads "Judy Clibborn".

Judy Clibborn
Representative, 41ST LD
Chair, House Transportation Committee

LEGISLATIVE OFFICE: 415 JOHN L. O'BRIEN BUILDING • PO BOX 40600, OLYMPIA, WA 98504-0600 • 360-786-7926
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TOLL-FREE LEGISLATIVE HOTLINE: 1-800-562-6000 • TDD: 1-800-635-9993 • www.leg.wa.gov

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September 30, 2013

Emailed to john.shaw@seattle.gov

Mr. John Shaw, Senior Transportation Planner
City of Seattle Department of Planning and Development
Seattle Municipal Tower, 700 5th Avenue, Suite 2000
PO Box 34019
Seattle, WA 98124-4019

Re: DPD Project #3014195
Comments on Draft EIS from Washington State Public Stadium Authority and
First & Goal Inc.

Dear Mr. Shaw:

The Washington State Public Stadium Authority (PSA) and First & Goal Inc. (FGI) appreciate this opportunity to comment on the Draft Environmental Impact Statement (DEIS) for the proposed Seattle Arena. The PSA is the public agency that owns CenturyLink Field and Event Center (CenturyLink). PSA is charged with being the steward for and protecting the public's \$430 million facility. FGI is the master lessee of CenturyLink from PSA and operates the facilities. Both PSA and FGI take very seriously their stewardship of the public investment in CenturyLink.

CenturyLink is located immediately north of Safeco Field and just a few blocks north of the applicant's proposed location for the new Arena at 1700 1st Avenue South. CenturyLink holds events almost daily throughout the year. The Stadium accommodates the National Football League's Seattle Seahawks, Major League Soccer's Seattle Sounders FC, and a variety of other professional and amateur sporting events throughout the year. The Event Center accommodates the region's major consumer shows, including the Auto Show, the Boat Show, the Home Show, the RV Show, and similar large scale events. In addition, CenturyLink hosts numerous concerts and public festivals through the year.

PSA and FGI support efforts to bring National Basketball Association basketball back to Seattle and to bring a National Hockey League team to Seattle. PSA and FGI also support the development of a vital Stadium District. Together with the Washington State Major League Baseball Stadium Public Facilities District ("PFDD"), which owns Safeco Field, the PSA, working with FGI, adopted a Stadium District Concept Plan. That Plan envisions increased open space, enhanced pedestrian and bicycle connections to transit and to the Waterfront, and the creation of

Washington State Public Stadium Authority and First & Goal Incorporated

1. Comment noted. See response to each item below.

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Mr. John Shaw
September 30, 2013

a vibrant community in the Stadium District. The proposed Seattle Arena could become an important element of the Stadium District if properly oriented to the other stadiums in the area, transit, and the waterfront to the north of the proposed South Downtown site.

As we noted in our comments regarding the scoping of the EIS, the City's study of the proposed Arena plan is an opportunity to address the parking and transportation issues in the South Downtown area so that the Stadium District area can become a vital and successful area for Seattle and the region. We offer these comments in the hope that the City's environmental review process can help develop practical and realistic strategies for the transportation and parking issues in the South Downtown area. The DEIS is a first step, but needs more specific and detailed information regarding the Arena proposal and much specificity regarding how the City and project proponent intend to address and resolve the impacts disclosed in the DEIS. Accordingly, we request that the City respond directly to each of the issues raised in this comment letter and integrate those responses into the Final EIS.

A. The EIS Should Acknowledge CenturyLink and Safeco Field as Pre-Existing Conditions.

Much of the DEIS is focused around the interaction between the proposed new Arena and the existing CenturyLink Field and Safeco Field, as well as the surrounding neighborhoods. In particular, there is significant emphasis on and assumption that the facilities will all work cooperatively to resolve numerous impacts identified in the DEIS. While the PSA and FGI support efforts to bring NBA basketball and NHL hockey to Seattle as stated above, we are committed to preserving the successful operation of CenturyLink. We recall the numerous and expensive conditions placed on CenturyLink as part of its permitting and SEPA review processes, and note that any new impacts or mitigation identified in the DEIS result from the Arena proposal, rather than our existing facilities. Consequently, while we acknowledge that many of the solutions to impact issues will require participation by the PSA and FGI, we ask that the City remember the significant mitigation already provided by the PSA and FGI, and require the Arena to bear the burden of mitigating the impacts identified in the DEIS. The Arena should bear its share and provide mitigation on par with that previously required of CenturyLink and Safeco.

B. The EIS Should Review a More Realistic Multiple Event Scenario.

The various multiple event scenarios in the DEIS are not explained or justified. In our estimation, much of the discussion of multiple events is unrealistic. In particular, it is unrealistic to think that an Arena with two more professional sports leagues and multiple concert events can be located in SODO and not have conflicting schedules. The City's current model assumes that the different venues can simply reschedule games that are close in time to each other. That is not the economic reality of professional sports, because the television networks, under their contracts with the professional sports leagues, often dictate the precise time when each game starts. To have a vital Stadium District that will work for all of the professional sports venues and for the City, the City needs to recognize that economic and practical reality and require a multiple event strategy and agreement that is realistic. Further, the economic viability of CenturyLink Field and

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2. See Common Response #5 Mitigation Measures
3. The evaluation of the proposed Arena does not assume that venues would be able to reschedule events. Instead three event cases are evaluated for each Action Alternative including an Arena event only (Case S1), an Arena event and another sporting event (Case S2 - Arena and Mariners game), and an Arena event, Mariners game, and Event Center event (Case S3) (see Appendix E, Section 2.0). Given the potential variability in attendance and capacity of nearby facilities, the FEIS analysis provides a revised Case S3 to reflect a combined attendance of 72,500. This analysis has been updated throughout the report addressing all transportation elements previously evaluated in the DEIS. The results are similar to the previous Case S3 evaluation, as a relatively minor increase in peak hour trip generation is anticipated.

As noted in the comment, the DEIS assumed parking in the Safeco Field and Century Field parking areas was available. The FEIS includes a sensitivity analysis (Appendix E, Section 2.8.4.3) that documents the parking impacts of the proposed arena assuming that parking at these facilities are not available for users of the arena (Arena Only Scenarios). If these facilities were not available there would be approximately 4,500 fewer parking spaces within the study area (see Appendix E, Section 2.8) . A review of both weekday and weekend conditions shows without these parking facilities there would be further reliance on the expanded study area (i.e., the CBD).

For the multiple event scenarios that include an attendance of 72,500, traffic associated with Safeco Field was assigned to the Safeco Field and Century Link Field facilities as is the case today.

Mr. John Shaw
September 30, 2013

Event Center and our continued ability to contribute a portion of Event Center profits to the State Common School Fund depend on our ability to schedule events *in addition to* sports games. Thus, it is critical to the success of our existing facilities that we continue to be able to schedule myriad events throughout the year without being hampered by the new proposed Arena.

The maximum multiple events scenario analyzed in the DEIS includes up to 65,500 projected attendees. Considering the capacities of the existing facilities and our known past experiences, the Final EIS should study a scenario that assumes a greater combined total of 70,000 to 72,000 projected attendees *at multiple events over all venues*. The PSA's and FGI's prior analysis and experience with handling multiple events show that this number of fans coming to the several venues can be accommodated in the Stadium District with appropriate planning and coordination. Our experience has also shown that our fans are very flexible. If we give them adequate information in advance about traffic and parking issues, they will change their arrival times or modes of arrival at events to accommodate traffic and parking demand and capacity. Not every event is a sellout and the people managing the venues are quite good at projecting their attendance figures, so a cumulative attendance total in the 70,000-72,000 attendee range would be exceeded only a small percentage of the time. Scheduling for that small percentage of overall events can be worked out among the different venues, which have shown an ability to cooperate well in the past, provided that appropriate agreements on parking and transportation management are in place.

Further, the suggestion in the DEIS that the Arena can use existing parking facilities, such as the PFD/Safeco Field garage or the PSA/CenturyLink garage, for shared parking during Arena events is unrealistic under present City regulations and present agreements between those agencies. The PSA and FGI fully support shared parking scenarios, but any suggestion of shared parking in the Final EIS must be supported with new agreements between all the sports stadia in the Stadium District. Under current conditions, the PFD/Safeco garage is allocated by covenant to PSA/CenturyLink for major events at CenturyLink. Similarly, the PSA/CenturyLink garage is allocated by covenant to PFD/Safeco for major events at Safeco Field. Given the number of events at Safeco and CenturyLink covered by those covenant parking arrangements, and the City's parking ordinance applicable to the Arena (requiring Arena parking to be in place at least three hours before start of any event), it is not realistic to assume that shared parking is possible with the Arena without major new agreements among all the parties. If the City's Final EIS is going to assume any shared parking scenarios, that type of agreement must be in place prior to the completion of the Final EIS.

The PSA and FGI recognize that no single party can fully resolve the issues surrounding multiple events in the Stadium District. It will take all parties working together, as well as the City playing an important facilitating and regulatory role. But however it occurs, the issue of multiple events scheduling must be resolved before the City finalizes the Final EIS, and certainly before the City makes any decisions on the related permits or transaction documents.

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Cont.

Mr. John Shaw
September 30, 2013

C. Impacts to Public Services Are Not Adequately Described in the DEIS.

The analysis and conclusions in the DEIS regarding the availability and adequacy of police/traffic control officers during multiple events is unsupported. The manual traffic control before and after events is currently an overtime function of the Seattle Police Department (SPD). In our experience, this SPD function is currently stretched extremely thin, especially in summer and holiday seasons. There are not enough officers, especially during busy seasons currently, much less enough experienced traffic officers, to meet current demand. The addition of the Arena venue with two professional leagues and multiple concert dates is likely to push the current system to the breaking point.

As with the issues of multiple events in the Stadium District, no single party can solve this impact by themselves. The City needs to require the Arena to work with other venues and the City to explore potential new models for manual traffic control, such as a dedicated traffic squad within the SPD. This type of arrangement has worked well in other cities. We recognize there are funding issues, but there are significant costs associated with the current system as well, and the current system will likely not withstand the strain of the added events from two new leagues plus the other events at the new Arena. All parties need to work together to find a better solution, and the City should require a timely resolution of the problem as part of the Final EIS.

D. The City's Environmental Review Cannot Be Meaningful Without Identifying Where Event Parking Will Be Located.

It is not possible to determine the Arena's impacts on parking, traffic volumes and operations, and pedestrian access without information about the specific location(s) of the parking required for the proposed Arena. This issue needs to be resolved in the Final EIS. The City must know where the parking for Arena attendees will be located, especially the required parking, to consider any meaningful traffic control plan and to design any meaningful solution for pedestrians, especially along S. Holgate Street.

In our meetings with the City about the Arena proposal, staff has said that the Arena proponent has not told them where the parking will be located, so they could not analyze it. That is a legally inadequate response to such an important issue. If an applicant has not supplied sufficient information to reasonably assess alternatives and impacts, the City has the duty to require further information. SMC 25.05.100. The City's SEPA Ordinance also requires the City to fill any gaps in information about significant impacts. SMC 25.05.080. If that information is truly unknowable or the costs of obtaining are exorbitant, the City should proceed only if it indicates the worst case analysis and the likelihood of its occurrence.

A revised parking analysis in the Final EIS, after determining the location of the Arena's required parking (or at least the most likely sites), should consider the following:

- Consider a higher multiple events attendance number based on projected attendance as described above (70,000-72,000 attendees).

4. See Common Response #13 Adaptive Traffic Control

5. The FEIS presents an analysis of the parking demand for SEPA disclosure (Appendix E, Section 2.8). The analysis of compliance with Land Use Code requirements for parking will be made during DPD's review of the MUP application based on size of the final design.

FEIS provides an analysis with and without the use of the Safeco Field and Century Link parking garages (Appendix E, Section 2.8.4.3).

FEIS has also been revised to present two scenarios in which the parking demand can be met, through 1) agreements with owners of existing parking facilities, or 2) the South Warehouse site.

The South Warehouse site parking is presented as a revised parking sensitivity analysis for a garage located on the south side of Holgate Street, located between the BNSF tracks and Occidental Avenue. The results of the sensitivity analysis are presented in the same manner as the DEIS (see Appendix E, Table 2-44).

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- Recognize that pre-assigned parking will reduce traffic impacts by reducing the amount people drive around the area looking for an available space.
- Recognize that, absent new agreements between all the venues in the Stadium District, the Arena's use of the PFD/Safeco garage or the PSA/CenturyLink garage to meet parking requirements and/or demand is unrealistic.
- Eliminate the assumption that Arena attendees will park in the north end of the Central Business District to attend events at the Arena, as this is unrealistic especially during the evening in winter months when most NBA games are played.

The City's parking assumptions must also take into account the existing City regulations for new spectator sports facilities in the Stadium Transition Area Overlay District (STAOD) and nearby IG zones. While the DEIS correctly assumes that some parking in the area of the Arena site will be developed in the future, the existing City regulations probably make it impossible for that parking to serve the Arena. (The Arena proposal does not provide any parking of its own and the proposal does not call for any amendments to the Seattle Land Use Code regulations for the STAOD or the IG zone.) In the IG zone, principal use parking is prohibited, so parking not owned and operated by the Arena could not serve the Arena. SMC 23.50.012. The sole exception is parking developed by another spectator sports facility, but as discussed above, the PFD/Safeco garage and the PSA/CenturyLink garage are infeasible given existing agreements and the times during which the Arena would have to have that parking established under the Land Use Code. A spectator sports facility such as the Arena in the STAOD can build its own required parking, but nonrequired parking may only be reserved outside the STAOD, and only if owned/operated by the Arena and only within a restricted area. SMC 23.74.008 (n.1).

Taken together, and given that the Arena proponent does not propose to develop any parking, these existing regulations provide rather strict limits on what nearby parking can serve the Arena. The DEIS did not take this into account. The FEIS needs to factor this into the parking analysis for the proposed Arena, provide concrete information regarding where parking will be located, and integrate this information into the transportation analysis include with the Final EIS.

E. Possible Mitigation Measures in the DEIS Are Not Adequately Detailed and a Multiple Events Agreement Should Be Part of the Final EIS.

As noted above, the mitigation measures required of the Arena should be on a par with the requirements imposed on Safeco Field and CenturyLink. Our earlier letter to Ms. Moira Gray of SDOT regarding the street vacation lays out many of these measures. As currently drafted, the DEIS mentions numerous potential mitigation measures, but many of the measures are vague and conceptual. As part of the FEIS, the City needs to specify (1) the details of all required mitigation measures, and (2) the timing of such mitigation measures (date by which it must be completed and consequences if they are not). For each mitigation measure required of the PSA and/or PFD of their facilities, we request that the City provide an explanation of whether and how the City will require the Arena to provide comparable mitigation measures for its facility.

For example (but not by way of limitation), the Arena should be subject to the same Transportation Management Plan (TMP) requirements as the other two venues. The details of

6. See Common Response #5 Mitigation Measures, Common Response #6 Mitigation Measures – Traffic, and Common Response #10 Street Vacation Policies.

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that TMP should be provided with the Final EIS. Further, in connection with the TMP, the Arena should be required to pay for traffic control and parking enforcement during all events. The Arena should also be required to pay for or do post-event cleanup, which should extend into SODO, Pioneer Square, and Chinatown-International District as appropriate. Similarly, more detail about the Construction Management Plan needs to be included in the Final EIS, and should specifically commit the Arena to coordinating with Safeco Field and CenturyLink to minimize construction traffic and street closures that impact the operation of both facilities.

In setting the date for completion of the mitigation measures, the City needs to be careful not to allow major issues to be deferred. In particular, all affected parties and the City need to understand how the various sports facilities will handle multiple events before the City approves any permits for the new Arena. The DEIS rather cavalierly assumes that a multiple events agreement will resolve many of the potential impacts of the Arena without knowing any of the likely contents of that agreement. For example, in its discussion of the street vacation, the DEIS states "an events agreement would be crafted to assure that the use of the drive would be available during all appropriate event and activity times for Safeco Field operations." (p. 3.8-120).

The Memorandum of Agreement between the Arena proponent and the City and King County contemplates a new multiple events agreement. But without any details regarding the terms or timing of that agreement, the City's environmental review is inadequate because neither the impacts of the new Arena, nor the potential mitigation for those impacts, is knowable. This is an issue of vital importance that the City cannot just kick down the road. The PSA and FGI have reached out to all parties and are willing to work on this critical issue. Since the City is relying on such an agreement in its environmental review, that issue needs to be addressed before the City issues the Final EIS, much less the Master Use Permit, for the new Arena.

F. Important Pedestrian Mitigation Measures Are Missing.

As pointed out above, the Final EIS must determine where Arena parking will be located before impacts can be meaningfully assessed in a project-specific review and before most mitigation measures can be meaningfully designed. There are also several mitigation measures that should be included whatever the result of the parking location:

- Construction of new or expanded sidewalks improving pedestrian access and connecting the Arena to proposed parking locations.
- Street lighting enhancements on routes to and from the Arena should be improved and to and from parking areas.
- The Arena should contribute towards a grade-separated east/west link over the railroad tracks to the new Arena. Both Safeco and CenturyLink contributed towards pedestrian bridge projects.
- At-grade, wayfinding should be provided linking the Arena area to the adjacent stadia, to nearby neighborhoods, and to the Central Waterfront in a manner consistent with the Stadium District Concept Plan,

7. See Common Response #6 Mitigation Measures – Traffic and Common Response #7 Mitigation Measures - Pedestrian Access

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We acknowledge that each of these items is called out to some degree in the “Summary of Mitigation” measures for transportation impacts in Appendix E (p 4-6 and 4-7). It is critical, however, that these recommendations become Final EIS conditions. The PSA was required to prepare a Pedestrian Access Plan and then to construct the infrastructure improvements needed to implement that Plan. The Arena should provide comparable mitigation for the impacts generated by its facility.

G. Increased Transportation Capacity Is a Reasonable Mitigation Measure And Must Be Considered.

The DEIS identifies numerous intersections that will fall below LOS E, yet the DEIS does not identify any specific intersection improvements that will mitigate these impacts. The fact that some intersections may degrade to LOS F under the “no action” alternative does not exempt the Arena from mitigating its incremental additional impacts on those intersections. Given the great concentration of traffic south of Royal Brougham, we are surprised that there are absolutely no suggestions for traffic capacity improvements.

Further, the PSA and FGI support implementation of the Intelligent Traffic System suggestions in the DEIS as part of the Final EIS. The PSA and FGI have also had great success in educating its fans on how to avoid problem intersections and problem times and how to plan for a successful trip to the facility. Still, some additional capacity in the way of turning lanes are a reasonable mitigation measure that should be addressed in the Final EIS, especially given that the Arena proposal will eliminate an alternate north-south route on Occidental Ave. S. The City’s SEPA Ordinance requires a discussion of mitigation measures that “could be implemented.” SMC 25.05.440.E.3.c. Capacity improvements clearly could be implemented at a number of intersections, and a discussion of potential capacity improving mitigation measures should be included in the Final EIS.

H. The Land Use Analysis in the Draft EIS Is Incomplete.

The Final EIS should also consider how the Arena proposal can be more consistent with the Stadium District Concept Plan and the Central Waterfront planning process. The Stadium District Concept Plan, in particular, was brought forward by the PFD (the public owner of Safeco Field) and the PSA (the public owner of CenturyLink) – the two public entities that the City is depending on for a multiple events agreement regarding the Arena. An analysis of how the new Arena proposal advances or detracts from the Stadium District Concept Plan is an important step toward creating a multi-party agreement on events, and should be addressed in the Final EIS. In particular, the Stadium District Concept Plan calls for the development of 2,000 new parking spaces to replace those lost through various infrastructure improvements occurring in the surrounding area. This shortfall did not assume the siting of the new Arena in the Stadium District. The parking analysis in the Final EIS needs to recognize and address this known deficiency as a pre-existing condition in the Stadium District.

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- 8. See Common Response #6 Mitigation Measures – Traffic.
- 9. Comment noted. See Common Response #9 Un-adopted Plans and Policies

As stated in the DEIS (p. 3.10-1), an EIS is to include a “summary” of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, “as appropriate.” RCW 36.70B.030.

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Further, there are numerous places in the DEIS where the analysis references impacts to Safeco Field and its operations. In the Final EIS, similar consideration and protection should be made for operations at CenturyLink Field and Event Center.

I. The Final EIS Should Have a More Robust Assessment of Cumulative Impacts.

The DEIS largely reiterates its discussion of the direct and indirect effects of the Arena project under the heading cumulative impacts. The Final EIS needs a cumulative impacts analysis that satisfies the requirements of SMC 25.05.670. We acknowledge that the City cannot predict all future development within the Stadium District or the Duwamish Manufacturing/Industrial Area, but the City does have access to information about pending permits/approvals for the area, information from the Port regarding proposed future development, and information from the Arena developer for its plans for the several properties that it has acquired around the Arena. Further, the City is aware of the zoning capacity of the area and the properties that are ripe for redevelopment. A more robust assessment of cumulative impacts is warranted and required.

Thank you for your consideration of these comments. As mentioned above, the PSA and FGI support the concept of bringing back NBA basketball and bringing NHL hockey to Seattle as part of a vital Stadium District. To do that, however, the City's Final EIS must include more realistic and detailed information and analysis that will allow all parties to reach a solution that works for the Stadium District, for the existing sports venues, and for the Seattle public. Because resolving many of these issues will require the participation of the PSA and FGI, as well as the PFD and Mariners, we anticipate further discussion between the parties before issuance of the Final EIS.

Very Truly Yours,

WASHINGTON STATE PUBLIC
STADIUM AUTHORITY



Ann Kawasaki Romero
Executive Director

FIRST & GOAL INC.



Lance Lopes
Senior Vice President and
General Counsel

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10. The potential impacts from the Arena are primarily related to traffic and transportation impacts. The traffic and transportation analysis (Section 3.8 of the FEIS and Appendix E) include the estimated transportation impacts of known and anticipated development. Also see Common Response #11 Secondary and Cumulative Impacts.

11. See updates to FEIS that include additional analysis on traffic and transportation (Section 3.8 and Appendix E).

Businesses

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Amtrak

1. Comment noted.

TO: John Shaw
Department of Planning and Development
City of Seattle

FROM: Robert Eaton
Government Affairs, Amtrak

DATE: 30 September 2013

RE: Comments on DEIS for Seattle Arena Proposal

Overview

The proposed preferred location (Alternatives 2 and 3) for the Seattle Arena give rise to significant challenges when addressing safety, vehicular congestion, freight mobility, and the operational and economic success of existing business in the SODO region. The proposed location of the Seattle Arena is adjacent, and directly north and west to the Pacific Northwest Divisional Headquarters of Amtrak that includes the operational and maintenance facilities for Amtrak’s two national long distance trains—*Coast Starlight* and *Empire Builder*, the state supported passenger service of Washington and Oregon—Amtrak Cascades, and the maintenance of Sound Transit Sounder commuter trains. There are over a dozen active railroad tracks that are directly to the east of the proposed stadium, and S. Holgate street cuts across this working rail yard (See Attachment 1). Amtrak employs over 300 people at this facility and is operational 24 hours a day each day of the year.

After review of the Draft Environmental Impact Statement (DEIS) for the Seattle Arena, it is the opinion of Amtrak, that this report fails to properly address, analyze, and offer effective mitigation on a number of these issues. In addition, the DEIS fails to consistently represent the proximity of the proposed arena to Amtrak’s tracks/rail yard in text and figures throughout the report—downplaying the serious conflicts between pedestrians, vehicles and trains, both passenger and freight.

The analysis of safety (pedestrian/train, vehicle/train), pedestrian flow, vehicle flow, congestion, freight mobility, economics, arena operations, and impact to rail yard and neighborhood business operations is flawed because the DEIS did not accurately account for North/South train traffic (current and future) along the BNSF mainlines and Amtrak tracks that have at grade intersections with S. Holgate and S. Lander Streets. The DEIS reported that for modeling purposes, 4 passenger trains and 1 freight train was used. The passenger train frequencies: Amtrak Long distance, Amtrak Cascades, and Sound Transit were not accurate and fall short of existing railroad activity in the study area. Mainline, non-revenue train movements (Amtrak Long Distance trains traverse S. Holgate Street a number of times during turn-around and maintenance service) were not included in North/South train traffic analysis. As important, non-mainline, Amtrak yard train movements (that cross S. Holgate and S. Lander Street) were not included in the analysis—there are numerous train

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movements across S. Holgate Street during the day that support the maintenance of train and locomotives. This data must be included to yield an accurate representation of railroad crossing gate closures that impacts safety, vehicular congestion, freight mobility, and the operational and economic success. For complete analysis of the DEIS should have reviewed and modeled the projection of train volumes as reported in the South Holgate Street railway Crossing Closure Traffic Impact Analysis. Seattle Washington (WSDOT, Garry Struthers Associates, 2005, see attachment 2)

Furthermore, the DEIS only used one data point, the 24 hour video recording for coal trains used by the City of Seattle, and does not capture enough data points to accurately represent the railroad operations that affects the closure of S. Holgate Street and other East/West connectors. The daily activity of North/South rail yard activity is numerous and varies based on the daily demands of rail service, especially in the non-peak evening hours when proposed arena events would take place and when a significant portion of the passenger rail fleets are not in service and available for daily and routine maintenance.

The current DEIS does not accurately capture North/South rail traffic and the subsequent impacts on pedestrian flow and safety, vehicular flow and congestion, freight mobility and the economy of business in, and serve, the SODO region As a result, the City of Seattle and DEIS team should be required to: 1) meet with all rail operators in the study area (Amtrak, BNSF, Sound Transit) and obtain correct operational data that shows current and proposed future rail service and the corresponding supporting train movements that impact street closures, and 2) re-analyze the impact of total North/South rail traffic on the concerns mentioned herein, as well as other components within the scope of the DEIS.

Immediate Concerns

The preferred location of the proposed Seattle Arena, even with the incomplete North/South rail traffic analysis, advances a number of immediate concerns for Amtrak-Safety and impact to operations.

Safety. The preferred location is adjacent to an active rail yard, with over a dozen active tracks, and arena operations incorporates the use of S. Holgate Street for East/West transport over the tracks at-grade of pedestrians, vehicles, as well as service and emergency vehicles to support the arena. This approach significantly increases the likelihood of pedestrian/train and vehicle/train conflicts. This is supported by the results of the current, incomplete, DEIS that reports that even with at-grade improvements to S. Holgate Street, the pedestrian demand will far exceed the possible mitigation. With accurate North/South rail traffic analysis on pedestrian flow, the situation will only become worse (a similar conclusion may be drawn for vehicle/train conflicts). The DEIS also fails to bring forward the possible mitigation of a grade separated pedestrian overpass along S. Holgate Street. While reference in the text and in the mitigation tables, this truly effective mitigation is downplayed and deemphasized over at-grade street improvements, which are reported with in the DEIS to ineffective, and temporary pedestrian/vehicle traffic control plans which are not as effective in eliminating conflicts with pedestrian and vehicles that trespass on rail road property. Additionally, Amtrak has concerns for our employees. S. Holgate Street crosses through the Amtrak facility, over multiple, active tracks. Current vehicle and pedestrian traffic (east/west) along S. Holgate Street creates issues with safety as employees and equipment traverse between the north and south ends of the rail yard. The increase of pedestrian and vehicle traffic, as well as the increased number of days of increased conflict due to more events in the area, will add to situation of great concern.

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2. Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2). In addition, the FEIS identifies and evaluates two mitigation options to address the pedestrian-access issues identified in the DEIS (Section 4.0 of Appendix E).

See Common Response #6 Mitigation Measures – Traffic and Common Response #7 Mitigation Measures - Pedestrian Access

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Operations. As noted, S. Holgate Street traverses the Amtrak facility over multiple, active tracks creating a north and south portion of the Amtrak yard, both of which are used continuously throughout each day of the year. In addition to safety concerns, east/west pedestrian and vehicular traffic is in direct conflict with Amtrak operations - impacts to the smooth movement of trains throughout the facility, movement of maintenance personnel and equipment, and vendor vehicles that support and service all trains. These frequent interruptions to operations impacts service delivery and on-time performance, resulting in potential increased costs for Amtrak, our State partners, and our contract service partners. Should the proposed arena be located at the developers preferred location, both alternative 2 and 3, and the resulting increase in both the amount vehicles and pedestrians and frequency of days of increase will negatively impact the operations of the railroad.

Arena operations. Developers of the Seattle Arena have incorporated the use of S. Holgate Street for pedestrian access and egress, vehicle access and traffic flow, and service and emergency vehicle access. The current assumptions regarding operations are not valid based on the incomplete analysis of North/South rail traffic and will only further negatively impact operations with the analysis of all rail traffic that results in the closure of east/west streets, especially S. Holgate Street. The Washington State Department of Transportation did extensive studies on the impact of current and planned, full build out rail service (running north/south) on the rail alignment that is traversed S. Holgate Street, as well as other streets that provide east/west vehicle and pedestrian flow in SODO. Those results show greater duration of closures within each hour for east/west streets throughout the day, both peak and non-peak hours. Again here, the DEIS needs to 1) correctly quantify of all rail movements north and south throughout the study area 2) re-analyze the impacts the closure of east/west streets on the items within the scope of the DEIS, and 3) offer and support appropriate mitigation for each scenario.

Summary

While Amtrak believes that the City (and the communities that make up the city), has the right to determine what is appropriate for the Seattle. Amtrak, as a member of the community and an adjacent neighbor to the proposed project, is compelled to comment on what we see as serious omissions in the DEIS that result in a misrepresentation of the operational reality in the SODO area that gives rise to significant concerns regarding safety, operations, pedestrian and vehicle flow congestion, freight mobility, and economic development. Amtrak has limited its remarks to Safety and Operations with regards to pedestrians and vehicles and the conflicts with train and rail operations. Amtrak will defer to neighbors and community business and agencies that are more closely impacted in the areas of freight mobility and economic development, however we acknowledge that these are negatively impacted by the proposed project and sufficient mitigation has not been addressed or moved forward.

Additionally, Amtrak considers the incomplete accounting, and analysis, of North/South rail traffic on all the components in the scope of DEIS to be a fatal flaw that requires the accurate accounting of rail traffic and yard operations. This should be followed for a re-analysis of the impacts and possible outcomes.

Should the Seattle Arena proposed project move forward, following a revised EIS process, Amtrak supports a comprehensive transportation solution that meets the needs of the Seattle Arena, as well as the needs of the SODO business community, the City, and the State of Washington. For Amtrak,

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3. Comment noted.

4. Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

The FEIS outlines specific mitigation measures intended to mitigate the impacts of the project (Section 4.0 of Appendix E). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvements projects including ITS Next Generation Improvements and the planned Lander Street grade separation. The project will also be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

5. Comment noted.

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this solution would include a grade separated pedestrian/bike overpass along S. Holgate street (or another suitable location), the closure of S. Holgate street to vehicles at the borders of the Amtrak rail yard, and an accompanying east/west grade separated overpass for vehicles (S. Lander Street overpass as included in the City of Seattle's TIP, or another suitable location).

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Specific Comments

Page: iii Under Proposed Action

No additional parking requirements, satisfied by mutual use agreements. No additional spots created unless agreements cannot be secured. This adds to congestion of an already constrained area

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Page: Summary Section 1.2 Site and vicinity

Rail road operations are not included in the description of the area. The Amtrak PNW Headquarters and maintenance facility are directly adjacent to the project. Rail activity is not of similar use to others in the area

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Page: Summary Section 1.5 Significant Areas of Controversy and Uncertainty

What about the adverse impact of increased traffic and congestion on economic developments, rail operations and service delivery of the railroads (Amtrak and BNSF)

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Page: 1.10. Environmental impacts, Alt 2 proposal

How would construction impact daily railroad operations? No consideration mentioned

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Page: 1-10. Table 1. Transportation operations – Street Systems

Removal of all drive way along S. Holgate Street? Not possible, some in use by Amtrak

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Page: 1-14 table 1. Operations – Public Transportation

Only 14% will travel to/from event on all transit modes?

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Page: 1-15 table 1. Operations – Public Transportation

All transit modes are east of Amtrak facility and will add to pedestrian east west traffic through the yard. Increasing the pedestrian/train conflict and negatively impacting safety

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Page: 1-19 table 1. Operations – Pedestrians S Holgate Street

Conflicts between pedestrians and trains will increase. Also conflicts between pedestrians and railroad operations would increase

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Page: 1-20 table 1. Operations – Pedestrians. S Holgate Street

All points under this header support the challenging issue of pedestrian handling and safety if the stadium is built in the proposed location. While the study does point out the significant challenges on this issue, it fails to incorporate required mitigations in the final table summary that the developer must address, either in full or in part, with other agencies

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Page: 1-21 Operations – Bicycle

Bicycle volume is stated to be low. Subjective, please define.

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6. The FEIS presents the demand based analysis for SEPA purposes (see Appendix E, Section 2.8). Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E, Section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases, it would become more difficult to find parking in the area and the reliance on parking further from the site would increase.
7. The FEIS is revised to include an expanded description of the rail facilities in the vicinity of the project (Appendix E, Section 2.7.2.1).
8. See Economic analysis for impact on economic development. Increased traffic congestion is addressed in Section 3.8 and in Appendix E.
9. A construction management plan will be required and coordinated with impacted property owners as needed.
10. Alternatives 2 and 3 would remove all driveways along the 1st Avenue S and S Holgate Street frontages. The project would not remove “all” driveways along S Holgate, just the driveways along the project frontage and property lines.
11. Mode split assumptions were based on data from the 1997 Washington State Public Facilities District Mariner Fan Survey from the Appendix M 1a of the Football/Soccer Stadium EIS and consideration of the transit system. The available data indicates an 12-14 percent transit mode split depending on the horizon year.
12. The FEIS includes an analysis of the Holgate Street rail crossing, including a review of pedestrian and vehicular impacts (Sections 2.3).
See Common Response #7 Mitigation Measures - Pedestrian Access.
13. Comment noted. See Common Response #7 Mitigation Measures - Pedestrian Access
14. See common Response #6 Mitigation Measures – Traffic.
15. Appendix E Section 2.4 provides additional detail on bicycle volume.

Page: 1-26 Table 1 Operations – Freight and Goods Stadium District. Alt 2

Travel times. Is increase of 1.25 to 8 mins an additional increase above the increase in the no action case?

The study mentions in paragraph 3 of the Alt 2 column that in general travel time routes will increase as a result of Arena Traffic. Question?? Does this model account for the planned increases in rail traffic (Freight and Passenger) north and south along the BNSF mainlines? How does the model handle non-revenue movements of trains across S. Holgate Street under current and planned growth conditions?

Page: 1-34 Table 1 Operations- Safety Alt 2

The analysis in this section of the document demonstrates that mitigations (sidewalk widening) to address pedestrian volumes are unable to handle pedestrian volumes generated by events. This observation needs to be carried forward and stronger in the final summary. The consideration of a grade separated pedestrian bridge is referenced in table 1 of the main section but is not included in the mitigation table in Appendix E

Page: 1-39 Table 1 Operations – Transportation Police

The study fails to acknowledge the potential for an increase of railroad property trespass, and at-grade crossing violations if grade separated over pass is not required

Page: 1-45 Table 1 Operations Transportation – Event Management Alt 2 and 3

Railroad Protocols if S. Holgate Street is not closed and a grade separated pedestrian overpass is not constructed? While the application needs to address Port of Seattle Protocols, the applicant should need to address and mitigate the pedestrian/train conflicts that will be increase as event attendees cross through the active rail yard

Page: 1-46 Table 1 Operations Transportation – Transit

Subsidized transit fares would result in an increased of pedestrian east/west traffic across S. Holgate Street and through the rail yard. The study currently reports that S. Holgate Street is unable to handle pedestrian volumes with improvements is the arena is built. Did the study look at the impact of increase pedestrian volumes resulting from reduced fares and further pedestrian congestion/handling issues? If so, what are the results of that analysis?

Page: 1-47 Table 1 Operations Transportation – Pedestrians Alt 2 and 3

Use permanent improvements to address pedestrian safety and congestion impacts-- do not rely on additional personnel and programs. The study reports that even with widening the sidewalks, there would not be enough buffer to handle the pedestrian volume. Move consideration of grade separated pedestrian over pass to the first option.

Page: 1-49 Table 1 Operations Transportation - Capacity and Safety

Arena could mitigate the impacts to congestion and safety by participating in improvements that include pedestrian/bike grade separation at Holgate, closure of Holgate, and assist with other improvements to maintain east/west traffic to the Port that is important to the regional economy

16. Increased stated is relative to the No Action.

17. The DEIS analysis reflected anticipated increases in both mainline and non-revenue rail movements. The FEIS reflects an updated existing and forecast rail traffic volumes based on additional rail observations and coordination with City staff. Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

18. See Common Response #6 Mitigation Measures – Traffic and Common Response #7 Mitigation Measures - Pedestrian Access

19. See Common Response #7 Mitigation Measures - Pedestrian Access

20. See Common Response #7 Mitigation Measures - Pedestrian Access

21. The pedestrian analysis evaluated post-event conditions when all event attendees would be pedestrians. Reduced transit fares would not impact this evaluation.

22. See Common Response #7 Mitigation Measures - Pedestrian Access.

23. The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (Appendix E, Section 4.0). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

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Page: 1-50 Table 1 Operations Transportation Parking – On Street

Do not rely on existing parking (on-street or facility); require the Arena to provide additional parking

Page: 1-51 Table 1 Operations Transportation – Vehicle Traffic

North South Connection on east side of proposed location. Alt 2 and 3 will increase vehicular traffic immediately adjacent to the tracks on S. Holgate Street, resulting in an increase east/west traffic across the tracks-increasing vehicular/train and rail yard operation—negatively impacting safety. Failure to mitigate with a comprehensive transportation solution, including the permanent closure of S. Holgate Street, will only maintain and increase congestion, mobility, and safety issues at this location

Page 1-51 Operations Transportation – Vehicle Traffic

Using this connection as emergency access is not operational feasible. The variability and increased street closures due to north/south rail traffic does not allow for a safe, reliable and predictable operations plan

Page: 1-54 table 1-3 Land use / Transportation sections

Reported in the study, sand outside the stadium overlay area would change. What happens to the need for industrial and manufacturing land for the region’s economy, current operations of a diverse work and employment base, and businesses that support the Port of Seattle’s business and operations? The study does not address the need to preserve and/or increase existing business/use of the SODO area. The DIES fails to recognize how alt 2 and 3 would impact people who are working in SODO during events and the delay to employees and service deliveries to local places of work. Also, the study does not address delays to rail yard activities, due to pedestrian and vehicular congestion, impacting service delivery to Amtrak business including National Long distance trains, State supported Amtrak Cascades Service, and Sound Transit Sounder Commuter service that contracts with Amtrak for maintenance of the fleet

Page: 1-55 table 1-3 Transportation section

Cumulative Impacts for Alt 2 and 3. Regional and stated planned increases in Light Rail and intercity passenger rail traffic, as well as the non-revenue rail yard operation movements, associated with rail support, will be impacted by increased pedestrians and vehicular traffic by causing delays to service delivery and work productivity since S. Holgate Street, and the increased congestion, goes through the middle of the Amtrak facility at grade

Page: 1-57 Table 1-4 Transportation

Traffic operations, Alt 2 and 3, LOS is at E or F. Arena event traffic will result in an increase of traffic volume, delays and congestion. This is a direct conflict with, and significant negative impact to existing business operations in SODO

Page: Figure 2.1 Section 2.2 Site and Site Vicinity

Site map shown goes through half of parking lot that is under railroad control. This is inconsistent with previous versions. Please correct to show actual project limits

Page: 2-4 Section 2.4.2 Operation

The 139 events listed do not including NHL Hockey events. What is projected number of events?

24

24. The FEIS presents the demand based analysis for SEPA purposes (see Appendix E, Section 2.8). Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E, Section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases, it would become more difficult to find parking in the area and the reliance on parking further from the site would increase.

25

25. The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (Appendix E, Section 4.0). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

26

26. The north-south connection on the east side of the proposed Arena would accommodate emergency access to the Safeco Field and the proposed arena.

27

27. Traffic and transportation impacts to people going through the SoDo area on all forms of transportation are discussed in Section 3.8 and Appendix E of the FEIS. The Economic Impact Analysis (Appendix F of the FEIS) includes an analysis of the economic impacts to freight mobility for both Port and non-Port businesses. The Economic Impact Analysis also includes a discussion of land use trends in the SoDo and Queen Anne areas of Seattle.

28

28. Your comment is noted.

29

29. Your comment is noted.

30

30. The figures depicting the SoDo site have been revised to correct the site boundary.

31

31. NHL Hockey events are considered as part of the event case analysis in the DEIS. Additional information is provided in Appendix E Figure 1-3 (Appendix E, Section 1.3.1.2) and Table 1-1 and 1-2 (Appendix E, Section 1.3.1.3) consideration was given to 40 NHL games and the potential for 6 playoff games.

Page: 3.6-1 Section 3.6 Land Use, 3.6.11 Affected Environment

The EIS does not acknowledge on the change of use and gentrification of the area. The port and the MIC are both concerned about the loss of zoned land that supports shipping and manufacturing. Additionally, reduction of light industrial could impact current future business that supports the railroad industry

In the “Greater Duwamish Manufacturing and Industrial Center (MIC) / South Downtown “ section, the report fails to recognize and mention the two major rail yards in the area (BNSF yard and Amtrak facility.

Page: 3.6-5 Section 3.6.1.3 Impacts of Alternatives 2 and 3 Operation

The report states that “there would be no direct impacts to surrounding land uses as existing land use would remain adjacent to the site”. The arena proponents have spoken about improvements to the immediate area/business that supports the stadium district. This is in conflict with what is report herein

Question? Is an arena and associated uses consistent with an existing rail yard and operations. The placement of the proposed arena adjacent to and existing non-compatible use raises significant safety and operation concerns inherent conflict??

Commercial development outside of, and directly adjacent to, the overlay district results in conflicts with manufacturing and industrial uses

Page: 3.8-1 Section 3.8 Transportation, Sub Section 3.8.1 Introduction

The area description does not mention the Amtrak facility. To the east, directly adjacent, lies the Amtrak Northwest divisional facility that support's the state supported Amtrak Cascade service, Amtrak long distance service, and Sound transit commuter service

Page: 3.8-1 Section 3.8 Transportation Figure 3.8.1

Fails to graphically represent either of the two rail yards in SODO (BNSF and Amtrak). Also note that most, if not all, 3.8-4Figures included in appendix E (Transportation) also fails to represent the rail yards. Inclusion of both rail yards in all figures in mandatory to accurately represent the environment for the proposed project and all of the implications associated with the Arena proposal

Page: 3.8-3 Section 3.8.1.1 Summary of Site Plan Components

New North –South Connection (also commented on Page 75 of Document) North South Connection on east side of proposed location. Alt 2 and 3 will increase vehicular traffic immediately adjacent to the tracks on S. Holgate Street, resulting in an increase east/west traffic across the tracks-increasing vehicular/train and rail yard operation—negatively impacting safety. Failure to mitigate with a comprehensive transportation solution, including the permanent closure of S. Holgate Street, will only maintain and increase congestion, mobility, and safety issues at this location

Page: 3.8-3 Section 3.8.1.2 Horizon Years for Analysis

This section fails to highlighted planned and projected increases in North-South rail traffic both passenger and freight along the rail alignment through the SODO area

32

32. Comment noted. As stated in the DEIS (p. 3.10-1), an EIS is to include a “summary” of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, “as appropriate.” RCW 36.70B.030.

33. Seattle currently has two large stadia, with capacity for crowds larger than proposed for the Arena, directly adjacent to existing rail facilities.

If in the future, there was redevelopment adjacent to the Arena for other entertainment uses, allowed uses would be required to be consistent with land use regulations in place at the time.

34. The FEIS has been revised to include an expanded description of the rail facilities in the vicinity of the project (Appendix E, Section 2.7.2.1).

35. The FEIS / Appendix E figures have been revised to include two rail yards (Figure 2-104, Appendix E, Section 2.7.2.1).

36. The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (Appendix E, Section 4.0). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

Also see Common Response #7 Mitigation Measures - Pedestrian Access.

34

35

36

37. Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

37

Page: 3.8-13 Event Function – Event Traffic Control Plans

Suggested closure of Holgate Street during events. This is problematic. Railroad employees and vendors have been, and would be denied, access to the Amtrak facility negatively impact Amtrak Operations

Page: 3.8-16 Table 3.8-5 Key Study area Transportation projects

While projects have been outlined, planned increases in rail SERVICE both passenger (Amtrak and Sound Transit) and freight have not been clearly highlighted and it cannot be determined whether the above mentioned had been factored into the analysis on arena operations, existing SODO business operations, traffic congestion , safety, and impacts to freight mobility

Page: 3.8-18 Operations

Removal of all drive ways on S. Holgate Street could not happen on S. Holgate Street, currently in use by Amtrak

Page: 3.8-31 Mitigation Measures, Secondary and cumulative impacts

Also, increased pedestrian congestion in the SODO area will increase safety issues and service delivery issues for non-event businesses.

Page: 3.8-32 3.8.2.3 Pedestrians - Methodology

How was the planned and projected increases in North/South rail traffic addressed and would that would impact the area and pedestrian volumes, flow, and safety. This is not clear, if or how it is addressed

Page: 3.8-35 Affected Environment

While reviewing the sidewalk inventory of the area, the DEIS reports a difference in density of sidewalks and specifically calls out the difference between the north and south sides of S. Holgate street. The DESI fails to recognize that this difference was planned and that pedestrian east/west flow is supposed to be restricted to the NORTH side of the street. The signs that tell pedestrians that the south side of the street is closed to foot traffic have been knocked down and not replaced. Pedestrian traffic is supposed to be limited to the north side of S. Holgate to help hold down the pedestrian/train conflicts

The assertion that pedestrian traffic on S. Holgate is LOW is incorrect. East/West pedestrian traffic on S. Holgate Street is significant and a proper Pedestrian flow analysis should be completed. Last paragraph. This section makes no mention of pedestrian on S. Holgate Street during an event. Currently, pedestrians use S. Holgate Street to get to stadium functions, and will do so if the proposed arena is constructed. Please include S. Holgate Street.

Page: 3.8-41 S. Holgate Street

This section reports that “It is likely that conflicts between pedestrian and trains would increase”. This statement does **not** characterize the operational reality should the proposed arena be constructed and a grade separated pedestrian over pass is not built. There would be a significant increase in Pedestrian/train and rail yard conflicts and negative impacts to safety of pedestrians and employees. Changes to language in this section must occur to reflect the true situation should the arena be placed adjacent to the rail yard

38

38. Closure of Holgate Street for automobile traffic was eliminated from consideration in the FEIS. The traffic volumes along Holgate Street were reduced based on the increased rail crossing closure time associated with increased north-south rail traffic (Appendix E, Sections 2.5.1.3 and 2.7.3.2) The traffic analysis conducted at nearby intersections reflects this condition.

39

39. The traffic and transportation analysis considers both existing and future rail traffic.

40

40. Alternatives 2 and 3 would remove all driveways along the 1st Avenue S and S Holgate Street frontages. The project would not remove “all” driveways along S Holgate, just the driveways along the project frontage and property lines.

41

41. Comment noted.

42

42. See Common Response #7 Mitigation Measures - Pedestrian Access.

43

43. Comment noted. The FEIS updates the existing and future pedestrian analysis including consideration of the south side of S. Holgate Street being closed to pedestrians. (see Section 2.3).

The DEIS and FEIS pedestrian analysis provides a full evaluation of the facilities in the immediate vicinity of the proposed Arena whether pedestrian volume are considered low or high.

44

44. Comment noted. The FEIS reflects updated existing and forecast rail traffic volumes (Appendix E, Section 2.7.3.2). Additional information regarding the frequency and duration of activity on the mainline as well as the side tracks is included in the analysis. These updated rail forecasts were fully reflected in the pedestrian analysis (see Section 2.3 of Appendix E).

See Common Response #7 Mitigation Measures - Pedestrian Access

Page: 3.8-42 S. Holgate Street

The report states that any at grade modifications would fail/be difficult to meet the needs for safe handling of pedestrians. Yet, the report fails to place a stronger importance on a grade separated pedestrian overpass. The importance of this mitigation should be elevated and included as a requirement.

Page: 3.5-51 Existing Weekday PM Peak Hour with Event

As reported herein, an increase in truck traffic on Holgate will occur due to an event. How does future rail traffic and extend closure of the at-grade rail crossings impact congestion, safety, freight mobility, and proposed arena operations? It is not clear without the permanent closure of S. Holgate Street and a revised traffic and operations plan how, with increased S. Holgate Street closure due to increase rail traffic (up to 45 mins per hour) traffic congestion, pedestrian flow, safety, freight mobility, and the proposed arena operations will be addressed. Note, that increased rail activity and the subsequent S. Holgate street closure will persist into the evening hours during proposed arena event operations

Page: 3.8-55 Table 3.8-7

Increase of traffic volumes as a result of the Alt 2 in each case seems low. What is the impact to traffic volumes on existing stadium events and can an extrapolation due to event size be performed and then compared to the reported numbers

Page: 3.8-56 Table 8.7-7

No change in traffic volume over a 12 year growth period?? Actually go down by 1% when compared to the 2018 table?

Page: 3.8-59 Effects of Rail Crossings

The DEIS makes a significant, if not fatal, determination to NOT include non-mainline (non-revenue) track movements across S. Holgate and S Lander Streets, that lead to road closure—impacting congestion, vehicular travel time, pedestrian flow and protection, and the regional economy. The study claims that the non-mainline movement is infrequent during weekday PM periods. This assumption is false, and without these movements/closures included one does not get an accurate assessment of the rail activity directly adjacent to the proposed project and the further and cumulative impacts to the SODO region.

Furthermore, the planned and projected increases in passenger and freight rail traffic (and the supporting non-mainline/non-revenue movements that support those increases) have not been acknowledged and considered in the analysis of the factors impacting the SODO region and the proposed arena operations should it be sited in SODO. The WSDOT Draft 2013 Rail plan, addresses both passenger and freight rail traffic volumes increases for the study period. The DEIS should re-analyze rail traffic that includes all non-mainline movements associated with all increases of rail traffic

Page 3.8-62 Figure 3.8-11

Shows Pedestrian queuing area undefined on South Side of S. Holgate Street. South side of street is supposed to be closed to pedestrian traffic. Signs have been knocked down and not replaced

45

45. See Common Response #7 Mitigation Measures - Pedestrian Access.

46

46. Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

47

47. Existing traffic volumes are presented in the report and a comparison is provided in the immediate vicinity of the arena site in Table 2-10, 2-11 (Appendix E, Section 2.5.4), and 2-13 and 2-14 (Appendix E, Section 2.5.5).

48

48. Traffic forecasts developed for the Arena (Appendix E, Section 2.5.3) were forecast based on volumes from the EIS prepared for the Alaskan Way viaduct and updated truck volumes associated with the Port of Seattle's future growth plans. When compared to 2018 conditions, 2030 conditions from the Alaskan Way viaduct EIS reflect changes to travel mode splits, peak hour spreading of congestion, build out of land uses, and other changes in daily travel patterns.

49

49. The traffic and transportation analysis considers both existing and future rail traffic.

50

50. The FEIS updates the existing and future pedestrian analysis including consideration of the south side of S. Holgate Street being closed to pedestrians. (see Section 2.3 of Appendix E).

Page 3.8-62 S. Holgate Street Existing Rail Crossing Locations

The DEIS incorrect assumes rail activity: why only 4 passenger trains and 1 freight train? There are significantly more trains that travel North/ South across S. Holgate Street. Amtrak Long Distance trains, State Supported Amtrak Cascades, Sound Transit Sounder trains, Freight

51

Page: 3.8-70 Effects of Rail Crossings

The DEIS fails to mention, and include the supporting, non-mainline movements that support the existing and growing rail traffic. These non-mainline crossings can be significant in number and duration resulting extended periods of road closure thus leading to incorrect conclusions with the document. (Please see Attachment 2 for example of full rail traffic analysis)

52

Page: 3.8-85 - Figure 3.8-17

Proposed site location is missing on this figure; please include Alt 2/Alt 3 location

53

Page: 3.8-87 Amtrak Maintenance Facility

In the description of the facility include "as well as significant employee and equipment movement across Holgate Street to the north and south portions of the yard."

54

Page: 3.8-87 Traffic Volumes

The DEIS only uses data from 1 day that was associated with the City of Seattle's study *Coal Traffic Impact Study* (Parametrix). This singular data point does not represent an accurate representation of rail activity that crosses S. Holgate Street. Variations on rail activity, non-mainline movements and time of day are situational and variable depending on the transportation and operations needs of the day/moment. At times, significant train movements, both in number and duration, result in closure of S. Holgate Street. Operations of the rail yard is 24 hours, 7 days a week, with a significant amount of rail activity, associated with non-mainline activity occurring after peak hours and around the time events. The DEIS needs to better study and report back the existing and future rail traffic volumes and the impact to the variables already outlined in the study.

55

Page: 3.8-91 Table 3.8-20

Amtrak Cascades label is footnoted with 2 (Sound Transit) should be footnote 3. Not only Amtrak Cascades trains, includes Amtrak long distance as well. The below reflects actual (2013) and planned 2013: Northbound – 5, Southbound – 5, plus 4 mainline non-revenue movements
2018: Northbound – 7, Southbound – 7, plus at least 4 mainline non-revenue movements
2030: Northbound – 14, Southbound – 14, plus at least 4 mainline non-revenue movements

56

Accurate North/South rail traffic must be obtained and impacts must be re-analyzed

Page: 3.8-95 Table 3.8-23

Table reports that in 2018, the road closures as a result of train traffic are 15 minutes during the weekday PM peak hours and 21 minutes in 2030. Methodology? How was this figure derived? Did it include non-mainline movements? Is this a daily average? Potentially rail crossing gates are down more frequently and longer during PM non-peak hours, later in the evening, for maintenance and service of Amtrak and Sounder equipment and for BNSF to build/break trains along their tracks. This time period will coincide with proposed arena events. It is not clear whether the information presented in this table has analyzed all factors and accurately represents operation impacts to street closures on S. Holgate Street.

57

51. The DEIS analysis reflected anticipated increases in both mainline and non-revenue rail movements. The FEIS reflects an updated existing and forecast rail traffic volumes based on additional rail observations and coordination with City staff. Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see section 2.7.3.2).

52. See Response to Comment #51, above.

53. Figure 3.8-17 has been updated to show the proposed site location.

54. The FEIS is revised to include an expanded description of the rail facilities in the vicinity of the project.

55. Traffic forecasts developed for the Arena (section 2.5.3) were forecast based on volumes from the EIS prepared for the Alaskan Way viaduct and updated truck volumes associated with the Port of Seattle's future growth plans. When compared to 2018 conditions, 2030 conditions from the Alaskan Way viaduct EIS reflect changes to travel mode splits, peak hour spreading of congest, buildout of land uses, and other changes in daily travel patterns.

56. See Response to Comment #51, above.

57. The duration and frequency of future rail traffic and resulting east/west closure was included in the VISSIM model and reflected in the traffic operations analysis. The FEIS reflects an updated existing and forecast rail traffic volumes based on coordination with Amtrak staff. Additional information regarding the frequency and duration of activity on the mainline as well as the side tracks is included in the FEIS analysis (Appendix E, Section 2.7.3.2).

Page: 3.8-100 Section 3.8.2.8 Parking

Continued use of existing parking and random lots in the SODO region is contributing to the increase of pedestrian/train, rail yard operations conflicts that negatively impacting safety for pedestrian and employees in SODO. Should the proposal (either alt 2 or 3) move forward this safety and operational concern will be increased just by the number of event days added to the calendar. Installation of appropriate mitigation measures, including a grade separated pedestrian overpass, should be required.

Page: 3.8-123 Table 3.8-28 1,500 Car Garage – Transportation Element – Vehicular Traffic Volumes

What about west bound traffic from 4th, onto Holgate, heading towards parking structure? How does this increased congregation impact safety and rail operations? Also, how goes increased north/south rail traffic and the accompanying increase road closure impact the business plan of the Arena, should S. Holgate Street not be permanently closed.

Page: 3.10-4 Section 3.10.1.3 Street Vacation Policies Discussion

The analysis shows that the street improvements mentioned here would not meet the needs to address pedestrian volumes and safety on S. Holgate Street. The discussion is in conflict with findings and offers no additional mitigation

Page: 4-3 Index

The study references the WSDOT Rail plans (freight and passenger) but the studies are not included in the index,

The DEIS fails to refer to, or incorporate, or consider the S Holgate Street Railway Crossing Closure Traffic Study Seattle Washington: Traffic Impact Analysis (WSDOT, by Garry Struthers Associates and HDR, December 2003, January and May 2005) that extensively examines vehicle, pedestrian and train traffic on S. Holgate Street and in the SODO region.

Appendix E

General Comment - Figures included in appendix E (Transportation) fail to represent the rail yards, and track alignments, of BNSF and Amtrak. Inclusion of both rail yards in all figures is mandatory to accurately represent the environment for the proposed project and all of the implications associated with the Arena proposal.

58

58. See Common Response #6 Mitigation Measures – Traffic.

59

59. The FEIS includes an alternative parking analysis (Appendix E, Section 2.12) that focuses on the impacts to the various transportation elements if a garage is constructed on the south warehouse site. This analysis includes a review of the traffic operations within the core area around the proposed Arena site.

Regarding Holgate Street, no closure to vehicle traffic was assumed under pre/post event conditions.

60

60. See Common Response #7 Mitigation Measures - Pedestrian Access.

61

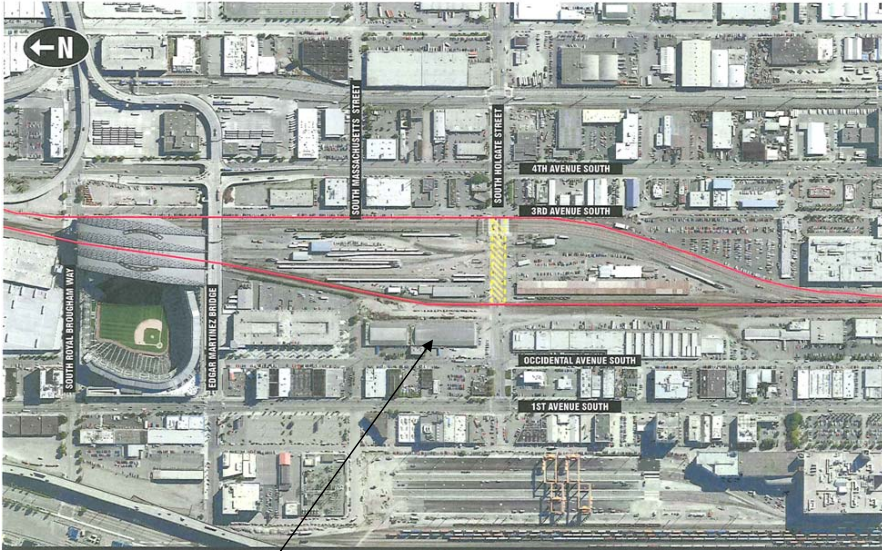
61. The WSDOT *Washington State Amtrak Cascades Mid-Range Plan* and *Washington State Long-Range Plan for Amtrak Cascades* are provided as the two final items in the list of references in the FEIS (Appendix E, Section 5.0).

62

62. The FEIS figures have been updated to reflect the rail track alignments. In addition, Figure 2-102 in Appendix E reflects the additional detail of the rail yards.

Attachment 1. Amtrak Northwest Facility – S. Holgate Traversing Rail Yard

Red line delineates Amtrak facility, Amtrak Tracks, and BNSF Mainlines
Yellow cross hatch delineates where S. Holgate Street crosses Amtrak Facility



Proposed preferred site for the Seattle Arena, directly adjacent to the Amtrak facility, north of S. Holgate Street, and along the west side of the rail yard.

Appendix E Projection of Train Volumes

According to the conceptual plan provided by Amtrak, four types of trains may operate on the main line at-grade crossing on S. Holgate Street. These types are as follows:

- Freight trains
- *Sounder* commuter trains between Tacoma and Seattle
- Amtrak *Cascades* service
- Amtrak long-distance rail service

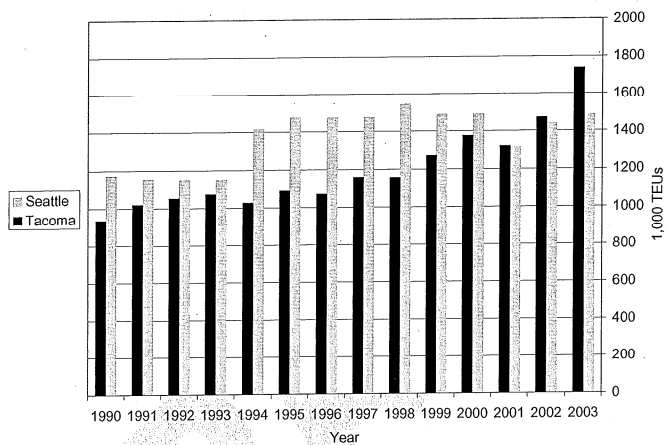
Passenger and freight train movements in the study corridor are projected separately, both for main line and switching operations in the maintenance yard. The projected volumes were used to calculate the total activation time for all of the crossings in the study area.

Freight Train Volumes

The trend of globalization has largely increased the volume of freight movements at all major ports along the Pacific Coast. According to the data from the American Association of Port Authorities, container traffic of all Pacific ports increased from 10.98 million truck equivalent units (TEUs) to 21.16 million TEUs between 1993 and 2003 for an annual growth rate of 6.8 percent.

Container traffic accounts for about 70 percent of all tonnage in and out of the Port of Seattle and is considered a good indicator of growth of freight trains. Port of Seattle is relatively slow compared to other major Pacific ports. Exhibit E.1 shows the container traffic in and out of the Ports of Seattle and Tacoma. The average annual growth rates are 1.9 percent and 4.9 percent for the Ports of Seattle and Tacoma, respectively, and is 3.3 percent for the two ports combined. This figure is consistent with the growth of BNSF Railway Company (BNSF) freight traffic during the last 20 years. Therefore, an annual growth rate of three percent is used to project future freight train volumes on the main line tracks.

Exhibit E.1
Growth of Container Traffic



Source: American Association of Port Authorities

Based on the activation data presented in Exhibit 2.3 (Chapter 2), which presents the hourly distribution of activation by freight trains, six percent, eight percent, and four percent of daily freight trains will occur in the AM, PM peak hours, and off-peak hours, respectively. The daily train volumes are calculated by applying the peak hour factors to the projected daily train volumes, as also shown in Table E.1. Table E.2 shows the number of freight trains passing through the three at-grade crossings during AM, PM, and off-peak hours, respectively, in the year of 2007.

Table E.1
Projected Daily Train Volumes in 2007

| Service | S. Holgate Street | | S. Royal Brougham Way | | S. Lander Street | |
|-------------------------------|-------------------|-----------|-----------------------|-----------|------------------|-----------|
| | Main line | Switching | Main line | Switching | Main line | Switching |
| <i>Souder</i> commuter trains | 20 | 17 | 20 | 16 | 20 | 0 |
| Amtrak <i>Cascades</i> | 10 | 6 | 10 | 6 | 10 | 0 |
| Amtrak Long Distance | 2 | 4 | 2 | 4 | 2 | 0 |
| Amtrak Maintenance Shop | 0 | 12 | 0 | 0 | 0 | 0 |
| Freight Trains | 57 | 0 | 57 | 0 | 57 | 0 |
| Total Trains | 89 | 39 | 89 | 26 | 89 | 0 |

Sources: Passenger train counts by Transit Safety Management, Inc. for WSDOT; freight train counts by BNSF Railway Company

Passenger Train Volumes

Transit Safety Management, Inc. and BNSF provided the weekday passenger train volumes in horizon and future years, as shown in Tables E.1 and E.3 for weekday daily train volumes, and in Tables E.2 and E.4 for weekday peak hour train volumes.

Table E.2
Projected Hourly Train Volumes in 2007

| Street | Service | AM Peak | | PM Peak | | Off-Peak | |
|-----------------------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Main Line | Switching | Main Line | Switching | Main Line | Switching |
| S. Holgate Street | <i>Souder</i> commuter trains | 2 | 4 | 3 | 0 | 0 | 0 |
| | Amtrak <i>Cascades</i> | 0 | 0 | 1 | 0 | 1 | 0 |
| | Amtrak Long Distance | 0 | 0 | 0 | 0 | 2 | 0 |
| | Amtrak Maintenance Shop | 0 | 1 | 0 | 1 | 0 | 0 |
| | Freight Trains | 3 | 0 | 5 | 0 | 2 | 0 |
| | Subtotal | 5 | 5 | 9 | 1 | 5 | 0 |
| S. Royal Brougham Way | <i>Souder</i> commuter trains | 2 | 0 | 3 | 1 | 0 | 0 |
| | Amtrak <i>Cascades</i> | 0 | 2 | 1 | 0 | 1 | 0 |
| | Amtrak Long Distance | 0 | 0 | 0 | 0 | 2 | 0 |
| | Freight Trains | 3 | 0 | 5 | 0 | 2 | 0 |
| | Subtotal | 5 | 2 | 9 | 1 | 5 | 0 |
| S. Lander Street | <i>Souder</i> commuter trains | 2 | 0 | 3 | 0 | 0 | 0 |
| | Amtrak <i>Cascades</i> | 0 | 0 | 1 | 0 | 1 | 0 |
| | Amtrak Long Distance | 0 | 0 | 0 | 0 | 2 | 0 |
| | Freight Trains | 4 | 0 | 6 | 0 | 2 | 0 |
| | Subtotal | 6 | 0 | 10 | 0 | 5 | 0 |

Sources: Passenger train counts by Transit Safety Management, Inc. for WSDOT; freight train counts by BNSF Railway Company

Table E.3
Projected Daily Train Volumes in 2027

| Service | S. Holgate Street | | S. Royal Brougham Way | | S. Lander Street | |
|--------------------------------|-------------------|-----------|-----------------------|-----------|------------------|-----------|
| | Main line | Switching | Main line | Switching | Main line | Switching |
| <i>Sounder</i> commuter trains | 41 | 14 | 41 | 45 | 41 | 0 |
| Amtrak <i>Cascades</i> | 28 | 15 | 28 | 10 | 28 | 0 |
| Amtrak Long Distance | 2 | 4 | 2 | 4 | 2 | 0 |
| Amtrak Maintenance Shop | 0 | 24 | 0 | 0 | 0 | 0 |
| Freight Trains | 104 | 0 | 104 | 0 | 104 | 0 |
| Total Trains | 175 | 57 | 175 | 59 | 175 | 0 |

Sources: Passenger train counts by Transit Safety Management, Inc. for WSDOT; freight train counts by BNSF Railway Company

Table E.4
Projected Hourly Train Volumes in 2027

| Street | Service | AM Peak | | PM Peak | | Off-Peak | |
|------------------------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Main Line | Switching | Main Line | Switching | Main Line | Switching |
| S. Holgate Street | <i>Sounder</i> commuter trains | 3 | 4 | 3 | 0 | 3 | 0 |
| | Amtrak <i>Cascades</i> | 2 | 0 | 2 | 0 | 2 | 0 |
| | Amtrak Long Distance | 0 | 0 | 0 | 0 | 0 | 0 |
| | Amtrak Maintenance Shop | 0 | 4 | 0 | 3 | 0 | 0 |
| | Freight Trains | 6 | 0 | 8 | 0 | 4 | 0 |
| | Subtotal | 11 | 8 | 13 | 3 | 9 | 0 |
| S. Royal Brougham Way | <i>Sounder</i> commuter trains | 3 | 4 | 3 | 4 | 3 | 2 |
| | Amtrak <i>Cascades</i> | 2 | 0 | 2 | 0 | 2 | 0 |
| | Amtrak Long Distance | 0 | 0 | 0 | 0 | 0 | 0 |
| | Freight Trains | 6 | 0 | 8 | 0 | 4 | 0 |
| | Subtotal | 11 | 4 | 13 | 4 | 9 | 2 |
| S. Lander Street | <i>Sounder</i> commuter trains | 3 | 0 | 3 | 0 | 3 | 0 |
| | Amtrak <i>Cascades</i> | 2 | 0 | 2 | 0 | 2 | 0 |
| | Amtrak Long Distance | 0 | 0 | 0 | 0 | 0 | 0 |
| | Freight Trains | 6 | 0 | 8 | 0 | 4 | 0 |
| | Subtotal | 11 | 0 | 13 | 0 | 9 | 0 |

Sources: Passenger train counts by Transit Safety Management, Inc. for WSDOT; freight train counts by BNSF Railway Company



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September 30, 2013

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c/o John.shaw@seattle.gov

Dear Mr. Shaw:

Thank you for the opportunity to comment on the proposed Seattle Arena EIS (Project No. 3014195). These comments were prepared by Peter Goldman, Attorney-at-Law, on behalf of the **International Longshore and Warehouse Union Local No. 19** (ILWU). ILWU has offices at 3440 E. Marginal Way So., which is approximately 1.5 miles from the proposed Arena SODO location (Alternative 2).

ILWU Local 19 represents about 3000 Port of Seattle workers who service cargo and cruise ships at the Port of Seattle. ILWU has an extremely strong interest in maintaining efficient corridors for freight mobility in the vicinity of the proposed Arena. This is because anything that impacts or jeopardizes the Port of Seattle's operations, such as traffic congestion and loss of shipping contracts, will impact the jobs and futures of ILWU's members. The mere perception by shippers of the risk of continued disruption of freight mobility is enough for these shippers to reconsider or fail to renew their operations at the

Port. In addition, members of ILWU spend every working day in SODO; the traffic, air quality, and nature of the built environment affect their lives and well-being.

These Comments are organized as follows.¹

I. Executive Summary

II. General Defects with the DEIS and the EIS Process for the Proposed Seattle Arena.

- a. The EIS is defective and inadequate as a matter of law because its site-selection and alternative off-site comparison process assumes the Arena is a private, as opposed to a public, project under SEPA.
- b. The EIS is defective and inadequate as a matter of law because, contrary to explicit SEPA regulations applicable to public projects, the December 3, 2012 Memorandum of Understanding effectively limited the site alternatives process to the Seattle Center and provided for no alternative location outside Seattle.
- c. The EIS is inadequate as a matter of law because the EIS statement of its “objective” (“should the City and County participate in the SODO arena”) is impermissibly narrow under principles of SEPA.; the issue should be where a new public arena should be sited regardless of ArenaCo’s purported sole interest in the SODO site.

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III. Environmental Impacts Acknowledged in EIS. This section summarizes the impacts that are acknowledged, although minimized, in the DEIS.

IV. Specific Defects and Oversights With DEIS

- a. Minimization of direct, indirect, and cumulative impacts on traffic congestion.
- b. Minimization of direct, indirect, and cumulative impacts on freight mobility.
- c. Minimization of direct, indirect, and cumulative impacts on available parking.

¹ All literature, studies, and reports cited in these comments have been recorded on the DVD attached to these comments. ILWU requests that all materials on the DVD be included in the record of comments on the DEIS.

Peter Goldman, Attorney at Law

- 1. See Common Response #1 Public vs Private Project; Range of Alternatives.
- 2. See Common Response #1 Public vs Private Project; Range of Alternatives.
- 3. See Common Response #2 Project Objectives.

V. **Comments on Economic Impact Report** (Appendix F to the DEIS)

4. See Common Response #1 Public vs Private Project; Range of Alternatives.

I. **Executive Summary**

The EIS for the proposed SODO Arena (Arena) is defective and inadequate as a **matter of law**. The Arena is a **PUBLIC** project for purposes of this SEPA review under applicable case law and SEPA regulations because the December 3, 2012 Memorandum of Understanding (MOU) specifically anticipates that the Arena will be publically-owned in the future and because its revenues, debt service, and operating expenses will be shared by Seattle and King County. It makes no difference that the governments have reserved until after SEPA and other contingencies “whether to participate” in the Arena. SEPA does not permit governments to conduct environmental review of projects that are typically public (such as stadia and arenas) and yet regard these projects as private for purposes of SEPA merely because the government has reserved the decision of “whether to participate” until after SEPA review and the exhaustion of other contingences.

Because the Arena is a **public** project, Seattle and King County had a duty to process it under SEPA as a public project, as they did for Safeco Field, Century Link Field, and other large projects that serve general public interests. Yet, on the assumption that ArenaCo is only interested in a SODO location and that there is no “proposal” to build an arena elsewhere, they have done the opposite. First, the MOU explicitly limited alternatives before SEPA to the Seattle Center and neither Seattle nor King County have considered an Arena outside of the Seattle City limits. Second, unlike other public projects, neither Seattle nor King County has conducted any public process relative to other reasonable alternative sites within King County. Third, the Arena site comparison process is fatally flawed because the other alternative sites are not being considered as genuine alternative sites but are only being used to “compare” them for purposes of the decision whether to “participate” in a SODO-based Arena.

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The DEIS for the Arena is inadequate and inaccurate for multiple other reasons. First, while it concedes that the Arena will generate extensive direct, indirect, and cumulative traffic in SODO and other nearby areas as a result of existing conditions and future transportation projects (such as the Hwy. 99 tunnel), the DEIS makes no credible attempt to explain **how** and to what extent this additional traffic will impact freight mobility, traffic congestion, commuting patterns, and air quality in SODO. Intersection delay times on a chart do not tell the story. Second, the DEIS is based on multiple erroneous factual assumptions and/or omissions, including (a) that the Arena will only generate 2150 car trips while other ArenaCo reports (including its own transportation study by Parametrix) reflect the number of Arena-generated cars will be more like 6000; (b) that there is sufficient parking in the area without the Arena having an impact on parking resources for local businesses; (c) that the only time period of conflict with the Port will be between 4-7pm while the Port is winding down its daily operations; (d) whether and to what extent public safety will be compromised by the extensive train traffic on S. Holgate St.; and (e) the existence and extent to which Arena Co's planned complimentary development (it's "L.A. Live" real estate development) will further gentrify and impact SODO.

The DEIS also erroneously neglects to discuss or concede the views of other experts that the Arena's cumulative traffic will impair freight mobility, create extensive additional traffic for the travelling public, and contribute to the gentrification of an industrial area; omitted studies include those prepared by the Seattle Planning Commission, Port of Seattle, and the City and State's freight mobility commissions. And finally, the DEIS makes absolutely no credible attempt to identify or quantify the cost of the public construction projects that will be necessary to mitigate the Arena's direct, indirect, and cumulative impacts on transportation, public safety, and freight mobility.

The Arena's Economic Impact Report (EIR) is inaccurate, result-oriented, and superficial. First, the EIR only measures the Arena's economic impact on the Port of Seattle and businesses that depend on freight mobility in terms of lost trucking time and assigns a paltry sum of \$230,000 to this impact. Yet this figure completely overlooks the direct and

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5. A) The DEIS projected vehicle demand is consistent with the Parametrix transportation analysis. Based on an attendance level of 20,000 people, the DEIS projected a peak parking demand of over 6,000 vehicles by 2018 (Table 1-6). The arrival of these vehicles to the study area would occur over several hours. The evaluation of traffic operations focuses on the weekday PM peak hour (or a one-hour time period). During the one-hour time period approximately 2,150 vehicles arrive to the study area (Table 1-6).

Impacts to freight mobility, traffic circulation, traffic operations were and are described within Appendix E of the DEIS and FEIS.

B) The DEIS availability of parking is based on data collection during existing events. The FEIS presents the Seattle Municipal Code requirement for parking as well as a demand based analysis for SEPA purposes (see Appendix E, Section 2.8). These requirements would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E, section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases it becomes more difficult to find parking in the area and the reliance on parking further from the site increases.

C) Transportation conditions between 4-7 p.m. represent the combined worst-case scenario. Other impacts would occur outside of this time period but would generally be less than identified for the peak commute period.

D) The impacts of increase rail activity are reflected throughout the analysis with specific details provided in Appendix E, Section 2.7.

E) Potential future development not currently submitted to the City for approval was not included in this analysis.

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7. Cumulative Traffic Congestion

The analysis looks specifically at how much traffic is moving in and out of the terminals that would be impacted by the arena. We have fully accounted for impacts within the primary impact area.

The 13,664 daily truck trips is the Port total for all trips to and from all terminals

indirect cost to the local, regional, and state economy of the extent to which the Arena's direct, indirect, or cumulative traffic congestion will jeopardize or compromise the Port of Seattle and Port-dependent businesses. It also overlooks the extent to which the Arena and its L.A. Live-like development will further contribute to the loss of SODO as a working industrial area because of its traffic and the extent to which it will raise property values and rents.

Second, the EIR's projection of net economic impact fails to acknowledge that, as contemplated by the MOU, the Arena will not generate any tax revenues (all but exempt taxes will be used for debt service). This is because the Arena will be owned by the City and will not pay any real estate taxes and all of the tax revenues it generates will service its debt. The EIR also fails to acknowledge or discount its rosy economic projection with any of the very well-documented literature that publically-subsidized sports arenas rarely provide any positive net return to local governments. The EIR also utilizes an erroneous "substitution effect" discount of 20% when economic literature pertaining to public arenas reflect the number is significantly more, approaching 75%. And it contains no analysis of the impact on Seattle's debt capacity.

Third, the EIR fails to account for any of the external costs that the Arena will impose on SODO and region if SODO is to maintain or improve its current traffic congestion and freight mobility conditions. These include required traffic infrastructure (vehicle overpass over S. Lander and pedestrian overpass over S. Holgate), financial risks of the transaction itself, and the cost to Seattle taxpayers of a severely compromised Key Arena and Seattle Center. Nor does it even account for the impact on the Queen Anne neighborhood, which will suffer further losses as a result of the gradual decline and viability of the Key Arena (whose events will inevitably shift to the new Arena).

In conclusion, the EIS and EIR are biased, superficial, result-oriented documents designed to paper-over the extent to which the Arena will contribute to the gentrification and gradual deterioration of Seattle's Port and SODO industrial area. They are both legally inadequate and do a tremendous dis-service to the thousands of people who make a living

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for 3.5 million TEU (Exhibit PI-2). Of that total, an estimated 675 (4.9%) are in the hours and locations potentially affected by Arena-induced delays (Exhibit PI-6). Those delays would occur on an estimated 116 days each year (Exhibit PI-23), or 46% of the 250 working days. On average, then, 2.3% (4.9%x46%) of all Port truck trips could be affected to some degree.

Of the 675 trips subject to delay on event days, an estimated 19 (2.8%) would move to or from local Seattle points (e.g. the SODO study area) while the others move to or from the rail yards or to and from points beyond the SODO area (Exhibit PI-6). The affected trucks trips to and from non-rail SODO points would therefore average 0.06% (4.9%x46%x2.8%) of the Port total.

The EIS evaluates the proposed Arena. Ancillary development is only speculative at this time and was not required as part of the Seattle Arena MOU. The project being considered for environmental review is solely the proposed Arena.

Tax Revenues

Pro Forma Advisors projected tax impacts generated by the construction and operation of the Arena. These revenues are new/incremental (i.e. generated as a direct result of building and operating the Arena). Our report identifies the tax revenues earmarked to pay down debt service (outlined and consistent with the MOU). The focus of the economic report was the tax revenues used to pay debt service. For reference, we have also highlighted additional tax revenues generated from Arena construction (\$33.3M) and annual operations (\$1.9M) which will not be used for debt service and are expected to flow to other taxing districts.

Potential economic impacts to Seattle Center from the development of a new Arena are discussed in the Economic Impact Analysis included as Appendix F to the EIS.

from SODO-dependent businesses and the Seattle and King County decision makers who will use these documents to decide upon next steps.

II. GENERAL DEFECTS WITH THE EIS AND THE EIS PROCESS FOR THE PROPOSED SEATTLE ARENA THAT RENDER THE DEIS INADEQUATE AS A MATTER OF LAW.

1. THE SEATTLE ARENA EIS AND THE PROCESS LEADING UP TO THE EIS MISCHARACTERIZE THE ARENA AS A PRIVATE, AS OPPOSED TO A PUBLIC, PROJECT; THIS MISCHARACTERIZATION RENDERS THE EIS INADEQUATE AS A MATTER OF LAW.

It is undisputed that the Arena DEIS assumes and characterizes the Arena Project as a **private** project. For example, in Section 1 (Summary), the DEIS states that “*WSA Properties* has applied to the City of Seattle for the future construction of an approximately 750,000 sf, 20,000-seat spectator sports facility.” (emphasis added). Similarly, in Seattle’s Question and Answer document accompanying the DEIS, Seattle states that the arena is a *private* project:

<http://www.seattle.gov/dpd/Blog/Seattle%20Arena%20DEIS%20FAQs.pdf>. This Q & A document states that Seattle is only studying an off-site alternative because the Councils required them to do so and because this comparison would inform the city and county “whether to participate” in the SODO arena:

Since the proposed Arena was initiated by a private entity (ArenaCo), and would be constructed and operated by ArenaCo, *it is a private project for the purposes of SEPA alternatives analysis*. An EIS for a private proposal is typically limited to studying alternative proposals on the same site. However, both the City and County also required the review of environmental impacts for a proposed arena at other locations in Seattle. Those alternative sites are the KeyArena at Seattle Center and Memorial Stadium adjacent to Seattle Center. The City and County’s objective is to determine whether to participate in ArenaCo’s private proposal to build and operate a Seattle Arena for NBA and NHL home teams. (emphasis added).

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8. See Common Response #1 Public vs Private Project; Range of Alternatives.

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The DEIS specifies a specific site located at 1700 First Ave. So. Similarly, multiple other Arena-related DPD documents² reflect that the private project proponent is WSA Properties, c/o of its representative attorney Jack McCullough. Accordingly, our first comment, which taints the entire DEIS, is that the *City has mischaracterized the Seattle Arena project as a private, as opposed to a public project.*

A. Case Law and SEPA Regulations define what is a public project.

For purposes of determining the procedural and substantive SEPA EIS requirements on a specific project, types of projects or actions are divided into “private” and “public,” each having discrete requirements. Whether a proposal is “public” or “private” guides the off-site alternatives that the City and County are required to consider in the EIS.

SEPA defines a “private project” as “any proposal primarily initiated or sponsored by an individual or entity other than an agency.” WAC 197-11-780. For a private project, action (on a specific site), in the EIS the lead agency is only required to evaluate a no-action alternative and other reasonable alternatives for achieving the proposed objective *on the same site*. WAC 197-11-440 (5)(d). Public projects/actions, however, require *two additional considerations*: first, SEPA requires agencies implementing *public* projects to consider all “reasonable alternative sites” that could “feasibly attain or approximate a proposal’s objectives, but at a lower environmental cost or decreased level of environmental degradation,” as opposed to merely looking at alternatives that would achieve the same objective on the *same* site. WAC 197-11-440 (5)(b); *Weyerhaeuser v. Pierce Cy.* 124 Wn. 2d 26, 38, 873 P. 2d 498 (1994). Second, SEPA’s implementing regulations recommends that proposals for public projects be described in terms of *objectives* rather than solutions. WAC 197-11-060(3)(a)(iii). A noted SEPA commentator, Richard Settle, explains why the distinction between public and private projects is important: “SEPA’s mission, after all is to minimize mindless and surreptitious adverse environmental impacts. To allow a county which needs an airport, shopping center or new industry to ignore sites other than the one privately proposed is to invite unnecessary environmental harm.” Richard L. Settle, *The*

² These DPD documents include (a) an April 17, 2013 Street Vacation Proposal which lists the Petitioner as WSA Properties; (b) the City of Seattle’s SEPA “Scoping” document dated October 25, 2012; and (c) the City of Seattle’s Notice of Determination of Significance dated October 25, 2012.

Washington State Environmental Policy Act: A Legal Policy and Analysis § 14.01(2)(b) at p. 14-62 (Rev. 24, Dec. 2012).

While the term “public” has not been defined, the Supreme Court of Washington has provided crucial guidance on the distinction between “public” and “private” actions. *Weyerhaeuser v. Pierce Cy.*, 124 Wn.2d 26 (1994). In *Weyerhaeuser*, a private waste hauling company (“LRI”) sought to construct a new municipal solid waste landfill near Puyallup, Washington. At the *behest* of Pierce County, LRI initiated and sponsored the project, selected the landfill site, applied for permits, made project decisions, and financed these actions with its own funds. *Weyerhaeuser*, 124 Wn.2d at 39. Because of these private actions, Pierce County and LRI argued that the proposed landfill was a private project for purposes of relieving Pierce County of any duty to consider off-site alternative locations. *Id.* The court, however, held that the proposed landfill was a *public*, not a private, proposal. The court reasoned that the County had *encouraged* LRI and others to develop the landfill and because landfills are typically a governmental function. *Id.* The court also held that a public project cannot be made into a private project simply because the government *delegated* waste hauling and filling—a typical governmental function—to a private entity. *Weyerhaeuser*, 124 Wn.2d at 40.

In general, courts will look to the primary initiator or sponsor and their contribution to determine whether or not the proposal is public or private. Then, the court will assess the function that the private entity is fulfilling. However, these are only the initial steps. The court will go further by looking to the *level* of public involvement. For example, in *Organization to Preserve Agricultural Lands v. Adams Cy.*, 128 Wn. 2d 869 (1996), the Washington Supreme Court further clarified the distinction between “public” and “private” projects as defined in *Weyerhaeuser*, holding that even though the court will first look to the initiator of the project to determine whether or not it is public or private, “the classification rests not on nominal sponsorship but on a factual assessment of the level of public involvement in the project.” 128 Wn.2d at 876. Thus, the key issue is “whether the governmental entity has, by means of the project at issue, allowed a private entity to fulfill the government’s responsibility” in providing a public service. OPAL, 128 Wn.2d at 877. The goal is to ensure that the government agency cannot avoid the requirement of

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considering the potential environmental impact to alternative sites by contracting with private parties. *Id.*

An essentially private proposal to build a public facility, however, does not become a “public project” under SEPA merely because the government is *peripherally* involved in the project. *Citizens Alliance to Protect Our Wetlands (CAPOW) v. City of Auburn*, 126 Wn.2d 356 (1995). In *CAPOW*, the Washington Horseracing Commission approved a private racetrack developer’s application for a license to operate a thoroughbred racetrack in Auburn. After this approval, the developer approached the City of Auburn, which approved the Auburn site. The court held that the proposed racetrack was a private, not a public project, because, notwithstanding the Commission’s approval, the race track developer initiated and sponsored the project and because “thoroughbred horseracing is not a traditional governmental function.” *CAPOW*, 126 Wn.2d at 1305-06. This aligns closely with important objectives of SEPA: projects that involve significant public interest or local government functions require a closer and more thorough analysis of potential impacts and alternate locations so as to better inform decision makers that represent the public’s interest in the project and in protecting the environment.

While the case law does not necessarily draw a bright-line between public and private projects, the SEPA regulations themselves make clear that projects are and must be deemed “public” when public and private interests are “**intertwined.**” WAC 197-11-928 provides as follows:

When the proposal involves both private and public activities, it shall be characterized as either a private or a public project for the purposes of lead agency designation, depending upon whether the primary sponsor or initiator of the project is an agency or from the private sector. Any project in which agency and private interests are too intertwined to make this characterization shall be considered a public project..(emphasis added).

“If a rule's meaning is plain on its face, then the court must give effect to that plain meaning.” *City of Seattle v. Allison*, 148 Wn.2d 75, 81 (Wash. 2002); *Rental House Ass'n of Puget Sound v. City of Des Moines*, 165 Wn.2d 525, 536 (Wash. 2009). Therefore, when agency and private interests are involved and are too “intertwined,” the default rule is to public action, thus requiring analysis of reasonable off-site alternatives. However, when words or phrases have no clear given or plain-meaning definition, general rules of

statutory construction also apply to administrative rules and regulations. *Id.* Since “intertwined” is undefined, Merriam Webster Dictionary provides the relevant definition: “to unite by twining together” or “to become mutually involved.” By applying this definition to WAC 197-11-928, it could be rewritten as: “any project in which agency and private interests are too mutually involved to make this characterization shall be considered a public project,” indicating that when agency and private interests are mutually involved the court must look to the level and character of involvement as supported by *OPAL* and *Weyerhaeuser*.

B. The proposed Seattle Arena is a Public Project under the Case law and WAC 197-11-928.

We base our “public project” analysis on the business plan set forth in the MOU dated December 3, 2012. In this case, Seattle and King County are inventing a hybrid public-private project. At the permitting and SEPA state (where we are now), Seattle is assuming the Arena is a *private* project. However, if, under the MOU, Seattle and King County decide after SEPA and the satisfaction of the other “conditions precedent,” to provide public financing, then they will deem the project “public.”

There is absolutely no basis in the SEPA regulations or case law interpreting projects for this type of hybrid project. By focusing on the objectives of SEPA and the specific requirements for public action, it is clear that the intent of SEPA’s public projects requirement is to preserve the integrity of decision making on public projects by encouraging decision makers to make carefully measured and reasoned choices and actions. Moreover, it is now (while SEPA is being conducted and alternative sites are being compared) that public process is necessary; merely providing public funding later is not, and cannot, be the trigger.

The proposed Seattle Arena is clearly a public project in light of WAC 197-11-928 and the case law cited above interpreting public vs. private projects. According to the MOU, Seattle and King County are active participants in financing and developing the proposed Arena: not only did they negotiate with the Arena promoters for several months to make the MOU a reality, they will be using their municipal debt to finance its construction, Seattle will purchase the private land under the Arena from the private developers and lease it to

ArenaCo for a period of years, Seattle has reserved a purchase option of the Arena facility, and the Arena’s revenues from operation will pay off public debt. Moreover, Seattle is expected to contribute \$120 million to the project. King County is also financially participating by committing to invest \$80 million (subject to recruitment of an NHL team). Finally, the ILA with Seattle specifies that the Arena will “provide general benefits” to *both* Seattle *and* King County and King County will hold a 40% interest in the ground lease. MOU, 1. D, § 4(A). Finally, like Safeco and CenturyLink Fields, the proposed Arena will serve a regional and county-wide market. Seattle and King County’s position that the Arena becomes a “public project” only after they decide “whether to participate” is legally erroneous.

The Arena is also a public project because Seattle reserved in the MOU the right to purchase the Arena from ArenaCo for \$200 million 30 years down the road. The City and County are also participating in the design of the Arena with a complex MOU governing ArenaCo. and the City and County’s financial relationship, revenue sharing, and default procedures. While WSA Properties III, LLC may have “initiated” the Arena proposal (proposing it to the City in May 2011), the roles and actions of the government and WSA Properties III, LLC are clearly financially, contractually, and functionally “intertwined” within the plain meaning of WAC 197-11-928.

While neither Seattle or King County “initiated” the Arena in the sense that ArenaCo approached Seattle, not vice versa, that distinction is immaterial given the extent to which the private and public roles are “intertwined” and the fact that the Arena and the land under it will be publically financed in part and owned outright. The proposed Seattle Arena is much more analogous to the landfill at issue in *Weyerhaeuser* than the racetrack in *CAPOW*. Indeed, cities and counties regularly build public arenas and stadiums on their own or through special “districts” (e.g. Safeco Field, CenturyLink, and Key Arena).

An Arena may not be as traditionally “governmental” as trash hauling and a landfill. But, regardless, there is strong precedent for Seattle building public arenas. For CenturyLink Field, the Washington State Public Stadium Authority (PSA) is charged as the *public* agency with the responsibilities of managing and overseeing the operation of the facility given the public’s \$300 million investment in the construction and continued maintenance of the building. PC Letter 8. Safeco Field is publicly owned and operated by

the Washington State Major League Baseball Stadium Public Facilities District (PFD). The Kingdome was also constructed with public funding. There is certainly a history of publicly owned and operated stadiums in Seattle. Moreover, when completing the EIS's for Safeco Field and Qwest field, a number of alternatives were considered for each of these projects. For Safeco Field, before the project entered the environmental review process, a taskforce carefully developed and analyzed a list of alternative sites. PC Letter 29, p 2. Similarly, the EIS for the demolition of the Kingdome and the construction of Century Link Field and Exhibition Center evaluated a number of on-site and off-site alternatives. *Id.* Furthermore, the EIS's for other large projects, e.g. Brightwater and Yesler Terrace Redevelopment, Seattle and King County involved consideration of alternatives sites. *See* Brightwater FEIS and Yesler Terrace FEIS.

Seattle and King County are not only significantly involved in the Arena project such that their interests are significantly intertwined with ArenaCo.'s private interests but also are allowing a private entity to fulfill a role that has traditionally been a local government function in Seattle. Despite mimicking a private project to expedite its permitting, the project is clearly public because the interests of the involved parties are "intertwined" and cannot be distinguished. In addition, since projects that appear to be private may be *public* because of the function the private company was performing, by looking to the history of local government involvement in the context of arenas in Seattle, constructing a new arena in Seattle is a traditional local government function.

2. Seattle impermissibly limited "reasonable alternatives" by framing the Arena project as a "private" project. The EISs for both Safeco and Century Link Fields demonstrate the important difference in the way Seattle and King County determines the siting alternatives for public stadia and arenas.

The fact that Seattle and King County have considered and characterized the proposed Seattle Arena as a "private project" in this EIS process has irreparably tainted the Arena's SEPA-based alternative siting comparison requirement. Here, ArenaCo approached Seattle and King County and proposed an arena on WSA's already-purchased

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9. See Common Response #1 Public vs Private Project; Range of Alternatives.

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land in SODO. The entire MOU centered on this site. While Seattle and King County attempt to feign compliance with SEPA's alternative siting requirement by considering and analyzing the Seattle Center as an alternative off-site location, the EIS clearly admits that this comparison is NOT, in fact, a genuine attempt to consider the Seattle Center as an alternative location. On the contrary, the EIS specifically provides that its "objective is to determine whether to participate in ArenaCo's private proposal;" it does not provide that its "objective" is to fairly compare other reasonable sites that. The fact of the matter is that ArenaCo is, evidently, only interested and willing to construct an arena on its SODO site and, hence, Seattle and King County view that site as the only one for which there is a "proposal." EIS, at Summary § 1.1.

Seattle and King County's opportunistic decision to accede to ArenaCo's condition that the Arena only be sited in SODO turns SEPA's public project law and regulations on its head. ArenaCo is a private party; state law does not authorize private parties to effectively site public projects, even if the private party offers a "smoking deal" or an ultimatum. Nor does state law authorize Seattle and King County to waive or curtail a credible alternative site process just because there is only one arena proposal on the table.

By erroneously characterizing the project as private, Seattle not only violated the letter, but also the spirit and purpose of SEPA of protecting the environment by requiring EIS's and an analysis of reasonable alternate locations to serve as a tool to more fully inform decision makers when taking action on public projects that will significantly affect the environment. WAC 197-11-060(3)(a)(iii) directs agencies to "describe public or non-project proposals in terms of objectives rather than preferred solutions. Accordingly, the EIS should have, but did not, ask *where* the most feasible potential sites for a new sports arena in our region are and not limit SEPA EIS review only to locations that are acceptable to ArenaCo. By approving an MOU that contractually limits review to SODO and Seattle Center, the City and County have not only impermissibly acted to limit the choice of reasonable alternatives in violation of WAC 197-11-070, but have also violated the objectives and purpose of SEPA.

We acknowledge that the DEIS did superficially identify and consider sites other than at the Seattle Center. DEIS, at 2-6; Appendix A. But (a) none of these sites was outside

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of the City of Seattle; and (b) the alternative sites were only identified to provide a “comparison” of potential adverse impacts relative to the SODO site. This was a sham, pre-ordained site selection process that was obviously tainted and limited by the alleged fact that, “No proposal to build an arena exists other than ArenaCo’s proposal to build the facility in SODO.” DEIS, at App. A-1.

The superficial analysis in Appendix A fell far short of that which is required by SEPA. An EIS must include an analysis of a proposal’s probable significant adverse impacts on the environment and must consider reasonable alternatives. *See* WAC 197-11-440. Reasonable alternatives are defined as “action[s] that could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation.” WAC 197-11-786. Agencies are directed to “study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources” and must “devote sufficiently detailed analysis to each reasonable alternative to permit a comparative evaluation of the alternatives including the proposed action.” RCW 43.21C.030(e); WAC 197-11-440 (5)(c)(v). The mere identification of potential other sites without any significant public process pertaining to those sites is legally inadequate.

3. The EISs for Safeco and Century Link Fields reflect the important public process that takes place in siting a public sports facility, none of which are taking place relative to the SODO Arena.³

As set forth above, in this matter Seattle and King County have dispensed with the process of considering and analyzing alternative sites for the Seattle arena because, in their view, there is only a “proposal” for an arena in SODO; the Seattle Center is not a genuine alternative site (because ArenaCo is not interested in building an arena there) but is merely being used to “determine whether to participate in ArenaCo’s private proposal.”

Simply put, that Seattle and King County view the Seattle arena as a private project has **deprived** the public of the thoughtful siting analysis that has been afforded other public project and which is required by SEPA. When completing environmental review for

³ We are placing the EISs for Safeco and Century Link Field in the record. The EISs are attached to these comments.

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10. See Common Response #1 Public vs Private Project; Range of Alternatives

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past public stadia and other public projects, Seattle and King County have each followed similar procedures when searching for potential site locations and reasonable alternatives to be considered in the EIS's. In general, the lead agency developed a number of general objectives in order to guide the criteria selection process that would later be used to identify possible locations that could properly serve in accomplishing the proposal's objectives. By starting with the *objectives*, the agencies were able to identify a wide variety of potential locations without limiting the consideration of alternatives. The agencies incorporated public input as an important part of the process in siting the proposed projects by seriously considering public comments and including citizen committee's opinions and judgment as an essential part of the site evaluation process. With the public's help, the agencies identified a large number of locations, which were further narrowed down to a few select options. Ultimately the lead agency chose the alternatives to be analyzed in the EIS based on this process of elimination focused on the potentiality that the alternatives could meet the proposal's objectives. In addition to the no-action alternative, the agencies ultimately analyzed three or more reasonable alternatives in the EIS for each of the projects.

Take, for example, Safeco Field. When the scoping process for Safeco field began in January of 1996, the lead agency, Public Facility District (PFD) initially identified four potential sites for the Ballpark and several others for parking, pursuant to the project's objectives and PFD's mission of "sit[ing], design[ing] and operat[ing] [a]...baseball park that is an asset to the community and region...." During the scoping comment period, a number of concerns were made by a variety of individuals, which helped identify several other alternatives to be considered. EIS for Safeco Field, Attachment 10, at 1-3. As a result of this comment process, the District chose thirteen possible sites for the Ballpark to be considered. 1-3. The District then appointed a Siting Criteria Task Force to develop siting criteria for the facility in order to narrow down the list of potential sites. 1-3. Based on input from the Task Force, PFD and a Citizen's Advisory Committee (CAC), the thirteen sites were narrowed to five remaining sites for which more information was requested for further analysis. 1-3. During this process, the CAC "stated its concern over making a decision in haste that may not reflect the best potential for siting success...[and]...emphasized the importance of continuing to consider sites that [were]

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outside the Kingdome area.” CAC Report, Ballpark Site Evaluation Work Session dated Monday, March 18, 1996, pg 3. Ultimately, based on this additional information and continued public input, PFD selected three Ballpark sites and the no-action alternative for evaluation in the EIS.

Century Link Field similarly reflects the public process surrounding the site-selection of public sports facilities. EIS for Century Link Field, Attachment 11. The Century Link scoping process began with a list of objectives that the lead agency used as guidelines for identifying reasonable alternatives to be evaluated in the EIS. 1-1. King County then created the Seahawks/Kingdome Renovation Task Force and charged it with the task of evaluating potential locations for a new or renovated NFL football stadium according to the objectives the county had already outlined. 1-2. As part of this process, the County commissioned an NFL Stadium Options Study to specifically evaluate the potential alternative locations using criteria based on the requirements of an NFL-caliber stadium. (size, access, facilities for concessions, etc.) 1-2. Based on these criteria, the Options Study identified 40 alternatives that met the proposals basic objectives. 1-3. After further refining the requirements for the stadium, the Task Force analyzed the 40 alternatives found in the Options Study as well as alternatives proposed by the public, settling on five alternatives, two of which were selected to compare to renovation options on the Kingdome site. 1-3. PSA independently evaluated these sites—using the Task Force’s reports and the proposal’s objectives—alongside the Task Force’s analysis and the Options Study, selecting three sites and a no-action alternative for analysis in the EIS. P 1-3, PG 2-4. The PSA chose not to select a preferred alternative so as avoid biasing analysis of reasonable alternatives. EIS at 2-11.

For another large public project in the region, King County initiated the siting process for the Brightwater Treatment Plant by drafting a list of objectives for the proposal, thereby making the EIS process and analysis of reasonable alternatives more accurate and less biased. EIS for Brightwater, Attachment 9. During the phased review process of the EIS, the County Brightwater team identified a list of 95 land areas that could potentially serve as a location for the new treatment plant using a variety of sources, including a public nomination process. It then narrowed the list to 38 sites for further review using a broad set of engineering and environmental constraints that would potentially limit the

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construction or operation of the facility. In order to further narrow the list of 38 potential sites, the team developed a list of detailed evaluation questions (DEQ's) covering a variety of environmental factors such as useable area and other measurable site characteristics, some being "key factors" that were given more weight in the evaluation process, which it used to identify seven candidate sites for continued review. Pgs 2-21-23. After removing one site due to legal constraints, the remaining six sites were further evaluated using narrower DEQ's resulting in four remaining sites as feasible alternatives which were later recued to two sites by the King County Executive which were recommended for final review in the DEIS during Phase 3 of the siting process. 2-24-26. Brightwater EIS.

In a more recent public project in Seattle, the Yesler Terrace Redevelopment, the City of Seattle Human Resources Department and Seattle Housing Authority also considered a number of alternatives for the proposal and involved significant public input. EIS for Yesler Terrace, Attachment 12. When redevelopment planning began, the Citizen Review Committee (CRC)—consisting of community participants and established to make recommendations to the SHA Board of Commissioners on the redevelopment efforts—developed core principles to guide in the planning which were used to establish eight specific planning concepts to develop conceptual site development scenarios. Using these planning concepts, SHA developed a list of objectives for the proposal in accordance with the purpose and need for the project. In addition, the process included development of objectives for the proposal pursuant to WAC 197-11-440, which were used to develop six distinct redevelopment alternatives covering a full range of land use intensities and densities that the site could accommodate according to the proposal's objectives, purpose and need for the proposal and current site conditions. The alternatives are designed to provide representative levels and types of redevelopment that could be achieved for analysis in the EIS. The intent in the DEIS was to analyze the full range of possibilities for development within the restrictions of the site while accomplishing the goals of the proposal. Five redevelopment alternatives were examined and a no action alternative. After analysis of these potential designs and possibilities in the DEIS, the City identified a preferred alternative out of the six options examined in the DEIS.

The proposed Seattle Arena siting process involved *none* of these site comparison efforts. We acknowledge that Appendix A of the DEIS does cite an internal process through

which the EIS went to consider 21 potential locations. But Appendix A does not constitute a “reasonable” effort to identify alternatives for multiple reasons. First, ILWU strongly believes that the MOU’s limitation of the alternative site to be the Seattle Center trumped any credible, objective review of alternatives. In fact, Appendix A candidly states up front, “No proposal to build an arena exists other than ArenaCo’s proposal to build the facility in SODO.” Second, of the 21 potential alternative sites in Appendix A, 13 had major structures already built on them, including the Mariners’ Safeco Field, Century Link Field, and the actual Port of Seattle. Third, none of the 21 was the product of a thoughtful citizen’s panel charged with evaluating alternatives. Rather, DPD staff eliminated them based on their own subjective criteria. Fourth, there is no site in Appendix A that is outside the City of Seattle; there should, however, be a site outside of Seattle under consideration because King County is a partner to this transaction. Fifth, as argued above, Appendix A was not prepared to provide an objective assessment of possible alternative sites; rather, as conceded on Page A-1, it was created to “enable a comparison of potential adverse impact from those locations with the potential impacts of the [SODO arena].” This is not a genuine comparison of potential sites; it is using other sites to inform the Councils “whether to participate” in the Arena deal. Nor is this a credible alternatives analysis for a public project. Sixth, one site, the Rainier Electronics site, was dismissed as not being viable in because the site lacks sidewalks and parking. Appendix A, at A-8. Yet the same can be said for the SODO site for which Arena Co. has no dedicated parking and the area lacks good sidewalk access from the south (particularly on S. Holgate St.).

The plain fact is that this PUBLIC project began with a site location effectively chosen by ArenaCo. ArenaCo, in essence, made a “here or nowhere” ultimatum to Seattle and King County. In other words, the DEIS only evaluated an location other than SODO to either defeat legal arguments that the Arena was improperly considered a “private project’ or as a *formality* without considering all potentially reasonable locations. That the DEIS bore only a superficial site alternative process is borne out in the DEIS at Page 2-1:

The City and County’s objective is to determine whether to participate in ArenaCo’s private proposal to build and operate the Seattle Arena for NBA and NHL home teams. While the City and County could decide to pursue

participation in a project to build and operate such an arena at a location different than the ArenaCo site, including the Memorial Stadium or Key Arena sites considered in this Environmental Impact Statement (EIS), no proposal for the City and County to participate in such a project currently exists other than ArenaCo's proposal to build and operate the Arena on its South Downtown (SoDo) property.

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This excerpt from the EIS confirms that the entire purpose of this EIS is merely to *confirm*, for *political* purposes, the location of the Seattle Arena in SoDO as opposed to evaluating this location in connection with other reasonable alternatives. This process does not fulfill SEPA's alternative site requirement for public projects. The issue *should* be "what are other potentially reasonable sites for the Arena within King County" and not whether Seattle and King County should "participate" in the Arena in SODO as compared to other speculative arenas elsewhere."

In completing the EIS, Seattle should have looked at all reasonable alternate sites that would accomplish the goal of having a new basketball arena, not specifically limited to Seattle, but instead to the region or county as with the Safeco and Century Link Field projects. The City should have initiated the process with a list of objectives for the proposal and then looked for where the best site location would be. In order to complete an EIS adequately for past public projects, the City took public comments into consideration, relying heavily on public input in not only developing criteria with which to assess alternatives but also for choosing which locations should be considered. As with past projects, the City should look at all available sites for a new arena and then based on the requirements of the proposal choose the best location through process of elimination, rather than pick their favorite after paying lip service to the requirement of considering reasonable alternatives by only looking at an alternative location at Seattle Center. By only analyzing two alternatives, the City did not satisfy the SEPA requirement of considering locations that "could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation" because the Arena's location was already chosen in Sodo, as stated in the MOU as the "project site." MOU p. 1.

4. The EIS for the Seattle Arena is defective and inadequate as a matter of law because the December 3, 2012 Memorandum of Understanding which spawned and governed the Arena's development limited consideration of potential alternative reasonable sites outside Seattle, contrary to WAC 197-11-070.

Among the most fundamental defects in the DEIS is that crucial decisions relating to siting and potential reasonable alternative sites were made *before* the EIS process. After a year-long political negotiation, on December 3, 2012, Seattle, King County, and WSA Properties executed a Memorandum of Understanding pertaining to the development, permitting, financing, and operation of the proposed Seattle Arena. A copy of the MOU is attached hereto. The MOU limited alternatives sites in two fundamental ways: first, it essentially provided that only the Seattle Center would be an alternative site, as opposed to all "reasonable" sites in Seattle and King County. Second, it impermissibly built momentum in favor of the SODO location by triggering a process where WSA would commence designing and permitting a SODO-based arena (Alternative 2) before the SEPA EIS process even commenced. In this Section of our comments, we explain why this MOU has fatally contaminated the EIS alternative siting process. First, however, we provide necessary background and context for the December 3 MOU. Next, we explain why the MOU has contaminated the alternative site process required by SEPA.

After the MOU was signed, ILWU filed a lawsuit against Seattle and King County arguing that the MOU violated SEPA by impermissibly establishing the SODO site prior to any SEPA review. On September 9, 2013, the Court of Appeals, however, held that the MOU does not violate SEPA because it was not an "action" within the meaning of SEPA. Attachment 14. While the MOU may not be an "action" under SEPA and does not, according to the Court of Appeals, violate SEPA today because no "action" has taken place, the MOU placed limits on the alternative sites that would be considered; in the MOU, Seattle and King County effectively limited the alternative sites that would be considered to the Seattle Center. Accordingly, the Court of Appeals' decision has no bearing on the legal adequacy of the Arena EIS. The Court of Appeals' decision, moreover, did not address whether the Arena is a public, as opposed to private, project and whether the MOU impermissibly tainted the site comparison requirement. Because the MOU limited alternatives sites

11 11. Comment noted.

before SEPA, it has tainted the process in the DEIS involving selection of potential “reasonable off-site alternatives,” as required by SEPA. In the following paragraphs, we explain this in more detail.

A. Background and context for Seattle Arena.

i. Chris Hansen’s proposal to build an arena in SODO.

In Spring 2011, about three years after the Seattle Supersonics moved to Oklahoma and became the Thunder, San Francisco hedge fund manager Christopher Hansen approached Seattle Mayor Michael McGinn with a confidential proposal to form a public-private partnership to build a new arena in Seattle’s SODO district and recruit a new NBA and, possibly later, an NHL team.

Unbeknownst to the Seattle City Council or the public, Mayor McGinn and his staff hired a New Jersey-based sports consultant and negotiated directly with Mr. Hansen and his representatives for several months. Eventually, King County officials, including King County Executive Dow Constantine, joined the negotiations.

The first round of negotiations culminated in a press conference held on May 16, 2012 where Mayor McGinn and Executive Constantine announced that they had reached agreement with Mr. Hansen, whose entity for the proposed partnership is called “WSA,” on an MOU dated May 18, 2012. As required by law, the Executives forwarded this preliminary MOU to their respective Councils for further vetting, negotiation, and enactment.

Seattle and King County continued to negotiate and amend the MOU until mid-October 2012. Their respective Councils authorized a final version of the MOU on October 15, 2012, which both Executives signed on December 3, 2012.

ii. The December 3, 2012 Memoranda of Understanding.

The MOU provides that it is a legally binding contract between WSA, Seattle, and King County. MOU, at 1; Recital D. The MOU is a complex and multi-staged document and has three principal features pertinent to this case: (1) a memorialization of the agreed **business terms** relating to financing, security, design, construction, use, and operation of an arena *in SODO*; (2) the **SEPA EIS process** that Seattle and King County agreed to

conduct; and (3) a memorialization of the parties' respective **future commitments** to pursue the transaction.

iii. The MOU's business terms.

The MOU provided that its agreed business terms would be incorporated into the later "Transaction" documents or "Umbrella Agreement." CP 123, 121 (MOU, at 3; § 7; MOU, at 1; Recital D) ("This MOU is intended to...[set]forth the business terms and conditions that will be included in the Transaction Documents."). Literally **all** of the MOU's negotiated business terms for the public-private partnership to build and operate an arena applied to the development of an arena *in SODO*; the MOU contained *no* business terms for an arena elsewhere.

The business terms were as follows: Seattle and King County agreed to sell \$200 million in 30 year municipal bonds and use the proceeds to purchase Mr. Hansen's already-owned land in SODO and the lease-purchase of the new arena. MOU, at 4; § 10. WSA will, in turn, contribute the balance to design and build an arena (approximately \$500 million) in SODO and recruit, purchase, and obtain NBA approval for siting the new team in Seattle on the SODO site (approximately \$550 million).

The MOU provides that WSA will lease the land back from Seattle for \$1 million a year. MOU, at 4; § 9. Seattle will take ownership of the building (removing it from the tax rolls) and lease it back to WSA for an initial rental rate of \$4 million per year. MOU, at 7; § 13.a. WSA, or a related entity, will independently purchase a professional NBA team, MOU, at 34; § 24.d, and operate the Arena. MOU, at 19, § 15.a. Seattle and King County's bond payments will be paid directly from the revenues generated by arena sales, including from sales taxes on those sales. MOU, at 8-9; §§ 13. b, d.⁴

The MOU contained several reimbursements provisions. WSA agreed to reimburse Seattle for up to \$5 million in "development" costs⁵ but this reimbursement was explicitly conditioned on Seattle and King County's decision to proceed *with the SODO arena*. MOU, at 2; § 3.b. WSA agreed to unconditionally finance the EIS process, MOU, at 2; § 4, and to pay up to \$200,000 for an "economic impact analysis." MOU, at 32; § 23.g. To provide a

⁴ In the interest of brevity, we do not discuss the various security arrangements.

⁵ "Development costs" included, broadly, Seattle's "out-of-pocket expenses" to implement the MOU. It included, as examples, Seattle's costs to consult with attorneys, engineers, and financial consultants. CP 122 (MOU at 2; § 3.b).

temporary home for the new NBA team, Seattle agreed to allow WSA to use Seattle Center’s Key Arena (MOU, at 26; § 17.a), the parties set up a “Key Arena Fund” to upgrade the existing Key Arena (MOU, at 26; § 17.b), and WSA agreed to provide \$150,000 to study the future of the Key Arena. MOU, at 2; § 3.b. WSA also agreed to make a \$40 million contribution to a “SODO Transportation Infrastructure Fund” to fund “transportation improvements in SODO.” MOU, at 6; § 11.a, b.

The initial term of the Arena use agreement was 30 years with an option to extend for another 20 years. MOU, at 7; § 13.a.

iv. The MOU’s SEPA process.

The MOU committed Seattle and King County to conduct SEPA for the SODO arena, as set forth in Section 5.

SEPA. The Parties acknowledge that the Project is subject to review and potential mitigation under various laws, including the State Environmental Policy Act, Chapter 43.21C of the Revised Code of Washington (“RCW”), and the state and local implementing rules promulgated thereunder (collectively, “SEPA”). Before the City and County Councils consider approval of the Umbrella Agreement and any Transaction Documents, the City and County will complete a full SEPA review, including consideration of one or more alternative sites, a comprehensive traffic impact analysis, impacts to freight mobility, Port terminal operations, and identification of possible mitigating actions, such as improvements to freight mobility, and improved pedestrian connections between the Arena and the International District light rail station, the Stadium light rail station, the SODO light rail station, and Pioneer Square. The City and County anticipate that alternatives considered as part of the SEPA review will include a “no action” alternative and an alternative site at Seattle Center. The City or County may not take any action within the meaning of SEPA except as authorized by law, and nothing in this MOU is intended to limit the City’s or County’s exercise of substantive SEPA authority. Consistent with Section 4 of this MOU, ArenaCo will reimburse the City for the costs incurred by the City as part of the SEPA review and will be responsible for funding any required mitigation imposed through SEPA substantive authority.

MOU, at 3; § 5.⁶

⁶ We have underlined pertinent portions of the SEPA provision that we discuss elsewhere in this brief.

After SEPA review is completed and the parties satisfy the other conditions-precedent, Seattle and King County will decide whether “it is appropriate to proceed with or without additional or revised conditions based on the SEPA review.” MOU, at 34; § 24.b.

v. Commitments implementing the MOU taking place today.

Concurrently with conducting SEPA, the MOU requires the parties to take numerous next-steps implementing the MOU, steps that are on-going during this appeal. MOU, at 1; Recital D. *All* of these next-steps pertained only to an arena on Mr. Hansen’s site in SODO.

Using the SODO location and the MOU’s agreed business terms, the MOU expected and required WSA to purchase a professional basketball team and to obtain NBA-approval for this team to move to Seattle and eventually play *in the SODO arena*. MOU, at 24; §16.d; MOU, at 34; § 24.d. The MOU required the parties to conduct a standard environmental assessment of WSA’s SODO site for purposes of evaluating any environmental hazards. MOU, at 34; § 24.c. The MOU required WSA and Seattle to jointly commence designing an arena on the SODO site and for WSA to obtain Seattle design review and master use approval of it. MOU, at 2 § 4; MOU, at 22; § 16. Finally, the MOU required the parties to commence drafting Transaction Documents and Umbrella agreements that applied to an arena in SODO. MOU, at 3; § 7.

B. The December 3, 2012 MOU has prejudicially tainted the alternative site consideration requirement applicable to public projects; consequently, the EIS is inadequate as a matter of law.

The consideration of “alternatives to the proposed action” is a bed-rock principle of SEPA. RCW 43.21C.030(2)(c)(iii), (e). To safeguard this principle, SEPA’s regulations include a provision prohibiting pre-EIS actions that “limit the choice of reasonable alternatives.”

WAC 197-11-070(1) provides as follows:

Until the responsible official issues a final determination of nonsignificance or final environmental impact statement, no *action* concerning the proposal shall be taken by a governmental agency that would:

- (a) Have an adverse environmental impact; or
- (b) Limit the choice of reasonable alternatives. (emphasis added)

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In the same vein, WAC 197-11-055(2)(c) provides that, “appropriate consideration of environmental information shall be completed *before* an agency “*commits to a particular course of action.*” (emphasis added).

1. The MOU tainted the EIS process because it violated WAC 197-11-070(1)(b) and 197-11-055(2)(c) because it directly limited the arena’s EIS alternatives process.

The MOU may not, in the opinion of the Court of Appeals, have been an “action” under SEPA but it certainly is a pre-SEPA EIS document that limited and biased Seattle and King County’s consideration of alternative sites for the Arena for purposes of undermining the “adequacy” of the EIS.

The MOU was prompted by Mr. Hansen’s proposal to forge a public-private partnership but *only* with respect to a SODO arena. It explicitly limited the alternative sites for the potential arena in Section 5 by “anticipating” that only the Seattle Center would be an alternative site. And it contained agreed-to business terms that applied only to an arena in SODO. In contrast, Ecology in *PCHB* only *approved* of a test-well site and did not impose any limitations on or inducements for other potential well sites.

The MOU’s limitation of the Seattle Center as the “anticipated” alternative site clearly violated WAC 197-11-070(1)(b). An EIS for a *public* project, such as the SODO arena, requires Seattle and King County to provide a “reasonably detailed analysis of a reasonable number of and range of alternatives.” *Weyerhaeuser v. Pierce County*, 124 Wn.2d 26, 41, 873 P.2d 498 (1994). A “reasonable alternative” is one that “could feasibly attain or approximate a proposal’s objectives at a lower cost to the environment.” *King County v. Cent. Puget Sound Bd.*, 138 Wn.2d 261, 184-85, 979 P.2d 374 (1999). Agencies proposing *public* projects have a duty to consider a no-action *and* an off-site alternative. *Weyerhaeuser*, 124 Wn.2d at 38-39; WAC 197-11-440(5)(d). The MOU violates WAC 197-11-070(1)(b) to the extent it contractually limits alternative sites to the Seattle Center (as

opposed to all “reasonable” sites) and, by operation, commits the arena to a SODO location, which is a commitment to a “particular course of action” under WAC 197-11-055(2)(c).

Nor does it matter that Sections 2 and 5 of the MOU on their face commit to “evaluating” or “considering” “one or more alternative sites.” Read carefully, Sections 2⁷ and 5 of the MOU merely pay lip service to SEPA’s requirement that an EIS consider all reasonable alternative sites.

Section 24 sets forth the conditions precedent for the MOU to take effect after SEPA review is conducted. Section 24(b)(iii) provides as follows:

The City and County and their respective councils have considered the SEPA review in connection with their respective actions and have *determined whether it is appropriate to proceed with or without additional or revised conditions* based on the SEPA review. (emphasis added).

MOU, at 34; § 24.b.iii.

While Section 24(b)(iii) gives Seattle and King County the authority to impose “additional or revised conditions” and to decide whether it is “appropriate to proceed,” these conditions clearly apply only to the SODO site. This is because the term “proceed” must be read in the context of how the MOU defines the “Project,” which is an arena on WSA’s SODO site. MOU, at 1; Recital A; at 1; § 1; at 2; § 2. The MOU, moreover, does not include *any* express terms giving Seattle or King County the authority to *choose* an alternate site after the EIS is completed; that is because there are no non-SODO sites that are part of the “Project.” The same can be said about Section 24(g), which only gives Seattle or King County the right to determine “whether it is appropriate to proceed with or without additional or revised conditions” after the MOU-required economic analysis. The final coup de grace making the Seattle Center a non-starter is that Seattle and King County will lose up to \$5 million in up-front “development costs” if the SODO transaction is not closed. MOU, at 2; § 3.b. This contingent reimbursement provision clearly “coerces” a SODO location.

In summary, the MOU on its face limits Seattle and King County to imposing conditions on the SODO alternative or voting the entire Arena Plan (and the “return of the

⁷ Section 2 provides, “ArenaCo is proposing to develop and operate the Arena on the Project Site...the City and County will evaluate this location and one or more alternative sites, and a “no action” alternative as part of the SEPA review described in Section 5.”

Sonics”) down; it simply does not authorize the Councils to choose an alternative location, if they so choose to do so, at the end of the EIS process.

2. The MOU’s violation of WAC 197-11-070(1)(b) and 197-11-055(2)(c) irreparably tainted the EIS’s alternative site process because it was specifically designed to build political momentum in favor of the SODO alternative. This rendered the public project alternative siting requirement a sham.

Seattle and King County spent 18 months negotiating the 37-page MOU with WSA, and the MOU eventually was approved by both Councils with considerable “Bring Back the Sonics” political fanfare. The MOU identified the SODO site as the Project Site and was intentionally structured to give Mr. Hansen the certainty of the SODO site so he could purchase a team and obtain NBA approval for the team to re-locate in Seattle.

The MOU was structured so that the SODO alternative was the only alternative that could meet possibly the Project’s objective of building an arena. *Only* the SODO alternative, for example, was accompanied by a financing plan and a willing private investor. The MOU also gave Mr. Hansen the right to rely on its terms in consummating his next business steps. Indeed, the MOU *expected* and *required* WSA to commence designing a building on the SODO site and to obtain a Master Use Permit from Seattle. The MOU *expected* and *required* Mr. Hansen to represent to the NBA that he had substantially secured a SODO arena site and to obtain NBA approval of this site. The MOU even made time of the essence by *requiring* WSA to take steps “to cause the Arena to be constructed and open for events as soon as reasonably practicable.”⁸ Given that they gave Mr. Hansen the *right* to rely on the MOU’s SODO- oriented terms, Councilmembers would be extremely unlikely to frustrate this agreement by choosing a different arena location down the road. Hence, the MOU “coerces” the SODO location under WAC 197-11-070 (1)(b).

Nor can Seattle argue that the MOU’s “conditions precedent” section, Section 24, reserves in the City and County their authority and duty to locate the arena in a less environmentally-degrading location. Section 24 sets forth seven “contingencies” before Seattle or King County would “participate” in the SODO Arena Project. Of these seven

⁸ MOU, at 25; § 16.h.

“contingencies,” only two apply to the Arena Project’s SEPA review and Seattle and King County’s ability to choose an alternative location, Sections 24(b) and (g).

Section 24(b) makes consummation of the MOU contingent on whether “the City and County and their respective councils have considered the SEPA review in connection with their respective actions and have determined whether it is appropriate to proceed with or without additional or revised conditions based on the SEPA review.” As we discussed in our opening brief (at pp. 33-34), however, the plain terms of Section 24(b) only permit Seattle and King County to decide “whether it is appropriate to proceed with or without additional or revised conditions.” The right to proceed or not with a conditioned or unconditioned SODO arena, however, is not the same as the right to *choose* an alternative site. While theoretically Seattle and King County could impose unreasonable mitigation conditions or adopt the “no-action” alternative as leverage to locate the arena elsewhere, WSA could challenge this tactic as bad faith under Recital D and it could give rise to a WSA-brought lawsuit to specifically limit Seattle and King County to imposing conditions or choosing the no-action alternative.⁹

5. The DEIS violates SEPA principles articulating a project’s “purpose” by defining the Arena project’s objective too narrowly

As set forth above, the DEIS explicitly states that Seattle and King County’ primary “objective” in the EIS is to “determine whether to participate in Arena Co’s private proposal to build and operate the Seattle arena for NBA and NHL home teams.” DEIS, at 2-1. This extremely narrow objective, which asks *whether* there should be public financing for the arena as opposed to *where* it should be sited-- constitutes a fatal legal flaw in the EIS and Seattle’s decision-making leading up to it.

⁹ Section 24(g) governs Seattle and King County’s decisions after an economic impact statement. Like Section 24(b), it only permits Seattle and King County, after the preparation of an economic impact statement, to impose “additional or revised conditions” on the SODO site and to make the decision “whether it is appropriate to proceed.”

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12. See Common Response #2 Project Objectives.

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RCW 43.21C.030 requires that an EIS contain a detailed discussion of alternatives: “the required discussion of alternatives to a proposed project is of major importance, because it provides a basis for a reasoned decision among alternatives having differing environmental impacts.” *Weyerhaeuser v. Pierce County*, 124 Wash. 2d 26, 38, 873 P.2d 498, 504 (1994). Pursuant to WAC 197-11-440(5)(b), the reasonable alternatives which must be considered are those which could “feasibly attain or approximate a proposal’s objectives, but at a lower environmental cost or decreased level of environmental degradation.” *Id.* at 38.

Under SEPA, and its federal counterpart, NEPA, the purpose and need (objectives) of a project determine the range of alternatives that are reasonable and therefore must be considered in the alternative site evaluation. Since SEPA follows NEPA’s direction but lacks the varied history of litigation that NEPA has experienced, past NEPA cases help illuminate an otherwise yet-to-be clarified area of SEPA law. For NEPA, “[t]he stated goal of a project necessarily dictates the range of reasonable alternatives.” *City of Carmel-by-the-Sea v. United States DOT*, 123 F.3d 1142, 1155 (9th Cir. Cal. 1997). *See also Coalition for a Sustainable 520 v. United States DOT*, 881 F. Supp. 2d 1243, 1257 (D. Wash. 2012). However, the “range of alternatives that must be considered in the EIS need not extend beyond those reasonably related to the purposes of the project.” *Laguna Greenbelt, Inc. v. Dep’t of Transp.*, 42 F.3d 517, 524 (9th Cir. 1994). Even if an alternative does not completely meet the proposal’s objectives, the EIS must include a discussion of the reasons for its elimination. 40 CFR § 1502.14. Furthermore, when defining the objectives of a proposal, “an agency cannot define its objectives in unreasonably narrow terms,” meaning that the purpose and need statement “will fail if it unreasonably narrows the agency’s consideration of alternatives so that the outcome is preordained.” *City of Carmel*, 123 F. 3d at 1155; *Alaska Survival v. Surface Transp. Bd.*, 705 F.3d 1073, 1084 (9th Cir. 2013). *See also Simmons v. United States Army Corps of Eng’rs*, 120 F.3d 664, 666 (7th Cir. 1997) (“The ‘purpose’ of a project is a slippery concept, susceptible of no hard-and-fast definition. One obvious way for an agency to slip past the strictures of NEPA is to contrive a purpose so slender as to define competing “reasonable alternatives” out of consideration (and even out of existence.”)).

Similar to NEPA, SEPA requires that an EIS consider “[r]easonable alternatives” which “could feasibly attain or approximate a proposal’s objectives, but at a lower environmental cost or decreased level of environmental degradation.” WAC 197-11-440(5). “Reasonable[ness] . . . is intended to limit the number and range of alternatives, as well as the amount of detailed analysis for each alternative” and only includes those alternatives within an agency’s jurisdiction to control impacts, “either directly, or indirectly through requirement of mitigation measures,” and only alternatives that can meet the proposal’s objectives must be considered. *See Barrie v. Kitsap County*, 93 Wn.2d 843, 855 (Wash. 1980). For NEPA, the range of alternatives must represent “explore and objectively evaluate *all* reasonable alternatives.” 40 CFR 1502.14 (emphasis added). While no SEPA law explicitly reiterates this, the purpose and objectives of SEPA EIS requirements are in place to ensure that decision makers on public projects make carefully reasoned decisions and support the conclusion that consideration of alternatives should be thorough in both depth *and* breadth.

Here, the entire site selection process was constrained by Mr. Hansen’s insistence that his site in SODO be the arena site and that he would only “compare” the SODO site to the Seattle Center to give the City and County the opportunity “whether to participate.” The MOU and EIS named the objectives in terms of confirming a *specific project site*. Although Section 5 of the MOU purports to reserve final site selection to the Seattle and King County Councils *after* an EIS was completed, in two significant ways the MOU places sideboards on the *scope* of the arena’s EIS: it affirms the SODO site as the “Project Site.”; and it specifies that only *one* alternative site—at the Seattle Center—will be considered as an alternative site (in addition to a “no-action” alternative). MOU at 1 (Recital A); *Id.* at 3, § 5. There is no evidence that pre-selecting the location was motivated by similar constraints or conditions that would require specifically limiting the project site to the Sodo location. Instead, the MOU and EIS specifically name the Sodo site as the project location without any basis for doing so. While project objectives may be defined somewhat narrowly so that every alternative is “reasonable,” in this case there was no reason for defining them so

narrowly so as limit “reasonable alternatives” to the Seattle Center, SODO and no-action alternatives.

The site-selection procedure followed for past stadium projects in Seattle exemplify the proper framing objectives to avoid limiting reasonable alternatives. During the EIS process in these past projects, the City and King County started the site-selection process off with a list of general objectives for the proposal so as to avoid limiting the EIS and unbiased consideration of alternatives that could occur. For instance, both the Safeco and Century Link Field EIS’s began the project with a general objective and a list of other essential objectives, without which constructing a stadium would be impossible (e.g. large enough site, compatibility with surrounding land use, zoning restrictions, etc). For Safeco, the proposal’s objective was to “provide a new, publicly owned Washington State Major League Baseball Stadium (Ballpark)....” Washington State Major League Baseball Stadium Project FEIS 1-1. The objective for Qwest Field was to “site and construct a stadium and exhibition center in King County.” Football/Soccer Stadium and Exhibition Center Project FEIS 2-1. By defining the objectives generally and in terms of constructing a stadium for regional use as opposed to limiting it to a specific locale, the proponents and lead agency ensured that a fair evaluation of reasonable alternatives would occur.

SEPA prohibits government agencies from taking action prior to completion of an EIS where the action limits the choice of reasonable alternatives. Because review of alternative locations was limited to only the proposed SODO location and the Seattle Center, Seattle impermissibly limited the scope of the EIS, taking potential reasonable alternatives off the table and prejudicing the EIS that was completed. The City and County are required to more than passively review the site suggested and owned by ArenaCo. It is essential that the EIS focus on the alternatives that exist that would accomplish the proposal’s objectives and ultimately have a lower environmental and economic impact to not only the local site area but also the region as a whole. The first step should have been developing criteria and objectives for the proposal and then searching for locations according to those standards.

In defining the project objectives, Seattle should have done so in a way that would allow for consideration of all reasonable alternate sites that would accomplish the goal of building a new basketball arena, not specifically limited to Seattle, but instead to the region or county as with the Safeco and Century Link Field projects. Since the EIS is intended to meet SEPA requirements for both the City and County and will serve County interests, reasonable alternatives for the County include consideration of sites outside Seattle. By specifically naming project site as part of the project objectives prior to completing a detailed analysis of alternate locations, the SODO location became the inevitable choice and prohibited consideration of other alternatives sites that would accomplish the more general goal of bringing an NBA arena back to the region instead of specifically to the SODO area.

III. ENVIRONMENTAL IMPACTS ACKNOWLEDGED IN EIS.

In the next section of these Comments, we reiterate the multiple *negative* environmental impacts the SODO arena site *will* have that are acknowledged in the EIS. It is important for readers, particularly public officials (both elected and agency staff) to understand that the SODO arena site will increase traffic, congestion, and raises numerous pedestrian safety issues. These impacts, in turn, have important negative consequences on important Seattle economic sectors, including freight mobility, and traditional SODO businesses.

A. The Arena will substantially increase cumulative traffic congestion in SODO and nearby Pioneer Square

1. In 2012, there were approximately 7300 one-way truck trips to and from the Port of Seattle; this could rise to 13,200 by 2030. DEIS, at 3.8-91. At the same time, railroad use of the tracks directly east of the Arena will grow from about 65 trains/day today (ST, Amtrak, and freight) to 178 trains. DEIS, at 3.8-91. In summary, roads and train lines around the Port will get **twice** as busy over the next twenty years.
2. There will be *two times* the delay at the 1st and Atlantic intersection as a result of the Arena. DEIS, at 3.8-92.

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13. Comment noted.

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3. In general, travel times on freight corridors at four key intersections will *double* or *triple* with the addition of arena traffic. DEIS, at 3.8-93.
4. By 2030, all four nearby intersections would be 3 to 8 times worse than they are today with the Arena and other nearby sporting events. DEIS, at 3.8-97.
5. The arena will likely be used approximately 190 days per year for multiple events. DEIS, at 3.8.5-6. The Arena’s overlap with adjacent sporting events (Mariners, Sounders FC, Seahawks, and WNBA) will greatly exacerbate bad traffic.
6. Each arena event will generate (in 2018) 2150 “additional vehicular trip during weekday PM peak period.” DEIS, at 3.8-49.
7. The vacation of Occidental St. will have a negative impact on local traffic congestion on 1st Ave. So: today, approximately 75% of the traffic utilizing Occidental is *not* associated with businesses on that street but that street as an alternative to 1st Ave. So. DEIS, at 3.8-50.
8. The general area is undergoing “major transportation system changes.” DEIS, at 3.8-13.
9. There are at least four major transportation projects that will change the projected impacts of the arena on transportation: the Alaskan Way viaduct, the SR 520 bridge replacement, the Mercer Corridor, and the First Hill street car. DEIS, App. E, at 2-7. In addition, other major projects nearby include: Link Light rail, King St. Station Multi-modal terminal, Elliot Bay Seawall, Waterfront Seattle, SW Transit pathway, Convention Place. DEIS, App. E, at 2-7-8.
10. Roadway volumes will increase between 4-22%; with two other sporting events the same day, traffic would increase by up to 56%. DEIS, at 3.8-55.
11. There will be a significant increase in SODO traffic based on completion of already-underway area projects, even *without* the proposed SODO arena. DEIS, at 3.8-51. The purported primary cause of this increase is that the bored tunnel, scheduled to come on-line in 2016, because the tunnel does not have any exit ramps in the central business district and will cause extensive congestion at its southern terminus, just blocks from the proposed arena site. DEIS, App. E, 2-102. The entire DEIS is predicated on the assumption that the mega-projects in the works (Hwy. 99 bored tunnel, SR 520 bridge, Mercer Corridor, Waterfront) could individually or

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15. Comment noted.
16. Comment noted.
17. Comment noted.
18. Appendix E of the FEIS includes additional analysis evaluating the impacts associate with the Occidental Street vacation (Section 2.10 of Appendix E) based on the collection of additional data during the weekday AM, mid-day, and PM peak hour. This analysis considered the level of activity and basic functionality of the roadway during these periods. The analysis also considered traffic volumes along Occidental Avenue, south of Holgate Street to assess its role in the local transportation system, and to help assess the overall input of the loss of the parallel travel route to 1st Avenue due to the street vacation.
19. Comment noted.
20. Comment noted.
21. Comment noted.

cumulatively alter the transportation baseline on which the DEIS was based. DEIS, at 3.8-1.

12. Even *without* the arena, the bored tunnel will increase traffic volumes at 64 nearby intersections as follows:
- o An increase of approximately 100% on 1st Ave. So., north or RR Way. Id.; DEIS, at 3.8-52; DEIS App. E, at 2-102.
 - o Volumes on 4th Ave. S. north of King St. pedestrian crossing are expected to increase “on the order of” 50%. DEIS, at 3.8-52; DEIS, App. E. at 2-102.
 - o South of proposed SODO site, along both 1st Ave. S. and 4th Ave. S. traffic volumes are expected to increase “on the order of” 35 and 30%, respectively. DEIS, at 3.8-52; DEIS, at 2-102; DEIS, App. E, 2-101-02.

13. In the event of an arena event plus one other event (eg. Mariners, Sounders): traffic volumes in the Stadium area will increase between 16-30%, except for 4% on 4th Ave. So. South of Atlantic St. 3.8-52.

14. “In general, travel times will increase as a result of Arena traffic.” 1-26.

15. The Arena will affect traffic at 64 nearby intersections. DEIS, at 3.8.10; Fig. 3.8-3.

16. If there is an arena event and two other events taking place, traffic volume approaching the Stadium District during peak PM hours will *increase* by 16-34%, depending on location. EIS, at 3.8-53.

17. The proposed SODO location will cause traffic volumes on 1st Ave. to increase by 6% merely as a result of the vacation of Occidental St. DEIS, at 1-35.

18. The proposed SODO location admits that traffic volumes in the surrounding “Stadium District” will increase from 10-22%. EIS, at 1-22-23. General travel times will increase, sometimes by double. DEIS, at 3.8-77.

19. The Arena would add 40 additional days to the number of days for which sporting events are currently held at Safeco and Century Link fields. DEIS, at 3.8-80.

20. The arena would have a negative impact on emergency response vehicles attempting to go to SODO. DEIS, at 3.8-82.

21. By 2018, Arena will generally increase travel time in adjacent arterials by about 10 minutes and up to 15 minutes when other events are taking place. DEIS, at 3.8-69.

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22. Current and future rail service will increase dropped gate time, adding to traffic congestion at RR crossings. DEIS, at 3.8-63.
23. The DEIS concedes that, even *without* an arena, truck activity and traffic volume in SODO relating to both the Port and other businesses will continue to grow. EIS App. E, at 2-102.
24. Even without an arena, traffic volumes increase and reach higher levels on event days with more frequency. DEIS App. E, at 2-125.
25. Pedestrian impacts on traffic may be worse than expected and actual conditions for pedestrians at intersections in this industrial area may be worse than modeled. 2-130, 177.
26. Increasing delays at intersections with additional events. 2-144
27. There will be significant increases in travel time through Sodo area, even under “no-action” scenario. 2-146-147; 3.8-51.
28. Area events will cause off-ramp delays. 2-153, 166, 169, 170.
29. Significant increases in loss of LOS for alternatives. 2-155 and 2-159.
30. Significant delays in corridor travel times. 2-162-163.
31. Admits overall increase in traffic, travel time, congestion and impacts to regional transportation systems including road systems such as I-5 and I-90.
32. Estimates that only 14% of Arena attendees would use public transit. 1-14.
33. Admits that pedestrian flow on First and Fourth Ave. would be exceeded and “exceed acceptable levels” before and after game. 1-18-19.
34. The proposed SODO arena would come on line in 2016, just as Seattle commences its major waterfront development and right *after* completion of the Hwy. 99 bored tunnel. DEIS, at 3.8-4.

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29. Comment noted.

30. As documented in the DEIS, the *Coal Train Traffic Impact Study* (October 2012, Parametrix) was used to forecast rail activity (see Appendix E, Section 2.7.3.2). Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

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Freight:

- In 2012, approximately 7300 trucks passed one-way through SODO to the Port of Seattle *each day*. DEIS, at 3.8-87, 91. By projected future growth in cargo ships, these truck trips could almost double, to 13,700. DEIS, at 3.8-91.
- The DEIS candidly concedes that the arena will delay freight. DEIS, at 3.8-99.
- Train traffic will be increasing dramatically in SODO between now and 2030:

- Sound Transit: 18 crossings (2013) to 20 (2018) to 22 (2030).
- Amtrak: 6 crossings SB, 7 NB (2013) to 16 (2018) to 26 (2030).
- Freight (including coal trains): 30 (2013) to 88 (2018) to 130 (2030).

This additional train traffic compounds already difficult freight mobility issues; crossing time and queues affected. The Arena will further exacerbate this congestion. DEIS, at 3.8-92.

- The Atlantic-1st Ave. intersection is key because it lies between the Arena and the Port. Traffic at this intersection will double even without the Arena. DEIS, at 3.8-92.
- Travel times for freight corridors will nearly *triple*. DEIS, at 3.8-93.
- Increase in Sodo travel times. 2-183.
- Impact on freight doesn't include diversions. 2-183.
- The POS has a goal of 3.5 million TEUs by 2030; this would require expansion of Port hours from the current 7:30am-5:00pm timeframe to 6:00-11:00 pm timeframe. DEIS, at 3.8-91. Truck traffic will increase even without arena.
- Freight travel times will increase from between 2 to 9.5 minutes. DEIS, at 3.8-94.
- The difficulty of moving freight after the Arena will be compounded by the ambitious effort to establish more frequent "coal trains" running through SODO.

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31. The FEIS presents the demand based analysis for SEPA purposes (see Appendix E, Section 2.8). Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E, Section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases, it would become more difficult to find parking in the area and the reliance on parking further from the site would increase.

Parking:

- The arena currently proposes NO separately-built parking but relies on "parking agreements" with "existing garage facilities. EIS, at 3.8-3. WSA does own nearby real estate but no specific parking plans exist for these sites.
- Nearby on and off street parking full with Mariners game with only 22,900 in attendance with extra parking further away. 2-207.
- Admit parking will be tight on multi event days and other parking conclusions. 2-216.
- Adequacy of parking assumes access to Mariner's garage.
- Admits that "parking will be more difficult." 1-28.

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Public Safety:

- Conflicts between pedestrians and trains will “substantially” increase. Serious safety issues around RR tracks. 1-19.
- Accommodating expected pedestrians (200-1400 at any one time) would be “difficult.” Five (5) times more “pedestrian storage” required for public safety. 1-20.
- Huge pedestrian queues anticipated near RR tracks. 1-20.
- Trains average almost 9 mins. ; they also travel between 10-15 mph.
- Trains could block pedestrians leaving the Arena for up to 30 minutes. 1-20.

Hidden Costs to Public:

- EIS assumes that a grade-separated pedestrian bridge be built over the railroad tracks to the east of the Arena. Who will pay for this? 1-35.
- EIS states that arena-generated traffic will constitute a “significant safety issue” for pedestrians trying to get across the seven RR tracks. 1-34.
- If pedestrians are expected to wait for passing trains at Holgate St. to the southeast of the arena, between 2000-5800 sq. feet of new pedestrian “storage” areas will need to be constructed. DEIS App. E, at 1-21.

IV. Specific Defects in the DEIS

This Section identifies environmental factors that the DEIS either failed to address or failed to do so adequately.

1. Gross underestimate of number of cars for Arena events.

The DEIS estimates that the new Arena will only generate **2150** “vehicular trips” during the “weekday PM peak period.” DEIS, at 2-91. However, a study dated May 23, 2012 prepared for ArenaCo by Horton Street assumed that **6000** cars would be drawn to the Arena per event. Attachment 28. See <http://www.seattle.gov/arena/docs/120523PR-SDOT-ArenaReport.pdf> (at pages 2, 4). That is almost a *three-fold* increase. The cited transportation study states that the average people/car ratio for Safeco and Century Link fields was 2.6-2.8 and that a “conservative” estimate was 2.69, which translates to 6691 cars per arena event. Attachment 28, at 9-10. Accordingly, the DEIS’s estimate of 2150

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32. Comment noted.

33. Comment noted.

34. The DEIS projected vehicle demand is consistent with the Parametrix transportation analysis. Based on an attendance level of 20,000 people, the DEIS projects a peak parking demand of over 6,000 vehicles by 2018. The arrival of these vehicles to the study area would occur over several hours. The evaluation of traffic operations focuses on the weekday PM peak hour only (or a one-hour time period). During the one-hour time period approximately 2,150 vehicles arrive to the study area. (see Appendix E, Sections 1.4.1 and 1.4.2).

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“vehicular trips” is only 1/3 of what it should be. *The FEIS must re-calculate traffic based on a more conservative and realistic people/car ratio.*

2. Missing Event Time Periods

The DEIS assumes all professional sporting events will occur in the 7pm time zone. Yet, events such as conventions, trade shows, and matinee ice events will create congestion around the Arena at other times. The DEIS needs to obtain a specific list of foreseeable events at the Arena and consider the times these events start.

3. The DEIS fails to acknowledge a crucial report published by the Seattle Planning Commission on July 12, 2012.

In a crucial report to the City Council dated July 12, 2012, Attachment 29, the Commission clearly stated that the proposed Arena will have a detrimental environmental impact on Pioneer Square:

The City Council should better understand how this proposal will impact current efforts to revitalize Pioneer Square and the Chinatown-International District. Neighborhood businesses in Pioneer Square and the Chinatown-International District have raised concerns for years that generally they see many negative impacts and few benefits from nearby spectator sporting events. While we do not have statistical information to assess this issue, it is not clear whether these communities would see a positive economic impact if an arena and associated development were to be developed in the proposed location. The proposed business model includes adjacent uses along a pedestrian mall such as retail, restaurants, and taverns along a pedestrian promenade on Occidental Avenue South between Edgar Martinez Drive South and South Massachusetts Street. While permitted under the Land Use Code, this ‘entertainment zone’ could draw customers who may otherwise gather in the Pioneer Square and the Chinatown-International District prior to and after events at the arena or other spectator sports facilities in the area.

Yet the DEIS never even acknowledges or discusses this report. It must do so point-by-point. What good is a Planning Commission when its alarming findings and conclusions are disregarded by a DEIS and, evidently, by City officials at DPD?

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35. Time periods evaluated in the DEIS/FEIS evaluate cumulative worst-case impacts considering not only event times but also background conditions (Appendix E, Sections 2.5.1.2 and 3.5.1.2).

36. See Common Response #11 Secondary and Cumulative Impacts. Additionally, an EIS is not required to analyze economic impacts and any such analysis is not a basis for determining the adequacy of an EIS.

4. Failure to Consider Views of Acknowledged Experts that the SODO Arena is not mitigatable.

The DEIS contains cursory charts depicting increased traffic yet neither contains recommendations for mitigation nor does it consider the multitude of opinions that it the proposed arena may not be amenable to mitigation due to the limited government transportation funds. For example, the Seattle Marine Business Coalition wrote a guest op-ed in the Puget Sound Business Journal on August 3, 2101 stating that the Arena cannot be built in this location. Attachment 36, at 10-11. Similarly, the Washington State Transportation Commission opined in a letter dated July 2, 2012 that, "Adding an additional venue in the SODO area, in our judgment, could seriously jeopardize freight mobility, pedestrian safety, and overall vehicular access given it is already a very congested and challenging area for transportation movements." Attachment 36, at 60. Nor did the DEIS consider that the City of Seattle has *failed to fund* three overpasses planned to carry Port traffic over the multiple railroad tracks and congested SODO area. This was pointed out by the MIC in a letter dated June 7, 2012. Attachment 36, at 68. The DEIS must consider the adverse impacts of the Arena if, as has been the case, the City of Seattle does not make these crucial transportation improvements. In the alternative, the DEIS must ADD to the mitigation list or the cost of impact list the cost of these improvements, which could be \$180-200 million for the Lander St. overpass (2008 dollars), Id., at 68.

Nor did the DEIS acknowledge the views of the Washington Freight Mobility Strategic Investment Board. Attachment 36, at 75-76. The Board explained to the City that it had invested hundreds of millions of dollars in nearby freight mobility improvements and that the Arena could potentially undermine all of these investments. The City turned the same deaf ear to the views of the Seattle Freight Advisory Board, which strongly recommended against siting the arena in SODO. Attachment 36, at 84. The FEIS needs to take all of these crucial expert reports into consideration.

5. More congestion will not necessarily lead to greater use of mass transit. The DEIS assumes that, as traffic in Seattle increases, people will resort to "transportation modes other than cars." DEIS, at 3.8-49. While this conclusion might be socially desirable,

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37. Comment noted. See Common Response #6 Mitigation Measures – Traffic.

38. Comment noted.

39. Comment noted.

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it is far from clear to be scientifically-credible but, more importantly, should not be the basis for transportation assumptions regarding discretionary sporting event projects.

6. The DEIS fails to consider current Port needs and industrial needs and expected growth in the SODO area.

Currently, the Port of Seattle has four main container terminals, which require easy access for trucks and crews in order to transport and move cargo efficiently and effectively. In the coming decades the Port expects shipping needs to increase steadily, which will ultimately require around the clock gate operation allowing access to the terminals at all times of day for both interstate and local cargo as well as intermodal cargo that will be repacked on sites in the Sodo area. For the period between 1992 and 2011, the Port's container operations grew by an average of 3% a year. As it prepares and works to facilitate growth in the coming decades, the Port is focused on the goal of doubling the Port's container capacity by 2051. Since events already effectively reduce the Port's operating hours, increased growth and traffic will only exacerbate this problem. Port Slides 11. In addition, many containers are shipped to nearby warehouses and repacked into smaller oceangoing containers, which require access to local streets in order to transport goods from within the SODO area to port terminals. Roughly 30% of import containers and 50% of export containers are trucked east of 1st Ave S. to other areas in the Duwamish and to the highway system, which would likely be impacted by an increase in traffic in the area. Port Comment on Transportation Study pg. 2 (Attachment 15)

Current freight and truck operators already schedule their delivery times around current day and evening games, which will ultimately be impossible, based on the growth projected by the Port. Especially since a large amount of the goods transported through the Port are refrigeration dependent and run on a schedule based on the ship's set departure time, scheduling and appropriately timing deliveries for efficient on and offload will grow increasingly difficult. Even when scheduling around these events is possible, the effect of moving traffic and congestion to other day times must be fully analyzed. With other ports on the west coast in California and Canada becoming increasingly competitive, it is imperative that an accurate assessment of the real impacts on freight and the likelihood that freight operators will continue to choose to ship goods through Seattle must be

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40. Comment noted. Please see the Economic Impact Analysis included as Appendix F for additional information.

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completed. Given the economic importance of the Port and Industrial sector to the region and state, the impact of adding another arena to the district must be carefully analyzed with particular attention given to the expected growth of traffic, congestion and infrastructure in the area.

7. Failure to Specify Potential Alternatives Sites.

The DEIS (Appendix A) lists the sites which Seattle alleges it considered as potential alternative sites. However, Mr. Hansen has stated repeatedly to having conducted his own independent studies that he used before deciding to site the arena in SODO. Yet Mr. Hansen’s “studies” have never been disclosed. King County even asked for this information. Attachment 36, at 86. These sites need to be disclosed in the EIS and woven into why other reasonable locations were eliminated.

8. The DEIS does not accurately assess availability of bus and light rail hubs servicing the Stadium area.

The proposed Arena is expected to be ready for NBA or NHL hockey games by 2016 at the earliest. But many of the light rail stations that will ultimately serve to transport people to the SODO area for events are not expected to be complete until 2020 or 2023, leaving several years where light rail service will not be available. This is a significant gap of time during which event attendees will be required to commute via other modes of transit, the majority of which will likely be by car, especially since more than half of event attendees already commute by car. In addition, the DEIS examines available bus services in the area without adequately accounting for current and expected increase in use in the coming years even without a new Arena in the area. The DEIS should have looked at current use and the expected increase of transit use in the coming decades, especially with increasing density, transportation costs and practicability of accessing public transportation.

9. The DEIS fails to assess the anticipated pressure of increasing commercial and pedestrian activities will place on existing transportation

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41. Please see Common Response #1 Public vs Private Project; Range of Alternatives.

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42. The 2018 analysis includes the existing Central Link light rail system with extensions to the University of Washington and S 200th in SeaTac. The expanded Link system combined with bus service will be sufficient to accommodate the expected transit riders to an event prior to completion of Link extensions to the Eastside and Lynnwood. As illustrated in the DEIS, the capacity on other transit modes, such as bus transit, is sufficient to accommodate event attendees who are likely to choose transit. (see Section 2.2 of Appendix E).

The transit analysis assumes background transit ridership growth for all transit modes based on long range planning information provided by King County Metro, Sound Transit, and Washington State Ferries. This information reflects the projected change in ridership for the years considered in this analysis for the No Action Alternative.

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Also, the analysis did not account for any change in the total number of service hours provided by transit during the time frames analyzed or the redistribution of service hours likely to occur in future years as a result of Link Light Rail. This is believed to present a conservative estimate of available transit capacity in the future.

43. The DEIS and FEIS evaluated numerous event scenarios and alternatives that included varying attendance levels at the venues in the SODO area (Appendix E Section 1.1). Multiple event scenarios were also evaluated. In all cases the impacts of the Arena were measured considering a 18,000 person attendance and 20,000 person attendance event. While these levels have been identified to be associated with a NBA or NHL event, they could also be associated with a concert or some other special event with similar attendance. The event scenarios described and evaluated do not specifically address impacts associated with speculative developments that have yet to be applied for. Such proposals would be independently subject to SEPA review at the time they are proposed.

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infrastructure when the Arena is to serve as a “world class, multi-purpose sports and entertainment Arena.”

The Arena’s developers envision the building to serve as a world-class sports and entertainment facility. <http://www.sonicsarena.com/info/summary-sonics-arena>. The DEIS looks at expected basketball and hockey games, but it does not adequately assess the impact other events, such as concerts will have on the area, particularly on dual event evenings. Since the arena is expected to be in use year round, the increase in the average level of pedestrian activity in the area must be carefully considered. If, as proposed, the district becomes an “entertainment district,” crowds will be drawn not only for large events, but also to enjoy the other amenities in the area, especially considering its close proximity to downtown the effect of which must be analyzed specifically as well as the cumulative effects that may stem from this increase in pedestrians.

10. The DEIS ignores the lack of dedicated parking for the Arena.

The DEIS does not examine the availability of parking, fails to include parking needs for expanded Port and industrial operations and does not address the impact of varied parking prices and accessibility to the proposed Arena from areas within ¼ mile of Safeco and the Arena. The DEIS looks merely at the parking supply but does not address parking *availability* and fails to account for what happens if the Seattle Mariners do not make their garage available to the Arena. The DEIS should have accounted for current and anticipated parking requirements when calculating the parking that will actually be available for event use. By focusing on the parking supply without accounting for these other factors, the DEIS misleadingly shows greater parking availability for stadium use than will actually be available and ignores any congestion or traffic problems caused by attendees circling the street system looking to find an available space at a price they are willing to pay and by pedestrians traveling to and from the arena.

The DEIS also assumes that Safeco Field garage will be available for Arena attendees. An EIS cannot assume the sufficiency of parking for a project based on the assumption that a different owner will make its parking available to Arena patrons. In order for the DEIS to consider that the Safeco garage would be available to accommodate

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44. The DEIS and FEIS provide a comprehensive parking analysis, which reviews parking supply as well as existing and future utilization (see Section 2.8 of Appendix E). Consideration was given to the loss of parking supply with the proposed Arena and other future development in the study area.

The FEIS has been revised to present two scenarios in which the parking would be provided including: 1) through shared parking agreements with existing parking facilities, and 2) the South Warehouse site. In addition, a sensitivity analysis evaluated parking demand and utilization with and without the Safeco Field and Century Link Field parking garages.

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the Arena's cars, a signed agreement between Safeco and/or the PFD and ArenaCo must be secured and documented in the FEIS.

11. The EIS does not devote enough detail to the serious pedestrian issues relative to the S. Holgate St. railroad crossings.

While the City has discussed closing S. Holgate Street, the recommendation in the study commissioned by Seattle Department of Transportation states that since S. Holgate Street is one of the few essential east-west corridors for freight and local traffic, the street should not be closed despite congestion caused by temporary road closures for rail traffic on the 17 sets of track crossings. S. Holgate Street Railroad Crossing Study, p. ES-3. Attachment 27. Assuming the city follows this recommendation, the DEIS does not consider the significant delays in the area due to railroad crossings and the effect current conditions of at-grade street and pedestrian rail crossings will have with an increase in future traffic, specifically at the rail crossings on S. Holgate Street. Often pedestrians ignore train gates causing accidents—the reason Royal Brougham Way is now grade separated from the tracks. Finally, the analysis of the use of the “private access roadway” to access the Safeco Field parking garage did not assess the congestion caused by long closures of S. Holgate by rail traffic and its effect of forcing traffic to reroute to the few remaining streets on not only dual-event days, but also single-event days. The DEIS should analyze the possible mitigation measure of providing a separated grade crossing or a pedestrian overpass because without mitigation, increased movement in the area will create a large problem for both pedestrian, car and rail traffic.

12. The DEIS should have more accurately assessed current and needed use of S. Occidental when evaluating the proposed street vacation.

The Arena proposes to vacate S. Occidental St., which would eliminate a crucial direct access route between Edgar Martinez Drive and S. Holgate Street. Potential mitigation measure of constructing a new road access between the two streets should be at minimum analyzed, if not implemented. If access to these roadways is blocked, this will push traffic further north into downtown and south, further into the Sodo area, affecting access to other Port terminals and other locations in Sodo needed by freight haulers and

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45. The FEIS includes a comprehensive analysis of the pedestrian environment and traffic operations along Holgate Street.

The traffic operations analysis that included a review of intersection operations and delays at the rail crossings were updated to reflect revised north/south train volumes (Appendix E, Section 2.6 and 2.7). Traffic volumes along S Holgate Street were also reduced and reassigned to parallel routes to reflect the increased train activity and associated decrease in Holgate peak hour capacity. In all cases the analysis assumed that Holgate Street would remain open to vehicle traffic consistent with the SDOT study referenced.

See Common Response #7 Mitigation Measures - Pedestrian Access

46. The FEIS includes additional analysis evaluating the impacts associate with the Occidental Street vacation (Appendix E, Section 2.10) based on the collection of additional data during the weekday AM, mid-day, and PM peak hour. This analysis considered the level of activity and basic functionality of the roadway during these periods. The analysis also considered traffic volumes along Occidental Avenue, south of Holgate Street to assess its role in the local transportation system, and to help assess the overall impact resulting from the loss of the parallel travel route to 1st Avenue.

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manufactures. Of particular concern is the increase in traffic that closing S. Occidental Street will cause at intersections along S. Atlantic Street.

13. The EIS grossly underestimates and fails to fully consider the additional traffic that will be generated by the Hwy. 99 tunnel.

The DEIS candidly admits that the area around SODO is “undergoing major transportation system changes.” DEIS, at 3.8-13. Yet it virtually ignores these major changes in summing up the Arena’s cumulative impact on traffic congestion in the area. In the most recent traffic assessment for certain roadways in the Sodo region, the Alaskan Way Viaduct Replacement Project EIS expects several intersections in the Sodo area to experience increasing congestion. While the study did not assess the impacts of a third event center in the area, it showed that even on normal days, the intersection at 1st Avenue S/S Atlantic Street will continue to experience already significant congestion. According to the EIS, drivers currently and should continue to expect congestion at several intersections along S. Atlantic Street in 2015, a number that will only increase by 2030. (VRP EIS p. 106-107). In addition, the bored tunnel is expected to push cars onto surface streets, increasing the number of cars traveling on north-south arterials in the Sodo area to increase by 4,300 daily trips and this number does not even account for the effect of tolling. Under the studied tolling scenarios, traffic in this area could increase by between 16,000 to 18,000 vehicles. VRP EIS p 209. This is a significant increase that must be accounted for. Current dual- and single-event day traffic further exacerbates this issue, which would only be compounded with traffic from the proposed third Arena.

The DEIS must not only admit that the area is undergoing “major transportation system changes,” it must go on and predict HOW the cumulative impact of the Arena AND all of these “changes” will affect freight mobility and traffic congestion.

The FEIS must take the Hwy. 99 tunnel EIS into account in making predictions on what additional or cumulative impact on traffic the Arena will have. Attachment 8.

14. The DEIS must account for the anticipated coal trains.

The City recently commissioned a report on the impact of the coal trains that would service the Cherry Point terminal in Whatcom County. Attachment 36. The report predicts that the coal trains will significantly increase down-gate times at key SODO intersections:

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47. The forecast traffic volumes were based on the Alaskan Way Viaduct EIS. This considers future development in the study area consistent with land use plans and shifts in travel patterns related to major transportation improvements.

48. As documented in the DEIS, the *Coal Train Traffic Impact Study* (October 2012, Parametrix) was used to forecast rail activity (see Appendix E, Section 2.7.3.2). Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

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In 2015, the estimated additional daily gate down time for coal trains could be 31 to 83 minutes. This could represent an increase in daily gate down time of approximately 18% to 49% at Broad Street and 15% to 39% at both Holgate and Lander Street.

--In 2026, the estimated additional daily gate down time for coal trains could be approximately 67 to 183 minutes. This could represent an increase in daily gate down of approximately 39% to 108% at Broad Street and 31% to 86% at Holgate and Lander Streets.

Vehicle Queues at Railroad Crossings - Overall vehicle queue lengths at railroad crossings vary depending on when trains, including coal trains, arrive in relation to other trains. Freight trains longer than the coal trains already operate today. The maximum number of vehicles queuing from a single train would not increase provided coal trains are operating at 20 mph or greater. Coal trains added to the current demand would increase the number and frequency of vehicles waiting in a queue. Depending on the time between gate closures, vehicle queues may not fully dissipate before the next gate closing. This would result in longer vehicle queues for some of the coal train trips.

Attachment 36, at ii.

Yet the DEIS does not even mention this coal train study. Nor does it attempt to predict the environmental impact of the Arena-initiated traffic cumulatively with the coal train traffic. The FEIS must do so.

15. The DEIS overlooks the impact of construction and development of the L.A. Live-like development that Chris Hansen plans for the surrounding area.

It has been well-publicized in the media that Chris Hansen owns, or has options to buy, numerous pieces of property around the Arena to be used for the development of an L.A.-Live-like development. Indeed, Mr. Hansen has publically acknowledged this development. See <http://blogs.seattletimes.com/opinionnw/2013/05/09/chris-hansen-on-sonics-arena-our-vision-would-not-look-or-feel-anything-like-l-a-live/>; http://seattletimes.com/html/localnews/2020833483_laliveseattlexml.html; http://seattletimes.com/html/opinion/2020861929_davegeringopedxml.html;

Yet, the DEIS is completely silent on this related development and whether and how it will further exacerbate traffic conditions and/or land use patterns in SODO. The terms

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49. See Common Response #11 Secondary and Cumulative Impacts.

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“L.A. Live” do not even appear in the DEIS. Nor does it appear that the DEIS authors required Mr. Hansen to disclose this related development even though, under SEPA, it is “related” to the current proposal.

Mr. Hansen’s proposed adjacent arena-serving and dependent L.A. Live development is a “related action” under SEPA. The SEPA rules define a “connected action” as one that is “related.” WAC 197-11-792 (2)(a). WAC 197-11-060 (3)(b), in turn, defines a “related” action as a “proposal or part of a proposal that [is] related to each other closely enough to be, in effect, a single course of action...”. Proposals are “closely related, and [shall] be discussed in the same environmental document if they:

(i) cannot or will not proceed unless the other proposals (or parts of proposals) are implemented simultaneously with them; or

(ii) are interdependent parts of a larger proposal and depend on the larger proposal as their justification for their implementation. (emphasis added)¹⁰

WAC 197-11-060 (3)(b).

The purpose of analyzing a connected or related action is “to prevent an agency from dividing a project into multiple ‘actions,’ each of which individually has an insignificant environmental impact, but which collectively have a substantial impact.” *Wetland Action Network v. U.S. Army Corps of Engineers*, 222 F.3d 1105, 1118 (9th Cir. 2000) (internal quotations and citation omitted). Analyzing connected actions and preventing improper segmentation are critical in determining a project’s cumulative impact on the environment. *Indian Trail Property Association v. City of Spokane*, 76 Wn. App. 430, 443, 886 P.2d 209 (1994). Although not defined in SEPA, NEPA defines a “cumulative impact” as “the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions ... Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.”

¹⁰ NEPA similarly defines a “connected action.” Actions are “connected” if they: (i) Automatically trigger other actions which may require environmental impact statements; (ii) Cannot or will not proceed unless other actions are taken previously or simultaneously; or, (iii) Are interdependent parts of a larger action and depend on the larger action for their justification. 40 C.F.R. § 1508.25.

40 C.F.R. § 1508.7. “A proper consideration of the cumulative impacts of a project requires some quantified or detailed information; general statements about possible effects and some risk do not constitute a hard look absent a justification regarding why more definitive information could not be provided.” *Klamath-Siskiyou Wildlands Ctr. v. Bureau of Land Management*, 387 F.3d 989, 993 (9th Cir. 2004) (emphasis added) (internal quotations and citations omitted). “The analysis must be more than perfunctory; it must provide a useful analysis of the cumulative impacts of past, present, and future projects.” *Id.* at 994 (internal quotations and citations omitted). SEPA and NEPA strongly disapprove of agencies conducting after-the-fact cumulative impact analyses. *Indian Trail*, 76 Wn. App. at 443; *Thomas v. Peterson*, 753 F.2d 754, 760 (9th Cir. 1985).

ArenaCo’s L.A. Live-like development is legally “related” to the Arena under SEPA because, without the Arena, it would not take place, and vice versa because the related development makes the Arena financially feasible for Arena Co. The L.A. Live-like development is, thus, an inter-dependent part of the Arena proposal or, at the least, a foreseeable indirect impact of it. Under SEPA, the FEIS must consider, in detail, the location of Mr. Hansen’s planned related development and the effect it may have on transportation, parking, land use, and freight mobility. Any environmental analysis of the proposed SODO Arena would be per se inadequate without considering the environmental impact of the proposed “L.A. Live”-like future development.

16. Use of Erroneous Port “window” period.

The DEIS’ analysis of the Arena’s impact on “Traffic Volumes” rests on a key assumption: that the arena will only generate traffic between 4 and 7:00 pm for evening events. DEIS, at 3.8-47-48. *This is completely wrong.* In fact, as pointed out by the Port (Attachment 15, at 3) shippers cease shipping to the Port on “game-days” at approximately 2:30 pm. In addition, the use of a 4-7pm traffic window ignores Port night operations which are expected to increase.

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50. The DEIS determined the appropriate analysis period (weekday versus weekend and study hour) based on 24-hour count data at several key locations in the vicinity of the site. Based on this information, the analysis of event traffic occurring during the weekday period represents the most appropriate basis for detailed traffic analysis through the SoDo area.

Within the weekday period, additional consideration was given to the appropriate hour for which to conduct the traffic analysis. Traffic volumes in the vicinity were highest between 4 and 7PM. Based on a review of this time period, the analysis focuses on the weekday PM peak hour (4:30 to 5:30 PM) representing the highest overall traffic volumes for the system. While the event related traffic may represent a lower percentage of the overall traffic, the combined volumes represent the highest volumes within the 4:00 to 7:00 PM time period.

While there will be impacts outside the weekday PM peak hour, the evaluation of this period represents the highest traffic flows in the study area providing a worst case analysis of impacts. The FEIS also provides additional analysis related to post event operations.

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17. Failure to Consider Shift in Land Use Resulting from the Arena’s Gentrification of SODO.

The DEIS obliquely refers to the Arena leading to the gradual transformation of SODO to uses other than manufacturing, shipping, etc. But it woefully fails to acknowledge just how key the arena will be in realizing this transformation. It fails to even acknowledge what local expert bodies, such as the Seattle Planning Commission (Attachment 29, at 13), have said about the Arena’s location:

Impacts of Potential Development “Creep”

There has been speculation about whether ArenaCo or its investors would look south of South Holgate Street or to other properties within the MIC to build required parking or other development to support the proposed arena. As stated on page 4, the City should clarify with the proponents and possible investors that South Holgate Street is a hard edge for spectator sports facilities including any related non-industrial uses. If the City proceeds with developing the proposed arena at this location, Council should include clear language in the MOU that any zoning requests now or in the future to accommodate non-industrial development related to the arena will not be considered. The MIC boundaries should remain intact. We also recommend holding “firm on the boundary of the Transition Area Overlay and limitations on uses allowed within the Overlay. For instance, allowing hotels within the existing Transition Area Overlay should not be considered.

The Port of Seattle similarly noted that nothing published to date reflects the indirect impact of the proposed L.A. Live-like development. Attachment 15, at 2.

18. Insufficiency of Mitigation Measures.

The DEIS contains a “Summary of Potential Mitigation Measures” for transportation and freight impacts commencing at Pg. 1-41. See also DEIS, at 3.8-57. But these measures are pathetically weak: they involve coordinated event scheduling, appointment of a Transportation Management Program, preparation of an Event Access Guide, an off-site construction coordinator, scheduling protocol and management, and Port of Seattle-adopted protocols advising Arena staff of shipping status, directional systems, signage, etc. DEIS, at 1-44-49. None of these mitigations, however, involve what is *really* required to

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51. Comment noted. See common Response #12 Gentrification.

As stated in the DEIS (p. 3.10-1), an EIS is to include a “summary” of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, “as appropriate.” RCW 36.70B.030.

52. See Common Response #6 Mitigation Measures – Traffic.

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mitigate for the arena: new road construction, new overpass construction, dedicated freight routes, new pedestrian facilities, additional parking lots, etc. None of these real improvements are included within the EIS' mitigation section.

The DEIS must specifically set forth the infrastructure that will be required to reasonably mitigate the project, along with the projected cost of those improvements. The DEIS, for example, completely ignores the astronomical cost of potential mitigation measures and fails to specify who (the public? ArenaCo?) will pay for these measures. In a report commissioned by the City of Seattle, for example, the city's consultants estimated that a grade-separated S. Holgate St. overpass would have a "high estimated cost" and ignores that there is not sufficient space to "ramp up" at a reasonable grade between Occidental Ave. S. and the western railroad track. Attachment 27, at 11. This same report estimated that a grade-separated S. Holgate St. bridge would cost "more than \$40 mil." Attachment 27, at 57.

19. Inconsistency with Growth Management Act

The City of Seattle is required by law (its own law and policies and the State Growth Management Act) to protect "container ports." RCW 36.70A.085 (3). This approach requires the City to engage in a collaborative planning approach that protect and provide reasonably efficient access to ports, container ports, and freight corridors. The City has NOT adopted any program or regulatory protection, as required by this State law. And the proposed arena will jeopardize truck access to the Port of Seattle and the surrounding area. The City should not approve of the Arena unless and until it engages in the planning required by RCW 36.70A.085 (3).

III. Economic Impact Report (DEIS, Appendix F)

Note: We refer to the Arena's "Economic Impact report" by Pro Forma Advisors LLC (App. F to the DEIS) as "EIR."

A. Executive Summary of ILWU Comments on EIR.

The EIR summarily concludes that the "Seattle Arena will have a total **positive** economic benefit of **\$230- to 286 million** to the King County economy (inclusive of the City) and \$188 to 236 million to the City of Seattle economy on an annual basis." EIR, at ix.

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53. The City's Comprehensive Plan contains a Container Port Element as required by the GMA, and the City has conducted studies and adopted regulations that implement policies contained in that element and other elements of the Comprehensive Plan. This EIS discusses the extent to which the proposed Arena may have traffic impacts on the Port and surrounding area.

54. Comments noted.

- a. Pro Forma Advisors evaluated the estimated impact to the Port due to additional traffic.
- b. KeyArena – It is expected that there will be an impact on KeyArena due to the displacement of events and competition with a new Arena. However, we do anticipate that certain events and possibly tenants will remain at KeyArena. KeyArena could be the preferred venue for various reasons and may be the only option in some cases due to scheduling conflicts. KeyArena currently has competition from other venues outside of King County and may depending on costs, scheduling, etc. may be in a position to bring back certain events lost to venues outside of King County.
- c. The Economic Impact Analysis (Appendix F) responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.
- d. The EIS considered alternate sites including the Seattle Center site and the Memorial Stadium site.

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This figure is fairy dust. On the contrary, when *all* impacts are considered, the Arena could potentially have a significant *negative* economic impact by hundreds of millions of dollars and the EIR completely ignores or paints over these negative impacts. The enthusiasm of some for the return of the NBA (shared by many in the ILWU) does not justify pretending that the economic cost of a franchise on our community is significantly less than it really is.

The EIR projects that its “positive economic benefits” will only be reduced by about 29% within the City of Seattle and 20% in King County by “adverse impacts,” such as the effects of traffic delay and the “substitution effect.” EIR, at 60. But the EIR’s analysis of “net economic impact” is flawed in multiple important ways: it omits or glosses over the significant *negative* economic impacts that will be borne by the general public, systematically overstates and mischaracterizes the Arena’s alleged *positive* economic impacts, and it overlooks that, because of its financial structure, the Arena will not generate any appreciable local tax revenues.

The EIR’s defects break down into three areas. First, and most critically, the EIR fails to account for virtually all of the Arena’s greatest *negative* economic impacts, which could cost Seattle and King County taxpayers and its private and public industries hundreds of millions of dollars. These include the direct and indirect economic costs of further jeopardizing Seattle’s port and maritime industry, the added costs of more traffic on commuters and businesses, the cost of safety and mobility-required additional traffic infrastructure, and the cost to taxpayers of rendering the Key Arena obsolete. Second, the EIR’s estimation of potential economic benefits fails to recognize or account for significant research and literature that the economic benefits of most publically-funded arenas are *de minimus*, or even negative. While Seattle officials have argued that the MOU’s proposed financial package returns a reasonable I-91-compliant return to Seattle, the EIR simply does not acknowledge the research that such facilities can be net-negatives for cities, particularly when they compete with other nearby sectors of the economy. Third, the EIR and EIS fail to fully consider alternative sites as viable because the Arena’s developers are only interested in a facility on their land in SODO. But the EIR cannot defer to this demand; it must objectively compare the economic and environmental benefits of a SODO arena to a

similar arena elsewhere. This is, in fact, the purpose of the MOU's economic and environmental analysis. If Seattle is as lucrative an NBA franchise as the EIR concludes, then the public should know how much it is paying for an Arena located in the desired SODO location.

B. Specific Comments on EIR

1. The EIR erroneously and simplistically measures the Arena's economic impact to the Port of Seattle, Port-dependent businesses, and non-Port businesses in terms of "lost" trucking time resulting from traffic delay.

Whether, and to what extent, the Arena's additional traffic congestion could directly, indirectly, or cumulatively jeopardize or compromise the viability of the Port of Seattle, and Port-dependent businesses, is among the most important questions the EIR should have confronted and analyzed. But it did not do so in any type of credible, straight-forward manner.

At the outset, the EIR correctly admits that the Port of Seattle is a major driver of economic development in Greater Seattle and the State as a whole. A Port-authored 2009 economic report, which the EIR accepts as fact, states that seaport activities accounted for 56,256 jobs (direct, indirect, and induced) and another 135,100 related import/export jobs. These jobs break-down as 21,695 direct jobs and 34,561 "induced" jobs. EIR, at 71. The Port also generates \$1.6 billion in direct personal income, \$2.5 bil. in business revenue, and \$457 mil. in state and local taxes. More than half of the its exports are agricultural products, chiefly from Eastern Washington. *See generally* EIR, at 54. The sum-total of Port of Seattle-generated economic activity is \$30 billion and the Port itself generated \$85.7 mil. in "operating revenue." EIR, at 71. But all of this economic activity depends on **10,776 to 13,664** daily truck trips to and from the ships that call at the Port. EIR, at 72-73 (citing truck trips).¹¹

¹¹ The range of truck trips depends on moving 2.8 million containers today versus 3.5 million shipping containers expected in 2030. A small percentage of these containers go directly from ships to rail.

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55. Competitive Risk to the Port.

Several parties cited potential competitive risks to the Port from traffic congestion. These risks are explained in the analysis, on pages 90–92 and 94–95. *Commenters express a desire for quantification, however, which is not feasible within the current state of the art.* As noted, due to the small number of relevant decision makers, the large number of decision variables, the lack of accurate information on future reliability, and the large role of perception in the outcome, there is no dependable method to estimate either the degree of risk or the volume of cargo at risk. "What if" scenarios suggested in the comments (e.g. Cerf page 8, "...Seattle could lose 100% of that business", or Cerf p. 9, "If only 5% of the agricultural shipments are lost...") are inherently speculative. As suggested on p. 95–96 of the analysis, a more productive approach may be measures that maintain the fluidity of truck routes and minimize any adverse impacts on reliability.

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The EIR not only admits that the Port is a major economic driver, but it also admits that the Port of Seattle competes in a brutally competitive and mercurial trade market. EIR, at 91-93. It concedes existing Port transportation and traffic congestion conditions are sub-optimal and that even the “no action” alternative will produce degrading truck-delay conditions. EIR, at 87. It acknowledges that, when it comes to ocean freight, the capacity, service, reliability, cost, and ease of doing business are the keys to a viable commercial seaport. EIR, at 92-94. Time is money when it comes to Ports. EIR, at 93. And the EIR acknowledges that “carrier or customer perceptions of reduced reliability and ease of doing business” at certain Port terminals is key to the Port’s commercial viability in the shipping industry. EIR, at xxiv; EIR, at 53-54; 94. The key point, as conceded by the EIR, is that “increased trucking cost, reduced throughput capacity and especially diminished reliability could adversely affect to competitiveness of Terminals 25/30 and 46 and the Port’s competitive position on the West coast.” EIR, at 94.

While the EIR admits the Port’s importance to the economy, the difficult local transportation and competitive environment in which the Port exists, and the already-stressed transportation infrastructure currently serving the Port, the *EIR declines to estimate the dollar cost to the city, region, or state (in terms of dollars and lost jobs) in the event on-the-ground congestion and negative perceptions in fact lead to a loss of Port business or, worse, jeopardize the viability of the Port.* EIR, at xxi. The EIR claims “these risks could not be quantified for this report.” EIR, at 94. Instead, the EIR simplistically measures “direct cost impacts” as “lost” trucking time resulting from the additional traffic and congestion the Arena will directly and indirectly generate or the Arena’s cumulative impact on transportation and congestion. EIR, at 55. This is despite the fact that the EIR elsewhere concedes that “higher trucking costs and reduced trucking reliability” can adversely affect the competitiveness of the Port, EIR, at xxi, that the Arena “is expected to result in traffic delays to both Port and non-Port trucks,” EIR, at xxi, and that “carrier or customer perceptions of reduced reliability and ease of doing business” at certain Port terminals are key to the Port’s competitiveness. EIR, at xxiv; EIR, at 53-54. See also EIR, at 94-95.

Given the EIR's conclusions about the threats to the Port, it is inexcusable that the EIR fails to quantify the impact of *loss of competitiveness*. EIR, at xxi. Instead, the EIR projects the Arena will result in a cumulative **delay** of between 1813-2299 hours of trucking time. EIR, at 88. It bases this analysis on 13,664 truck trips daily. EIR, at xxi. At \$48 per hour of delay, the EIR goes on to assign a paltry sum of **\$230,000** as the "upper limit of Port and Industrial Business Impacts." EIR, at x, xix. This figure simplistically represents the incremental amount of time during which Port-bound or leaving trucks will be delayed as a result of the Arena.

The direct cost of arena-caused truck delay, however, is only a small portion of the impact picture, and a very small portion indeed. The Port engages in a highly competitive international business. Most of its customers are "discretionary" users who can take their shipping elsewhere. Traffic congestion around the Port is a major factor contributing to the Port's difficult competing with other port. If the cumulative traffic congestion generated by the Arena becomes (as is likely), the "straw that breaks the camel's back" relative to the Port of Seattle and the nearby businesses that serve the Port, any credible economic impact report must account for the imposed costs borne by the local, regional, and state economy of the loss of the Port of Seattle. The EIR cannot simplistically measure that amount based simply on lost trucking time. Although the EIR agrees that "there could be additional impacts beyond those quantified in this section," the EIR declines to go further. EIR, at 57. The EIR's adamant refusal to quantify the "impact" of jeopardizing the Port is a fatal flaw in the Report. The EIR must analyze various economic scenarios in which the Port of Seattle gradually loses business or becomes non-competitive because of problems with freight mobility. The same analysis must be conducted relative to Port-dependent businesses. The alleged "fact" that the Port of Seattle is under constant threat from a multitude of global and shipping trends does not excuse the DEIS from conducting this analysis. The EIS must evaluate the Arena's direct, indirect, and cumulative impact on the competitive forces facing the Port. Put simply, the EIR must evaluate whether the Arena may be the "straw that breaks the camel's back" relative to the Port of Seattle and how much it costs the City and Region if, in fact, the camel's back breaks.

While the EIR does examine the costs to shippers of extra time in traffic, it fails to fully account for the *costs* of the additional traffic. For example, what value should be placed on the time of a professional whose time is worth a lot of money and who sits in additional arena-generated traffic? It is inappropriate to value the time of citizens caught in traffic at zero. For example, if 1000 citizens add ½ hour to their commute for 100 events during a year (41 basketball, 6 NBA playoff games (average) with identical numbers for hockey plus a handful of other events) at \$50 per hour, the impact would be \$2.5 million per year escalating over time. In addition, the traffic would dissuade customers from coming to Seattle for other businesses. Has ProForma even conversed with SODO and Pioneer Square merchants to gauge this amount? The impact over 30 years could be as high as \$100 million with a present value of half of that.

Whether shippers incur extra time and costs is relevant to the Port and City only to the extent that those delays either lead to marginal costs that make it economically infeasible for marginally profitable shippers to ship in the same volume or if that extra time and those costs puts the Port at a competitive disadvantage versus Tacoma, Portland or the BC ports. If the additional costs of delays and spoilage consume a shipper's profit margin, then the shippers will go out business. If as few as 1% of the shipments are from, economically marginal shippers, the project could cut Port volume by \$850,000 per year escalating with inflation over time with a 30 year impact of \$ 40 million and an economic impact on the region of \$80 million. The impacts would be about half of the totals. The impact on jobs could be 200 lost at the Port and 500 lost locally.

In general, Seattle has a competitive advantage over Tacoma because Seattle is 45 minutes closer to E. Washington agriculture. This is important not only to the *cost* of shipping but to the *preservation* of produce. This is critical because (a) the Port is a highly competitive international business; (b) most of the Port's customers are "discretionary" users who can take their shipping elsewhere; (c) congestion around the Port is a major factor contributing to the Port's difficult competing with other ports; (d) to compete, the Port requires access to nearby warehousing and train yards; and (d) the roadway infrastructure leading to and from the Port is maxed out at the present time.

If traffic time, costs and uncertainty (as large an issue potentially as costs) erode this advantage, a significant portion of the agricultural (and other) shipments could migrate to other ports. If only 5% of the agricultural shipments are lost and none of the non-agricultural shipments are lost, the Arena project could cut annual volume by more than \$2 million (\$2013) per year with a 30 year impact of \$100 million (and \$200 million to the region) with a present value of about half of that with potentially 400 jobs lost (and more than 1000 regionally). If the competitive disadvantage due to traffic erodes agricultural shipments by 10% and non-agricultural by 2%, the annual economic impact on the Port would be closer to \$5 million (\$2013) with a 30 year impact of about \$250 million and a regional impact of more than \$500 million over 30 years, again with present values about half of that. Job loss could be in excess of 1,000 at the Port and more than 2,000 regionally.

While it is impossible to precisely estimate the impact of the Arena project on competitive advantage, the examples cited above are modest versus a worst case projection. The EIS and EIR must not only address the neglected issues but also must list out the full range of possible impacts on the port including potential worst case scenarios.

The EIR is fair to point out that the Port faces a number of other competitive pressures and threats and that, regardless of the Arena, traffic in the area of the Port will increase over time. But the EIR uses this “this bad stuff is going to happen anyway” as an excuse for conducting further analysis when the proper analysis should be whether the increased traffic congestion generated by the Arena will break the camel’s back? In other words, additional traffic on empty roads may not have an economic impact but additional traffic on congested roads is of huge significance. The increase in traffic from non-Arena sources suggests that the traffic impacts will increase over time. In addition, the expansion of the Panama Canal risks diverting traffic. Together, the Port is that much more vulnerable to an Arena project at the margin. The Port can respond to the lost volume by attempting to increase its prices to the remaining shippers but only at the hazard of creating competitive disadvantage across the Port.

Moreover, rather than concede that the Arena is inconsistent with reducing traffic congestion and maintaining the Port's competitiveness, the EIR goes on only to suggest that traffic be "mitigated" through unfunded roadway improvements or non-existent "protective" transportation policies. EIR, at 96. The EIR needs to do more than say that the Arena's traffic can and should be mitigated. It needs to measure the probability of that mitigation occurring, the cost of the mitigation that will need to be borne by the public or Arena Co, and the consequences to the Port if the mitigation is not completed or is only partially completed. Yet the City of Seattle's track record in fulfilling SODO mitigation projects is speculative and wishful thinking at best, as evidenced by the City's decision not to construct the S. Lander St. overpass and its decision to re-program that money to the "Mercer St. mess." Mitigation that is not certain to happen cannot be used as mitigation.

It is extremely surprising that, while it concluded the Arena would cause more traffic delays, the EIR did not directly confront the issue whether the Arena would jeopardize SODO's "working" nature. This is particularly surprising in light of the fact that the Seattle Planning Commission made this a central theme in its report dated July 27, 2012 (Attachment 29, at 3):

However, we caution the City that developing an arena in the proposed location has the potential to generate adverse impacts that may threaten the container port, maritime, industrial, and manufacturing sectors – which have been found to be vital to the health and resilience of our local, state, and regional economy and that are expressly protected and promoted by the City's guiding policy document: the Comprehensive Plan. Based on the "findings from the Commission's two-year analysis and outreach effort addressing the City's industrial lands and on a thorough review of the arena proposal, the Commission believes that locating a new major sports and entertainment facility inside the Duwamish Manufacturing and Industrial Center (MIC) holds a strong likelihood of displacing living wage jobs and nearby businesses and disrupting container port operations and freight mobility. We believe these risks are inherent with a spectator sport facility at this location. The Commission recommends that the City not take actions that further place this proven economic asset at risk. At the very least the Commission believes more review and analysis should be

conducted **before** the City takes further action. (emphasis added).

The EIR must take into account the views of the Commission and assign an economic value to the Commission's projections.

The EIR must also take into account the City of Seattle's new "Coal Train Study." Attachment 36. If the proposed Cherry Point terminal is approved, dozens of more coal trains will be blocking critical cross-streets such as S. Holgate St. and S. Lander St. The EIR must predict what cumulative negative economic impact the Arena will have on the Seattle and regional economy if the Arena comes on line at the same time as the coal trains begin running.

2. The EIR's estimate of lost trucking time is not accurate.

The EIR projects that, in the final analysis, the "total direct truck loss" (estimated at \$48/hr.) will only be 5% of the trucks servicing the Port. EIR, at xxiii. This fails to account for the extensive data in the transportation section of the EIS which states that the arena will lead to significant delays at 64 nearby intersections and that traffic through nearby congested areas will affect virtually all of the Port's terminals. The EIR needs to rank different choke points differently, consider them cumulatively, and not simplistically lump all traffic delays together. What this exercise will yield is that the arena will cumulatively make traffic in SODO a mess and that the word will get out to shippers and others to avoid the area for commercial and maritime business. Minute entries on a chart do not tell the full economic story.

3. The estimate of lost trucking time assumes too narrow a window of operation at the Port of Seattle.

The EIR's economic assumptions relative to the Port turns on an inaccurate prediction of the hours of the day during which the Arena will impede Port traffic. The EIR elsewhere concedes that the arena will impact "night gate" operation of the Port (assuming 3.5 mil. TEUs) relative to 13.6% of the intermodal traffic leading to and from the Port. EIR, at 74. It

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56. As documented in the DEIS, the *Coal Train Traffic Impact Study* (October 2012, Parametrix) was used to forecast rail activity (see Appendix E, Section 2.7.3.2). Additional data was collected for a 7-day period and included the documentation of rail activity on the mainline tracks and non-revenue activity on the adjacent tracks (see Appendix E, Section 2.7.2.2). Data was collected for the periods of 6AM to 11PM when Arena related traffic may be present once constructed. Forecast rail activity was updated to reflect the updated existing rail volumes (see Appendix E, Section 2.7.3.2).

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57. Cumulative Intersection Impacts.

Cumulative impacts of the various intersection delays are shown in Exhibit PI-23.

58. Traffic Impact Period.

The trucking impact analysis focused on the 4-8 PM pre-event period for two reasons: 1) Transpo analysis identified 4-8 PM as the "build up" time period for pre-event traffic with a nominal 7 PM event start (Appendix E, Figure 1-5); and 2) the 4-8 PM time slot overlaps the peak afternoon commuter traffic and the end of the business day for most industrial and distribution businesses. Post-event departures in the 9 PM–midnight period are typically more diffuse and are not compounded by commuter traffic or regular commercial truck traffic. The impact on Port and non-Port truck traffic in the post-event period is therefore expected to be less than in the peak 4-8 PM period as shown in Section 2.6.4.5 of Appendix E. Some commenters (e.g. Cerf, Goldman) have erroneously asserted that the analysis did not consider night gates at Port terminals. As shown on Exhibits PI-5 and PI-6, the analysis explicitly focused on the night gate forecast provided by the Port. (Cerf and others have also apparently misread Exhibit PI-5, which indicates that the relevant period includes the hour that begins at 7 PM, i.e. 7-8 PM, making the analysis period 4-8 PM rather than 4-7 PM as asserted.) As Exhibit PI-5 indicates, the port truck traffic in the 8 PM–midnight time period is primarily intermodal, moving between port terminals and the BNSF SIG and UP Argo yards. As noted in the analysis, these yards operate daily around the clock. The trips between T46/30 and BNSF's North SIG gate use only a short stretch of S. Atlantic (Exhibit PI-10). The BNSF South SIG gate and UP's Argo yard are reached via E. Marginal Way (Exhibits PI-15 and PI-19), and are unlikely to be significantly impacted by post-event Stadium District traffic. In both cases, however, the most productive response is likely to be measures that keep these routes fluid for both pre-event and post-event traffic.

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predicts that the “event vulnerable” window during which the arena will impede Port traffic occurs during the 4-7pm window. EIR, at 75. It concludes that only 675 (5%) of the Port’s daily truck shipments will be impacted by operation of the Arena. EIR, at 76. But this “night gate” calculation (the portion of post 4:00 pm Port originating or bound trucks) is completely wrong. Had the EIR been based on actual data and interviews with Seattle freight mobility experts and not been narrowly focused on a 4-7pm window, it would have concluded Shippers regularly terminate their shipments to the Port hours before game-day events to avoid stadium traffic. In addition, people attending events frequently arrive hours before an event to obtain near-in parking, dine, drink, or sightsee. And many arena events will be held *during* the day, such as conventions, tradeshow, etc. The final EIR must *expand* the 4-7pm window during which it projects that the Arena will impede traffic and re-calculate the percentage of terminal gate traffic that will be impacted. This recalculation will yield a far more reliable percentage of “event vulnerable” truck traffic from its current 11% to up to **25-30%** if simply increased by two hours on each side of the current 4-7 pm window.

The EIR contains a “Port Impact Summary” at page 87. The chart concludes that “average delays” on several key nearby arterials range from 1-3 minutes. But this chart ignores the cumulative impact of delays at multiple intersections and on key choke-point locations. Moreover, the chart treats all of the key delay points the same when some are more detrimental to traffic than others.

Nor did Arena Co’s traffic study produced by Parametix on May 23, 2012. But as the Port of Seattle said with respect to this study:

The primary focus of the arena study was estimating the number of event days, concurrent event days, and potential trips, and providing information on potential alternative modes of transportation. *The study provided no actual analysis of traffic operational impacts, safety impacts, transit impacts, or freight impacts, nor did the study recommend any mitigation measures.* The study also made several assumptions and drew flawed conclusions that are not adequate for the public or decision makers to understand the potential impacts of the proposal. (emphasis added).

Attachment 15.

4. Inadequate Analysis of Impacts to Non-port businesses.

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59. The estimates for the traffic impact to Port and non-Port businesses were derived from counts of Port and non-Port truck traffic in the study area. The determination of these estimates is detailed in the Port and Industrial Business Section (pages 71 – 104), and updated information has been provided as a front piece to Appendix F Economics Report. Based on traffic information provided by Transpo and the Port, the study analyzed the specific number of Port and non-Port trucks trips that would be impacted, 568 port trips and 199 non-port trips. Using Transpo’s traffic projections on project delays, the study estimated the specific traffic delay that is anticipated. An estimated time cost was applied for truck delays. Thus, according to the incremental traffic costs the estimates of \$115,584 and \$66,141 are accurate portrayals of the direct costs of the additional traffic from the arena.

If these costs fell on only a few firms depending on overall size, it could be a marked burden, but these costs will be spread across all the impacted trucks moving product through the study area.

The SoDo study area, which is expected to be the primary area impacted by the arena, makes up only a small portion of the overall Duwamish MIC. According to US Census OntheMap employment estimates, the SoDo study area, defined in page 104 of the report, accounts for only 28 percent of industrial jobs in the Duwamish MIC, but also accounts for 77 percent of total employment. In other words, 72 percent of industrial employment in the Duwamish MIC is not located in the study area that is surrounding the proposed arena site.

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The “Voices of Concern” document articulates well the concerns about the Arena’s impact on non-Port businesses. Attachment 34.

The EIR’s projected impact to “non-Port” industrial and business is similarly off-base. The EIR assigns a “cost” to non-Port trucks due to additional traffic generated by the Arena as only \$59,900, county wide. EIR, at xx. Elsewhere, it provides a figure of \$38.351. EIR, at 101 (Ex. PI-33). Yet, this figure contains no analysis: which business is it based on? What happens if SODO traffic becomes so aggravated after the Arena that businesses decide to move elsewhere; is the expense of moving and the concomitant loss of business and taxes to Seattle accounted for in that figure? The answer appears to be negative.

The EIR also fails to acknowledge the extensive research, commissioned by King County, demonstrating the economic importance of the SODO as an industrial area. If, as set forth in the DEIS, the arena compounds the traffic in SODO and this has a deleterious impact on the Port and other SODO businesses, it would have major economic implication to King County. For example, in a report dated March 2010, EcoNW (an economic consulting firm) prepared a report *for King County* on the economic values of the Lower Duwamish industrial area. Attachment 20. The report confirmed the economic significance and uniqueness of this area, in terms of the number of high-paying industrial jobs, the proximity to the Port, and other key strategic advantages. The EIR never cited nor considered the same analysis as this EcoNW report. Yet this report stated that even a 10% reduction in economic output for this industrial area would have devastating consequences, including a loss of 6600 jobs (in increase in King County unemployment by 0.57%), a reduction in economic output by \$1.4 billion out of a base of \$310 billion, a reduction in wages and business income in King County of \$627 million (from \$157 billion), and a reduction in \$70 mil. in sales, property and other taxes. Attachment 20, at vi. Clearly, it is conceivable that the Arena’s negative impact on traffic could reduce “economic production” in the Lower Duwamish area by 10%.

5. Failure to account for impact on highly competitive businesses with small profit margins.

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60. The commentator provides a speculative “what-if” scenario on a higher cost as well as the profit margin of the industrial businesses in the area.

With respect to higher costs, a general comment can be made. Based on the current traffic impacts, the total direct costs to businesses moving product through the study area is in the range of \$150,000 as a result of the arena. According to InfoUSA, there were 4,700 businesses in 2011 with, excluding Starbucks, approximately \$1.4 billion in total economic activity in the Study area. Industrial businesses make up approximately 275 businesses with \$483 million of this activity. As noted the projected traffic cost is spread to all businesses moving product in the area. The estimate direct cost would represent 0.03% the industrial activity.

Certain industrial businesses may have slim profit margins, but without a detailed survey it is not clear how the estimated impacts compare to that profit margin. The traffic cost impacts identified are being spread across a number of businesses. If a \$10 million business were operating at a 1% profit margin, and they were impacted by the 5% of the traffic costs (i.e. they owned 1 out of 20 delayed trucks) this cost would amount to \$7,500 per year and would reduce their profit from \$100,000 to \$92,500, (e.g. their margin would decrease from 1% to 0.925%). If the impacted business is a \$100 million business running a 1% profit margin this cost would reduce their profit margin from \$1 million to \$992,500, (e.g. 1% to 0.9925%).

At this level of impact and without evidence to show that there is a concentration of truck impacts to a particular business it seems unrealistic to provide an estimate for marginal businesses.

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The EIR completely ignores the costs at the margin on the Port and the producers who ship to and from the Port. These costs could be potentially in the vicinity of hundreds of millions of dollars. The concept is this: if an enterprise in a competitive industry is burdened by 1% higher costs while its profit margin is 1%, the costs are not just the 1% but the full economic impact of closing the business. The additional and cumulative traffic that the Arena will spawn will lower the utilization rate of the port leading to some combination of layoffs or less volume over which to spread costs forcing lower profitability and/or higher pricing making the port overall less competitive. Will the additional costs put NW growers at a competitive disadvantage or put marginal producers out of business impacting employment? Will the additional costs/traffic uncertainties borne by shippers using the port and/or the Port put Seattle at a competitive disadvantage versus Tacoma or Prince Rupert (BC) leading to snowballing competitive disadvantage, layoffs, etc. (Traffic uncertainty is as much a potential competitive disadvantage as cost.) Will delays lead to spoilage issues? The EIS appears to ignore or overlook these impacts.

6. Failure to account for impacts on public safety and traffic infrastructure, or the potential expense of dealing with these.

The EIR fails to address the potential for significant additional costs to the city including, particularly additional costs of required traffic infrastructure (to maintain or improve existing conditions) and public safety. As to public safety, the MOU states that the additional costs for public safety will be covered by Arena Co for events. But it fails to identify or define these costs. The fully loaded costs could reasonably be more than double the direct costs (administrative support, capital costs, benefits, etc.) Costs to the City, in fact, could be in the \$10-\$50 million range. Unless this is clarified, the public safety support could cost the city scores of millions. In addition, the EIS appears to ignore the costs associated with the additional traffic management and public safety that must accompany a facility being used by thousands of Arena-bound cars 190 days a year.

As to future infrastructure costs, first assume the City seeks to improve or at least not degrade existing traffic and congestion conditions. Given this reasonable assumption, the EIS overlooks that the Arena MOU does *not* provide for reimbursement of these

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61. The Economic Impact Analysis responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle. See analysis included as Appendix F to the FEIS.

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costs. While the MOU diverts \$40 million of tax revenues to the SODO Infrastructure Fund, there is no analysis in the EIS suggesting that this would be sufficient immediately or over time to maintain existing conditions or to improve people and freight mobility across the spectrum of vehicles. It should include the cost of an E-W pedestrian or car/truck overpass on S. Holgate St. or Lander St. It should include the extent to which extensive pedestrian bridges and “holding areas” for the thousands of pedestrians who will arrive to or leave the Arena on the south side and need to cross the seven active railroad tracks. The analysis should also look at the impact of the Arena at the margin to future infrastructure investment requirements. Will the Arena’s impact in addition to ongoing and ordinary regional growth tip the balance at the margin to require additional investment? And, if so, what would be the magnitude and urgency? Regrettably, the EIR totally fails to assume that, to maintain status quo conditions, infrastructure improvements will need to be made.

The Arena could accelerate the need for additional infrastructure investment increasing the present value of those costs. Traffic issues can, of course be mitigated with expensive infrastructure investment. There would be zero or limited traffic impact on the Port of the Arena and other traffic increases if \$Billions were to be spent on additional traffic lanes and overpasses. The impact would be reduced if scores of millions were spent on less extensive improvements. Some of this investment may be necessary even without the Arena but the traffic impact of the Arena would accelerate the need. The present value of a 2013 dollar spent on infrastructure in 5 years instead of 10 years is about \$0.18. This means that the City faces additional infrastructure costs due to traffic of \$50 million, the increase in the present value of those costs would be about \$10 million. If the city more extensively addresses the traffic problems at a cost of \$1 Billion, the present value of the accelerated costs could reach to \$200 million.

7. The EIR’s financial projection of a net positive economic impact erroneously assumes the Arena itself will generate local taxes. It will not.

The Arena MOU specifies diversion of nearly 100% of Arena related tax revenues to service the debt that the City and County would incur to co-finance the Arena. Depending

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62. Tax Revenues

Pro Forma Advisors projected tax impacts generated by the construction and operation of the Arena. These revenues are new/incremental (i.e. generated as a direct result of building and operating the Arena). Our report identifies the tax revenues earmarked to pay down debt service (outlined and consistent with the MOU). The focus of the economic report was the tax revenues used to pay debt service. For reference, we have also highlighted additional tax revenues generated from Arena construction (\$33.3M) and annual operations (\$1.9M) which will not be used for debt service and are expected to flow to other taxing districts.

Business Risk

Based on an independent analysis of the market, Pro Forma Advisors has estimated direct revenues and expenses associated with the Project. Financing and risk tolerance are in the purview of the issuing agencies. Note that a separate study by Justin Marlowe and the Arena Proposal Expert Review Panel drew the conclusion that the “risk-sharing arrangement outlined in the MOU is one of the most favorable to the public of any recent public-private partnership. No public-private partnership is risk-free, but the proposed arrangement protects taxpayers in ways that many other partnerships have not.”

As outlined in Pro Forma Advisors report, it is expected that the proponent will need to provide additional rent to the City and County. Operating projections appear sufficient to cover the additional debt service.

Tax Revenues

In addition to the direct tax impacts associated with the MOU, Pro Forma Advisors estimated the additional tax revenues expected to be generated as a direct result of constructing and operating the Arena. The report identifies the tax revenues used to service debt while also summarizing additional tax benefits (generated from Arena construction and annual operations) that are expected to flow to other taxing districts.

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on the success of the franchise, no incremental revenues are likely to flow to the City and County available for anything beyond Stadium improvements and debt service for at least 20 years, perhaps longer.

Rather than acknowledge this fact, the EIR states that \$7.97 million in taxes will be “available annually to support the debt service on the arena. EIR, at xi; EIR Exhibit ES-5 (pg. xiii); Exhibit F-3, at 32. But, as obliquely conceded in the EIR, the MOU requires these tax revenues generated by the Arena to be used to service the public indebtedness and that, in fact, WSA will be required to contribute about \$5-6 million in “additional rent” to the City and County to pay off this indebtedness. EIR, at 32. The EIR must consider the extent to which this WSA-made guarantee presents a quantifiable business risk and to what extent it reduces the Arena’s projected net economic return.

Similarly, the EIR states that the Arena will generate \$1.6 million a year and \$27.3 million over a 30 year period in property taxes. EIR, at 34 (Ex. 7). But this ignores that, under the MOU, Seattle will own both the land and the arena building and, consequently, this real estate will not be on the City’s tax rolls. Although Seattle will own the building and land, the EIR projects that Seattle and King County will receive in real estate taxes \$1,281,368 and \$596,000. EIR, at xiii. The EIR also assumes an Arena admissions tax will generate \$4.8 million annually and \$83.8 million over a 30 year period. EIR, at 33 (Ex. F-4). But under the MOU (§ 13 b., 13 d.), all “arena tax revenues,” including admissions taxes, will be diverted to pay for debt service. Accordingly, it is wrong and, worse, deceptive for the EIR to imply that these taxes will benefit Seattle’s general fund. The same can be said about the EIR’s claim that Seattle will receive \$940,000 a year through the B&O tax. EIR, at 33 (Ex. F-5). The same applies with respect to sales taxes. Seattle will not receive \$181,000 a year (\$3,299,000 over 30 years) in sales taxes.

The EIR’s tax analysis is economically incorrect and is systematically mischaracterized, most significantly in the conclusion. The net tax benefit, in present value terms, is probably nominal and in no defensible analysis is it greater than \$200 million as characterized in the EIR. Even using ArenaCo’s own data, no tax revenues will be available

to the city for at least 20 years. Since any net benefits are in the distant future, their impact is significantly reduced by the time value of money.

The proponents of the Arena argue that the incremental revenues are akin to “found money” so the diversion of revenues are not material. They miss two important points that the EIR fails to analyze or mention. First, the Arena will cost the City and County money. City schools, public safety, parks, administration, infrastructure and other services for most employees in the City are funded primarily by taxes paid by those employees and taxes paid by the employers. This is not the case for employees of the Arena and its Sports teams. Depending on the assumption set used, either city services will need to be cut or tax payers without the tax benefits accrued to the Arena and its sports franchises will have to pay scores of millions in incremental taxes. Second, the “found money” logic can be applied to justify government subsidy of any private activity. For example, why not co-finance an Amazon building or operation on the justification that, without this building, there would be no tax revenues anyway? The concept that the users of the arena will be financing it is nonsense; this argument ignores that tax revenues that ordinarily would go to the general fund are being diverted

The MOU states that the City will be reimbursed for its incremental public safety costs at events. But it does not say that the City will be compensated for the fully loaded costs including (but not limited to): benefits, capital investment associated with staffing levels, administration, etc. These costs add up to increase the cost to the City of \$1.00 spent on direct compensation to roughly 2.5 times what is paid directly. If 50 additional personnel are hired for 5 hours for 100 events per year (NBA, NHL, other), the City will be out of pocket about \$400,000 per year or \$12 million 2013 dollars (closer to \$16 to \$20 million with inflation).

In addition, there is a substantial tax equity issue, again completely omitted from the EIR and EIS. The Arena and NBA would be getting tax benefits for its new venture that no other business in town is getting. If a citizen wanted to invest \$5 million in a marginal enterprise that would be an exciting investment if the City funded \$2 million of the capital

costs to be paid for by the tax revenues of the enterprise, that citizen would not be afforded the same opportunity as the NBA. If all new ventures were afforded the same opportunity as the NBA, existing businesses would have to either pay higher taxes or services would need to be cut.

8. The EIR's uses the wrong discount for measuring "substitution impact."

The "substitution effect" is the amount by which monies spent on arena events would be spent elsewhere for other types of spectator sport or leisure activities. Thus, the substitution effect lowers the amount of revenue that the Arena is projected to yield to the city and regional economy.

The EIR alleges modest substitution effects but does not justify its novel projections or state a reason for ignoring applicable research. The EIR assumes a "substitution impact" of between 10-20% (EIR, at xviii; 50-51) and concludes that the Arena's "gross impacts" need only to be reduced by \$27.1 to 82.4 million annually. EIR, at ix. The "substitution effect" is the amount by which monies spent on arena events would be spent elsewhere for other types of spectator sport or leisure activities (or other spending alternatives in general).

The EIR's 10-20% substitution effect figure is wrong for several reasons. First, the literature pertaining to professional sports stadia and arenas reflects that 10-20% is extremely low for the substitution effect of a professional sports stadium or arena. See discussion below. Second, the "substitution impact" figure relative to the loss of the 35-40 events (which produce \$3.2-3.7 million) at Key Arena reflects only the dollar amount of events "lost" at that venue. This estimate completely fails to account for the impact these lost events will have on Key Arena itself, a facility already owned by Seattle.

There are an overwhelming number of academic studies that show little or no economic benefits of sport facility subsidization. Many of these studies point to *extremely high substitution effects*. The substitution effect argues that "as sport- and stadium-related activities increase, other spending declines because people substitute spending on sports for other spending" (Coats & Humphreys, 2004). Two particularly helpful compilations of

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63. Substitution Effect

As outlined in Pro Forma's report, a substitution effect was estimated specifically for the report's market and study jurisdictions (e.g. City of Seattle, King County). There is a component of spending at the proposed new Arena deemed to be a shift from "existing" local entertainment options/venues to the new Arena ("Substitution"). Pro Forma Advisors has accounted for this redistribution and has removed the relevant amounts from the gross impacts. When evaluating the potential impacts to the Seattle market, we considered applicable literature and integrated relevant data into our analysis as appropriate. However, because of critical differences in the literature studies and underlying projects, general "conclusions" of both positive and negative studies cannot be generically applied to the study project.

In deriving our projections, we were cautious to not include data which was inconsistent with the case in question and/or included variables that would prove misleading if applied in the study context. Where possible we relied on data specific to the Seattle market and the report's specific study jurisdictions. The analysis was able to use specific Seattle data from before and after the Sonics exited the market and applying the inverse relationship of this departure as an indicator of the impact regarding re-entrance/re-introduction of a team back into the market. We believe this along with data on spending behaviors, market factors, geography and other economic factors provided credible and realistic indicators from which to project the relevant impacts.

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such literature are: <http://www.fieldofschemes.com/research/>;
<http://thesportdigest.com/archive/article/economic-impact-sports-facilities>.

Attachments 3, 4. These commentators conclude that the substitution effect “discount” may even be as high as 100%.

The EIR also ignores extensive peer-reviewed published research that publically-subsidized stadia and arenas rarely generate net positive returns to their communities. Nowhere, for example, does the EIR acknowledge the extensive research conducted by Harvard Professor Judith Long. Attachments 16, 17, 18, 19.

The bottom line is that not all of the spending resulting from the construction of the new facility is new spending. When ignoring the substitution effect, many believe that the economic value of the facility is vastly overstated (Coats & Humphreys, 2004). Attachment 3. Opponents also argue that the multiplier for sports spending is often substantially less than the multiplier on other entertainment spending. Most of the revenues generated from sports are used to pay players, managers, coaches and trainers. Unlike the employees of local restaurants, theaters and stores, many of these players, managers, coaches and trainers do not even live in the city full time. Therefore, these large salaries are spread into other city and state economies (Coats & Humphreys, 2003). Attachment 4 .

The substitution effect for spending on athletic events is very high, approaching 100% in some studies. The only meaningful incremental spending to the city are those dollars spent by visitors who would not otherwise be visiting the city, a sliver more than offset by negative effects. The economic impact of spending on athletic events has less impact on the local economy than many of the activities that are being displaced. i.e \$1.00 spent on an NBA event does far less good to the community than \$1.00 spent on the activities it is displacing. The majority of the direct funds that are spent on attending an NBA event do not stay or recirculate in Seattle. Rather they flow to federal taxes, debt service, distant communities and investments.

Taken together, the economic impact of the facility on the region is somewhere between negative and neutral depending on the assumptions used rather than the absurd \$260 million per year with earnings of \$103 million alleged in the EIR.

Two thirds of the economic impact of the Arena outlined in the EIR stems from operations. But far less than half of this money flows to our community in any way. One piece of the impact, about \$11 million per year pays for debt service on debt that would not otherwise be obligated. The vast majority of the revenues from the franchise will go to player and senior management salaries as well as owner profits. 30-40% of their salaries and earnings go to federal taxes and out of the community. None of that income and few of those earnings are taxed by the state as we have no income tax. The majority of the players and management live either in suburban Seattle or in other, more distant cities where they spend their money. Even the money they spend in any community is limited. The owners have sufficient wealth that their consumption of goods and services is not impacted by profits. The players whose lifetime earning potential is concentrated in a few years save and invest the majority of their aggregate salaries rather than spending them.

The EIR conclusion of limited substitution effect is not supported by the empirical evidence. The substitution effect is high for a variety of reasons. The most obvious is that consumers have limited entertainment dollars. When they spend on the NBA, they spend less elsewhere. But traffic is also a serious issue. When there is an NBA event clogging the highways, consumers are less likely to travel to downtown through downtown to shop, dine, or attend other events. They either stay at home or shop locally. Game-day traffic impacts all downtown businesses, particularly Pioneer Square. A good example of this is the Seattle Planning Commission's own report, dated July 27, 2012. Attachment _____. This report states:

The EIR does not document its rationale for the range of substitution effects that it uses. Nor does it address the considerable body of research that demonstrates that the substitution effect is greater than they project.

The substitution effect specifically at Key Arena (owned by the City) and its neighborhood is not addressed at all. While the project would undoubtedly enrich some

businesses, it will impoverish others. A quick Google or Bing search will yield numerous articles and papers that expand upon and corroborate the simple statements above. One good one that cites other research as well is from the *Journal of Economic Perspectives* --- Vol. 14, number 3 pages 95-114. <http://www.uwlax.edu/faculty/anderson/micro-principles/stadiums.pdf/> Attachment 6. This scholarly article argues that the economic contributions of major sports arenas to city economies can be **zero**:

Few fields of empirical economic research offer virtual unanimity of findings. Yet, independent work on the economic impact of stadiums and arenas has uniformly found that there is no statistically significant positive correlation between sports facility construction and economic development (Baade and Dye, 1990; Baim, 1992; Rosentraub, 1994; Baade, 1996; Noll and Zimbalist, 1997; Waldon, 1997; Coates and Humphreys, 1999). These results stand in distinct contrast to the promotional studies that are typically done by consulting firms under the hire of teams or local chambers of commerce supporting facility development. Typically, such promotional studies project future impact and almost inevitably adopt unrealistic assumptions regarding local value added, new spending, and associated multipliers. They often use a regional input-output model that depends on outdated technical coefficients which are treated as invariant to shifts in supply and demand (Center for Economic and Management Research, 1991; Deloitte & Touche, 1994, 1996; KPMG, 1996; Economic Research Associates, 1996; KPMG, 1998; C.H. Johnson Consulting, 1999).

The academic work on the economic impact of sports facilities and teams does not rely upon projection. Rather, it compares the local economic performance of areas with and without stadiums, arenas, and teams, controlling for other variables that affect local economic conditions. Among cross-section studies, for example, Baade (1994) found no significant difference in personal income growth from 1958 to 1987 between 36 metropolitan areas that hosted a team in one of the four premier professional sports leagues and 12 otherwise comparable areas that did not. Looking at 46 cities over the 1990-94 period, Waldon (1997) found that higher high school graduation rates and more spending on police are what encouraged economic growth, while the presence of a major league sports team actually put a drag on the local economy. Both Baade and Waldon controlled for other factors affecting underlying trends in economic growth. Time series studies confirm the cross-section results. Baade and Sanderson (1997), for example, found no perceptible net increase in economic activity or employment in 10 cities that acquired new sports teams between 1958 and 1993 after factoring out other economic trends affecting each area. They did observe a reordering of leisure expenditures within the cities that acquired new teams, but there was no evidence that the new sports teams brought output or employment growth to the local area. A more recent study, by Coates and Humphreys (1999), finds that new stadiums and sports teams actually reduce per capita income in the host communities. This result is consistent with a higher (negative) multiplier for the displaced leisure expenditures than for the expenditures on a new team or in a new stadium because the latter likely involve substantial leakages from the local economy to the remote residential locations of some players and team owners. The conclusion that sports teams and facilities do not stimulate economic growth is surprising to many people. With live telecasting of games, daily coverage on television news and in the sports sections of newspapers, professional sports play a huge role in U.S. culture. Yet sports teams are small businesses. Yearly average team revenues in 1999 are around \$55 million in the NHL, \$75 million in the NBA, \$85 million in MLB and \$100 million in the NFL. For a medium-size city like St. Louis, the baseball team accounts for less than 0.3 percent of local economic activity; for a large city like New York, a baseball team contributes less than 0.03 percent of economic output. Sports teams typically employ between 70 and 130 people in their front offices. Beyond this, they hire approximately 1000-1500 day-of-game personnel who work in unskilled, low wage, temporary, part-time jobs. An NFL team is assured of playing 10 home games a year (including preseason games). At four hours of work per game, an NFL team provides day-of-game employment for the equivalent of 20 to 30 full-time, year-round jobs. As we shall see, however, it is problematic to attribute even these jobs to the sports team. Of course, the controversy about the economic impact of professional sports teams on their local economy is not just about the teams themselves, but also about how specific local restaurants, hotels, and other businesses might be affected. However, even if one assumes, optimistically, that on average people spend as much outside the sports facility as they do inside, the economic impact of sports teams in proportion to a typical metropolitan economy is diminutive. Apart from their relatively small size, there are three key reasons why professional sports teams do not promote economic development: the substitution effect; extensive

leakages; and the likely negative effect on local government budgets. The analysis of these three effects that follows describes the situation when a team or a facility is new to an area. Of course, in many cases the choice is whether or not to build a facility for a team that is already there. In such a case the incremental consumer surplus, external benefits or new spending will be considerably less. From the city's perspective, however, the opportunity cost of not building a facility with public funds may be perceived to be the loss of the team and all of its attendant benefits.

The Substitution Effect

The vast majority of consumers has a relatively inflexible leisure budget. If a sports team moves to town, the money one spends taking a family to a game typically is money that is not spent at a local bowling alley, golf course, restaurant or theater. The net effect on spending in the metropolitan area then is zero, or very close to zero. While sports teams may rearrange the spending and economic activity in an urban area, they are not likely to add much to it. An important exception to this reasoning occurs when sports teams attract new money into an area. If it were true, as the Boston Red Sox claim, that 35 percent of the fans at a typical game in Fenway Park came from out of state, then each game would bring tens of thousands of dollars of new demand to the Boston metropolitan area.⁵ Several qualifiers should be noted, however. First, the experience of major league teams in the various sports suggests that the general range of fans from "out of the area" is from 5 to 20 percent (Noll and Zimbalist, 1997a, chs. 2, 15; Crompton, 1995). Of course, this range depends on how one defines "the area." A strict definition of urban limits and, hence, a smaller radius around the stadium or arena, implies a larger percentage from outside the area. A combined metropolitan statistical area which includes several counties implies a smaller proportion of fans from outside the area. Thus, the smaller the radius, the greater the amount of "new spending." Conceptually, the benefit principle of taxation would imply that the delineated area should coincide with the tax jurisdiction that supports the construction and operation of the facility.⁶ Second, there is considerable evidence that out-of-state fans at most sporting events do not come to town because of the game. Rather, they are in town for business reasons, to see family or for other leisure activities. If they were not at the game, they would spend their money on other entertainment in the same city. Hence, their disbursements in and around the ballpark substitute for other local spending. Further, they may be guests of a local business or family who pays for the tickets and concessions, in which case there also is no new money attracted from outside of the area (Noll and Zimbalist, 1997b). Some stadium proponents have also argued that the local sports team attracts visiting media personnel from other cities. This, of course, is as true for journalists as it is for television or radio reporters and team members themselves. But there is no net contribution here, because the inflow is offset by a similar outflow of team members and media personnel when the local team plays away games. Finally, in addition to attracting some new spending from out-of-state fans coming to ball games, professional sports teams also receive distributions of national television contracts and other funds from their central league office. To the extent that these funds remain in the local economy, additional new local demand may be attributed to a sports team. As we shall see in the next section, however, certain substantial leakages retard this effect.

Leakages and the Multiplier

Approximately 55 to 60 percent of NHL, NBA, NFL and MLB team revenues go to player compensation. With some variation according to league payroll cap rules, when team revenues rise by \$10 to \$50 million after moving to new facilities, the majority of the added revenue goes to the players. The remaining 40 to 45 percent goes to the owners and to help defray additional costs, if any, associated with the new facility. The impact of this spending on local economies depends on how much of it is re-spent locally and how much leaks out to other areas. First, with average incomes well over \$1 million, most players and owners face the top federal marginal tax rate (39.6 percent), plus an additional 1.45 percent Medicare tax. Thus, over 40 percent of their incremental income leaks directly from the local economy to Washington, D.C. Second, high incomes also lead to higher savings rates, especially for the players, whose incomes are sensibly viewed as transitory. Most of these savings leak out of the local economy and into the world's money markets. Third, more often than not, players do not live year-round in the local community, and frequently owners do not either. Their families and principal homes are elsewhere. Even if they do live locally, their high incomes often lead to extensive travel and multiple home ownership. Thus, a large share of their spending takes place outside of the team's host city. Fourth, prices for food items at a ballpark or arena are considerably higher than at alternative retail establishments, and a large part of this price differential is siphoned off by the facility concessionaire company, which more often than not is based elsewhere. Contrast these leakages from sports expenditures to those which might occur if the entertainment dollar were spent at locally-owned

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64. Substitution Effect

As outlined in Pro Forma's report, a substitution effect was estimated specifically for the report's market and study jurisdictions (e.g. City of Seattle, King County). There is a component of spending at the proposed new Arena deemed to be a shift from "existing" local entertainment options/venues to the new Arena ("Substitution"). Pro Forma Advisors has accounted for this redistribution and has removed the relevant amounts from the gross impacts. When evaluating the potential impacts to the Seattle market, we considered applicable literature and integrated relevant data into our analysis as appropriate. However, because of critical differences in the literature studies and underlying projects, general "conclusions" of both positive and negative studies cannot be generically applied to the study project.

In deriving our projections, we were cautious to not include data which was inconsistent with the case in question and/or included variables that would prove misleading if applied in the study context. Where possible we relied on data specific to the Seattle market and the report's specific study jurisdictions. The analysis was able to use specific Seattle data from before and after the Sonics exited the market and applying the inverse relationship of this departure as an indicator of the impact regarding re-entrance/re-introduction of a team back into the market. We believe this along with data on spending behaviors, market factors, geography and other economic factors provided credible and realistic indicators from which to project the relevant impacts.

65. Leakage

Pro Forma Advisors has accounted for leakage. We have adjusted for revenues expected to leave the City of Seattle and King County due to leakage. We are aware of the expected revenue streams from national league distributions and have appropriately adjusted for the impact.

We recognize that a significant share of players' salaries may be spent outside of the City of Seattle and King County and the analysis was adjusted to account for this non-local spending. Only 15 to 20 percent of players' salaries have been included in the direct impact.

The direct impacts were adjusted downward from \$244 million to \$157 million (Seattle) and \$171.8 (King County) to account for this non-local spending.

Multiplier

Multipliers are used to estimate the indirect and induced impacts. It should be noted that multipliers are applied to projected local expenditures, not total revenues. As described in the Methodology section, local expenditures exclude

businesses, such as bowling alleys, golf clubs or restaurants. The proprietor of such businesses likely faces a lower marginal tax rate than either owners or players, has a lower saving rate, and does the bulk of his or her spending in the local metropolitan area. To derive the multiplier for sporting events, we combine the concepts of new spending and leakages to derive: sports multiplier $5 \frac{1}{1 - MPC - t \cdot MPI}$, where MPC is the marginal propensity to consume, MPI is the marginal propensity to import goods into the local economy (rather than produce and consume them locally), and t is the marginal tax rate. Using reasonable illustrative values of two-thirds for the marginal propensity to consume, one-half for the marginal propensity to import (that is, to spend outside the local area), and 0.4 as the marginal tax rate implies a sports multiplier of 1.25. To calculate the positive impact of new sports expenditures on the overall local economy, whether inside or outside of the sports facility, the sports multiplier must then be multiplied by the local net value added to the local economy resulting from any new local spending due to the sports team. The overall effect of a sports team on its local economy, however, depends both on a rearrangement of entertainment spending within the local area as well as on new spending attracted from outside that area. Thus, to derive the overall net effect of a sports team on a local area, it is necessary also to balance the contraction in the local economy caused by the diversion of spending from alternative local entertainment venues (the opportunity cost of local sports spending) against the expansion generated by the reallocated local spending on sports. The reallocated spending times the sports multiplier constitutes the team's positive contribution to the local economy from rearranging local spending. The reallocated spending times an analogous locally-owned entertainment venue multiplier reflects the sports team's internal drain on the local economy from rearranging local spending. The difference between them must be added to the net effect from new spending to derive the overall net effect on local economic activity. For instance, consider an average baseball team with revenue of \$85 million. Approximately \$15 million of this comes to the team from MLB's Central Fund and is "new" to the local economy. Of the remaining \$70 million in revenues, assume that \$10 million (14.3 percent) comes from fans who reside "outside of the area." Thus, the total of new spending is \$25 million. If half of this is the local value added from such spending, then the impact of new sports spending equals (\$12.5 million)(1.25) = \$15.625 million. Further suppose that for spending at locally-owned entertainment venues, the appropriate marginal propensity to consume is .8, the marginal propensity to import is .35 and the marginal tax rate is .35. Then, the locally-owned entertainment venue multiplier is 1.51, in contrast to the sports multiplier of 1.25. If new spending is \$25 million, the remaining \$60 million of team revenue must be reallocated local spending. Applying the two multipliers to this \$60 million, we find that the foregone output generated by money that would have been spent at locally owned entertainment venues is \$90.6 million and the actual output generated by diverting the spending to the professional sports team venues is \$75 million. The difference of \$15.6 million must then be subtracted from the positive impact of new sports spending (\$15.625 million) to arrive at the estimated overall net impact of the sports team. Employing what appear to be reasonable parameter values, the net effect on output from the sports team is estimated to be virtually zero.

The next draft of the EIR must, to maintain any credibility, adjust its projections with this literature in mind.

9. Failure to address tax equity.

The EIS fails to address the tax equity issue in any form. Essentially, the EIR assumes that, because the Arena will be generating incremental tax revenue that the City would not otherwise take in, the City is not "subsidizing" the Arena and, consequently, it poses no negative cost to the city. Aside from the financial risk of the endeavor, its indirect costs, and the fact tax revenues are being used to finance the Arena's debt service, this argument raises a significant tax equity issue: any new or growing enterprise in the City could make the same argument. For example, Amazon could ask for the same tax diversion to help fund new facilities. To be equitable, small businesses could ask for similar treatment. The

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taxes and licenses as well as rent and lease payments, debt service. It only includes projected local management and other staff spending and purchases made from the local area. Total expenses were in the range of \$193 million, but the local purchases that the multipliers are applied to are approximately \$42 million (Seattle) and \$67 million (King County).

Further multipliers, are calculated to account for the "higher" or "lower" re-spending of dollars within an economy by each industry and their eventual leakage outside of the area.

The analysis also applies multipliers to the estimates of displaced business from substitution and traffic delay costs.

By specifically accounting for direct local expenditures and using multipliers for both the arena impacts and displaced businesses, the analysis accounts for differentials in multiplier between arena impacts and displaced business impacts.

New Money

Pro Forma Advisors' data on new spending is based on actual tracking by other local sports teams and teams in comparable markets. We are aware of league/central office revenues and have integrated this revenue stream into our impacts (including updating estimates for projected growth factors).

Certain conclusions are overly broad and/or the general parameters identified are not applicable. We comfortable that our estimates properly reflect the related local and out of area impacts

66. Tax Revenues

Pro Forma Advisors projected tax impacts generated by the construction and operation of the Arena. These revenues are new/incremental (i.e. generated as a direct result of building and operating the Arena). Our report identifies the tax revenues earmarked to pay down debt service (outlined and consistent with the MOU). The focus of the economic report was the tax revenues used to pay debt service. For reference, we have also highlighted additional tax revenues generated from Arena construction (\$33.3M) and annual operations (\$1.9M) which will not be used for debt service and are expected to flow to other taxing districts.

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EIS needs to clearly state that this is inequitable. The alternative, of course, would be to offer a similar benefit to any new or expanding business. This would shift a growing tax burden to established businesses putting them at an unfair competitive disadvantage.

10. Failure to consider the extent to which the Arena catalyzes gentrification of SODO through higher property values and rents. How will this affect “living wage” jobs in the long-term?

The EIR acknowledges that the nearby area in SODO has been under tremendous gentrification pressure, rents have risen, and that such changes will occur regardless of the Arena. EIR, at xxix. Basically, downtown is moving southward to SODO. EIR, at 107. Developers are poised to pounce on SODO and convert it to higher and better uses. EIR, at 116. It also admits that the Arena will generally increase property values and leasing rates. EIR, at 106-07.

The EIR chooses to “blame” the upward-creeping rents and property values on the “economics of Seattle as a whole” as opposed to the new stadium. EIR, at 109. But these conclusions appear to be based on anecdotal, undocumented interviews with commercial real estate brokers rather than a scientific survey of gentrification of industrial areas. The EIR’s conclusion that the sports facilities in SODO do not exacerbate loss of industrial lands is off-base. First, it is undermined that the key to the industrial land base is “cheaper rents,” as acknowledged in the EIR, at 109. But, as the Arena promoters concede in public statements, the Arena will be accompanied by substantial real estate development in the adjacent area, such as an L.A.-Live-like development. Yet the EIR makes no attempt whatsoever to quantify the effect on the economy, living-wage jobs of this real estate transformation. Clearly, this L.A. Live-like development will drive up rents. What, for example, happens when a mixed-use industrial area with a strong emphasis on freight mobility and shipping converts to higher-rent spectator sports facilities, entertainment, offices, restaurants, and retail? Who loses jobs? Who gains them? Who makes the money? Who loses money?

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67. See Common Response #12 Gentrification.

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Nor can the authors of the EIR avoid addressing the impact of rising land values and rents by claiming “these things are going to happen anyway regardless of the arena.” This logic is wrong for several reasons. First, the “impacts” of a project are not “just” measured in terms of their direct impact but, additionally, in terms of their indirect and cumulative impact. Thus, to the extent a SODO arena facilitates or hastens the conversion of an industrial area to more expensive land uses characterized by higher property values and rents, the arena is having a cumulative impact on land uses. Second, proposed projects are not, and should not be, acceptable merely because existing conditions are bad. Consider this example: just because China continues to insist on burning coal to maintain its rate of growth and economic productivity does not, of course, mean that the United States should not work to reduce its combustion of coal. Just because an animal species is in a rapid rate of decline does not mean that the law or sound public policy should not protect the remaining portion of the species’ habitat? Simply put, just because traffic is already congested in SODO and because this is a detriment to the Port’s operation does not mean we should make the situation worse by adding 5-6000 cars during evening (or even morning) rush hour 190 days/year. The EIR needs to be re-written to better-analyze the **cumulative** local and regional economic impact of the arena on freight mobility and Seattle’s transportation system.

11. The EIR’s extensive discussion on the viability of the Arena is irrelevant.

The EIR devotes much space to analyzing secondary items such as the economic viability of the NBA to the team itself. It observes, for example, that “Seattle is a highly appealing market that we believe can support additional sports teams.” EIR, at xi. But whether the Arena is commercially viable (even with its public subsidy) is irrelevant, and should be irrelevant, to the City and County’s analysis of the arena’s net economic impact on the local and regional economy.

12. The EIR fails to analyze the potential negative impact on the Seattle Center and Key Arena of a competitive SODO-based Arena.

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68. Comment noted.

69. It is expected that the proposed SoDo arena will compete with KeyArena for certain events and possibly tenants. Pro Forma has estimated the anticipated shift in current events to the proposed SoDo arena but due to multiple issues and variables (e.g. cost, scheduling conflicts, etc.) it is not possible to determine the KeyArena’s viability or profitability.

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The EIR readily concedes that the Seattle Center is one of the main attractions for visitors to the Seattle area and features a diverse assortment of businesses that serve it, including hotels, restaurants, and commercial spaces. EIR, at 137-38. It also concedes that the NBA games at Key Arena “buoyed” retail lease rates and the departure of the Sonics “had a negative impact on retail lease rates.” EIR, at 139.

But that is as far as the EIR goes relative to the impact a SODO arena will have on the Key Arena or Seattle Center. Totally **unaddressed** are crucial issues such as these:

- Will the SODO arena compete with and eventually render Key Arena an unviable and unprofitable facility? If so, to what extent monetarily?
- Can Key Arena be “re-purposed” to remain commercially viable after the SODO arena is constructed? If so, how much will that cost and who is likely to bear that expense?
- What are the economic impacts on the City of Seattle, which owns the Key Arena and the Seattle Center, when arena business moves to SODO?
- What are the economic impacts on the hundreds of employees who work at the Seattle Center and Key Arena?
- What are the economic impacts on the Queen Anne business community if Key Arena continues to lose business to a SODO Arena or, in the worst case analysis, Key Arena shuts down?
- What are the economic implications for Seattle taxpayers in terms of subsidies required to maintain the Seattle Center without a viable Key Arena?

These issues must be addressed in a final EIR.

In its report dated July 27, 2012, the Seattle Planning Commission (Attachment 29) pointed out that a new SODO Arena could lead threaten Key Arena and the Seattle Center.

Impacts of Potential Competition with KeyArena

A new state-of-the-art arena may draw some of the events that would otherwise be scheduled at the KeyArena; it is unknown how this would impact the overall health and welfare of Seattle Center. As for

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70. Pro Forma is not able to address the possibility of repurposing KeyArena.

71. Pro Forma Advisors has projected the economic impact of the proposed new arena in SoDo.

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the question of Seattle Center as a possible location for a rebuilt arena, from a land-use perspective directing public and private investments and infrastructure to the Seattle Center and surrounding neighborhood, which is within a regionally-designated Urban Center, is significantly different from doing so in a MIC. For instance, investing in the neighborhoods surrounding Seattle Center to improve services that accommodate the patrons of large events, including dining and drinking establishments as well as pedestrian thoroughfares, helps further neighborhood planning goals for this area.

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The final EIR must consider the Arena's potential economic impact on Key Arena and Seattle Center.

Respectfully submitted this 30th day of September, 2013.



Peter Goldman
Attorney at Law
Attorney for ILWU Local 19

Attachments: a DVD containing 39 documents that are cited in this document. (Note: this DVD was hand-delivered to John Shaw at 700 Fifth Ave., Suite 2000).



September 30, 2013

Attn: John Shaw, Senior Transportation Planner
City of Seattle
Department of Planning and Development
700 5th Avenue, Suite 2000
PO Box 34019
Seattle, Washington 98104-4019

MIC
Executive
Committee

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Warren Aakervik
Ballard Oil
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Johnny Bianchi
B&G Machine

Marc Doan
GM Nameplate

Terry Finn
Burlington Northern
Santa Fe Railway

Kathleen Goodman
AMEC Geomatrix

David Huchthausen
Somerset Properties

Mike Kelly
ASKO Processing

Matt Lyons
NUCOR Steel

Jordan Royer
Pacific Merchant
Shipping Association

Linda Styrk
Port of Seattle

Larry Ward
Pacific Fishermen Shipyard

Elizabeth Warman
The Boeing Company

Re: Draft EIS for SODO Arena

Dear Mr. Shaw:

At the present time, the Draft Environmental Impact Statement cannot assess potential impacts of a SODO arena on freight and related industries because King County and the City of Seattle failed to fulfill or even initiate freight assessments required by the King County Council and the Seattle City Council through their legislation passed in October 2012 to adopt the arena Memorandum of Understanding and Interlocal Agreement.

King County Ordinance 17433 required the King County Executive to file a report with the Clerk of the King County Council by March 15, 2013 regarding potential creation of a heavy haul corridor for truck access to the Port of Seattle. No such report was filed.

The MOU also committed the City of Seattle to initiate a freight strategic effort to help inform the public about SODO and stadium area land use and transportation issues. That freight effort has not yet started.

As the public comment period closes today on the DEIS for the SODO arena, these failures to perform in a timely fashion make it impossible to provide informed input on the DEIS for the proposed arena in SODO or at an alternative location. The DEIS should be tabled at this time and reopened for public review and comment after the City of Seattle and King County fulfill the freight-related requirements of King County Ordinance 17433 and City of Seattle Ordinance 124019.

Sincerely,

Dave Gering, Executive Director
Manufacturing Industrial Council of Seattle

MIC

1. Comment noted regarding King County. In early 2014, the City of Seattle initiated the Freight Access Project (FAP), a partnership between the Seattle Department of Transportation (SDOT) and the Port of Seattle to examine current and future truck freight bottlenecks and problem locations in the Greater Duwamish and Ballard Interbay Northend Manufacturing and Industrial Centers (MICs). The final report was published in January 2015. The City is also developing a Freight Master Plan (FMP) to address the unique characteristics, needs, and impacts of freight mobility and began broad community engagement in October 2014. In addition, SDOT has worked with the Mayor's Office on Heavy Haul Corridor legislation.

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September 30, 2013

Mayor Mike McGinn
City of Seattle
700 5th Ave, Suite 2000
P.O. Box 34019
Seattle, WA 98124-4019

Re: **Comments on the Draft EIS for Proposed Seattle Arena, DPD project #3014195**

Dear Mayor McGinn:

I am writing to comment on the Draft EIS for the proposed Seattle NBA Arena. PMSA represents the container shipping lines, marine terminal operators and agents that serve the West Coast of the United States, including the Port of Seattle. Because our members operate in ports internationally, we are acutely aware of what makes a port competitive for discretionary international cargo and the jobs that cargo represents.

We share many of the concerns that the Seattle Port Commission has described in their September 30, 2013 letter to your office. Specifically, the Draft EIS is not adequate in a number of areas:

1. **It fails to assess negative impacts of the arena proposal to the maritime industry in the Duwamish Manufacturing Industrial Center.** The DEIS acknowledges that the competitive position of the port and maritime businesses could be diminished due to traffic concerns, but the impact is not reasonably quantified and no remedy is specified. The estimated additional impact – 4 minutes per truck – is so narrowly defined that it lacks all credibility.
2. **It fails to adequately assess alternative locations,** including sites outside of Seattle that would not have negative impacts on the port’s facilities and their customers’ ability to attract and grow cargo.
3. **It fails to identify this project as public:** this arena will receive \$200 million in taxpayer financing and, after construction, be owned by the public. One can only surmise that this is an effort to avoid scrutiny that regional public projects usually receive.

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PMSA

1. Comment noted.
2. See Common Response #1 Public vs Private Project; Range of Alternatives.
3. See Common Response #1 Public vs Private Project; Range of Alternatives.


4. **It fails to fully identify transportation mitigation options**, and more concerning, fails to identify necessary funding or demonstrate any remedy whatsoever. Among other things, the city may need new signal timing investments, new highway access and new east-west vehicle and pedestrian overpasses to relieve the additional pressure. There are 17 rail tracks immediately adjacent to the project, including Amtrak's rail yard, where there are serious safety concerns even without an additional arena and entertainment center.

Finally, we would remind leaders at the City of Seattle of the city's own Planning Commission July 27, 2012 report detailing the problems of locating another sports facility in the Duwamish MIC. Their findings are clear:

*"The Commission believes that locating a new major sports and entertainment facility inside the Duwamish Manufacturing and Industrial Center (MIC) holds a strong likelihood of displacing living wage jobs and nearby businesses and disrupting container port operations and freight mobility. We believe these risks are inherent with a spectator sport facility at this location. The Commission recommends that the City not take actions that further place this proven economic asset at risk. At the very least the Commission believes more review and analysis should be conducted **before** the City takes further action."*

We agree with the port and many others that the Draft EIS for the Arena project is inadequate on many levels. The city should consult its own planning department and planning documents, such as the Container Ports Element of the City's Comprehensive Plan before moving forward. Risking family wage manufacturing and maritime jobs needlessly does not appear to be a winning strategy.

Sincerely,



Jordan Royer
Vice President for External Affairs

cc: John Shaw, City of Seattle Senior Transportation Planner
Seattle City Council
King County Executive Dow Constantine
King County Council

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4. See Common Response #6 Mitigation Measures - Traffic.
5. Potential traffic impacts to the Port and surrounding area are analyzed in this EIS. The EIS also includes an analysis of certain potential economic impacts from the proposal, although that analysis is not a basis for determining the adequacy of an EIS.

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Sailors' Union of the Pacific



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September 30, 2013

City of Seattle, Dept. of Planning and Development
Attn: John Shaw, Senior Transportation Planner
700 5th Ave, Suite 2000
P.O. Box 34019
Seattle, WA 98124-4019
Via e-mail: John.Shaw@Seattle.Gov

**Re: Comments on the Draft EIS (DEIS) for Proposed Seattle Arena
DPD project #3014195**

Dear Mr. Shaw:

I am writing on behalf of the men and women of the maritime trades to express our strong concerns about the proposed Seattle sports arena, and to comment on the draft environmental impact statement for the project.

We believe the DEIS fails to provide sufficient information for the City to make informed decisions about locating the proposed arena at the SoDo location. This location would encourage intrusion of incompatible land uses into the industrial area. Action to locate the arena in the industrial area runs counter to numerous city, King County, regional and state policies written to protect manufacturing-industrial centers, and the City's responsibility to create jobs and economic opportunities for all citizens.

The DEIS fails to adequately evaluate potential negative impacts. We believe there are negative impacts that cannot be mitigated, such as incompatible land use, increase traffic congestion and conflicts with rail operations and public safety.

The City also improperly characterizes the sports arena as a private project, even though it depends on \$200 million in public contributions from tax revenues. Had the project been properly characterized as a public project, a far larger set of alternative sites, including some outside the City, would have been considered. These alternative sites could have far less impact on the maritime and industrial sectors.

Sailor's Union of the Pacific

1. The SoDo Arena is proposed to be located within the Stadium Overlay District and is an allowed use pursuant to the Seattle Land Use Code Chapter 23..
2. Comment noted.
3. See Common Response #1 Public vs Private Project; Range of Alternatives.

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The DEIS fails to fully identify the impacts on the port and its vital operations to move commerce and create family-wage jobs in our region.

Finally, the DEIS does not identify the mitigation that would be required should the project move forward, nor any specific implementation and funding measures. Without details on mitigation and costs, decision-makers will not be able to understand the full implications of this project.

While we support the return of basketball to this region, we are opposed to this site because of the serious impacts and high costs to our region's economic health. The DEIS fails to provide decision-makers with the information they need to reach a proper judgment on this project.

Sincerely,



Vince O'Halloran
Seattle Branch Agent
Sailors' Union of the Pacific
President, Puget Sound Ports Council
Maritime Trades Department AFL-CIO
4269 22nd Ave W.
Seattle WA 98199

cc: Seattle City Council
Mayor Mike McGinn
Port of Seattle Commission

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4. The economic impact report recognizes that the Port of Seattle plays an important role in the Seattle economy (see page 71 of Appendix F Economic Analysis). We also recognize that port-related industrial jobs provide important family wage jobs in the region.

Our analysis estimated minimal additional traffic impacts and costs directly related to the proposed arena. Port TEU volume has increased rather than decreased since the existing sports stadiums were built. There have been changes in the mix of businesses in the area and a reduction of industrial uses, but it is not conclusive that this is result of the development of the sports facilities.

5. See Common Response #6 Mitigation Measures – Traffic.
6. Comment noted.

September 30, 2013

Via Email to john.shaw@seattle.gov

John Shaw
Senior Transportation Planner
Dept. of Planning & Development
PO Box 34019
Seattle, WA 98124-4019

Re: Seattle Mariners' Comments on Seattle Arena Draft Environmental Impact Statement

Dear Mr. Shaw:

On behalf of the Seattle Mariners, we provide the following comments on the Seattle Arena Draft Environmental Impact Statement ("DEIS").

The City and County decision on whether to participate in the new arena and where to locate it is an important one for our region and for sports fans who would be attending events at the new arena and the existing sports venues in Seattle. The Mariners strongly support the return of the NBA to the Seattle area, and the possibility of adding an NHL franchise. The economic analysis shows how professional sports contribute to employment, to the state and local tax base and to the general economic well-being of the region.

The Mariners have previously expressed concerns about some of the difficult challenges presented at the proposed SODO site, and appreciate the effort to analyze those difficulties and compare them with challenges at possible alternative sites. The DEIS begins to demonstrate this degree of difficulty and to make those comparisons. But to fully accomplish this goal, better information and comparisons are needed. Our comments will review these with particularity, with a focus on improving the information available to decision-makers in the Final Environment Impact Statement ("FEIS").

The Mariners also reiterate their commitment to City and County decision-makers and the Northwest's sports fans that, once a fully-studied and debated decision is made on the best location for an NBA/NHL arena, the Mariners will work with all involved parties to make that site work in the best possible way.

A. SCOPE OF ANALYSIS OF ALTERNATIVE PROJECT TYPES AND OFF-SITE LOCATIONS

As we pointed out in earlier scoping comments, the arena is a public proposal as that term is used in the State Environmental Policy Act ("SEPA"). The characterization as a public proposal has two key implications: agencies are encouraged to describe public proposals in

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1. See Common Response #1 Public vs Private Project; Range of Alternatives.
2. See Common Response #1 Public vs Private Project; Range of Alternatives.

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terms of objectives instead of preferred solutions, and off-site alternatives must be examined. Washington Administrative Code (“WAC”) 197-11-440(5)(d) and 197-11-060(3).

The DEIS refers to the ArenaCo. proposal as private, and then treats the City and County decision on whether to participate in that proposal as “public.” However, this hybrid approach is problematic.

1. City and County Objectives Need to be Fully Identified.

Having chosen to describe the public proposal as the objective of whether to participate in a new arena, the FEIS needs to detail what the City and County objectives are for a new arena. From that point of view, must the arena have a certain number of seats? Must it have a certain number of parking spaces on-site or in the vicinity? Another key question is whether it must be capable of serving both basketball and hockey, or is it sufficient for the arena to accommodate basketball supplemented by other events? The entire DEIS appears to be based on the private applicant’s objectives, and not those of the City and County.

It is especially important to identify City and County objectives related to the alternative of remodeling Key Arena. That alternative was summarily rejected in a single sentence in the DEIS because “The existing foundation design would preclude enlarging the floorplate to the size needed for hockey” i.e. the number of seats for NHL games. DEIS, p. 2-6. But have the City and County determined that it is essential for the new NBA arena to accommodate NHL hockey? And even if that is a bright line objective eventually stated in the FEIS, what would prevent modifying the foundation design to allow additional seats for hockey?

Without knowing the precise public objectives for the arena, SEPA requirements for the analysis of alternatives are not met. The FEIS needs to identify both City and County objectives and include an appropriate range of project types and locations that meet those objectives. Without this, the analysis of alternative sites is flawed and insufficient.

2. Analysis of Alternative Sites.

The DEIS acknowledges that the proposal is sufficiently public as to require the identification and evaluation of non-SODO site alternatives. Appendix A explains the process for identifying and screening alternative sites. However, the opening sentence limits the criteria to sites within the City of Seattle. No explanation is provided as to how that could meet the County’s objectives of deciding whether to participate in an arena project. And if the County has already decided that it will only participate in a project located in Seattle, as opposed to the other locations in King County that have been discussed for an arena, how can that premature decision be reconciled with the legal requirement that no action be taken to “limit the choice of reasonable alternatives” prior to completion of the EIS process? See WAC 197-11-070(1).

3. See Common Response #2 Project Objectives.

4. See Common Response #1 Public vs Private Project; Range of Alternatives..

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The Mariners' scoping comments submitted at the outset of this process identified for study a number of potential sites, including several (Bellevue, Renton and south of Boeing Field) that were the favored sites of prior Sonics owners. Without any substantive explanation, the DEIS fails to study any of these sites, further detracting from its usefulness as a decision-making tool.

Another example of flawed analysis relates to the Rainier Avenue South/Lowe's site. That site is in part eliminated because it cannot accommodate people arriving by bicycle. This appears to be an artificial constraint placed on the site because the number of arena attendees expected to arrive by bicycle is insignificant compared to other modes of travel. It is also puzzling why placement of bicycle sharrows on heavily congested SODO streets oriented to truck traffic, such as 1st Avenue S., is considered adequate for cyclists, while not acknowledging that Martin Luther King Jr. Way is adjacent to the Rainier site and has wide, bike-friendly shoulders, or not acknowledging the east-west McClelland Street which has dedicated bike lanes east of 30th Avenue.

Also, as Appendix A acknowledges, the Rainier site has very good vehicular access to I-90 and I-5, and is within one quarter mile of the Mt. Baker light rail station. But Appendix A does not acknowledge that for those coming from the reservoir of parking downtown assumed for the SODO site, the Mt. Baker station is just seven minutes from the Stadium station that light rail patrons would have to utilize for the SODO arena site. It is not at all clear why a comfortable ride on light rail seven minutes longer from downtown would disqualify the Rainier site, particularly when the walking time between the SODO site and the Stadium or the Lander Stations is well over seven minutes greater than the distance between the Rainier site and the Mt. Baker station just 300 feet to the south.

As for land use compatibility, Appendix A does not mention that the Rainier site has been used as a sports stadium (baseball) in the past and that the site is part of a largely commercial corridor served by the adjacent arterials.

In short, the analysis of alternative sites is flawed for not looking outside the City of Seattle limits and for its uneven evaluation of the City sites that have been identified.

3. Analysis Of SODO Site Alternatives.

The DEIS evaluates ArenaCo's proposal for a 20,000 seat arena, and the only alternative is an 18,000 seat arena. However, the DEIS analysis does not show a substantial difference in environmental impacts between those two alternatives because the only factor varied is the number of seats, and that variation is relatively slight. This selection of a single, modestly different alternative does not meet SEPA requirements.

SEPA requires that an EIS evaluate "reasonable alternatives." That term is defined as "actions that could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation." WAC 197-11-440(5)(b).

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It is customary for alternatives to be defined based on an assessment of the environmental impacts that are caused by the primary proposal. Based on that analysis, an alternative is then devised that reduces those environmental impacts. The identification of proper alternatives is critical so that decision-makers have adequate information.

In the case of the SODO arena, one of the areas of greatest impact is the lack of on-site parking or nearby parking that can be secured for arena use when basketball, hockey and other events are expected to occur in the arena. The DEIS is deficient for not including an alternative that includes additional on-site parking or specifically includes construction of new parking as part of the proposal. (Deep in the Transportation section, there is brief mention of possible construction of a new garage west of 1st Avenue South, but it is not analyzed at the level of a full-fledged alternative like it should be.) It should be noted that the arena design started out with no on-site parking, but this was recently modified to include a very small (variably described) number of on-site spaces solely for players and arena employees. There needs to be further exploration of alternatives with on-site or specifically secured parking in order to accommodate the proposed SODO site.

B. THE SODO PROJECT SITE APPEARS TO BE MIS-IDENTIFIED

We believe the eastern edge of the SODO project site is mis-identified and includes property owned by BNSF rather than ArenaCo. See Figure 2-1 which has the eastern edge of the SODO project site at a location that is east of a row of parking. We understand from City maps that the row of parking is instead on the BNSF property.

Although this just may be a technical matter as to how the site is depicted on graphics, we do note that on Page 2-3 of the DEIS it is stated that the eastern portion of the site extends into the General Industrial 2 zone, i.e. encompasses that row of parking. We ask you to look at whether that is correct since spectator sports facilities are not allowed in that zone. Thus, either the site is mis-identified, or if it is correctly identified, then the concern is that the proposed arena use (including the necessary replacement access road to the Safeco garage) is not allowed on the eastern portion of the proposed site. Please clarify this point.

C. SECTION 2: ADEQUACY OF THE PROJECT DESCRIPTION

The description of the SODO site project in Section 2 of the DEIS is critical to the rest of the analysis in the DEIS. However, little information is provided in Section 2. Here are examples of information that is missing and needs to be included as part of the project description in the FEIS:

- At a minimum, a site plan showing the site dimensions, location of building functions, and open space (not included anywhere in the document)
- Number of on-site parking spaces (not revealed until a footnote on page 3.8-100 of the DEIS)

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5. The figures depicting the SoDo site have been revised to correct the site boundary.
6. • The site plan continues to evolve based on comments from the Seattle Design Commission. As noted in the EIS, documents are available through a link to the project website showing site dimensions, location of building functions and open space.
 - The number of on-site parking spaces is likely to be approximately 100 parking spaces.
 - The EIS must determine parking demand and this information is included in Section 3.8 of the EIS and detailed in the Transportation Technical Report (Appendix E). The number of parking spaces required to meet Land Use Code requirements for entertainment uses will be determined by DPD based on the MUP application submitted to build an Arena.
 - Additional analysis has been added to consider the scenario of neither the Safeco Garage or CenturyLink Field parking being available.
 - Truck load/unload activities are shown as being located in the southeast portion of the structure accessed from the eastern drive aisle. See plans on project website.
 - A description of the access road is included in the Transportation discussion.

- Land Use Code requirement for 2,500 secured parking spaces (not revealed until page 3.8-100 of the DEIS)
- Specific identification of the sites that will be secured by covenant to provide the 2,500 spaces (hypothetical sites identified with no specifics; Mariners garage identified although it is not available for most events at the arena because it is already committed by permit and covenant to events at Safeco Field or CenturyLink Field and Event Center)
- A description of where arena truck load/unload activities will be located and accessed (never clearly described anywhere)
- The location of space for essential arena functions, such as charter or special bus zones, and priority load/unload areas for the disabled and taxis (hypothetical locations identified with no specifics)
- Clear description of how the access road on the eastern portion of the arena will operate (described inconsistently in various parts of the DEIS)

The Section 2 project description notes that the vacation of Occidental Avenue S. is a part of the project. Similarly, the realignment of S. Massachusetts Street through street dedication should also be included as part of the project description.

D. SECTION 3.1: GEOLOGY AND SOILS

The DEIS concludes that construction of an arena at the SODO site would likely cause vibration impacts during demolition and construction, especially due to the type of soils at that site. Mitigation of that impact is to conduct vibration monitoring “if necessary to prevent offsite adverse effects.” DEIS, p. 1-41.

Because the Safeco Field parking garage is the nearest structure to the arena, we request that the FEIS commit to conduct settlement and vibration monitoring at the garage. If the SODO site is selected, then a pre-construction assessment of garage conditions should be conducted (and funded by the arena proponent) to establish a “base line.” Any adverse effects to the garage structure caused by arena-related demolition or construction will have to be indemnified and fully mitigated.

In addition, if the SODO site is selected, then construction would need to be scheduled to avoid vibration impacts during events at Safeco Field.

E. SECTION 3.5: NOISE

Significant noise impacts are anticipated by the pile driving necessary for arena construction. However, the mitigation of noise impacts is the standard language found in

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7. The realignment of a portion of S. Massachusetts Street between Occidental Avenue S. and 1st Avenue S. has been added to the project description in the Fact Sheet, the Summary (Section 1) and the Project Description (Section 2).

The mitigation measures listed in the Geology Section (3.1.1.4) include implementing vibration monitoring if necessary to prevent offsite adverse effects.

8. Pile driving is addressed on both pages 3.5-2 and 3.5-4 of the EIS. Page 3.5-4 says: “Pile driving also would be restricted to the time periods of 8:00 AM to 5:00 PM on weekdays and 9:00 AM to 5:00 PM on weekends and holidays.”

Pile driving is considered an impact type of equipment. Per SMC 25.08 Noise Control, in subsection 25.08.425.C Sounds Created by Construction and Maintenance Equipment, sounds created by impact types of equipment are limited to 8:00 AM to 5:00 PM weekdays and 9:00 AM to 5:00 PM weekends. The list of mitigation measures in Section 3.5 included: “Limiting noisier construction activities to between 7:00 AM and 10:00 PM would eliminate construction noise and vibration during sensitive nighttime hours.” An additional measure specific to pile driving has been added to be consistent with the Noise Ordinance requirements.

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environmental documents: limit pile driving to 7:00 AM to 10:00 PM to avoid “sensitive nighttime hours.” That mitigation measure does not recognize that the majority of games and other events at Safeco Field take place at night, and the DEIS does not address the issue of whether pile driving or other construction noise would affect those events. If the SODO site is selected and there is any possibility of that impact, then noisy construction impacts need to be scheduled to avoid events at Safeco Field.

F. SECTION 3.6: LAND USE

The DEIS states that land use impacts of the closure of Occidental Avenue are “minimal since the uses related to that street would be demolished in construction of the project at the SODO site.” DEIS, p. 3.6-4. In fact, Occidental’s use is not limited only to abutting businesses on that one block.

The Mariners assembled a detailed package of information explaining the many functions of the portion of Occidental to be vacated. They provided that information directly to your department, the EIS consultant, and to the Seattle Department of Transportation so that preparation of the DEIS could be based on a good understanding of existing conditions. That information is partially referred to in the Transportation section of the DEIS, but was apparently not factored into the Land Use section of the DEIS. The street vacation has adverse land use impacts that will require mitigation and must be addressed in the FEIS.

In terms of the land use impacts of the Key Arena site, the DEIS does not present enough information for an adequate evaluation. The DEIS states that “depending on the alignment of the arena,” existing facilities could be displaced. DEIS, p. 3.6-8. However, there is no site plan for any site, including Key Arena, and so it is not possible to know which facilities could be displaced (and retained) or if the site could be redefined in such a way as to eliminate or reduce the number of facilities displaced.

G. SECTION 3.8: TRANSPORTATION

Our many comments on the Transportation section are grouped into three categories: 1) the SODO location, 2) parking analysis of the Seattle Center sites, and 3) specific comments on the DEIS.

1. Transportation Concerns at the SODO Location.

The transportation analysis in the DEIS for the SODO site does not adequately address nor resolve a number of significant issues. Many of these issues could magnify the impacts and potential costs, both public and private, of the SODO site compared to other alternatives. The fully-developed facts show that the SODO site is highly problematic from the standpoint of parking and access.

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9. The vacation of Occidental will have traffic and transportation impacts that are described in Section 3.8 and Appendix E of the FEIS. Vacation of the portion of Occidental between S Massachusetts and S Holgate will result in the elimination of existing adjacent uses and replacement with an Arena.

A figure identifying a potential outline of an arena, were one to be developed on the KeyArena site, is included as Figure 2-5 Alternative 4 in Section 2 of the FEIS. Section 3.6 Land Use includes a description of existing uses for both the KeyArena and Memorial Stadium sites at Seattle Center. If the KeyArena were demolished and replaced by an arena, the KeyArena and other structures listed in Table 3.6-5 Summary of Potential Changes at KeyArena could be affected.

10. Comments noted.

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a. Parking Impacts Are Not Adequately Analyzed for the SODO Site.

The parking analysis in the DEIS does not adequately assess the true impact of the SODO site. The DEIS does not show the location of specific garages where parking can be secured by covenant and permit, and be available when events are held at the arena. Instead, the DEIS includes parking supply that is scattered over a mile from the site. To fully assess the parking impacts at the SODO location, the following information must be detailed in the EIS:

- The specific location of the 2,500 covenant parking spaces that will be used to meet Code requirements.
- The location and size of each parking facility that has been assumed to be used for each Event Analysis Case. This needs to include not just an analysis of the number of spaces in off-street parking locations, but actual data on whether those spaces will be available for events in the area. Earlier studies done in connection with the arena counted spaces because they physically existed and did not take into consideration whether the spaces were specifically signed and controlled to prevent event parking.
- The pre-existing commitments and restrictions that already exist for use of some of those facilities when there is an event at either Safeco Field or the CenturyLink Field and Event Center.
- Whether or not the identified facilities would be available during events at the arena.
- Distances of each parking facility from the arena.
- The utilization rates (or availability) of each facility during different Event Analysis Cases to show how study-area parking would be affected, particularly with dual or triple event conditions.

The perspective underlying the above analysis should be that the SODO area has lost a significant amount of on- and off-street parking since the time Safeco Field opened. The arena should not be allowed to exacerbate this loss of parking. Instead, the arena should result in a net increase in parking in the area. The letter from the Washington State Major League Baseball Stadium Public Facilities District details the parking issues, and we join in the concerns expressed in their letter on the DEIS.

b. Analysis Is Lacking Regarding Impacts to Safeco Field Garage Access.

The DEIS is deficient in its analysis of impacts to operation of the Safeco Field garage access. For example, the analysis of the street vacation does not show how the loss of

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11. The FEIS presents the demand based analysis for SEPA purposes (see Appendix E, Section 2.8). Code required parking will be determined during the MUP review. It is anticipated that code-required parking would be met through provision of approximately 100 parking spaces on-site as well as either shared parking agreements with existing parking facilities or construction of a new parking garage on the South Warehouse site (see evaluation in Appendix E, Section 2.12). The parking demand analysis has been updated to reflect the revised Case S3 (72,500 attendees) as well as a sensitivity analysis for Case S1 without the use of the Safeco Field and CenturyLink Field parking facilities (see Appendix E, Section 2.8). The evaluation shows that Arena parking could be accommodated in the study area; however, as event attendance increases or parking supply decreases, it would become more difficult to find parking in the area and the reliance on parking further from the site would increase.
12. The FEIS includes a detailed evaluation of the local circulation needs, including access to the Safeco Field parking garage both with and without the Occidental Avenue vacation (see Appendix E, Section 2.10). Potential impacts to drop-off/pick-up activities (buses, limos, taxi, etc.) is also evaluated (Appendix E, Section 2.11).

Construction related impacts will be further considered through a detailed construction management plan.

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Occidental for access, coupled with arena event traffic, would affect Safeco Field garage both during Safeco event conditions and operations on other days.

In addition, although the access road on the eastern portion of the SODO arena site is being provided to partially mitigate the adverse impacts of the street vacation on Safeco Field, there is no clear description of how that road would function and mitigate those impacts. The road is variously described as “public,” or “private” or that it “will only function during events that use the garage” or “this connection would generally not be open to the public, except during event conditions.”

The FEIS must acknowledge that the access road on the eastern portion of the arena site is an essential road for maintaining access to the Safeco garage and all of the “back of house” facilities that allow Safeco Field to function for baseball and other events, as well as the preparation involved with staging all such events that occurs on most days and not just event days. That road must be available to Safeco garage traffic, 24/7, without interruption, in order to accommodate access and mitigate for the loss of Occidental Avenue.

In addition, to be adequate, the analysis of impacts to Safeco garage access needs to include specific details on the following elements:

- Analysis must be prepared to determine the operations of the proposed new connection to S. Holgate Street and how that additional intersection would interact with the peak pedestrian flows on this street, as well as how it would be affected by the adjacent railroad crossing. The analysis must determine if barriers needed for railroad gate infrastructure restrict left turn movements to and from S. Holgate Street.
- The EIS must include a discussion of how trucks will access the arena loading facilities, and where the many trucks generated by concerts and shows would stage while waiting to access the site.
- Define a specific location for charter or special bus zones, as well as priority loading area for the disabled, taxis or other special vehicles. The DEIS states as a potential mitigation measure that such areas “could be identified” but that is not adequate. Designating such areas could affect through-lane capacity where parking is already removed to accommodate peak exit flow. If disabled loading is located on S. Massachusetts Street or 1st Avenue S, this could affect pedestrian movements or traffic flow to and from the Safeco Field garage. Any plan to use the curb next to the Safeco Field garage plaza cannot be assumed for all conditions and such use would have to be coordinated with the Mariners, given the need to access the plaza as event space for Safeco Field, and the CenturyLink Field and Event Center. Identification of specific loading areas is a key part of the proposal and is necessary in order to assess the impacts of the proposal.

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- Specific protocols must be established to avoid adverse effects on Safeco Field access during construction of a SODO arena. Access to the garage must be maintained at all times, even when S. Massachusetts Street is being realigned.

c. Analysis of Concurrent Event Scenarios.

A significant assumption of a SODO arena is that the Safeco garage will be available for arena parking. However, we have already provided information to the City, the EIS consultant, and the private proponent detailing that the Safeco garage may not be available during many of the events proposed for the arena. The Safeco garage is not always available because it is already committed by permit and covenant approximately 160-180 days per year for events at Safeco Field and the CenturyLink Field and Event Center¹. Although the Safeco garage could be available for some events at the arena when those events do not conflict with Safeco or CenturyLink events, the DEIS mistakenly assumes that the Safeco garage will be available for arena events.

Moreover, the issue of event scheduling is crucial for a new arena in SODO. Both Safeco Field and CenturyLink Field were required to enter into an event agreement to limit dual events and to control, as much as possible, the overlap of start times for events in the two venues. The DEIS mentions NBA security requirements for a new arena, but does not discuss NBA or NHL scheduling requirements. The fact of the matter is that the Leagues (and Collective Bargaining Agreements, as well as television schedules), and not the teams themselves, largely determine what days and times events are held.

Until there is a full assessment of whether and to what extent the NBA and NHL and all other proposed arena events can work around the existing venues' event schedules, conclusions cannot be drawn as to whether the traffic and parking impacts are acceptable.

Finally, the DEIS refers to "amending" the existing event agreement for Safeco Field and CenturyLink Field. There is no ability of the arena to amend that agreement. The existing facilities have rights and restrictions under that agreement, and the arena has no ability to force a change in the operation of the existing facilities. The arena will need its own scheduling agreement which acknowledges the pre-existing condition created by the other SODO venues, and commits to avoiding schedule conflicts of any magnitude significant enough to exacerbate the already challenging traffic and parking situation. The FEIS should also note that this scheduling constraint would not be an issue at other sites.

¹ Based on current counts, the Safeco garage is fully committed to Safeco Field and CenturyLink Field on about 110 days per year, and is partially committed to those venues the other 50-70 days.

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13. See Common Response #6 Mitigation Measures - Traffic.

The FEIS provides an analysis with and without the use of the Safeco Field and Century Link parking garages (Appendix E, Section 2.8). If these facilities were not available there would be approximately 4,800 fewer parking spaces within the study area. Additionally, a sensitivity analysis without access provided to Safeco and Century Link parking facilities was conducted and is summarized in Appendix E, Section 2.8.4.4.

d. Concerns for Pedestrian Safety.

The SODO site presents unique challenges for pedestrian safety. The proximity of the railroad tracks at S. Holgate Street is of obvious concern, and there are no commitments to pedestrian improvements in the surrounding area. The DEIS analysis disclosed significant adverse impacts due to the increased number of pedestrians crossing the railroad tracks on S. Holgate Street. In terms of mitigation measures for these impacts, we note that the measures listed include “surface street improvements or pedestrian bridge on S. Holgate Street.” However, the pedestrian bridge is not listed in the mitigation summary. Moreover, the mitigation summary section on page 1-34 states that “pedestrian gates may not be feasible or appropriate.” Thus, a pedestrian bridge across the railroad tracks may be the only feasible mitigation for this serious impact. And yet, there is no commitment by the arena proponent to fund or build that bridge. If the bridge is to be funded by the public, this must be explicitly identified along with the source of funds. If it is to be funded by the private proponent, then the commitment must be made.

Safeco Field was required to and did build substantial off-site pedestrian infrastructure improvements and contributed to new grade-separated pedestrian crossings at Royal Brougham Way and Edgar Martinez Drive. If the SODO site is selected, then it is imperative to ensure safe passage over the railroad tracks. Given the significantly greater hazards at S. Holgate Street, a commitment to fund and construct an overpass is critical.

In terms of other pedestrian safety issues if the SODO site is selected, fans will be pushed further into areas of the SODO neighborhood where there are no sidewalks and only minimal pedestrian lighting. This problem only gets worse with dual events. In addition to the concern about pedestrians crossing multiple railroad tracks, the issue of having a safe pedestrian environment on City streets must be addressed.

The needed parking analysis described above, along with the potential for event attendees to use transit that operates along 4th Avenue or the E-3 Busway/Link Corridor should be used as a basis to determine where the SODO project should provide off-site sidewalk, lighting, and other pedestrian improvements needed to accommodate the arena project.

In particular, we note the need for additional analysis related to the sidewalk on 1st Avenue S. between S. Massachusetts Street and Edgar Martinez Drive. Presentations to the Design Review Board (sheet 11 of the September 17, 2013 set) show the existing sidewalk on the east side of 1st Avenue S. in this segment as being 16-feet wide. In fact, the existing sidewalk adjacent to the buildings has an “effective” width ranging from 9 to 10.5 feet between obstructions along the building façade such as planters and driveway aprons and obstructions at the edge of the sidewalk including street trees, utility poles, and fire hydrants.

North of the existing buildings, a right turn lane for traffic destined to the freeways further reduces the sidewalk width to about 6 feet. The DEIS analysis determined that this

14. Comment noted. See Common Response #6 Mitigation Measures – Traffic and Common Response #7 Mitigation Measures - Pedestrian Access

The FEIS discloses increased potential for events that could result in a broader extent of parking usage, especially south of the site.

The mitigation strategy (Section 4.0 of Appendix E) acknowledges the issues associated with pedestrians crossing the tracks at grate with Holgate Street and recommends an event management plan that will preclude pedestrians from crossing at-grade at this location during designated event periods.

Mitigation measures were developed to assist patrons in accessing transit service. Thus, it includes either a pedestrian bridge at Holgate Street to facilitate safe connections east to 4th Avenue and the busway, as well as light rail service, or will provide shuttle service to light rail service in the event a pedestrian bridge is not constructed.

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segment of sidewalk would experience “severely restricted” operations with only a single event at the arena. It is not clear in the DEIS how this significant impact can be mitigated. The sidewalk cannot be widened to the east due to the existing buildings, and widening to the west would require incursion into the vehicle lanes on 1st Avenue S., further exacerbating the already poor operations at this key intersection. If expanding into the street is proposed or is necessary, then the entire traffic analysis needs to be revised to account for the secondary impact on 1st Avenue traffic in both the AM and PM peak periods.

Finally, the suggested mitigation for inadequate sidewalk width on 1st Avenue is “rerouting more pedestrians to Occidental Avenue S.” However, that may not be workable given that most of the parking the site is relying upon is located in areas north of the site that must be reached using 1st Avenue S. Routing pedestrians to Occidental would force out-of-direction travel and increase conflicts on Edgar Martinez Drive at the Occidental intersection. Operational access to the Safeco Field service areas (noted elsewhere) will have to be maintained during arena events. This may require the use of Occidental Avenue if no other direction is available, and this could result in pedestrian/vehicle conflicts on the street.

2. Parking Analysis of Seattle Center Sites.

The parking analysis for the Seattle Center alternatives used assumptions that call into question the accuracy of the impact assessment for an arena at Seattle Center. There is already an arena there, and the impacts of a remodeled or replaced arena would fall within the range of current experience. See Figure 3-46 in the DEIS. An arena at Seattle Center does not create new traffic and parking impacts. Only the SODO site would cause a net increase in such impacts. This is significant in the evaluation of the two locations and should be included as part of the DEIS analysis.

For parking impacts, the DEIS evaluated a very large area for the SODO site that extends over a mile from the site. However, it is curious that starkly different study area assumptions were made for the purpose of assessing parking impacts for the Seattle Center site, with a “primary study area” that only extends about a quarter of that distance.

The assumptions about future available parking supply were also different: spaces proposed as part of many future developments were included in the SODO analysis, but no future development spaces were included for the Seattle Center sites despite the text stating that over 8,000 new spaces are proposed in the nearby South Lake Union area. Such disparate assumptions about the available parking area significantly skew the analysis in favor of the SODO site, and away from the Seattle Center sites.

The analysis must be corrected to treat all alternatives equally. The detailed analysis required for the SODO site should also be performed for the alternative sites, such as Seattle Center.

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15. While event attendance at the level of the proposed NBA/NHL arena is permitted at the Seattle Center, only occasional events of this magnitude occur. Relative to existing traffic volumes and studies used to forecast future conditions, some increased transportation activity is anticipated with the addition of NBA/NHL arena related activity. This forecast increase is described in detail in Appendix E, Section 1.3.2.

The primary Seattle Center study area was revised in the FEIS to include a similar distance as evaluated for the SoDo study area (Appendix E, Section 3.8.1.1).

The description of the no action parking supply shown in Appendix E, Section 2.8.1.3 indicates that no additional parking supply was assumed under the No Action Alternative. This is similarly described for the Seattle Center study area in Appendix E, Section 3.8.1.3 for the No Action parking supply.

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3. Specific Comments on the DEIS.

Before providing text-specific comments, we would like to share some concerns about the data used for Safeco Field event conditions. We could not determine what specific days and times were used for background traffic and parking conditions attributed to events at Safeco Field. Without information on the specific days and times, it's not clear whether the information in the DEIS is extensive enough or accurate. We are aware of one day when surveys were conducted months ago, and we specifically pointed out that the day selected was not typical for traffic and parking, much less the "worst case" assessment required for an EIS when information is variable. Before the FEIS is issued, we request information on the specific days and times studied for background Safeco Field event conditions to ensure that it is accurate and representative of the nature of existing traffic and parking conditions. This will help ensure that all of the information in the FEIS is reliable.

Comments below on specific Figures, Tables, and text in the DEIS apply equally to every location in the DEIS or Appendices where the topic is discussed; only a representative citation is included below.

Figure 1.1: the Map does not call out SR519, an important state highway connection between I-90, I-5, SR99 and the Washington State Ferries Colman Dock. This is a route that is continuing to experience higher volumes of traffic and it should be considered as part of the area context.

Table 1-1, Construction - Street System (p. 1-9) and Traffic Operations (p. 1-11) Impacts: statements are made that construction would be done at "off-peak" hours to minimize impact. "Off peak" is a typical way to evaluate traffic impacts in a standard situation, but does not account for the peak time of day or evening for events at Safeco Field. Construction and arena operations must be scheduled and handled to avoid adverse impacts to Safeco Field operations. Peak hours for the SODO site are any time surrounding an event at either Safeco Field or CenturyLink Field.

Table 1-1, Operations-Pedestrians (pp. 1-17; 1-18): It cannot be assumed that the Safeco Field garage plaza, and all portions of Occidental north of the arena site, would be available for pedestrian use since it is often used for events, staging and other functions for Safeco Field, and by agreement, for events at CenturyLink Field.

Table 1-2, Summary of Potential Mitigation Measures, General Comment: Throughout this table, critical mitigation measures are presented as optional with the phrase "could be done." However, in several cases, the mitigation has already been assumed in the analysis in the DEIS; thus, there must be a firm commitment to that mitigation or else the EIS analysis must be re-done to account for a "non-mitigated" condition. For example, on page 1-49 it is stated that the applicant can "consider working with SDOT to upgrade traffic control equipment at signalized intersections ..." However, signal optimization was already assumed

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16. The DEIS used specific data on Safeco Field event conditions for the existing conditions only. The event scenarios for the future conditions reflect an attendance of 40,500 people. The FEIS provides an update to the Case S3 scenario and includes an attendance of 47,500 people at Safeco Field.

17. SR519 is shown on all of the transportation figures pertaining to the SoDo site. See figures throughout Section 3.8 and throughout Appendix E.

18. A construction management plan will be required by the City of Seattle. These plans define construction activities in order to minimize impacts on adjacent properties.

19. Pedestrian use of Occidental will be coordinated with other area businesses. Use of the ROW north of the Arena will receive appropriate permitting from SDOT as necessary.

20. See Common Response #6 Mitigation Measures - Traffic.

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for the area intersections to assess project impacts as stated in the note on page 2-162 of Appendix E.

Another example occurs with regard to the potential Parking Guidance System which is suggested in order reduce excess circulation. There is a high potential for excess circulation due to the lack of parking in the SODO area which would exacerbate traffic operations. However, no additional circulation was assumed during dual events. Therefore, this mitigation should be included in order to achieve the system performance presented in the DEIS. Furthermore, any Parking Guidance System, if it includes directing drivers to the Safeco garage, needs to be coordinated with the Mariners due to existing covenants that would make the Safeco Field garage unavailable for many non-Safeco Field/CenturyLink events.

Table 1-2, Summary of Potential Mitigation Measures, Transportation-Construction (p. 1-44): Safeco Field's existing Transportation Management Plan and Traffic Control Plan should not be disrupted by construction of the arena. The arena proponent should be responsible for the cost of additional traffic control personnel needed for safe passage of event patrons for arena functions, and the arena portion of dual event functions. (See also Table 1-2, Police-Operations (p. 1-52).) Further, please note that the use of signs in lieu of traffic control personnel is not acceptable in crowd control environments. Closure of S. Massachusetts Street during construction would not be acceptable - it would close off the only viable route to the south entrance of the Safeco Field garage and all of Safeco Field's "back of house" facilities and operations.

Table 1-2, Vehicle Traffic, p. 1-50: The north-south access road is described as linking S. Holgate Street with "the extension of S. Massachusetts Street." In fact, that portion of S. Massachusetts Street was vacated prior to the ballpark project and the new road would connect to Safeco Field property, not S. Massachusetts Street.

Table 1-3, Summary of Secondary and Cumulative Impacts, p. 1-55: The discussion of impacts of concurrent events at multiple venues is incomplete in this Table and elsewhere. Existing conditions show that it is not uncommon for a baseball game and a soccer game to occur on the same day. The table only uses a baseball game and a non-sporting event at CenturyLink Field and Event Center as an example for a Case 3 situation. The impact of adding an arena event to the condition of two pro-sporting events must be assessed. Since no specifics of a scheduling agreement have been offered and the DEIS does not discuss the existing MLB, MLS, NFL, or NHL scheduling policies or practices, the impacts of concurrent events have not been adequately evaluated or accounted for. Also note that the use of the "+" sign is missing on Table 1-3 but is used on Table 1-5; it should be used comparably on both tables.

Table 1-4, Summary of Significant Unavoidable Adverse Impacts, Transportation (p. 1-57): The impacts at SODO and Seattle Center are both treated as new impacts. But the impacts at Seattle Center would not be new as Key Arena already exists with similar uses and

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21. The description of S. Massachusetts Street has been updated in the FEIS as appropriate.
22. The EIS assumes that a multiple-event scenario in the SoDo area that includes the Arena will not exceed 72,500 cumulative attendees. A scheduling agreement with the City would ensure this result. In addition, the FEIS provides a review of transportation demand management measures (attendee information, event scheduling, etc) intended to reduce the transportation related impacts of the project.
23. While event attendance at the level of the proposed NBA/NHL arena is permitted at the Seattle Center, only occasional events of this magnitude occur. Relative to existing traffic volumes and studies used to forecast future conditions, some increased transportation activity is anticipated with the addition of NBA/NHL arena related activity. This forecast increase is described in detail in Appendix E, Section 1.3.2.

history for NBA use. Thus, impacts at Seattle Center cannot be identified as new or additional impacts since they already occur and have historically occurred for NBA games.

Table 1-2 vs. Table 1-4, Appendix E: Table 1-2 describes cumulative attendance near SODO, but there is no similar table for the Seattle Center. The table that describes existing Seattle Center events (Table 1-4) has ranges that are so large at the upper end that the various alternatives cannot be compared. Table 1-4 should be amended to include the same attendance ranges for the Seattle Center site that were provided for the SODO site.

Page 1-6, Appendix E, Section 1.3.1.1 regarding Safeco Field attendance for non-baseball events: Only one year of data was used (2012). It must be noted that 2012 was atypical and the number of events was unusually low due to companies curtailing all types of events. This was a general occurrence in the hospitality industry. We would be happy to supply the additional data.

Page 1-8, Appendix E, Section 1.3.1.2 regarding dual event planning: The text should be corrected to note that the Safeco Field/CenturyLink Field and Event Center dual event agreement is not a function of our Transportation Management Plan. It was instead a requirement of the City Council in the street vacation process and was included in the Master Use Permit conditions for both facilities.

Page 1-18, Appendix E, Mariners Baseball: The text refers to mode split data as having been supplied by the Mariners. However, the Mariners did not supply that information as they do not accumulate their data that way, per their Master Use Permit requirements. If it was assumed from other data, the source should be identified. It is also stated that "substantial transit improvements [have been made] in the area since 2001." We are not aware of what those improvements are; they should be identified specifically. It should be acknowledged that transit service has been removed from 1st Avenue S., and that the closest transit northbound is now over 1,400 feet away, accessed via bridges and ramps, making access for the disabled and seniors virtually impossible. This is a significant change for the worse since 2001.

Page 2-1, Appendix E, Affected Environment: The statement is made that "a large number of buses travel along 1st Avenue S. near the Stadium District site." However, buses do not travel along 1st Avenue S. between Jackson Street on the north and Lander Street on the south. Also, the first bus stop on the south end is south of Lander Street, a distance of 1.3 miles.

Table 2-1, Appendix E, Street Summary Table – Parking: The table refers to parking available along Royal Brougham Way. This is incorrect. Parking is not allowed along any section of this street from where it starts at the frontage road at its west end to where it ends to the east at Airport Way.

Page 2-4, Appendix E, Event Traffic Control Plans: The statement that "Occidental Avenue between Holgate and Massachusetts Street is closed to all vehicles except service and

24. DEIS explains the difference between the nature of current events at the Seattle Center versus the Stadium District as well as the difference in the context requiring a different methodology to determine the event cases.
25. Safeco Field attendance has been increased. See triple event scenario S3 in Appendix E.
26. Comment noted, text has been revised.
27. Mariners mode split data was originally documented in Appendix M1a of the Football / Soccer Stadium EIS. The data presented in this was based on 1997 Washington State Public Facilities District Mariner Fan Survey and was incorrectly quoted as a 2001 survey in the DEIS.
28. The FEIS text has been revised to exclude transit operating on 1st Avenue S. between S. Lander Street and S. Jackson Street. (see Section 2.2 of Appendix E).
29. Table 2-1 has been corrected in Appendix E. The parking analysis did not assume parking along Royal Brougham Way.
30. The description of Occidental Avenue S and its use has been updated in the FEIS where appropriate.

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emergency vehicles prior to a Mariners game” is inaccurate. Occidental is the route that passenger vehicles and charter buses use to get to the south Safeco Field garage entrance when coming to a Mariners game. There is no restriction of any kind on vehicles using that route.

Page 2-4, Appendix E, Occidental Avenue S. Use: The statement that Occidental only provides “secondary access to the Safeco Field garage” is incorrect. Approximately 30% of vehicles using the garage enter via this route, and thus, this route is important for relieving traffic on Edgar Martinez Drive. This is also the entrance to the emergency fire lane, the Safeco Field security compound, the 1N secured parking area and the surface parking lot, Door 6 field loading door, loading docks, trash and recycling docks, television equipment hookups, gas cylinder storage, gasoline tank facility, and employee pedestrian access from the south. During events it is the only access point for vehicles when the fire lane is restricted.

Page 2-12, Appendix E, Impacts: It needs to be noted that not only do charter buses use Occidental, but it is also the drop off location for Metro Access (ADA) buses. It is the only remaining safe on-street location for this function in the area.

In addition, this section states that the north-south road would only function during events in the Safeco garage. (Note the different description in Section 2.1.8.) As noted previously, access to the Safeco garage and “back of house” functions must be maintained on a 24/7 basis, without interruption, in order to provide access and mitigate for the loss of Occidental within the arena site.

Figure 2-2, Appendix E, Map: This map does not show truck routes (coded as yellow in the legend). It also indicates incorrectly that SR519 is an “Access street” between 1st Avenue and 4th Avenue when it is actually a State Highway that connects I-90 to the Washington State Ferries.

Table 2-9, Appendix E: The impacts of closing Occidental Avenue S. within the arena site were only studied for the PM peak. However, that closure will have significant impacts on AM peak travel throughout the area. The DEIS should include an analysis of impacts at the beginning of the business days and how those impacts have a ripple effect on traffic on other streets.

Page 2-61, Appendix E, states that there are only stairs between 4th Avenue and the Edgar Martinez bridge. There are actually two ramps – one from the north and one from the south – in addition to the stairs.

Page 2-72 Appendix E: During events at both the arena and Safeco Field, it will be necessary for the arena to provide traffic police to control arena traffic. Please note that the use of signs in lieu of traffic control personnel is not adequate during ballpark events. Page 2-79 should also state that police will be used during event conditions as necessary mitigation.

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- 31.** The description of Occidental Avenue S and its use has been updated in the FEIS where appropriate.
- 32.** The description of Occidental Avenue S and its use has been updated in the FEIS where appropriate.
- 33.** The description of Occidental Avenue S and its use has been updated in the FEIS where appropriate.
- 34.** The legend has been updated for Figure 2-2 in Appendix E and the roadway classification for SR 519 has been reviewed and updated as appropriate.
- 35.** Appendix E of the FEIS includes additional analysis evaluating the impacts associate with the Occidental Street vacation (Section 2.10) based on the collection of additional data during the weekday AM, mid-day, and PM peak hour. This analysis considered the level of activity and basic functionality of the roadway during these periods. The analysis also considered traffic volumes along Occidental Avenue, south of Holgate Street to assess its role in the local transportation system, and to help assess the overall input of the loss of the parallel travel route to 1st Avenue due to the street vacation.
- 36.** The FEIS has been updated to reflect that there are ramps between 4th Avenue and the Edgar Martinez Bridge.
- 37.** The TMP described in the FEIS (Section 4.0 of Appendix E) highlights the framework and key elements of the Traffic Management Plan. One of the elements of the TMP includes pre and post-event traffic control. Procedures for staffing and development of the plan will be consistent with other venues in the area. See also Common Response #13 Adaptive Traffic Control.

Figure 2-6 and 2-7; 2-8 & 2-9, Appendix E: The figures use different scales that mislead the reader about the overall availability of late evening transit service. The scales need to be the same, and this is also applies to the Seattle Center graphs. The transit analysis for the Seattle Center sites lacks several services within the same distance as evaluated for the SODO site, and no transit stops were shown. There was also no mention of the future Rapid Ride route on Aurora Avenue N.

In addition, there are incorrect assumptions made about the availability of transit and its use by various demographic groups attending events. In the case of baseball, only about 40% of attendees are coming to games from inside of King County and, of those attendees, less than 50% are likely to be coming from inside the City of Seattle. This level of information is necessary for evaluating transit availability based on the point of origin for transit trips.

Page 3.8-30, Transit for SODO Sites: The transit analysis does not accurately depict the surge loading that could occur after an event. All of the transit analysis considers transit capacity and loading over a two-hour period before or after an event. However, as noted in the Pedestrian section of the DEIS, "Post-event egress occurs over a shorter duration (i.e., less than one hour); therefore, the concentration of pedestrian volumes is higher." This same fact should be applied to the transit analysis to determine the true need for post-event transit service. Even with event attendees spread over two hours, the analysis showed that a dual event scenario would nearly fill or exceed the capacity of Light Rail service as buses to I-5 South. Moreover, based on experience, the Mariners have found that transit users will tolerate waits of up to one hour after a game, but if the wait is longer, they will shift to driving to games. This is especially the case with late evening events where transit service is severely limited by 10 PM.

Another concern about transit availability relates to the conclusion that parking in the CBD would be needed to support dual event conditions at SODO. Many of those patrons could use transit to reach the stadium area and thus should be included as a transit impact.

Page 3.8-115 & 116, Identification of Development Potential Without Street Vacation: This analysis is based on information presented to the Design Review Board or Design Commission, but we believe that information needs to be re-examined. We understand that the no-vacation development presumed one level of below grade parking. However, ArenaCo apparently realized later that the water table would not allow below grade construction. (If that is not the case and a level of below grade parking could be built for an office building, why could it not be built for the arena?) Using the revised assumption that the Code or market-required parking would need to be above ground (utilizing part of the available building envelope), what revised square footage of building should be assumed? Also, we request that the FEIS disclose how the assumed no-vacation buildings would relate to allowable Floor Area Ratio, Height, and other applicable zoning standards, and identify what ratio of employees to square footage was assumed.

- 38. Appendix E of the FEIS has been revised with a consistent scale for inbound and outbound charts. The transit capacity analysis included modes such as bus, monorail, streetcar, walk-on ferry passengers, and light rail (see Sections 2.2 and 3.3 of Appendix E).
38 Metro Route 358 was replaced with Rapid Ride E-Line and is included in the analysis. (see Section 3.2 of Appendix E).
- 39. The weekday attendance levels from King County and the City of Seattle for Arena events is expected to be higher than baseball games. This higher percentage of King County and City of Seattle attendees would likely result in a higher percentage of transit riders to Arena events compared to baseball games, but the transit percentage assumed for the analysis was only slightly higher. For event attendees driving from outside of the Puget Sound region, there are park-and-rides located along the major interstate corridors for people to transfer to transit.
- 40. NHL and NBA events typically start at 7 pm and end at approximately 9:30 pm. The analysis considered transit capacity to capture event attendees leaving up to 30 minutes early and immediately following the event. In the future, Link service will continue to provide frequent service after 10 pm, and would not be 'severely limited'. In addition, many event patrons will choose to delay their trip home after an event ends to avoid the most crowded time period.
- 41. There would be some event attendees who would park or already be in downtown Seattle who would take transit, walk, or another mode to an event. Presently, this occurs for events at Safeco Field and CenturyLink filed. The increased demand for transit can result in increased congestion on transit and longer distances to walk to connect to transit. The number of event attendees walking or taking transit is likely to be highest closer to event start-time after 6 PM, which is beyond the evening peak commute time. Some capacity exists on southbound transit routes through Downtown Seattle during this time period. The new Arena would increase the frequency that this condition occurs.
- 42. FEIS analysis for the no-vacation option was revised to reflect a building potential of up to 750,000 sf office and 60,000 sf of retail space (see Section 2.10 of Appendix E). Development assumptions for the no vacation option were provided by the applicant.

Table 2-7, Appendix E: Additional information is needed in this table to cross check the assumptions made about pedestrian flows and existing facility widths. As previously noted, the sidewalk on 1st Avenue S. has been misstated as being 16 feet wide, when in fact it narrows to about six feet wide close to Edgar Martinez Drive.

Figure 1-4, Appendix E: Event Traffic Arrival Patterns: The arrival patterns used for Mariners games do not match large-game arrival data accumulated in prior years. The arrival times studied in prior years show that closer to 30% of people arrive after game time or later while Figure 1-4 only shows 5% arriving after game time.

H. SECTION 3.9: PUBLIC SERVICES AND UTILITIES

The DEIS states on p. 3.9-3 that the Fire Department has the capacity to serve a new venue in SODO, including the possibility of simultaneous events at the new arena, Safeco Field, and CenturyLink Field. However, the specific source for that conclusion is not identified. Because the issue of emergency services is so critical, the EIS should be clear about and document its sources of information for full evaluation.

The DEIS describes the number of Seattle Police Department staff that are needed for arena events, but makes no effort to assess whether the Department has adequate personnel to cover a third sports venue at SODO. In meetings with your department and the EIS consultant, the Mariners made it clear that there are concerns that the Police Department does not have an adequate number of personnel to cover even existing events, much less a new venue with many new events per year and events that substantially overlap with Safeco Field and CenturyLink Field.

The DEIS does say that additional police support services “could be required” for the SODO site. That statement needs much fuller explanation, not just for events at the arena, but for the possibility of combined events at the arena and the existing venues near it. The section on Secondary and Cumulative Effects should be the place where the impacts of concurrent events are addressed. The FEIS needs to include an adequate discussion of Police Department staffing capacity and specific commitments for the arena to fund needed personnel for its impacts, including its share of police control during concurrent events.

43. Tables in Appendix E, Section 2.3 have been updated.

44. Event arrival patterns were based on a review of parking accumulation data for SoDo area garages, data from other NBA facilities, and review of traffic volume data in SoDo as described in the EIS (Appendix E, Section 1.4)

45. The maximum attendance of combined events of 72,500 attendees is the same as the capacity of CenturyLink. The occurrence of simultaneous events does not create a new level of attendance

46. See Common Response #13 Adaptive Traffic Control

I. SECTION 3.10: REGULATORY FRAMEWORK

The DEIS states that ArenaCo is going to share parking with other existing facilities, citing Seattle Municipal Code (“SMC”) section 23.74.008, footnote 1 as authority for that arrangement. However, that footnote only establishes that parking used by a spectator sports facility is not classified as “principal use parking.” That footnote does not alter the fact that SMC 23.54.015 requires that parking be provided for the new arena at the rate of one space per every eight seats. This should be stated in the Regulatory Framework section of the DEIS to alert readers to the fact that there is a Code parking requirement for the new arena.

The FEIS must also acknowledge that Code-required parking must be secured by covenant. See SMC 23.54.025. A permit must also be obtained for the off-site Code-required parking and other Code requirements must be met before off-site parking can be authorized and the facility declared to have met its Code requirement. The DEIS fails to mention these issues or identify how the Code standards can or will be met. It is surprising that the arena proposal would have come this far without identification of the basic parking information that is required of all other applicants.

Section 3.10.1.3 also contains an incomplete discussion of the City’s adopted Street Vacation Policies, including the land use impacts of the vacation, impacts to circulation and access, requirements to mitigate for loss of parking and access, and so forth. The only discussion of those Policies in the DEIS is to note that some pedestrian improvements are proposed by the arena. More analysis is needed before a conclusion can be drawn that the proposed SODO arena is consistent with the Policies.

J. CONCLUSION

We appreciate the opportunity to comment on the DEIS and look forward to continued work with the City and/or the EIS consultant to help make the FEIS an accurate and complete evaluation of the proposed arena.

Very truly yours,



Melody B. McCutcheon

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cc: Seattle Mariners
Washington State Major League Baseball Stadium Public Facilities District

ND: 15284.015 4834-7401-0645v2

Hillis Clark Martin & Peterson P.S.

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47. The FEIS contains an analysis of parking demand and where parking is proposed to be located (either through the use of existing off-site parking or by the construction of a new parking garage on the South Warehouse site). The EIS includes a parking analysis that takes into account that neither the Mariner’s or CenturyLink Field garages may be available to Arena attendees.

The determination of the amount of Land Use Code required parking will be made by DPD during the review of the MUP application.

The analysis of the proposal relative to the City’s Street Vacation Policies is being made separately by SDOT and the Seattle Design Commission as part of the Street Vacation application

48. Comments noted.

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Individuals

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Shareef, Princess I-29

Stockmeyer, Cleveland I-31

Torrance, John I-35

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416 24th Avenue East

Seattle, WA 98112

Cerf, Randy

1. Comment noted

September 30, 2013

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Senior Transportation Planner
City of Seattle Dept. of Planning and Development
Seattle Municipal Tower, 700 Fifth Ave. Suite 2000
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c/o John.shaw@seattle.gov

Dear Mr. Shaw:

Thank you for the opportunity to comment on the proposed Seattle Arena EIS (referred to as "EIS") (Project No. 3014195). My comments focus on the Economic Impact Report ("EIR") by Pro Forma Advisors LLC (App. F to the DEIS) and its summary in the EIS. They are occasionally referred to jointly as "EIS."

Summary

If I were to take the EIS's economic conclusions seriously, it would be hard not to be enthusiastic about a new Arena in SODO. Our community would benefit from economic growth net of impacts totaling more than \$8 billion over 30 years earning more than \$3 billion! Incredible. We would get an NBA team to root for and a huge economic boost as well. An insignificant amount of economic activity will be negatively impacted. The franchise, arena and indirect business activity would become the most profitable collection of businesses in US history. We can only wish the same success on Microsoft, Boeing and Amazon.

Unfortunately, the economic conclusion of the EIS is more than just incorrect. It is absurd. This letter will demonstrate with overwhelming evidence that the EIS represents a deliberate combination of upward distortion of benefits, downward distortion or misrepresentation of negative impacts and lack of acknowledgement of others. This is not a case of minor quibbling about assumptions.

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Summary EIS issues follows. Supporting detail can be found later in this letter.

1. **The EIS reaches conclusions inconsistent with the academic research.** The unambiguous consensus of the serious economic research is that new Arenas and new sports franchises have a roughly neutral or negative economic impact on any City. This does not mean an Arena is a bad idea. I, like many, would receive intangible benefits from having a home team to root for. It does mean that any rationale consistent with the consensus of economic research should build the case without representing absurd economic benefits regardless of the site. Factors that contribute to the EIS's conclusion in conflict with the research include:
 - a. Indisputable negative impacts are ignored or distorted. Examples: Incremental unreimbursed costs to City, economic risks to Port and industrial areas and Key Arena, additional commuter time, traffic impact on downtown businesses, incremental city costs from the Arena (unsupported by taxes), economic viability of Key Arena.
 - b. Economic benefits are generally quantified but the most important costs, even if mentioned, are not creating a selection bias. Quantitative totals are therefore completely meaningless. Add up the pluses and ignoring the minuses will lead to a silly total. Examples: traffic and pedestrian mitigation costs, Port and industrial area job impacts.
 - c. Economic principles are misapplied. Examples: substitution, economic multipliers, elasticity.
 - d. The terms of the MOU are not reflected. Example: Taxes diverted to debt service treated as an economic benefit.
 - e. The EIS and EIR mischaracterize their own conclusions when quantifying or summarizing results. Examples: conclusions ignore statements about negative impacts in the body of the text.
2. **The proposed SODO location adds a level of economic and employment risk that does not appear to apply to other sites,** at least not to the same degree. The EIS fails to make a meaningful comparison of the relative environmental and economic impacts of the SODO site to other alternatives. The EIS fails to look at the most

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2. 1.a. Many of these samples confuse fiscal impacts and economic impacts. There are economic risks to the Port and industrial areas and risks to Key arena are economic impacts, but other impacts are potential fiscal costs, including unreimbursed costs to the City, & incremental city costs, traffic and pedestrian mitigation costs.

1b. The report mentions possible competitive risks that could not be quantified as they are measure of perception of a small amount of players. Given that these impacts could not be quantified they are not included in the totals. The total impacts are the net impacts of the project, noting there may or may not be additional impacts dependent on the perception of Port carriers.

Items 1c, 1d, 1e are addressed in other questions

3. The total impacts of a proposed arena sited at the KeyArena and Seattle Center sites are included in the executive summary and the report.

The report quantifies the impacts that can be quantified and notes the impacts that may not be quantified, including competitive risks and the intangible benefits of the arena.

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significant relative impacts and commits an extensive array of analytical errors. It even mischaracterizes its own findings. The potential differential impact of the SODO site could cost Seattle hundreds of millions of dollars and thousands of middle income jobs. The EIR gives passing mention to some of the risks deep in the EIR but fails to analyze these risks and then mischaracterizes its own analysis in its quantitative work and summary. The EIR also fails to look at any King County locations outside of Seattle.

3. ***The intent, if not the letter, of SEPA appears to have been violated in several important regards.*** For example, under WAC 197-11-440 the EIS is supposed to summarize the potential impacts and areas of controversy. Instead it completely leaves damage to Port and Industrial sector employment off of the list of summary impacts. The lawyers will argue about whether it was appropriate to limit site alternatives to exclude non Seattle King County. SEPA calls for clear language. The summary sections are confusing, deliberately misleading and inconsistent with the body of the text. I will leave it to the lawyers to argue the law.
4. ***While the review process superficially follows the SEPA guidelines, the intent of the review process is not being honored. The City has the fiduciary responsibility to provide the public with an unbiased document*** that looks fairly at the major environmental and economic questions and fairly looks at the reasonable alternatives. No alternatives in King County outside of Seattle are looked at. Not only does the draft EIS fail to look at adequate alternatives but where it does, it fails any sort of “reasonable man” standard. The public is supposed to have the opportunity to comment on reasonable analysis but so much of the analysis of the most critical issues has not been done yet. This may be addressed in the next draft. We can only hope that it will include the missing components presented in an unbiased manner. But if it does, the next draft if fairly presented will provide the first reasonable opportunity for review.
5. ***The public deserves an unbiased draft followed by another comment period.*** There is no way to comment on analysis that is simply missing from the EIS. While SEPA does not envision a second comment period, I would like to believe that the

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4. Potential economic impacts are discussed in the Economic Analysis (Appendix F to the FEIS). However that analysis is not a basis for determining the adequacy of an EIS.
5. See Common Response #1 Public vs Private Project; Range of Alternatives.
6. The City disagrees that the analysis contained in the EIS is biased. The public will have additional opportunities to comment to decision makers regarding the proposal and the adequacy of the EIS when the decision makers are presented with substantive decisions regarding the project.

Mayor, County Executive, City Council and City administration would also like to see a fair, transparent and unbiased process. Unless the City oversees a competent and unbiased draft and then provides a second comment period, the City, City Council, City economists and its other executives will be subject to perception that they are manipulating the process to mislead the City, County and its residents. I would like to believe that is not their intent. They may be as appalled at the draft EIS as I am. Failure to assure a reasonable process with unbiased conclusions could damage their political or professional reputations.

Background – Where I am coming from

These comments were prepared by me and not for any client. I read the EIS as a private citizen with no particular axe to grind. I had read the MOU at the request of a friend who asked me to help sort it out, but the EIS and EIR I read out of curiosity. I was paid by no interested party for looking at the EIS. Nor am I personally likely to be impacted one way or the other to any meaningful degree.

My interest in the EIS is simply as a citizen who believes in good government. I want to see our community make a reasoned decision based on good and unbiased data.

I will be upfront about my own perspectives going in. I am an NBA fan who would love to see the Sonics back. I had read enough about stadium economics to be skeptical of major economic benefits accruing to a community from public investment, but also believed that professional sports add significant intangible benefits to a community and as such had no inherent issue with modest public investment. But I did and do believe that the public and policy makers should be treated as adults. They should be given clean, unbiased information summarized clearly to support good decisions about policy alternatives.

I have an MBA from Stanford. My undergraduate degree was in Economics, Political Science and Computer Science from University of Colorado (Magna Cum Laude, Phi Beta Kappa). My thesis was on the functions of analysis in the political process and during my

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research, I read many environmental impact statements. Years ago I worked as an economist and policy consultant. In the last 25 years, I have worked as CFO of public companies, private companies and non-profits. I have also worked (and continue to work) as a financial, strategic and business consultant. I am currently studying to become a certified financial planner. I am not an expert in traffic, infrastructure engineering or Port economics. I am a student who reads history and economics for fun.

My first scan of the EIS was a casual. I had no intention of commenting. I was surprised by my first impression. I had expected a somewhat cumbersome document, potentially with some sort of subtle analytical skew. Had that been the case, I never would have bothered to read the document carefully or to write this letter.

The first thing I noticed was that the summary was confusing and only dimly related to the body of the text. Even with first skim, I thought I saw a level of bias and either incompetence or deliberate error sufficient to induce a more thorough read.

On each reread the document I was increasingly appalled. The document did worse than fail to inform the citizens and policy makers. The EIS seemed design to deliberately mislead us into believing that the proposed Arena at SODO was a phenomenal economic boon to our community and was the best and only site to consider.

Detailed Comments on the EIR and EIS

The EIS and EIR are unequivocally biased in favor of an arena specifically located at SODO and fail to provide either the public or political leaders with useful information on the economic costs and benefits of the Arena and sports franchises.

Below please find a more specific summary of the issues. After going through it, I am sure you will conclude that the case for bias that is overwhelming by any "reasonable person" standard. Don't let the bulk of the EIR give you the false impression of a thorough analysis.

7. Comment noted. See Economic Impact Analysis included as Appendix F to the EIS.

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1. The EIR erroneously and simplistically measures the Arena's economic impact to the Port of Seattle in terms of "lost" trucking time resulting from traffic delay.

The EIR needs to assess the potential impact on the Port of Seattle in jobs and economic activity. While the EIR does acknowledge that the Port of Seattle is a major driver of economic development in Seattle, the EIR is devoid of analysis of the competitive impact of the Arena on the Port of Seattle or the maritime related manufacturing jobs and other jobs in SODO and Ballard. This is an imprecise exercise. It needs to be done in an unbiased manner with ranged conclusions. But not doing any analysis at all seems ridiculous.

At the outset, the EIR as that the Port of Seattle is a major driver of economic development in Greater Seattle and the State as a whole. A Port-authored 2009 economic report, which the EIR accepts as fact, states that seaport activities accounted for 56,256 jobs (direct, indirect, and induced) and another 135,100 related import/export jobs. These jobs break-down as 21,695 direct jobs and 34,561 "induced" jobs. EIR, at 71. The Port also generates \$1.6 billion in direct personal income, \$2.5 billion in business revenue, and \$457 million in state and local taxes. More than half of its exports are agricultural products, chiefly from Eastern Washington. *See generally* EIR, at 54. The sum-total of Port of Seattle-generated economic activity is \$30 billion and the Port itself generated \$85.7 million in "operating revenue." EIR, at 71.

But all of this economic activity depends on 10,776 to 13,664 daily truck trips to and from the ships that call at the Port. EIR, at 72-73 (citing truck trips).¹

The EIR not only concedes that the Port is a major driver of the economy, it also admits that the Port of Seattle competes in a brutally competitive and mercurial trade market. EIR, at 91-93. It concedes existing Port transportation and traffic congestion conditions are sub-optimal and that even the "no action" alternative will produce degrading truck-delay

¹ The range of truck trips depends on moving 2.8 million containers today versus 3.5 million shipping containers expected in 2030. A small percentage of these containers go directly from ships to rail.

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8. The Economic Impact Analysis (Appendix F) projects that the traffic costs are the main impact the arena will have on the Port activities. The analysis takes the trucking costs developed in the section "Port and Industrial Impacts" and translates these results into total economic activity (output) in the area in pages 54 - 60.

To simplify the results, the impacts of Port Traffic and non-port traffic were presented in terms of output (i.e. economic activity) in the executive summary, but our model also calculate jobs and earnings associated with this output.

The Economic Impact Analysis accounts for compensation and jobs displaced as a result of the substitution impact for arena spending and traffic impacts. Negative traffic impacts to port and non-port businesses and sports and entertainment spending displacement is analyzed by industry, accounting for the differences in income. Other than the Port traffic and non-Port traffic related impacts Pro Forma does not anticipate other quantifiable industrial and Port related job losses.

The 13,664 daily truck trips is the Port total for all trips to and from all terminals for 3.5 million TEU (Exhibit PI-2). Of that total, an estimated 675 (4.9%) are in the hours and locations potentially affected by Arena-induced delays (Exhibit PI-6). Those delays would occur on an estimated 116 days each year (Exhibit PI-23), or 46% of the 250 working days. On average, then, 2.3% (4.9%x46%) of all Port truck trips could be affected to some degree.

Of the 675 trips subject to delay on event days, an estimated 19 (2.8%) would move to or from local Seattle points (e.g. the SODO study area) while the others move to or from the rail yards or to and from points beyond the SODO area (Exhibit PI-6). The affected trucks trips to and from non-rail SODO points would therefore average 0.06% (4.9%x46%x2.8%) of the Port total.

Based on the current traffic impacts, the total direct costs to businesses moving product through the study area has been calculated by Pro Forma to be in the range of \$150,000 as a result of the arena. According to InfoUSA, there were 4,700 businesses in 2011 with, excluding Starbucks, approximately \$1.4 billion in total economic activity in the Study area. Industrial businesses make up approximately 275 businesses with \$483 million of this activity. As noted the projected traffic cost is spread to all businesses moving product in the area.

Certain industrial businesses may have slim profit margins, but without a detailed survey it is not clear how the estimated impacts compare to that profit margin. The traffic cost impacts identified are being spread across a number of businesses. A \$10 million business could be running a 1% profit margin, but if they bear the 5% of the traffic costs (i.e. they owned 1 out of 20 delayed trucks)

conditions. EIR, at 87. It acknowledges that, when it comes to ocean freight, the capacity, service, reliability, cost, and ease of doing business are the keys to a viable commercial seaport. EIR, at 92-94. Time is money when it comes to Ports. EIR, at 93. And the EIR acknowledges that “carrier or customer perceptions of reduced reliability and ease of doing business” at certain Port terminals is key to the Port’s commercial viability in the shipping industry. EIR, at xxiv; EIR, at 53-54; 94. The key point, as conceded by the EIR, is that “increased trucking cost, reduced throughput capacity and especially diminished reliability could adversely affect to competitiveness of Terminals 25/30 and 46 and the Port’s competitive position on the West coast.” EIR, at 94.

While the EIR admits the Port’s importance to the economy, the difficult local transportation and competitive environment in which the Port exists, and the already-stressed transportation infrastructure currently serving the Port, the *EIR declines to estimate the dollar cost to the city, region, or state (in terms of dollars and lost jobs) in the event on-the-ground congestion and negative perceptions in fact lead to a loss of Port business or, worse, jeopardize the viability of the Port.* EIR, at xxi. **The EIR claims “these risks could not be quantified for this report.”** EIR, at 94. **This is a patently ridiculous assertion.** While outlining a reasonable methodology for making this assessment is beyond the scope of this letter, it would not be difficult. The contractor may or may not be competent to perform the analysis. Undoubtedly a precise, un-ranged conclusion is not reasonable to expect. But in an EIR that has zero issue analyzing and ranging conclusions on issues such as the direct and indirect annual economic impacts, it seems a clear example of selection bias.

Instead, the EIR simplistically measures “direct cost impacts” as “lost” trucking time resulting from the additional traffic and congestion the Arena will directly and indirectly generate or the Arena’s cumulative impact on transportation and congestion. EIR, at 55.

The EIR compounds this bias by misrepresenting its own conclusions. The EIR projects the Arena will result in a cumulative delay of between 1813-2299 hours of trucking time. EIR, at 88. It bases this analysis on 13,664 truck trips daily. EIR, at xxi. At \$48 per hour of

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this cost would amount to \$7,500 per year and would reduce their profit margin from \$100,000 to \$92,500, 7.5%. If a business is a \$100 million business running a 1% profit margin this cost would reduce their profit margin from \$1 million to \$992,500, 0.75%.

At this level of impact and without evidence to show that there is a concentration of truck impacts to a particular business it seems unrealistic to provide an estimate for marginal businesses.

There is no case to say that the competitive disadvantage due to traffic would erode agricultural shipments by 10% and non-agricultural by 2%. The impacts “estimated” by the author as a best case and worst case have no basis.

Also, it should be noted that all impacts for the project presented in the economic impact report are annual not aggregated across a 30 year period. The author’s 30 year “estimates” are not comparative to the annual estimates presented in the economic impact report.

delay, the ERI goes on to assign a paltry sum of \$230,000 as the “upper limit of Port and Industrial Business Impacts.” EIR, at x, xix. ***This figure*** simplistically represents the incremental amount of time during which Port-bound or leaving trucks will be delayed as a result of the Arena and ***ignores the qualitative observations the EIR itself makes and proceeds to quantitatively misstate its own conclusions and then carry that misstatement to its summary conclusions!***

The direct cost of arena-caused truck delay is only a small portion of the impact picture. If another port is almost as good for a vendor, if the extra shipping cost, delays and uncertainty exceeds the competitive advantage of the Port of Seattle, Seattle could lose 100% of that business. This is the essence of the missing competitive analysis. The cost is not, as alleged in the EIS solely the dollars paid to a trucker but also includes a host of other factors such as:

- Extra time in traffic can cause some shippers who now haul two loads per truck per day to only haul one. Trucker’s daily driving hours are limited by the FTC.
- Spoilage (apples)
- Missed ship departure deadlines
- Inability to run two trips instead of one due to FTC trucker hour limits.
- Logistical planning complexities due to diminished ability to predict traffic time leading to more logistical planning errors. If shippers have to plan for worst case scenarios, the competitive impact increases.

The Port is a highly competitive international business. Most of the Port’s customers are “discretionary” users who can take their shipping elsewhere. Primary competition comes from Tacoma and the BC ports. Traffic congestion around the Port is a major factor contributing to the Port’s difficult competing with other port. Seattle has a competitive advantage over Tacoma because Seattle is 45 minutes closer to Eastern Washington agriculture.

Simply assuming that shippers can absorb the extra costs (or looking at elasticity of demand) may not make sense for all shippers. If the additional costs of delays and spoilage consume a shipper's profit margin, then the shippers will go out business. If as few as 1% of the shipments are from, economically marginal shippers, the project could cut Port volume by \$850,000 per year escalating with inflation over time with a 30 year impact of \$40 million and an economic impact on the region of \$80 million. The impacts would be about half of the totals. The impact on jobs could be 200 at the Port and 500 locally.

If traffic time, costs and uncertainty (as big an issue potentially as costs) erode this advantage then a significant portion of the agricultural (and other) shipments could migrate to other ports. If only 5% of the agricultural shipments are lost and none of the non-agricultural shipments are lost, the Arena project could cut annual volume by more than \$2 million (\$2013) per year with a 30 year impact of \$100 million (and \$200 million to the region) with a present value of about half of that with potentially 400 jobs lost (and more than 1000 regionally). If the competitive disadvantage due to traffic erodes agricultural shipments by 10% and non-agricultural by 2%, the annual economic impact on the Port would be closer to \$5 million (\$2013) with a 30 year impact of about \$250 million and a regional impact of more than \$500 million over 30 years, again with present values about half of that. Job loss could be in excess of 1,000 at the Port and more than 2,000 regionally.

While it is impossible to precisely estimate the impact of the Arena project on competitive advantage, the examples cited above are modest versus a worst case projection. The EIS and EIR must not only address these neglected issues but also must list out the full range of possible impacts on the port including potential worst case scenarios.

The EIR is fair to point out that the Port faces a number of other competitive pressures and threats and that, regardless of the Arena, traffic in the area of the Port will increase over time. But the EIR adopts a "this stuff is going to happen anyway" approach when, instead, the conclusion should be that the Arena's increased traffic congestion is even more important because the background rate of traffic will be increasing anyway. That traffic is

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already bad and deteriorating makes the impact of incremental traffic that much more severe. The EIS should be doing an appropriate analysis of impacts at the margin on a strained system. The Port faces other competitive issues as well such as the expansion of the Panama Canal risks diverting traffic. Together, the Port is that much more vulnerable to an Arena project at the margin so any lost business is that much more critical.

The Port could try to maintain its profitability and respond to declining volume by attempting to increase its prices to the remaining shippers but only at the hazard of creating further competitive disadvantage across the Port. The impact on the Port Income statement is not examined.

Rather than concede that the Arena is inconsistent with reducing traffic congestion and maintaining the Port's competitiveness, the EIR attempts to soften the impact by suggesting that traffic be "mitigated" through unfunded roadway improvements or non-existent "protective" transportation policies. EIR, at 96. The EIR needs to do more than say that the Arena's traffic can and should be mitigated. It needs to measure the probability of that mitigation occurring, the cost of the mitigation borne by the public, the consequences to the Port if the mitigation is not completed or is only partially completed and outline the impacts that cannot be mitigated..

2. The EIR fails to assess the impact of the traffic on the SODO and Ballard industrial areas

The industrial areas of Ballard and SODO are intertwined with the Port in an economic ecosystem. All rely on the I-99 corridor. Impact on these industrial areas needs to be assessed in the EIR qualitatively and quantitatively. What happens if SODO traffic becomes so aggravated after the Arena that businesses decide to move elsewhere; is the expense of moving and the concomitant loss of business and taxes to Seattle accounted for in that figure?

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9. Comment noted. See Common Response #12 Gentrification. Direct impacts are estimated at \$66,141 to non-Port trucks. Total impacts (accounting for the implications of the displacement of the direct impact in reduced employee and business purchases) is estimated at \$58,000 for the City and \$59,000 for the County.

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The EIR did not directly confront the issue of whether the Arena would jeopardize SODO's "working" nature. This is particularly surprising in light of the fact that the Seattle Planning Commission made this a central theme of its report on July 27, 2012:

However, we caution the City that developing an arena in the proposed location has the potential to generate adverse impacts that may threaten the container port, maritime, industrial, and manufacturing sectors – which have been found to be vital to the health and resilience of our local, state, and regional economy and that are expressly protected and promoted by the City's guiding policy document: the Comprehensive Plan. Based on the "findings from the Commission's two-year analysis and outreach effort addressing the City's industrial lands and on a thorough review of the arena proposal, the Commission believes that locating a new major sports and entertainment facility inside the Duwamish Manufacturing and Industrial Center (MIC) holds a strong likelihood of displacing living wage jobs and nearby businesses and disrupting container port operations and freight mobility. We believe these risks are inherent with a spectator sport facility at this location. The Commission recommends that the City not take actions that further place this proven economic asset at risk. At the very least the Commission believes more review and analysis should be conducted before the City takes further action.

As with the Port, the EIR assigns a "cost" to non-Port trucks due to additional traffic generated by the Arena as only \$59,900, county wide. EIR, at xx. Elsewhere, it provides a figure of \$38.351. EIR, at 101 (Ex. PI-33). As with the Port, there is no analysis of the competitive impacts and its impact on business closures, businesses moving and businesses contracting.

3. Failure to account for the costs of additional commuter time

While the EIR does examine the costs to shippers of extra time in traffic, it fails to fully account for the costs of the additional traffic. While the EIR does look at the cost of time for non-Port trucks, the cost to the thousands of non-port commuters is not addressed at all. For example, what value should be placed on the time of a professional whose time is worth a lot of money and who sits in additional arena-generated traffic? It is inappropriate to value the time of citizens caught in traffic at zero. If 1000 citizens add ½

10. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

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hour to their commute for 100 events during a year (41 basketball, 6 NBA playoff games (average) with identical numbers for hockey plus a handful of other events) at \$50 per hour, the impact would be \$2.5 million per year escalating over time. In addition, the traffic would dissuade customers from coming to Seattle for other businesses. The impact over 30 years could be as high as \$100 million with a present value of half of that.

4. Failure to account for significant additional costs to the City

The EIR fails to address the potential for significant additional costs to the city including, particularly additional costs of required traffic infrastructure (to maintain or improve existing conditions) and public safety. As to public safety, the MOU states that the additional costs for public safety will be covered by Arena Co for events. But it fails to identify or define these costs. The fully loaded costs could reasonably be more than double the direct costs (administrative support, capital costs, benefits, etc.) Costs to the City, in fact, could be in the \$10-\$50 million range. Unless this is clarified, the public safety support could cost the city scores of millions. In addition, the EIS appears to ignore the costs associated with the additional traffic management and public safety that must accompany a facility being used by thousands of Arena-bound cars 190 days a year.

5. Failure to account for impacts on public safety and traffic infrastructure.

The EIS and EIR fail to address three basic questions:

- What would the mitigation investments cost?
- When would they have to be made (or if they are accelerated investments that might have to take place eventually anyway, how much would they be accelerated?
- What traffic and pedestrian impacts would not or could not be reasonably mitigated and what would they cost in safety and economic impact?

The EIS overlooks that the Arena MOU does *not* provide for reimbursement of these costs. While the MOU diverts \$40 million of tax revenues to the SODO Infrastructure Fund,

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11. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

12. Comments noted. The EIS Transportation Study was conducted using methodologies approved by the lead agency (City of Seattle), and consistent with SEPA requirements and practices. The incremental transportation impacts have been identified and are reflected in the difference between conditions described under the No Action Alternative and any of the Alternatives. There is no requirement or precedent to incorporate mitigation cost information, in total or on the margins, or to speculate on the final distribution of the monies identified in the Memorandum of Agreement. In fact, the \$40 million identified is specifically excluded from use to mitigate identified project impacts.

As identified in the documentation, the overall effect of the added traffic due to the Arena would largely be in the form of increased frequency of events within an overall attendance range consistent with that now experienced as a result of events at the existing, neighboring venues, either as single events or dual events. The number of event days has been documented to increase, however the magnitude of the increased traffic is not expected to dramatically degrade traffic conditions from those occurring today, or from those forecast to occur in the future without the proposal.

When the potential development of office use on the site is considered, a use that contributes to both AM and PM peak hour commute period demands every weekday, it could be concluded that the overall effect of the Arena on areawide traffic is likely to be minimal.

Specific areas of impact were identified, including impacts associated with diverted traffic due to the proposed vacation of Occidental Avenue S. and the crossing of the multiple rail tracks along S. Holgate Street. Mitigation specific to these impacts, consistent with the marginal impacts identified, have been described in more detail in the FEIS.

there is no analysis in the EIS suggesting that this would be sufficient immediately or over time to maintain existing conditions or to improve people and freight mobility across the spectrum of vehicles.

Again, the analysis fails to properly employ an analysis of impact at the margin. Incremental traffic on an underused system has little impact. Incremental traffic on a congested or strained system has a huge impact where the same traffic on a lightly used system would not. A proper marginal cost analysis need to analyze those costs and attribute the cost to the marginal new traffic, vehicular and pedestrian. I expect and that the analysis in the next draft will look at the costs of mitigation investments that retain the status quo traffic congestion and pedestrian safety, assess and value the the impacts that could not be mitigated and assess the acceleration of infrastructure investment needs that the Arena project would require with an analysis of the time value of money cost of accelerating those investments.

This analysis would, of course, need to be performed at each site compared. Without this kind of analysis, I have a hard time fathoming a way that reasonable comparison is possible. I have been told that mitigation investment could cost \$300- \$500 million but I have no idea. I do expect the City to have a point of view on these costs. The EIS does not offer up an alternative estimate.

The Arena could accelerate the need for additional infrastructure investment increasing the present value of those costs. Traffic issues can, in some cases be mitigated with expensive infrastructure investment. There are certainly a range of mitigation possibilities. With greater investment presumably comes greater mitigation. With lesser investment lesser mitigation. I expect that the next draft of the EIS/EIR will perform this analysis.

Some of this investment may be necessary with regional growth even without the Arena but the traffic impact of the Arena could accelerate the need. The present value of a 2013 dollar spent on infrastructure in 5 years instead of 10 years is about \$0.18. This means that the City faces additional infrastructure costs due to traffic of \$50 million, the increase

in the present value of those costs would be about \$10 million. If the city more extensively addresses the traffic problems at a cost of \$1 Billion, the present value of the accelerated costs could reach to \$200 million.

I have heard that the cost of incomplete mitigation of traffic *could cost upwards of \$500 million*. I certainly do not have the resources to assess this number. The City does have the resources and does need to make the proper assessment of the costs of mitigation and of the impacts that cannot be mitigated. Without quantifying these costs, the EIS does not serve its purpose.

6. Failure to account for the impact of Arena Traffic on non-Port and non-Industrial businesses

When there is an NBA or other Arena event clogging the highways, consumers are less likely to travel to downtown or through downtown to shop, dine, or attend other events. They either stay at home or shop locally. Game-day traffic impacts all downtown businesses, particularly Pioneer Square. A good example of this is the Seattle Planning Commission’s own report, dated July 27, 2012. This impact has nothing to do with the substitution effect. Many of these dollars will be spent in the suburbs when people respond to the traffic by staying local.

7. Failure to properly treat Arena taxes. The EIR’s financial projection of a net positive economic impact erroneously assumes the Arena itself will generate local taxes. It will not.

The Arena MOU clearly specifies diversion of most of Arena related tax revenues to service the debt that the City and County would incur to co-finance the Arena while the EIR underscores the benefit to the City and County of the tax revenue – an unambiguous error. Those diverted taxes that do not go to debt service largely go to Key Arena improvements and SODO infrastructure but in no case does meaningful money go to fund city services for a minimum of 20 years.

The EIR analysis was done at a time when interest rate were lower than they are today so presumably taxes would have to be diverted for a longer period and the “Additional Rent”

13. Arena traffic impacts are identified in Appendix E and Section 3.8 of the FEIS.

14. Time Value of Money

Pro Forma Advisors acknowledges that interest rate fluctuations will impact the NPV calculation. However, there is no way to prospectively what interest rates will be in the future or the timing and impact of fluctuations.

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referred to in the MOU would be higher. The EIR should update its analysis to reflect current market conditions.

The EIR's tax analysis is economically incorrect and is systematically mischaracterized, most significantly in the conclusion. The net tax benefit, in present value terms, is probably nominal and in no defensible analysis does it remotely approach the "greater than \$200 million" as characterized in the EIR. Since any net benefits are in the distant future, their impact is significantly reduced by the time value of money.

8. Failure to acknowledge or assess the incremental cost burden to the City and County associated with the Arena.

The proponents of the Arena argue that the incremental revenues are akin to "found money" so the diversion of revenues are not material. The EIS and EIR need to assess the incremental cost burden to the City and County associated with the Arena.

First, the Arena will cost the City and County money. City schools, public safety, parks, administration, infrastructure and other services for most employees in the City are funded primarily by taxes paid by those employees and taxes paid by the employers. This is not the case for employees of the Arena and its Sports teams. Depending on the assumption set used, either city services will need to be cut or tax payers would have to pay higher taxes because the Arena and sports franchises are not paying the taxes that other employers do.

The EIS further neglects to assess the incremental costs to the city of supporting Arena events. MOU does state that the City will be reimbursed for its incremental public safety costs at events. But it does not say that the City will be compensated for the fully loaded costs including (but not limited to): benefits, capital investment associated with staffing levels, administration, etc. These costs add up to increase the cost to the City of \$1.00 spent on direct compensation to roughly 2.5 times what is paid directly. If 50 additional personnel are hired for 5 hours for 100 events per year (NBA, NHL, other), the City will be out of pocket about \$400,000 per year or \$12 million 2013 dollars (closer to \$16 to \$20 million with inflation.)

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15. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

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9. Failure to correctly assess the “substitution impact.”

The “substitution effect” is the amount by which monies spent on arena events would be spent elsewhere for other types of spectator sport or leisure activities. Thus, the substitution effect lowers the amount of revenue that the Arena is projected to yield to the city and regional economy.

“Few fields of empirical economic research offer virtual unanimity of findings. (Research has) uniformly found that there is no statistically significant positive correlation between sports facility construction and economic development”

(Baade and Dye, 1990; Baim, 1992; Rosentraub, 1994; Baade, 1996; Noll and Zimbalist, 1997; Waldon, 1997; Coates and Humphreys, 1999)

[Journal of Economic Perspectives—Volume 14, Number 3—Summer 2000—Pages 95–114](#)

“There are also an overwhelming number of academic studies that show little or no economic benefits of sport facility subsidization.”

[“The Economic Impact of Sports Facilities”](#), 2010

The EIR alleges modest substitution effects inconsistent with the research but does not justify its novel projections or state a reason for ignoring applicable research. The EIR assumes a “substitution impact” of between 10-20% (EIR, at xviii; 50-51) and concludes that the Arena’s “gross impacts” need only to be reduced by \$27.1 to 82.4 million annually. EIR, at ix. The “substitution effect” is the amount by which monies spent on arena events would be spent elsewhere for other types of spectator sport or leisure activities (or other spending alternatives in general).

There are an overwhelming number of academic studies that show little or no economic benefits of sport facility subsidization. Many of these studies point to extremely high substitution effects. The substitution effect argues that “as sport- and stadium-related

16. Substitution Effect

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As outlined in Pro Forma’s report, a substitution effect was estimated specifically for the report’s market and study jurisdictions (e.g. City of Seattle, King County). There is a component of spending at the proposed new Arena deemed to be a shift from “existing” local entertainment options/venues to the new Arena (“Substitution”). Pro Forma Advisors has accounted for this redistribution and has removed the relevant amounts from the gross impacts. When evaluating the potential impacts to the Seattle market, they considered applicable literature and integrated relevant data into our analysis as appropriate. However, because of critical differences in the literature studies and underlying projects, general “conclusions” of both positive and negative studies cannot be generically applied to the study project.

In deriving their projections, Pro Forma was cautious to not include data which was inconsistent with the case in question and/or included variables that would prove misleading if applied in the study context. Where possible Pro Forma relied on data specific to the Seattle market and the report’s specific study jurisdictions. The analysis was able to use specific Seattle data from before and after the Sonics exited the market and applying the inverse relationship of this departure as an indicator of the impact regarding re-entrance/re-introduction of a team back into the market. Pro Forma believes this along with data on spending behaviors, market factors, geography and other economic factors provided credible and realistic indicators from which to project the relevant impacts.

activities increase, other spending declines because people substitute spending on sports for other spending” (Coats & Humphreys, 2004). Sources that summarize the academic research include (each with a hyperlink to the source):

- [Robbie Robinson, *The Economic Impact of Sports Facilities*, The Sports Digest, 2010](#)
- [Coates and Humphreys, *Do Economists Reach a Conclusion on Subsidies for Sports Franchises, Stadiums, and Mega-Events?*, Economic Journal Watch, 2008](#)
- [Humphreys and Howard, *The Business of Sports* \(a three volume compilation of the literature\), Praeger, 2008](#)
- [Coates and Humphreys, *Caught Stealing*, The Cato Institute, 2004](#)
- [Coates and Humphreys, *The Effect of Professional Sports on the Earnings of Individuals: Evidence from Microeconomic Data*, University of Maryland BC Economics Department Working Paper 03-104, 2003](#)
- [Neil de Mause and Joanna Cagan, *Field of Schemes*, University of Nebraska Press, 2008](#)
- [Gregg Easterbrook, *How the NFL Fleeces Taxpayers*, The Atlantic Monthly, 2013](#)
- [Richard Florida, *Do Basketball Arenas Spur Economic Development?*, The Atlantic Cities, 2012](#)

The EIR’s 10-20% substitution effect figure is wrong for several reasons. First, the literature pertaining to professional sports stadia and arenas reflects that 10-20% is extremely low for the substitution effect of a professional sports stadium or arena. See discussion below. Part of the failure is an assumption that spending on Arena events displaces only “entertainment” budgets. Second, the “substitution impact” figure relative to the loss of the 35-40 events (which produce \$3.2-3.7 million) at Key Arena reflects only the dollar amount of events “lost” at that venue. This estimate completely fails to account for the impact these lost events will have on Key Arena itself, a facility already owned by Seattle. There is no competitive analysis of the Key or an analysis of the ability of Key Arena to absorb these losses and remain profitable. Nor is there an analysis of traffic impacts on other Seattle businesses. The consensus of the literature is that only dollars spent by out-of-region visitors represent meaningful new activity. I would expect that the substitution effect would be closer to 90%.

There is almost no serious independent research that I could find that seriously disputes these conclusions.

The EIR conclusion of limited substitution effect is not supported by the empirical evidence. The substitution effect is high for a variety of reasons. The most obvious is that consumers have finite discretionary budgets. When they spend on the NBA, they spend less elsewhere.

The EIR does not document its rationale for the range of substitution effects that it uses. Nor does it address the considerable body of research that demonstrates that the substitution effect is greater than they project.

The next draft of the EIR must, to maintain any credibility, adjust its projections of the substitution effect upward to reflect the research consensus, include non-entertainment substitution and include non - substitution impacts on other businesses (such as traffic).

10. Failure to adjust economic impact analysis for the higher economic multiplier that should be applied to the businesses displaced by substitution that for team revenues.

The economic impact of spending on athletic events has less impact on the local economy than many of the activities that are being displaced. I.e. \$1.00 spent on an NBA event does far less good to the community than \$1.00 spent on the activities it is displacing. The majority of the direct funds that are spent on attending an NBA event do not stay or recirculate in Seattle. Rather they flow to federal taxes, debt service, distant communities and investments. See the list of sources listed in item 9 above.

Two thirds of the economic impact of the Arena outlined in the EIR stems from operations. But far less than half of this money flows to our community in any way. One piece of the impact, about \$11 million per year pays for debt service on debt that would not otherwise be obligated. The vast majority of the revenues from the franchise will go to the 12 roster players, general manager, head coach and owner profits. 30-40% of their salaries and earnings go to federal taxes and out of the community (versus far less for much of the

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17. The economic multipliers and the inputs used for the economic analysis were specifically adjusted to account for local economy impacts.

By definition, direct impacts include all revenues that occur in a geography. However, as noted by the comment, a significant share of players' salaries may be spent outside of the City of Seattle and King County and the analysis was adjusted to account for this non-local spending. Only 15 to 20 percent of players' salaries have been included in the direct impact. The direct impacts were adjusted downward from \$244 million to \$157 million (Seattle) and \$171.8 (King County) to account for this non-local spending.

Multipliers are used to estimate the indirect and induced impacts. It should be noted that multipliers are applied to projected local expenditures, not total revenues. As described in the Methodology section, local expenditures exclude taxes and licenses as well as rent and lease payments, debt service. It only includes projected local management and other staff spending and purchases made from the local area. Total expenses were in the range of \$193 million, but the local purchases that the multipliers are applied to are approximately \$42 million (Seattle) and \$67 million (King County).

Further multipliers, are calculated to account for the "higher" or "lower" re-spending of dollars within an economy by each industry and their eventual leakage outside of the area.

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The analysis also applies multipliers to the estimates of displaced business from substitution and traffic delay costs.

By specifically accounting for direct local expenditures and using multipliers for both the arena impacts and displaced businesses, the analysis accounts for differentials in multiplier between arena impacts and displaced business impacts.

activity they are displacing). The majority of the players and management live either in suburban Seattle or in other, more distant cities where they spend their money. Even the money they spend in any community is limited. The owners have sufficient wealth that their consumption of goods and services is not impacted by profits. The players whose lifetime earning potential is concentrated in a few years save and invest the majority of their aggregate salaries rather than spending them at all, not to mention locally. These factors combine to account for the low multiplier demonstrated by the research.

The EIS and EIR need to clarify the impact of the lower economic multiplier on Arena and NBA spending versus the money that would have been spent at displaced businesses. The correct multiplier analysis needs to then be applied to both the direct benefits (expect a multiplier of about 0.5X), the induced benefits (expect a multiplier of 2X-3X), the substitution losses (expect a multiplier of 2-3X), the impact on the Port and related businesses (expect a multiplier of 2-3X), the impact of business lost as traffic keeps people away from downtown, commuter time, etc.

11. Failure to look at the impact of Arena Construction on other businesses

The EIS and EIR fail to look at the impact of Arena construction on the construction costs of other residential and commercial projects in the region. Will the demand for concrete, steel or labor raise the costs to other projects? What would the incremental cost to other builders be? Would that limit other construction? These areas are easier to quantify than many of the benefits included.

12. Failure to acknowledge or estimate the regional job losses associated with the Arena and failure to speak to the change in character of the new jobs versus the lost jobs

The EIS and EIR fail to examine the jobs that would be lost as a result of the Arena. In particular, how many well paid light industrial and Port related jobs would be lost? What is the character of the new jobs generated? What percentage are low paid service jobs?

About 60% of the REVENUE (roughly \$100 million per year) of an NBA team goes into the pockets of only 16-18 people – the 12 roster players, the head coach, general manager and

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- 18.** According to the 2013 Downtown Development guide there is approximately \$2.03 billion in development occurring in the downtown, including larger projects such as the Stadium Place Phase I at \$255 million and Insignia Towers at \$208 million. Excluding land and arena FF&E, the hard construction cost of the arena is \$350 million. The arena will be a major local construction project. However, it is not out of line with the scale of current construction projects.

The arena may increase demand for concrete, steel and labor, but it is not conclusive that it would have a significant enough impact on their prices in the local market to limit other construction projects and produce major impacts in the market. Unless costs reach a point where they limit other construction, higher construction costs do not reduce economic impacts, but mean more dollars for laborers and suppliers.

- 19.** The economic impact analysis includes compensation and jobs lost as a result of the substitution impact for arena spending and traffic impacts. Negative traffic impacts to port and non-port businesses and sports and entertainment spending displacement is analyzed by industry, accounting for the differences in income.

The Economic Impact Analysis accounts for compensation and jobs displaced as a result of the substitution impact for arena spending and traffic impacts. Negative traffic impacts to port and non-port businesses and sports and entertainment spending displacement is analyzed by industry, accounting for the differences in income. Other than the Port traffic and non-Port traffic related impacts Pro Forma does not anticipate other quantifiable industrial and Port related job losses.

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the principle investors. Some of the remaining revenue goes to well paid professionals. The bulk of the balance goes to lower paid service jobs.

The jobs in the Port and light industrial areas of SODO and Ballard that are jeopardized are high wage middle class jobs. The majority of the jobs created by the Arena project (other than for an elite handful) are likely to be lower paid.

13. Failure to properly apply Economic theory around elasticity and its impact on demand

In reference to the business lost to the port because of the Arena, not only does the EIS total the possible impact to the port as the time spent by a few truckers in traffic, but it attempts to reference economic theory to buttress this shaky assumption and make it sound like they are applying valid economic theory. "Due to elasticity, a decrease in purchases is unlikely to be one-to-one, but for purposes of this analysis we will consider the worst case 100% reduction in demand purchases of import/export purchases. Based on these cases, we analyze truck cost delay costs as either a reduction in trucker earnings or a reduction in import/export revenues."

This garbles the theory of elasticity and diverts attention from the real issues. Elasticity simply measures the impact on the quantity purchased of a change in price. The EIS essentially maintains that the incremental shipping costs due to traffic may, at worst, represent a 100% reduction in revenue to the port of that cost – still a nominal sum. Elasticity refers to what a customer is willing to pay for an item or service. It is irrelevant to a competitive analysis of what would happen if a cost is added to using a product from one vendor when that cost is not applicable to using the product of a competing vendor (or in this case, Port). If another port is almost as good for a vendor, if the extra shipping cost exceeds the competitive advantage of the Port of Seattle, Seattle will lose 100% of that business. The cost is not, as alleged in the EIS solely the dollars paid to a trucker but also includes a host of other factors as described in section 1.

14. Failure to address tax equity

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20. The paragraph in the report that mentions elasticity is discussing how the truck delay costs (calculated in the previous section) will impact port related business revenues or import/export purchases in the region. The mention of elasticity was meant to refer to the "concept of price elasticity of demand" and the question of how much would additional traffic delay cost, if passed along to import/export customers as an increase in import/export prices, decrease import/export purchases. Price elasticity in demand is the percentage change in quantity demanded divided by the change in percentage price. While importer and exporter customers have a choice of importer/exporters, there are a number of factors that go into their willingness to substitute between importer/exporters.

21. Tax Revenues

Pro Forma Advisors projected tax impacts generated by the construction and operation of the Arena. These revenues are new/incremental (i.e. generated as a direct result of building and operating the Arena). Our report identifies the tax revenues earmarked to pay down debt service (outlined and consistent with the MOU). The focus of the economic report was the tax revenues used to pay debt service. For reference, we have also highlighted additional tax revenues generated from Arena construction (\$33.3M) and annual operations (\$1.9M) which will not be used for debt service and are expected to flow to other taxing districts.

21

The EIS fails to address the tax equity issue in any form. Essentially, the EIR assumes that, because the Arena will be generating incremental tax revenue that the City would not otherwise take in, the City is not “subsidizing” the Arena and, consequently, it poses no negative cost to the city. Aside from the financial risk of the endeavor, its indirect costs, and the fact tax revenues are being used to finance the Arena’s debt service, this argument raises a significant tax equity issue: any new or growing enterprise in the City could make the same argument. For example, Amazon could ask for the same tax diversion to help fund new facilities. To be equitable, small businesses could ask for similar treatment. The EIS needs to clearly state that this is inequitable. The alternative, of course, would be to offer a similar benefit to any new or expanding business. This would shift a growing tax burden to established businesses putting them at an unfair competitive disadvantage.

15. Failure to account for the risk that use permit issues will limit the number of event days at the Arena with significant risk to the project economics.

There is no guarantee that the City will permit the number of events that Arena developers are assuming. Use permits are a separate process and, given other events that may happen concurrently in the SODO area, with existing traffic issues, parking issues and without money budgeted for full mitigation, it is not clear that the Arena will receive the permits to play a full schedule not to mention have the capacity to schedule NHL events and other entertainment. This adds a level of risk to project economics that is overlooked.

In addition, the analysis of traffic and other impacts focuses on the 4 games in an NBA season and ignores the 60- 160 other events that might take place (NHL, playoffs, preseason, other events, etc.)

16. Failure to consistently deal with the range of usage at the Arena

The Arena could be used for more than 100 events per year. Indeed the developer’s economic analysis assumes this. Some of the impacts appear to assume as few as 41 events (the NBA regular season). The EIR needs to be consistent in the analysis and clear about what it is assuming.

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22. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.
23. The DEIS and FEIS fully acknowledge the wide range of events and event types that could occur at the proposed Arena as well as at neighboring venues. To provide comparative analysis, three primary event cases were identified and used as the basis for quantitative evaluations. The programmatic elements of the mitigation measures (Transportation Management Plan) includes elements such as a Traffic Control Plan and site management that will be tailored to the specific event conditions that occur.

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While it is not clear how many event permits the City is willing to give, the EIR needs to assess traffic, parking and mitigation issues assuming more than 100 events per year. It is hard to imagine that, when a full Arena schedule is considered, it is highly likely that events will overlap with events at SafeCo and Century Link stadiums making parking and traffic a nightmare.

17. Failure to analyze the negative impact on the Seattle Center and Key Arena.

The EIR concedes that the Seattle Center is one of the main attractions for visitors to the Seattle area and features a diverse assortment of businesses that serve it, including hotels, restaurants, and commercial spaces. EIR, at 137-38. It also concedes that the NBA games at Key Arena “buoyed” retail lease rates and the departure of the Sonics “had a negative impact on retail lease rates.” EIR, at 139.

It is also my understanding that Key Arena is currently marginally profitable. Will competition from a new Arena make the Key unprofitable? If so, if the City chooses to subsidize the losses, what would that cost? If the city chooses instead to shut down the Key what would the jobs and economic impact be?

The final EIR must consider the Arena’s potential economic impact on Key Arena and Seattle Center.

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24. Potential economic impacts to Seattle Center from the development of a new Arena are discussed in the Economic Impact Report included as Appendix F to the EIS.

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18. The EIR fails to “reasonability check” its claims of economic benefits

Exhibit E-10: Scenario A Total Impacts

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|------------------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Onsite Arena Impacts | | | | | | |
| Output (Millions) | \$156.7 | \$39.7 | \$196.3 | \$161.8 | \$71.6 | \$233.4 |
| Earnings (Millions) | \$57.9 | \$15.4 | \$73.4 | \$63.0 | \$28.3 | \$91.4 |
| Jobs | 1,005 | 338 | 1,343 | 1,005 | 575 | 1,580 |
| Offsite Arena Impacts | | | | | | |

| Total Ongoing Annual Arena Impacts | City of Seattle | | | King County | | |
|------------------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$41.2 | \$20.3 | \$61.5 | \$46.3 | \$33.5 | \$79.8 |
| Earnings (Millions) | \$21.6 | \$8.2 | \$29.7 | \$25.1 | \$13.7 | \$38.8 |
| Jobs | 585 | 138 | 702 | 667 | 227 | 894 |
| Onsite and Offsite Impacts | | | | | | |
| Output (Millions) | \$197.8 | \$60.0 | \$257.8 | \$208.1 | \$105.1 | \$313.1 |
| Earnings (Millions) | \$79.5 | \$23.6 | \$103.1 | \$88.1 | \$42.0 | \$130.1 |
| Jobs | 1,570 | 476 | 2,045 | 1,672 | 802 | 2,473 |

Exhibit E-11: Level I - Total Substitution Impact

| Total Substitution Impacts | City of Seattle | | | King County | | |
|----------------------------|-----------------|--------------------|---------------|-------------|--------------------|---------------|
| | Direct | Indirect & Induced | Total Impacts | Direct | Indirect & Induced | Total Impacts |
| Output (Millions) | \$15.6 | \$6.1 | \$21.7 | \$17.1 | \$10.1 | \$27.1 |
| Earnings (Millions) | \$6.3 | \$2.4 | \$8.8 | \$7.4 | \$4.1 | \$11.5 |
| Jobs | 166 | 42 | 208 | 196 | 69 | 265 |

Source: Pro Forma Advisors

³ It is difficult to separate the expenditures that should be allocated only to concerts and other events. Thus, the proportion of gross concert and other revenues to total revenue is used to estimate total expenditures for concerts and other events.

25 25. Comments noted.

These conclusions are absurd. One wonders whether the EIS was ever proof read for internal consistency and reasonability.

Taken together, the EIS asserts a net economic benefit to the community of \$8 billion over 30 years while the research demonstrates that similar projects are typically neutral or negative. These businesses, according to the EIR, will be earning a 40% return on sales. Beyond the oil fields of Arabia, where in the world do a collection of businesses this profitable actually exist? And if the profit projections are this high, does that not suggest that even more of the money is leaving the Seattle economy?

Conclusion

The EIR is unquestionably biased in favor of an arena specifically located at SODO. Major issues are overlooked with potential costs to the region of hundreds of millions of dollars and thousands of jobs. Economic research is ignored. Economic principles are misapplied. The terms of the MOU are not reflected. The EIR includes a selection bias where it gives extensive quantitative analysis of economic benefits while systematically failing to quantify costs or understating them beyond any bounds of reason. It repeatedly substitutes exhaustive analysis of a subset of the issues in lieu of a serious analysis of the most important economic ones. Even the conclusions that were drawn are mischaracterized to the benefit of the Arena. The EIS does not perform economic analysis on the primary factors that differentiate the SODO site from its alternatives.

Investment in being an NBA city may or may not be good for the City but to pretend that the project is the fountain of benefits alleged by the EIR is unambiguously not correct and to put the City and County in a position of weighing alternatives without good data is the height of folly (or cynicism).

It is the responsibility of the City of Seattle to enforce reasonable and unbiased standards of research and presentation on the SEPA process.

I do not doubt that any of the City or County's political leaders and the economists who work for them are as appalled as I am by the quality of the work of their contractors in the current draft and will see that the many issues are addressed. Nor do I doubt the City wants to see decisions made with fair and balanced data. They are likely to either have to find a new contractor to replace Pro Forma Associates or seriously redirect them and manage them.

I implore the City to enforce an unbiased second draft and reopen that draft for comment as the current draft is so incomplete and so biased as to fail to be a reasonable opening point for discussion regardless of the outcome of any legal tussles.

If not, I would expect the people of Seattle to reflect that breach of duty at the ballot box.

Thank you for your consideration.

Sincerely yours,



Randy Cerf

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Cont.

John Shaw
30/4/19
1900 1st ave

**Environmental Evaluation of the Arena Proposal
by Tony Formo**

The City of Seattle has allowed a report comparing the profitability of various arena locations to become a substitute for an economic impact analysis but doesn't have to approve Chris Hanson's report without including a literature review on the economic impact of professional sports teams and facilities. There have been many such studies in many cities over many decades, and they generally show that professional sports teams have little if any economic impact. Advocates of professional sports teams try to claim that their economic impact is equal to the total of what fans spend for tickets and refreshments and souvenirs, also with pre-and post-game refreshments and transportation costs, which research by opponents of public subsidies for professional sports has repeatedly shown to be an illusion because the money involved is mostly discretionary spending that would happen anyway in the same local economy. The economic impact of professional sports teams is to have a lot of spending on a sports team and nearby businesses at the loss of other businesses where the pro sports fans would be otherwise entertaining themselves expensively. Has Seattle's economy suffered since the Sonics left town? Expect the same sort of economic benefits from the return of the NBA to Seattle, if you don't include other public costs like Key Arena and traffic impacts.

1

I would like the economic and environmental impact reports on Chris Hansen Arena to include a traffic simulator like on TV news and smart phones which can be programmed into what happens when you add or subtract vehicles to or from different places at different times, and can be made more sophisticated by adding other events in nearby professional sports palaces trying to get through traffic interchanges at the same time seems like bad hydraulics and even worse traffic management and environmental responsibility.

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I would especially like it if someone in Seattle's Government would facilitate a Seattle traffic simulator that could help make a smarter Planet with software that could simulate Seattle traffic flows in various circumstances, and how one traffic jams at a bottleneck can cause gridlock elsewhere, and having a traffic simulator would make it possible to identify trouble spots like on Bothell a week or so ago where traffic was backed up for miles so barricades could be up and traffic restricted and people were stuck in traffic wasting time and turning fossil fuels into pollution. A Seattle traffic simulator would be able to do things like estimate how many vehicles would be involved in various scenarios like Seattle traffic with or without Chris Hansen arena, with spreadsheets full of possibilities for number of vehicles involved, but it seems like a no-brainer that the best amount of traffic to happen is none.

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Seattle needs less, not more vehicular traffic from professional sports businesses with inadequate public accountability. The default is a situation in which Chris Hansen Arena doesn't happen in a part of Seattle that already has too much traffic from professional sports, especially considering how professional sports teams have treated Seattle.

I was a volunteer signature gatherer for Citizens for More Important Things and Initiative 91, which was a public vote against an arena for the NBA and public subsidies for privately-owned

DONE
Validated on
OCT 07 2019

Formo, Tony

1. Comments noted.
2. Comments noted.
3. Comments noted. The transportation analysis in the FEIS compares traffic and transportation conditions with and without an Arena assuming a variety of possible activities at other sports stadia.

professional sports teams, and not what some people want to limit I-91 to be as an assurance that the City gets fair market value in financial transactions. The public vote about no subsidies for pro sports teams happened in 2006 and public decision-makers have been ignoring I-91 and subsidizing Chris Hansen from the moment Mike McGinn hired expensive consultants (without asking if it was ok), and all the public money that has been spent on hearings and reports and Environmental Impact studies is a considerable public cost that would not happen if Mayor McGinn didn't want to help out the hedge fund guy, who may not be an owner of a professional sports team at this time, and the Mayor seems to be giving Chris Hansen a subsidy. Chris Hansen will be making millions on land flips so he can own parking lots and sports bars near his new arena that would be taking business away from taxpayer-owned Key Arena without seeming to get fair market value in return.

I hope then Environmental Impact Study should keep in mind that people stuck in traffic caused by or worsened because of traffic for professional sports events is paying a subsidy in their time and transportation costs that could be calculated into health care costs and psychological well-being. It seems irresponsible to give Chris Hansen Arena approval because it would so obviously be adding thousands of vehicles to the Seattle traffic grid so a hedge fund guy who wants Seattle to build an arena so he can attempt to buy an NBA team. Please have the EIS include data comparing Seattle traffic when there are no sports events at existing pro sports stadiums compared with having one or two events, and add Chris Hansen Arena to the mix, meaning that Chris Hansen Arena would be adding its thousands of vehicles so traffic would be happening in 2-venue traffic jams and the new phenomenon of a 3-venue traffic jam, none of which needs to happen just to help a hedge fund guy become an NBA Owner, when the NBA attempted to extort \$300 in public subsidy for the NFL and MLB for stadiums and Seattle said "No" to the NBA, and the Sonics moved to Oklahoma City after a post-Jack Sitkma history of Joe McIlvagne (poster child of over-paid big white guy), the ghost of Patrick Ewing, and the 3 Stooges (consecutive first round draft picks used on high school kids who weren't ready to play NCAA basketball instead of being on an NBA roster that other kids were learning with players closer to their skill levels). Just as traffic effects of multiple events in nearby venues can have multiplicative effects, so can stupidity in the decision-making of privately-owned sports teams in ways that it is possible to identify where someone is taking a deliberate dive because the decision-makers for professional sports teams instead of having the professional sports team named for that city being businesses with lots of complicated inter-connections and tax breaks and write-offs, as much as sports fans think of professional sports as businesses that operated as if their only income sources were ticket sales and media revenue, so the professional sports teams were motivated do their best to win for the fans and taxpayers of the city, which is a matter I would be happy to bet my considerable credentials as a sports historian, with special interest in Seattle sports history. It's a long complicated story I would be happy to append, with a bottom line of professional sports dislikes Seattle (with an Arena from the Century 21 Exposition that evolved into Key Arena) and the Kingdome (which was also built as a long-term public resource for professional sports in an indoors multi-purpose sports stadium), both of which were meant to be public investments in venues where professional sports can happen at minimal public expense, which is the opposite of what Owners of professional sports teams want, which is a lot of wasteful spending on the hedge fund guy's wanting to own an NBA team,

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but only it happened at Chris Hansen Arena instead of at Key Arena (where NBA has happened in Seattle since beginnings until endings and Oklahoma City, except for a few seasons in the Kingdome and Tacoma Dome while what is now known as Key Arena was closed for expensive renovations that were mostly about luxury accommodations for people with lots of tax write-offs to entertain others on accounts on ways that seem contrary to the lifestyles of food bank users.

Tony Formo
1427 NW 64th St. #2
Seattle, WA 9810

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Cont.

John Shaw
Senior Transportation Planner
700 5th Avenue, Suite 2000
PO Box 34019
Seattle, Washington 98104

Re: Environmental Impact Statement for the Seattle Arena

Dear Mr. Shaw,

My interest in the Seattle Arena project is twofold. First, I am a supporter of the efforts to bring an NBA team back to Seattle, and second and most important, I am an educator, who is a strong proponent of STEM education and STEM careers for the citizens of the City of Seattle.

In this region, known for its world class, innovative manufacturing, technology and research science businesses, it is important for us to continue to nurture the maintenance and growth of these vital community assets.

In taking a look at the Environmental Impact Statement of the Seattle Arena Project, it is evident that the charge put before the Department of Planning and Development was to examine the “environmental” impact of the project, witnessed by the attention to the natural environment, air, water, plants and animals, built environment, land and shoreline use, transportation, along with public service and utilities. It also appears that very little attention was paid to the “economic” impact.

In the economic analysis involving the SoDo area, the Pro Forma Advisors summary states that, “Due to the proximity and similar market factors for the alternate sites, operation projections remain constant for all sites”. How can that be when only one of them is considered a manufacturing and industrial area? What is being examined, for the most part, is additional revenue rather than the possible negative impact to present and future jobs in the area.

Even as traffic and substitution impacts were examined, only additional jobs related to the arena were accurately accounted for. The summary does not include possible losses due to the businesses and their suppliers that may have to relocate due to the continued dwindling of real property space as a result of the arena. The summary also states that “Industrial space was lost in SoDo as a result of the two existing stadiums...however, since 2005, economic growth and the real estate expansion of downtown has accelerated this loss.” As a city and a region, do we want to continue to shrink our potential for industrial growth?

Shareef, Princess

1. Your comments are noted. The EIS includes an economic report in Appendix F.
2. See Common Response #12 Gentrification

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As the former principal of Seattle Public School's only STEM high school, we worked to create a program to prepare students for internships and ultimately for careers that are supported by this regions strong science, technology and manufacturing business sectors. I fear the research included in the EIS is incomplete leaving open the possibility of further erosion of our maritime, rail and manufacturing businesses thus, the potential for middle-income jobs.

A caution recognized in the summary acknowledges the importance of the Port to the city and warns that the city should be careful to protect industrial development. Our community cannot remain strong if we fail to recognize this and the damage cannot be ameliorated by the, approximated, 3,500 jobs the arena will add. I dare say the majority of those jobs are not long-term middle-income careers. Are we prepared to lose middle class opportunity for part-time lower income jobs?

I've tried to make a few salient points that emphasize my concern for the building of the Seattle arena in SoDo neighborhood. I believe this is important enough to take the time to re-examine.

Thank you for your time and consideration.

Sincerely,

Princess Shareef
Princess Shareef Educational Consulting
rosa7053@gmail.com

cc Seattle City Council
Martin Luther King Jr. County Council

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3. Comments noted.

Please see Common Response #12 Gentrification for more information about potential industrial displacement.

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John Shaw
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John.shaw@seattle.gov
Reference No: 3014195

Re: **Comments by I-91 Plaintiffs Mark Baerwaldt and Herb Krohn to Economic Impact Report by Pro Forma Advisors LLC, August 15, 2013**

Dear Mr. Shaw:

I represent plaintiffs Herb Krohn and Mark Baerwaldt in the suit they brought against the City, the County and Chris Hansen alleging that the MOU signed between those parties violated Seattle's I-91. The Court dismissed this suit at the urging of the City which took the position in that litigation that economic impacts of the arena deal could not be known or measured (so that the suit was not yet ripe) - a position it now apparently reverses, in asking for a study to be made of economic impacts of the arena.

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The study or "Economic Impact Report" is defective for many reasons, principally because I-91 clearly states that general economic benefit is not the test for economic evaluation of services or facilities extended to pro sports organizations by the City. Thus, most of the EIR analysis is simply "out of bounds" under I 91. The notion that general economic benefit can justify aiding a pro sports arena simply represents an illegal argument under this law.

Second, the EIR excludes what is relevant. A proper evaluation of economic impacts would start by conducting an I-91 analysis. This asks if the city is receiving fair value for facilities and services extended by the City or its partner, the County, to ArenaCo in the MOU.

One such element is a proper I 91 return on the \$200 million in public finance amounts. I -91 specifically excludes from this estimate all cost of borrowing. The MOU deal is structured so that rent plus additional rent plus arena related tax credits every six months, only equal the payments the City makes to pay down principal plus interest. Thus, excluding the cost of borrowing, there is **zero return or profit** for the \$200 million public cash contribution to the deal. A proper I 91 return using a thirty year treasury bond rate would mean an **additional amount of several hundred millions of dollars** is required as the I-91 fair value return for this public finance amount. All this assumes no default, no bankruptcy, and full performance of the MOU terms, too.

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Stockmeyer, Cleveland

- 1. See responses to specific comments below

The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

- 2. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

A second element is the arena related taxes. The City itself estimated these would amount to some \$272 million over the term of the MOU. The MOU provides these are credited to ArenaCo and used to reduce its obligation to repay the \$200 million public finance amount. The MOU has to provide for this credit, because without that provision in the MOU, these amounts would not go to pay down the debt for the public finance amount. Physically, these are monies paid into the city or other entities collecting taxes. The MOU terms taking these amounts and crediting ArenaCo with these amounts amount to simply an additional **extension of public funds to ArenaCo** because tax receipts are owned by the government collecting them. (This is why the MOU has to direct these amounts be extended in the form of credits). In other words, the City is throughout the term of the MOU piling on additional cash equivalents to ArenaCo and the City and County cash contribution in this regard is **some \$272 million**.

All that has to be returned at fair value to the City under I 91. There is no provision in the MOU for doing that. Thus, there is an additional shortfall in fair value based on this element, to the extent of some \$272 million. There is no date for repayment of this amount in the MOU so one cannot calculate the additional amount to be returned as fair value to the City on top of this \$272 million. This is credited every six months for about 30 years. If ArenaCo simply does not pay this principal amount back ever, the I 91 return required on it (interest using the thirty year treasury bond rate) grows ad infinitum. If one assumes they finally do pay back return as required under I 91, say, by the end of the MOU, then the additional amount fir I 91 "interest" is many millions of dollars more.

The amounts for fair value return on the \$200 million, plus fair value return for the \$272 million in arena related tax credits, plus return on those amounts to the extent there is delay in repayment, together appear to add up to over half a billion dollars.

But are a third and fourth element for which fair value return is required. The third element is the City is providing a "Service" of taking title to the property so that ArenaCo escapes real estate taxes for many decades. Using the cost basis of valuation the arena and land would be assessed at a value of some \$490 million. The total real estate tax avoidance provided for in the MOU transaction is thus worth several hundred million dollars more. There is again no provision for return of that value or for fair value being given for this service, in the MOU. The fourth element is that the City is providing the "service" of letting ArenaCo or its owners borrow money (the public finance amount) using municipal bond rates instead of the rates one would find from a conventional lender. This element adds many millions of dollars more in the fair value shortfall amount, because the MOU simply does not provide for any return for this service. Finally, since there is no real security for the obligation in the MOU -- real security would be collateral land or cash or property whose value is not tied to the fate of the team or the arena --

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3. Tax Revenues and Debt Service

Pro Forma Advisors projected tax impacts generated by the construction and operation of the Arena. These revenues are new/incremental (i.e. generated as a direct result of building and operating the Arena). Our report identifies the tax revenues earmarked to pay down debt service (outlined and consistent with the MOU). The focus of the economic report was the tax revenues used to pay debt service. For reference, we have also highlighted additional tax revenues generated from Arena construction (\$33.3M) and annual operations (\$1.9M) which will not be used for debt service and are expected to flow to other taxing districts.

4. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.
5. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.
6. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

none of the obligations of ArenaCo under the MOU are effectively secured. The minimal security alleged to exist includes a personal guarantee by Chris Hansen and a parent guarantee but these are not secured, the team as security is made remote by not being owned by ArenaCo, and it cannot be sold freely under NBA rules and it is subject to senior debt. Since there is no conventional security worth far more than the amount secured, under I 91 all future cash to be paid by ArenaCo simply does not count as fair value return because I-91 requires that all unsecured future cash be excluded.

While there is value in the land, which comes back to the City after the MOU, this value is minimal if one assumes there is no longer a viable arena on the site. If there is to be a viable arena, ArenaCo would exercise its option to purchase and the City would not get the land. Either way, when one nets this cash or land value out against the fair value shortfalls mentioned above, it is clear that the MOU deal for a SODO Arena represents a fair value shortfall of some **\$700 million or more.**

The EIR report either ignores these issues or simply does not address them properly. While it appears to discuss arena related taxes it misses the reality that all businesses generate taxes, those taxes would not exist without those businesses, so all businesses have an equally valid argument to tell the City to credit them the amount of the taxes they generate. For example, a pet shop generates city b and o tax so why can't it get a credit off its City Light bill, if ArenaCo can get a credit off its obligation to repay the public finance amount just because it generates b and o tax or admissions tax? And if every business made this case, and it was accepted, then would be no tax revenue left for the government to collect. (Or the City would take the hit in another department where the credit is given like City Light).

Businesses alone do not generate taxes. We have made a social investment in roads, education, infrastructure, having a port that creates good jobs, all of which supports the customer base of all businesses and builds the roads to take them to the business site and provides public safety and other services we consume collectively. To have one business sector like this NBA arena achieve what amounts to 100% tax crediting or tax exemption when no other business gets this is a huge economic impact that is negative -- because this business is shirking its duty to pay taxes like everyone else, and getting special privileges as if we were under the ancient regime in France, when nobles did not pay taxes, and only peasants did. There is a large economic hit to the City, State, County and Sound Transit in having this huge economic engine at the arena largely exempted from property and other taxes. Put another way -- give this deal to anyone else -- tell them they can escape all property taxes, and get a cash credit for all sales taxes and other taxes they claim to generate -- and you will have a line of applicants from here to the moon seeking the same deal. And this deal will be good for the business involved. Very good, indeed. But each business will continue to generate social costs which the City pays (needs for police,

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7. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.
8. The economic impact analysis is simply presenting the tax benefits generated by the project. It makes no statement on whether the arena should be credited the value of these taxes
9. Comments noted.

road repair, etc.) and if we allow everyone to shirk taxes in this way we will not have government much longer.

I-91 was passed specifically to make these kind of tax subsidy schemes illegal when the City desired to extend them to pro sports organizations. This entire scheme is one built on tax shirking and tax avoidance. The reason ArenaCo is looking to the City and County -- and not to a conventional lender -- is to get these unconventional tax subsidies. By missing the fact the deal is founded on **\$700 million plus in tax subsidies and other services** and benefits lacking the required fair value -- the report at issue simply fails. Of course massive spending and benefit at this arena site or involving ArenaCo and TeamCo causes a great amount of economic activity. But this mountain of revenue and profit is not used to pay the City its required fair value. As a result, the economic impact of the MOU deal is that the City is deprived of its required fair value under law, an amount that is estimated at over \$700 million.

Very truly yours,



Cleveland Stockmeyer
CLEVELAND STOCKMEYER PLLC
Attorneys for Mark Baerwaldt and Herb Krohn

- 10. The economic impact report responds to the analysis requested as part of the MOU to estimate the economic and fiscal benefits generated by the proposed Arena and evaluate potential impacts of the arena on the Port of Seattle.

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*Agreement: Stockmeyer et al. A-P
including memo, financial projections
and arena related tax projections.*



City of Seattle

Department of Planning and Development
Diane M. Sugimura, Director

Seattle Arena EIS Draft EIS Comment Sheet

The intent of this meeting is to receive your comments about the proposed Seattle Arena project, project alternatives, identified impacts and proposed mitigation measures that are discussed in the Draft Environmental Impact Statement (EIS). The meeting happens during the public comment period, which ends September 30. At this stage, your written and verbal comments should focus on the analysis contained in the Draft EIS, including identified adverse environmental impacts, and potential mitigation measures.

The proposal is for the future construction of an approximately 750,000 sf., 20,000-seat spectator sports facility (Seattle Arena). Project includes demolition of eight existing structures of approximately 128,087 sf, and grading will occur for construction. Proposal includes a street vacation of the portion of Occidental Avenue South between South Holgate and South Massachusetts Streets. Attendee parking for the facility is proposed to be provided by commercial parking lots off the site.

Key environmental issues identified in the DEIS are primarily potential impacts to traffic and transportation and, to a lesser extent, construction and operational impacts on other elements of the environment. Summary information regarding the project's effects on these elements of the environment is provided in the DEIS beginning on page vii. The DEIS also contains an Economic Analysis (Appendix F) which is included as a result of an agreement between King County, the City of Seattle, and ArenaCo. The Draft EIS also includes an analysis of a facility with fewer seats at the Stadium District site, two alternative locations (KeyArena at Seattle Center and the Seattle School District's Memorial Stadium) and the no action alternative.

Thank you for offering your comments.

Comments:

THE PORTS LEASE (WITH TTI TERMINALS
HANDLING IS FOR 10 YEARS AT A GREATLY
REDUCED RATE 30% LESS THAN PREVIOUS.
IT HAS A MUTUAL CANCELLATION CLAUSE.
THERE WAS ALSO A FAVORABLE NATIONAL CLAUSE
CAUSING AN EQUAL REDUCTION IN RENT
TO THE PORTS OTHER SHIPPING COMPANIES
RESULTING IN A 120 MILLION REDUCTION
IN REVENUE OVER THE NEXT 10 YRS.

Please provide additional comments on the back, if desired.

Would you like to be on the mailing list? Yes No

Name JOHN TORRANCE
Street/P.O. Box 807 LARE ST. S. #101
City KIRKLAND State WA Zip 98033
E-mail JOHN.TORRANCE@CBRE.COM

You may either:

- Place comments in the box today,
- Mail comments to Public Resource Center (on this form or as a letter), or
- E-mail your comments: PRC@SEATTLE.GOV

Torrance, John

1. Comment noted.

Organizations

Contents

Seattle Center O-1
West Seattle Bike Connections O-3



September 27, 2013

John Shaw
Senior Transportation Planner
City of Seattle Department of Planning and Development
700 – 5th Avenue, Suite 2000
P.O. Box 34019
Seattle, WA 98104-4019

Re: Seattle Arena Draft Environmental Impact Statement Comment

Dear Mr. Shaw:

The Seattle Center Advisory Commission is a volunteer citizen board appointed by the Mayor and confirmed by the City Council. Our purpose is to advise and advocate for the fiscal and programmatic health and well-being of Seattle Center. Seattle Center represents over 50 years of significant public and private investment, and we take our role as stewards of this public asset seriously. As such, we have reviewed the Draft EIS and would like to express our concern about important impacts that we feel have not been adequately addressed.

1. The DEIS Acknowledges an Economic Impact on KeyArena.

Section 3.11, the Economic Analysis, quantifies the number of events moving from KeyArena to the new Arena as 35 to 40 and, in the Level 1 Substitution Impacts section, values the revenue that will be leaving Seattle Center on an annual basis as \$3.2 to \$3.7 million. For reference, this amount represents between 45% and 52% of the KeyArena's total revenue budget for 2013.

2. The Century 21 Master Plan is part of the Regulatory Framework.

The previous section, 3.10, Regulatory Framework, states that the SEPA ordinance requires an EIS to include, "where appropriate, a summary of existing plans...applicable to the proposal, and how the proposal is consistent and inconsistent with them." In section 3.10.2.3 and 3.10.3.3, the DEIS looks at "Consistency with Seattle Center Century 21 Master Plan" for Alternatives 4 and 5, the KeyArena and Memorial Stadium sites. But, the DEIS does not analyze either Alternative 2 or 3 for consistency with the Seattle Center Century 21 Master Plan.

3. The DEIS Should Consider the Impacts of Alternatives 2 and 3 on the Century 21 Master Plan.

Given that the Section 3.11 acknowledges significant ongoing lost revenue to Seattle Center as a result of Alternatives 2 and 3, and given that the Seattle Center Century 21 Master Plan is identified within the body of the DEIS as part of the analyzed regulatory framework, SEPA requires that any negative impacts from Alternatives 2 and 3 on the Seattle Center Century 21 Master Plan should be analyzed and disclosed. We ask that a section on "Inconsistency with Seattle Center Century 21 Master Plan" be included for Alternatives 2 and 3 as part of the DEIS.

City of Seattle
Mike McGinn, Mayor

Seattle Center
Robert Nellams, Director

ARTS
Book-It Repertory Theatre
KCIS 9
Pacific Northwest Ballet
Pottery Northwest
Seattle Children's Theatre
Seattle Opera
Seattle Repertory Theatre
Seattle Shakespeare Company
SIFF Film Center
Teatro ZinZanni
Theatre Puget Sound
The Vera Project

ATTRACTIONS / VENUES
Armory
Bill & Melinda Gates Foundation
Visitor Center
Chihuly Garden and Glass
Cornish Playhouse
EMP Museum
International Fountain
KeyArena
Marion Oliver McCaw Hall
Pacific Science Center
Seattle Center Monorail
Seattle Center Skatpark
Seattle Children's Museum
Space Needle

EDUCATION
Academy of Interactive
Entertainment
The Center School
Cornish College of the Arts

FESTIVALS
Bite of Seattle
Bumbershoot
Northwest Folklife Festival
Seattle PrideFest

SEATTLE CENTER PROGRAMS
Concerts at the Mural
Fest! Cultural Festivals
Movies at the Mural
Naturalization Ceremony
Student Showcases
TeenFix
Whirligig
Winterfest

SPORTS
Seattle Storm (WNBA)
Seattle University Men's
Basketball (NCAA Division I)
Rat City Rollergirls

Accommodations for people with disabilities provided on request

Seattle Center

1. Comments noted.
2. The Seattle Center Century 21 Master Plan is a plan setting the context and direction for the future of Seattle Center. There are no plan elements that pertain to properties outside of the Seattle Center. Potential economic impacts to Seattle Center from the development of a new Arena are discussed in the Economic Impact Report included as Appendix F to the EIS.
3. The Seattle Center Century 21 Master Plan is a plan setting the context and direction for the future of Seattle Center. There are no plan elements that pertain to properties outside of the Seattle Center. Potential economic impacts to Seattle Center from the development of a new Arena are discussed in the Economic Impact Report included as Appendix F to the EIS.



Before elected officials of Seattle vote to invest \$200 million public dollars in the new Arena, the public is owed an analysis of the financial hardship this new venture may impose on the future of Seattle Center, a publicly owned cultural and entertainment center where over \$750 million in capital funding, \$250 million of which is City funding, has been invested since 1990.

Specifically, if KeyArena, as the commercial engine of the Center, is stripped of its financially lucrative events, how much more General Fund support will need to be added to Seattle Center's annual budget to replace that lost revenue? In addition to filling that revenue hole, what kind of additional subsidy will be required to keep KeyArena viable as a community asset if the commercial clients move to the new publicly-subsidized arena? Please address the possible impacts that might be anticipated, not only to the KeyArena Zone, as defined in the Master Plan, but also to the Theatre District and Center of the Center Zones, which may suffer from relocated sports, entertainment, food and beverage and lost parking revenue as defined by the "Substitution Impacts Level I, II and III," in section 3.11.

Sincerely,

Seattle Center Advisory Commission

cc: Seattle City Councilmembers
Robert Nellams, Director, Seattle Center

4. Potential economic impacts to Seattle Center from the development of a new Arena are discussed in the Economic Impact Report included as Appendix F to the EIS.
5. Potential economic impacts to Seattle Center from the development of a new Arena are discussed in the Economic Impact Report included as Appendix F to the EIS.

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WEST SEATTLE BIKE CONNECTIONS

West Seattle Bike Connections

28 September 2013

TO: City of Seattle
Department of Planning and Development
Attn: John Shaw, Senior Transportation Planner
700 Fifth Avenue, Suite 2000
PO Box 34019
Seattle, Washington 98124-4019
John.Shaw@seattle.gov

FROM: Don Brubeck
West Seattle Bike Connections
5730 SW Admiral Way
Seattle, WA 98116
wsbikeconnections@gmail.com

SUBJECT: **DEIS Comments**
Seattle Arena Project
1700 1st Avenue South
DPD Application Number: 3014195

These comments are on behalf of West Seattle Bike Connections. We are a community organization to provide advocacy and assistance for those traveling by bicycle to, from, and around West Seattle. Our goals include making cycling a safer, efficient and attractive option for travel to downtown and for destinations in and beyond West Seattle neighborhoods.

We submitted comments on the EIS scoping. We appreciate the opportunity to comment. Unfortunately, although issues we raised have been given lip service in the DEIS, they have not been addressed in substantive ways. The final EIS should be revised to respond to the City's and the region's goals for transportation, air quality, climate change and land use.

Transportation

The SODO arena alternatives would impact auto, bus, bike, pedestrian, truck and rail traffic through the Port of Seattle Seaport and the Duwamish Manufacturing and Industrial Center. This concerns residents and businesses in West Seattle because it would impact our connections to SODO, downtown and the rest of the city. It particularly concerns people commuting by bicycle, because the only feasible routes to downtown and points east and north of downtown are along the streets that the proposed arena location in SODO would most impact.

1. Comment noted. Bicycle amenities would be provided within the Arena. Modes splits associated with the Arena are based on sporting event attendee survey information documented in Appendix M 1a (DEIS January 1998) of the Football / Soccer Stadium EIS. Since these surveys, bicycle use throughout the region has increased and the resulting vehicular trip generation provides a conservative estimate of vehicular traffic impacts.

Appendix E of the FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects (Section 4.0 of Appendix E). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The project also will be subject to a comprehensive Transportation Management Plan (TMP) that includes demand reduction strategies, performance targets, and pre/post event traffic control requirements.

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On the other hand, if the project impacts are considered thoughtfully, there are opportunities to mitigate vehicle traffic and freight mobility impacts by making street improvements that would encourage use of bikes instead of cars. More bikes means less cars. Less cars means faster truck traffic and less frustration with traffic jams and crowded, delayed buses.

Bike transportation to stadium and arena events is practical if safe routes and parking are available. One of our members bikes from West Seattle to 30 Mariners games a year.

The DEIS does not adequately address the impact on transportation, because its assumptions for modes of travel are out of line with current trends, desires, City and regional planning. Its proposed mitigation measures for the SODO site are illogical and impractical.

The City's *Comprehensive Plan* includes several transportation goals and policies (TG15, TG16 and T34) aimed at increasing walking and bicycling for transportation. Seattle's June 2013 final draft *Bicycle Master Plan Update* goals include:

- Increase the amount and mode share of bicycle riding in Seattle for all trip purposes
- Improve safety for bicycle riders
- A bicycle network that connects to places that people want to go, and provides for a time-efficient travel option

The Puget Sound Regional Council (PSRC) is the agency responsible for the regional component of our state's transportation planning. PSRC's *Destination 2030* is the Metropolitan Transportation Plan for the central Puget Sound region. It says:

"By the year 2030, **biking and walking could account for as much as 20 percent of all trips in the region.** Destination 2030 calls for creating a regionally integrated network of non-motorized facilities linking bicycle and pedestrian infrastructure within urban places, and connecting these facilities to regional transit services. Priority investments are those that complete the non-motorized system by filling gaps in the existing network, creating connections to, and improved circulation within, urban centers and high capacity station areas, and developing intermodal connections."

The DEIS for the proposed SODO arena location ignores the city and regional transportation plans in its assumptions and conclusions.

The DEIS makes extravagant assumptions for arena event travel by ferry and transit. It assumes that event goers will walk or take (unplanned and unfunded) shuttles from transit stops. The Colman Dock Ferry Terminal, the SODO and the International District Stations are at least a mile away, far longer than most people will walk. Accepted planning practice is that people are willing to walk ¼ to ½ mile from a transit station or bus stop. Only the Stadium light rail station is within ½ mile. The transportation calculations in the DEIS should be revised to use realistic walking distances.

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2. Section 3.8 and Appendix E of the FEIS both contain discussions of existing and proposed pedestrian and bicycle access to the SoDo site. See Section 2.3 Pedestrians and 2.4 Bicycle of Appendix E. Each mode of transportation (cars, transit, walking and bicycling) is discussed along with information on how many patrons may arrive on foot or bicycle. For pedestrians and bicyclists, routes between major transit hubs (such as Washington State Ferries Colman Dock and King Street Station) have been analyzed to identify existing deficiencies or issues that may diminish use (such as poor lighting or sidewalk width) and mitigation measures have been proposed for sidewalk improvements. Section 2.4 includes a discussions of existing bicycle facilities, future plans for new facilities, a collection of non-event and event data for bicycle use and an evaluation of potential bicycle impacts that may occur from an increase in volumes. The design includes the provision of bicycle racks.
3. Comment noted. Special event walking distances are typically greater than the general commute-related walking distances. These greater distances have been confirmed by field observations during events at Safeco and CenturyLink fields. It is also noted that the proposed event shuttles recommended for the TMP would provide an additional means to support use of these modes.

Seattle Arena DEIS Comments
West Seattle Bike Connections

28 September 2013

Seattle Center has a Walk Score* of 91, with well-served transit stops immediately outside the current arena doors. The proposed SODO site has a Walk Score of only 68. Under “outdoor places” in the vicinity, the only listing is “train track crossing”.

* from www.walkscore.com:

Bike transportation has been growing significantly as a percentage of all trips in Seattle over the past several years, with no slowing in sight. If the *Seattle Bike Master Plan Update* is approved by City Council and implemented over the next seven to ten years, bike transportation within Seattle could readily achieve the tripling of use goal of Seattle’s *Climate Action Plan* by 2017, and the 20 percent mode share aim of the PRSC *Destination 2030* plan.

Using bikes and pedicabs from station to arena would make it feasible to go to arena events by ferry, bus or train for many people. If safe bike routes were built from the International District, Stadium station, SODO station, and Colman Dock Ferry Terminal, with bike parking, arena patrons and workers could use train-bike, bus-bike and ferry-bike commutes to the arena. The bike portion of the trip would be less than 15 minutes. Pedicabs could use the same routes. That mitigation and those trips should be estimated and included in the DEIS transportation calculations.

Separated cycle tracks or paths on Alaskan Way, East Marginal Way, First Avenue and Railroad Avenue and connections to the Busway Trail at Lander and into downtown would reduce motor vehicle traffic impacts of a SODO arena. These could mitigate the increased traffic safety risks, at lower cost, lower air pollution, reduced water-pollution-generating paved surfaces, and less required right-of-way width than mitigation strategies that rely upon increasing in motor vehicle capacity.

One reason that some people give for not biking is that “Seattle has hills.” That is not the case for the terrain surrounding the SODO arena site. It is on filled tide flats, flatter than Kansas, and stays that way all the way to the nearest transit stations and ferry docks.

The EIS parking study should include a serious look at bicycle parking, not just a mention that there would be “bike racks”. It takes more than a few token bike racks on the sidewalk to make use of bikes practical. Bike parking takes space and cover, less than cars, but real space, None is presently included in the arena design schemes or suggested in the DEIS. .

The DEIS fails to propose mitigation measures that would require the arena project to assume its share of the work in making the mode switch from private auto to transit, bike and foot transportation.

4. Comment noted.
5. Comment noted. The 4 percent of attendees who travel via ferry were assumed to walk or bike to SoDo area events and included as pedestrians within the pedestrian analysis. To the extent that pedicabs (or shuttles) are implemented as recommended for inclusion in the TMP, non-auto mode split could be higher than identified in the FEIS for analysis purposes
6. Comment noted. Transportation mitigation measures identified in the FEIS are focused on pedestrian improvements, using the existing transportation system more efficiently, and reducing vehicle trips through TMP measures, not on increases in motor vehicle capacity.
7. Comment noted.
8. Comment noted. The proposed Arena would include a bicycle valet as well as bicycle racks for 135 bicycles outside the facility.
9. The FEIS outlines specific mitigation measures intended to mitigate the impacts of the projects including the provision of a Transportation Management Plan (TMP) (Section 4.0 of Appendix E). This includes specific improvements to be constructed by the applicant as well as pro-rata contributions to regional improvement projects including ITS Next Generation improvements and the planned Lander Street grade separation. The mitigation section also identified specific improvements to pedestrian facilities including the construction of a pedestrian overpass over the rail yard and tracks on Holgate Street and/or shuttles to connect to transit service.

Air Quality

The DEIS does not adequately address impacts to air quality from the completed project due to added traffic congestion.

Construction and operation of the arena alternatives 2 and 3 in SODO would add to air pollution in one of the worst areas in the region for air quality.

The DEIS fails to recognize the impact of the arena project upon the region's compliance with the Federal Clean Air Act and the Clean Air Washington Act in meeting the Puget Sound Regional Council's *Destination 2030* transportation plan. The DEIS also fails to realistically address the City's *Climate Action Plan*.

Seattle adopted its *Climate Action Plan* this year. The DEIS does not compare the impact of the arena alternatives against the goals of the *Climate Action Plan* to reduce reliance on vehicle miles traveled by 20 percent by 2030, and greenhouse gas emissions per vehicle mile by 75 percent by 2030.

The EIS should connect the dots between air quality; a transportation mode switch to bicycles, pedicabs, and transit; and appropriate mitigation measures to facilitate that mode switch.

The EIS should study improvements in bike routes through the area as a way to mitigate the air pollution and greenhouse gas emissions impacts. If bike routes from south and southwest Seattle through SODO to downtown were improved by separation from high traffic streets and major truck streets like East Marginal and Alaskan Way, a much larger percentage of commuters to and from those areas could be induced to ride bikes instead of drive cars on these routes, reducing their vehicle emissions to zero.

Seattle's *Climate Action Plan* anticipates tripling the amount of bicycle use from 2007 levels by 2017. The DEIS does not include any recommendations that the arena project assume its share of the burden to provide the physically separated bike lanes, off-street bike parking, intersection improvement for cycling, and other strategies that the *Climate Action Plan* relies upon for achieving its goals. It should.

Land and Shoreline Use

The DEIS does not adequately consider the land use impacts of permitting a third huge sports event facility at the far south end of the stadium overlay district. The DEIS ignores the inevitable pressure to convert land outside the overlay district to non-industrial use.

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10. As noted in the introduction to the Air Quality Section (3.2.1.1), in the urban areas of Puget Sound, motor vehicles are the largest source of air emissions. Over the last two decades, many pollutant levels have declined and air quality has generally improved.

Operational impacts under the Proposed Project would be attributable to vehicular traffic during events. Event traffic would primarily emit CO, precursors of ozone, particulate matter, and GHGs from vehicles. Highest event emissions would likely occur during a weekday peak hour with additional traffic arriving at the Arena. The Proposed Project would include traffic mitigation to reduce volumes and congestion, and to encourage transit use, which would reduce traffic emissions of air pollutants during events. See Section 3.8 Transportation.

11. Comment noted. As stated in the DEIS (p. 3.10-1), an EIS is to include a "summary" of existing land use regulations and plans and the extent to which a proposal may be consistent or inconsistent with them, "as appropriate." RCW 36.70B.030.

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The SODO location is a concern regionally. An arena could be located anywhere convenient for transportation. The deep water Port of Seattle cannot be relocated. Our regional economy depends upon this port, and the port depends upon the rail yards and industrial land surrounding it. This obvious linkage is ignored by the DEIS. The negative consequences for our trade-dependent economy could far outweigh the economic benefit of a sports arena.

Impacts are likely to include:

- Economic and social impacts from displacement of shipping and industrial uses on this site and in surrounding areas.
- Loss of high paying manufacturing and shipping jobs within the City. The jobs created by the arena project would be low-wage part-time service jobs that could be at any location. The port and industrial jobs can only be provided in the port and industrially zoned land.
- Permanent loss of industrial land with ship, rail and truck route access. This zoning and land use cannot be replaced within the city limits. The presence of the arena will put pressure on surrounding blocks for conversion from industrial to tourist service uses, and the traffic impacts will also put pressure on shipping companies and industries to leave the City of Seattle if access becomes too difficult.

Many of us depend upon these jobs for our livelihood. All of us depend upon the Port and the Duwamish industrial lands for our economy and all that we use every day.

Thank you for the opportunity to comment.

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12. Potential impacts to the Port of Seattle and to freight mobility are discussed Appendix F Economic Impact Analysis of the FEIS.

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13. See Common Response #12 Gentrification. Case studies in the Pro Forma Economic Impact Analysis (Appendix F of the EIS), such as Philadelphia, show that sports zones and industrial areas can function side by side. The location of sports facilities in an area does not necessarily result in the displacement of shipping and industrial uses.

The arena may influence properties in the immediate blocks of the arena, but Pro Forma believes this will be contained within the Stadium Overlay District based on current and planned City of Seattle zoning restrictions to protect industrial lands.

As described in the Economic Impact Analysis, if access becomes too difficult, traffic impacts can impact port businesses, but as shown by the transportation analysis contained in Appendix E of the EIS, only a limited amount of port truck trips are projected to be impacted. The Economic Impact Analysis includes an analysis of the direct costs of these impacts.

Hearings

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Hearing 1

Seattle Arena Environmental Impact Statement Scoping Meeting

September 10, 2013

Verbatim Record of Proceedings



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SEATTLE ARENA
ENVIRONMENTAL IMPACT STATEMENT (EIS) SCOPING MEETING

VERBATIM RECORD OF PROCEEDINGS

September 10, 2013

Seattle, Washington

Byers & Anderson, Inc.

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Serving Washington's Legal Community since 1980

**Seattle Arena Environmental Impact Statement Scoping Meeting
September 10, 2013**

1 APPEARANCES

2 Meeting Facilitator:

3 John Shaw, Senior Transportation Planner
4 Department of Planning and Development
5 700 Fifth Avenue, Suite 2000
6 Seattle, WA 98101
7 206.684.5837
8 206.233.7902 Fax
9 John.Shaw@seattle.gov

7 For URS Corporation:

8 Katy Chaney, Vice President and Business Line
9 Manager Transportation and Power
10 1501 Fourth Avenue, Suite 1400
11 Seattle, WA 98101
12 206.438.2061
13 866.489.8791 Fax
14 Katy.chaney@urs.com

13 Public Comments:

14 Michael Merritt
15 Kristopher Brannon
16 Paula Revere

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1 BE IT REMEMBERED that on Tuesday,
2 September 13, 2013, at 600 Fourth Avenue, Bertha Knight
3 Landes Room, Seattle, Washington, at 6:00 p.m., before DIANE
4 M. CULLIVAN, CCR, RPR;

5 WHEREUPON, the following proceedings were
6 had, to wit:

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8 <<<< >>>>
9

10 MR. SHAW: It's a few minutes after six.
11 I want to respect everybody's time and thanks for
12 coming out on this beautiful evening.

13 Tonight's meeting is to take public comment on the
14 Seattle Arena Draft Environmental Impact Statement.
15 I'm John Shaw with the Department of Planning and
16 Development. I'm going to speak just for a couple
17 minutes to make sure everybody understands the purpose
18 of tonight's meeting, and the rest of the meeting is
19 for whomever would like to make public comments on the
20 EIS.

21 The Draft EIS was released for the Seattle Arena
22 was released on August 15th. There is a 45-day comment
23 period, which ends on September 3rd.

24 The project description is on a couple of handouts
25 on the table near the entrance. If folks have had a

1 chance to pick those up, you're aware of the project.
2 I'll just go over it briefly.

3 DPD is evaluating a proposal for the future
4 construction of an approximately 750,000 square foot,
5 20,000 seat spectator sports facility called the
6 Seattle Arena. The site -- the address for the site is
7 1700 First Avenue South. The Seattle Arena will become
8 the home arena for professional NBA basketball team and
9 professional NHL hockey team.

10 The project includes demolition of eight existing
11 structures of approximately 128,000 square feet, and
12 grading will be associated with the construction. The
13 proposal also includes a street vacation of a portion
14 of Occidental Avenue South between South Holgate Street
15 and South Massachusetts Street. Attending parking for
16 the facility is proposed to be provided by commercial
17 parking lots off the site.

18 The Draft EIS has analyzed the environmental
19 impacts of four build alternatives. The proposed
20 project, a somewhat smaller project on the space site
21 that would be 18,000 seats, a new arena on the site of
22 the Key Arena at Seattle Center, and a new arena on the
23 site of Memorial Stadium adjacent to Seattle Center.

24 As required by SEPA, the impacts of each of these
25 alternatives are compared to the impacts of a no-action

1 alternative, which assumes no new arena.

2 The purpose of tonight's meeting is to receive
3 your comments on the Draft EIS. Comment sheets are
4 available at the table near the front. Comments can be
5 provided verbally tonight or in writing. There will be
6 another arena public hearing with an opportunity for
7 comment which will be Thursday, September 19 at Seattle
8 Center. That will be in the Fidalgo Room, which is one
9 of the northwest rooms near Key Arena. And, like
10 tonight's meeting, it will start at 6 o'clock.

11 For those of you interested in the design and
12 architectural features of the proposed arena, the
13 design review recommendation meeting for the project
14 will be held one week from today, Tuesday,
15 September 17th. That meeting will start at 5:30 p.m.
16 in Room 4050 in the Seattle Municipal Tower, kitty
17 corner across the street from here. The address is 700
18 5th Avenue.

19 Are there any questions related to this meeting or
20 the comment process before we get started?

21 Okay. I'll call by name anybody who has signed up
22 on the speaker sheet. If you could state your name
23 before you give your comments, we have a court reporter
24 here who will produce a transcript of tonight's
25 meeting, and it will helpful to her to have your name.

1 Okay. Two folks have signed up to speak. First,
2 Mike Merritt.

3 MR. MERRITT: Good evening. Is this on?

4 Good so to see so many old friends again. I'm
5 Mike Merritt with the Port of Seattle, and I have a few
6 preliminary comments about our thoughts about the Draft
7 Environmental Impact Statement.

8 First of all, I'd like to repeat the Port of
9 Seattle's support of the return of professional
10 basketball and, potentially, hockey to Seattle and the
11 region, but we remain concerned about locating an
12 additional arena in SoDo.

13 We don't see the need to rush forward with the
14 decision on the arena since the developer as yet has no
15 firm prospect of securing a team.

16 We are reviewing the city's Environmental Impact
17 Statement, including new arena traffic impacts and
18 potential for job losses to businesses in SoDo. A full
19 response will take time, but we do have preliminary
20 comments and concerns.

21 First of all, the lack of what we think is a full
22 analysis of the potential alternative sites. The
23 review of other potential sites clearly fails to
24 provide the information the public and the City Council
25 needs before they can move forward on this project.

1

2

1. Comment noted. See detailed comments from the Port of Seattle and detailed responses included in "Agency" comments.
2. See Common Response #1 Public vs Private Projects; Range of Alternatives

1 Sites outside the City of Seattle should have been
2 considered, which the EIS failed to do. While the
3 zoning may allow this in SoDo, a direct induced impact
4 to the proposed arena will result in new costs and
5 obligations for the public. It will create conflicts
6 for the Port and related businesses. If we look fully
7 at the full range of impacts, a site elsewhere could
8 have fewer impacts and end up less expensive.

9 Regarding mitigation, we've seen discussion or
10 references to transportation concerns, but the report
11 does not quantify the impacts, and the mitigation does
12 not resolve these issues. Funding for impacts has not
13 been adequately identified to prevent job losses at
14 existing businesses.

15 I'll note that the economic impact analysis itself
16 states, to the extent that higher trucking costs can
17 reduce trucking reliability adversely affect customer
18 and carrier perceptions, the Port's competitive
19 position could be diminished, and the threat of carrier
20 and cargo diversion increase. We don't think the
21 economic analysis impact of the Port fairly represents
22 the true impacts on the port.

23 We think we've identified already that a number of
24 freight mobility and safety improvements will be
25 necessary as a result of the arena. It could cause

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Cont.

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3. See Common Response #6 Mitigation Measures - Traffic
4. Comments noted. Impacts to freight mobility have been updated. See Appendix F Economic Impact Analysis.
5. Comment noted.

1 significant sums that are not budgeted today, including
2 new highway access, east-west truck and pedestrian
3 overpasses, priority for truck streets and truck
4 operations before, during and after games.

5 Safety is another major concern. We note -- we've
6 continually noted on many occasions that the Holgate
7 Street crossing of many rail tracks does create a
8 potential safety concern that must be addressed as the
9 project moves forward.

10 Again, we want to reiterate our concern about the
11 street vacation of Occidental, which will further
12 reduce capacity, street capacity, in an already
13 congested area.

14 As I said, we will have a fuller comment later on.
15 Thanks very much.

16 MR. SHAW: Thank you, Mr. Merritt.

17 Our next speaker is Kris Brannon.

18 MR. BRANNON: Thank you for allowing me
19 to have the opportunity to speak. My name is Kris
20 Brannon. People also call me the Sonics Guy. I go
21 around to numerous events, political, sports,
22 otherwise, advocate for the return of NBA basketball
23 back to the city of Seattle.

24 I'd like to say for the record that I'm glad that
25 the Port of Seattle is also on board with bringing NBA

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Cont.

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6. See Common Response #7 Mitigation Measures – Pedestrian Access
7. Comment noted.
8. Comments noted.

1 basketball and NHL hockey to the City of Seattle. I
2 know that they've expressed some concerns.

3 Some of the things I'd like to talk about just EIS
4 wise is Mr. Hanson has played by the rules. The
5 stadiums are supposed to be built in that district, and
6 he is following the ordinance of the city in doing
7 such. Through the -- through the memo of
8 understanding, he shifted money to traffic improvements
9 in the areas specifically to address some of the issues
10 the Port has brought up.

11 I'd also like to say that right now, if it was a
12 full Mariner stadium, which is a big if, over 40,000
13 people would be there on a given game day. If we had
14 -- we're probably going to have the game of the year on
15 Sunday when the Seahawks are going to play the San
16 Francisco 49ers, and there's going to be over 80,000
17 people downtown in that corridor. The stadium seats
18 about 69, but there's going to be a lot of other people
19 there just hanging out, enjoying the environment in a
20 playoff-like atmosphere. I haven't heard the Port
21 issue a statement about how this foot traffic and all
22 these people are going to be detrimental to them.

23 I just want to say that when the arena is fully
24 built, and -- hockey and basketball aren't going to
25 play on the same day, and they obviously can not play

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Cont.

1 at the same time. So, at most, there would be 28,000
2 people added to the core in the stadium district, which
3 is half of what a full Mariner stadium would be, and
4 about a quarter of what a full Seahawks stadium would
5 be.

6 So I don't see -- I don't see there being a
7 problem in a accommodating an arena in the SoDo
8 District and bringing NBA basketball and NHL hockey
9 back to the city of Seattle.

10 I thank you for your time. Thank you.

11 MR. SHAW: Thank you, Mr. Brannon.

12 Would anybody else like to offer any public
13 comments this evening?

14 MS. REVERE: I do. I'm sorry. I wasn't
15 prepared.

16 MR. SHAW: That's fine.

17 MS. REVERE: Where do I go? I'll stand
18 here. Oh, okay.

19 MR. SHAW: You do need a microphone.

20 MS. REVERE: Okay. I have to do this
21 from memory because it'll take me too long to fish --

22 MR. SHAW: Please state your name.

23 MS. REVERE: Paula Revere.

24 The reason I'm here is I wanted to bring some
25 information to the city that wouldn't be available by

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Cont.

9. Comments noted.

1 any other means. There's an act in the United States
2 called the Logan Act, and it prevents anybody from
3 being able to have a private group or round table
4 influence the United States. And that was done to kind
5 of augment the Constitution, which is we the people.

6 The purpose of it was to prevent the Committee of
7 300, the Bilateral Commission, the Club of Rome, and
8 all of these compartmentalized organizations that have
9 been used to monopolize the planet from monopolizing
10 us. But it didn't work. They're still operating in
11 secret. Even when they're out in the open, no one does
12 anything about it.

13 In 1997, there was a law -- in Congress, there was
14 a proposition made called NASCO, and this was after
15 NAFTA. The purpose of it was to destroy our -- and
16 combine Canada, Mexico and the United States to make
17 one continent, like it did with the European Union, the
18 purpose of which is to destroy the Constitution.

19 Anyway, the guise that it came in was I-35 going
20 from Canada to the port, bypass the coast, destroy
21 longshoreman jobs, destroy our economies on the West
22 Coast, which have the strongest constitutions, and
23 bring all, you know, the poor, desperate people into
24 the labor force, abuse and use them up and down this
25 corridor and make Mexico the port.

9
Cont.

1 So as a result of this, Congress was, like, they
2 didn't like that. They voted against it. However, all
3 the foundations, all the private family, all the groups
4 that are actually descendants of the Divine Riders that
5 George Washington fought against, are, basically --
6 they, basically, just went ahead with it.

7 In the final stages between 2007 and now, they're
8 actually doing eminent domain like crazy all over this
9 corridor. We're just going to have trains, all kinds
10 of stuff, secretly kind of compartmentalize the arena.

11 It looks like traffic and all that stuff, but
12 there's another part about the arena that you need to
13 know, and that is that all of the arenas are part of
14 the empire that we left. It's Roman bread and circus.
15 And out of the ashes of George Washington, Celtic
16 Anglo-Saxon Republic is rising, the empire that --
17 they're basically reconquering us using the banking
18 system, which is supposed to be ours. But the Central
19 Bank, private bankers are still at it as a result of
20 the 1913 Federal Reserve Act, which was a coup.

21 And the reason this is important is that -- and I
22 really appreciate being able to get this out because no
23 one ever lets me tell anybody any of these facts. And
24 I do have facts. And I have mountains of information
25 that Google doesn't have, and they tried to destroy

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Cont.

1 Yahoo when I was trying to bring this evidence to the
2 fore, so the way they did it was Microsoft hired three
3 of their key people away and started to disappear all
4 the evidence. So what I did is I printed off as much
5 as I can, and I've been a target ever since.

6 So, basically, what you have is all the
7 foundations building an empire out of the ashes of our
8 country. And it started right here with the Bell
9 Street fire and out of it rose the federal building
10 with the address of 915.

11 And I was blackmailed for three years not to go
12 out without someone else taking me because they didn't
13 trust me with the evidence, and they didn't let me out
14 until September 15, 2010.

15 So I have massive amounts of evidence. But the
16 primary thing is it's Roman canon law, and it stands
17 against ancient codified civil law, which was from
18 Ireland, that during the Battle of the Groin created
19 the Declaration of Rights, got rid of the Catholic King
20 James, who was a dictator, brought in King William of
21 Orange. As a result of that Declaration of Rights, it
22 became part of our Constitution and our beautiful
23 American Revolution.

24 And if you notice, there's not a picture of George
25 Washington anywhere except on a flag. There's no

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Cont.

1 pictures of the Constitution. There's nothing because
2 they want it out of your memory. They took Lincoln
3 away. They took everybody away and merged them to
4 President's Day and very softly, very deceitfully have
5 taken it away.

6 And they've done medical harm. They do all the
7 diabetes and all the disabilities, and they're
8 basically doing a medical, financial, educational
9 inquisition.

10 So the arena, the reason it's so important is that
11 the real reason Schulman sold the team is because I
12 discovered what they were doing in 2007. Number one,
13 you can't own people. Sports teams are illegal and
14 against the Constitution. Number two, they're using
15 Roman canon law, which is to be -- reverse the
16 Constitution of the United States and to reverse the
17 Protestant Reformation, which is freedom of conscious
18 speech, religion and press.

19 By doing so, they're basically taking away and
20 putting in place a pyramid, which is Roman canon law
21 and corporate law, as a Trojan horse. So instead of
22 being a citizen with freedom, you're now an employee
23 slave with a job.

24 And they had it very specific. We were citizen
25 soldiers. We were supposed to guard that Constitution.

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Cont.

1 Now, we're given phony credit scores, and now they're
2 scoring our country.

3 The arena -- they got rid of all that, and they
4 let everybody focus on the Storm because they can
5 control people's schedules that are kind of key in the
6 story. Then as a result, the -- they could bring this
7 arena thing to the fore, and they could take the mayor
8 and the executive and occupy them very forcefully
9 during very key times when I was trying to get their
10 attention. And then also -- then they could occupy the
11 council's time when I was trying to get the attention.

12 I've had three years of police help. Prior to
13 that, I had three years of trying to get police help.
14 No one has any of the evidence. No one is ever going
15 to know the truth.

16 And the arena -- basically, sports teams should be
17 run by themselves. If we enforce the Constitution,
18 they should be run by themselves, not the Knights of
19 Malta where they have a club. And they shouldn't be
20 able to tell these human beings what to do with their
21 bodies, et cetera. That's the first part. That's just
22 the slavery part.

23 The second part --

24 MR. SHAW: Thank you very much. We do
25 need to make sure there is enough time for people who

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Cont.

10. Comments noted.

1 are waiting --
2 MS. REVERE: I thought I was the last
3 one.
4 MR. SHAW: I'm not sure.
5 MS. REVERE: Can I tell you one other
6 thing?
7 MR. SHAW: Make it brief. Yes.
8 MS. REVERE: With the destruction of the
9 longshoremen and the -- I mean, basically, in very slow
10 motion this is all happening because -- I haven't been
11 able to get all of these facts out, but, basically, we
12 can have all of these things if we run our own banking
13 system, and we can -- are very creative people, can,
14 maybe, have husband-wife teams, and they can have
15 Medicare with 50 percent cost rather than 30 percent
16 cost to, you know, private insurance. And we would
17 eliminate all this Trojan horse, CEO style, and
18 everyone would be elected. So you have a board elected
19 on each business, et cetera. All we need to do is use
20 our state power.
21 And as far as if there's going to be an arena,
22 there's -- there's all kind of game playing with
23 layers, but it's control of the people's time. It's to
24 keep them all occupied. It's much better. And there's
25 actually technology they're using on the

10

1 electromagnetic grid, believe it or not, that they use
2 in the stadiums to make people very fan oriented, so
3 you become more a voyeur rather than a thinker.

4 So thank you for your time.

5 MR. SHAW: Thank you very much.

6 Is there anyone else who would like to offer a
7 public comment? Yes.

8 Please state your name.

9 MR. TORRANCE: My name is John Torrance,
10 807 Lake Street South in Kirkland, Washington.

11 A couple of comments on the Port of Seattle. In
12 talking about the arena, the alternative sites that --
13 at the Seattle Center in the last several years, the
14 parking around the Seattle Center has been largely
15 built out by condominiums and apartments and more is
16 going on all the time. So that's becoming less and
17 less of a parking unit situation.

18 Light rail does not service the area, only the
19 monorail. Monorail has the capacity of around -- well,
20 around 1,500 people per hour. So that's, I don't
21 think, a big solution.

22 The envelope of the Key Arena is too small for a
23 new building. It would be a tight fit in the high
24 school stadium site. It probably would be opposed by
25 the Gates Foundation and Seattle Center Master Plan.

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Cont.

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11. Comments noted.

1 Concerning the Port of the Seattle and their
2 continuing objections to the arena, a new arena is
3 going to draw between 1.6 when it's mature, after about
4 five years, 1.6 to 2 million people and more. About
5 60 percent of those people will come from outside of
6 Seattle. So that's tax revenue, tourist attraction
7 money that wouldn't normally be coming here.

8 In the case of Terminals 46 and 30, neither one of
9 them are served by rail. The competing ports of -- of
10 Port Metro Vancouver and Prince Rupert have very modern
11 facilities. With a merger of the Canadian National
12 Railroad, which went private in the late '90s with the
13 Illinois Central, that provides a faster service to the
14 Chicago and middle west area than we have. It's slide
15 free compared to the Seattle-Everett Corridor, which
16 was -- had several problems in products arriving on
17 time for the Christmas rush in the middle west.

18 So the situation was made not to put rail in those
19 terminals. Meanwhile, 75 percent that comes in to
20 Terminal 46 goes to the center part of the country. So
21 maybe the Port should be looking at alternative uses
22 for that terminal, which several people agree with me.
23 We proposed, actually, an arena on the terminal, along
24 with a convention center and return of the cruise ships
25 to Downtown Seattle, which I know is in the record

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Cont.

1 somewhere. Never made it into EIS.

2 That's the only comments I have. Thank you.

3 MR. SHAW: Thank you very much.

4 Is there anybody else who would like to offer any
5 comments tonight?

6 If not, I just want to remind folks we are taking
7 comments through September 30. There are comment forms
8 on the table over there, and if anybody would like to
9 attend next week's public hearing, again, it's
10 Thursday, September 19 at Seattle Center, 6:00 p.m.
11 Thank you very much.

12 (Seattle Arena EIS Scoping
13 Meeting concluded at
14 6:30 p.m.)

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Cont.

1 STATE OF WASHINGTON) I, Diane M. Cullivan, CCR, RPR,
2 County of King) ss CCR # 3215, a certified court
3 reporter in the State of
Washington, do hereby certify:

4 That the foregoing SEATTLE ARENA ENVIRONMENTAL
5 IMPACT STATEMENT (EIS) MEETING was taken before me and
6 completed on September 10, 2013, and thereafter was
transcribed under my direction;

7 That I am not a relative, employee, attorney or
8 counsel of any party to this action or relative or employee
9 of any such attorney or counsel and that I am not
financially interested in the said action or the outcome
thereof;

10 That I am herewith securely sealing the said
11 transcript and promptly delivering the same to Attorney
12 Jessica M. Clawson.

13 
14 Diane M. Cullivan, CCR, RPR
15 Certified Court Reporter, No. 3215.



Hearing 2

Seattle Arena Environmental Impact Statement (EIS) Scoping Meeting

September 19, 2013

Verbatim Record of Proceedings



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**Seattle Arena Environmental Impact Statement (EIS) Scoping Meeting
September 19, 2013**

1 APPEARANCES

2 Meeting Facilitator:

3 John Shaw
4 Senior Transportation Planner
5 Department of Planning and Development
6 City of Seattle

7 Public Comments:

8 Brian Robinson
9 Joseph Chong
10 Bill Block
11 Peter Goldman
12 Kris Brannon
13 Tres Gallant
14 Walt Tabler
15 Kenan Block
16 Jordan Royer
17 Randy Hedington
18 Mike Elliott
19 John Niles
20 Donovan McBride
21 Richard T. Davidson-Jenkins
22 Randy Cerg
23 Paul McGill
24 John Rider
25 Brad Herman
Cathy Allen
Connie Lyons
Justin Hirsch
Ralph Morton
Josh Turgeon
Scott Martinez
Doug Aamodt
Dave Gering
Herb Krohn
Jeremy Ward
Taro Suyematsu
Paula Riviere
Charley Shore
Rob Eaton

1 BE IT REMEMBERED that on Thursday,
2 September 19, 2013, at 305 Harrison Street, Fidalgo
3 Room, Seattle, Washington, at 6:01 p.m., the
4 following proceedings were had, to wit:

5
6 <<<<< >>>>>

7
8 MR. SHAW: Good evening. I'd like
9 to thank you all for coming out to tonight's public
10 hearing on the Seattle Arena. My name is John Shaw.
11 I'm with the Department of Planning and Development,
12 and tonight's public hearing is to take public
13 comments on the Draft Environmental Impact Statement
14 for the Seattle Arena.

15 The draft EIS was released on August 15th.
16 There's a 45-day comment period which closes on
17 September 30th, a week from Monday. There's a
18 description of the project in the handout on the
19 table in the back that most of you have probably seen
20 since you've come in, but I'll just go through the --
21 the project description briefly so everybody's aware
22 of what's proposed.

23 The DPD is evaluating a proposal for the future
24 construction of an approximately 750,000 square foot,
25 20,000-seat spectator sports facility called the

1 Seattle Arena. The address of the site is 1700 First
2 Avenue South. The Seattle Arena would become the
3 home arena to a professional NBA basketball team and
4 a professional NHL hockey team.

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6 structures of approximately 128,000 square feet and
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10 Holgate Street and South Massachusetts Street.
11 Attendee parking for the facility is proposed to be
12 provided by commercial parking lots off of the site.

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14 analyzed the environmental impacts of four build
15 alternatives, the proposed project, the description
16 that I just read.

17 The somewhat smaller project on the same site
18 would have 18,000 seats, a new arena on the site of
19 Key Arena at Seattle Center, and a new arena on the
20 site of Memorial Stadium adjacent to Seattle Center.

21 As required by SEPA, the impacts of each
22 alternative are compared to the impacts of a no
23 action alternative which assumes no new arena.

24 The purpose of tonight's meeting is to receive
25 your comments on the draft EIS. There are comment

1 sheets available at the table in back. Comments can
2 be provided verbally tonight or in writing. You're
3 welcome to send comments in to the Department of
4 Planning and Development up through September 30th.

5 Given the large number of folks that have signed
6 up to speak tonight, please limit your comments to
7 two minutes. Certainly we accept written comments
8 tonight if you have any, and, again, if you have
9 other thoughts or wish to make comments after you
10 leave the meeting, you have until September 30th to
11 do that.

12 Are there any questions related to this meeting
13 or the comment process before we begin?

14 That's good.

15 Okay. I'll get the list of commenters in just a
16 second. Please come up here to the microphone when I
17 call your name. What I can try to do is the call the
18 next three speakers so folks are ready and can
19 anticipate that your turn is coming. And please
20 state your name before your comments because we have
21 a court reporter who will produce a transcript of
22 tonight's meeting. We'll also give you a signal when
23 there are about 30 seconds left because I know two
24 minutes could go pretty quickly. I want to make sure
25 people have a chance to get their main points across.

1 Any questions?

2 Great. Again, thanks for coming -- thank you all
3 for coming out.

4 The first three speakers: Brian Robinson, Joseph
5 Chong, and Bill Block.

6 BRIAN ROBINSON: Thank you. My
7 name is Brian Robinson, and I am formerly the
8 president of ArenaSolution.org. I have testified in
9 favor of this arena on many occasions. And I
10 anticipate today we're going to hear a lot of
11 commentary about traffic impact and the absolute
12 unavoidability of the shutdown of Port of Seattle.

13 I want to say that -- that we've had this debate.
14 This is no longer a rush-through project that's
15 happened in a mere matter of months. For more than
16 seven months every member of our local government was
17 presented with an argument by the ILWU and the Port
18 of Seattle about traffic impact that would be had
19 here. The city attorney, the county executive, the
20 mayor, both the city and county council have both
21 looked -- are involved, looked at those arguments,
22 and determined this project should move forward to
23 the EIS phase where we'll be addressing
24 construction-related issue and matters of design.

25 So as these comments come forward, I ask you to

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1. Comments noted.

1 please consider that and also consider that we still
2 to this day, a year and nine months later, after the
3 project was presented, have no new traffic counts,
4 have no new factual data to support those claims.
5 And I think that's the reason, frankly, they've been
6 dismissed in hand.

7 So I support the project. I encourage the City
8 to move forward with the EIS to determine what the
9 impact is and offer reasonable mitigation to allow it
10 to move forward. Thank you.

11 MR. SHAW: Thank you.

12 Joseph Chong, and then Bill Block and Peter
13 Goldman.

14 JOSEPH CHONG: Thank you very much.
15 I am Joseph Chong, big Sonics fan. I still believe
16 we can bring a team back to Seattle, along with
17 hockey.

18 So there have been concerns about the traffic, of
19 course, with the SoDo arena. That's one of the major
20 concerns, but, as a sports fan, I've been to many
21 Mariners games where they happen usually around
22 seven. So as a -- in a personal story, whenever I go
23 to the games in the SoDo area, like once I get off of
24 I-90, the -- the area itself seems wide open. There
25 was no congestion when I was driving around the

2. Comments noted.

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1 entire area.

2 So, in conclusion, I would like to ask that we
3 move this project forward so we can get to the
4 designs and hopefully construction of this new arena.
5 Thank you.

6 MR. SHAW: Thank you.

7 Bill Block, then Peter Goldman and Kris Brannon.

8 BILL BLOCK: Hi. My name is Bill
9 Block.

10 You're here in Seattle Center tonight which is
11 the most visited venue in the state of Washington.
12 Over 5 million visitors a year, 39 resident
13 organizations. And the Seattle Center Master Plan
14 recognizes the Key Arena as one of the keystones of
15 that success. Key Arena has been rebuilding since
16 the Sonics left. It had over 500,000 visitors last
17 year and the made a profit.

18 The proposed arena in SoDo will directly and
19 devastatingly attack the Key Arena's current business
20 plan. What we do not know is whether there is an
21 alternate business plan, what it is, what it would
22 mean for Seattle Center, and if there is no alternate
23 business plan, what the consequences for Seattle
24 Center are.

25 I believe that an informed decision cannot be

3. Comments noted.

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1 made on a new arena in SoDo without knowing what
2 effect it will have on a public asset to which we
3 have put more than three-quarters of a billion
4 dollars of public and nonprofit investments since
5 1990 alone. That information needs to be developed
6 in order for the elected officials to make a proper,
7 informed decision on what alternative to go forward
8 with. Thank you.

9 MR. SHAW: Thank you.

10 Peter Goldman, then Kris Brannon and Tres
11 Gallant.

12 PETER GOLDMAN: Thank you for the
13 opportunity to testify. My name is Peter Goldman,
14 and I'm testifying on behalf of the ILWU and myself.

15 Today I'd like to make these points, and I would
16 like to add that the ILWU will be submitting
17 extensive comments on the EIS.

18 The EIS's consideration of alternative sites is
19 inadequate because of the limitations placed on it by
20 the MOU. The arena is a public not a private project
21 for purposes of this SEPA process. The public
22 project because the MOU was signed by the City and
23 the County because the arena could become publicly
24 owned. It makes no difference the City and County
25 have not yet decided, quote, "whether to

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4. See detailed comments from Peter Goldman on behalf of ILWU and detailed responses included in "Business" comments.
5. See Common Response #1 Public vs Private Projects; Range of Alternatives

1 participate," unquote. It makes no difference that
2 Mr. Hansen only wants to build an arena in SoDo.
3 Because it is a public project, the City and County
4 had a duty to consider all reasonable sites, yet the
5 MOU limited the consideration of alternative sites to
6 only the Seattle Center as opposed to site -- of
7 sites elsewhere in Seattle or even, in fact, in King
8 County at large. This renders this EIS process
9 inadequate as a matter of law and it should really
10 confront that right now.

11 The EIS analysis of traffic impacts on freight
12 mobility in the port is completely wrong and
13 inadequate. The EIS candidly concludes that the
14 arena, coupled with a new tunnel, traffic -- will
15 increase traffic at 64 key intersections and nearby
16 arterials by between 40 to 100 percent by the year
17 2030 cumulatively impacts that. Yet the EIS makes no
18 attempt whatsoever to analyze this increased traffic
19 either economically or environmentally on freight
20 mobility or the Port of Seattle and --

21 MR. SHAW: 30 seconds.

22 PETER GOLDMAN: Thank you.

23 The EIS assumes the arena will generate 2,130
24 cars per event, but yet Mr. Hansen's own document
25 claims 6,000. The EIS needs to be written to -- with

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6. See Common Response #6 Mitigation Measures - Traffic
7. Comments noted.

1 6,000 cars per event in mind as opposed to 2,130 an
2 event.

3 The EIS also failed to consider the conclusions
4 of the Seattle Planning Commission. The economic
5 impact report is simplistic, shallow, and results
6 oriented. It concedes the port's importance to the
7 region economically, yet at the same time it only
8 measures economic impact at \$48 per hour per truck
9 time times the number of hours that delay, which
10 totally does not evaluate the impact of jeopardizing
11 the operation of the port. And, furthermore, it does
12 not consider the fact that public taxes are diverted
13 to pay off the arena bonds, et cetera, et cetera, et
14 cetera.

15 The bottom line is both the environmental and
16 economic impact statements are inadequate. They are
17 a result-oriented process. They need to be
18 reconsidered and strengthened. Thank you.

19 MR. SHAW: Thank you.

20 Kris Brannon, then Tres Gallant and Walt Tabler.

21 KRIS BRANNON: Hi. My name is Kris
22 Brannon. People call me The Sonics Guy. I go around
23 to various events and advocate the return of the
24 basketball team that a lot of us in this town -- not
25 only town but region sorely miss.

8. Comments noted.

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1 I think one of the things that's interesting is
2 we've kind of had this battle. The King County
3 Council voted to approve the arena, the Seattle City
4 Council voted to approve the arena, and now we're on
5 the environmental impact statement of that said arena
6 in the SoDo district.

7 Chris Hansen, through the memo of understanding,
8 had shifted some money and is willing to make some of
9 those retrograde traffic improvements that the port
10 hat is sorely needed for probably a long time. And
11 that should have been done by the City and not by
12 Hansen, but that looks like how it's going to go
13 down.

14 One of the things I think is interesting is when
15 the Mariners were having good seasons, they would
16 bring about 40,000 people down in the SoDo area. I
17 was just out in front of the stadium, Seahawks -- the
18 Clink on Sunday, and there was over 70,000 people
19 there. If you count everybody that was in the bars
20 and tailgating in various places, people that
21 couldn't even get in, 75,000. And I didn't hear the
22 port issuing a statement about how the Seahawk game
23 was going to kill their productivity.

24 The one thing, when this arena is full, whether
25 it be hockey or basketball, it'll top out at 20,000,

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1 which is half of what a full Mariners stadium would
2 be and just a little over a quarter of what a full
3 Seahawks stadium would be. So I don't see where the
4 problem is.

5 Also --

6 MR. SHAW: 30 seconds.

7 KRIS BRANNON: -- all these
8 events -- thank you.

9 Also, all these events will be starting around
10 7 o'clock unless it's a weekend game, so right there
11 you have where there shouldn't be a conflict with the
12 traffic.

13 In closing, I thank you very much for allowing me
14 to speak. Thank you for your time.

15 MR. SHAW: Thank you.

16 Tres Gallant, Walt Tabler, and Kenan Block.

17 TRES GALLANT: Good evening. My
18 name is Tres Gallant, and I am a project supporter
19 and a Seattle supporter.

20 What we're looking at is whether or not to build
21 this project and where to build this project. The
22 environmental impact process studied 21 sites before
23 narrowing the impact statement down to these five
24 alternatives. And we're talking about a part of town
25 that has been the home of sports and entertainments

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9. Comments noted.

10. Comments noted.

1 for 40 years in the city. If you look at a map of
2 the city of Seattle, it's very clear where you would
3 put a major arena. And it is in the stadium
4 district.

5 We are all on the same team. We are all
6 supporters of the maritime industry of labor. They
7 will tell you that they're all Sonics fans, they want
8 to bring basketball and hockey to the city of
9 Seattle, but the choice that we have before us is
10 whether or not to build this arena and what impact it
11 will have.

12 The Environment Impact Statement has shown that
13 there will be traffic impacts which is obvious. That
14 would be true regardless of where the arena is sited.
15 Those impacts can be mitigated and should be
16 mitigated.

17 I dispute that the Port of Seattle and the ILWU
18 will be impacted to the extent that they claimed. In
19 evaluating those claims, one might want to consider
20 the fact that the ILWU has shut down the Alaskan Way
21 tunnel project, a \$2 billion project, over four jobs
22 per shift. So we understand that we need to look at
23 this issue from a community-wide perspective and what
24 is best for our city.

25 MR. SHAW: 30 seconds.

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Cont.

1 TRES GALLANT: The alternatives
2 that we're studied are in the city of Seattle. That
3 is where the arena belongs. This is the cultural,
4 sports, and entertainment heart of the region. And
5 it continues -- will continue to be that way as we
6 site the arena here; otherwise, we see those
7 entertainment dollars going to other communities,
8 other jurisdictions.

9 We support the mitigation of traffic impact. We
10 support siting this arena in SoDo and building it as
11 soon as possible. Thank you.

12 MR. SHAW: Thank you.

13 Walt Tabler, then Kenan Block, and Jordan Royer.

14 WALTER TABLER: Good evening. My
15 name is Walter Tabler. I'm the executive director of
16 Puget Sound Pilots.

17 Puget Sound Pilots is a group of ship pilots who
18 board vessels in Port Angeles and bring them to the
19 various ports around Puget Sound. We serve all of
20 the ports in Puget Sound including Seattle and
21 Tacoma.

22 And Seattle is a -- a port city with a rich
23 maritime history with a large amount of family-wage
24 jobs that depend upon that industry. And Seattle is
25 uniquely suited to handle some of the larger ships

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11. Comments noted.

12. Comments noted.

1 that come into our area. And that capability will be
2 severely damaged by this arena.

3 Seattle has deep water. It has rail access. It
4 has highway access. And it also has SoDo which is an
5 industrial area that supports the maritime industry
6 and is unique to many of the cities around the
7 country.

8 And the -- our problem with the EIS is that
9 there's virtually no discussion in any substantive
10 way of the impact of this project on that maritime
11 business. And there's no discussion -- you know,
12 people say that we've had this debate. Well, if
13 we've this a debate and these discussions, where is
14 it in the EIS? And I don't think we've had this
15 debate, and we need to because this is an important
16 business for the city of Seattle and the state of
17 Washington. And there's no reason why the EIS can't
18 discuss issues like the impact on these family-wage
19 jobs that the project will bring about, the impact on
20 the competitive posture of the Port of Seattle.

21 The Port of Seattle has recently lost a large
22 container business line, and that trend will be
23 exacerbated by this project. And there's also no
24 discussion of why this -- people of the city of
25 Seattle can't have both. We had basketball for

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13. See Economic Impact Analysis included as Appendix F to the FEIS.

1 40 years, and we had a vibrant maritime community,
2 and there's no reason why we can't have the Seattle
3 Sonics perhaps right here in Seattle Center where
4 they were for 40 years. They do not need to be in
5 SoDo and interfere with the maritime commerce. Thank
6 you.

7 MR. SHAW: Thank you.

8 Kenan Block, then Jordan Royer, Randy Hedington.

9 KENAN BLOCK: Good evening. My
10 name's Kenan Block, and I have the pleasure of
11 reading a statement from Ron Sims, long-time King
12 County executive who wanted to be here tonight but is
13 in Minneapolis on business.

14 Ron is strongly opposed to siting this arena in
15 SoDo. He says, "In my past capacities, I've been
16 involved in siting two sports arenas in the SoDo
17 area. The overpasses over the rail line and parking
18 were a coordinated action by the Port of Seattle,
19 City of Seattle, King County, the State of
20 Washington, the Stadium Authority, BNSF, the
21 Mariners, Seahawks, and exhibitors. It was a
22 balancing act designed to serve multiple interests.
23 That agreement also balanced pedestrian, automobile,
24 and transit traffic and the need to move freight from
25 the port in a timely manner. The Port interest

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14. Comments noted.

1 cannot be ignored. They are a significant economic
2 value to our region.

3 All of the legislation to keep and save the
4 Sonics was drafted and actively supported by King
5 County. The efforts to locate a new or rebuilt arena
6 for the Sonics were directed to Bellevue, Seattle
7 Center, I-90 corridor and South King County. Those
8 places offered opportunities that would not impact
9 the Port of Seattle. What hasn't been discussed also
10 is the impact of the rebuilding of I-5 which must
11 occur. This will have a stunning effect on traffic.
12 It is important to maintain traffic capacity on First
13 and Fourth Avenues because a significant amount of
14 traffic is going to use those corridors in lieu of
15 I-90 when the I-5 congestion -- construction, rather,
16 is initiated."

17 MR. SHAW: 30 seconds.

18 KENAN BLOCK: Thank you.

19 "In addition, the new tunnel's leakage effect is
20 going to increase traffic at this same key hub. I am
21 sympathetic to those now in governance. They are
22 responsible for doing what's right, and I urge them
23 please take a hard look at this and you will see why
24 we cannot afford to let the arena be built in SoDo as
25 currently proposed. The siting of a sports arena is

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15. Comments noted.

1 an extremely complicated and difficult task. But a
2 decision to increase traffic for another arena is not
3 wise or a prudent decision." Thank you.

4 MR. SHAW: Thank you.

5 Jordan Royer, Randy Hedington, Mike Elliott.

6 JORDAN ROYER: Good evening. My
7 name is Jordan Royer, and I represent the container
8 shipping lines and terminal operators that operate
9 the Port of Seattle. We're the Port's customers.

10 I'm also a lifelong Sonics fan. I was there when
11 we won the championship. I really want the Sonics
12 back, and I think we can do all of these things. We
13 can have the Sonics back. We can have a vibrant
14 maritime manufacturing sector in the city. We just
15 can't do it all in the same place.

16 The EIS does not do an adequate job analyzing the
17 economic impact of this facility, of this regional
18 facility in what is essentially one of North
19 America's largest rail yards. And we depend on that
20 rail yard to connect to Chicago to Memphis, to points
21 east to New York from China, frankly, from Asia, from
22 lots of other places. We are not just an island
23 here. And I think the EIS unfortunately does not
24 identify the importance regionally and nationally of
25 this major port complex that we have.

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16. Comments noted.

17. See Economic Impact Analysis included as Appendix F to the FEIS.

1 We can have an arena in lots of different places,
2 but we can only have a deep water port where we have
3 it. We can't move that deep water port. So it seems
4 crazy to me that we would think that we have to have
5 this all-or-nothing discussion. It would be a much
6 more, I think, important community discussion to have
7 to look at where we could have it all.

8 Again, we can have it all, just not all in one
9 place. The EIS does not do an adequate job of
10 looking at other alternatives that would work far
11 better for everybody in the community all combined.
12 Thank you.

13 MR. SHAW: Thank you.

14 Randy Hedington, then Mike Elliott and John
15 Niles.

16 RANDY HEDINGTON: Hi, my name is
17 Randy Hedington. I've been a long-time longshore
18 employee since 1972.

19 We've got a lot more congestion now down there.
20 If I leave my job at 5 o'clock when I get dispatched
21 at night to get to Pier 46, which is approximately
22 two miles, it takes me an hour to get there when
23 there's a game. So if the game starts at 7, it
24 doesn't mean that's when the people are there. No.
25 They're there before that trying to get a parking

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18. Comments noted.

19. See Common Response #1 Public vs Private Projects; Range of Alternatives

20. Comments noted.

1 place and get to the stadium.

2 So -- and we're ready to lose our shipping
3 industry because of all of this. I went to see the
4 Sonics there (indicating) from the time I was a kid,
5 and that's where it should still be. You know,
6 there's room for it. There's no room downtown. And
7 if some person decides it's supposed to be one place,
8 well, that's not the place where it needs to be or
9 we're going to lose our industry. Thank you.

10 MR. SHAW: Thank you.

11 Mike Elliott, then John Niles and Donovan
12 McBride.

13 MIKE ELLIOTT: Good evening. Mike
14 Elliott, Brotherhood of Locomotive Engineers and
15 Trainmen, Washington State Legislative Board. We
16 have over 750 members here in Washington state and a
17 big contingency here in the west side, the
18 Seattle/Tacoma area.

19 We're most concerned about our jobs. We've been
20 at Stacy yard, at Argo yard for over a hundred years.
21 We're the oldest labor union in the country. This
22 year we celebrated 150 years. So we'd like for the
23 EIS to take a look at our jobs, protection of our
24 jobs, protection of our industry, protection of the
25 port and freight traffic to and fro. And I just

21. Comments noted. See Economic Impact Analysis included as Appendix F to the FEIS.

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Cont.

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1 don't really feel like there's been an adequate
2 discussion on overall traffic impacts.

3 And we've been burned in the past on these grade
4 separations, and they're trying to bring up red
5 herrings about some of the trains or commodities we
6 haul and how that's going to impact, you know, the
7 west side, which we don't think is right at all. So
8 let's have a proper discussion about this. Let's
9 bring in the people that we need to bring in from the
10 state level to look at this.

11 And -- and our -- our Port of Seattle is the most
12 important resource for this region for our jobs for
13 not only rail jobs, longshore and -- and all the
14 other union crafts and support jobs across the
15 region. So it's not just for Seattle. It's not just
16 about Seattle. And, personally, I'm -- I'm for the
17 NBA. I want an NBA team here too, but we can't have,
18 in my opinion, both in the same place, you know. We
19 want the Sonics back here. We're going to have the
20 Sonics back here. But let's -- let's be smart about
21 how we do it and make sure that the family-wage jobs
22 that we've had for generations, since the turn of the
23 century, in this town right here stay right here, and
24 this port stays right here.

25 MR. SHAW: 30 seconds.

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Cont.

1 MIKE ELLIOTT: Thank you very much.
2 That's about where I wanted to wrap up. Thank you.

3 MR. SHAW: Thank you very much
4 again.

5 John Niles, then Donovan McBride and Richard
6 Davidson-Jenkins.

7 JOHN NILES: Good evening. My name
8 is John Niles, a 30-year resident of Seattle. I
9 stand with the Port of Seattle and the customers of
10 the Port of Seattle and the people who work there
11 that this idea of putting the new arena down in that
12 neighborhood doesn't seem like a very good idea.

13 I think what we're about here is an EIS that
14 provides good information, and I think we've heard a
15 lot of evidence here already. And my own assessment
16 would be that the scope of the economic analysis,
17 even the scope of the regional possibilities for this
18 site is way, way too narrow. I think with the EIS
19 only in draft and with teams not yet identified,
20 there's plenty of time to make sure that the EIS
21 covers all the points that are being made in this
22 room that it comes out to be I think at the end of
23 the day a much closer call than a slam dunk for SoDo.
24 And I -- I hope the city and the region proceeds to
25 write an even better EIS than the draft we have

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22. Comments noted.

1 already. Thank you.

2 MR. SHAW: Thank you.

3 Donovan McBride, then Richard Davidson-Jenkins
4 and Randy Cerg.

5 DONOVAN MCBRIDE: Good evening.

6 Thank you for letting me share. My name's Donovan
7 McBride. I'm a longshoreman at the Port of Seattle,
8 third generation, here to support my union today.
9 I'm also a Sonics fan.

10 I'd like to say that the Port of the Seattle is
11 heavily congested as it is now. And we do have a
12 very good rail system that supports the piers. Our
13 job is a 24-hours-a-day job. We don't -- we don't
14 rest. We have three different shifts we work. I've
15 looked at some of these -- the figures that some of
16 the people have been showing and talking about, you
17 know, in support of the stadium which I am in
18 support. Let it be here, though. Let it be at the
19 Seattle Center. We can't really take any more
20 traffic.

21 The city is growing exponentially. It's getting
22 larger and larger each year. We've got a huge
23 immigration population in Seattle that makes a good
24 living driving trucks on the waterfront. There's
25 probably six or seven different languages spoken

23. Comments noted.

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23

1 by the new immigrants that work in the Port of
2 Seattle. Please don't cut the jugular vein of
3 commerce in the -- in the Port of the Seattle.

4 You know, I don't know what drugs these people
5 are taking, but, you know, everybody loves sports,
6 but, you know, let's -- let's keep our jobs going
7 too. Let's -- let's keep families, you know, living
8 good off -- off -- off this commerce that we have in
9 our city. Thank you.

10 MR. SHAW: Thank you.

11 Richard Davidson-Jenkins, then Randy Cerg and
12 Paul McGill.

13 RICHARD DAVIDSON-JENKINS: Richard
14 Davidson-Jenkins, Local 19.

15 I can just follow up on what Donovan was talking
16 about as far as the family concerns, but I did hear
17 one thing that you spoke about, sir, when we first
18 came in, is that you made a statement of 20,000 seats
19 in the new arena, correct?

20 MR. SHAW: Correct.

21 RICHARD DAVIDSON-JENKINS: All
22 right. Isn't Key Arena 20,000 seats?

23 MR. SHAW: I believe it's slightly
24 smaller.

25 UNIDENTIFIED SPEAKER: It's 15,000.

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Cont.

24. Comments noted.

24

1 RICHARD DAVIDSON-JENKINS: 15,000.
2 So we're going to build an arena and congest up
3 everything over 5,000 more seats. And so you're
4 talking about -- that doesn't seem -- I mean, I don't
5 know, but those numbers doesn't play too well with
6 me, and I don't think it plays too well with anybody
7 else. We're going to do a lot of the things on 5,000
8 seats when we can probably take that money and add
9 those 5,000 seats to the Key Arena and still have a
10 basketball team which we don't really have in the
11 first place because I think it's Sacramento Kings
12 decided no. So we're standing here fighting over
13 something that we might have. That makes a lot of
14 sense to me too.
15 But, on the other hand, I'm just a local worker
16 19 that works for a living. We don't make big
17 decisions, but we do fight for our decisions. And
18 this is probably why we're here. And the other
19 gentleman spoke on that we're just fighting over
20 traffic. I don't think traffic is just the issue
21 that we're fighting over. I think we're fighting
22 over jobs and families and people that need to work
23 which we keep saying that we need to build up our
24 economy, correct? And so if we give up the jobs,
25 we're not building our economy.

25. Comments noted.

1 MR. SHAW: 30 seconds.
2 RICHARD DAVIDSON-JENKINS: Thank
3 you.

4 MR. SHAW: Thank you.
5 Randy Cerg, then Paul McGill and John Rider.

6 RANDY CERG: Hi, I'm Randy Cerg,
7 35 years Seattle resident and Sonics fan.

8 Have any of you actually read this? Well, I
9 have. And then I've got special background to
10 actually read this kind of stuff, and I got to tell
11 you, when I read it, I was flabbergasted by the
12 number of serious analytical errors and deliberate
13 mischaracterizations. It does not contain the
14 information we need to support a decision.

15 If the traffic caused by the arena arose the
16 competitiveness of the Port versus its competitors
17 and reduces shipping volumes, it could cost thousands
18 of jobs and hundreds of millions of dollars.
19 Incredibly, the report simply declines to assess this
20 economic impact and yet it still pretends to compare
21 site economics. I kid you not. Instead, the report
22 has the gall to characterize the hourly cost of a few
23 truckers stuck in traffic as the, quote, "upper limit
24 of the potential impact on the report." That is
25 irresponsible.

25

1 A lot of research has been done on the economics
2 of sports arenas. And by the way, I want sports to
3 come here. I'm even willing to do so at some cost to
4 the city, but we need good data.

5 There's a remarkable consensus. The research
6 agrees that the net economics -- the net impact net
7 of substitution is negligible or negative. Most of
8 the money not spent by out-of-towners from visiting
9 professional sports is simply diverted from other
10 businesses. For a litany of reasons, about half the
11 money spent on professional sports leaves the
12 community immediately while money spent on the
13 business it displaces has an amplified effect as more
14 of it recirculates.

15 MR. SHAW: 30 seconds.

16 RANDY CERG: Analysis is supposed
17 to reflect research consensus. If it rejects the
18 research, it's supposed to articulate a rationale for
19 doing so. This is basic if you ever went to college.
20 This did not happen here. Instead, the report
21 fabricates 230 million of economic contribution
22 earning an incredible hundred million a year.
23 Apparently this enterprise and the indirect activity
24 it generates are supposed to become the most
25 profitable businesses in Seattle history. Incredible

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Cont.

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26. Comments noted.

1 but without credibility.

2 The report inexcusably argues that taxes
3 generated would benefit the city when we all know
4 that they all virtually go -- virtually all go to
5 debt service.

6 Seattle -- I could go on and on, but I obviously
7 don't have time. Seattle deserves to understand what
8 it is getting into before it takes the plunge. This
9 environmental impact report is so deeply flawed that
10 it failed to offer a reasonable starting point for
11 comment. Maybe this is the intent. I can think of
12 no other possibility. We've deserve better.

13 Thank you all for your time.

14 MR. SHAW: Thank you.

15 Paul McGill, then John Rider and Brad Herman.

16 PAUL MCGILL: Good evening. My
17 name is Paul McGill. I'm a conductor on the
18 Burlington Northern Santa Fe Railway, and I'm here as
19 a concerned citizen as well.

20 There's been a lot of information put out. One
21 of the things that -- a nod to Mr. Sims, but one of
22 the things that's been put out is the mitigation of
23 traffic in the area and the previous stadiums that
24 were voted on actually voted down and we still ended
25 up with them. And the, say, the lack of mitigation

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27. See Common Response #6 Mitigation Measures – Traffic and Common Response #7 Mitigation Measures – Pedestrian Access

1 that was put forth. Lander Street and Holgate Street
2 were supposed to be mitigated along with those last
3 two stadiums, and we're not even talking about that
4 now.

5 I don't know if you've ever seen somebody run
6 over by a train. Pretty ugly. Stacy yard is
7 two blocks away from these stadiums, and on game
8 days, I actually witness people handing their
9 children through a train because they couldn't wait
10 for the train to pass in the switching yard. And
11 they have no idea when that train is going to move.

12 Now, this new proposed stadium, actually, there
13 isn't even a setback for the Amtrak Sounder yard. I
14 don't think there's 20 feet. So I work the Sounders
15 right now, and when we pull the trains out, the
16 backup from traffic there causes people to actually
17 get caught in between the main lines.

18 MR. SHAW: 30 seconds.

19 PAUL MCGILL: So there's a huge
20 public safety problem with this whole project that
21 needs to be looked at and addressed and not forgotten
22 when the promises are made that we, Oh, yeah, we'll
23 take care of it. The Burlington Northern Sante Fe is
24 putting a huge amount of money into this corridor
25 because of the economic advantages and not only from

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28. Comments noted.

1 coal and from the Bakken oil fields. Also from auto.
2 Orillia has a huge auto yard that we bring our auto
3 trains down. The Port of Seattle, we have Pier 90.
4 Container traffic. It's all growing. Do we want to
5 stifle this traffic? I don't think so. And the
6 rail's been here for a long, long, time.

7 Thank you.

8 MR. SHAW: John Rider, then Brad
9 Herman and Cathy Allen.

10 JOHN RIDER: Thank you.

11 I'm a member of Local 19, and I like basketball,
12 but commerce is the life blood of Seattle, not
13 basketball. Our livelihoods are supposed to revolve
14 around whether there's -- are our livelihoods
15 supposed revolve around whether there's game that day
16 or our livelihoods revolve around whether there's a
17 ship at Pier 46 that day?

18 I work at the gate at the Pier 46 as a clerk
19 often. I see trucks backed up all the way down
20 Marginal Way. I know that there's a traffic problem
21 already. I mean, I don't care what the statement
22 says. I see with my eyes when I work there every
23 day.

24 There's something else also. I really have to
25 wonder whether there's anything else going on here

29. Comments noted.

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1 besides a land grab. We all know when the viaduct
2 comes down that land down there is going to skyrocket
3 in value. And so why are we, the public, supposed to
4 make sacrifices so a small group of people can make
5 huge profits to own that land? And so that's all I
6 have to say.

7 MR. SHAW: Thank you.

8 Brad Herman and Cathy Allen.

9 BRAD HERMAN: Brad Herman, Local
10 19.

11 I didn't come here expecting this to be so Here
12 we go. Look, we're not your enemies. We're your
13 neighbors. You know, I'm the guy at home. I'm a
14 fan. I'm the guy that's screaming at my TV.

15 UNIDENTIFIED SPEAKER: Me too.

16 BRAD HERMAN: You know what I mean?
17 I love sports. I need my job. There are other areas
18 this place can be. And it may end up there. I don't
19 know, but if it may end up there, it needs to be
20 looked at. Every fact, every penny of our tax
21 dollars, everything that is done needs to be followed
22 verbatim, and it needs to be done proper. Our
23 governments have been cutting corners and doing
24 things and shoving things down our throats for a long
25 time. I'm not saying that's happening here, but I'm

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Cont.

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30. Comments noted.

1 saying there's two stadiums that prove it's happened.
2 I've lived in West Seattle since 1981. Traffic
3 has increased. Traffic is worse with these stadiums.
4 I'm telling you. I drive there. I've lived there
5 since 1981. It is more congested.

6 So I'm not going to say a lot, but when we stand
7 up here, we support what you support, but we're
8 actually looking at the bigger picture. You guys are
9 emotional about your teams. We're emotional about
10 your teams. But we're also looking at all the jobs
11 down the line, not just ours, but all the way down
12 the line that are going to be affected by this
13 decision. So when you see us, shake our hand, smile.
14 We're not your enemy. We're just thinking for our
15 families, for you, for our neighbors. Okay?

16 Thank you.

17 MR. SHAW: Thank you.

18 Ms. Allen, before you speak, let me pause for one
19 minute and get the next speaker sheet.

20 CATHY ALLEN: This always happens
21 when you're the first woman.

22 MR. SHAW: Thank you, Ms. Allen.

23 CATHY ALLEN: You're welcome.

24 Well, as a -- my name is Cathy Allen, and I
25 helped write five of the city's neighborhood plans,

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31. Comments noted.

1 and this arena bears no resemblance to how good
2 projects come to be. It arrives as an end-run idea
3 which has thrown public process, good land use, and,
4 oh, by the way neighborhood priorities to the side so
5 a rich guy could make more money.

6 UNIDENTIFIED SPEAKER: Yeah.

7 CATHY ALLEN: From a maritime and
8 Seattle Center perspective, our base of good jobs,
9 the same good jobs, oh, by the way, that let us out
10 of the recession before anybody else in the country.
11 The fact is that it's the same kind of jobs that are
12 going to keep our kids staying here. And you know
13 what? That comes from our maritime and our port
14 jobs. This is the commerce sitting on the edge of
15 this proposed debacle.

16 Where is the industry supposed to grow and
17 expand? Someplace else? Oh, let's build some more
18 manmade islands. Perhaps more to the point, how long
19 do we have to continue with a city government that
20 seems blind and hostile to the maritime potential and
21 the Port of Seattle? I'm tired of it.

22 I live on Queen Anne hill, and I have to change
23 my plans every time there's a big event here. Justin
24 Bieber notwithstanding, but I'm a believer in this
25 jewel, the Seattle Center of ours. It just keeps

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32. Comments noted.

1 getting better. Why are we not making Seattle Center
2 and its natural expansion, as much of an alternative
3 as the basketball team as this boondoggle in SoDo?
4 Whatever happened to making decisions based on the
5 highest and best use of each piece of property?

6 And, because I couldn't avoid it, I thought I'd
7 speak as a woman, a woman activist. So what happens
8 here is that, you know, I've heard this story one too
9 many times before, John. The fact is a former
10 hometown guy, good looking, rich, white comes to town
11 after making millions of dollars, a hedge fund guru.
12 Most of us don't know how to even explain what that
13 is.

14 MR. SHAW: 30 seconds.

15 CATHY ALLEN: He's got lots of
16 money which no one can track when it comes from --
17 where it comes from. He offers to make my dreams
18 come true. He says everything's okay and he's got
19 everything greased. As the story unravels, we learn
20 he has a mass property at a fraction of what it's
21 worth now. He can't produce a basketball team he
22 promised. He misled us about the impact of the
23 location. And now he's been caught with his hand
24 stomping the California laws that said he would not
25 fess up to bankrolling the initiative to stop the

33. Comments noted.

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1 Sacramento records.

2 By the way, I'm a woman and I get 30 seconds
3 more.

4 Area -- area bullying insider view, I can't
5 figure out if it's more like the Music Man or the
6 cable TV's Under the Dome, but the story is too
7 familiar.

8 And, finally, from a political perspective, I'm
9 worried. General consensus is that the arena goes
10 away if and when Mayor McGinn is defeated in the
11 mayoral race, but that's not necessarily true. Every
12 day this bad location and this EIS process continues
13 to be harder to stop.

14 Last comment. We can do better than this.
15 Seattle deserves a great new basketball team and an
16 arena put in the right place at the right time. This
17 entire process, its sullied leader and its proposed
18 location is beneath us.

19 Thank you.

20 MR. SHAW: Now, you're all
21 wondering who's speaking next.

22 The next three speakers are Cin Lyons, Justin
23 Hirsch, Ralph Morton.

24 CONNIE LYONS: Hi. My name is
25 Connie Lyons.

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Cont.

1 MR. SHAW: Sorry.

2 CONNIE LYONS: Oh, it's quite all
3 right.

4 I'm going to give you a little background. I've
5 been working as a traffic control supervisor for 13
6 years between Portland and Seattle, also been a
7 longshoreman now for about ten years. In my spare
8 time, I'm a volunteer emergency medical technician.
9 So I see a lot of stuff from a lot of different
10 angles. And one of the things I keep hearing here is
11 this traffic impact study. What nobody seems to
12 understand is the additional traffic impact on top of
13 what we already have.

14 The longshore -- the maritime industry is
15 providing 30 percent -- supports 30 percent of our
16 local economy. And it used to be, actually, even
17 more. We can't just jeopardize that. It's not just
18 about the maritime industry either. Who's going to
19 provide all the extra security that's going to be
20 needed with that many additional people in that
21 particular area? That's all going to be costing the
22 taxpayer. It all starts out as a wonderful party and
23 it ends up with a brawl here and a brawl there when
24 too many people get together. That's just the nature
25 of things. Who's going to pay for all that? Who's

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34. Comments noted.

1 going to take care of -- and I tell you from
2 experience as a traffic control supervisor, you have
3 a congested area, the local businesses suffer.
4 Nobody wants to go there because nobody wants to deal
5 with the traffic, nobody wants to try to find
6 parking, it's a mess. So it's not just the maritime
7 industry that suffers.

8 I kinda got to touch on something that was said
9 earlier with regards to the ILW supposedly shutting
10 down the tunnel project. That was the grossest
11 misstatement I've heard in a very long time thanks to
12 the media not putting out the truth. The machine is
13 broke. I spoke to the engineer who's building the
14 conveyor belt. It's not functional yet. So let's be
15 a little bit more informed before we make these big
16 misstatements.

17 Lastly, I would like to ask this local
18 government: Do you have a responsibility to all the
19 people living and working in this city, in this
20 community? Yes, we all would love to have a
21 basketball team. I would love to see a hockey team.
22 It's wonderful stuff. But choose your location. I
23 don't keep my TV in the bathroom. It doesn't belong
24 there, much as I like it. Well, that's just what
25 you're doing right now. That's an industrial area,

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Cont.

1 the SoDo District. Yes, we've got other arenas
2 there. We're already topped out. We don't need the
3 additional. We've got this beautiful Key Arena right
4 next to our Space Needle. Beautiful area. Let's
5 give it a little shine. It'll be beautiful to have a
6 team right here.

7 Your responsibility as the local government is
8 not to Chris Hansen, with his underhanded dealings.
9 Your responsibility is to the local people, to the
10 voters who have elected you and trust in you that you
11 do the right thing, that you do all the studies as
12 need to be done, that you have a little open policy,
13 not have these MOUs discussed behind closed doors. I
14 don't know where the money went or who -- who got
15 money or how it got exchanged, but it needs to be
16 public. You're public servants in this local
17 government. I ask you to do your job with your
18 responsibility to the local public. Thank you.

19 MR. SHAW: Justin Hirsch, then
20 Ralph Morton and Josh Turgeon.

21 JUSTIN HIRSCH: Hi, Justin Hirsch.
22 Justin Hirsch brought the Union Longshoremen, Local
23 19, Port of Seattle.

24 It's been said we've had this debate before.
25 Well, if we got it right, we probably wouldn't need

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35. Comments noted.

1 to be still here. We haven't gotten it right just
2 yet. The draft EIS ignores so much about the impact
3 of a new arena in the SoDo neighborhood. While the
4 EIS focuses primarily on trucking impacts, which is
5 not negligible, it ignores a lot of the long-term
6 effects of the uncertainty that would be created by
7 the port. And I would say that creating another
8 arena in the SoDo neighborhood is going to telegraph
9 exactly the wrong message to shippers and ocean
10 carriers throughout the world. It's going to tell
11 them -- it's going to tell them that Seattle doesn't
12 prioritize its port.

13 It is abundantly clear in the modern supply chain
14 industry that it is not the Port that decides where
15 the cargo goes. Further, it is not the ocean carrier
16 that decides where the cargo goes. Rather, it is the
17 shippers, the owners of the cargo who will ultimately
18 decide where that cargo goes. Please understand in
19 no uncertain terms that increased congestion in
20 Seattle, with the Seattle bottleneck, will cause
21 uncertainty around the crucial truck and rail
22 connections that shippers need to complete their
23 shipments. This is not a small issue.

24 Balancing truck and rail schedules with maritime
25 schedules, the ship schedules, is one of the more

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Cont.

1 complex tasks in the modern supply chain industry.
2 Now, bear in mind that roughly 70 percent of the
3 cargo coming to the port goes inland. Right? It's
4 discretionary. It's not bound to the Seattle market.
5 It doesn't have to stay here. It'll go to
6 Minneapolis, Chicago, Memphis, Atlanta, New York. If
7 we create a Seattle bottleneck, then cargo leaves the
8 region. Tacoma simply can't absorb it all.

9 MR. SHAW: 30 seconds.

10 JUSTIN HIRSCH: Canada will get it,
11 Prince Rupert, the Delta port Fraser River, the Gulf
12 Coast will get it. We all know the Panama Canal is
13 going to expand probably next year. The point here
14 is that lip service to the supply chain industry is
15 not sufficient. Lip service isn't going to get it.
16 You can fudge the numbers in the EIS all you want,
17 but ultimately the market will respond.

18 Thank you very much.

19 MR. SHAW: Ralph Morton, then Josh
20 Turgeon and Scott Martinez.

21 RALPH MORTON: Ralph Morton,
22 Seattle Sports Commission. I love the fact that
23 Justin Bieber has been brought into this argument, so
24 I think that raises the bar.

25 I think we all can agree that Seattle is an

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36. Comments noted.

37. Comments noted.

1 amazing city that has grown in incredible ways from
2 the World's Fair, and then where it's going, who
3 knows, but we're based on a very diverse economy in
4 this community that began from the lumber industry to
5 Boeing to Amazon to Microsoft. If you look at what
6 happened, and we're part of the tourism industry.
7 Cruise ships were moving about 8,000 people. Look at
8 what we've been able to accommodate, suddenly moving
9 300,000 people as we grow all these different
10 industries. We're right in the middle of downtown.
11 I grew up in New Orleans. It has a vibrant port in
12 the downtown area. And this is part of where our
13 challenge is.

14 Seattle's past is now meeting our future, and our
15 future is incredible. We're growing and these
16 hearings are important. But what we have right now
17 downtown are two world-class facilities in a world --
18 and we want to keep that -- a world-class stadium
19 district. We believe that -- in this arena being a
20 part of that world-class district and listening to
21 concerns and making it better. The better the
22 experience for the people who attend not only that
23 arena but the other stadiums is better for everybody
24 involved including people on both sides of the
25 argument.

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1 If you look at what we have now, we have a
2 68,000-seat stadium. We have a 46,000-seat stadium.
3 We're talking about an 18-, 20,000-seat stadium.
4 It's roughly a 15 percent increase in capacity, but
5 these are -- these are venues that do not all operate
6 at one time. We're talking about frequency, and we
7 want you to be able to consider what the true facts are
8 and what the impact will be. And plus, consider the
9 impact on the economy and the positive things that
10 these people coming to town. An out of plate [sic]
11 license on the back of a person's car is economic
12 impact. Somebody coming to visit our community.

13 And also as a sports arena --

14 MR. SHAW: 30 seconds.

15 RALPH MORTON: -- we're hosting the
16 NCAA volleyball championships, NCAA basketball. We
17 believe in the future of Key Arena with or without
18 the stadium. I think a lot of people, when the
19 Sonics left, said that's going to die, and it has
20 not. It has grown.

21 So we believe in future of this, but I think
22 these things are important, but we also believe in
23 the project and also a greater stadium district.

24 Thank you.

25 MR. SHAW: Josh Turgeon, Scott

38. Comments noted.

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1 Martinez, and -- I may get the name incorrect -- Doug
2 Aamodt.

3 JOSH TURGEON: Okay. I'm Josh
4 Turgeon, ILWU Local 19.

5 You know, I'm a Sonics fan. I went to probably
6 at least half the games of the home games their last
7 season here, and I want to see the Sonics come back.
8 I just don't want to see it in SoDo because I'm also
9 a longshoreman and that's where I work. It's been
10 said before, the SoDo region is about a third of the
11 city's economic activity, and we shouldn't take that
12 lightly.

13 Just want to see the scope of this study expanded
14 to include the impacts on other regions, even
15 statewide. You know, we have agriculture that --
16 that needs to travel to the port, other manufacturers
17 and stuff. The port goes both ways, or our traffic
18 goes both ways, so there's that.

19 And I guess the bottom line is not -- I won't hem
20 and haw too long, but the bottom line is that we've
21 got a great facility here. You know, obviously it
22 probably needs to be improved, but, you know, if we
23 can just work on a viable alternative and kick Chris
24 Hansen to the curb, we'd probably be doing a good
25 thing.

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39. Comments noted.

40. Comments noted.

1 MR. SHAW: Thank you.
2 Scott Martinez, Doug Aamodt, and Dave Gering.
3 SCOTT MARTINEZ: Hello. My name is
4 Scott Martinez. I'm a longshoreman, Seattle
5 resident, and I've lived here all my life. And
6 previously I heard that one of the gentlemen talked
7 about the report here, and he said the numbers were
8 skewed. And a report is only as good as its numbers,
9 and if the numbers aren't good, I mean, we need to
10 really take a look at it. But my perspective is just
11 as seeing what's happening around the area right now,
12 I mean, I can't believe that we have -- we don't have
13 more road rage the way it is because -- and the way
14 things are because if you go and look on the West
15 Seattle bridge at 9:00 in the morning, that thing's
16 backed up. I don't know how people can even make it
17 to work on time in downtown Seattle because
18 there's -- it's crawling. There's nothing -- it's
19 not even moving. And then you got, from the north
20 end, you got the Battery Street tunnel. If you don't
21 get on Aurora by -- by at least by 6:30, it's
22 starting to back up already. By 8:00, it's choked.
23 I mean, and now they're going to make a tunnel that's
24 even smaller. I just don't understand where the
25 numbers are coming from because it doesn't make

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1 sense.

2 I went to a -- when they had a soccer
3 game/football game, and I was downtown, and it took
4 me an hour and a half just to get from down- -- from
5 the ferry dock down to Spokane Street, and I couldn't
6 believe it. There was no way I -- I couldn't get
7 anywhere. I couldn't move. I couldn't get out of --
8 you know, there was just nowhere to go. I'm going,
9 What's going on here? So now we're going to add more
10 traffic on top of that? I mean, it's getting
11 ridiculous. I mean, sooner or later we're going to
12 really have some real problems in Seattle, and
13 there's just going to be no way around it. I mean --

14 MR. SHAW: 30 seconds.

15 SCOTT MARTINEZ: -- we're going --
16 we're going down a road here that we better open our
17 eyes up because, soon or later, when it's done, it's
18 done. I mean, what are we going to do then? Then
19 we're stuck. We're going to try to figure it out.

20 But so we really need to make sure that this
21 impact statement is true, and it should be true and
22 the government should be looking at it, and they owe
23 it to us as our overseeing what's going to happen.
24 So I think that's what is. You know, do your due
25 diligence and do what's right for us, who you are

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Cont.

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41. Comments noted.

1 here to serve.

2 So that's all I have to say. Thank you.

3 MR. SHAW: Thank you.

4 Doug Aamodt, Dave Gering, Herb Krohn.

5 DOUG AAMODT: Hi, my name is Doug
6 Aamodt.

7 MR. SHAW: Sorry.

8 DOUG AAMODT: I'm also a third
9 generation longshoreman. I used to live, for five
10 years, just a few blocks over in lower Queen Anne,
11 and I know that any time there's an event, game,
12 ballet or whatever, that traffic in this area is
13 pretty jammed, but they have made a lot of
14 improvements recently. If you try to go on or off of
15 I-5 at Mercer, they've done a lot of remodelling.
16 Amazon paid for a lot of that, or helped provide for
17 a lot of that. And there's places already -- the
18 infrastructure's already grown up around this arena
19 that's already here and can facilitate whatever we
20 need with the Sonics or any sports team. So I'm here
21 to speak against the shore side proposal to put
22 anything arena-like in SoDo.

23 The shipping industry, there's margins, and if we
24 put a limit, even if it's a 15 percent increase,
25 that's a 15 percent increase on potential limit of

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42. Comments noted. See Common Response #1 Public vs Private Projects; Range of Alternatives

1 growth. Why would we stymie the bread and butter of
2 the Seattle economy? There's no reason to do it.
3 We'd be shooting ourselves in the foot for no reason,
4 for no gain. It would just be completely myopic on
5 everybody's part, and you're responsible to let such
6 a thing happen in this community -- in the SoDo
7 neighborhood I mean.

8 There's plenty of other sites. There's plenty of
9 other ways and places. I don't know why it has to be
10 in this very, very narrow place that is very
11 disruptive for not just the longshore and shipping
12 industry but all kinds of people who actually live --
13 there's software companies down there. There's other
14 industries trying to grow.

15 And I know that there's a lot of fans in this
16 room, and I would love to see Sonics or any team
17 return, but the word "fan" is actually short for
18 "fanatic," which might be why this thing has gone as
19 far as it has.

20 MR. SHAW: 30 seconds.

21 DOUG AAMODT: That's all I have.

22 Thank you.

23 MR. SHAW: Thank you.

24 Dave Gering, then Herb Krohn and Jeremy Ward.

25 DAVE GERING: My name is Dave

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1 Gering. I'm the executive director of Manufacturing
2 Industrial Council of Seattle. We've been engaged
3 with the City of Seattle for the past 15 years in
4 implementing the Greater Duwamish Manufacturing
5 Industrial Center Plan. In that connection we -- our
6 group formed the city's first ever Freight Mobility
7 Advisory Committee. We tracked this legislation
8 closely, as my friends know, as it was adopted just a
9 year ago by the city council and county council.

10 They required that the executive branch of these
11 governments conduct a freight plan because of all the
12 freight issues that were raised in this. Twelve
13 months later, that planning process has not even been
14 started, and yet you're coming to the end of the
15 environmental review process and you have no analysis
16 of the most important issue that was raised in this
17 concern.

18 The county council ordinance that adopted the
19 memorandum of understanding, which I know many of you
20 remember, required the county executive to file by
21 March 15th, 2013, a report about how he would go
22 about a heavy haul corridor and work with the Port of
23 Seattle. That deadline was never kept. That report
24 has never been filed. So, again, you're coming to
25 the end of the environmental review process without

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43. Comments noted. See detailed comments from MIC and detailed responses included in "Business" comments.

1 the City or the County having responded to the
2 requirements of the city council and the county
3 council the actual laws that were set down to govern
4 and initiated this entire process had not been
5 followed. On the first two arenas, it took them
6 about ten years to not keep the commitments that they
7 had made. This time around it didn't even take them
8 ten months.

9 The EIS, I have read, it totally underestimates
10 the impact of the railroad in this part of town. The
11 mayor's study showed on September 28th, 2012, in a
12 24-hour period Holgate Street being closed 107 times
13 by railroad activity, and yet that's going to be the
14 pedestrian promenade leading to the arena. There's
15 nothing in the EIS that reflects anywhere near the
16 seriousness of that issue or what it'll be like for
17 the pedestrians that navigate that at night during
18 the winter.

19 And so, again, it took them about ten years to
20 not keep their past promises. This time it hasn't
21 even taken ten months. Thank you.

22 MR. SHAW: Thank you.

23 Herb Krohn and Jeremy Ward.

24 HERB KROHN: Hi, I'm Herb Krohn.
25 I'm the state legislative director for the United

44. Comments noted.

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Cont.

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1 Transportation Union and Smart Transportation
2 Division. We represent approximately 2,000 railroad
3 workers across the state of Washington, brakemen,
4 conductors, switchmen, foremen, et cetera. I'm also
5 a citizen of the city of Seattle.

6 Last year the Grand Alliance Shipping moved their
7 operations from Terminal 18 to the Port of Tacoma
8 because Seattle's become too difficult for freight
9 mobility in and out of the ports and rail yards
10 because of the failure to develop promised freight
11 mobility quarters once Safeco and CenturyLink fields
12 were completed. The funding for these projects
13 instead shifted to fix the Mercer Mess here at the
14 Seattle Center. Now the arena proponents wish to
15 ignore the millions of tax dollars spent for traffic
16 improvements here to instead develop another facility
17 in the middle of the last major industrial area of
18 Seattle.

19 One of our greatest concerns of this proposal,
20 and we ask you to look into this, is that the east
21 side of this proposed arena would be -- would abut
22 the Amtrak service yards. The tracks will be within
23 a few feet of the back wall of the arena, the public
24 entrance at First and Massachusetts is within a few
25 hundred yards of the main entrance to the BNSF north

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Cont.

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45. See Common Response #7 Mitigation Measures – Pedestrian Access

46. Comments noted.

1 SIG yard at Utah and Massachusetts Street, and the
2 major Stacy Street yard behind it. The triple main
3 lines, the major north/south corridor, is just to the
4 east between Occidental and Third. Currently there's
5 an average of close to 60 trains a day that move
6 through that corridor. That's not including the
7 Amtrak switching and other things along the main
8 corridor. The rail yards and major grade crossings
9 are not pedestrian-prone places. You add in the
10 patrons of an arena that's been consuming alcohol at
11 events and this is going to become a very dangerous,
12 volatile mix that's going to certainly result in
13 numerous critical incidents and deaths of arena
14 patrons who think they can beat the train or who walk
15 plugged -- walked plugged into earphones not paying
16 attention or those who wander into the rail
17 facilities and the yards.

18 MR. SHAW: 30 seconds.

19 HERB KROHN: It's tragic for our
20 families and for the families of people who die, and
21 it also has a profoundly devastating effect on rail
22 crew members working on trains. There are many other
23 places the arena could be built. Here at the Seattle
24 Center would be an economic competitiveness in the
25 community.

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Cont.

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1 And I just want to close by commenting on a few
2 things. They want to make a Staple Center down here.
3 And the biggest problems facing this world and this
4 country are AIG: Arrogance, indifference, and greed.
5 And the developer's underlying eye is on Terminal 46
6 and the central waterfront. And if they can make
7 that noncompetitive by blocking traffic, they'll get
8 their hands on it. And that'll be the end of the
9 Port of Seattle and those facilities. This is about
10 billionaires making billions more. Thank you.

11 MR. SHAW: Jeremy Ward.

12 JEREMY WARD: My name is Jeremy
13 Ward. I support the arena on making comments.

14 The notion that Key Arena is going to work as
15 a -- as an NBA arena is just not a nonstarter. I
16 mean, the NBA has said it doesn't work. Chris Hansen
17 has said he won't build there. No one is offering to
18 build at Key Arena and bring a team there. So for
19 one, it's off the table. It would be kind of
20 laissez-faire for me to say, Why don't you move your
21 port to Tacoma? I mean, I'm not saying that, but
22 that's about as uninformed as let's have the NBA Key
23 Arena is.

24 Secondly, you know, I'm a union guy and I support
25 the unions a lot and I support everybody here, but

47. Comments noted.

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48. Comments noted.

1 what I see is a lot of people caterwauling about
2 jobs, and I haven't seen a single shred of proof
3 anywhere. No document, no study that indicates that
4 a single job should would be lost. Not one. This is
5 a fairly advanced report that's professionally
6 produced, and I don't see anything that counters it
7 that has a single job being lost to due to the
8 construction or the existence of an arena in the SoDo
9 arena district.

10 I would also say that where's the solidarity for
11 all your construction workers and all the other
12 people who were going to be working at the arena?
13 Are those jobs not important? You know, where's the
14 solidarity?

15 MR. SHAW: Let's just have comments
16 addressing the EIS.

17 JEREMY WARD: Okay. Well, that's
18 all I have. Thank you.

19 Oh, one more. The trains. You know, there's
20 \$40 million to mitigate this stuff, trains and
21 overpasses. That's seed money. The state and the
22 feds are going to double and triple that money, so
23 don't go around saying that it's just, you know,
24 people are going to get run over by trains, and
25 that's just -- that's just caterwauling and

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1 catastrophizing. Thank you.

2 MR. SHAW: We have one more person
3 signed up to speak. Taro Suyematsu.

4 TARO SUYEMATSU: Hello. Thank you
5 for giving us the opportunity to speak here. Taro
6 Suyematsu, Local 1348 railroad worker here in
7 Seattle. And I just had a question of why aren't
8 other areas that can actually facilitate and happily
9 accommodate a new arena being seriously considered,
10 like Bellevue or right here at the Seattle Center. I
11 believe the answer is because this
12 arena/entertainment district project is a special
13 interest investment and development project
14 spearheaded by billionaires looking to make billions
15 more. This project is one that's encroaching on
16 living-wage jobs, some that have been around for
17 generations, and could continue for generations to
18 come.

19 So I ask you, sir, to do what's best for working
20 class Seattle and our families. And let's find a
21 better place for this new arena.

22 MR. SHAW: That completes the list
23 of folks who signed up to speak. We do have a little
24 bit more time, so if there are -- is anybody who has
25 not signed up to speak and wishes to do so, we do

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49. Comments noted.

50. Comments noted.

1 have an opportunity for that.

2 PAULA RIVIERE: Appreciate it.

3 Thank you.

4 MR. SHAW: Please state your name.

5 PAULA RIVIERE: Yes. Paula Riviere
6 [phonetic]. And there's a lot of information that
7 people here don't know. One is, the city -- lovely
8 water covered city event has become so luxurious --
9 luxury-ized -- I'm not sure what the word is -- that
10 the people who live there or lived there had to move
11 out. And that's exactly what's happening to our
12 emerald jewel.

13 And the way it's happening is in 2007 there was a
14 precipitous crash with the purpose of foreclosing on
15 the city of Seattle, on the state of Washington, on
16 the United States, and all the other beautiful
17 sovereign nations of the planet, but they got caught.
18 But in the process, they monopolized the press, so
19 the corporate FCC had came out, did hearings, and
20 merged TV, radio, and newspaper so that they could
21 control everything we see, everything we hear, and so
22 with the knowledge I had, they would prevent me from
23 getting truth to power.

24 And so the lawmakers aren't really to blame.

25 It's because during those three years I was

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1 blackmailed not to tell anybody and to drive on my
2 own with the evidence, and I have tons of evidence.
3 And then the following three years I got police help,
4 but the problem was they kept -- they got everybody
5 infiltrated to the point where all the information
6 was blocked. So there's some key issues that you
7 don't know because none of us were really ever
8 educated on it. One is that all of these
9 corporations are actually run by the private bankers
10 and the divine right people who that George
11 Washington -- they're descendants of the people who
12 George Washington fought against.

13 MR. SHAW: 30 seconds.

14 PAULA RIVIERE: Gosh. Can I have
15 60 seconds?

16 Okay. So what they did is all of their
17 foundations, Trilateral Commission, Club of Rome, et
18 cetera, got together, and in 1997 they pushed through
19 Congress the NASCO SuperCorridor I-35 from Canada to
20 Mexico to bypass the West Coast and crush it
21 financially, destroying all the unions. And this is
22 what they were doing in 2007. They were going to
23 cease Social Security, seize all the -- and break all
24 the biggest unions, the postal, et cetera. And
25 that's why the postal service is being destroyed.

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51. Comments noted.

1 It's going to be replaced by FedEx and UPS.

2 I have an engineering degree and an MBA. And the
3 most important thing about that spot is that the
4 electromagnetic grid of the Earth allows them to
5 affect the players. So just like the Marco point
6 [sic]. It's a hot point on the Earth's
7 electromagnetic grid. If you sit in a special chair,
8 you can actually hear the thoughts of a person in
9 Cornwall, England. And IET and Tesla, all of this
10 stuff happened in the '70s. There was -- there was a
11 congressional hearing. And they basically said that,
12 you know, congress didn't want to fund it anymore.
13 They were doing ritual sacrifices, mental, all kind
14 of horrible things. But the thing is, ITT took it
15 up. And in 1983 they buried it in concrete.

16 And so I have all this evidence, and Yahoo! is
17 the only place that had it, and as I was finding it,
18 while I was trying to raise them so that no one would
19 find out. And so they did it. They took -- they
20 picked away all three people, this key systems guy,
21 this key technology guy, and the key CEO, and they
22 started disappearing. A lot of evidence which I
23 have. And I have been targeted ever since.

24 The other thing is the technology that we all
25 see --

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Cont.

1 MR. SHAW: Ms. Rivera, I think,
2 your time --

3 PAUL RIVERA: Okay. The technology
4 we will see is 80 years old, and they've been
5 hoarding it. So there's a lot more to this whole
6 picture than people realize. And that's why the
7 reports don't make any sense.

8 MR. SHAW: Thank you very much.
9 Is there anybody else who would like to speak?
10 Come on up. Please state your name.

11 CHARLEY SHORE: Hello. My name is
12 Charley Shore. I'm the executive director for the
13 Queen Anne chamber.

14 UNIDENTIFIED SPEAKER: Woo.

15 CHARLEY SHORE: Thank you.
16 I'm sorry that I'm late. I just left the SoDo
17 district. We've had an all-chamber meeting there and
18 taking a look at that, looking at a prospective.
19 We -- I represent over 150 businesses in the Queen
20 Anne area and many more in the surrounding area that
21 I haven't gotten membership yet. I'm working on it.
22 And what we were saying is we need the support and we
23 need the Key Arena to stay where it is, and we need
24 to be able to bring it up to the standards that they
25 seem to want to have for our sports as well as any

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52. Comments noted.

53. Comments noted.

1 other entertainment factors.

2 I remember when the Sonics left us, as everybody
3 else does, and it was very heart-wrenching, but if
4 you can imagine that for yourselves, imagine it for
5 all the small businesses that were able to get that
6 boost whenever the Sonics came. When they left, it
7 was a huge hit for all of us, the people in Uptown
8 Queen Anne -- we used to call it Lower Queen Anne --
9 and even upper Queen Anne. This -- taking this away
10 from us and putting it in the SoDo District will be
11 another huge hit.

12 People like Chihuly have come into the Seattle
13 Center. We have brought it up with the brand-new
14 armory. We're building up a place for all of us, all
15 of the community, all of the Seattle people, the
16 surrounding areas, to build a future for our
17 community, our children. If you take this away, you
18 take away our future.

19 There was an old saying called If you build it,
20 they will come. You build it in SoDo, they will go,
21 but they'll go away from us. We need to keep it
22 here. Please listen to what we're saying on behalf
23 of all the Queen Anne businesses. Please consider
24 keeping our Key Arena here, and let's make it great
25 so that they will bring back the Sonics immediately.

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Cont.

1 Thank you for your time.

2 ROB EATON: My name is Rob Eaton,
3 director of government affairs for Amtrak. And,
4 actually, the Amtrak Pacific Northwest Divisional
5 Headquarters as you know is north and south of
6 Holgate Street, so the street actually bisects our
7 operations. Amtrak will be submitting written
8 testimony for the EIS, and I just want to make a
9 couple of highlights for our comments.

10 It is our major concern, actually, obviously, is
11 safety. Safety with pedestrians, safety of workers
12 in SoDo, and, actually, safety of our employees. We
13 have over 300 employees in the SoDo area at our
14 headquarters, and right now congestion, as it is,
15 is -- impacts service delivery, safety, freight
16 mobility, mobility in the region, economic
17 development for the region and the state. So we're
18 concerned on the additional impact of congestion on
19 those points, but also points is the additional
20 future of rail traffic going north/south.

21 We have between -- east of the proposed site,
22 should the proposal be constructed there, 12 to 14
23 tracks east of the stadium. And that's a significant
24 impact for us. So looking at potential mitigation
25 and additional mitigation for that area would be

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54. Comments noted. See detailed comments from Amtrak and detailed responses included in "Business" comments.

1 needed.

2 Those would be included in the written comment.

3 Thank you.

4 MR. SHAW: Thank you.

5 Is there anybody else who has not yet spoken
6 tonight that would like to make any comments?

7 Thank you. I just want to remind folks that the
8 opportunity to submit written comments goes till
9 September 30th. Comment forms are on the back table.
10 And thank you all again for coming out.

11 (Meeting concluded at
12 7:13 p.m.)
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2 County of King) a certified court reporter in
3) the State of Washington, do hereby
4) certify:

5 That the foregoing SEATTLE ARENA ENVIRONMENTAL
6 IMPACT STATEMENT (EIS) SCOPING MEETING was had in my
7 presence and completed on September 19, 2013, and thereafter
8 was transcribed under my direction; that the transcript is a
9 full, true and complete transcript of the proceedings,
10 transcribed to the best of my ability;

11 That I am not a relative, employee, attorney or
12 counsel of any party to this action or relative or employee
13 of any such attorney or counsel and that I am not
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16 That I am herewith securely sealing the said
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18 Attorney Jessica M. Clawson.

19 IN WITNESS WHEREOF, I have hereunto set my
20 signature this 25th day of September, 2013.

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24 Certified Court Reporter No. 1915
25 (Certification expires 7/3/14.)

