

**Divided Report for Council Bill 118303
For Consideration at Full Council on February 23, 2015**

On January 13th, the City Council's Transportation Committee discussed a proposed Memorandum of Agreement (MOA) between the City of Seattle and City Investors VII, LLC for a full block reconstruction of 8th Ave N, between Thomas and Harrison Streets.

On February 10th, the Committee voted to approve the proposed MOA by a vote of 2 to 1.

Yes 2 (Rasmussen, Godden)

No 1 (O'Brien)

Majority Position (Rasmussen, Godden)

The City has adopted a neighborhood streetscape plan for 8th Avenue N in South Lake Union. The Mayor has proposed a Memorandum of Agreement (MOA) that would allow the rebuilding of 8th Avenue N consistent with the streetscape plan. The rebuilding of the street would be paid for by an adjacent property owner, who is constructing six story office buildings on each side of 8th Avenue N between Thomas and Harrison Streets.

In consideration for the rebuilding of 8th Avenue N consistent with the streetscape plan, the City would effectively waive the \$527,912 in street use permit fees that are required for the use of the right-of-way during the construction of the adjacent properties. The construction or rebuilding of 8th Avenue N according to the streetscape plan is estimated to cost \$2.1 million.

Rebuilding 8th Avenue N to only meet permit requirements without the MOA would cost approximately \$475,000. Approval of the MOA would result in \$1 million of additional investments in public right-of-way improvements.

We support approval of the MOA. The neighborhood streetscape plan design will be more pedestrian friendly with more landscaping and public amenities than if the developer made the basic improvements to meet permit requirements. The sidewalks will be wider and the design will have more open space for the public and would also include a street design to slow traffic.

Implementing the streetscape plan is a voluntary action on the part of developers and approval of this MOA would result in \$1 million of additional investment in the public right-of-way than would otherwise occur. This proposal represents the first opportunity to construct a portion of

8th Avenue N according to the neighborhood street plan design and the South Lake Union Community Council supports the MOA and the plan.

In May 2013, the City designated 8th Avenue N to be SM 85-240. The proposed development on this site is commercial and the developer's rights to construct a commercial building were vested before the designation of 8th Avenue N as residential. The ground floor uses of the buildings will be entrances to the commercial buildings and retail spaces that will be open to the public.

There are residential buildings now on 8th Avenue N and more than 2,000 nearby units of residential development are currently in the permitting process. Upon completion, 8th Avenue N will be open to the public at all times and all current and future residents and community members will benefit from the street improvements.

This is a win-win for the adjacent office workers and the nearby residents. This area of South Lake Union would benefit from more greenery and pedestrian-friendly design. The proposed MOA allows for a full block of the 8th Avenue N neighborhood streetscape plan to be implemented, and will set precedent for other developers to voluntarily implement the rest of the 8th Avenue N streetscape plan.

For these reasons, we recommend approval of the Memorandum of Agreement. Please see Attachment A, which summarizes the benefits of the MOA.

Minority Position (O'Brien)

The Urban Design Framework (UDF) for South Lake Union established a vision for a residential corridor along 8th Avenue North between Denny and Republican. This vision leverages a connection to existing green space at Denny Park and mature street trees on 8th Avenue. The street concept plan for 8th Avenue was developed in this context and broader land use and zoning changes have been instituted to support the neighborhoods vision.

The current development proposal at 300 8th Ave N and 333 8th Ave N between Thomas and Harrison Street is for two six-story commercial buildings vested under prior zoning.

The proposed MOA sets out terms of agreement for a full block reconstruction of 8th Avenue N, bordered by the proposed development. In the terms of the agreement, the City would contribute approximately \$530,000 to the project in the form of waived street use permit fees.

I am concerned that the street design, as proposed, would result in a private amenity for the proposed campus in the public right of way. We have examples throughout the city of open spaces that are technically public, but as a result of design or lack of activation, feel private or not welcoming. The green street envisioned in the South Lake Union Urban Design framework

was designed around a residential corridor activated with stoops and places for families to play and gather, but those elements are missing in this proposal. Though the developer is proposing to contribute more funding than is required to for the re-build of the street, I do not find there to be sufficient public benefit in the proposed design to warrant the \$530,000 investment from the City.

I recommend denial of the Memorandum of Approval.

Attachment A: Summary of MOA Benefits (Majority Position)

| | If MOA Approved | If MOA Not Approved |
|------------------------------------|--|---|
| Financial Impact | <ul style="list-style-type: none"> • Developer agrees to pay \$2.1 million for full block reconstruction on 8th Ave • City does not receive \$527,912 in Street Use Permit Fee, to be used for other transportation purposes | <ul style="list-style-type: none"> • Developer required to pay \$473,295 for standard street improvements • Developer required to pay \$527,912 in Street Use Permit fee |
| Street Impact | <ul style="list-style-type: none"> • “Shared Street” consistent with Neighborhood Street Concept Plan is built • Features include: <ul style="list-style-type: none"> ○ Curb-less design with specialty scoring pattern on roadway surface ○ Bio-retention with extensive planting and retention of mature trees ○ Wider sidewalks and variations in sidewalk width ○ Street undulation will create non-traditional street spaces – called street rooms, which will serve an open space function ○ Improved drainage infrastructure through full street reconstruction | <ul style="list-style-type: none"> • Standard street is built • Features include: <ul style="list-style-type: none"> ○ Standard roadway section ○ Retention of trees but with less landscaped area ○ Standard linear delineation of street without undulation ○ Street rooms not realized as street concept plan envisioned ○ Will not serve a public open space function |
| Innovative Financing Impact | <ul style="list-style-type: none"> • Will offer encouragement for other developers to use this tool to deliver street concept plan visions | <ul style="list-style-type: none"> • Would likely discourage other developers from using this tool to deliver street concept plans |
| Development Impact | <ul style="list-style-type: none"> • Projects on 300 & 333 8th Ave proceed as planned | <ul style="list-style-type: none"> • Projects on 300 & 333 8th Ave proceed as planned |