



**PARKS, SEATTLE CENTER, LIBRARIES & WATERFRONT COMMITTEE
SEPTEMBER 7, 2017**

225 ROY (“K BLOCK”) AGREEMENT

Background: This legislation involves the “K Block” bounded by Mercer and Roy Streets and 2nd and 3rd Avenues North, due west of the Seattle Center Mercer Street Parking Garage. The block is called the “K Block” because the majority of the block was owned at one time by the Kreielsheimer Foundation (Foundation). Today, the City owns approximately one-quarter of the K Block in two parcels, the smaller of which was a gift from the Foundation and the other purchased by the City with funds provided by the Foundation. The City intends to develop an affordable housing project in the future on the larger City-owned parcel.

The Foundation gifted the remainder of the K block to Seattle Opera which sold the property to a private developer, 225 Roy LLC, who intends to construct a residential project with ground floor retail uses on their property. Seattle Opera is investing the proceeds of the land sale in its Seattle Opera at the Center project, a new administrative, rehearsal and technical facility adjacent to McCaw Hall.

To coordinate the development of the K Block for the mutual benefit of the parties and the public, the City and 225 Roy LLC worked together on terms regarding pedestrian circulation in and through the site, building setbacks, and development and use of public open space. These terms and conditions are memorialized in two documents authorized by this legislation and described below.

Legislation Summary: The legislation authorizes execution of two agreements which establish the terms for coordinated development of the K Block by The City and 225 Roy LLC:

1. Restrictive Covenant, Easement and Circulation Area Agreement

2. Quit Claim Deed and Reservation of Access Easement Agreement

Per these agreements, 225 Roy LLC and the City shall do the following:

225 Roy LLC shall:

- Establish building set-backs on 225 LLC property to the north and east of City property to allow the City to maximize the footprint of its future affordable housing development on City property.
- Construct and maintain improvements in circulation areas which allow for north-south and east-west pedestrian mid-block crossings of the K Block.
- Construct and maintain open space improvements on the City-owned rectangular strip of property fronting Mercer Street on the east half of the K Block.
- Install seating and weather protection to provide retail activation to the open space area fronting Mercer Street.

The City shall:

- Convey a 10-foot strip of land on the City-owned Open Space parcel to 225 Roy LLC to accommodate weather protection overhangs and allow for a lot boundary adjustment to enable 225 Roy LLC to obtain its construction permits.
- Reserve a perpetual easement to the conveyed property for the benefit of the public as open space and also to allow the City-owned Open Space parcel to meet the open space requirements for a future affordable housing development on City-owned land on the NE portion of the K Block.

Benefits of Legislation

- Privately-funded development and maintenance in perpetuity of welcoming public open space.
- Configuration of the private development to allow the City to maximize the future affordable housing capacity on adjacent City-owned land.
- Pedestrian access through the K Block both north-south and east-west.
- A well-designed private mixed-use project.
- Activation of the north edge of Mercer Street.

See attached map of K Block

Map depicting K Block in relation to surrounding properties.



This map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.