



# SEATTLE CITY COUNCIL

## Transportation and Utilities Committee

### Agenda

Wednesday, August 4, 2021

9:30 AM

### Public Hearing

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or  
Seattle Channel online.

Alex Pedersen, Chair  
Dan Strauss, Vice-Chair  
M. Lorena González, Member  
Lisa Herbold, Member  
Tammy J. Morales, Member  
Debora Juarez, Alternate

Chair Info: 206-684-8804; [Alex.Pedersen@seattle.gov](mailto:Alex.Pedersen@seattle.gov)

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<http://seattle.gov/cityclerk/accommodations>.



**SEATTLE CITY COUNCIL**  
**Transportation and Utilities Committee**  
**Agenda**  
**August 4, 2021 - 9:30 AM**  
**Public Hearing**

**Meeting Location:**

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

**Committee Website:**

<http://www.seattle.gov/council/committees/transportation-and-utilities>

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This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

*In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.*

Register online to speak during the Public Comment period and at the Public Hearing at the 9:30 a.m. Transportation and Utilities Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Transportation and Utilities Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period and the Public Hearing during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Pedersen at [Alex.Pedersen@seattle.gov](mailto:Alex.Pedersen@seattle.gov)

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782,,5864169164#



*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

**D. Items of Business**

1.     [CB 120145](#)     **AN ORDINANCE naming the pedestrian and bicycle bridge across Interstate 5, connecting N 100th St to 1st Ave NE, as the John Lewis Memorial Bridge.**

Supporting  
Documents:   [Summary and Fiscal Note](#)

**Briefing, Discussion, and Possible Vote**

**Presenters:** Councilmember Debora Juarez; Former King County Councilmember Larry Gossett; Dr. Chemene Crawford, North Seattle College; Calvin Chow, Council Central Staff

2.     [CB 120133](#)     **AN ORDINANCE granting Swedish Health Services permission to construct, maintain, and operate a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street, for a 15-year term, renewable for one successive 15-year term; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.**

Supporting  
Documents:

[Summary and Fiscal Note](#)  
[Summary Att A – Swedish Minor Tunnel Area Map](#)  
[Summary Att B - Annual Fee Assessment Summary](#)  
[Central Staff Memo](#)  
[Swedish Presentation](#)  
[SDOT Letter](#)

**Briefing, Discussion, and Possible Vote**

**Presenters for Items 2 - 4:** Michael Jenkins, Seattle Design Commission; Beverly Barnett and Amy Gray, Seattle Department of Transportation (SDOT); Mike Denney, Swedish Health Services; Brad Hinthorne and Daria Supp, Perkins & Will; Nancy Rogers, Cairncross & Hempelmann; Lish Whitson, Council Central Staff

3.     [CB 120134](#)     **AN ORDINANCE amending Ordinance 125142; granting Swedish Health Services permission to construct, maintain and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street; and ratifying and confirming certain prior acts.**

Supporting  
Documents:

[Summary and Fiscal Note](#)  
[Summary Att A - Swedish Skybridge Annual Fee Assessment Summary](#)  
[Central Staff Memo](#)  
[Swedish Presentation](#)  
[SDOT Letter](#)

**Briefing, Discussion, and Possible Vote**

4. [CF 314477](#) Request for an extension to the conditional approval of a petition of Swedish Health Services to vacate the alley in Block 95, Terry's Second Addition to the City of Seattle (CF 314304).

Attachments: [Swedish Health Services Vacation Extension Request](#)  
[Vacation Map](#)

Supporting  
Documents: [Central Staff Memo](#)  
[Swedish Presentation](#)  
[SDOT Letter](#)

**Briefing, Discussion, and Possible Vote**

5. [CB 120137](#) AN ORDINANCE vacating the alley in Block 20, Heirs of Sarah A. Bell's Second Addition, bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 312262).

Attachments: [Ex 1 - Property Use and Development Agreement](#)

Supporting  
Documents: [Summary and Fiscal Note](#)  
[Summary Att A – Block 20 Alley Vacation Map](#)  
[Central Staff Memo](#)  
[Presentation](#)

**Briefing, Discussion, and Possible Vote**

**Presenters for Items 5 - 6:** Beverly Barnett, SDOT; John Savo, NBBJ; Peter Krech, Graphite Design Group; Ian Kell, Seneca Group; Lish Whitson, Council Central Staff

6.     [CB 120136](#)     **AN ORDINANCE vacating the alley in Block 21, Heirs of Sarah A. Bell's Second Addition, bounded by Bell Street, 7th Avenue, Blanchard Street, and 8th Avenue, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 314278).**

Attachments:   [Ex 1 - Property Use and Development Agreement](#)

Supporting

Documents:   [Summary and Fiscal Note](#)

[Summary Att A - Block 21 Alley Vacation Map](#)

[Central Staff Memo](#)

[Presentation](#)

**Briefing, Discussion, and Possible Vote**

7.     [CF 314451](#)     **Petition of Seattle City Light to vacate a portion of Diagonal Avenue South, west of 4th Avenue South.**

Attachments:   [Vacation Petition](#)

Supporting

Documents:   [SDOT Diagonal Way Vacation Recommendation](#)

[Presentation](#)

[Central Staff Memo](#)

**Briefing, Discussion, and Possible Vote**

**Presenters:** Beverly Barnett and Hallie O'Brien, SDOT; Tim Croll, Seattle City Light (SCL); Michael Jenkins, Seattle Design Commission; Mike Schwindeller, Seattle Parks and Recreation; Lish Whitson, Council Central Staff

8.     [CB 120135](#)     **AN ORDINANCE granting ARE-SEATTLE NO. 33, LLC a permit to construct, maintain, and operate below-grade private utility lines under and across Roy Street, west of 8th Avenue North, and Dexter Avenue North, north of Mercer Street, for a 15-year term, renewable for one successive 15-year term; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.**

Supporting  
Documents:

[Summary and Fiscal Note](#)

[Summary Att A - ARE District Energy Area Map](#)

[Summary Att B - ARE District Energy Fee Assessment](#)

[Central Staff Memo](#)

[Presentation](#)

**Briefing, Discussion, and Possible Vote**

**Presenters:** Beverly Barnett and Amy Gray, SDOT; Todd Chambers, ARE-Seattle No. 33, LLC; Lish Whitson, Council Central Staff

9.     [CB 120146](#)     **AN ORDINANCE relating to the City Light Department; accepting statutory warranty deeds to the Beeson, Brecht, Chen, Crosson, Fresonke, Judd, Marsall, McElfresh (two properties), Metzler and De Llaguno, and Rasmussen properties in Skagit County, Washington, and the Ring Family Limited Partnership property in Snohomish County, all for salmonid habitat protection purposes; declaring certain real property rights surplus and no longer required for providing public utility service or other municipal purposes, and ratifying the grants of Deeds of Right to the State of Washington on the Beeson, Brecht, Chen, Fresonke, Judd, Marblemount LLC, McElfresh properties, and Rasmussen for salmon recovery and conservation purposes; placing said lands under the jurisdiction of the City Light Department; and ratifying and confirming certain prior acts.**

Attachments: [Att 1 – Statutory Warranty Deed for Beeson](#)  
[Att 2 – Deed of Right to Use Land for Salmon Recovery Purposes for Beeson](#)  
[Att 3 – Statutory Warranty Deed for Brecht](#)  
[Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht](#)  
[Att 5 – Statutory Warranty Deed for Chen](#)  
[Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen](#)  
[Att 7 – Statutory Warranty Deed for Crosson](#)  
[Att 8 – Statutory Warranty Deed for Fresonke](#)  
[Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke](#)  
[Att 10 – Statutory Warranty Deed for Judd](#)  
[Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd](#)  
[Att 12 – Statutory Warranty Deed for Marsall](#)  
[Att 13 – Statutory Warranty Deed for McElfresh](#)  
[Att 14 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh](#)  
[Att 15 – Statutory Warranty Deed for McElfresh](#)  
[Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh](#)  
[Att 17 – Statutory Warranty Deed for Marblemount](#)  
[Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount](#)  
[Att 19 – Statutory Warranty Deed for Rasmussen](#)  
[Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen](#)  
[Att 21 – Statutory Warranty Deed for Ring](#)

Supporting Documents: [Summary and Fiscal Note](#)  
[Summary Att 1 – Map of Properties](#)  
[Presentation](#)  
[Central Staff Memo](#)

**Public Hearing, Briefing, Discussion, and Possible Vote**

**Presenters:** Debra Smith, General Manager and CEO, Kate Engel,

Denise Krownbell, and Maura Brueger, SCL; Eric McConaghy, Council  
Central Staff

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recognized by the Chair. If you are unable to attend the remote meeting,  
please submit written comments to Councilmember Pedersen at  
[Alex.Pedersen@seattle.gov](mailto:Alex.Pedersen@seattle.gov).

**10. Presentation: 2020 Outside Financial Audit of Seattle Public  
Utilities**

Supporting  
Documents:

[Water Fund Financial Statements](#)

[Drainage and Wastewater Fund Financial Statements](#)

[Solid Waste Fund Financial Statements](#)

[Presentation](#)

**Briefing and Discussion**

**Presenters:** Todd Ryland, Moss Adams; Brian Goodnight, Council  
Central Staff

**E. Adjournment**





## Legislation Text

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**File #:** CB 120145, **Version:** 1

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### CITY OF SEATTLE

### ORDINANCE \_\_\_\_\_

### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE naming the pedestrian and bicycle bridge across Interstate 5, connecting N 100th St to 1st Ave NE, as the John Lewis Memorial Bridge.

WHEREAS, John Lewis was a civil rights icon and politician who served as the U.S. representative for

Georgia's 5th Congressional District for more than three decades; and

WHEREAS, John Lewis was known as "the Conscience of the U.S. Congress"; and

WHEREAS, he coined the term "good trouble" to describe his participation in protests at segregated lunch counters in Nashville, Tennessee; and

WHEREAS, in 1961, he volunteered to participate in the Freedom Rides, which challenged segregation at interstate bus terminals across the South; and

WHEREAS, John Lewis and other civil rights leaders led over 600 peaceful protestors across the Edmund Pettus Bridge in Selma, Alabama on March 7, 1965 to march from Selma to Montgomery to demonstrate the need for voting rights in the state; and

WHEREAS, Alabama state troopers attacked the marchers in a brutal confrontation that became known as "Bloody Sunday." News broadcasts and photographs revealing the senseless cruelty of the segregated South helped hasten the passage of the Voting Rights Act of 1965; and

WHEREAS, his legacy of non-violent advocacy has influenced modern civil rights movements such as Black Lives Matter; and

WHEREAS, the City of Seattle stands in solidarity with the Black community; and

WHEREAS, the City Council is committed to systematically uprooting racism and investing in Black, indigenous, and people of color (BIPOC) communities to address disparities in wealth, health, education, homeownership, and opportunity; and

WHEREAS, the North Seattle has a well-documented history of redlining and exclusionary housing covenants that prohibited non-white residents from living and acquiring property in much of the North End; and

WHEREAS, recent demographic trends show a growing BIPOC population in North Seattle; and

WHEREAS, in 2020 the Seattle Design Commission requested that the Mayor propose, and the City Council adopt, a joint Resolution requiring City departments to develop explicit policies for naming City-owned public facilities after places, people, and events of importance to Seattle's Indigenous people, Black people, and other historically underrepresented groups; and

WHEREAS, the naming of public infrastructure after BIPOC community leaders is a burgeoning practice in Seattle, with examples such as Hayashi Avenue, the Tony Lee Apartments, Robert Eagle Staff Middle School and Martin Luther King Jr. Way; and

WHEREAS, the naming of significant infrastructure can convey the community's values and shared vision for the future; and

WHEREAS, John Lewis exemplified the values and principles to which the City aspires; NOW, THEREFORE, **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The pedestrian and bicycle bridge across Interstate 5, connecting N 100th St to 1st Ave NE, is named the John Lewis Memorial Bridge.

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by  
me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

## **SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Legislature	Calvin Chow/x4-4652	N/A

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

**Legislation Title:**

AN ORDINANCE naming the pedestrian and bicycle bridge across Interstate 5, connecting N 100th St to 1st Ave NE, as the John Lewis Memorial Bridge.

**Summary and background of the Legislation:**

This legislation would establish the legal name of the pedestrian and bicycle bridge connecting North Seattle Community College to the Sound Transit Northgate Light Rail Station (currently under construction) as the “John Lewis Memorial Bridge.” The bridge will connect N 100<sup>th</sup> Street to 1<sup>st</sup> Avenue NE, across Interstate 5.

### **2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes \_\_\_X\_\_\_ No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget? \_\_\_ Yes \_\_\_X\_\_\_ No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

The design of the pedestrian and bicycle bridge did not include signage considerations for naming of the bridge. If specific signage is desired, and depending on the complexity of the signage sought, SDOT may need additional budget for design, construction, and installation of signage.

**Is there financial cost or other impacts of *not* implementing the legislation?**

No financial cost or other impacts identified.

### **4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

This legislation establishes the legal name of the pedestrian and bicycle bridge across Interstate 5. The bridge is an SDOT managed asset.

**b. Is a public hearing required for this legislation?**

No public hearing required.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No public notice required.

**d. Does this legislation affect a piece of property?**

The legislation establishes the legal name of the bridge structure, but does not otherwise impact property.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

This legislation would name a significant bridge structure in North Seattle in honor of Representative John Lewis who, as a civil rights icon, exemplifies the values and principles of the City of Seattle to fight systemic racism and support Black, indigenous, and people of color (BIPOC) communities.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

No climate change implications identified.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No climate resiliency implications identified.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

No goals identified.

**List attachments/exhibits below:**

None



## Legislation Text

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**File #:** CB 120133, **Version:** 1

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### CITY OF SEATTLE

#### ORDINANCE \_\_\_\_\_

#### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE granting Swedish Health Services permission to construct, maintain, and operate a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street, for a 15-year term, renewable for one successive 15-year term; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

WHEREAS, Swedish Health Services applied for permission to construct a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street in the First Hill neighborhood (“pedestrian tunnel”); and

WHEREAS, the purpose of the pedestrian tunnel is to provide a connection for staff and visitors from the new building located on the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue (“Block 95”) to the Northwest Tower and main hospital for the transport of supplies, food, and waste; and

WHEREAS, the obligations of the ordinance remain in effect after the ordinance term expires until the encroachment is removed, or Swedish Health Services is relieved of the obligations by the Seattle Department of Transportation Director, or the Seattle City Council passes a new ordinance to renew the permission granted; and

WHEREAS, the Seattle City Council adopted Resolution 31700 and conceptually approved the pedestrian tunnel, and Swedish Health Services has met the obligations described in this resolution; and

WHEREAS, the adoption of this ordinance is the culmination of the approval process for the pedestrian tunnel to legally occupy a portion of the public right-of-way, and the adopted ordinance is considered to be the

permit; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. **Permission.** Subject to the terms and conditions of this ordinance, the City of Seattle (“City”) grants permission (also referred to in this ordinance as a permit) to Swedish Health Services, and its successors and assigns as approved by the Director of the Seattle Department of Transportation (“Director”) according to Section 14 of this ordinance (the party named above and each such approved successor and assign is referred to as the “Permittee”), to construct, maintain, and operate a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street (collectively referred to as “pedestrian tunnel”), adjacent in whole or in part to the property legally described as:

**PARCEL 12**

LOTS 1 THROUGH 5, INCLUSIVE, BLOCK 95, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, RECORDS OF KING COUNTY, WASHINGTON.

**PARCEL 13**

LOTS 6 AND 7, BLOCK 95, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON.

**PARCEL 14**

LOT 8, BLOCK 95, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON.

**TOGETHER WITH:**

BLOCK 95, TERRY'S SECOND ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, RECORDS OF KING COUNTY, WASHINGTON; CONTAINING AN AREA OF 3,841 SQUARE FEET OR .0882 ACRES, MORE OR LESS; SITUATE IN THE CITY OF SEATTLE, KING COUNTY, WASHINGTON.

**PARCEL 1**

LOTS 1 THROUGH 8, INCLUSIVE, BLOCK 120, A.A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON.

TOGETHER WITH VACATED ALLEY IN SAID BLOCK 120, AS DESCRIBED AND VACATED UNDER ORDINANCE NUMBER 53208 IN THE CITY OF SEATTLE;

AND TOGETHER WITH THE SOUTHWESTERLY HALF OF VACATED SUMMIT AVE

ADJACENT TO SAID BLOCK, LYING SOUTHEASTERLY OF THE SOUTHEAST LINE OF COLUMBIA STREET, AS DESCRIBED AND VACATED UNDER ORDINANCE NUMBER 89570 OF THE CITY OF SEATTLE;

AND THAT PORTION OF COLUMBIA STREET AND OF SUMMIT AVENUE AS VACATED UNDER ORDINANCE NUMBER 101585 OF THE CITY OF SEATTLE, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 8, BLOCK 131, A.A. DENNY'S BROADWAY ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON; THENCE SOUTH 59°22'43" WEST ALONG THE NORTHWESTERLY LINE OF COLUMBIA STREET TO THE MOST SOUTHERLY CORNER OF LOT 8, BLOCK 120, SAID ADDITION; THENCE SOUTH 30°35'29" EAST ALONG THE PRODUCTION OF THE SOUTHWESTERLY LINE OF SAID LOT, 66 FEET TO THE MOST WESTERLY CORNER OF BLOCK 101, TERRY'S SECOND ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON; THENCE NORTH 59°22'43" EAST ALONG THE NORTHWESTERLY LINE OF SAID BLOCK TO THE MOST NORTHERLY CORNER THEREOF, THENCE NORTH 30°37'02" WEST ALONG THE PRODUCTION OF THE NORTHEASTERLY LINE OF SAID BLOCK 0.012 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY, NORTHERLY, AND NORTHEASTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 66 FEET, A DISTANCE OF 103.66 FEET TO A POINT OF TANGENCY ON THE NORTHWESTERLY LINE OF COLUMBIA STREET, SAID POINT BEING THE BEGINNING;

LOTS 1, 2, 3, AND 4, BLOCK 101, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON;

TOGETHER WITH VACATED ALLEY LYING BETWEEN SAID LOTS IN BLOCK 101, AS DESCRIBED AND VACATED UNDER ORDINANCE NUMBER 5956 OF THE CITY OF SEATTLE;

EXCEPT THAT PORTION OF SAID LOTS 3 AND 4 AND VACATED ALLEY CONVEYED TO THE CITY OF SEATTLE BY DEED RECORDED UNDER RECORDING NUMBER 7211170618;

TOGETHER WITH THE NORTHWESTERLY HALF OF VACATED PUBLIC WALKWAY IN SAID BLOCK 101, AS DESCRIBED AND VACATED UNDER ORDINANCE NUMBER 110712 OF THE CITY OF SEATTLE.

Section 2. **Term.** The permission granted to the Permittee is for a term of 15 years starting on the effective date of this ordinance and ending at 11:59 p.m. on the last day of the fifteenth year. Upon written application made by the Permittee at least one year before expiration of the term, the Director or the City Council may renew the permit once, for a successive 15-year term, subject to the right of the City to require the removal of the pedestrian tunnel or to revise by ordinance any of the terms and conditions of the permission



granted by this ordinance. The total term of the permission, including renewals, shall not exceed 30 years. The Permittee shall submit any application for a new permit no later than one year prior to the expiration of the then-existing term.

Section 3. **Protection of utilities.** The permission granted is subject to the Permittee bearing the expense of any protection, support, or relocation of existing utilities deemed necessary by the owners of the utilities, and the Permittee being responsible for any damage to the utilities due to the construction, repair, reconstruction, maintenance, operation, or removal of the pedestrian tunnel and for any consequential damages that may result from any damage to utilities or interruption in service caused by any of the foregoing.

Section 4. **Removal for public use or for cause.** The permission granted is subject to use of the street right-of-way or other public place (collectively, public place) by the City and the public for travel, utility purposes, and other public uses or benefits. The City expressly reserves the right to deny renewal, or terminate the permission at any time before expiration of the initial term or any renewal term, and require the Permittee to remove the pedestrian tunnel or any part thereof or installation on the public place, at the Permittee's sole cost and expense, if:

A. The City Council determines by ordinance that the space occupied by the pedestrian tunnel is necessary for any public use or benefit or that the pedestrian tunnel interferes with any public use or benefit; or

B. The Director determines that use of the pedestrian tunnel has been abandoned; or

C. The Director determines that any term or condition of this ordinance has been violated, and the violation has not been corrected by the Permittee by the compliance date after a written request by the City to correct the violation (unless a notice to correct is not required due to an immediate threat to the health or safety of the public).

A City Council determination that the space is needed for, or the pedestrian tunnel interferes with, a public use or benefit is conclusive and final without any right of the Permittee to resort to the courts to adjudicate the matter.

Section 5. **Permittee's obligation to remove and restore.** If the permission granted is not renewed at the expiration of a term, or if the permission expires without an application for a new permission being granted, or if the City terminates the permission, then within 90 days after the expiration or termination of the permission, or prior to any earlier date stated in an ordinance or order requiring removal of the pedestrian tunnel, the Permittee shall, at its own expense, remove the pedestrian tunnel and all of the Permittee's equipment and property from the public place and replace and restore all portions of the public place that may have been disturbed for any part of the pedestrian tunnel in as good condition for public use as existed prior to constructing the pedestrian tunnel and in at least as good condition in all respects as the abutting portions of the public place as required by Seattle Department of Transportation (SDOT) right-of-way restoration standards.

Failure to remove the pedestrian tunnel as required by this section is a violation of Chapter 15.90 of the Seattle Municipal Code (SMC) or successor provision; however, applicability of Chapter 15.90 does not eliminate any remedies available to the City under this ordinance or any other authority. If the Permittee does not timely fulfill its obligations under this section, the City may in its sole discretion remove the pedestrian tunnel and restore the public place at the Permittee's expense and collect such expense in any manner provided by law.

Upon the Permittee's completion of removal and restoration in accordance with this section, or upon the City's completion of the removal and restoration and the Permittee's payment to the City for the City's removal and restoration costs, the Director shall issue a certification that the Permittee has fulfilled its removal and restoration obligations under this ordinance. Upon prior notice to the Permittee and entry of written findings that it is in the public interest, the Director may, in the Director's sole discretion, conditionally or absolutely excuse the Permittee from compliance with all or any of the Permittee's obligations under this section.

Section 6. **Repair or reconstruction.** The pedestrian tunnel shall remain the exclusive responsibility of the Permittee and the Permittee shall maintain the pedestrian tunnel in good and safe condition for the protection of the public. The Permittee shall not reconstruct or repair the pedestrian tunnel except in strict

accordance with plans and specifications approved by the Director. The Director may, in the Director's judgment, order the pedestrian tunnel reconstructed or repaired at the Permittee's cost and expense: because of the deterioration or unsafe condition of the pedestrian tunnel; because of the installation, construction, reconstruction, maintenance, operation, or repair of any municipally-owned public utilities; or for any other cause.

Section 7. **Failure to correct unsafe condition.** After written notice to the Permittee and failure of the Permittee to correct an unsafe condition within the time stated in the notice, the Director may order the pedestrian tunnel be closed or removed at the Permittee's expense if the Director deems that the pedestrian tunnel has become unsafe or creates a risk of injury to the public. If there is an immediate threat to the health or safety of the public, a notice to correct is not required.

Section 8. **Continuing obligations.** Notwithstanding the termination or expiration of the permission granted, or closure or removal of the pedestrian tunnel, the Permittee shall remain bound by all of its obligations under this ordinance until the Director has issued a certification that the Permittee has fulfilled its removal and restoration obligations under Section 5 of this ordinance, or the Seattle City Council passes a new ordinance to renew the permission granted and/or establish a new term. Notwithstanding the issuance of that certification, the Permittee shall continue to be bound by the obligations in Section 9 of this ordinance and shall remain liable for any unpaid fees assessed under Sections 15 and 17 of this ordinance.

Section 9. **Release, hold harmless, indemnification, and duty to defend.** The Permittee, by accepting the terms of this ordinance, releases the City, its officials, officers, employees, and agents from any and all claims, actions, suits, liability, loss, costs, expense, attorneys' fees, or damages of every kind and description arising out of or by reason of the pedestrian tunnel or this ordinance, including but not limited to claims resulting from injury, damage, or loss to the Permittee or the Permittee's property.

The Permittee agrees to at all times defend, indemnify, and hold harmless the City, its officials, officers, employees, and agents from and against all claims, actions, suits, liability, loss, costs, expense, attorneys' fees,

or damages of every kind and description, excepting only damages that may result from the sole negligence of the City, that may accrue to, be asserted by, or be suffered by any person or property including, without limitation, damage, death or injury to members of the public or to the Permittee's officers, agents, employees, contractors, invitees, tenants, tenants' invitees, licensees, or successors and assigns, arising out of or by reason of:

A. The existence, condition, construction, reconstruction, modification, maintenance, operation, use, or removal of the pedestrian tunnel, or any portion thereof, or the use, occupation, or restoration of the public place or any portion thereof by the Permittee or any other person or entity;

B. Anything that has been done or may at any time be done by the Permittee by reason of this ordinance; or

C. The Permittee failing or refusing to strictly comply with every provision of this ordinance; or arising out of or by reason of the pedestrian tunnel or this ordinance in any other way.

If any suit, action, or claim of the nature described above is filed, instituted, or begun against the City, the Permittee shall upon notice from the City defend the City, with counsel acceptable to the City, at the sole cost and expense of the Permittee, and if a judgment is rendered against the City in any suit or action, the Permittee shall fully satisfy the judgment within 90 days after the action or suit has been finally determined, if determined adversely to the City. If it is determined by a court of competent jurisdiction that Revised Code of Washington (RCW) 4.24.115 applies to this ordinance, then in the event claims or damages are caused by or result from the concurrent negligence of the City, its agents, contractors, or employees, and the Permittee, its agents, contractors, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Permittee or the Permittee's agents, contractors, or employees.

Section 10. **Insurance.** For as long as the Permittee exercises any permission granted by this ordinance and until the Director has issued a certification that the Permittee has fulfilled its removal and restoration obligations under Section 5 of this ordinance, the Permittee shall obtain and maintain in full force and effect, at

its own expense, insurance and/or self-insurance that protects the Permittee and the City from claims and risks of loss from perils that can be insured against under commercial general liability (CGL) insurance policies in conjunction with:

A. Construction, reconstruction, modification, operation, maintenance, use, existence, or removal of the pedestrian tunnel, or any portion thereof, as well as restoration of any disturbed areas of the public place in connection with removal of the pedestrian tunnel;

B. The Permittee's activity upon or the use or occupation of the public place described in Section 1 of this ordinance; and

C. Claims and risks in connection with activities performed by the Permittee by virtue of the permission granted by this ordinance.

Minimum insurance requirements are CGL insurance written on an occurrence form at least as broad as the Insurance Services Office (ISO) CG 00 01. The City requires insurance coverage to be placed with an insurer admitted and licensed to conduct business in Washington State or with a surplus lines carrier pursuant to chapter 48.15 RCW. If coverage is placed with any other insurer or is partially or wholly self-insured, such insurer(s) or self-insurance is subject to approval by the City's Risk Manager.

Minimum limits of liability shall be \$5,000,000 per Occurrence; \$10,000,000 General Aggregate; \$5,000,000 Products/Completed Operations Aggregate, including Premises Operations; Personal/Advertising Injury; Contractual Liability. Coverage shall include the "City of Seattle, its officers, officials, employees and agents" as additional insureds for primary and non-contributory limits of liability subject to a Separation of Insureds clause.

Within 60 days after the effective date of this ordinance, the Permittee shall provide to the City, or cause to be provided, certification of insurance coverage including an actual copy of the blanket or designated additional insured policy provision per the ISO CG 20 12 endorsement or equivalent. The insurance coverage certification shall be delivered or sent to the Director or to SDOT at an address as the Director may specify in

writing from time to time. The Permittee shall provide a certified complete copy of the insurance policy to the City promptly upon request.

If the Permittee is self-insured, a letter of certification from the Corporate Risk Manager may be submitted in lieu of the insurance coverage certification required by this ordinance, if approved in writing by the City's Risk Manager. The letter of certification must provide all information required by the City's Risk Manager and document, to the satisfaction of the City's Risk Manager, that self-insurance equivalent to the insurance requirements of this ordinance is in force. After a self-insurance certification is approved, the City may from time to time subsequently require updated or additional information. The approved self-insured Permittee must provide 30 days' prior notice of any cancellation or material adverse financial condition of its self-insurance program. The City may at any time revoke approval of self-insurance and require the Permittee to obtain and maintain insurance as specified in this ordinance.

In the event that the Permittee assigns or transfers the permission granted by this ordinance, the Permittee shall maintain in effect the insurance required under this section until the Director has approved the assignment or transfer pursuant to Section 14 of this ordinance.

**Section 11. Contractor insurance.** The Permittee shall contractually require that any and all of its contractors performing work on any premises contemplated by this permit name the "City of Seattle, its officers, officials, employees and agents" as additional insureds for primary and non-contributory limits of liability on all CGL, Automobile and Pollution liability insurance and/or self-insurance. The Permittee shall also include in all contract documents with its contractors a third-party beneficiary provision extending to the City construction indemnities and warranties granted to the Permittee.

**Section 12. Performance bond.** Within 60 days after the effective date of this ordinance, the Permittee shall deliver to the Director for filing with the City Clerk a sufficient bond executed by a surety company authorized and qualified to do business in the State of Washington, in the amount of \$200,000 and conditioned with a requirement that the Permittee shall comply with every provision of this ordinance and with every order

the Director issues under this ordinance. The Permittee shall ensure that the bond remains in effect until the Director has issued a certification that the Permittee has fulfilled its removal and restoration obligations under Section 5 of this ordinance. An irrevocable letter of credit approved by the Director in consultation with the City Attorney's Office may be substituted for the bond. If the Permittee assigns or transfers the permission granted by this ordinance, the Permittee shall maintain in effect the bond or letter of credit required under this section until the Director has approved the assignment or transfer pursuant to Section 14 of this ordinance.

Section 13. **Adjustment of insurance and bond requirements.** The Director may adjust minimum liability insurance levels and surety bond requirements during the term of this permission. If the Director determines that an adjustment is necessary to fully protect the interests of the City, the Director shall notify the Permittee of the new requirements in writing. The Permittee shall, within 60 days of the date of the notice, provide proof of the adjusted insurance and surety bond levels to the Director.

Section 14. **Consent for and conditions of assignment or transfer.** When the Property is transferred, the permission granted by this ordinance shall be assignable and transferable by operation of law pursuant to Section 20 of this ordinance. Continued occupation of the right-of-way constitutes the Permittee's acceptance of the terms of this ordinance, and the new owner shall be conferred with the rights and obligations of the Permittee by this ordinance. Other than a transfer to a new owner of the Property, the Permittee shall not transfer, assign, mortgage, pledge or encumber the same without the Director's consent, which the Director shall not unreasonably refuse. The Director may approve assignment or transfer of the permission granted by this ordinance to a successor entity only if the successor or assignee has provided, at the time of the assignment or transfer, the bond and certification of insurance coverage required under this ordinance; and has paid any fees due under Section 15 and Section 17 of this ordinance. Upon the Director's approval of an assignment or transfer, the rights and obligations conferred on the Permittee by this ordinance shall be conferred on the successors and assigns. Any person or entity seeking approval for an assignment or transfer of the permission granted by this ordinance shall provide the Director with a description of the current and anticipated use of the

Pedestrian tunnel.

Section 15. **Inspection fees.** The Permittee shall, as provided by SMC Chapter 15.76 or successor provision, pay the City the amounts charged by the City to inspect the pedestrian tunnel during construction, reconstruction, repair, annual safety inspections, and at other times deemed necessary by the City. An inspection or approval of the pedestrian tunnel by the City shall not be construed as a representation, warranty, or assurance to the Permittee or any other person as to the safety, soundness, or condition of the pedestrian tunnel. Any failure by the City to require correction of any defect or condition shall not in any way limit the responsibility or liability of the Permittee.

Section 16. **Inspection reports.** The Permittee shall submit to the Director, or to SDOT at an address specified by the Director, an inspection report that:

- A. Describes the physical dimensions and condition of all load-bearing elements;
- B. Describes any damages or possible repairs to any element of the pedestrian tunnel;
- C. Prioritizes all repairs and establishes a timeframe for making repairs; and
- D. Is stamped by a professional structural engineer licensed in the State of Washington.

A report meeting the foregoing requirements shall be submitted within 60 days after the effective date of this ordinance; subsequent reports shall be submitted every two years, provided that, in the event of a natural disaster or other event that may have damaged the pedestrian tunnel, the Director may require that additional reports be submitted by a date established by the Director. The Permittee has the duty of inspecting and maintaining the pedestrian tunnel. The responsibility to submit structural inspection reports periodically or as required by the Director does not waive or alter any of the Permittee's other obligations under this ordinance. The receipt of any reports by the Director shall not create any duties on the part of the Director. Any failure by the Director to require a report, or to require action after receipt of any report, shall not waive or limit the Permittee's obligations.

Section 17. **Annual fee.** Beginning on the effective date of this ordinance the Permittee shall pay an



Issuance Fee, and annually thereafter, the Permittee shall promptly pay to the City, upon statements or invoices issued by the Director, an Annual Renewal Fee, and an Annual Use and Occupation fee of \$23,550.34, or as adjusted annually thereafter, for the privileges granted by this ordinance.

Adjustments to the Annual Use and Occupation Fee shall be made in accordance with a term permit fee schedule adopted by the City Council and may be made every year. In the absence of a schedule, the Director may only increase or decrease the previous year's fee to reflect any inflationary changes so as to charge the fee in constant dollar terms. This adjustment will be calculated by adjusting the previous year's fee by the percentage change between the two most recent year-end values available for the Consumer Price Index for the Seattle-Tacoma-Bellevue Area, All Urban Consumers, All Products, Not Seasonally Adjusted. Permittee shall pay any other applicable fees, including fees for reviewing applications to renew the permit after expiration of the first term. All payments shall be made to the City Finance Director for credit to the Transportation Fund.

Section 18. **Compliance with other laws.** The Permittee shall construct, maintain, and operate the pedestrian tunnel in compliance with all applicable federal, state, County, and City laws and regulations. Without limitation, in all matters pertaining to the pedestrian tunnel, the Permittee shall comply with the City's laws prohibiting discrimination in employment and contracting including Seattle's Fair Employment Practices Ordinance, Chapter 14.04, and Fair Contracting Practices code, Chapter 14.10 (or successor provisions).

Section 19. **Acceptance of terms and conditions.** The Permittee shall not commence construction of the pedestrian tunnel before providing evidence of insurance coverage required by Section 10 of this ordinance, the bond as required by Section 12 of this ordinance, and the covenant agreement required by Section 20 of this ordinance. Obtaining building permits from the Seattle Department of Construction and Inspections, or other applicable City-issued permits, constitutes the Permittee's acceptance of the terms of this ordinance.

Section 20. **Obligations run with the Property.** The obligations and conditions imposed on the Permittee by this ordinance are covenants that run with the land and bind subsequent owners of the property adjacent to the pedestrian tunnel and legally described in Section 1 of this ordinance (the "Property"),

regardless of whether the Director has approved assignment or transfer of the permission granted herein to such subsequent owner(s). At the request of the Director, the Permittee shall provide to the Director a current title report showing the identity of all owner(s) of the Property and all encumbrances on the Property. The Permittee shall, within 60 days of the effective date of this ordinance, and prior to conveying any interest in the Property, deliver to the Director upon a form to be supplied by the Director, a covenant agreement imposing the obligations and conditions set forth in this ordinance, signed and acknowledged by the Permittee and any other owner(s) of the Property and recorded with the King County Recorder's Office. The Director shall file the recorded covenant agreement with the City Clerk. The covenant agreement shall reference this ordinance by its ordinance number. At the request of the Director, the Permittee shall cause encumbrances on the Property to be subordinated to the covenant agreement.

Section 21. **Section titles.** Section titles are for convenient reference only and do not modify or limit the text of a section.

Section 22. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by  
me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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Monica Martinez Simmons, City Clerk

(Seal)

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Department of Transportation	Amy Gray/206-386-4638	Christie Parker/206-684-5211

### 1. BILL SUMMARY

**Legislation Title:** AN ORDINANCE granting Swedish Health Services permission to construct, maintain, and operate a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street, for a 15-year term, renewable for one successive 15-year term; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

**Summary and background of the Legislation:**

This legislation allows Swedish Health Services to construct, maintain, and operate a new pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street. The permit is for a period of fifteen years, commencing on the effective date of the ordinance. The permit may be extended for one successive 15-year term. The legislation specifies the conditions under which permission is granted.

### 2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes X No

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes \_\_\_ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	\$0	\$0	\$0	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
	\$0	\$0	Annual Fee: \$23,550.34	TBD
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?  
No.

**Is there financial cost or other impacts of *not* implementing the legislation?**

If the legislation is not enacted by City Council, the City of Seattle would not receive the 2021 Annual Fee of \$23,550.34 and future annual fees.

**3.a. Appropriations**

☐ This legislation adds, changes, or deletes appropriations.

**3.b. Revenues/Reimbursements**

☒ This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2021 Revenue	2022 Estimated Revenue
Transportation Fund (13000)	SDOT	Annual Fee	\$23,550.34	TBD
<b>TOTAL</b>			<b>\$23,550.34</b>	

**Is this change one-time or ongoing?**

On-going

**Revenue/Reimbursement Notes:**

The 2021 fee is based on the 2021 land value as assessed by King County.

**3.c. Positions**

☐ This legislation adds, changes, or deletes positions.

**4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

No.

**b. Is a public hearing required for this legislation?**

No.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**d. Does this legislation affect a piece of property?**

Yes, the Swedish Health Services property legally described in Section 1 of the Council Bill.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged**

**communities? What is the Language Access plan for any communications to the public?**

This legislation does not have any implications for the principles of the Race and Social Justice Initiative and does not impact vulnerable or historically disadvantaged communities.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

N/A

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

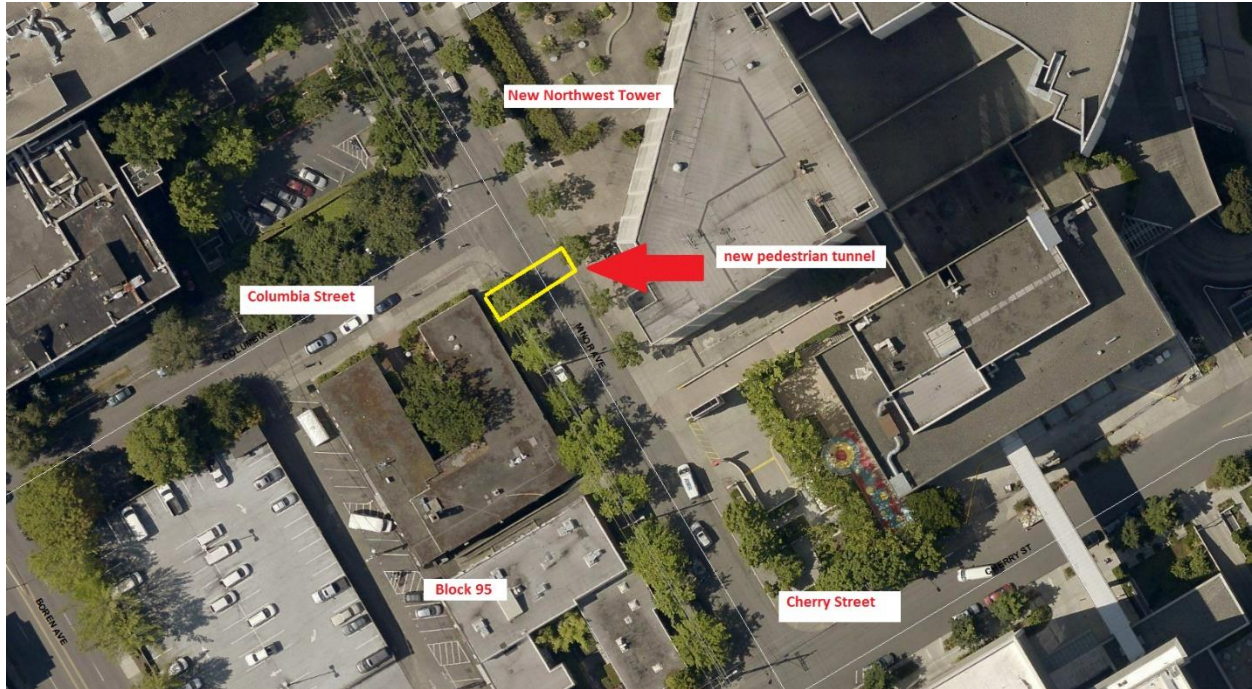
N/A

**List attachments/exhibits below:**

Summary Attachment A – Swedish Health Services Minor Pedestrian Tunnel Area Map

Summary Attachment B – Annual Fee Assessment Summary

## Swedish Health Services Minor Pedestrian Tunnel Area Map



Map is for informational purposes only and is not intended to modify or supplement the legal description(s) in the Ordinance.

## STREET USE ANNUAL FEE ASSESSMENT

Date: 4/6/2021

<p>Summary: <b>Land Value: \$546.67/SF</b> <b>2021 Permit Fee:</b> <b>\$23,550.34</b></p>
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### **I. Property Description:**

Proposed tunnel under and across Minor Avenue, between Columbia Street and Cherry Street. The tunnel will provide a pedestrian connection for patients, staff, physicians, and visitors between the new building located on the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue and the hospital. The tunnel area is 2,154 square feet.

#### **Applicant:**

Swedish Health Services

#### **Abutting Parcels, Property Size, Assessed Value:**

Parcel 1978200665; Lot size: 78,897  
Tax year 2021 Appraised Land Value \$45,365,700 (\$575/sq ft)

Parcel 8590900951; Lot size: 14,157  
Tax year 2021 Appraised Land Value \$8,140,200 (\$575/sq ft)

Parcel 8590900950; Lot size: 13,781  
Tax year 2021 Appraised Land Value \$7,924,000 (\$575/sq ft)

Parcel 8590900970; Lot size: 36,125  
Tax year 2021 Appraised Land Value \$13,366,200 (\$370/sq ft)

Parcel 8590900685; Lot size: 21,600  
Tax year 2021 Appraised Land Value \$12,420,000 (\$575/sq ft)

Parcel 8590900690; Lot size: 14,400  
Tax year 2021 Appraised Land Value \$8,280,000 (\$575/sq ft)

Parcel 8590900721; Lot size: 4,500  
Tax year 2021 Appraised Land Value \$2,475,000 (\$550/sq ft)

Parcel 8590900710; Lot size: 14,400  
Tax year 2021 Appraised Land Value \$8,280,000 (\$575/sq ft)

Parcel 8590900720; Lot size 2,700  
Tax year 2021 Appraised Land Value \$1,485,000 (\$550/sq ft)

Average 2021 tax assessed land value: \$546.67/SF

### **II. Annual Fee Assessment:**



The 2021 permit fee is calculated as follows:

$(\$547/\text{SF}) \times (2,154 \text{ SF}) \times (25\%) \times (8\%) = \$23,550.34$  where 25% is the degree of alienation for a below grade tunnel and 8% is the annual rate of return.

Fee methodology authorized under Ordinance 123485, as amended by Ordinances 123585, 123907, and 124532.

July 28, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Clerk File 314477, Council Bill 120133, and Council Bill 120134: Swedish First Hill term permits and alley vacation extensions and approval

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On Wednesday, August 4, the Transportation and Utilities Committee (Committee) will meet and discuss three pieces of legislation at the request of Swedish First Hill (Swedish). In 2016, Swedish received conditional approval for an alley vacation, a tunnel and a skybridge to facilitate the development of a new medical office and support service building pursuant to Swedish's 2005 [Major Institution Master Plan](#). Construction of the building has been delayed. On January 12, Swedish [requested](#) that approval of the vacation, skybridge and tunnel be extended. The legislation in front of the Committee would extend the terms of approval or grant final approval as follows:

- [Clerk File \(CF\) 314477](#) would extend the Council Conditional Approval of the vacation of the alley located on the block between Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue, previously approved under [Clerk File 314304](#).
- [Council Bill \(CB\) 120133](#) would grant approval of a term permit for a pedestrian tunnel under Minor Avenue, conceptual approval for the tunnel was granted under [Resolution 31700](#).
- [CB 120134](#) would extend the Council's approval of a skybridge over Minor Avenue, between Columbia Street and Cherry Street, previously approved under [Ordinance 125142](#).

This memorandum describes the proposed project and discusses the approval processes and conditions for each of these proposed pieces of legislation.

### Swedish First Hill and Block 95 development

The Swedish First Hill Major Institution Master Plan was adopted in 2005. The plan authorized the development of a building that would combine medical support and offices on "Block 95." Block 95 is the block bounded by Boren Avenue on the west, Columbia Street on the north, Minor Avenue on the east and Cherry Street on the South. Until recently, it contained a parking garage and small apartment building on the west side of the block and a two- to three-story medical office building on the east side of the block. Those buildings have been demolished in advance of development of the proposed development.

The Master Plan supports the vacation of the alley on Block 95 and provides for its redevelopment with a combination of central support, medical offices, research, and parking

uses. This project, identified as “Building E” in the Master Plan, would be connected to the rest of the Swedish campus across Minor Avenue through a skybridge to be used by patients and a tunnel to be used by employees to support the rest of the hospital campus.

### **Alley Vacation extension (CF 314477)**

On August 8, 2016, the Council provided conceptual approval to Swedish for the vacation of the alley on Block 95 to facilitate the project described above.

Conditions placed on the vacation included provision of the following public benefits:

- Street improvements on several First Hill streets and intersections to implement the “First Hill Mile” – a string of pedestrian improvements to create a one-mile pedestrian walking route, with a design that prioritizes and enhances the pedestrian experience. Swedish will provide widened sidewalks, extended curb bulbs, landscaping, art, and wayfinding that identifies the route.
- Funding for improvements to [First Hill Park](#).
- Additional streetscape improvements at and near the site.

The Council’s conditional approval was limited to five years, which will end in August 2021. Swedish has requested an extension of that approval for an additional eight years, ending in August of 2029. The Council has wide latitude in setting the term of approval for a street vacation.

A proposed set of updated conditions are attached as Attachment 1. The sole change in these updated conditions is a statement that “The City Council extends its grant of approval of the Swedish Health Services petition contained in Clerk File 314304 and approved August 8, 2016, for eight years to August 8, 2029...” If the Committee agrees with the request to extend approval, it should direct staff to add these conditions to CF 314477 for action at the City Council.

### **Tunnel Term Permit (CB 120133)**

On September 26, 2016, the Council passed Resolution 31700, which granted conceptual approval to Swedish Health Services to build a tunnel under Minor Avenue, between Columbia and Cherry streets. The tunnel would be used by employees of the hospital to move equipment and supplies between Block 95 and the rest of the Swedish First Hill Campus.

CB 120133 would grant a fifteen-year significant structure term permit for the Block 95 tunnel. Resolution 31700 placed the following conditions that the permit seeker would need to meet prior to receiving a term permit:

- (1) Provide engineering plans for additional review and permitting by the Seattle Department of Transportation, which the Director will circulate to other City

departments and any public and private utilities affected by the installation of the proposed Project;

- (2) Provide (i) a surety bond, (ii) covenant agreement, and (iii) public liability insurance naming the City as an additional insured or self-insurance, as approved by the City's Risk Manager;
- (3) Pay all City permit fees;
- (4) Obtain all necessary land use or building permits;
- (5) Maintain and inspect the Project; and
- (6) Remove the Project and restore the public right-of-way to its original condition upon expiration of the term permit or at the direction of the Director or City Council in accordance with the provisions of the term permit ordinance.

Swedish has met conditions (1) through (4). Provisions in CB 120133 would ensure that Swedish would meet conditions (5) and (6) if the tunnel is built. If approved, CB 120133 would grant approval to Swedish to operate the tunnel for fifteen years, with one additional 15-year renewal term.

#### **Skybridge Permit renewal (CB 120134)**

On September 26, 2016, the Council adopted [Ordinance 125142](#), which granted Swedish permission to construct, maintain, and operate a pedestrian skybridge over and across Minor Avenue, between Columbia and Cherry streets. The skybridge would be used by patients to move between the development on Block 95 and the rest of the Swedish First Hill campus. Public benefit features proposed as part of the skybridge project include a public garden with art at Minor Avenue and Columbia Street and streetscape improvements under the skybridge.

Because construction has been delayed, Swedish has requested an extension of the deadline to build those improvements for an additional eight years, ending in August of 2029. CB 120134 would amend Ordinance 125142, increasing the fees based on changes in the real estate market in the last five years and extending the term of approval from ten years to fifteen years from the adoption of Ordinance 125142, extending approval to September 2031.

#### **Next Steps**

If the Committee votes to recommend approval of Clerk File 314477, CB 120133 and CB 120134 at its August 4 meeting, they could be considered by the City Council as early as August 8.

#### **Attachments:**

1. Draft updated conditions for Clerk File 314477

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager

**IN THE MATTER OF THE REQUEST OF SWEDISH HEALTH SERVICES TO EXTEND THE GRANT OF APPROVAL FOR THE PETITION OF THE VACATION OF THE ALLEY IN BLOCK 95, TERRY'S SECOND ADDITION, WITHIN CITY COUNCIL DISTRICT 3, IN THE BLOCK BOUNDED BY COLUMBIA STREET, MINOR AVENUE, CHERRY STREET, AND BOREN AVENUE**

**CLERK FILE 314304  
CLERK FILE 314477**

The City Council extends its grant of approval of the Swedish Health Services petition contained in Clerk File 314304 and approved August 8, 2016, for eight years to August 8, 2029, for the vacation of:

**The alley lying within Block 95, Terry's Second Addition to the City of Seattle, according to the Plat thereof recorded in Volume 1 of Plats, Page 87, Records of King County, Washington; Containing an area of 3,841 square feet or 0.0882 Acres, more or less; Situate in the City of Seattle, King County, Washington**

Clerk File 314477 is granted subject to the following:

The vacation is granted upon the Petitioner meeting the following conditions as contained in Clerk File 314304. The Petitioner shall demonstrate that all conditions imposed on the vacation by the City Council have been satisfied: all utility work relating to the vacation including easements or other agreements is completed; all public benefit elements have been provided; any other agreements or easements have been completed and recorded as necessary; and all fees paid, prior to the passage of the street vacation ordinance.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. The project must be substantially in conformity with the proposal reviewed by the Sustainability & Transportation Committee in August of 2016.
2. All street improvements shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements, and be reviewed and approved by the Seattle Department of Transportation; elements of the street improvement plan and required street improvements to be reviewed include:

Street improvement plan showing sidewalks, street trees, bike racks, street furniture, lighting, art or artist-made elements, and landscaping around the site and the off-site public benefit features, including but not limited to these specific elements:

- Marion to Madison sidewalk and plantings;
- Minor & Seneca curb bulbs, sidewalks, furnishings & plantings;
- University & Summit traffic circle;
- Boylston & Seneca curbs bulbs, sidewalk, furnishings, & plantings;
- Boylston & Marion curb bulbs & sidewalk;
- Broadway Avenue plantings;
- Wayfinding signs and street tree replacement;
- Public art in the ROW along the First Hill Mile;
- Columbia & Cherry expanded and enhanced pedestrian streetscape;
- Pedestrian controlled signal at Boren & Cherry; and
- Pedestrian controlled signal at Minor & James.

3. The utility issues shall be resolved to the full satisfaction of the affected utility prior to the approval of the final vacation ordinance. Prior to the commencement of any development activity on the site, the Petitioner shall work with the affected utilities and provide for the protection of the utility facilities. This may include easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner. Utilities impacted may include:

- Seattle City Light;
- Seattle Public Utilities;
- Puget Sound Energy; and
- CenturyLink Communications.

4. It is expected that development activity will commence within approximately 2 years of this approval and that development activity will be completed within 5 years. In order to insure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide the Seattle Department of Transportation with Quarterly Reports, following Council approval of the vacation, providing an update on the development activity, schedule, and progress on meeting the conditions. The Petitioner shall not request or be issued a Final Certificate of Occupancy (C of O) until SDOT has determined that all conditions have been satisfied and all

fees have been paid as applicable.

5. Access to the buildings for vehicle parking, services, bicycles, and patient drop-off shall be provided as follows, changes to this proposal shall require the review of SDOT: three access points will be allowed; two driveways on Cherry Street with one providing an in/out driveway to the parking garage and one providing an entry to the truck loading dock; one exit-only driveway on Columbia Street will be allowed for freight vehicles exiting the parking garage.
6. In addition to the conditions imposed through the vacation process, the project, as it proceeds through the permitting process, is subject to SEPA review and to conditioning pursuant to various City codes and through regulatory review processes including SEPA.
7. The Petitioner is a health care facility, for which maintaining a healing environment is paramount. In the context of maintaining the healing environment, free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within the vacation public benefit features; however, the Petitioner shall retain the right to preclude any such activities in the event they interfere with the provision of healthcare services in a healing environment. Members of the public may be asked to leave for conduct that unreasonably interferes with the enjoyment of the space by others or unreasonably interferes with the provision of healthcare services in a healing environment that includes but is not limited to, activities that create noise that interferes with patients' rest and recovery, and interfere with access to care including emergency care and physician services. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space, if any, on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.
8. The Petitioner shall develop and maintain the public benefit elements as defined by the City Council. A Property Use and Development Agreement (PUDA) or other binding mechanism shall

be required to ensure that the public benefit elements remain open and accessible to the public 24 hours per day, with temporary closures permitted for reasons such as maintenance, safety, or private functions and to outline future maintenance obligations of the improvements. Signage shall be provided as described in Condition 7. The final design of the public benefit elements shall require the review and approval of SDOT Street Vacations. SDOT may request additional review by the Design Commission of the implementation of the public benefit elements or the pedestrian enhancements, as necessary. Public benefit elements in the right-of-way require additional SIP review, street use permits and indemnification; public and private areas must be clearly distinguished and markers in the sidewalk shall be required. The public benefit requirements include the following features as well as corresponding development standards, including approximate square footage dimensions, which shall be outlined in the PUDA:

#### Block 95 Alley Vacation Proposal

PUBLIC BENEFIT	DESCRIPTION	QUANTITY	ESTIMATED COST
1 First Hill Mile	Sidewalk & pedestrian crossing improvements		\$1,300,000
	• Marion to Madison sidewalk and plantings	4,800 SF	
	• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings	2,650 SF	
	• University & Summit traffic circle	925 SF	
	• Boylston & Seneca curb bulbs,	3,870 SF	
	• sidewalk, furnishings and plantings		
	• Boylston & Spring traffic circle	1,130 SF	
	• Boylston & Marion curb bulbs and sidewalk	2,715 SF	
	• Broadway Avenue plantings	830 SF	
	Wayfinding signs	11	
	Street tree replacements	39	



<b>2 First Hill Park Contribution</b>	Contribution toward improvements to First Hill Park	\$500,000	
<b>3 Public Art</b>	Public art in the ROW along the First Hill Mile	\$300,000	
<b>4 Minor Avenue Voluntary Setback</b>	Setback along Minor Avenue	1,700 SF	\$125,000
<b>5 Boren Avenue Voluntary Setback</b>	Setback along Boren Avenue	1,200 SF	\$90,000
<b>6 Columbia St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	980 SF	\$40,000
<b>7 Cherry St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	560 SF	\$70,000
<b>8 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Boren & Cherry	1	\$200,000
<b>9 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Minor & James	1	\$200,000
<b>TOTAL</b>			<b>\$2,825,000</b>

Signed by me in open session this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
 President \_\_\_\_\_ of the City Council



Perkins&Will | SiteWorkshop

# Swedish First Hill Medical Center Block 95

Alley Vacation | Skybridge | Tunnel

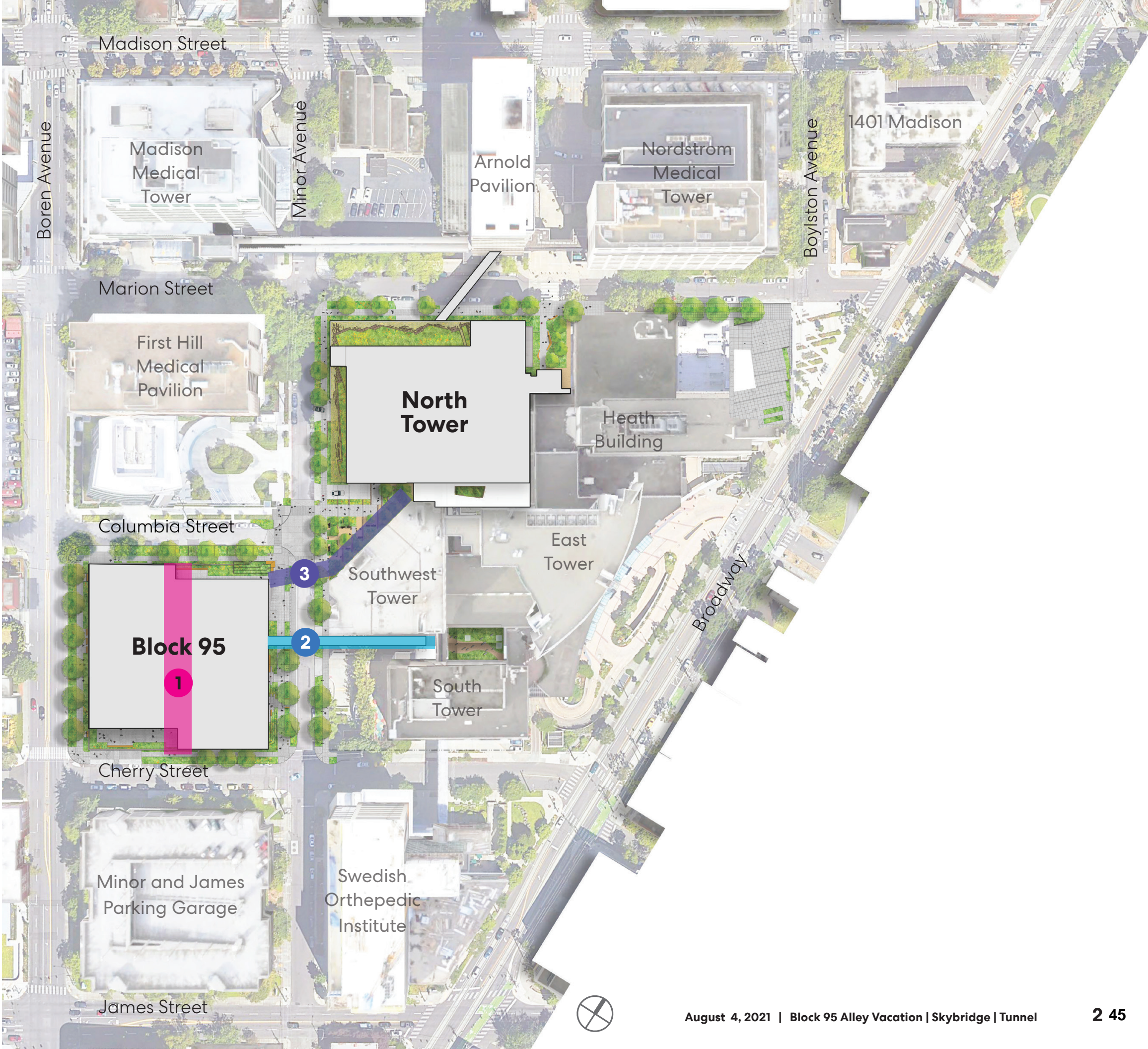
August 4, 2021



Swedish First Hill Campus

2016 APPROVED PETITIONS

- 1 Block 95 Alley Vacation
- 2 Minor Avenue Skybridge
- 3 Minor Avenue Tunnel





- MIO District/MIMP Boundary
- Planned Medical Office Projects
- Potential Medical Office Projects
- Planned Hospital Projects
- Potential Hospital Projects
- Planned Support Projects

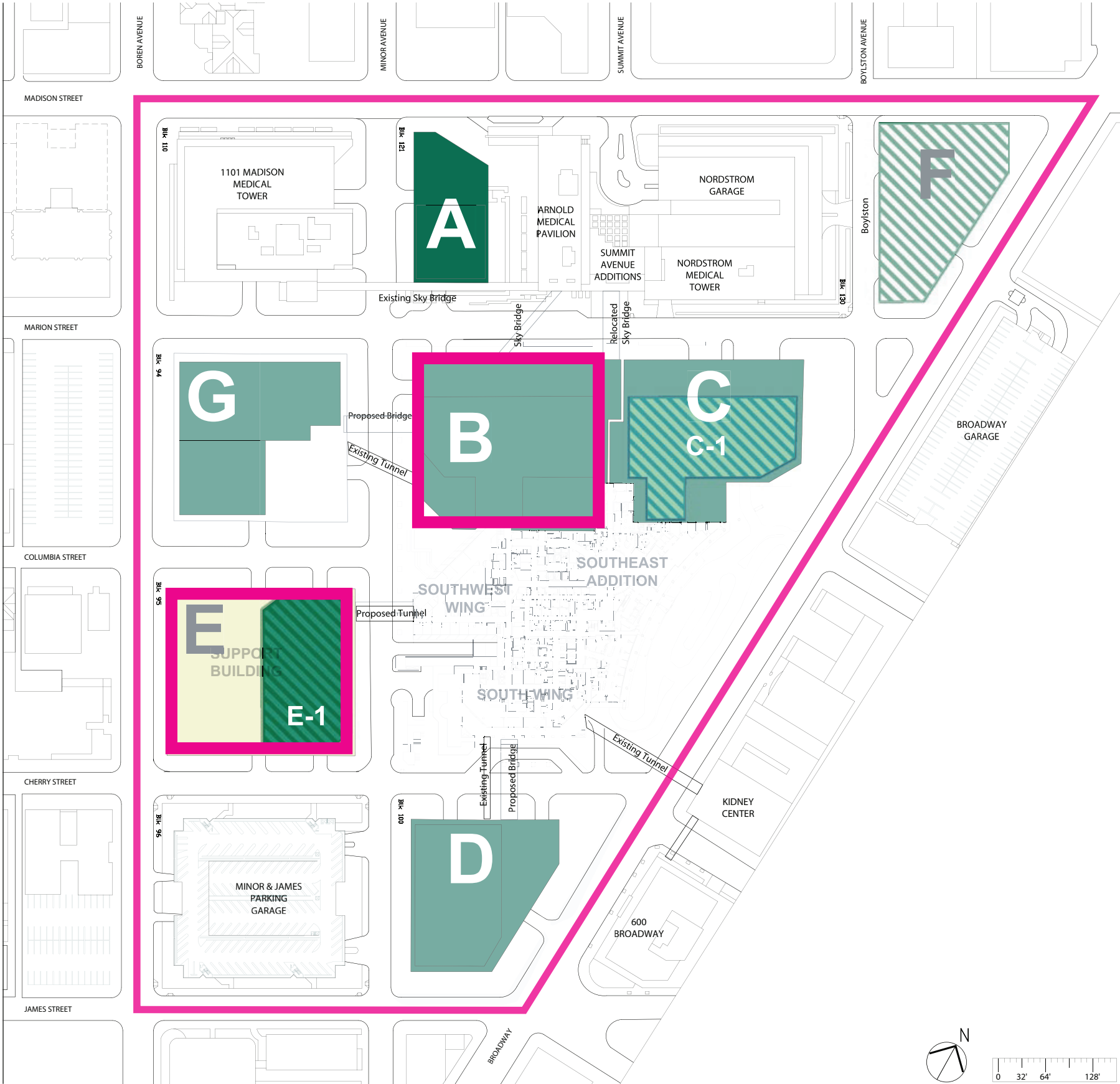
MIMP PROJECTS

PLANNED PROJECTS

- A. Medical Office Building
- B. Hospital Replacement: Building B
- C. Hospital Replacement: Building C
- D. Hospital Replacement: Building D
- E. Central Support with Medical Office Tower
- G. Hospital Replacement: Building G

POTENTIAL PROJECTS

- F. Medical Office Building
- C-1. Hospital Replacement: Building
- C - Future Tower Addition
- E-1. Central Support Facility w/  
MedicalOffice Tower and Research



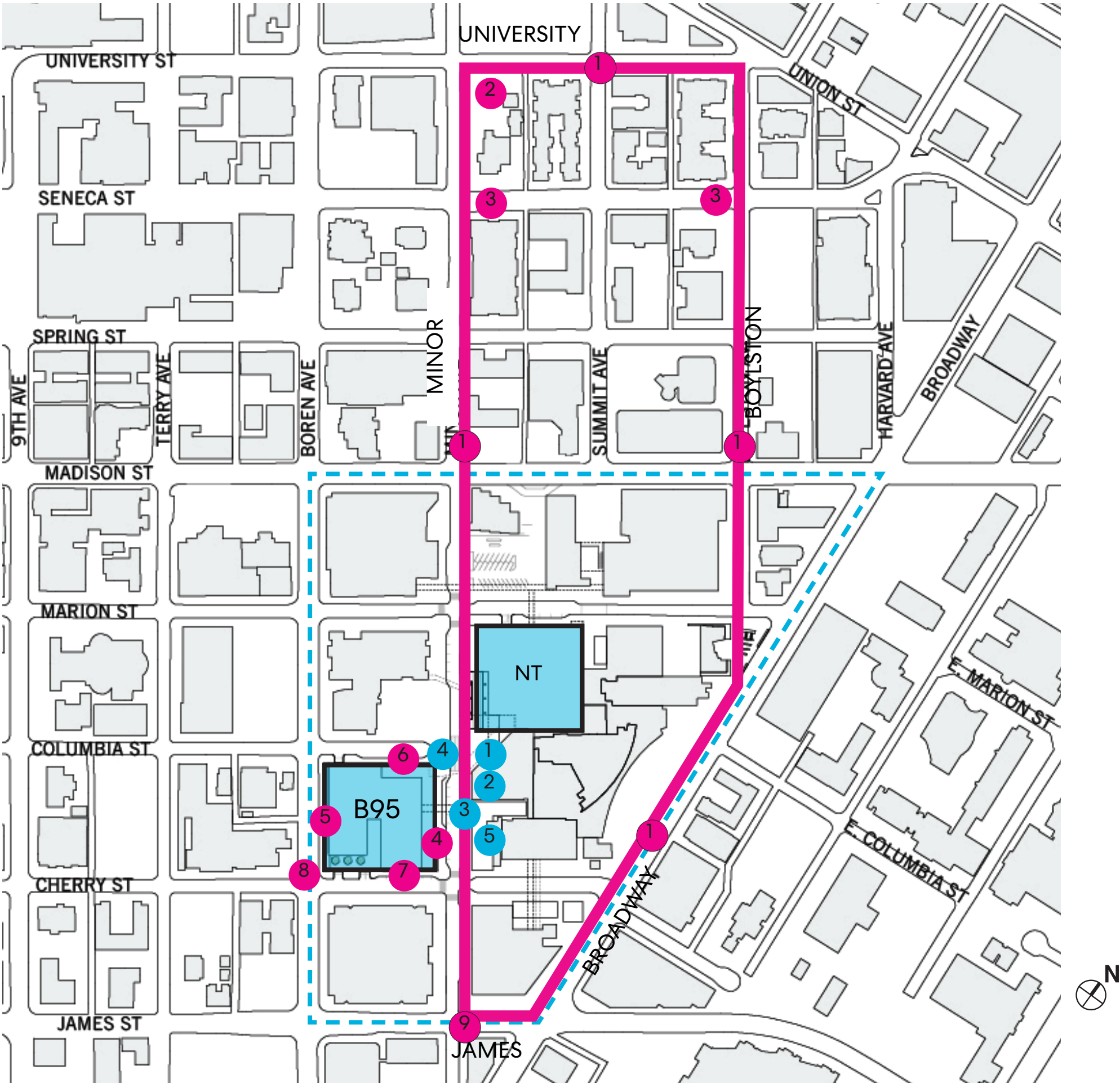
Public Benefits Summary

BLOCK 95 ALLEY VACATION

- 1 The First Hill Mile
- 2 First Hill Park Funding
- 3 Public Art
- 4 Minor Ave Voluntary Setback
- 5 Boren Voluntary Setback
- 6 Columbia St ROW Enhancements
- 7 Cherry St ROW Enhancements
- 8 Boren & Cherry Ped Crossing
- 9 Minor & James Ped Crossing

MINOR AVE SKYBRIDGE

- 1 Minor Ave Garden
- 2 Public Art - Minor Ave Garden
- 3 Public Art - Skybridge
- 4 Minor & Columbia Raised Intersection
- 5 Minor Ave ROW Enhancements



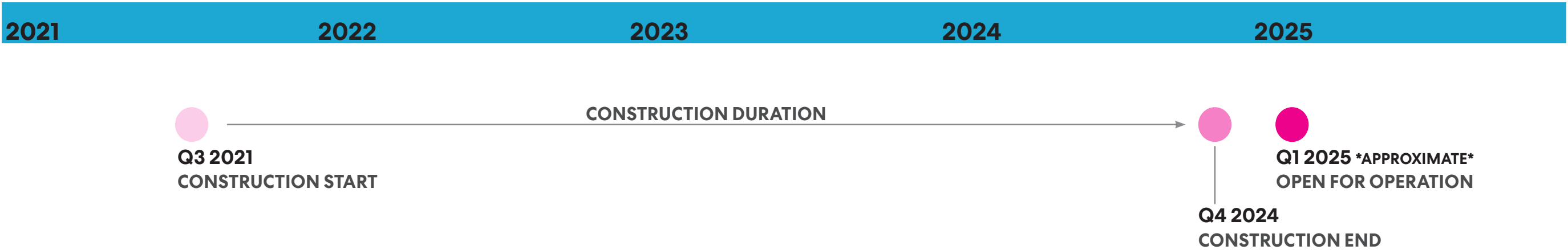
Alley Vacation Public Benefits Matrix

PUBLIC BENEFIT		DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	FIRST HILL MILE	Sidewalk & pedestrian crossing improvements	None	None		\$1,300,000
		• Marion to Madison sidewalk and plantings			4,800 SF	
		• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings			2,650 SF	
		• University & Summit traffic circle			925 SF	
		• Boylston & Seneca curb bulbs, sidewalk, furnishings and plantings			3,870 SF	
		• Boylston & Spring traffic circle			1,130 SF	
		• Boylston & Marion curb bulbs and sidewalk			2,715 SF	
		• Broadway Avenue plantings			830 SF	
		Wayfinding signs			11	
		Street tree replacements			39	
2	FIRST HILL PARK CONTRIBUTION	Contribution toward improvements to First Hill Park	None	None	Parks contribution	\$500,000
3	PUBLIC ART	Public art in the ROW along the First Hill Mile	None	None	Art program	\$300,000
4	MINOR AVENUE VOLUNTARY SETBACK	Setback along Minor Avenue	None	None	1,700 SF	\$125,000
5	BOREN AVENUE VOLUNTARY SETBACK	Setback along Boren Avenue	None	None	1,200 SF	\$90,000
6	COLUMBIA ST. ROW IMPROVEMENTS	Expanded and enhanced pedestrian streetscape	None	None	980 SF	\$40,000
7	CHERRY ST. ROW IMPROVEMENTS	Expanded and enhanced pedestrian streetscape	None	None	560 SF	\$70,000
8	PEDESTRIAN CONTROLLED SIGNAL	Pedestrian controlled signal at Boren & Cherry	None	None	1	\$200,000
9	PEDESTRIAN CONTROLLED SIGNAL	Pedestrian controlled signal at Minor & James	None	None	1	\$200,000
TOTAL						\$2,825,000

Skybridge Public Benefits Matrix

PUBLIC BENEFIT		DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	MINOR AVENUE GARDEN	3,200 sf of publicly accessible open space directly adjacent to Minor Avenue <ul style="list-style-type: none"><li>1,500 SF of planting area</li><li>11 LF of seating elements</li><li>Landscape pedestrian lighting to 1/2 FC</li><li>8 trees</li></ul>	None	None	3,200 SF	\$230,000
2	PUBLICLY ACCESSIBLE ART - MINOR AVENUE GARDEN	Curated outdoor sculpture collection located in Minor Avenue Garden	None	None	Art Program Budget	\$150,000
3	PUBLICLY ACCESSIBLE ART - MINOR AVENUE SKYBRIDGE	Work with selected artist on significant artwork element on Minor Avenue Skybridge	None	None	Art Program Budget	\$350,000
4	MINOR AND COLUMBIA INTERSECTION	Intersection and sidewalk improvements to enhance pedestrian safety	None	None	3,400 SF	\$250,000
5	MINOR AVENUE ENHANCED ROW	Expanded pedestrian streetscape, including street paving, curb, sidewalk and curb ramps, street trees, planting, and pedestrian lights	None	None	3,700 SF	\$240,000
TOTAL						\$1,220,000

B95 Construction Schedule









**Thank You**  
**Questions?**



August 4, 2021

Honorable Alex Pedersen, Chair  
Transportation and Utilities Committee  
Seattle City Council  
600 Fourth Avenue  
Seattle, Washington 98104

**Subject:       Extension of time for Swedish Health Services to complete an alley vacation, a skybridge, and a tunnel at the First Hill Campus**

Dear Councilmember Pedersen and Honorable Members of the Committee:

We are forwarding three pieces of legislation that together will allow additional time for Swedish Health Services (“Swedish”, “SHS” or “Petitioner”) to complete work on its planned development at the First Hill Campus approved by the City Council in 2016. The work includes an alley vacation at Block 95, in the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue; a pedestrian skybridge over Minor Avenue between Columbia Street and Cherry Street; and a pedestrian tunnel under and across Minor Avenue between Columbia Street and Cherry Street. The alley, skybridge, and tunnel are fully described in the respective legislation. The legislation includes:

1. Clerk File 314477: the clerk file extends the alley vacation approval granted in Clerk File 314304 on August 8, 2016, to an anticipated commencement of development in 2024 and anticipated completion of development in 2029.
2. Skybridge ordinance Council Bill 120134: this ordinance allows Swedish to construct and maintain a skybridge and amends Ordinance 125142 to provide a new 15-year term following the passage of the amending ordinance
3. Tunnel ordinance Council Bill 120133: this ordinance allows Swedish to construct and maintain a pedestrian tunnel for a 15-year term as conceptually approved in Resolution 31700

SDOT supports the extension of time requested by Swedish and recommends the granting of the Clerk File and the passage of the skybridge and tunnel ordinances.

#### **CITY COUNCIL DISTRICT**

The proposed development is within the boundaries of City Council District 3.

#### **PREVIOUS COUNCIL REVIEW**

In 2016, the Sustainability & Transportation Committee reviewed the proposed expansion at the Swedish First Hill Campus. A public hearing was held on the proposed alley vacation and the

Committee considered the vacation, the skybridge, and the tunnel. The Committee found the development activity to be consistent with the growth anticipated in the adopted Major Institution Master Plan (MIMP). The Committee and the full Council passed the skybridge ordinance, adopted the resolution supporting the tunnel, and granted the alley vacation subject to conditions. No conditions of any approval are proposed to be changed. The only revision is that Swedish will have additional time to meet its obligations.

When the Council grants approval of a vacation or a permit it sets a time frame for when the project work must be done. With this alley vacation the conditions specified that work should commence within 2 years and should be largely completed within 5 years. Developments that request a vacation are generally quite complex and this time frame does not always allow for the time it takes for complex permitting activity. In more recent years the City Council has provided for projects to have a longer time to complete the work, generally 7 to 9 years but sometimes as long as 15 years. Granting this extension of time is consistent with the current Council practice recognizing the complexities of major development and providing for adequate time for the development.

## **REQUEST FOR ADDITIONAL TIME**

Following the various approvals in 2016, Swedish continued to work on the permits necessary to move forward with the development of the Block 95 and the North Tower building. In 2017, Swedish began to navigate significant changes to the delivery of health care services. Swedish put its original Master Use Permit (MUP) applications on hold until 2019 in order to review how it should move forward. This delay means the Swedish will not be able to complete its work in the time frame anticipated.

Swedish is ready to move forward and has begun demolition of the existing structures on the Block 95 site. Swedish anticipates excavation of the site in 2022 and construction beginning in summer 2023. Swedish has continually engaged with the City on the schedule and on the development of the public benefit features. Swedish fulfilled its obligation to provide \$500,000 funding to Parks for improvements to First Hill Park in late 2020. In addition, Swedish and the City have been working the design and implementation of the pedestrian enhancements known as the First Hill Mile. In its request for an extension Swedish has indicated that construction of the majority of the public benefit features in 2025. Pedestrian crossings may be completed as early as 2023.

## **BACKGROUND**

Swedish was founded on June 1, 1910. In 1912, Swedish acquired a 40-bed private hospital located at Summit and Columbia. Over the next 50 years, Swedish added new buildings and enhanced facilities every decade. In 1980, Doctors Hospital and Seattle General Hospital

closed, merging with Swedish. Providence Seattle Medical Center, founded by the Sisters of Providence, joined the Swedish system in 2000. In February 2012, Swedish and Providence finalized its affiliation agreement and joined together.

Swedish plans to update its aging facilities at First Hill. During the review in 2016, Swedish stated its goals including:

- To provide care for a rapidly growing older population;
- Respond to unprecedented inpatient growth;
- Meet the most current technology needs in appropriate space;
- Respond to pressures of health care reform; and
- Utilize clinical space effectively.

Swedish is proposing the alley vacation in connection with the development of Swedish's First Hill Campus as approved in the 2005 Compiled Major Institution Master Plan ("MIMP") adopted in 2005 in Ordinance 121965, superseding the MIMP adopted in 1984 in Ordinance 111993.

As described in the 2005 MIMP, the total existing First Hill campus included about 2.3 million square feet. Of this, about 1.3 million is hospital; 800,000 square feet of medical office space; and 200,000 square feet is for other support uses. Parking garages comprise approximately 1.2 million square feet of building area, plus more than 200 surface parking spaces exist on the campus. Following adoption of the 2005 MIMP, construction was completed in 2008 for MIMP project D, the Swedish Orthopedic Institute (SOI), at 601 Broadway. The SOI building replaced the former 75,165 square foot Broadway Annex building with a 208,653 square foot, 8-floor building including 4 floors of underground parking (217 stalls).

## **PROJECT DESCRIPTION**

Swedish has identified the vacation alternative as the preferred approach to meeting the programmatic and planning needs for the First Hill Campus. Swedish plans to proceed with two buildings identified in the MIMP.

The proposed Block 95 development is located on the block bounded by Boren Avenue on the west, Columbia Street on the north, Minor Avenue on the east, and Cherry Street on the south. The project would include: a four-story podium that occupies the entire block with a 12-story medical office tower located atop the podium on the east half of the block, at approximately 240 feet and a total of 17 stories and then stepping down to 5 stories and 90 feet midblock to the west. The office tower may be developed with only 6-stories, depending on demand. The building is planned to serve as the main logistic and supply center for the entire First Hill campus, providing parking, with a new loading dock, materials management center, and production kitchen. The hospital clinical laboratory is also planned to be included in the

Honorable Alex Pedersen  
Swedish Health Services Extension  
August 4<sup>th</sup>  
Page 4 of 4  
V4

building. The remaining available space in Block 95 would serve either hospital-based clinics or provide leased office space for physicians. The alley vacation is proposed as part of the project to develop a building consistent with the MIMP.

The Block 95 building is intended to serve as the primary supply and logistics center for the campus, including critical MEP infrastructure that will support the entire First Hill campus. The below grade levels will include approximately 576 parking spaces. The first level below grade will be the loading dock and materials management for the First Hill campus. The dock level will be served by three large freight elevators which permit the movement of incoming deliveries down one level to the primary materials management warehouse facility and the major production kitchen for the campus. This level connects across Minor Avenue through a service tunnel at Level D.

Also proposed are a skybridge and tunnel that would cross Minor Avenue and connect Block 95 to the main hospital. The skybridge, at level 2 of the new Block 95 building would be approximately 13 feet tall, 12 feet wide, and 210 feet long, only 66 feet of which is over the right-of-way. The tunnel, at two-levels below-grade would be approximately 11 feet tall, 20 feet wide, and 36 feet long. The tunnel and skybridge both require term permits from the City. The skybridge proposal was approved by the Council in 2016 under Ordinance 125142. Conceptual approval of the tunnel was granted under Resolution 31700. The bill in front of the Council would grant final approval for the tunnel.

SDOT recommends that the request from Swedish for additional time be supported by granting Clerk File 314477 and the passage of Council Bill 120134 and Council Bill 120133.

Sincerely,

  
Sam Zimbabwe (Jul 27, 2021 10:17 PDT)

Sam Zimbabwe, Director  
Seattle Department of Transportation

SZ:bb

Enclosures



Legislation Text

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File #: CB 120134, Version: 1

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CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

AN ORDINANCE amending Ordinance 125142; granting Swedish Health Services permission to construct, maintain and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street; and ratifying and confirming certain prior acts.

WHEREAS, the Seattle City Council passed Ordinance 125142 granting Swedish Health Services permission to construct, maintain and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street; and

WHEREAS, Swedish Health Services delayed the construction on the redevelopment of Swedish First Hill Campus and requested an extension to the term of the skybridge permit granted by Ordinance 125142; and

WHEREAS, Swedish Health Services is ready to begin the redevelopment of the Swedish First Hill Campus; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Sections 2, 14, 17, 19, and 21 of Ordinance 125142 are amended as follows:

\* \* \*

Section 2. **Term.** The permission granted to Permittee is for a term of ~~((ten))~~ 15 years starting on the effective date of this ordinance and ending at 11:59 p.m. on the last day of the ~~((tenth))~~ fifteenth year. Upon written application made by the Permittee at least ~~((180 days))~~ one year before expiration of the term, the Director or the City Council may renew the permit ~~((twice, each time))~~ once for a successive ~~((ten))~~ 15-year term, subject to the right of the City to require the removal of the pedestrian

skybridge or to revise by ordinance any of the terms and conditions of the permission granted by this ordinance. The total term of the permission, including renewals, shall not exceed 30 years. The Permittee shall submit any application for a new permission no later than ~~((180 days))~~ one year prior to the expiration of the then-existing term.

\* \* \*

Section 14. **Consent for and conditions of assignment or transfer.** ~~((The permission granted by this ordinance shall not be assignable or transferable by operation of law; nor shall))~~ When the Property is transferred, the permission granted by this ordinance shall be assignable and transferable by operation of law pursuant to Section 20 of this ordinance. Continued occupation of the right-of-way constitutes the Permittee's acceptance of the terms of this ordinance, and the new owner shall be conferred with the rights and obligations of the Permittee by this ordinance. Other than a transfer to a new owner the Permittee shall not transfer, assign, mortgage, pledge or encumber the same without the Director's consent, which the Director shall not unreasonably refuse. The Director may approve assignment or transfer of the permission granted by this ordinance to a successor entity only if the successor or assignee has ~~((accepted in writing all of the terms and conditions of the permission granted by this ordinance; has provided, at the time of the acceptance,))~~ provided the bond and certification of insurance coverage required under this ordinance; and has paid any fees due under Section 15 and Section 17 of this ordinance. Upon the Director's approval of an assignment or transfer, the rights and obligations conferred on the Permittee by this ordinance shall be conferred on the successors and assigns. Any person or entity seeking approval for an assignment or transfer of the permission granted by this ordinance shall provide the Director with a description of the current and anticipated use of the pedestrian skybridge.

\* \* \*

Section 17. **Annual fee.** Beginning on the effective date of this ordinance, and annually



thereafter, the Permittee shall promptly pay to the City, upon statements or invoices issued by the Director, an ~~((annual fee))~~ Annual Renewal Fee, and an Annual Use and Occupation Fee of ~~((~~ \$13,474.93)) \$27,059.93 or as adjusted annually thereafter, for the privileges granted by this ordinance.

Adjustments to the ~~((annual fee))~~ Annual Use and Occupation Fee shall be made in accordance with a term permit fee schedule adopted by the City Council and may be made every year. In the absence of a schedule, the Director may only increase or decrease the previous year's fee to reflect any inflationary changes so as to charge the fee in constant dollar terms. This adjustment will be calculated by adjusting the previous year's fee by the percentage change between the two most recent year-end values available for the Consumer Price Index for the Seattle-Tacoma-~~((Bremerton))~~ Bellevue Area, All Urban Consumers, All Products, Not Seasonally Adjusted. All payments shall be made to the City Finance Director for credit to the Transportation ~~((Operating))~~ Fund.

\* \* \*

Section 19. **Acceptance of terms and conditions.** The Permittee shall ~~((deliver to the Director its written signed acceptance of the terms of this ordinance))~~ provide evidence of insurance coverage required by Section 10 of this ordinance, the bond as required by Section 12 of this ordinance, and the covenant agreement required by Section 20 of this ordinance within 60 days after the effective date of this ordinance. ~~((The Director shall file the written acceptance with the City Clerk. If no such acceptance is received within that 60-day period, the privileges conferred by this ordinance shall be deemed declined or abandoned and the permission granted deemed lapsed and forfeited.))~~ The Permittee shall not commence construction of the skybridge prior to the Permittee delivering ~~((its written signed acceptance of the terms of this ordinance and providing))~~ the bond and certificate of insurance coverage required by this ordinance as well as the covenant agreement required by Section 20 of this ordinance. Obtaining building permits from the Seattle Department of Construction and Inspections, and other applicable City-issued permits, constitutes the Permittee's acceptance of the

terms of this ordinance.

\* \* \*

Section 21. **Public benefit mitigation.** Permittee shall construct the following public benefit mitigation within one year of the ~~((effective date of this ordinance))~~ issuance of certificate of occupancy for Block 95:

- a) A 3,200-square-foot garden located at the intersection of Minor Avenue and Columbia Street;
- b) Curated outdoor art located in the garden at the intersection of Minor Avenue and Columbia Street;
- c) Artwork element consistent with the final recommendation of the Swedish Public Art Advisory Committee on the pedestrian skybridge that is visible from the street;
- d) Intersection and sidewalk improvements at Minor Avenue and Columbia Street, including a partially raised intersection, ADA accessible ramps, and crosswalk striping, to enhance the pedestrian environment; and
- e) Expanded pedestrian streetscape, including street paving, curb, sidewalk and curb ramps, street trees, plantings, and pedestrian lighting on the east side of Minor Avenue directly in front of the existing emergency department. Implementation of the art public benefit features requires review of the Swedish Public Art Advisory Committee that includes members from the Seattle Design Commission.

Section 2. Any act consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by

Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by  
me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

## **SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Department of Transportation	Amy Gray/206-386-4638	Christie Parker/206-684-5211

### **1. BILL SUMMARY**

**Legislation Title:**

AN ORDINANCE amending Ordinance 125142; granting Swedish Health Services permission to construct, maintain and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:**

In September 2016, the City Council passed Ordinance 125142, which granted Swedish Health Services permission to construct, maintain and operate a new pedestrian skybridge. Swedish Health Services delayed the construction of the redevelopment of their First Hill Campus and requested an extension to the term of the skybridge permit granted by Ordinance 125142. Swedish Health Services is ready to begin the redevelopment of the First Hill Campus and has applied to amend the start of the permit term. This ordinance changes the start date of the permit term from October 30, 2016 to the effective date of this legislation, which is estimated to be mid-2021. Other sections of Ordinance 125142 are amended to be consistent with other current term permit legislation enacted by City Council.

### **2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes **X** No

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Project Cost Through 2026:</b>

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget? **X** Yes \_\_\_ No

<b>Appropriation change (\$):</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>
<b>Estimated revenue change (\$):</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>
			<b>\$27,059.93</b>	<b>TBD</b>

Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**  
No.

**Is there financial cost or other impacts of *not* implementing the legislation?**  
If the legislation is not enacted by City Council, the City of Seattle would not receive the 2021 Annual Fee of \$27,059.93 and future annual fees.

### 3.a. Appropriations

     This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/##	2021 Appropriation Change	2022 Estimated Appropriation Change
<b>TOTAL</b>				

**Is this change one-time or ongoing?**

**Appropriations Notes:**

### 3.b. Revenues/Reimbursements

  **X**   This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2021 Revenue	2022 Estimated Revenue
Transportation Fund (13000)	SDOT	Annual Fee	\$27,059.93	TBD
<b>TOTAL</b>			<b>\$27,059.93</b>	

**Is this change one-time or ongoing?**  
On-going

**Revenue/Reimbursement Notes:**  
The 2021 fee is based on 2021 land values as assessed by King County.

### 3.c. Positions

**\_\_\_\_\_ This legislation adds, changes, or deletes positions.**  
**Total Regular Positions Created, Modified, or Abrogated through this Legislation,**  
**Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2021 Positions	2021 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

**Position Notes:**

### 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?  
No.
- b. Is a public hearing required for this legislation?  
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?  
No.
- d. Does this legislation affect a piece of property?  
Yes, the Swedish Health Services property located at 1115 Columbia St.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?  
This legislation does not have any implications for the principles of the Race and Social Justice Initiative and does not impact vulnerable or historically disadvantaged communities.
- f. Climate Change Implications
  1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?  
N/A
  2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.  
N/A



- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

N/A

**List attachments/exhibits below:**

Summary Attachment A – Swedish Skybridge Annual Fee Assessment Summary

## STREET USE ANNUAL FEE ASSESSMENT

Date: 4/6/2021

<p>Summary: <b>Land Value: \$546.67/SF</b> <b>2021 Permit Fee:</b> <b>\$27,059.93</b></p>
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### **I. Property Description:**

Proposed skybridge over and across Minor Avenue, between Columbia Street and Cherry Street. The skybridge will provide a pedestrian connection for patients, staff, physicians, and visitors between the new building located on the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue and the hospital. The skybridge area is 825 square feet.

#### **Applicant:**

Swedish Health Services

#### **Abutting Parcels, Property Size, Assessed Value:**

Parcel 1978200665; Lot size: 78,897  
Tax year 2021 Appraised Land Value \$45,365,700 (\$575/sq ft)

Parcel 8590900951; Lot size: 14,157  
Tax year 2021 Appraised Land Value \$8,140,200 (\$575/sq ft)

Parcel 8590900950; Lot size: 13,781  
Tax year 2021 Appraised Land Value \$7,924,000 (\$575/sq ft)

Parcel 8590900970; Lot size: 36,125  
Tax year 2021 Appraised Land Value \$13,366,200 (\$370/sq ft)

Parcel 8590900685; Lot size: 21,600  
Tax year 2021 Appraised Land Value \$12,420,000 (\$575/sq ft)

Parcel 8590900690; Lot size: 14,400  
Tax year 2021 Appraised Land Value \$8,280,000 (\$575/sq ft)

Parcel 8590900721; Lot size: 4,500  
Tax year 2021 Appraised Land Value \$2,475,000 (\$550/sq ft)

Parcel 8590900710; Lot size: 14,400  
Tax year 2021 Appraised Land Value \$8,280,000 (\$575/sq ft)

Parcel 8590900720; Lot size 2,700  
Tax year 2021 Appraised Land Value \$1,485,000 (\$550/sq ft)

Average 2021 tax assessed land value: \$546.67/SF

### **II. Annual Fee Assessment:**

The 2021 permit fee is calculated as follows:

$(\$547/\text{SF}) \times (825 \text{ SF}) \times (75\%) \times (8\%) = \$27,059.93$  where 75% is the degree of alienation for a semi-public-use skybridge and 8% is the annual rate of return.

Fee methodology authorized under Ordinance 123485, as amended by Ordinances 123585, 123907, and 124532.

July 28, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Clerk File 314477, Council Bill 120133, and Council Bill 120134: Swedish First Hill term permits and alley vacation extensions and approval

---

On Wednesday, August 4, the Transportation and Utilities Committee (Committee) will meet and discuss three pieces of legislation at the request of Swedish First Hill (Swedish). In 2016, Swedish received conditional approval for an alley vacation, a tunnel and a skybridge to facilitate the development of a new medical office and support service building pursuant to Swedish's 2005 [Major Institution Master Plan](#). Construction of the building has been delayed. On January 12, Swedish [requested](#) that approval of the vacation, skybridge and tunnel be extended. The legislation in front of the Committee would extend the terms of approval or grant final approval as follows:

- [Clerk File \(CF\) 314477](#) would extend the Council Conditional Approval of the vacation of the alley located on the block between Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue, previously approved under [Clerk File 314304](#).
- [Council Bill \(CB\) 120133](#) would grant approval of a term permit for a pedestrian tunnel under Minor Avenue, conceptual approval for the tunnel was granted under [Resolution 31700](#).
- [CB 120134](#) would extend the Council's approval of a skybridge over Minor Avenue, between Columbia Street and Cherry Street, previously approved under [Ordinance 125142](#).

This memorandum describes the proposed project and discusses the approval processes and conditions for each of these proposed pieces of legislation.

### Swedish First Hill and Block 95 development

The Swedish First Hill Major Institution Master Plan was adopted in 2005. The plan authorized the development of a building that would combine medical support and offices on "Block 95." Block 95 is the block bounded by Boren Avenue on the west, Columbia Street on the north, Minor Avenue on the east and Cherry Street on the South. Until recently, it contained a parking garage and small apartment building on the west side of the block and a two- to three-story medical office building on the east side of the block. Those buildings have been demolished in advance of development of the proposed development.

The Master Plan supports the vacation of the alley on Block 95 and provides for its redevelopment with a combination of central support, medical offices, research, and parking

uses. This project, identified as “Building E” in the Master Plan, would be connected to the rest of the Swedish campus across Minor Avenue through a skybridge to be used by patients and a tunnel to be used by employees to support the rest of the hospital campus.

### **Alley Vacation extension (CF 314477)**

On August 8, 2016, the Council provided conceptual approval to Swedish for the vacation of the alley on Block 95 to facilitate the project described above.

Conditions placed on the vacation included provision of the following public benefits:

- Street improvements on several First Hill streets and intersections to implement the “First Hill Mile” – a string of pedestrian improvements to create a one-mile pedestrian walking route, with a design that prioritizes and enhances the pedestrian experience. Swedish will provide widened sidewalks, extended curb bulbs, landscaping, art, and wayfinding that identifies the route.
- Funding for improvements to [First Hill Park](#).
- Additional streetscape improvements at and near the site.

The Council’s conditional approval was limited to five years, which will end in August 2021. Swedish has requested an extension of that approval for an additional eight years, ending in August of 2029. The Council has wide latitude in setting the term of approval for a street vacation.

A proposed set of updated conditions are attached as Attachment 1. The sole change in these updated conditions is a statement that “The City Council extends its grant of approval of the Swedish Health Services petition contained in Clerk File 314304 and approved August 8, 2016, for eight years to August 8, 2029...” If the Committee agrees with the request to extend approval, it should direct staff to add these conditions to CF 314477 for action at the City Council.

### **Tunnel Term Permit (CB 120133)**

On September 26, 2016, the Council passed Resolution 31700, which granted conceptual approval to Swedish Health Services to build a tunnel under Minor Avenue, between Columbia and Cherry streets. The tunnel would be used by employees of the hospital to move equipment and supplies between Block 95 and the rest of the Swedish First Hill Campus.

CB 120133 would grant a fifteen-year significant structure term permit for the Block 95 tunnel. Resolution 31700 placed the following conditions that the permit seeker would need to meet prior to receiving a term permit:

- (1) Provide engineering plans for additional review and permitting by the Seattle Department of Transportation, which the Director will circulate to other City

departments and any public and private utilities affected by the installation of the proposed Project;

- (2) Provide (i) a surety bond, (ii) covenant agreement, and (iii) public liability insurance naming the City as an additional insured or self-insurance, as approved by the City's Risk Manager;
- (3) Pay all City permit fees;
- (4) Obtain all necessary land use or building permits;
- (5) Maintain and inspect the Project; and
- (6) Remove the Project and restore the public right-of-way to its original condition upon expiration of the term permit or at the direction of the Director or City Council in accordance with the provisions of the term permit ordinance.

Swedish has met conditions (1) through (4). Provisions in CB 120133 would ensure that Swedish would meet conditions (5) and (6) if the tunnel is built. If approved, CB 120133 would grant approval to Swedish to operate the tunnel for fifteen years, with one additional 15-year renewal term.

#### **Skybridge Permit renewal (CB 120134)**

On September 26, 2016, the Council adopted [Ordinance 125142](#), which granted Swedish permission to construct, maintain, and operate a pedestrian skybridge over and across Minor Avenue, between Columbia and Cherry streets. The skybridge would be used by patients to move between the development on Block 95 and the rest of the Swedish First Hill campus. Public benefit features proposed as part of the skybridge project include a public garden with art at Minor Avenue and Columbia Street and streetscape improvements under the skybridge.

Because construction has been delayed, Swedish has requested an extension of the deadline to build those improvements for an additional eight years, ending in August of 2029. CB 120134 would amend Ordinance 125142, increasing the fees based on changes in the real estate market in the last five years and extending the term of approval from ten years to fifteen years from the adoption of Ordinance 125142, extending approval to September 2031.

#### **Next Steps**

If the Committee votes to recommend approval of Clerk File 314477, CB 120133 and CB 120134 at its August 4 meeting, they could be considered by the City Council as early as August 8.

#### **Attachments:**

1. Draft updated conditions for Clerk File 314477

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager



**IN THE MATTER OF THE REQUEST OF SWEDISH HEALTH SERVICES TO EXTEND THE GRANT OF APPROVAL FOR THE PETITION OF THE VACATION OF THE ALLEY IN BLOCK 95, TERRY'S SECOND ADDITION, WITHIN CITY COUNCIL DISTRICT 3, IN THE BLOCK BOUNDED BY COLUMBIA STREET, MINOR AVENUE, CHERRY STREET, AND BOREN AVENUE**

**CLERK FILE 314304  
CLERK FILE 314477**

The City Council extends its grant of approval of the Swedish Health Services petition contained in Clerk File 314304 and approved August 8, 2016, for eight years to August 8, 2029, for the vacation of:

**The alley lying within Block 95, Terry's Second Addition to the City of Seattle, according to the Plat thereof recorded in Volume 1 of Plats, Page 87, Records of King County, Washington; Containing an area of 3,841 square feet or 0.0882 Acres, more or less; Situate in the City of Seattle, King County, Washington**

Clerk File 314477 is granted subject to the following:

The vacation is granted upon the Petitioner meeting the following conditions as contained in Clerk File 314304. The Petitioner shall demonstrate that all conditions imposed on the vacation by the City Council have been satisfied: all utility work relating to the vacation including easements or other agreements is completed; all public benefit elements have been provided; any other agreements or easements have been completed and recorded as necessary; and all fees paid, prior to the passage of the street vacation ordinance.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. The project must be substantially in conformity with the proposal reviewed by the Sustainability & Transportation Committee in August of 2016.
2. All street improvements shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements, and be reviewed and approved by the Seattle Department of Transportation; elements of the street improvement plan and required street improvements to be reviewed include:

Street improvement plan showing sidewalks, street trees, bike racks, street furniture, lighting, art or artist-made elements, and landscaping around the site and the off-site public benefit features, including but not limited to these specific elements:

- Marion to Madison sidewalk and plantings;
- Minor & Seneca curb bulbs, sidewalks, furnishings & plantings;
- University & Summit traffic circle;
- Boylston & Seneca curbs bulbs, sidewalk, furnishings, & plantings;
- Boylston & Marion curb bulbs & sidewalk;
- Broadway Avenue plantings;
- Wayfinding signs and street tree replacement;
- Public art in the ROW along the First Hill Mile;
- Columbia & Cherry expanded and enhanced pedestrian streetscape;
- Pedestrian controlled signal at Boren & Cherry; and
- Pedestrian controlled signal at Minor & James.

3. The utility issues shall be resolved to the full satisfaction of the affected utility prior to the approval of the final vacation ordinance. Prior to the commencement of any development activity on the site, the Petitioner shall work with the affected utilities and provide for the protection of the utility facilities. This may include easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner. Utilities impacted may include:

- Seattle City Light;
- Seattle Public Utilities;
- Puget Sound Energy; and
- CenturyLink Communications.

4. It is expected that development activity will commence within approximately 2 years of this approval and that development activity will be completed within 5 years. In order to insure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide the Seattle Department of Transportation with Quarterly Reports, following Council approval of the vacation, providing an update on the development activity, schedule, and progress on meeting the conditions. The Petitioner shall not request or be issued a Final Certificate of Occupancy (C of O) until SDOT has determined that all conditions have been satisfied and all

fees have been paid as applicable.

5. Access to the buildings for vehicle parking, services, bicycles, and patient drop-off shall be provided as follows, changes to this proposal shall require the review of SDOT: three access points will be allowed; two driveways on Cherry Street with one providing an in/out driveway to the parking garage and one providing an entry to the truck loading dock; one exit-only driveway on Columbia Street will be allowed for freight vehicles exiting the parking garage.
6. In addition to the conditions imposed through the vacation process, the project, as it proceeds through the permitting process, is subject to SEPA review and to conditioning pursuant to various City codes and through regulatory review processes including SEPA.
7. The Petitioner is a health care facility, for which maintaining a healing environment is paramount. In the context of maintaining the healing environment, free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within the vacation public benefit features; however, the Petitioner shall retain the right to preclude any such activities in the event they interfere with the provision of healthcare services in a healing environment. Members of the public may be asked to leave for conduct that unreasonably interferes with the enjoyment of the space by others or unreasonably interferes with the provision of healthcare services in a healing environment that includes but is not limited to, activities that create noise that interferes with patients' rest and recovery, and interfere with access to care including emergency care and physician services. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space, if any, on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.
8. The Petitioner shall develop and maintain the public benefit elements as defined by the City Council. A Property Use and Development Agreement (PUDA) or other binding mechanism shall

be required to ensure that the public benefit elements remain open and accessible to the public 24 hours per day, with temporary closures permitted for reasons such as maintenance, safety, or private functions and to outline future maintenance obligations of the improvements. Signage shall be provided as described in Condition 7. The final design of the public benefit elements shall require the review and approval of SDOT Street Vacations. SDOT may request additional review by the Design Commission of the implementation of the public benefit elements or the pedestrian enhancements, as necessary. Public benefit elements in the right-of-way require additional SIP review, street use permits and indemnification; public and private areas must be clearly distinguished and markers in the sidewalk shall be required. The public benefit requirements include the following features as well as corresponding development standards, including approximate square footage dimensions, which shall be outlined in the PUDA:

#### Block 95 Alley Vacation Proposal

PUBLIC BENEFIT	DESCRIPTION	QUANTITY	ESTIMATED COST
1 First Hill Mile	Sidewalk & pedestrian crossing improvements		\$1,300,000
	• Marion to Madison sidewalk and plantings	4,800 SF	
	• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings	2,650 SF	
	• University & Summit traffic circle	925 SF	
	• Boylston & Seneca curb bulbs,	3,870 SF	
	• sidewalk, furnishings and plantings		
	• Boylston & Spring traffic circle • Boylston & Marion curb bulbs and sidewalk • Broadway Avenue plantings Wayfinding signs Street tree replacements	1,130 SF 2,715 SF 830 SF 11 39	

<b>2 First Hill Park Contribution</b>	Contribution toward improvements to First Hill Park	\$500,000	
<b>3 Public Art</b>	Public art in the ROW along the First Hill Mile	\$300,000	
<b>4 Minor Avenue Voluntary Setback</b>	Setback along Minor Avenue	1,700 SF	\$125,000
<b>5 Boren Avenue Voluntary Setback</b>	Setback along Boren Avenue	1,200 SF	\$90,000
<b>6 Columbia St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	980 SF	\$40,000
<b>7 Cherry St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	560 SF	\$70,000
<b>8 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Boren & Cherry	1	\$200,000
<b>9 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Minor & James	1	\$200,000
<b>TOTAL</b>			<b>\$2,825,000</b>

Signed by me in open session this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
 President \_\_\_\_\_ of the City Council



Perkins&Will | SiteWorkshop

# Swedish First Hill Medical Center Block 95

Alley Vacation | Skybridge | Tunnel

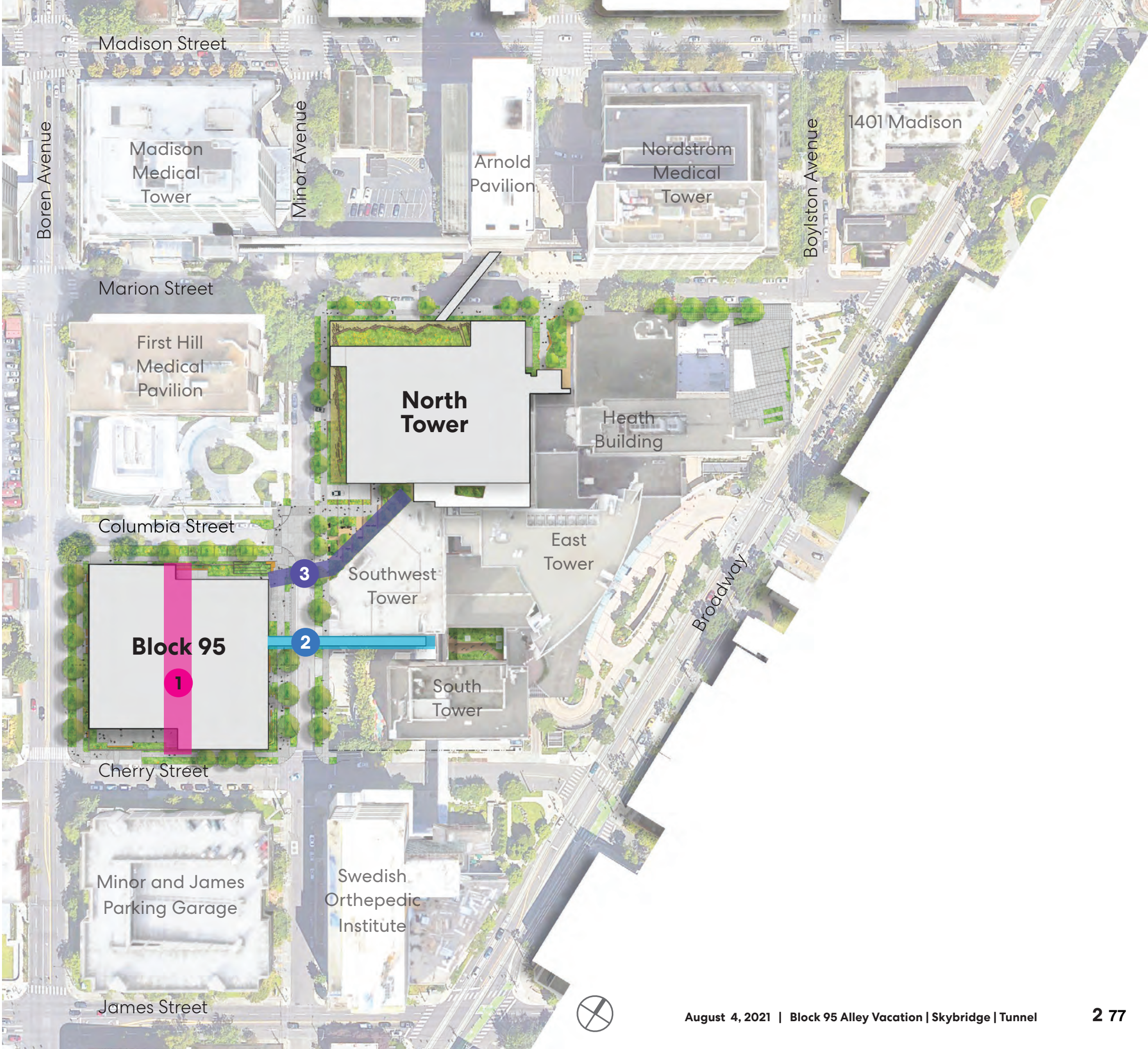
August 4, 2021



Swedish First Hill Campus

2016 APPROVED PETITIONS

- 1 Block 95 Alley Vacation
- 2 Minor Avenue Skybridge
- 3 Minor Avenue Tunnel





- MIO District/MIMP Boundary
- Planned Medical Office Projects
- Potential Medical Office Projects
- Planned Hospital Projects
- Potential Hospital Projects
- Planned Support Projects

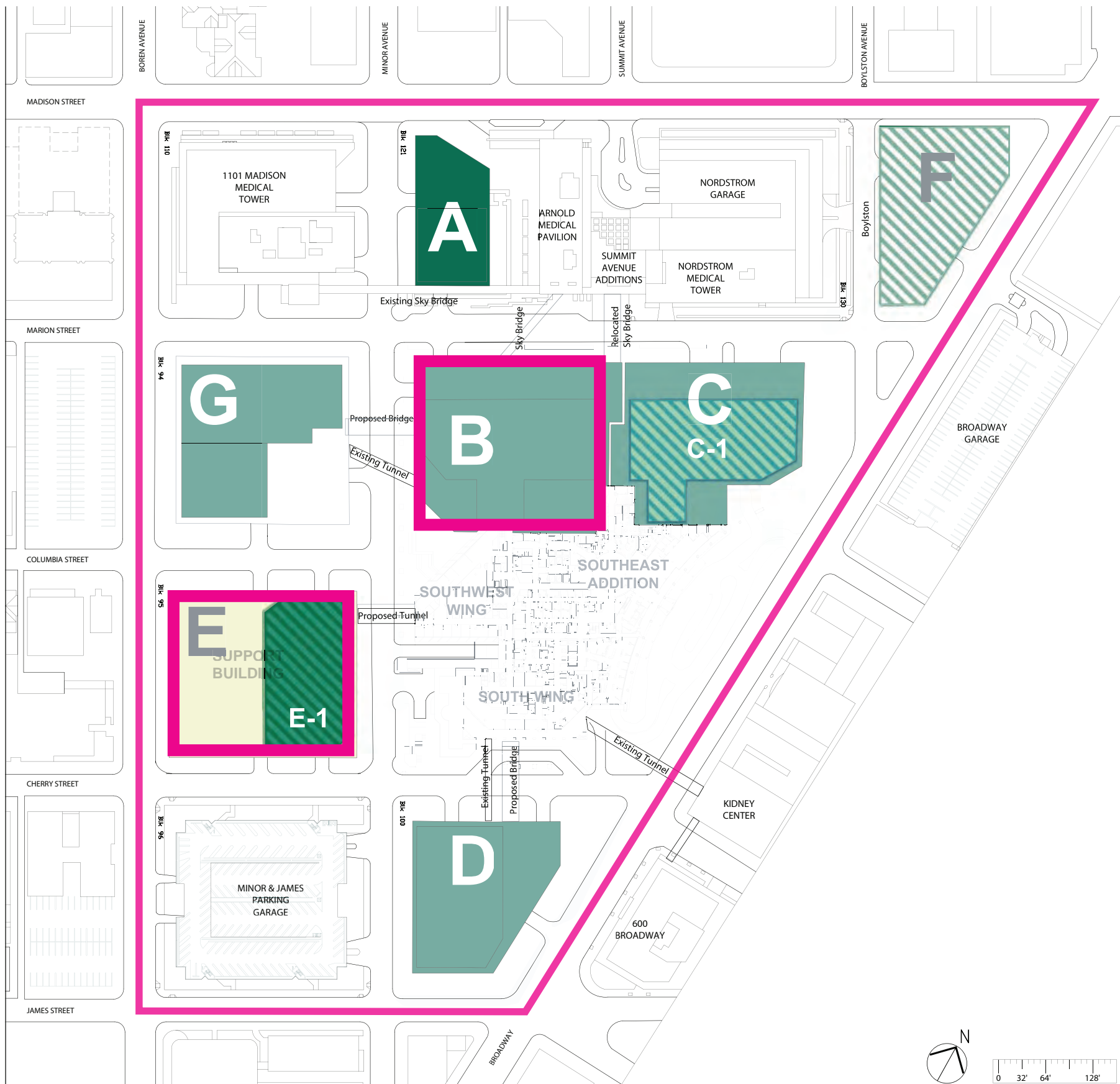
MIMP PROJECTS

PLANNED PROJECTS

- A. Medical Office Building
- B. Hospital Replacement: Building B
- C. Hospital Replacement: Building C
- D. Hospital Replacement: Building D
- E. Central Support with Medical Office Tower
- G. Hospital Replacement: Building G

POTENTIAL PROJECTS

- F. Medical Office Building
- C-1. Hospital Replacement: Building
- C - Future Tower Addition
- E-1. Central Support Facility w/  
MedicalOffice Tower and Research





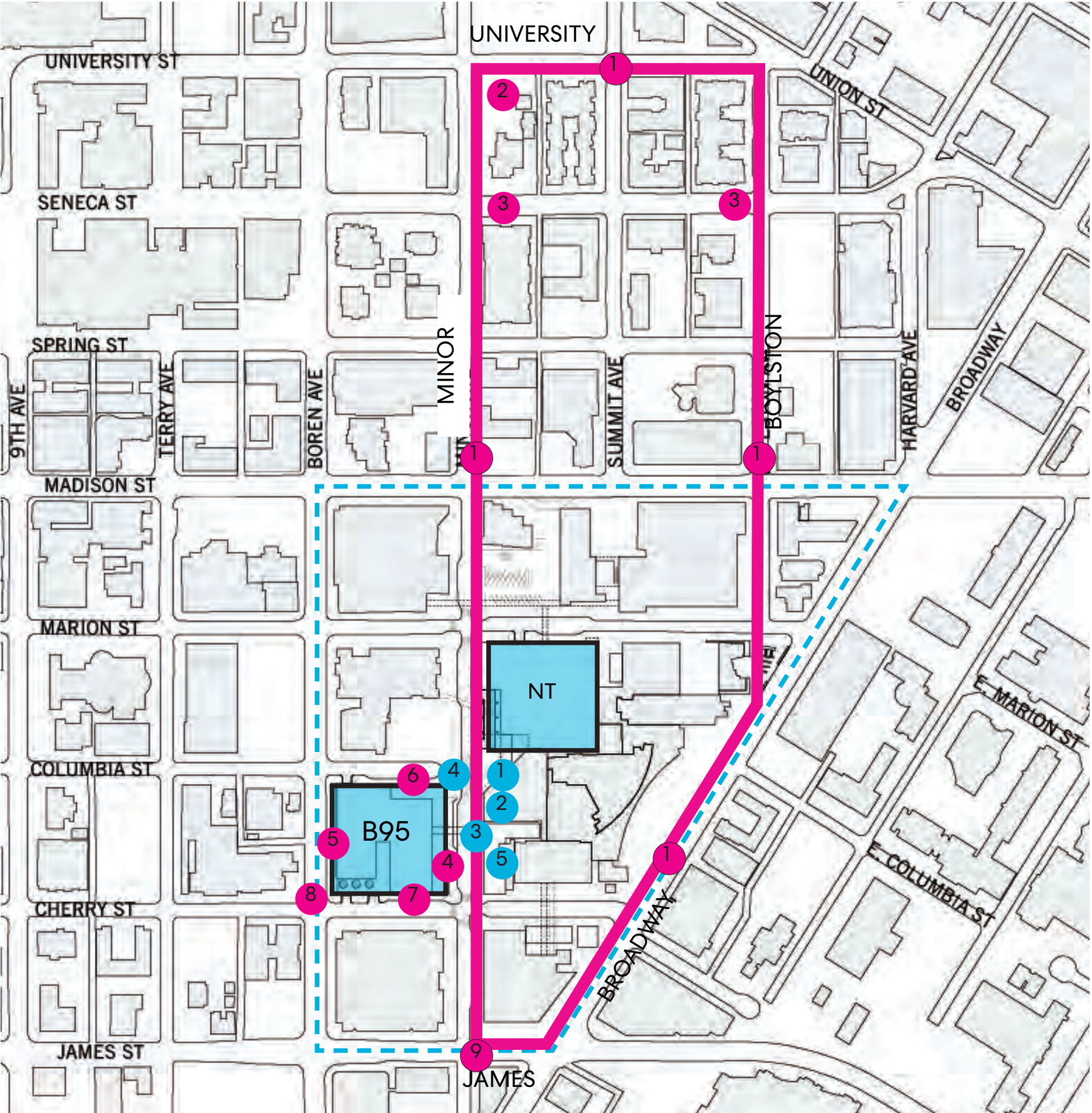
Public Benefits Summary

BLOCK 95 ALLEY VACATION

- 1 The First Hill Mile
- 2 First Hill Park Funding
- 3 Public Art
- 4 Minor Ave Voluntary Setback
- 5 Boren Voluntary Setback
- 6 Columbia St ROW Enhancements
- 7 Cherry St ROW Enhancements
- 8 Boren & Cherry Ped Crossing
- 9 Minor & James Ped Crossing

MINOR AVE SKYBRIDGE

- 1 Minor Ave Garden
- 2 Public Art - Minor Ave Garden
- 3 Public Art - Skybridge
- 4 Minor & Columbia Raised Intersection
- 5 Minor Ave ROW Enhancements



Alley Vacation Public Benefits Matrix

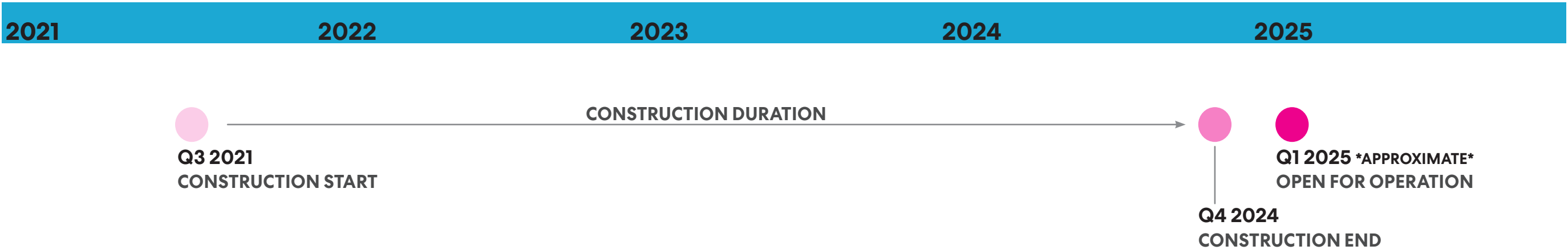
PUBLIC BENEFIT		DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	FIRST HILL MILE	Sidewalk & pedestrian crossing improvements	None	None		\$1,300,000
		• Marion to Madison sidewalk and plantings			4,800 SF	
		• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings			2,650 SF	
		• University & Summit traffic circle			925 SF	
		• Boylston & Seneca curb bulbs, sidewalk, furnishings and plantings			3,870 SF	
		• Boylston & Spring traffic circle			1,130 SF	
		• Boylston & Marion curb bulbs and sidewalk			2,715 SF	
		• Broadway Avenue plantings			830 SF	
		Wayfinding signs			11	
		Street tree replacements			39	
2	FIRST HILL PARK CONTRIBUTION	Contribution toward improvements to First Hill Park	None	None	Parks contribution	\$500,000
3	PUBLIC ART	Public art in the ROW along the First Hill Mile	None	None	Art program	\$300,000
4	MINOR AVENUE VOLUNTARY SETBACK	Setback along Minor Avenue	None	None	1,700 SF	\$125,000
5	BOREN AVENUE VOLUNTARY SETBACK	Setback along Boren Avenue	None	None	1,200 SF	\$90,000
6	COLUMBIA ST. ROW IMPROVEMENTS	Expanded and enhanced pedestrian streetscape	None	None	980 SF	\$40,000
7	CHERRY ST. ROW IMPROVEMENTS	Expanded and enhanced pedestrian streetscape	None	None	560 SF	\$70,000
8	PEDESTRIAN CONTROLLED SIGNAL	Pedestrian controlled signal at Boren & Cherry	None	None	1	\$200,000
9	PEDESTRIAN CONTROLLED SIGNAL	Pedestrian controlled signal at Minor & James	None	None	1	\$200,000
TOTAL						\$2,825,000



Skybridge Public Benefits Matrix

PUBLIC BENEFIT		DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	MINOR AVENUE GARDEN	3,200 sf of publicly accessible open space directly adjacent to Minor Avenue <ul style="list-style-type: none"><li>1,500 SF of planting area</li><li>11 LF of seating elements</li><li>Landscape pedestrian lighting to 1/2 FC</li><li>8 trees</li></ul>	None	None	3,200 SF	\$230,000
2	PUBLICLY ACCESSIBLE ART - MINOR AVENUE GARDEN	Curated outdoor sculpture collection located in Minor Avenue Garden	None	None	Art Program Budget	\$150,000
3	PUBLICLY ACCESSIBLE ART - MINOR AVENUE SKYBRIDGE	Work with selected artist on significant artwork element on Minor Avenue Skybridge	None	None	Art Program Budget	\$350,000
4	MINOR AND COLUMBIA INTERSECTION	Intersection and sidewalk improvements to enhance pedestrian safety	None	None	3,400 SF	\$250,000
5	MINOR AVENUE ENHANCED ROW	Expanded pedestrian streetscape, including street paving, curb, sidewalk and curb ramps, street trees, planting, and pedestrian lights	None	None	3,700 SF	\$240,000
TOTAL						\$1,220,000

B95 Construction Schedule









**Thank You**  
**Questions?**



August 4, 2021

Honorable Alex Pedersen, Chair  
Transportation and Utilities Committee  
Seattle City Council  
600 Fourth Avenue  
Seattle, Washington 98104

**Subject:       Extension of time for Swedish Health Services to complete an alley vacation, a skybridge, and a tunnel at the First Hill Campus**

Dear Councilmember Pedersen and Honorable Members of the Committee:

We are forwarding three pieces of legislation that together will allow additional time for Swedish Health Services (“Swedish”, “SHS” or “Petitioner”) to complete work on its planned development at the First Hill Campus approved by the City Council in 2016. The work includes an alley vacation at Block 95, in the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue; a pedestrian skybridge over Minor Avenue between Columbia Street and Cherry Street; and a pedestrian tunnel under and across Minor Avenue between Columbia Street and Cherry Street. The alley, skybridge, and tunnel are fully described in the respective legislation. The legislation includes:

1. Clerk File 314477: the clerk file extends the alley vacation approval granted in Clerk File 314304 on August 8, 2016, to an anticipated commencement of development in 2024 and anticipated completion of development in 2029.
2. Skybridge ordinance Council Bill 120134: this ordinance allows Swedish to construct and maintain a skybridge and amends Ordinance 125142 to provide a new 15-year term following the passage of the amending ordinance
3. Tunnel ordinance Council Bill 120133: this ordinance allows Swedish to construct and maintain a pedestrian tunnel for a 15-year term as conceptually approved in Resolution 31700

SDOT supports the extension of time requested by Swedish and recommends the granting of the Clerk File and the passage of the skybridge and tunnel ordinances.

#### **CITY COUNCIL DISTRICT**

The proposed development is within the boundaries of City Council District 3.

#### **PREVIOUS COUNCIL REVIEW**

In 2016, the Sustainability & Transportation Committee reviewed the proposed expansion at the Swedish First Hill Campus. A public hearing was held on the proposed alley vacation and the

Committee considered the vacation, the skybridge, and the tunnel. The Committee found the development activity to be consistent with the growth anticipated in the adopted Major Institution Master Plan (MIMP). The Committee and the full Council passed the skybridge ordinance, adopted the resolution supporting the tunnel, and granted the alley vacation subject to conditions. No conditions of any approval are proposed to be changed. The only revision is that Swedish will have additional time to meet its obligations.

When the Council grants approval of a vacation or a permit it sets a time frame for when the project work must be done. With this alley vacation the conditions specified that work should commence within 2 years and should be largely completed within 5 years. Developments that request a vacation are generally quite complex and this time frame does not always allow for the time it takes for complex permitting activity. In more recent years the City Council has provided for projects to have a longer time to complete the work, generally 7 to 9 years but sometimes as long as 15 years. Granting this extension of time is consistent with the current Council practice recognizing the complexities of major development and providing for adequate time for the development.

## **REQUEST FOR ADDITIONAL TIME**

Following the various approvals in 2016, Swedish continued to work on the permits necessary to move forward with the development of the Block 95 and the North Tower building. In 2017, Swedish began to navigate significant changes to the delivery of health care services. Swedish put its original Master Use Permit (MUP) applications on hold until 2019 in order to review how it should move forward. This delay means the Swedish will not be able to complete its work in the time frame anticipated.

Swedish is ready to move forward and has begun demolition of the existing structures on the Block 95 site. Swedish anticipates excavation of the site in 2022 and construction beginning in summer 2023. Swedish has continually engaged with the City on the schedule and on the development of the public benefit features. Swedish fulfilled its obligation to provide \$500,000 funding to Parks for improvements to First Hill Park in late 2020. In addition, Swedish and the City have been working the design and implementation of the pedestrian enhancements known as the First Hill Mile. In its request for an extension Swedish has indicated that construction of the majority of the public benefit features in 2025. Pedestrian crossings may be completed as early as 2023.

## **BACKGROUND**

Swedish was founded on June 1, 1910. In 1912, Swedish acquired a 40-bed private hospital located at Summit and Columbia. Over the next 50 years, Swedish added new buildings and enhanced facilities every decade. In 1980, Doctors Hospital and Seattle General Hospital

closed, merging with Swedish. Providence Seattle Medical Center, founded by the Sisters of Providence, joined the Swedish system in 2000. In February 2012, Swedish and Providence finalized its affiliation agreement and joined together.

Swedish plans to update its aging facilities at First Hill. During the review in 2016, Swedish stated its goals including:

- To provide care for a rapidly growing older population;
- Respond to unprecedented inpatient growth;
- Meet the most current technology needs in appropriate space;
- Respond to pressures of health care reform; and
- Utilize clinical space effectively.

Swedish is proposing the alley vacation in connection with the development of Swedish's First Hill Campus as approved in the 2005 Compiled Major Institution Master Plan ("MIMP") adopted in 2005 in Ordinance 121965, superseding the MIMP adopted in 1984 in Ordinance 111993.

As described in the 2005 MIMP, the total existing First Hill campus included about 2.3 million square feet. Of this, about 1.3 million is hospital; 800,000 square feet of medical office space; and 200,000 square feet is for other support uses. Parking garages comprise approximately 1.2 million square feet of building area, plus more than 200 surface parking spaces exist on the campus. Following adoption of the 2005 MIMP, construction was completed in 2008 for MIMP project D, the Swedish Orthopedic Institute (SOI), at 601 Broadway. The SOI building replaced the former 75,165 square foot Broadway Annex building with a 208,653 square foot, 8-floor building including 4 floors of underground parking (217 stalls).

## **PROJECT DESCRIPTION**

Swedish has identified the vacation alternative as the preferred approach to meeting the programmatic and planning needs for the First Hill Campus. Swedish plans to proceed with two buildings identified in the MIMP.

The proposed Block 95 development is located on the block bounded by Boren Avenue on the west, Columbia Street on the north, Minor Avenue on the east, and Cherry Street on the south. The project would include: a four-story podium that occupies the entire block with a 12-story medical office tower located atop the podium on the east half of the block, at approximately 240 feet and a total of 17 stories and then stepping down to 5 stories and 90 feet midblock to the west. The office tower may be developed with only 6-stories, depending on demand. The building is planned to serve as the main logistic and supply center for the entire First Hill campus, providing parking, with a new loading dock, materials management center, and production kitchen. The hospital clinical laboratory is also planned to be included in the

Honorable Alex Pedersen  
Swedish Health Services Extension  
August 4<sup>th</sup>  
Page 4 of 4  
V4

building. The remaining available space in Block 95 would serve either hospital-based clinics or provide leased office space for physicians. The alley vacation is proposed as part of the project to develop a building consistent with the MIMP.

The Block 95 building is intended to serve as the primary supply and logistics center for the campus, including critical MEP infrastructure that will support the entire First Hill campus. The below grade levels will include approximately 576 parking spaces. The first level below grade will be the loading dock and materials management for the First Hill campus. The dock level will be served by three large freight elevators which permit the movement of incoming deliveries down one level to the primary materials management warehouse facility and the major production kitchen for the campus. This level connects across Minor Avenue through a service tunnel at Level D.

Also proposed are a skybridge and tunnel that would cross Minor Avenue and connect Block 95 to the main hospital. The skybridge, at level 2 of the new Block 95 building would be approximately 13 feet tall, 12 feet wide, and 210 feet long, only 66 feet of which is over the right-of-way. The tunnel, at two-levels below-grade would be approximately 11 feet tall, 20 feet wide, and 36 feet long. The tunnel and skybridge both require term permits from the City. The skybridge proposal was approved by the Council in 2016 under Ordinance 125142. Conceptual approval of the tunnel was granted under Resolution 31700. The bill in front of the Council would grant final approval for the tunnel.

SDOT recommends that the request from Swedish for additional time be supported by granting Clerk File 314477 and the passage of Council Bill 120134 and Council Bill 120133.

Sincerely,

  
Sam Zimbabwe (Jul 27, 2021 10:17 PDT)

Sam Zimbabwe, Director  
Seattle Department of Transportation

SZ:bb

Enclosures





## Legislation Text

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**File #:** CF 314477, **Version:** 1

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Request for an extension to the conditional approval of a petition of Swedish Health Services to vacate the alley in Block 95, Terry's Second Addition to the City of Seattle (CF 314304).

January 12, 2021

VIA EMAIL

Councilmember Alex Pedersen  
Transportation and Utilities Committee  
Seattle City Council  
PO Box 34025  
Seattle, WA 98124-4025  
Email: [Alex.Pedersen@seattle.gov](mailto:Alex.Pedersen@seattle.gov)

Re: Swedish First Hill – Requests for Extensions of Time Related to 2016 Approved  
Skybridge, Tunnel and Alley Vacation

Dear Councilmember Pedersen:

This firm represents Swedish Health Services (“**Swedish**”) with respect to its redevelopment of the Swedish First Hill Campus (the “**First Hill Redevelopment**”). We were instructed by Beverly Barnett at Seattle Department of Transportation to reach out to you and the Transportation and Utilities Committee (“**TUC**”) to address three items. In 2016, as part of the First Hill Redevelopment, Swedish obtained City Council approvals to vacate an alley, construct a skybridge over public right of way, and construct a tunnel under public right of way. Unfortunately, construction of the First Hill Redevelopment was delayed due to various factors, but Swedish is now ready to move forward. Swedish needs City Council action to extend the three approvals. This letter provides a brief introduction of the First Hill Redevelopment to you and the TUC, and requests your assistance with the necessary extensions.

Swedish operates the Swedish Medical Center located in the First Hill Neighborhood and bounded by James Street, Broadway, Madison Street, and Boren Avenue. A diagram showing the boundaries of the Swedish Medical Center is enclosed for orientation and to show the First Hill Redevelopment. The Swedish Medical Center is governed by a Major Institution Master Plan, adopted in 2005 (the “**MIMP**”). As with all Major Institutions, the MIMP sets forth the applicable development standards and described the planned future redevelopment projects. Included in these future redevelopment projects are the redevelopment of what are referred to as the North Tower and Block 95, as well as the alley vacation, skybridge, and tunnel.

Swedish has been working with the City to achieve the North Tower and Block 95 redevelopment projects, which collectively constitute the current First Hill Redevelopment. In 2015, Swedish applied for Master Use Permits for each project, MUP No. 3018701 for Block 95, and MUP

No. 3018961 for the North Tower. A Decision approving the North Tower was recently published by the Seattle Department of Construction and Inspections (“**SDCI**”) on December 21, 2020, and Swedish is awaiting the SDCI Decision for Block 95. In connection with these projects, Swedish also obtained approvals for an alley vacation, skybridge, and tunnel. In 2017, the original 2015 MUP applications were delayed and put on hold until 2019, to allow Swedish to navigate a number of changes in the provision of healthcare services. This delay has resulted in the need for approval extensions and/or clarifications to allow Swedish to proceed with these project elements.

### Alley Vacation

With respect to the alley vacation, Swedish was granted Conceptual Approval (the “**Conceptual Approval**”) on August 8, 2016, for the vacation of the alley in the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue, in connection with the redevelopment of Block 95 (the “**Alley Vacation**”). A copy of the Conceptual Approval is enclosed for ease of reference. The Conceptual Approval sets a two-year deadline to commence development activity in connection with the Alley Vacation, and a five-year deadline to complete development activity. Due to the above described delay, Swedish has not and will not meet these deadlines. Since the beginning, Swedish has kept SDOT staff informed of the delays and followed SDOT staff direction related to the timeline to seek extensions.

Demolition of existing structures on Block 95 was achieved in 2020, as part of Swedish’s preparation of the site in the event needed to provide overflow care and/or testing for Covid-19. Swedish anticipates excavation for Block 95, including the area of the Alley Vacation, will begin by early summer 2022, followed by construction beginning by summer 2023. This delay in construction of Block 95 resulted in a commensurate delay in construction of the public benefits to be provided in connection with the Alley Vacation. Swedish anticipates construction of the majority of the public benefits will occur near the end of construction of the shell and core of Block 95 by Q2 or Q3 of 2025, with the exception of the First Hill Park Funding (already complete) and the pedestrian crossings at Boren Avenue, Cherry Street, Minor Avenues, and James Street, both of which could be completed as early as Q1 2023.

The Street Vacation Policies address the need for flexibility in timing and allow the City Council to grant extensions of the deadlines set in the Conceptual Approval. We previously notified SDOT that these extensions would likely be necessary, and we were instructed to touch base at a future time when Swedish has a clearer sense of timing. In light of Swedish’s anticipated construction timeline outlined above, and to provide a cushion in the event that timeline cannot be met, we submit this request to the TUC to approve an extension of the Conceptual Approval deadline to commence development activity to 2024 and to approve an extension of the Conceptual Approval deadline to complete development activity to 2029.

### Skybridge

Swedish was granted a term permit (the “**Skybridge Permit**”) on October 29, 2016, to construct a skybridge over Minor Avenue between Columbia Street and Cherry Street (the “**Skybridge**”) in connection with the redevelopment of Block 95. The Skybridge Permit is for a ten-year term, renewable for two successive ten-year terms, and subject to certain conditions detailed in Ordinance 125142 granting the Skybridge Permit. A copy of the Ordinance is enclosed for ease of reference. Due to the delay detailed above, construction of the Skybridge and related improvements was also delayed.

As previously noted, Swedish anticipates excavation for Block 95 will begin by early summer 2022, followed by the remainder of construction beginning by summer 2023. As such, Swedish anticipates it will begin construction of the Skybridge by late 2024 and begin construction of the public benefits by early 2025, if not sooner. With respect to the public benefits, a condition of the Skybridge Permit was that Swedish construct the required public benefits within one year of issuance of the Skybridge Permit, which resulted in the deadline of October 29, 2017 to construct the public benefits. Swedish has not begun construction of the public benefits and therefore not met this deadline. This issue was previously raised with SDOT and other City Staff, both prior to and following that 2017 date, and we were instructed that this does not present a problem so long as the public benefits are in fact constructed in a reasonably timely fashion in comparison to the construction of the Skybridge and Block 95.

The enclosed matrix describes the required public benefits for the Skybridge, as presented to and approved by Council. In general, the public benefits associated with the site work (Minor Avenue garden, public art installations, Minor Avenue raised intersections, and Minor Avenue ROW Enhancements) will be implemented near the end of construction of the shell and core by Q2 or Q3 2025. In the near term and in anticipation of commencing this work, Swedish intends to re-engage with the Swedish Public Art Advisory Committee in early 2021 to approve the public art associated with the Skybridge.

SDOT Staff also confirmed there is no formal process to document or extend the time period of construction of public benefits and instructed us to submit our request directly to you and the TUC. In light of Swedish’s anticipated construction timeline outlined above, and to provide a cushion in the event that timeline cannot be met, we therefore request the TUC extend the deadline to construct the Skybridge public benefits to 2029.

### Tunnel

Swedish was granted conceptual approval (the “**Conceptual Approval**”) on September 29, 2016, to construct a tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street (the “**Tunnel**”) in connection with the redevelopment of Block 95. A copy of the Conceptual Approval is enclosed for ease of reference. The next step in the entitlement process for the

Tunnel is approval of a Term Permit via City Council Ordinance. The following details Swedish's planned course of action for securing the Term Permit.

In light of Swedish's anticipated commencement of excavation by early summer 2022 followed by construction by summer 2023 for Block 95, Swedish intends to begin construction of the Tunnel by mid to late 2023. To this end, it is our understanding that additional SDOT review and SIP review must be completed prior to issuance of the Ordinance approving the Term Permit. Swedish is currently targeting submission of 90% SIP drawings by Q1 2022 and targeting Q4 of 2022 for completion of SDOT review and SIP so as to facilitate issuance of the Ordinance and Term Permit by early 2023 and a structural permit by mid-2023. We provided this information to Amy Gray at SDOT and have not heard any objections to this course of action. Nonetheless, we thought it best the TUC also have this information to provide a complete picture of the various elements and an opportunity to provide different guidance.

#### Conclusion

We greatly appreciate your attention to this matter and the collaborative working relationship between the City and Swedish as we proceed with this exciting project to provide needed medical services to our community. To this end, we request the TUC approve/confirm the following requests made above:

1. An extension of the Alley Vacation Conceptual Approval deadline to commence development activity to 2024.
2. An extension of the Alley Vacation Conceptual Approval deadline to complete development activity to 2029.
3. An extension of the Skybridge Permit deadline to construct the Skybridge public benefits to 2029.
4. Confirmation that in order to secure the Term Permit for the Tunnel, Swedish should follow the course of action detailed above.

In the event you have questions or concerns about any of the above, we would welcome the opportunity to discuss these issues in greater detail with you. Please feel free to reach out to me directly via email (nrorgers@cairncross.com) or phone (206-254-4417) with any immediate questions or to schedule a meeting with the Swedish team. Again, we appreciate your time and consideration, and we look forward to hearing from you.

Councilmember Pedersen  
January 12, 2021  
Page 5

Very truly yours,

A handwritten signature in black ink, appearing to read "Nancy Bainbridge Rogers", followed by a long horizontal line extending to the right.

Nancy Bainbridge Rogers

Enclosures

Diagram of Swedish First Hill Medical Center  
Alley Vacation Conceptual Approval  
Skybridge Ordinance/Term Permit  
Skybridge Public Benefits Matrix  
Tunnel Conceptual Approval

cc: Lish Witson, Council Central Staff  
Beverly Barnett, SDOT  
Moir Gray, SDOT  
Amy Gray, SDOT



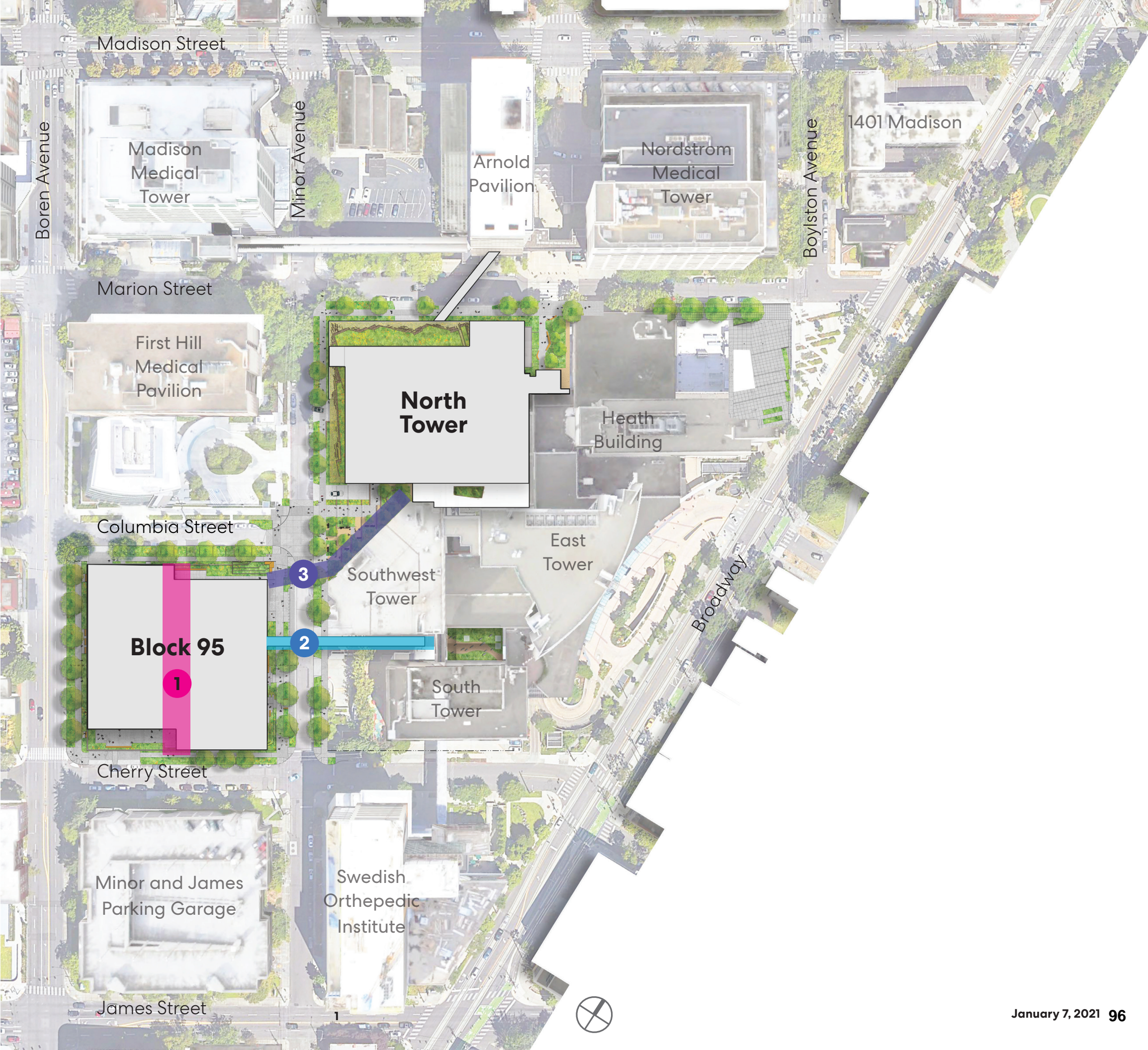
## Diagram of Swedish First Hill Medical Center



Swedish First Hill Campus

SDOT PETITIONS

- 1 Block 95 Alley Vacation
- 2 Minor Avenue Skybridge
- 3 Minor Avenue Tunnel





## Alley Vacation Conceptual Approval

**IN THE MATTER OF THE PETITION OF SWEDISH HEALTH SERVICES FOR THE  
VACATION OF THE ALLEY IN BLOCK 95, TERRY'S SECOND  
ADDITION, WITHIN CITY COUNCIL DISTRICT 3, IN THE BLOCK  
BOUNDED BY COLUMBIA STREET, MINOR AVENUE, CHERRY  
STREET, AND BOREN AVENUE**

**CLERK FILE 314304**

The City Council hereby grants approval of the petition from Swedish Health Services, ("Swedish", "SHS" or "Petitioner") for the vacation of the Alley in Block 95, within City Council District 3, in the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue described as:

**The alley lying within Block 95, Terry's Second Addition to the City of Seattle, according to the Plat thereof recorded in Volume 1 of Plats, Page 87, Records of King County, Washington; Containing an area of 3,841 square feet or 0.0882 Acres, more or less; Situate in the City of Seattle, King County, Washington**

The street proposed for vacation includes approximately 3,841square feet of right-of-way.

The vacation is granted upon the Petitioner meeting the following conditions. The Petitioner shall demonstrate that all conditions imposed on the vacation by the City Council have been satisfied: all utility work relating to the vacation including easements or other agreements is completed; all public benefit elements have been provided; any other agreements or easements have been completed and recorded as necessary; and all fees paid, prior to the passage of the street vacation ordinance.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. The project must be substantially in conformity with the proposal reviewed by the Sustainability & Transportation Committee in August of 2016.
2. All street improvements shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements, and be reviewed and approved by the Seattle Department of Transportation; elements of the street improvement plan and required street improvements to be reviewed include:

Street improvement plan showing sidewalks, street trees, bike racks, street furniture, lighting, art or artist-made elements, and landscaping around the site and the off-site public benefit features, including but not limited to, these specific elements;

- Marion to Madison sidewalk and plantings;
  - Minor & Seneca curb bulbs, sidewalks, furnishings & plantings;
  - University & Summit traffic circle;
  - Boylston & Seneca curbs bulbs, sidewalk, furnishings, & plantings;
  - Boylston & Marion curb bulbs & sidewalk;
  - Broadway Avenue plantings;
  - Wayfinding signs and street tree replacement;
  - Public art in the ROW along the First Hill Mile;
  - Columbia & Cherry expanded and enhanced pedestrian streetscape;
  - Pedestrian controlled signal at Boren & Cherry; and
  - Pedestrian controlled signal at Minor & James.
3. The utility issues shall be resolved to the full satisfaction of the affected utility prior to the approval of the final vacation ordinance. Prior to the commencement of any development activity on the site, the Petitioner shall work with the affected utilities and provide for the protection of the utility facilities. This may include easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner. Utilities impacted may include:
- Seattle City Light;
  - Seattle Public Utilities;
  - Puget Sound Energy; and
  - CenturyLink Communications.
4. It is expected that development activity will commence within approximately 2 years of this approval and that development activity will be completed within 5 years. In order to insure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide the Seattle Department of Transportation with Quarterly Reports, following Council approval of the vacation, providing an update on the development activity, schedule, and progress on meeting the conditions. The Petitioner shall not request or be issued a Final Certificate of Occupancy (C of O) until SDOT has determined that all conditions have been satisfied and all fees have been paid as applicable.
5. Access to the buildings for vehicle parking, services, bicycles, and patient drop-off shall be provided as follows, changes to this proposal shall require the review of SDOT: three access points will be allowed; two driveways on Cherry Street with one providing an in/out driveway to the parking garage and one providing an entry to the truck loading dock; one exit-only driveway on Columbia Street will be allowed for freight vehicles exiting the parking garage.

6. In addition to the conditions imposed through the vacation process, the project, as it proceeds through the permitting process, is subject to SEPA review and to conditioning pursuant to various City codes and through regulatory review processes including SEPA.
7. The Petitioner is a health care facility, for which maintaining a healing environment is paramount. In the context of maintaining the healing environment, free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within the vacation public benefit features; however, the Petitioner shall retain the right to preclude any such activities in the event they interfere with the provision of healthcare services in a healing environment. Members of the public may be asked to leave for conduct that unreasonably interferes with the enjoyment of the space by others or unreasonably interferes with the provision of healthcare services in a healing environment that includes but is not limited to, activities that create noise that interferes with patients' rest and recovery, and interfere with access to care including emergency care and physician services. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space, if any, on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.
8. The Petitioner shall develop and maintain the public benefit elements as defined by the City Council. A Property Use and Development Agreement (PUDA) or other binding mechanism shall be required to ensure that the public benefit elements remain open and accessible to the public 24 hours per day, with temporary closures permitted for reasons such as maintenance, safety, or private functions and to outline future maintenance obligations of the improvements. Signage shall be provided as described in Condition 7. The final design of the public benefit elements shall require the review and approval of SDOT Street Vacations. SDOT may request additional review by the Design Commission of the implementation of the public benefit elements or the pedestrian enhancements, as necessary. Public benefit elements in the right-of-way require additional SIP review, street use permits and indemnification; public and private areas must be clearly distinguished and markers in the sidewalk shall be required. The public benefit requirements include the following features as well as



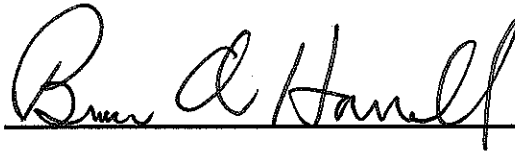
corresponding development standards, including approximate square footage dimensions, which shall be outlined in the PUDA:

### Block 95 Alley Vacation Proposal

PUBLIC BENEFIT	DESCRIPTION	QUANTITY	ESTIMATED COST
<b>1 First Hill Mile</b>	Sidewalk & pedestrian crossing improvements		\$1,300,000
	• Marion to Madison sidewalk and plantings	4,800 SF	
	• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings	2,650 SF	
	• University & Summit traffic circle	925 SF	
	• Boylston & Seneca curb bulbs, sidewalk, furnishings and plantings	3,870 SF	
	• Boylston & Spring traffic circle	1,130 SF	
	• Boylston & Marion curb bulbs and sidewalk	2,715 SF	
	• Broadway Avenue plantings	830 SF	
	Wayfinding signs	11	
	Street tree replacements	39	
<b>2 First Hill Park Contribution</b>	Contribution toward improvements to First Hill Park	\$500,000	
<b>3 Public Art</b>	Public art in the ROW along the First Hill Mile	\$300,000	
<b>4 Minor Avenue Voluntary Setback</b>	Setback along Minor Avenue	1,700 SF	\$125,000
<b>5 Boren Avenue Voluntary Setback</b>	Setback along Boren Avenue	1,200 SF	\$90,000
<b>6 Columbia St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	980 SF	\$40,000
<b>7 Cherry St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	560 SF	\$70,000

<b>8 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Boren & Cherry	1	\$200,000
<b>9 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Minor & James	1	\$200,000
<b>TOTAL</b>			<b>\$2,825,000</b>

Signed by me in open session this 8<sup>th</sup> day of August, 2016.



President \_\_\_\_\_ of the City Council

## Skybridge Ordinance/Term Permit



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118796

Record No.: CB 118796

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125142

In Control: City Clerk

File Created: 08/08/2016

Final Action: 09/29/2016

**Title:** AN ORDINANCE granting Swedish Health Services permission to construct, maintain, and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street, for a ten-year term, renewable for two successive ten-year terms; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: O'Brien

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: amy.gray@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/23/2016	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	08/23/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	09/01/2016	sent for review	Sustainability and Transportation Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Sustainability and Transportation Committee						
	Notes:						
1	Full Council	09/12/2016	referred	Sustainability and Transportation Committee			

- 1 Sustainability and Transportation Committee 09/14/2016 pass Pass  
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).  
In Favor: 3 Chair O'Brien, Vice Chair Johnson, Member Sawant  
Opposed: 0
- 1 09/19/2016
- 1 Full Council 09/26/2016 passed Pass  
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:  
Notes:  
In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant  
Opposed: 0
- 1 City Clerk 09/28/2016 submitted for Mayor's signature Mayor
- 1 Mayor 09/29/2016 Signed  
Action Text: The Council Bill (CB) was Signed.  
Notes:
- 1 Mayor 09/29/2016 returned City Clerk  
Action Text: The Council Bill (CB) was returned. to the City Clerk  
Notes:
- 1 City Clerk 09/29/2016 attested by City Clerk  
Action Text: The Ordinance (Ord) was attested by City Clerk.  
Notes:
-

CITY OF SEATTLE

ORDINANCE

125142

COUNCIL BILL

118796

AN ORDINANCE granting Swedish Health Services permission to construct, maintain, and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street, for a ten-year term, renewable for two successive ten-year terms; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

WHEREAS, Swedish Health Services ("Swedish") has applied for permission to construct, maintain, and operate a pedestrian skybridge over and across Minor Avenue, between Columbia Street and Cherry Street; and

WHEREAS, the new skybridge will provide a connection for patients, staff, physicians, and visitors from the new building located on the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue ("Block 95") to the existing South Tower on the corner of Minor Street and Cherry Street, and the skybridge will also provide a connection for sensitive hospital equipment between the two buildings; and

WHEREAS, the Seattle Design Commission recommended approval of the proposed skybridge and public benefit mitigation elements, including a garden located at the intersection of Minor Avenue and Columbia Street, curated public art for the garden, an art element on the skybridge, intersection and sidewalk improvements at Minor Avenue and Columbia Street, and right-of-way improvements along Minor Avenue between Cherry Street and Columbia Street, including new paving, curbs, sidewalk, curb ramps, landscaping, and pedestrian-scale lighting. The Seattle Design Commission placed as a condition on the recommendation that Swedish Health Services include Seattle Design Commission



1 members on the Swedish Public Art Advisory Committee's review of artist proposals for  
2 the skybridge; and

3 WHEREAS, Swedish Health Services petitioned the Seattle City Council to vacate the alley on  
4 the block between Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue,  
5 under Clerk File 314304, to consolidate all of the parcels on this block and allow for the  
6 construction of a central support facility and medical office tower; and

7 WHEREAS, the adoption of this ordinance is the culmination of the approval process for the  
8 pedestrian skybridge to legally occupy a portion of the right-of-way over and across  
9 Minor Avenue between Columbia Street and Cherry Street; NOW, THEREFORE,

10 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

11 Section 1. **Permission.** Subject to the terms and conditions of this ordinance, The City of  
12 Seattle ("City") grants permission (also referred to in this ordinance as a permit) to Swedish  
13 Health Services, and its successors and assigns as approved by the Director of the Seattle  
14 Department of Transportation ("Director") according to Section 14 of this ordinance (the party  
15 named above and each such approved successor and assign are referred to as "Permittee"), to  
16 construct, maintain, and operate a pedestrian skybridge, including all related appurtenances  
17 ("pedestrian skybridge") over and across Minor Avenue, between Columbia Street and Cherry  
18 Street, adjacent in whole or in part to the property legally described as:

19 **PARCEL 12**

20 LOTS 1 THROUGH 5, INCLUSIVE, BLOCK 95, TERRY'S SECOND ADDITION TO  
21 THE TOWN OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN  
22 VOLUME 1 OF PLATS, PAGE 87, RECORDS OF KING COUNTY, WASHINGTON.

23 **PARCEL 13**

24 LOTS 6 AND 7, BLOCK 95, TERRY'S SECOND ADDITION TO THE TOWN OF  
25 SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF  
26 PLATS, PAGE 87, IN KING COUNTY, WASHINGTON.

1           PARCEL 14  
2           LOT 8, BLOCK 95, TERRY'S SECOND ADDITION TO THE TOWN OF SEATTLE,  
3 ACCORDED TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87,  
4 IN KING COUNTY, WASHINGTON.

5           TOGETHER WITH:  
6           BLOCK 95, TERRY'S SECOND ADDITION TO THE CITY OF SEATTLE,  
7 ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 87,  
8 RECORDS OF KING COUNTY, WASHINGTON; CONTAINING AN AREA OF 3,841  
9 SQUARE FEET OR .0882 ACRES, MORE OR LESS; SITUATE IN THE CITY OF  
10 SEATTLE, KING COUNTY, WASHINGTON.

11           PARCEL 1  
12           LOTS 1 THROUGH 8, INCLUSIVE, BLOCK 120, A.A. DENNY'S BROADWAY  
13 ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF  
14 RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON.

15           TOGETHER WITH VACATED ALLEY IN SAID BLOCK 120, AS DESCRIBED AND  
16 VACATED UNDER ORDINANCE NUMBER 53208 IN THE CITY OF SEATTLE;

17           AND TOGETHER WITH THE SOUTHWESTERLY HALF OF VACATED SUMMIT  
18 AVE ADJACENT TO SAID BLOCK, LYING SOUTHEASTERLY OF THE SOUTHEAST  
19 LINE OF COLUMBIA STREET, AS DESCRIBED AND VACATED UNDER ORDINANCE  
20 NUMBER 89570 OF THE CITY OF SEATTLE;

21           AND THAT PORTION OF COLUMBIA STREET AND OF SUMMIT AVENUE AS  
22 VACATED UNDER ORDINANCE NUMBER 101585 OF THE CITY OF SEATTLE, AND  
23 DESCRIBED AS FOLLOWS:

24           BEGINNING AT THE MOST SOUTHERLY CORNER OF BLOCK 8, BLOCK 131,  
25 A.A. DENNY'S BROADWAY ADDITION, ACCORDING TO THE PLAT THEREOF  
26 RECORDED IN VOLUME 6 OF PLATE, PAGE 40, IN KING COUNTY, WASHINGTON;  
27 THENCE SOUTH 59°22'43" WEST ALONG THE NORTHWESTERLY LINE OF  
28 COLUMBIA STREET TO THE MOST SOUTHERLY CORNER OF LOT 8, BLOCK 120,  
29 SAID ADDITION; THENCE SOUTH 30°35'29" EAST ALONG THE PRODUCTION OF THE  
30 SOUTHWESTERLY LINE OF SAID LOT, 66 FEET TO THE MOST WESTERLY CORNER  
31 OF BLOCK 101, TERRY'S SECOND ADDITION, ACCORDING TO THE PLAT THEREOF  
32 RECORDED IN VOLUME 1 OF PLATS, PAGE 87, IN KING COUNTY, WASHINGTON;  
33 THENCE NORTH 59°22'43" EAST ALONG NORTHWESTERLY LINE OF SAID BLOCK  
34 TO THE MOST NORTHERLY CORNER THEREOF, THENCE NORTH 30°37'02" WEST  
35 ALONG THE PRODUCTION OF THE NORTHEASTERLY LINE OF SAID BLOCK 1.012  
36 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY, NORTHERLY, AND  
37 NORTHEASTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 66  
38 FEET, A DISTANCE OF 103.66 FEET TO A POINT OF TANGENCY ON THE  
39 NORTHWESTERLY LINE OF COLUMBIA STREET, SAID POINT BEING THE  
40 BEGINNING;

1           LOTS 1, 2, 3, AND 4, BLOCK 101, TERRY'S SECOND ADDITION TO THE TOWN  
2 OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF  
3 PLATS, PAGE 87, IN KING COUNTY, WASHINGTON;

4           TOGETHER WITH VACATED ALLEY LYING BETWEEN SAID LOTS IN BLOCK  
5 101, AS DESCRIBED AND VACATED UNDER ORDINANCE NUMBER 5956 OF THE  
6 CITY OF SEATTLE;

7           EXCEPT THAT PORTION OF SAID LOTS 3 AND 4 AND VACATED ALLEY  
8 CONVEYED TO THE CITY OF SEATTLE BY DEED RECORDED UNDER RECORDING  
9 NUMBER 7211170618;

10           TOGETHER WITH THE NORTHWESTERLY HALF OF VACATED PUBLIC  
11 WALKWAY IN SAID BLOCK 101, AS DESCRIBED AND VACATED UNDER  
12 ORDINANCE NUMBER 110712 OF THE CITY OF SEATTLE

13 for the purposes of providing a pedestrian connection for patients, staff, physicians, visitors, and  
14 the movement-sensitive hospital equipment between the existing South Tower and the new  
15 building at Block 95.

16           Section 2. **Term.** The permission granted to Permittee is for a term of ten years starting  
17 on the effective date of this ordinance and ending at 11:59 p.m. on the last day of the tenth year.  
18 Upon written application made by the Permittee at least 180 days before expiration of the term,  
19 the Director or the City Council may renew the permit twice, each time for a successive ten-year  
20 term, subject to the right of the City to require the removal of the pedestrian skybridge or to  
21 revise by ordinance any of the terms and conditions of the permission granted by this ordinance.  
22 The total term of the permission, including renewals, shall not exceed 30 years. The Permittee  
23 shall submit any application for a new permission no later than 180 days prior to the expiration  
24 of the then-existing term.

25           Section 3. **Protection of utilities.** The permission granted is subject to the Permittee  
26 bearing the expense of any protection, support, or relocation of existing utilities deemed  
27 necessary by the owners of the utilities, and the Permittee being responsible for any damage to  
28 the utilities due to the construction, repair, reconstruction, maintenance, operation, or removal of

the pedestrian skybridge and for any consequential damages that may result from any damage to utilities or interruption in service caused by any of the foregoing.

Section 4. **Removal for public use or for cause.** The permission granted is subject to use of the street right-of-way or other public place (collectively, “public place”) by the City and the public for travel, utility purposes, and other public uses or benefits. The City expressly reserves the right to deny renewal of or terminate the permission at any time prior to expiration of the initial term or any renewal term, and require the Permittee to remove the pedestrian skybridge, or any part thereof or installation on the public place, at the Permittee’s sole cost and expense, in the event that:

(a) the City Council determines by ordinance that the space occupied by the pedestrian skybridge is necessary for any public use or benefit or that the pedestrian skybridge interferes with any public use or benefit; or

(b) the Director determines that use of the pedestrian skybridge has been abandoned; or

(c) the Director determines that any term or condition of this ordinance has been violated, and the violation has not been corrected by the Permittee by the compliance date after a written request by the City to correct the violation (unless a notice to correct is not required due to an immediate threat to the health or safety of the public).

A City Council determination that the space is needed for, or the pedestrian skybridge interferes with, a public use or benefit is conclusive and final without any right of the Permittee to resort to the courts to adjudicate the matter.

Section 5. **Permittee’s obligation to remove and restore.** If the permission granted is not renewed at the expiration of a term, or if the permission expires without an application for a

1 new permission being granted, or if the City terminates the permission, then within 90 days after  
2 the expiration or termination of the permission, or prior to any earlier date stated in an ordinance  
3 or order requiring removal of the pedestrian skybridge, the Permittee shall, at its own expense,  
4 remove the pedestrian skybridge and all of the Permittee's equipment and property from the  
5 public place and replace and restore all portions of the public place that may have been disturbed  
6 for any part of the pedestrian skybridge in as good condition for public use as existed prior to  
7 construction of the pedestrian skybridge and in at least as good condition in all respects as the  
8 abutting portions of the public place as required by Seattle Department of Transportation  
9 (SDOT) right-of-way restoration standards.

10 Failure to remove the pedestrian skybridge as required by this section is a violation of  
11 Chapter 15.90 of the Seattle Municipal Code (SMC) or successor provision; however,  
12 applicability of Chapter 15.90 does not eliminate any remedies available to the City under this  
13 ordinance or any other authority. If the Permittee does not timely fulfill its obligations under this  
14 section, the City may in its sole discretion remove the pedestrian skybridge and restore the public  
15 place at the Permittee's expense, and collect such expense in any manner provided by law.

16 Upon the Permittee's completion of removal and restoration in accordance with this  
17 section, or upon the City's completion of the removal and restoration and the Permittee's  
18 payment to the City for the City's removal and restoration costs, the Director shall then issue a  
19 certification that the Permittee has fulfilled its removal and restoration obligations under this  
20 ordinance. Upon prior notice to the Permittee and entry of written findings that it is in the public  
21 interest, the Director may, in the Director's sole discretion, conditionally or absolutely excuse the  
22 Permittee from compliance with all or any of the Permittee's obligations under this section.



1           Section 6. **Repair or reconstruction.** The pedestrian skybridge shall remain the  
2 exclusive responsibility of the Permittee and the Permittee shall maintain the pedestrian  
3 skybridge in good and safe condition for the protection of the public. The Permittee shall not  
4 reconstruct or repair the pedestrian skybridge except in strict accordance with plans and  
5 specifications approved by the Director. The Director may, in the Director's judgment, order the  
6 pedestrian skybridge reconstructed or repaired at the Permittee's cost and expense because of:  
7 the deterioration or unsafe condition of the pedestrian skybridge; the installation, construction,  
8 reconstruction, maintenance, operation, or repair of any municipally owned public utilities; or  
9 any other cause.

10           Section 7. **Failure to correct unsafe condition.** After written notice to the Permittee and  
11 failure of the Permittee to correct an unsafe condition within the time stated in the notice, the  
12 Director may order the pedestrian skybridge be closed or removed at the Permittee's expense if  
13 the Director deems that the pedestrian skybridge has become unsafe or creates a risk of injury to  
14 the public. If there is an immediate threat to the health or safety of the public, a notice to correct  
15 is not required.

16           Section 8. **Continuing obligations.** Notwithstanding termination or expiration of the  
17 permission granted, or closure or removal of the pedestrian skybridge, the Permittee shall remain  
18 bound by all of its obligations under this ordinance until the Director has issued a certification  
19 that the Permittee has fulfilled its removal and restoration obligations under Section 5 of this  
20 ordinance. Notwithstanding the issuance of that certification, the Permittee shall continue to be  
21 bound by the obligations in Section 5 of this ordinance and shall remain liable for any unpaid  
22 fees assessed under Section 17 of this ordinance.

1           Section 9. **Release, hold harmless, indemnification, and duty to defend.** The  
2 Permittee, by accepting the terms of this ordinance, releases the City, its officials, officers,  
3 employees, and agents from any and all claims, actions, suits, liability, loss, costs, expense,  
4 attorneys' fees, or damages of every kind and description arising out of or by reason of the  
5 pedestrian skybridge or this ordinance, including but not limited to claims resulting from injury,  
6 damage, or loss to the Permittee or the Permittee's property.

7           The Permittee agrees to at all times defend, indemnify, and hold harmless the City, its  
8 officials, officers, employees, and agents from and against all claims, actions, suits, liability,  
9 loss, costs, expense, attorneys' fees, or damages of every kind and description, excepting only  
10 damages that may result from the sole negligence of the City, that may accrue to, be asserted by,  
11 or be suffered by any person or property including, without limitation, damage, death, or injury  
12 to members of the public or to the Permittee's officers, agents, employees, contractors, invitees,  
13 tenants, tenants' invitees, licensees, or successors and assigns, arising out of or by reason of:

14           (a) the existence, condition, construction, reconstruction, modification, maintenance,  
15 operation, use, or removal of the pedestrian skybridge or any portion thereof, or the use,  
16 occupation, or restoration of the public place or any portion thereof by the Permittee or any other  
17 person or entity;

18           (b) anything that has been done or may at any time be done by the Permittee by reason of  
19 this ordinance; or

20           (c) the Permittee failing or refusing to strictly comply with every provision of this  
21 ordinance; or arising out of or by reason of the pedestrian skybridge or this ordinance in any  
22 other way.

1 If any suit, action, or claim of the nature described above is filed, instituted, or begun  
2 against the City, the Permittee shall upon notice from the City defend the City, with counsel  
3 acceptable to the City, at the sole cost and expense of the Permittee, and if a judgment is  
4 rendered against the City in any suit or action, the Permittee shall fully satisfy the judgment  
5 within 90 days after the action or suit has been finally determined, if determined adversely to the  
6 City. If it is determined by a court of competent jurisdiction that Revised Code of Washington  
7 (RCW) 4.24.115 applies to this ordinance, then in the event claims or damages are caused by or  
8 result from the concurrent negligence of the City, its agents, contractors, or employees, and the  
9 Permittee, its agents, contractors, or employees, this indemnity provision shall be valid and  
10 enforceable only to the extent of the negligence of the Permittee or the Permittee's agents,  
11 contractors, or employees.

12 Section 10. **Insurance.** For as long as the Permittee exercises any permission granted by  
13 this ordinance and until the Director has issued a certification that the Permittee has fulfilled its  
14 removal and restoration obligations under Section 5 of this ordinance, the Permittee shall obtain  
15 and maintain in full force and effect, at its own expense, insurance and/or self-insurance that  
16 protects the Permittee and the City from claims and risks of loss from perils that can be insured  
17 against under commercial general liability (CGL) insurance policies in conjunction with:

18 (a) construction, reconstruction, modification, operation, maintenance, use, existence,  
19 or removal of the pedestrian skybridge or any portion thereof, as well as restoration of any  
20 disturbed areas of the public place in connection with removal of the pedestrian skybridge;

21 (b) the Permittee's activity upon or the use or occupation of the public place  
22 described in Section 1 of this ordinance; and

1 (c) claims and risks in connection with activities performed by the Permittee by  
2 virtue of the permission granted by this ordinance.

3 Minimum insurance requirements are CGL insurance written on an occurrence form at  
4 least as broad as the Insurance Services Office (ISO) CG 00 01. The City requires insurance  
5 coverage to be placed with an insurer admitted and licensed to conduct business in Washington  
6 State or with a surplus lines carrier pursuant to chapter 48.15 RCW. If coverage is placed with  
7 any other insurer or is partially or wholly self-insured, such insurer(s) or self-insurance is subject  
8 to approval by the City's Risk Manager.

9 Minimum limits of liability shall be \$2,000,000 per Occurrence; \$4,000,000 General  
10 Aggregate; \$2,000,000 Products/Completed Operations Aggregate, including Premises  
11 Operation; Personal/Advertising Injury; Contractual Liability. Coverage shall include "The City  
12 of Seattle, its officers, officials, employees, and agents" as additional insureds for primary and  
13 non-contributory limits of liability subject to a Separation of Insureds clause.

14 Within 60 days after the effective date of this ordinance, the Permittee shall provide to  
15 the City, or cause to be provided, certification of insurance coverage including an actual copy of  
16 the blanket or designated additional insured policy provision per the ISO CG 20 12 endorsement  
17 or equivalent. The insurance coverage certification shall be delivered or sent to the Director or to  
18 SDOT at an address as the Director may specify in writing from time to time. The Permittee shall  
19 provide a certified complete copy of the insurance policy to the City promptly upon request.

20 If the Permittee is self-insured, a letter of certification from the Corporate Risk Manager  
21 may be submitted in lieu of the insurance coverage certification required by this ordinance, if  
22 approved in writing by the City's Risk Manager. The letter of certification must provide all  
23 information required by the City's Risk Manager and document, to the satisfaction of the City's

1 Risk Manager, that self-insurance equivalent to the insurance requirements of this ordinance is in  
2 force. After a self-insurance certification is approved, the City may from time to time  
3 subsequently require updated or additional information. The approved self-insured Permittee  
4 must provide 30 days' prior notice of any cancellation or material adverse financial condition of  
5 its self-insurance program. The City may at any time revoke approval of self-insurance and  
6 require the Permittee to obtain and maintain insurance as specified in this ordinance.

7 In the event that the Permittee assigns or transfers the permission granted by this  
8 ordinance, the Permittee shall maintain in effect the insurance required under this section until  
9 the Director has approved the assignment or transfer pursuant to Section 14 of this ordinance.

10 Section 11. **Contractor insurance.** The Permittee shall contractually require that any and  
11 all of its contractors performing work on any premises contemplated by this permit name "The  
12 City of Seattle, its officers, officials, employees and agents" as additional insureds for primary  
13 and non-contributory limits of liability on all CGL, Automobile and Pollution liability insurance  
14 and/or self-insurance. The Permittee shall also include in all contract documents with its  
15 contractors a third-party beneficiary provision extending to the City construction indemnities and  
16 warranties granted to the Permittee.

17 Section 12. **Performance bond.** Within 60 days after the effective date of this ordinance,  
18 the Permittee shall deliver to the Director for filing with the City Clerk a sufficient bond  
19 executed by a surety company authorized and qualified to do business in the State of Washington  
20 that is: in the amount of \$205,000, and conditioned with a requirement that the Permittee shall  
21 comply with every provision of this ordinance and with every order the Director issues under this  
22 ordinance. The Permittee shall ensure that the bond remains in effect until the Director has issued  
23 a certification that the Permittee has fulfilled its removal and restoration obligations under



1 Section 5 of this ordinance. An irrevocable letter of credit approved by the Director in  
2 consultation with the City Attorney's Office may be substituted for the bond. In the event that  
3 the Permittee assigns or transfers the permission granted by this ordinance, the Permittee shall  
4 maintain in effect the bond or letter of credit required under this section until the Director has  
5 approved the assignment or transfer pursuant to Section 14 of this ordinance.

6       Section 13. **Adjustment of insurance and bond requirements.** The Director may adjust  
7 minimum liability insurance levels and surety bond requirements during the term of this  
8 permission. If the Director determines that an adjustment is necessary to fully protect the  
9 interests of the City, the Director shall notify the Permittee of the new requirements in writing.  
10 The Permittee shall, within 60 days of the date of the notice, provide proof of the adjusted  
11 insurance and surety bond levels to the Director.

12       Section 14. **Consent for and conditions of assignment or transfer.** The permission  
13 granted by this ordinance shall not be assignable or transferable by operation of law; nor shall the  
14 Permittee transfer, assign, mortgage, pledge, or encumber the same without the Director's  
15 consent, which the Director shall not unreasonably refuse. The Director may approve assignment  
16 or transfer of the permission granted by this ordinance to a successor entity only if the successor  
17 or assignee has accepted in writing all of the terms and conditions of the permission granted by  
18 this ordinance; has provided, at the time of the acceptance, the bond and certification of  
19 insurance coverage required under this ordinance; and has paid any fees due under Section 17 of  
20 this ordinance. Upon the Director's approval of an assignment or transfer, the rights and  
21 obligations conferred on the Permittee by this ordinance shall be conferred on the successors and  
22 assigns. Any person or entity seeking approval for an assignment or transfer of the permission

1 granted by this ordinance shall provide the Director with a description of the current and  
2 anticipated use of the pedestrian skybridge.

3       **Section 15. Inspection fees.** The Permittee shall, as provided by SMC Chapter 15.76 or  
4 successor provision, pay the City the amounts charged by the City to inspect the pedestrian  
5 skybridge during construction, reconstruction, repair, annual safety inspections, and at other  
6 times deemed necessary by the City. An inspection or approval of the pedestrian skybridge by the  
7 City shall not be construed as a representation, warranty, or assurance to the Permittee or any other  
8 person as to the safety, soundness, or condition of the pedestrian skybridge. Any failure by the City  
9 to require correction of any defect or condition shall not in any way limit the responsibility or  
10 liability of the Permittee.

11       **Section 16. Inspection reports.** The Permittee shall submit to the Director, or to SDOT  
12 at an address specified by the Director, an inspection report that:

- 13       (a) describes the physical dimensions and condition of all load-bearing elements;  
14       (b) describes any damages or possible repairs to any element of the pedestrian  
15 skybridge;  
16       (c) prioritizes all repairs and establishes a timeframe for making repairs; and  
17       (d) is stamped by a professional structural engineer licensed in the State of  
18 Washington.

19       A report meeting the foregoing requirements shall be submitted within 60 days after the  
20 effective date of this ordinance; subsequent reports shall be submitted every two years, within 30  
21 days prior to the anniversary date of the last inspection report. In the event of a natural disaster or  
22 other event that may have damaged the pedestrian skybridge, the Director may require that  
23 additional reports be submitted by a date established by the Director. The Permittee has the duty

1 of inspecting and maintaining the pedestrian skybridge. The responsibility to submit structural  
2 inspection reports required by the Director does not waive or alter any of the Permittee's other  
3 obligations under this ordinance. The receipt of any reports by the Director shall not create any  
4 duties on the part of the Director. Any failure by the Director to require a report, or to require  
5 action after receipt of any report, shall not waive or limit the obligations of the Permittee.

6       Section 17. **Annual fee.** Beginning on the effective date of this ordinance, and annually  
7 thereafter, the Permittee shall promptly pay to the City, upon statements or invoices issued by the  
8 Director, an annual fee of \$13,474.93 or as adjusted annually thereafter, for the privileges  
9 granted by this ordinance.

10       Adjustments to the annual fee shall be made in accordance with a term permit fee  
11 schedule adopted by the City Council and may be made every year. In the absence of a schedule,  
12 the Director may only increase or decrease the previous year's fee to reflect any inflationary  
13 changes so as to charge the fee in constant dollar terms. This adjustment will be calculated by  
14 adjusting the previous year's fee by the percentage change between the two most recent year-end  
15 values available for the Consumer Price Index for the Seattle-Tacoma-Bremerton Area, All  
16 Urban Consumers, All Products, Not Seasonally Adjusted. All payments shall be made to the  
17 City Finance Director for credit to the Transportation Operating Fund.

18       Section 18. **Compliance with other laws.** Permittee shall construct, maintain, and  
19 operate the pedestrian skybridge in compliance with all applicable federal, state, County, and  
20 City laws and regulations. Without limitation, in all matters pertaining to the skybridge, the  
21 Permittee shall comply with the City's laws prohibiting discrimination in employment and  
22 contracting including the Seattle Fair Employment Practices Ordinance, SMC Chapter 14.04;  
23 and the Fair Contracting Practices Code, SMC Chapter 14.10 (or successor provisions).

1           Section 19. **Acceptance of terms and conditions.** The Permittee shall deliver to the  
2 Director its written signed acceptance of the terms of this ordinance within 60 days after the  
3 effective date of this ordinance. The Director shall file the written acceptance with the City  
4 Clerk. If no such acceptance is received within that 60-day period, the privileges conferred by  
5 this ordinance shall be deemed declined or abandoned and the permission granted deemed lapsed  
6 and forfeited. The Permittee shall not commence construction of the skybridge prior to the  
7 Permittee delivering its written signed acceptance of the terms of this ordinance and providing  
8 the bond and certificate of insurance coverage required by this ordinance as well as the covenant  
9 agreement required by Section 20 of this ordinance.

10           Section 20. **Obligations run with the Property.** The obligations and conditions imposed  
11 on the Permittee by this ordinance are covenants that bind the Permittee's heirs, successors, and  
12 assigns regardless of whether the Director has approved an assignment or transfer of the  
13 permission granted by this ordinance. The Permittee shall, within 60 days of the effective date of  
14 this ordinance, and prior to conveying any interest in the encroachments or improvements that  
15 are the subject of this ordinance, deliver to the Director on a form supplied by the Director, a  
16 covenant agreement imposing the obligations and conditions in this ordinance, signed and  
17 acknowledged by the Permittee, and recorded with the King County Recorder's Office. The  
18 Director shall file the recorded covenant agreement with the City Clerk. The covenant agreement  
19 shall reference this ordinance by its ordinance number.

20           Section 21. **Public benefit mitigation.** Permittee shall construct the following public  
21 benefit mitigation within one year of the effective date of this ordinance:

22                   a) A 3,200-square-foot garden located at the intersection of Minor Avenue and  
23 Columbia Street;

1                   b) Curated outdoor art located in the garden at the intersection of Minor Avenue  
2 and Columbia Street;

3                   c) Artwork element consistent with the final recommendation of the Swedish  
4 Public Art Advisory Committee on the pedestrian skybridge that is visible from the street;

5                   d) Intersection and sidewalk improvements at Minor Avenue and Columbia  
6 Street, including a partially raised intersection, ADA accessible ramps, and crosswalk striping, to  
7 enhance the pedestrian environment; and

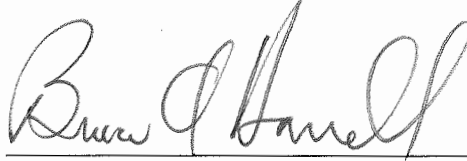
8                   e) Expanded pedestrian streetscape, including street paving, curb, sidewalk and  
9 curb ramps, street trees, plantings, and pedestrian lighting on the east side of Minor Avenue  
10 directly in front of the existing emergency department. Implementation of the art public benefit  
11 features requires review of the Swedish Public Art Advisory Committee that includes members  
12 from the Seattle Design Commission.

13               Section 22. **Section titles.** Section titles are for convenient reference only and do not  
14 modify or limit the text of a section.



1 Section 23. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 26<sup>th</sup> day of September, 2016,  
5 and signed by me in open session in authentication of its passage this 26<sup>th</sup> day of  
6 September, 2016.

7 

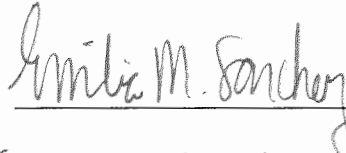
8 President \_\_\_\_\_ of the City Council

9 Approved by me this 29<sup>th</sup> day of September, 2016.

10 

11 Edward B. Murray, Mayor

12 Filed by me this 29<sup>th</sup> day of September, 2016.

13 

14 for Monica Martinez Simmons, City Clerk

15 (Seal)

## Skybridge Public Benefits Matrix

# PUBLIC BENEFITS MATRIX

	PUBLIC BENEFIT	DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	MINOR AVENUE GARDEN	3,200 sf of publicly accessible open space directly adjacent to Minor Avenue <ul style="list-style-type: none"> <li>• 1,500 SF of planting area</li> <li>• 11 LF of seating elements</li> <li>• Landscape pedestrian lighting to 1/2 FC</li> <li>• 8 trees</li> </ul>	None	None	3,200 SF	\$230,000
2	PUBLICLY ACCESSIBLE ART - MINOR AVENUE GARDEN	Curated outdoor sculpture collection located in Minor Avenue Garden	None	None	Art Program Budget	\$150,000
3	PUBLICLY ACCESSIBLE ART - MINOR AVENUE SKYBRIDGE	Work with selected artist on significant artwork element on Minor Avenue Skybridge	None	None	Art Program Budget	\$350,000
4	MINOR AND COLUMBIA INTERSECTION	Intersection and sidewalk improvements to enhance pedestrian safety	None	None	3,400 SF	\$250,000
5	MINOR AVENUE ENHANCED ROW	Expanded pedestrian streetscape, including street paving, curb, sidewalk and curb ramps, street trees, planting, and pedestrian lights	None	None	3,700 SF	\$240,000
TOTAL						\$1,220,000

## Tunnel Conceptual Approval



# SEATTLE CITY COUNCIL

## Legislative Summary

Res 31700

Record No.: Res 31700

Type: Resolution (Res)

Status: Adopted

Version: 1

Ord. no:

In Control: City Clerk

File Created: 07/26/2016

Final Action: 09/29/2016

**Title:** A RESOLUTION granting conceptual approval to Swedish Health Services to construct and maintain a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street.

Notes:

Date  
Filed with City Clerk: 9/29/2016

Mayor's Signature: 9/29/2016

Sponsors: O'Brien

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: amy.gray@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/09/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text:	The Resolution (Res) was Mayor's leg transmitted to Council. to the City Clerk					
	Notes:						
1	City Clerk	08/09/2016	sent for review	Council President's Office			
	Action Text:	The Resolution (Res) was sent for review. to the Council President's Office					
	Notes:						
1	Council President's Office	08/12/2016	sent for review	Sustainability and Transportation Committee			
	Action Text:	The Resolution (Res) was sent for review. to the Sustainability and Transportation Committee					
	Notes:						
1	Full Council	09/06/2016	referred	Sustainability and Transportation Committee			



- 1 Sustainability and Transportation Committee 09/14/2016 adopt Pass  
Action Text: The Committee recommends that Full Council adopt the Resolution (Res).  
In Favor: 3 Chair O'Brien, Vice Chair Johnson, Member Sawant  
Opposed: 0
- 1 09/19/2016
- 1 Full Council 09/26/2016 adopted Pass  
Action Text: The Resolution (Res) was adopted by the following vote, and the President signed the Resolution:  
In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant  
Opposed: 0
- 1 City Clerk 09/28/2016 submitted for Mayor  
Mayor's signature
- 1 Mayor 09/29/2016 Signed  
Action Text: The Resolution (Res) was Signed.  
Notes:
- 1 Mayor 09/29/2016 returned City Clerk  
Action Text: The Resolution (Res) was returned. to the City Clerk  
Notes:
- 1 City Clerk 09/29/2016 attested by City Clerk  
Action Text: The Resolution (Res) was attested by City Clerk.  
Notes:
-

**CITY OF SEATTLE**

**RESOLUTION**

31700

A RESOLUTION granting conceptual approval to Swedish Health Services to construct and maintain a pedestrian tunnel under and across Minor Avenue, south of Columbia Street and north of Cherry Street.

WHEREAS, Swedish Health Services has applied for permission to construct and maintain a pedestrian tunnel (the "Project"), under and across Minor Avenue, south of Columbia Street and north of Cherry Street; and

WHEREAS, the new pedestrian tunnel will provide a pedestrian connection between the Northwest Tower, the main hospital, and Block 95 for the transport of supplies, food, and waste; and

WHEREAS, in making a recommendation, the Director of the Seattle Department of Transportation ("Director") considered the submitted plans and application materials for constructing the pedestrian tunnel and recommends that conceptual approval be granted; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE  
MAYOR CONCURRING, THAT:**

Section 1. The City Council finds that the Swedish Minor pedestrian tunnel is in the public interest.

Section 2. As conditions for obtaining permission to construct the Project, Swedish Health Services shall:

(1) Provide engineering plans for additional review and permitting by the Seattle Department of Transportation, which the Director will circulate to other City departments and any public and private utilities affected by the installation of the proposed Project;

1 (2) Provide (i) a surety bond, (ii) covenant agreement, and (iii) public liability insurance  
2 naming the City as an additional insured or self-insurance, as approved by the City's Risk  
3 Manager;

4 (3) Pay all City permit fees;

5 (4) Obtain all necessary land use or building permits;

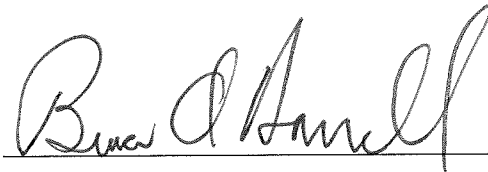
6 (5) Maintain and inspect the Project; and

7 (6) Remove the Project and restore the public right-of-way to its original condition upon  
8 expiration of the term permit or at the direction of the Director or City Council in accordance  
9 with the provisions of the term permit ordinance.

10 Section 3. After this resolution is adopted, the Seattle Department of Transportation  
11 (SDOT) will present to the City Council a draft term permit ordinance identifying the conditions  
12 under which permission may be granted for the use of the right-of-way. Permission to use the  
13 right-of-way is subject to the Council's decision to approve, deny, or modify the draft term  
14 permit ordinance presented by the Director.

15 Section 4. As recommended by the Director and the Mayor, conceptual approval for  
16 construction of the pedestrian tunnel is GRANTED.

1 Adopted by the City Council the 26<sup>th</sup> day of September, 2016,  
2 and signed by me in open session in authentication of its adoption this 26<sup>th</sup> day of  
3 September, 2016.

4 

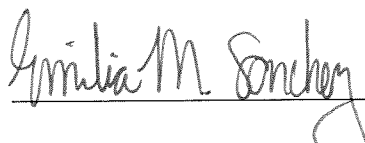
5 President \_\_\_\_\_ of the City Council

6 The Mayor concurred the 29<sup>th</sup> day of September, 2016.

7 

8 Edward B. Murray, Mayor

9 Filed by me this 29<sup>th</sup> day of September, 2016.

10 

11 for Monica Martinez Simmons, City Clerk

12 (Seal)





July 28, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Clerk File 314477, Council Bill 120133, and Council Bill 120134: Swedish First Hill term permits and alley vacation extensions and approval

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On Wednesday, August 4, the Transportation and Utilities Committee (Committee) will meet and discuss three pieces of legislation at the request of Swedish First Hill (Swedish). In 2016, Swedish received conditional approval for an alley vacation, a tunnel and a skybridge to facilitate the development of a new medical office and support service building pursuant to Swedish's 2005 [Major Institution Master Plan](#). Construction of the building has been delayed. On January 12, Swedish [requested](#) that approval of the vacation, skybridge and tunnel be extended. The legislation in front of the Committee would extend the terms of approval or grant final approval as follows:

- [Clerk File \(CF\) 314477](#) would extend the Council Conditional Approval of the vacation of the alley located on the block between Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue, previously approved under [Clerk File 314304](#).
- [Council Bill \(CB\) 120133](#) would grant approval of a term permit for a pedestrian tunnel under Minor Avenue, conceptual approval for the tunnel was granted under [Resolution 31700](#).
- [CB 120134](#) would extend the Council's approval of a skybridge over Minor Avenue, between Columbia Street and Cherry Street, previously approved under [Ordinance 125142](#).

This memorandum describes the proposed project and discusses the approval processes and conditions for each of these proposed pieces of legislation.

### Swedish First Hill and Block 95 development

The Swedish First Hill Major Institution Master Plan was adopted in 2005. The plan authorized the development of a building that would combine medical support and offices on "Block 95." Block 95 is the block bounded by Boren Avenue on the west, Columbia Street on the north, Minor Avenue on the east and Cherry Street on the South. Until recently, it contained a parking garage and small apartment building on the west side of the block and a two- to three-story medical office building on the east side of the block. Those buildings have been demolished in advance of development of the proposed development.

The Master Plan supports the vacation of the alley on Block 95 and provides for its redevelopment with a combination of central support, medical offices, research, and parking

uses. This project, identified as “Building E” in the Master Plan, would be connected to the rest of the Swedish campus across Minor Avenue through a skybridge to be used by patients and a tunnel to be used by employees to support the rest of the hospital campus.

### **Alley Vacation extension (CF 314477)**

On August 8, 2016, the Council provided conceptual approval to Swedish for the vacation of the alley on Block 95 to facilitate the project described above.

Conditions placed on the vacation included provision of the following public benefits:

- Street improvements on several First Hill streets and intersections to implement the “First Hill Mile” – a string of pedestrian improvements to create a one-mile pedestrian walking route, with a design that prioritizes and enhances the pedestrian experience. Swedish will provide widened sidewalks, extended curb bulbs, landscaping, art, and wayfinding that identifies the route.
- Funding for improvements to [First Hill Park](#).
- Additional streetscape improvements at and near the site.

The Council’s conditional approval was limited to five years, which will end in August 2021. Swedish has requested an extension of that approval for an additional eight years, ending in August of 2029. The Council has wide latitude in setting the term of approval for a street vacation.

A proposed set of updated conditions are attached as Attachment 1. The sole change in these updated conditions is a statement that “The City Council extends its grant of approval of the Swedish Health Services petition contained in Clerk File 314304 and approved August 8, 2016, for eight years to August 8, 2029...” If the Committee agrees with the request to extend approval, it should direct staff to add these conditions to CF 314477 for action at the City Council.

### **Tunnel Term Permit (CB 120133)**

On September 26, 2016, the Council passed Resolution 31700, which granted conceptual approval to Swedish Health Services to build a tunnel under Minor Avenue, between Columbia and Cherry streets. The tunnel would be used by employees of the hospital to move equipment and supplies between Block 95 and the rest of the Swedish First Hill Campus.

CB 120133 would grant a fifteen-year significant structure term permit for the Block 95 tunnel. Resolution 31700 placed the following conditions that the permit seeker would need to meet prior to receiving a term permit:

- (1) Provide engineering plans for additional review and permitting by the Seattle Department of Transportation, which the Director will circulate to other City

departments and any public and private utilities affected by the installation of the proposed Project;

- (2) Provide (i) a surety bond, (ii) covenant agreement, and (iii) public liability insurance naming the City as an additional insured or self-insurance, as approved by the City's Risk Manager;
- (3) Pay all City permit fees;
- (4) Obtain all necessary land use or building permits;
- (5) Maintain and inspect the Project; and
- (6) Remove the Project and restore the public right-of-way to its original condition upon expiration of the term permit or at the direction of the Director or City Council in accordance with the provisions of the term permit ordinance.

Swedish has met conditions (1) through (4). Provisions in CB 120133 would ensure that Swedish would meet conditions (5) and (6) if the tunnel is built. If approved, CB 120133 would grant approval to Swedish to operate the tunnel for fifteen years, with one additional 15-year renewal term.

#### **Skybridge Permit renewal (CB 120134)**

On September 26, 2016, the Council adopted [Ordinance 125142](#), which granted Swedish permission to construct, maintain, and operate a pedestrian skybridge over and across Minor Avenue, between Columbia and Cherry streets. The skybridge would be used by patients to move between the development on Block 95 and the rest of the Swedish First Hill campus. Public benefit features proposed as part of the skybridge project include a public garden with art at Minor Avenue and Columbia Street and streetscape improvements under the skybridge.

Because construction has been delayed, Swedish has requested an extension of the deadline to build those improvements for an additional eight years, ending in August of 2029. CB 120134 would amend Ordinance 125142, increasing the fees based on changes in the real estate market in the last five years and extending the term of approval from ten years to fifteen years from the adoption of Ordinance 125142, extending approval to September 2031.

#### **Next Steps**

If the Committee votes to recommend approval of Clerk File 314477, CB 120133 and CB 120134 at its August 4 meeting, they could be considered by the City Council as early as August 8.

#### **Attachments:**

1. Draft updated conditions for Clerk File 314477

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager

**IN THE MATTER OF THE REQUEST OF SWEDISH HEALTH SERVICES TO EXTEND THE GRANT OF APPROVAL FOR THE PETITION OF THE VACATION OF THE ALLEY IN BLOCK 95, TERRY'S SECOND ADDITION, WITHIN CITY COUNCIL DISTRICT 3, IN THE BLOCK BOUNDED BY COLUMBIA STREET, MINOR AVENUE, CHERRY STREET, AND BOREN AVENUE**

**CLERK FILE 314304  
CLERK FILE 314477**

The City Council extends its grant of approval of the Swedish Health Services petition contained in Clerk File 314304 and approved August 8, 2016, for eight years to August 8, 2029, for the vacation of:

**The alley lying within Block 95, Terry's Second Addition to the City of Seattle, according to the Plat thereof recorded in Volume 1 of Plats, Page 87, Records of King County, Washington; Containing an area of 3,841 square feet or 0.0882 Acres, more or less; Situate in the City of Seattle, King County, Washington**

Clerk File 314477 is granted subject to the following:

The vacation is granted upon the Petitioner meeting the following conditions as contained in Clerk File 314304. The Petitioner shall demonstrate that all conditions imposed on the vacation by the City Council have been satisfied: all utility work relating to the vacation including easements or other agreements is completed; all public benefit elements have been provided; any other agreements or easements have been completed and recorded as necessary; and all fees paid, prior to the passage of the street vacation ordinance.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. The project must be substantially in conformity with the proposal reviewed by the Sustainability & Transportation Committee in August of 2016.
2. All street improvements shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements, and be reviewed and approved by the Seattle Department of Transportation; elements of the street improvement plan and required street improvements to be reviewed include:

Street improvement plan showing sidewalks, street trees, bike racks, street furniture, lighting, art or artist-made elements, and landscaping around the site and the off-site public benefit features, including but not limited to these specific elements:

- Marion to Madison sidewalk and plantings;
- Minor & Seneca curb bulbs, sidewalks, furnishings & plantings;
- University & Summit traffic circle;
- Boylston & Seneca curbs bulbs, sidewalk, furnishings, & plantings;
- Boylston & Marion curb bulbs & sidewalk;
- Broadway Avenue plantings;
- Wayfinding signs and street tree replacement;
- Public art in the ROW along the First Hill Mile;
- Columbia & Cherry expanded and enhanced pedestrian streetscape;
- Pedestrian controlled signal at Boren & Cherry; and
- Pedestrian controlled signal at Minor & James.

3. The utility issues shall be resolved to the full satisfaction of the affected utility prior to the approval of the final vacation ordinance. Prior to the commencement of any development activity on the site, the Petitioner shall work with the affected utilities and provide for the protection of the utility facilities. This may include easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner. Utilities impacted may include:

- Seattle City Light;
- Seattle Public Utilities;
- Puget Sound Energy; and
- CenturyLink Communications.

4. It is expected that development activity will commence within approximately 2 years of this approval and that development activity will be completed within 5 years. In order to insure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide the Seattle Department of Transportation with Quarterly Reports, following Council approval of the vacation, providing an update on the development activity, schedule, and progress on meeting the conditions. The Petitioner shall not request or be issued a Final Certificate of Occupancy (C of O) until SDOT has determined that all conditions have been satisfied and all

fees have been paid as applicable.

5. Access to the buildings for vehicle parking, services, bicycles, and patient drop-off shall be provided as follows, changes to this proposal shall require the review of SDOT: three access points will be allowed; two driveways on Cherry Street with one providing an in/out driveway to the parking garage and one providing an entry to the truck loading dock; one exit-only driveway on Columbia Street will be allowed for freight vehicles exiting the parking garage.
6. In addition to the conditions imposed through the vacation process, the project, as it proceeds through the permitting process, is subject to SEPA review and to conditioning pursuant to various City codes and through regulatory review processes including SEPA.
7. The Petitioner is a health care facility, for which maintaining a healing environment is paramount. In the context of maintaining the healing environment, free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within the vacation public benefit features; however, the Petitioner shall retain the right to preclude any such activities in the event they interfere with the provision of healthcare services in a healing environment. Members of the public may be asked to leave for conduct that unreasonably interferes with the enjoyment of the space by others or unreasonably interferes with the provision of healthcare services in a healing environment that includes but is not limited to, activities that create noise that interferes with patients' rest and recovery, and interfere with access to care including emergency care and physician services. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space, if any, on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.
8. The Petitioner shall develop and maintain the public benefit elements as defined by the City Council. A Property Use and Development Agreement (PUDA) or other binding mechanism shall



be required to ensure that the public benefit elements remain open and accessible to the public 24 hours per day, with temporary closures permitted for reasons such as maintenance, safety, or private functions and to outline future maintenance obligations of the improvements. Signage shall be provided as described in Condition 7. The final design of the public benefit elements shall require the review and approval of SDOT Street Vacations. SDOT may request additional review by the Design Commission of the implementation of the public benefit elements or the pedestrian enhancements, as necessary. Public benefit elements in the right-of-way require additional SIP review, street use permits and indemnification; public and private areas must be clearly distinguished and markers in the sidewalk shall be required. The public benefit requirements include the following features as well as corresponding development standards, including approximate square footage dimensions, which shall be outlined in the PUDA:

#### Block 95 Alley Vacation Proposal

PUBLIC BENEFIT	DESCRIPTION	QUANTITY	ESTIMATED COST
1 First Hill Mile	Sidewalk & pedestrian crossing improvements		\$1,300,000
	• Marion to Madison sidewalk and plantings	4,800 SF	
	• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings	2,650 SF	
	• University & Summit traffic circle	925 SF	
	• Boylston & Seneca curb bulbs,	3,870 SF	
	• sidewalk, furnishings and plantings		
	• Boylston & Spring traffic circle	1,130 SF	
	• Boylston & Marion curb bulbs and sidewalk	2,715 SF	
	• Broadway Avenue plantings	830 SF	
	Wayfinding signs	11	
	Street tree replacements	39	

<b>2 First Hill Park Contribution</b>	Contribution toward improvements to First Hill Park	\$500,000	
<b>3 Public Art</b>	Public art in the ROW along the First Hill Mile	\$300,000	
<b>4 Minor Avenue Voluntary Setback</b>	Setback along Minor Avenue	1,700 SF	\$125,000
<b>5 Boren Avenue Voluntary Setback</b>	Setback along Boren Avenue	1,200 SF	\$90,000
<b>6 Columbia St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	980 SF	\$40,000
<b>7 Cherry St. Row Improvements</b>	Expanded and enhanced pedestrian streetscape	560 SF	\$70,000
<b>8 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Boren & Cherry	1	\$200,000
<b>9 Pedestrian Controlled Signal</b>	Pedestrian controlled signal at Minor & James	1	\$200,000
<b>TOTAL</b>			<b>\$2,825,000</b>

Signed by me in open session this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
 President \_\_\_\_\_ of the City Council



Perkins&Will | SiteWorkshop

# Swedish First Hill Medical Center Block 95

Alley Vacation | Skybridge | Tunnel

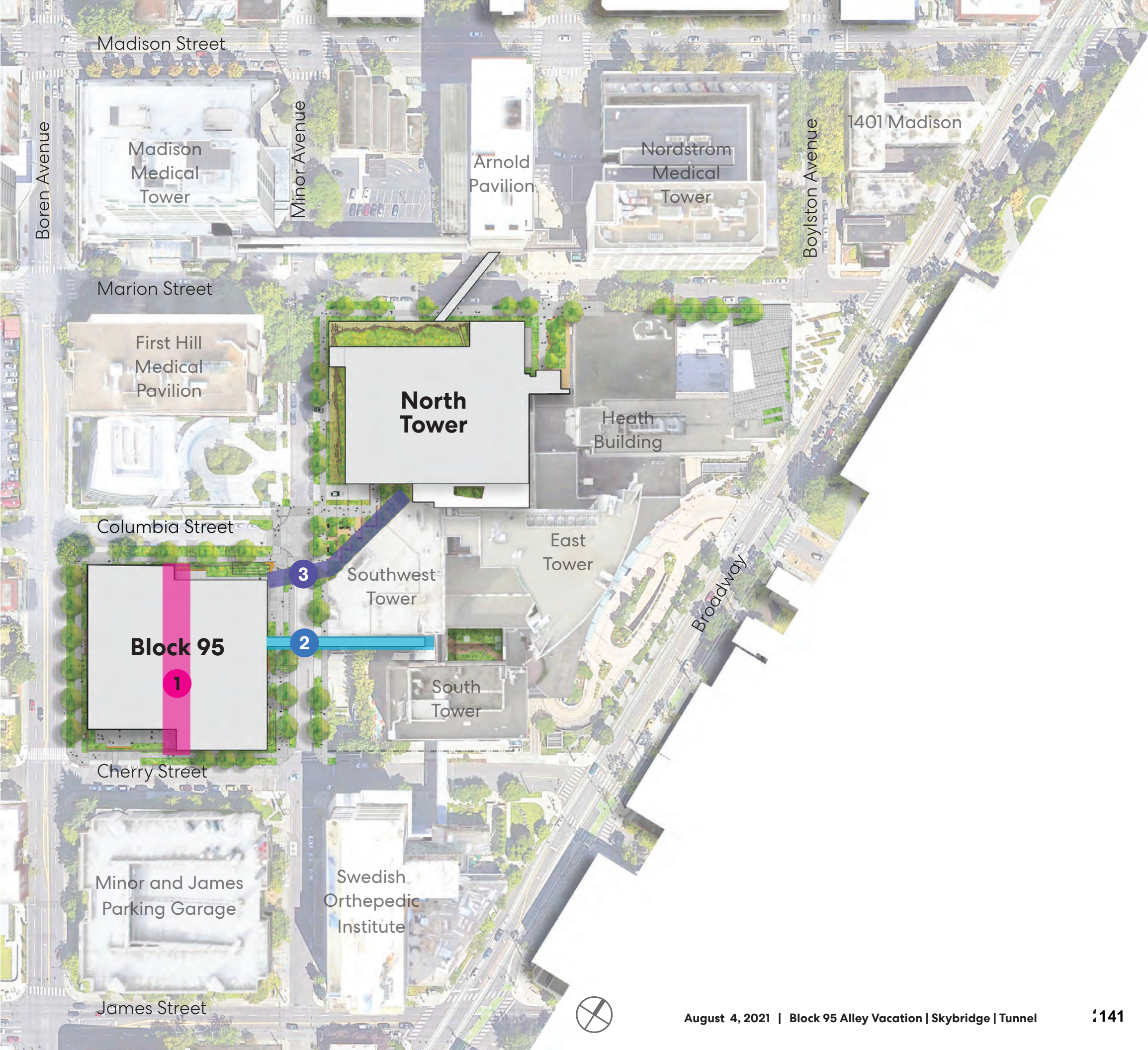
August 4, 2021



Swedish First Hill Campus

2016 APPROVED PETITIONS

- 1 Block 95 Alley Vacation
- 2 Minor Avenue Skybridge
- 3 Minor Avenue Tunnel





- MIO District/MIMP Boundary
- Planned Medical Office Projects
- Potential Medical Office Projects
- Planned Hospital Projects
- Potential Hospital Projects
- Planned Support Projects

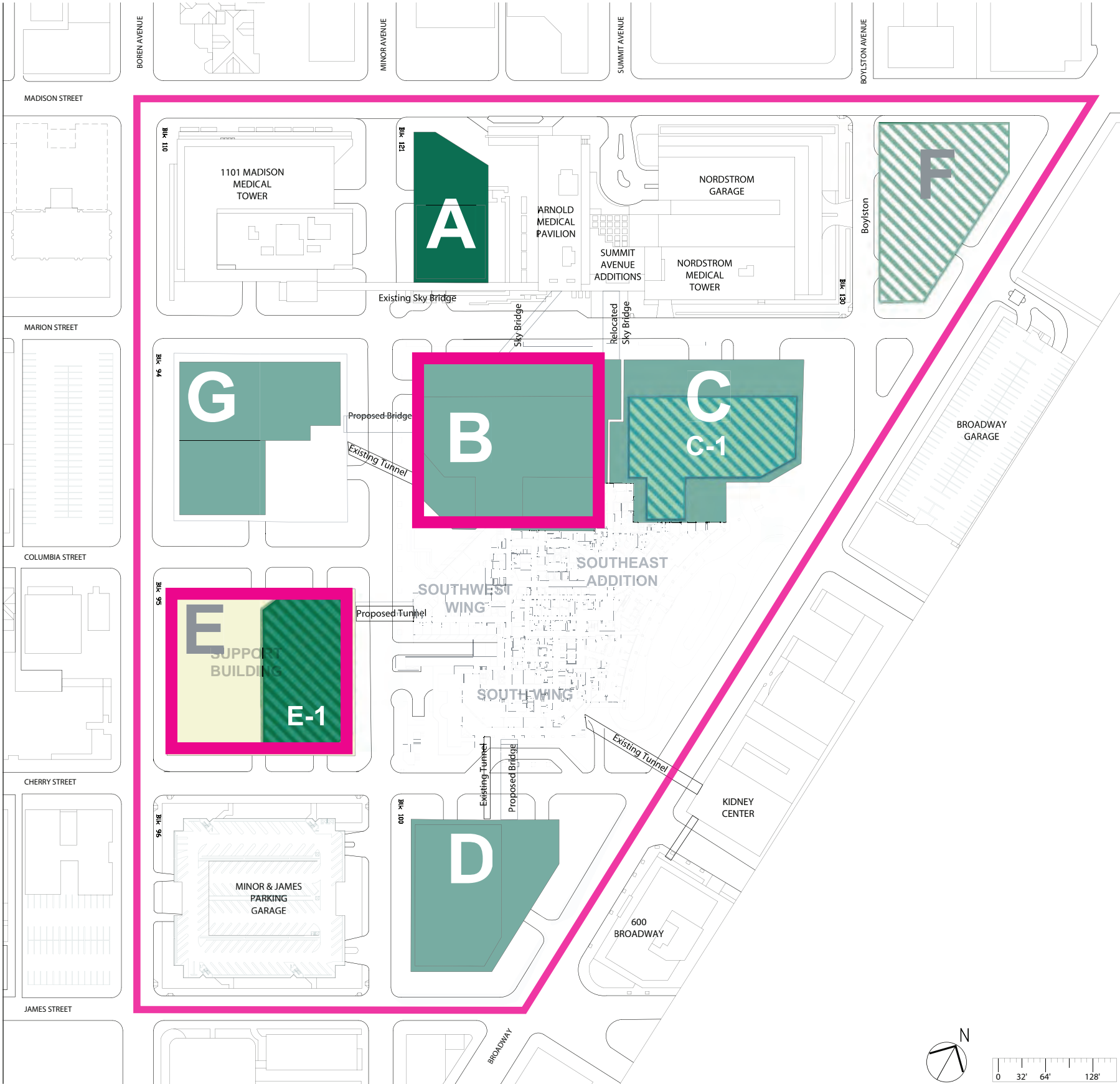
MIMP PROJECTS

PLANNED PROJECTS

- A. Medical Office Building
- B. Hospital Replacement: Building B
- C. Hospital Replacement: Building C
- D. Hospital Replacement: Building D
- E. Central Support with Medical Office Tower
- G. Hospital Replacement: Building G

POTENTIAL PROJECTS

- F. Medical Office Building
- C-1. Hospital Replacement: Building
- C - Future Tower Addition
- E-1. Central Support Facility w/  
MedicalOffice Tower and Research





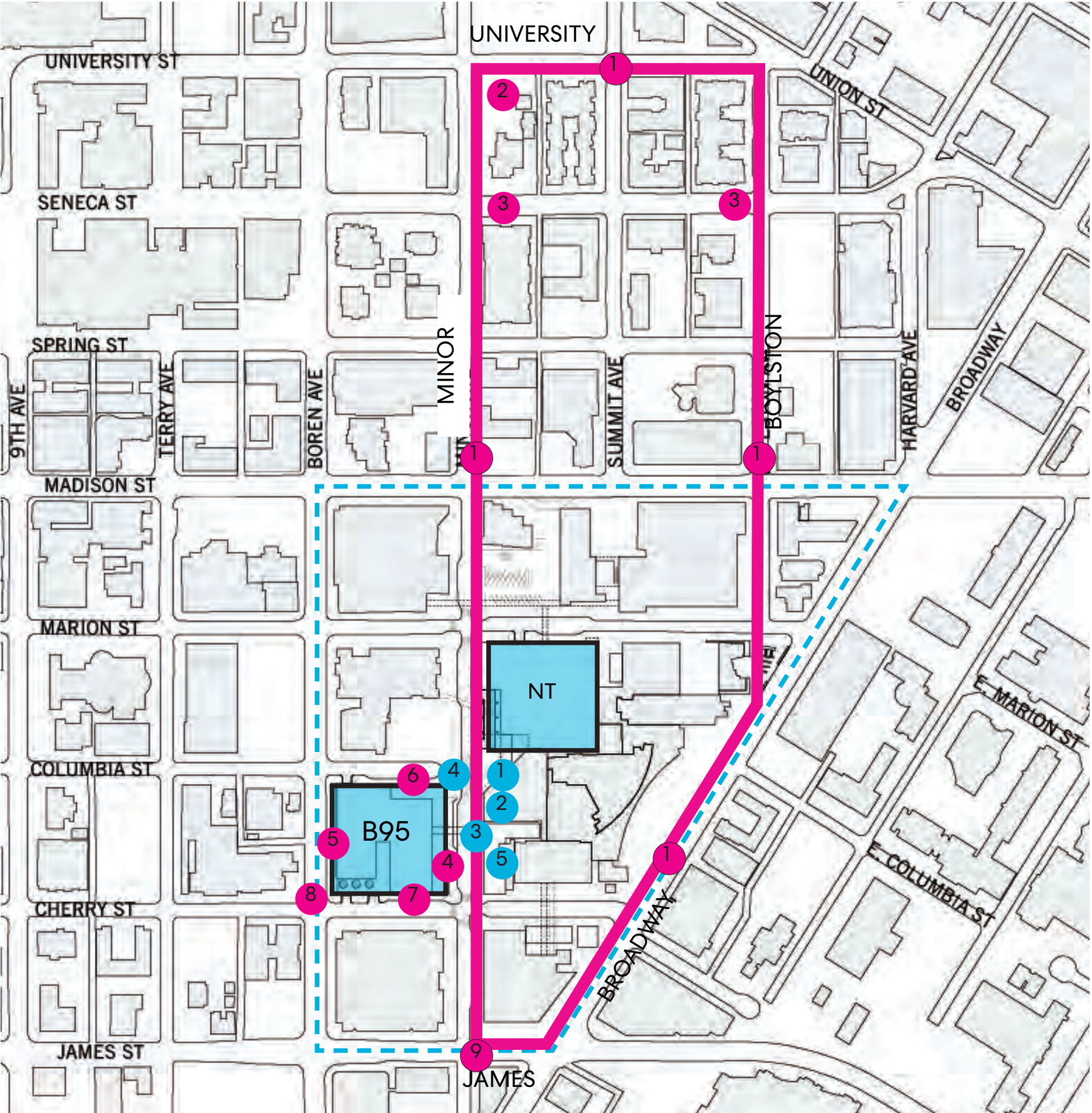
Public Benefits Summary

BLOCK 95 ALLEY VACATION

- 1 The First Hill Mile
- 2 First Hill Park Funding
- 3 Public Art
- 4 Minor Ave Voluntary Setback
- 5 Boren Voluntary Setback
- 6 Columbia St ROW Enhancements
- 7 Cherry St ROW Enhancements
- 8 Boren & Cherry Ped Crossing
- 9 Minor & James Ped Crossing

MINOR AVE SKYBRIDGE

- 1 Minor Ave Garden
- 2 Public Art - Minor Ave Garden
- 3 Public Art - Skybridge
- 4 Minor & Columbia Raised Intersection
- 5 Minor Ave ROW Enhancements





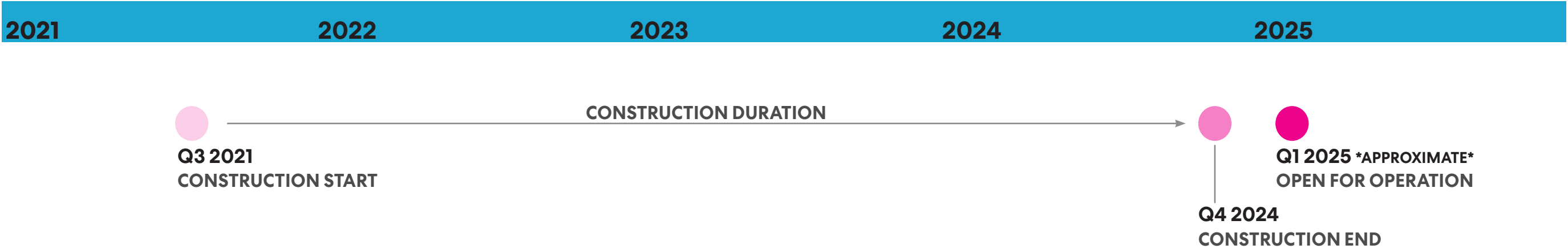
Alley Vacation Public Benefits Matrix

PUBLIC BENEFIT		DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	FIRST HILL MILE	Sidewalk & pedestrian crossing improvements	None	None		\$1,300,000
		• Marion to Madison sidewalk and plantings			4,800 SF	
		• Minor & Seneca curb bulbs, sidewalk, furnishings and plantings			2,650 SF	
		• University & Summit traffic circle			925 SF	
		• Boylston & Seneca curb bulbs, sidewalk, furnishings and plantings			3,870 SF	
		• Boylston & Spring traffic circle			1,130 SF	
		• Boylston & Marion curb bulbs and sidewalk			2,715 SF	
		• Broadway Avenue plantings			830 SF	
		Wayfinding signs			11	
		Street tree replacements			39	
2	FIRST HILL PARK CONTRIBUTION	Contribution toward improvements to First Hill Park	None	None	Parks contribution	\$500,000
3	PUBLIC ART	Public art in the ROW along the First Hill Mile	None	None	Art program	\$300,000
4	MINOR AVENUE VOLUNTARY SETBACK	Setback along Minor Avenue	None	None	1,700 SF	\$125,000
5	BOREN AVENUE VOLUNTARY SETBACK	Setback along Boren Avenue	None	None	1,200 SF	\$90,000
6	COLUMBIA ST. ROW IMPROVEMENTS	Expanded and enhanced pedestrian streetscape	None	None	980 SF	\$40,000
7	CHERRY ST. ROW IMPROVEMENTS	Expanded and enhanced pedestrian streetscape	None	None	560 SF	\$70,000
8	PEDESTRIAN CONTROLLED SIGNAL	Pedestrian controlled signal at Boren & Cherry	None	None	1	\$200,000
9	PEDESTRIAN CONTROLLED SIGNAL	Pedestrian controlled signal at Minor & James	None	None	1	\$200,000
TOTAL						\$2,825,000

Skybridge Public Benefits Matrix

PUBLIC BENEFIT		DESCRIPTION	CODE REQUIRED	MIMP REQUIRED	QUANTITY	COST
1	MINOR AVENUE GARDEN	3,200 sf of publicly accessible open space directly adjacent to Minor Avenue <ul style="list-style-type: none"><li>1,500 SF of planting area</li><li>11 LF of seating elements</li><li>Landscape pedestrian lighting to 1/2 FC</li><li>8 trees</li></ul>	None	None	3,200 SF	\$230,000
2	PUBLICLY ACCESSIBLE ART - MINOR AVENUE GARDEN	Curated outdoor sculpture collection located in Minor Avenue Garden	None	None	Art Program Budget	\$150,000
3	PUBLICLY ACCESSIBLE ART - MINOR AVENUE SKYBRIDGE	Work with selected artist on significant artwork element on Minor Avenue Skybridge	None	None	Art Program Budget	\$350,000
4	MINOR AND COLUMBIA INTERSECTION	Intersection and sidewalk improvements to enhance pedestrian safety	None	None	3,400 SF	\$250,000
5	MINOR AVENUE ENHANCED ROW	Expanded pedestrian streetscape, including street paving, curb, sidewalk and curb ramps, street trees, planting, and pedestrian lights	None	None	3,700 SF	\$240,000
TOTAL						\$1,220,000

B95 Construction Schedule









**Thank You**  
**Questions?**





August 4, 2021

Honorable Alex Pedersen, Chair  
Transportation and Utilities Committee  
Seattle City Council  
600 Fourth Avenue  
Seattle, Washington 98104

**Subject:       Extension of time for Swedish Health Services to complete an alley vacation, a skybridge, and a tunnel at the First Hill Campus**

Dear Councilmember Pedersen and Honorable Members of the Committee:

We are forwarding three pieces of legislation that together will allow additional time for Swedish Health Services (“Swedish”, “SHS” or “Petitioner”) to complete work on its planned development at the First Hill Campus approved by the City Council in 2016. The work includes an alley vacation at Block 95, in the block bounded by Columbia Street, Minor Avenue, Cherry Street, and Boren Avenue; a pedestrian skybridge over Minor Avenue between Columbia Street and Cherry Street; and a pedestrian tunnel under and across Minor Avenue between Columbia Street and Cherry Street. The alley, skybridge, and tunnel are fully described in the respective legislation. The legislation includes:

1. Clerk File 314477: the clerk file extends the alley vacation approval granted in Clerk File 314304 on August 8, 2016, to an anticipated commencement of development in 2024 and anticipated completion of development in 2029.
2. Skybridge ordinance Council Bill 120134: this ordinance allows Swedish to construct and maintain a skybridge and amends Ordinance 125142 to provide a new 15-year term following the passage of the amending ordinance
3. Tunnel ordinance Council Bill 120133: this ordinance allows Swedish to construct and maintain a pedestrian tunnel for a 15-year term as conceptually approved in Resolution 31700

SDOT supports the extension of time requested by Swedish and recommends the granting of the Clerk File and the passage of the skybridge and tunnel ordinances.

#### **CITY COUNCIL DISTRICT**

The proposed development is within the boundaries of City Council District 3.

#### **PREVIOUS COUNCIL REVIEW**

In 2016, the Sustainability & Transportation Committee reviewed the proposed expansion at the Swedish First Hill Campus. A public hearing was held on the proposed alley vacation and the

Committee considered the vacation, the skybridge, and the tunnel. The Committee found the development activity to be consistent with the growth anticipated in the adopted Major Institution Master Plan (MIMP). The Committee and the full Council passed the skybridge ordinance, adopted the resolution supporting the tunnel, and granted the alley vacation subject to conditions. No conditions of any approval are proposed to be changed. The only revision is that Swedish will have additional time to meet its obligations.

When the Council grants approval of a vacation or a permit it sets a time frame for when the project work must be done. With this alley vacation the conditions specified that work should commence within 2 years and should be largely completed within 5 years. Developments that request a vacation are generally quite complex and this time frame does not always allow for the time it takes for complex permitting activity. In more recent years the City Council has provided for projects to have a longer time to complete the work, generally 7 to 9 years but sometimes as long as 15 years. Granting this extension of time is consistent with the current Council practice recognizing the complexities of major development and providing for adequate time for the development.

## **REQUEST FOR ADDITIONAL TIME**

Following the various approvals in 2016, Swedish continued to work on the permits necessary to move forward with the development of the Block 95 and the North Tower building. In 2017, Swedish began to navigate significant changes to the delivery of health care services. Swedish put its original Master Use Permit (MUP) applications on hold until 2019 in order to review how it should move forward. This delay means the Swedish will not be able to complete its work in the time frame anticipated.

Swedish is ready to move forward and has begun demolition of the existing structures on the Block 95 site. Swedish anticipates excavation of the site in 2022 and construction beginning in summer 2023. Swedish has continually engaged with the City on the schedule and on the development of the public benefit features. Swedish fulfilled its obligation to provide \$500,000 funding to Parks for improvements to First Hill Park in late 2020. In addition, Swedish and the City have been working the design and implementation of the pedestrian enhancements known as the First Hill Mile. In its request for an extension Swedish has indicated that construction of the majority of the public benefit features in 2025. Pedestrian crossings may be completed as early as 2023.

## **BACKGROUND**

Swedish was founded on June 1, 1910. In 1912, Swedish acquired a 40-bed private hospital located at Summit and Columbia. Over the next 50 years, Swedish added new buildings and enhanced facilities every decade. In 1980, Doctors Hospital and Seattle General Hospital

closed, merging with Swedish. Providence Seattle Medical Center, founded by the Sisters of Providence, joined the Swedish system in 2000. In February 2012, Swedish and Providence finalized its affiliation agreement and joined together.

Swedish plans to update its aging facilities at First Hill. During the review in 2016, Swedish stated its goals including:

- To provide care for a rapidly growing older population;
- Respond to unprecedented inpatient growth;
- Meet the most current technology needs in appropriate space;
- Respond to pressures of health care reform; and
- Utilize clinical space effectively.

Swedish is proposing the alley vacation in connection with the development of Swedish's First Hill Campus as approved in the 2005 Compiled Major Institution Master Plan ("MIMP") adopted in 2005 in Ordinance 121965, superseding the MIMP adopted in 1984 in Ordinance 111993.

As described in the 2005 MIMP, the total existing First Hill campus included about 2.3 million square feet. Of this, about 1.3 million is hospital; 800,000 square feet of medical office space; and 200,000 square feet is for other support uses. Parking garages comprise approximately 1.2 million square feet of building area, plus more than 200 surface parking spaces exist on the campus. Following adoption of the 2005 MIMP, construction was completed in 2008 for MIMP project D, the Swedish Orthopedic Institute (SOI), at 601 Broadway. The SOI building replaced the former 75,165 square foot Broadway Annex building with a 208,653 square foot, 8-floor building including 4 floors of underground parking (217 stalls).

## **PROJECT DESCRIPTION**

Swedish has identified the vacation alternative as the preferred approach to meeting the programmatic and planning needs for the First Hill Campus. Swedish plans to proceed with two buildings identified in the MIMP.

The proposed Block 95 development is located on the block bounded by Boren Avenue on the west, Columbia Street on the north, Minor Avenue on the east, and Cherry Street on the south. The project would include: a four-story podium that occupies the entire block with a 12-story medical office tower located atop the podium on the east half of the block, at approximately 240 feet and a total of 17 stories and then stepping down to 5 stories and 90 feet midblock to the west. The office tower may be developed with only 6-stories, depending on demand. The building is planned to serve as the main logistic and supply center for the entire First Hill campus, providing parking, with a new loading dock, materials management center, and production kitchen. The hospital clinical laboratory is also planned to be included in the

Honorable Alex Pedersen  
Swedish Health Services Extension  
August 4<sup>th</sup>  
Page 4 of 4  
V4

building. The remaining available space in Block 95 would serve either hospital-based clinics or provide leased office space for physicians. The alley vacation is proposed as part of the project to develop a building consistent with the MIMP.

The Block 95 building is intended to serve as the primary supply and logistics center for the campus, including critical MEP infrastructure that will support the entire First Hill campus. The below grade levels will include approximately 576 parking spaces. The first level below grade will be the loading dock and materials management for the First Hill campus. The dock level will be served by three large freight elevators which permit the movement of incoming deliveries down one level to the primary materials management warehouse facility and the major production kitchen for the campus. This level connects across Minor Avenue through a service tunnel at Level D.

Also proposed are a skybridge and tunnel that would cross Minor Avenue and connect Block 95 to the main hospital. The skybridge, at level 2 of the new Block 95 building would be approximately 13 feet tall, 12 feet wide, and 210 feet long, only 66 feet of which is over the right-of-way. The tunnel, at two-levels below-grade would be approximately 11 feet tall, 20 feet wide, and 36 feet long. The tunnel and skybridge both require term permits from the City. The skybridge proposal was approved by the Council in 2016 under Ordinance 125142. Conceptual approval of the tunnel was granted under Resolution 31700. The bill in front of the Council would grant final approval for the tunnel.

SDOT recommends that the request from Swedish for additional time be supported by granting Clerk File 314477 and the passage of Council Bill 120134 and Council Bill 120133.

Sincerely,

  
Sam Zimbabwe (Jul 27, 2021 10:17 PDT)

Sam Zimbabwe, Director  
Seattle Department of Transportation

SZ:bb

Enclosures



## Legislation Text

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**File #:** CB 120137, **Version:** 1

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### CITY OF SEATTLE

### ORDINANCE \_\_\_\_\_

### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE vacating the alley in Block 20, Heirs of Sarah A. Bell's Second Addition, bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 312262).

WHEREAS, Clise Properties, Inc., on behalf of Acorn Development LLC, filed a petition under Clerk File

312262 to vacate the alley bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street;

and

WHEREAS, Acorn Development LLC ("Petitioner") is the successor in interest and the current Petitioner; and

WHEREAS, following a September 25, 2012, public hearing on the petition, the Seattle City Council ("City Council") conditionally granted the petition on November 5, 2012; and

WHEREAS, a Property Use and Development Agreement recorded on December 10, 2020, with the King County Recorder's Office under Recording No. 20201210002757 commits the Petitioner and their successors to fulfill ongoing public-benefit obligations required as part of the vacation; and

WHEREAS, as provided for in Revised Code of Washington (RCW) 35.79.030 and Seattle Municipal Code Chapter 15.62, the Petitioner has paid the City a vacation fee of \$5,188,000 on January 8, 2015, which is the full appraised value of the property; and

WHEREAS, the Petitioner has met all conditions imposed by the City Council in connection with the vacation petition; and

WHEREAS, vacating the alley in Block 20, Heirs of Sarah A. Bell's Second Addition, is in the public interest;



NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The alley in Block 20, Heirs of Sarah A. Bell's Second Addition, described below, is vacated:

The alley in Block 20, Heirs of Sarah A. Bell's Second Addition, recorded in Volume 1 of Plats, page 121, Records of King County, Washington, being the block bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street (Clerk File 312262)

Section 2. The Property Use and Development Agreement, King County Recording No.

20201210002757, attached as Exhibit 1 to this ordinance is accepted.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

---

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Exhibit 1 - Property Use and Development Agreement

**Instrument Number: 20201210002757 Document: AG Rec: \$113.50 Page-1**  
**Record Date: 12/10/2020 4:39 PM**  
**King County, WA**



**20201210002757**

AGREEMENT Rec: \$113.50  
12/10/2020 4:39 PM  
KING COUNTY, WA

*When Recorded, Return to:*  
**HILLIS CLARK MARTIN & PETERSON P.S.**  
Attention: T. Ryan Durkan  
1221 Second Avenue, Suite 500  
Seattle, WA 98101-2925

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**PROPERTY USE AND DEVELOPMENT AGREEMENT**

<b>Grantor:</b>	<u>Acorn Development LLC</u>
<b>Grantee:</b>	<u>City of Seattle</u>
<b>Legal Description (abbreviated):</b>	<u>Alley in Block 20, Heirs of Sarah A. Bell's Second Addition to the City of Seattle</u>
<b>Assessor's Tax Parcel ID #:</b>	<u>066000-0275; 066000-0280; 066000-0270; 066000-0320</u>
<b>Reference Nos. of Documents Released or Assigned:</b>	<u>N/A</u>

This PROPERTY USE AND DEVELOPMENT AGREEMENT (the "Agreement") is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2020, in favor of the CITY OF SEATTLE (the "City"), a Washington municipal corporation, by ACORN DEVELOPMENT LLC (the "Owner"), a Delaware limited liability corporation.

**RECITALS**

**A. WHEREAS,** Owner is vested in fee simple title and has a substantial beneficial interest in certain real property, which is legally described in EXHIBIT A (the "Property"); and

**B. WHEREAS,** Owner applied for and received approval of a Master Use Permit (Project No. 3013153) to develop a commercial tower on the above-described property and has redeveloped the property in accordance with approvals (the "Development"); and

**C. WHEREAS,** in connection with the Development, a petition was filed under City of Seattle Clerk's File No 312262 pursuant to Chapter 35.79 of the Revised Code of Washington and Seattle Municipal Code Chapter 15.62, by the Owner and its predecessor in interest, Clise Properties, Inc., to vacate the alley in Block 20 of Sarah A. Bell's Second Addition of Seattle as legally described in EXHIBIT B; and

**D. WHEREAS**, the Transportation Committee of the Seattle City Council held a public hearing on the street vacation petition and recommended approval of the street vacation petition, subject to conditions; and

**E. WHEREAS**, the Seattle City Council granted preliminary approval of the street vacation petition, subject to conditions, on November 5, 2012, in City of Seattle Clerk's File No. 312262 ("Council Vacation Decision"), including the public benefit improvements listed in Section 1; and

**F. WHEREAS**, execution of a Property Use and Development Agreement is desired to ensure compliance with any conditions of alley vacation approval that will not be fully satisfied prior to passage of the ordinance vacating the above-referenced alley; and

**G. WHEREAS**, the Owner now seeks final vacation of the alley in Block 20 of Sarah A. Bell's Second Addition as described in EXHIBIT B;

**NOW, THEREFORE**, the Owner agrees that if the ordinance vacating the above-referenced alley is passed by the Seattle City Council and approved by the Mayor, then the Owner shall operate and maintain the Development in accordance with this Agreement:

#### **AGREEMENT**

**Section 1. Public Benefit Improvements.** Addressed below are those on-site and off-site public benefit improvements of the alley vacation approval that require ongoing maintenance during the operation of the Development, which shall be collectively referred to as the "Public Benefit Improvements" and which are depicted on EXHIBIT C.

**A. Blanchard Street Voluntary Building Setback**

- i. Approximately 2,140 sf of voluntary 10' building setback to allow for widened sidewalk, additional landscape, and use by adjacent retail.

**B. Other Voluntary Building Setbacks**

- i. Approximately 2,270 sf of voluntary building setbacks within the property line to allow for landscape and sidewalk improvements (excluding Blanchard Street).

**C. Enhanced Right-of-Way Improvements**

- i. 4-6 additional trees as part of a double row of trees (allee) on 7th. The location and quantity of trees will be determined by SDOT and local utilities.
- ii. Two wayfinding signs per the City Center Wayfinding Plan (one onsite and one offsite).

**D. Art**

- i. One signature art piece.
- ii. Integrated art in the right-of-way.

**Section 2: Maintenance.** The Owner shall maintain all of the Public Benefit Improvements in good repair for the life of the Development.

**Section 3: Public Access.** Public access will be allowed to the following Public Benefit Improvements such that the public can pass through or use the amenity regardless of whether such use by the public is associated with the Development: Blanchard Street Voluntary Building Setback and Other Voluntary Building Setbacks (as described in Section 1.A and 1.B), as depicted on EXHIBIT D. The Owner may adopt reasonable rules and regulations regarding use of and access to such Public Benefit Improvements as are necessary to ensure the security of the users of the Public Benefit Improvements and the Development. The rules and regulations may not be inconsistent with the terms of this Agreement. A summary of the rules and regulations may be posted in visible locations in the Development.

Free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within these public benefit features. While engaged in allowed activities, members of the public may not be asked to leave for any reason other than conduct that unreasonably interferes with the enjoyment of the space by others. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.

**Section 4. Closures.** The Owner shall have the right to temporarily close or modify the Public Benefit Improvements for: construction; maintenance and repair; temporary use for private functions directly related to the Development or the Owner; the maintenance of safety or security for the Development or persons using the Development; or other circumstances beyond the Owner's control.

**Section 5. Binding Effect.** An executed copy of this Agreement shall be recorded in the records of King County and the covenants hereof shall be deemed to attach to and run with the Property. The Owner agrees that terms of this Agreement shall be binding on and benefit the Owner during the term of its ownership and subsequent to its ownership this Agreement shall be binding on and benefit its successors, heirs, and assigns.

**Section 6. Modification.** This Agreement may be amended or modified by mutual agreement between the City and Owner, according to the following procedure. Minor changes to this Agreement may be approved by SDOT, if the approved change is consistent with the purpose and intent of the conditions in the Council Vacation Decision. Any major changes to this Agreement, as reasonably determined by SDOT, shall require approval by the City Council



by resolution or ordinance. SDOT shall provide the Owner with notice and the opportunity to comment on whether a change is considered minor or major, prior to SDOT making that determination. Nothing in this Agreement shall be construed as a surrender of the City's governmental powers.

**Section 7. Enforcement.** This Agreement is made for the benefit of the City and the public. The City may institute and prosecute any proceeding in law or in equity to enforce this Agreement.

**Section 8. Insurance.** Upon the effective date of the vacation ordinance, the Owner shall provide and thereafter maintain in full force and effect, commercial general liability insurance providing for a limit of not less than \$1,000,000 per occurrence for damages arising out of bodily injuries or death. The insurance policies obtained shall be issued by companies authorized to conduct business in Washington State and shall name the City as an additional insured. Owner shall provide evidence of insurance to the City Risk Manager at the City's reasonable request.

**Section 9. Indemnity.** Owner covenants and agrees to defend, indemnify, and hold harmless the City of Seattle, its officials, officers, employees, and agents from all liabilities, claims, causes of action, judgments, or expenses, including reasonable attorney fees and necessary litigation expenses, resulting from any actual or alleged bodily injury (including death) or actual or alleged damage to property arising out of or in connection with the use or occupation of the Public Benefit Improvements during the term of its ownership. Upon any transfer of ownership, this obligation will be binding on successors and assigns. The indemnification obligations under this agreement do not apply to any liabilities, claims, causes of action, judgments or expenses resulting from bodily injury or property damage caused by the negligence or intentional acts of the public or the City, or its officers, employees, elected officials, agents or subcontractors.

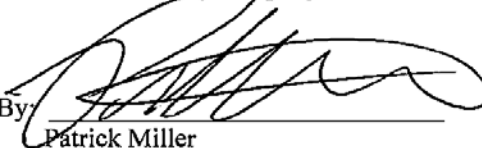
**Section 10. Reservation.** The Owner reserves the right to use the Public Benefit Improvements for any purpose that does not materially interfere with the public's use of the Public Benefit Improvements, including but not limited to the right to use the Public Benefit Improvements as described in Sections 1 and 3 of this Agreement and the right to grant easements-a right of use within the Development, provided the easements-right of use does not materially interfere and is consistent with the public's use of the Public Benefit Improvements.

**Section 11. No Dedication.** Notwithstanding the covenants contained in this Agreement, nothing in this Agreement shall constitute a public dedication of any portion of the Property, Development, or Public Benefit Improvements.

**Section 12. Severability.** It is expressly agreed that in the event any covenant or condition or restriction in this instrument or any portion thereof is invalid or void, such invalidity or voidness shall in no way affect any other covenant, condition, or restriction.

SIGNED this 17 day of September, 2020.

Acorn Development LLC  
a Delaware limited liability company


By:   
Patrick Miller  
Its: Authorized Signatory

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me John Schoettler, to me known to be the Vice President, of Acorn Development LLC, a Delaware limited liability company that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 17 day of  
September, 2020.



  
Printed Name Amy Casavan  
NOTARY PUBLIC in and for the State of  
Washington, residing at Sumner, WA  
My Commission Expires 3-05-2024

**Exhibit A**

**Legal Description of Acorn Development, LLC Property (Block 20)**

ALL OF BLOCK 20, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY, WASHINGTON;

EXCEPT THOSE PORTIONS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 36118 AND KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437, AS PROVIDED BY ORDINANCE NUMBERS 7733 AND 50890 OF THE CITY OF SEATTLE.

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON

**Exhibit B**

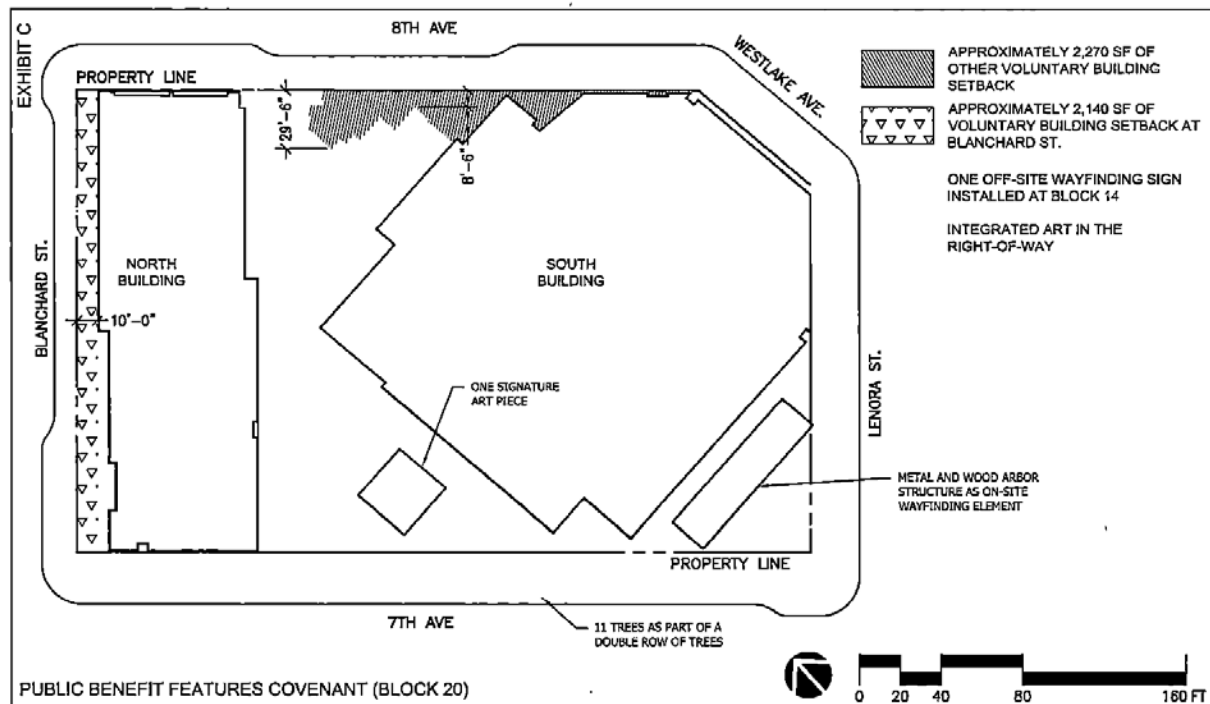
**Legal Description of Alley to be Vacated (CF 312262)**

ALLEY IN BLOCK 20, CLERK FILE 312262: ALLEY IN BLOCK 20, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF, RECORDED IN VOL. 1 OF PLATS, PAGE 121, IN KING COUNTY, WASHINGTON. THE BLOCK IS BOUNDED BY LENORA STREET, 7<sup>TH</sup> AVENUE, BLANCHARD STREET, AND 8<sup>TH</sup> AVENUE.

**Exhibit C**

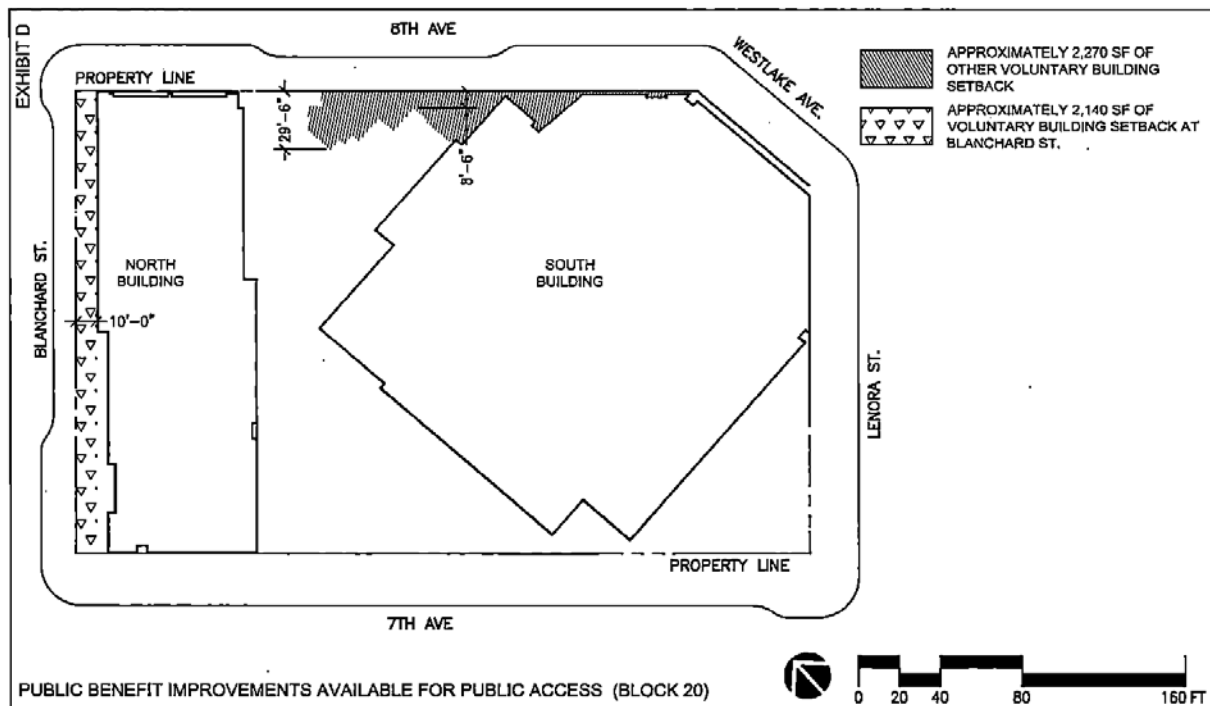
**Public Benefit Improvements**





**Exhibit D**

**Public Benefit Improvements Available for Public Access**



### **SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Department of Transportation	Amy Gray/206-386-4638	Christie Parker/206-684-5211

#### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE vacating the alley in Block 20, Heirs of Sarah A. Bell's Second Addition, bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 312262).

**Summary and background of the Legislation:**

This Council Bill completes the vacation process for the alley in Block 20, Heirs of Sarah A. Bell's Second Addition, bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street in the South Lake Union neighborhood. The petitioner is Acorn Development Group LLC.

The Petitioner sought the vacation for the development of an office tower on a consolidated block. After a September 25, 2012 public hearing on the petition, the City Council conditionally granted the petition. The legislation also accepts a Property Use and Development Agreement providing for the establishment and maintenance of various public benefit improvements.

#### **2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project? \_\_\_ Yes X No

#### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget? \_\_\_ Yes X No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?  
No.

**Is there financial cost or other impacts of *not* implementing the legislation?**

The legislation will complete the vacation process. The Petitioner has met all the conditions imposed by the City Council, including payment of a \$5.188 million vacation fee in 2015. By not implementing this legislation, the City could be in violation of its obligations, which could have financial impacts.

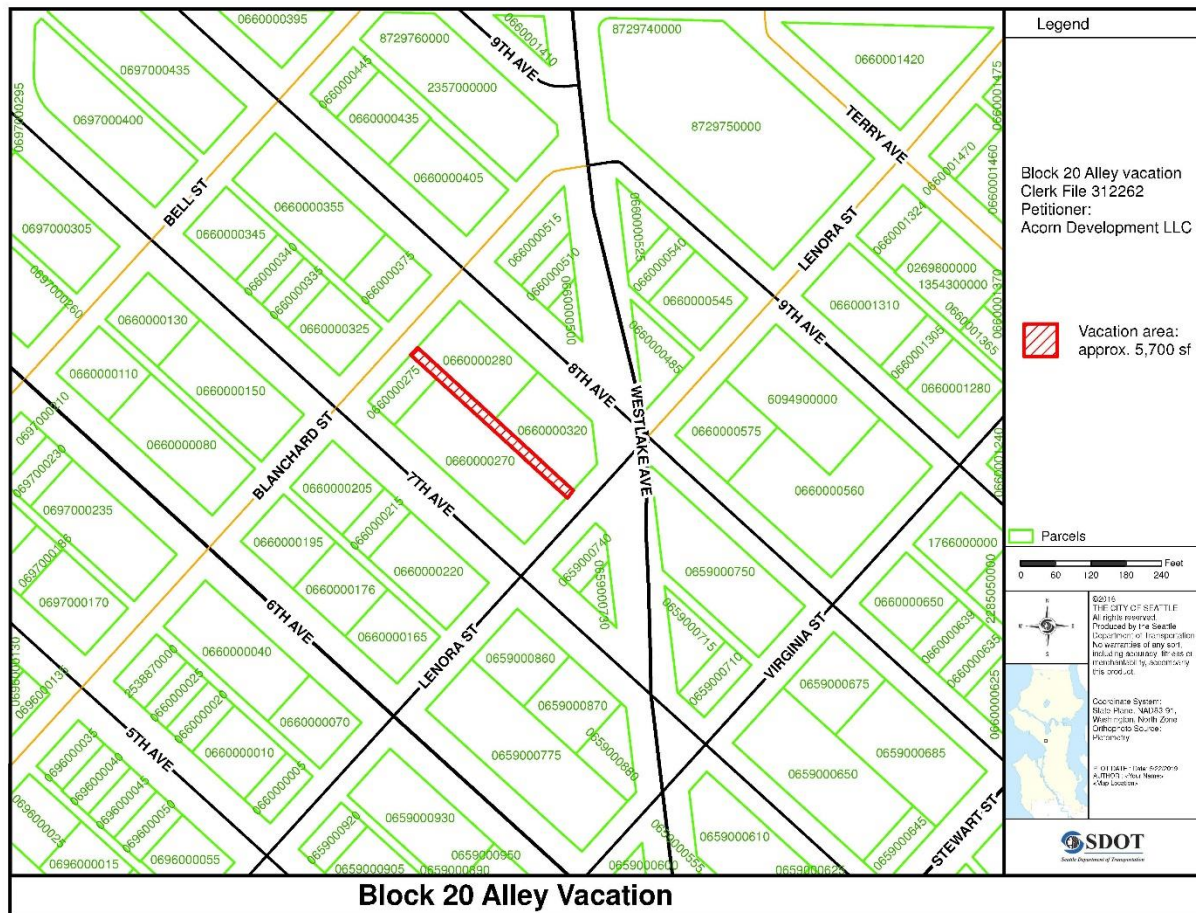
#### 4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**  
No.
- b. **Is a public hearing required for this legislation?**  
No.
- c. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.
- d. **Does this legislation affect a piece of property?**  
Yes, it completes the vacation of the alley in Block 20, Heirs of Sarah A. Bell's Second Addition, bounded by 7th Avenue, Blanchard Street, 8th Avenue, and Lenora Street.
- e. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**  
SDOT has not identified any Race and Social Justice Initiative implications related to this legislation.
- f. **Climate Change Implications**
1. **Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**  
No.
  2. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**  
No.
- g. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**  
N/A

**List attachments/exhibits below:**

Summary Attachment A - Block 20 Alley Vacation Map





July 28, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Council Bill 120137: Amazon Block 20 Final Street Vacation

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On August 4, 2021, the Transportation and Utilities Committee (Committee) will discuss and may vote on [Council Bill \(CB\) 120137](#), which would grant final approval for the vacation of the alley in the block bounded by 7th and 8th avenues and Blanchard and Lenora streets (Block 20) in the Denny Triangle neighborhood of Downtown Seattle, Council District 7. Council concept approval of the vacation was granted on November 5, 2012 through [Clerk File 312262](#).

The vacation facilitated the development of Amazon re:Invent, a 37-story office tower, and the Amazon Meeting Center, an 8-story conference facility. The Council's decision at this point is to determine whether the project has satisfied the [conditions](#) of CF 312262. If those conditions have been met, the Council should approve CB 120137.

### Street Vacation Process

The Street Vacation process, as laid out in the City Council's Street Vacation Policies ([Resolution 31809](#)), includes three Council reviews of a project. Soon after a property owner submits a petition to vacate right-of-way, the Council may choose to hold an early public forum or briefing to learn about the proposal and provide early feedback. After receiving this early feedback, City departments, the City Design Commission and other interested parties review the petition. The Seattle Department of Transportation (SDOT) compiles their recommendations and makes a recommendation to the City Council.

Once the Council receives this recommendation, the Council holds a public hearing and reviews the petition. At this point, the Council decides (1) whether to grant the petition, and (2) if the Council determines that the vacation is appropriate, it decides which conditions should be placed on the vacation. This conditional approval allows the petitioner to build in the right-of-way and to complete their project.

Once the project is complete, SDOT confirms that the conditions have been met and transmits a bill to finalize the vacation to Council. At this phase of Council's review, the Council role is to determine that the conditions have been met. Passage of the bill allows for the official transfer of ownership of the right-of-way to the petitioner.

### Review of Vacation Conditions

The Council's approval of the vacation on Block 20 was considered alongside two other alley vacations on adjacent blocks. Final vacations have been approved for each of those blocks. The

final vacation of the alley on Block 14 was approved through [Ordinance 125223](#) in 2016. The final vacation of the alley on Block 19 was approved through [Ordinance 125831](#) in 2019.

The vacation conditions related directly to Block 20 included the following public benefits:

Public Benefit Features	Quantity
<b>7<sup>th</sup> Avenue Cycle Track</b>	
Physically separated cycle track, enhanced pedestrian zone/cycle track buffer with tree wells, contrasting paving surface, furnishings, and stormwater planting areas	7,050 square feet (sf)/ 390 linear feet (lf)
Signalization improvements to accommodate cyclists, pedestrians, and motorists.	7 <sup>th</sup> Ave & Blanchard
Bicycle "daily/annual counter" northbound and southbound	1
Bicycle trash receptacles	2
Lean rails at intersection stops	2
Bicycle wayfinding signage as appropriate	1
Permeable paving or pavers are being considered in collaboration with SDOT between the cycle track and the sidewalk	390 lf
Block 13 (7th Ave between Westlake and Lenora) -Note: Interim upgrades with Block 14 includes restriping and permanent build out to be coordinated with Block 20 construction	180 lf
<b>Shared Use Street / Enhanced Pedestrian Facilities on Lenora Street</b>	
Enhanced pedestrian zone with tree wells, contrasting paving surface, and street furnishings	7,480 sf
Widened or rolled curbs	290 lf
<b>Westlake Avenue Street Improvements (Improved pedestrian crossings at the intersection of 8<sup>th</sup> Ave., Lenora St., and Westlake Ave.)</b>	
* Re-configuration of traffic signal at Westlake/8th/Lenora intersection	4-7 signals
* Striping of crosswalk	1
<b>Blanchard Street -Enhanced Green Street by 10' Voluntary Setback</b>	
Voluntary 10' building setback to allow for widened sidewalk, additional landscape and use by adjacent retail	2,140 sf
<b>Other Voluntary Building Setbacks</b>	
Voluntary building setbacks within property line allowing for landscape and sidewalk improvements (Excludes Blanchard Street)	2270 sf
<b>Enhanced Right of Way Improvements</b>	
Landscape and sidewalk improvements beyond existing curb line	8,530 sf
Double row of trees (Allee) on 7 <sup>th</sup> Avenue	4-6 additional trees
Curb bulbs	At corners
Wayfinding & Signage per the Center City Wayfinding Plan (one on-site and one off-site)	2 signs
Reduction in quantity of existing curb cuts	8 existing, 3 proposed
<b>Art</b>	
Signature art pieces	1
Integrated art in Right of Way (manhole covers, furnishings, etc.)	all

Public Benefit Features	Quantity
<b>Contribution to Future Neighborhood Park</b>	
Contribution towards the development of a future neighborhood park at the northwest corner of 8th Avenue, Westlake Avenue and Lenora St. This property is commonly referred to as the Enterprise site.	\$150,000

SDOT has reviewed the project as built and has confirmed that all vacation conditions have been met. SDOT recommends approval of the bill.

### **Next Steps**

If the Committee votes to recommend approval at its August 4, 2021, meeting, the City Council could consider approval as early as August 9. Following adoption of the legislation, ownership of the former alley would transfer to Amazon.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager



# Block 20

## Alley Vacation and Public Benefits



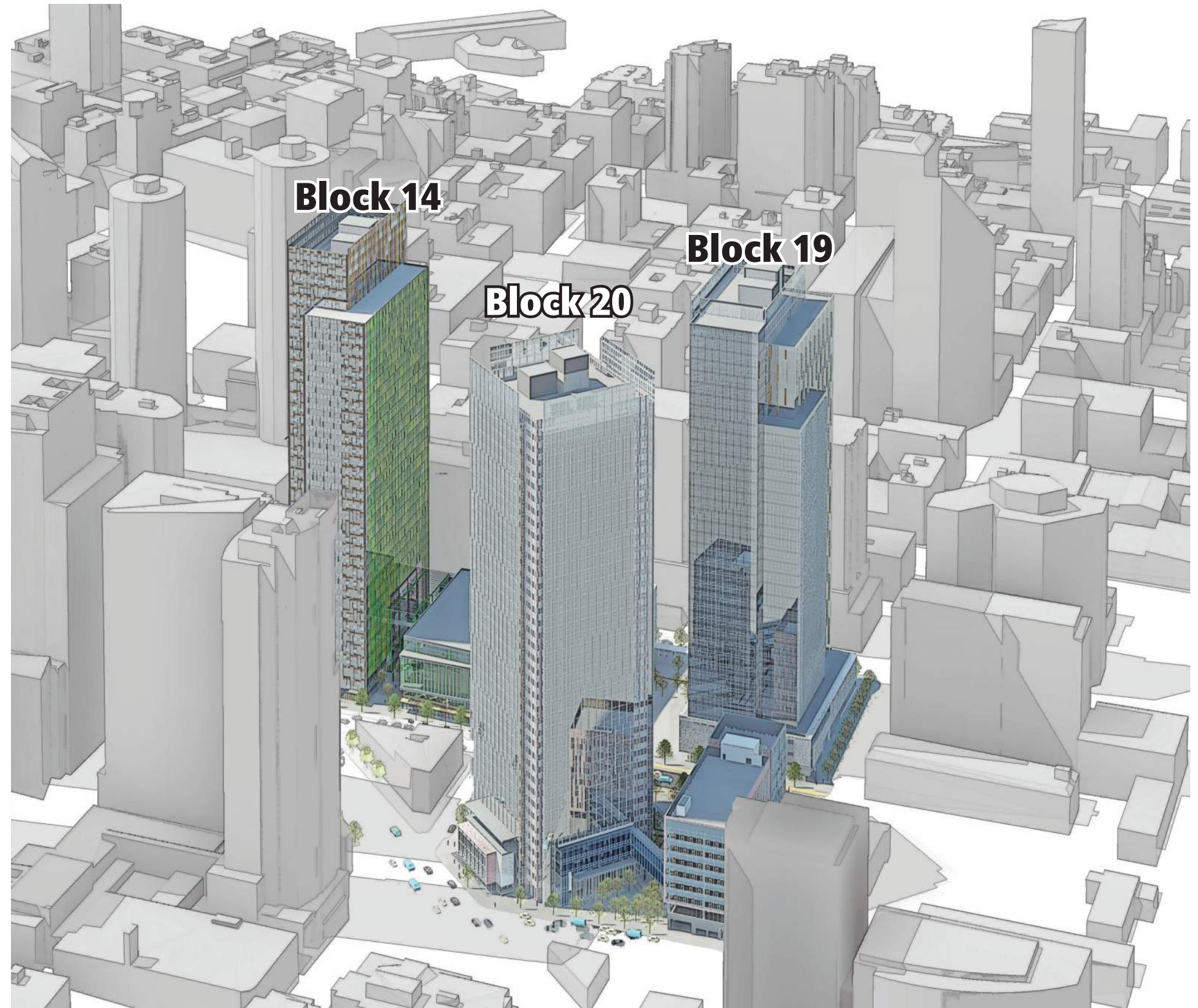
**Seattle City Council, Alley Vacation Final Presentation**

August 4, 2021



# Project Overview

- Block 20, now named “re:Invent,” is the third building in a 3-block development
- Block 20 consists of two office towers, one 37 stories and the other 8 stories, both with ground level retail and surrounded by landscaped public space
- Alley vacations allowed for:
  - Buildings oriented for maximum tower separation, better solar access to public open spaces, and improved views toward Elliott Bay
  - Generous public open spaces and through-block pedestrian connection
- Project schedule:
  - Block 14 completed in Q4 2015
  - Block 19 tower completed in Q4 2016
  - Spheres completed in Q1 2018
  - Block 20 in Q3 2019
- Alley vacation approvals to be phased by Block:
  - Block 14 was approved in Q4 2016
  - Block 19 was approved in Q2 2019
  - Block 20 is complete and is being presented today





# Project Overview

## Aerial of Block 20

Project replaced old lowrise building and surface parking with dense urban infill



2012



2019



# Block 20

## Public Open Space

Through block connection with Public Open Space and Site Amenities.

- The Property Use and Development Agreement (PUDA) contains a commitment to allowing free speech activities in the public benefit areas.
- Signs are installed at multiple locations around the site welcoming the public into the public benefit areas, and confirming the public's free speech rights consistent with the approved PUDA.



Proposed



View of Block 20 Plaza

'Tonbi' By Gerard Tsutakawa



# Public Benefit Overview

Summary (Blocks 14/19/20)

## FAR Public Benefits

Land Use Code

### Low-Income Housing and Childcare

- Block 14: 465,000 SF
- Block 19: 500,000 SF
- Block 20: 480,000 SF

### Public Amenities (including TDRs)

Purchase of Landmark Development Transfer Rights (TDRs):

- Block 14: 94,000 SF
- Block 19: 55,000 SF
- Block 20: 51,000 SF

Amenity Bonus:

- Block 14: 12,000 SF Urban Plaza
- Block 19: 15,000 SF Urban Plaza / 7,000 SF Commercial Parcel Park
- Block 20: 15,000 SF Urban Plaza / 5,000 SF Commercial Parcel Park

## Planned Community Development Public Benefits

Director of SDCI

### 1. Improvements to Pedestrian Circulation:

- Develop Westlake Avenue and 7th Avenue Street Design Concept Plan (between Denny and McGraw Square/5th Ave) informed by:
  - Denny Triangle Urban Design Framework study
  - Westlake Hub Urban Strategy
  - South Lake Union Mobility Plan

### 2. Improvements to Urban Form:

- Develop Design Guidelines for structures above 60’ for Blocks 19 & 20.

### 3. Improvements to Transit Facilities:

- Design and install enhancements to existing street car stops including seating, shelter, landscaping and/or intersection improvements at 7th and Westlake.
- The stop abutting Block 14 is designed as a streetcar stop integrated with the building frontage, allowing for wider sidewalks immediately adjacent.
- Subsidize 7AM to 7PM weekday operations for third streetcar for 10 years.

### 4. Demonstrate Sustainability:

- LEED Gold certification acheived for Blocks 14, 19 and 20
- Worked with the City to create a District Energy system that utilizes excess heat from nearby data center to heat (5) office buildings

## Alley Vacation Public Benefits

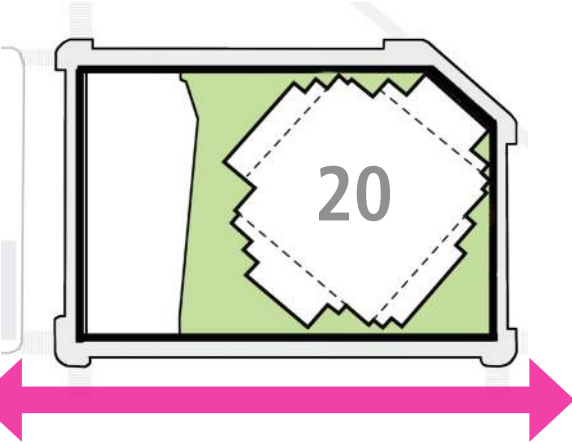
Seattle City Council

1. 7th Avenue Cycle Track
2. Shared-Use Street / Enhanced Pedestrian Facilities on Lenora Street
3. Westlake Avenue Street Improvements
4. Blanchard Street - Enhanced Green Street by 10’ Voluntary Setback
5. Other Voluntary Setbacks
6. Enhanced Right Of Way Improvements
7. Art Program
8. Additional Overhead Protection
9. Purchase a South Lake Union Line Streetcar
10. Contribution to Future Neighborhood Park

# Alley Vacation Public Benefits for Block 20

Summary Diagrams [from original proposal]

**1: 7th Avenue Cycle Track**



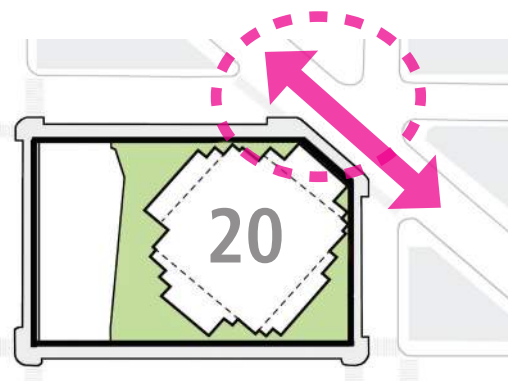
*Block 20 Public Benefit*

**2: Shared-Use Street / Enhanced Ped. Facilities on Lenora Street.**



*Block 14/20 Public Benefit*

**3: Westlake Avenue Street Improvements**



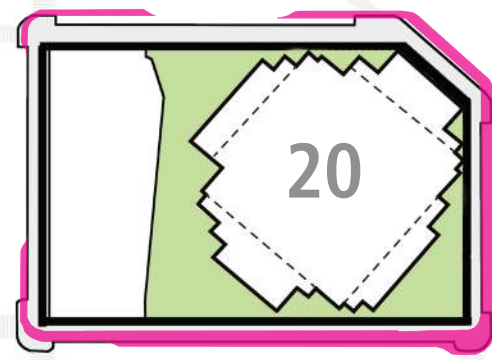
**4: Blanchard Street - Enhanced Green Street by 10' Voluntary Setback**



**5: Other Voluntary Setbacks**




**6: Enhanced Right Of Way Improvements**




**7: Art Program**



**8: Additional Overhead Weather Protection**



**9: Purchase South Lake Union Line Streetcar**



**10: Contribution to Future Neighborhood Park**





# 7th Avenue Cycle Track on Block 20 (#1)

## PUBLIC BENEFIT

Physically separated cycle track, enhanced pedestrian zone/cycle track buffer with tree wells, contrasting paving surface, and site furnishings.

## STATUS

### Complete

The cycle track is installed on Block 20 between Blanchard Street and Lenora Street, as well as on the neighboring block between Lenora and Eastlake Avenue.

## CONSTRUCTED



Separated / Dedicated Bike Lane



Bike Counter near Blanchard Street



Proposed



Crosswalk and Signal Improvements at 7th and Blanchard



Integrated Plantings and Storm Drainage



# Shared-Use Street / Enhanced Pedestrian Facilities on Lenora Street (#2)

## PUBLIC BENEFIT

Enhanced pedestrian zone with tree wells, contrasting paving surface, and street furnishings.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, Lenora Street improvements feature wide pedestrian zones, a variety of landscape elements, multiple seating opportunities, and wide / flush street curbs.



Wide / Flush Curb along Lenora Street

## CONSTRUCTED



View of Enhanced Pedestrian Areas Along Lenora Street



# Westlake Avenue Street Improvements (#3)

## PUBLIC BENEFIT

Improved pedestrian crossings at the Intersection of 8th Avenue, Lenora Street, and Westlake Avenue.

## STATUS

### Complete

Improvements include the re-configuration of the traffic signal at Westlake/8th/Lenora, striping of the crosswalks, as well as landscape and pedestrian enhancements.



Landscape Features at Lenora and Westlake

## CONSTRUCTED



Crosswalk and Signalization Improvements at the Intersection of 8th Avenue, Lenora Street, and Westlake Avenue



# Blanchard Street Voluntary Setback on Block 20 (#4)

## PUBLIC BENEFIT

Blanchard Green Street enhanced by 10’ voluntary setback.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, Blanchard Street features an enhanced green street experience with a 10’ voluntary building setback allowing for integrated seating, separated cycle track, and additional landscaping.



Proposed

## CONSTRUCTED



View of Setback Area Along Blanchard Street & Separated Bike Lane



# Other Voluntary Setbacks on Block 20 (#5)

## PUBLIC BENEFIT

Voluntary building setbacks within property line allow for landscape and sidewalk improvements (in addition to Blanchard Street)

## STATUS

### Complete

Landscape and sidewalk improvements were installed on Block 20.

## CONSTRUCTED



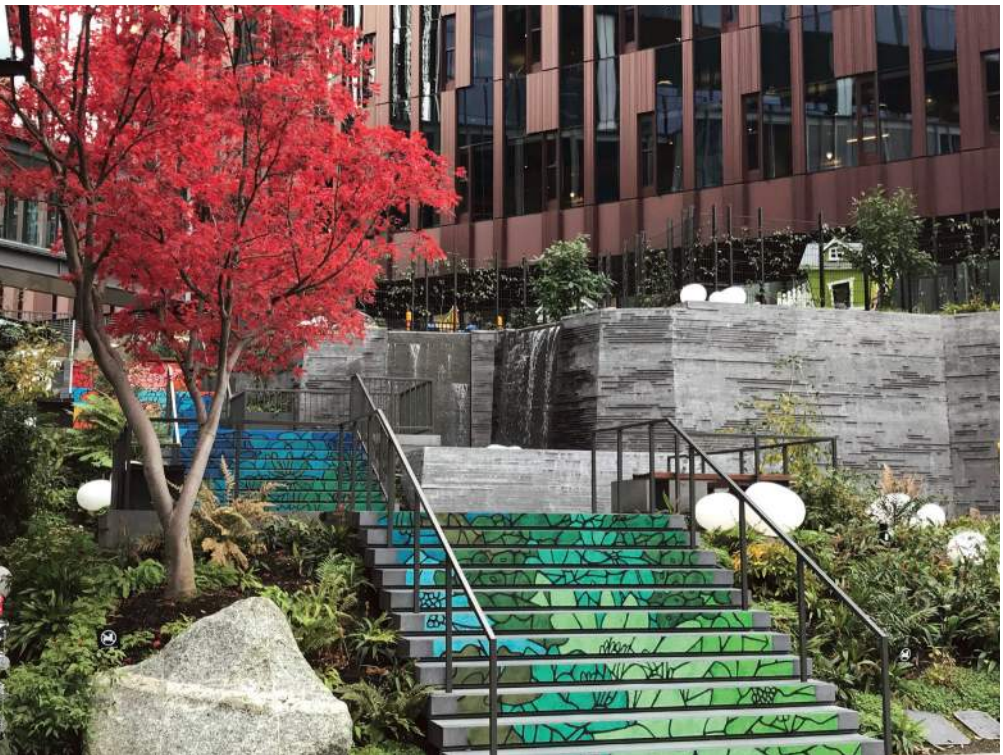
Landscape and Seating in the 7th Avenue Plaza Setback



Landscaped Setback at Lenora / 7th Avenue



Proposed



'Hillclimb' Feature Connecting 8th and 7th Avenues



Lobby Entrance Setback at 8th Avenue



# Enhanced Right of Way Improvements on Block 20 (#6)

## PUBLIC BENEFIT

Double Row of Trees on 7th Avenue

## STATUS

Complete



View along 7th Avenue with Double Row of Trees and Separated Bike Lane

## PROPOSED PUBLIC BENEFIT

Arbor structure as signature architectural way-finding element

## STATUS

Complete



View of Arbor Structure at Plaza Steps Connecting Westlake, Lenora & 7th Avenue



# Art Program on Block 20

## PUBLIC BENEFIT

Integrated art in right of way and public plazas (site furnishings, amenity spaces, utility covers, etc.)

## STATUS

Complete

- 1

Signature Artwork
- 2

Hillclimb Water Feature
- 3

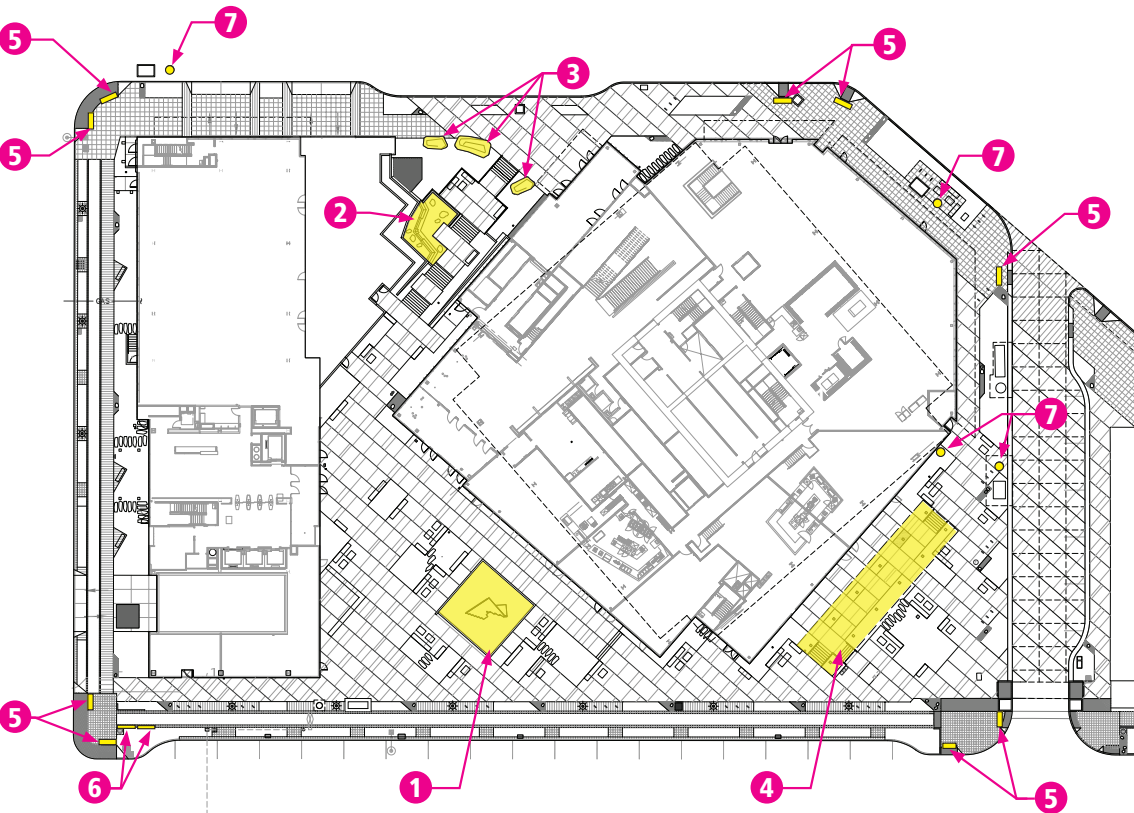
Glacial Erratic found on Block 19
- 4

Decorative Arbor
- 5

Bronze Street Name Inlays
- 6

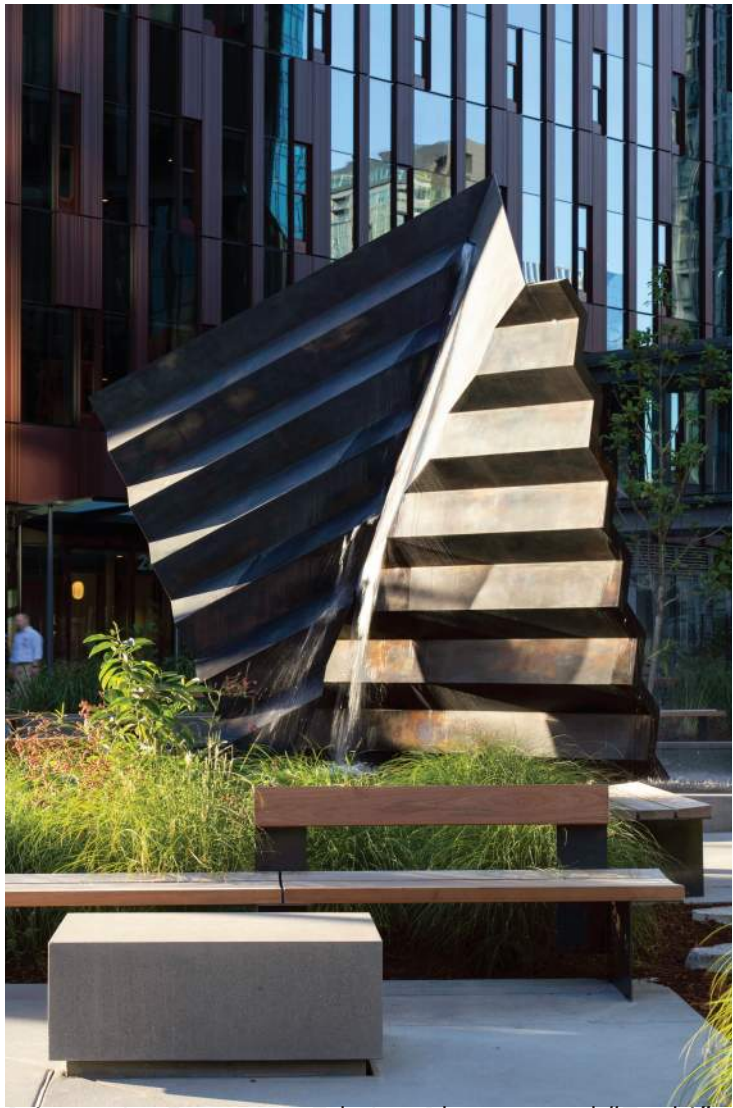
Bike Lean Rails
- 7

Decorative Utility Covers

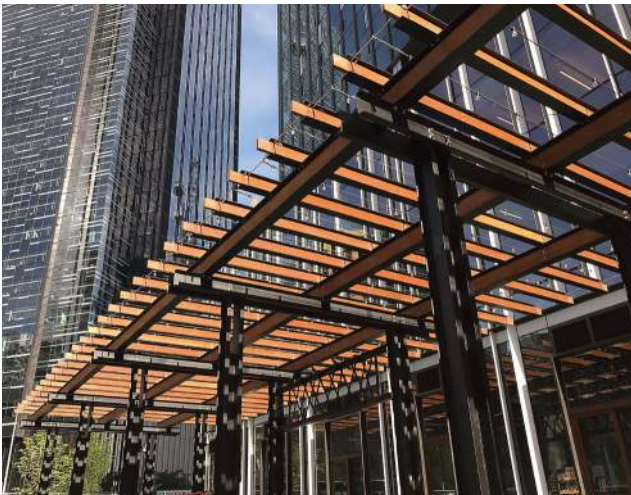


Proposed Artwork Plan

## CONSTRUCTED



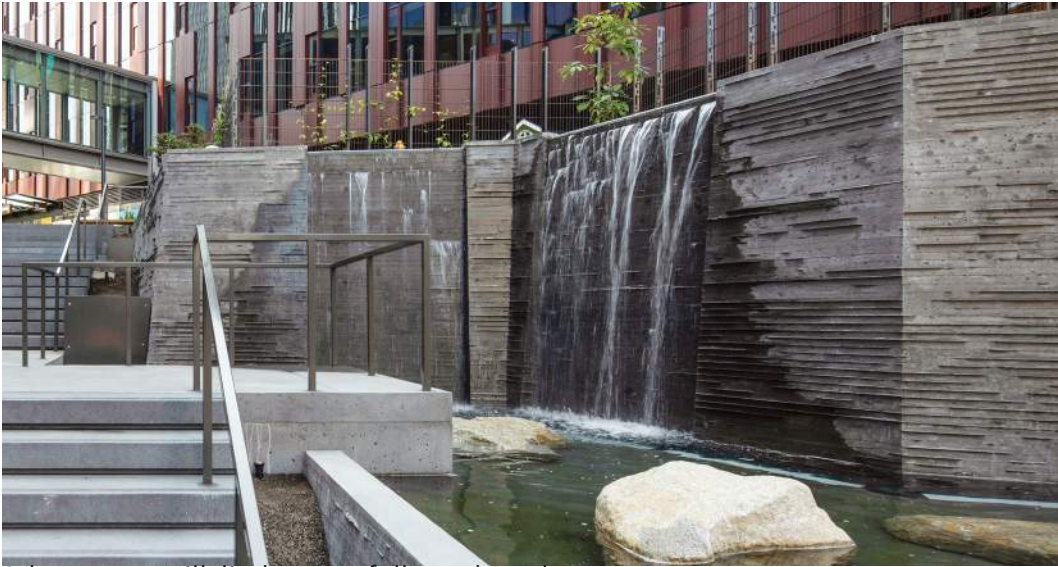
Primary Art Feature at 7th Ave Plaza named "Tonbi"



Arbor Structure Facing Lenora and 7th Avenue



Glacial "Erratic"



8th Avenue Hillclimb Waterfalls and Pools



Bike Lean Rails



Street Name Inlays



Decorative Utility Covers



Questions?







## Legislation Text

---

**File #:** CB 120136, **Version:** 1

---

### CITY OF SEATTLE

#### ORDINANCE \_\_\_\_\_

#### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE vacating the alley in Block 21, Heirs of Sarah A. Bell's Second Addition, bounded by Bell Street, 7th Avenue, Blanchard Street, and 8th Avenue, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 314278).

WHEREAS, Acorn Development LLC ("Petitioner") filed a petition under Clerk File 314278 to vacate the

alley bounded by Bell Street, 7th Avenue, Blanchard Street, and 8th Avenue; and

WHEREAS, following a November 24, 2015, public hearing on the petition, the Seattle City Council ("City Council") conditionally granted the petition on January 11, 2016; and

WHEREAS, a Property Use and Development Agreement recorded on December 10, 2020, with the King County Recorder's Office under Recording No. 20201210002758 commits the Petitioner and their successors to fulfill ongoing public-benefit obligations required as part of the vacation; and

WHEREAS, as provided for in Revised Code of Washington (RCW) 35.79.030 and Seattle Municipal Code Chapter 15.62, the Petitioner has paid the City a vacation fee of \$5,180,000 on June 22, 2017, which is the full appraised value of the property; and

WHEREAS, the Petitioner has met all conditions imposed by the City Council in connection with the vacation petition; and

WHEREAS, vacating the alley in Block 21, Heirs of Sarah A. Bell's Second Addition, is in the public interest;

NOW, THEREFORE,

#### **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The alley in Block 21, Heirs of Sarah A. Bell's Second Addition, described below, is vacated:



The alley in Block 21, Heirs of Sarah A. Bell's Second Addition to the City of Seattle, recorded in Volume 1 of Plats, page 121, Records of King County, Washington, being the block bounded by Bell Street, 7th Avenue, Blanchard Street and 8th Avenue.

(Clerk File 314278).

Section 2. The Property Use and Development Agreement, King County Recording No.

20201210002758, attached as Exhibit 1 to this ordinance is accepted.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_

Monica Martinez Simmons, City Clerk

(Seal)

**Attachments:**

Exhibit 1 - Property Use and Development Agreement

**Instrument Number: 20201210002758 Document: AG Rec: \$114.50 Page-1**  
**Record Date: 12/10/2020 4:39 PM**  
**King County, WA**



**20201210002758**

AGREEMENT Rec: \$114.50  
12/10/2020 4:39 PM  
KING COUNTY, WA

*When Recorded, Return to:*  
**HILLIS CLARK MARTIN & PETERSON P.S.**  
Attention: T. Ryan Durkan  
1221 Second Avenue, Suite 500  
Seattle, WA 98101-2925

---

**PROPERTY USE AND DEVELOPMENT AGREEMENT**

<b>Grantor:</b>	Acorn Development LLC
<b>Grantee:</b>	City of Seattle
<b>Legal Description (abbreviated):</b>	Alley in Block 21, Heirs of Sarah A. Bell's Second Addition to the City of Seattle
<b>Assessor's Tax Parcel ID #:</b>	066000-0375; 066000-0355; 066000-0345; 066000-0340; 066000-035; 066000-0325
<b>Reference Nos. of Documents Released or Assigned:</b>	N/A

This PROPERTY USE AND DEVELOPMENT AGREEMENT (the "Agreement") is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2020, in favor of the CITY OF SEATTLE (the "City"), a Washington municipal corporation, by ACORN DEVELOPMENT LLC (the "Owner"), a Delaware limited liability corporation.

**RECITALS**

**A. WHEREAS**, Owner is vested in fee simple title and has a substantial beneficial interest in certain real property, which is legally described in EXHIBIT A (the "Property"); and

**B. WHEREAS**, Owner applied for and received approval of a Master Use Permit (Project No. 3018578) to develop a 24-story commercial tower and an 8-story commercial building on the above-described property and has redeveloped the property in accordance with approvals (the "Development"); and

**C. WHEREAS**, in connection with the Development, a petition was filed under City of Seattle Clerk's File No 314278, pursuant to Chapter 35.79 of the Revised Code of Washington

and Seattle Municipal Code Chapter 15.62, by the Owner to vacate the alley in Block 21 of Sarah A. Bell's Second Addition of Seattle as legally described in EXHIBIT B; and

**D. WHEREAS**, the Transportation Committee of the Seattle City Council held a public hearing on the street vacation petition and recommended approval of the street vacation petition, subject to conditions; and

**E. WHEREAS**, the Seattle City Council granted preliminary approval of the street vacation petition, subject to conditions, on January 11, 2016, in City of Seattle Clerk's File No. 314278 ("Council Vacation Decision"), including the public benefit improvements listed in Section 1; and

**F. WHEREAS**, execution of a Property Use and Development Agreement is desired to ensure compliance with any conditions of alley vacation approval that will not be fully satisfied prior to passage of the ordinance vacating the above-referenced alley; and

**G. WHEREAS**, the Owner now seeks final vacation of the alley in Block 21 of Sarah A. Bell's Second Addition as described in EXHIBIT B;

**NOW, THEREFORE**, the Owner agrees that if the ordinance vacating the above-referenced alley is passed by the Seattle City Council and approved by the Mayor, then the Owner shall operate and maintain the Development in accordance with this Agreement:

#### **AGREEMENT**

**Section 1. Public Benefit Improvements.** Addressed below are those on-site and off-site public benefit improvements of the alley vacation approval that require ongoing maintenance during the operation of the Development, which shall be collectively referred to as the "Public Benefit Improvements" and which are depicted on EXHIBIT C.

**A. 8th Avenue Hillclimb**

- i. Approximately 12,000 sf of publicly accessible open space, including a ramp from the corner of 8th Avenue and Bell Street to the mid-block plaza, landscaping, and seating.

**B. Blanchard Street Setback**

- i. Approximately 1,100 sf of voluntary building setbacks within the property line to allow for landscape and seating elements.

**C. Bell Street Setback**

- i. Approximately 1,000 sf of voluntary building setbacks within the property line to allow for landscape and seating elements.



**D. Enhanced Right-of-Way Improvements**

- i. 7th Avenue Improvements and Cycle Track: approximately 4,700 sf of expanded pedestrian streetscape and cycle track, including landscaping, a bus stop, pedestrian light fixtures, and enhanced curb bulbs at the corners.
- ii. 8th Avenue Improvements: approximately 3,300 sf of expanded pedestrian streetscape, including landscaping, pedestrian light fixtures, seating elements, and enhanced curb bulbs at the corners.
- iii. Blanchard Street Improvements: approximately 750 sf of expanded pedestrian streetscape, including landscaping, pedestrian light fixtures, seating elements, and enhanced curb bulbs at the corners.
- iv. Bell Street Improvements: approximately 1,800 sf of expanded pedestrian streetscape, including landscaping, pedestrian light fixtures, seating elements, and enhanced curb bulbs at the corners.

**E. Off-Site Benefits**

- i. 8th Avenue and Bell Street Intersection: approximately 5,350 sf of raised intersection and sidewalk to enhance pedestrian safety.
- ii. Bell Street Cycle Track: approximately 4,500 sf of buffered bike lane on the north side of Bell Street from Denny to 7<sup>th</sup> consistent with the Center City Bike Network.

**Section 2: Maintenance.** The Owner shall maintain all of the Public Benefit Improvements in good repair for the life of the Development.

**Section 3: Public Access.** Public access will be allowed to the following Public Benefit Improvements such that the public can pass through or use the amenity regardless of whether such use by the public is associated with the Development: 8th Avenue Hillclimb, Blanchard Street Setback, and Bell Street Setback (as described in Section 1.A and 1.B and 1.C), as depicted on EXHIBIT D. The Owner may adopt reasonable rules and regulations regarding use of and access to such Public Benefit Improvements as are necessary to ensure the security of the users of the Public Benefit Improvements and the Development. The rules and regulations may not be inconsistent with the terms of this Agreement. A summary of the rules and regulations may be posted in visible locations in the Development.

Free speech activities such as hand billing, signature gathering, and holding signs, all without obstructing access to the space, the building, or other adjacent amenity features, and without unreasonably interfering with the enjoyment of the space by others, shall be allowed within these public benefit features. While engaged in allowed activities, members of the public

may not be asked to leave for any reason other than conduct that unreasonably interferes with the enjoyment of the space by others. Signage clearly identifying public access and allowed free speech activities is required at the public open space elements and shall require the review and approval of SDOT Street Vacations. Signage shall be consistent with signage provided for public amenity space on the site. Any violation of these conditions will be enforced through Chapter 15.90 of the Seattle Municipal Code.

**Section 4. Closures.** The Owner shall have the right to temporarily close or modify the Public Benefit Improvements for: construction; maintenance and repair; temporary use for private functions directly related to the Development or the Owner; the maintenance of safety or security for the Development or persons using the Development; or other circumstances beyond the Owner's control.

**Section 5. Binding Effect.** An executed copy of this Agreement shall be recorded in the records of King County and the covenants hereof shall be deemed to attach to and run with the Property. The Owner agrees that terms of this Agreement shall be binding on and benefit the Owner during the term of its ownership and subsequent to its ownership this Agreement shall be binding on and benefit its successors, heirs, and assigns.

**Section 6. Modification.** This Agreement may be amended or modified by mutual agreement between the City and Owner, according to the following procedure. Minor changes to this Agreement may be approved by SDOT, if the approved change is consistent with the purpose and intent of the conditions in the Council Vacation Decision. Any major changes to this Agreement, as reasonably determined by SDOT, shall require approval by the City Council by resolution or ordinance. SDOT shall provide the Owner with notice and the opportunity to comment on whether a change is considered minor or major, prior to SDOT making that determination. Nothing in this Agreement shall be construed as a surrender of the City's governmental powers.

**Section 7. Enforcement.** This Agreement is made for the benefit of the City and the public. The City may institute and prosecute any proceeding in law or in equity to enforce this Agreement.

**Section 8. Insurance.** Upon the effective date of the vacation ordinance, the Owner shall provide and thereafter maintain in full force and effect, commercial general liability insurance providing for a limit of not less than \$1,000,000 per occurrence for damages arising out of bodily injuries or death. The insurance policies obtained shall be issued by companies authorized to conduct business in Washington State and shall name the City as an additional insured. Owner shall provide evidence of insurance to the City Risk Manager at the City's reasonable request.

**Section 9. Indemnity.** Owner covenants and agrees to defend, indemnify, and hold harmless the City of Seattle, its officials, officers, employees, and agents from all liabilities, claims, causes of action, judgments, or expenses, including reasonable attorney fees and necessary litigation expenses, resulting from any actual or alleged bodily injury (including death) or actual or alleged damage to property arising out of or in connection with the use or occupation of the Public Benefit Improvements during the term of its ownership. Upon any transfer of

ownership, this obligation will be binding on successors and assigns. The indemnification obligations under this agreement do not apply to any liabilities, claims, causes of action, judgments or expenses resulting from bodily injury or property damage caused by the negligence or intentional acts of the public or the City, or its officers, employees, elected officials, agents or subcontractors.

**Section 10. Reservation.** The Owner reserves the right to use the Public Benefit Improvements for any purpose that does not materially interfere with the public's use of the Public Benefit Improvements, including but not limited to the right to use the Public Benefit Improvements as described in Sections 1 and 3 of this Agreement and the right to grant a right of use within the Development, provided the right of use does not materially interfere and is consistent with the public's use of the Public Benefit Improvements.

**Section 11. No Dedication.** Notwithstanding the covenants contained in this Agreement, nothing in this Agreement shall constitute a public dedication of any portion of the Property, Development, or Public Benefit Improvements.

**Section 12. Severability.** It is expressly agreed that in the event any covenant or condition or restriction in this instrument or any portion thereof is invalid or void, such invalidity or voidness shall in no way affect any other covenant, condition, or restriction.

SIGNED this 17 day of September, 2020.

Acorn Development LLC  
a Delaware limited liability company

By: [Signature]  
Patrick Miller  
Its: Authorized Signatory

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this day personally appeared before me Patrick Miller, to me known to be the ~~Authorized~~ <sup>Authorized Signatory</sup> of Acorn Development LLC, a Delaware limited liability company that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 17 day of September, 2020.



Amy Casavan  
Printed Name Amy Casavan  
NOTARY PUBLIC in and for the State of  
Washington, residing at 11111111111, WA  
My Commission Expires 3-05-2024



**Exhibit A**

**Legal Description of Acorn Development LLC Property (Block 21)**

*LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 AND 12, BLOCK 21, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 121, IN KING COUNTY, WASHINGTON;*

*EXCEPT THOSE PORTIONS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 193437 FOR THE WIDENING OF 7<sup>TH</sup> AVENUE, AS PROVIDED BY ORDINANCE NUMBER 50890 OF THE CITY OF SEATTLE.*

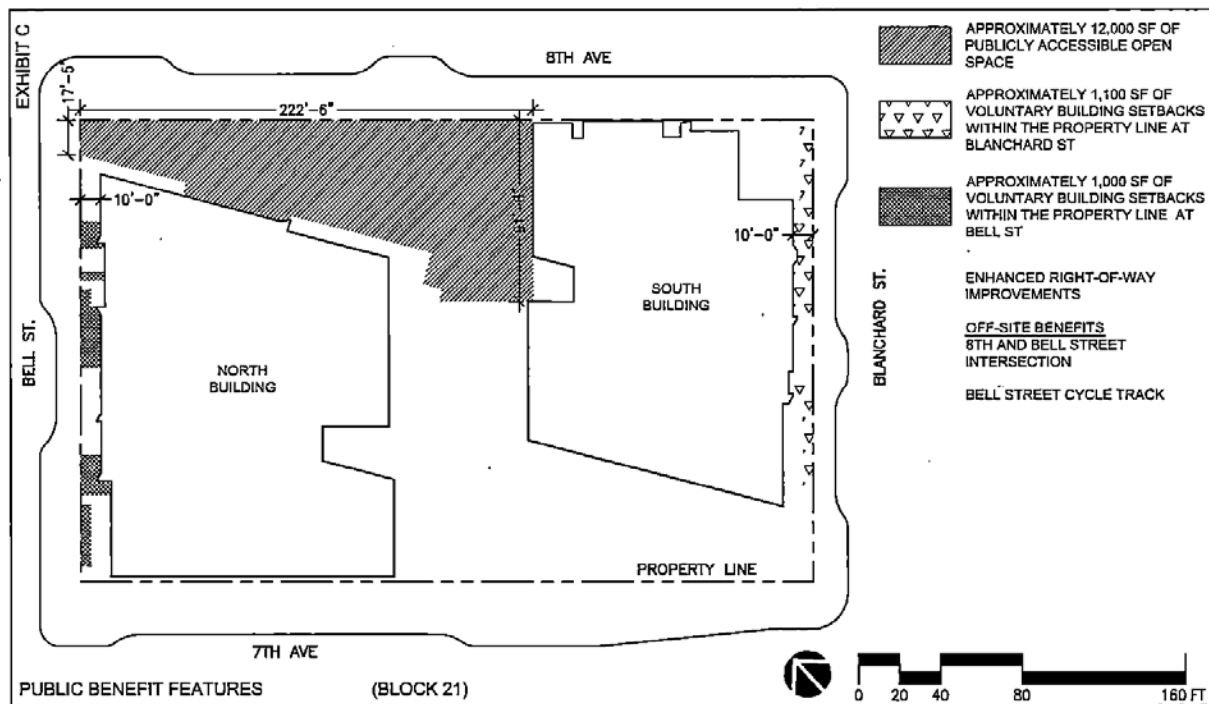
**Exhibit B**

**Legal Description of Alley to be Vacated (CF 314278)**

*ALLEY IN BLOCK 21, SECOND ADDITION TO THE TOWN OF SEATTLE, AS LAID OFF BY THE HEIRS OF SARAH A. BELL, DECEASED (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S SECOND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 121, IN KING COUNTY, WASHINGTON*

**Exhibit C**

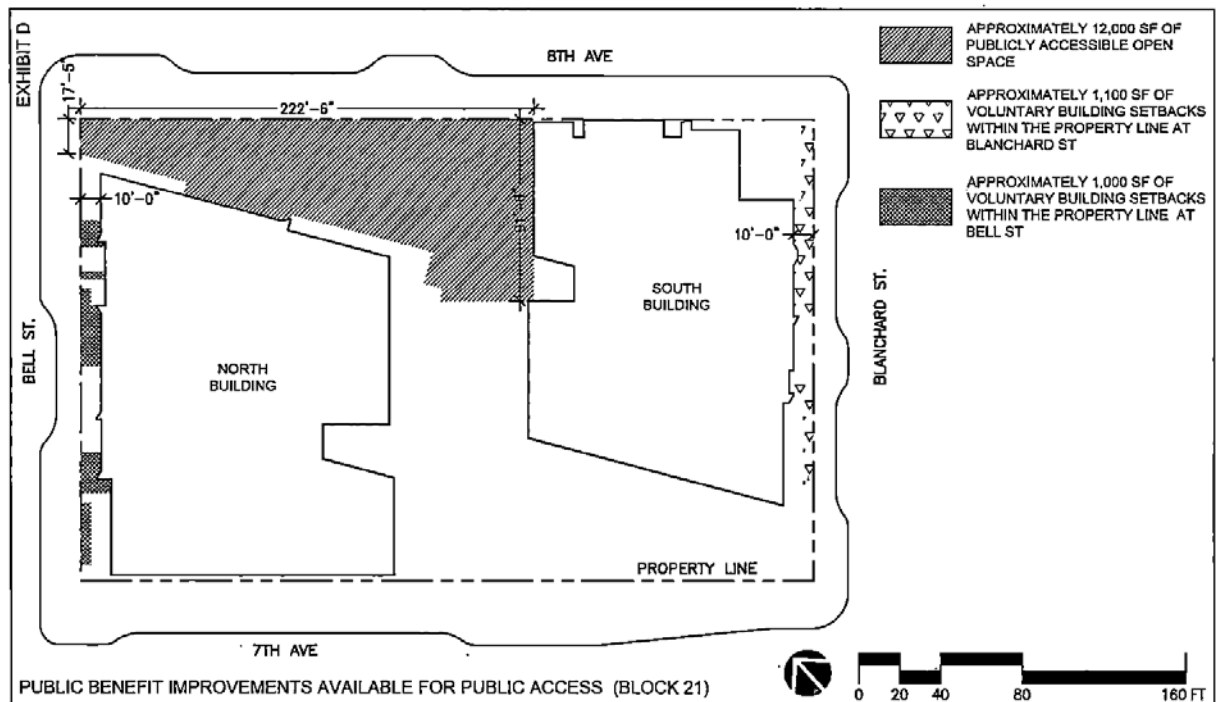
**Public Benefit Improvements**





**Exhibit D**

**Public Benefit Improvements Available for Public Access**



### **SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Department of Transportation	Amy Gray/206-386-4638	Christie Parker/206-684-5211

#### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE vacating the alley in Block 21, Heirs of Sarah A. Bell's Second Addition, bounded by Bell Street, 7th Avenue, Blanchard Street, and 8th Avenue, in South Lake Union; and accepting a Property Use and Development Agreement, on the petition of Acorn Development LLC (Clerk File 314278).

**Summary and background of the Legislation:**

This Council Bill completes the vacation process for the alley in Block 21, Heirs of Sarah A. Bell's Second Addition, bounded Bell Street, 7th Avenue, Blanchard Street, and 8th Avenue, in the South Lake Union neighborhood, on the petition of Acorn Development Group LLC.

The Petitioner sought the vacation for the development of an office tower on a consolidated block. After a November 24, 2015 public hearing on the petition, the City Council conditionally granted the petition on January 11, 2016.

#### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**      ☐ Yes ☒ No

#### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**      ☐ Yes ☒ No

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

No. The vacation fee of \$5.18 million was paid in June 2017.

**Is there financial cost or other impacts of *not* implementing the legislation?**

The legislation will complete the vacation process. The Petitioner has met all the conditions imposed by the City Council. By not implementing this legislation, the City could be in violation in its obligations, which could have financial impacts.

#### **4. OTHER IMPLICATIONS**

- a. **Does this legislation affect any departments besides the originating department?**  
No.

**b. Is a public hearing required for this legislation?**

No.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**d. Does this legislation affect a piece of property?**

Yes, it completes the vacation of the alley in Block 21, Heirs of Sarah A. Bell's Second Addition, bounded Bell Street, 7th Avenue, Blanchard Street, and 8th Avenue.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

SDOT has not identified any Race and Social Justice Initiative implications related to this legislation.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

No.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No.

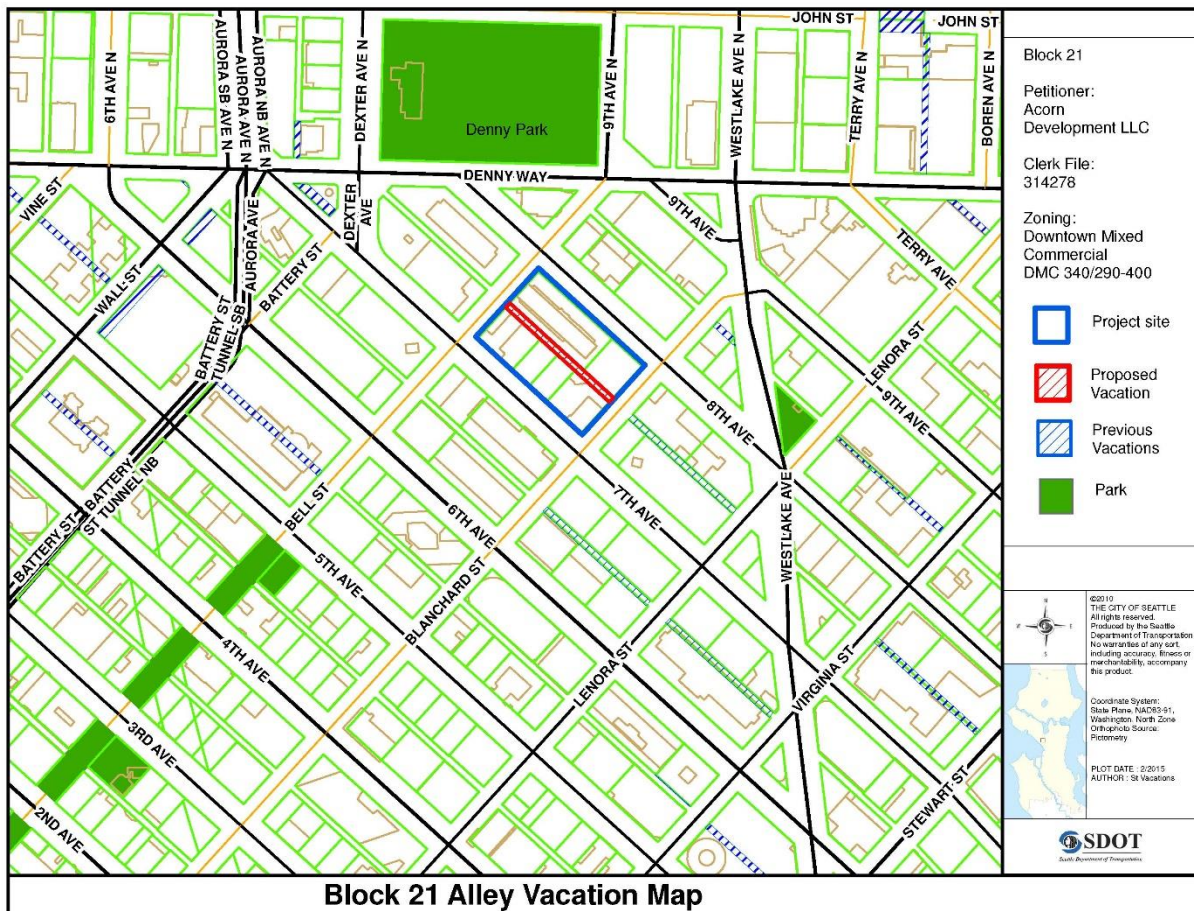
**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

N/A

**List attachments/exhibits below:**

Summary Attachment A – Block 21 Alley Vacation Map





July 28, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Council Bill 120136: Amazon Block 21 Final Street Vacation

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On August 4, 2021, the Transportation and Utilities Committee (Committee) will discuss and may vote on [Council Bill \(CB\) 120136](#), which would grant final approval for the vacation of the alley in the block bounded by 7th and 8th avenues and Bell and Blanchard streets (Block 21) in the Denny Triangle neighborhood of Downtown Seattle, Council District 7. Council concept approval of the vacation was granted on January 11, 2016 through [Clerk File \(CF\) 314278](#).

The vacation facilitated the development of Rufus, a 24-story office tower, and an eight-story family shelter run by Mary's Place. The Council's decision at this point is to determine whether the project has satisfied the [conditions](#) of CF 314278. If those conditions have been met, the Council should approve CB 120136.

### Street Vacation Process

The Street Vacation process, as laid out in the City Council's Street Vacation Policies ([Resolution 31809](#)), includes three Council reviews of a project. Soon after a property owner submits a petition to vacate right-of-way, the Council may choose to hold an early public forum or briefing to learn about the proposal and provide early feedback. After receiving this early feedback, City departments, the City Design Commission and other interested parties review the petition. The Seattle Department of Transportation (SDOT) compiles their recommendations and makes a recommendation to the City Council.

Once the Council receives this recommendation, the Council holds a public hearing and reviews the petition. At this point, the Council decides (1) whether to grant the petition, and (2) if the Council determines that the vacation is appropriate, it decides which conditions should be placed on the vacation. This conditional approval allows the petitioner to build in the right-of-way and to complete their project.

Once the project is complete, SDOT confirms that the conditions have been met and transmits a bill to finalize the vacation to Council. At this phase of Council's review, the Council role is to determine that the conditions have been met. Passage of the bill allows for the official transfer of ownership of the right-of-way to the petitioner.

## Review of Vacation Conditions

The vacation conditions for Block 21 included the following public benefits, which have been completed:

Public Benefit		Description
<b>On-site Public Benefits</b>		
1	8 <sup>th</sup> Ave Hillclimb	<ul style="list-style-type: none"> <li>12,000 sf publicly accessible open space including:               <ul style="list-style-type: none"> <li>Accessible ramp from corner of 8<sup>th</sup> &amp; Bell to mid-block plaza</li> <li>2854 sf of planting</li> <li>10 trees</li> <li>132 lf seating elements</li> <li>Overhead soffit element</li> </ul> </li> </ul>
2	Blanchard Street Setback	<ul style="list-style-type: none"> <li>1,100 sf setback along the Blanchard Green Street including:               <ul style="list-style-type: none"> <li>935 sf of planting</li> <li>5 trees</li> <li>59 lf seating elements</li> </ul> </li> </ul>
3	Bell Street Setback	<ul style="list-style-type: none"> <li>1,000 sf setback along the Bell Green Street including:               <ul style="list-style-type: none"> <li>877 sf of planting</li> <li>4 trees</li> <li>20 lf seating elements</li> </ul> </li> </ul>
<b>Improvements in the Adjacent Public Right-of-Way</b>		
4	7 <sup>th</sup> Ave Improvements and Cycle Track	<ul style="list-style-type: none"> <li>4,700 sf expanded pedestrian streetscape including:               <ul style="list-style-type: none"> <li>1,366 sf of planting</li> <li>7' wide elevated cycle track running the length of the block</li> <li>6 street trees (11 total new trees)</li> <li>Bus stop</li> <li>5 pedestrian light fixtures</li> <li>Enhanced curb bulbs at each corner</li> </ul> </li> </ul>
5	8 <sup>th</sup> Ave Improvements	<ul style="list-style-type: none"> <li>3,300 sf expanded pedestrian streetscape including:               <ul style="list-style-type: none"> <li>663 sf of planting</li> <li>5 street trees (7 total new trees)</li> <li>4 pedestrian light fixtures</li> <li>74 lf seating elements</li> <li>Enhanced curb bulbs at each corner</li> </ul> </li> </ul>
6	Blanchard Street Improvements	<ul style="list-style-type: none"> <li>750 sf expanded pedestrian streetscape including:               <ul style="list-style-type: none"> <li>258 sf of planting</li> <li>4 Street Trees (7 total new trees)</li> <li>4 pedestrian light fixtures</li> <li>74 lf seating elements</li> <li>Enhanced curb bulbs at each corner</li> </ul> </li> </ul>

Public Benefit		Description
7	Bell Street Improvements	<ul style="list-style-type: none"> <li>1,800 sf expanded pedestrian streetscape including: <ul style="list-style-type: none"> <li>441 sf of planting</li> <li>4 Street Trees (5 total new trees)</li> <li>4 pedestrian light fixtures</li> <li>10 lf seating elements</li> <li>Enhanced curb bulbs at each corner</li> </ul> </li> </ul>
<b>Off-Site Public Benefits</b>		
8	8 <sup>th</sup> & Bell Intersection	<ul style="list-style-type: none"> <li>5,350 sf raised intersection and sidewalk to enhance pedestrian safety</li> </ul>
9	Bell Street Cycle Track	<ul style="list-style-type: none"> <li>4,500 sf buffered bike lane on the north side of Bell Street from Denny to 7<sup>th</sup> consistent with the Center City Bike Network including: <ul style="list-style-type: none"> <li>Buffered element to be planter or similar element approved by SDOT</li> </ul> </li> </ul>
10	Bell Street Concept Plan	<ul style="list-style-type: none"> <li>Development of conceptual street plan from 5<sup>th</sup> Ave to Denny Way to be adopted by Joint Director's Rule by SDOT and DPD.</li> <li>Purpose of this Street Concept Plan is to inform future development to reinforce the Bell Street Park design character</li> </ul>

The Seattle Department of Transportation has reviewed the project as built, has confirmed that all vacation conditions have been met, and recommends approval of the bill.

### Next Steps

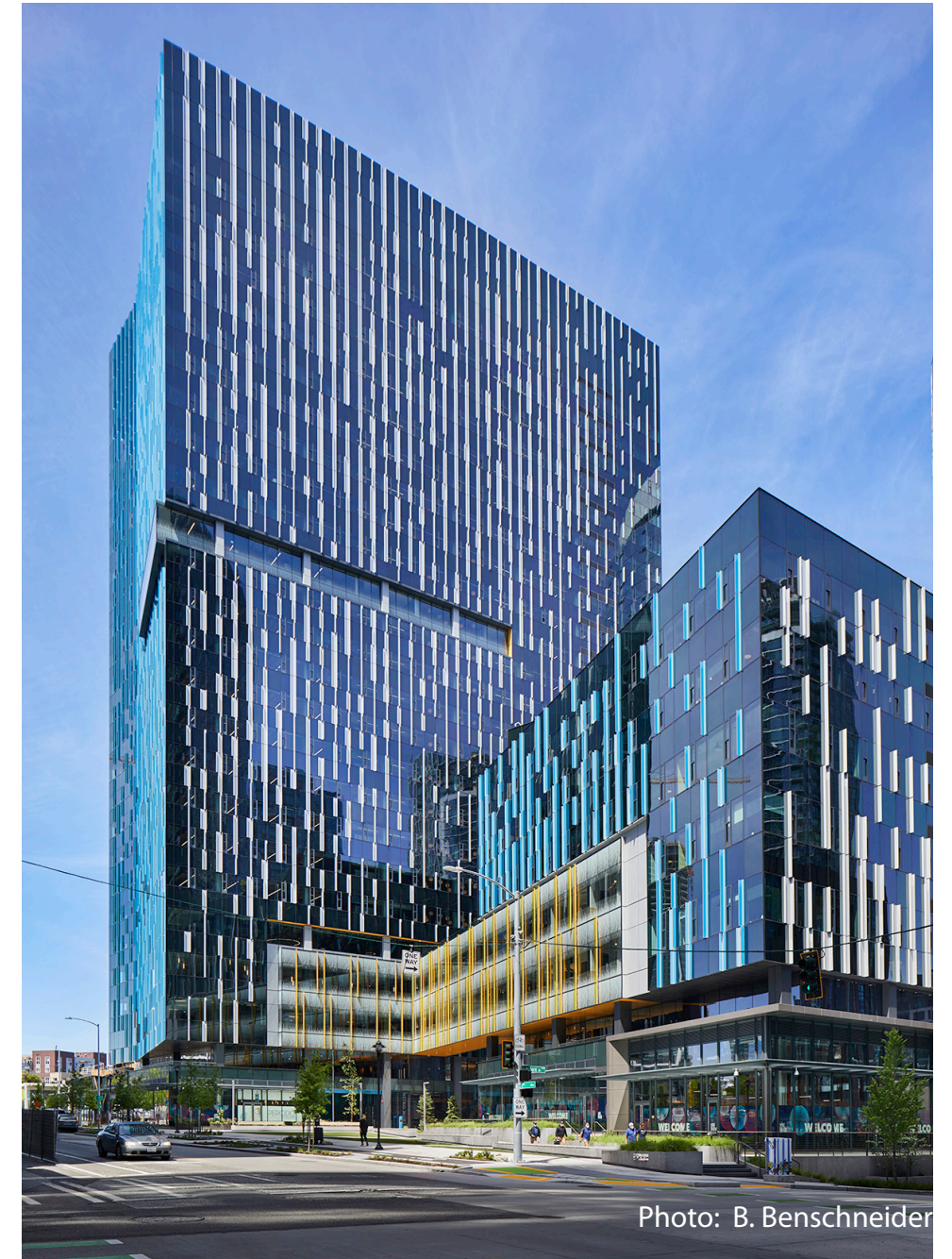
If the Committee votes to recommend approval of CB 120136 at its August 4, 2021, meeting, the City Council could consider approval as early as August 9. Following adoption of the legislation, ownership of the former alley would transfer to Amazon.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager



# Block 21

## Alley Vacation and Public Benefits



**Seattle City Council, Alley Vacation Final Presentation**

August 4, 2021

Council Bill 120136, Address: 2250 Seventh Avenue





# Project Overview

- Block 21, now named “Nitro” is the fourth building and was permitted after the 3-block development of Blocks 14, 19 and 20
- Block 21 consists of one highrise office tower and one lowrise office tower, all of which is surrounded by ground level retail and public spaces.
- Mary’s Place is housed in the lowrise tower with a separate entrance off Blanchard Street
- Alley vacation allowed for:
  - Buildings to be oriented north/south, to enhance the orientation for the large public plaza.
  - Generous public open spaces and accessible through-block pedestrian connection
- Project schedule:
  - Block 21 completed in Q1 2020
- Alley vacation approvals:
  - Block 21 is complete and is being presented today





# Project Overview

Mary's Place Family Shelter



Photo Credit: Amazon



Photo Credit: Amazon



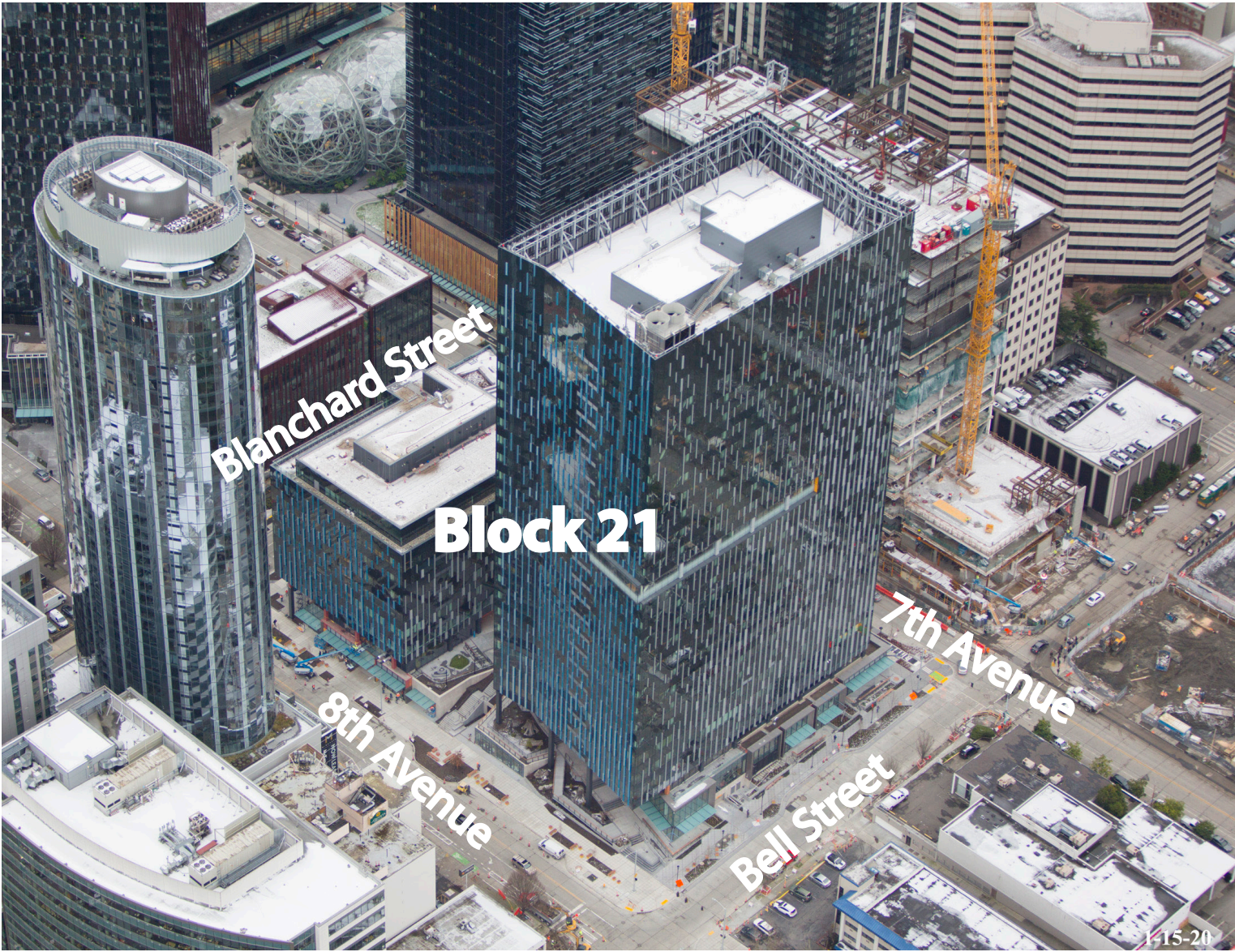
# Project Overview

Aerial of Block 21

Project replaced old low-rise building and surface parking with dense urban infill



2017



2020



# Block 21

## Public Open Space

Through block connection with public open space and site amenities.

- The Property Use and Development Agreement (PUDA) contains a commitment to allowing free speech activities in the public benefit areas.
- Signs are installed at multiple locations around the site welcoming the public into the public benefit areas and confirming the public's free speech rights consistent with the approved PUDA.



Proposed



View of Through Block on 7th Avenue



# Public Benefit Overview

Summary (Block 21)

FAR Public Benefits

Land Use Code

**Purchase of Regional Development Credits:**  
• Block 21: 41,370 SF

**Low-Income Housing and Childcare:**  
• Block 21: 281,368 SF

**Purchase of Landmark Transferable Development Rights (TDRs):**  
• Block 21: 21,269 SF

**Amenity Bonus:**  
• 14,504 SF Urban Plaza

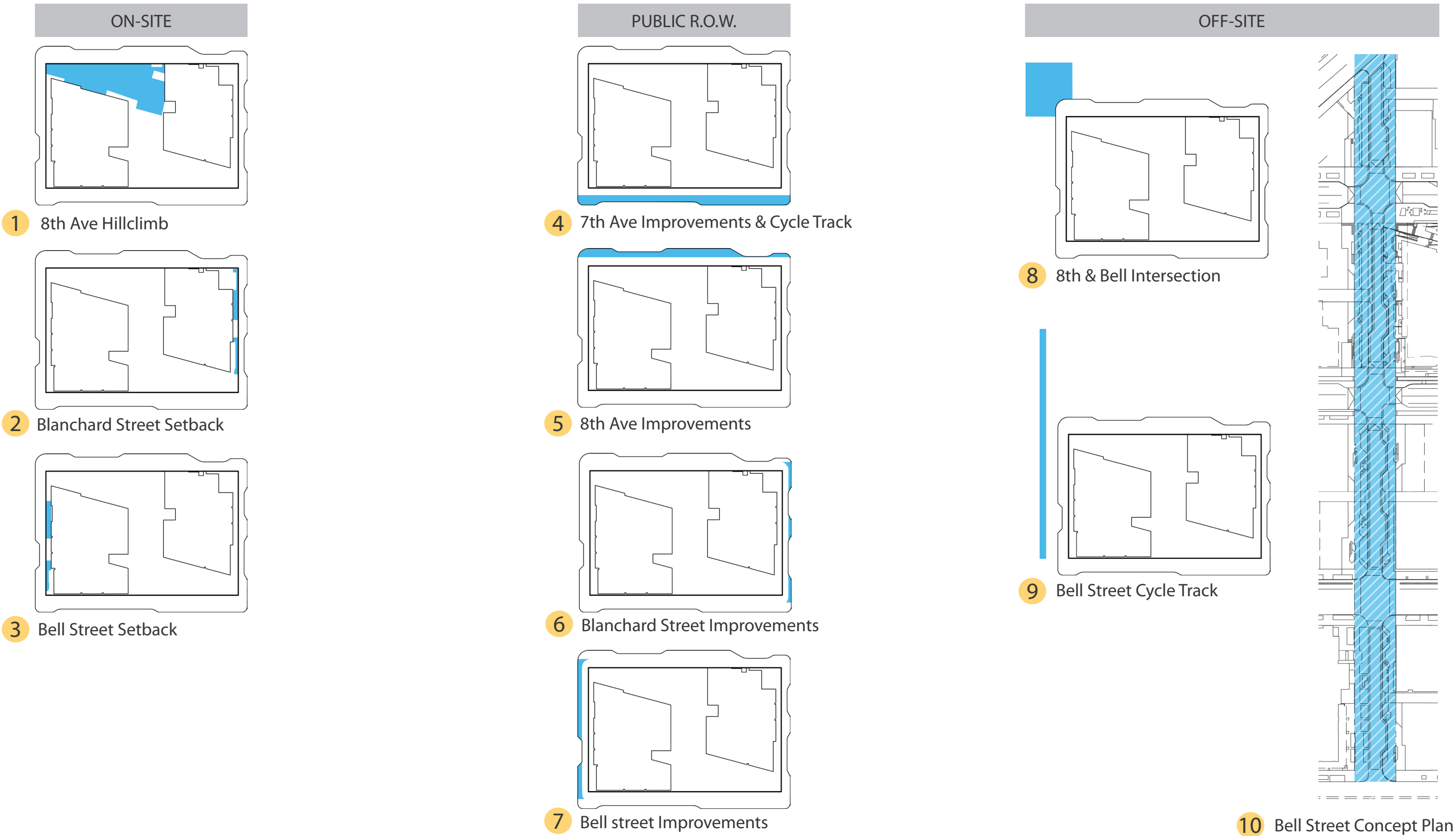
Alley Vacation Public Benefits

Seattle City Council

1. 12,000 SF 8th Avenue Hillclimb
2. Blanchard Street Setback
3. Bell Street Setback
4. 7th Avenue Improvements and Cycle Track
5. 8th Avenue Improvements
6. Blanchard Street Improvements
7. Bell Street Improvements
8. 8th & Bell Intersection
9. Bell Street Cycle Track
10. Bell Street Concept Plan

# Alley Vacation Public Benefits

Summary Diagrams [from original proposal]





# 8th Avenue Hillclimb (#1)

## PUBLIC BENEFIT

8th Avenue enhanced by 12,000 SF of publicly accessible open space including accessible route, planting, trees and seating elements

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, the 8th Avenue Hillclimb created a large publicly accessible open space along 8th Avenue.



Proposed

## CONSTRUCTED



View of Hillclimb along 8th Ave



# Blanchard Street (#2 & #6)

## PUBLIC BENEFIT

Blanchard Street enhanced by 1,850 SF of setback and expanded pedestrian streetscape including planting, trees, seating elements, and enhanced curb bulbs.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, Blanchard Street setbacks expanded the pedestrian streetscape improvements.



Proposed

## CONSTRUCTED



View of Blanchard Street Enhancements



# Bell Street (#3 & #7)

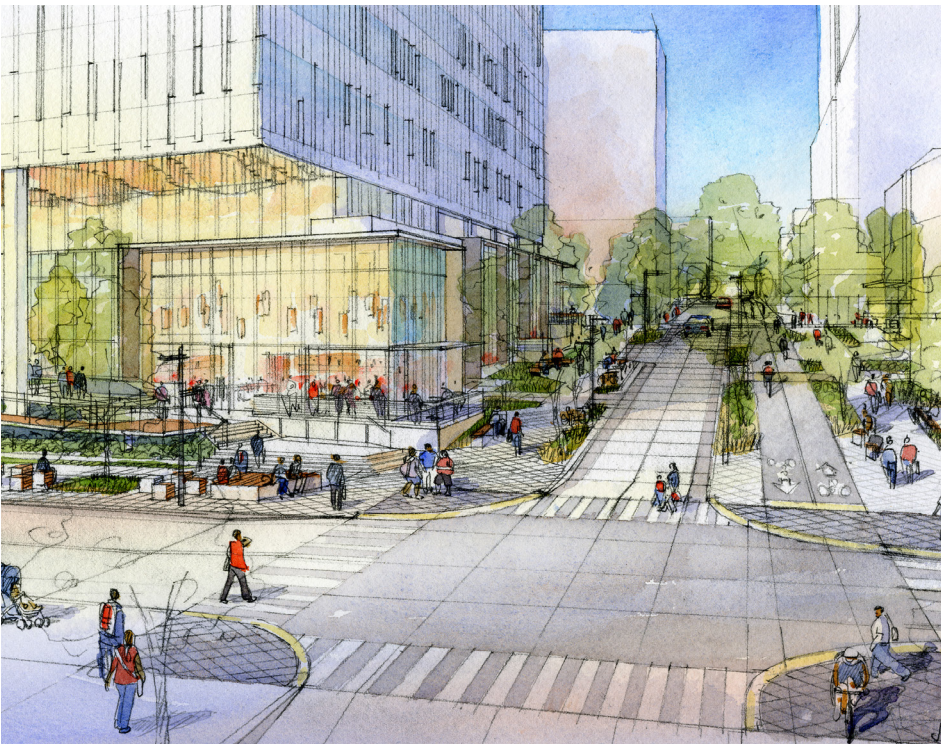
## PUBLIC BENEFIT

Bell Street enhanced by 2,800 SF of setback and expanded pedestrian streetscape including planting, trees, seating elements, pedestrian light fixtures, and enhanced curb bulbs.

## STATUS

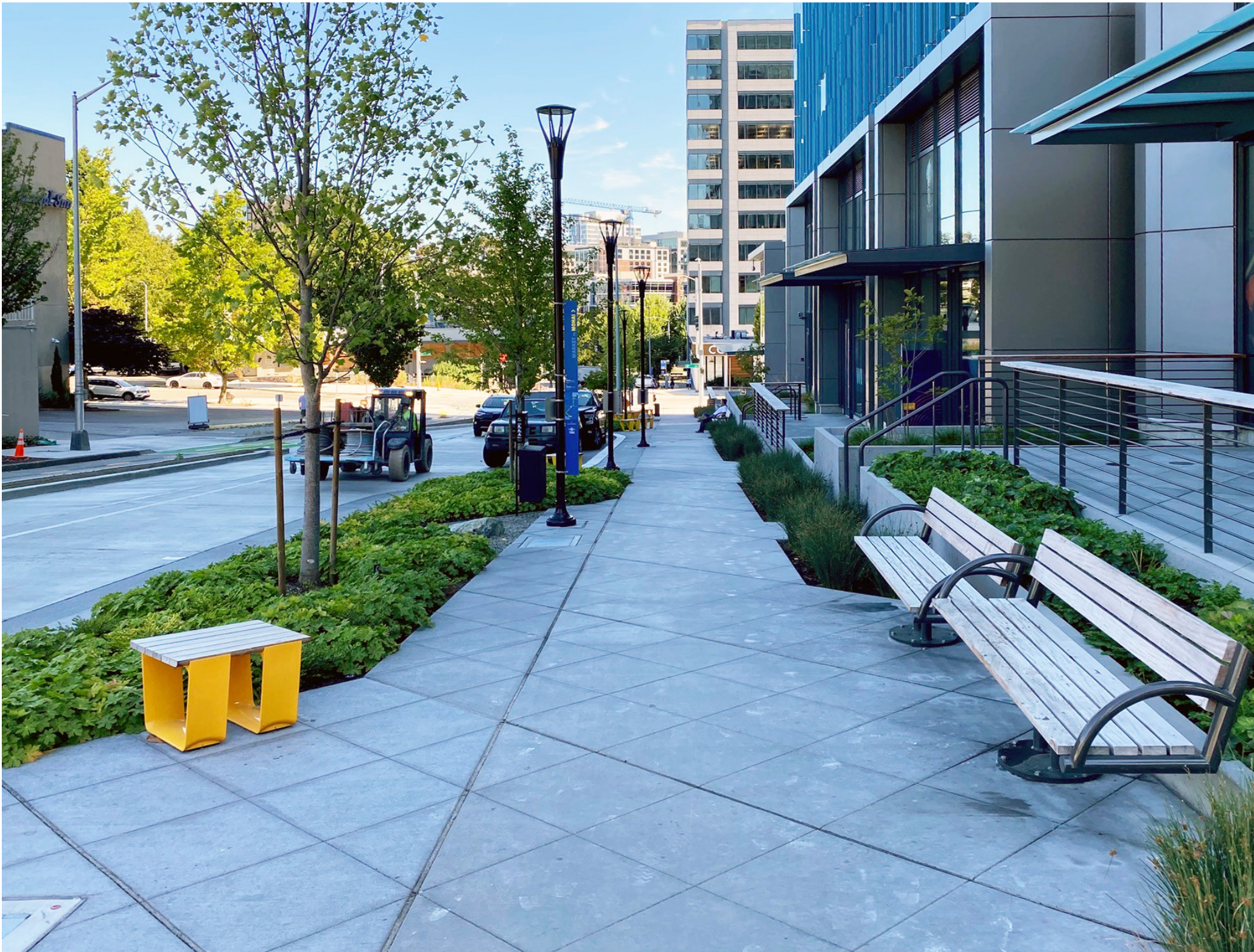
### Complete

Consistent with the alley vacation conceptual approval, Bell Street setback expanded the pedestrian streetscape improvements.



Proposed

## CONSTRUCTED



View of Bell Street Enhancements



# 7th Avenue Right of Way (#4)

## PUBLIC BENEFIT

7th Avenue ROW enhanced by 4,700 SF of expanded pedestrian streetscape and landscape including planting, elevated cycle track, street trees, bus stop, pedestrian light fixtures, and enhanced curb bulbs.

## STATUS

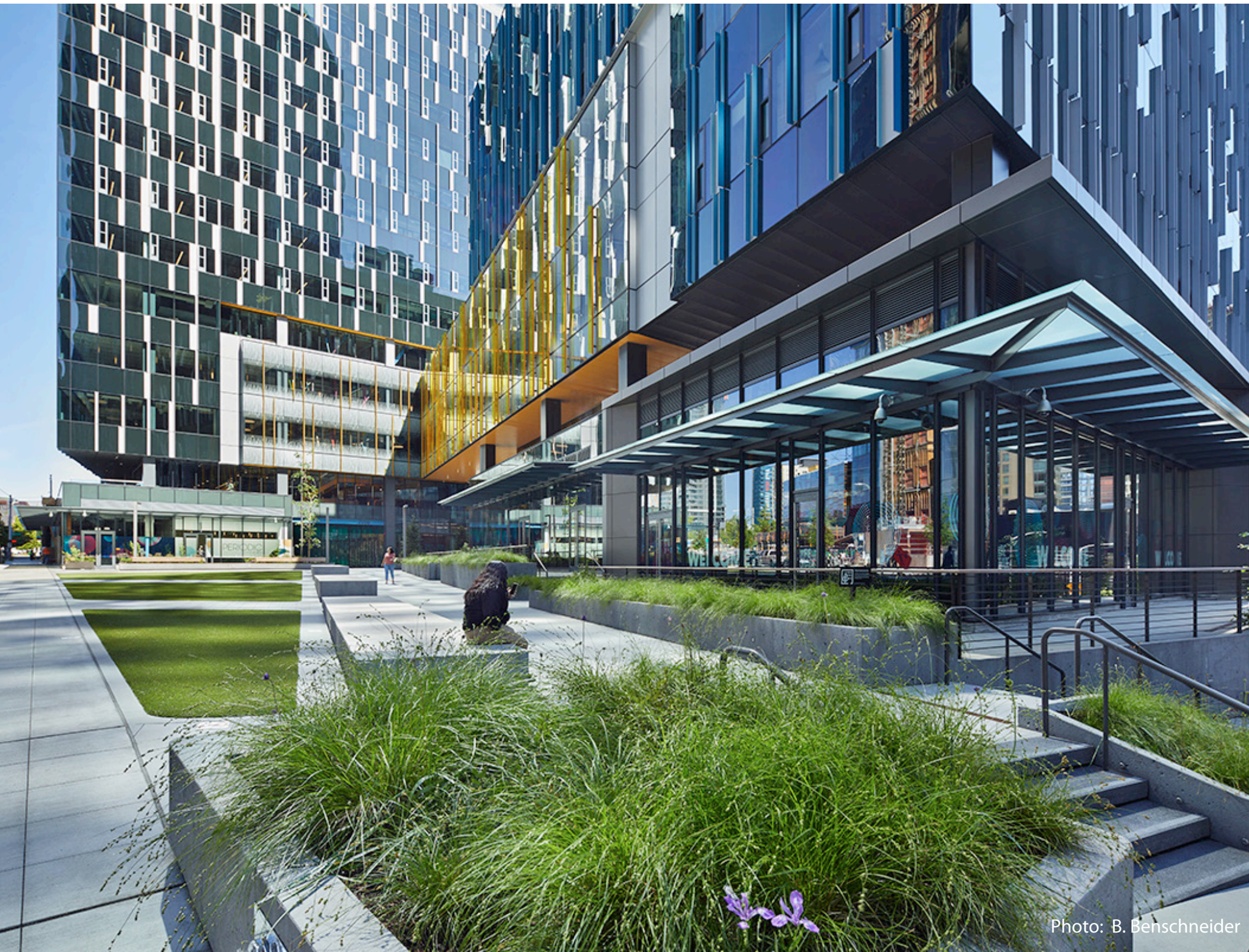
### Complete

Consistent with the alley vacation conceptual approval, 7th Avenue ROW expanded the pedestrian streetscape including a raised cycle-track and other improvements



Proposed

## CONSTRUCTED



View of 7th Avenue Pedestrian Streetscape



# 8th Avenue Right of Way (#5)

## PUBLIC BENEFIT

8th Avenue ROW enhanced by 3,300 SF of expanded pedestrian streetscape and landscaping including planting, street trees, seating elements, and enhanced curb bulbs.

## STATUS

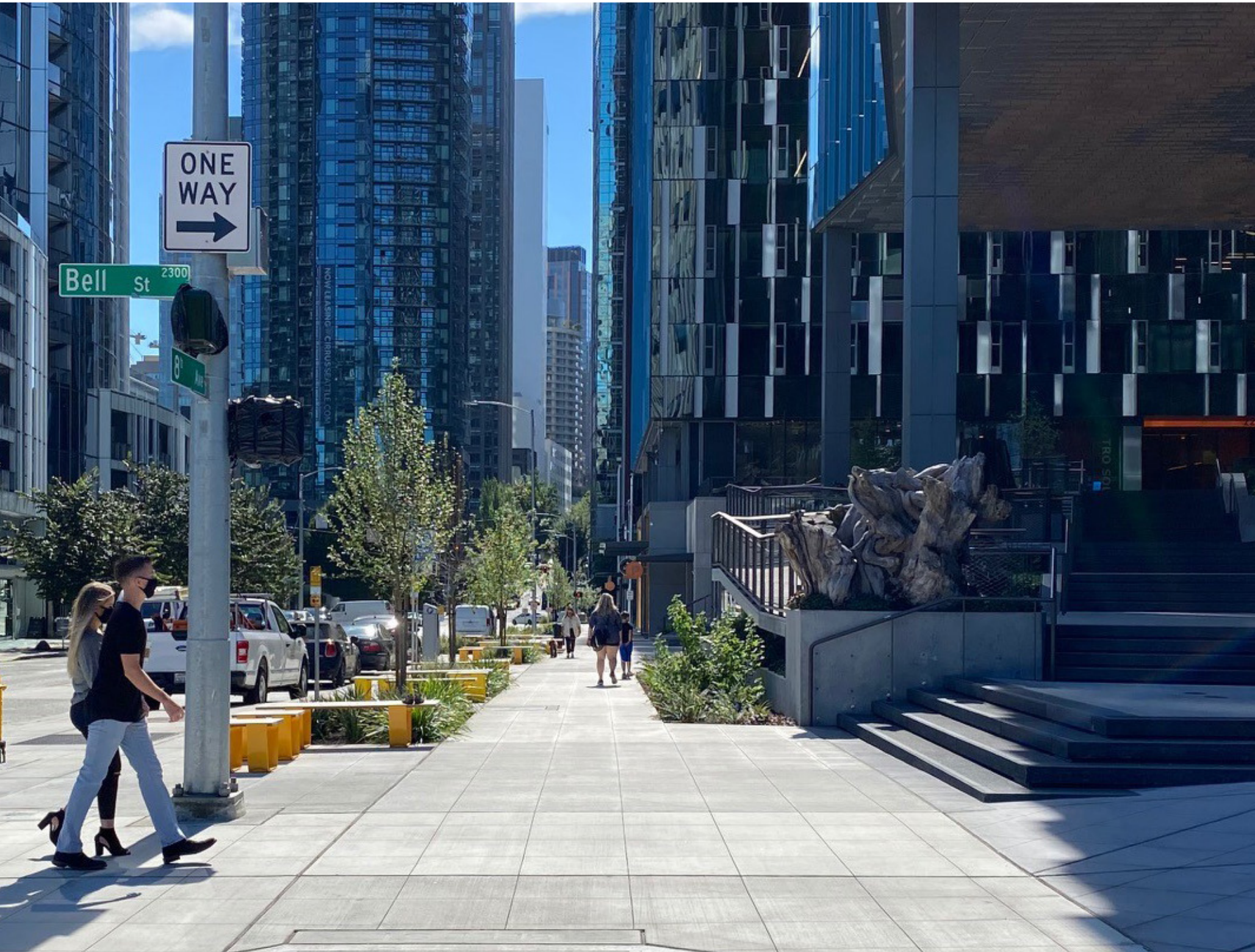
### Complete

Consistent with the alley vacation conceptual approval, 8th Avenue ROW expanded the pedestrian streetscape including improvements.



Proposed

## CONSTRUCTED



View of 8th Avenue Pedestrian Streetscape



# 8th and Bell Intersection (#8)

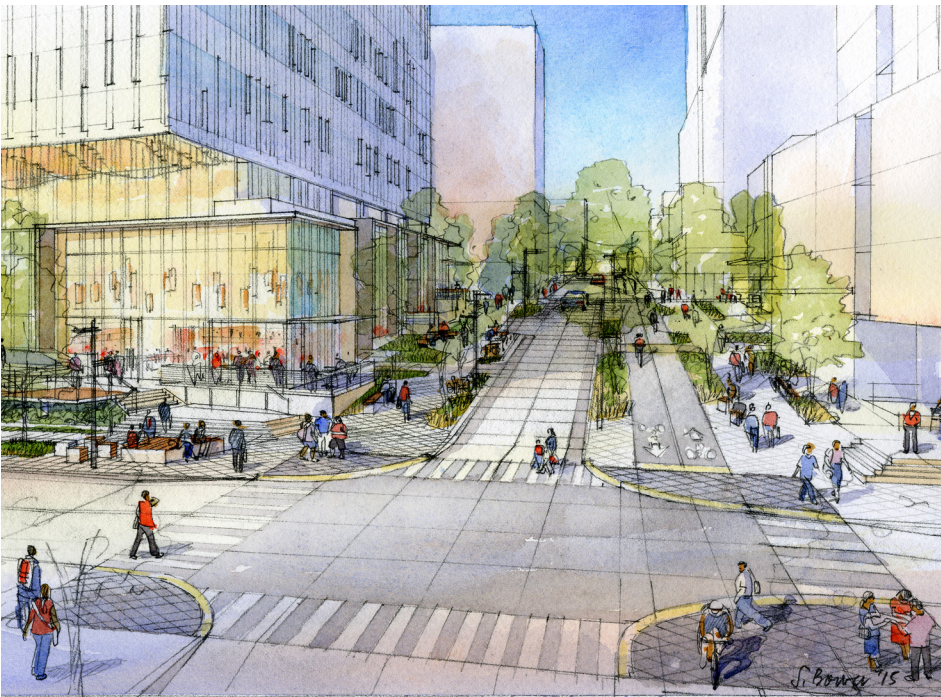
## PUBLIC BENEFIT

8th Ave and Bell Street intersection enhanced by 5,350 SF of improved intersection and sidewalk to enhance pedestrian safety.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, the intersection of 8th Ave and Bell Street enhances public safety by improving the sidewalks, replaced corners and new curb bulbs, bike lanes and new intersection signalization.



Proposed

## CONSTRUCTED



View of 8th Ave and Bell Street Intersection



# Bell Street Cycle Track (#9)

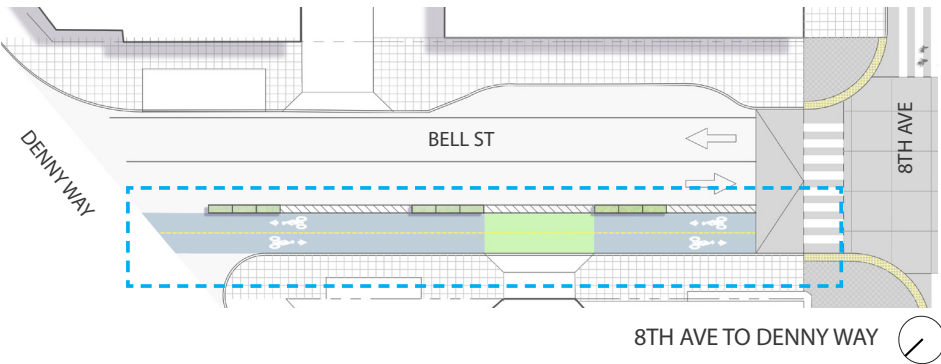
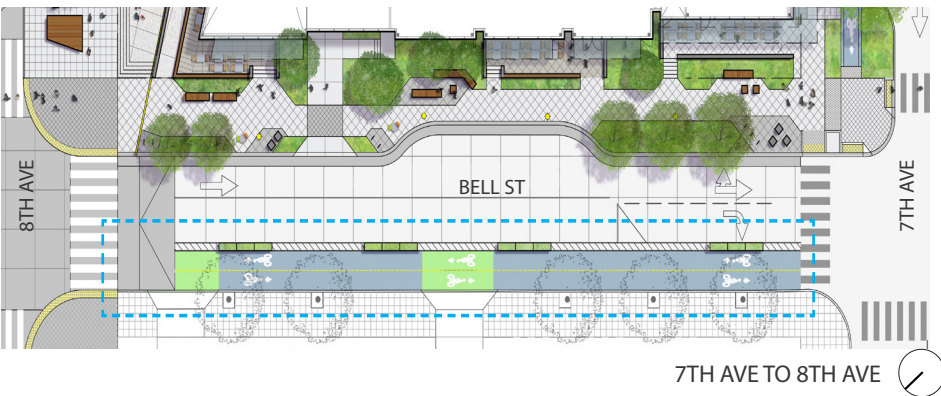
## PUBLIC BENEFIT

Bell Street enhanced by 4,500 SF of buffered bike lane on the north side of Bell Street.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, constructed a buffered cycle track on the north side of Bell Street from Denny Way to 7th Avenue. SDOT has since completed a more permanent buffered bike lane on Bell Street from South Lake Union to Belldtown.



Proposed

## CONSTRUCTED



View of Bell Street Cycle Track



# Bell Street Concept Plan (#10)

## PUBLIC BENEFIT

Bell Street Concept Plan to inform future developments on Bell Street and extend elements of Bell Street Park design character.

## STATUS

### Complete

Consistent with the original intent, the Bell Street Concept Plan has also informed the proposed ROW design of adjacent properties along Bell Street, including 2205 7th Avenue (aka “Block 18”) and 2301 7th Avenue.

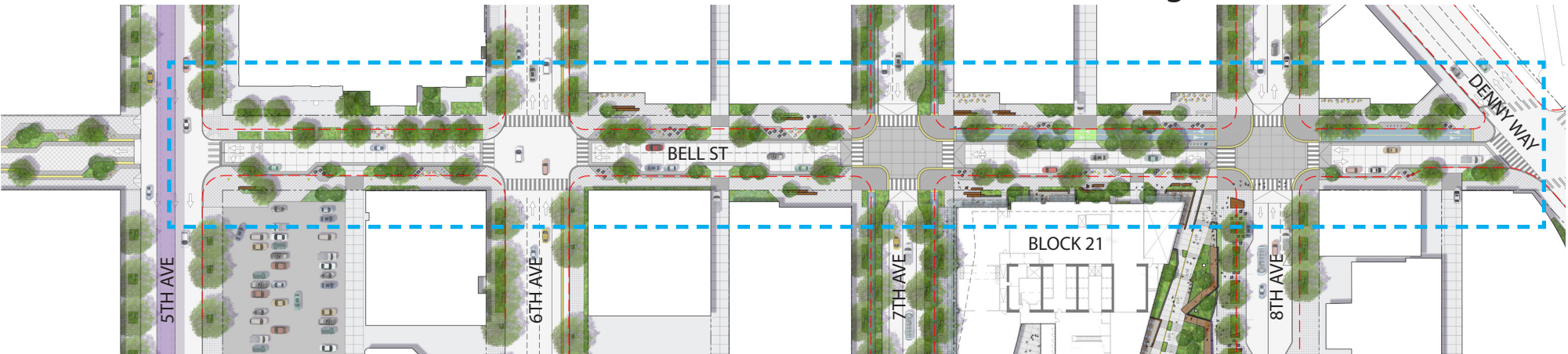
## CONSTRUCTED



View of Bell Street looking Southwest



View of Bell Street looking Northeast



Proposed





Photo: B. Benschneider





## Legislation Text

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**File #:** CF 314451, **Version:** 1

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Petition of Seattle City Light to vacate a portion of Diagonal Avenue South, west of 4<sup>th</sup> Avenue South.

The Clerk File is provided as an attachment.

## VACATION PETITION TO THE HONORABLE CITY COUNCIL OF THE CITY OF SEATTLE

Seattle City Light, the undersigned, being the owner of more than two-thirds of the property abutting on:

Diagonal Avenue South, west of 4<sup>th</sup> Avenue South

petition the City to vacate the right-of-way described as:

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under by City of Seattle ordinance number 112889, under King County recording number 8607010965, and amended by City of Seattle ordinance 113226, under King County recording number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of lot 2 of the plat of Fourth and Duwamish investment park, recorded under King County recording number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning; thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest corner of lot 4, block 304, of the unrecorded plat of Seattle tide lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence north 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning.

Vacation contains 13,337.8 square feet, more or less.

Reserving to the City of Seattle all necessary slope rights including cuts or fills on the above-described former right-of-way property for the protection of the reasonable original grading of right-of-way abutting on the property after the vacation; and

RESERVING to the City of Seattle the right to reconstruct, maintain, and operate any existing overhead or underground utilities in the right-of-way until the beneficiaries of the vacation arrange with the owner or owners thereof for their removal.



**SIGNATURE OF PETITIONER:**

I declare that I am the owner of property that abuts the right-of-way described in the petition to the City Council for the above-noted right-of-way vacation. I understand the discretionary nature of the City Council decision and I have been informed of the vacation review process and all fees and costs and time frame involved. **For corporately held property, provide documentation of signatory authority.**

**OWNER:**

Debra Smith; Seattle City Light  
General Manager & CEO

**PROPERTY King County Parcel**

Signature: Debra J. Smith

7666205760

Date: 4/2/2020

## VACATION PETITION TO THE HONORABLE CITY COUNCIL OF THE CITY OF SEATTLE

I Debra Smith acknowledge that:

☒ Any expense that may be incurred in preparing, applying or obtaining any land use or construction permits in contemplation of such vacation is the sole risk of the petitioner;

☒ The City Council decision is at the end of the review process;

☒ The City Council decision on the vacation is discretionary, and will be based on the City's Street Vacation Policies contained in Resolution 31809 and other adopted policies;

☒ A Council decision to grant the vacation request does not exempt the property from the requirements of the City's Land Use Code or from conditioning of development pursuant to the State Environmental Policy Act (SEPA);

☒ I have been informed of the cost, obligations, petition requirements, Street Vacation Policies, the time frame involved in the review of a vacation petition; and

☒ I understand that property owners abutting the vacation area are obligated to pay a vacation fee in the amount of the appraised value of the right-of-way. State, federal or city agencies are not required to pay a vacation fee but are required to pay for all other fees and processing costs.

Debra Smith Petitioner 4/2/2020 Date

### CONTACT INFORMATION:

#### Petitioner:

Seattle City Light

Debra Smith

General Manager & CEO

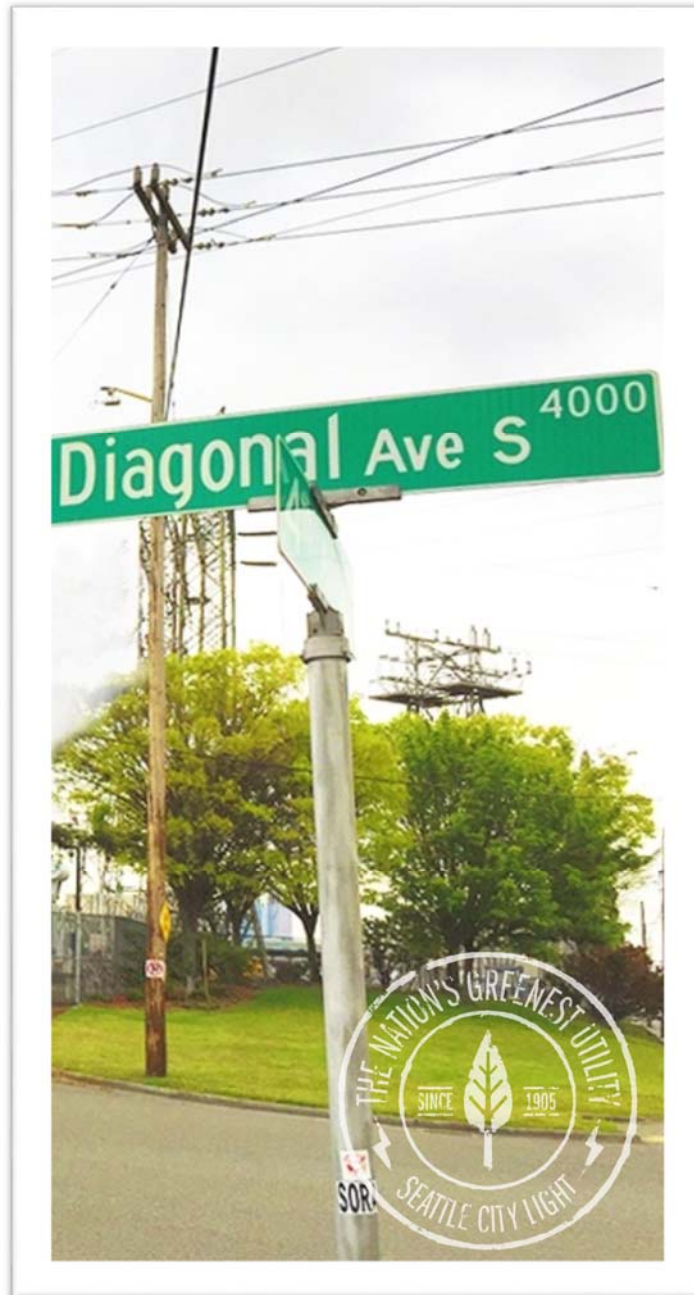
#### Project Contact:

Timothy Croll, Seattle City Light

[Timothy.Croll@Seattle.gov](mailto:Timothy.Croll@Seattle.gov)

(206) 684-0806

If you have any questions regarding the vacation process, please call street vacation staff at 206.684.7564.



**SEATTLE CITY LIGHT SOUTH SERVICE CENTER**  
STREET VACATION PETITION APPLICATION  
JANUARY 2020



**Seattle City Light**



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**SEATTLE CITY LIGHT PETITION FOR STREET VACATION**  
**Diagonal Avenue South**  
**Parcel # 766620-5760**

**INTRODUCTION**

Seattle City Light (City Light) is a public agency of the City of Seattle. City Light currently uses a portion of Diagonal Ave. S. through a street use permit. This portion of the street is gated and not currently accessible to the public. City Light has determined that ownership of this portion of Diagonal Avenue South would result in significantly increased opportunities for property improvements.

The following is a petition to vacate this portion of the street in favor of City Light as the sole abutting property owner. A map showing the property and the proposed area of vacation is shown in Appendix A. The area is zoned Manufacturing/Industrial. The current and proposed uses of the vacated street are consistent with the City's zoning and environmental regulations.



## I. SITE INFORMATION

### LEGAL DESCRIPTION OF STREET PROPOSED TO BE VACATED

This legal description was updated through a survey commissioned in September 2019.

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under City of Seattle Ordinance Number 112889, under King County Recording Number 8607010965, and amended by City of Seattle Ordinance 113226, under King County Recording Number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of Lot 2 of the plat of Fourth and Duwamish Investment Park, recorded under King County Recording Number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning; thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest corner of lot 4, block 304, of the unrecorded plat of Seattle Tide Lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence south 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning.

See Appendix A for a map of the site and site topography and utilities.

#### SITE ADDRESS

3613 4th Ave South,  
Seattle, WA 98134

#### VACATION ADDRESS

4101 Diagonal Avenue South,  
Seattle, WA 98134

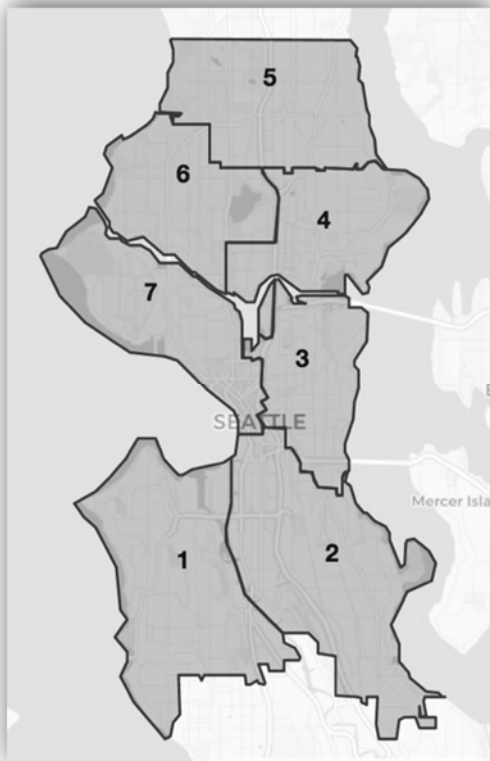


Figure 1. Seattle City Council Districts, 2019.

## CITY COUNCIL DISTRICT

The project site is in Seattle City Council District 2.

## SITE AREA

The site is roughly 343' long at its longitudinal centerline and 40' wide for its full length. It tapers south at its western edge. The site is approximately 13,333.7 sq ft. in area. It is enclosed by a chain link fence and is currently used for storage and parking overflow by City Light.

## SITE CONSTRAINTS

The site is sandwiched between a 20' width north and a 40' width south of it that were vacated through in 1986. Both of these strips are owned by City Light. Beyond these is City Light's fully developed block toward the north and the block with Gull Properties and Costco to the south. On the other two sides are the public rights-of-way of Diagonal Avenue South along its eastern edge and 2<sup>nd</sup> Avenue South along its western length. In and beyond the 20' width of Second Avenue South are the Burlington Northern Railroad lines. Several large stormwater pipes and a sanitary pipe run below the vacation right-of-way.

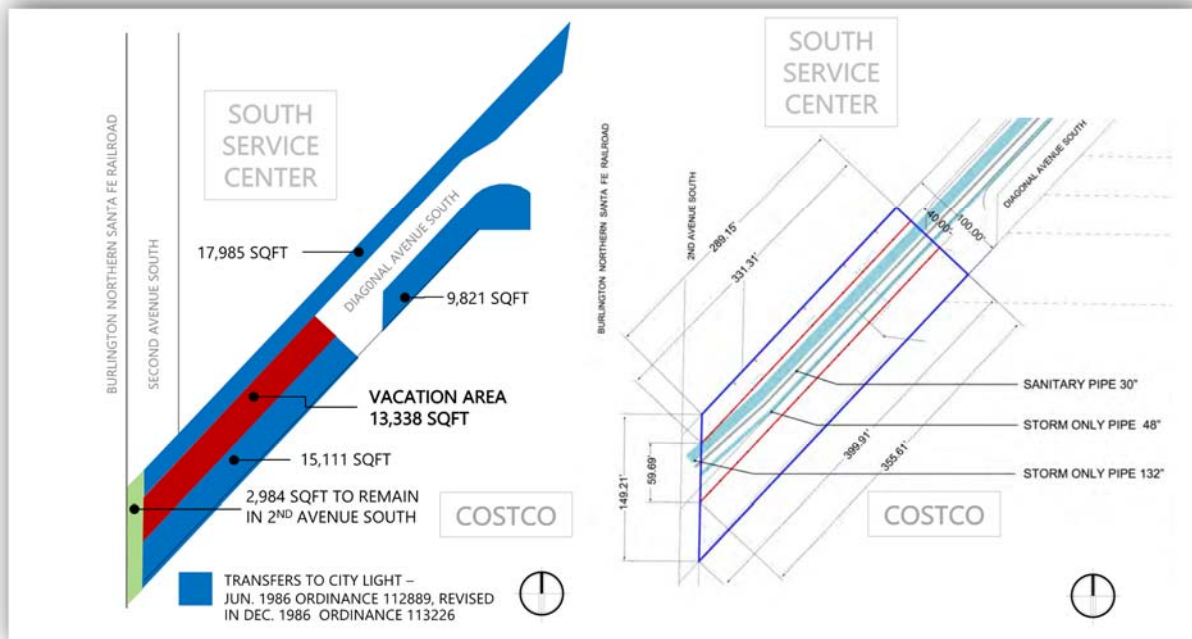


Figure 2. Vacation site details and dimensions. Underground utilities are shown.

## SITE ZONING AND OVERLAY

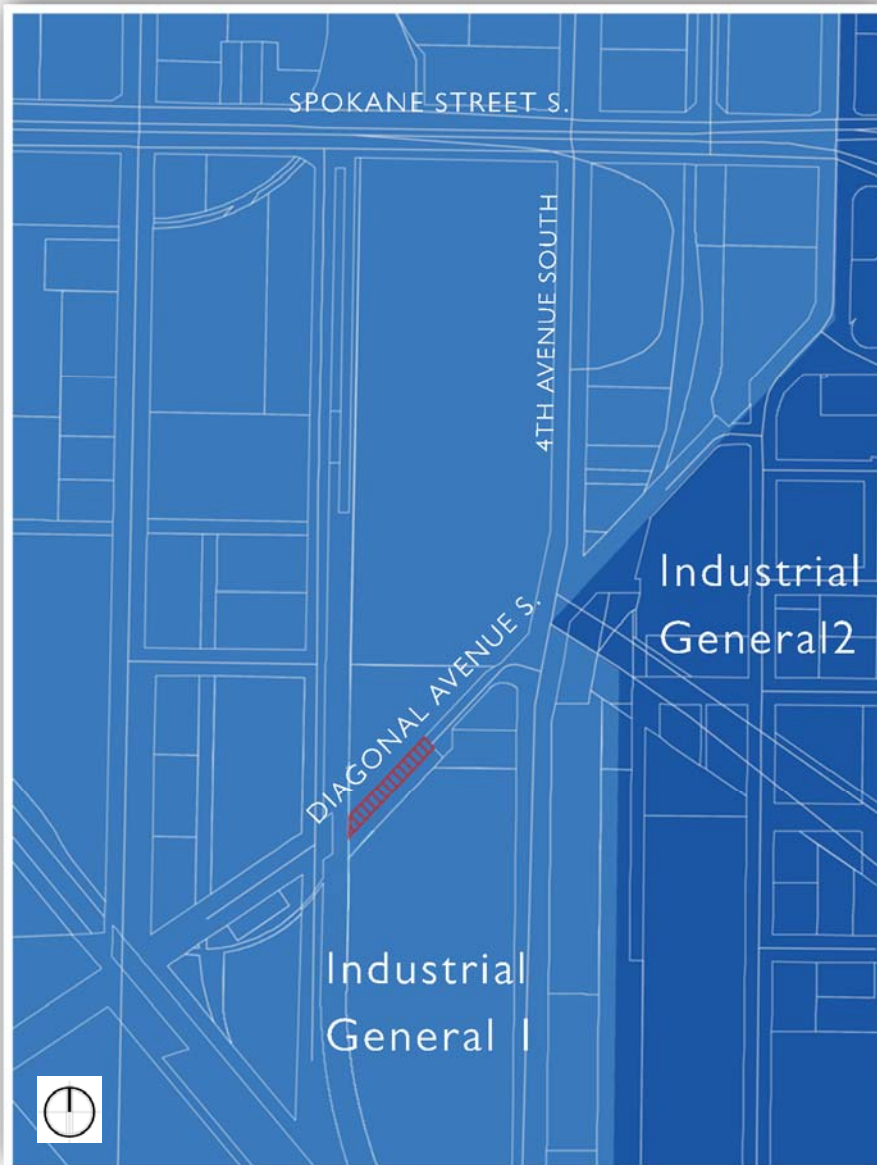


Figure 3. Industrial zoning districts.

The site lies within Seattle's Industrial General (1) zoning district. The intent of this industrial zone is to promote development of businesses that incorporate a mix of industrial and commercial activities, while accommodating a wide range of other employment activities. Of relevance to this site is that this zoning district protects rail-related industrial areas and allows utility services, which is the primary activity on City Light's property. These activities are not restricted by a maximum height limit or a maximum size of use.



## II. PROJECT INFORMATION

### DEVELOPMENT TEAM INFORMATION

Seattle City Light is seeking this petition. The points of contact are:

Ruth Meraz-Caron  
Seattle City Light, Project Manager  
[Ruth.Meraz-Caron@seattle.gov](mailto:Ruth.Meraz-Caron@seattle.gov)  
(206) 684-3094

Timothy Croll  
Seattle City Light, Strategic Advisor  
[Timothy.Croll@seattle.gov](mailto:Timothy.Croll@seattle.gov)  
(206) 684-0806

### BACKGROUND INFORMATION ON COMPANY/AGENCY PROPOSING THE VACATION

Seattle City Light is the public utility that provides electrical power to ratepayers in Seattle and to a few other parts of the metropolitan area. City Light has been providing electric power since 1910.

City Light manages over 127 major facilities totaling approximately 1.3M BSF, including two Service Centers, the North Service Center and the South Service Center. Built in the 1950s and 1920s respectively, City Light's North and South Service Centers form the backbone of City Light's operations and directly impact the utilities' mission to provide reliable, low-cost power to customers. Essential functions central to City Light's mission that are located in the Service Center include line trucks and dispatching; materials and equipment; shipping and receiving; staging of supplies; shops operations; and fabrication to support power generation, transmission and distribution work.

There are large inventories of transformers, cable reels, fleet line trucks, aerial lift trucks, shops machinery, and other equipment. The Service Yard is constrained and highly congested. The integration of the Diagonal Avenue South right-of-way through a street vacation offers the opportunity to accommodate growth and reconfigure the Service Yard to meet changing needs.

### DESCRIPTION OF CURRENT CONDITIONS AND USES

The vacation address is 4101 Diagonal Avenue South, Seattle, Washington 98134. City Light has operated on the subject property under a street use permit from SDOT for many years. It is confined by a dated chain link fence. The property is used as an auxiliary, low-security yard for the storage of materials such as landscaping materials and equipment, and occasionally, maintenance vehicles and trucks.

The Diagonal Avenue South site is narrow and long, and a chain link fence separates it from the Service Center. It has inadequate lighting and has been subjected to theft several times, resulting in the loss of expensive equipment. The property is inefficient to access, not very secure, poorly paved, and has an inadequate drainage infrastructure.

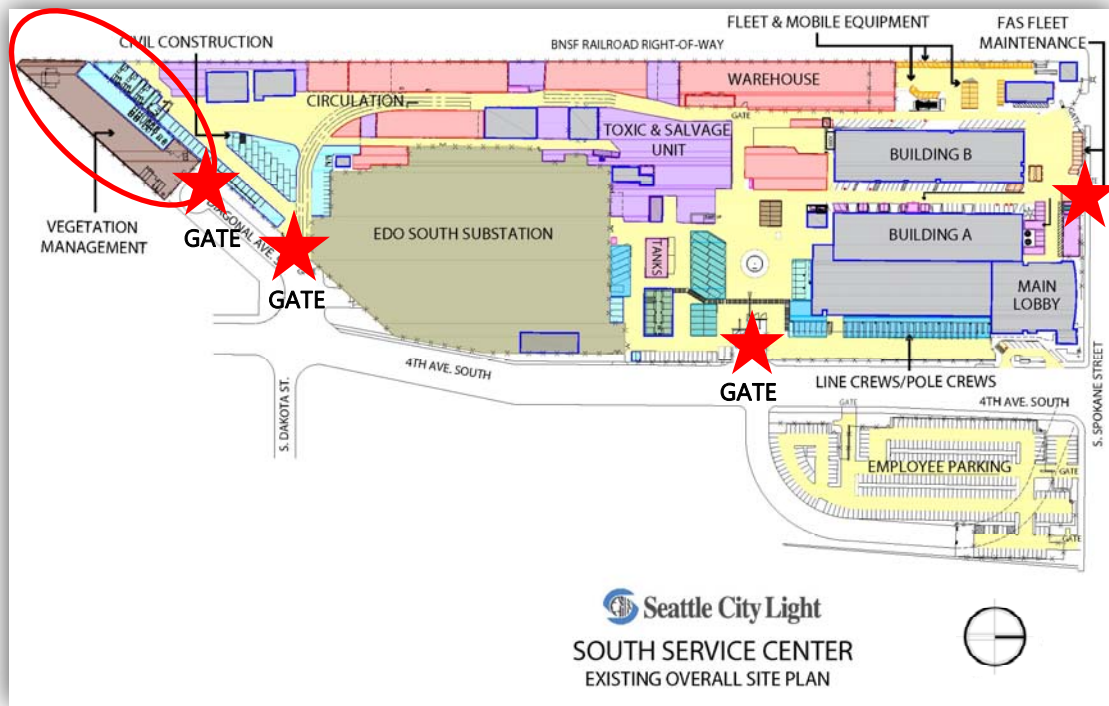


Figure 4. The South Service Center property is congested with storage, parking and other functions.

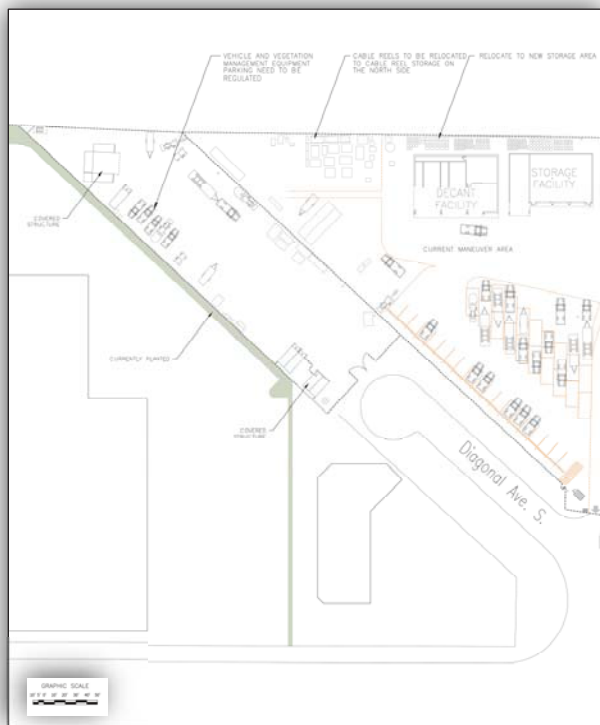


Figure 5. Existing use of the Diagonal Avenue South right-of-way.

## PROJECT DESCRIPTION

City Light's need for efficient, secure storage is becoming increasingly urgent as industrial space becomes scarcer and more expensive within the city. It is seeking to make over \$1.5 million in improvements on Diagonal Avenue South. It needs to protect these investments by acquiring full ownership of the area.

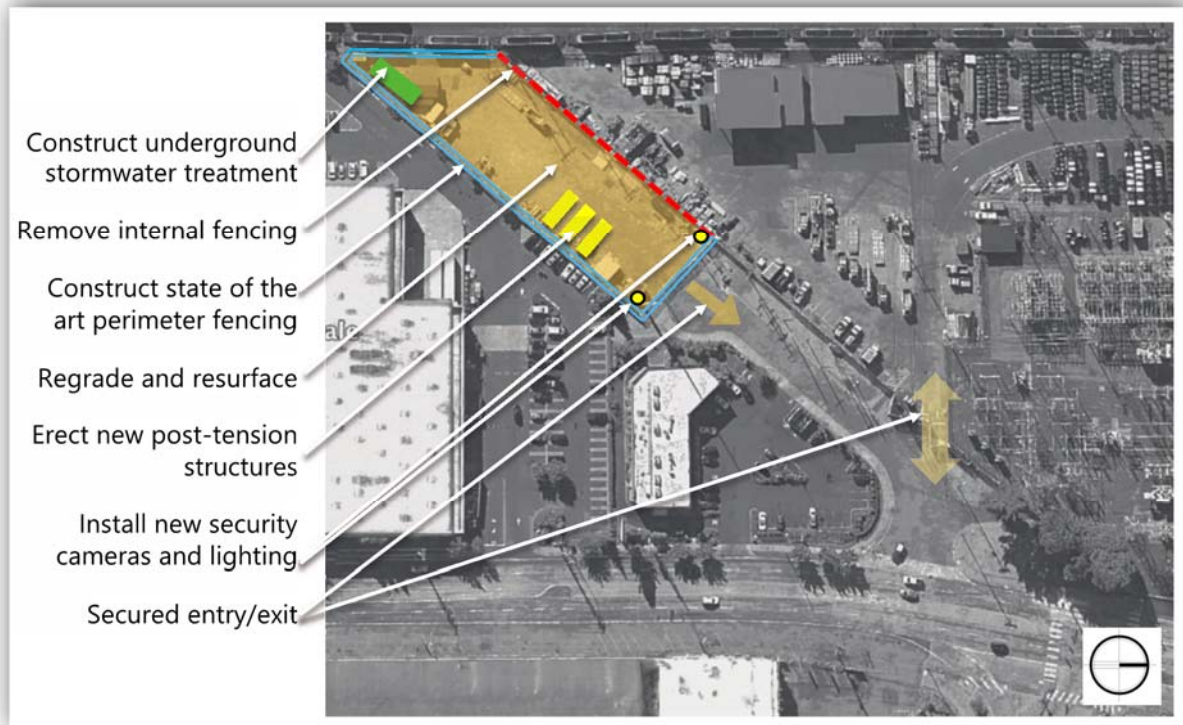


Figure 6. Plan diagram of proposed site improvements.

At this point in time, significant investment in the Diagonal Avenue South property is necessary to improve drainage and pavement, and to provide greater security for the site. City Light also plans to add a temporary tension-fabric structure to the site to provide an indoor venue for the spray coating of steel plates. Some of these improvements are necessary pursuant to a recent site inspection made by the Washington State Department of Ecology. Safety improvements will be constructed in conformance with the standards set forth in City Light's Design and Construction Guidelines for Security Facilities, adopted by City Light's Office of Internal Compliance in 2013. From City Light's perspective, the level of investment necessary is justified only if it owns the property.

The improvements proposed for the Diagonal Avenue South right-of-way include the following:

- Provide weather protection to stored materials and equipment with tension-fabric structures.
  1. Improve stormwater runoff quality into the Duwamish River.
  2. Reduce airborne particulates from unprotected material.
- Install security lighting around the perimeter of the site.
  1. Improve site security.



- Erect a new perimeter fence, per Seattle City Light's Security Standards.
  1. Improve site security.
  2. Surface regrading and repaving that will reduce flooding and freezing during heavy rain.
  3. Improve stormwater runoff quality into the Duwamish River.
  4. Improve site security.
- Remove the fence between the South Service Center and Diagonal Avenue South right-of-way
  1. Allow the property to be more efficiently used.
  2. Reduce administrative overhead.
  3. Integrate circulation with South Service Center yard.
  4. Improve safe circulation for oversized vehicles.

These improvements will allow the South Service Center to function as a single site with controlled entry. It will allow for better site utilization and public safety. With the stormwater improvements it seeks to make, City Light will operate at higher levels of sustainability. The improvements will not preclude vehicle, bike, and pedestrian use adjacent to the site.

The project is in alignment with the City's equity goals and the Race and Social Justice Initiative, as it will directly lead to improved on-site personnel safety and support the Duwamish River Clean-up through higher quality of stormwater runoff.

#### "VACATION" ALTERNATIVE

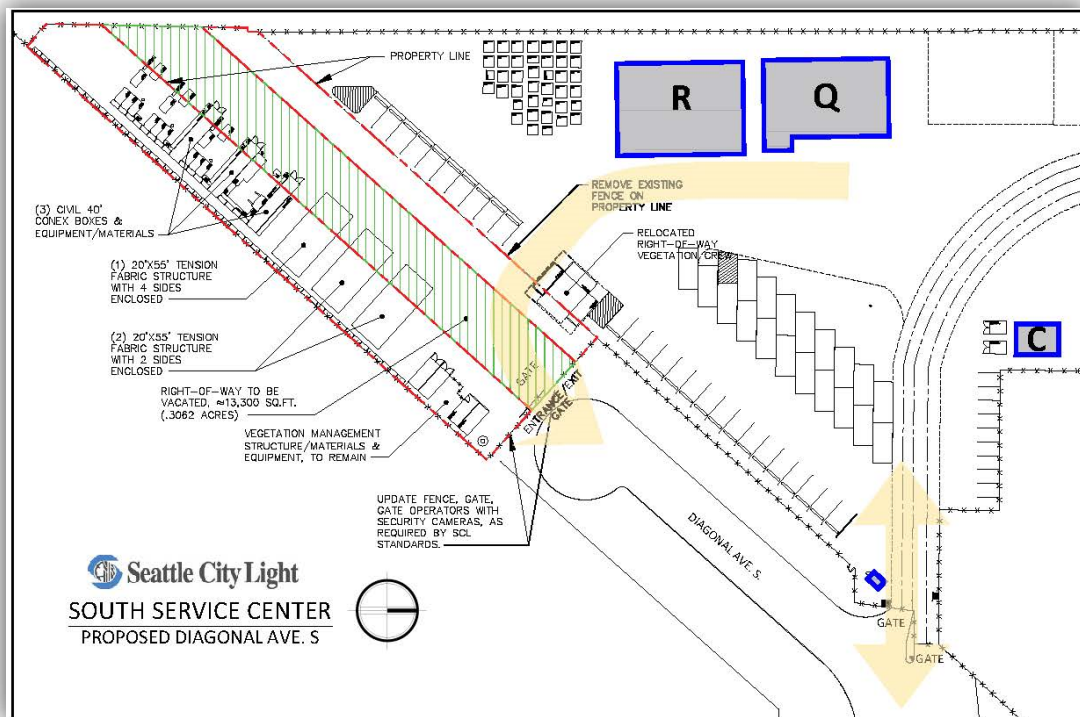


Figure 7. Removing the fence between Diagonal Avenue South and the South Service Center will improve traffic flow on the site.

## PROJECT COST ESTIMATE

Property adjacent to the ROW to be vacated has been assessed at \$40/square foot. City Light is seeking to make over \$1.5 million in improvements on Diagonal Avenue South.

## “NO VACATION” ALTERNATIVE

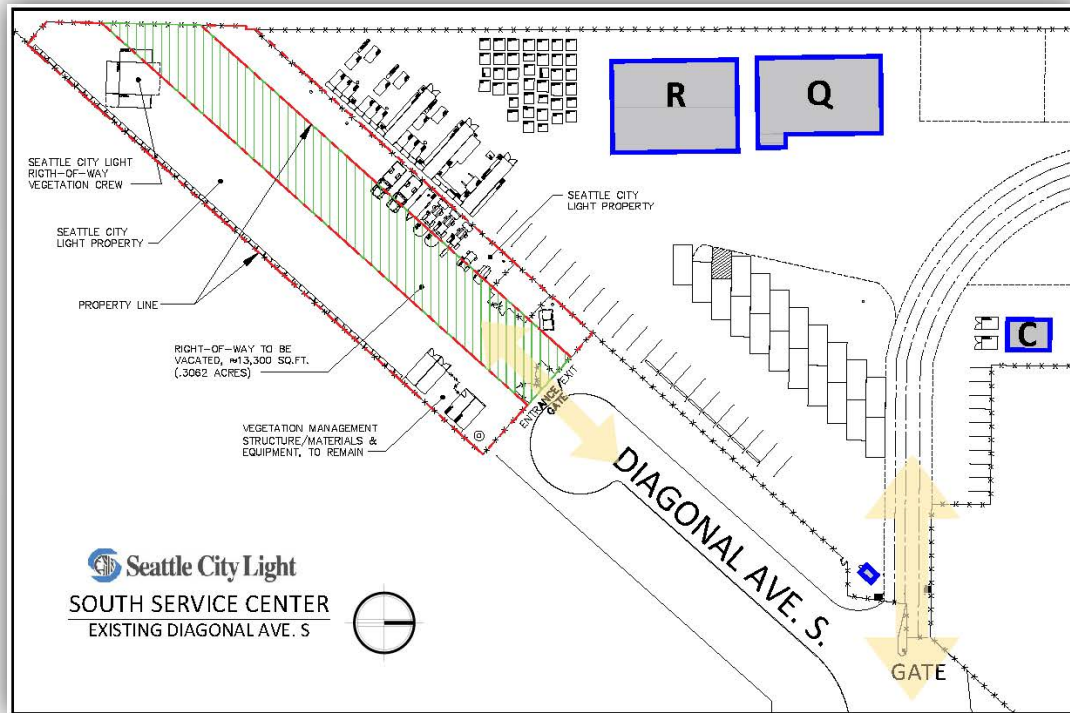


Figure 8. No vacation alternative traffic circulation.

The remaining Diagonal Avenue South right-of-way is sandwiched between City Light properties. It is not accessible from the main South Service Center yard and can be accessed during the day only from the single entry facing 4th Avenue South. The full right-of-way is surrounded by a 10'-tall chain link and wood fence. Its surface is uneven. As a result, water often pools, and occasionally freezes over during winter months. The site is used for storage of materials and equipment, and occasionally used for long term vehicle parking. The site is currently not secured in a manner consistent with City Light standards and has been subjected occasionally to theft of equipment.

The site has:

- One-way in and out access Limited use due to narrow width
- Limited use at its western edge
- Uneven surface that is dangerous for walking
- A tendency to flood during higher tides and heavy rain events
- An old and poorly secured peripheral fence
- Reported break-ins and thefts

With the “No Vacation” alternative

- Improvements will not be made to property not owned by City Light.
- No new capital improvements can be accommodated in the adjacent South Service Center since the South Service Center is fully programmed.
- City Light will maintain the status quo of current site use.
- There will be no public benefit of open space in Georgetown (see Section V).

#### **PROPOSED DEVELOPMENT TIMELINE**

Should this petition be approved by City Council, after street vacation approval, City Light will:

- Transfer ownership of public benefit property to Seattle Parks (3Q, 2020) (See Section V.).
- Proceed with Diagonal Avenue South site improvements (3Q, 2020).
- Seattle Parks develops off-leash area at flume with financial support from City Light (2020 - 2021) (See Section V.).

#### **LAND USE INFORMATION**

According to the 2019 Seattle Comprehensive Plan, the Diagonal Avenue South right-of-way and the South Service Center lie in the City’s Greater Duwamish Manufacturing/Industrial Center. This is an important area of employment and economic development in the city. Land in the Duwamish Manufacturing/Industrial Center is maintained for industrial uses, including manufacturing, assembly, storage, repair, distribution, research about or development of tangible materials and advanced technologies; as well as transportation, utilities, and commercial fishing activities.

The comprehensive plan specifically asks that the City should:

- GD-P4 Encourage site assembly that will permit expansion or new development of industrial uses.
- GD-G8 Maintain the Duwamish Manufacturing/Industrial Center as a manufacturing /industrial center promoting the growth of industrial jobs and businesses and strictly limiting incompatible commercial and residential activities.
- GD-P47 Strive to provide stormwater facilities that help increase pavement durability.
- GD-G18 Sufficient incentives exist in the industrial area so that the private sector can remedy environmental contamination and contribute to the expansion of the industrial job base.
- GD-G20 Public investments contribute to a sense of community identity and enhance public safety.
- GD-P48 Recognize crime prevention as a significant contributor to economic vitality in the Duwamish Manufacturing/Industrial Center and to the quality of life in the surrounding residential communities.

Every improvement proposed for the site helps City Light meet one of the above comprehensive plan goals.

The Seattle Design Commission will review the project and the public benefit and will advise the City Council. SDOT will review the totality of the vacation proposal and makes the recommendation to the City Council, including the important review by the Design Commission. With the vacation



approval, the current street use permit that City Light has with SDOT for many years will be retired and City Light will own the right-of-way. This will be recorded through an ordinance. Under state law (RCW 35.79.040), the Diagonal Avenue South right-of-way, once vacated, will revert to the abutting property owners, one-half to each, upon City Council approval. For Diagonal Avenue South, since City Light owns the property on either side of the vacation site and it will take full ownership of the right-of-way that is currently fenced in.

## URBAN DESIGN ANALYSIS



Figure 9. Aerial view of the industrial area looking west.

The area around the South Service Center and Diagonal Avenue South is used primarily for industrial activities. There is little blocking the view from and into Diagonal Avenue South. Similarly, the view from Diagonal Avenue South is not significant in any direction. Also, the proposed development in Diagonal Avenue South is insignificant in scale and visual impact to the towers and wiring of the substation and will not block any significant view in any direction. The aesthetic of this area is definitively industrial. The temporary storage and maintenance facilities proposed for the site align with the appearance of the rest of the district. They will not create any distractions or contribute to buildings with non-conforming character.





Figure 10. . Aerial view of the industrial area looking west.

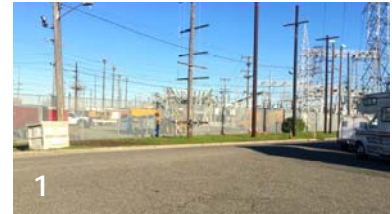


Figure 11. Aerial view of the industrial area looking east.



## TRANSPORTATION

Diagonal Avenue South is designated a Minor Industrial Access Street. These are located within the Manufacturing and Industrial Centers and serve a range of existing uses such as industrial, commercial, or manufacturing. These streets are designed to accommodate the standard design vehicle, SU-30 with a 42' turning radius. This street type can have a curbless condition with large flex zones that can accommodate bioretention, parking for larger vehicles, or larger street trees.

Minor Industrial Access Streets may provide opportunities for temporary parking of trucks or staging of equipment or other materials associated with industrial uses. Therefore, the current and proposed use of Diagonal Avenue South aligns with its designated purpose.

Diagonal Avenue South Details	
Street Type	Minor Industrial Access
Arterial Classification	Not Designated
ROW Width - Minimum	52'
Street Type Standards	<a href="#">More info</a>
Curb Radii	20'
Bicycle Master Plan	Neither Diagonal Avenue South nor 4 <sup>th</sup> Avenue South is on a bike route
Transit Master Plan	4 <sup>th</sup> Avenue South and not Diagonal Avenue South is on the Frequent Transit Network
Freight Master Plan	4 <sup>th</sup> Avenue South, and not Diagonal Avenue South, is a major transportation corridor for freight
Pedestrian Master Plan	4 <sup>th</sup> Avenue South, and not Diagonal Avenue South, is in the moderately high area for pedestrian improvements

Diagonal Avenue South is one of the few Minor Industrial Access Streets that are on the freight network. While it is critical to design for freight circulation on these street segments, Diagonal Avenue South is not a through-street. Freight access on Diagonal Avenue South is only for large truck egress and ingress into the South Service Center.

There is limited transit service on 4<sup>th</sup> Avenue South due to the nature of demand for transit in the Industrial Center. There is very little pedestrian activity beyond the chain link fence that is not related to the South Service Center. The low pedestrian volumes on 4<sup>th</sup> Avenue South require highly visible and controlled crossing opportunities. In general, design requirements for Minor Industrial Access Streets are that of a pedestrian zone of 6' width and limited curb cuts and driveways. Street trees, permeable pavement, landscaping, and rain gardens are encouraged in the public right-of-way of Minor Industrial Access Streets. For programming the public space in the Manufacturing and Industrial Centers, improvements such as wayfinding, vending, and public art are allowed.

Vacating the Diagonal Avenue South right-of-way will have little to no impact on either the pedestrian flow, transit use or vehicular traffic on 4<sup>th</sup> Avenue South. If the Diagonal Avenue South gate is used only for exiting traffic, the flow of freight traffic into the South Service Center could be simplified, reducing the chances of collisions.



## UTILITIES

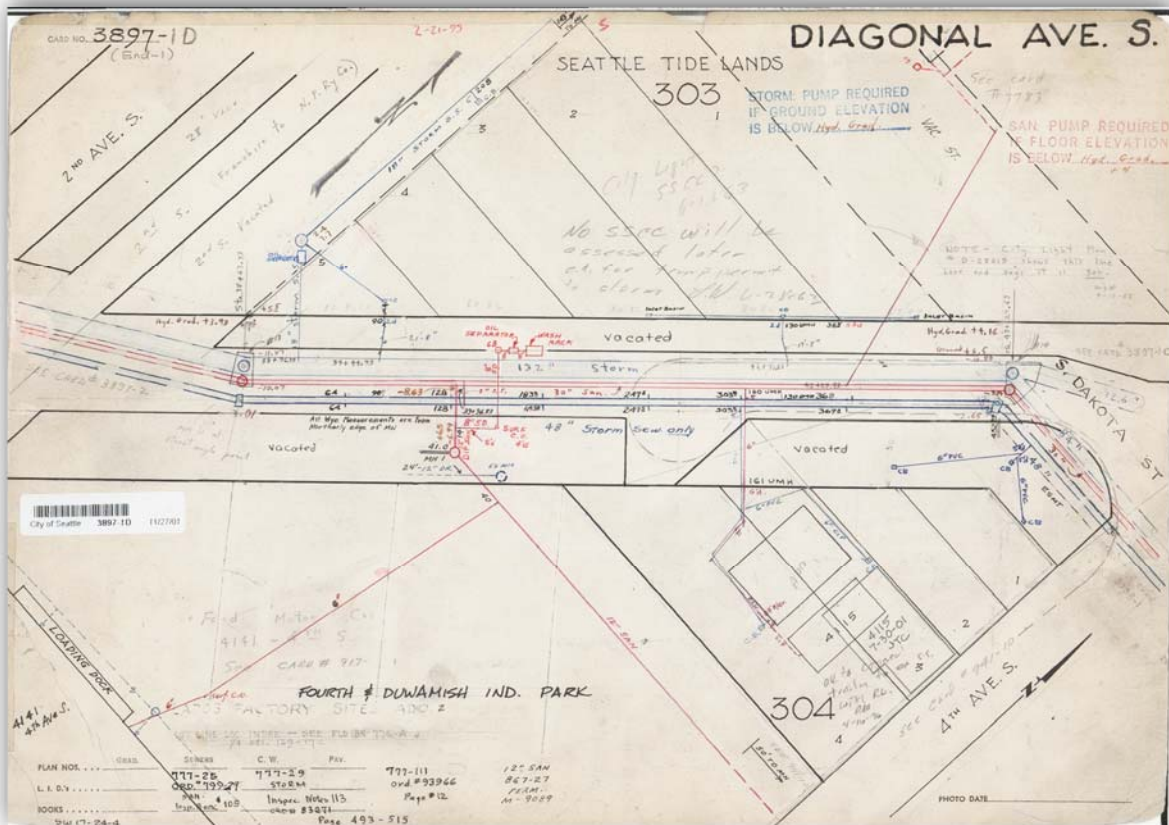


Figure 12. Storm drain and sewer map for Diagonal Avenue South.

Currently there are three major underground utility pipes within the fenced-in area of the Diagonal Avenue South right-of-way. The 132" diameter stormwater pipe handles stormwater. Another 48" diameter stormwater drain runs below while a 30" sanitary sewer collects discharges from adjoining properties and connects to a main line further west. These are between eight and eleven feet underground.

The redesign of Diagonal Avenue South takes into consideration the location of these utility pipes underground. Therefore, only temporary new structures with shallow or no underground foundations are being planned along this right-of-way. A stormwater treatment system is being planned for the runoff from Diagonal Avenue South. This is being planned for in the lowest point, which is at the southwest corner of the site. It is likely that this will feed into the 48" stormwater pipe. The stormwater system will be designed with SPU review, so as to not impact the pipes during construction or operations.

SPU's access to their infrastructure will be protected by a partial transfer of jurisdiction or by other means acceptable by SPU.

## HISTORIC SITES OR BUILDINGS

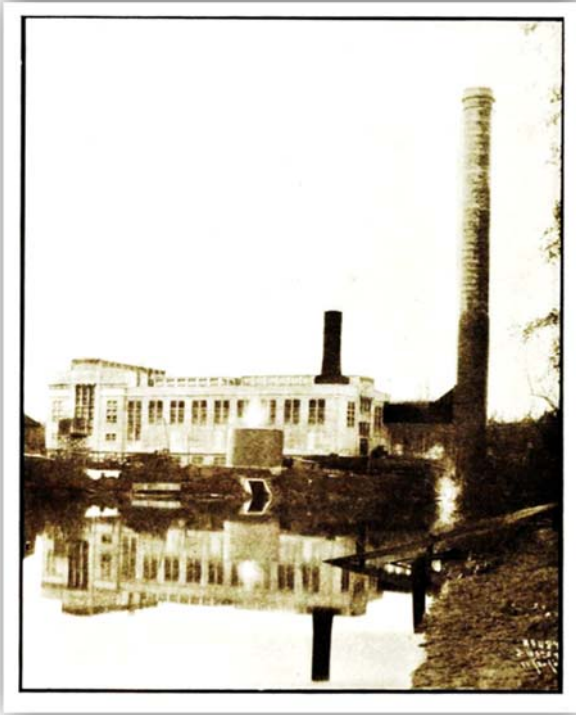


Figure 13. The historic Georgetown Steam Plant.

While the vacation proposal is not in an area of historic significance, the flume property (see Section V.) was connected in the past to the historic Georgetown Steam Plant.

### COMMUNITY ENGAGEMENT PLAN

As per Council Resolution 31809 adopted in May 2018, the Department of Neighborhoods set in place the community outreach and engagement program for this Street Vacation project. As per their direction, an extensive community outreach process was conducted in 2019. This is recorded in Appendix D. CREÄ Affiliates, along with City Light communications staff, conducted a multi-pronged strategy for public outreach and engagement. The strategy corresponds to **the Public SCL Public Outreach & Engagement Strategy**, approved by the Department of Neighborhoods on 5/15/19.

This strategy entailed:

- Digital outreach
- Emails
- Website
- Survey
- Social media
- Printed outreach
- Direct mailers
- Posters
- In-person public engagement
- Delivery of door-to-door notices
- Public meetings and presentations in SODO and Georgetown
- Stakeholder interviews

The outreach methods varied in their reach into the community. Feedback during the door-to-door outreach suggests that the direct mailings to area businesses and property owners as well as emails from local organizations had the greatest reach.

Overall, community members had no major objections to the street vacation petition since the area has not been used as a right-of-way for many years and there is no interest in using it as an access across the Burlington Northern railroad tracks. With regard to the transfer of the flume property, SODO representatives maintained that, with Diagonal Avenue South being in the SODO area, some public benefits should be invested into the SODO area. In Georgetown, a couple of property owners near the flume property expressed concern about locating an off-leash area (OLA) for dogs at the

flume property due to the crime that it has attracted in the past. Others expressed their interest in the site hosting other activities as well, including a trail. Concerns about the reality of the OLA being activated in the near future were addressed by a presentation to the Georgetown Community Council (GCC) Open Space Committee. This presentation by SCL staff summarized a memo of agreement between SCL, SeattleParks and Recreation, and the Seattle Department of Transportation (see Appendix E) that details expenses being borne by each department. These funds would help prepare the property and have it fenced for use as an off-leash area for dogs as well as a possible bicycle/pedestrian trail segment.

Results of the survey (see appendix D, page 39) show that an overwhelming 83% of respondents agree that the property transfer to Seattle Parks & Recreation is a fair public benefit in exchange for SCL's Street Vacation petition for Diagonal Avenue South.



### III. VACATION POLICIES (Public Trust Analysis)

This project aligns with the City's vacation policies' values. Seattle's Street Vacation Regulations require the analysis of separate issues in order to determine whether the vacation of a street will benefit the public. The City provides specific guidelines as to how those issues will be reviewed as the street vacation petition is considered.

#### **CIRCULATION**

That portion of Diagonal Avenue South that is proposed for vacation lies at the end of the street. The street is gated and not currently available for use by the public. It dead-ends at a railroad track. Because this portion of the street is not accessible for public use, vehicular circulation will not be impacted. The street vacation will not result in negative effects on the current or future needs for the City's vehicular, bicycle, or pedestrian circulation systems.

The proposed street vacation will result in no increases of traffic volume on Diagonal Avenue South or any surrounding streets. Upon review of the City's Transportation Plan, it appears that there are no goals or policies set forth in that plan that would be in conflict with this proposed action. Because the section of street proposed for vacation is a dead-end street, it is not used or relied upon for access to any other area of the city and provides access only to those properties that abut it. Other than City Light, the occasional customer from Gull properties uses the Diagonal Avenue right-of-way east of the vacation site, for exiting the property. The vacation will not impact this vehicular movement.

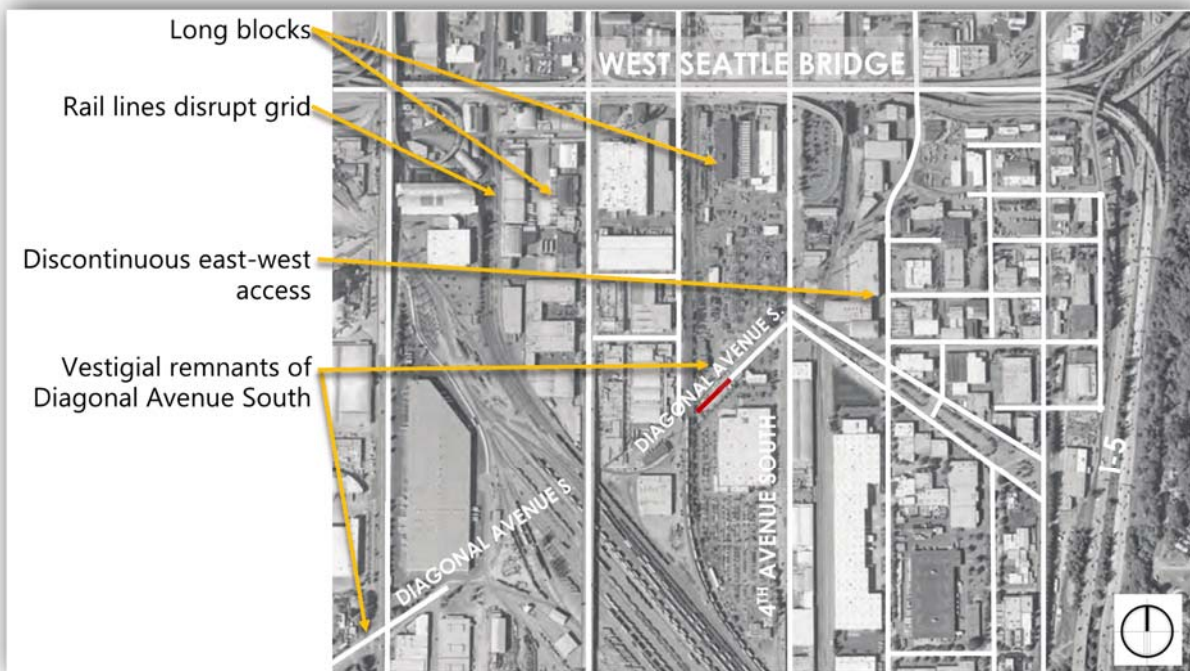


Figure 14. Circulation and block lengths around the vacation site.

#### **ACCESS**

The proposed vacation will result in the property being accessed by City Light vehicles using existing entrances located on 4th Avenue South. Access to any other property located in this vicinity will not

be impacted by this street vacation. No changes in existing traffic patterns, and no additional turning movement conflicts from vehicles entering the property from 4th Avenue South, are anticipated.

#### **UTILITIES**

The area proposed for vacation contains storm drainage and a sewer, as shown in Appendix A. Petitioners will provide a partial transfer of jurisdiction (similar to an easement) access to SPU to maintain their pipes as necessary.

#### **FREE SPEECH**

The subject property and the leased property surrounding it are restricted from public access by a gate and a fence for security purposes. The public does not have, and has not had in the past, access to use this property for free speech purposes. Other nearby properties may be available for such purposes.

In addition, as part of this street vacation and site acquisition, City Light is proposing to convey to the Seattle Parks and Recreation Department and the Seattle Department of Transportation another property that is more suitable to enable free speech. That property, approximately 46,000+ square feet in area and located on East Marginal Way in the Georgetown neighborhood, is well suited to accommodate future free speech opportunities for the public. That property, known as the flume property, is featured as a priority site in the Georgetown Open Space Vision Framework, sponsored by the Seattle Parks Foundation. The flume property is mapped and described in greater detail in Section V of this petition, "Public Benefits Analysis."

#### **PUBLIC ASSEMBLY**

For security purposes, the subject property and the leased property surrounding it are restricted from public access by a gate and a fence. This is not an area where public assembly is now permitted, nor has it been permitted in the past. Diagonal Avenue South is also not located adjacent to any public use. As part of this street vacation and site acquisition, the flume property in the Georgetown neighborhood is being proposed as a public benefit for the vacation of this portion of Diagonal Avenue South. The flume property is more suitable for public assembly. See Section V of this petition for greater detail of the flume property.

#### **OPEN SPACE**

The properties adjacent to the street proposed for vacation are used for purposes classified by the City as industrial. It is not an area that has been or would be classified as open space. The Diagonal Avenue South right-of-way does not contribute to open space. It is not used for play or recreation. It is also not an area of neighborhood focus or activity, and there are no impacts to privacy that would result from the proposed street vacation. This street is not identified or designated as open space in Seattle's Comprehensive Plan, its Land Use Code, or any other plan adopted by the City.

However, as part of this street vacation and site acquisition, City Light is proposing to convey another property that is more suitable for use as open space. There is broad public support for the acquisition of this East Marginal Way property (the flume property), and the GCC Open Space Committee has worked with City Light for years in the hopes of acquiring this property for open space amenities.

#### **LIGHT AND AIR**

The vacation of this street will have no impact on the light and air enjoyed by neighboring properties. This action will not result in any shadows being cast on any surrounding property. There

are no public spaces near this site that will be impacted in any way. Since the existing use of the property is not expected to change in any significant manner, no long-term impacts to light and air on this or nearby properties are anticipated.

## **VIEWS**

That portion of Diagonal Avenue South proposed for vacation is level land of low elevation. It is located in an industrial area surrounded by commercial and industrial properties and railroad tracks. The property enjoys no mountain, water, or urban views. There are no designated view corridors on or near this area. There are no designated scenic routes, landmarks, skylines, or other points of civic or cultural interest visible from this property. Future uses of the subject property do not include buildings or structures that would impact views that may now be enjoyed by other properties.

In summary, no views will be impacted by the vacation of this street section.

## **LAND USE AND URBAN FORM**

The portion of property proposed for vacation, and the land immediately abutting it, are designated in Seattle's Land Use Plan as part of a manufacturing/industrial center. The intended character of the area is and will remain manufacturing/industrial. This action will not disrupt any existing pattern of development, and will not create any inconsistencies in the development plan for the area.

The current and proposed uses of the subject property are fully consistent with the goals and policies set forth in the City's Land Use Plan. The use of the property will not change. The size, scale, and character of the existing development meet the needs of City Light as it pursues its mission to provide safe and cost-effective utilities for Seattle residents. That size, scale, and character are not expected to significantly change as a result of the street vacation.

As noted earlier, that portion of Diagonal Avenue South proposed for vacation has been closed and not available for public access for many years. Thus, since the vacation will not alter the current use or availability of the property, there are no transportation impacts anticipated by the proposed action. The Transportation Element of the Seattle Comprehensive Plan contains no concepts or prohibitions that would apply here.

The block that will be formed as a result of the proposed street vacation is fully consistent in size and character with other blocks in this manufacturing/industrial area. The property located nearest to the proposed street vacation that is not owned by City Light is a Costco big-box retail establishment. (Note: Costco does not abut the street to be vacated). While Costco shares a property boundary with City Light's property near the South Service Center, no changes in vehicular access to the Costco property would result from the proposed street vacation. There is currently a fence located on the property line separating the two properties.

The Urban Village and Neighborhood elements of the plan do not apply to this proposal. However, the conveyance of the flume property on East Marginal Way would be fully consistent with current and proposed plans for the Georgetown neighborhood.

## **OTHER CONSIDERATIONS**

As noted earlier, the subject portion of the Diagonal Ave. S. ROW is currently being used by City Light under a street use permit. Significant improvements to the property are currently being considered, including storm drainage improvements and a fence upgrade to improve security. These improvements will require a significant financial investment by City Light, an investment that City Light is reluctant to make without owning the property in question. The vacation of the designated



portion of Diagonal Avenue South in favor of City Light as the sole abutting property owner, provide a basis for improvements that will benefit City Light, as well as the surrounding properties.

In addition, the public benefit analysis should balance what the public loses through the vacation with what the public will gain from the project. As noted earlier, there is no perceptible loss to the public as a result of the proposed vacation because the section of Diagonal Avenue South proposed for vacation has been closed to the public and not available for public use for many years.

A significant issue for consideration is that of security. There have been several documented break-ins and thefts of tools and equipment from the subject property. The proposed street vacation and property acquisition will enable City Light to significantly increase security on this site by improving fencing and other security measures.

The property to be conveyed as a part of this proposal has great potential for being useful for public benefits. This potential will be discussed in greater detail in the next section.

## IV. PUBLIC BENEFIT ELEMENTS



### Overview

According to the City of Seattle Street Vacation Policies adopted in 2018, “A vacation shall include a commitment to provide public benefits.” This street vacation petition’s public benefit proposal envisions City Light providing and helping to develop for community use a 46,338 sq. ft. property. This property is over three times as large as the 13,300 sq. ft. of street ROW that City Light is seeking to vacate. Property exchange as a public benefit is allowed under Sections III J 4 and IV B 3 of the new Street Vacation Policies—the provision of real estate is an appropriate public benefit.

Figure 15. An aerial view of the Flume property.

The full public benefit package is outlined in Appendix E, but includes the following property transfer:

Property transferred to:	Size of property to be transferred in square feet	Value of the transferred property at the assessed value of \$40/ square foot	Use of the property
Seattle Parks and Recreation Dept. (SPR)	36,626	\$1,465,040	Off-Leash Area
Seattle Department of Transportation (SDOT)	9,712	\$388,480	Pedestrian / bicycle trail
Total	46,338	\$1,853,520*	--

\*Subtracting the value of the ROW gained by City Light from the street vacation (13,300 sq. ft., \$532,00), this is a net transfer from City Light to SPR/SDOT of 33,036 sq. ft. or \$1,321,440.

In addition, as further detailed in Appendix E, City Light's public benefit package also includes the following support to SPR and SDOT for the development of the property:

- Paying for the removal and disposal of the top 6" of soil on the property (est. \$45,000.)
- Paying for 50% of the cost of the purchase and placement of the clean gravel (est. \$150,000 for SCL's share.)



Figure 16. View of the flume property from South Myrtle Street.

#### Support from the community

The GCC Open Space Committee held a work party and design charrette at the flume property on Earth Day 2017 with funding from the Department of Neighborhoods. As a result of that design charrette, the following recommendations were put forward by local residents:

- Make this area a safe, walkable, rollable space
- Add native trees and plants
- Provide a historic connection/narrative
- Possibly add an off-leash dog park/run area

The flume property has historic connections to the Duwamish River and the Georgetown neighborhood. The flume was previously part of a drainage system from the historic steam plant to the Duwamish River. The wooden flume was moved a while back, while the property has been vacant for many years. It has been known to attract unwanted elements who leave trash on the property. This project would activate this unused property for public benefit of green space.

The GCC Open Space Committee has been in communication with City Light for years in hopes of acquiring this property to increase open-space amenities in the neighborhood. The property is located in a problem area of the neighborhood where it is possible that community activation could help to deter crime. The property could also be part of the Georgetown-South Park Trail that is currently being designed. Overall, the community expressed strong support for both the street vacation and the proposed public benefit of property transfer.



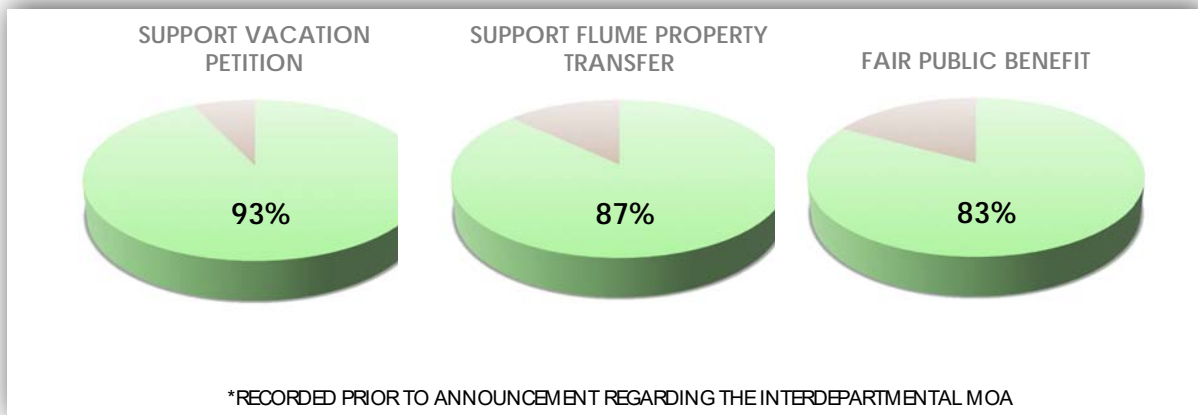


Figure 17. Community survey results (2019)

At the December 3, 2019, Seattle Design Commission Pre-design meeting, three community members testified in support of the flume property transfer. Patty Foley, of the GCC Open Space Committee, stated that Georgetown residents are looking for areas to walk and bike in an area that currently lacks open space, clean air, and trees. The flume site is one of the few open parcels in the area to create public space. With the activation of the flume property as an off-leash area, this space would create a sense of community ownership and improve site safety. Jesse Moore, also of the GCC Open Space Committee, stated that people have been using the site to walk through as an alternative to East Marginal Way. The site attracts nuisances, and community members have worked previously with City Light to clean it up. Mr. Moore then stated that both Seattle Parks and Recreation and SDOT have documented that the development of this site as a public dog park and public multiuse path is a community priority. Kate Kohler, a Georgetown resident, mentioned that feedback from the Open Space Committee's survey indicated that many people wanted either a dog park or multi-use trail. She also expressed their appreciation for City Light proactively reaching out to involve the community in the planning of the proposed public benefit.

### Appropriateness of this public benefit proposal

This proposal can be compared to the criteria and considerations for public benefits from the City's Street Vacation Policies.

### **Comparison of Proposal with Provisions in Section IV of the Street Vacation Policies "Analysis of Public Benefits of the Vacation"**

<b>Section of the Street Vacation Policies</b>	<b>Criteria / Consideration Cited in the Policies</b>	<b>How the Proposal Addresses the Criteria/ Considerations</b>
<b>IV.A. PUBLIC BENEFIT REQUIREMENT</b> [general]	"The public benefit proposal should also consider the comments, ideas, and concerns voiced by the public in the early community engagement process. "	The use of the Flume property for public open space has been championed by the community before and during the early community engagement process. See also Fig. 17.
	"A significant public benefit shall be provided by major projects. ... Minor projects are required to provide a more moderate public benefit."	City Light's proposed use of the vacated ROW at Diagonal Ave S is minor. <ul style="list-style-type: none"><li>• The vacated ROW measures 13,300 sq. ft., less than a third of the 46, 338 sq. ft. being provided as a public benefit.</li><li>• The level of the improvements City Light is planning to make at the Diagonal Ave S. is about \$1.5 M (see Section II). This is indicative of a minor project.</li><li>• City Light's net transfer of property (33,036 sq. ft., once the size of the vacated ROW is subtracted) is valued at \$1,321,440. Adding the estimated cash payments that will support the development of the property, the total value of the City Light public benefit is \$1,517,440. The value of the public benefit is equivalent to the cost of the project. This is unusually generous, relatively speaking.</li></ul>
<b>IV.A. PUBLIC BENEFIT REQUIREMENT</b> Several factors will be considered in identifying whether a public benefit package is sufficient, including the:	<ul style="list-style-type: none"><li>• "Traffic volumes on the street proposed to be vacated; "</li></ul>	The section of ROW to be vacated dead ends at the railroad, and so has zero through traffic.
	<ul style="list-style-type: none"><li>• "Size of project in square feet;"</li><li>• "Size of the area to be vacated in square feet;"</li></ul>	As stated above, the vacated area is less than a third of the public benefit area that is being proposed. The full project area which includes the vacated ROW plus the

		abutting parcels of existing City Light property is 36,000 sq. ft. This is still less than the 46,338 sq. ft. of public benefit property.
<b>IV.A. PUBLIC BENEFIT REQUIREMENT</b> The following factors are not public benefits, but may be considered when reviewing the public benefit package:	<ul style="list-style-type: none"> <li>• “Ideas resulting from the early community engagement process;”</li> <li>• “Neighborhood support or opposition; “</li> <li>• “Broad-based community support or opposition;”</li> </ul>	The use of the Flume property for public open space has been championed by the community before and during the early community engagement process. This support is also apparent in our survey results (see Appendix D and Fig. 17) and the community’s ongoing testimony at the Seattle Design Commission (see above.)
	<ul style="list-style-type: none"> <li>• “Proposals designed to improve race and social equity,”</li> </ul>	The proposal supports a public open space amenity benefiting Georgetown and South Park – both traditionally underserved communities.
	<ul style="list-style-type: none"> <li>• “The public nature of the project (library, governmental purposes, low-income housing);”</li> </ul>	The project at Diagonal serves the governmental purpose of City Light’s efficient operation.
<b>IV.B. PUBLIC BENEFITS IDENTIFIED [general]</b>	“Public benefit proposals may be informed by needs and ideas identified through community engagement. “	The use of the Flume property for public open space has been championed by the community before and during the early community engagement process. See also Fig. 17.
<b>IV.B. PUBLIC BENEFITS IDENTIFIED</b> <b>1. Physical public benefits...</b>	<ul style="list-style-type: none"> <li>• “Enhancing the pedestrian or bicycle environment; “</li> <li>• “Pedestrian trails ...”</li> <li>• “Bicycle paths...”</li> </ul>	The trail component of the project will serve both bicycles and pedestrians.
	<ul style="list-style-type: none"> <li>• “Creating or enhancing publicly-accessible plazas, open spaces, or other green spaces;”</li> </ul>	The project will provide an open space for the community.
	<ul style="list-style-type: none"> <li>• “Spaces that support City goals for race and social equity ...”</li> </ul>	The proposal supports a public open space amenity benefiting Georgetown and South Park – both traditionally underserved communities.
<b>IV.B. PUBLIC BENEFITS IDENTIFIED</b> <b>3. Real Property</b>	“The City may accept real property as a public benefit.”	The proposal is to provide real property to two City departments, in addition to other considerations.



## V. SUMMARY STATEMENT

The proposed street vacation shown in this petition will provide a number of specific benefits for the City's consideration:

- The acquisition of this property and the associated street vacation will enable City Light to utilize the South Service Center property with greater efficiency, thus providing long-range cost benefits to its customers.
- The addition of more secure fencing will provide greater safety to City Light, and to the community at large, and enable City Light to utilize the property with a higher degree of security.
- The improvements to stormwater drainage will provide benefits not only to City Light, but also to the Duwamish waterway and the general public.
- As compensation for the vacation of this portion of Diagonal Avenue South, City Light is proposing to transfer a parcel of land on East Marginal Way (the flume property) to the City's Parks and Recreation Department and Department of Transportation. The transfer of this property will provide a significant public benefit to the city. The proposed public benefit is more than proportional to the size and value of the ROW that is being vacated and is otherwise aligned with the City's adopted Street Vacation Policies.

## **APPENDIX A: SURVEY OF PROPOSED VACATION**

**APPENDIX B: SEATTLE DESIGN COMMISSION MINUTES**  
**Predesign Meeting Minutes (12/03/2019)**



## APPENDIX C: LETTER OF SUPPORT FROM GULL PROPERTIES



GULL INDUSTRIES, INC. • 3404 FOURTH AVENUE SOUTH • P.O. BOX 24687 • SEATTLE, WA 98124 • (206) 624-5900 • FAX (206) 624-5412

August 8, 2019

Christoph Strouse  
Communications Specialist  
CREA Affiliates, LLC  
3250 Airport Way South  
Seattle WA 98134

Dear Christoph,

I understand that Seattle City Light is looking to acquire the right of way at 4101 Diagonal Avenue South by transferring the ownership of this property from Seattle Department of Transportation (SDOT) to Seattle City Light.

I would like to confirm that I have been informed of this project and understand the potential impacts and benefits to the community. Having reviewed this project I, having the authority as Vice President of Gull Industries, Inc. would like to state that I have no concerns and find no issue with the petition.

Sincerely,

Peter True  
Vice President  
Gull Industries, Inc.

## **APPENDIX D: COMMUNITY ENGAGEMENT PLAN DETAILS**

**APPENDIX E: MEMO OF AGREEMENT**  
**BETWEEN CITY LIGHT, SEATTLE PARKS AND RECREATION, AND SEATTLE DEPARTMENT OF**  
**TRANSPORTATION DEPARTMENTS & FLUME CONCEPT**



## **APPENDIX F: ENLARGE FIGURES**

A PORTION OF THE NW1/4 OF THE SW1/4 OF SECTION 17, TOWNSHIP 24 NORTH, RANGE 4 EAST, W.M., KING COUNTY, WASHINGTON

DIAGONAL AVENUE SOUTH - VACATION  
LEGAL DESCRIPTION

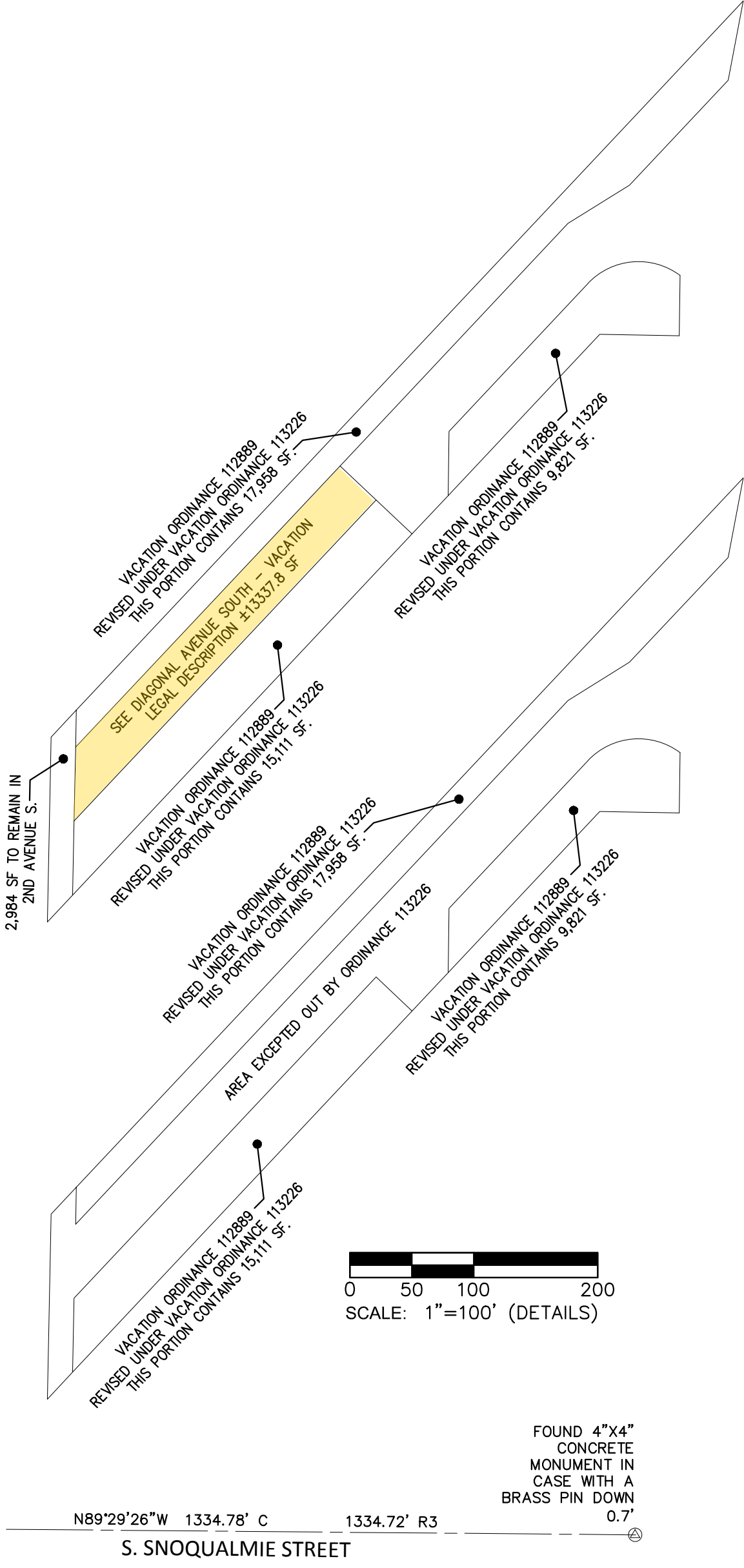
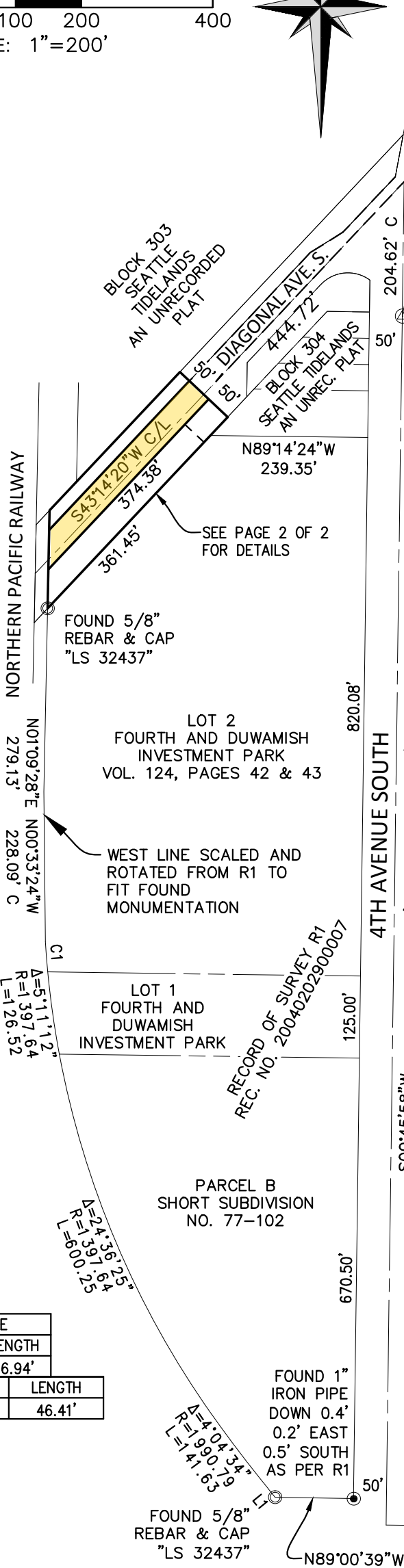
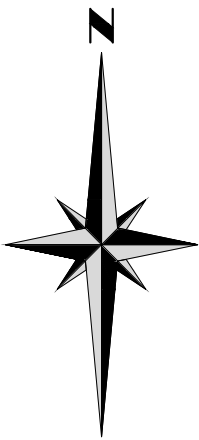
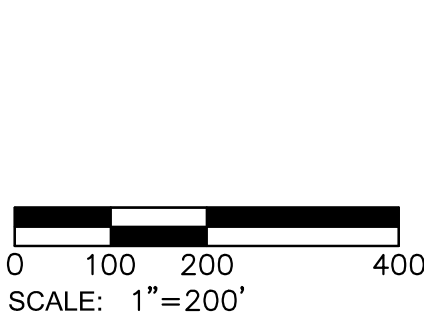
COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF THAT PORTION OF DIAGONAL AVENUE SOUTH VACATED UNDER BY CITY OF SEATTLE ORDINANCE NUMBER 112889, UNDER KING COUNTY RECORDING NUMBER 8607010965, AND AMENDED BY CITY OF SEATTLE ORDINANCE 113226, UNDER KING COUNTY RECORDING NUMBER 8701070967, SAID POINT OF COMMENCEMENT ALSO BEING THE ANGLE POINT AT THE INTERSECTION OF THE WESTERLY AND NORTHWESTERLY LINES OF LOT 2 OF THE PLAT OF FOURTH AND DUWAMISH INVESTMENT PARK, RECORDED UNDER KING COUNTY RECORDING NUMBER 8307280903;  
THENCE NORTH 01°09'28" EAST ALONG THE WEST LINE OF SAID VACATED DIAGONAL AVENUE SOUTH 59.69 FEET TO A POINT AT THE NORTHWESTERLY CORNER OF THE SOUTHEASTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH AND TRUE POINT OF BEGINNING;  
THENCE NORTH 43°14'20" EAST ALONG THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH 355.61 FEET TO A POINT THAT BEARS NORTH 46°45'40" WEST AND IS 40.00 FEET DISTANT FROM A POINT ON THE SOUTHEASTERLY MARGIN OF DIAGONAL AVENUE SOUTH AND 38.41 FEET NORTHEASTERLY OF THE SOUTHWEST CORNER OF LOT 4, BLOCK 304, OF THE UNRECORDED PLAT OF SEATTLE TIDE LANDS, SAID POINT ALSO BEING AN ANGLE POINT IN SAID VACATED DIAGONAL AVENUE SOUTH;  
THENCE NORTH 46°45'40" WEST 40.00 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH;  
THENCE SOUTH 43°14'20" WEST ALONG SAID SOUTHEASTERLY LINE 311.31 FEET TO THE SOUTHWESTERLY CORNER OF THE NORTHWESTERLY PORTION OF SAID VACATED DIAGONAL AVENUE SOUTH;  
THENCE SOUTH 01°09'28" WEST 59.69 FEET TO THE TRUE POINT OF BEGINNING.

VACATION CONTAINS 13,337.8 SQUARE FEET, MORE OR LESS.

LEGEND

- FOUND MONUMENT
- FOUND IRON PIPE
- FOUND REBAR & CAP
- FOUND NAIL & WASHER "APS LS# 41024"
- FOUND TACK IN LEAD PLUG WITH WASHER "APS LS# 41024"
- FOUND 5/8" REBAR WITH YELLOW PLASTIC CAP "APS LS# 41024"
- C CALCULATED DISTANCE
- R# DISTANCE FROM REFERENCE

LINE & CURVE TABLE			
LINE	BEARING	LENGTH	
L1	N39°16'51"W	16.94'	
CURVE	RADIUS	DELTA	LENGTH
C1	1397.64'	1°54'09"	46.41'



GENERAL NOTES

1. THE SOLE PURPOSE OF THIS SURVEY TO MARK ON THE GROUND AND DOCUMENT THE LOCATION OF A VACATION AREA OF DIAGONAL AVENUE , AS ILLUSTRATED HEREON.
2. OUR CLIENT, SEATTLE CITY LIGHT, HAS NOT FURNISHED APS SURVEY & MAPPING WITH A TITLE REPORT OF THE BOUNDARIES. A COMBINATION OF RECORD OF SURVEYS AND PLATS WERE USED IN CONCERT WITH FOUND MONUMENTATION TO DETERMINE THE BOUNDARIES SHOWN HEREON. ACTUAL OWNERSHIP STATUS MAY VARY.
3. THIS SURVEY WAS BASED ON A RTK VRS SURVEY (USING A TOPCON HYPER UNIT) IN COMBINATION WITH A CONVENTIONAL SURVEY (USING A TOPCON DR-203 TOTAL STATION - A THREE SECOND INSTRUMENT). THIS NETWORK MEETS OR EXCEEDS THE ACCURACY STANDARDS SET BY WAC 332-130-090.
4. ALL MONUMENTS WERE OCCUPIED OR OBSERVED DURING THE MONTH OF AUGUST, 2019.
5. ALL MEASURING INSTRUMENTS AND EQUIPMENT USED FOR THIS SURVEY WERE MAINTAINED IN ADJUSTMENT ACCORDING TO MANUFACTURER'S SPECIFICATIONS.
6. THIS SURVEY DOES NOT CONSTITUTE A SUBDIVISION OF LAND.
7. BEARINGS ARE BASED ON OBSERVATIONS USING THE WASHINGTON STATE REFERENCE NETWORK, THE WASHINGTON STATE PLANE COORDINATE SYSTEM, NORTH ZONE, EXPRESSED IN US SURVEY FEET GROUND DISTANCES.

SPECIAL SURVEY NOTE

THIS SURVEY WAS PREPARED FOR THE EXCLUSIVE USE OF SEATTLE CITY LIGHT, AND DOES NOT EXTEND TO ANY UNNAMED PARTY WITHOUT EXPRESS RECERTIFICATION BY APS SURVEY & MAPPING, AND/OR THE PROFESSIONAL LAND SURVEYOR NAMED HEREON, NAMING SAID PARTY.

REFERENCES

- R1 RECORD OF SURVEY  
RECORDING NUMBER 20040202900007
- R2 RECORD OF SURVEY  
RECORDING NUMBER 20081104900015
- R3 RECORD OF SURVEY  
RECORDING NUMBER 8508159026
- R4 PLAT OF FOURTH AND DUWAMISH  
INVESTMENT PARK  
VOLUME 124, PAGES 42 & 43  
RECORDING NUMBER 8307280903
- R5 SEATTLE PUBLIC UTILITIES MAP OF THE  
SW 1/4 SECTION 17, T24N, R4E, W.M.  
TILE 123 - PLOT DATE: 6/8/2012
- R6 CITY OF SEATTLE ORDINANCE 112889  
RECORDING NUMBER 8607010965  
REVISED UNDER ORDINANCE 113226  
RECORDING NUMBER 8701070967

RECORDER'S CERTIFICATE

FILED FOR RECORD, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,  
2019, AT \_\_\_\_\_ M., IN BOOK \_\_\_\_\_ OF SURVEYS AT PAGE \_\_\_\_\_  
AT THE REQUEST OF APS SURVEY & MAPPING.

MANAGER

SUPERINTENDENT



SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF SEATTLE CITY LIGHT, IN SEPTEMBER 2019.

TYLER J. SWEET, PLS

DATE

STATE OF WASHINGTON CERTIFICATE NO. \_\_\_\_\_

RECORD OF SURVEY - BOUNDARY  
KING COUNTY PARCEL NO # 700670-0570  
DIAGONAL AVENUE SOUTH - VACATION  
FOR  
SEATTLE CITY LIGHT

FIELD BY: JMC/JSG

DRAWN BY: MAGG

CHECKED BY: TJS

APPROVED BY: TJS

DATE SEPT. 2019

APSSM JOB NO.: 1261045

ACAD NAME: 1261045ROS.DWG



Exceptional Service Has No Boundaries  
13221 S.E. 26TH STREET, SUITE A, BELLEVUE, WA 98005  
TEL: (425) 746-3200 FAX: (425) 746-3342 WWW.APSSM.COM

SHEET

1  
OF  
2





THAT PORTION OF DIAGONAL AVENUE SOUTH AND OF SOUTH  
DAKOTA STREET DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE MARGIN OF 4TH AVENUE SOUTH AND THE SOUTH MARGIN OF SOUTH DAKOTA STREET (AKA THE NORTHEAST CORNER OF BLOCK 304, SEATTLE TIDE LANDS); THENCE WEST ALONG THE SAID SOUTH MARGIN TO THE SOUTHEASTERLY MARGIN OF DIAGONAL AVENUE SOUTH; THENCE SOUTHWESTERLY ALONG THE LAST DESCRIBED MARGIN TO THE INTERSECTION THE A LINE DRAWN 20 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF VACATED 2ND AVENUE SOUTH AS ESTABLISHED BY ORDINANCE 74181; THENCE NORTH ALONG SAID PARALLEL LINE TO THE INTERSECTION WITH A LINE DRAWN 40 FEET NORTHWESTERLY OF AND PARALLEL WITH THE SOUTHEASTERLY MARGIN OF DIAGONAL AVENUE SOUTH; THENCE NORTHEASTERLY ALONG THE LAST DESCRIBED PARALLEL LINE TO THE INTERSECTION WITH A LINE CONSTRUCTED 30 FEET NORTH OF AND PARALLEL WITH THE SOUTH MARGIN OF SOUTH DAKOTA STREET; THENCE CONTINUING NORTHEASTERLY A DISTANCE OF 14.41 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY AND EASTERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 56 FEET TO THE INTERSECTION WITH THE PRODUCTION NORTH OF THE WEST MARGIN OF 4TH AVENUE SOUTH; THENCE SOUTH ALONG SAID PRODUCED LINE TO THE POINT OF BEGINNING;

EXCEPT

THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY MARGIN OF DIAGONAL AVENUE SOUTH, DISTANT, 38.41 FEET NORTHEASTERLY OF THE SOUTHWEST CORNER OF LOT 4, BLOCK 304, SEATTLE TIDE LANDS;  
THENCE NORTHWESTERLY AT RIGHT ANGLES TO SAID SOUTHEASTERLY MARGIN TO A LINE 40 FEET NORTHWESTERLY OF AND PARALLEL WITH SAID SOUTHEASTERLY MARGIN;  
THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE TO INTERSECT WITH THE PRODUCTION WEST OF THE NORTH LINE OF LOT 3, SAID BLOCK 304;  
THENCE SOUTH ON A LINE PARALLEL WITH THE EAST LINE OF SAID LOT 3 (ALSO BEING THE WEST MARGIN OF 4TH AVENUE SOUTH) TO SAID SOUTHEASTERLY MARGIN OF DIAGONAL AVENUE SOUTH;  
THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY MARGIN TO THE POINT OF BEGINNING;

AND

PORTION OF DIAGONAL AVENUE SOUTH AND OF THE SOUTH DAKOTA STREET DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY MARGIN OF 4TH AVENUE SOUTH AND NORTHWESTERLY MARGIN OF DIAGONAL AVENUE NORTH;  
THENCE SOUTHERLY ALONG THE PRODUCTION OF SAID WESTERLY MARGIN TO THE INTERSECTION WITH A LINE CONSTRUCTED 35 FEET SOUTH EASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY MARGIN OF DIAGONAL AVENUE SOUTH;  
THENCE SOUTHWESTERLY ALONG SAID PARALLEL LINE A DISTANCE OF 116.10 FEET;  
THENCE S56°56'21"W A DISTANCE OF 58.52 FEET TO THE INTERSECTION OF A LINE CONSTRUCTED 20 FEET SOUTHEASTERLY OF AND PARALLEL WITH SAID NORTHWESTERLY MARGIN;  
THENCE SOUTHWESTERLY ALONG THE LAST DESCRIBE PARALLEL LINE TO THE INTERSECTION WITH A LINE CONSTRUCTED 20 FEET EAST OF AND PARALLEL WITH THE EAST MARGIN OF 2ND AVENUE SOUTH AS ESTABLISHED BY ORDINANCE 78481;  
THENCE NORTH ALONG THE LAST DESCRIBED PARALLEL LINE TO SAID NORTHWESTERLY MARGIN OF DIAGONAL AVENUE SOUTH;  
THENCE NORTHEASTERLY ALONG SAID MARGIN TO THE POINT OF BEGINNING.

## LEGEND

- |    |   |
|----|---|
| △  | FOUND MONUMENT  |
| ●  | FOUND IRON PIPE   |
| ○  | FOUND REBAR & CAP   |
| ⊗  | FOUND NAIL & WASHER "APS LS# 41024"                         |
| ⊕  | FOUND TACK IN LEAD PLUG WITH WASHER<br>"APS LS# 41024"      |
| ⊙  | FOUND 5/8" REBAR WITH YELLOW PLASTIC CAP<br>"APS LS# 41024" |
| C  | CALCULATED DISTANCE   |
| R# | DISTANCE FROM REFERENCE                                     |

### RECORDER'S CERTIFICATE

FILED FOR RECORD, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_  
2019, AT \_\_\_\_\_ M., IN BOOK \_\_\_\_\_ OF SURVEYS AT PAGE \_\_\_\_\_  
AT THE REQUEST OF APS SURVEY & MAPPING.

MANAGER

SUPERINTENDENT



### SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY  
ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE  
REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE  
REQUEST OF SEATTLE CITY LIGHT. IN SEPTEMBER 2019.

TYLER J. SWEET, PLS

DATE \_\_\_\_\_

STATE OF WASHINGTON CERTIFICATE NO. \_\_\_\_\_

## RECORD OF SURVEY - BOUNDARY

KING COUNTY PARCEL NO # 700670-0570

## DIAGONAL AVENUE SOUTH - VACATION

FOR  
SEATTLE CITY LIGHT

FIELD BY: JMC/JSG

DATE SEPT. 2019

DRAWN BY: MAGG

APSSM JOB NO.: 1261045
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CHECKED BY: TJS
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1261045	ACAD NAME: 1261045ROS.DWG
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E: 1261045ROS.DWG



13221 S.E. 26TH STREET, SUITE A, BELLEVUE, WA 98005  
TEL: (425) 746-3200 FAX: (425) 746-3342 WWW.APSSM.COM

SHEET

2

OF

2







# Diagonal Ave S Street Vacation

**Jenny A. Durkan**  
Mayor

**Samuel Assefa**  
Director, OPCD

**Ben de Rubertis**, Chair

**Brianna Holan**, Vice Chair

**Justin Clark**

**Laura Haddad**

**Mark Johnson**

**Rick Krochalis**

**Amalia Leighton**

**Vinita Sidhu**

**Elaine Wine**

**Michael Jenkins**  
Director

**Valerie Kinast**  
Strategic Advisor

**Aaron Hursey**  
Planner

**Juliet Acevedo**  
Administrative Staff

**Office of Planning and  
Community Development  
Seattle City Hall**  
600 4th Avenue, 5th Floor  
Seattle, WA 98124

**TEL** 206-684-0435  
**FAX** 206-233-2784  
seattle.gov/designcommission

## Commissioners Present

Brianna Holan, Vice Chair  
Justin Clark  
Laura Haddad  
Mark Johnson  
Amalia Leighton  
Vinita Sidhu  
Elaine Wine

## Commissioners Excused

Ben de Rubertis, Chair  
Rick Krochalis

## Project Description

Seattle City Light (SCL) is petitioning to vacate a segment of Diagonal Ave S between 4th Ave S and the BNSF railroad tracks in the SODO neighborhood. This segment is adjacent to SCL's South Service center and is currently used for storage under a previously approved street use permit. The project team is proposing to use the vacated ROW to make improvements to the existing South Service Center. The public benefit proposal includes providing additional open space within the Georgetown neighborhood that will integrate with the Georgetown to South Park Trail.

## Meeting Summary

This was the Seattle Design Commission's (SDC) first review of the SCL – Diagonal Ave S Street Vacation project. The purpose of this meeting was to review the vacation pre-petition and CIP pre-concept design (15% design) phase for the project. After the presentation and discussion, the SDC voted, 8-0, to approve the CIP 15% design. The SDC is not required to take an action on the vacation pre-petition review but did provide recommendations to be addressed prior to the Commission's formal review of the vacation petition.

## Recusals and Disclosures

None

**October 3, 2019**

1:00-2:30 pm

**Type**

Street Vacation &amp; CIP

**Phase**

Vacation pre-petition &amp; CIP 15% design

**Previous Reviews**

None

**Presenters**Anindita Mitra  
CREA Affiliates LLC**Attendees**

Beverly Barnett  
SDOT

Timothy Croll  
SCL

Patty Foley  
Georgetown Open Space Committee

Amy Gray  
SDOT

David Goldberg  
OPCD

Kate Kohler  
Georgetown Resident

Danyal Lofti  
SPR

Ruth Meraz-Caron  
Resident

Jesse Moore  
Georgetown Open Space Committee

Chip Nevins  
SPR

Hallie O'Brien  
SDOT

Lish Whitson  
Seattle Central Staff



Figure 1: Project location (left) and proposed public benefit location (right)

**Summary of Presentation**

Anindita Mitra presented the CIP pre-concept design and vacation pre-petition for the SCL – Diagonal Ave S street vacation project. The presentation began with a brief overview of the project area and background information (*see figure 1*). SCL currently has a permit to use the ROW for the storage of equipment. The area is fenced off from the public as well as the larger SCL facility. The CIP proposal would integrate the area into the existing SCL operating area, provide weather protection for stored materials and equipment while improving stormwater runoff quality into the Duwamish River. The CIP proposal would construct an underground stormwater treatment area, remove internal fencing between the area and the existing SCL facility, and construct new security fencing around the site. The proposed covered area would be constructed out of post and canvas material. Existing underground utilities will prevent SCL from constructing a larger facility.

The proposed public benefit package for the vacation alternative includes transferring SCL's Flume property in Georgetown to Seattle Parks and Recreation (SPR) to be developed as an off-leash area (*see figure 1*). A portion of the donated site would also be integrated into the Georgetown to South Park multiuse trail.

The no vacation alternative presented would include continuing to operate and use the area as it currently does today.

**Agency Comments**

**Beverly Barnett**, SDOT, Reminded the SDC that SDOT is reviewing the project as a CIP project as the vacation petition has not been received. Beverly mentioned that SCL currently has a permit to use space, but that they are starting to see a compelling argument for the necessity of vacating this portion of the street. Beverly then reminded the SDC that they are also beginning to review the proposed public benefit and that they are still understanding City agency and community commitments for the public park proposal.

**David Goldberg**, OPCD, thanked different parties who spent time in figuring out their priorities. David mentioned that SCL approached other city agencies early in the process to develop the project and to partner with the community to create a public benefit. Partnering with SPR is a great way to show how collaboration on public projects should be done.



**Danyal Lofti**, SPR, mentioned that the previous plans have also documented the community's desire to have an off leash area in Georgetown. They stated that the proposed open space will benefit the community and that cost sharing between different departments will help make this project a reality.

**Chip Nevins**, SPR, stated that SPR is working with SCL on this project. Chip mentioned that the community wants more open space, off-leash areas, and bike connection in this area and that this is an opportunity to start providing those benefits. Chip then stated that SCL will convey they Flume property to SPR, will reserve space for SDOT to develop a trail and then develop an off leash area as quickly as possible. SCL will also provide some funds to help develop the site. Chip then mentioned that SPR is supportive of this project and that it is a creative way to provide open space in an area that desires it.

**Hallie O'Brien**, SDOT, stated that SDOT doesn't have construction funding yet for the trail but that they do have funding for the design. Hallie then mentioned that SDOT has conducted outreach this summer and have spoken with community who is supportive of the project.

### Public Comments

**Patty Foley**, Georgetown open space committee, stated that Georgetown residents are looking for improvements to tree canopy and areas to walk and bike in an area that currently lacks open space, clean air, and trees. Patty then mentioned that they could activate this space and create a sense of ownership and safety while adding an off-leash area, which many neighbors are in favor of having. Patty also stated that the FLUM site is one of the few open parcels in the area to create public space. They then thank SCL and other departments for their proposal to include accessible open space.

**Kate Kholer**, Georgetown resident, stated that people do want a dog park in Georgetown. Kate then mentioned that feedback from additional community outreach indicated that many people wanted either a dog park or multi use trail. Kate then expressed their appreciation for SCL proactively reaching out to involve community in the planning of the proposed public benefit.

**Jesse Moore**, Georgetown open space committee, stated that they are interested in SCL making lasting investments and then voiced their support for the vacation request. Jesse then mentioned that people have been using the site to walk through as an alternative to traveling along E Marginal Way and that community members have worked with SCL to clean up the project site. Jesse then stated that both SPR and SDOT have documented the development of this site as a community priority and that this vacation proposal is an opportunity to create a public park and public multiuse path.

### Summary of Discussion

The Commission organized its discussion on the CIP pre-concept design around the following issues:

- Site use
- Access

#### *Site use*

The SDC recognized that SCL currently uses the ROW and agreed the site use is reasonable given the lack of connectivity of the ROW to the street grid as well as the location of SPU infrastructure beneath the ROW.

#### *Access*

The SDC understood that the current configuration of the ROW isn't accessible to the public. As the project continues to develop, commissioners recommended the project team clarify what is required by code for improving the project site, specifically the commission asked if the project would require any pedestrian improvements. The SDC then recommended the project team review the quality and materiality of the fencing as the project continues to evolve.

The Commission organized its discussion on the vacation pre-petition around the following issues:

- Necessity of vacation
- Public trust considerations
- Public benefit considerations

*Necessity of the vacation*

The Commission understood the rationale for the vacation. Commissioners acknowledged the current agreement between SPU and SDOT and agreed that if SPU wants to invest in the site then they need to maintain ownership.

*Public trust considerations*

The SDC agreed that the current proposal accommodates access to SPU's infrastructure located below grade. The SDC encouraged that partner agencies such as SPU attend the next meeting to show that communications have occurred between the departments.

*Public benefit consideration*

The SDC commended the project team for providing open space in an area that does not currently include a significant amount of open space. The commission is concerned with the proposed implementation of the public benefit proposal. Specifically, commissioners are concerned with the use of all of the available funding to gravel the entire area of the Flume site, knowing that portions of the site will need to renovate for future use. The Commission strongly recommended the project team provide a design proposal for the site to create a balance between green space, off-leash area, and trail. Commissioners agreed that a design proposal would provide a realistic cost estimate for the overall project as well as a long term vision for the neighborhood to advocate for additional funding. The SDC then recommended the project team understand how partnerships between SDOT, SCL, and SPR can be used to strategically fund and maximize benefits for the Flume site.

**Action**

The Commission thanked the project team for their presentation on the CIP pre-concept design and vacation petition for the SCL Diagonal Ave Street Vacation. The SDC voted, 8-0, to approve CIP pre-concept design with the following recommendations:

1. Review the quality and materiality of the fencing as the project continues to evolve
2. Clarify what is required by code for street improvements abutting the project site, specifically provide information on any required pedestrian improvements

The SDC is not required to take an action on the vacation pre-petition review. At this meeting the Commission provided several recommendations to be addressed during future reviews of the public trust analysis and public benefit proposal. At this time the SDC sees justification for supporting vacation of the ROW in order to accomplish the program goals and is in support of transferring the Flume property in Georgetown for the purpose of creating public open space. The SDC recognizes that the vacation will better meet the security needs of SPU while rectifying a previous agreement made between SPU and SDOT. The Commission provided the following recommendations for the Public Trust and Public Benefit aspects of the vacation proposal:

1. Provide a site design for the long term, full development of the Flume property as a public park. Provide a construction budget estimate for full build out of a fully developed public park.
2. Understand how the partnership between SDOT, SCL, SPR can be used to strategically fund and maximize benefits for the Flume site.

## APPENDIX C: LETTER OF SUPPORT FROM GULL PROPERTIES



GULL INDUSTRIES, INC. • 3404 FOURTH AVENUE SOUTH • P.O. BOX 24687 • SEATTLE, WA 98124 • (206) 624-5900 • FAX (206) 624-5412

August 8, 2019

Christoph Strouse  
Communications Specialist  
CREA Affiliates, LLC  
3250 Airport Way South  
Seattle WA 98134

Dear Christoph,

I understand that Seattle City Light is looking to acquire the right of way at 4101 Diagonal Avenue South by transferring the ownership of this property from Seattle Department of Transportation (SDOT) to Seattle City Light.

I would like to confirm that I have been informed of this project and understand the potential impacts and benefits to the community. Having reviewed this project I, having the authority as Vice President of Gull Industries, Inc. would like to state that I have no concerns and find no issue with the petition.

Sincerely,



Peter True  
Vice President  
Gull Industries, Inc.





## Outreach Summary

### Seattle City Light Street Vacation Petition for Diagonal Avenue South

September 3<sup>rd</sup>, 2019

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- Outreach Summary: Overview
- Digital Outreach: Summary
- Printed Outreach: Summary
- In-Person Meetings: Summary

## APPENDICES

### A. PUBLIC OUTREACH OVERVIEW

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- A. City Light Public Outreach & Engagement Strategy (5/15/19)
- B. Outreach & Communications Log (3/1/19 to 8/12/19)

### B. DIGITAL OUTREACH RECORD

---

#### HIGH IMPACT METHODS

- D.H.A. Online Survey – Diagonal Avenue S. Street Vacation
  - D.H.A.1. Survey Data
  - D.H.A.2. Survey Printed
  - D.H.A.3. Surveys In-person 06-12-19 (Georgetown Public Meeting)
- D.H.B. Project hotline (Public Notice with hotline number)
- D.H.C.1. Website - SCL Street Vacation Spanish
- D.H.C.2. Website - SCL Street Vacation Vietnamese
- D.H.C.3. Website - SCL Street Vacation Chinese
- D.H.C.4. Website - SCL Street Vacation English

#### MULTIPRONGED METHODS

- D.M.A.1. Facebook Georgetown Public Meeting
- D.M.A.2. Facebook SODO Public Meeting
- D.M.A.3. Facebook Posts
- D.M.A.4. Facebook & Nextdoor Poll – GCC 6-10-19
- D.M.B. DON Design Review Blog
- D.M.D. Email notice of public meetings

### C. PRINTED OUTREACH MATERIAL

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#### HIGH IMPACT METHODS

- P.H.A.1. Street Vacation FAQ
- P.H.A.2. Public Meeting Notice
- P.H.B.1. Public Meeting Poster
- P.H.B.2. Poster Locations -SODO
- P.H.B.3. Poster Locations -Georgetown
- P.H.D.1. Mailing Boundary Map
- P.H.D.2. Letter – Costco update 0426
- P.H.D.3. Letter - King County Airport 0426
- P.H.D.4. Letter - Marine Stewardship 0426
- P.H.D.5. Letter - Pacific Asian 0426
- P.H.D.6. Letter - SODO Business Association 0426

- P.H.D.7. Letter – Gull Oil Properties
- P.H.D.8. Letter of Support COSTCO0806
- P.H.D.9. Letter of Support Gull Oil

#### MULTIPRONGED METHODS

- P.M.A. Georgetown Gazette Ad Copy

### D. IN-PERSON OUTREACH SUMMARY

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#### HIGH IMPACT METHODS

- I.H.A. Door-to-Door Outreach Limits Map
- I.H.A.1. Public Meeting Notes - SODO 6/10/19
- I.H.A.2. Public Meeting – SODO - Sign-In Sheet 6/10/19
- I.H.A.3. Public Meetings 0610 and 0612 Attendance
- I.H.A.4. Public Meeting - SODO PowerPoint presentation 0610
- I.H.B.1. Public Meeting Notes - Georgetown 6/12/19
- I.H.B.2. Public Meeting Georgetown Sign-In Sheet 6/12/19
- I.H.B.3. Public Meetings 0610 and 0612 Attendance
- I.H.B.4. Public Meeting PowerPoint presentation 0612

#### MULTIPRONGED METHODS

- I.M.A.1. In-Person Outreach & Engagement Map SODO (See also B. Outreach & Communications Log)
- I.M.A.2. In-Person Outreach & Engagement Map Georgetown (See also B. Outreach & Communications Log)
- I.M.B.1. Meeting Summary - GCC Open Space Committee - 5/14/19
- I.M.B.2. Meeting Summary - Equinox 5/20/19
- I.M.B.3. Meeting Summary - Georgetown Open Space Committee 7/22/19
- I.M.B.4. Meeting Summary - GREAT 5/20/19
- I.M.B.5. Meeting Summary - SODO BIA 5/14/19
- I.M.C.1. Presentation Summary – Georgetown CC 5/20/19
- I.M.C.2. Presentation Summary - GMA 5/14/19



# Public Outreach Summary

## OVERVIEW

CREÄ Affiliates implemented a multi-pronged and high-impact strategy for public outreach and engagement. This outreach was conducted by CREÄ Affiliates, contracted to assist City Light with this project, in partnership with Seattle City Light Communications staff. The strategy corresponds to the City Light Public Outreach & Engagement Strategy, approved by the Department of Neighborhoods on 5/15/19. This strategy entailed the following tasks.

- Digital outreach
  - Emails
  - Website
  - Survey
  - Social media
- Printed outreach
  - Direct mailers
  - Posters
- In-person public engagement
  - Delivery of door-to-door notices
  - Public meetings and presentations in SODO and Georgetown
  - Stakeholder interviews

The outreach methods varied in their reach into the community. Feedback during the door-to-door outreach suggests that the direct mailings to area businesses and property owners as well as emails from local organizations had the greatest reach. Overall the community expressed strong support for the street vacation and the proposed public benefit. The survey alone indicates that

- 93%+ of survey respondents did not have any concerns about the vacation of the southern portion of Diagonal Ave S.
- 87% of survey respondents did not have any concerns about the transfer of the Flume property to Seattle Parks and Recreation for an Off-Leash Area (OLA) and possible trail.
- 83% of survey respondents found the transfer of the Flume property to Seattle Parks and Recreation to be a fair public benefit for the vacation of Diagonal Ave S.

With regard to the transfer of the Flume property, SODO representatives expressed their interest in some public benefits of the Diagonal Avenue South street vacation coming to the SODO community. In Georgetown, a couple of property owners near the Flume property expressed concern about locating an (OLA) for dogs at the Flume property, due to the crime that it has attracted in the past. Others expressed their interest in the site hosting other activities as well, including a trail. Concerns about delays in activating the OLA was addressed during a presentation to the Georgetown Community Council (GCC) Open Space Committee. This presentation by City Light Staff summarized a memo of understanding under development between City Light and Parks and Recreation. This MOU details expenses being taken on by both departments to clean the property and have it fenced. In addition to other funds presently available, specific funds have been dedicated for this purpose.

## DIGITAL OUTREACH

### HIGH IMPACT METHODS

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#### A. SURVEY

The online survey has been the most effective electronic method for gathering community feedback and suggestions about the project. 81 people took the survey through the link provided in the Public Notice. The survey was closed on July 31, 2019. The feedback was generally positive with no major concerns about transferring ownership of Diagonal Avenue South to Seattle City Light. There were a few comments that questioned whether Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation was an adequate public benefit, and whether this should be supplemented with additional City Light funds for improving the site. Several comments recommended securing funding for the Parks project before the transfer happens.

Moreover, SODO community member comments in the survey sought benefits for the SODO community. These ranged from suggestions for more green spaces and parklets, to trails for local business employees to use. Specifically, one recommendation was for investing in upgrades to the Industrial Way Corridor—from Airport Way South to 4th Avenue South—specifically to install a walking and/or dog trail for the SODO community. The recommended trail is in the SDOT right-of-way.

There were comments that since more green space is needed in Georgetown, creating an Off-Leash Area (OLA) was desirable. Other ideas included a pocket park and supporting the walking/biking connector trail between South Park, Georgetown and SODO. A few community comments about the Flume property in Georgetown questioned whether a dog park and/or park was a good choice for this location given its proximity to the Aero Motel; the industrial traffic on Marginal Way; prior incidents with homelessness, drug use, and prostitution in and around the site; and potential soil contamination. For these reasons and more, several community members were concerned about the ability of Seattle Parks and Recreation to make this a safe and useful community asset.

Please refer to:

- Appendix D.H.A. Online Survey - Diagonal Avenue South Street Vacation;
- Appendix D.H.A.1. Survey Data ;
- Appendix D.H.A.2. Survey Printed
- Appendix D.H.A.3. Survey In-person 06-12-19 (Georgetown Public Meeting)

#### B. PROJECT HOTLINE

CREA secured a unique dedicated phone number for this project. Parks contact for the OLA was the project representative from that department. His regular Parks phone number was listed for the project. Only one call was received by the CREA Representative. And none by Parks Staff through the hotline numbers.

Please refer to:

- Appendix D.H.B. Project hotline (Public Notice with hotline number)

#### C. WEBSITE

A project-specific website was developed for the Diagonal Avenue Street Vacation project. This website has project details and had links to the online survey. The project website serves as the central resource for community members to learn about the project, previously fill out the survey, and sign up for project updates. It also has a project hotline. The pages are available in English, Spanish, Chinese, and Vietnamese as requested by DON staff. <http://www.diagonalavenue.com/>. Community members were directed to the project website through other outreach channels like emails, flyers, posters, and social media.

Please refer to:

- Appendix D.H.C.1. Website - Seattle City Light Diagonal Avenue South Project in Spanish
- Appendix D.H.C.2. Website - Seattle City Light Diagonal Avenue South Project in Vietnamese,
- Appendix D.H.C.3. Website - Seattle City Light Diagonal Avenue South Project in Chinese
- Appendix D.H.C.4. Website - Seattle City Light Diagonal Avenue South Project in English

## **MULTIPRONGED METHODS**

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### **A. FACEBOOK**

City Light created Facebook events for the SODO and Georgetown public meetings, which CREÄ promoted to local area businesses and community groups. Publicity through this method was limited to those individuals and businesses who are already “friends” or subscribed to City Light’s feed on Facebook. CREÄ staff’s posts directly on the timeline of businesses and community groups’ Facebook pages needed the approval of the site administrator for these Facebook pages before they became publicly visible.

Additionally, the Georgetown Community Council hosted a Facebook and Nextdoor poll that showed strong community support for the Diagonal Ave S street vacation and transfer of the Flume property for use as an off-leash dog area and a walking & biking trail.

Please refer to:

- Appendix D.M.A.1. Facebook- Georgetown Public Meeting
- Appendix D.M.A.2. Facebook - SODO Public Meeting
- Appendix D.M.A.3. Other Facebook pages contacted
- Appendix D.M.A.4. Facebook & Nextdoor Poll – GCC 6-10-19

### **B. DIGITAL NOTICES**

Details of this project was posted on the Seattle Department of Neighborhood (DON) Design Review Blog, and was included as meeting events on DON calendar.

Please refer to:

- Appendix D.M.B. DON Design Review Blog

### **C. EMAILS**

The public meeting notice was sent via email to a list of community members in both SODO and Georgetown. Email was one of the most effective methods for outreach, particularly in SODO since the businesses located there can be difficult to reach through other methods. When CREÄ staff went door to door, a number of business owners and employees said that they had already received an email notice about the public meeting. Email had a very high impact relative to the amount of time and energy required to implement, though it did not account for many responses. The emails went out to a diverse group of residents and business owners. These emails were sent out directly by CREÄ, or through an intermediary organization such as the Georgetown Community Council, the Georgetown Merchants Association and the SODO Business Improvement Association.

Please refer to:

- Appendix B. Outreach & Communications Log
- Appendix D.M.D. Email notice of public meetings



# PRINTED OUTREACH

## HIGH IMPACT METHODS

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### A. DOOR TO DOOR DROP-OFF

Door-to-door outreach for each neighborhood of SODO and Georgetown took place on May 24 and May 31 for SODO and June 3 for Georgetown. The outreach area for SODO was established by a map provided by Seattle City Light. For Georgetown, the radius represents a roughly one-quarter-mile (approximately 500-foot) radius of the Flume Property site in Georgetown. A public meeting notice and FAQ were developed and dropped off during this activity.

Please refer to:

- Appendix P.H.A.1. Street Vacation FAQ
- Appendix P.H.A.2. Public Meeting Notice

### B. POSTERS

CREA Staff posted 10 laminated posters in SODO and Georgetown each, for a total of 20 posters. The posters were distributed at businesses and major intersections of walking paths throughout each neighborhood to reach as many community members as possible. These were removed in August.

Please refer to:

- Appendix P.H.B.1. Public Notice Poster
- Appendix P.H.B.2. Poster Locations –SODO
- Appendix P.H.B.3. Poster Locations –Georgetown

### C. BULK MAIL

City Light Communications Group mailed the Public Notice to 2,614 SODO and Georgetown area residents and businesses within the boundary designated by Seattle City Light.

The details are as follows:

- Single-Family: 434
- Multi-Family: 304
- Business: 1,876

### D. DIRECT MAILING

Letters were sent out directly to property owners close to either the SSC property or the Flume property seeking their support of the project. Targeted letters were also sent out key organizations in the SODO area.

Please refer to:

- Appendix P.H.D.1. Mailing Boundary Map
- Appendix P.H.D.2. Letter – Costco update 0426
- Appendix P.H.D.3. Letter - King County Airport 0426
- Appendix P.H.D.4. Letter - Marine Stewardship 0426
- Appendix P.H.D.5. Letter - Pacific Asian 0426
- Appendix P.H.D.6. Letter - SODO Business Association 0426
- Appendix P.H.D.7. Letter – Gull Oil Properties
- Appendix P.H.D.8. Letter of Support COSTCO 0806

- Appendix P.H.D.9. Letter of Support Gull Oil

## **MULTIPRONGED METHODS**

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### A. ADVERTISEMENTS

CREÄ Staff worked with the Georgetown Gazette to publish an ad introducing the project and announcing the meeting locations and dates.

Please refer to:

- Appendix P.M.A.Georgetown Gazette Ad Copy

### B. PUBLIC NOTICES

CREÄ Staff left Public Notices with businesses, residents and community groups.

## IN-PERSON OUTREACH

In-person outreach was conducted through stakeholder interviews, door-to-door community engagement, meetings with representatives from the SODO Business Improvement Association and the Georgetown Community Council's Open Space Committee, presentations at community meetings as well as through two project specific public meetings. A project hotline was also established for direct calls to CREÄ Staff and Parks Staff.

Please refer to:

- Appendix B. Outreach & Communications Log

## HIGH IMPACT METHODS

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### A. PUBLIC MEETINGS

One person attended the SODO meeting while nine (9) people attended the Georgetown meeting. Of the 9, two were City of Seattle staff from the Department of Neighborhoods and the Seattle Department of Transportation. Feedback from these meetings are recorded in the Appendix. Of note, a representative from the SODO Business Improvement Area expressed interest in public benefits potentially coming to the SODO community as well as Georgetown. She requested support for a walking trail along Industrial Way for use by local employees. The Georgetown community was curious if Parks has funding secured to make the Flume property an OLA. They were also interested in the potential for connecting the Flume property to a series of walking and bicycling trails being developed by the Seattle Department of Transportation from South Park through Georgetown to SODO.

## SODO

Public Meeting Location: Factory Luxe; Date: 6/10/19 6:00 PM – 7:30 PM Please refer to:

- Appendix I.H.A.1. Public Meeting Notes - SODO 6/10/19
- Appendix I.H.A.2. Public Meeting – SODO - Sign-In Sheet 6/10/19
- Appendix I.H.A.3. Public Meetings 0610 and 0612 Attendance
- Appendix I.H.A.4. Public Meeting - SODO PowerPoint presentation 0610

## GEORGETOWN

Public Meeting Location: Georgetown Ballroom; Date: 6/12/19 6:00 PM – 7:30 PM Please refer to:

- Appendix I.H.B.1. Public Meeting Notes - Georgetown 6/12/19
- Appendix I.H.B.2. Public Meeting Georgetown Sign-In Sheet 6/12/19
- Appendix I.H.B.3. Public Meetings 0610 and 0612 Attendance
- Appendix I.H.B.4. Public Meeting PowerPoint presentation 0612

## MULTIPRONGED METHODS

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### A. DOOR-TO-DOOR

Door-to-door outreach for each neighborhood of SODO and Georgetown took place on May 24 and May 31 for SODO and June 3 for Georgetown. The outreach area for SODO was established by a map provided by Seattle City Light. For Georgetown, the radius represents a roughly one-quarter- mile (approximately 500-foot)



radius of the Flume Property site in Georgetown. Community feedback in SODO was exclusively from businesses with employees who said they would share the flyer with their manager or the owner of the business. There was no direct feedback about the project other than from four community members who had already seen the flyer as a mailer or email in Georgetown.

## SODO

Dates: 5/24/19 & 5/31/19

CREÄ Staff conducted door-to-door outreach in SODO and visited the locations identified as the target area on the map. Public Notices were left at these businesses. About half of the businesses did not come to the door and the other half were not willing to stop working and meet in-person. CREÄ staff informed the businesses that they were able to meet in person at a later date, that two public meetings were coming up, and that the project website (with the survey) was available to them if they wanted to leave comments or suggestions. Some community members stated that they had already received the public notice via mail or email. They were aware of the project. In general, community members did not have any objections to the project. The one respondent who offered direct comments said that the project didn't really affect him since "City Light is already occupying the property, so there is no real loss to the neighborhood."

Please refer to:

- Appendix B. Outreach & Communications Log
- I.M.A.1. In-Person Outreach & Engagement Map SODO (See also B. Outreach & Communications Log)
- I.M.A.2. In-Person Outreach & Engagement Map Georgetown (See also B. Outreach & Communications Log)

## GEORGETOWN

Date: 6/3/19

CREÄ Staff conducted door-to-door outreach in the Georgetown neighborhood and visited the area marked on the map. Public Notices were left at these residences and businesses. The majority of structures in Georgetown were residences. However, only one community member who lived there answered the door. She said she had heard about the project via email and said, "It would benefit the community since Georgetown doesn't have many parks or off-leash dog areas." One person said she had received the flyer in the mail.

Most of the businesses either weren't there or did not answer. CREÄ Staff informed the few businesses that were available to share the upcoming public meetings and visit the website (with links to the survey) if they wanted to leave comments or suggestions. In general, community members seemed excited about the possibility of a park, off-leash dog area or trail/park combination in the Georgetown neighborhood. The one business in Georgetown that took time to talk with CREÄ Staff at length was the manager/owner of Aero Motel. The owner stated that the motel has problems with people using alcohol and drugs at all hours of the night at the Flume property, which disturbs occupants of the Aero Motel. Plus, the owner was concerned about dogs in that area. The owner also stated that they didn't think the city should do anything with the property because it was going to cause more problems for the motel. CREÄ Staff encouraged the owner to fill out the online survey because this project is adjacent to the motel, and the city would be interested in their input.

Please refer to:

- Appendix B. Outreach & Communications Log
- Appendix I.M.A.1. In-Person Outreach and Engagement Record & SODO & Georgetown
- Appendix I.M.A.3. Door to Door Outreach Limits - Georgetown

## B. STAKEHOLDER INTERVIEWS/ MEETINGS

Key stakeholders in the Georgetown community were identified by DON and indicated in the communications strategy. All the stakeholders were available to meet with CREÄ Staff. They were generally supportive of the vacation request and the Flume property exchange. The representative from Equinox Studios, however, expressed reservations about using the Flume property for an OLA given the many times the police have been called to address incidents in the Flume property and in the neighboring property, the Aero motel. Parks explained that the activation of the site for community purposes , such as an OLA, will deter criminal activities from the site.

Please refer to:

- Appendix I.M.B.1. Meeting Summary GCC Open Space Committee - All City Coffee 5/14/19
- Appendix I.M.B.2. Meeting Summary - Equinox 5/20/19
- Appendix I.M.B.3. Meeting Summary Notes – Georgetown Open Space Committee 7/22/19
- Appendix I.M.B.4. Meeting Summary - GREAT 5/20/19
- Appendix I.M.B.5. Meeting Summary - SODO BIA 5/14/19

## C. MEETING WITH LOCAL ORGANIZATIONS

Additional presentations were made at public meetings held by community organizations such as the Georgetown Community Council, and the Georgetown Merchants Associations. City Light and Parks Staff, along with CREÄ representatives met with the Open Space Committee of the Georgetown Community Council. CREÄ Staff met one-on-one with representatives from the SODO BIA.

Please refer to:

- Appendix I.M.C.1. Presentation Summary - Georgetown CC 5/20/19
- Appendix I.M.C.2. Presentation Summary - GMA 5/14/19

# A. SCL Public Outreach & Engagement Strategy (5/15/19)

## SEATTLE CITY LIGHT: Diagonal Avenue Street Vacation

### Public Outreach and Engagement Strategy

Seattle City Light is seeking the vacation of a portion of Diagonal Avenue South between 2nd Avenue South and 4th Avenue South that is currently designated a public right-of-way. In addition to the water quality and safety benefits that this street vacation will allow, Seattle City Light is making a portion of its Flume Property (between East Marginal Way South and South Myrtle Street) available for public open space.

PROPERTY ADDRESS	Vacation ROW: 4101 Diagonal Avenue South, Seattle, WA 98134 Flume Property: 7300 East Marginal Way South, Seattle, WA 98108
APPLICANT	Seattle City Light
CONTACT PERSON	Anindita Mitra
EMAIL	info@crea-affiliates.com
TYPE OF BUILDING	Diagonal Avenue South - Street Vacation Flume Property - Public Property Transfer
NEIGHBORHOOD	South Downtown and Georgetown
IN EQUITY AREA	Yes

TASK			TYPE	DUE DATE	DOCUMENTATION
DIGITAL OUTREACH	A.	Online survey - (www.surveymonkey.com/r/diagonalave)	High-Impact Method	13-May	Survey pages in pdf; survey summary
	B.	Project hotline (253) 397 3887	High-Impact Method	10-May	Public Notice with Hotline; communications log
	C.	Project web site with online survey- www.diagonalavenue.com (in 4 languages)	High-Impact Method	24-May	Website pages in pdf
	A.	Project included in City Light's Facebook page	Multi-Pronged Method	14-May	Pdf of page
	B.	DON Design Review Blog	Multi-Pronged Method	11-Apr	Pdf of page
	C.	Include meeting events on DON calendar	Multi-Pronged Method	15-May	Pdf of page
	D.	Email to <a href="https://georgetowncommunitycouncil.wordpress.com/links/">https://georgetowncommunitycouncil.wordpress.com/links/</a>	Multi-Pronged Method	15-Apr	pdf of email
	E.	Email to local organizations list	Multi-Pronged Method	15-May	pdf of email
	F.	GCC Email to membership	Multi-Pronged Method	15-May	pdf of email
	G.	GMA Email to membership	Multi-Pronged Method	15-May	pdf of email
	H.	Email to SODO Business Improvement Area list	Multi-Pronged Method	20-May	pdf of email; Constant Contact statistics
	A.	Door-to-door fact sheet or flyer dropped off at businesses - SODO	High-Impact Method	May 23-28	Map of businesses contacted
	B.	Door-to-door fact sheet or flyer dropped off 500 feet from property - Georgetown	High-Impact Method	May 23-28	Map of businesses contacted



# A. SCL Public Outreach & Engagement Strategy (5/15/19)

## SEATTLE CITY LIGHT: Diagonal Avenue Street Vacation

### Public Outreach and Engagement Strategy

PRINTED	C.	Post 10 posters in each neighborhood	High-Impact Method	May 23-28	Pdf, Map of poster locations
	D.	Direct mailings to residences and businesses	High-Impact Method	20-May	Receipt from mailing company
	A.	Publish in Georgetown Gazette	Multi-Pronged Method	20-May	pdf of Advertisement
	B.	Publish in DON e-newsletter/hard copy	Multi-Pronged Method	15-May	pdf of Advertisement
	C.	Leave Public Notice in local gathering areas	Multi-Pronged Method	May 23-28	Pdf, Map of poster locations
IN-PERSON MEETINGS	A.	Hosting community meetings (scheduled for 1.5 hours)			
		a. SODO - meeting; The Factory Luxe	High-Impact Method	10-Jun	Sign-in Sheets, Comment Sheets, Survey Forms
		b. Georgetown - meeting; Georgetown Ballroom	High-Impact Method	12-Jun	Sign-in Sheets, Comment Sheets, Survey Forms
	A.	Door-to-door visits near project sites			
		a. Meet with property owners adjacent to Flume property	Multi-Pronged Method	Apr - May 29	Communications Log
		b. Door-to-door in SODO (1 / 4 mile or so, see map)	Multi-Pronged Method	May 23-29	Communications Log
	B.	Meet with local leaders			
		a. Sam Farrazaino (Equinox)	Multi-Pronged Method	20-May	Communications Log
		b. GREAT (Andrew Schiffer)	Multi-Pronged Method	20-May	Communications Log
		c. Rodario/Kate Koehler / Patty Foley (GCC- Open Space Committee)	Multi-Pronged Method	14-May	Communications Log
		d. Erin Goodman (SODO Business Improvement Area)	Multi-Pronged Method	14-May	Communications Log
	C.	Presentation at an established community organization's meeting (Minimum 20-min)			
		a. Georgetown Community Association Council	Multi-Pronged Method	tbd	Sign-in Sheets, Comment Sheets
		b. Georgetown Merchants Association	Multi-Pronged Method	14-May	Sign-in Sheets, Comment Sheets
		c. Georgetown Community Council	Multi-Pronged Method	20-May	Sign-in Sheets, Comment Sheets

## B. Outreach & Communications Log

### Communications Log - Door to Door, Emails, Phone Calls, Social Media

Date	Name	Contact Info	Method	Communication/Inquiry	Response/Resolution
6/3/2019	C/E JENSEN FAMILY LP	1001 S MYRTLE ST	In-Person, Door to Door - Georgetown	Public_Meeting_Notice	In-person contact and Public Meeting Notice delivered
6/3/2019	KOCHINA CORPORATION	7200 EAST MARGINAL WAY S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
6/3/2019	SEATTLE CITY OF FAS	1000 S MYRTLE ST	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
6/3/2019	K BRANDS LLC	1136 S ALBRO PL	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	K BRANDS LLC	1128 S ALBRO PL	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	BRADLEY JOSEPH K.	6310 ELLIS AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	MYLES GALE R	6600 FLORA AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	MORENO MARTHA ELENA+BARNHAR	6738 FLORA AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	KREJCI HOLLY MARIE	6901 ELLIS AVE S	In-Person, Door to Door -	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered

			Georgetown		
6/3/2019	CLAXTON JOANNE	6909 ELLIS AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	MACHLEID ANDREW	6915 ELLIS AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	HARMON ROBERT+ANTONETTE	6919 ELLIS A	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	EHLERS SHERELL+CHRISTOPHER	6921 ELLIS AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	STEVENSON ANDREA+AHN MINAN	6925 ELLIS A	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	PONDER JIM	6929 ELLIS AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	CASSEN VICTOR	6933 ELLIS AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	LAKE TERRACE LLC	7150 S MYRTLE ST	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	KV PARTNERS LLC	950 S MYRTLE ST	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered



6/3/2019	KREIKEMEIER TERRY+SUE	6942 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	DAVIS MEGAN E+SACHA L	6938 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	FORMAN PAUL J	6934 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	SURESH JILLELLAMUDI	6930 FLORA A	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	ROUXE GREGORY L	6920 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	BERQUIST CLINTON	6916 FLORA A	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	FISHBEIN AARON MICHAEL	6912 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	SIDDIQUE MOHAMMAD S+MARGHOO	6908 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
6/3/2019	WITTMAN JOHN P	6900 FLORA AVE S	In-Person, Door to Door - Georgetow n	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered

6/3/2019	DE HAAN SIBYL	6739 FLORA AVE S	In-Person, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Earthwise Architectural Salvage	3447 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2019	Emerald City Trapeze Arts	2702 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Paramount Motor	2908 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Brake & Clutch Supply	2930 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Franz Bakery	2901 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Sherwin Williams	2924 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Kroesens Uniforms	2922 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Second Use	3223 6th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Atlas Supply	611 S Charlestown St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	The Foundry Print and Embroidery Shop	411 S Dawson St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered

5/31/2018	Georgetown Brewing Co	5200 Denver Ave S, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Aboeda Design	616 S Lucile St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Oasis Water Gardens	404 S Brandon St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	McKinstry	5005 3rd Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	NAPA Auto Parts - Genuine Parts Company	187 S Hudson St, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	UFCW Local 21	5030 1st Ave S #200, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Public Notice Poster	5030 1st Ave S	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Daniel Smith Fine Art Materials	4150 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Botanical Designs	690 S Dakota St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Bader & Olson	601 S Andover St, Seattle, WA 98108	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Gauge Design Group	3810 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.
5/24/2019	Fogland Studio	Room 12, 3814 4th Ave S, Seattle, WA 98134	In-Person, Door to	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered



			Door - SODO		
5/24/2019	Dream Home Lighting	3828 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Rodda Paint	3838 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Merlino Foods	4100 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.
5/24/2019	Burger Madness	4117 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.
5/24/2019	AsianGingerTeriyaki & Roll	4119 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	The Head Shop	4121 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	IdentoGo	4123 4th Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Charlie's Produce	3844 1st Ave S, Seattle, WA	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.
5/24/2019	Casacade Designs Inc	4000 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.
5/24/2019	Crosscut Hardwoods	4100 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Franks Quality Produce	135 Diagonal Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.

5/24/2019	Lantern Press	4225 2nd Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Seattle Warehousing Services	3807 2nd Ave South, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Closed. Public Meeting Notice delivered.
5/24/2019	Rejuvenation Hardware	2910 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Westland Distillery	2931 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Ghostfish Brewing	2942 1st Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Seapine Brewing	2959 Utah Ave S, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	Strouse Davis Architects	3201 1st Ave S #206, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/24/2019	GreyPants	3220 1st Ave S #400, Seattle, WA 98134	In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
6/3/2019	LAI NU	6451 FLORA AVE S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Large Poster
6/3/2019	GALLOWAY JAY W	6603 FLORA AVE S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Large Poster
6/3/2019	SHELTON PAUL G	6448 FLORA AVE S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Large Poster

6/3/2019	FLORABOX LLC	6901 FLORA AVE S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Large Poster
6/3/2019	SEED 153 LLC	7070 EAST MARGINAL WAY S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Small Poster
6/3/2019	JULIUS HORTON BUILDING L L	6261 13TH AVE S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Large Poster
6/3/2019	Georgetown Tiny Village	1020 S Myrtle St, Seattle, WA 98108	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered & Small Poster
6/3/2019	Star Motel Busstop # 45820	5216 4th Ave S, Seattle, WA 98108	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Large Poster posted
6/3/2019	JOHNSON JULIE L+ROGER LLOYD	6924 FLORA AVE S	Poster, Door to Door - Georgetown	Public_Meeting_Notice_Revised_5-17-19_AM	Public Meeting Notice delivered
5/24/2019	Public Notice	4th Ave South & S Lander	Poster, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Posted large poster NE corner
5/24/2019	Public Notice	1st Ave South & S Lander	Poster, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Posted large poster NW corner
5/24/2019	Public Notice	1st Ave S & Horton St	Poster, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Posted large poster Southeast corner
6/3/2019	AERO MOTEL LLC	7240 EAST MARGINAL WAY S	Poster, In-Person, Door to Door -	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered + Large Poster posted



			Georgetown		
5/24/2019	Starbucks Reserve SODO	2401 Utah Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered + Poster left
5/24/2019	Silver Platters SODO	2930 1st Ave S, Seattle, WA 98121	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered
5/31/2018	Costco Wholesale	4401 4th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered + Large Poster posted
5/24/2019	Starbucks	4115 4th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and flyers left &. Sm Poster
5/24/2019	Derby Restaurant	2233 6th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	In-person contact and Public Meeting Notice delivered + sm Poster
5/24/2019	Public Notice - Seattle City Light South	2207, 3613 4th Ave S, Seattle, WA 98134	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Poster left and left message for SCL staff about where to put posters near facility
5/31/2019	Public Notice	S Lander & 6th Ave S	Poster, In-Person, Door to Door - SODO	Public_Meeting_Notice_Revised_5-17-19_AM	Posted large poster Southeast corner
5/8/2018	Barbara Hill	barbaragraced1@gmail.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/19
5/8/2018	Tom Van Bronkhorst	tom.vanbronkhorst3@seattle.gov	Digital, Email	Public_Meeting_Notice_Sent	
5/8/2018	Josh Castle	jcastle@lihi.org	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/21
5/8/2018	John Phillips(No longer works there)	john.phillips@seattlecolleges.edu	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/22

5/8/2018	And referred Sarah Sabay	jwphillips323@hotmail.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/23
5/8/2018	Sarah Sabay	Sarah.sabay@seattlecolleges.edu	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/24
5/8/2018	Karen Ko	karen.ko@seattle.gov	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/25
5/8/2018	Bill Oliver	wjoliv19@wport.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/26
5/8/2018	Alexandra James	alexandra.james@lihi.org	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/27
5/8/2018	Scott Morrow	scott@nickelsville.works	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/28
5/8/2018	Sharon Lee	sharonl@lihi.org	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/29
5/8/2018	Emilie Shepherd	emilieshepherd43@gmail.com, 206.883.3298	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/30
5/14/2019	Crystal Stunns	crystalstunns@gmail.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/31
5/14/2019	John Bennett + Aurora	bennettproperties@comcast.net, 206.227.1990	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/32
5/14/2019	Patti Curtis-Fogue	info@foguestudios.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/33
5/14/2019	Angela Koumriqian	info@SanGennaroFestivalSeattle.org	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/34
5/14/2019	Ruth Keating Lockwood	ruth@oxbowseattle.com, 206.615.1721	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/35
5/14/2019	Danyal lotfi	danyal.lofti@gmail.com, 206.615.1721	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/36
5/14/2019	Melissa Jeter Albrecht	omdotjet@live.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/37
5/14/2019	Anita Woo	anita@georgetowninnseattle.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/38
5/14/2019	Willie Moneda	willie@sandboxsports.net, 206.321.9861	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/39
5/14/2019	Jason Maroney	jason@foodzcatering.com, 206.402.8377	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/40
5/14/2019	Shelby Sewell	shelby@foodzcatering.com, 206.297.9634	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/41
5/14/2019	Thom Geibel	thom.smartypants@gmail.com, 414.588.0745	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/42

5/14/2019	Rusty Oliver	allmetalarts@gmail.com, 206.200.9496	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/43
5/14/2019	Aj Mohn	ajmohn@gmail.com, 206.412.7872	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/44
5/14/2019	Michelle Thurston	chellmelt78@gmail.com, 206.940.9302	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/45
5/14/2019	Tammy Morales	206.396.1276	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/46
5/14/2019	Jerry Chinn	jerrychinn@emsn.com	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/47
5/14/2019	Patty Foley	patty_foley@hotmail.com, 206.409.9838	Digital, Email	Public_Meeting_Notice_Sent	
5/14/2019	Jesse Moore	jesse@dvsafestreet.s.org, 206.234.4561	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/49
5/14/2019	Kate Kohler	kkohler124@gmail.com, 412.843.5304	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/50
5/14/2019	Rosario Maria Medina	1rosariomaria@gmail.com, 206.778.8661	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/51
5/8/2019	Theoria	5511 1/2 Airport Way S, Seattle, WA 98108, (425) 354-4025	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/52
5/8/2019	Sophie Frye Brass Library	5933 6th Ave S, Seattle, WA 98108	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/53
5/8/2019	Alice Stenstrom, Museum of History and Industry	alice.stenstrom@mohai.org, (206) 324-1126	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/54
5/8/2019	Maruta Shoten	1024 S Bailey St, Seattle, WA, (206) 767-5002	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/55
5/8/2019	Airport Way Market	6249 Airport Way S, Seattle, WA, (206) 767-7296	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/56
5/8/2019	Affordable Kosher LLC	info@affordablekosher.com, 5980 1st Ave S, Seattle, WA, (206) 772-1616	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/57
05/08/2019	Velotti Food	135 S Brandon St, Seattle, WA, (206) 763-2545	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/58
05/08/2019	Georgetown Community Church	emily_harman@can.salvationarmy.org,	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/59



		6606 Carleton Ave S			
5/8/2019	New Direction Missionary Church	755 S Homer St, (206) 763-2151	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/60
5/8/2019	Grace Church	500 S Brandon St, Seattle, WA 98108, (206) 652-4433	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/61
5/8/2019	School of Acrobatics and New Circus Arts	674 S Orcas St, office@sancaseattle.org	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/62
5/8/2019	Planet Fitness	9000 Rainier Ave S	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/63
5/8/2019	stephanie.ward@pfgrowth.com	(206) 257-3655	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/64
5/8/2019	Serious About Fitness	15205 NE 95th St, (206)818-0775	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/65
5/8/2019	Jet City CrossFit	1115 S Elizabeth St	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/66
5/8/2019	Blueprint Athletic Performance	6335 1st Ave S, (206) 371-7326	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/67
5/8/2019	Boeing Fitness Center (2-22)	222 16th Ave S, (206) 544-9861	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/68
5/8/2019	Yogasmith	5917 Airport Way S, (206) 795-0772	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/69
5/8/2019	Tricia Diamond, Project Admin. King County International Airport	(206)477-9617 7277 Perimeter Rd., S, tdiamond@kingcounty.gov	Digital, Email	Public_Meeting_Notice_Sent	Survey reminder email sent 7/22/70
7/22/2019	Peter True Vice President Gull Industries, Inc.	pat@gulloil.com Office: (206) 624-5900 Cell: (206) 351-4774 Fax: (206) 624-5412	Digital, Email	Requested Letter of Support	Letter of Support Signed 8/9/19
7/22/2019	Rick Jerabek Corporate Counsel COSTCO WHOLESALE	999 Lake Drive, Issaquah, WA 98027 Direct: (425) 427-3585 - Fax: (425) 313-8114 - rjerabek@costco.com	Digital, Email	Requested Letter of Support	Letter of Support Signed 8/6/20

7/22/2019	Sandra Green Corporate Real Estate BNSF	Sandra.Green@bnsf.com Work: 817-352-3447- work Moblie 817-771-0486 Fax: 817-352-7797	Digital, Email	Requested Letter of Support	
4/24/2019	SODO Business Association	206-294-3285	Digital, Phone	(Enter Communication Inquiry)	
4/24/2019	SODO Business Improvement Area	206-294-3285	Digital, Phone	(Enter Communication Inquiry)	
4/24/2019	Erin Goodman, Exec. Dir.	206-981-9877 (cell), erin@sodoseattle.org	Digital, Phone	jillian celich -- checking to see if they can do an email blast for us.	
4/24/2019	Taiwanese Junior Chamber of Commerce	info@tjccs.org(undeliverable)	Digital, Phone	(Enter Communication Inquiry)	
4/24/2019	Pacific Asian Empowerment Program	270 So. Hanford Street, Suite 204	Digital, Phone	(Enter Communication Inquiry)	
4/24/2019	Cristina Vasconcelos, Exec. Dir.	(206) 324-0236	Digital, Phone	NuHope Street Intl., 5825 221st Place SE, Issaquah	
4/24/2019	NuHope Street	(206) 445-1629, 2450 6th Ave S	Digital, Phone	left message	
4/24/2019	Marine Stewardship Council (MSC)	(206) 691-0188, 5030 1st Ave S	Digital, Phone	mailbox full	
4/24/2019	Dina Wright, BNSF Railway Co.	(800)795-2673, 1000 2nd Av.	Digital, Phone	BNSF real estate, contacted	
4/26/2019	Union Pacific Railway	402 S Dawson St, Seattle, WA 98108	Digital, Phone	left message 4/26, call returned 4/30; email sent	
4/26/2019	Aaron Galley	(888)877-7267	Digital, Phone	apgalley@up.com	
5/7/2019	United Food Commercial Workers Assn.	1510 N. 18th St., Mt. Vernon, WA 98273	Digital, Phone	own MSC bldg, called in on 5/7 re MSC bldg.	

7/17/2019	Peter True Vice President Gull Industries, Inc.	pat@gulloil.com Office: (206) 624-5900 Cell: (206) 351-4774 Fax: (206) 624-5412	Digital, Phone	Requested meeting to discuss letter of support	Meeting scheduled and attended 7/30 11am. Outcome, support for street vacation. Will follow up with email letter of support.
7/17/2019	Sandra Green Corporate Real Estate BNSF	Sandra.Green@bnsf.com Work: 817-352-3447- work Moblie 817-771-0486 Fax: 817-352-7797	Digital, Phone	Left message requesting Letter of Support 7/17/19	
7/30/2019	Costco	Rick Jerabek, Corporate Counsel COSTCO WHOLESALE 999 Lake Drive, Issaquah, WA 98027 Direct: (425) 427-3585 - Fax: (425) 313-8114 - rjerabek@costco.com	Digital, Phone	Left follow up VM 7/30 from March meeting, sent email follow up to VM on 7/31	
7/17/2019	Bobby Whelan	(206)436-0210, bwhelan@ufcw21.org	Digital, Phone	Left message 7/17/19	
05/27/2019	Georgetown Community Discussion Group	<a href="https://www.facebook.com/groups/GeorgetownCommunity/about/">https://www.facebook.com/groups/GeorgetownCommunity/about/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/2019	Georgetown North	<a href="https://www.facebook.com/groups/306305049922142/">https://www.facebook.com/groups/306305049922142/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/2019	Georgetown Seattle	<a href="https://groups.yahoo.com/neo/groups/Georgetown-Seattle/info">https://groups.yahoo.com/neo/groups/Georgetown-Seattle/info</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/2019	Georgetown Garden Walk	<a href="https://www.facebook.com/GeorgetownGardenWalk">https://www.facebook.com/GeorgetownGardenWalk</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content
05/27/2019	Georgetown SouthPark P.O.C.	<a href="https://www.facebook.com/groups/114390859313629/">https://www.facebook.com/groups/114390859313629/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Adminstrator to post content



05/27/2019	Georgetown Dogs	<a href="https://www.facebook.com/groups/10150097008755556/">https://www.facebook.com/groups/10150097008755556/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Administrator to post content
05/27/2019	Georgetown Parents	<a href="https://www.facebook.com/Georgetown-Parents-165245600202714/">https://www.facebook.com/Georgetown-Parents-165245600202714/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Administrator to post content
05/27/2019	Georgetown Events Club	<a href="https://www.facebook.com/georgetowneventsclub/">https://www.facebook.com/georgetowneventsclub/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Administrator to post content
05/27/2019	Seattle Design District	<a href="https://www.seattledesigndistrict.com/contact">https://www.seattledesigndistrict.com/contact</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Administrator to post content
05/27/2019	SODO BIA	<a href="https://www.facebook.com/SODOBIA/">https://www.facebook.com/SODOBIA/</a>	Digital, Social Media	Attempted to post Public Meeting Event on Facebook Group	Need access from Administrator to post content

# D.H. A. Street Vacation Online Survey



## Seattle City Light Diagonal Avenue South - Street Vacation Survey

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. We'd like your feedback on this proposal.

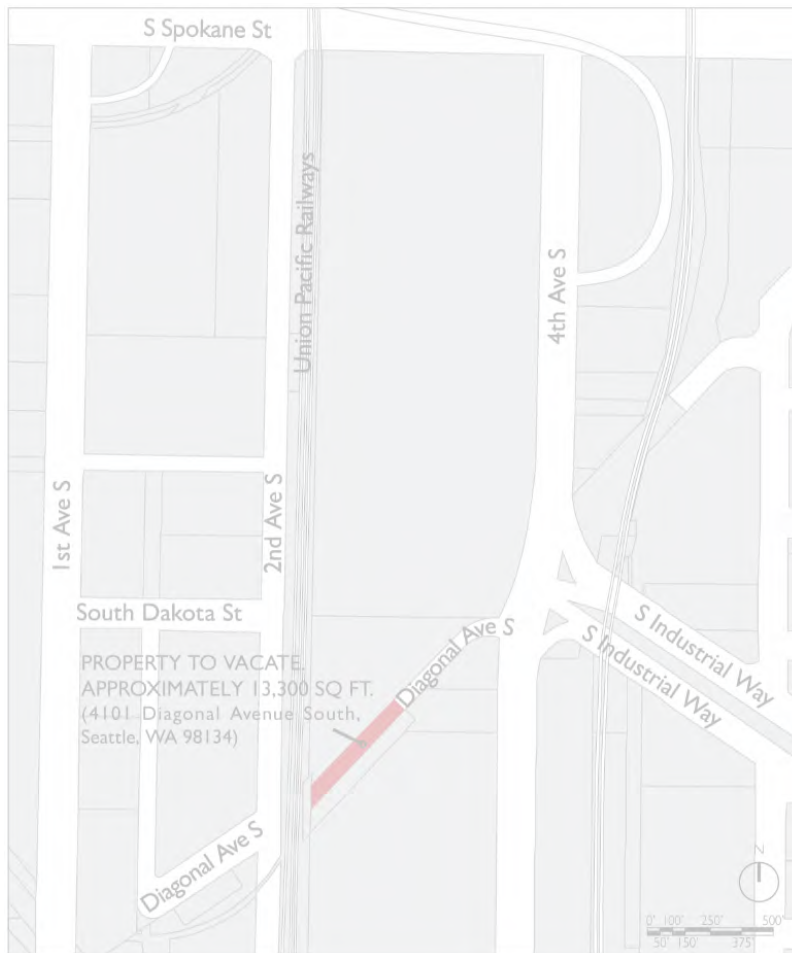
To learn more about this project, please visit [diagonalavenue.com](http://diagonalavenue.com) for more information.

Survey responses will be accepted until Wednesday, July 31 at 11:59 p.m.

OK

**1. Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?**

# D.H. A. Street Vacation Online Survey



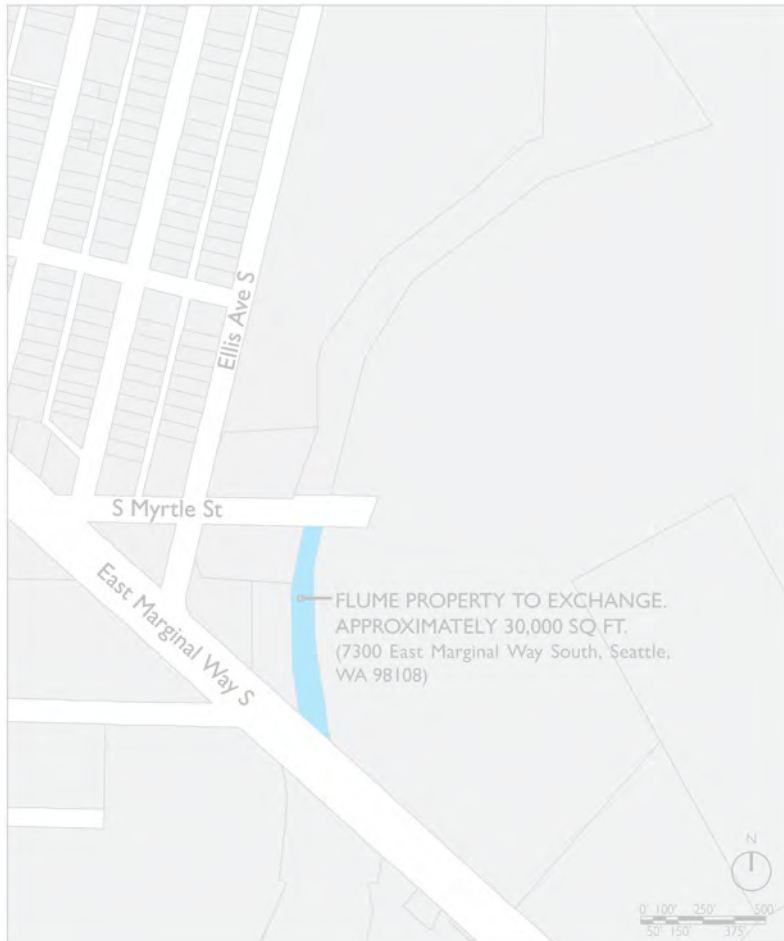
- ☐ No
- ☐ Yes (please specify):

0 of 9 answered



## D.H. A. Street Vacation Online Survey

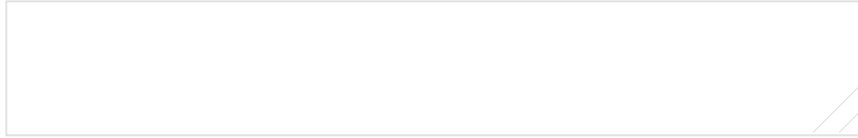
2. Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.



- ☐ No
- ☐ Yes (please specify):

0 of 9 answered

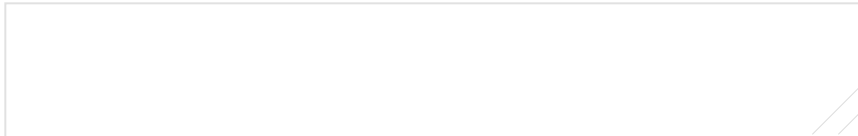
# D.H. A. Street Vacation Online Survey



**3. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?**

- ☐ Yes, I agree
- ☐ No, I disagree

**4. Do you have additional questions or comments for us?**

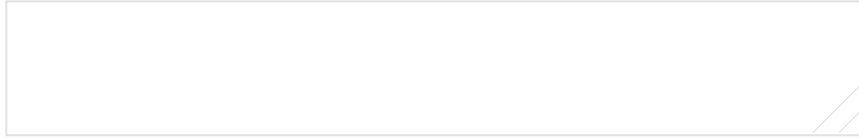


**5. Do you work in SODO or Georgetown?**

- ☐ I work in SODO
- ☐ I work in Georgetown
- ☐ I do not work in either area

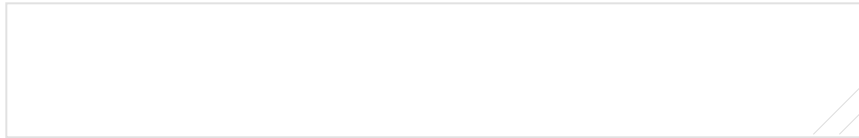
0 of 9 answered

# D.H. A. Street Vacation Online Survey



## 6. Do you live in SODO or Georgetown?

- ☐ I live in SODO
- ☐ I live in Georgetown
- ☐ I do not live in the area
- ☐ Other (please specify)



## 7. What age group are you in?

- |                                |                             |
|--------------------------------|-----------------------------|
| <input type="radio"/> Under 18 | <input type="radio"/> 45-54 |
| <input type="radio"/> 18-24    | <input type="radio"/> 55-64 |
| <input type="radio"/> 25-34    | <input type="radio"/> 65+   |
| <input type="radio"/> 35-44    |                             |

0 of 9 answered



# D.H. A. Street Vacation Online Survey

8. The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.

What language do you speak at home?

What is your gender?

Do you own or rent?

What ZIP code do you live in?

What is your race/ethnicity?

9. If you would like to be added to our email distribution or mailing list, please provide your information below.

Name

Address

City/Town

State

ZIP/Postal Code

Email Address

Phone Number

0 of 9 answered

# D.H. A. Street Vacation Online Survey

DONE

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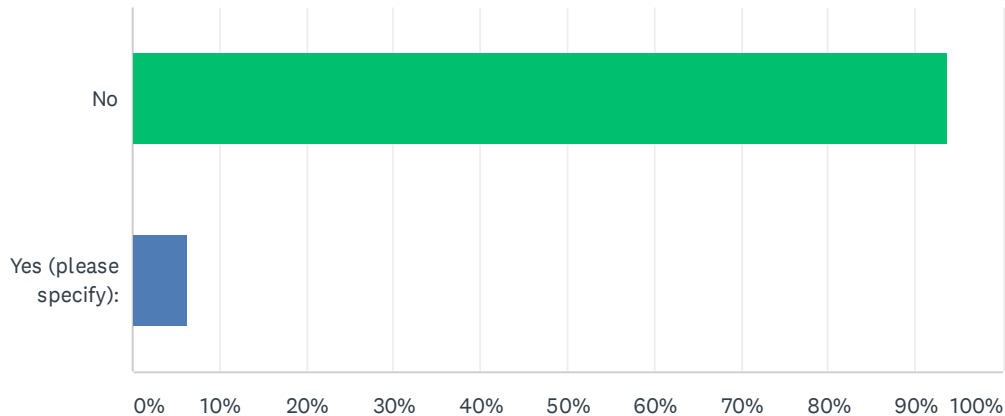
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0 of 9 answered

## DHA1 Survey Data\_190801

Q1 Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?

Answered: 79 Skipped: 2



ANSWER CHOICES	RESPONSES	
No	93.67%	74
Yes (please specify):	6.33%	5
TOTAL		79

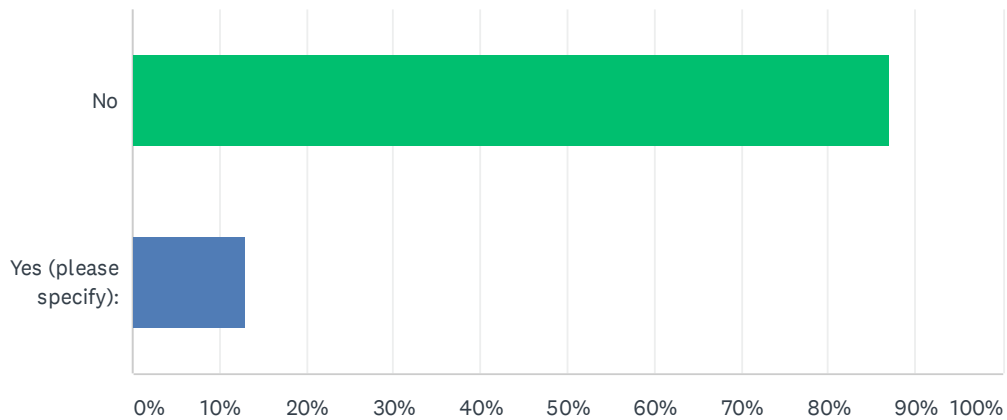
#	YES (PLEASE SPECIFY):	DATE
1	SPU has a 12.5' diameter drain pipe (Diagonal Drain) that runs under Diagonal Ave S. SCL previously used this area as a soil storage area and was found during an PW contract to clean the drain that SCL was allowing stored spoils from excavations to go into the drain through a manhole cover. Diagonal Drain discharges directly into the Duwamish River. You may want to check with SPU and also SCL Environmental as the drain cleaning project was to get rid of any contamination so King County could clean contaminated soils in front of the discharge location in the Duwamish. If the property is acquired, it should not be used to store spoils without consideration of Diagonal Drain.	7/29/2019 7:53 AM
2	How will closing off this shortcut impact 4th ave s and airport way traffic?	7/26/2019 6:34 PM
3	Concerned about the Georgetown project getting funding for completion and if the space can be trail and dog park.	7/26/2019 1:03 PM
4	I don't really understand exactly what you're asking here.	6/21/2019 10:28 AM
5	I fell that the value of this land far exceeds the value of the flume property. Highest and best use is apparent. The flume has been derelict for so long, and the Diagonal property is currently in use and highly desired by City Light. Would like more investment from City Light into Flume project in addition to land transfer.	6/12/2019 4:02 PM



## DHA1 Survey Data\_190801

Q2 Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.

Answered: 77 Skipped: 4



ANSWER CHOICES	RESPONSES	
No	87.01%	67
Yes (please specify):	12.99%	10
TOTAL		77

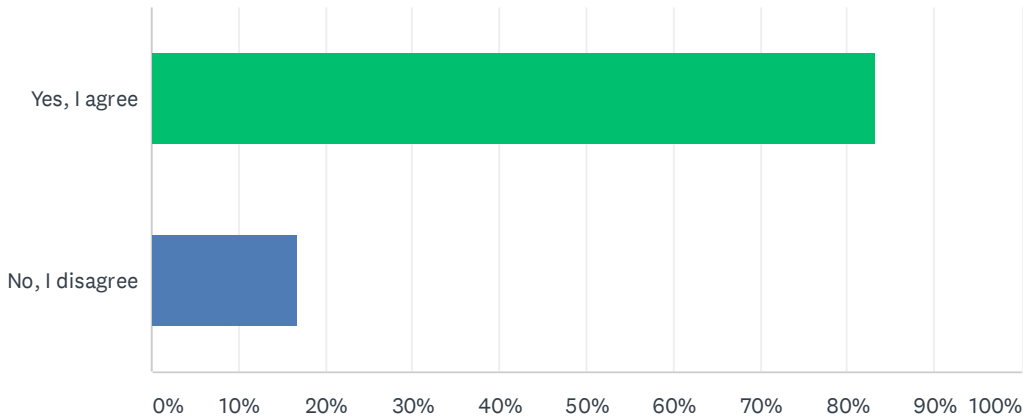
## DHA1 Survey Data\_190801

#	YES (PLEASE SPECIFY):	DATE
1	Contamination?	7/24/2019 12:57 PM
2	Ownership transfer should not occur until an environmental impact study and at least concept-level study of a dog / walking path facility has been completed. It is impossible for the public to understand what the public benefit of the transfer would be without those studies being completed.	7/24/2019 9:59 AM
3	I think an off leash dog park is a great idea! But have fears that this area will just become another place for tents & campers to live and park, ultimately making it unsafe to ever use for its purpose.	6/20/2019 4:48 PM
4	See answer above. Would like additional investment from City Light to make this project and infrastructure possible. Fully support the use of Flume property as park/open space/dog park/trail, etc.	6/12/2019 4:02 PM
5	Need more information about the surrounding property ownership. A narrow swath of property may be fairly useless piece of property if it's bordered by other non park like uses.	6/11/2019 1:26 PM
6	This area is far from the vacated property. I think there is much better use for the funds within SODO particularly to link the SODO Track to Georgetown.	6/11/2019 11:30 AM
7	This property is in a TERRIBLE location for a park, and is unsafe after 5pm. There are no businesses open after daytime 9-5 hours, all of the industries close up shop, and what is there is cheap motels with the typical traffic. That stretch of E Marginal Way is dirty and fast, and mainly services large trucks, through traffic, industrial traffic, etc. The area has no parking, and is not at all pedestrian friendly, and it is at the very edge of the neighborhood, quite far from most of it, and on the high truck traffic, seedier end- this property is behind the Aero Motel, a reasonable business in this area, but not a place to hang out. In addition, there are a lot of activities there that are on the edge of society, not surprisingly- this is outside of residential areas, and in a place where no one is there to bother you after business hours! These places are necessary, but co-opting them into parks is...a terrible idea. I'm not afraid of persons experiencing homelessness, but out behind the Aero motel there is alot more going on than just that, and done by people beyond just the homeless- prostitution, drugs, I wouldnt be surprised if human trafficking were a regular activity here. You're asking us to send our kids and pets here? Whats your security proposal? Are you just leaving that to Parks and Rec? And it's called the Flume property? How contaminated are the soils? What would be done for clean up? Transferring this property seems like a gift of a headache to parks, and no exchange at all for the neighborhood.	6/10/2019 9:41 AM
8	We have limited green space in south Seattle. I do not feel a dog park is a good use of land with our diminishing population of insects and birds.	6/9/2019 6:44 AM
9	1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor.	6/8/2019 8:59 AM
10	the Parks Dept will need funds to actual make this a community benefit to Georgetown - whether it be for a dog park or trail improvements, or both. We need Council to help us find funds within the City's budget.	5/15/2019 5:06 PM

# DHA1 Survey Data\_190801

Q3 Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light’s street vacation petition on Diagonal Avenue South?

Answered: 78    Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes, I agree	83.33%	65
No, I disagree	16.67%	13
TOTAL		78



## DHA1 Survey Data\_190801

Q4 Do you have additional questions or comments for us?

Answered: 53   Skipped: 28

## DHA1 Survey Data\_190801

#	RESPONSES	DATE
1	An off leash dog park is the best choice for the space, the city needs more public space for dogs	7/29/2019 10:04 AM
2	Nope, sounds like a great plan!	7/29/2019 7:59 AM
3	Just the traffic impacts	7/26/2019 6:34 PM
4	Off leash dog park please	7/26/2019 6:08 PM
5	Thanks SCL for partnering with Seattle Parks to ensure a usable, clean, useful dog park can be opened within a year of the transfer.	7/26/2019 2:25 PM
6	No	7/26/2019 2:00 PM
7	Please create an off-leash dog park!	7/26/2019 1:44 PM
8	Only agree if there is funding and commitment from departments to due engagement around what the space should be for the community and to invest in the project/property after it's swapped.	7/26/2019 1:03 PM
9	Please put a dog park there.	7/26/2019 1:01 PM
10	The Diagonal property isn't being used by the public already, this is a no-brainer!	7/26/2019 8:25 AM
11	no	7/24/2019 12:57 PM
12	As a Georgetown resident, I would be delighted to see a park in my neighborhood with an off-leash dog area with biking and walking trails. Seems like an great use of space!	6/26/2019 9:00 AM
13	The survey says the land would be "considered for use as..." what are other things the land could be used for?	6/26/2019 7:21 AM
14	Dog park would be amazing, we are totally in favor of it!	6/26/2019 7:20 AM
15	Is the Plume site contaminated? Would the city clean up this property? I feel like parks should be clean and safe.	6/24/2019 1:29 PM
16	thanks for being pragmatic and making something work for the community	6/21/2019 10:47 AM
17	I would love the trail and dog park! This is a great plan!	6/21/2019 10:28 AM
18	A better bike route will be a worthwhile public benefit,	6/20/2019 8:45 PM
19	Turning the flume into a park/trail is a good idea.	6/20/2019 2:49 PM
20	Funding for improvements to the "Flume" property in order to make it an active public space should accompany the Flume property transfer to Parks and Recreation. Without funding for improvements the property will provide no increased benefit to the local community than it is presently.	6/20/2019 2:33 PM
21	Love the idea of a dog park!	6/18/2019 6:50 PM
22	No additional comments at this time.	6/18/2019 4:40 PM
23	If converted to a pocket dog park...will there be a dog limit imposed to prevent dog walkers from taking over the small premises?	6/17/2019 7:44 PM
24	I support transfer, but want additional investment from City Light in Flume property/project. Property transfer alone is not a fair public benefit.	6/12/2019 4:02 PM
25	This would be a great benefit to the people in SODO as there is no safe place to walk here.	6/12/2019 1:24 PM
26	We would like a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor	6/12/2019 11:21 AM
27	We would like a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along	6/12/2019 10:19 AM

# DHA1 Survey Data\_190801

the corridor. This used to be a safe and nice area for us to walk at lunchtime but that can't happen any longer.

28	What specifically is SCL going to do to improve the water runoff to the Duwamish and to control flooding. How is it that they have used this area for so long and not done this already.	6/11/2019 1:26 PM
29	This seems like a great win for the Georgetown area, providing some much-needed services to that neighborhood (of which I consider myself a part). I would definitely utilize the new park space, assuming i was turned into an offleash park or bike-way.	6/11/2019 1:17 PM
30	The area you're proposing to use as park space is disconnected from the community and off of a very busy road with poor pedestrian infrastructure. I worry it wouldn't be activated and think making it habitat would be a better use of the space.	6/11/2019 11:30 AM
31	I would like to see improvements to Industrial Way as well, for a walking trail and greenspace development.	6/11/2019 10:42 AM
32	I do not oppose this exchange- but do feel that some of the benefit should come to SODO since that is where the street in question is. It would be fair if, in addition to the exchange, SCL invest in upgrades to the Industrial Way Corridor- from Airport Way S to 4th Ave S- specifically that they install a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks a safe space to walk is critical. As the only green-space in SODO this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO.	6/11/2019 10:17 AM
33	No	6/10/2019 6:11 PM
34	I don't oppose Georgetown getting a dog park, but it would be good to also create benefit for SODO including: 1. Activate the space 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks a safe space to walk is critical. As the only green-space in SODO this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO. Thank You!	6/10/2019 3:09 PM
35	No	6/10/2019 10:23 AM
36	Please find a more suitable property, something more accesible to more of the neighborhood living and working in Sodo and Georgetown. Also, somethign more viable as a park. The flume property isnt acceptable for this use.	6/10/2019 9:41 AM
37	Dog park is not a good use of land.	6/9/2019 6:44 AM
38	In addition to the proposed exchange, we would ask that SCL invest in upgrades to the Industrial Way Corridor- from Airport Way S to 4th Ave S- specifically that they install a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks, a safe space to walk is critical. As the only green-space in SODO, this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO.	6/6/2019 9:22 AM
39	While I think the Georgetown Flume property is a decent exchange, it only seems fair to do something to benefit SoDo directly, since the street being vacated is in SoDo. Specifically, I'd like to see SCL invest in upgrades to the Industrial Way Corridor- from Airport Way S to 4th Ave S- specifically installing a walking trail and rehabbing the old, dilapidated sign at the east end of the corridor. Many people work in this area and having a small area of clean, well-maintained greenspace in SoDo would be a huge boost to the morale of the area's workforce.	6/5/2019 5:10 PM
40	no	6/5/2019 3:52 PM
41	Please make a walking train for pedestrians in this area.	6/5/2019 3:36 PM



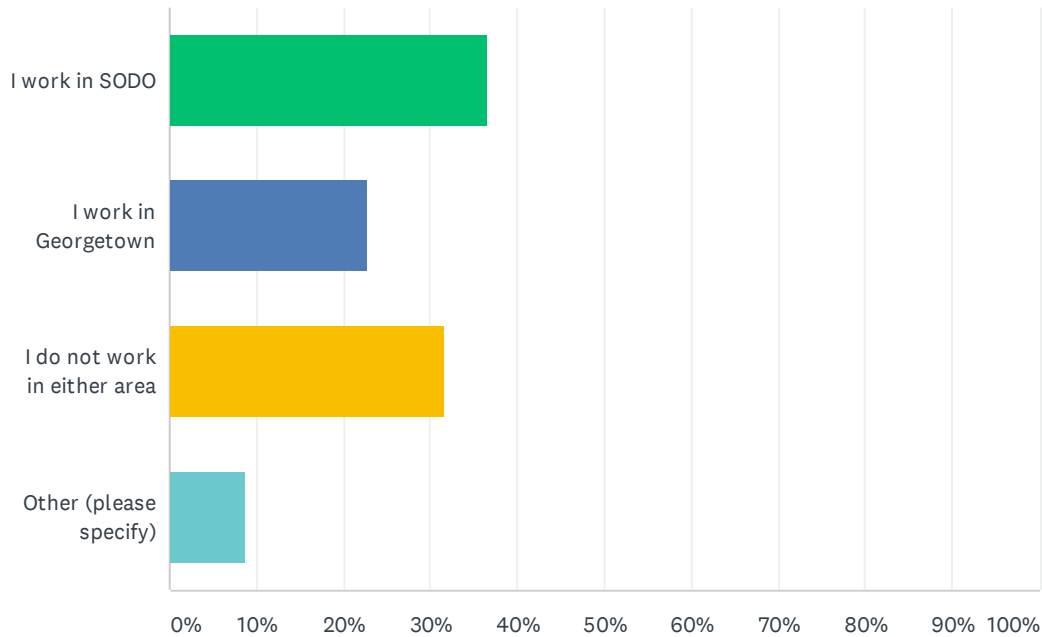
# DHA1 Survey Data\_190801

42	I would like to see the area used to benefit Sodo Businesses and the employees that work in the area.	6/5/2019 10:12 AM
43	I think there should be more pedestrian improvements in the area, as well as public safety.	6/5/2019 9:58 AM
44	Please consider investing in upgrades to the Industrial Way Corridor- from Airport WY S to 4th Ave S- specifically install a walking trail- that would serve several purposes- 1. Activate the space to deter the ever-present camping 2. Provide green-space for area employees to walk during lunch/breaks 3. Provide safe travel for folks using the bus system to access businesses along the corridor. With the opening of Recovery Cafe- more folks will be using the bus stops along 4th and Airport to access the facility. Currently there is not a sidewalk all the way and with the high volume of trucks a safe space to walk is critical. As the only green-space in SODO this is an essential area and activating it for area employees and visitors would be a significant public benefit to SODO.	6/4/2019 5:41 PM
45	I would like to add an additional public benefit for SODO, the green-space across from the site- under the power-lines- is the only swath of green in the entire SODO area. I have had multiple requests from neighboring businesses for a walking path or trail that would activate the space and give their employees somewhere to walk and enjoy some greenery in SODO. I would be happy to discuss this further and possible partnership on the project. It makes sense that some benefit come to SODO for this vacation.	6/4/2019 4:13 PM
46	We would love to see more green space and parks in the Georgetown/SODO neighborhoods. Lots of kids and dogs in the area but only a few small parks currently.	6/3/2019 4:46 PM
47	No	6/2/2019 6:50 PM
48	No	6/2/2019 2:47 PM
49	Please create the off leash park! Georgetown needs more public space.	6/2/2019 2:19 PM
50	I am in support of more park space in Georgetown!	5/31/2019 3:50 PM
51	This is an exciting exchange, mutually beneficial!	5/30/2019 4:11 PM
52	Give the land to the community!	5/30/2019 1:23 PM
53	Actually, yes BUT.... we will need some funds to make this an actual benefit. Having a park owned piece of land if not automatically a public benefit.	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

## Q5 Do you work in SODO or Georgetown?

Answered: 79 Skipped: 2



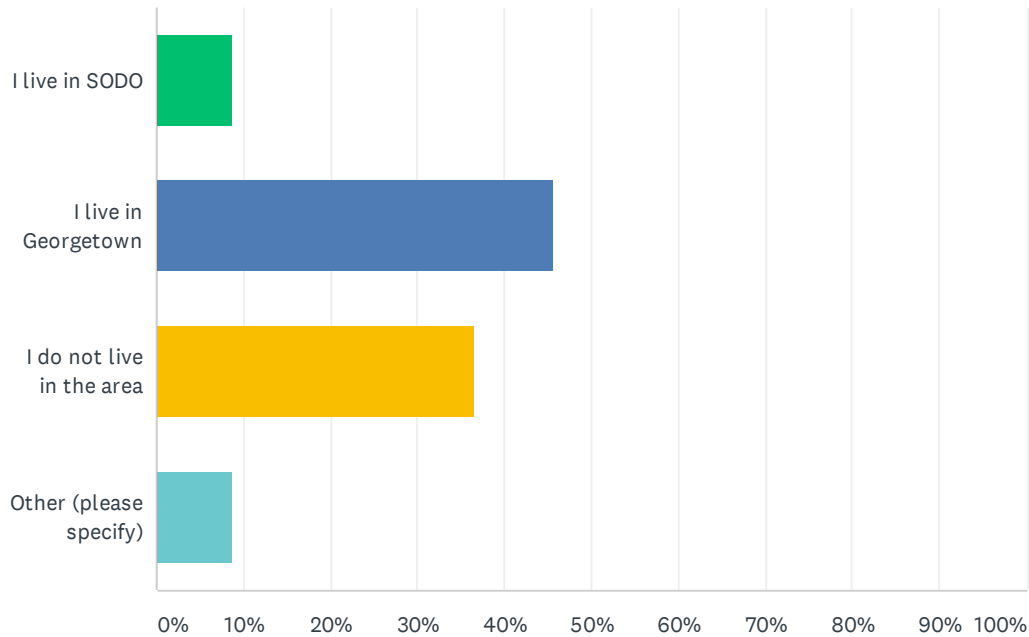
ANSWER CHOICES	RESPONSES	
I work in SODO	36.71%	29
I work in Georgetown	22.78%	18
I do not work in either area	31.65%	25
Other (please specify)	8.86%	7
TOTAL		79

#	OTHER (PLEASE SPECIFY)	DATE
1	I live in Georgetown	7/26/2019 10:05 PM
2	I work from home in georgetown	7/26/2019 1:01 PM
3	I live on Beacon Hill and come to Georgetown and South Park for almost everything I need.	6/21/2019 10:28 AM
4	I occasionally work in Georgetown	6/20/2019 2:49 PM
5	I live in South Park.	6/20/2019 2:44 PM
6	I work at Recovery Cafe that owns a space in SODO that we will begin actively operating in November.	6/10/2019 3:09 PM
7	I work in both SoDo and Georgetown and represent a property owner with properties in both areas.	6/5/2019 5:10 PM

## DHA1 Survey Data\_190801

## Q6 Do you live in SODO or Georgetown?

Answered: 79 Skipped: 2



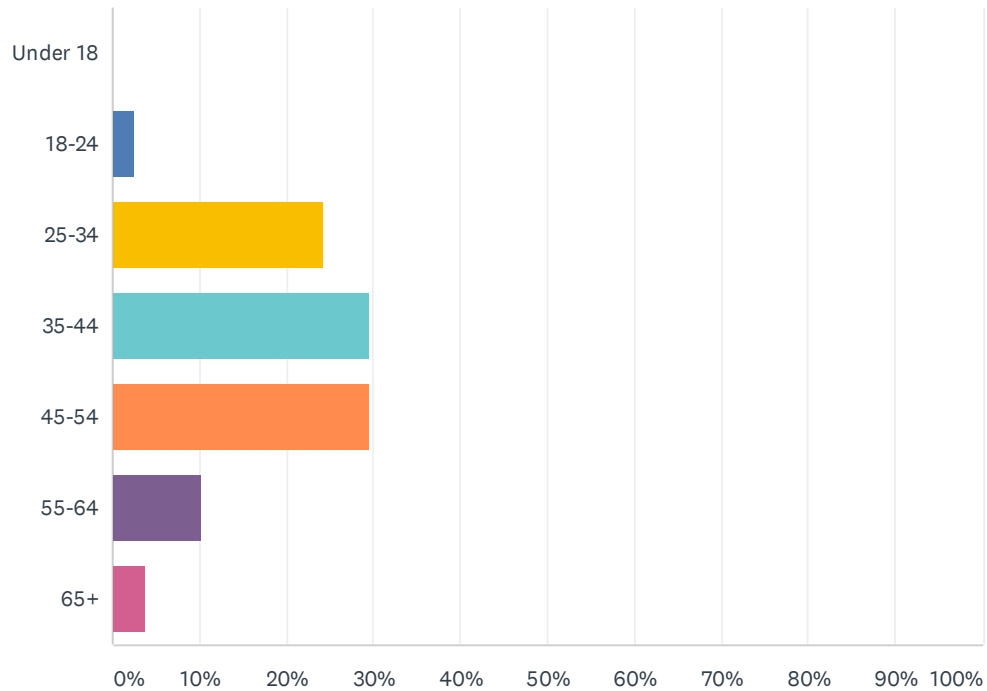
ANSWER CHOICES	RESPONSES	
I live in SODO	8.86%	7
I live in Georgetown	45.57%	36
I do not live in the area	36.71%	29
Other (please specify)	8.86%	7
TOTAL		79

#	OTHER (PLEASE SPECIFY)	DATE
1	I live and work in South Park	6/24/2019 9:11 PM
2	I live on Beacon Hill and come to Georgetown and South Park for almost everything I need	6/21/2019 10:28 AM
3	I live in South Park and frequent Georgetown	6/20/2019 2:46 PM
4	Live in South Park.	6/20/2019 2:44 PM
5	I own property and a business in Georgetown. I live in South Park and call both neighborhoods home.	6/12/2019 4:02 PM
6	I live in "Georgetown Heights", near the corner of Albion and Swift. This new park is walking distance for myself and my dog.	6/11/2019 1:17 PM
7	I hope that one day there will be living options in SODO.	6/8/2019 8:59 AM

# DHA1 Survey Data\_190801

## Q7 What age group are you in?

Answered: 78 Skipped: 3



ANSWER CHOICES	RESPONSES	
Under 18	0.00%	0
18-24	2.56%	2
25-34	24.36%	19
35-44	29.49%	23
45-54	29.49%	23
55-64	10.26%	8
65+	3.85%	3
TOTAL		78



# DHA1 Survey Data\_190801

Q8 The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.

Answered: 73    Skipped: 8

ANSWER CHOICES	RESPONSES	
What language do you speak at home?	100.00%	73
What is your gender?	97.26%	71
Do you own or rent?	98.63%	72
What ZIP code do you live in?	98.63%	72
What is your race/ethnicity?	86.30%	63

## DHA1 Survey Data\_190801

#	WHAT LANGUAGE DO YOU SPEAK AT HOME?	DATE
1	English	7/29/2019 12:02 PM
2	English	7/29/2019 7:59 AM
3	english	7/27/2019 8:25 PM
4	English	7/26/2019 10:05 PM
5	English	7/26/2019 6:34 PM
6	English	7/26/2019 6:08 PM
7	English	7/26/2019 6:00 PM
8	English	7/26/2019 5:33 PM
9	English	7/26/2019 2:25 PM
10	english	7/26/2019 2:00 PM
11	English	7/26/2019 1:44 PM
12	English	7/26/2019 1:42 PM
13	English	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	English	7/24/2019 12:57 PM
16	English	7/24/2019 12:50 PM
17	English	7/24/2019 9:59 AM
18	English	7/24/2019 9:45 AM
19	English	6/26/2019 9:00 AM
20	English	6/26/2019 7:21 AM
21	English	6/26/2019 7:20 AM
22	English	6/24/2019 9:11 PM
23	english	6/24/2019 1:29 PM
24	English and Spanish	6/21/2019 10:28 AM
25	english	6/20/2019 8:45 PM
26	English	6/20/2019 4:48 PM
27	English	6/20/2019 3:39 PM
28	English	6/20/2019 2:49 PM
29	English	6/20/2019 2:46 PM
30	English	6/20/2019 2:44 PM
31	English	6/20/2019 2:42 PM
32	english	6/20/2019 2:33 PM
33	English	6/18/2019 6:50 PM
34	English	6/18/2019 4:40 PM
35	English	6/17/2019 7:44 PM
36	English and Spanish	6/12/2019 4:02 PM
37	English	6/12/2019 1:24 PM

## DHA1 Survey Data\_190801

38	english	6/12/2019 11:21 AM
39	English and Italian	6/12/2019 10:19 AM
40	Englis	6/12/2019 8:02 AM
41	English	6/11/2019 3:26 PM
42	english	6/11/2019 1:26 PM
43	English	6/11/2019 1:17 PM
44	english	6/11/2019 12:07 PM
45	English	6/11/2019 11:30 AM
46	English	6/11/2019 10:42 AM
47	English	6/11/2019 10:17 AM
48	English	6/10/2019 6:11 PM
49	English	6/10/2019 3:17 PM
50	english	6/10/2019 3:09 PM
51	English	6/10/2019 10:23 AM
52	English	6/10/2019 9:41 AM
53	English	6/8/2019 8:59 AM
54	english	6/7/2019 7:56 PM
55	English	6/6/2019 9:22 AM
56	English	6/5/2019 5:10 PM
57	English	6/5/2019 3:52 PM
58	English	6/5/2019 3:36 PM
59	ENGLISH	6/5/2019 10:12 AM
60	English	6/5/2019 9:58 AM
61	English	6/5/2019 7:14 AM
62	English	6/4/2019 5:41 PM
63	English	6/4/2019 4:13 PM
64	English	6/3/2019 4:46 PM
65	English	6/2/2019 6:50 PM
66	English	6/2/2019 2:47 PM
67	English	6/2/2019 2:19 PM
68	english	6/1/2019 1:05 PM
69	English	5/31/2019 3:50 PM
70	English	5/30/2019 4:11 PM
71	Purepecha	5/30/2019 1:23 PM
72	English	5/30/2019 10:56 AM
73	English	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

#	WHAT IS YOUR GENDER?	DATE
1	Male	7/29/2019 12:02 PM
2	F	7/29/2019 7:59 AM
3	male	7/27/2019 8:25 PM
4	F	7/26/2019 10:05 PM
5	Male	7/26/2019 6:34 PM
6	Female	7/26/2019 6:08 PM
7	M	7/26/2019 6:00 PM
8	Male	7/26/2019 5:33 PM
9	M	7/26/2019 2:25 PM
10	female	7/26/2019 2:00 PM
11	Female	7/26/2019 1:44 PM
12	Male	7/26/2019 1:42 PM
13	Female	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	female	7/24/2019 12:57 PM
16	female	7/24/2019 12:50 PM
17	female	7/24/2019 9:45 AM
18	Female	6/26/2019 9:00 AM
19	F	6/26/2019 7:21 AM
20	Male	6/26/2019 7:20 AM
21	Female	6/24/2019 9:11 PM
22	male	6/24/2019 1:29 PM
23	Female	6/21/2019 10:28 AM
24	male	6/20/2019 8:45 PM
25	Female	6/20/2019 4:48 PM
26	Male	6/20/2019 3:39 PM
27	M to F trans	6/20/2019 2:49 PM
28	Female	6/20/2019 2:46 PM
29	F	6/20/2019 2:44 PM
30	Male	6/20/2019 2:42 PM
31	male	6/20/2019 2:33 PM
32	Female	6/18/2019 6:50 PM
33	Male	6/18/2019 4:40 PM
34	Female	6/17/2019 7:44 PM
35	Female	6/12/2019 1:24 PM
36	female	6/12/2019 11:21 AM
37	m	6/12/2019 10:19 AM



## DHA1 Survey Data\_190801

38	Female	6/12/2019 8:02 AM
39	Female	6/11/2019 3:26 PM
40	female	6/11/2019 1:26 PM
41	Female	6/11/2019 1:17 PM
42	female	6/11/2019 12:07 PM
43	female	6/11/2019 11:30 AM
44	female	6/11/2019 10:42 AM
45	F	6/11/2019 10:17 AM
46	Male	6/10/2019 6:11 PM
47	Female	6/10/2019 3:17 PM
48	male	6/10/2019 3:09 PM
49	Femal	6/10/2019 10:23 AM
50	Female	6/10/2019 9:41 AM
51	Male	6/8/2019 8:59 AM
52	female	6/7/2019 7:56 PM
53	M	6/6/2019 9:22 AM
54	Female	6/5/2019 5:10 PM
55	F	6/5/2019 3:52 PM
56	Half and hslf	6/5/2019 3:36 PM
57	FEMALE	6/5/2019 10:12 AM
58	female	6/5/2019 9:58 AM
59	Female	6/5/2019 7:14 AM
60	male	6/4/2019 5:41 PM
61	Female	6/4/2019 4:13 PM
62	Male	6/3/2019 4:46 PM
63	Female	6/2/2019 6:50 PM
64	Female	6/2/2019 2:47 PM
65	Male	6/2/2019 2:19 PM
66	female	6/1/2019 1:05 PM
67	Female	5/31/2019 3:50 PM
68	female	5/30/2019 4:11 PM
69	Male	5/30/2019 1:23 PM
70	F	5/30/2019 10:56 AM
71	female	5/15/2019 5:06 PM

# DHA1 Survey Data\_190801

#	DO YOU OWN OR RENT?	DATE
1	own	7/29/2019 12:02 PM
2	own	7/29/2019 7:59 AM
3	rent	7/27/2019 8:25 PM
4	Own	7/26/2019 10:05 PM
5	Own	7/26/2019 6:34 PM
6	Rent	7/26/2019 6:08 PM
7	Own	7/26/2019 6:00 PM
8	Own	7/26/2019 5:33 PM
9	Own	7/26/2019 2:25 PM
10	own	7/26/2019 2:00 PM
11	Own	7/26/2019 1:44 PM
12	Own	7/26/2019 1:42 PM
13	Rent	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	own	7/24/2019 12:57 PM
16	rent	7/24/2019 12:50 PM
17	Own	7/24/2019 9:59 AM
18	own	7/24/2019 9:45 AM
19	Own	6/26/2019 9:00 AM
20	Own	6/26/2019 7:21 AM
21	Own	6/26/2019 7:20 AM
22	Own	6/24/2019 9:11 PM
23	own	6/24/2019 1:29 PM
24	Rent	6/21/2019 10:28 AM
25	own	6/20/2019 8:45 PM
26	Own	6/20/2019 4:48 PM
27	Own	6/20/2019 3:39 PM
28	rent	6/20/2019 2:49 PM
29	own	6/20/2019 2:46 PM
30	rent	6/20/2019 2:44 PM
31	Own	6/20/2019 2:42 PM
32	own	6/20/2019 2:33 PM
33	Rent	6/18/2019 6:50 PM
34	Own	6/18/2019 4:40 PM
35	Own	6/17/2019 7:44 PM
36	own	6/12/2019 1:24 PM
37	own	6/12/2019 11:21 AM

## DHA1 Survey Data\_190801

38	own	6/12/2019 10:19 AM
39	Own	6/12/2019 8:02 AM
40	Rent	6/11/2019 3:26 PM
41	own	6/11/2019 1:26 PM
42	Own	6/11/2019 1:17 PM
43	own	6/11/2019 12:07 PM
44	own	6/11/2019 11:30 AM
45	own	6/11/2019 10:42 AM
46	Own	6/11/2019 10:17 AM
47	Own	6/10/2019 6:11 PM
48	Own	6/10/2019 3:17 PM
49	own	6/10/2019 3:09 PM
50	Own	6/10/2019 10:23 AM
51	Own	6/10/2019 9:41 AM
52	Own	6/8/2019 8:59 AM
53	rent	6/7/2019 7:56 PM
54	rent	6/6/2019 9:22 AM
55	Own	6/5/2019 5:10 PM
56	rent	6/5/2019 3:52 PM
57	Both	6/5/2019 3:36 PM
58	OWN	6/5/2019 10:12 AM
59	own	6/5/2019 9:58 AM
60	Own	6/5/2019 7:14 AM
61	own	6/4/2019 5:41 PM
62	Own	6/4/2019 4:13 PM
63	Rent	6/3/2019 4:46 PM
64	Rent	6/2/2019 6:50 PM
65	Own	6/2/2019 2:47 PM
66	Own	6/2/2019 2:19 PM
67	rent	6/1/2019 1:05 PM
68	own	5/31/2019 3:50 PM
69	own	5/30/2019 4:11 PM
70	Own	5/30/2019 1:23 PM
71	Own	5/30/2019 10:56 AM
72	own	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

#	WHAT ZIP CODE DO YOU LIVE IN?	DATE
1	98126	7/29/2019 12:02 PM
2	98115	7/29/2019 7:59 AM
3	98155	7/27/2019 8:25 PM
4	98108	7/26/2019 10:05 PM
5	98029	7/26/2019 6:34 PM
6	98108	7/26/2019 6:08 PM
7	98108	7/26/2019 6:00 PM
8	98108	7/26/2019 5:33 PM
9	98108	7/26/2019 2:25 PM
10	98087	7/26/2019 2:00 PM
11	98108	7/26/2019 1:44 PM
12	98108	7/26/2019 1:42 PM
13	98108	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	98108	7/24/2019 12:57 PM
16	98134	7/24/2019 12:50 PM
17	98108	7/24/2019 9:59 AM
18	98108	7/24/2019 9:45 AM
19	98108	6/26/2019 9:00 AM
20	98108	6/26/2019 7:21 AM
21	98108	6/26/2019 7:20 AM
22	98108	6/24/2019 9:11 PM
23	98108	6/24/2019 1:29 PM
24	98116	6/20/2019 8:45 PM
25	98155	6/20/2019 4:48 PM
26	98108	6/20/2019 3:39 PM
27	98108	6/20/2019 2:49 PM
28	98108	6/20/2019 2:46 PM
29	98108	6/20/2019 2:44 PM
30	98108	6/20/2019 2:42 PM
31	98108	6/20/2019 2:33 PM
32	98134	6/18/2019 6:50 PM
33	98108	6/18/2019 4:40 PM
34	98108-2758	6/17/2019 7:44 PM
35	98108	6/12/2019 4:02 PM
36	98008	6/12/2019 1:24 PM
37	98014	6/12/2019 11:21 AM



## DHA1 Survey Data\_190801

38	98922	6/12/2019 10:19 AM
39	98133	6/12/2019 8:02 AM
40	98108	6/11/2019 3:26 PM
41	98115	6/11/2019 1:26 PM
42	98108	6/11/2019 1:17 PM
43	98108	6/11/2019 12:07 PM
44	98108	6/11/2019 11:30 AM
45	98108	6/11/2019 10:42 AM
46	98108	6/11/2019 10:17 AM
47	98108	6/10/2019 6:11 PM
48	98198	6/10/2019 3:17 PM
49	98103	6/10/2019 3:09 PM
50	98136	6/10/2019 10:23 AM
51	98108	6/10/2019 9:41 AM
52	98116	6/8/2019 8:59 AM
53	98108	6/7/2019 7:56 PM
54	98121	6/6/2019 9:22 AM
55	98033	6/5/2019 5:10 PM
56	98102	6/5/2019 3:52 PM
57	98134	6/5/2019 3:36 PM
58	98103	6/5/2019 10:12 AM
59	98115	6/5/2019 9:58 AM
60	98042	6/5/2019 7:14 AM
61	98136	6/4/2019 5:41 PM
62	98118	6/4/2019 4:13 PM
63	98108	6/3/2019 4:46 PM
64	98108	6/2/2019 6:50 PM
65	98108	6/2/2019 2:47 PM
66	98108	6/2/2019 2:19 PM
67	98108	6/1/2019 1:05 PM
68	09108	5/31/2019 3:50 PM
69	98108	5/30/2019 4:11 PM
70	98108	5/30/2019 1:23 PM
71	98106	5/30/2019 10:56 AM
72	98108	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

#	WHAT IS YOUR RACE/ETHNICITY?	DATE
1	Gringo	7/29/2019 12:02 PM
2	white	7/29/2019 7:59 AM
3	white	7/27/2019 8:25 PM
4	Seattle	7/26/2019 10:05 PM
5	Issaquah	7/26/2019 6:34 PM
6	White	7/26/2019 6:08 PM
7	White	7/26/2019 6:00 PM
8	White	7/26/2019 5:33 PM
9	Caucasian	7/26/2019 2:25 PM
10	white	7/26/2019 2:00 PM
11	Asian	7/26/2019 1:44 PM
12	White	7/26/2019 1:42 PM
13	Caucasian	7/26/2019 1:01 PM
14	NDBBM	7/26/2019 8:25 AM
15	Caucasian	7/24/2019 12:57 PM
16	white	7/24/2019 12:50 PM
17	white	7/24/2019 9:45 AM
18	Caucasian	6/26/2019 9:00 AM
19	White	6/26/2019 7:20 AM
20	Caucasian	6/24/2019 9:11 PM
21	white	6/24/2019 1:29 PM
22	Mixed race	6/21/2019 10:28 AM
23	white	6/20/2019 8:45 PM
24	Caucasian	6/20/2019 4:48 PM
25	White/Native American	6/20/2019 2:49 PM
26	white	6/20/2019 2:46 PM
27	White	6/20/2019 2:44 PM
28	African American	6/20/2019 2:42 PM
29	caucasian	6/20/2019 2:33 PM
30	Black	6/18/2019 6:50 PM
31	Caucasian	6/18/2019 4:40 PM
32	white	6/12/2019 1:24 PM
33	caucasian	6/12/2019 11:21 AM
34	white	6/12/2019 10:19 AM
35	Caucasian	6/12/2019 8:02 AM
36	caucasian	6/11/2019 1:26 PM
37	white	6/11/2019 1:17 PM

## DHA1 Survey Data\_190801

38	caucasian	6/11/2019 12:07 PM
39	white	6/11/2019 11:30 AM
40	white	6/11/2019 10:42 AM
41	caucasian	6/11/2019 10:17 AM
42	Caucasian	6/10/2019 6:11 PM
43	white	6/10/2019 3:09 PM
44	Caucasian	6/10/2019 10:23 AM
45	White/Causcasian	6/10/2019 9:41 AM
46	White	6/8/2019 8:59 AM
47	white	6/7/2019 7:56 PM
48	white	6/6/2019 9:22 AM
49	White	6/5/2019 5:10 PM
50	white	6/5/2019 3:52 PM
51	Bleached	6/5/2019 3:36 PM
52	white	6/5/2019 9:58 AM
53	Caucasian	6/5/2019 7:14 AM
54	white	6/4/2019 5:41 PM
55	White	6/4/2019 4:13 PM
56	White	6/3/2019 4:46 PM
57	Caucasian	6/2/2019 6:50 PM
58	Biracial	6/2/2019 2:47 PM
59	Caucasian	6/2/2019 2:19 PM
60	Seattle	5/31/2019 3:50 PM
61	caucasian	5/30/2019 4:11 PM
62	Seattle	5/30/2019 1:23 PM
63	white	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

Q9 If you would like to be added to our email distribution or mailing list, please provide your information below.

Answered: 24   Skipped: 57

ANSWER CHOICES	RESPONSES	
Name	83.33%	20
Company	0.00%	0
Address	70.83%	17
Address 2	0.00%	0
City/Town	70.83%	17
State	75.00%	18
ZIP/Postal Code	75.00%	18
Country	0.00%	0
Email Address	87.50%	21
Phone Number	50.00%	12



## DHA1 Survey Data\_190801

#	NAME	DATE
1	Clare A Sayas	7/26/2019 10:05 PM
2	Lawrence Solomon	7/26/2019 6:34 PM
3	Jessica McComas	7/26/2019 6:08 PM
4	Sara	7/24/2019 12:50 PM
5	Patrick Hansen-Lund	7/24/2019 9:59 AM
6	Sean	6/26/2019 7:20 AM
7	Kevin Byers	6/24/2019 1:29 PM
8	Bridgid Persephone Newman-Henson	6/20/2019 2:49 PM
9	Marissa Birchman	6/20/2019 2:46 PM
10	Jessica Hanson	6/17/2019 7:44 PM
11	Ella Dorband	6/11/2019 1:17 PM
12	Janet Neuhauser	6/11/2019 12:07 PM
13	Dacon Hayes	6/10/2019 3:17 PM
14	S. Jordan Lee	6/9/2019 6:44 AM
15	Regina Menssen	6/5/2019 5:10 PM
16	Darby DuComb	6/5/2019 9:58 AM
17	ERIN GOODMAN	6/4/2019 4:13 PM
18	Kyle Kretschman	6/2/2019 2:19 PM
19	Amanda B Slepiski	5/30/2019 4:11 PM
20	Patty Foley	5/15/2019 5:06 PM
#	COMPANY	DATE
	There are no responses.	

## DHA1 Survey Data\_190801

#	ADDRESS	DATE
1	775 South Homer Street	7/26/2019 10:05 PM
2	1543 NE Iris Street	7/26/2019 6:34 PM
3	6601 Carleton Avenue South, Unit B	7/26/2019 6:08 PM
4	836 S Orcas Street	7/24/2019 9:59 AM
5	6311 Ellis Ave S	6/26/2019 7:20 AM
6	6733 Flora Ave S	6/24/2019 1:29 PM
7	Seattle	6/20/2019 8:45 PM
8	6321 Corgiat Dr S STE B	6/20/2019 2:49 PM
9	912 S Warsaw St	6/17/2019 7:44 PM
10	5911 18TH AVE S	6/11/2019 1:17 PM
11	707 South Snoqualmie Street, Studio 1C	6/11/2019 12:07 PM
12	Po box 80471	6/9/2019 6:44 AM
13	66 S. Hanford St.	6/5/2019 9:58 AM
14	270 S HANFORD ST STE 112	6/4/2019 4:13 PM
15	6652 Corson Ave S Unit B	6/2/2019 2:19 PM
16	6715 Ellis Ave S	5/30/2019 4:11 PM
17	6415 Flora Ave S	5/15/2019 5:06 PM
#	ADDRESS 2	DATE

There are no responses.

#	CITY/TOWN	DATE
1	Seattle	7/26/2019 10:05 PM
2	Issaquah	7/26/2019 6:34 PM
3	Seattle	7/26/2019 6:08 PM
4	Seattle	7/24/2019 12:50 PM
5	Seattle	7/24/2019 9:59 AM
6	Seattle	6/26/2019 7:20 AM
7	Seattle	6/24/2019 1:29 PM
8	Seattle	6/20/2019 2:49 PM
9	Seattle	6/17/2019 7:44 PM
10	Seattle	6/11/2019 1:17 PM
11	Seattle	6/11/2019 12:07 PM
12	Seattle	6/9/2019 6:44 AM
13	Seattle	6/5/2019 9:58 AM
14	SEATTLE	6/4/2019 4:13 PM
15	Seattle	6/2/2019 2:19 PM
16	Seattle	5/30/2019 4:11 PM
17	Seattle	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

#	STATE	DATE
1	WA	7/26/2019 10:05 PM
2	WA	7/26/2019 6:34 PM
3	WA	7/26/2019 6:08 PM
4	WA	7/24/2019 12:50 PM
5	WA	7/24/2019 9:59 AM
6	WA	6/26/2019 7:20 AM
7	WA	6/24/2019 1:29 PM
8	WA	6/20/2019 2:49 PM
9	WA	6/17/2019 7:44 PM
10	WA	6/11/2019 1:17 PM
11	WA	6/11/2019 12:07 PM
12	WA	6/9/2019 6:44 AM
13	WA	6/5/2019 5:10 PM
14	WA	6/5/2019 9:58 AM
15	WA	6/4/2019 4:13 PM
16	WA	6/2/2019 2:19 PM
17	WA	5/30/2019 4:11 PM
18	WA	5/15/2019 5:06 PM
#	ZIP/POSTAL CODE	DATE
1	98108	7/26/2019 10:05 PM
2	98029	7/26/2019 6:34 PM
3	98108	7/26/2019 6:08 PM
4	98134	7/24/2019 12:50 PM
5	98108	7/24/2019 9:59 AM
6	98108	6/26/2019 7:20 AM
7	98108	6/24/2019 1:29 PM
8	98108	6/20/2019 2:49 PM
9	98108-2758	6/17/2019 7:44 PM
10	98108	6/11/2019 1:17 PM
11	98108	6/11/2019 12:07 PM
12	98108	6/9/2019 6:44 AM
13	98134	6/5/2019 9:58 AM
14	98134	6/4/2019 4:13 PM
15	98108	6/2/2019 2:47 PM
16	98108	6/2/2019 2:19 PM
17	98108	5/30/2019 4:11 PM
18	98108	5/15/2019 5:06 PM

## DHA1 Survey Data\_190801

#	COUNTRY	DATE
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There are no responses.

#	EMAIL ADDRESS	DATE
1	clare.sayas@gmail.com	7/26/2019 10:05 PM
2	solomon@pacificplumbing.com	7/26/2019 6:34 PM
3	sara@designbysml.com	7/24/2019 12:50 PM
4	phansenlund@gmail.com	7/24/2019 9:59 AM
5	seanholt11@gmail.com	6/26/2019 7:20 AM
6	kevinbyers@gmail.com	6/24/2019 1:29 PM
7	bridgidpnh@gmail.com	6/20/2019 2:49 PM
8	mbirchman@gmail.com	6/20/2019 2:46 PM
9	davalean@yahoo.com	6/17/2019 7:44 PM
10	kritty@q.com	6/11/2019 1:26 PM
11	ella.dorband@gmail.com	6/11/2019 1:17 PM
12	janet.neuhauser@gmail.com	6/11/2019 12:07 PM
13	dacon.hayes@plymouthinc.com	6/10/2019 3:17 PM
14	seannaj@gmail.com	6/9/2019 6:44 AM
15	rosiecoe@yahoo.com	6/7/2019 7:56 PM
16	rmenssen@prologis.com	6/5/2019 5:10 PM
17	dnd@soslaw.com	6/5/2019 9:58 AM
18	ERIN@SODOSEATTLE.ORG	6/4/2019 4:13 PM
19	kyle_kretsch@hotmail.com	6/2/2019 2:19 PM
20	aslepski@gmail.com	5/30/2019 4:11 PM
21	patty_foley@hotmail.com	5/15/2019 5:06 PM

#	PHONE NUMBER	DATE
1	8185176093	7/26/2019 10:05 PM
2	2069195596	7/26/2019 6:34 PM
3	2068492690	7/26/2019 6:08 PM
4	8585810754	7/24/2019 9:59 AM
5	2065954775	6/20/2019 2:49 PM
6	2066178963	6/17/2019 7:44 PM
7	2672669723	6/11/2019 1:17 PM
8	2063810579	6/11/2019 12:07 PM
9	2064147612	6/5/2019 5:10 PM
10	206-268-3391	6/5/2019 9:58 AM
11	2069819877	6/4/2019 4:13 PM
12	206-409-9838	5/15/2019 5:06 PM





Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal.**

Please answer the following survey questions to provide your input on this petition.

To learn more about this project, please visit [www.diagonalavenue.com](http://www.diagonalavenue.com) for more information.

**1. Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?**

☐ No

☐ Yes (please specify): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2. Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.**

☐ No

☐ Yes (please specify): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?**

☐ Yes, I agree

☐ No, I disagree

**4. Do you have additional questions or comments for us?**

☐ No

☐ Yes (please specify): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**5. Do you work in SODO or Georgetown?**

☐ I work in SODO

☐ I work in Georgetown

☐ I do not work in either area

☐ Other (please specify): \_\_\_\_\_  
\_\_\_\_\_

**6. Do you live in SODO or Georgetown?**

☐ I live in SODO

☐ I live in Georgetown

☐ I do not live in the area

☐ Other (please specify): \_\_\_\_\_  
\_\_\_\_\_

**7. What age group are you in?**

☐ Under 18

☐ 45-54

☐ 18-24

☐ 55-64

☐ 25-34

☐ 65+

☐ 35-44

**8. The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.**

What language do you speak at home? \_\_\_\_\_

What is your gender? \_\_\_\_\_

Do you own or rent? \_\_\_\_\_

What ZIP code do you live in? \_\_\_\_\_

What is your race/ethnicity? \_\_\_\_\_

**9. If you would like to be added to our email distribution or mailing list, please provide your information below.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/Town: \_\_\_\_\_ State: \_\_\_\_\_ ZIP/Postal Code: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_



Seattle City Light

## DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal.**

Please answer the following survey questions to provide your input on this petition.

To learn more about this project, please visit [www.diagonalavenue.com](http://www.diagonalavenue.com) for more information.

1. Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?

☒ No

☐ Yes (please specify):

2. Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.

☐ No

☒ Yes (please specify): Seattle Parks & Recreation should have

a fully planned and paid-for project for approval in advance of any potential transfer.

3. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?

☒ Yes, I agree

☐ No, I disagree

→ only if there is a plan. If it sits vacant, then NO.

4. Do you have additional questions or comments for us?

☐ No

☒ Yes (please specify): Doesn't this transfer "require" an

approved plan in place prior to transfer?

5. Do you work in SODO or Georgetown?

☐ I work in SODO

☐ I work in Georgetown

☒ I do not work in either area

☐ Other (please specify): \_\_\_\_\_

6. Do you live in SODO or Georgetown?

☐ I live in SODO

☒ I live in Georgetown

☐ I do not live in the area

☐ Other (please specify): \_\_\_\_\_

7. What age group are you in?

☐ Under 18

☐ 45-54

☐ 18-24

☐ 55-64

☐ 25-34

☐ 65+

☒ 35-44

8. The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.

What language do you speak at home? English

What is your gender? Male

Do you own or rent? own

What ZIP code do you live in? 98108

What is your race/ethnicity? white

9. If you would like to be added to our email distribution or mailing list, please provide your information below.

Name: Dane Hofbauer

Address: 6240 J Corson Ave S

City/Town: Seattle State: WA ZIP/Postal Code: 98108

Email Address: dhofbauer@gmail.com

Phone Number: 206-778-4125





Seattle City Light

## DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal.**

Please answer the following survey questions to provide your input on this petition.

To learn more about this project, please visit [www.diagonalavenue.com](http://www.diagonalavenue.com) for more information.

1. Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?

☒ No

☐ Yes (please specify):

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2. Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.

☒ No

☐ Yes (please specify):

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3. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?

☐ Yes, I agree

☒ No, I disagree

4. Do you have additional questions or comments for us?

☐ No

☒ Yes (please specify):

I believe it is not a public benefit unless there are funds to develop the land into something that benefits the neighborhood

**5. Do you work in SODO or Georgetown?**

☐ I work in SODO

☐ I work in Georgetown

☒ I do not work in either area

☐ Other (please specify): \_\_\_\_\_

**6. Do you live in SODO or Georgetown?**

☐ I live in SODO

☒ I live in Georgetown

☐ I do not live in the area

☐ Other (please specify): \_\_\_\_\_

**7. What age group are you in?**

☐ Under 18

☐ 45-54

☐ 18-24

☐ 55-64

☒ 25-34

☐ 65+

☐ 35-44

**8. The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.**

What language do you speak at home? English

What is your gender? Female

Do you own or rent? Own

What ZIP code do you live in? 98108

What is your race/ethnicity? white

**9. If you would like to be added to our email distribution or mailing list, please provide your information below.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/Town: \_\_\_\_\_ State: \_\_\_\_\_ ZIP/Postal Code: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_



Seattle City Light

## DIAGONAL AVENUE SOUTH STREET VACATION SURVEY

Seattle City Light will be petitioning the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility would transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area, possibly with a walking and biking trail. **We'd like your feedback on this proposal.**

Please answer the following survey questions to provide your input on this petition.

To learn more about this project, please visit [www.diagonalavenue.com](http://www.diagonalavenue.com) for more information.

1. Do you have any concerns with Seattle City Light's street vacation petition to permanently use the southern portion of Diagonal Avenue South by transferring ownership to the utility?

☒ No

☐ Yes (please specify):

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2. Do you have concerns with Seattle City Light transferring its ownership of the Flume Property on East Marginal Way South to Seattle Parks and Recreation? This would allow Seattle Parks and Recreation to consider the use of this property as an off-leash dog park, possibly with a walking and biking trail for the neighborhood.

☐ No

☒ Yes (please specify): I like the idea of a park / trail but am concerned that it will not be developed for a long time. Also, A Dog Park is something the community would like, but I'm not sure this is the best location. I would like a Dog Park to be considered but am uncertain if this is really should be part of this discussion. I really would like a trail to be part of the conversation especially since there is a separate track of work to connect Georgetown to South Park.

3. Do you agree that this property transfer to Seattle Parks and Recreation is a fair public benefit in exchange for Seattle City Light's street vacation petition on Diagonal Avenue South?

☐ Yes, I agree

☐ No, I disagree

☒ Uncertain

4. Do you have additional questions or comments for us?

☐ No

☐ Yes (please specify):

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**5. Do you work in SODO or Georgetown?**

☐ I work in SODO

☐ I work in Georgetown

☒ I do not work in either area

☐ Other (please specify): \_\_\_\_\_

**6. Do you live in SODO or Georgetown?**

☐ I live in SODO

☒ I live in Georgetown

☐ I do not live in the area

☐ Other (please specify): \_\_\_\_\_

**7. What age group are you in?**

☐ Under 18

☒ 45-54

☐ 18-24

☐ 55-64

☐ 25-34

☐ 65+

☐ 35-44

**8. The fields below help us understand who we are reaching to ensure we're doing the best job at connecting with all people in our community. Your participation is voluntary.**

What language do you speak at home? English

What is your gender? Female

Do you own or rent? own

What ZIP code do you live in? 98108

What is your race/ethnicity? Filipino

**9. If you would like to be added to our email distribution or mailing list, please provide your information below.**

Name: Heather Carney

Address: 6136 Corson Ave S.

City/Town: Seattle State: WA ZIP/Postal Code: 98108

Email Address: heather.j.carney@gmail.com

Phone Number: 425-736-8874



# DHB Public\_Meeting\_Notice with hotline



Seattle City Light

## SODO/GEORGETOWN PUBLIC MEETING NOTICE

**TRANSLATION SERVICES AVAILABLE AT (253) 397-3887**

• Información en español • 中文資訊 • Thông tin bằng tiếng Việt

### PROJECT OVERVIEW

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is proposing to transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area. **Please see the maps on the back of this flier for more information.**



### PUBLIC MEETINGS

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

#### **SODO Public Meeting**

**June 10, 2019, 6:00-7:30 p.m.**

The Factory Luxe  
3100 Airport Way South  
Seattle, WA 98134

#### **Georgetown Public Meeting**

**June 12, 2019, 6:00-7:30 p.m.**

Georgetown Ballroom  
5623 Airport Way South  
Seattle, WA 98108

If you are unable to attend, comments can be submitted via phone or email. You can also take an online survey to provide your input ([www.surveymonkey.com/r/diagonalave](http://www.surveymonkey.com/r/diagonalave)). *Please be advised that any information collected through this process may become public.*

### CONTACT US

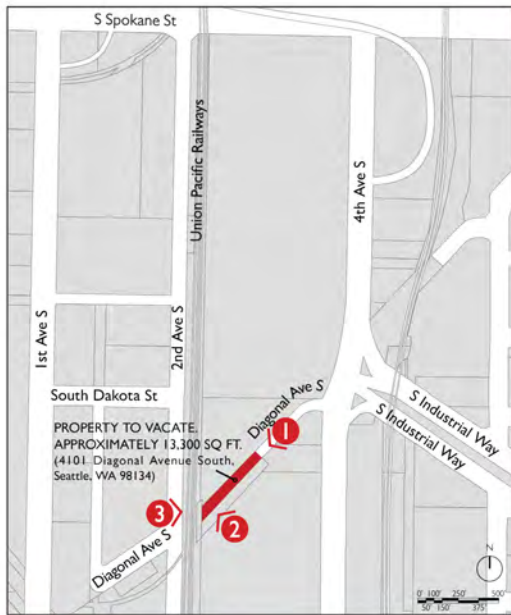
**For questions about the street vacation petition, please contact:**

**Anindita Mitra**  
**Seattle City Light (Project Representative)**  
info@crea-affiliates.com  
(253) 397-3887  
[www.diagonalavenue.com](http://www.diagonalavenue.com)

**For questions about off-leash areas, please contact:**

**Danyal Lotfi**  
**Seattle Parks and Recreation**  
danyal.lotfi@seattle.gov  
(206) 615-1721  
[seattle.gov/parks/find/dog-off-leash-areas](http://seattle.gov/parks/find/dog-off-leash-areas)

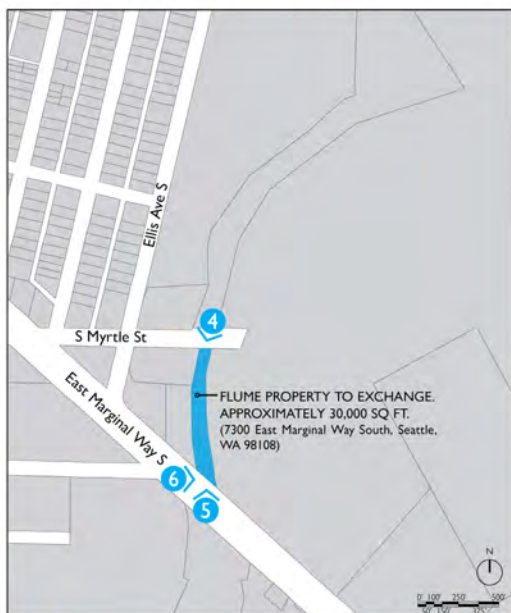
## PROJECT MAP



1



2



4



5



6





Seattle City Light

DIAGONAL AVENUE SOUTH  
STREET VACATION PETITION

## Petición de liberación de calle: Diagonal Avenue South

### Proyecto de Seattle City Light



Seattle City Light solicita al Seattle Department of Transportation (SDOT, Departamento de

Transporte de Seattle) que cierre permanentemente el acceso público a la parte sur de Diagonal Avenue South entre 4th Avenue South y las vías de Union Pacific Railroad.

Actualmente, esto se encuentra dentro de la propiedad cercada de Seattle City Light y se ha utilizado para almacenamiento bajo un permiso de uso de calle.

Poseer esta propiedad permitirá a City Light mejorar esta zona para mejorar la seguridad y los resultados ambientales, como por ejemplo:

1. Reducir los daños causados por las inundaciones durante los meses de invierno
2. Dirigir el agua de lluvia hacia el río Duwamish

## D.H.C.1. Website SCL Vacation Spanish

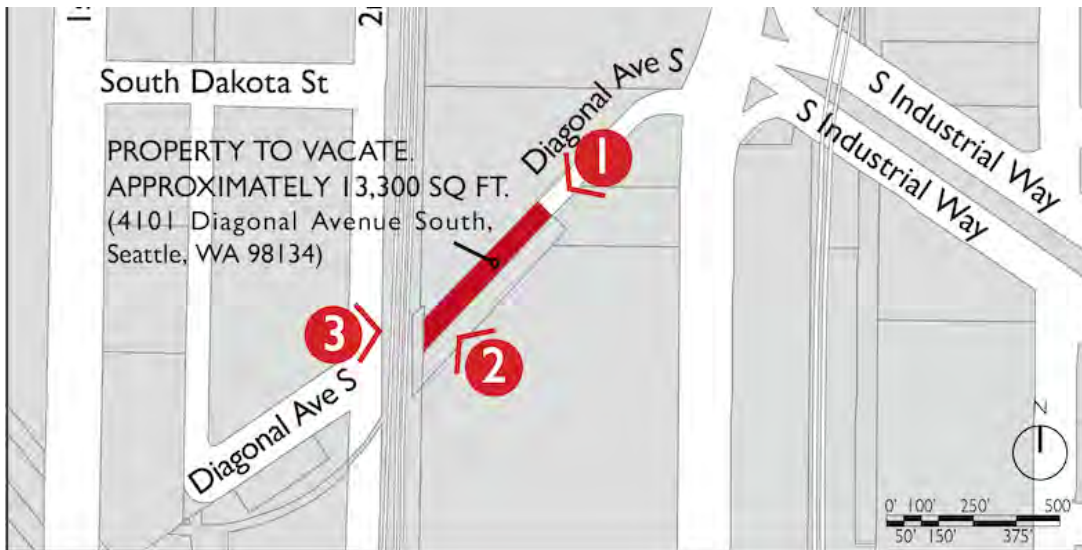
2. Dirigir el agua de lluvia hacia el río Duwamish
3. Mejorar la seguridad del sitio
4. Utilizar la propiedad más eficientemente

El rediseño de esta propiedad no modificará el uso de calles adyacentes ni la vida del vecindario.





## D.H.C.1. Website SCL Vacation Spanish



El intercambio de propiedad está sujeto a la revisión de la Seattle Design Commission y del Seattle Department of Transportation. Debe ser aprobado por el ayuntamiento de Seattle.

### Beneficio público

En caso de que City Light busque obtener derechos de paso para este tramo de la calle, será necesario identificar un beneficio público para los residentes de Seattle que compense esta adquisición. City Light transferirá una propiedad desocupada en East Marginal Way South a Seattle Parks and Recreation (Departamento de Parques y Recreaciones de Seattle), también referido como Parks. La propiedad desocupada de Georgetown es el doble del tamaño de la propiedad de Diagonal Avenue South. Parks está considerando el potencial que tiene esta área de usarse como parque para pasear sin correa a los perros, posiblemente con un sendero para caminar y andar en bicicleta.



Petición de liberación de calle: Diagonal  
Avenue South Preguntas frecuentes

# D.H.C.1. Website SCL Vacation Spanish

## ¿QUÉ ES UNA LIBERACIÓN DE CALLE?

Una *liberación de calle* se refiere al proceso en el que el dueño de una propiedad (en este caso, Seattle City Light) solicita al ayuntamiento de Seattle que adquiera el derecho de paso de una calle adyacente para un uso que no sea una vía pública. La responsabilidad de tomar estas decisiones está asignada al ayuntamiento. Este considerará los comentarios públicos que se recopilen antes o en una audiencia pública antes de tomar una decisión formal sobre la petición.

## ¿POR QUÉ SEATTLE CITY LIGHT ESTÁ BUSCANDO UNA LIBERACIÓN DE CALLE?

Durante varios años, Seattle City Light ha operado continuamente esta porción de 13 300 pies cuadrados (1235,61 metros cuadrados) de Diagonal Avenue South bajo un permiso de uso para vía pública. Bajo este permiso, la empresa de servicios públicos ha restringido el acceso público a esta parte de Diagonal Avenue South.

Con el fin de realizar mejoras de seguridad, operativas y ambientales, City Light está buscando la propiedad de esta sección de Diagonal Avenue South, que está rodeada por la propiedad del servicio público South Service Center.

## ¿CUÁL SERÁ EL IMPACTO PARA EL BARRIO?

La parte cerrada de Diagonal Avenue South (objeto de esta petición de liberación de calle) ha estado en uso industrial. El acceso a 2<sup>nd</sup> Avenue South actualmente está restringido por las vías del ferrocarril directamente al oeste de la propiedad de City Light. No se espera que la transferencia de la posesión de la propiedad del Seattle Department of Transportation (SDOT, Departamento de Transporte de Seattle) a Seattle City Light tenga algún impacto en las propiedades circundantes o en los patrones de circulación del vecindario.

## ¿CÓMO FUNCIONA EL PROCESO DE UNA PETICIÓN DE LIBERACIÓN DE CALLE?

La petición es regida por las políticas de liberación de calle del ayuntamiento de Seattle que se adoptaron en 2018. La petición de liberación de calle es revisada por el SDOT, que mantiene los derechos de la ciudad a todos los derechos de paso públicos. El SDOT trabaja con la Seattle Design Commission (SDC) para asegurarse de que el proceso de liberación de calle sea equitativo y no afecte a la comunidad. El Department of Neighborhoods (DON, Departamento de Barrios) revisa y aprueba la estrategia de difusión para todas las propuestas de liberación de calle. Después de que se haya implementado la estrategia de divulgación pública, el SDOT y la SDC revisan la petición antes de enviarla al ayuntamiento para su aprobación.

## ¿CÓMO UNA LIBERACIÓN DE CALLE BENEFICIA A LOS RESIDENTES DE SEATTLE?

El solicitante, Seattle City Light debe proporcionar un beneficio compensatorio a los residentes de Seattle por transferir la propiedad fuera del derecho de paso público. El beneficio puede

# D.H.C.1. Website SCL Vacation Spanish

de Seattle por transferir la propiedad fuera del derecho de paso público. El beneficio puede tomar muchas formas. En este caso, City Light transferiría 30 000 pies cuadrados (2787 metros cuadrados) de su propiedad en el vecindario de Georgetown al Seattle Parks and Recreation (Departamento de Parques y Recreación de Seattle). La comunidad de Georgetown reconoce el potencial de esta propiedad para convertirse en un espacio comunitario. Seattle Parks and Recreation está analizando poder usarlo como una área para pasear sin correa a los perros, posiblemente con un sendero para caminar y andar en bicicleta.

## ¿CÓMO PUEDO OBTENER INFORMACIÓN ACTUAL SOBRE ESTA PETICIÓN DE LIBERACIÓN DE CALLE?

Como parte de esta petición, City Light organizará dos reuniones públicas para proporcionar detalles sobre esta propuesta y cómo afectará esto al área de SODO/Georgetown. Se recolectarán los comentarios del público en general en ambas reuniones.

**Regístrese aquí para las actualizaciones de proyectos**

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### INFORMACIÓN DE CONTACTO

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**Si tiene preguntas sobre la petición de liberación de calle, póngase en contacto con:**

Anindita Mitra (Representante de Proyecto)

[info@crea-affiliates.com](mailto:info@crea-affiliates.com)

(253) 397-3887

Facebook: [Seattle City Light](#)

Twitter: [@seacitylight](#)

**Si tiene preguntas sobre áreas para pasear sin correa a los perros, póngase en contacto con:**

Danyal Lotfi, Seattle Parks and Recreation

[danyal.lotfi@seattle.gov](mailto:danyal.lotfi@seattle.gov)

(206) 615-1721

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### RECURSOS ADICIONALES

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[Políticas de liberación de calle, ciudad de Seattle](#)

[Proceso de la liberación de calle, Seattle Department of Transportation \(SDOT\)](#)

[Reglamentación 2018 del directorio](#)

[Seattle Department of Construction and Inspections \(SDCI, Departamento de Construcción e Inspección de Seattle\)](#) [Seattle Department of Neighborhoods \(DON\)](#)

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**Seattle City Light****DIAGONAL AVENUE SOUTH  
STREET VACATION PETITION**

# Kiến Nghị về Đoạn Đường Trống – Diagonal Avenue South

## Dự Án của Seattle City Light

Seattle City Light đang yêu cầu Seattle Department of Transportation (SDOT, Sở Giao Thông Thành Phố Seattle) hạn chế vĩnh viễn việc đi lại của công chúng tại phần phía nam của Diagonal Avenue South giữa 4th Avenue South và đường ray Union Pacific Railroad. Phần đường này hiện đang nằm trong khuôn viên tài sản có rào chắn của City Light và hiện được sử dụng để lưu trữ đồ theo Giấy Phép Sử Dụng Đường Phố.

Việc sở hữu tài sản này sẽ cho phép City Light nâng cấp khu vực này nhằm đảm bảo vấn đề an toàn và môi trường tốt hơn:

1. Giảm thiệt hại do lũ lụt trong những tháng mùa đông.
2. Xử lý dòng chảy nước mưa vào sông Duwamish;
3. Cải thiện an ninh tại cơ sở; và
4. Sử dụng tài sản hiệu quả hơn.

Việc thiết kế lại tài sản này sẽ không gây ra bất kỳ thay đổi nào đối với việc sử dụng các tuyến phố lân cận hoặc các đặc điểm của khu phố.

Việc chuyển giao cơ sở này phải được Seattle Design Commission (SDC, Hội Đồng Thiết Kế Seattle) và Seattle Department of Transportation xem xét. Và phải được Seattle City Council (Hội Đồng Thành Phố Seattle) phê duyệt.

## Lợi Ích Cho Cộng Đồng

Nếu City Light theo đuổi việc xin đoạn đường trống của tuyến đường này, cơ quan này sẽ cần phải xác định các lợi ích công cộng đem lại cho cư dân Seattle để bù đắp cho việc thu nhận này. City Light sẽ chuyển giao một tài sản trống tại East Marginal Way South cho Seattle Parks and Recreation (Cơ Quan Công Viên và Giải Trí Seattle) (Cơ Quan Công Viên). Cơ sở Georgetown bỏ trống có diện tích gấp đôi đoạn đường xin kiến nghị của Diagonal Avenue South. Cơ Quan Công Viên đang khám phá tiềm năng sử dụng khu vực này làm công viên cho chó chạy thả rông, có thể với đường mòn kết nối cho người đi bộ/đi xe đạp dành cho công chúng.

## Kiến Nghị về Đoạn Đường Trống – Diagonal Avenue South Các Câu Hỏi Thường Gặp

### ĐỊNH NGHĨA ĐOẠN ĐƯỜNG TRỐNG?

*Đoạn đường trống* là quy trình mà chủ sở hữu tài sản (trong trường hợp này là Seattle City Light) kiến nghị với Hội Đồng Thành Phố Seattle để có được quyền sử dụng đoạn đường liền kề cho mục đích sử dụng không phải là đường công cộng. Hội Đồng Thành Phố có trách nhiệm đưa ra các quyết định như thế này. Hội Đồng Thành Phố sẽ tham khảo ý kiến của người dân đã được thu thập trước hoặc trong phiên điều trần công cộng trước khi đưa ra quyết định chính thức về kiến nghị này.

### TẠI SAO SEATTLE CITY LIGHT TÌM KIẾM ĐOẠN ĐƯỜNG TRỐNG?

Từ vài năm nay, Seattle City Light khai thác liên tục phần diện tích 13,300 foot vuông tại tuyến đường Diagonal Avenue South thông qua giấy phép sử dụng các tuyến phố. Thông qua giấy

## DHC2 Website SCL Vacation Vietnamese

phép này, cơ quan tiện ích đã giới hạn quyền đi lại của công chúng với đoạn đường này của tuyến phố Diagonal Avenue South.

Để đảm bảo an toàn, các cải thiện về khai thác và môi trường, City Light đang tìm kiếm việc sở hữu đoạn đường này của tuyến phố Diagonal Avenue South, hiện đang được bao quanh bởi phần tài sản South Service Center (Trung Tâm Dịch Vụ Phía Nam) của cơ quan tiện ích.

### KHU DÂN CƯ LÂN CẬN SẼ BỊ ẢNH HƯỞNG NHƯ THẾ NÀO?

Đoạn đường bị đóng này của Diagonal Avenue South (phụ thuộc vào kiến nghị đoạn đường trống này) đã được sử dụng cho mục đích công nghiệp. Việc đi lại vào 2<sup>nd</sup> Avenue South hiện đang bị hạn chế bởi các đường ray xe lửa nằm ngay phía tây khu đất của City Light. Việc chuyển nhượng quyền sở hữu từ Seattle Department of Transportation (SDOT, Sở Giao Thông Seattle) cho Seattle City Light được kỳ vọng không gây bất kỳ ảnh hưởng nào tới các tài sản xung quanh hoặc luồng giao thông đi lại của dân cư.

### QUY TRÌNH XIN ĐOẠN ĐƯỜNG TRỐNG ĐƯỢC THỰC HIỆN NHƯ THẾ NÀO?

Kiến nghị này bị chi phối bởi các Chính Sách Đoạn Đường Trống của Hội Đồng Thành Phố Seattle đã được thông qua năm 2018. Kiến nghị xin đoạn đường trống được SDOT xem xét, cơ quan này duy trì các quyền của thành phố đối với tất cả các quyền sử dụng hợp pháp công cộng đường phố. SDOT phối hợp với Seattle Design Commission (SDC) nhằm đảm bảo thủ tục giải quyết việc xin đoạn đường trống được thực hiện nghiêm minh và không gây ảnh hưởng tới cộng đồng. Department of Neighborhoods (DON, Ban Phụ Trách Khu Dân Cư) xem xét và phê duyệt chiến lược tiếp cận với tất cả các đơn xin đoạn đường trống. Sau khi đã triển khai chiến lược tiếp cận công chúng, SDOT và SDC sẽ xem xét đơn kiến nghị và chuyển cho Hội Đồng Thành Phố phê duyệt.

### DỰ ÁN ĐEM LẠI NHỮNG LỢI ÍCH GÌ CHO NGƯỜI DÂN SEATTLE?

Đơn vị kiến nghị, Seattle City Light, phải thực hiện bồi thường cho cư dân Seattle khi chuyển đổi tài sản không còn thuộc quyền sử dụng tuyến phố hợp pháp của người dân. Quyền lợi bồi thường có thể được cung cấp dưới nhiều hình thức. Trong trường hợp này, City Light sẽ chuyển nhượng quyền sở hữu một tài sản 30,000 foot vuông tại khu dân cư Georgetown cho Seattle Parks and Recreation (Cơ Quan Công Viên và Giải Trí Seattle). Cộng đồng Georgetown luôn ghi nhận tiềm năng của tài sản này trong việc trở thành một tiện nghi của cộng đồng. Seattle Parks and Recreation đang khám phá tiềm năng sử dụng tài sản này thành khu vực

# DHC2 Website SCL Vacation Vietnamese

thả chó chạy rộng, có thể với đường mòn dành cho người đi xe đạp và đi bộ.

## TÔI CÓ THỂ NHẬN THÔNG TIN HIỆN TẠI VỀ KIẾN NGHỊ ĐOẠN ĐƯỜNG TRỐNG NÀY Ở ĐÂU?

Là một phần của đơn kiến nghị này, City Light sẽ tổ chức hai cuộc họp dành cho công chúng nhằm cung cấp các thông tin chi tiết về dự án và cách dự án sẽ ảnh hưởng đến khu vực SODO/ Georgetown. Các ý kiến đóng góp của công chúng sẽ được thu thập tại cả hai cuộc họp.

**Đăng ký ở đây để cập nhật dự án**

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### THÔNG TIN LIÊN HỆ

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**Đối với các câu hỏi về kiến nghị xin đoạn đường trống, vui lòng liên hệ:**

Anindita Mitra, Seattle City Light (Đại Diện Dự Án)

[info@crea-affiliates.com](mailto:info@crea-affiliates.com)

(253) 397-3887

Facebook: [Seattle City Light](#)

Twitter: [@seacitylight](#)

**Đối với các câu hỏi về khu vực thả chó chạy rộng, vui lòng liên hệ:**

Danyal Lotfi, Seattle Parks and Recreation

[danyal.lotfi@seattle.gov](mailto:danyal.lotfi@seattle.gov)

(206) 615-1721

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### CÁC NGUỒN THÔNG TIN BỔ SUNG

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[Các Chính Sách Đoạn Đường Trống Năm 2018, Thành Phố Seattle](#)

[Quy Trình Xin Đoạn Đường Trống, Seattle Department of Transportation \(SDOT\)](#)

[2018 Directors' Rule](#)

[Seattle Department of Construction and Inspections \(SDCI, Sở Xây Dựng và Thanh Tra Seattle\)](#)

[Seattle Department of Neighborhoods \(DON\)](#)





**Seattle City Light****DIAGONAL AVENUE SOUTH  
STREET VACATION PETITION**

# 土地产权变更申请 – Diagonal Avenue South Seattle City Light（西雅图电力公司）项目

Seattle City Light正在向Seattle Department of Transportation（SDOT，西雅图交通局）申请永久向公众关闭Diagonal Avenue South在4th Avenue South和Union Pacific Railroad铁道之间南路段的通行。该路段目前位于City Light围栏围起的地产内并在一项街道使用许可下作为储存功能使用。

拥有该地产将使City Light可以升级该区域以获得安全性和环境上的改善：

1. 减少冬季月份雪水泛滥造成的水灾损害；
2. 处理流入Duwamish河流的雨水
3. 改善场地的安全性；以及
4. 更加高效地使用该地产。

该地产的重新设计将不会造成对邻近街道和邻里区状态的改变。

该地产置换须经过Seattle Design Commission（西雅图设计委员会）和Seattle Department of Transportation的审核。置换必须经西雅图市议会批准。

## 公众权益

如果City Light寻求此段街道用地产权变更，则需要为西雅图居民的公众权益做出补偿，以抵消此路段的获取。City Light计划将其所有的位于East Marginal Way South的空闲地产置换给Seattle Parks and Recreation（Parks，西雅图公园与休闲局）。该位于Georgetown的空地面积约为Diagonal Avenue South地产的两倍。Parks正在考虑将该区域发展为犬只活动的公园，可能包含供公众使用的步行和骑行的连接小道。

# 土地产权变更申请 – Diagonal Avenue South 常见问题

## 什么是产权变更？

土地产权变更是指地产所有者（此处为Seattle City Light）向西雅图市议会申请获得毗邻街道的使用权，使其不再作为公共道路使用。做出这些决定的责任属于市议会。市议会将在考虑公共会议上以及之前所收集的公众评论后对此申请做出正式决定。

## 为什么Seattle City Light要寻求道路产权变更？

若干年来，Seattle City Light一直在一项街道使用许可下使用Diagonal Avenue South此段面积为13,300平方英尺的区域。在此许可下，该公共设施限制了公众对Diagonal Avenue South该段道路的通行和使用。

为了确保安全性、可行性和环境上的改善，City Light寻求获得Diagonal Avenue South该路段的所有权。该路段处在公共设施South Service Center（南服务中心）的地产之间。

## 周边区域会受到什么影响？

Diagonal Avenue South的封闭路段（即此申请道路产权变更的路段）已被用作工业用途。该路段与2nd Avenue South之间的交通目前被City Light所属地产西侧的铁路阻断。因此，将该地产的所有权由Seattle Department of Transportation（SDOT，西雅图交通局）转交给Seattle City Light预计不会对周边的地产或邻里交通状况造成影响。

## 道路产权变更的过程是怎样的？

该申请受到2018年开始实施的西雅图市议会道路产权变更政策管辖。道路产权变更的申请将由

## DHC3 Website SCL Vacation Chinese

SDOT审查以确保城市公共道路使用的权利。SDOT将与Seattle Design Commission (SDC) 合作，以确保道路产权变更的过程是公正的且不会对社区造成影响。Department of Neighborhoods (DON, 西雅图邻里局) 将审查和批准所有道路产权变更的公共宣传方案。在公共宣传方案得到实施后，该申请将由SDOT和SDC审阅后递交给市议会进行批准。

### 该道路产权变更对西雅图居民有何补偿？

Seattle City Light作为申请者必须为占据公共道路使用权向西雅图居民提供相应的补偿。补偿可以是多种形式。在本次情况下，City Light将向Seattle Parks and Recreation (西雅图公园与休闲局) 转让一块位于Georgetown周边的面积为30,000平方英尺的地产所有权。Georgetown社区认为这块地产有可能建设成服务社区的公共设施。Seattle Parks and Recreation正在考虑将该地产发展为犬只自由活动的区域，可能包含步行和骑行的小道。

### 如何获取关于该道路产权变更申请的最新信息？

作为该申请过程的一部分，City Light将举行两次公众会议来提供关于此项目的细节和此方案对SODO/Georgetown区域可能产生的影响。两次公众会议都会收集公众评论。

[在此处注册项目更新](#)

---

#### 联系信息

如有关于该道路产权变更申请的问题，请联系：

Anindita Mitra (项目代表)

[info@crea-affiliates.com](mailto:info@crea-affiliates.com)

(253) 397-3887

Facebook: [Seattle City Light](#)

Twitter: [@seacitylight](#)

如有关于犬只自由活动区的问题，请联系：

Danyal Lotfi, Seattle Parks and Recreation

[danyal.lotfi@seattle.gov](mailto:danyal.lotfi@seattle.gov)

(206) 615-1721



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更多资源

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[2018 西雅图街道产权变更政策](#)

[Seattle Department of Transportation \(SDOT\) 街道产权变更程序](#)

[2018 Directors' Rule](#)

[Seattle Department of Construction and Inspections \(SDCI, 西雅图建设与监察局\)](#)

[Seattle Department of Neighborhoods \(DON\)](#)

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**Seattle City Light**

**DIAGONAL AVENUE SOUTH  
STREET VACATION PETITION**

## Seattle City Light – Diagonal Avenue South



Seattle City Light is requesting the Seattle Department of Transportation (SDOT) to permanently close public access to the southern portion of Diagonal Avenue South between 4th Avenue South and the Union Pacific Railroad tracks. This currently lies within City Light's fenced-in property and has been used for storage under a Street Use Permit.

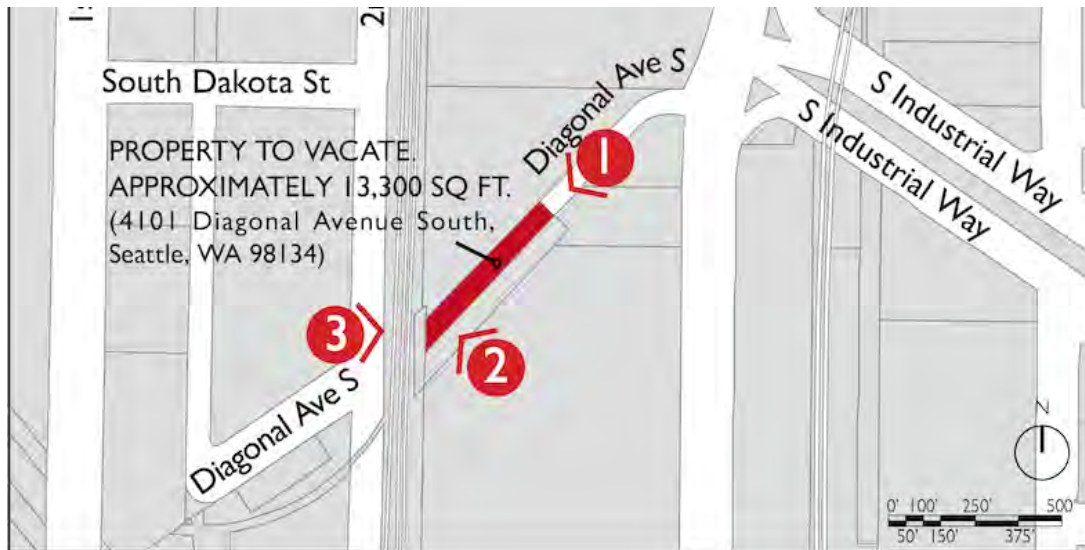
Owning this property will allow City Light to upgrade this area for better safety and environmental outcomes:

1. Reduce water damage from flooding during winter months.
2. Treat stormwater runoff into the Duwamish River;
3. Improve site security; and
4. Use the property more efficiently.

The redesign of this property will not result in any changes to the use of adjacent streets or neighborhood character.



## DHC4 Website SCL Vacation English (1)

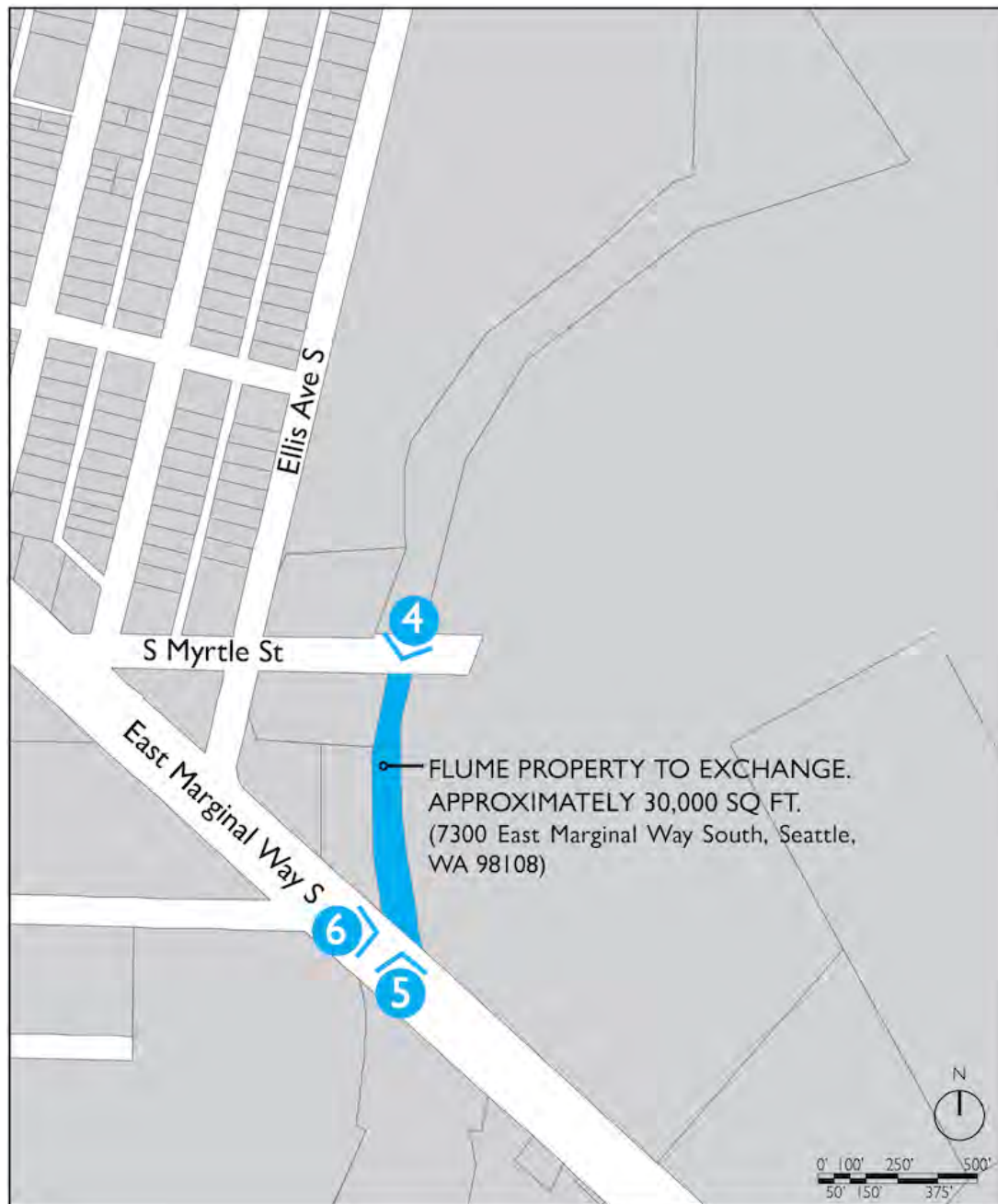


The property exchange is subject to the review of the Seattle Design Commission and the Seattle Department of Transportation. It must be approved by the Seattle City Council.

### Public Benefit

Should City Light pursue a street vacation for this section of the road, it will be required to identify a public benefit for Seattle residents to offset this acquisition. City Light would transfer a vacant property on East Marginal Way South to Seattle Parks and Recreation (Parks). The vacant Georgetown property is double the size of the Diagonal Avenue South property. Parks is exploring the potential of using this area for an off-leash dog park, possibly with a public walking/biking connector trail.





## Frequently Asked Questions

WHAT IS A STREET VACATION?

# DHC4 Website SCL Vacation English (1)

A *street vacation* refers to the process where a property owner (in this case, Seattle City Light) petitions Seattle City Council to acquire adjacent street right-of-way for use other than as a public roadway. The responsibility for making these decisions is assigned to the City Council. The City Council will consider public comments that were collected prior to or at a public hearing before making a formal decision about the petition.

## **WHY IS SEATTLE CITY LIGHT CONSIDERING A STREET VACATION?**

For several years, Seattle City Light has continuously operated this 13,300-square-foot portion of Diagonal Avenue South under a street use permit. Under this permit, the utility has restricted public access to this portion of Diagonal Avenue South. In order to make safety, operational and environmental improvements, City Light is considering taking ownership of this section of Diagonal Avenue South, which is surrounded by the utility's South Service Center property.

## **HOW WILL THE NEIGHBORHOOD BE IMPACTED?**

The closed portion of Diagonal Avenue South (subject of this vacation petition) has been in industrial use. Access to 2nd Avenue South is currently restricted by the railroad tracks directly west of the City Light property. Transferring the ownership of this property from the Seattle Department of Transportation (SDOT) to Seattle City Light is not expected to have any impact on surrounding properties or neighborhood circulation patterns.

## **HOW DOES THE STREET VACATION PROCESS WORK?**

The petition is governed by the Seattle City Council Street Vacation Policies that were adopted in 2018. The petition for a street vacation is reviewed by SDOT which maintains the city's rights to all public rights-of-way. SDOT works with the Seattle Design Commission (SDC) to make sure the street vacation process is equitable and does not impact the community. The Department of Neighborhoods (DON) reviews and approves the outreach strategy for all street vacation proposals. After the public outreach strategy has been implemented, the petition is reviewed by SDOT and the SDC before it is forwarded to the City Council for approval.

## **HOW DOES THE STREET VACATION BENEFIT SEATTLE RESIDENTS?**

The petitioner, Seattle City Light must provide an offsetting benefit to Seattle residents for transferring property out of the public right-of-way. The benefit can take many forms. In this case, City Light would transfer ownership of a 30,000-square-foot property in the Georgetown neighborhood to Seattle Parks and Recreation. The Georgetown community recognizes this property's potential to become a community amenity. Seattle Parks and Recreation is exploring the potential to use this as an off-leash dog park, possibly with a walking and biking trail.

## **HOW CAN I GET CURRENT INFORMATION ABOUT THIS VACATION PETITION?**

As part of this petition, City Light will host two public meetings to provide details about this proposal and how this will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Please check back on this site for project news and updates.

[Sign up here for Project Updates](#)

# DHC4 Website SCL Vacation English (1)

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## CONTACT INFORMATION

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**For questions about the street vacation petition, please contact:**

Name: Anindita Mitra, Seattle City Light's Project Representative

Email: [info@crea-affiliates.com](mailto:info@crea-affiliates.com)

Phone: (253) 397-3887

Facebook: [Seattle City Light](#)

Twitter: [@seacitylight](#)

**For questions about off-leash areas, please contact:**

Name: Danyal Lotfi, Seattle Parks and Recreation

Email: [danyal.lotfi@seattle.gov](mailto:danyal.lotfi@seattle.gov)

Phone: (206) 615-1721

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## ADDITIONAL RESOURCES

---

[2018 Street Vacation Policies, City of Seattle](#)

[Street Vacation Process, Seattle Department of Transportation, City of Seattle](#)

[2018 Directors' Rule, Seattle Department of Construction and Inspections \(SDCI\), Seattle Department of Neighborhoods \(DON\)](#)

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Georgetown Public Meeting Re: Diagonal Ave Street Vacation

Public · Hosted by [Seattle City Light](#)

Going

Wednesday, June 12, 2019 at 6 PM – 7:30 PM  
about 3 weeks ago

Georgetown Ballroom  
5623 Airport Way S, Seattle, Washington 98108

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Seattle City Light is seeking to improve a portion of Diagonal Avenue South in the SODO neighborhood. While this portion of the roadway lies within City Light’s fenced-in property, it is owned by the Seattle Department of


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2 friends are going  
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One or many approaches that City Light is considering before it makes this investment is to petition SDOT to vacate this section of the street from public access and use. To offset this acquisition, the utility is considering transferring a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's potential use as an off-leash area for dogs, possibly with a walking and biking trail.

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the

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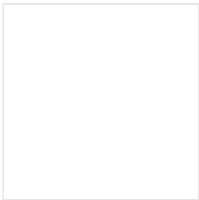


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May 29, 2019

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Public Utility Company · Seattle, Washington

Seattle City Light is a publicly owned utility dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low cost and reliable power. We are committed to delivering the best customer service

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Wed 4 PM · Seattle, Washington

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## SODO Public Meeting Re: Diagonal Ave. S Street Vacation

Public · Hosted by [Seattle City Light](#)

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Monday, June 10, 2019 at 6 PM – 7:30 PM  
about 4 weeks ago

The Factory Luxe  
3100 Airport Way S, Seattle, Washington 98134

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### Details

Seattle City Light is seeking to improve a portion of Diagonal Avenue South in the SODO neighborhood. While this portion of the roadway lies within City Light's fenced-in property, it is owned by the Seattle Department of

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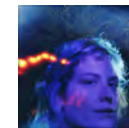


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Tomorrow at Southside Commons

Kathy Lawhon is going

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# DMA2 FaceBook SODO Public Meeting Re\_Diagonal Ave. S Street Vacation



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One or many approaches that City Light is considering before it makes this investment is to petition SDOT to vacate this section of the street from public access and use. To offset this acquisition, the utility is considering transferring a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's potential use as an off-leash area for dogs, possibly with a walking and biking trail.

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the

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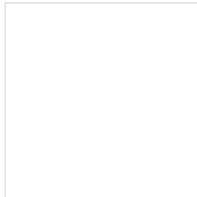


**Seattle City Light** — Added an album

May 29, 2019

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### About Seattle City Light



#### Seattle City Light

Public Utility Company · Seattle, Washington

Seattle City Light is a publicly owned utility dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low cost and reliable power. We are committed to delivering the best customer service

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Tomorrow at Southside Commons

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Chat (33)



## Digital, Social Media

### Facebook Groups Contacted

#### Summary

Seattle City Light (SCL) hosted a Facebook event page for the SODO and Georgetown public meetings. Promotion through this method was limited to those individuals and businesses who were already “friends” with Seattle City Light on Facebook or to Facebook groups that allowed SCL or CREÄ to post on their timeline. CREÄ Affiliates staff attempted to post on the timeline of businesses and community groups’ Facebook pages, however the site administrator for these Facebook pages needed to approve the post before they became publicly visible. Follow up to these sites on 6/14/19 revealed that none of the groups listed below accepted the attempted post by CREÄ Affiliates on 5/27/19.

#### Groups Contacted

Date	Group	Website
05/27/2019	Georgetown Community Discussion Group	<a href="https://www.facebook.com/groups/GeorgetownCommunity/about/">https://www.facebook.com/groups/GeorgetownCommunity/about/</a>
05/27/2019	Georgetown North	<a href="https://www.facebook.com/groups/306305049922142/">https://www.facebook.com/groups/306305049922142/</a>
05/27/2019	Georgetown Seattle	<a href="https://groups.yahoo.com/neo/groups/Georgetown-Seattle/info">https://groups.yahoo.com/neo/groups/Georgetown-Seattle/info</a>
05/27/2019	Georgetown Garden Walk	<a href="https://www.facebook.com/GeorgetownGardenWalk">https://www.facebook.com/GeorgetownGardenWalk</a>
05/27/2019	Georgetown SouthPark P.O.C (Georgetown South Park People of Color)	<a href="https://www.facebook.com/groups/114390859313629/">https://www.facebook.com/groups/114390859313629/</a>
05/27/2019	Georgetown Dogs	<a href="https://www.facebook.com/groups/10150097008755556/">https://www.facebook.com/groups/10150097008755556/</a>
05/27/2019	Georgetown Parents	<a href="https://www.facebook.com/Georgetown-Parents-165245600202714/">https://www.facebook.com/Georgetown-Parents-165245600202714/</a>
05/27/2019	Georgetown Events Club	<a href="https://www.facebook.com/georgetowneventsclub/">https://www.facebook.com/georgetowneventsclub/</a>
05/27/2019	Seattle Design District	<a href="https://www.seattledesigndistrict.com/contact">https://www.seattledesigndistrict.com/contact</a>
05/27/2019	SODO BIA	<a href="https://www.facebook.com/SODOBIA/">https://www.facebook.com/SODOBIA/</a>



# DMA4 Facebook & Nextdoor Poll Results 06/19

**Flume Survey Results**  
**from Facebook & Nextdoor poll**  
**6/10/2019**

Name	OLA	Trail	Both	Other	Notes
Jesse Moore			1		
Rosario Medina		1	1		
LaDele Sines	1		1		
Clint Berquist			1		
Angie Walls			1		
Matt Pearsall			1		
Melissa Schreader			1		
Dane Hofbauer			1		
Victor Facundo			1		
Kerri Egan	1		1		
Greg Ramirez		1			
Jim Hill		1			
Kathy Nyland		1			
Jordan Lee		1		1	NW Natives garden for insects & birds
Wiley Youngblood	1				
Kristen Taylor		1			
Bill Ringler				1	putt putt golf course
Grace Cobbins	1				
Jim Kjelland			1		
Jess Bacon	1				
Kaitlin Lingburg	1				
Tim Keber	1		1		
Rita Bonita	1				
Hannah Craswell	1				
Angielena Chamberlain	1				
Patty Foley			1		
Amy Amaryllis		1			
Andy Bookwalter			1		
Barbara Hill			1		

# DMA4 Facebook & Nextdoor Poll Results 06/19

Aley Thompson			1		
Kathleen Dowd			1		
Durin Gleaves	1		1		
Debbie Pessein		1			
Greg Rehm		1			
Scott Sinclair Hall	1				
Kate Kohler	1				
K Steimer				1	community art
Janet Neuhauser			1		
Laura Wright			1		
Marc Galt	1				
Holly Wick Eyes Err			1		
Daniel Roberts	1				
Hattie Rhodes	1				
Megan Davis		1			
Gale Myles			1		
Ed Ball	1				
Yukari Romano		1			
Kyshee Hoover Rizzo			1		
Rebecca Martinez Roberts			1		
Jon B Dove			1		
Dawna Holloway				1	wildlife habitat w/ native plantings
	<b>17</b>	<b>11</b>	<b>25</b>	<b>4</b>	

## Early Outreach for Design Review Projects Blog

Department of Neighborhoods

### SODO/Georgetown Street Vacation

April 11, 2019 by [dearlyoutreach](#)

**Project Address:** Vacation ROW: 4101 Diagonal Avenue South, Seattle, WA 98134; Flume Property: 7300 East Marginal Way South, Seattle, WA 98108

**Brief Description:** Seattle City Light is seeking the vacation of a portion of Diagonal Avenue South between 2nd Avenue South and 4th Avenue South that is currently designated a public right-of-way. In addition to the water quality and safety benefits that this street vacation will allow, Seattle City Light is making a portion of its Flume Property (between East Marginal Way South and South Myrtle Street) available for public open space.

**Developer/Applicant:** Seattle City Light

**Contact Person:** Anindita Mitra

**Contact Information:** [info@crea-affiliates.com](mailto:info@crea-affiliates.com)

**Type of building:** Diagonal Avenue Street Vacation; and Flume Property – Public Property Transfer

**Neighborhood:** South Downtown (SODO) and Georgetown

**In Equity area:** Yes

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# DMB DON Design Review Blog\_SODO\_Georgetown Street Vacation

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[SEattle City Light](#), [SODO](#)

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# D.M.C. Email notice of public meetings

**Subject:** Seale City Light t: SODO/Georgetown Public Meengs in June 2019  
**Date:** Wednesday, May 29, 2019 at 3:58:22 PM Pacific Daylight Time  
**From:** Michael Davolio  
**To:** 'Anindita Mitra'  
**Attachments:** image003.png, image004.png, image005.png, image002.png

Seattle City Light is seeking to improve a portion of Diagonal Avenue South in the SODO neighborhood. While this portion of the roadway lies within City Light's fenced-in property, it is owned by the Seattle Department of Transportation (SDOT). One of many approaches that City Light is considering before it makes this investment is to petition SDOT to vacate this section of the street from public access and use. To offset this acquisition, the utility is considering transferring a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's potential use as an off-leash area for dogs, possibly with a walking and biking trail.

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

## **SODO Public Meeting**

June 10, 2019, 6:00-7:30 p.m.

The Factory Luxe - 3100 Airport Way South Seattle, WA 98134

## **Georgetown Public Meeting**

June 12, 2019, 6:00-7:30 p.m.

Georgetown Ballroom - 5623 Airport Way South Seattle, WA 98108

If you are unable to attend, comments can be submitted via phone or email. You can also take an online survey to provide your input ([www.surveymonkey.com/r/diagonalave](http://www.surveymonkey.com/r/diagonalave)). Please be advised that any information collected through this process may become public.

For questions about the street vacation petition, please contact:

Anindita Mitra  
Seattle City Light (Project Representative)  
[info@crea-affiliates.com](mailto:info@crea-affiliates.com)  
(253) 397-3887  
[www.diagonalavenue.com](http://www.diagonalavenue.com)

For questions about off-leash areas, please contact:

Danyal Lotfi  
Seattle Parks and Recreation  
[danyal.lotfi@seattle.gov](mailto:danyal.lotfi@seattle.gov)  
(206) 615-1721  
[www.seattle.gov/parks/find/dog-off-leash-areas](http://www.seattle.gov/parks/find/dog-off-leash-areas)

# D.M.C. Email notice of public meetings

**MICHAEL DAVOLIO, AICP**

**Project Manager**

O: 206.297.3045 #642

M: 206.486.3540

E: [mdavolio@crea-affiliates.com](mailto:mdavolio@crea-affiliates.com)

3250 Airport Way South, Seattle, WA 98134



## Street Vacation Petition – Diagonal Avenue South Frequently Asked Questions

### WHAT IS A STREET VACATION?

A *street vacation* refers to the process where a property owner (in this case, Seattle City Light) petitions Seattle City Council to acquire adjacent street right-of-way for use other than as a public roadway. The responsibility for making these decisions is assigned to the City Council. The City Council will consider public comments that were collected prior to or at a public hearing before making a formal decision about the petition.

### WHY IS SEATTLE CITY LIGHT SEEKING A STREET VACATION?

For several years, Seattle City Light has continuously operated this 13,300-square-foot portion of Diagonal Avenue South under a street use permit. Under this permit, the utility has restricted public access to this portion of Diagonal Avenue South.

In order to make safety, operational and environmental improvements, City Light is seeking ownership of this section of Diagonal Avenue South, which is surrounded by the utility's South Service Center property.

### HOW WILL THE NEIGHBORHOOD BE IMPACTED?

The closed portion of Diagonal Avenue South (subject of this vacation petition) has been in industrial use. Access to 2<sup>nd</sup> Avenue South is currently restricted by the railroad tracks directly west of the City Light property. Transferring the ownership of this property from the Seattle Department of Transportation (SDOT) to Seattle City Light is not expected to have any impact on surrounding properties or neighborhood circulation patterns.

### HOW DOES THE STREET VACATION PROCESS WORK?

The petition is governed by the Seattle City Council Street Vacation Policies that were adopted in 2018. The petition for a street vacation is reviewed by SDOT which maintains the city's rights to all public rights-of-way. SDOT works with the Seattle Design Commission (SDC) to make sure the street vacation process is equitable and does not impact the community. The Department of Neighborhoods (DON) reviews and approves the outreach strategy for all street vacation proposals. After the public outreach strategy has been implemented, the petition is reviewed by SDOT and the SDC before it is forwarded to the City Council for approval.



## HOW DOES THE STREET VACATION BENEFIT SEATTLE RESIDENTS?

The petitioner, Seattle City Light must provide an offsetting benefit to Seattle residents for transferring property out of the public right-of-way. The benefit can take many forms. In this case, City Light would transfer ownership of a 30,000-square-foot property in the Georgetown neighborhood to Seattle Parks and Recreation. The Georgetown community recognizes this property's potential to become a community amenity. Seattle Parks and Recreation is exploring the potential to use this as an off-leash dog area, possibly with a walking and biking trail.

## HOW CAN I GET CURRENT INFORMATION ABOUT THIS VACATION PETITION?

As part of this petition, City Light will host two public meetings to provide details about this proposal and how this will affect the SODO/Georgetown area. Public comments will be collected at both meetings.

### **SODO Public Meeting**

**June 10, 2019**, 6:00-7:30 p.m.  
The Factory Luxe  
3100 Airport Way South  
Seattle, WA 98134

### **Georgetown Public Meeting**

**June 12, 2019**, 6:00-7:30 p.m.  
Georgetown Ballroom  
5623 Airport Way South  
Seattle, WA 98108

If you are unable to attend, questions and comments can be submitted via phone or email. You can also take an online survey to provide your input ([www.surveymonkey.com/r/diagonalave](http://www.surveymonkey.com/r/diagonalave)). *Please be advised that any information collected through this process may become public.*

For questions about the street vacation petition, please contact:

**Anindita Mitra**  
**Seattle City Light (Project Representative)**  
info@crea-affiliates.com  
(253) 397-3887  
www.diagonalavenue.com  
**Facebook:** Seattle City Light  
**Twitter:** @seacitylight

For questions about off-leash areas, please contact:

**Danyal Lotfi**  
**Seattle Parks and Recreation**  
danyal.lotfi@seattle.gov  
seattle.gov/parks/find/dog-off-leash-areas  
(206) 615-1721

## ADDITIONAL RESOURCES

### **2018 Street Vacation Policies, City of Seattle**

<https://seattle.legistar.com/View.ashx?M=F&ID=6262206&GUID=0471C612-0993-414B-BB85-4C40BF83379E>

### **Street Vacation Process, Seattle Department of Transportation (SDOT)**

<http://www.seattle.gov/documents/Departments/SDOT/Services/StreetVacation/StreetVacationFullProcess.pdf>

### **2018 Directors' Rule**

#### **Seattle Department of Construction and Inspections (SDCI)**

#### **Seattle Department of Neighborhoods (DON)**

<http://www.seattle.gov/dpd/codes/dr/DR2018-4.pdf>



# P.H.A.2. Flyer\_Public Meeting Notice



Seattle City Light

## SODO/GEORGETOWN PUBLIC MEETING NOTICE

**TRANSLATION SERVICES AVAILABLE AT (253) 397-3887**

• Información en español • 中文資訊 • Thông tin bằng tiếng Việt

### PROJECT OVERVIEW

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is proposing to transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are exploring this property's use as an off-leash dog area. **Please see the maps on the back of this flier for more information.**



Street Vacation Petition:  
Diagonal Avenue South (SODO)



Property Transfer:  
Between South Myrtle Street &  
East Marginal Way South (Georgetown)

### PUBLIC MEETINGS

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

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**Danyal Lotfi**  
**Seattle Parks and Recreation**  
danyal.lotfi@seattle.gov  
(206) 615-1721  
[seattle.gov/parks/find/dog-off-leash-areas](http://seattle.gov/parks/find/dog-off-leash-areas)



## PROJECT MAP



1



2



4



5



6





**TRANSLATION SERVICES AVAILABLE AT (253) 397-3887**

- Información en español • 中文資訊 • Thông tin bằng tiếng Việt

## PROJECT OVERVIEW

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is proposing to transfer a piece of property in the Georgetown neighborhood to Seattle Parks and Recreation. They are potentially exploring this property's use as an off-leash dog area, possibly with a walking and biking trail.



## PUBLIC MEETINGS

As part of this petition, City Light will be hosting two public meetings to provide details about this proposal and how it will affect the SODO/Georgetown area. Public comments will be collected at both meetings. Light refreshments will be provided.

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## CONTACT US

**For questions about the street vacation petition, please contact:**

**Anindita Mitra**  
**Seattle City Light (Project Representative)**  
info@crea-affiliates.com  
(253) 397-3887  
[www.diagonalavenue.com](http://www.diagonalavenue.com)

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**Danyal Lotfi**  
**Seattle Parks and Recreation**  
danyal.lotfi@seattle.gov  
(206) 615-1721  
[seattle.gov/parks/find/dog-off-leash-areas](http://seattle.gov/parks/find/dog-off-leash-areas)

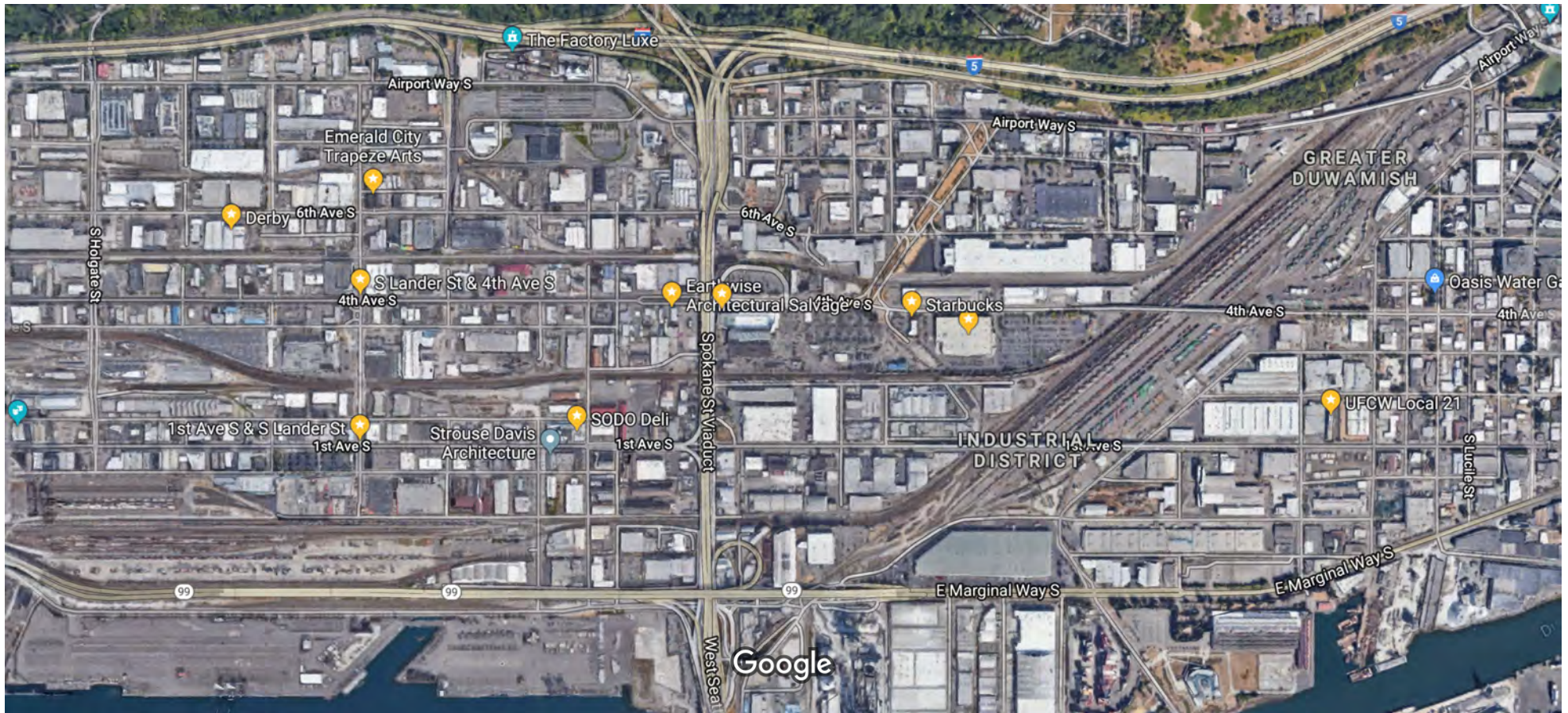


# P.M.A.3. Poster Locations SODO



Starred places

SODO poster locations (marked with orange stars)



Imagery ©2019 Google, Map data ©2019 Google 1000 ft

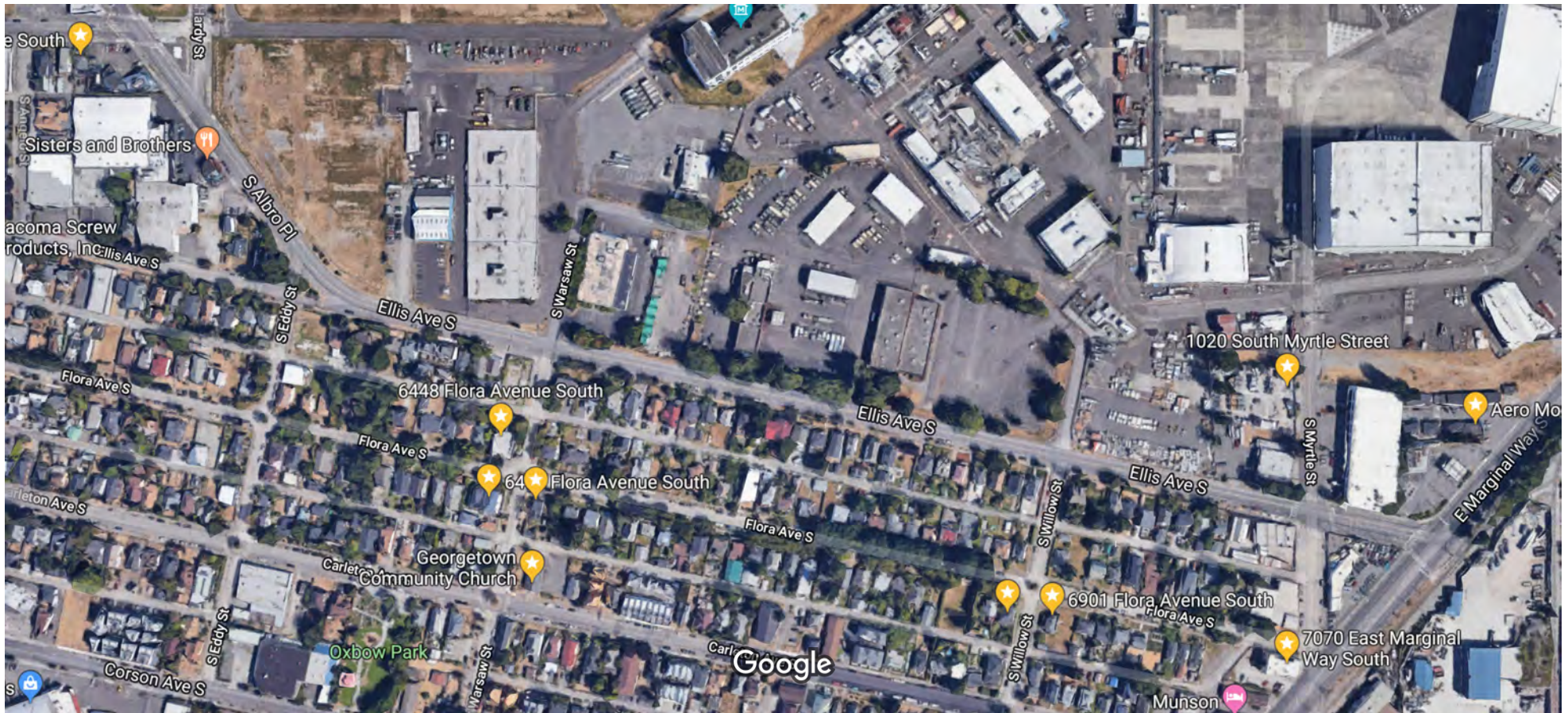


# P.H.B.3. Poster Locations Georgetown



Starred places

Georgetown Flyer & Poster Outreach (locations marked with an orange star)

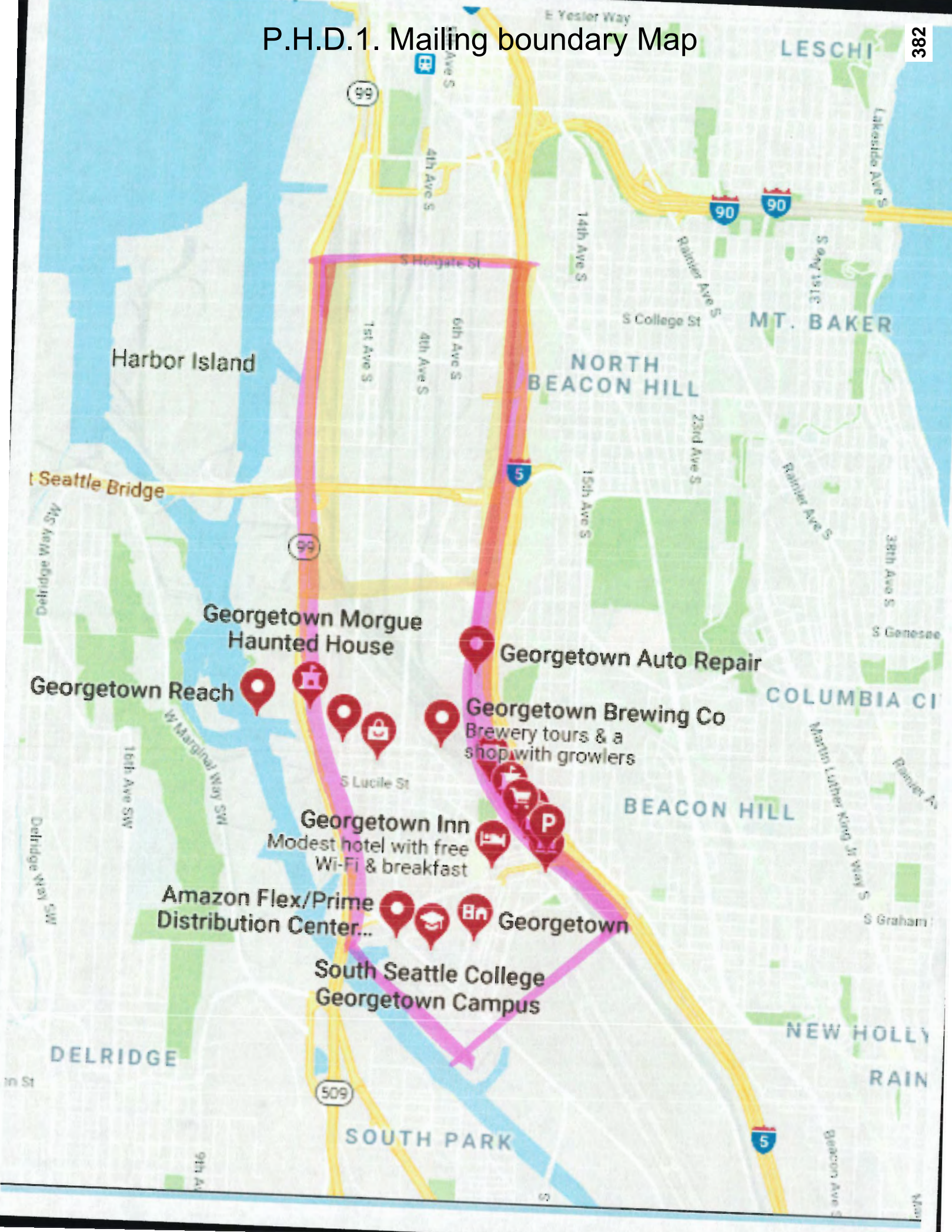


Imagery ©2019 Google, Map data ©2019 200 ft



# P.H.D.1. Mailing boundary Map

382



## P.H.D.2. Letter - Costco update 0426

Mr. Rick Jerabek, Corporate Counsel  
Costco Wholesale  
999 Lake Drive, Issaquah, WA 98027

**Re: Vacation of a Portion of Diagonal Way, South**

Dear Mr. Jerabek,

As you know, CREÄ Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. The area to be vacated is currently closed to public use pursuant to a street use permit granted by the Seattle Department of Transportation.

We appreciate the time you and your staff have taken to become familiar with our efforts, including meeting with us on-site. I am writing to provide you with an update on our recent and upcoming actions on this project. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future. If it is agreeable, we would like to post these flyers at your SODO location.

I will continue to be your primary point of contact for this project. You may reach me using the contact information shown below. Please feel free to contact me if you have any questions.

Sincerely,

Michael Davolio, AICP  
Senior Planner  
mdavolio@crea-affiliates.com  
360-951-3846

c: Mr. Peter Kahn, Real Estate Manager  
Costco Northwest Headquarters  
999 Lake Drive  
Issaquah, Washington 98027

# P.H.D.3. Letter-King County Airport 0426

Mr. John Parrott, Director  
King County International Airport-Boeing Field  
AIR-ES-0200  
7277 Perimeter Rd. S.  
Seattle, Washington 98108-3844

**Re: Property of Seattle City Light, abutting the King County Airport**

Dear Mr. Parrott,

CREA Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. As a part of that effort, we are in discussions with the Seattle Parks and Recreation Department regarding the possibility of transferring the above-referenced property (a/k/a/ the "Flume Property") for its potential use as a public park. The subject property consists of approximately 30,000 square feet in area, and is located to the west of the airport, between East Marginal Way South and South Myrtle Street. Attached you will find a map that shows the subject property in relation to the King County Airport.

I will be your primary point of contact for this project. You may reach me using the contact information shown below.

Because you are an abutter to this property, we would like to give you an opportunity to review and comment on the proposal. Also, if there are additional users or tenants at the airport that you would like to be made aware of this project, we would be happy to speak with them as well. Please contact us at your earliest convenience to arrange a time to meet.

Sincerely,

Michael Davolio, AICP  
Senior Planner  
mdavolio@crea-affiliates.com  
360-951-3846

cc: Ms. Tricia Diamond  
Programs and Project Administration  
King County Airport

Attachment: Map of Flume Property



# P.H.D4.Letter - Marine Stewardship 0426

Marine Stewardship Council  
5030 First Avenue, South  
Seattle, Washington 98134

**Re: Vacation of a Portion of Diagonal Way, South**

Dear Marine Stewardship Council,

CREA Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. The area to be vacated is currently closed to public use pursuant to a street use permit granted by the Seattle Department of Transportation. Attached you will find a map that shows the subject property.

We have tried to reach you by telephone, without success. This letter is sent in order to make you aware of our proposed action. Because the office of the Marine Stewardship Council is located within the area of the proposed action, we would like to give you an opportunity to review and comment on the proposal. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future.

I will be your primary point of contact for this project. You may reach me using the contact information shown below. Please feel free to contact me if you have any questions. We are available to meet with you in person, if you desire.

Sincerely,

Michael Davolio, AICP  
Senior Planner  
mdavolio@crea-affiliates.com  
360-951-3846

Attachment: Map of Diagonal Way, South

## P.H.D.5. Letter-Pacific Asian 04 26

Ms. Cristina Vasconcelos, Executive Director  
Pacific Asian Empowerment Program  
270 South Hanford Street, Suite 204  
Seattle, Washington 98108

**Re: Vacation of a Portion of Diagonal Way, South**

Dear Ms. Vasconcelos,

CREA Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. The area to be vacated is currently closed to public use pursuant to a street use permit granted by the Seattle Department of Transportation. Attached you will find a map that shows the subject property.

I will be your primary point of contact for this project. You may reach me using the contact information shown below.

Because the Pacific Asian Empowerment Program represents stakeholders in this area, we would like to give you an opportunity to review and comment on the proposal. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future. We would appreciate your assistance in making this material available to your members. Please feel free to contact me if you have any questions. We are available to meet with you in person, if you desire.

Sincerely,

Michael Davolio, AICP  
Senior Planner  
mdavolio@crea-affiliates.com  
360-951-3846

Attachment: Map of Diagonal Way, South

# P.H.D.6. Letter-SODO Business Assc 04 27

Ms. Erin Goodman, Executive Director  
SODO Business Association/SODO Business Improvement Area  
270 South Hanford Street, suite 200  
Seattle, Washington 98108

**Re: Vacation of a Portion of Diagonal Way, South**

Dear Ms. Goodman,

CREA Affiliates is assisting Seattle City Light in their efforts to vacate a portion of Diagonal Way, South. Attached you will find a map that shows the subject property.

Because the SODO Business Association represents many of the stakeholders in this area, we would like to give you an opportunity to review and comment on the proposal. I have also spoken with Jillian Cellich of your staff regarding the possibility of reaching your members via email to inform them of our efforts. We will soon have available a flyer describing our proposal, which will be drafted in multiple languages. This flyer will also be used to advertise local informational meetings that we plan to schedule in the near future. We would appreciate your assistance in making this material available to your members.

I will be your primary point of contact for this project. You may reach me using the contact information shown below.

Sincerely,

Michael Davolio, AICP  
Senior Planner  
mdavolio@crea-affiliates.com  
360-951-3846

Attachment: Map of Diagonal Avenue, South

# P.H.D.7. Letter - Gull Properties

**Subject:** Seale City Light street vacation  
**Date:** Friday, May 24, 2019 at 3:31:43 PM Pacific Daylight Time  
**From:** Michael Davolio  
**To:** pat@gulloil.com  
**CC:** 'Anindita Mitra'  
**Attachments:** image003.png, image004.png, image005.png, image006.png, Street\_Vacation\_FAQ\_Revised\_5-17-19.pdf, Public\_Meeting\_Note\_Revised\_5-17-19.pdf

Mr. True;

I work for a consulting firm assisting Seale City Light in their effort to secure more permanent access to that portion of Diagonal Avenue South that has been closed to the public for several years per a street use permit issued by the Seale Department of Transportation. Among the options that City Light is considering is a petition to the City Council to permanently vacate that portion of the street.

As you may imagine, this is a complex process that appropriately requires a significant amount of public outreach to neighboring properties such as yours. While City Light believes that the vacation of the street will have no impact upon nearby properties, you are entitled to review the proposal and make your own determination as to the potential impact that this project may have.

I have attached two documents that will help to provide you with some perspective. After you have had the time to review this material, I would be happy to answer any questions that you may have. If you wish, you can respond to this email or I can meet you in person at your convenience.

I will look forward to hearing from you.

Best regards,

Michael Davolio

**MICHAEL DAVOLIO, AICP**

**Project Manager**

O: 206.297.3045 #642

M: 206.486.3540

E: mdavolio@crea-affiliates.com

3250 Airport Way South, Seattle, WA 98134





August 6, 2019

VIA OVERNIGHT DELIVERY

Christoph Strouse  
Communications Specialist  
CREA Affiliates, LLC  
3250 Airport Way South  
Seattle WA 98134

RE: Seattle City Light – 4101 Diagonal Ave. S. – Proposed Street Vacation

Dear Strouse:

Costco does not object to the proposed street vacation to Seattle City Light from Seattle Department of Transportation, as described in your attached letter dated March 8, 2019. If you have any questions, I can be reached directly at (425) 427-3585 or by email: [rjerabek@costco.com](mailto:rjerabek@costco.com).

Very truly yours,  
*Costco Wholesale Corporation*

A handwritten signature in black ink, appearing to read "RAK".

Rick Jerabek  
Corporate Counsel



crea affiliates

sustainable planning, building and landscapes

**MR. PETER KAHN**

March 8, 2019

Real Estate Manager  
 Costco Northwest Headquarters  
 99 Lake Drive  
 Issaquah, Washington 98027

RE: Vacation of Diagonal Avenue South

Dear Mr. Kahn,

In order to improve their facility and provide greater security, Seattle City Light (SCL) is requesting the vacation of a portion of Diagonal Avenue South, which is located on the westerly side of Fourth Avenue in Seattle, between your property and theirs. We are sending this correspondence because you are an abutter to this property.

We have been contracted by Seattle City Light to work with them on this topic. As a part of the street vacation application, SCL would like to improve their property boundary by adding more secure fencing which will add a greater measure of security to your property, as well. Attached to this correspondence you will find relevant maps and drawings. We are also in the process of obtaining a new survey of the property.

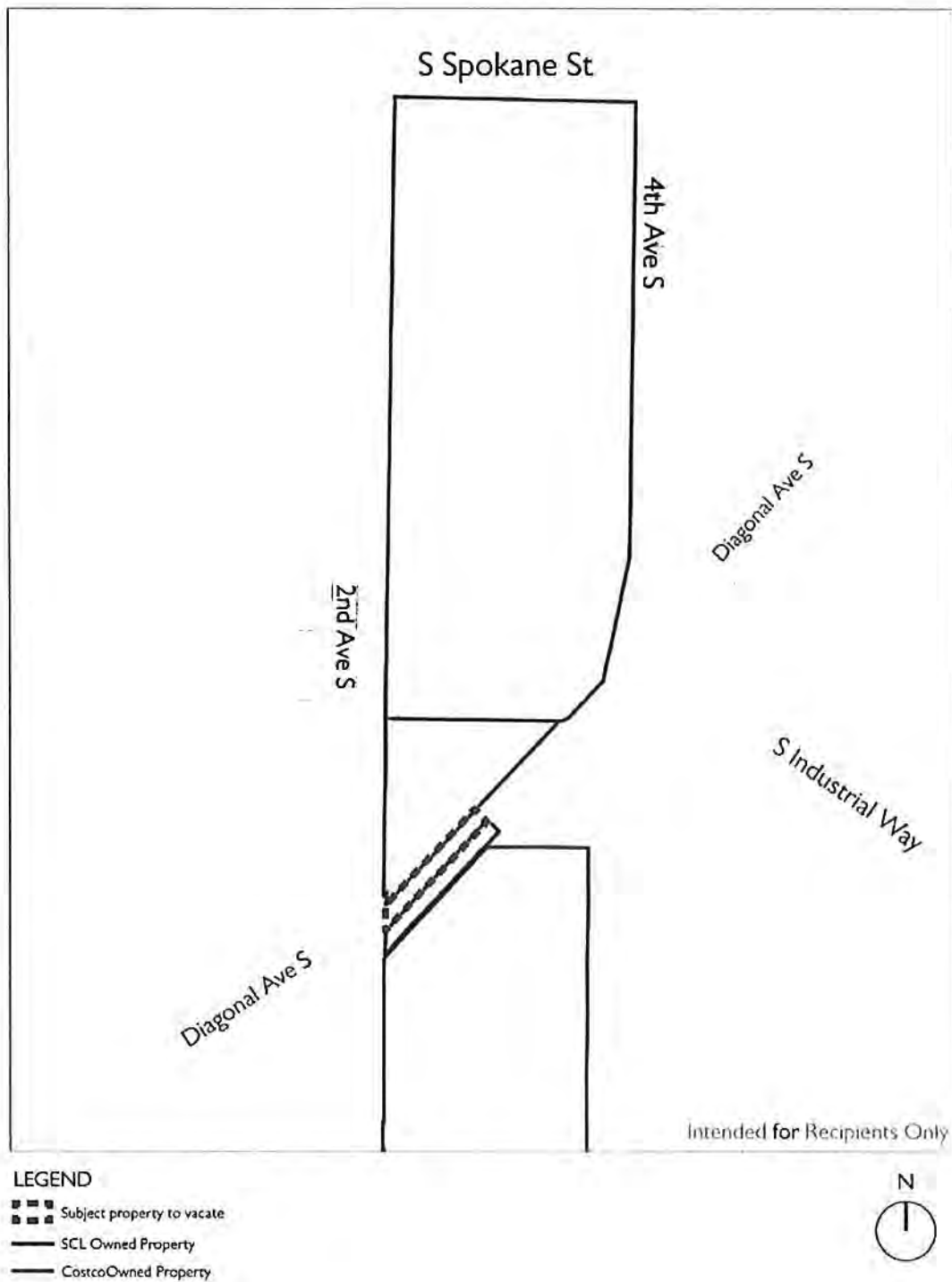
We would like to meet with you at your earliest convenience to discuss this proposal in greater detail. Could you please contact me at the phone number below to arrange a time and place to meet? Thank you.

Sincerely,

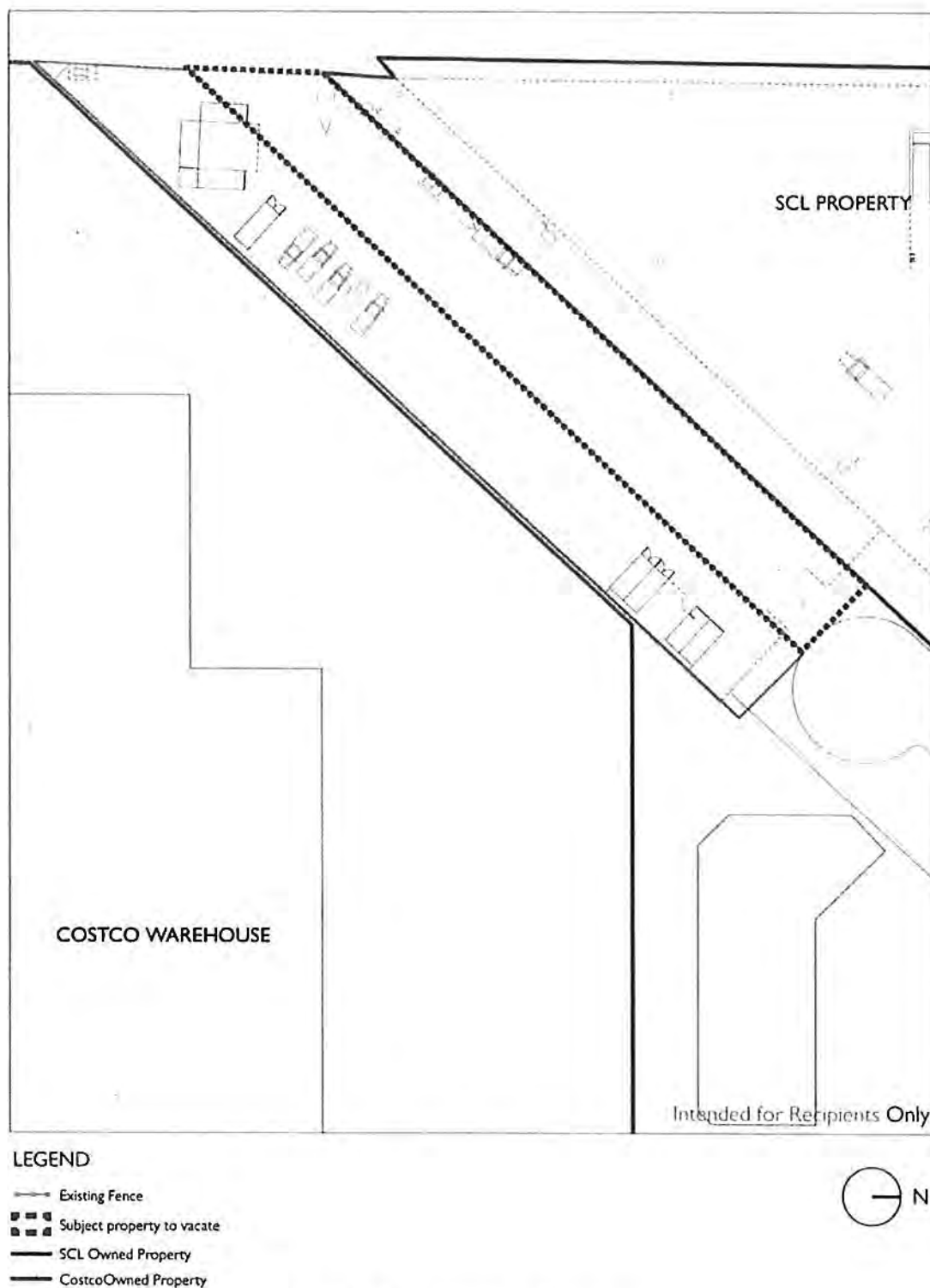
Michael Davolio, AICP  
 Senior Planner

Encl:

1. Map of proposed vacation area
2. Map of existing fence location
3. Drawing of existing fence Detail



*Figure 1: Map of proposed vacation area*



**Figure 2:** Map of existing fence location





SCL COSTCO LIR 0308.DOCX  
3/8/19 2:39:00 PM

# P.H.D.9. Letter of Support Gull Oil 0808



GULL INDUSTRIES, INC. • 3404 FOURTH AVENUE SOUTH • P.O. BOX 24687 • SEATTLE, WA 98124 • (206) 624-5900 • FAX (206) 624-5412

August 8, 2019

Christoph Strouse  
Communications Specialist  
CREA Affiliates, LLC  
3250 Airport Way South  
Seattle WA 98134

Dear Christoph,

I understand that Seattle City Light is looking to acquire the right of way at 4101 Diagonal Avenue South by transferring the ownership of this property from Seattle Department of Transportation (SDOT) to Seattle City Light.

I would like to confirm that I have been informed of this project and understand the potential impacts and benefits to the community. Having reviewed this project I, having the authority as Vice President of Gull Industries, Inc. would like to state that I have no concerns and find no issue with the petition.

Sincerely,



Peter True  
Vice President  
Gull Industries, Inc.

# P.M.A. Georgetown Gazette Ad Copy

## **STREET VACATION PUBLIC MEETINGS – June 10 & 12**

Seattle City Light has petitioned the City of Seattle to vacate an unused portion of Diagonal Avenue South in the SODO neighborhood. In exchange, the utility is transferring a piece of Georgetown property to Seattle Parks and Recreation, who is exploring its use as an off-leash area.

Learn more about this proposal and provide your input by coming to one of our public meetings. Light refreshments will be provided.

### **SODO Public Meeting**

June 10, 2019, 6:00-7:30 p.m.

The Factory Luxe

3100 Airport Way South, Seattle, WA 98134

### **Georgetown Public Meeting**

June 12, 2019, 6:00-7:30 p.m.

Georgetown Ballroom

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If you are unable to attend, comments can be submitted via phone or email.

For additional information, please contact:

**Anindita Mitra**

**Seattle City Light (Project Representative)**

info@crea-affiliates.com

(253) 397-3887



www.diagonalavenue.com



**Seattle City Light**

# I.H.A. Door to Door Outreach Limits Map SODO



 <b>crea affiliates, llc</b> <small>3250 AIRPORT WAY SOUTH, SEATTLE, WA 98109</small>	Seattle Industrial Area	<b>Source:</b> SCL Project Summary 18012019  King County GIS iMap <a href="https://gismaps.kingcounty.gov/iMap/">https://gismaps.kingcounty.gov/iMap/</a>	
	Date: 02/27/2019		
	SEATTLE CITY LIGHT DIAGONAL AVE S STREET VACATION		



## Meeting Summary Notes

MEETING	SODO Community Meeting
MEETING DATE	6/10/19
MEETING TIME	6:00 p.m.
MEETING LOCATION	3100 Airport Way, S
PARTICIPANTS	Seattle City Light: Timothy Croll, Ruth Meraz-Caron, Hermann Ambion, Jenny Levesque Seattle Parks and Recreation: Rachel _____ CREA Affiliates: Anindita Mitra, Michael Davolio, Yueru Deng, Christoph Strouse
AUDIENCE MEMBERS	Erin Goodman, SODO Business Improvement District Jane Elliott

SUBJECT Diagonal Av. S. street vacation, property transfer from City Light to Parks

Timothy Croll opened the meeting by introducing members from Seattle City Light, Seattle Parks and Recreation, and the City Light consulting team of CREA Affiliates. Anindita Mitra then presented a PowerPoint slide show. The presentation described the reasons why Seattle City Light is interested in petitioning the City to permanently acquire a portion of South Diagonal Avenue, for operational and security improvements.

Anindita's presentation included a full description of the Flume property, and the proposal of Seattle City Light to offer this property to the Seattle Department of Parks and Recreation. Rachel \_\_\_\_\_ of Parks and Recreation continued with an explanation of their interest in the Flume property, and their previous public discussions of utilizing the property as an off-leash dog park.

Anindita then described the importance of the public outreach process, including this meeting and the subsequent meeting scheduled in Georgetown on June 10<sup>th</sup>. Emphasis was placed on the online survey that was available for the public to provide their comments.

Erin Goodman of the SODO business Improvement District was in attendance, and offered several questions and comments. She emphasized that she did not object to the street vacation, but she asked why the proposed property exchange did not directly benefit the SODO neighborhood. Ms. Goodman expressed concerns about the "challenging location" of the Flume property, with regard to its proximity to homeless encampments. She spoke of concerns regarding illegal activities at the abutting motel, and of the temporary status of the nearby tiny house village.

Ms. Goodman also discussed the possibility of generating public support for public improvements such as walking trails in the SODO neighborhood, and she offered the support of her organization for such an

# I.H.A.1. PUBLIC MEETING NOTES - SODO 6-10

effort. She indicated that the employees of several local businesses would enjoy the use of safe walking trails in the area, and she noted specific businesses and organizations who might be persuaded into participating financially in such improvements.

When asked to comment on the small turnout at this public meeting, Ms. Goodman said, "If people don't have a concern, they won't come."

The presentation lasted approximately 20 minutes. With Q&A, the full meeting lasted more than 60 minutes.

## TASK UPDATES

CREA to follow up with Erin Goodman to get more details regarding her proposal for walking trails in the SODO neighborhood.

I.H.A.2. SODO Sign-In-Sheet\_06-10-19

SIGN-IN SHEET



Event Name: Diagonal Avenue South – Street Vacation Public Meeting      Date: June 10, 2019  
The Factory Luxe (3100 Airport Way South, Seattle, WA 98134)

NAME	ADDRESS	PHONE NUMBER	EMAIL ADDRESS
Erin Goodman	270 S. Hanford St #112	206 981 9877	erin@sodoSeattle.org

SIGN-IN SHEET

Event Name: Diagonal Avenue South – Street Vacation Public Meeting      Date: June 10, 2019  
The Factory Luxe (3100 Airport Way South, Seattle, WA 98134)



L.H.A.2. SODO Sign-In-Sheet\_06-10-19

NAME	ADDRESS	PHONE NUMBER	EMAIL ADDRESS
Sara Elliott	943 24th Ave Seattle		



# I.H.A.3. Public Meeting Attendance 0610 & 0612

## SCL Public Meeting Attendance 6/10/19 & 6/12/19

Date Received	Name	Contact Info	Meeting Location	Communication Inquiry	Response/Resolution
6/10/2019	Erin Goodman	210 S. Hanford St., #112	attended SODO public meeting	questioned lack of public benefit in SODO	requested separate, on-site meeting
6/10/2019	Jana Elliott	943 29th Av.	attended SODO public meeting		
6/12/2019	Heather Carney	6736 Corson Av. S; ph. 425-736-8874; email heather.j.carney@gmail.com	attended Georgetown public meeting	concerned that Flume will not be developed; uncertain if it is the best location for dog park	
6/12/2019	Kate Kohler	728 S. Orcas St.; 612-834-5304; kkohler124@gmail.com	attended Georgetown public meeting		
6/12/2019	Dane Hufbauer	6240D Corson Av. S; 206-778-4125; dhofbauer@gmail.com	attended Georgetown public meeting	Parks Dept. must have a plan for Flume property	
6/12/2019	Patty Foley	6415 Flora Av. S; 206-409-9838; patty_foley@hotmail.com	attended Georgetown public meeting		
6/12/2019	Jesse Moore	6415 Flora Av. S; 206-234-4561; georgetownjesse@gmail.com	attended Georgetown public meeting		
6/12/2019	John Sutton	6525 Ellis Av. S; 206-234-6139; sendjohnmail@gmail.com	attended Georgetown public meeting		
6/12/2019	Tom van Bronkhorst	tom.vanbrankhorst3@seattle.gov	attended Georgetown public meeting		
6/12/2019	Holly Krejci	holly.krejci@gmail.com	attended Georgetown public meeting		



Seattle City Light

# DIAGONAL AVENUE SOUTH STREET VACATION PROJECT

Public Meeting, SODO

June 10, 2019



## WHO WE ARE

---

- Seattle City Light
  - Ruth Meraz-Caron
  - Timothy Croll
- Seattle Parks and Recreation
  - Rachel Schulkin
- Consultants: CREÄ Affiliates
  - Anindita Mitra
  - Michael Davolio



## PURPOSE OF THIS MEETING

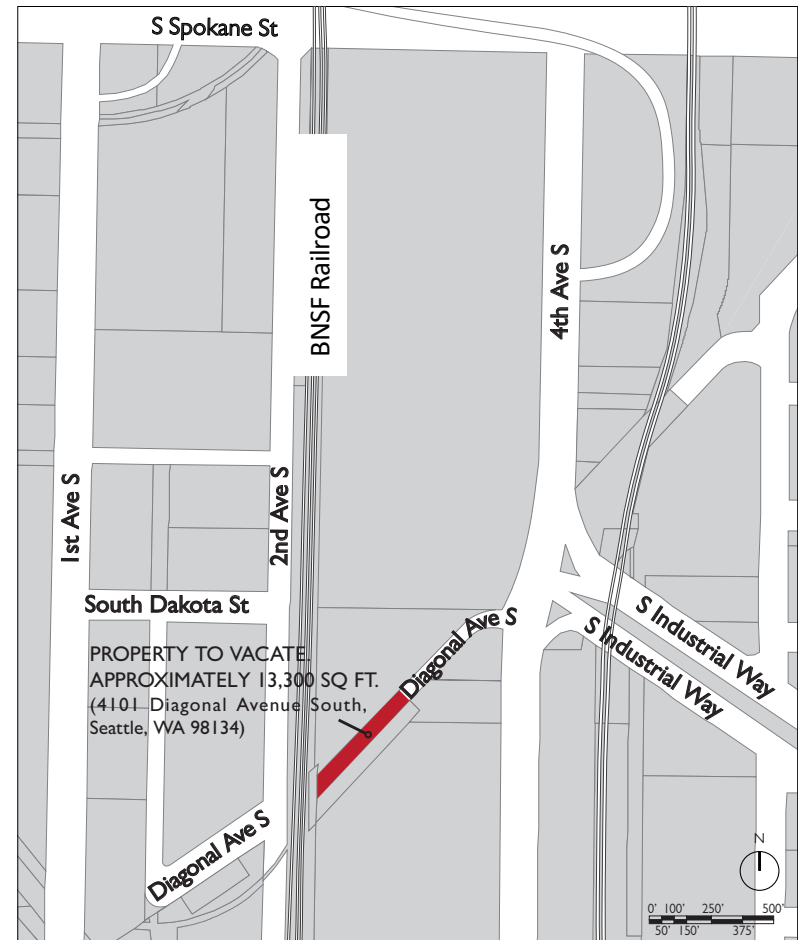
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- Seek public opinion about the transfer of a portion of Diagonal Ave S. from the City of Seattle (Department of Transportation) to Seattle City Light.
- Gather comments on the proposed public benefit to offset the loss of this once-public street to a utility.



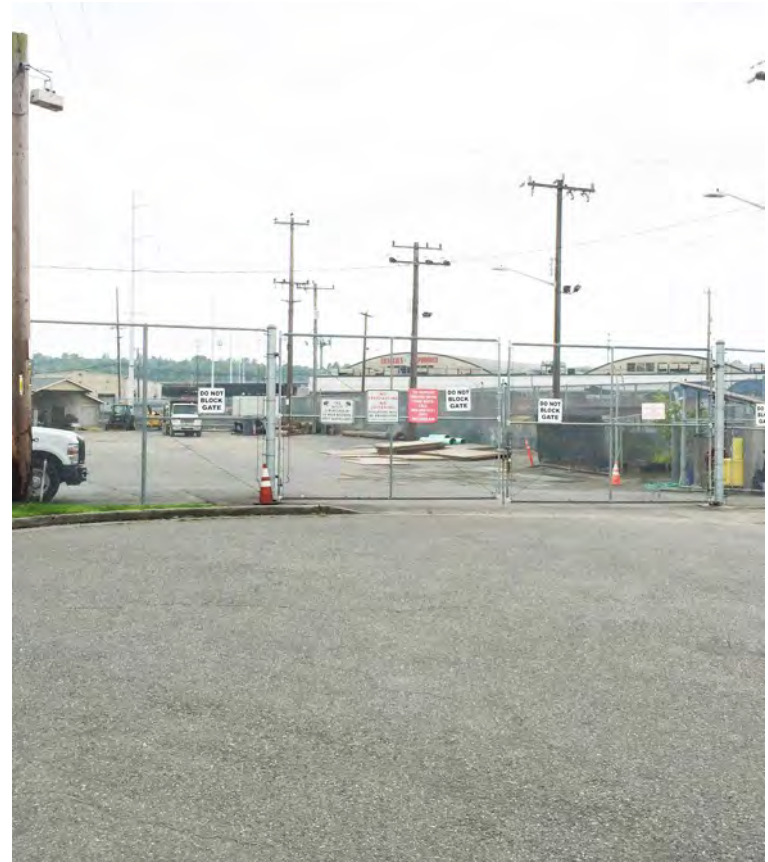
## BACKGROUND

- Seattle City Light is planning major improvements to its South Service Center west of 4<sup>th</sup> Avenue South in SODO.
- Some of these improvements fall within Diagonal Avenue South's right-of-way.



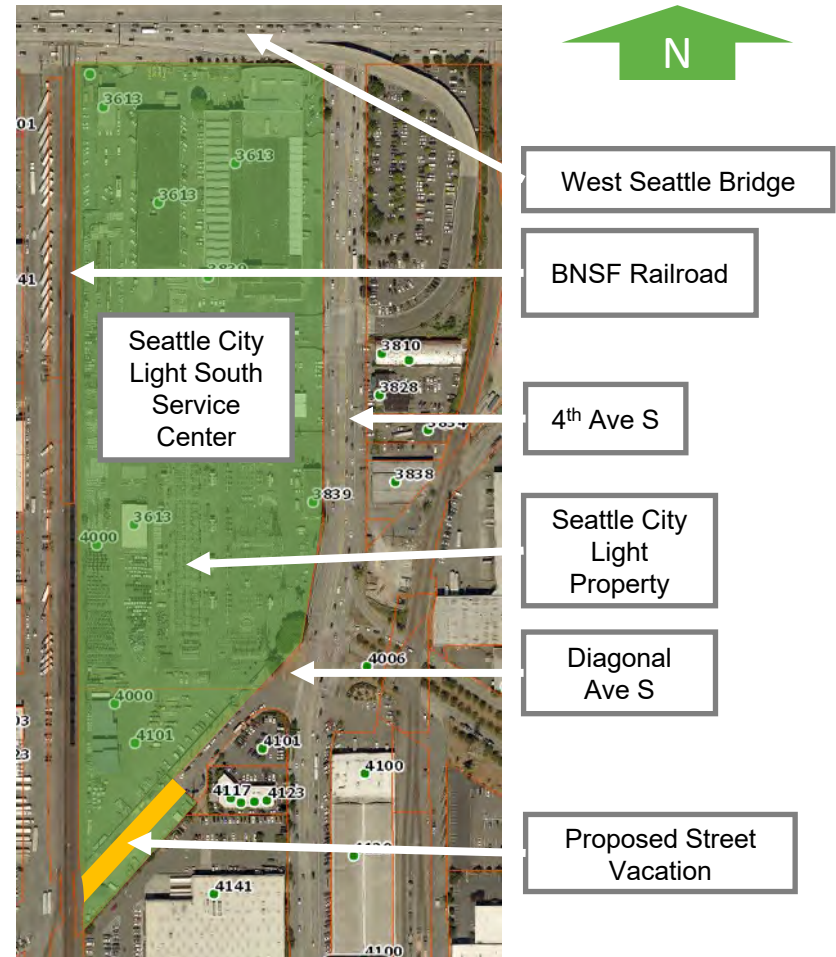
## BACKGROUND

- Seattle City Light has utilized this site under a street use permit from the Department of Transportation for more than ten years.
- This portion of the site has not been accessible to the public during this time.



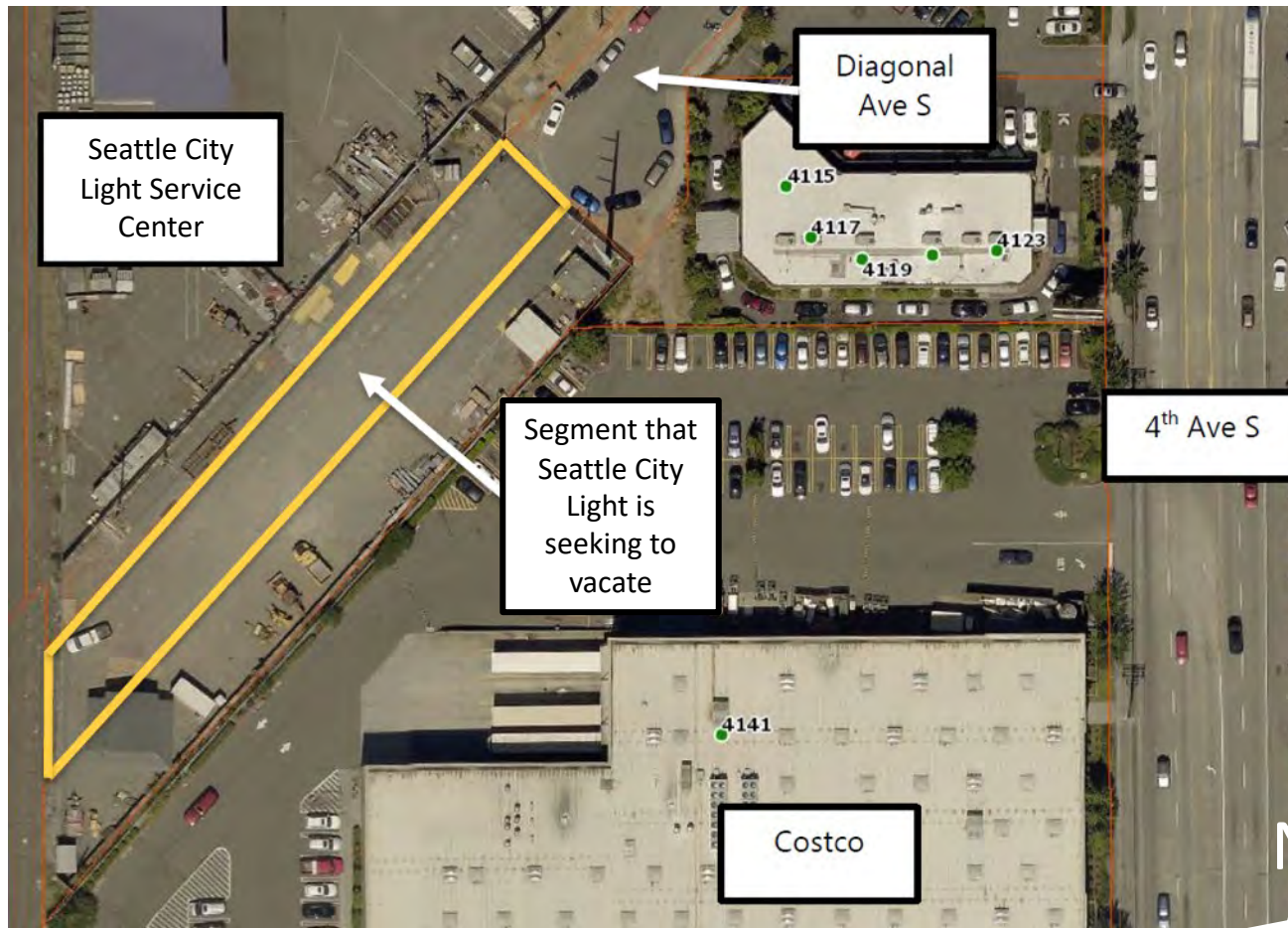
## PROPOSED DIAGONAL AVE S. STREET VACATION

The street is located within a commercial and industrial area.





## DIAGONAL AVE SEGMENT





## DIAGONAL AVE S. - SITE FEATURES

- The area in question is roughly 13,300 square feet.
- The area is used for the storage of materials, equipment, and vehicle parking.
- It is surrounded by a 10' tall fence made of chain link and wood.



## DIAGONAL AVE S. - ISSUES

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- There have been many reported break-ins and several items have been recorded missing.
- The surface is uneven and is known to pool stormwater during the winter, creating a dangerous walking surface.
- The site is currently not secured in a manner consistent with Seattle City Light standards.

## DIAGONAL AVE S. - BENEFITS OF IMPROVEMENTS

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- Improved on-site grading and pavement.
- Additional water treatment.
- Addition of surveillance cameras.
- Increased site and public safety.
- The South Service Center site will function as a single site with controlled entry.
- Improve overall site utilization.

## OPTIONS FOR MAKING SITE IMPROVEMENTS

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- Seattle City Light is exploring several options for making improvements to this site:
  - A construction permit under its current annual street use permit.
  - A term-permit for a longer period.
  - A street vacation petition.



## PUBLIC BENEFITS PACKAGE

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- Transfer of Seattle City Light property for use by city of Seattle residents.
- Public outreach and communications to gather comments.

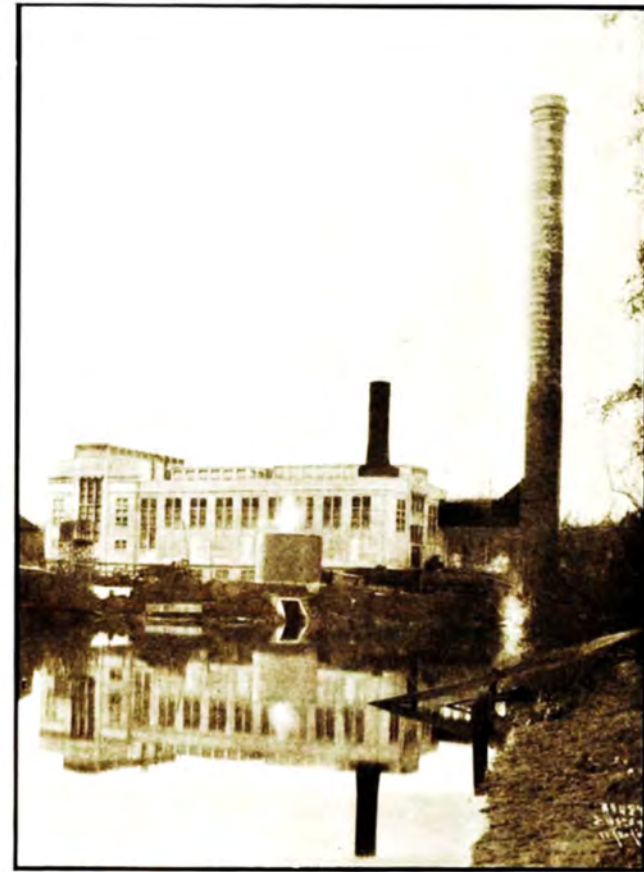
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- The Georgetown Steam Plant's flume property, referred to as the *Flume*, is located on East Marginal Way South, between the King County Airport and the Aero Motel.



## GEORGETOWN PROPERTY DETAILS

- The Flume was previously part of a drainage system from the historic steam plant to the Duwamish River.
- The wooden flume has been removed.
- The property has been vacant for many years.



EXTERIOR OF TURBINE PLANT, GEORGETOWN.

## PROPOSED PUBLIC BENEFIT

- Seattle City Light would like to transfer this 30,000 sq. ft. site to stimulate greater public use of the property.
- Seattle Parks and Recreation (SPR) is considering the redevelopment of this site for possible use as public open space and/or trail.





## SEATTLE PARKS AND RECREATION

## OFF LEASH AREA OPPORTUNITY

- The *People, Dogs and Parks Plan* (available on Seattle Parks and Recreation website) commits to exploring ways to expand the city's off-leash area system.

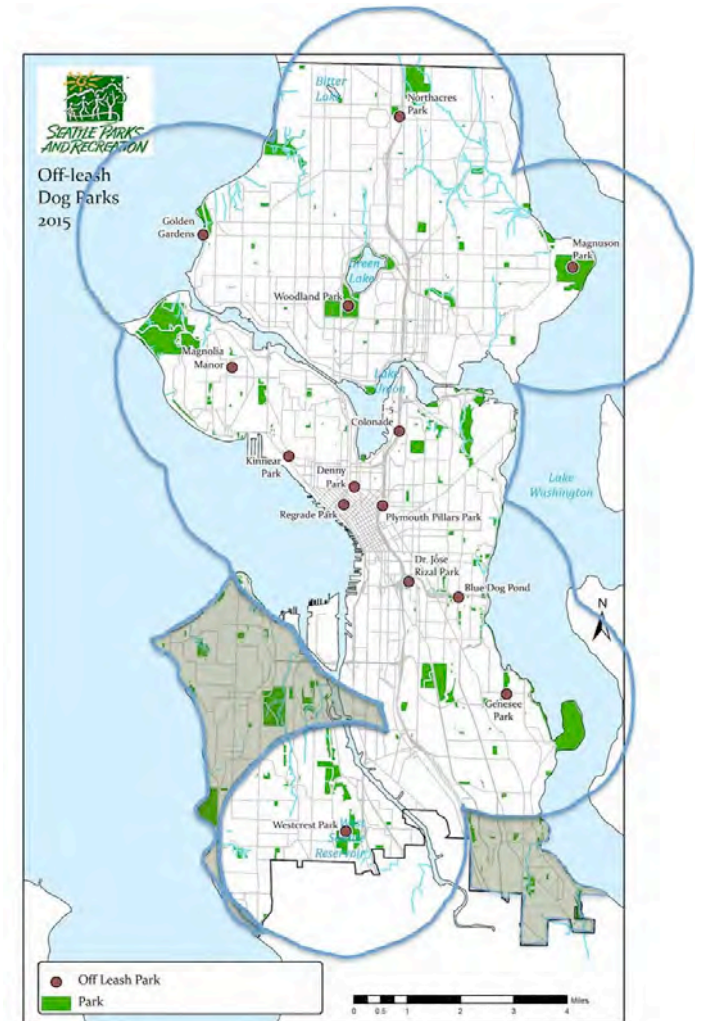
**SEATTLE PARKS AND RECREATION**  
**PEOPLE, DOGS & PARKS PLAN**

REPORT: AUGUST 2017



## OFF-LEASH AREAS IN SEATTLE

- Seattle currently has 14 legal Off-Leash Areas (OLA).
- Most Seattle residents live within 2.5 mile radius of an OLA.
- There is a growing need for safe, fun spaces for dogs and their owners.



## SPR INTEREST

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- Seattle Parks and Recreation is exploring the potential for the Flume property as an Off Leash Area, possibly in combination with a bicycle/pedestrian trail.





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## CREÄ Affiliates

## ACTIONS TO DATE

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- Seattle City Light and its consultants have reached out to property owners and citizen groups to gain their insights.

## NEIGHBORS CONTACTED DIRECTLY



## COMMUNITY FEEDBACK TO DATE

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- Public Support

- No impact on neighboring properties for either site.
- Appreciate possibility of using the Flume as an OLA or walking / bike path.

- Concerns

- Funds to implement the OLA.
- Unsafe conditions at the Aero motel.
- Maintenance of property after transfer.
- Lack of investment in SODO.

## UPCOMING PUBLIC MEETINGS

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- Staff from Seattle City Light and Seattle Parks and Recreation are available to answer questions.

**Georgetown Public Meeting**

June 12, 2019, 6-7:30 p.m.

Georgetown Ballroom

5623 Airport Way South

Seattle, WA 98108

- If you're unable to attend, take our online survey:  
[surveymonkey.com/r/diagonalave](https://surveymonkey.com/r/diagonalave).
- Survey closes July 31<sup>st</sup>, 2019.



## NEXT STEPS

Task	Date
Check back with GTCC Open Space Committee and others.	3 <sup>rd</sup> Quarter 2019
Seattle City Light submits street vacation petition.	Early 4 <sup>th</sup> Quarter 2019
Presentation to Seattle Design Commission (opportunity for public comment).	4 <sup>th</sup> Quarter 2019
Petition sent to Seattle City Council for review and approval.	4 <sup>th</sup> Quarter 2019



**We need your input!**

Your questions, comments, and concerns  
will help to shape this project.

## HOW TO STAY INVOLVED

---

*For questions about the street vacation petition, or to submit public comments, please contact:*

**Anindita Mitra, Seattle City Light (Project Representative)**

info@crea-affiliates.com

(253) 397-3887

Sign up at [www.diagonalavenue.com](http://www.diagonalavenue.com)

*For questions about off-leash areas, please contact:*

**Danyal Lotfi, Seattle Parks and Recreation**

danyal.lotfi@seattle.gov

(206) 615-1721

[seattle.gov/parks/find/dog-off-leash-areas](http://seattle.gov/parks/find/dog-off-leash-areas)



## Meeting Summary Notes

<b>MEETING</b>	Georgetown Community Meeting
<b>MEETING DATE</b>	6/12/19
<b>MEETING TIME</b>	6:00 p.m.
<b>MEETING LOCATION</b>	Georgetown Ballroom, 5623 Airport Way, S
<b>PARTICIPANTS</b>	Seattle City Light: Timothy Croll, Ruth Meraz-Caron, Hermann Ambion, Jenny Levesque Seattle Parks and Recreation: Danyal Lotfi CREÄ Affiliates: Anindita Mitra, Michael Davolio, Yueru Deng, Christoph Strouse
<b>AUDIENCE MEMBERS</b>	Heather Carney, Kate Kohler, Dane Hufbauer, Patty Foley, Jesse Moore, John Sutton, Tom van Bronkhorst, Holly Krejci
<b>ALSO PRESENT</b>	Representatives from the Seattle Department of Transportation
<b><u>SUBJECT</u></b>	Diagonal Av. S. street vacation, property transfer from City Light to Parks

Timothy Croll opened the meeting by introducing members from Seattle City Light, Seattle Parks and Recreation, and the City Light consulting team of CREÄ Affiliates. Anindita Mitra then presented a PowerPoint slide show. The presentation described the reasons why Seattle City Light is interested in petitioning the City to permanently acquire a portion of South Diagonal Avenue, for operational and security improvements.

Anindita's presentation included a full description of the Flume property, and the proposal of Seattle City Light to offer this property to the Seattle Department of Parks and Recreation. Danyal Lotfi of Parks and Recreation continued with an explanation of their interest in the Flume property, and their previous public discussions of utilizing the property as an off-leash dog park. He described the role of the Flume property as part of the Georgetown Open Space Vision Framework, and the site's potential to include public walking and bicycle trails.

Anindita then described the importance of the public outreach process, including this meeting and the subsequent meeting scheduled in Georgetown on June 10<sup>th</sup>. Emphasis was placed on the online survey that was available for the public to provide their comments.

The meeting was then opened for public questions and comments.

QUESTION: What were the questions asked at the SODO meeting?

ANSWER: Why is SODO not receiving any public benefits from this action? Areas of SODO can benefit from the development of trails and green spaces.



# I.H.B.1. MEETING SUMMARY NOTES - Georgetown PM 6-12

Q: How can residents and others provide substantive feedback going forward?

A: There is an online survey that people can fill out. The survey is available in several languages. Also, tonight's public outreach is at the beginning of the process. Several city departments, such as the Department of Neighborhoods and the Design Commission, will conduct public processes as they consider this proposal. Finally, when a petition reaches the City Council, an additional public hearing will be held.

Q: Will the Flume property actually be developed as planned?

A: The Parks Department hopes to include this project in future plans as soon as feasible.

Q: What about existing easements on the Flume property?

A: Existing easements, primarily for storm drainage, will remain.

Q: King County owns abutting property. Can that property be included in the exchange?

A: Neither Seattle City Light nor the Parks Department have had any discussions with the county at this time.

Q: What is the range of options here? Is the street vacation petition the only option being considered?

A: City Light currently manages the property pursuant to an annual street use permit. Because of the improvements they'd like to make, they are looking at a more permanent solution. In addition to a street vacation, which is a permanent solution, City Light may also consider a longer-term permit of at least 30 years. However, at this time, the street vacation offers a permanent solution, and is considered as the preferred option.

Q: Does the Flume property provide a sufficient public benefit, in terms of comparative value?

A: The Flume property is approximately 30,000 square feet in size, which is about three times the size of the South Diagonal Avenue property. We believe that the public benefit is sufficient.

Q: The annual costs to maintain the Flume property are not included in the public benefit analysis.

A: Those costs will be assumed by the Parks Department, but Seattle City Light has performed environmental reviews and has performed regular maintenance of the property.

Q: Seattle City Light should provide additional funds to make a park at the Flume property useful to the community, as part of the public benefits package.

A: Seattle City Light believes that the Flume property, in itself, provides an adequate public benefit.

Q: If the property is transferred and doesn't get developed, what happens?

A: It is not in the interest of the Parks Department to allow the property to sit idle. There will be an effort made to develop the property.

Q: What is the timing of the SODO/Georgetown trail?

# I.H.B.1. MEETING SUMMARY NOTES - Georgetown PM 6-12

A: (by DOT) We expect to see a preliminary design by the end of the year, although the schedule is uncertain.

The presentation lasted approximately 30 minutes. With Q&A, the full meeting lasted approximately 90 minutes.

## TASK UPDATES

The project team will update its records to reflect the results of both public meetings.

I.H.B.2. Public Meeting Georgetown Sign-In Sheet 6/12/19

SIGN-IN SHEET

Event Name: Diagonal Avenue South – Street Vacation Public Meeting  
Georgetown Ballroom (5623 Airport Way South, Seattle, WA 98108)



NAME	ADDRESS	PHONE NUMBER	EMAIL ADDRESS
Heather Carney	6736 Corson Ave S.	425-736-8874	heather.j.carney@gmail.com
Kate Kohler	728 S Orcas St.	612-834-5304	KKohler124@gmail.com
Dane Hofbauer	62402 CORSON AVE S.	206-778-4125	dhofbauer@gmail.com
Patty Foley	6415 Flora Ave S	206-409-9838	patty_foley@hotmail.com
Jesse Moore	6415 Flora Ave S	206-234-4561	<del>glown</del> georgetownjesse@gmail.com
John Sutton	6525 ELLIS AVE S.	206-234-6139	SENDJOHNMAIL@GMAIL.COM
TOM VANBRONKHORST	-		TOM.VANBRONKHORST3@SEATTLE.GOV
Holly Krejci	<del>6525</del> 6525 98108		holly.krejci@gmail.com

# I.H.B.3. Public Meetings 0610 and 0612 Attendance

## SCL Public Meeting Attendance 6/10/19 & 6/12/19

Date Received	Name	Contact Info	Meeting Location	Communication Inquiry	Response/Resolution
6/10/2019	Erin Goodman	210 S. Hanford St., #112	attended SODO public meeting	questioned lack of public benefit in SODO	requested separate, on-site meeting
6/10/2019	Jana Elliott	943 29th Av.	attended SODO public meeting		
6/12/2019	Heather Carney	6736 Corson Av. S; ph. 425-736-8874; email heather.j.carney@gmail.com	attended Georgetown public meeting	concerned that Flume will not be developed; uncertain if it is the best location for dog park	
6/12/2019	Kate Kohler	728 S. Orcas St.; 612-834-5304; kkohler124@gmail.com	attended Georgetown public meeting		
6/12/2019	Dane Hufbauer	6240D Corson Av. S; 206-778-4125; dhofbauer@gmail.com	attended Georgetown public meeting	Parks Dept. must have a plan for Flume property	
6/12/2019	Patty Foley	6415 Flora Av. S; 206-409-9838; patty_foley@hotmail.com	attended Georgetown public meeting		
6/12/2019	Jesse Moore	6415 Flora Av. S; 206-234-4561; georgetownjesse@gmail.com	attended Georgetown public meeting		
6/12/2019	John Sutton	6525 Ellis Av. S; 206-234-6139; sendjohnmail@gmail.com	attended Georgetown public meeting		
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Seattle City Light

# DIAGONAL AVENUE SOUTH STREET VACATION PROJECT

Public Meeting, Georgetown

June 12, 2019

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## WHO WE ARE

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- Seattle City Light
  - Ruth Meraz-Caron
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  - Danyal Lotfi
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## PURPOSE OF THIS MEETING

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- Seek public opinion about the transfer of a portion of Diagonal Ave S. from the City of Seattle (Department of Transportation) to Seattle City Light.
- Gather comments on the proposed public benefit to offset the loss of this once-public street to a utility.

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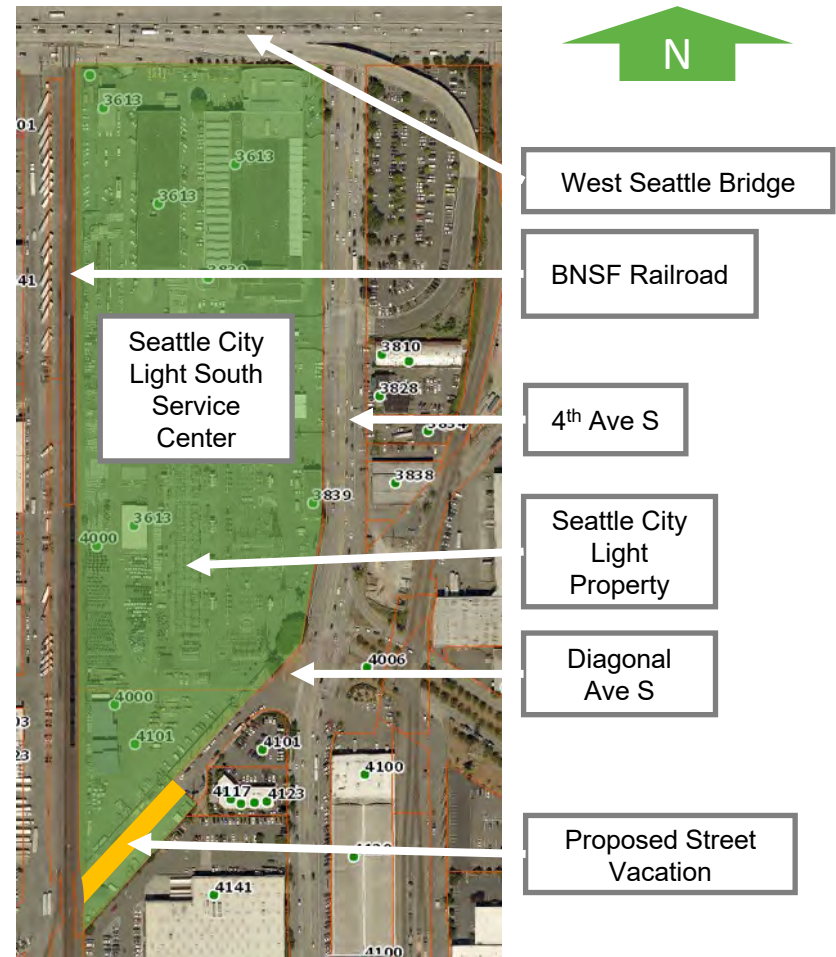
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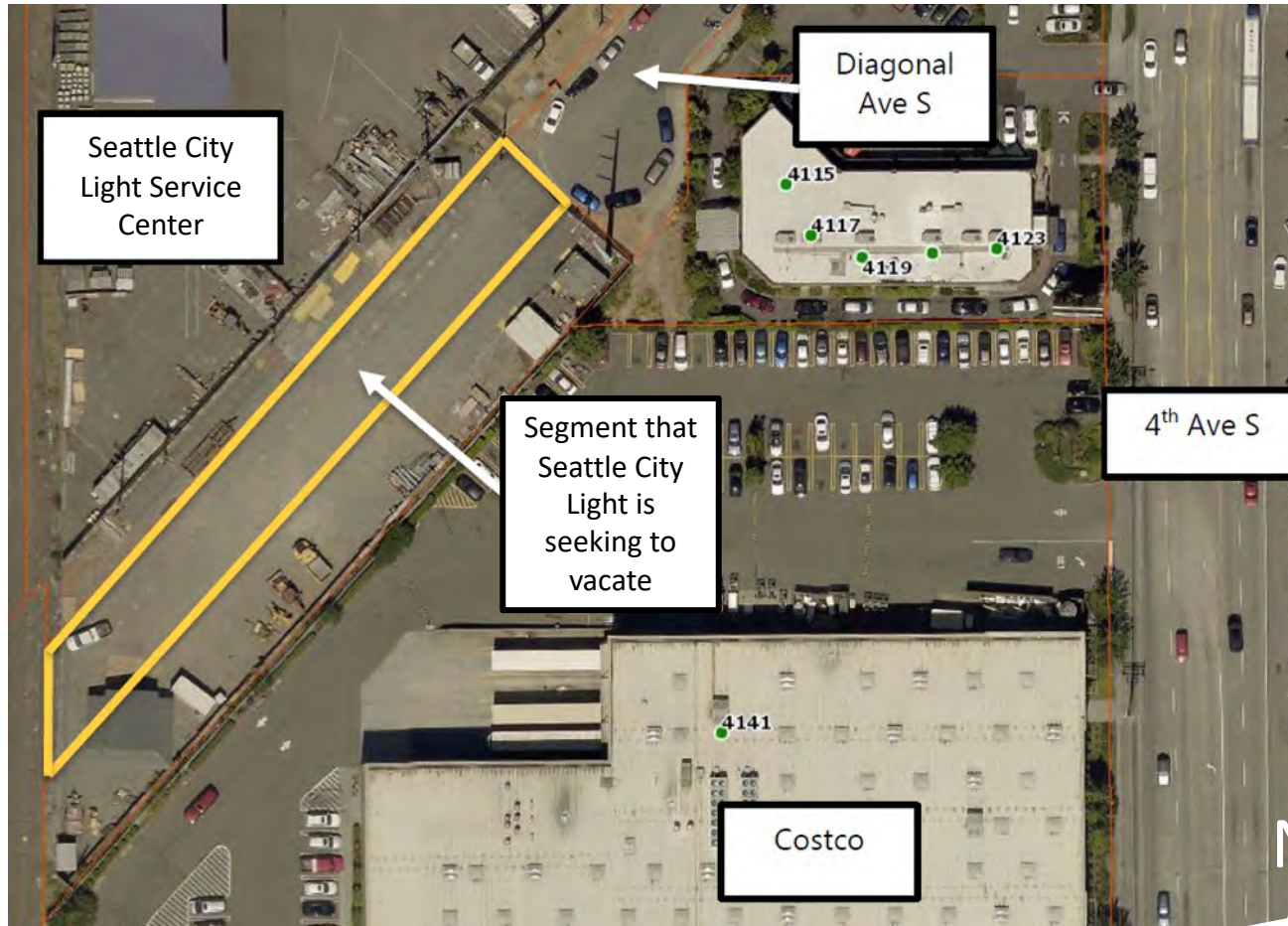


## PROPOSED DIAGONAL AVE S. STREET VACATION

The street is located within a commercial and industrial area.



## DIAGONAL AVE SEGMENT





## DIAGONAL AVE S. - SITE FEATURES

- The area in question is roughly 13,300 square feet.
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## DIAGONAL AVE S. - ISSUES

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- There have been many reported break-ins and several items have been recorded missing.
- The surface is uneven and is known to pool stormwater during the winter, creating a dangerous walking surface.
- The site is currently not secured in a manner consistent with Seattle City Light standards.

## DIAGONAL AVE S. - BENEFITS OF IMPROVEMENTS

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- Improved on-site grading and pavement.
- Additional water treatment.
- Addition of surveillance cameras.
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- The South Service Center site will function as a single site with controlled entry.
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## OPTIONS FOR MAKING SITE IMPROVEMENTS

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- Seattle City Light is exploring several options for making improvements to this site:
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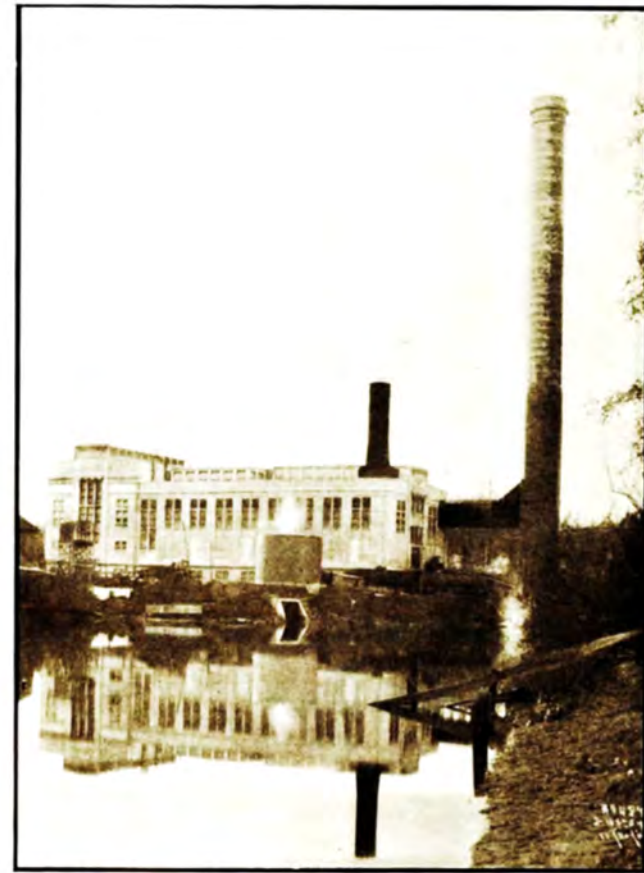
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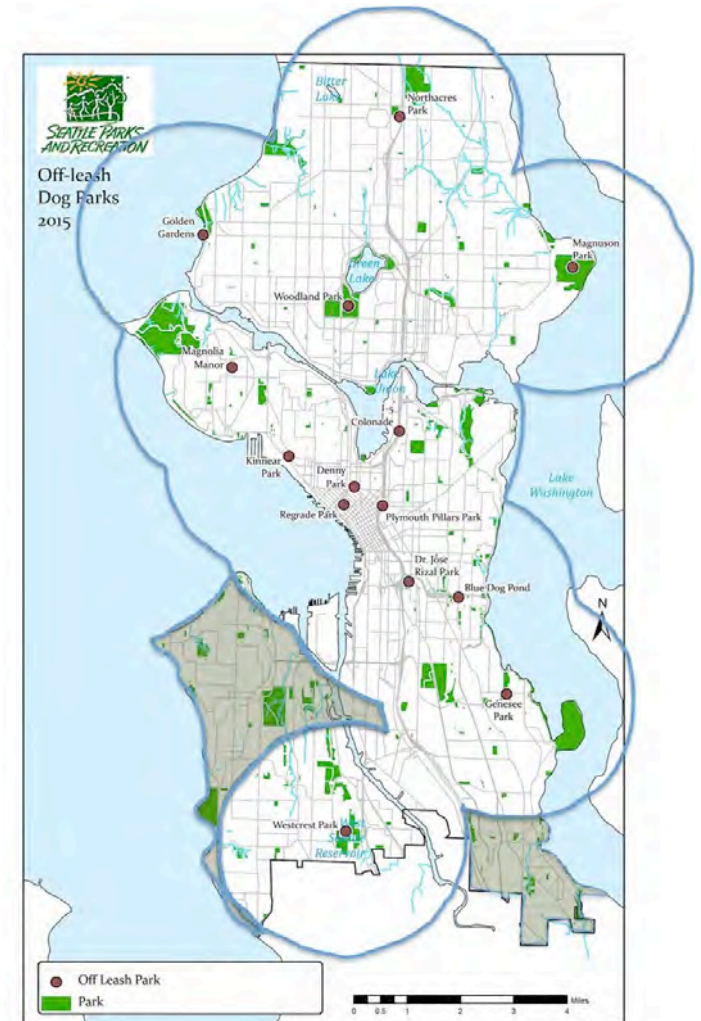
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**Anindita Mitra, Seattle City Light (Project Representative)**

info@crea-affiliates.com

(253) 397-3887

Sign up at [www.diagonalavenue.com](http://www.diagonalavenue.com)

*For questions about off-leash areas, please contact:*

**Danyal Lotfi, Seattle Parks and Recreation**

danyal.lotfi@seattle.gov

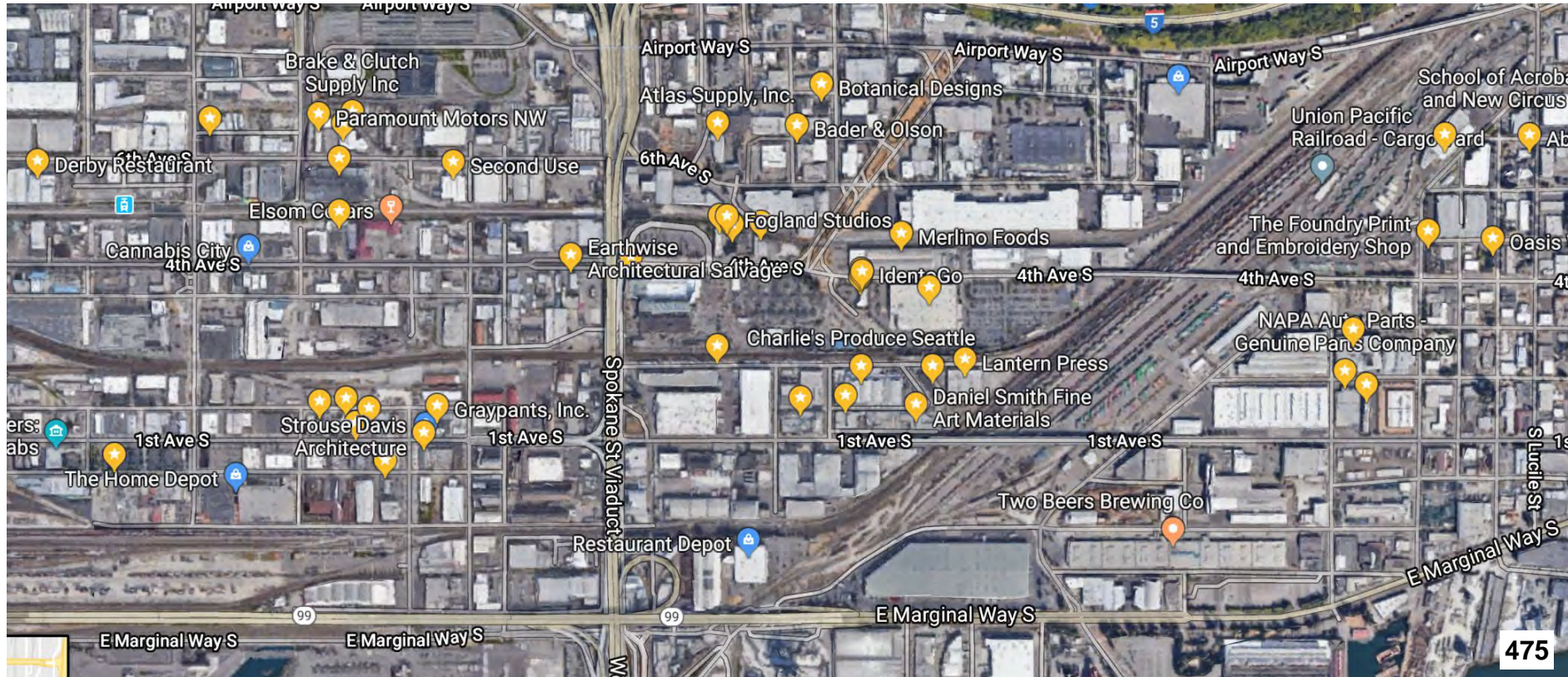
(206) 615-1721

[seattle.gov/parks/find/dog-off-leash-areas](http://seattle.gov/parks/find/dog-off-leash-areas)

# I.M.A.1. InPerson Outreach Engagement Map SODO

## Seattle City Light - Diagonal Avenue South Street Vacation

### SODO Public Outreach & Engagement

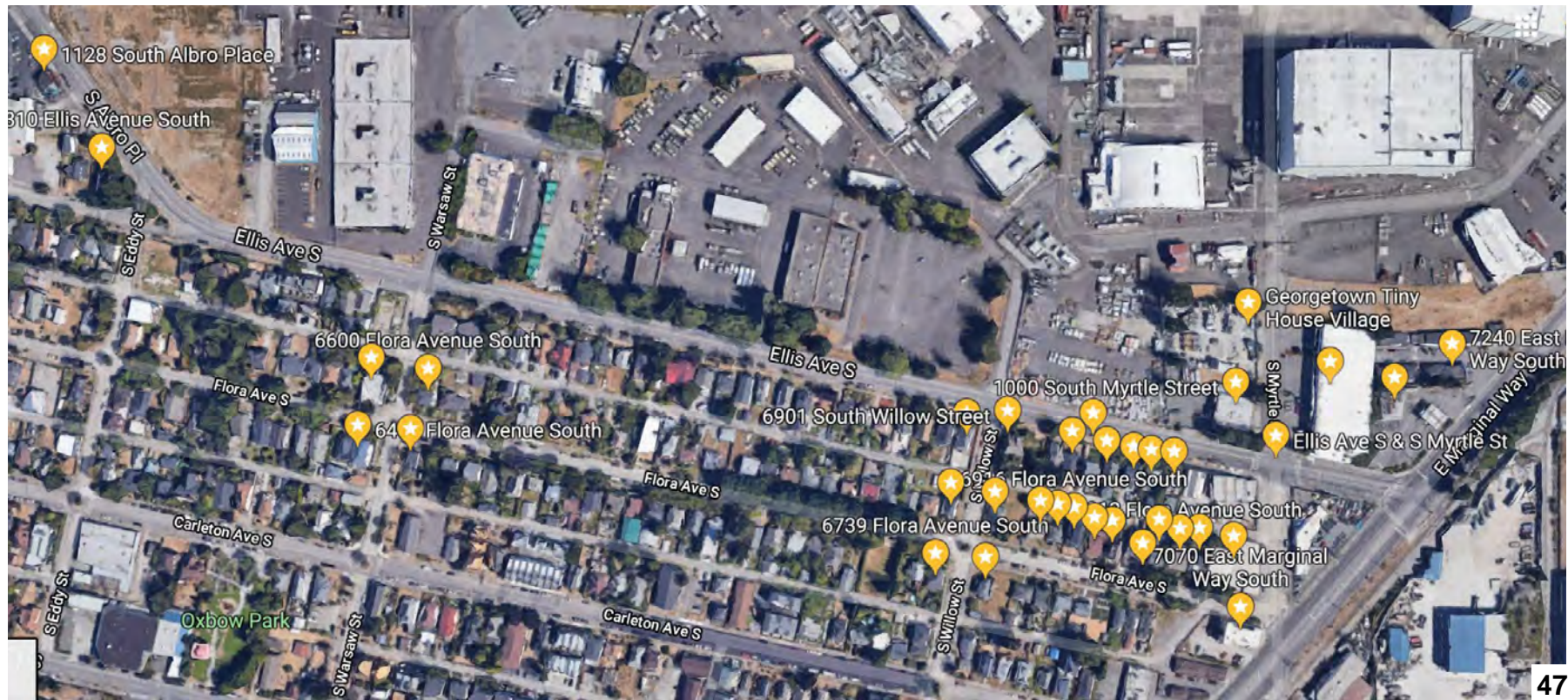




# I.M.A.2. InPerson Outreach & Engagement Map Georgetown

## Seattle City Light - Diagonal Avenue South Street Vacation

### Georgetown Public Outreach & Engagement







## Meeting Notes

MEETING DATE	5/14/19
MEETING TIME	4:30 p.m.
MEETING LOCATION:	All City Coffee
PARTICIPANTS	Patty Foley, GCC Jesse Moore, GCC Open Space Committee Kate Kohler, GCC Open Space Committee Rosario-Maria Medina, GCC Open Space Committee Timothy Croll, Seattle City Light Danyal Lotfi, Seattle Parks and Recreation Anindita Mitra, CREÄ Affiliates Michael Davolio, CREÄ Affiliates Yueru Deng, CREÄ Affiliates (sign-in sheet available)
<u>SUBJECT</u>	Diagonal Av. S. street vacation, property transfer from City Light to Parks

The meeting was led by Tim Croll, who began by describing the City Light petition for street vacation and the related proposal to transfer property to the Parks Department.

Danyal described the Parks Department's interest in using the property for an off-leash dog park. He noted that there has been a lot of local support for the creation of a dog park, based upon public comments made at previous public meetings over a span of several years.

Patty Foley noted that the Parks Department currently has numerous projects that are not funded; some for as long as 15 years. She indicated that she would support a dog park, but was skeptical that it would be funded.

Jesse Moore asked how the dog park would be funded, especially for regular maintenance.

Tim described how the process would occur through the Seattle Design Commission. There was discussion about different options being available to allow for public feedback.

Responding to a question, Tim explained how the Flume property had been used in the past by City Light, and how public policy would not have permitted the property to be transferred except through a "public benefit" proposal such as the one being proposed. Tim spoke about current drainage on the site, as well as infrastructure and environmental reports that are now being shared with Parks for their review.

Kate Kohler suggested that there be additional community contact prior to the Design Review process. It was noted that the Open Space Committee meets on the fourth Monday of each month (except July and August, when there are no meetings). If possible, a presentation before that committee would be helpful.

Kate also asked about whether fencing, lighting, and parking were being considered as part of the plan for the dog park.

# I.M.B.1. MEETING SUMMARY NOTES - GCC OSC 5-14

Rosario Medina expressed concern that the public meeting scheduled for Georgetown conflicted with her event the same time and day. She asked whether it might be possible for this project to provide some degree of funding for local committees working within the community on open space issues. Anindita Mitra offered to see whether such funding might be possible, in a small measure.

Jesse and Patty needed to leave early, but they offered to be the contact people if City Light wanted to get their message on to local social media sites.

There was general agreement that the project could have a positive impact on the community. Some dog owners could come from a distance to utilize the park.

Tim and Danyal indicated that they would be making a presentation about the project to the Georgetown Merchants Association later in the day. It was also noted that the dates for public meetings on the project had been set, and will occur on June 11th and June 12th.

The meeting lasted approximately 55 minutes.

## TASK UPDATES

- CREÄ: Will check with community members prior to scheduling future public meetings.
- CREÄ: Will explore ways to reimburse community members for their help publicizing the project.
- CREÄ: Will provide social media content to Patty prior to asking for her help in publishing them.



## Meeting Notes

**MEETING:** Equinox Studios /Georgetown  
**MEETING DATE:** 5/20/19  
**MEETING TIME:** 12:30 p.m.  
**MEETING LOCATION:** Equinox Studios  
**PARTICIPANTS:** Sam Farrazaino  
Anindita Mitra, CREÄ Affiliates  
Michael Davolio, CREÄ Affiliates  
Danyal Lotfi, Seattle Parks  
**SUBJECT:** Diagonal Av. S. street vacation, property transfer from City Light to Parks

Anindita and Danyal confirmed that Sam understood that City Light was in the process of vacating a portion of Diagonal Avenue South, and was proposing to transfer property in Georgetown in exchange for acquiring ownership of the vacated right-of-way.

Sam talked about the nearby steam plant, which is listed on the *National Register of Historic Places*, and is also a *National Science and Engineering Landmark*. The basic structure of this building is intact. His group is working to transform the steam plant into a museum for the arts and sciences, an arts center for local underserved children and occasionally, as an event venue. Sam asked whether the reuse of the steam plant could be commemorated through interpretive signs or markers in City Light's utilization of the Flume property.

The group discussed the history of the Flume property, noting that the public has discussed its potential for future public use at many events. This property has been an integral part of the Georgetown Open Space Plan. While many public comments over the years have addressed the possibility of using the property as an off-leash dog park, there has also been discussion about the use of the property as a part of a connected walking trail. Concerns have also been noted to the effect that if the property were to be used as a dog park, it must be fenced to prevent the danger of dogs wandering off onto Marginal Way South. Lighting and parking were also noted as desirable improvements.

Sam spoke about general conditions in the Georgetown neighborhood. He expressed a strong (and repeated) desire to see the motel that abuts the Flume property purchased. Sam spoke at length about the human trafficking known to occur on that site. There was acknowledgement of the location of the "tiny house village," and comments about its term in the current location coming to an end soon. He also noted that the crime rate in Georgetown has been rising, while the crime rate in the rest of the city has been dropping. Sam indicated that he has seen Georgetown residents becoming sensitive to the perceived lack of city engagement in the neighborhood. Michael indicated to Sam that City Light was committed to a broad base of public engagement for this project, and that this meeting was a part of that public engagement process.

In response to a question from Sam, Danyal indicated that the Parks Department requires a minimum of 5,000 square feet for a dog park, and the Flume property, at approximately 30,000 square feet, easily meets that requirement. Danyal also noted that the city tries to separate dog parks from playgrounds.

# I.M.B.2. MEETING SUMMARY NOTES - Equinox 5-20

Sam indicated that he has no specific objection to the street vacation, or to the transfer of the Flume property as a part of that process.

The meeting lasted approximately 45 minutes.

## TASK UPDATES

None.



## SCL Georgetown Flume Property Proposal Georgetown Open Space Committee 7/22/19

### Meeting Notes

#### ATTENDEES

##### PROJECT TEAM

Tim Croll, SCL

Ruth Meraz-Caron, SCL

Danyal Lotfi, Seattle Parks Dept.

Anindita Mitra, CREÄ Affiliates

Christoph Strouse, CREÄ Affiliates

##### GEORGETOWN OPEN SPACE COMMITTEE

Jesse Moore

Andrew Schiffer

Patty Foley

Steve Nishigawa

Kate Kohler

Rosario Medina

Holly Krecj

#### TOPICS

##### A. SUMMARY OF SCOPE OF SERVICES

**See Attached:** Georgetown Steam Plant Flume Proposal (SCL, July 22, 2019)

##### B. PROJECT UPDATES

**See Attached:** Georgetown Steam Plant Flume Proposal

- Surveyor discovered that SCL appears to own 45k sq ft not 30k sq ft of property (to the KC Airport fence line and maybe beyond).
- SCL and Parks are planning for interim Off Leash Area (OLA).
- Take off 6 in. of topsoil and replace with clean gravel, this is parks standard approach to OLAs.
- Parks will fence in property and put in water cistern for dogs.
- Parks will take possession of property and work with SDOT for the trail study and possibly develop MOA for OLA and Trail.
- Petition approval anticipated for Q1 of 2020.
- SCL and Parks needs community support for Diagonal Ave S vacation otherwise Flume property will not be available for community.

##### C. COMMUNITY FEEDBACK

Q: When the soil is removed will the site be regraded to remove the existing slope?

A: The design will have to figure out what to do about the drainage swale

Q: Would the fence be permanent or temporary?

A: It would be a permanent chain link fence.

Q: Is the amount required for the Interim OLA available to Parks?

A: Yes, money is available and allocated. Parks' budget is through the \$100K identified by Paulina (DRCC) at the GCC meeting in May.

Q: Is 6 in. of topsoil removal adequate or will there be contaminated runoff?

A: SCL: 6 in. removal should protect OLA users and gravel replacement will help drain the site effectively.

Q: Won't the gravel hurt the dogs?

- A: It is not ideal though most OLAs in Seattle use gravel. COLA (Citizens for Off Leash Areas) is a non-profit that helps maintain the OLA surfaces throughout the city. Parks used to use mulch for the surface of the Golden Gardens OLA but that breaks down within a few seasons into dirt.
- Q: Won't SCL have to talk with Aero Motel about their encroachment?
- A: Yes, this will have to be worked out with Aero Motel. There is a report that shows a portion of the Flume is used as a drain field for a septic tank that is on Aero Motel site. The motel will either be required to remove the building or will be granted a revocable easement for the life of the building.
- Q: What was the feedback from SODO BIA?
- A: SODO BIA is looking for community benefit from transfer of Diagonal Ave property. SCL open to their idea for a trail but SDOT owns that right of way. SCL will work with BIA as much as possible on topics that are of interest to them and would affect SCL property.
- Q: When is the first SDC hearing about the street vacation and transfer?
- A: Oct. 3<sup>rd</sup>. SDC will review the SCL petition and prepare a package and recommendation to City Council. Support from SDC is ideal when it goes to City Council, but not an absolute necessity.
- Q: Is there an advantage for GOSC to contact SDC in advance of SCL's presentation?
- A: CREÄ advised that it would be better to prepare a strong presentation and let SDC know that GOSC would like to take time at the meeting to make a presentation.

## ACTIONS/NEXT STEPS

- CREÄ will let GOSC know the day and time that SCL's presentation to the SDC will be made.
- CREÄ will alert the SDC that community members might want to make a presentation or testify at the SDC meeting.



## Meeting Notes

MEETING	Andrew Schiffer
MEETING DATE:	5/20/19
MEETING TIME	4:00 p.m.
MEETING LOCATION	All City Coffee
PARTICIPANTS	Andrew Schiffer Michael Davolio, CREÄ Affiliates
<u>SUBJECT</u>	Diagonal Av. S. street vacation, property transfer from City Light to Parks

Michael confirmed that Andrew was familiar with City Light's street vacation petition and the prospective transfer of property to Seattle Parks as a part of that petition.

Michael asked Andrew about his roles in community activism. Andrew is a GCC Board member and a member of the Open Space Committee. He is also active with Dirt Corps and the local survey project, as well as being generally active in local civic engagement as a Georgetown resident. He is also a part of the Port of Seattle's Community Action Team.

Andrew indicated that he has been involved with other Seattle Parks projects in the past, many of which have taken up to twenty years from inception to funding. He asked if the transfer of the Flume property would be treated similarly. Michael noted that, at this point, neither City Light nor Parks were committing to any specific future use of the property.

Andrew noted that he believes the best use of the property would be as a walking trail. He would like to see City Light or Parks fund improvements to the site, including lighting and landscaping. He also noted that some wet areas on the site would be suitable as rain gardens.

Michael advised Andrew that his role as a consultant was to bring all comments from meetings such as this to City Light and other city departments for their review and future action. Michael also indicated that City Light was committed to an open and transparent public engagement process for this project.

Andrew expressed concern that, if the site were used as a dog park, it must be fenced to protect the safety of the dogs. He was worried about dogs running into traffic.

The meeting lasted approximately 30 minutes.

### TASK UPDATES

None.



## Meeting Summary Notes

**MEETING:** SODO Business Association  
**MEETING DATE:** 5/14/19  
**MEETING TIME:** 1:00 p.m.  
**MEETING LOCATION:** CREÄ Affiliates meeting room  
**PARTICIPANTS:** Erin Goodman, SODO Business Assn.  
Anindita Mitra, CREÄ Affiliates  
Michael Davolio, CREÄ Affiliates  
**SUBJECT:** Diagonal Av. S. street vacation, property transfer from City Light to Parks

Michael Davolio asked Erin Goodman to describe the work of the SODO Business Association. Erin provided a brochure for the SBA, and also their most recent annual plan. Erin indicated that, as a tenant in the Urban Work Lofts building, CREÄ Affiliates is a member of the Association. She also indicated that her organization works with property owners, business owners, and employees of businesses in the SODO area.

Erin advised that the SBA is required by city regulations to remain neutral on land use issues. They are familiar with the street vacation process because another member, the Nissan dealership, is currently going through the same process.

Michael described the street vacation petition as it applies to City Light, noting that the proposed property transfer will provide a public benefit to the Georgetown neighborhood. Erin indicated that she would have preferred a public benefit to the SODO neighborhood, but that she understood that City Light is limited by the properties that it owns. Erin then asked whether City Light would also consider providing some vegetation and/or a walking trail beneath power lines on a different portion of Diagonal Avenue. She understands that this request may be outside the scope of the current petition. Michael agreed to pass the information along as a part of the public comments received through this process.

Anindita provided an example of the materials that we would be sharing with the SBA membership. Erin indicated that she saw no problem with distributing that material. Responding to a question, she indicated that she did not have the authority to provide a letter of support for the project without the approval of her Board of Directors. However, she would be willing to provide documentation to indicate that her membership had no objection to the project, if that proved to be the case.

The meeting lasted approximately 45 minutes.

### TASK UPDATES

CREÄ: Will provide electronic materials to SBA for inclusion in their next quarterly report, which will be distributed by email on June 3rd.





## Meeting Notes

**MEETING:** Georgetown General Body  
**MEETING DATE:** 5/20/19  
**MEETING TIME:** 7:00 p.m.  
**MEETING LOCATION:** Old City Hall, Georgetown  
**PARTICIPANTS:** Anindita Mitra, CREÄ Affiliates  
Timothy Croll, City Light  
Ruth Meraz-Caron, City Light  
Rachel Schulkin, Parks  
**SUBJECT** Diagonal Av. S. street vacation, property transfer from City Light to Parks

Tim Croll provided a summary of the proposed street vacation and SCL's need to own it to clean it. Tim also noted that the offsetting public benefit of transferring property in Georgetown to the Parks Department. This might help address some suspected illicit activity currently occurring in the area.

QUESTION: Have there been any talks between SCL and King County to consolidate the extra property on the southern edge of the Flume Property?

COMMENT: Tim mentions that SCL is interested in the topic, but has not pursued it. Rachel says that the City is always interested in engaging the public.

QUESTION: Are OLAs fenced in?

ANSWER: Yes.

QUESTION: Can OLAs and trails co-exist?

ANSWER: Yes. Parks' MDAR (?) has more ability to remove people. A dog park is considered a positive activation, even as a temporary use.

QUESTION: Who is negotiating for Georgetown? Is City Light getting more as a part of this deal?

ANSWER: Size and money-wise, it appears to be a fair deal. Could talk to the County about including their property.

QUESTION: How is funding guaranteed?

ANSWER: We want community input.

QUESTION: Is there money in the pipeline for this?

ANSWER: The Parks Department is now developing 14 new parks into the system. They are interested in getting this land while they can.

QUESTION: This is not an ideal location for a dog park.

ANSWER: Rachel mentions that they have heard that people don't want to live next to it. It's not the only space for an off-leash area in Georgetown.

QUESTION: How is this a complete project?

# I.M.C.1. MEETING SUMMARY NOTES - GCC 5-20

ANSWER: Tim mentions that this is a \$650,000 net benefit for the community and could be considered a donation of the property.

Paulina says there is \$100,000 for funding in the Duwamish Valley Action Plan for community engagement and project design. Alberto and Danyal reassured Paulina that the budget was available.

The discussion lasted approximately 20 minutes.

## TASK UPDATES

None.



## Meeting Summary Notes

**MEETING:** Georgetown Merchants Association  
**MEETING DATE:** 5/14/19  
**MEETING TIME:** 6:00 p.m.  
**MEETING LOCATION:** Machine House Brewing  
**PARTICIPANTS:** Anindita Mitra, CREÄ Affiliates  
Michael Davolio, CREÄ Affiliates  
Yueru Deng, CREÄ Affiliates  
Timothy Croll, Seattle City Light  
Danyal Lotfi, Seattle Parks and Recreation  
Georgetown merchants (see sign-in sheet)  
**SUBJECT:** Diagonal Av. S. street vacation, property transfer from City Light to Parks

CREÄ Affiliates and City Light distributed handouts to attendees (see attached).

CREÄ Affiliates representatives attended the meeting in “listening mode.”

Tim Croll described the City Light petition for street vacation and the related proposal to transfer property to the Parks Department. He described the street vacation petition as an opportunity for City Light to make safer and more efficient use of their property on Fourth Avenue. Tim then deferred to Danyal Lotfi to describe the role of the Parks Department.

Danyal described the Parks Department’s interest in using the property for an off-leash dog park. He noted that there has been a lot of local support for the creation of a dog park, based upon public comments made at previous public meetings over a span of several years.

Tim then described the formal street vacation process required by the city, and he encouraged those in attendance to participate in one of the public meetings that will take place in June.

Questions from the audience:

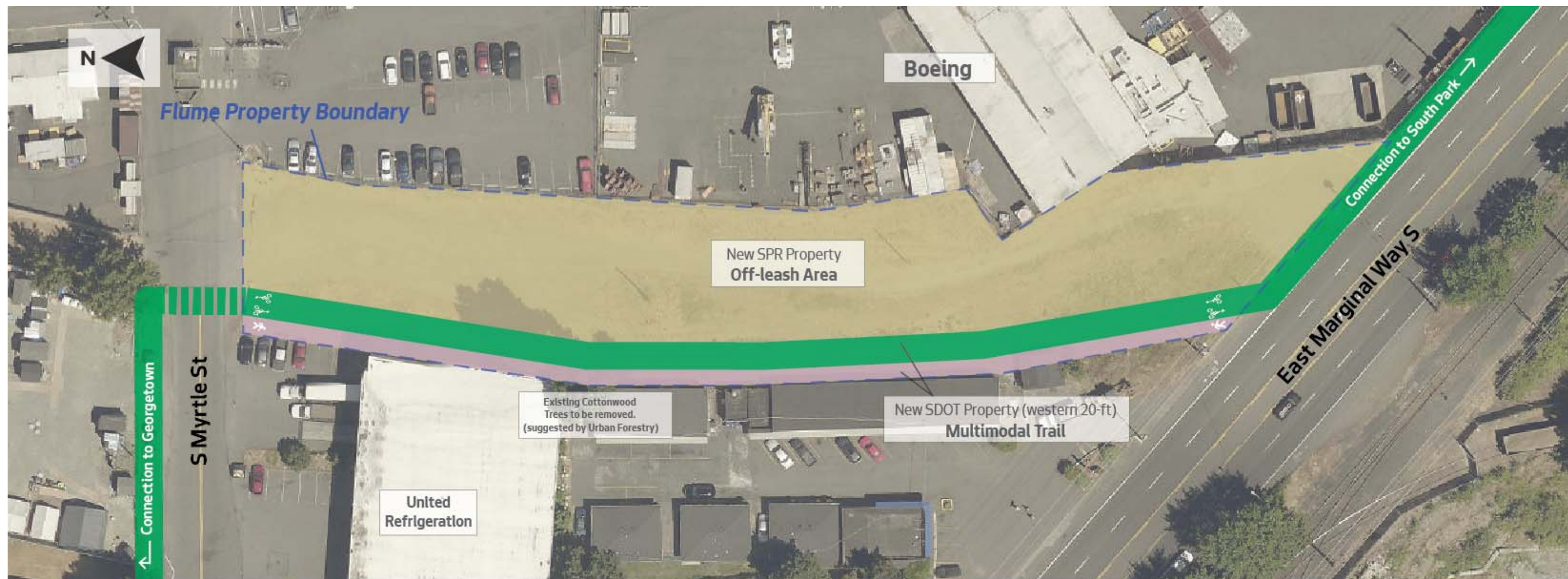
“What is the current use of the vacated property?” The portion of Diagonal Avenue South that will be vacated is currently closed to the public per a street use permit. It is used by City Light as a part of their operations.

“There is no public access now?” No.

“What are comparative values of the two properties?” There is no specific value established because property valuations are not typically performed on public properties, but the Flume property is more than three times larger than the Diagonal Avenue property.

“How was the decision made to use the Flume property as a dog park?” The Parks Department has held public meetings over several years, and members of the public have generally expressed this as their preferred choice.

The discussion lasted approximately 15 minutes.



Plan of Flume Property as Redeveloped per MOA





Early Concept – Example Treatment Only, Subject to Design

## **Memorandum of Agreement**

### **Developing the Georgetown Steam Plant Flume into a Community Asset**

Whereas, the City Light Department (SCL) owns 46,338 square feet of property located between S Myrtle St and East Marginal Way S, which formerly functioned as part of the Georgetown Steam Plant Flume (Flume Property); and

Whereas, SCL is seeking a vacation of a segment of Diagonal Way S, which would require the provision of an offsetting public benefit; and

Whereas, the Georgetown community has been historically underserved in terms of public amenities; and

Whereas, this community has long expressed an interest in additional open-space amenities, including specifically an off-leash area and a trail connection with the South Park community; and

Whereas, the Georgetown community has participated in the Seattle Parks and Recreation Department's (SPR) planning for City off-leash areas (OLA), the Seattle Department of Transportation's (SDOT) study of a trail connection between Georgetown and South Park, and SCL's community outreach process for that department's proposed vacation of a segment of Diagonal Ave S and has specifically advocated for both an OLA and a trail segment at the Flume Property; and

Whereas, SPR finds the Flume Property to be a suitable and preferred location for an OLA and SDOT finds the Flume Property to be a suitable and preferred location for a segment of the Georgetown/South Park Connector trail;

The City Light Department, the Seattle Department of Parks and Recreation, and the Seattle Department of Transportation agree to the following:

Overview. SCL will petition to vacate a section of Diagonal Ave S. As a public benefit for the vacation, the petition will include transferring the jurisdiction of the Flume Property, at no cost, to SPR and SDOT. The jurisdiction of the western twenty feet of the property will be transferred to SDOT for the future development of a bike/pedestrian trail. The jurisdiction of the remainder of the property will be simultaneously transferred to SPR for the development of an OLA. These two transfers would constitute the offsetting public benefit for the granted vacation and would be contingent on the granting of the vacation.

SCL will also transfer partial jurisdiction of a portion of the property to Seattle Public Utilities (SPU) for the operation and maintenance of SPU's existing drainage infrastructure on the property. SCL will also retain partial jurisdiction of the property to allow the continued presence of its utility poles and overhead lines.

If the street vacation is approved and the jurisdiction of the property is transferred by the City Council, then SPR, SCL, and SDOT would develop the property as outlined below.

Phase 1 development. The property would initially be developed to support an Interim Off-Leash Area (OLA), including:

- The top 6" of soil will be removed from the flume property and properly disposed.
- The underlying soil may be regraded.
- Six inches of clean gravel will be placed on the surface. The soil removal and gravel replacement will serve two purposes:
  - It will remove any residual contamination and leave a clean surface for the OLA users
  - It will create a surface that is more suitable for OLA use
- The Interim OLA on SPR portion of the property will also be fenced, and a water cistern will be installed for dog drinking water.
- There will be a number of trees included in the OLA area, which will be protected from the dogs.
- If the street vacation and property transfer can be approved by mid- 2020, the Interim OLA should be designed by mid-, 2020 (which design may be in phases) and be constructed by 2021.

Further development.

- Any future improvements by SPR to the OLA beyond Phase 1 will be considered through the usual budget process.
- Design and construction of the SDOT trail segment on the corridor would be subject to City Council budget approval.

Responsibilities.

- SPR and SDOT will continue to support SCL in its efforts to receive the street vacation, including participating in meetings with the community, the Seattle Design Commission, SDOT Street Vacation staff and the Seattle City Council.
- SPR will complete a phase I, interim design for the OLA by the second Seattle Design Commission meeting on the street vacation, expected to be in late 2Q 2020. SPR will include the public in this design process.
- SCL will remove, issue a revocable easement or permit for, or otherwise resolve to the satisfaction of SPR any existing encroachments on the east side the Flume Property prior to transfer to SPR.
- SPR and SDOT will be responsible for maintaining their respective properties once the transfer of jurisdiction is effective.
- SPR will manage the development project that will create the Interim OLA.
- SCL will pay SPR for the soil removal and disposal based on the bid for this line item (est. \$45,000).

- SCL will pay SPR for 50% of the cost of the purchase and placement of the clean gravel based on the bid line item (est. \$150,000 for SCL's share.)
- SDOT will pay SPR for 21% of the cost of the purchase and placement of the clean gravel based on the bid for this line item (est. \$32,000 for SDOT's share.) The gravel installed in SDOT's portion of the property will be of a suitable specification for their future trail use.
- SPR will pay the remaining cost of the purchase and placement of the clean gravel (est. \$118,000 for SPR's share.)
- SPR will fence the OLA (including the fence between the OLA and the future trail) and purchase and install the water cistern (est. \$45,000.)
- SCL would not be responsible for any future contamination of the top 6" gravel layer in their respective areas after its installation.
- SDOT will pay for the trees in the OLA.
- SPR will be responsible for the cost of maintaining the trees in the OLA.
- SCL would continue to be responsible – even after the transfer of the jurisdiction of the property - for any testing and/or removal of legacy contamination below the top 6" that is required by a regulatory agency.
- The costs of further park-related development beyond the Phase I Interim OLA mentioned above will be SPR's responsibility.
- Construction and maintenance of the trail will be SDOT's responsibility.

\_\_\_\_\_  
Lynn Best, Chief Environmental Officer  
Seattle City Light

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jesus Aguirre, Superintendent  
Seattle Department of Parks and Recreation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jim Curtin, Director of Project Development  
Seattle Department of Transportation

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Date

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Darren Morgan, Manager of Urban Forestry  
Seattle Department of Transportation

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Date

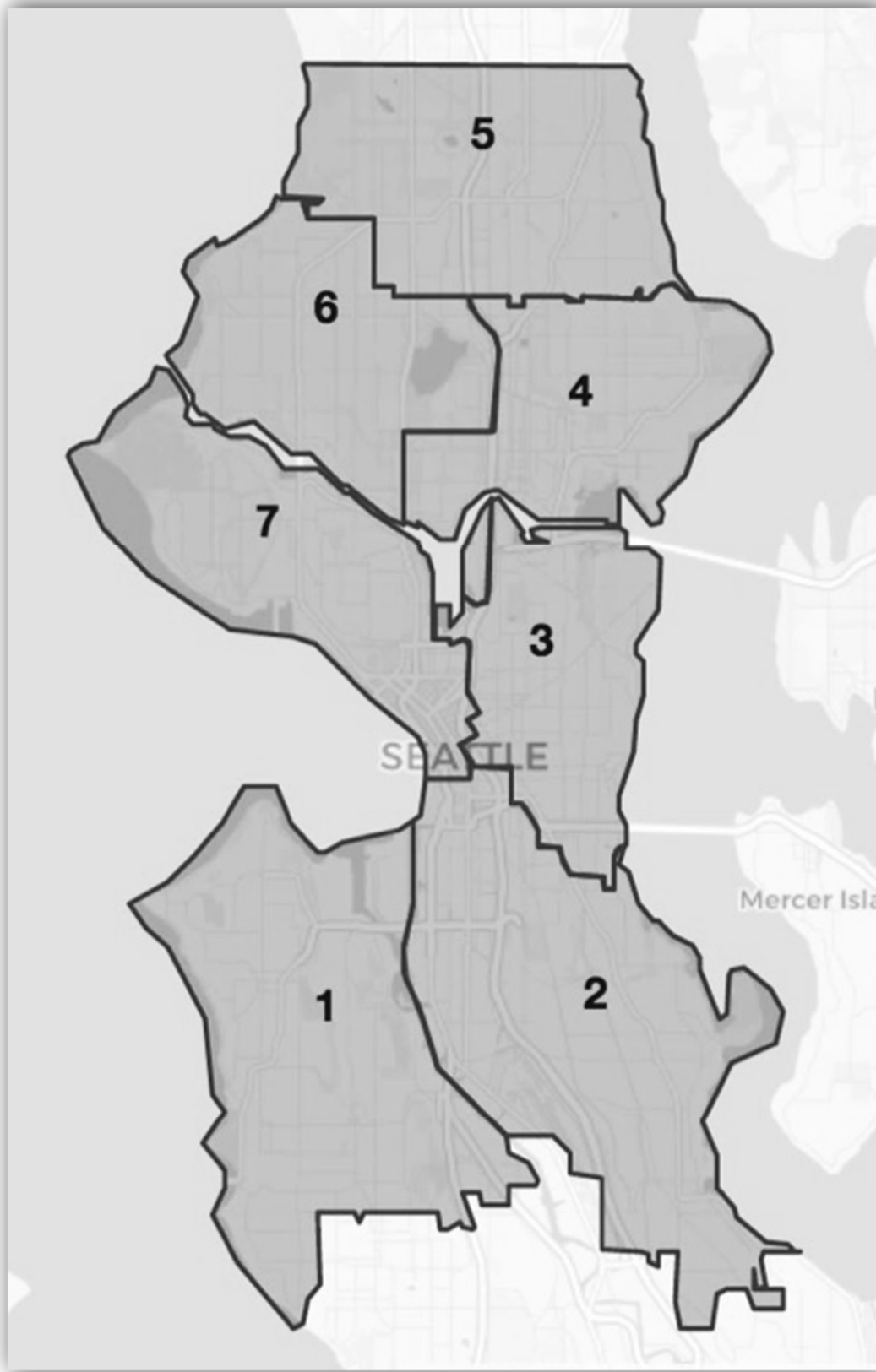


Figure 1. Seattle City Council Districts, 2019.

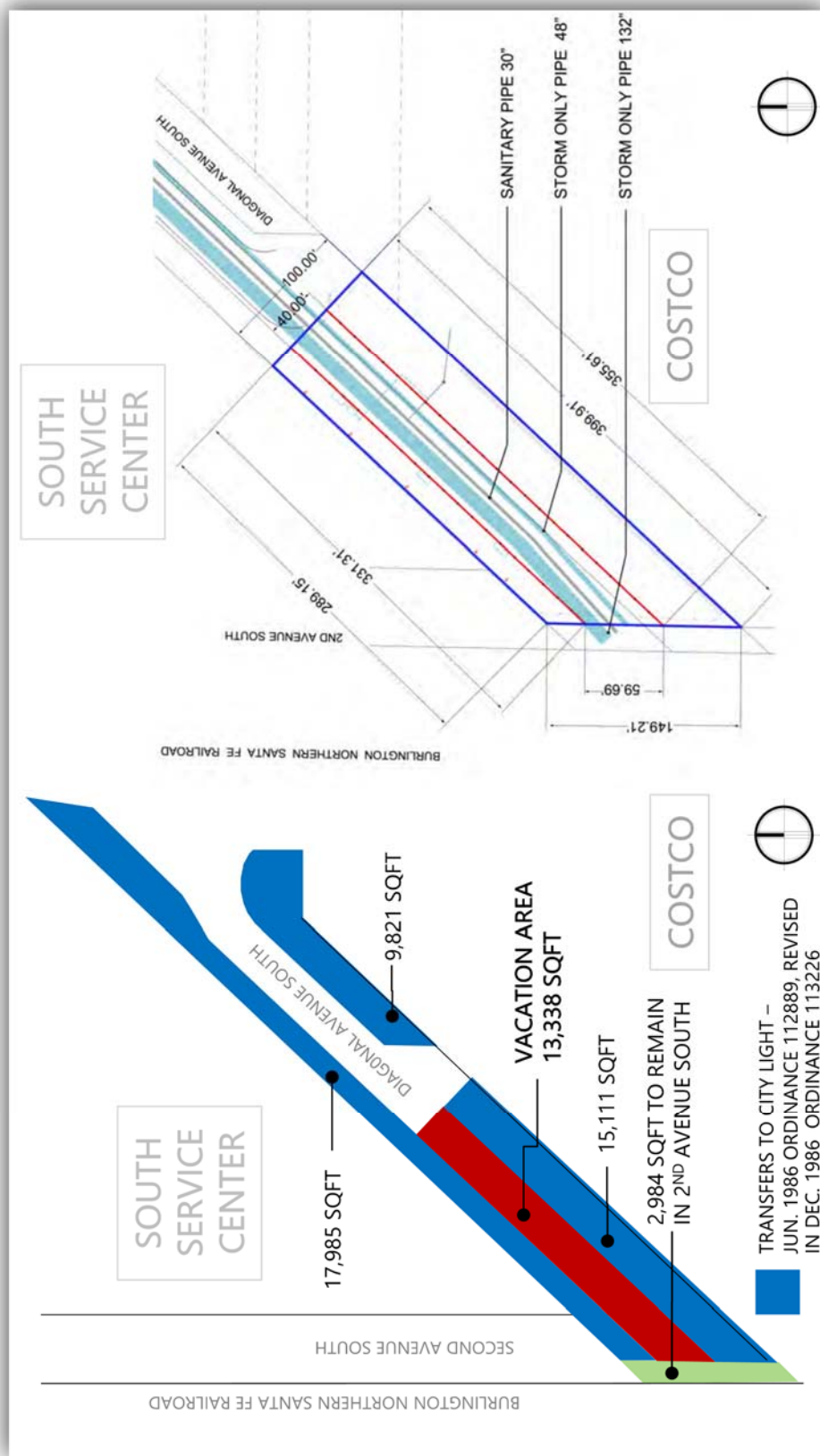


Figure 2. Vacation site details and dimensions. Underground utilities are shown.

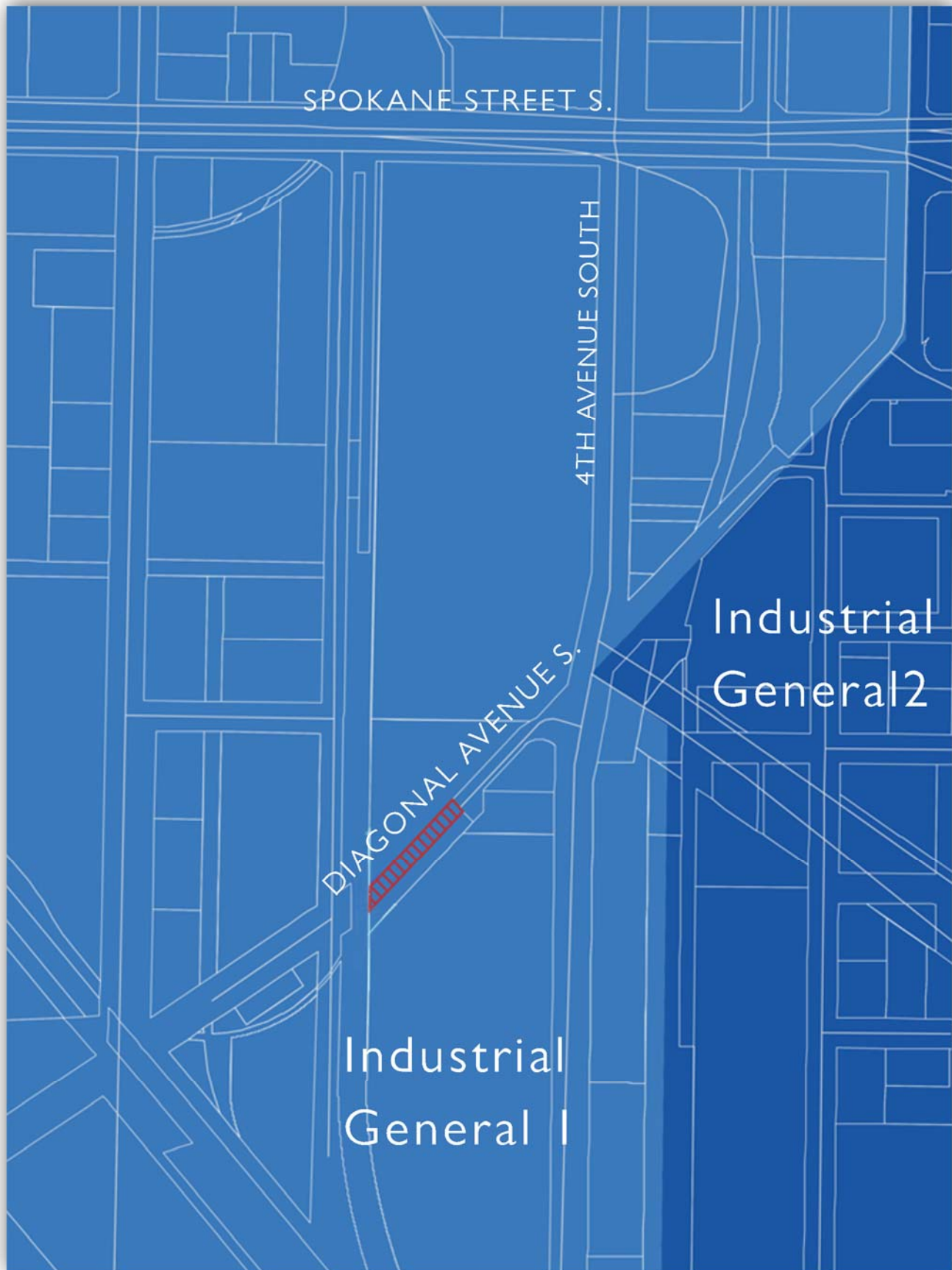


Figure 3. Industrial zoning districts.



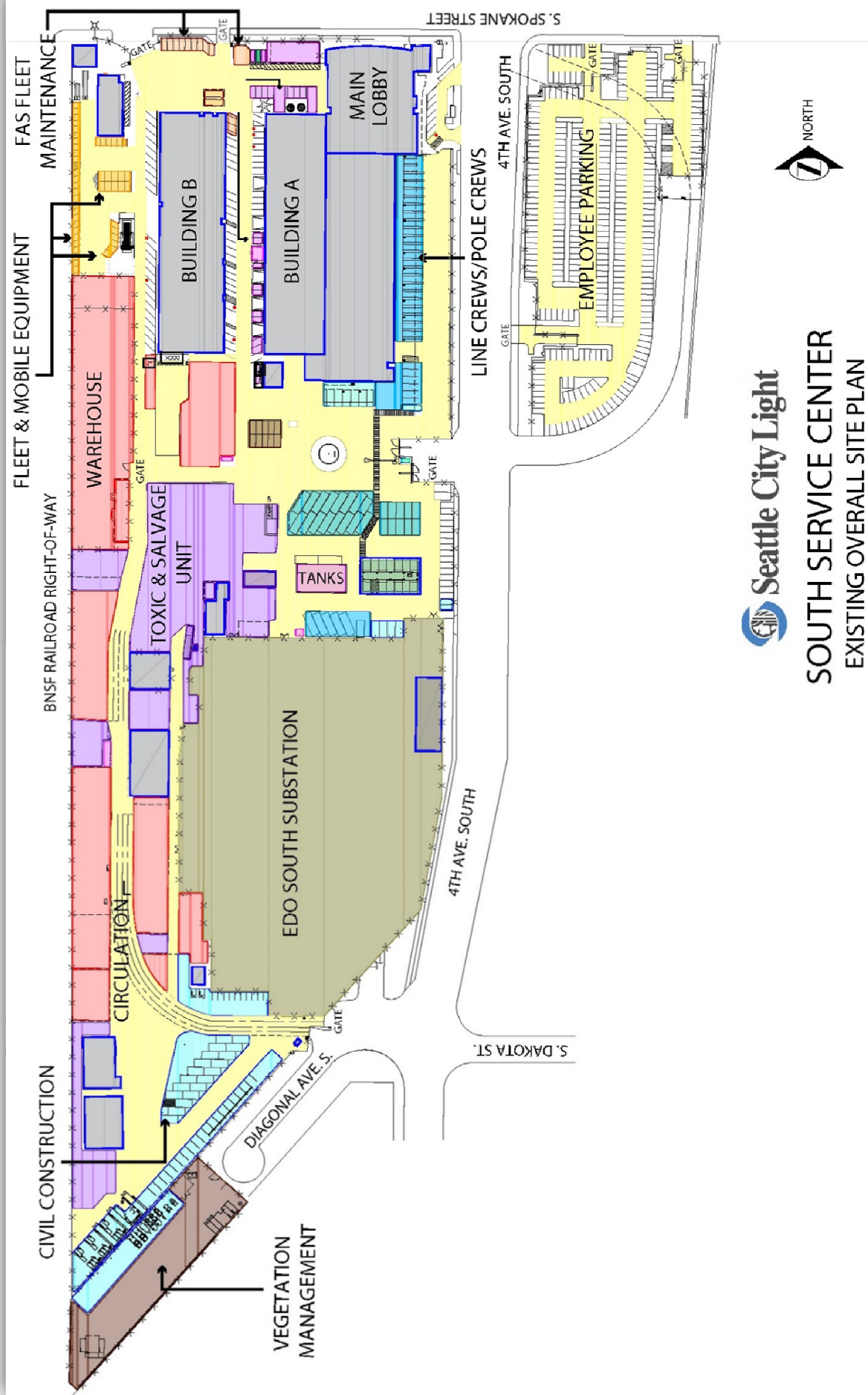


Figure 4. The South Service Center property is congested with storage, parking and other functions.

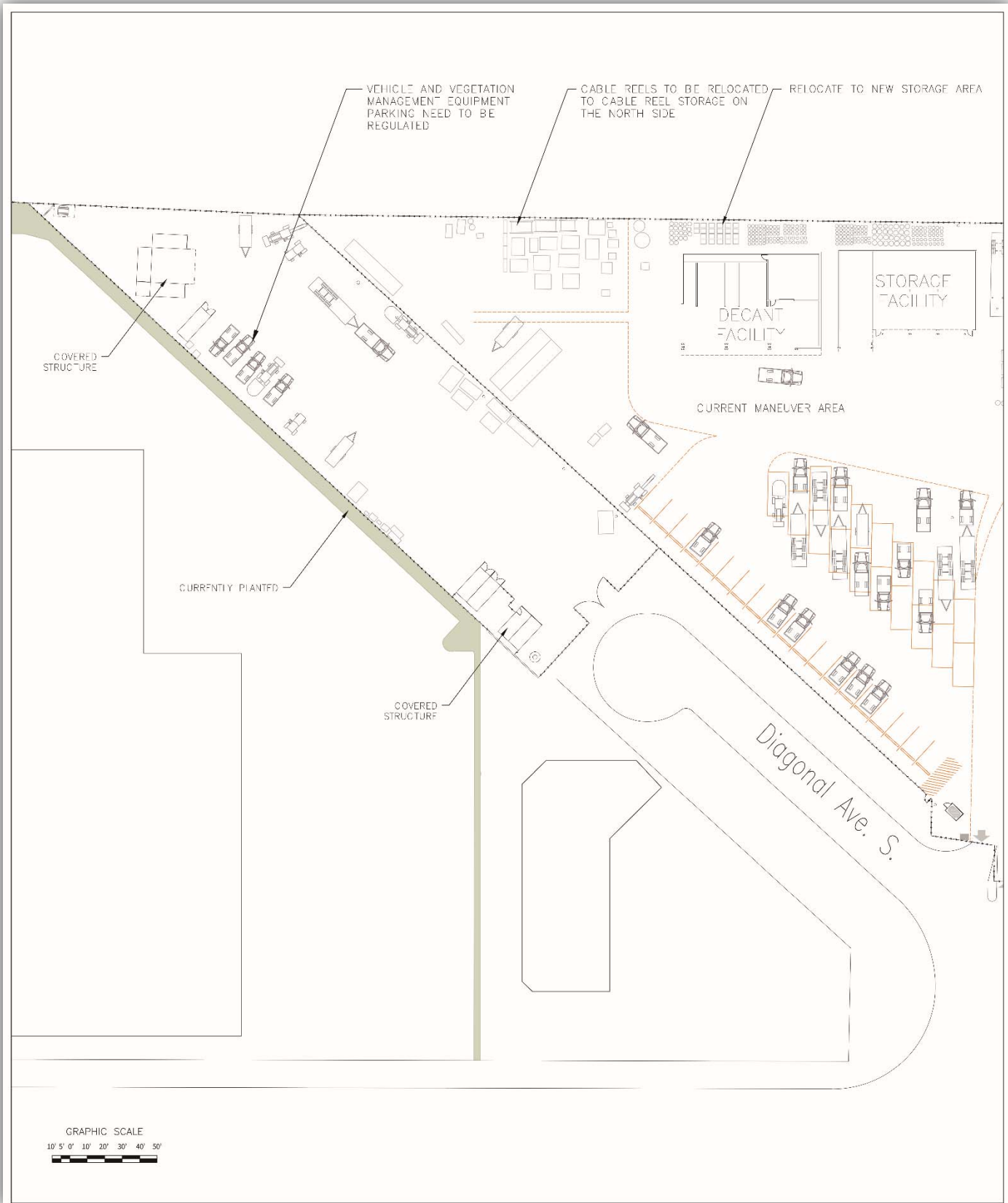


Figure 5. Existing use of the Diagonal Avenue South right-of-way.

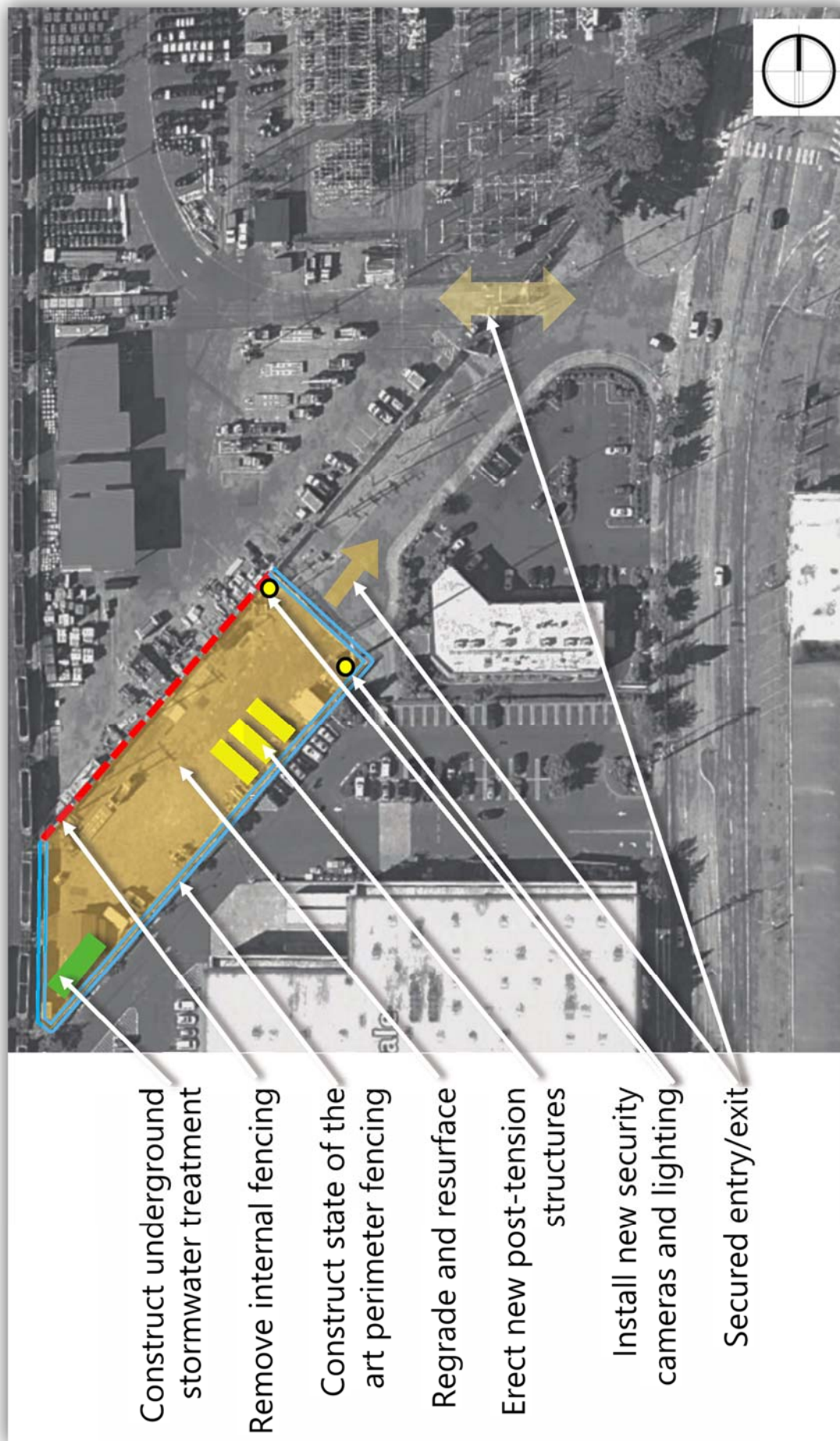


Figure 6. Plan diagram of proposed site improvements.



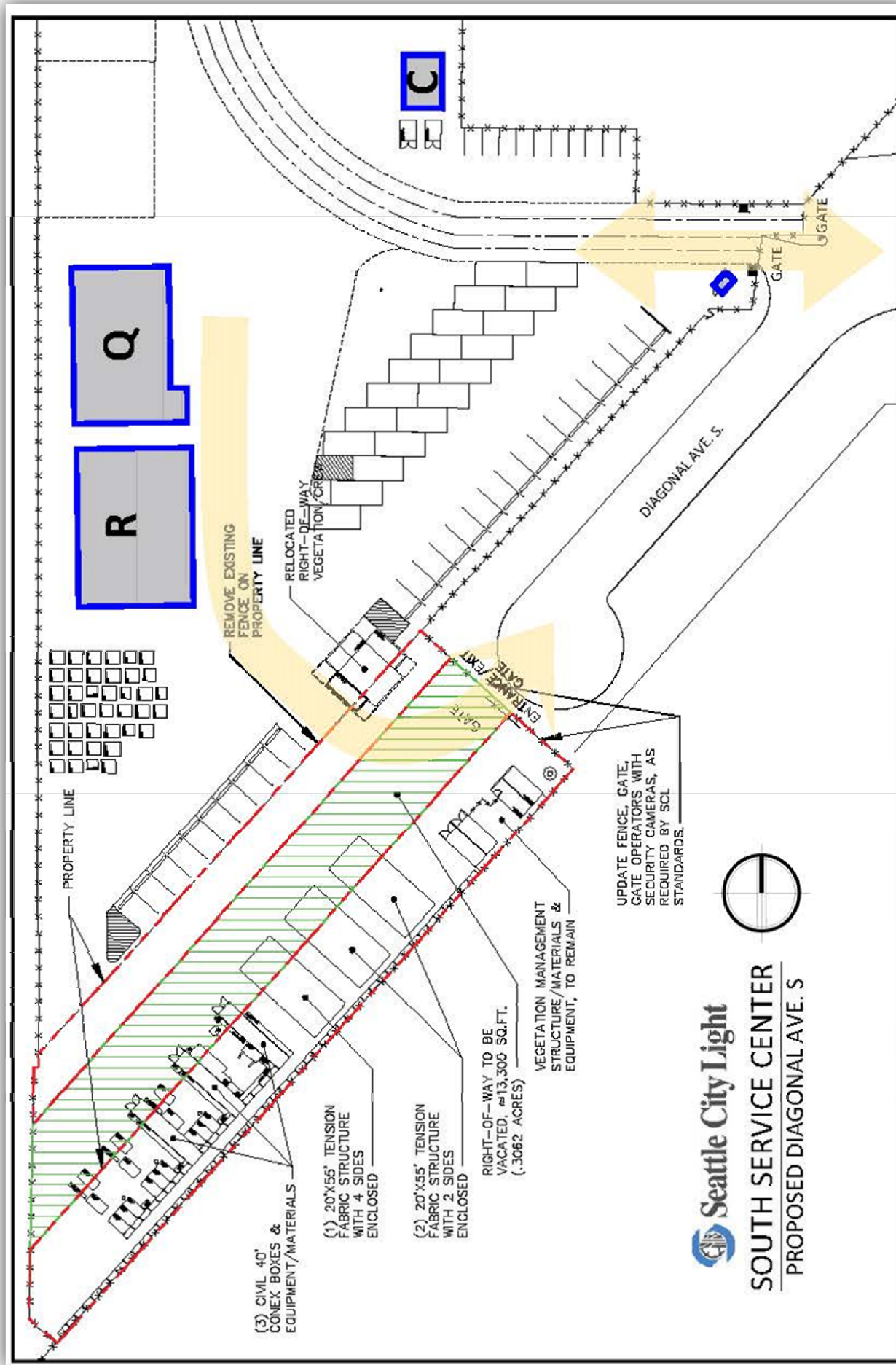


Figure 7. Removing the fence between Diagonal Avenue South and the South Service Center will improve traffic flow on the site.



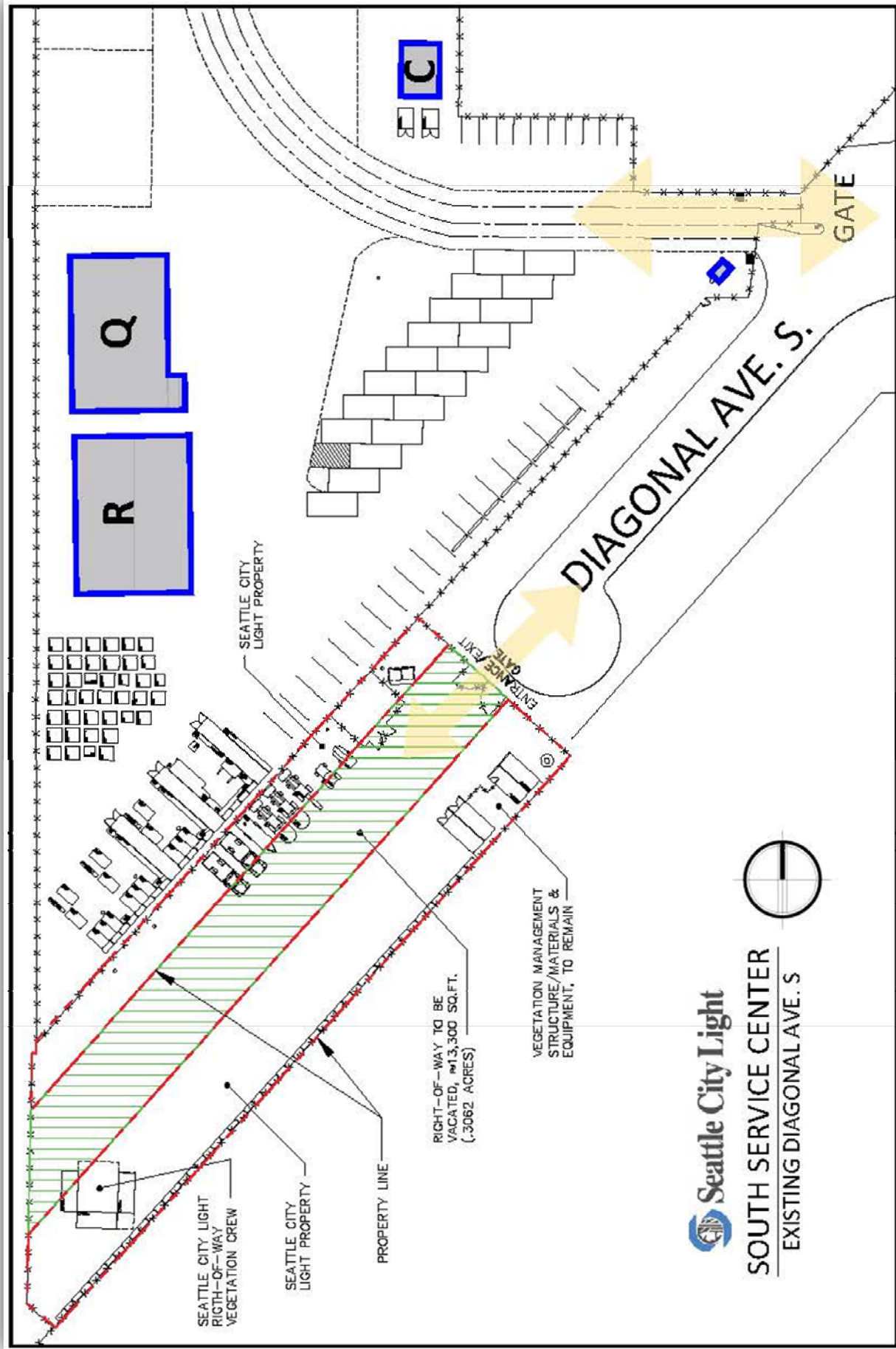


Figure 8. No vacation alternative traffic circulation.



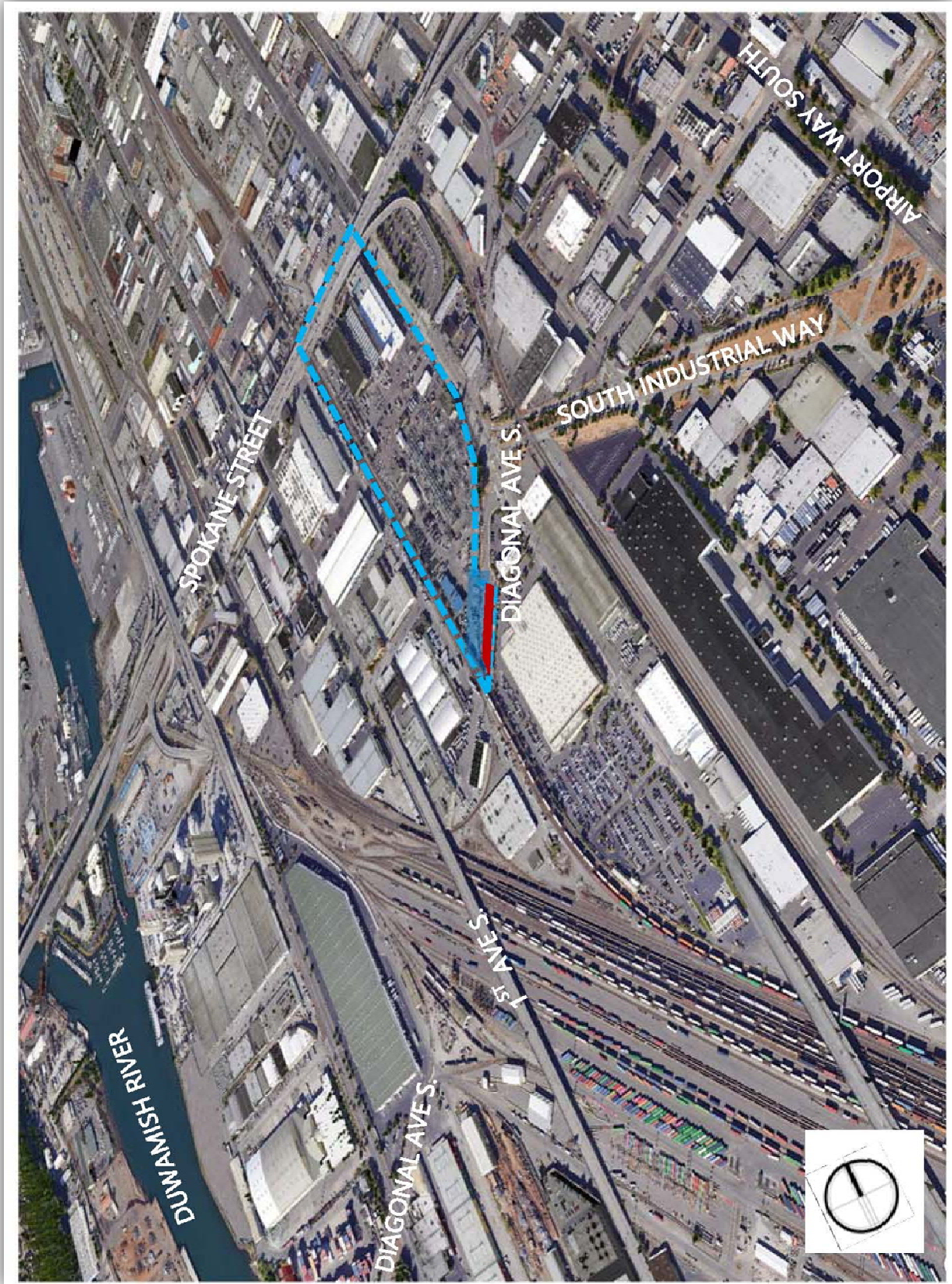


Figure 9. Aerial view of the industrial area looking west.



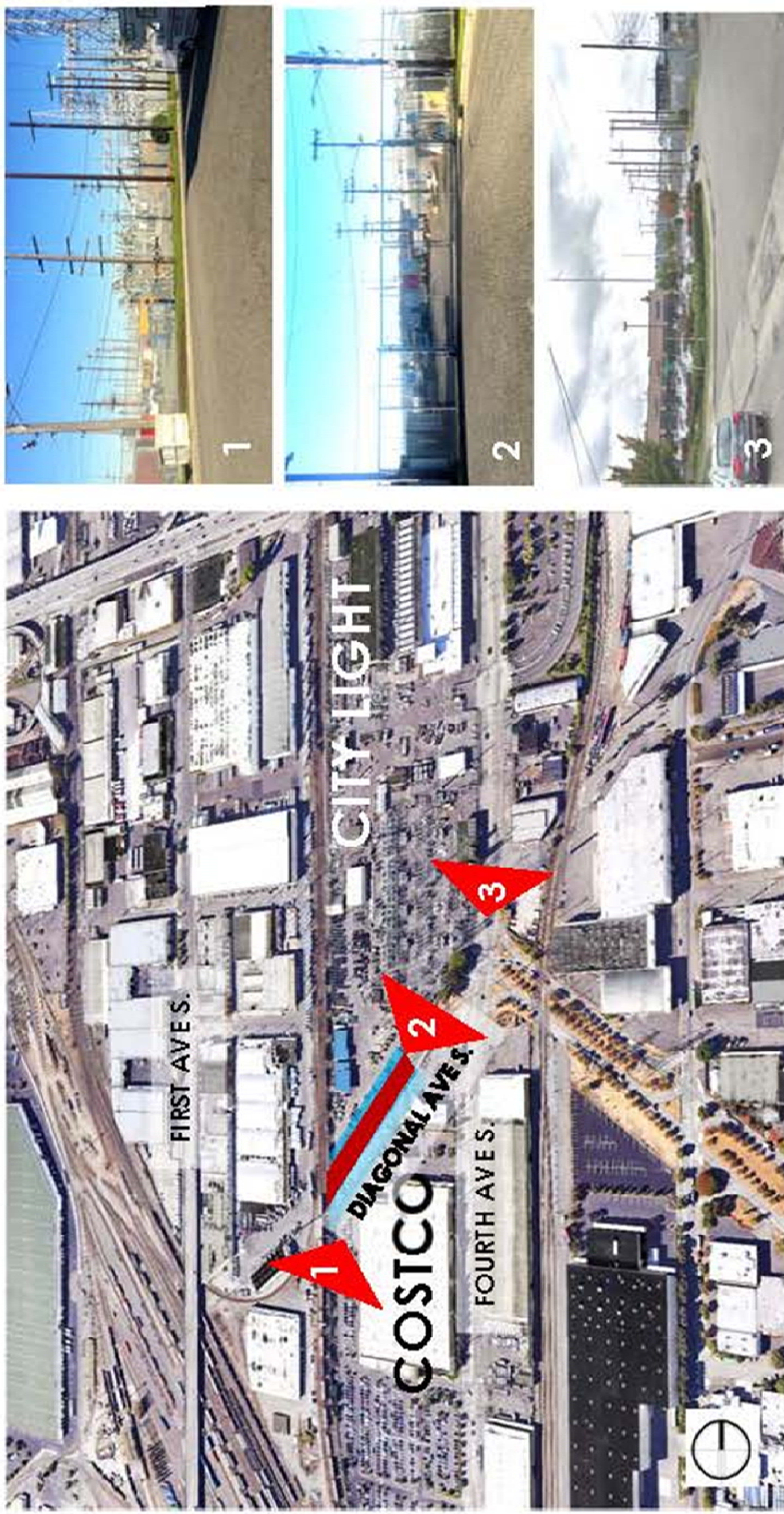


Figure 10. Aerial view of the industrial area looking west.



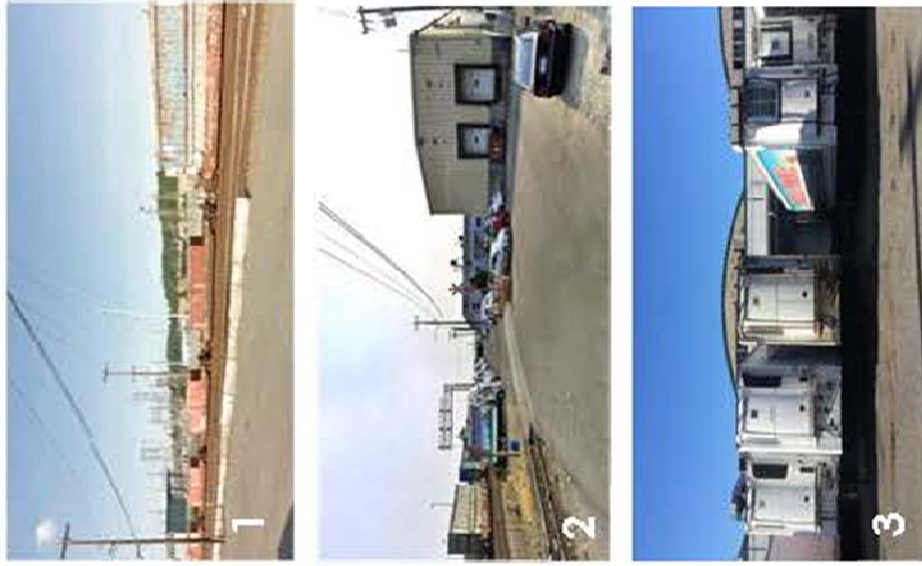


Figure 11. Existing use of the Diagonal Avenue South right-of-way.



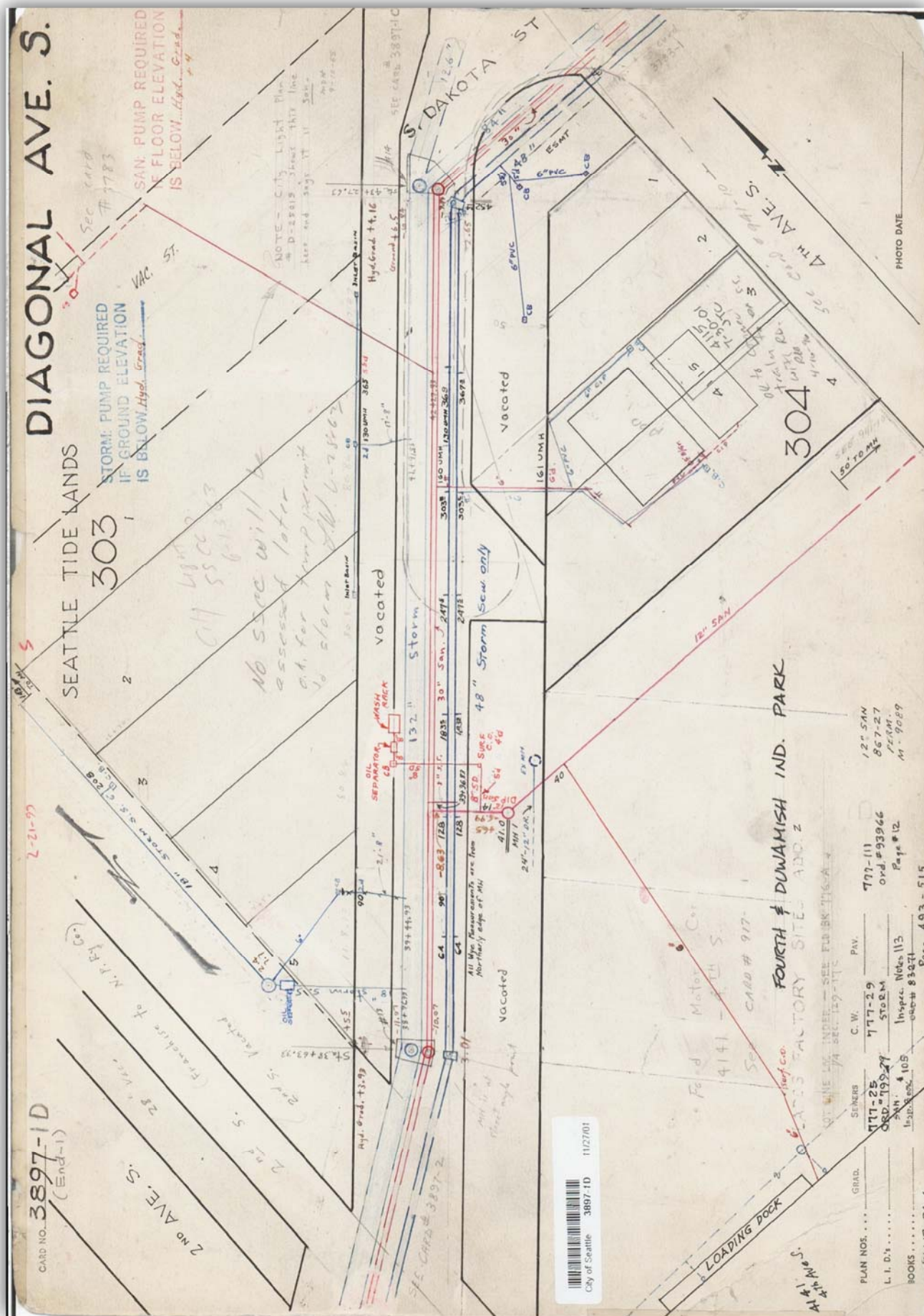


Figure 12. Storm drain and sewer map for Diagonal Avenue South.

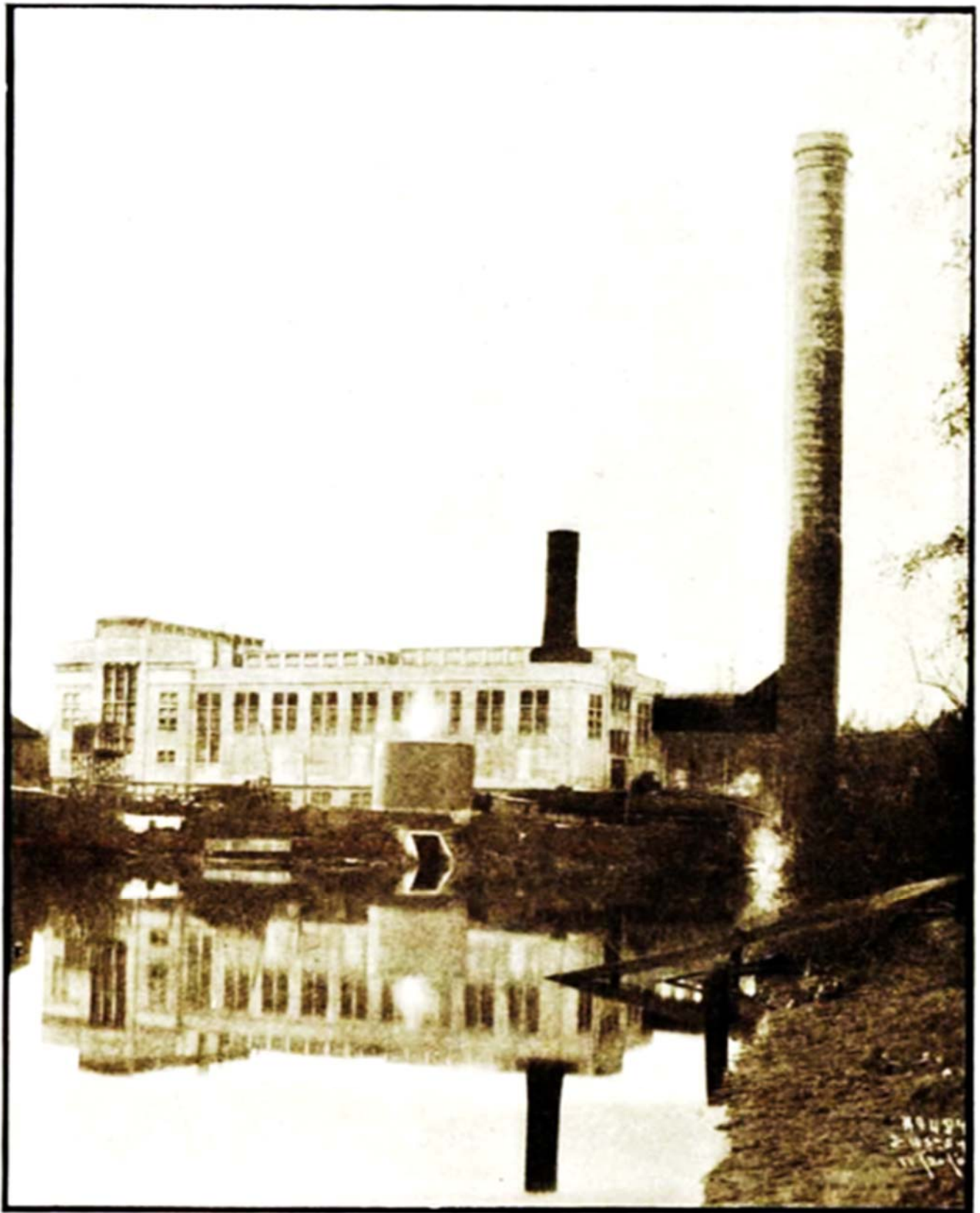


Figure 110. The historic Georgetown Steam Plant.



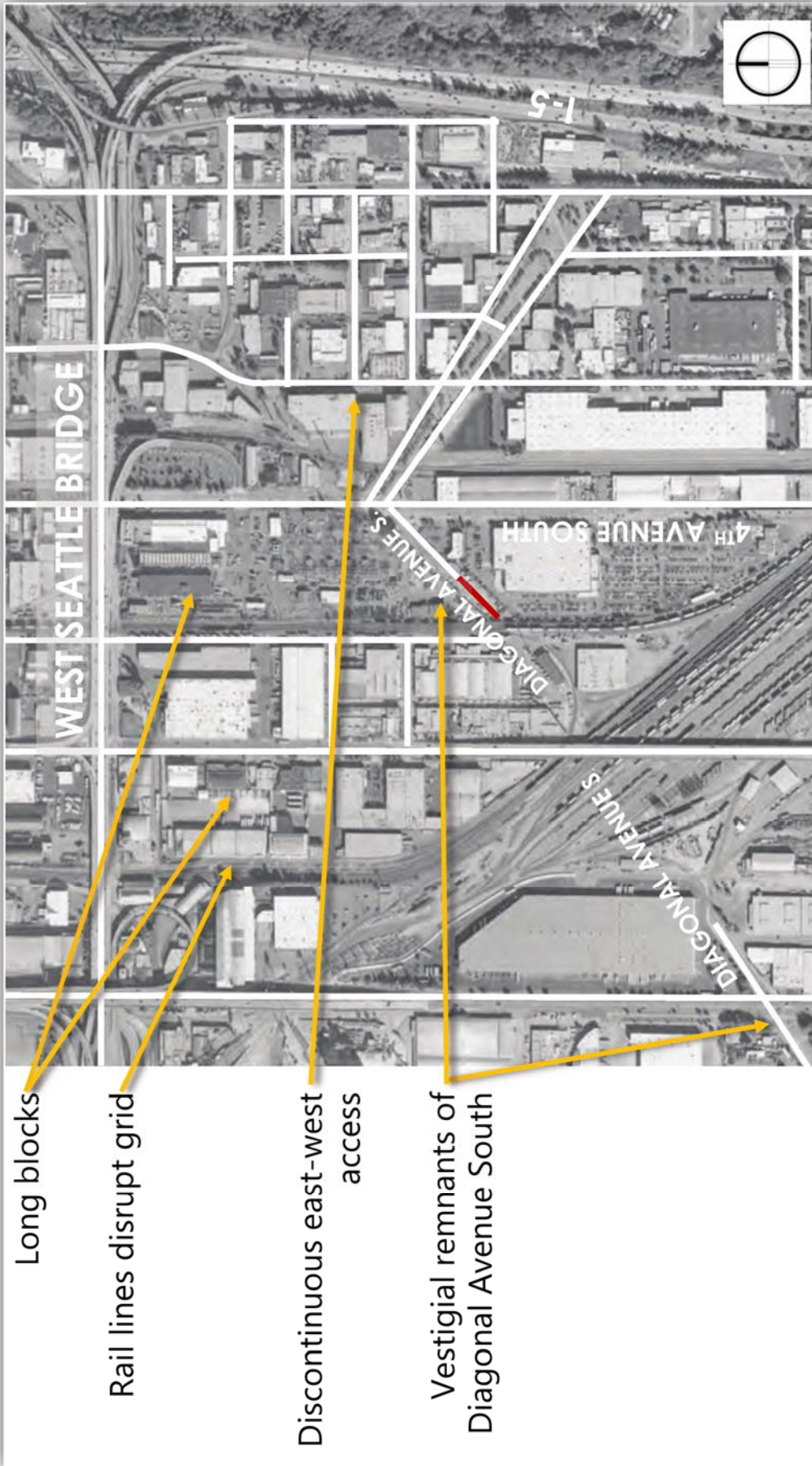


Figure 14. Circulation and block lengths around the vacation site.



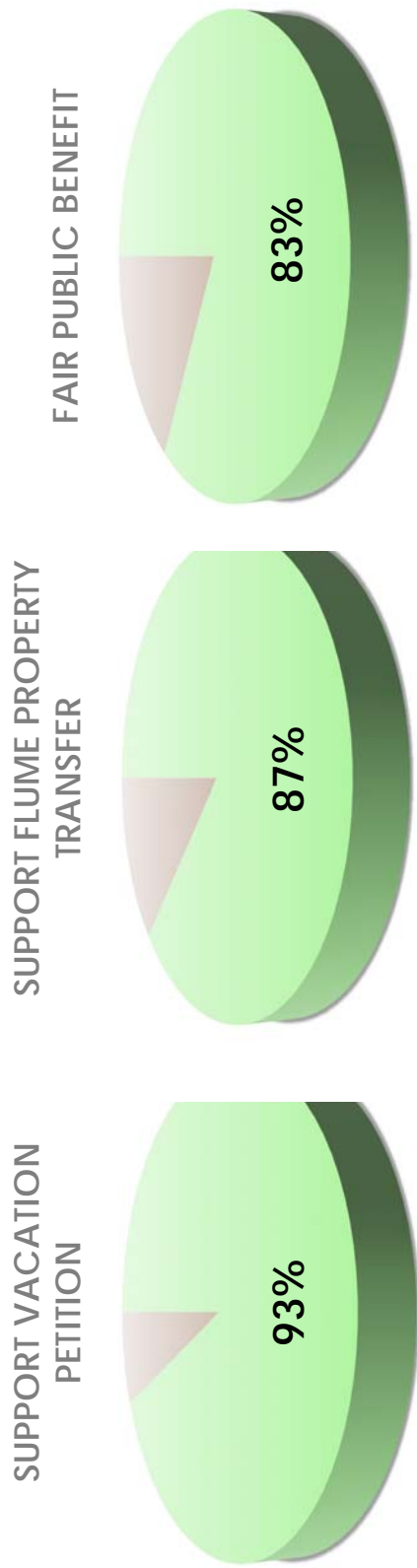


Figure 15. An aerial view of the Flume property.





Figure 16. View of the flume property from South Myrtle Street



\*RECORDED PRIOR TO ANNOUNCEMENT REGARDING THE INTERDEPARTMENTAL MOA

Figure 17. Community survey results (2019).



July 28, 2021

Honorable Alex Pedersen, Chair  
Transportation and Utilities Committee  
Seattle City Council  
600 Fourth Avenue  
Seattle, Washington 98104

**Subject:      Petition of Seattle City Light for the vacation of a portion of Diagonal Way South, west of 4<sup>th</sup> Avenue South in Seattle City Council District 2 and the Greater Duwamish Manufacturing/Industrial Center Clerk File 314451**

Dear Councilmember Pedersen and Honorable Members of the Transportation and Utilities Committee:

We are returning the petition from Seattle City Light (“SCL” or “Petitioner”) for the vacation of a portion of Diagonal Way South between 4<sup>th</sup> Avenue South and 2<sup>nd</sup> Avenue South, described as:

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under by City of Seattle Ordinance Number 112889, under King County Recording Number 86070I 0965, and amended by City of Seattle Ordinance 113226, under King County Recording Number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of Lot 2 of the plat of Fourth and Duwamish Investment Park, recorded under King County Recording Number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning;

Thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest corner of Lot 4, Block 304, of the unrecorded plat of Seattle Tide Lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence north 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning. Vacation contains 13,337.8 square feet, more or less.

The proposed vacation is 330 feet in length and approximately 40 feet in width (the width tapers) for a total of approximately 13,300 square feet of right-of-way.

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

## **I. CITY COUNCIL DISTRICT**

The proposed street vacation is in City Council District 2.

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

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

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

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

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



This early work can create opportunities for meaningful early input from the community and City staff and can assist a developer or public agency in determining whether to proceed with a vacation.

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

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

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

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

SCL and its consultant worked with DON on a Public Outreach & Engagement Strategy that DON approved in May of 2019. The strategy included:

- Digital outreach,
- Emails,
- Website,
- Survey,
- Social media,
- Direct mailers,
- Posters,
- In-person public engagement,
- Delivery of door-to-door notices,
- Public meetings and presentations in SODO and Georgetown, and
- Stakeholder interviews.

SCL met with the Georgetown Community Council Open Space Committee who supported the use of the Flume property for public open space to be used as an off-leash area and as a trail connection. At a design charrette, several recommendations were made:

- Make this area a safe, walkable, rollable space,
- Add native trees and plants,
- Provide a historic connection/narrative, and

- Possibly add an off-leash dog park/run area.

The community work indicated that there were not concerns about the vacation of Diagonal Way and it was noted that the area had not been used for right-of-way purposes for many years. SODO representatives noted that since the vacation was in SODO at least a portion of the public benefit should be located in that neighborhood. Early comments on a proposed off-leash area noted the possibility of safety issues if the area was not well used.

SCL conducted a survey and the survey results indicated that 93% of responders support the vacation, 87% support the transfer of the Flume property, and 83% indicated that the proposed public benefit was fair.

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

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

If the Council chooses to hold a briefing it will be scheduled after a petition has been accepted and introduced at City Council and early in the review process. The goal is for the Petitioner to present the vacation to the City Council and the community before the elements of the formal review process such as SDC, Design Review Board meetings, SIP review, or other City procedures have begun to identify issues and work to refine the proposal.

An early Council briefing was held on July 17, 2018 at the committee then titled the Sustainability & Transportation Committee. This early briefing was held before SCL submitted a vacation petition when the Council was still engaged in the work to revise the vacation policies. During the briefing, the Committee heard from SCL, SDOT, Design Commission, and Council staff on the proposal. SDOT noted that it was important the public benefit be provided at the time the vacation occurs and was not an opportunity for a future public benefit. Several community representatives expressed strong support for the idea of using the SCL property in Georgetown known as the Flume property, for public benefit. The Committee expressed support for the proposed vacation and the use of the Flume property and noted that more detail about public benefit elements and timing of the public benefit work would be needed before approval.

#### **V. BACKGROUND**

Diagonal Way South in this location extends from 4<sup>th</sup> Avenue S to 2<sup>nd</sup> Avenue S where the street dead ends at the BNSF rail lines. This section between 4<sup>th</sup> Avenue S and 2<sup>nd</sup> Avenue S is a paved street that is approximately 730 feet in length. A previous vacation of the north and south margins of the street in 1996 narrowed it from 100 feet to 40 feet. Approximately 330 feet of the

west portion is fenced and gated for material and equipment storage operated by SCL with an SDOT street use permit.

SCL is proposing to vacate the west 330 feet of Diagonal Way South that it currently manages with a street use permit. The remaining 400-foot portion provides access to two parcels that also have access from 4<sup>th</sup> Avenue S. These parcels have driveways and sidewalks on Diagonal Way South. There is an existing curbed turnaround at the gate to the SCL South Service Center. The approximately 400-foot section of Diagonal Way South at 4<sup>th</sup> Avenue S is not a part of the vacation proposal and will remain as public right-of-way (“ROW”) providing access to the other property owners and the turnaround for vehicles to exit the area.

The ROW proposed for vacation is the segment of ROW adjacent to SCL’s South Service Center at 3613 4<sup>th</sup> Avenue S and is approximately 330 feet in length and 40 feet in width (the width tapers) for a total of approximately 13,300 square feet. SCL owns the property on both sides of the ROW and is the only property owner who abuts the portion of the ROW proposed for vacation.

A large Costco warehouse store is located just southeast of the SCL facility and the access to the store and its parking are from 4<sup>th</sup> Avenue S.

The project is in the Greater Duwamish Manufacturing/Industrial Center and the area is zoned Industrial General 1 (IG1). The IG zone is intended to support industrial activities. This zone allows for utility services without restrictions on height or size of use.

## **VI. REASON FOR VACATION**

The vacation is sought to support SCL’s investment in upgrades in the ROW and its existing South Service Center site. SCL has used the ROW as an auxiliary, low-security yard for the storage of materials and equipment and some maintenance vehicles and trucks. While SCL has used the ROW with street use permits for many years at this time SCL needs to make investments to the site. SCL needs to provide major drainage upgrades to the site, provide covered space for activities such as industrial painting, and provide for security upgrades such as fencing and lighting. SCL has indicated that without the vacation it would not make the upgrades in property it does not own.

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

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

Without a vacation, as a City agency, SCL would likely be able to continue with permits to use the ROW and even accommodate the enhancements and upgrades SCL needs. SCL is not proposing any significant physical developments such as constructing permanent buildings for utility purposes, office or warehouse space, or permanent vehicle storage. None of those permanent uses could be accommodated with street use permits. Permits are adequate for the way that SCL is currently using the site, but permits do not provide a guarantee of permanent or even continued use. SCL does not wish to invest in the site without securing a vacation that allows SCL to own and use the site without time or permit constraints. SCL's upgrades at its adjacent facility include a large investment of approximately \$1.5M. SCL does not propose to make upgrades in the ROW unless a vacation is secured.

The no-vacation alternative would not require any public benefits and there would be no opportunity to develop the pedestrian and bicycle trail connection and the off-leash dog park.

## **VIII. PROJECT DESCRIPTION**

SCL's capital improvement project (CIP) includes three components: improving drainage, reducing airborne particulates, and enhancing security at the site. Consolidating the ROW and the existing service center will also provide for efficiency in using the site and supporting the turning movements of oversize vehicles at the service center.

SCL's large, paved yard currently sends untreated runoff to the Duwamish River. SCL is proposing drainage upgrades that will protect the Duwamish River by improving the water quality runoff. This includes the constructing underground stormwater treatment that will collect and treat water before it flows into the Duwamish River. This would be constructed in the vacated ROW along the western edge of the site.

SCL conducts some industrial activity on the site including spray coating steel plates. The Washington State Department of Ecology has identified improvements that need to be made to the process of spray-painting steel plates so that particulates do not disperse into the air. SCL plans to enclose this activity in small structures to protect the air quality.

In addition, SCL has identified the need for security upgrades to the site. This includes upgrading the perimeter fencing, new security cameras and lighting, and a secured entry/exit to the site.

The CIP proposal includes:

- Improve water quality runoff into the Duwamish River by constructing underground stormwater treatment,
- Reduce airborne particulates from unprotected material by conducting activity such as spray coating in a covered space such as a post-tension structure,
- Remove internal fencing to allow for efficient use of the total site and improve circulation and provide for use by oversize vehicles,
- Construct state of the art perimeter fencing consistent with SCL security standards,



- Regrade and resurface the site to reduce flooding and freezing during heavy rain,
- Erect structures to enclose activity on the site,
- Install new security cameras and lighting, and
- Provide a secured entry/exit.

The public benefit package includes SCL's proposal to convey property known as the Flume property in part to Parks and in part to SDOT. This property in the Georgetown area is between E Marginal Way S and S Myrtle Street. The property would be used by Parks for an off-lease area for dogs. SDOT would develop its portion as a bike and pedestrian trail connection between the Georgetown and South Park communities. SCL will convey the property to Parks and SDOT and provide some site preparation such as stormwater treatment and lighting. An agreement between the three departments provides for SCL funding as well as commitments from SDOT and Parks. SDOT and Parks will conduct community work, do the design and installation as their share of development costs. The property and SCL support for the planning and development of the public benefit uses is about \$3.8M in value from SCL.

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

Vacations are generally associated with significant development proposals and will generally include a number of other review and regulatory procedure and obligations. The vacation review is coordinated with other regulatory and review procedures where applicable. In addition to the vacation review, the project may be subject to:

- Design Review Board review as required by SDCI,
- Major Institution Master Plan,
- Landmarks or Special Review District review,
- Master Use Permit (MUP) review,
- Environmental review or transportation analysis,
- Preparation of a SEPA Checklist,
- Street Improvement Plan (SIP) review, the SDOT process to review street design and utility issues, and
- Utility Major Permit, the process to review major utility changes.

As SCL is proposing a number of upgrades to its site, the proposal required a concurrent CIP review by the Seattle Design Commission (SDC) which included review at 15% or pre-concept, followed by concurrent and schematic reviews (30% and 60% respectively). The vacation proposal did not trigger other review procedures or environmental review beyond the CIP and vacation review at the SDC and the Community Engagement Plan.

The vacation review includes circulation of the proposed vacation, the development proposal, and the public benefit plan to various City departments, outside agencies, and community groups for comment. The purpose of the broad review of the vacation petition is to identify issues that need to be addressed through the vacation process by changes to the project or by adding

vacation conditions. All the comments received are a part of the record as presented to City Council and are not revised or amended by SDOT.

The public comments reflect the views and analysis of the group, organization, or individual for consideration by the City and do not reflect the analysis and conclusions of the City.

A number of City departments and outside agencies reviewed the SCL proposed vacation and did not identify any issues or concerns, including:

- SDOT Transit & Mobility,
- SDOT Maintenance Operations,
- Seattle Department of Construction and Inspections (SDCI),
- Seattle Fire Department,
- Office of Planning and Community Development (OPCD),
- King County Metro,
- King County Wastewater Treatment Division, and
- Century Link.

One City department identified issues with the proposed vacation:

- Seattle Public Utilities (SPU) identified three major DWW sewer mains that are approximately 17 feet deep, including a 30" sewer main, 132" Pipe Sewer Drain (PSD), and a 48" PSD. SPU notes that these lines were installed in the 1950s and 1960s and are likely in poor soils with some contamination. These lines were installed to accommodate the weight of vehicular traffic but could not withstand permanent construction. SPU asks that the vacation be conditioned on SCL agreeing to the development of a Memorandum of Understanding (MOU) to address access and maintenance issues and guarantee SPU may expand its facilities as needed in the future.

The Seattle Design Commission (SDC) reviewed the proposed vacation at 3 meetings and held several informal meetings on the project and the proposed public benefit. As required by Council vacation policies, the SDC conducted a concurrent review of the proposed vacation and the CIP that would be developed should the vacation be granted.

October 2, 2019: This meeting was the initial pre-petition meeting and concurrent 15% CIP review. The SDC indicated support for the vacation and the proposed capital facilities upgrades that would be achieved from the vacation. The SDC provided the following direction:

- The vacation request is understandable given the investments proposed by SCL and the need for enhanced security at the South Service Center,
- The SPU concerns about access of its drainage facilities at the site must be addressed,
- Concern was expressed about the timing and funding for the public benefit at the Flume site and that a gravel road surface for any non-motorized connection in the near term was problematic,
- The Community expressed the need for trees and water at the proposed public benefit site, and

- SDC asked for clarification of code requirements for utility services and details of the proposed fencing to secure the South Service Center.

July 2, 2020: This was the Public Trust meeting with the concurrent 30% CIP review, which were approved 8-0; with the following recommendations.

- Ensure that community engagement is well documented and that it includes demographic data from public participation,
- Provide information about how the project team is addressing issues raised by the community,
- Provide information about SCL and interdepartmental funding commitments for the public benefit proposal,
- Provide a design alternative to address how the project could be constructed in phases,
- Provide additional information on departmental funding and project phasing to better understand how design elements will be implemented, and
- Consider additional screening of the adjacent parcel along the eastern edge of the project site.

September 3, 2020: the SDC approved the 60% CIP review and the public benefit 6-0 with the following conditions:

- Provide a presentation to a subcommittee once the design has been advanced,
- Provide information on funding and address accessibility,
- Site furniture and dog park elements such as water, wayfinding and the kiosk,
- Plantings, and
- The stormwater and sustainability and its place in the Duwamish watershed.

The SDC also had the following recommendations about additional design details for the public benefit site:

- Continue to consider accessibility for all ages and abilities as the design advances.
- Consider providing art and involving the community in a holistic way,
- Continue to consider who is being impacted and reach out to them intentionally,
- Strongly consider additional seating opportunities to encourage community members to gather and spend time in the space,
- Consider increasing the width of the gate,
- Green infrastructure is especially important at the south end of the site in relation to the Duwamish River, and
- We encourage partnerships with Duwamish River related organizations.

## **X. POLICY FRAMEWORK**

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

legislative approval that must be obtained from the City Council, and the Council may not vacate public right-of-way unless it determines that to do so is in the public interest. The City uses a two-part test to determine whether a vacation is in the public interest. First, the City undertakes a “Public Trust Analysis”, a determination of whether the street is needed and whether the public interest can be protected if the street is vacated. Second, the City undertakes a “Public Benefit Analysis” assessing the Petitioner’s proposal to provide benefits to the public.

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

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

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

This petition has been reviewed for its consistency with the vacation policies in Resolution 31809, adopted May 15, 2018.

## **XI. PUBLIC TRUST ANALYSIS**

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

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



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

The street proposed for vacation is a dead-end street that does not serve through traffic or services and currently ends at BNSF property. The portion of the street proposed to be vacated only provides access to property owned by SCL. The area proposed for vacation has been closed to the public and in use by SCL for a number of years for storage and other secondary uses for the South Service Center.

The portion of Diagonal Way South that abuts 4<sup>th</sup> Avenue S will remain as public ROW and provide access for adjacent property owners on both sides of the street. The remaining public portion of Diagonal Way South includes a turning space adjacent to the SCL boundary so that vehicles may make a safe turn to exit the area.

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

No negative impacts were identified as the vacation would act to make permanent the current long-standing uses. The property owners adjacent to 4<sup>th</sup> Avenue S would continue to have access to their property and drives in the remaining public portion of Diagonal Way South. The turnaround remains in public ROW to accommodate anyone who uses Diagonal Way South to enter and turnaround safely. SCL will continue to access its site through an enhanced security gate in Diagonal Way South.

If the street use permit was not in place and the entire street was open from 2<sup>nd</sup> Avenue S to 4<sup>th</sup> Avenue S there is not enhanced access to any property owners. The private owners and SCL will continue to use the remaining public portion of Diagonal Way South for access to the abutting properties. The street terminates at 2<sup>nd</sup> Avenue S because of the railroad tracks so even without the limitation of access because of the street use permit, SCL and the other property owners have access with the remaining public portion of Diagonal Way South.

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

During the review process Seattle Public Utilities (SPU) was the only utility that identified any impacts from the vacation. SPU noted that it owned three major Drainage and Waste Water (“DWW”) sewer mains that are approximately 17 feet deep in the ROW. This includes a 30” sewer main, a 132” Pipe Storm Drain (“PSD”), and a 48” PSD. These lines were put in place in the 1950s and 1960s and are in poor soils which likely have some contamination. The lines were designed and installed to accommodate a live load, meaning the lines can only accommodate the weight of vehicle and truck traffic and could not withstand a building being constructed over the line. SPU also has a catch basin in the area.

SPU also identified that Diagonal Way South is a critically important corridor for the addition of a new water main to increase reliability and seismic resiliency in the SODO service area. It will be difficult for SPU to transect the existing railroad tracks and SPU finds this location is possibly the most feasible option for doing so in the future. SPU needs to preserve its right to construct this water main in the Diagonal Way South ROW proposed for vacation.

SPU has requested that SCL and SPU craft a Memorandum of Understanding (“MOU”) on the use of the ROW and access to the SPU lines for maintenance, repair, and upgrades. Implementing the MOU may require a partial transfer of jurisdiction or another implementation document. SCL has agreed to this and the work is ongoing. Should the vacation be approved, this agreement will need to be completed and adequately provide for the identified SPU concerns before the final vacation ordinance will be passed. The completion of this agreement will provide appropriate mitigation for the issues identified by SPU.

The vacation should be conditioned on protecting SPU facilities through a binding agreement such as a partial Transfer of Jurisdiction, an MOU or other type of agreement.

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

The ROW proposed for vacation is in an industrial area and has been fenced and used as a part of the SCL South Service Center. There are no public buildings or significant public spaces or transportation hubs in the area that are likely to draw members of the public to the site to exercise free speech rights. The area to be vacated and the existing open section of Diagonal Way South currently do not provide an important space for free speech so the vacation will not have an impact on the public’s ability to exercise free speech rights.

The area does not provide opportunities for the exercise of free speech so the limitation in public access from the street use permit or the permanent loss of ROW through the vacation process are unlikely to have any impact on members of the public who wish to access public ROW for the expression of free speech.

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

The area proposed for vacation is not adjacent to any public buildings or spaces where it would be likely that the public would gather for any purpose. To the west, the street ends at rail lines, to the north is the SCL South Service Center where materials and vehicles are stored and to the south is a Costco facility. To the east, the street segment that remains public provides access for two commercial facilities. It is highly unlikely that the area would ever have value as a space for public assembly. As with the consideration of the free speech opportunities this industrial area seems a very unlikely location for public activity.

The vacation will not limit the opportunity for public assembly at this unlikely location. Should members of the public wish to gather in the area the remaining portion of Diagonal Way South could provide space for the public to gather or speak out on an issue.

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

The street proposed for vacation does not currently provide for any accessible open space as the area is fenced and not available for public use. Were the street use permits to be revoked the area could be open but would not be in a location that was accessible and usable to the public. As was noted in assessing free speech or public assembly, this location does not lend itself to access or use by members of the public.

Should the vacation be granted, the public will acquire useable open space as the public benefit. While the new public space will be in a different neighborhood to the south, the site will create a real opportunity for biking and walking and an off-leash area for dogs.

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

The street grid provides for consistency in the development pattern. Streets provide for open, undeveloped space and breathing room and access to sunlight between buildings. Streets provide for light and air onto buildings and public spaces. The street proposed for vacation is a closed segment of street in an industrial area that is not part of a continuous grid that creates a balanced pattern of space and buildings. SCL does not propose a large new building on the site but instead proposes upgrades for environmental purposes and

security enhancements. Whatever light and air are currently provided by the ROW will remain largely the same following the vacation.

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

The portion of street right-of-way proposed for vacation does not provide views of any natural feature such as mountains or water and there are no urban views of civic or community landmarks. The street is located in an industrial area on level property and extends between BNSF rail lines and a major arterial, 4<sup>th</sup> Avenue S. With or without the vacation or street use permits the views only include industrial property and uses. There are no views of importance that will be lost by vacating this portion of Diagonal Way South.

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

The Office of Planning and Community Development (OPCD) and the Seattle Department of Construction and Inspections (SDCI) reviewed the proposal for compliance with land use and development regulations and with planning goals for the area and noted the vacation would support existing functions of the South Service Center that are compatible with the industrial and manufacturing uses in the greater Duwamish area.

Nearby developments consist of warehouse buildings that are generally two or three stories in height with no new buildings being proposed in the ROW. The proposed vacation allows for permanent use of the area for increased security and infrastructure to support the South Service Center. The Land Use Code allows for large industrial uses in this zone. The expansion of the SCL property with the vacation would expand the developable area by a small amount as compared to the overall size of many of the nearby properties. The use proposed by SCL is consistent with the size, scale, and character of existing development in the area.

The vacation does not impact any Comprehensive Plan policies regarding the use of the land as the vacation will help support an existing industrial use it is consistent with City policies for the area. The proposal is consistent with uses anticipated in the Land Use Code.

No adverse land use impacts were identified.



## **XII. PUBLIC BENEFIT ANALYSIS**

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

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

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

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

The vacation review looks very closely at the proposed public benefit package. SDOT, various City staff, and the SDC considered the amenities proposed for the vacation and whether the package was adequate.

About one-half of all vacation petitions are for public or government projects. This includes everything from schools, libraries, and hospitals to City utilities such as SCL's Denny Substation and this current petition for the Diagonal Way South vacation. The Vacation Policies state that while the nature of the project is a factor in deciding the adequacy of a public benefit proposal, it is not itself a public benefit. This has been interpreted as a need to provide a public benefit that serves the general public and not merely a benefit to those who reside in the building or access the services. When no significant impacts have been identified projects such as SCL's Diagonal Way South have proposed smaller and more moderate public benefit packages that implicitly recognize the public benefit in supporting the proposal.

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

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

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

In addition to addressing the scale or amount of public benefit that must be provided, the policies are clear that the public benefit elements proposed must clearly benefit the general public and not merely the project's tenants. The policies provide that the public benefit proposed for a vacation must be separate and above amenities provided to meet code or other requirements.

SCL proposes to convey real property for the public benefit. SCL owns a parcel of land in the Georgetown neighborhood known as the Flume property. The Flume property is located between East Marginal Way S and S Myrtle Street. The property is long and narrow and includes approximately 46,338 square feet. To the east of the site is Boeing field and to the west of the site is commercial buildings, including a motel. In its petition, SCL provided some background on the Flume property and noted its historic connection to the Georgetown community and the Duwamish River. A wooden flume was part of the drainage system from the historic steam plant to the Duwamish River. The wooden flume was removed, and the property has been vacant for a number of years.

The Georgetown community has worked with SCL for many years in the hope that the Flume property could be put to a community use. It was hoped that an active use of the property would create opportunities for the community and had to deter unwanted activities.

The idea of SCL transferring the property for open space use has been supported from the very beginning of the vacation process. While the idea was supported there were questions for SCL about what it was willing to do beyond the property transfer to guarantee a useable public space. SDOT identified that the Vacation Policies contemplated that the public benefit should be accomplished at the same time as the project is developed. The SDC had questions about the funding and timing of the proposal and how the City departments were working together to create this space.

The community was a very powerful voice in saying we are ready for this to happen now and we do not want to wait for a useable public space.

SCL heard this feedback and greatly enhanced their original proposal. SCL continued to work with Parks and SDOT and has increased its financial support to make sure the public open can be developed and open in around 2022.

SDOT also continued its work on trail planning. SDOT notes that the Georgetown and South Park communities have been asking for a walking and biking connection for the past 20 years. SDOT has looked at options for a trail location and design. In 2018 the community was able to secure \$600,00 for outreach, planning, and early design of a trail. In 2020 through the budget process the City Council provided SDOT with \$5.2M for construction of the trail. This trail will provide an important and long missing link between the Georgetown and South Park communities. The connection will support community use of amenities such as the South Park library.

Parks also continued its work to look at the design and options for an off-leash area in the Flume property. Parks worked with the community on design and considered ideas for the surface treatment and landscaping.

SCL, SDOT, and Parks have signed an agreement relating to design and construction obligations at the Flume property. The public benefit obligations reflect this agreement and outline the financial contributions required of SCL and what SDOT and Parks must provide. The vacation conditions and the interdepartmental agreement address the initial vacation obligations and do not address other funding such as the \$5.2M for SDOT construction of the trail. Once the property is conveyed and the vacation obligations are completed, SCL does not have a role in continued design, construction, maintenance, or operation of either site. SDOT and Parks will be the owners of the asset and be responsible for all ongoing maintenance. The trail portion of the site will always be open and accessible to the public. Parks will manage the off-leash area consistent with its management of other off-leash areas and will post signage about hours of operations.

SCL's proposal to convey the real property to SDOT and Parks will require legislation and a public hearing. SCL has been working with Law on the timing and legislation for the property transfer. There will also need to be legislation that identifies an existing encroachment in the Flume property. The property conveyance should be a condition of the vacation that requires SCL to complete this work before the final vacation ordinance can be completed.

The chart below outlines the public benefit package and provides an estimate of the cost to provide the public benefits. None of the public benefit components are required to meet any code or other obligations.

Public Benefit Element	Department Obligations on Cost Sharing			
	SPR	SDOT	SCL	Total
Site preparation			\$480k	
Off Leash Area: <ul style="list-style-type: none"> <li>• Pedestrian access,</li> <li>• Benches,</li> <li>• Water to site, &amp;</li> <li>• ½ stormwater treatment</li> </ul>	\$400k		\$195k	\$595k
Bike and Pedestrian Trail: <ul style="list-style-type: none"> <li>• Street improvements,</li> <li>• Lighting,</li> <li>• Trees, &amp;</li> <li>• ½ stormwater treatment</li> </ul>		\$400k	\$1.283M	\$1.683M
Total development costs	\$400k	\$400k	\$1.958M	\$2.758M
Property transfer: <ul style="list-style-type: none"> <li>• Approx.46,338 sq ft</li> <li>• Property to Parks for Off Leash Park (36,626 sq ft)</li> <li>• Property to SDOT for Bike and Pedestrian Trail (9,712 sq ft)</li> </ul>			\$1.854M	\$1.854M
Grand total	\$400k	\$400k	\$3.812M	\$4.612M

The public benefit elements are intended to enhance the pedestrian and bike environment and provide a connection between the Georgetown and South Park communities and provide a park space for families and their dogs. This public benefit package responds to the priorities expressed by the community and reflect a great deal of cooperation between SCL, Parks, and SDOT. This very strong public benefit package meets the criteria established in the Vacation Policies outlining the public benefit obligations.

### **XIII. RECOMMENDATION**

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



1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. This approval constitutes the substantive Council approval of the vacation, and the Petitioner may proceed with the permitting and development of the project, consistent with the conditions of this approval.
2. Any street improvements that may be required at the vacation site or at the public benefit site shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements and be reviewed and approved by SDOT through a Street Improvement Permit, as necessary.
3. The utility issues shall be resolved to the full satisfaction of the affected utility before the final vacation ordinance is approved. Before starting any development activity on the site, the Petitioner shall work with the affected utilities and provide protection for the utility facilities. SPU has a number of lines in the area and has requested a Memorandum of Understanding (MOU) to detail access for service and repair to its current facilities and the need for future facilities. A partial Transfer of Jurisdiction or other accountability measure may be required to implement the agreement. This may include an MOU, easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner.  
SPU facilities include:
  - 30" sewer main,
  - 132" PSD,
  - 48" PSD; and
  - Need for future new water main in Diagonal Way South.
4. It is expected that development activity at the vacation site will commence within approximately 18 months of this approval and that development activity will be completed within 5 years. To ensure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide SDOT with regular reports, following City Council vacation approval, providing an update on the development activity, schedule, and progress on meeting the conditions and anticipated date of project completion and opening. The Petitioner shall not request or be issued a Final Certificate of Occupancy until SDOT determines that all conditions have been satisfied and all fees have been paid as applicable.
5. In addition to the conditions imposed through the vacation process, if the project as it proceeds through the permitting process is subject to SEPA review it may be subject to conditioning pursuant to City codes through the regulatory review processes.
6. The Petitioner shall convey the real property known as the Flume property to Parks and to SDOT as outlined in the signed agreement between the three departments. Once the property is conveyed the receiving department shall bear the responsibility to complete the public amenities and shall be responsible for ongoing maintenance. The SDOT trail

connection shall be open to the public at all times. The Parks off-leash area shall be open and managed consistent with other off-leash areas and the public signage should indicate the hours of operation. Public signage shall be consistent with signage provided at SDOT trails and Park off-leash areas. The signage shall be clearly visible to the public. The property transactions to convey the real property must be completed before SCL may proceed with the final vacation ordinance.

7. Parks and SDOT shall be responsible for the process to meet with the community and complete the final design of the trail connection and the off-leash area and securing any necessary permits. The final design of the public benefit elements and schedule for construction shall be provided to SDOT Street Vacations to demonstrate compliance with the vacation conditions. SDOT Street Vacations may require additional review by the Design Commission if any significant changes are proposed. The public benefit requirements are outlined in the following chart.

## **PUBLIC BENEFIT MATRIX**

Public Benefit Element	Department Obligations on Cost Sharing			
	SPR	SDOT	SCL	Total
Site preparation			\$480k	
Off Leash Area: <ul style="list-style-type: none"> <li>• Pedestrian access,</li> <li>• Benches,</li> <li>• Water to site, &amp;</li> <li>• ½ stormwater treatment</li> </ul>	\$400k		\$195k	\$595k
Bike and Pedestrian Trail: <ul style="list-style-type: none"> <li>• Street improvements,</li> <li>• Lighting,</li> <li>• Trees, &amp;</li> <li>• ½ stormwater treatment</li> </ul>		\$400k	\$1.283M	\$1.683M
Total development costs	\$400k	\$400k	\$1.958M	\$2.758M
Property transfer: <ul style="list-style-type: none"> <li>• Approx.46,338 sq ft</li> <li>• Property to Parks for Off Leash Park (36,626 sq ft)</li> <li>• Property to SDOT for Bike and Pedestrian Trail (9,712 sq ft)</li> </ul>			\$1.854M	\$1.854M
Grand total	\$400k	\$400k	\$3.812M	\$4.612M

Sincerely,



[Sam Zimbabwe \(Jul 14, 2021 13:49 PDT\)](#)

Sam Zimbabwe  
Director, City of Seattle Department of Transportation

Enclosures

# Vacation of Portion of Diagonal Ave S

Presentation to City Council

Transportation and Utilities Committee

July 21, 2021

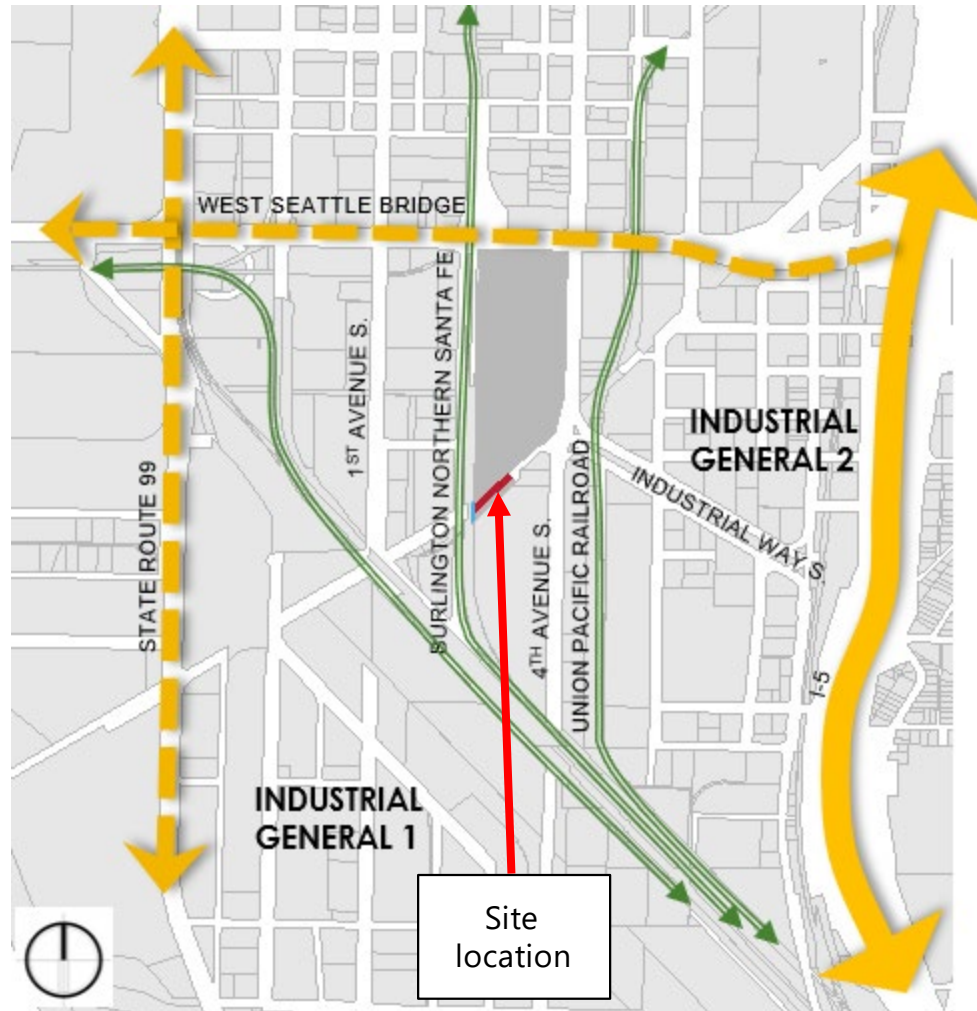


**Seattle City Light**

WE POWER SEATTLE



# Vacation Location: 4101 Diagonal Ave South



## Vacation Site Overview

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# Vacation/No Vacation Comparison

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	No-Vacation	Vacation
City Light Use	<ul style="list-style-type: none"><li>• Keep street use permit</li><li>• Low investment / no improvements</li></ul>	<ul style="list-style-type: none"><li>• More efficient operation</li><li>• Investments in upgrades</li></ul>
SPU Infrastructure	<ul style="list-style-type: none"><li>• Sewer &amp; drainage lines &amp; future water main in ROW</li></ul>	<ul style="list-style-type: none"><li>• Utilities preserved</li></ul>
Public Benefit	<ul style="list-style-type: none"><li>• None</li></ul>	<ul style="list-style-type: none"><li>• Off-Leash Area and trail segment in Georgetown</li></ul>

## Carried out DON-approved Community Engagement Plan

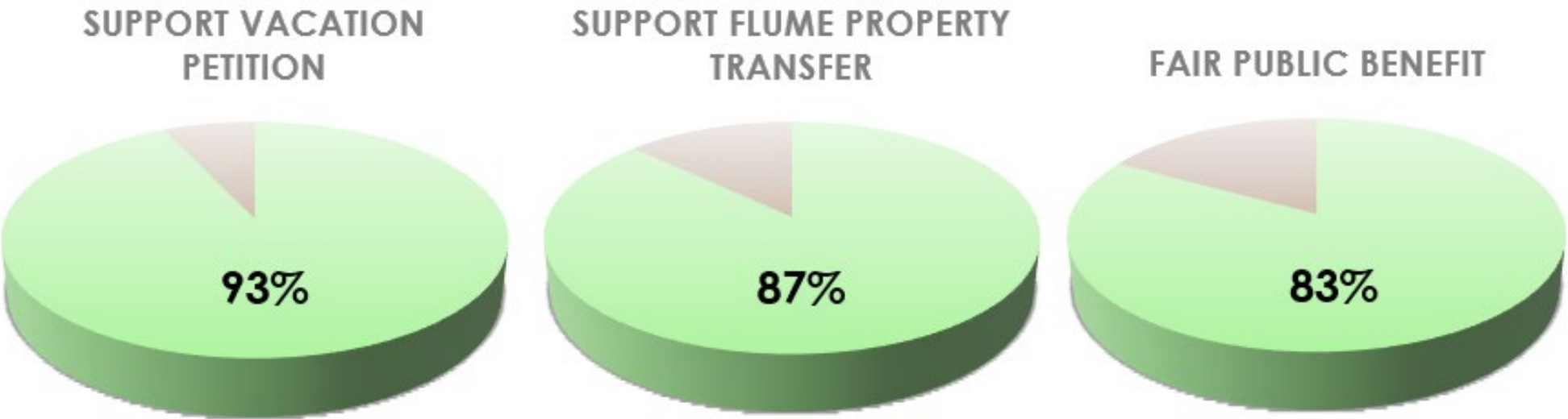
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- Mass mailing
- Flyers in multiple languages
- Door to door
- 2 public meetings
- Met local groups and 4 community leaders
- Social media and website
- Survey



# Survey Showed Very Strong Community Support

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## Community Engagement Results

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- Strong Georgetown community support for vacation and public benefit of Off-Leash Area and trail segment
- Community-driven project improvements:
  - Trees
  - Water to the site
  - Lighting
  - Full funding secured

## Public Benefit: Off-Leash Area and Trail Segment in Georgetown

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# Vacation Site & Location of Public Benefit

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# City Light's "Flume" Property in Georgetown

- Off-Leash Area
- Segment of Georgetown – South Park Connection Trail
- Both are longstanding community priorities
- Also, City Light \$ for development



# Segment of Georgetown – South Park Connection



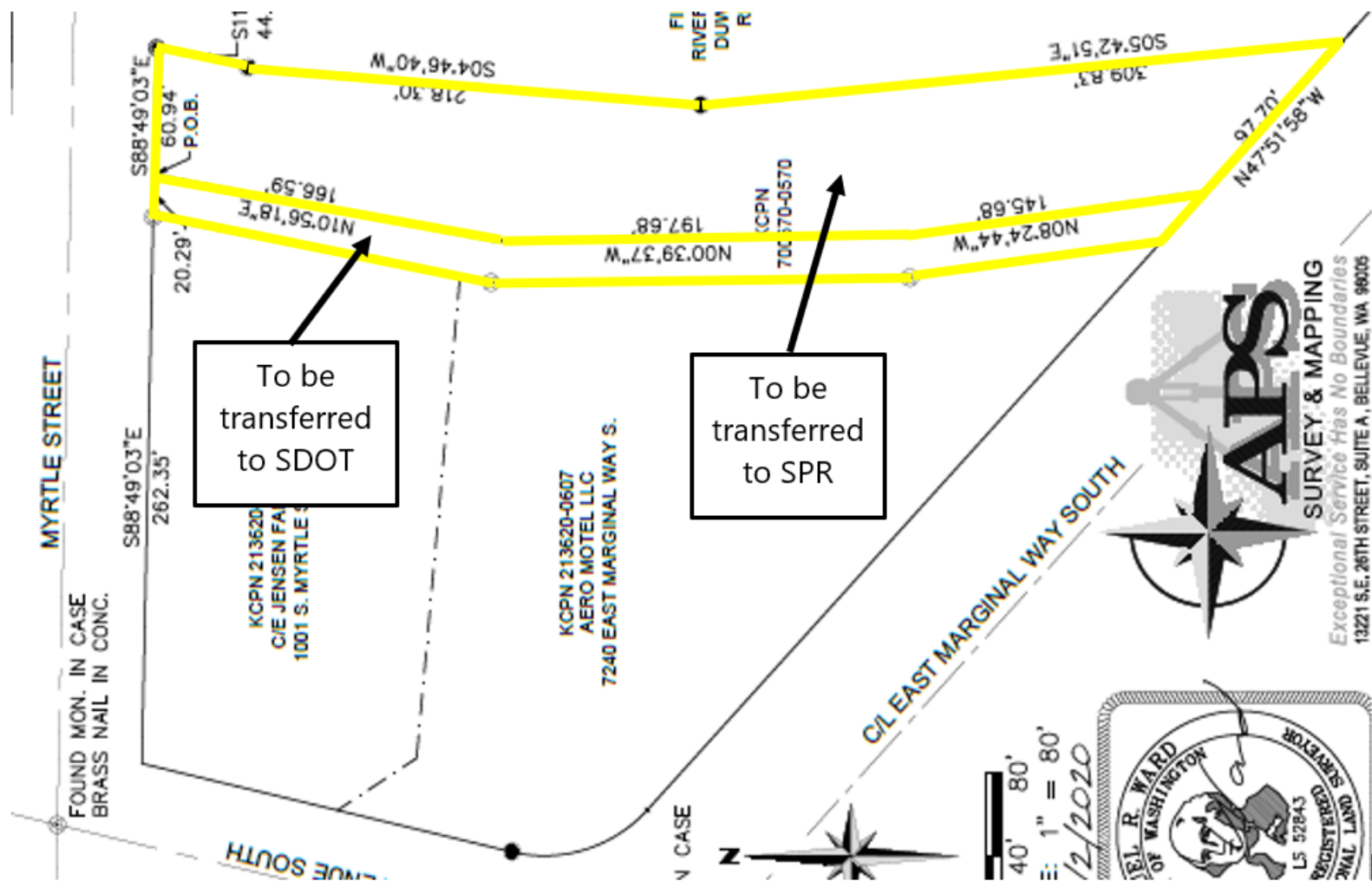
Property to  
be transferred



# Public Benefit Site Overview

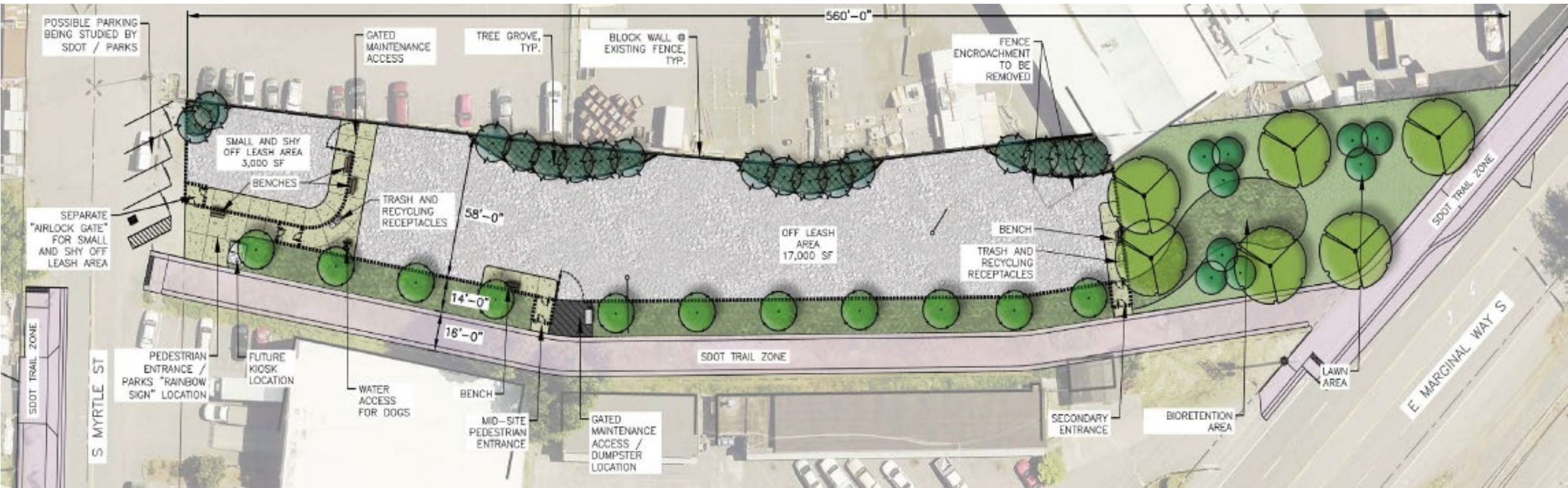


# Parcels to be Transferred

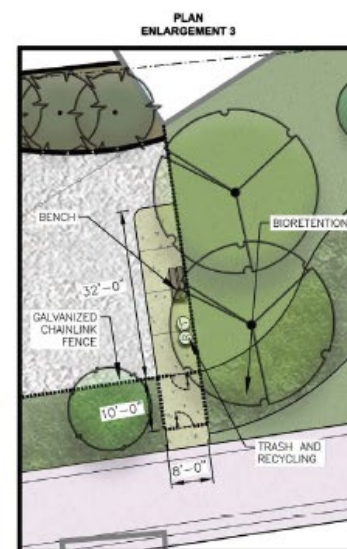
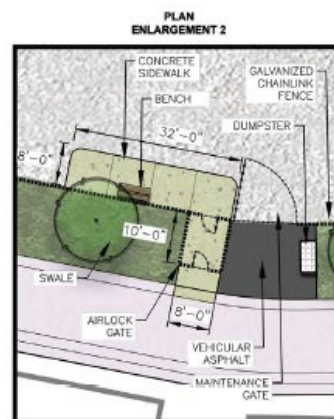
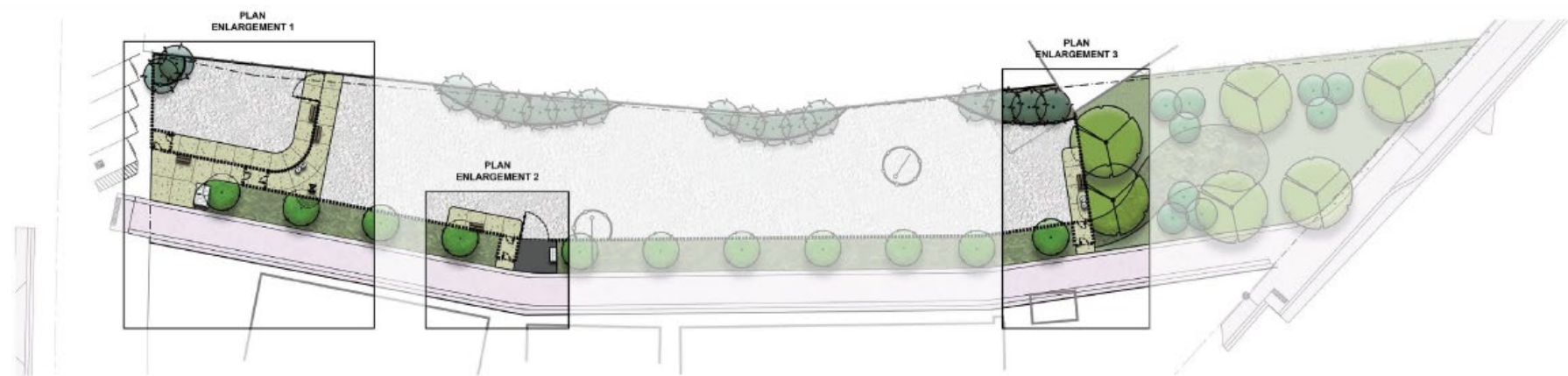




# Off Leash Area & Trail Segment



# OLA Design Details



**Plan Enlargements**



# Proposed Site Furnishings



Benches



Bike Racks



Water for Dogs

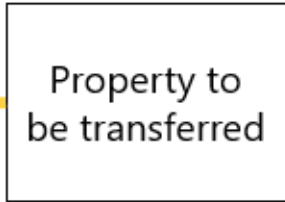


Airlock Gate



Parks Rainbow Sign

### Example of shared use path design:





## Milestones

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- Ordinance to transfer off-leash area/trail property from City Light to Parks and SDOT to be considered in the near future
- Plan to complete design this year
- Construction planned for next year

# Public Benefit Components and Departmental Responsibilities

Public Benefit Element	Department Obligations on Cost Sharing			
	SPR	SDOT	SCL	Total
Site preparation			\$480k	
Off Leash Area: <ul style="list-style-type: none"> <li>• Pedestrian access,</li> <li>• Benches,</li> <li>• Water to site,</li> <li>• 1/2 stormwater treatment</li> </ul>	\$400k		\$195k	\$595k
Bike and Pedestrian Trail: <ul style="list-style-type: none"> <li>• Street improvements,</li> <li>• Lighting,</li> <li>• Trees,</li> <li>• 1/2 stormwater treatment</li> </ul>		\$400k	\$1.283M	\$1.683M
Total development costs	\$400k	\$400k	\$1.958M	\$2.758M
Property transfer: <ul style="list-style-type: none"> <li>• Approx.46,338 sq ft</li> <li>• Property to Parks for Off Leash Area</li> <li>• Property to SDOT for Bike and Pedestrian Trail</li> </ul>			\$1.854M	\$1.854M
Grand total	\$400k	\$400k	\$3.812M	\$4.612M

# THANK YOU

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**Seattle City Light**

July 15, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Clerk File 314451: Petition of Seattle City Light to vacate a portion of Diagonal Avenue South, west of 4th Avenue South

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On July 21, the Transportation and Utilities Committee (Committee) will hold a public hearing and may vote on [Clerk File \(CF\) 314451](#), a petition from Seattle City Light (SCL) to vacate the westernmost 330 feet of Diagonal Avenue S, west of 4th Avenue S. The vacation of this portion of the street would connect SCL's South Service Station which includes property on both sides of Diagonal Avenue S at this location. The Seattle Department of Transportation (SDOT) and the Seattle Design Commission (SDC) have reviewed the vacation petition in CF 314451 and recommend granting the vacation with conditions.

Public benefits proposed as part of the vacation process include transferring property currently owned by SCL in the Georgetown neighborhood (the "Flume" property) to SDOT and the Seattle Department of Parks and Recreation (Parks) and the development of a bike/pedestrian trail and off-leash area to serve the Georgetown neighborhood and improve pedestrian and bicycle connections between Georgetown and South Park.

This memorandum describes:

1. the street vacation review policies that guide the Council's decision;
2. the proposed vacation of Diagonal Avenue S;
3. the proposed public benefits associated with the proposal; and
4. the conditions proposed to be placed on the vacation.

### Street Vacation Policies

From time to time, property owners seek to permanently acquire the street or alley next to their property from the City. The process to do so is laid out in the Revised Code of Washington [Chapter 35.79](#), Seattle Municipal Code, [Chapter 15.62](#), and the City Council's [Street Vacation Policies](#). In 2018, the City Council updated its street vacation policies to provide greater clarity for petitioners, members of the public and decision-makers in proposing and reviewing street vacation petitions. The policies identify two related but independent questions that the Council must consider in reviewing a street vacation petition:

1. are the "public trust functions" of the right-of-way maintained? and
2. will the public receive a benefit from the vacation?



Public trust functions are the uses of right-of-way. The policies describe the public trust functions as follows:

Streets are dedicated in perpetuity for use by the public for travel, transportation of goods, and locating utilities. The dedication carries with it public rights to circulation, access, utilities, light, air, open space, views, free speech, and assembly, and contributes significantly to the form and function of the city. The primary concern of the City in vacation decisions is to safeguard the public's present and future needs and to act in the public's best interest. (p. 7)

Public benefits are a required component of street vacations to offset loss of public space. The policies describe public benefits as follows:

The City acts as a trustee for the public in its administration of rights-of-way. Courts have required that in each vacation there shall be an element of public use or benefit, and a vacation cannot be granted solely for a private use or benefit. Therefore, before this public asset can be vacated to a private party, there shall be a permanent or long-term benefit to the public.

The fact that these benefits are provided equally to all members of the public may be most important to those who have the least. To best address the needs of the community, a strong focus on race and social equity is important in assessing the public benefits included as part of a street vacation petition.

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

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

While the nature of the project is a factor in deciding the adequacy of a public benefit proposal, it is not itself a public benefit. (p. 22)

After a petitioner files a complete vacation petition, it is sent to SDOT and the SDC for review. SDOT collects comments from City Departments, private utilities, transit agencies, and others with an interest in the City's rights-of-way. After review and recommendation by these parties, the petition is returned and considered by the City Council. The Council is required to hold a public hearing on the petition, and then must act on the petition. State law states that approval of vacations is solely a legislative act.

If the Council decides it is appropriate to vacate the right-of-way, it will typically grant conditional approval. That approval is placed in the CF alongside the vacation petition. That conditional approval allows the petitioner to begin using the right-of-way. After all conditions have been met and all fees have been paid, SDOT will draft an ordinance for Council consideration that authorizes the transfer of ownership of the right-of-way to the petitioner.

### **Vacation of Diagonal Avenue S**

SCL's South Service Center is in Council District 2 in the Duwamish Manufacturing/ Industrial Center. The Service Center is bounded on the north by S Spokane Street, on the east by 4th Avenue S, and on the west by the BNSF railway. It sits between the Spokane Street Viaduct and the Costco Wholesale Store on 4th Avenue S. The south edge of the Service Center is bounded partially by Diagonal Avenue S and partially by a strip of property located on the south side of Diagonal Avenue S. In the area bounded on both sides by Diagonal Avenue S, SCL holds a street use permit from SDOT to use the right-of-way for their operations and has fenced off this section of Diagonal. This is the portion of Diagonal that SCL seeks to vacate.

SCL has petitioned the Council for the vacation of this section of Diagonal Avenue S to justify improvements to this area. In their petition, SCL states:

At this point in time, significant investment in the Diagonal Avenue South property is necessary to improve drainage and pavement, and to provide greater security for the site. City Light also plans to add a temporary tension-fabric structure to the site to provide an indoor venue for the spray coating of steel plates. Some of these improvements are necessary pursuant to a recent site inspection made by the Washington State Department of Ecology. Safety improvements will be constructed in conformance with the standards set forth in City Light's Design and Construction Guidelines for Security Facilities, adopted by City Light's Office of Internal Compliance in 2013. From City Light's perspective, the level of investment necessary is justified only if it owns the property. (CF 314451, Vacation Petition, Page 7)

In their review of the petition, SDOT found that if SCL and Seattle Public Utilities sign a Memorandum of Understanding (MOU) or other agreements allowing for future access to the area to be vacated for SPU facilities, there would be no negative impacts from the vacation to the public trust functions of the right-of-way.

### **Proposed Public Benefits**

In 2018, the [Duwamish Valley Action Plan](#) recommended developing SCL's Flume property into a community asset. That plan describes opportunities available at the Flume as follows:

The Georgetown Steam Plant Flume site was part of an abandoned 2,500-foot-long system of wood- or concrete-lined open ditches and buried pipes that discharged cooling water from the steam plant to the Duwamish River at Slip 4. The site went into disuse once the plant closed in the 1960s. In 2008, Seattle City Light (SCL) cleaned up

contaminants and replaced the flume with piped drainage as part of early actions to clean up the Duwamish River's Superfund site Slip 4.

Opportunities for new open space in Georgetown are limited. During the Georgetown Open Space Vision Framework process, community members identified this site as both an important pedestrian link between S Myrtle St. and East Marginal Way S and a potential location for an Off-Leash Area (OLA). While still a potential site for an interim OLA, there is a greater preference that it be used as a pedestrian link to the Georgetown to South Park Connection. (page 41)

SCL, SDOT, Parks and the Georgetown community members developed a strategy to convert the Flume property into an [Off-Leash Area](#) with a bicycle/pedestrian path that will link to the [Georgetown to South Park Connection](#). This would occur as planned only if the vacation were approved. Improvements would be fully funded through a partnership between the three departments. Georgetown neighbors have indicated support for the proposal.

### **Proposed Conditions**

The Director of SDOT has proposed seven conditions be placed on the vacation of Diagonal Avenue S, as shown on Attachment 1. Key conditions include (1) commitments to transfer the Flume property to SDOT and Parks and develop the trail and off-leash area; and (2) a requirement that utility issues under Diagonal Avenue S be resolved to SPU's satisfaction, including a MOU between SPU and SCL and possible partial transfer of jurisdiction.

If the Committee supports the proposed vacation, it should direct staff to add these conditions to CF 314451 for final consideration at City Council.

### **Next Steps**

The Committee will hold a public hearing and may vote on CF 314451 at its July 21 committee meeting. If the Committee seeks to vote at its July 21 meeting, it should waive the Council Rule that limits committee votes on the same day as a public hearing. If it recommends approval, the legislation could be considered as early as the July 26 City Council meeting.

### **Attachments:**

1. Draft conditions as proposed by SDOT

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager

**IN THE MATTER OF THE PETITION OF SEATTLE CITY LIGHT  
FOR THE VACATION OF A PORTION OF DIAGONAL WAY SOUTH,  
WEST OF 4TH AVENUE SOUTH  
IN SEATTLE CITY COUNCIL DISTRICT 2 AND  
THE GREATER DUWAMISH MANUFACTURING/INDUSTRIAL CENTER**

CLERK FILE 314451

The City Council hereby grants approval of the petition from Seattle City Light, (“SCL” or “Petitioner”) for Seattle City Light (“SCL” or “Petitioner”) for the vacation of a portion of Diagonal Way South between 4th Avenue South and 2nd Avenue South, described as:

Commencing at the most southwesterly corner of that portion of Diagonal Avenue South vacated under by City of Seattle Ordinance Number 112889, under King County Recording Number 86070I 0965, and amended by City of Seattle Ordinance 113226, under King County Recording Number 8701070967, said point of commencement also being the angle point at the intersection of the westerly and northwesterly lines of Lot 2 of the plat of Fourth and Duwamish Investment Park, recorded under King County Recording Number 8307280903; thence north 01°09'28" east along the west line of said vacated Diagonal Avenue South 59.69 feet to a point at the northwesterly corner of the southeasterly portion of said vacated Diagonal Avenue South and true point of beginning;

Thence north 43°14'20" east along the northwesterly line of the southeasterly portion of said vacated Diagonal Avenue South 355.61 feet to a point that bears north 46°45'40" west and is 40.00 feet distant from a point on the southeasterly margin of Diagonal Avenue South and 38.41 feet northeasterly of the southwest corner of Lot 4, Block 304, of the unrecorded plat of Seattle Tide Lands, said point also being an angle point in said vacated Diagonal Avenue South; thence north 46°45'40" west 40.00 feet to the southeasterly line of the northwesterly portion of said vacated Diagonal Avenue South; thence north 43°14'20" west along said southeasterly line 311.31 feet to the southwesterly corner of the northwesterly portion of said vacated Diagonal Avenue South; thence south 01°09'28" west 59.69 feet to the true point of beginning.

The proposed vacation is 330 feet in length and approximately 40 feet in width (the width tapers) for a total of approximately 13,300 square feet of right-of-way.

The vacation is granted upon the Petitioner meeting the following conditions. The Petitioner shall demonstrate that all conditions imposed on the vacation by the City Council have been satisfied: all utility work relating to the vacation including easements or other agreements is completed; all public benefit elements have been provided; any other agreements or easements have been completed and recorded as necessary; and all fees paid, prior to the passage of the street vacation ordinance.

1. The vacation is granted to allow the Petitioner to build a project substantially in conformity with the project presented to the City Council and for no other purpose. This approval constitutes the substantive Council approval of the vacation, and the Petitioner



may proceed with the permitting and development of the project, consistent with the conditions of this approval.

2. Any street improvements that may be required at the vacation site or at the public benefit site shall be designed to City standards, as modified by these conditions to implement the Public Benefit requirements and be reviewed and approved by SDOT through a Street Improvement Permit, as necessary.
3. The utility issues shall be resolved to the full satisfaction of the affected utility before the final vacation ordinance is approved. Before starting any development activity on the site, the Petitioner shall work with the affected utilities and provide protection for the utility facilities. SPU has a number of lines in the area and has requested a Memorandum of Understanding (MOU) to detail access for service and repair to its current facilities and the need for future facilities. A partial Transfer of Jurisdiction or other accountability measure may be required to implement the agreement. This may include an MOU, easements, restrictive covenants, relocation agreements, or acquisition of the utilities, which shall be at the sole expense of the Petitioner.

SPU facilities include:

- 30" sewer main,
  - 132" PSD,
  - 48" PSD; and
  - Need for future new water main in Diagonal Way South.
4. It is expected that development activity at the vacation site will commence within approximately 18 months of this approval and that development activity will be completed within 5 years. To ensure timely compliance with the conditions imposed by the City Council, the Petitioner shall provide SDOT with regular reports, following City Council vacation approval, providing an update on the development activity, schedule, and progress on meeting the conditions and anticipated date of project completion and opening. The Petitioner shall not request or be issued a Final Certificate of Occupancy until SDOT determines that all conditions have been satisfied and all fees have been paid as applicable.
  5. In addition to the conditions imposed through the vacation process, if the project as it proceeds through the permitting process is subject to SEPA review it may be subject to conditioning pursuant to City codes through the regulatory review processes.
  6. The Petitioner shall convey the real property known as the Flume property to Parks and to SDOT as outlined in the signed agreement between the three departments. Once the property is conveyed the receiving department shall bear the responsibility to complete the public amenities and shall be responsible for ongoing maintenance. The SDOT trail

connection shall be open to the public at all times. The Parks off-leash area shall be open and managed consistent with other off-leash areas and the public signage should indicate the hours of operation. Public signage shall be consistent with signage provided at SDOT trails and Park off-leash areas. The signage shall be clearly visible to the public. The property transactions to convey the real property must be completed before SCL may proceed with the final vacation ordinance.

7. Parks and SDOT shall be responsible for the process to meet with the community and complete the final design of the trail connection and the off-leash area and securing any necessary permits. The final design of the public benefit elements and schedule for construction shall be provided to SDOT Street Vacations to demonstrate compliance with the vacation conditions. SDOT Street Vacations may require additional review by the Design Commission if any significant changes are proposed. The public benefit requirements are outlined in the following chart.

#### PUBLIC BENEFIT MATRIX

Public Benefit Element	Department Cost Sharing Obligations			
	SPR	SDOT	SCL	Total
Site preparation			\$480K	
Off Leash Area <ul style="list-style-type: none"> <li>• Pedestrian access,</li> <li>• Benches,</li> <li>• Water to site, and</li> <li>• ½ stormwater treatment</li> </ul>	\$400K		\$195K	\$595K
Bike and Pedestrian Trail: <ul style="list-style-type: none"> <li>• Street improvements,</li> <li>• Lighting,</li> <li>• Trees, &amp;</li> <li>• ½ stormwater treatment</li> </ul>		\$400K	\$1.283M	\$1.683M
Total development costs	\$400K	\$400K	\$1.958M	\$2.758M
Property transfer: <ul style="list-style-type: none"> <li>• Total: Approx. 46,338 sq ft</li> <li>• Property to Parks for Off Leash Area: 36,626 sq ft</li> <li>• Property to SDOT for Bike and Pedestrian Trail: 9,712 sq ft</li> </ul>			\$1.854M	\$1.854M
Grand total	\$400K	\$400K	\$3.812M	\$4.612M

Granted by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of  
\_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council



## Legislation Text

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**File #:** CB 120135, **Version:** 1

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### CITY OF SEATTLE

#### ORDINANCE \_\_\_\_\_

#### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE granting ARE-SEATTLE NO. 33, LLC a permit to construct, maintain, and operate below-grade private utility lines under and across Roy Street, west of 8th Avenue North, and Dexter Avenue North, north of Mercer Street, for a 15-year term, renewable for one successive 15-year term; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

WHEREAS, McKinstry Company LLC applied for permission to construct, operate, and maintain below-grade private utility lines under and across Roy Street, west of 8th Avenue North; Dexter Avenue North, north of Mercer Street; Roy Street, west of Dexter Avenue North; and under the alley north of Mercer Street, west of Dexter Avenue North, south of Roy Street, and east of Aurora Avenue North in the South Lake Union neighborhood (“ARE District Energy System”); and

WHEREAS, McKinstry Company LLC transferred all rights and ownership of the ARE District Energy System to ARE-SEATTLE NO. 33, LLC; and

WHEREAS, the ARE District Energy System has been modified to eliminate potential lines under and across Roy Street, west of Dexter Avenue North; and under the alley north of Mercer Street, west of Dexter Avenue North, south of Roy Street, and east of Aurora Avenue North; and

WHEREAS, the purpose of the ARE District Energy System is to extract waste heat from municipal wastewater and distribute it between the buildings located at 601 Dexter Avenue North, 701 Dexter Avenue North, and 800 Mercer Street, reducing energy usage and carbon emissions; and

WHEREAS, the obligations of the ordinance remain in effect after the ordinance term expires until the encroachment is removed, or ARE-SEATTLE NO. 33, LLC is relieved of the obligations by the Seattle



Department of Transportation Director, or the Seattle City Council passes a new ordinance to renew the permission granted; and

WHEREAS, the Seattle City Council adopted Resolution 31980 and conceptually approved the ARE District Energy System, and ARE-SEATTLE NO. 33, LLC has met the obligations described in Resolution 31980; and

WHEREAS, the adoption of this ordinance is the culmination of the approval process for the ARE District Energy System to legally occupy a portion of the public right-of-way, and the adopted ordinance is considered to be the permit; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. **Permission.** Subject to the terms and conditions of this ordinance, The City of Seattle (“City”) grants permission (also referred to in this ordinance as a “permit”) to ARE-SEATTLE NO. 33, LLC, and its successors and assigns as approved by the Director of the Seattle Department of Transportation (“Director”) according to Section 14 of this ordinance (the party named above and each such approved successor and assign is referred to as the “Permittee”), to construct, maintain, and operate below-grade private utility lines under and across Roy Street, west of 8th Avenue North, and Dexter Avenue North, north of Mercer Street (collectively referred to as “ARE District Energy System”), adjacent in whole or in part to the property legally described as:

701 DEXTER AVENUE NORTH:

LOTS 1 AND 2, BLOCK 6, EDEN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 61-1, IN KING COUNTY, WASHINGTON; EXCEPT THE EAST 7 FEET THEREOF HERETOFORE CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 61981 FOR THE WIDENING OF DEXTER AVENUE, AS PROVIDED UNDER ORDINANCE NUMBER 17628 OF THE CITY OF SEATTLE; AND LOTS 7 AND 9, BLOCK 6, EDEN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE(S) 61-A, IN KING COUNTY, WASHINGTON; EXCEPT THAT PORTION THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 236360 FOR THE WIDENING OF AURORA AVENUE, AS PROVIDED UNDER ORDINANCE NUMBER 59719 OF THE CITY OF SEATTLE; SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

Construction and operation of the ARE District Energy System will connect 701 Dexter Avenue North and 800 Mercer Street, under Roy Street; and 800 Mercer Street and 601 Dexter Avenue North, under Dexter Avenue North.

Section 2. **Term.** The permission granted to the Permittee is for a term of 15 years starting on the effective date of this ordinance and ending at 11:59 p.m. on the last day of the fifteenth year. Upon written application made by the Permittee at least one year before expiration of the term, the Director or the City Council may renew the permit once, for a successive 15-year term, subject to the right of the City to require the removal of the ARE District Energy System or to revise by ordinance any of the terms and conditions of the permission granted by this ordinance. The total term of the permission, including renewals, shall not exceed 30 years. The Permittee shall submit any application for a new permission no later than one year before the then-existing term expires.

Section 3. **Protection of utilities.** The permission granted is subject to the Permittee bearing the expense of any protection, support, or relocation of existing utilities deemed necessary by the owners of the utilities, and the Permittee being responsible for any damage to the utilities due to the construction, repair, reconstruction, maintenance, operation, or removal of the ARE District Energy System and for any consequential damages that may result from any damage to utilities or interruption in service caused by any of the foregoing.

Section 4. **Removal for public use or for cause.** The permission granted is subject to use of the street right-of-way or other public place (collectively, “public place”) by the City and the public for travel, utility purposes, and other public uses or benefits. The City expressly reserves the right to deny renewal, or terminate the permission at any time before expiration of the initial term or any renewal term, and require the Permittee to remove the ARE District Energy System or any part thereof or installation on the public place, at the Permittee’s sole cost and expense, if:

- A. The City Council determines by ordinance that the space occupied by the ARE District Energy

System is necessary for any public use or benefit or that the ARE District Energy System interferes with any public use or benefit; or

B. The Director determines that use of the ARE District Energy System has been abandoned; or

C. The Director determines that any term or condition of this ordinance has been violated, and the violation has not been corrected by the Permittee by the compliance date after a written request by the City to correct the violation (unless a notice to correct is not required due to an immediate threat to the health or safety of the public).

A City Council determination that the space is needed for, or the ARE District Energy System interferes with, a public use or benefit is conclusive and final without any right of the Permittee to resort to the courts to adjudicate the matter.

Section 5. **Permittee's obligation to remove and restore.** If the permission granted is not renewed at the expiration of a term, or if the permission expires without an application for a new permission being granted, or if the City terminates the permission, then within 90 days after the expiration or termination of the permission, or prior to any earlier date stated in an ordinance or order requiring removal of the ARE District Energy System, the Permittee shall, at its own expense, remove the ARE District Energy System and all of the Permittee's equipment and property from the public place and replace and restore all portions of the public place that may have been disturbed for any part of the ARE District Energy System in as good condition for public use as existed prior to constructing the ARE District Energy System and in at least as good condition in all respects as the abutting portions of the public place as required by Seattle Department of Transportation (SDOT) right-of-way restoration standards.

Failure to remove the ARE District Energy System as required by this section is a violation of Chapter 15.90 of the Seattle Municipal Code (SMC) or successor provision; however, applicability of Chapter 15.90 does not eliminate any remedies available to the City under this ordinance or any other authority. If the Permittee does not timely fulfill its obligations under this section, the City may in its sole discretion remove the

ARE District Energy System and restore the public place at the Permittee's expense and collect such expense in any manner provided by law.

Upon the Permittee's completion of removal and restoration in accordance with this section, or upon the City's completion of the removal and restoration and the Permittee's payment to the City for the City's removal and restoration costs, the Director shall issue a certification that the Permittee has fulfilled its removal and restoration obligations under this ordinance. Upon prior notice to the Permittee and entry of written findings that it is in the public interest, the Director may, in the Director's sole discretion, conditionally or absolutely excuse the Permittee from compliance with all or any of the Permittee's obligations under this section.

Section 6. **Repair or reconstruction.** The ARE District Energy System shall remain the exclusive responsibility of the Permittee and the Permittee shall maintain the ARE District Energy System in good and safe condition for the protection of the public. The Permittee shall not reconstruct or repair the ARE District Energy System except in strict accordance with plans and specifications approved by the Director. The Director may, in the Director's judgment, order the ARE District Energy System reconstructed or repaired at the Permittee's cost and expense because of the deterioration or unsafe condition of the ARE District Energy System; because of the installation, construction, reconstruction, maintenance, operation, or repair of any municipally owned public utilities; or for any other cause.

Section 7. **Failure to correct unsafe condition.** After written notice to the Permittee and failure of the Permittee to correct an unsafe condition within the time stated in the notice, the Director may order the ARE District Energy System be closed or removed at the Permittee's expense if the Director deems that the ARE District Energy System has become unsafe or creates a risk of injury to the public. If there is an immediate threat to the health or safety of the public, a notice to correct is not required.

Section 8. **Continuing obligations.** Notwithstanding the termination or expiration of the permission granted, or removal of the ARE District Energy System, the Permittee shall remain bound by all of its obligations under this ordinance until the Director has issued a certification that the Permittee has fulfilled its



removal and restoration obligations under Section 5 of this ordinance, or the Seattle City Council passes a new ordinance to renew the permission granted and/or establishes a new term. Notwithstanding the issuance of that certification, the Permittee shall continue to be bound by the obligations in Section 9 of this ordinance and shall remain liable for any unpaid fees assessed under Sections 15 and 17 of this ordinance.

Section 9. **Release, hold harmless, indemnification, and duty to defend.** The Permittee, by accepting the terms of this ordinance, releases the City, its officials, officers, employees, and agents from any and all claims, actions, suits, liability, loss, costs, expense, attorneys' fees, or damages of every kind and description arising out of or by reason of the ARE District Energy System or this ordinance, including but not limited to claims resulting from injury, damage, or loss to the Permittee or the Permittee's property.

The Permittee agrees to at all times defend, indemnify, and hold harmless the City, its officials, officers, employees, and agents from and against all claims, actions, suits, liability, loss, costs, expense, attorneys' fees, or damages of every kind and description, excepting only damages that may result from the sole negligence of the City, that may accrue to, be asserted by, or be suffered by any person or property including, without limitation, damage, death or injury to members of the public or to the Permittee's officers, agents, employees, contractors, invitees, tenants, tenants' invitees, licensees, or successors and assigns, arising out of or by reason of:

- A. The existence, condition, construction, reconstruction, modification, maintenance, operation, use, or removal of the ARE District Energy System or any portion thereof, or the use, occupation, or restoration of the public place or any portion thereof by the Permittee or any other person or entity;
- B. Anything that has been done or may at any time be done by the Permittee by reason of this ordinance; or
- C. The Permittee failing or refusing to strictly comply with every provision of this ordinance; or arising out of or by reason of the ARE District Energy System, or this ordinance in any other way.

If any suit, action, or claim of the nature described above is filed, instituted, or begun against the City,

the Permittee shall upon notice from the City defend the City, with counsel acceptable to the City, at the sole cost and expense of the Permittee, and if a judgment is rendered against the City in any suit or action, the Permittee shall fully satisfy the judgment within 90 days after the action or suit has been finally determined, if determined adversely to the City. If it is determined by a court of competent jurisdiction that Revised Code of Washington (RCW) 4.24.115 applies to this ordinance, then in the event claims or damages are caused by or result from the concurrent negligence of the City, its agents, contractors, or employees, and the Permittee, its agents, contractors, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Permittee or the Permittee's agents, contractors, or employees.

Section 10. **Insurance.** For as long as the Permittee exercises any permission granted by this ordinance and until the Director has issued a certification that the Permittee has fulfilled its removal and restoration obligations under Section 5 of this ordinance, the Permittee shall obtain and maintain in full force and effect, at its own expense, insurance and/or self-insurance that protects the Permittee and the City from claims and risks of loss from perils that can be insured against under commercial general liability (CGL) insurance policies in conjunction with:

- A. Construction, reconstruction, modification, operation, maintenance, use, existence, or removal of the ARE District Energy System or any portion thereof, as well as restoration of any disturbed areas of the public place in connection with removal of the ARE District Energy System;
- B. The Permittee's activity upon or the use or occupation of the public place described in Section 1 of this ordinance; and
- C. Claims and risks in connection with activities performed by the Permittee by virtue of the permission granted by this ordinance.

Minimum insurance requirements are CGL insurance written on an occurrence form at least as broad as the Insurance Services Office (ISO) CG 00 01. The City requires insurance coverage to be placed with an insurer admitted and licensed to conduct business in Washington State or with a surplus lines carrier pursuant to

chapter 48.15 RCW. If coverage is placed with any other insurer or is partially or wholly self-insured, such insurer(s) or self-insurance is subject to approval by the City's Risk Manager.

Minimum limits of liability shall be \$5,000,000 per Occurrence; \$10,000,000 General Aggregate; \$5,000,000 Products/Completed Operations Aggregate, including Premises Operations; Personal/Advertising Injury; Contractual Liability. Coverage shall include "The City of Seattle, its officers, officials, employees and agents" as additional insureds for primary and non-contributory limits of liability subject to a Separation of Insureds clause.

Within 60 days after the effective date of this ordinance, the Permittee shall provide to the City, or cause to be provided, certification of insurance coverage including an actual copy of the blanket or designated additional insured policy provision per the ISO CG 20 12 endorsement or equivalent. The insurance coverage certification shall be delivered or sent to the Director or to SDOT at an address as the Director may specify in writing from time to time. The Permittee shall provide a certified complete copy of the insurance policy to the City promptly upon request.

If the Permittee is self-insured, a letter of certification from the Corporate Risk Manager may be submitted in lieu of the insurance coverage certification required by this ordinance, if approved in writing by the City's Risk Manager. The letter of certification must provide all information required by the City's Risk Manager and document, to the satisfaction of the City's Risk Manager, that self-insurance equivalent to the insurance requirements of this ordinance is in force. After a self-insurance certification is approved, the City may from time to time subsequently require updated or additional information. The approved self-insured Permittee must provide 30 days' prior notice of any cancellation or material adverse financial condition of its self-insurance program. The City may at any time revoke approval of self-insurance and require the Permittee to obtain and maintain insurance as specified in this ordinance.

In the event that the Permittee assigns or transfers the permission granted by this ordinance, the Permittee shall maintain in effect the insurance required under this section until the Director has approved the

assignment or transfer pursuant to Section 14 of this ordinance.

Section 11. **Contractor insurance.** The Permittee shall contractually require that any and all of its contractors performing work on any premises contemplated by this permit name “The City of Seattle, its officers, officials, employees and agents” as additional insureds for primary and non-contributory limits of liability on all CGL, Automobile and Pollution liability insurance and/or self-insurance. The Permittee shall also include in all contract documents with its contractors a third-party beneficiary provision extending to the City construction indemnities and warranties granted to the Permittee.

Section 12. **Performance bond.** Within 60 days after the effective date of this ordinance, the Permittee shall deliver to the Director for filing with the City Clerk a sufficient bond executed by a surety company authorized and qualified to do business in the State of Washington in the amount of \$15,000 and conditioned with a requirement that the Permittee shall comply with every provision of this ordinance and with every order the Director issues under this ordinance. The Permittee shall ensure that the bond remains in effect until the Director has issued a certification that the Permittee has fulfilled its removal and restoration obligations under Section 5 of this ordinance. An irrevocable letter of credit approved by the Director in consultation with the City Attorney’s Office may be substituted for the bond. If the Permittee assigns or transfers the permission granted by this ordinance, the Permittee shall maintain in effect the bond or letter of credit required under this section until the Director has approved the assignment or transfer pursuant to Section 14 of this ordinance.

Section 13. **Adjustment of insurance and bond requirements.** The Director may adjust minimum liability insurance levels and surety bond requirements during the term of this permission. If the Director determines that an adjustment is necessary to fully protect the interests of the City, the Director shall notify the Permittee of the new requirements in writing. The Permittee shall, within 60 days of the date of the notice, provide proof of the adjusted insurance and surety bond levels to the Director.

Section 14. **Consent for and conditions of assignment or transfer.** When the Property is transferred, the permission granted by this ordinance shall be assignable and transferable by operation of law pursuant to



Section 20 of this ordinance. Continued occupation of the right-of-way constitutes the Permittee's acceptance of the terms of this ordinance, and the new owner of the Property shall be conferred with the rights and obligations of the Permittee by this ordinance. Other than a transfer to a new owner of the Property, the Permittee shall not transfer, assign, mortgage, pledge or encumber the same without the Director's consent, which the Director shall not unreasonably refuse. The Director may approve assignment or transfer of the permission granted by this ordinance to a successor entity only if the successor or assignee has provided, at the time of the assignment or transfer, the bond and certification of insurance coverage required under this ordinance; and has paid any fees due under Sections 15 and 17 of this ordinance. Upon the Director's approval of an assignment or transfer, the rights and obligations conferred on the Permittee by this ordinance shall be conferred on the successors and assigns. Any person or entity seeking approval for an assignment or transfer of the permission granted by this ordinance shall provide the Director with a description of the current and anticipated use of the ARE District Energy System.

Section 15. **Inspection fees.** The Permittee shall, as provided by SMC Chapter 15.76 or successor provision, pay the City the amounts charged by the City to inspect the ARE District Energy System during construction, reconstruction, repair, annual safety inspections, and at other times deemed necessary by the City. An inspection or approval of the ARE District Energy System by the City shall not be construed as a representation, warranty, or assurance to the Permittee or any other person as to the safety, soundness, or condition of the ARE District Energy System. Any failure by the City to require correction of any defect or condition shall not in any way limit the responsibility or liability of the Permittee.

Section 16. **Inspection reports.** The Permittee shall submit to the Director, or to SDOT at an address specified by the Director, an inspection report that:

- A. Describes the physical dimensions and condition of all load-bearing elements;
- B. Describes any damages or possible repairs to any element of the ARE District Energy System;
- C. Prioritizes all repairs and establishes a timeframe for making repairs; and

D. Is stamped by a professional structural engineer licensed in the State of Washington.

A report meeting the foregoing requirements shall be submitted within 60 days after the effective date of this ordinance; subsequent reports shall be submitted every two years, provided that, in the event of a natural disaster or other event that may have damaged the ARE District Energy System, the Director may require that additional reports be submitted by a date established by the Director. The Permittee has the duty of inspecting and maintaining the ARE District Energy System. The responsibility to submit structural inspection reports periodically or as required by the Director does not waive or alter any of the Permittee's other obligations under this ordinance. The receipt of any reports by the Director shall not create any duties on the part of the Director. Any failure by the Director to require a report, or to require action after receipt of any report, shall not waive or limit the Permittee's obligations.

Section 17. **Annual fee.** Beginning on the effective date of this ordinance the Permittee shall pay an Issuance Fee, and annually thereafter, the Permittee shall promptly pay to the City, upon statements or invoices issued by the Director, an Annual Renewal Fee, and an Annual Use and Occupation Fee of \$4,482.60, or as adjusted annually thereafter, for the privileges granted by this ordinance for the ARE District Energy System.

Adjustments to the Annual Use and Occupation Fee shall be made in accordance with a term permit fee schedule adopted by the City Council and may be made every year. In the absence of a schedule, the Director may only increase or decrease the previous year's fee to reflect any inflationary changes so as to charge the fee in constant dollar terms. This adjustment will be calculated by adjusting the previous year's fee by the percentage change between the two most recent year-end values available for the Consumer Price Index for the Seattle-Tacoma-Bellevue Area, All Urban Consumers, All Products, Not Seasonally Adjusted. Permittee shall pay any other applicable fees, including fees for reviewing applications to renew the permit after expiration of the first term. All payments shall be made to the City Finance Director for credit to the Transportation Fund.

Section 18. **Compliance with other laws.** The Permittee shall construct, maintain, and operate the ARE District Energy System in compliance with all applicable federal, state, County and City laws and regulations.

Without limitation, in all matters pertaining to the ARE District Energy System, the Permittee shall comply with the City's laws prohibiting discrimination in employment and contracting including Seattle's Fair Employment Practices Ordinance, Chapter 14.04, and Fair Contracting Practices Code, Chapter 14.10 (or successor provisions).

**Section 19. Acceptance of terms and conditions.** The Permittee shall not commence construction of the ARE District Energy System before providing evidence of insurance coverage required by Section 10 of this ordinance, the bond as required by Section 12 of this ordinance, and the covenant agreement required by Section 20 of this ordinance. Obtaining building permits from the Seattle Department of Construction and Inspections, or other applicable City-issued permits, constitutes the Permittee's acceptance of the terms of this ordinance.

**Section 20. Obligations run with the Property.** The obligations and conditions imposed on the Permittee by this ordinance are covenants that run with the land and bind subsequent owners of the property adjacent to the ARE District Energy System and legally described in Section 1 of this ordinance (the "Property"), regardless of whether the Director has approved assignment or transfer of the permission granted herein to such subsequent owner(s). At the request of the Director, the Permittee shall provide to the Director a current title report showing the identity of all owner(s) of the Property and all encumbrances on the Property. The Permittee shall, within 60 days of the effective date of this ordinance, and prior to conveying any interest in the Property, deliver to the Director upon a form to be supplied by the Director, a covenant agreement imposing the obligations and conditions set forth in this ordinance, signed and acknowledged by the Permittee and any other owner(s) of the Property and recorded with the King County Recorder's Office. The Director shall file the recorded covenant agreement with the City Clerk. The covenant agreement shall reference this ordinance by its ordinance number. At the request of the Director, the Permittee shall cause encumbrances on the Property to be subordinated to the covenant agreement.

**Section 21. Section titles.** Section titles are for convenient reference only and do not modify or limit the

text of a section.

Section 22. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)



## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Department of Transportation	Amy Gray/206-386-4638	Christie Parker/206-684-5211

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### 1. BILL SUMMARY

**Legislation Title:**

AN ORDINANCE granting ARE-SEATTLE NO. 33, LLC a permit to construct, maintain, and operate below-grade private utility lines under and across Roy Street, west of 8th Avenue North, and Dexter Avenue North, north of Mercer Street, for a 15-year term, renewable for one successive 15-year term; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

**Summary and background of the Legislation:**

This legislation would allow ARE-SEATTLE NO. 33, LLC to construct, maintain and operate below-grade private utility lines under and across Roy Street, west of 8th Avenue North; Dexter Avenue North, north of Mercer Street. The ARE District Energy System permit would be for a period of fifteen years, commencing on the effective date of the ordinance. The permit may be extended for one successive 15-year term. The legislation specifies the conditions under which permission is granted.

### 2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?      ☐ Yes ☒ No

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?      ☒ Yes ☐ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	\$0	\$0	\$0	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
	\$0	\$0	Annual Fee: \$4,482.60	TBD
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

No.

**Is there financial cost or other impacts of *not* implementing the legislation?**

If the legislation is not enacted by City Council, the City of Seattle would not receive the 2021 Annual Fee of \$4,482.60 and future annual fees.

### **3.a. Appropriations**

☐ This legislation adds, changes, or deletes appropriations.

### **3.b. Revenues/Reimbursements**

☒ This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2021 Revenue</b>	<b>2022 Estimated Revenue</b>
Transportation Fund (13000)	SDOT	Annual Fee	\$4,482.60	TBD
<b>TOTAL</b>			<b>\$4,482.60</b>	

**Is this change one-time or ongoing?**

On-going

**Revenue/Reimbursement Notes:**

The 2021 fee is based on the 2021 land value as assessed by King County.

### **3.c. Positions**

☐ This legislation adds, changes, or deletes positions.

## **4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

No.

**b. Is a public hearing required for this legislation?**

No.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**d. Does this legislation affect a piece of property?**

Yes, the ARE District Energy System property legally described in Section 1 of the Council Bill.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

This legislation does not have any implications for the principles of the Race and Social Justice Initiative and does not impact vulnerable or historically disadvantaged communities.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

The legislation will decrease carbon emissions because it does not require burning fossil fuels. The project extracts waste heat from the sewer line and uses it to heat the connected buildings. The estimated annual electrical savings are 675,000kWh, equivalent to 477 metric tons of carbon emissions, or 103 passenger vehicles driven annually.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

The technology applied on this project is a durable source of zero carbon heat. The sewer temperature does not vary as drastically as outdoor air temperature. As the climate changes, and outdoor temperature either increases or decreases, the sewer source of heat will remain constant.

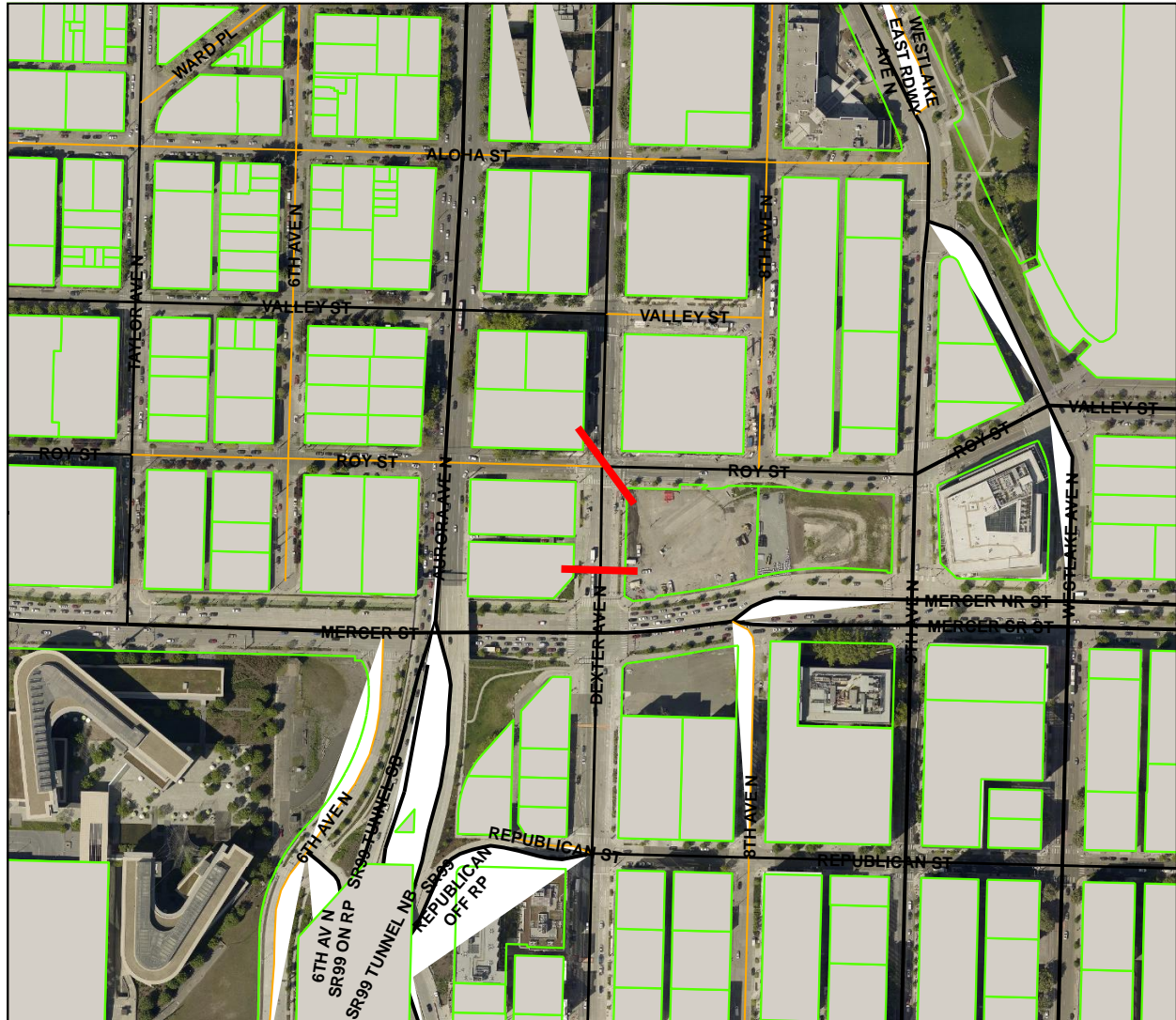
**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

N/A

**List attachments/exhibits below:**

Summary Attachment A – ARE District Energy Area Map  
Summary Attachment B – Annual Fee Assessment

## Summary Attachment A - ARE District Energy Area Map



Map is for informational purposes only and is not intended to modify or supplement the legal description(s) in the Ordinance.



## Summary Attachment B - Annual Fee Assessment

### STREET USE ANNUAL FEE ASSESSMENT

Date: 2/23/2021

<p>Summary: <b>Land Value:</b> \$775/SF <b>2021 Permit Fee:</b> <b>\$4,482.60</b></p>
---

#### I. Property Description:

New below-grade private utility lines under and across Roy Street, west of 8<sup>th</sup> Avenue North; Dexter Avenue North, north of Mercer Street; Roy Street, west of Dexter Avenue North; and in the alley north of Mercer Street, west of Dexter Avenue North, south of Roy Street, and east of Aurora Avenue North. The utility lines area is **241 square feet**.

#### Applicant:

800 Mercer, LLC; ARE-SEATTLE NO. 33, LLC; ARE-SEATTLE NO. 32 HOLDING LLC

#### Abutting Parcels, Property Size, Assessed Value:

##### 2021

Parcel 2249000245; Lot size: 27,127 square feet  
Tax year 2021 Appraised Land Value \$21,023,400 (\$775/square foot)

Parcel 2249000055; Lot size: 57,255 square feet  
Tax year 2021 Appraised Land Value \$44,372,600 (\$775/square foot)

Parcel 2249000100; Lot size: 23,632 square feet  
Tax year 2021 Appraised Land Value \$18,314,800 (\$775/square foot)

Average 2021 Tax Assessed Land Value: \$775/SF

#### II. Annual Fee Assessment:

The 2021 permit fee is calculated as follows:

Utility Lines:

$(\$775/\text{SF}) \times (241 \text{ SF}) \times (30\%) \times (8\%) = \$4,482.60$  where 25% is the degree of alienation for sub-surface utility tunnels/structures and 8% is the annual rate of return.

Fee methodology authorized under Ordinance 123485, as amended by Ordinances 123585, 123907, and 124532.

July 28, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Council Bill 120135: ARE District Energy Tunnel Term Permit

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On August 4, 2021, the Transportation and Utilities Committee (Committee) will consider and may vote on [Council Bill \(CB\) 120135](#), which would grant final approval for a significant structure term permit to ARE-Seattle No. 33, LLC (ARE) to build, operate and maintain private utility tunnels under city streets for a district energy system in South Lake Union, Council District 7.

The tunnels would collect waste heat from Seattle Public Utilities' wastewater system and deliver it to buildings on three blocks planned and under development by ARE. The tunnels would run below Dexter Avenue N and Roy Street. They would connect four office and laboratory buildings being built by ARE, including the planned development on the Mercer Megalock.

Conceptual approval for the district energy system was granted under [Resolution 31980](#) in December 2020.<sup>1</sup> The Seattle Department of Transportation has negotiated the provisions of the term permit consistent with the conditions of Resolution 31980. CB 120135 would grant approval for an initial fifteen year term, which can be renewed once for a total term of up to thirty years.

This memorandum summarizes the term permit approval process and describes the conditions of approval under CB 120135.

### Significant Structure Term Permits

A significant structure is a structure that has “a long anticipated duration of encroachment, impede the City's or public's flexibility in the use of the public place, or are necessary for the functioning of other property of the permittee.” Examples include tunnels below streets that provide utility, pedestrian or vehicular access; public art placed in right-of-way; and overhead structures attached to buildings. SMC Chapter 15.65 establishes the procedures and criteria for approval of term permits for significant structures.

Recently, the City has granted approval for a fifteen-year term, renewable one time for a total term of thirty years.

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<sup>1</sup> Since Resolution 31980 was adopted, McKinstry Company has transferred all rights and ownership of the district energy system to ARE-Seattle No. 33, LLC.

[SMC 15.65.040.C](#) identifies ten issues that are considered when reviewing whether approve a significant structure:

1. Adequacy of horizontal, vertical, and other clearances;
2. View blockage and impacts due to reduction of natural light;
3. Construction review is at 60% conceptual approval;
4. Interruption or interference with existing streetscape or other street amenities;
5. Effect on pedestrian activity;
6. Effect on commerce and enjoyment of neighboring land uses;
7. Availability of reasonable alternatives;
8. Effect on traffic and pedestrian safety;
9. Accessibility for the elderly and handicapped; and
10. The public benefit mitigation elements provided by the proposal, to the extent required based on the nature of the structure.

Once the Director of the Seattle Department of Transportation (SDOT) reviews the term permit petition, the SDOT Director transmits a recommendation to the City Council for conceptual approval. The Council's review of the proposal considers the ten items noted above in order to determine whether the structure is in the public interest and no reasonable alternative to the structure exists. The Council may provide conceptual approval, conditional conceptual approval or deny the term permit through a resolution.

If SDOT determines that the construction plans are consistent with the Council's approval or conditional approval, SDOT forwards a bill to the City Council for its final decision to grant or deny the application for a proposed new structure permit based on its consistency with the conditional approval.

### **ARE District Energy**

ARE proposes to build private utility tunnels under the intersection of Dexter Avenue N and Roy Street and under Dexter Avenue N, north of Mercer Street. The tunnels would be used to extract waste heat from municipal wastewater and distribute it between buildings located at 601 Dexter Avenue N, 701 Dexter Avenue N, and 800 Mercer Street in South Lake Union, District 7. Each of these sites is being developed for office and laboratory uses, including the Mercer Megablock site (800 Mercer Street), which the City is in the process of selling to ARE.

CB 120135 would grant a fifteen-year significant structure term permit for the ARE District Energy project. Resolution 31980 placed the following conditions that the permit seeker would need to meet prior to receiving a term permit:

- (1) Provide engineering and utility plans for additional review and permitting by the Seattle Department of Transportation (SDOT), which the Director will circulate to other City departments and any public and private utilities affected by the installation of ARE District Energy;
- (2) Provide a surety bond, covenant agreement, and public liability insurance naming the City as an additional insured or self-insurance, as approved by the City's Risk Manager;
- (3) Pay all City permit fees;
- (4) Obtain all necessary permits;
- (5) Maintain and inspect the ARE District Energy system; and
- (6) Commit to removing the ARE District Energy system and restoring the right-of-way to in as good condition for public use as existed prior to construction of the ARE District Energy system and in at least as good condition in all respects as the abutting portions of the public place, as required by SDOT right-of-way restoration standards, upon expiration of the term permit or at the direction of the Director or City Council, in accordance with provisions of the term permit ordinance.

ARE has met conditions (1) through (4). Provisions in CB 120135 would ensure that ARE would meet conditions (5) and (6) if the district energy system is built.

### **Next Steps**

If the Committee recommends approval of CB 120135 at its August 4, 2021 meeting, it could be considered by the City Council as early as August 9.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager





# ARE District Energy

## Council Transportation & Utilities Committee





## Presentation overview

- ARE –SEATTLE NO. 33, LLC is seeking a new permit for private utility lines under Roy St, and Dexter Ave N
- The utility lines will extract waste heat from municipal wastewater and distribute energy between 601 Dexter Ave N, 701 Dexter Ave N, & 800 Mercer St
- SDOT recommends approval of the term permit

# Term permit process



## Step 1: Resolution

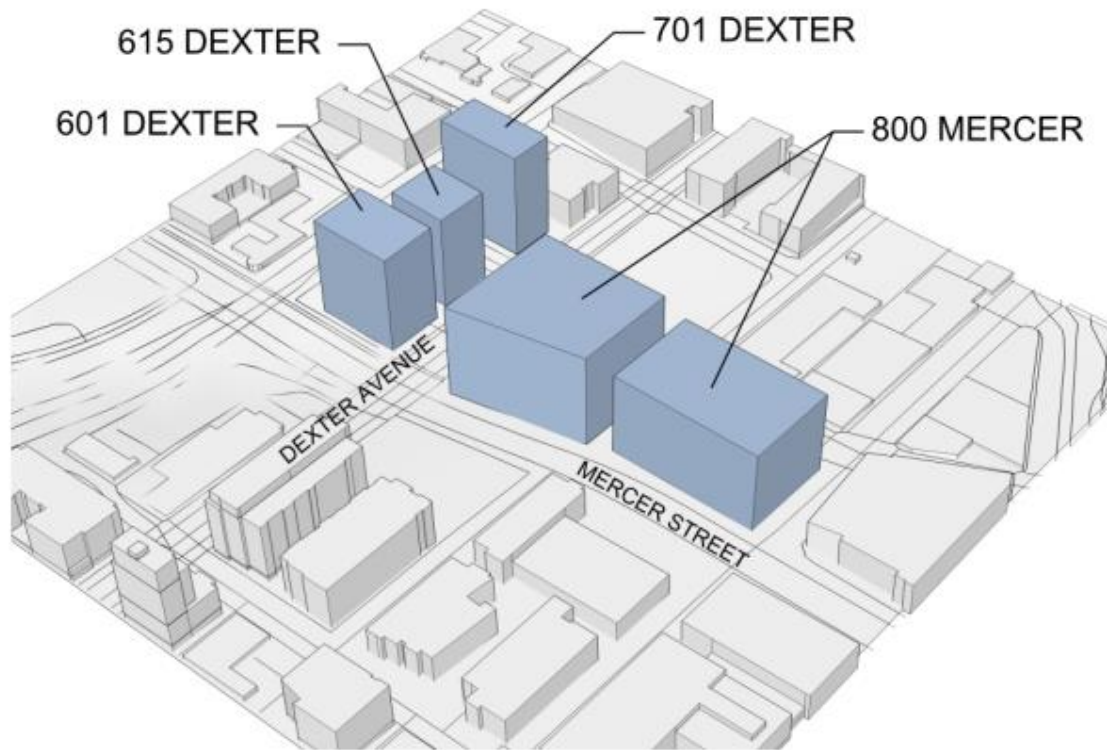
City Council adopted Resolution 31980 on December 7, 2020, providing conceptual approval for the private use in the right-of-way, subject to the terms and conditions to be established in the term permit ordinance.



## Step 2: Ordinance

Passage of the ordinance details the terms and conditions of the permit, including annual fee, maintenance obligations, indemnification, insurance, and bond requirements.

# Proposal



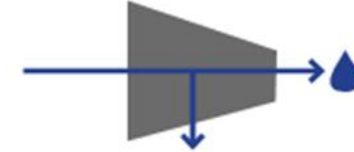
## EXTRACT & COLLECT

Tap sewage main and pipe to collection tank



## SCREEN & PROCESS

Process the raw sewage to prepare it for heat exchange  
— details depends on manufacturer



## HEAT EXCHANGE

Exchange sewage heat with condenser water system  
via specialty heat exchanger



## RETURN

Return processed sewage back to communal sewage main





# Proposal

- Sewer wastewater contains heat energy; heat is currently expelled to the atmosphere
- Repurposing this wasted resource will provide 90% of total heating requirements for 1.4 million sq. ft. occupied space
- Annual energy savings are estimated at 1,045,000 kWh/yr; enough electricity to power approximately 125 homes
- CO2 savings are estimated at 4.6 million pounds/yr; equivalent of removing 451 cars annually



# Project neighborhood - South Lake Union

601 Dexter Ave N, 701 Dexter Ave N, & 800 Mercer St

# Requested action

- SDOT is seeking Council approval of this ordinance for the private utility lines located under and across the right-of-way in South Lake Union to use excess waste heat by ARE-SEATTLE NO. 33, LLC
- If the ordinance is approved, this permit will be in place until 2036

# Questions?

amy.gray@seattle.gov | (206) 386-4638  
beverly.barnett@seattle.gov | (206) 684-3965

[www.seattle.gov/transportation](http://www.seattle.gov/transportation)







## Legislation Text

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**File #:** CB 120146, **Version:** 1

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### CITY OF SEATTLE

#### ORDINANCE \_\_\_\_\_

#### COUNCIL BILL \_\_\_\_\_

AN ORDINANCE relating to the City Light Department; accepting statutory warranty deeds to the Beeson, Brecht, Chen, Crosson, Fresonke, Judd, Marsall, McElfresh (two properties), Metzler and De Llaguno, and Rasmussen properties in Skagit County, Washington, and the Ring Family Limited Partnership property in Snohomish County, all for salmonid habitat protection purposes; declaring certain real property rights surplus and no longer required for providing public utility service or other municipal purposes, and ratifying the grants of Deeds of Right to the State of Washington on the Beeson, Brecht, Chen, Fresonke, Judd, Marblemount LLC, McElfresh properties, and Rasmussen for salmon recovery and conservation purposes; placing said lands under the jurisdiction of the City Light Department; and ratifying and confirming certain prior acts.

WHEREAS, Ordinance 121114 authorized the General Manager and Chief Executive Officer of Seattle City Light, within and subject to appropriation authority and based on appraised market value, to negotiate for and purchase parcels of land in the Skagit River and the Tolt/Snoqualmie River watersheds in furtherance of The City of Seattle's Endangered Species Act Early Action Program for salmon habitat conservation, which was approved by Resolution 29905; and

WHEREAS, under authority of Ordinance 121114, the City Light Department ("City Light") acquired the Beeson, Brecht, Chen, Crosson, Fresonke, Judd, Marsall, McElfresh, Metzler and De Llaguno, and the Ring Family Limited Partnership properties in the Skagit River watershed; and

WHEREAS, City Light's purchase of the Brecht, Chen, Judd, Metzler and De Llaguno, and the Ring Family Limited Partnership properties in the Skagit River watershed were counted as match towards the Salmon Recovery Funding Board ("SRFB") Grants used for purchases under the Early Action Program in 2018, 2019, and 2020; and

WHEREAS, RCW 35.94.040 requires a public hearing before lands and property rights originally purchased by

a city for utility purposes can be conveyed; and

WHEREAS, the SRFB Grants to The City of Seattle require City Light to convey Deeds of Right to the State of Washington, which includes conditions for purposes of salmon recovery and conservation under which properties purchased with grant funds may be used or sold; however, the conditions contained in the Deeds of Right are consistent with the purpose of The City of Seattle's Early Action Program; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The Statutory Warranty Deed executed by Lealand Lee Beeson on July 10, 2019, as Grantor, recorded under Skagit County Auditor's File Number 201907120079, a copy of which is included as Attachment 1, conveying approximately 0.43 acres located along Gilligan Creek to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on June 24, 2019, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 201907120080, a copy of which is included as Attachment 2, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 2. The Statutory Warranty Deed executed by Carl J. Brecht on June 25, 2019, as Grantor, recorded under Skagit County Auditor's File Number 201907050074, a copy of which is included as Attachment 3, conveying approximately 23 acres located along the Skagit River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on December 31, 2019, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 202001160090, a copy of which is included as Attachment 4, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 3. The Statutory Warranty Deed executed by Timothy T.K. Chen and Theresa M. Chen, Trustees

of the Chen Living Trust on May 18, 2020, as Grantors, recorded under Skagit County Auditor's File Number 202005270030, a copy of which is included as Attachment 5, conveying approximately 5 acres located along the Skagit River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on June 19, 2020, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 202009020076, a copy of which is included as Attachment 6, is hereby ratified in fulfillment of SRFB Grants, Project Number 16-1647A, Project Number 18-1502C, and Project Number 18-2117C.

Section 4. The Statutory Warranty Deed executed by Donald L. Crosson and Carol L. Crosson on November 22, 2019, as Grantors, recorded under Skagit County Auditor's File Number 201911260057, a copy of which is included as Attachment 7, conveying approximately 1.09 acres located on the Skagit River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department.

Section 5. The Statutory Warranty Deed executed by Henry J. Fresonke, Sharon M. Roberts, and Tami G. Baden on October 13, 2020, and Theresa Steele on October 12, 2020, as Grantors, recorded under Skagit County Auditor's File Number 202010140098, a copy of which is included as Attachment 8, conveying approximately 28 acres located along the Sauk River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on March 31, 2021, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 202104090117, a copy of which is included as Attachment 9, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 6. The Statutory Warranty Deed executed by Fredrick L. Judd and Terri L. Judd on December 13, 2019, as Grantor, recorded under Skagit County Auditor's File Number 201912200044, a copy of which is

included as Attachment 10, conveying approximately 4.3 acres located along Pressentin Creek to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on December 31, 2019, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 202001160091, a copy of which is included as Attachment 11, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 7. The Statutory Warranty Deed executed by Shawn R. Marsall and Jennifer A. Marsall on July 27, 2018, as Grantors, recorded under Skagit County Auditor's File Number 201807310117, a copy of which is included as Attachment 12, conveying approximately 0.5 acres located near the Skagit River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department.

Section 8. The Statutory Warranty Deed executed by Stephen D. McElfresh and Valerie Sue McElfresh on December 15, 2017, as Grantor, recorded under Skagit County Auditor's File Number 201801110039, a copy of which is included as Attachment 13, conveying approximately 5.5 acres located along the Suiattle River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on December 27, 2017, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 201801110040, a copy of which is included as Attachment 14, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 9. The Statutory Warranty Deed executed by Stephen D. McElfresh and Valerie Sue McElfresh on April 5, 2019, as Grantor, recorded under Skagit County Auditor's File Number 201904290089, a copy of which is included as Attachment 15, conveying approximately 10.9 acres located along the Suiattle River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for



said property executed by the City Light Department on April 10, 2019, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 201904290090, a copy of which is included as Attachment 16, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 10. The Statutory Warranty Deed executed by Stephen Metzler and Almudena De Llaguno on November 9, 2018, as Grantor, recorded under Skagit County Auditor's File Number 201811160098, a copy of which is included as Attachment 17, conveying approximately 61 acres located along the Skagit River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on March 31, 2021, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 202104090119, a copy of which is included as Attachment 18, is hereby ratified in fulfillment of SRFB Grants, Project Numbers 16-1647A, 16-2804, 18-2617, and 20-1326.

Section 11. The Statutory Warranty Deed executed by Gene R. Rasmussen on February 28, 2020, as Grantor, recorded under Skagit County Auditor's File Number 202002280114, a copy of which is included as Attachment 19, conveying approximately 3.5 acres located along the Cascade River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department, and pursuant to RCW 35.94.040 and after public hearing, the Deed of Right for said property executed by the City Light Department on February 11, 2020, as Grantor and State of Washington as Grantee, recorded under Skagit County Auditor's File Number 202002280116, a copy of which is included as Attachment 20, is hereby ratified in fulfillment of SRFB Grant, Project Number 16-1647A.

Section 12. The Statutory Warranty Deed executed by Riley Fogarty, Vice President and Authorized Agent of Ring Family Limited Partnership, and Monica Zuckett, Treasurer and Authorized Agent of Ring Family Limited Partnership, on December 23, 2020, as Grantor, recorded under Snohomish County Auditor's File Number 202012310107, a copy of which is included as Attachment 21, conveying approximately 133 acres

located on the Sauk River to The City of Seattle, is hereby accepted; and the real property conveyed therein is placed under the jurisdiction of the City Light Department.

Section 13. Any act consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Section 14. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

- Attachment 1 - Statutory Warranty Deed for Beeson
- Attachment 2 - Deed of Right to Use Land for Salmon Recovery Purposes for Beeson
- Attachment 3 - Statutory Warranty Deed for Brecht
- Attachment 4 - Deed of Right to Use Land for Salmon Recovery Purposes for Brecht
- Attachment 5 - Statutory Warranty Deed for Chen
- Attachment 6 - Deed of Right to Use Land for Salmon Recovery Purposes for Chen
- Attachment 7 - Statutory Warranty Deed for Crosson
- Attachment 8 - Statutory Warranty Deed for Fresonke
- Attachment 9 - Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke
- Attachment 10 - Statutory Warranty Deed for Judd
- Attachment 11 - Deed of Right to Use Land for Salmon Recovery Purposes for Judd
- Attachment 12 - Statutory Warranty Deed for Marsall
- Attachment 13 - Statutory Warranty Deed for McElfresh
- Attachment 14 - Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh
- Attachment 15 - Statutory Warranty Deed for McElfresh
- Attachment 16 - Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh
- Attachment 17 - Statutory Warranty Deed for Marblemount
- Attachment 18 - Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount
- Attachment 19 - Statutory Warranty Deed for Rasmussen
- Attachment 20 - Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen
- Attachment 21 - Statutory Warranty Deed for Ring



201907120079

07/12/2019 01:21 PM Pages: 1 of 5 Fees: \$105.50  
Skagit County Auditor

When recorded return to:

Seattle City Light  
700 5th Ave Ste 3200 Rm 3338  
PO Box 84023  
Seattle WA 98104

### STATUTORY WARRANTY DEED

THE GRANTOR(S) Leland Lee Beeson, PO Box 44, La Sal, UT 84530, GUARDIAN NORTHWEST TITLE CO.

for and in consideration of ten dollars and other valuable consideration

19-1353

in hand paid, conveys, and warrants to City of Seattle, a Municipal corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1:  
SEC 35, TWN 35, RNG 5; Ptn NW NW

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may  
appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B"  
attached hereto

Tax Parcel Number(s): P40683 & 350535-0-011-0000

Dated: 7-10-19

*Leland Lee Beeson* 7-10-2019  
Leland Lee Beeson

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

2019 2886  
JUL 12 2019

Amount Paid \$ 895.00  
Skagit Co. Treasurer  
By *man* Deputy

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1353-KH

Page 1 of 5



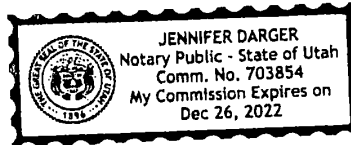
Att 1 – Statutory Warranty Deed for Beeson  
V1

STATE OF ~~WASHINGTON~~ Utah  
COUNTY OF ~~SKAGIT~~ Grand

I certify that I know or have satisfactory evidence that Leland Lee Beeson is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 10 day of July, 2019

  
Signature



Financial Service Rep  
Title

My appointment expires: 12/26/22

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1353-KH

Page 2 of 5

Att 1 – Statutory Warranty Deed for Beeson  
V1

## EXHIBIT A LEGAL DESCRIPTION

Property Address: 28023 West Gilligan Creek Road, Sedro-Woolley, WA 98284  
Tax Parcel Number(s): P40683 & 350535-0-011-0000

### Property Description:

#### PARCEL "A":

That portion of the Northwest ¼ of the Northwest ¼ of Section 35, Township 35 North, Range 5 East, W.M., lying North of the South Skagit Highway No. 360 (formerly the Puget Sound & Cascade Railway Company right-of-way) as said road existed on October 5, 1961 and the West of Gilligan Creek and Easterly of the Gilligan County Road, also known as the Joe Johnson County Road No. 284, as said road existed on October 5, 1961;

EXCEPT that portion thereof lying within the boundaries of that certain tract conveyed to the State of Washington, Department of Game, by Deed dated December 30, 1953, and recorded January 27, 1954, under Auditor's File No. 497575, and described therein as follows:

Beginning at the Northwest corner of said Section 35; thence North 88 degrees 42'27" East, a distance of 456.45 feet to the approximate centerline of Gilligan Creek; thence South 8 degrees 29'19" East, a distance of 211.32 feet, following generally the thread of said creek; thence South 68 degrees 30'12" West, a distance of 70.44 feet; thence North 64 degrees 33'36" West, a distance of 338.27 feet; thence South 30 degrees 42' West, a distance of 65.00 feet; thence North 59 degrees 18' West, a distance of 95.00 feet; thence North 1 degree 13'06" West, a distance of 86.59 feet to the point of beginning;

ALSO EXCEPT that portion conveyed to Skagit County for road purposes by Deed dated August 25, 1970 and recorded August 26, 1970 under Auditor's File No. 742816;

ALSO EXCEPT that portion thereof described as follows:

Beginning at the Northwest corner of said subdivision; thence South 0 degrees 09'47" West, along the West line of said Section, a distance of 86.59 feet; thence South 57 degrees 55'08" East, a distance of 95.00 feet to the true point of beginning of this description; thence South 57 degrees 55'08" East, a distance of 47.80 feet; thence North 77 degrees 18'51" East, a distance of 108.68 feet; thence North 63 degrees 11'28" West, a distance of 125.50 feet; thence South 32 degrees 04'08" West, a distance of 65.00 feet to the true point of beginning;

AND ALSO EXCEPT that portion thereof described as follows:

Beginning at the Northwest corner of said subdivision; thence South 0 degrees 09'47" West along the West line of said Section, a distance of 86.59 feet; thence South 57 degrees 55'08" East, a distance of 95.00 feet; thence North 32 degrees 04'08" East, a distance of 65.00 feet; thence South 63 degrees 11'28" East, a distance of 125.50 feet to the point of beginning of this description; thence South 63 degrees 11'28" East, a distance of 212.77 feet; thence North 20 degrees 07'40" West, a distance of 15.00 feet; thence North 47 degrees 09'51" West, a distance of 146.12 feet; thence South 77 degrees 18'51" West, a distance of 79.53 feet to the point of beginning.

#### PARCEL "B":

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1353-KH

Page 3 of 5

Att 1 – Statutory Warranty Deed for Beeson  
V1

That portion of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 35, Township 35 North, Range 5 East, W.M., described as follows:

Beginning at the Northwest corner of said Section 35; thence South 009'47" West, along the West line of said Section, a distance of 86.59 feet; thence South 57 degrees 55'08" East, a distance of 95.00 feet; thence North 32 degrees 04'08" East, a distance of 65.00 feet; thence South 63 degrees 11'28" East, a distance of 125.50 feet to the point of beginning of this description; thence South 63 degrees 11'28" East, a distance of 212.77 feet; thence North 20 degrees 07'40" West, a distance of 15.00 feet; thence North 47 degrees 09'51" West, a distance of 146.12 feet; thence South 77 degrees 18'51" West, a distance of 79.53 feet to the point of beginning;

(Also known as Tract A of survey recorded under Auditor's File No. 894249, in Volume 2 of Surveys, page 137, records of Skagit County, Washington.)

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1353-KH

Page 4 of 5

Att 1 – Statutory Warranty Deed for Beeson  
V1

## **EXHIBIT B**

19-1353-KH

1. Easement, affecting a portion of subject property for the purpose of To construct, maintain and operate transmission lines for transmitting electric power including terms and provisions thereof granted to Skagit Improvement Co., a corporation recorded July 29, 1912 as Auditor's File No. 92306, in Volume 90 of Deeds, page 105

2. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded January 5, 1979 as Auditor's File No. 894249.

The company calls attention to provisions contained in Washington Uniform Common Interest Ownership Act, Senate Bill 6175 providing that Plats recorded after July 1, 2018, and older Plats that have opted in, that meet the requirements under Senate Bill 6175 will require delivery to the Proposed Purchaser of either a "Public Offering Statement" or "Resale Certificate".

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1353-KH

Page 5 of 5





**201907120080**

07/12/2019 01:21 PM Pages: 1 of 8 Fees: \$108.50  
Skagit County Auditor

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

GUARDIAN NORTHWEST TITLE CO.

14-1353

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated  
Legal

Description: Section 35, Township 35, Range 5; Ptn. NW NW

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax  
Parcel Number: P 40683, Skagit County



Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery



purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

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Att 2 – Deed of Right to Use Land for Salmon Recovery Purposes for Beeson  
V1

**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: *Lynn Best*

Name: Lynn Best

Title: Chief Environmental Officer, Environment, Land, and Licensing Division

Dated this 24 day of June, 2019

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Lynn Best is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Director for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

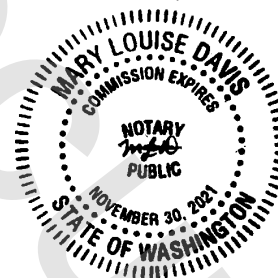
Dated: June 24<sup>th</sup> 2019

Signed: Mary Louise Davis

Printed Name: Mary Louise Davis

Notary Public in and for the State of Washington,  
residing in Edmonds, WA.

My commission expires November 30, 2021



*KC*



Att 2 – Deed of Right to Use Land for Salmon Recovery Purposes for Beeson  
V1

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Kaleen Cottingham

Name: Kaleen Cottingham

Title: Director

Dated this 12<sup>th</sup> day of June, 2019

STATE OF WASHINGTON )  
COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that Kaleen Cottingham is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

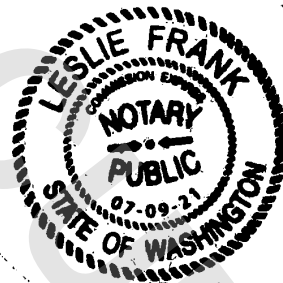
Dated: June 12, 2019

Signed: Leslie Frank

Notary Public in and for the State of Washington,

residing in Thurston County

My commission expires 7-9-21



166

## EXHIBIT A

### Legal Description

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is

That portion of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 35, Township 35 North, Range 5 East, W.M., described as follows:

**PARCEL "A":**

That portion of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 35, Township 35 North, Range 5 East, W.M., lying North of the South Skagit Highway No. 360 (formerly the Puget Sound & Cascade Railway Company right-of-way) as said road existed on October 5, 1961 and the West of Gilligan Creek and Easterly of the Gilligan County Road, also known as the Joe Johnson County Road No. 284, as said road existed on October 5, 1961;

EXCEPT that portion thereof lying within the boundaries of that certain tract conveyed to the State of Washington, Department of Game, by Deed dated December 30, 1953, and recorded January 27, 1954, under Auditor's File No. 497575, and described therein as follows:

Beginning at the Northwest corner of said Section 35; thence North 88 degrees 42'27" East, a distance of 456.45 feet to the approximate centerline of Gilligan Creek; thence South 8 degrees 29'19" East, a distance of 211.32 feet, following generally the thread of said creek; thence South 68 degrees 30'12" West, a distance of 70.44 feet; thence North 64 degrees 33'36" West, a distance of 338.27 feet; thence South 30 degrees 42' West, a distance of 65.00 feet; thence North 59 degrees 18' West, a distance of 95.00 feet; thence North 1 degree 13'06" West, a distance of 86.59 feet to the point of beginning;

ALSO EXCEPT that portion conveyed to Skagit County for road purposes by Deed dated August 25, 1970 and recorded August 26, 1970 under Auditor's File No. 742816;

ALSO EXCEPT that portion thereof described as follows:

Beginning at the Northwest corner of said subdivision; thence South 0 degrees 09'47" West, along the West line of said Section, a distance of 86.59 feet; thence South 57 degrees 55'08" East, a distance of 95.00 feet to the true point of beginning of this description; thence South 57 degrees 55'08" East, a distance of 47.80 feet; thence North 77 degrees 18'51" East, a distance of 108.68 feet; thence North 63 degrees 11'28" West, a distance of 125.50 feet; thence South 32 degrees 04'08" West, a distance of



Att 2 – Deed of Right to Use Land for Salmon Recovery Purposes for Beeson  
V1

65.00 feet to the true point of beginning;

AND ALSO EXCEPT that portion thereof described as follows:

Beginning at the Northwest corner of said subdivision; thence South 0 degrees 09'47" West along the West line of said Section, a distance of 86.59 feet; thence South 57 degrees 55'08" East, a distance of 95.00 feet; thence North 32 degrees 04'08" East, a distance of 65.00 feet; thence South 63 degrees 11'28" East, a distance of 125.50 feet to the point of beginning of this description; thence South 63 degrees 11'28" East, a distance of 212.77 feet; thence North 20 degrees 07'40" West, a distance of 15.00 feet; thence North 47 degrees 09'51" West, a distance of 146.12 feet; thence South 77 degrees 18'51" West, a distance of 79.53 feet to the point of beginning.

PARCEL "B":

That portion of the Northwest 1/4 of the Northwest 1/4 of Section 35, Township 35 North, Range 5 East, W.M., described as follows:

Beginning at the Northwest corner of said Section 35; thence South 009'47" West, along the West line of said Section, a distance of 86.59 feet; thence South 57 degrees 55'08" East, a distance of 95.00 feet; thence North 32 degrees 04'08" East, a distance of 65.00 feet; thence South 63 degrees 11'28" East, a distance of 125.50 feet to the point of beginning of this description; thence South 63 degrees 11'28" East, a distance of 212.77 feet; thence North 20 degrees 07'40" West, a distance of 15.00 feet; thence North 47 degrees 09'51" West, a distance of 146.12 feet; thence South 77 degrees 18'51" West, a distance of 79.53 feet to the point of beginning;

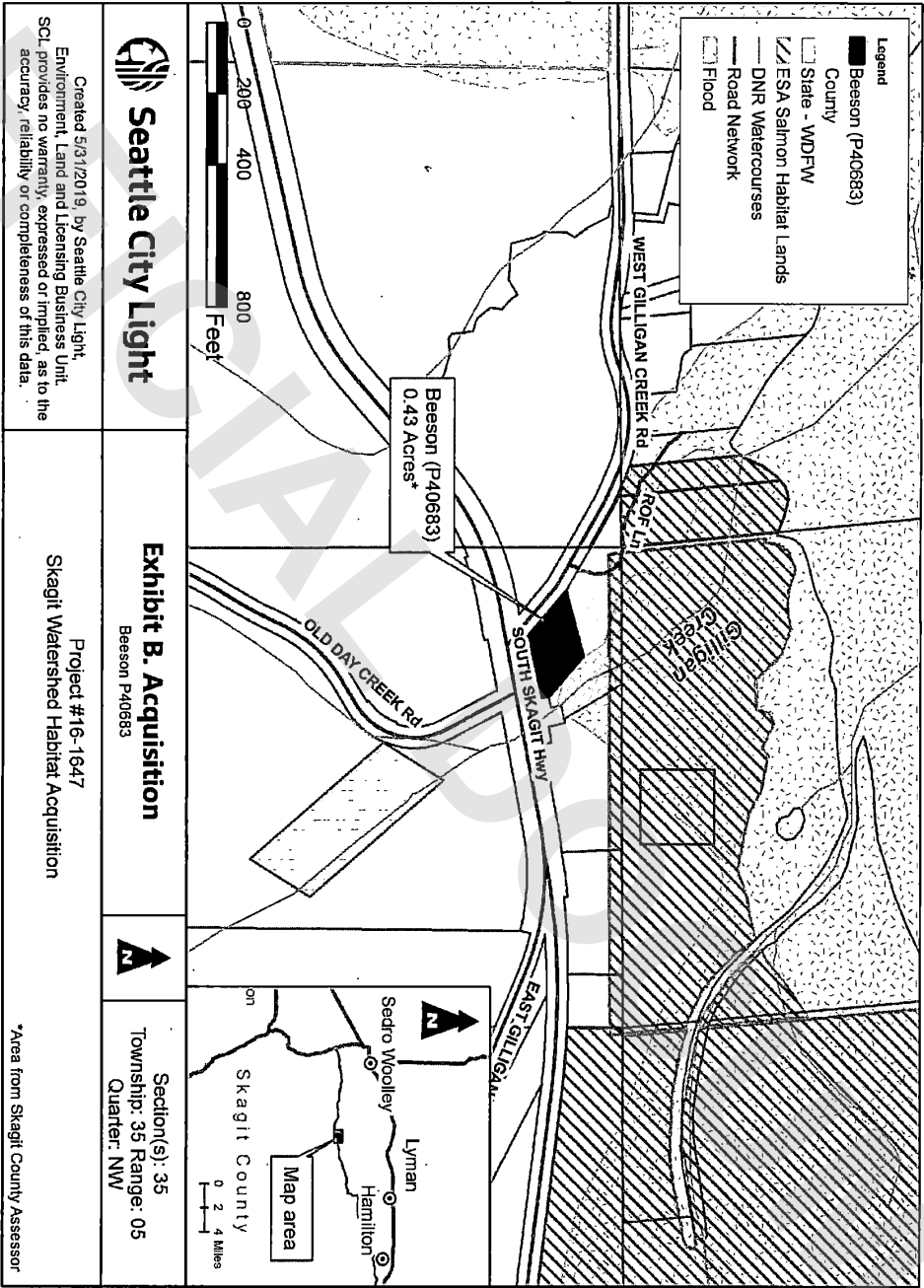
(Also known as Tract A of survey recorded under Auditor's File No. 894249, in Volume 2 of Surveys, page 137, records of Skagit County, Washington.)



Att 2 – Deed of Right to Use Land for Salmon Recovery Purposes for Beeson  
V1

KL

Page 8 of 8







**201907050074**

07/05/2019 01:42 PM Pages: 1 of 4 Fees: \$104.50  
Skagit County-Auditor

When recorded return to:

City of Seattle  
700 5th Avenue, Ste 3200 Room 3338  
Seattle, WA 98104

### STATUTORY WARRANTY DEED

THE GRANTOR(S) Carl J. Brecht, 2118 143rd Pl SE, Mill Creek, WA 98012, **GUARDIAN NORTHWEST TITLE CO.**

for and in consideration of **ten dollars and other valuable consideration**

19-1683

in hand paid, conveys, and warrants to City of Seattle, a Municipal Corporation

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1: Sec 15, Twn 35 N, Rng 8 E; Ptn Gov't Lot 7

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): P43919 & 350815-0-007-0007

Dated: 6-25-19

Carl J. Brecht  
Carl J. Brecht

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

2019 2774  
JUL 05 2019

Amount Paid \$ 5701.00  
Skagit Co. Treasurer  
By nam Deputy

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1683-KH

Page 1 of 4

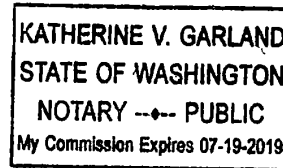
STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Carl J. Brecht is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 25<sup>th</sup> day of July, 2019

Katherine V. Garland  
Signature

Notary Public  
Title



My appointment expires: **07/19/2019**

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: 45389 Concrete Sauk Valley Road, Concrete, WA 98237  
Tax Parcel Number(s): P43919 & 350815-0-007-0007

**Property Description:**

That portion of Government Lot 7 and of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , if any, in Section 15, Township 35 North, Range 8 East, W.M., lying Northerly of the County road known as the South Skagit Highway and as the Sauk Valley Road, except roads and except the following described tract:

Commencing at a point where the West boundary of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  or Lot 7, intersects the North boundary of County road (South Skagit Highway), the true point of beginning, within Section 15, Township 35 North, Range 8 East, W.M.; thence in an Easterly direction along said North boundary of said County road a distance of 175 feet; thence due North to the South Bank of Skagit River; thence in a general Southwesterly direction along said South Bank of Skagit River to intersection with West boundary of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  or Lot 7 of said Section 15, Township 35 North, Range 8 East, W.M.; thence South to the point of beginning. Also known as Parcel C, survey recorded November 29, 1974, under Auditor's File No. 810620.

**EXHIBIT B**  
19-1683-KH

1. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the Skagit River, or its banks, or which may result from such change in the future.

2. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name: Survey  
Recorded: November 29, 1974  
Auditor's No.: 810620

3. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: Raymond E. Arnold and Maxine P. Arnold  
Dated: October 14, 1991  
Recorded: October 23, 1991  
Auditor's No. 9110230037  
Purpose: To discharge water  
Area Affected: Exact location undisclosed



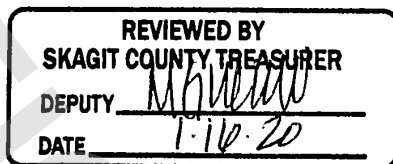
- Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht V1



**202001160090**

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

01/16/2020 03:31 PM Pages: 1 of 7 Fees: \$109.50  
Skagit County Auditor



GUARDIAN NORTHWEST TITLE CC.  
**DEED OF RIGHT TO USE LAND FOR** 19-1683  
**SALMON RECOVERY PURPOSES**

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON STATE SALMON RECOVERY FUNDING BOARD and the WASHINGTON STATE RECREATION AND CONSERVATION OFFICE, including any successor agencies.

Abbreviated

Legal

Description: Section 15, Township 35 North, Range 8 East; Ptn. Gov't Lot 7

More particularly described in Exhibit "A" (Legal Description), and as depicted in Exhibit "B" (Property Map).

Assessor's Property Tax Parcel Number: P 43919, Skagit County

This document supersedes and replaces Skagit County Auditor's File No. 201907050075

Reference Numbers of Documents Assigned or Released: None.



Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht  
V1

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017 and Skagit Watershed Habitat Acquisition II, Project Number 18-1502C signed by the Grantor on the 2<sup>nd</sup> day of January, 2019 and by the Grantee on the 5<sup>th</sup> day of February, 2019 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the



- Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht V1

creation of any property interest that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

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REMAINDER OF PAGE IS INTENTIONALLY BLANK; SIGNATURE PAGES FOLLOW



- Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht V1

**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: 

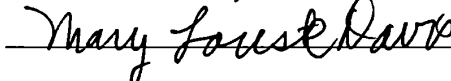
Name: Lynn Best

Title: Chief Environmental Officer, Environment, Land, and Licensing Division

Dated this 31 day of December 2019

STATE OF WASHINGTON     )  
   ) ss  
 COUNTY OF KING         )

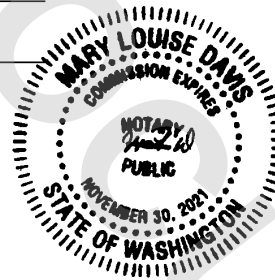
I certify that I know or have satisfactory evidence that Lynn Best is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Director for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 31, 2019Signed: 

Printed Name: Mary Louise Davis

Notary Public in and for the State of Washington,  
 residing in Edmonds, WA.

My commission expires November 30, 2021



A small rectangular box containing the handwritten initials "SPL".



- Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht V1

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 24<sup>th</sup> day of December, 2019

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF Thurston )

I certify that I know or have satisfactory evidence that Scott T. Robinson is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: 12/24/19

Signed: Kathleen M. Barkis

Notary Public in and for the State of Washington,

residing in Leavenworth, WA.

My commission expires 12-1-22.



SK

Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht  
V1

## EXHIBIT A

### Legal Description

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

That portion of Government Lot 7 and of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , if any, in Section 15, Township 35 North, Range 8 East, W.M., lying Northerly of the County road known as the South Skagit Highway and as the Sauk Valley Road, except roads and except the following described tract:

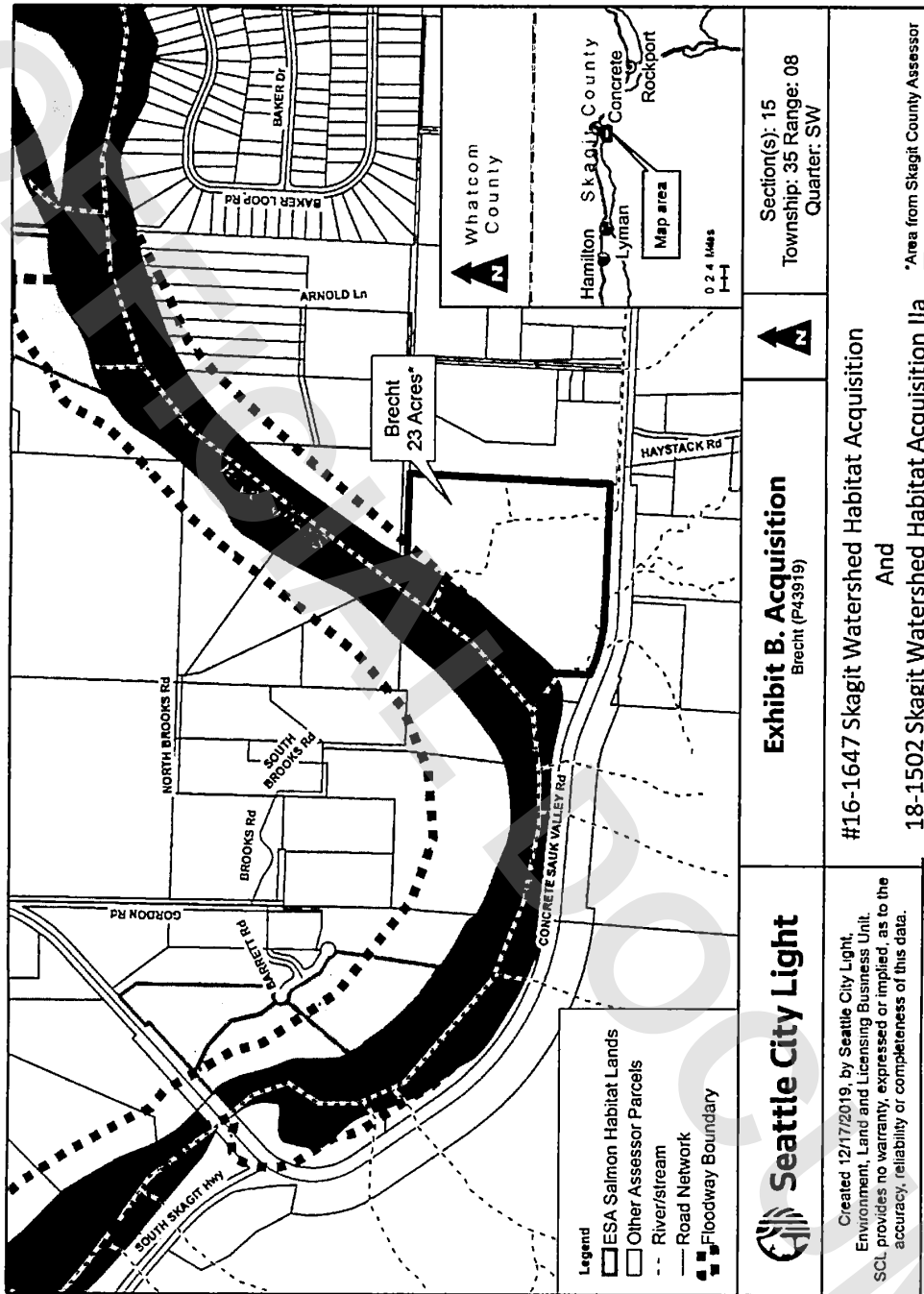
Commencing at a point where the West boundary of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  or Lot 7, intersects the North boundary of County road (South Skagit Highway), the true point of beginning, within Section 15, Township 35 North,

Range 8 East, W.M.; thence in an Easterly direction along said North

boundary of said County road a distance of 175 feet; thence due North to the South Bank of Skagit River; thence in a general Southwesterly direction along said South Bank of Skagit River to intersection with West boundary of the Southeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  or Lot 7 of said Section 15, Township 35 North, Range 8 East, W.M.; thence South to the point of beginning. Also known as Parcel C, survey recorded November 29, 1974, under Auditor's File No. 810620.



- Att 4 – Deed of Right to Use Land for Salmon Recovery Purposes for Brecht V1



STR

COPY RECEIVED

2020 JUN 24 PM 10:03

SEATTLE CITY ATTORNEY

When recorded return to:

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

The City of Seattle  
PO Box 34023  
Seattle, WA 98104

Affidavit No. 2020-1809  
May 27 2020  
Amount Paid \$2085.00  
Skagit County Treasurer  
By Marissa Guerrero Deputy

## STATUTORY WARRANTY DEED

GNW 19-3939

THE GRANTOR(S) Timothy T. K. Chen and Theresa M. Chen, Trustees of the Chen Living Trust dated July 3, 2015, 129 Pendleton Way, No. 128, Washougal, WA 98671,

for and in consideration of ten dollars and other valuable consideration

in hand paid, conveys, and warrants to City of Seattle, a municipal corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1:

Ptn. Gov. Lot 2, Section 28 & Ptn. Gov. Lot 2, Section 29, all in Township 35 North, Range 9 (aka Lot 1, SP 525-83)

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): P44878.

Dated: May 18, 2020

Chen Living Trust

By: Timothy T.K. Chen

Timothy T.K. Chen, Trustee

By: Theresa M. Chen

Theresa M. Chen, Trustee

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-3939-KH

Page 1 of 4



STATE OF WASHINGTON  
COUNTY OF SKAGIT *Clark*

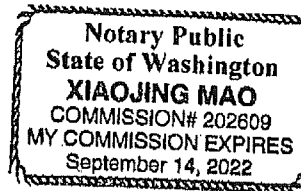
I certify that I know or have satisfactory evidence that Timothy T.K. Chen and Theresa M. Chen, Trustees of Chen Living Trust is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: *18th* day of May, 2020

Signature

Title

My appointment expires:



**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: 50050 Concrete Sauk Valley Road, Concrete, WA 98237  
Tax Parcel Number(s): P44878

**Property Description:**

Lot 1 of Skagit County Short Plat No. 525-83, entitled "Bullard Park", approved April 6, 1983, and recorded April 22, 1983, in Volume 6 of Short Plats, page 57, under Auditor's File No. 8304220002, records of Skagit County, Washington; being a portion of Government Lot 2, Section 28, and the East Half of Government Lot 2, Section 29, all in Township 35 North, Range 9 East of the Wilamette Meridian.

Situated in Skagit County, Washington.

## EXHIBIT B

19-3939-KH

1. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Short Plat No. 525-83, "Bullard Park" recorded April 22, 1983 as Auditor's File No. 8304220002.

The company calls attention to provisions contained in Washington Uniform Common Interest Ownership Act, Senate Bill 6175 providing that Plats recorded after July 1, 2018, and older Plats that have opted in, that meet the requirements under Senate Bill 6175 will require delivery to the Proposed Purchaser of either a "Public Offering Statement" or "Resale Certificate".

2. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the Skagit River, or its banks, or which may result from such change in the future.

3. Right of the general public to the unrestricted use of all the waters of a navigable body of water, not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)

4. Right of the State of Washington in and to that portion, if any, of the property herein described which lies below the line ordinary high water of Skagit River.

Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen  
V1

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

REVIEWED BY  
SKAGIT COUNTY TREASURER  
DEPUTY Marissa Guerrero  
DATE 09/02/2020

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

GNW 19-3939

Grantor: City of Seattle acting by and through Seattle City Light Department

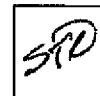
Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated  
Legal

Description: Lot 1, Skagit County Short Plat No. 525-83

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax  
Parcel Number: P 44878, Skagit County





Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen  
VI

Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017, Skagit Watershed Habitat Acquisition II(a), Project Number 18-1502C signed by the Grantor on the 2<sup>nd</sup> day of January, 2019 and by the Grantee on the 5<sup>th</sup> day of February, 2019 and Skagit Watershed Habitat Acquisition II(b), Project Number 18-2617C signed by the Grantor on the 10<sup>th</sup> day of January, 2019 and by the Grantee on the 28<sup>th</sup> day of January, 2019 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that



Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen  
VI

is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement.

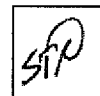
Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.



**GRANTOR:**

By: Tom DiBoni

Dated this 21<sup>st</sup> day of August, 2020

STATE OF WASHINGTON                    )  
  ) ss  
COUNTY OF KING                        )

I certify that I know or have satisfactory evidence that Tom DeBoer is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Chief Environmental Officer for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 8/21/2020

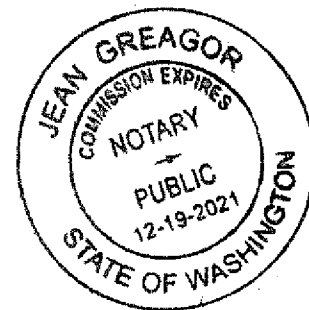
Signed: \_\_\_\_\_

Printed Name: Jean Gregor

Notary Public in and for the State of Washington,

residing in Shoreline, WA.

My commission expires 12-19-2021



STN

Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen  
VI

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 8TH day of July, 2020

STATE OF WASHINGTON )  
COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that Scott T. Robinson is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

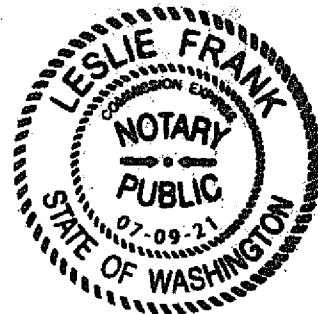
Dated: July 8, 2020

Signed: Leslie Frank

Notary Public in and for the State of Washington,

residing in Thurston County.

My commission expires 7-9-21.



5/10



Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen  
V1

## EXHIBIT A

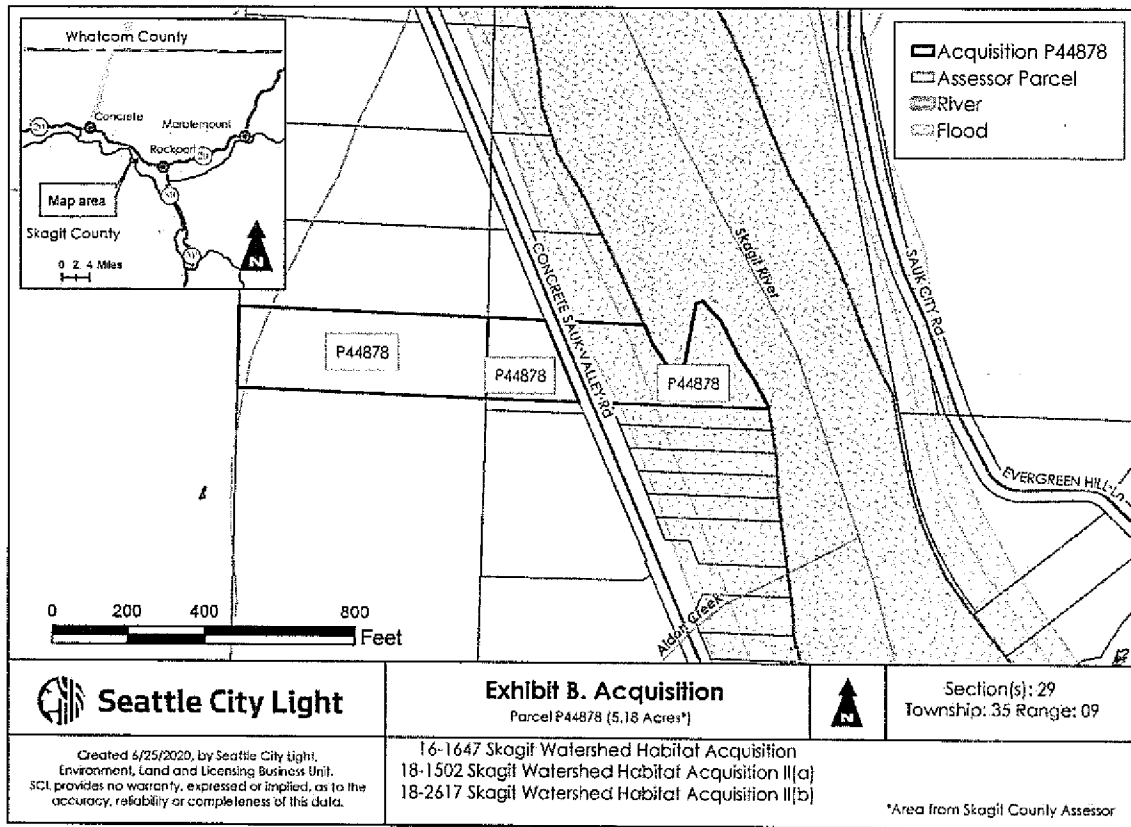
### Legal Description

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

Lot 1 of Skagit County Short Plat No. 525-83, entitled "Bullard Park", approved April 6, 1983, and recorded April 22, 1983, in Volume 6 of Short Plats, page 57, under Auditor's File No. 8304220002, records of Skagit County, Washington; being a portion of Government Lot 2, Section 28, and the East Half of Government Lot 2, Section 29, all in Township 35 North, Range 9 East of the Wilamette Meridian.



Att 6 – Deed of Right to Use Land for Salmon Recovery Purposes for Chen  
V1



510



**201911260057**

11/26/2019 10:51 AM Pages: 1 of 4 Fees: \$106.50  
Skagit County Auditor

When recorded return to:

City of Seattle  
P.O. Box 34023  
Seattle, WA 98124

*Seattle City Light Real Estate Services*  
*Attn: Mary Davis*  
*SMT Room 3338*

### STATUTORY WARRANTY DEED

THE GRANTOR(S) Donald L. Crosson and Carol L. Crosson, a married couple, PO Box 101, Tokeland, WA 98590,

for and in consideration of **ten dollars and other valuable consideration**

in hand paid, conveys, and warrants to City of Seattle, a Municipal Corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1: Lots 1 and 2, Skagit Steelhead Tracts

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): P69512 & 4012-000-002-0006 & P69511 & 4012-000-001-0007

Dated: 11-22-19

*Donald L. Crosson*  
Donald L. Crosson

*Carol L. Crosson*  
Carol L. Crosson

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX  
2019-5159  
NOV 26 2019

Amount Paid \$ *2408.00*  
Skagit Co. Treasurer  
By *mam* Deputy

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-2107-KH

Page 1 of 4

Att 7 – Statutory Warranty Deed for Crosson  
V1

STATE OF WASHINGTON  
COUNTY OF ~~SKAGIT~~ Greys Harbor

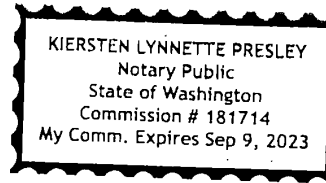
I certify that I know or have satisfactory evidence that Donald L. Crosson and Carol L. Crosson is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 22<sup>nd</sup> day of November, 2019

[Signature]  
Signature

Branch Asst. Manager  
Title

My appointment expires: 09/09/2023



Statutory Warranty Deed  
LPB 10-05

Order No.: 19-2107-KH

Page 2 of 4



Att 7 – Statutory Warranty Deed for Crosson  
V1

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: 50075 Concrete Sauk Valley Road, Concrete, WA 98237  
Tax Parcel Number(s): P69512 & 4012-000-002-0006 & P69511 & 4012-000-001-0007

**Property Description:**

Lots 1 and 2, "The Plat of Skagit Steelhead Tracts", as per Plat recorded in Volume 8 of Plats, Page 10, records of Skagit County, Washington.

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-2107-KH

Page 3 of 4

**EXHIBIT B**

19-2107-KH

1. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the River/Creek herein named, or its banks, or which may result from such change in the future.

River/Creek: Skagit River

2. Terms, provisions and reservations under the Submerged Land Act (43 USCA 1301 through 1311) and the rights of the United States of America to regulate commerce, navigation, flood control, fishing and production of power.

3. Right of the State of Washington in and to that portion, if any, of the property herein described which lies below the line of ordinary high water of Skagit River.

4. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Skagit Steelhead Tracts recorded October 11, 1960 as Auditor's File No. 599653.

5. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded September 2, 1994 as Auditor's File No. 9409020027.

6. Regulatory notice/agreement regarding Protected Critical Area Site Plan that may include covenants, conditions and restrictions affecting the subject property, recorded May 29, 2003 as Auditor's File No. 200305290083 .

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice. Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

7. Regulatory notice/agreement regarding Special Flood Hazard Zone that may include covenants, conditions and restrictions affecting the subject property, recorded July 3, 2003 as Auditor's File No. 200307030116 .

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice. Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-2107-KH

Page 4 of 4

When recorded return to:

City of Seattle  
Attn: Karlee Gaskill Room SMT3338  
700 – 5<sup>th</sup> Ave Ste 3200 PO Box 34023  
Seattle, WA 98124-4023

**STATUTORY WARRANTY DEED** GNW 19-3229

THE GRANTOR(S) Henry J. Fresonke, as his separate estate as to Parcels "A" and "B" and in Henry J. Fresonke, Sharon M. Roberts, Theresa Steele, and Tami G. Baden, each as their separate estate as to Parcel "C", 7625 79<sup>th</sup> Ave SE, Snohomish, WA 98290,

for and in consideration of **ten dollars and other valuable consideration**

in hand paid, conveys, and warrants to City of Seattle, a municipal corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

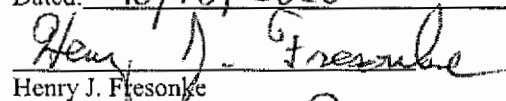
FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

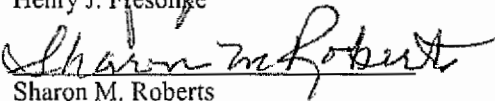
Abbreviated legal description: Property 1:  
Portions of the SW 1/4 of Sec. 5, Twp. 33 N., R. 10 E., W.M.

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

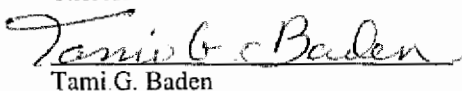
Tax Parcel Number(s): P18618, P18630 and P18622

Dated: 10/13/2020

  
Henry J. Fresonke

  
Sharon M. Roberts

Theresa Steele

  
Tami G. Baden

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

Affidavit No. 2020-4213

Oct 14 2020

Amount Paid \$485.00  
Skagit County Treasurer  
By Bridget Ibarra Deputy

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-3229-KH

Page 1 of 7

Page 1 of 5

STATE OF WASHINGTON  
COUNTY OF SKAGIT

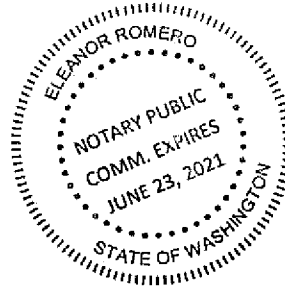
I certify that I know or have satisfactory evidence that Henry J. Fresonke, Sharon M. Roberts, ~~Theresa Steele~~ and Tami G. Baden is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 13<sup>th</sup> day of October, 2020

Eleanor Romero  
Signature

Notary  
Title

My appointment expires: 6/23/2021





When recorded return to:

City of Seattle  
Attn: Karlee Gaskill Room SMT3338  
700 - 5<sup>th</sup> Ave Ste 3200 PO Box 34023  
Seattle, WA 98124-4023

## STATUTORY WARRANTY DEED

THE GRANTOR(S) Henry J. Fresonke, as his separate estate as to Parcels "A" and "B" and in Henry J. Fresonke, Sharon M. Roberts, Theresa Steele, and Tami G. Baden, each as their separate estate as to Parcel "C", 7625 79th Ave SE, Snohomish, WA 98290,

for and in consideration of ten dollars and other valuable consideration

in hand paid, conveys, and warrants to City of Seattle, a municipal corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1:  
Portions of the SW 1/4 of Sec. 5, Twp. 33 N., R. 10 E., W.M.

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): P18618, P18630 and P18622

Dated: 10/12/2020

Henry J. Fresonke

Sharon M. Roberts

Theresa Steele  
Theresa Steele

Tami G. Baden

STATE OF WASHINGTON- *Montana Ek*  
COUNTY OF SKAGIT *Flathead Ek*

I certify that I know or have satisfactory evidence that Henry J. Fresonke, Sharon M. Roberts, Theresa Steele and Tami G. Baden is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

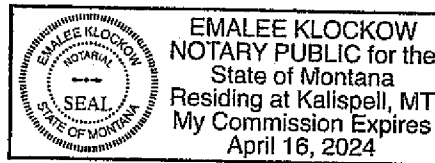
Dated: *12<sup>th</sup>* day of October, 2020 by *Theresa Steele (only)*

*Emalee Klockow*

Signature

*Notary Public*

Title



My appointment expires: *April 16<sup>th</sup>, 2024*

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: State Route 530, Concrete, WA 98237  
Tax Parcel Number(s): P18618, P18630 and P18622

Property Description:

Parcel "A":

The South 1/2 of the South 1/2 of Government Lot 6 of Section 5, Township 33 North, Range 10 East, W.M.

Parcel "B":

The South 1/2 of the South 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 5, Township 33 North, Range 10 East, W.M. EXCEPT that portion thereof conveyed to Skagit County for road purposes by deed recorded March 13, 1958 as Auditor's File No. 562806.

Parcel "C":

The North 326 feet of Government Lot 7 of Section 5, Township 33 North, Range 10 East, W.M.

**EXHIBIT B**  
19-3229-KH

1. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the Sauk River, or its banks, or which may result from such change in the future.
2. Right of the general public to the unrestricted use of all the waters of a navigable body of water, not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)
3. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded 04/29/2008 as Auditor's File No. 200804290139. Said Survey is of SR 530.
4. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded 07/06/1977 as Auditor's File No. 859895.
5. Easement, affecting a portion of subject property for the purpose of ingress and egress including terms and provisions thereof granted to Philip W. Depree et al recorded 04/19/1978 as Auditor's File No. 877839. Affects: Parcels "A" and "B".
6. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Short Plat No. 91-77 recorded 01/11/1978 as Auditor's File No. 871787. Affects the North line of Parcels "A" and "B".
7. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded 11/07/1977 as Auditor's File No. 868169. Affects: Parcel "C".
8. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded 04/17/1998 as Auditor's File No. 9804170060. Affects: North line of Parcels "A" and "B".
9. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Survey recorded 10/21/2004 as Auditor's File No. 200410210079. Affects: North line of Parcels "A" and "B".
10. Easement, affecting a portion of subject property for the purpose of right-of-way including terms and provisions thereof granted to the Sound Timber Company recorded 02/24/1928 as Auditor's File No. 210849. Said Easement was a recording of a Judgment entered in Skagit County Cause No. 12631.
11. Easement and provisions contained therein, affecting a portion of subject property, as created or disclosed by

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-3229-KH

Page 6 of 7

Page 4 of 5



instrument for the purpose of access and utilities, in favor of undisclosed, recorded 03/02/1982 as Auditor's File No. 8203020021. Affects: Parcel "C".

Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke  
VI

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

REVIEWED BY  
SKAGIT COUNTY TREASURER  
DEPUTY Heather Beauvais  
DATE 04/09/2021

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

*GNW 19-3229*

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

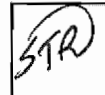
Abbreviated  
Legal

Description: Portions of the SW ¼ of Section 5, Township 33 North, Range 10 East,  
WM

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax

Parcel Number: P 18618, 18630, and 18622, Skagit County



Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke  
VI

Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery



Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke  
VI

purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

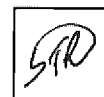
This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

---

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FOLLOW





**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: Tam D. Bon

Name: Tom DeBoer

Title: Chief Environmental Officer, Environment, Land, and Licensing Business Unit

Dated this 31 day of March, 2021

[illegible]

I certify that I know or have satisfactory evidence that Tom DeBoer is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Chief Environmental Officer, Environment, Land, and Licensing Business Unit, Seattle City Light for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 3/3/2021

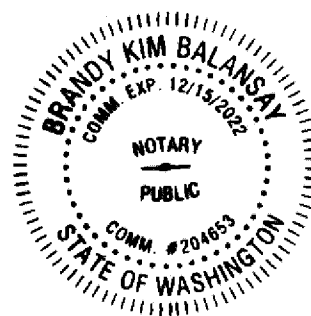
Signed: 

Printed Name: Brandy Kim Balansay

Notary Public in and for the State of Washington,

residing in Seattle, WA.

My commission expires 12/15/2022



512

Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke  
VI

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 18th day of March, 2021

STATE OF WASHINGTON )  
COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that Scott T. Robinson is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

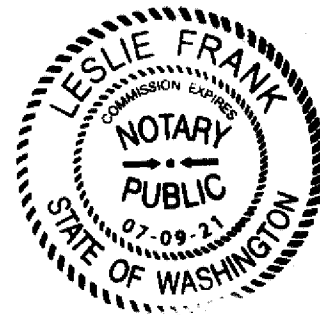
Dated: March 18, 2021

Signed: Leslie Frank

Notary Public in and for the State of Washington,

residing in Thurston County

My commission expires 7-9-21



SR

Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke  
VI

## EXHIBIT A

### Legal Description

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

Parcel "A":

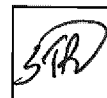
The South 1/2 of the South 1/2 of Government Lot 6 of Section 5, Township 33 North, Range 10 East, W.M.

Parcel "B":

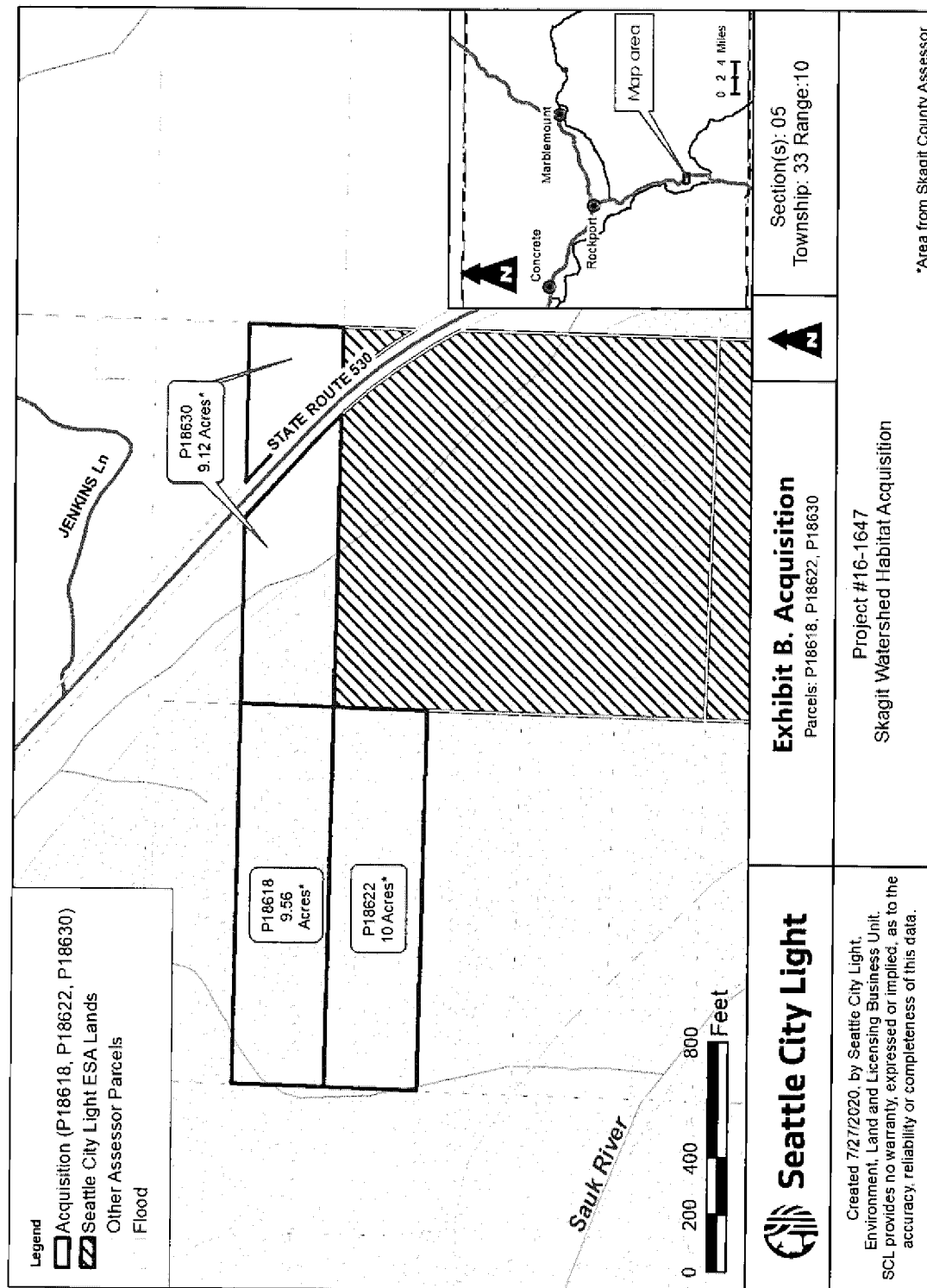
The South 1/2 of the South 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 5, Township 33 North, Range 10 East, W.M. EXCEPT that portion thereof conveyed to Skagit County for road purposes by deed recorded March 13, 1958 as Auditor's File No. 562806.

Parcel "C":

The North 326 feet of Government Lot 7 of Section 5, Township 33 North, Range 10 East, W.M.



Att 9 – Deed of Right to Use Land for Salmon Recovery Purposes for Fresonke  
VI







**201912200044**

12/20/2019 10:47 AM Pages: 1 of 7 Fees: \$109.50  
Skagit County Auditor

When recorded return to:

City of Seattle, a Municipal Corporation of the State of Washington  
PO Box 34023  
Seattle, WA 98124

**STATUTORY WARRANTY DEED**

19-1361

GUARDIAN NORTHWEST TITLE CO.

THE GRANTOR(S) Fredrick L. Judd and Terri L. Judd, husband and wife, 1310 Fruitdale Road, Sedro-Woolley,  
WA 98284,

for and in consideration of **ten dollars and other valuable consideration**

in hand paid, conveys, and warrants to City of Seattle, a Municipal Corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1: SEC 14, TWN 35 N, RNG 7 E; Ptn S 1/2 - SW 1/4 (aka Lots A, B & C,  
SP # 32-72)

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may  
appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B"  
attached hereto

Tax Parcel Number(s): P42573 & 350713-0-021-0002 & P102250 & 350713-0-021-0101 & P102251 & 350713-0-  
021-0200

Dated:

12-13-2019

Fredrick L. Judd

Terri L. Judd

2019-5479  
SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

DEC 20 2019

Amount Paid \$3,298.00  
Skagit Co. Treasurer

By Deputy

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1361-KH

Page 1 of 7

STATE OF WASHINGTON  
COUNTY OF SKAGIT

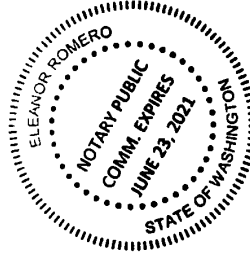
I certify that I know or have satisfactory evidence that Fredrick L. Judd and Terri L. Judd is the person who appeared before me, and said person acknowledged that ~~he/she~~ signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 17<sup>th</sup> day of December, 2019

Eleanor Romero  
Signature

Notary  
Title

My appointment expires: 6/23/2021



**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: NHN South Skagit Highway, Concrete, WA 98237  
Tax Parcel Number(s): P42573 & 350713-0-021-0002 & P102250 & 350713-0-021-0101 & P102251 & 350713-0-021-0200

**Property Description:**

Lots A, B and C of Short Plat No. 32-72, as approved on May 17, 1972, also known as Lots A, B and C of Record of Survey, recorded on June 3, 1994 as Auditor's File No. 9406030068, records of Skagit County, Washington; being a portion of the South half of the Southwest quarter of Section 13, Township 35 North, Range 7 East of W.M.

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1361-KH

Page 3 of 7

## EXHIBIT B

19-1361-KH

### 1. EASEMENT AND PROVISIONS THEREIN:

Grantee:  
Puget Sound Power and Light Company  
Recorded:  
October 3, 1956  
Auditor's No.:  
542374  
Purpose:  
Electric transmission and/or distribution line, together with necessary appurtenances

### 2. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: John A. Johnson and Cora M. Johnson, husband and wife  
Recorded:  
April 13, 1971  
Auditor's No.  
751023  
Purpose:  
A right of easement over and across an existing road  
Area Affected:  
East 50 feet of said premises, or over and across any improvement of said existing road

### 3. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee:  
Freeman G. Macomber and Doris C. Macomber, husband and wife  
Recorded:  
March 27, 1972  
Auditor's No.  
765951  
Purpose:  
Ingress, egress and utility purposes  
Area Affected: The Easterly 60 feet of said premises

### 4. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name:  
Short Plat 32-72  
Approved:  
May 17, 1972

### 5. AGREEMENT, AND THE TERMS AND PROVISIONS THEREOF:

Between:  
Freeman Macomber, Doris Macomber and Keith Macomber  
And:

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1361-KH

Page 4 of 7



Skagit County  
Dated:  
August 20, 1976  
Recorded:  
August 20, 1976  
Auditor's No.:  
841189  
Regarding:  
Temporary easement and waiver of damages.

6. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Recorded:  
November 5, 1982  
Auditor's No.:  
8211050029  
Regarding:  
Conditional use permit 12-81 (Revised)

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.

Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

7. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Recorded:  
October 20, 1992  
Auditor's No.:  
9210200037  
Affects:  
Lot C  
Regarding:  
Alternative Sewage System Installations

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.

Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

8. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Recorded:  
October 20, 1992  
Auditor's No.:  
9210200038  
Affects:

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1361-KH

Page 5 of 7

Lot A  
Regarding:  
Alternative Sewage System Installations

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.

Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

9. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Recorded:  
October 20, 1992  
Auditor's No.:  
9210200039  
Affects:  
Lot B  
Regarding:  
Alternative Sewage System Installations

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.

Said notice/agreement may pertain to governmental regulations for building or land use. Said matters are not a matter of title insurance. If such non-title insurance matters are shown, they are shown as a courtesy only, without the expectation that all such matters have been shown.

10. TERMS AND CONDITIONS OF FINDING OF FACT, ENTRY OF ORDER NO. SHL-92-021:

Recorded:  
November 4, 1992  
Auditor's No.:  
9211040034

11. EASEMENT AND PROVISIONS THEREIN:

Grantee:  
Puget Sound Power & Light Company, a Washington Corporation  
Dated:  
July 23, 1993  
Recorded:  
July 29, 1993  
Auditor's No.:  
9307290107  
Purpose:  
Right to construct, operate, maintain, repair, replace and enlarge one or more electric transmission and/or distribution lines and related facilities.

12. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1361-KH

Page 6 of 7

PLAT/SURVEY:

Name:  
Record of Survey  
Recorded:  
June 3, 1994  
Auditor's No.:  
9406030068

13. Terms and Conditions of Judgment filed on January 10, 1977 in Skagit County Superior Court Case No. 33683.

14. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the River/Creek herein named, or its banks, or which may result from such change in the future.

River/Creek:  
Pressentin Creek

15. Right of the general public to the unrestricted use of all the waters of a navigable body of water, not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands, and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)

16. Terms, provisions and reservations under the Submerged Land Act (43 U.S.C.A. 1301 through 1311) and the rights of the United States of America to regulate commerce, navigation, flood control, fishing and production of power.

Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1

202001160091

01/16/2020 03:31 PM Pages: 1 of 7 Fees: \$109.50  
Skagit County Auditor

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY <u>M. Dubioski</u>
DATE <u>1-16-20</u>

GUARDIAN NORTHWEST TITLE CO.  
**DEED OF RIGHT TO USE LAND FOR 19-1361**  
**SALMON RECOVERY PURPOSES**

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated  
Legal

Description: Section 14, Township 35 North, Range 7 East; Ptn. S ½ -SW ¼ (aka Lots  
A, B, & C. Short Plat No. 32-72)

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax

P42573, P102250, P102251

Page 1 of 7



Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1

Parcel Number: P 42573, P102250, P 102251, Skagit County

Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Skagit Watershed Habitat Acquisition II (b), Project Number 18-2617C signed by the Grantor on the 10<sup>th</sup> day of January, 2019 and by the Grantee on the 28<sup>th</sup> day of January, 2019 and Skagit Watershed Habitat Acquisition III, Project Number 19-1414C signed by the Grantor on the 13<sup>th</sup> day of December, 2019, and by the Grantee on the 5<sup>th</sup> day of December, 2019, and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that





Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1

is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.



Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1

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FOLLOW

**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: Lynn Best

Name: Lynn Best

Title: Chief Environmental Officer, Environment, Land, and Licensing Division

Dated this 31 day of December 2019

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

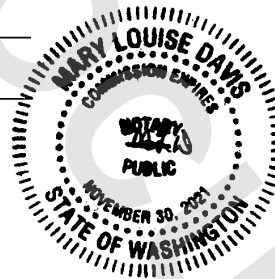
I certify that I know or have satisfactory evidence that Lynn Best is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Director for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 31, 2019

Signed: Mary Louise Davis

Printed Name: Mary Louise Davis

Notary Public in and for the State of Washington,  
residing in Edmonds, WA.



Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1

My commission expires November 30, 2021

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 24<sup>th</sup> day of December, 2019

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF Thurston )

I certify that I know or have satisfactory evidence that Scott T. Robinson is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

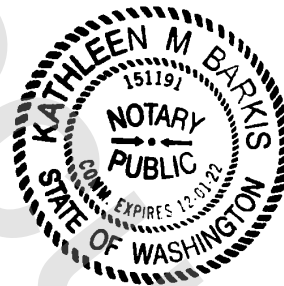
Dated: 12/24/19

Signed: Kathleen M. Barkis

Notary Public in and for the State of Washington,

residing in Lacey, WA

My commission expires 12-1-22



512

Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1

## EXHIBIT A

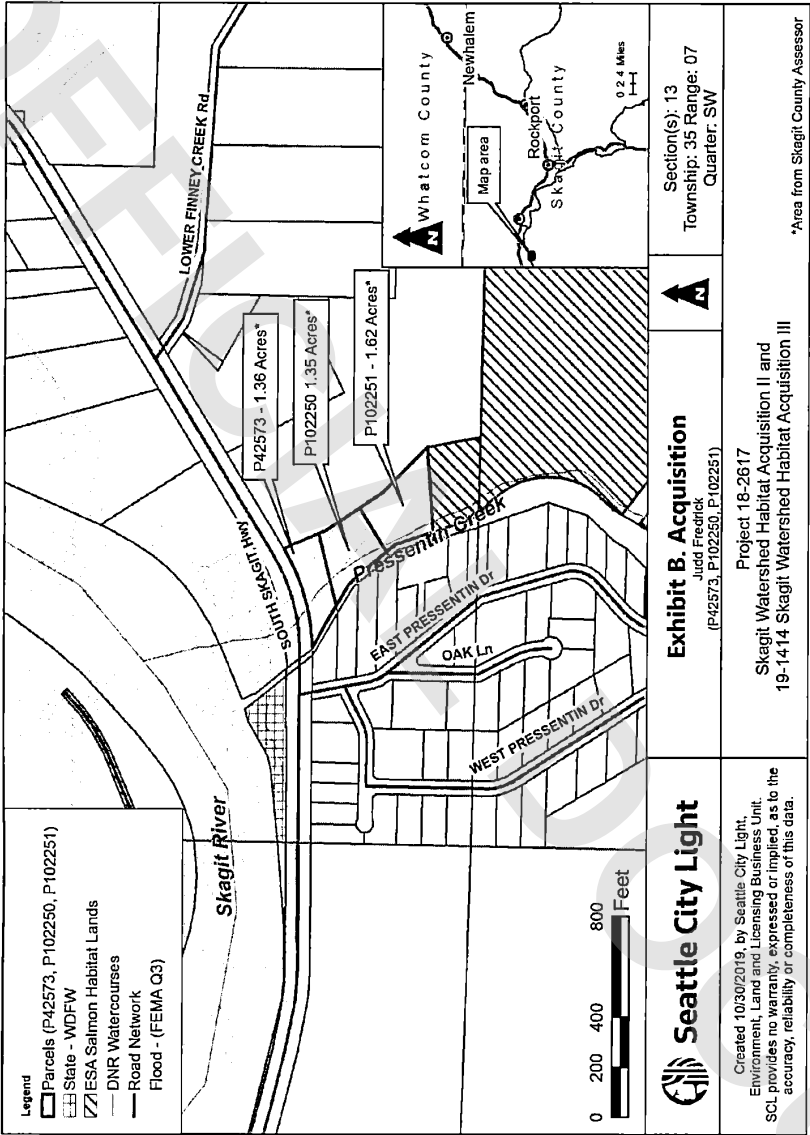
### Legal Description

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

Lots A, B, and C of Short Plat No. 32-72, as approved on May 17, 1972, also known as Lots A, B, and C of Record of Survey, recorded on June 3, 1994 as Auditor's File No. 9406030068, records of Skagit County, Washington; being a portion of the South half of the Southwest quarter of Section 13, Township 35 North, Range 7 East of W. M.



Att 11 – Deed of Right to Use Land for Salmon Recovery Purposes for Judd  
V1



STR



201807310117  
07/31/2018 02:40 PM Pages: 1 of 2 Fees: \$100.00  
Skagit County Auditor

When recorded return to:  
City of Seattle, City Light, Room SMT3338  
700 South Fifth Avenue Suite 3200/PO Box 34023  
Seattle, WA 98124-4023

Recorded at the request of:  
Guardian Northwest Title  
File Number: 115987

Statutory Warranty Deed

115987  
GUARDIAN NORTHWEST TITLE CO.

THE GRANTORS Shawn R. Marsall and Jennifer A. Marsall, a married couple for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, conveys and warrants to City of Seattle, a Municipal Corporation of the State of Washington the following described real estate, situated in the County of Skagit, State of Washington

Abbreviated Legal:  
Lot 51, Carefree Acres No. 1

Tax Parcel Number(s): P63532, 3870-000-051-0009

Lot 51 of the PLAT OF CAREFREE ACRES, SUBDIVISION NO. 1, as per plat recorded in Volume 8 of Plats, page 62, records of Skagit County, Washington.  
This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "A" attached hereto

Dated 7-27-18

Shawn R. Marsall

JENNIFERA MARSHALL  
Jennifer A. Marsall

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX  
2018 3392  
JUL 31 2018

STATE OF Washington )  
COUNTY OF Skagit ) SS:

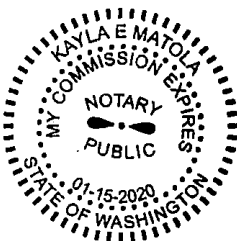
Amount Paid \$ 97.56  
Skagit Co. Treasurer  
By *mem* Deputy

I certify that I know or have satisfactory evidence that Shawn R. Marsall and Jennifer A. Marsall, the persons who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Date: 07-27-2018

*Kayla E. Matola*

Printed Name: Kayla E. Matola  
Notary Public in and for the State of Washington  
Residing at Lake Stevens, WA  
My appointment expires: 01-15-2020



**Exhibit A**

**EXCEPTIONS:**

A. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name: Carefree Acres Subdivision No. 1  
Recorded: December 30, 1963  
Auditor's No.: 644847

B. EASEMENT DISCLOSED BY INSTRUMENT AND CONDITIONS CONTAINED THEREIN:

In Favor Of: Not disclosed  
For: Utilities  
Affects: 5 foot strip along adjoining roadway.  
Recorded: \*\*\*\*\*  
Auditor's No.: \*\*\*\*\*

C. PROTECTIVE COVENANTS AND/OR EASEMENTS, BUT OMITTING RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN:

Dated: August 5, 1992  
Recorded: August 18, 1992  
Auditor's No.: 9208180055  
Executed By: Bestland Associates

Said instrument is a rerecording of instrument recorded under Auditor's File No. 9208120081.

D. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Auditor's File No.: 8407250023  
Document Title: Variance  
Regarding: Substandard lots

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.

When recorded return to:  
City of Seattle  
700 5th Ave Ste 3200 AP SMT Room 3338  
Seattle, WA 98124-9871

Recorded at the request of:  
Guardian Northwest Title  
File Number: 114489

201801110039  
Skagit County Auditor  
1/11/2018 Page 1 of 3 1:48PM \$76.00

### Statutory Warranty Deed

114489  
GUARDIAN NORTHWEST TITLE CO.

THE GRANTORS Stephen D. McElfresh and Valerie S. McElfresh, ~~as their interests appear of record~~ for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, conveys and warrants to City of Seattle, a municipal corporation of the State of Washington the following described real estate, situated in the County of Skagit, State of Washington

Abbreviated Legal:

Section 31, Township 33 North, Range 11 East; Ptn Gov't Lot 1

For Full Legal See Attached Exhibit "A"

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto.

Tax Parcel Number(s): P107292, 331131-0-001-0908

Dated 12-15-17

Stephen D. McElfresh

Valerie Sue McElfresh

STATE OF Washington }  
COUNTY OF Skagit } SS:

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

2018146  
JAN 11 2018

Amount Paid \$ 717.00  
By Skagit Co. Treasurer  
Deputy

I certify that I know or have satisfactory evidence that Stephen D. McElfresh and Valerie Sue McElfresh, the persons who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledge it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Date: 12-15-17

Printed Name: Katie Hickok  
Notary Public in and for the State of  
Residing at , Mt Vernon  
My appointment expires: 1/07/2019

Washington



## EXHIBIT A

Parcel 8 of an Unrecorded Parcel Map dated November 1, 1972, prepared by Hieber and Crossman, described as follows:

That portion of Government Lot 1, of Section 31, Township 33 North, Range 11 East, W.M., described as follows:

Commencing at the Northeast corner of said Section 31; thence South 0 degrees 05' 59" West along the East line of said Section, a distance of 374.70 feet to the true point of beginning; thence continue South 0 degrees 05' 59" West along said East line, a distance of 353.98 feet to the centerline of an existing forest service road; thence North 44 degrees 51' 06" West along the centerline of said service road, a distance of 173.86 feet; thence South 41 degrees 15' West, 1200 feet, more or less, to the Old Channel of the Skagit River; thence Northwesterly along said channel to a point lying South 47 degrees 30' West of the true point of beginning; thence North 47 degrees 30' East, a distance of 1800 feet, more or less, to the true point of beginning, EXCEPT any portion thereof lying within the boundaries of Parcel 9 of said Unrecorded Survey as said Parcel 9 is described in document recorded under Auditor's File No. 8912260058, AND ALSO EXCEPT any portion thereof lying within the boundaries of Parcel 7, of said Unrecorded Survey as said Parcel 7 is described in document recorded under Auditor's File No. 8409130006, records of Skagit County, Washington.

TOGETHER WITH and SUBJECT TO a 20 foot wide non-exclusive easement for ingress and egress as said easement is shown on Exhibit "A" of document recorded under Auditor's File No. 8302280055, records of Skagit County, Washington.

## Exhibit B

### EXCEPTIONS:

- A. An easement granted to the United States Forest Service for road, as disclosed by Contract recorded under Auditor's File No. 831340, records of Skagit County, Washington, and various other documents of record.
- B. Any question that may arise due to the shifting or change in the course of the Suiattle River or to said river having changed its course.
- C. A 20 foot easement for ingress and egress, as disclosed by a 5 Acre Parcel Map attached to Contract dated July 26, 1978, and recorded September 26, 1978, as Auditor's File No. 888237.
- D. Right of the general public to the unrestricted use of all the waters of a navigable body of water not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands, and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)
- E. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY.

Name:  
Recorded:  
Auditor's No.:

Boundary Survey for Cyril Frol  
September 7, 1994  
9409070001



Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski



201801110040

Skagit County Auditor

\$80.00

1/11/2018 Page

1 of

7 1:48PM

GUARDIAN NORTHWEST TITLE CO.

114489

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

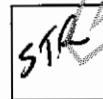
Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated  
Legal  
Description: That portion of Government Lot 1, of Section 31, Township 33 North,  
Range 11 East, W.M., Skagit County, Washington State.

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax P107292



Parcel Number: P 107292, Skagit County

Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the



creation of any property interest that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

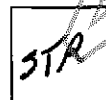
This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

---

REMAINDER OF PAGE IS INTENTIONALLY BLANK; SIGNATURE PAGES FOLLOW



**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: Lynn Best

Name: Lynn Best

Title: Chief Environmental Officer, Environment, Land, and Licensing Division

Dated this 27 day of December, 2017

STATE OF WASHINGTON )

) ss

COUNTY OF KING )

I certify that I know or have satisfactory evidence that Lynn Best is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Director for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

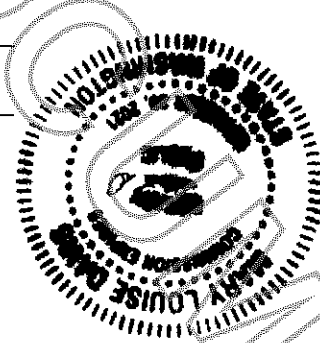
Dated: December 27, 2017

Signed: Mary Louise Davis

Printed Name: Mary Louise Davis

Notary Public in and for the State of Washington,  
residing in Edmonds, WA.

My commission expires November 30, 2011



STR

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 15<sup>th</sup> day of December, 2017

STATE OF WASHINGTON )

COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that Scott T. Robinson is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

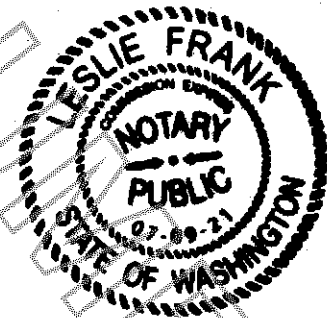
Dated: December 15, 2017

Signed: Leslie Frank

Notary Public in and for the State of Washington,

residing in Thurston County

My commission expires 7-9-21



57R



## EXHIBIT A

### Legal Description

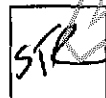
Situated in the State of Washington, County of Skagit,

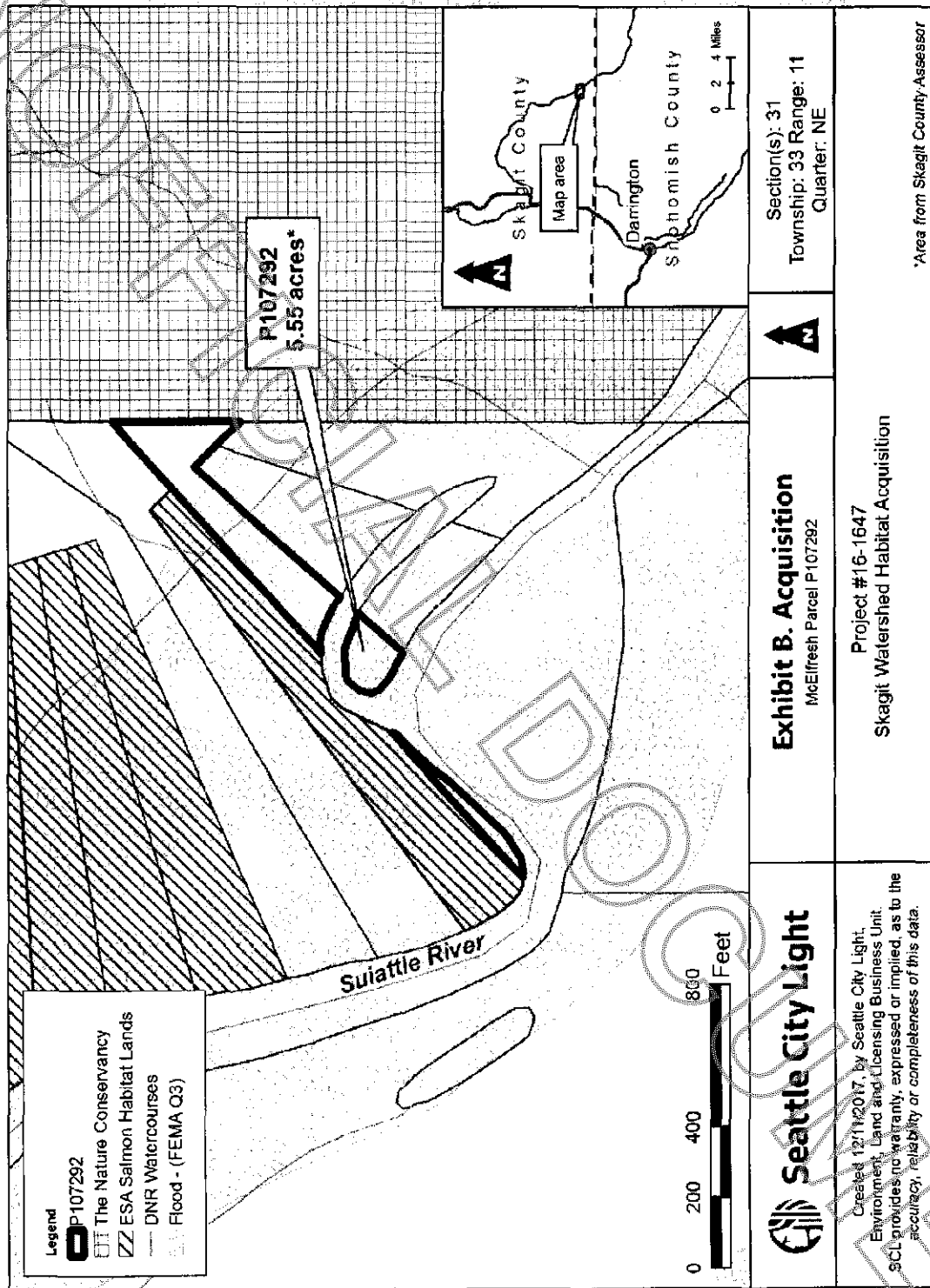
Parcel 8 of an Unrecorded Parcel Map dated November 1, 1972, prepared by Hieber and Crossman, described as follows:

That portion of Government Lot 1, of Section 31, Township 33 North, Range 11 East, W.M., described as follows:

Commencing at the Northeast corner of said Section 31; thence South 0 degrees 05' 59" West along the East line of said Section, a distance of 374.70 feet to the true point of beginning; thence continue South 0 degrees 05' 59" West along said East line, a distance of 353.98 feet to the centerline of an existing forest service road; thence North 44 degrees 51' 06" West along the centerline of said service road, a distance of 173.86 feet; thence South 41 degrees 15' West, 1200 feet, more or less, to the Old Channel of the Suiattle River; thence Northwesterly along said channel to a point lying South 47 degrees 30' West of the true point of beginning; thence North 47 degrees 30' East, a distance of 1800 feet, more or less, to the true point of beginning, EXCEPT any portion thereof lying within the boundaries of Parcel 9 of said Unrecorded Survey as said Parcel 9 is described in document recorded under Auditor's File No. 8912260058, AND ALSO EXCEPT any portion thereof lying within the boundaries of Parcel 7, of said Unrecorded Survey as said Parcel 7 is described in document recorded under Auditor's File No. 8409130006, records of Skagit County, Washington.

TOGETHER WITH and SUBJECT TO a 20 foot wide non-exclusive easement for ingress and egress as said easement is shown on Exhibit "A" of document recorded under Auditor's File No. 8302280055, records of Skagit County, Washington.





SIR



201904290089

04/29/2019 01:53 PM Pages: 1 of 4 Fees: \$102.00  
Skagit County Auditor

When recorded return to:

The City of Seattle  
700 5th Ave, Ste 3300; PO Box 34023, Real Estate Services Room 3338  
Seattle, WA 98124-9871

GUARDIAN NORTHWEST TITLE CO.  
**STATUTORY WARRANTY DEED** 19-1895

THE GRANTOR(S) Stephen D. McElfresh and Valerie Sue McElfresh, husband and wife, PO Box 291,  
Greenbank, WA 98253,

for and in consideration of **ten dollars and other valuable consideration**

in hand paid, conveys, and warrants to City of Seattle, a municipal corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:


FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

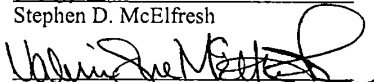
Abbreviated legal description: Property 1: Section 31, Township 33 North, Range 11 East; Ptn Gov't Lot 1

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may  
appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B"  
attached hereto

Tax Parcel Number(s): P18983 & 331131-0-001-0703

Dated: 4-5-19

  
Stephen D. McElfresh

  
Valerie Sue McElfresh

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

20191544

APR 29 2019

Amount Paid \$ 797.10  
Skagit Co. Treasurer  
By  Deputy

Att 15 – Statutory Warranty Deed for McElfresh  
V1

STATE OF WASHINGTON  
COUNTY OF SKAGIT

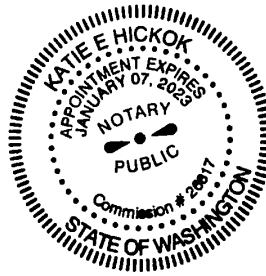
I certify that I know or have satisfactory evidence that Stephen D. McElfresh and Valerie Sue McElfresh is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 5<sup>th</sup> day of April, 2019

  
Signature

Valerie E Hickok  
Title

My appointment expires: 1-7-23



Att 15 – Statutory Warranty Deed for McElfresh  
V1

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: NHN FORESTRY ROAD, DARRINGTON, WA 98241  
Tax Parcel Number(s): P18983 & 331131-0-001-0703

**Property Description:**

That portion of Government Lot 1, Section 31, Township 33 North, Range 11 East of the Willamette Meridian,  
described as follows:

Commencing at a point on the North line of said Section 31, which bears North 89°50'42" West a distance of  
434.54 feet from the Northeast corner of said Section 31;  
thence South 17°44'36" East 354.32 feet;  
thence Southeasterly along a curve to the left having a radius of 420 feet, through a central angle of 27°06'30" an  
arc distance of 198.71 feet;  
thence South 44°51'06" East 142.36 feet to the point of beginning;  
thence South 44°51'06" East 86.93 feet;  
thence South 17°35' West 1100 feet, more or less, to the Old Channel of the Suiattle River;  
thence Northwesterly along said Channel to a point lying South 41°15' West of the point of beginning;  
thence North 41°15' East 1200 feet, more or less, to the point of beginning;

(Being known as Parcel 9 of an unrecorded 5-acre Parcel Map dated November 1, 1972 and prepared by Heiber and  
Crossman.)

Situate in the County of Skagit, State of Washington.



Att 15 – Statutory Warranty Deed for McElfresh  
V1

## EXHIBIT B

19-1895-KH

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. (A) Unpatented mining claims.  
(B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof.  
(C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B), or (C) are shown by the public records.  
(D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
3. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
4. An easement granted to the United States Forest Service for road, as disclosed by Contract recorded under Auditor's File No. 831340, records of Skagit County, Washington, and various other documents of record.
5. Any question that may arise due to the shifting or change in the course of the Suiattle River or to said river having changed its course.
6. A 20 foot easement for ingress and egress, as disclosed by a 5 Acre Parcel Map attached to Contract dated July 26, 1978, and recorded September 26, 1978, as Auditor's File No. 888237.
7. Right of the general public to the unrestricted use of all the waters of a navigable body of water not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands, and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)
8. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES AND ENCROACHMENTS, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:  
  
Name: Boundary Survey for Cyril Frol  
Recorded: September 7, 1994  
Auditor's No.: 9409070001
9. RESERVATIONS, PROVISIONS AND/OR EXCEPTIONS CONTAINED IN INSTRUMENT:  
  
Executed By: Cyril M. Frol, Trustee for River West, a general partnership  
Recorded: December 13, 1985  
Auditor's No.: 8512130037
10. There is no recorded means of ingress or egress to a public road from said property. It is assumed that there exists a valid and subsisting easement for that purpose over adjoining properties, but the Company does not insure against any rights based on a contrary state of facts.  
The primary road East of subject property is a U.S. Forest Service Road. Such roads are not kept open and maintained for purpose of providing access to privately owned lands.

Statutory Warranty Deed  
LPB 10-05

Order No.: 19-1895-KH

Page 4 of 4

Page 4 of 4



**201904290090**

04/29/2019 01:53 PM Pages: 1 of 7 Fees: \$105.00  
Skagit County Auditor

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

APR 29 2019

Amount Paid \$  
Skagit Co. Treasurer  
By *man* Deputy

GUARDIAN NORTHWEST TITLE CO.

19-1895

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated  
Legal  
Description: Section 31, Township 33 North, Range 11 East, Ptn. Gov't Lot 1

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax  
Parcel Number: P 18983, Skagit County



Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh  
VI

Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery



Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh  
VI

purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

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FOLLOW



Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh  
VI

**GRANTOR:**

City of Seattle, acting by and through Seattle City Light Department

By: *Lynn Best*

Name: Lynn Best

Title: Chief Environmental Officer, Environment, Land, and Licensing Division

Dated this 10 day of April, 2019

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Lynn Best is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Director for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April 10 2019

Signed: *Mary Louise Davis*

Printed Name: Mary Louise Davis

Notary Public in and for the State of Washington,

residing in Edmonds, WA.

My commission expires November 30, 2021

**GRANTEE:**

*SSR*



Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh  
VI

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 18<sup>th</sup> day of March, 2019

STATE OF WASHINGTON )  
COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that Scott T. Robinson is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: March 18, 2019

Signed: Leslie Frank

Notary Public in and for the State of Washington,

residing in Thurston County.

My commission expires 7-9-21.



STR

Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh  
VI

## EXHIBIT A

### Legal Description

That portion of Government Lot 1, Section 31, Township 33 North, Range 11 East of the Willamette Meridian, described as follows:

Commencing at a point on the North line of said Section 31, which bears North  $89^{\circ}50'42''$  West a distance of 434.54 feet from the Northeast corner of said Section 31;  
thence South  $17^{\circ}44'36''$  East 354.32 feet;  
thence Southeasterly along a curve to the left having a radius of 420 feet, through a central angle of  $27^{\circ}06'30''$  an arc distance of 198.71 feet;  
thence South  $44^{\circ}51'06''$  East 142.36 feet to the point of beginning; thence South  $44^{\circ}51'06''$  East 86.93 feet;  
thence South  $17^{\circ}35'$  West 1100 feet, more or less, to the Old Channel of the Suiattle River;  
thence Northwesterly along said Channel to a point lying South  $41^{\circ}15'$  West of the point of beginning; thence North  $41^{\circ}15'$  East 1200 feet, more or less, to the point of beginning;

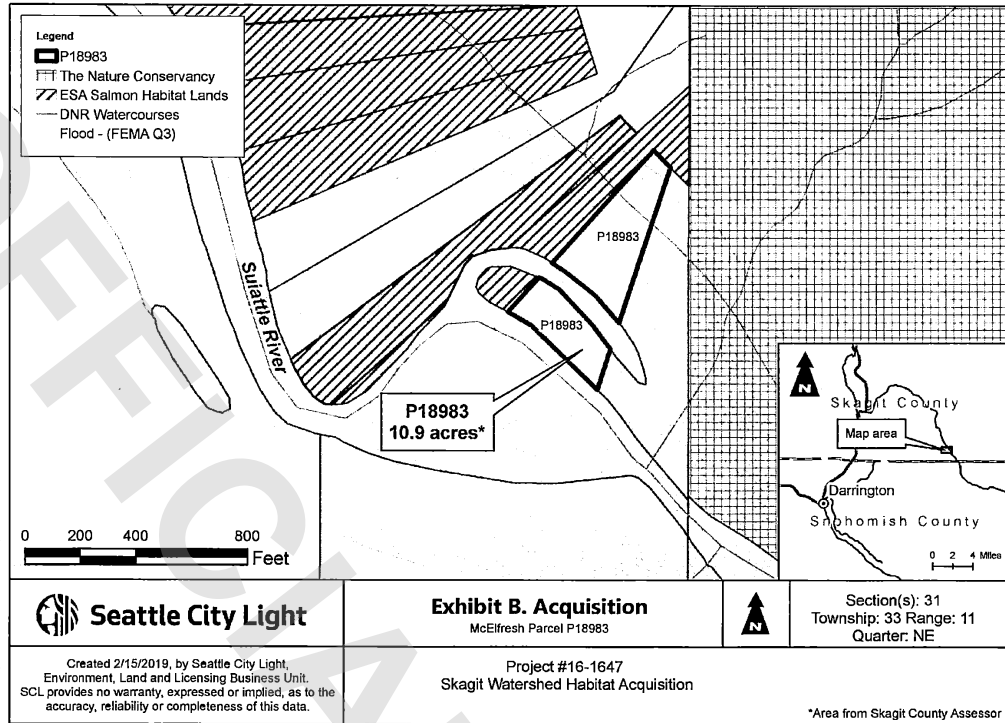
(Being known as Parcel 9 of an unrecorded 5-acre Parcel Map dated November 1, 1972 and prepared by Heiber and Crossman.)

Situate in the County of Skagit, State of Washington.



Att 16 – Deed of Right to Use Land for Salmon Recovery Purposes for McElfresh  
VI

Page 7 of 7



SIL



201811160098

11/16/2018 02:18 PM Pages: 1 of 4 Fees: \$102.00  
Skagit County Auditor

When recorded return to:  
The City of Seattle  
Attention Mary Davis SMT Room 3338  
700 Fifth Ave Suite 3200  
PO Box 34023  
Seattle, WA 98124-4023

Recorded at the request of:  
File Number: 114723

Statutory Warranty Deed

114723

GUARDIAN NORTHWEST TITLE CO.

THE GRANTOR Marblemount Properties, LLC, a Washington Limited Liability Company for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, conveys and warrants to GRANTEE City of Seattle, a Municipal Corporation of the State Of Washington the following described real estate, situated in the County of Skagit, State of Washington.

Abbreviated Legal:

Section 25, Township 35 North, Range 9 East; Ptn. Gov't Lots 1 & 2, and N 1/2 SE 1/4

For Full Legal See Attached Exhibit "A"

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): P44686, 350925-4-002-0001, P44646, 350925-0-001-0000, P108130, 350925-4-002-0600.

Dated 11.9.18

Marblemount Properties LLC

By: Stephen Metzler, Managing Member

By: Almudena De Llaguno, Managing Member  
SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX  
20185074

NOV 16 2018

Amount Paid \$ 4,410.50  
Skagit Co. Treasurer  
By: [Signature] Deputy

STATE OF Washington  
COUNTY OF Skagit SS:

I certify that I know or have satisfactory evidence that Stephen Metzler and Almudena De Llaguno is the personS who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it as the Members of Marblemount Properties LLC, to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: 11.9.2018



Katie Hickok  
Notary Public in and for the State of Washington  
Residing at Washington  
My appointment expires: 1/07/2019

Att 17 – Statutory Warranty Deed for Marblemount  
V1

### EXHIBIT A

That portion of the North 1/2 of the Southeast 1/4 lying Southerly of State Route 20, and Government Lots 1 and 2, Section 25, Township 35 North, Range 9 East, W.M.,

EXCEPT that portion conveyed to Skagit County by Deed recorded September 19, 1960, under Auditor's File No. 598887, records of Skagit County, Washington,

AND EXCEPT that portion lying Southerly of the following described line:

Beginning at the Northwest corner of said Government Lot 2;  
thence North 88°46'38" East along the North line of said Government Lot 2, for a distance of 640.80 feet to a point in an existing fence;  
thence the following courses and distances along said existing fence:

South 19°08'22" West, 385.42 feet; South 70°25'07" East, 678.96 feet; North 34°53'52" East, 56.30 feet;

North 24°26'13" East, 257.12 feet to an angle point in said existing fence;  
thence North 61°31'46" East towards an end-of-fence, for a distance of 52.97 feet to the centerline of an existing access road and a point hereinafter referred to as Point "X";  
thence continuing North 61°31'46" East, 52.96 feet to said end-of-fence;  
thence the following courses and distances along an existing fence:

South 63°17'49" East, 266.93 feet; South 78°58'19" East, 154.49 feet; South 82°58'36" East, 164.98 feet to the East end of fence;

thence North 75°52'26" East, 369.47 feet to an iron pipe and yellow plastic cap stamped "Steele 13138";

thence North 42°08'39" East, 516.80 feet to the Northeast corner of aforesaid Government Lot 1, and the terminus of herein described line.

Situate in the County of Skagit, State of Washington.



Att 17 – Statutory Warranty Deed for Marblemount  
V1

### Exhibit 3

#### EXCEPTIONS:

##### A. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee:	City of Seattle, a Municipal Corporation
Recorded:	July 13, 1933
Auditor's No.	257006
Purpose:	A perpetual easement for the construction, operation and maintenance of a railroad and all necessary appurtenances over, along and across the subject property

##### B. EASEMENT AND PROVISIONS THEREIN:

Grantee:	Puget Sound Power & Light Company, a Washington Corporation
Dated:	September 9, 1983
Recorded:	September 21, 1983
Auditor's No.:	8309210028
Purpose:	Right to enter said premises to operate, maintain and repair underground electric transmission and/or distribution system, together with the right to remove brush, trees and landscaping which may constitute a danger to said lines

##### C. ANY AND ALL OFFERS OF DEDICATIONS, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES, PROVISIONS AND/OR ANY OTHER MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING PLAT/SHORT PLAT/SURVEY:

Name:	Survey for Seattle City Light
Recorded:	December 10, 1999
Auditor's No.:	199912100061

Att 17 – Statutory Warranty Deed for Marblemount  
V1

D. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the River/Creek herein named, or its banks, or which may result from such change in the future.

River/Creek: Skagit River

E. Right of the general public to the unrestricted use of all the waters of a navigable body of water, not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands, and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)

F. BASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee:	The City of Seattle
Recorded:	January 5, 2000
Auditor's No.	200001050079
Purpose:	Access
Area Affected:	As disclosed in instrument

Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
V1

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

REVIEWED BY  
SKAGIT COUNTY TREASURER  
DEPUTY Heather Beauvais  
DATE 04/09/2021

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

*GNW 114723*

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated  
Legal

Description: Section 25, Township 35 North, Range 9 East, Ptn. Gov't Lots 1 & 2, and  
N ½ SE ¼, Skagit County, Washington State.

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's  
Property Tax

Parcel Number: P 44686, P 44646, P 108130, Skagit County

Reference Numbers of Documents Assigned or Released: None.



Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
V1

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017; Middle Skagit Watershed Habitat Acquisition, Project Number 16-2804 signed by the Grantor on the 2<sup>nd</sup> day of November, 2017 and by the Grantee on the 7<sup>th</sup> day of November, 2017; Skagit Watershed Habitat Acquisition II (b), Project Number 18-2617 signed by the Grantor on the 10<sup>th</sup> day of January, 2019 and by the Grantee on the 28<sup>th</sup> day of January, 2019; Skagit Watershed Habitat Acquisition IV, Project Number 20-1326 signed by the Grantor on the 15<sup>th</sup> day of December, 2020 and by the Grantee on the 16<sup>th</sup> day of December, 2020; and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor



Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
V1

shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.





Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
V1

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**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: Tom DeBoer

Name: Tom DeBoer

Title: Chief Environmental Officer, Environment, Land, and Licensing Business  
Unit

Dated this 31 day of March, 2021

STATE OF WASHINGTON     )  
  ) ss  
COUNTY OF KING         )

I certify that I know or have satisfactory evidence that Tom DeBoer is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Chief Environmental Officer, Environment, Land, and Licensing Division, Seattle City Light for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 3/31/2021

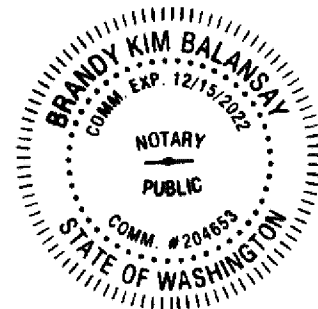
Signed: [Signature]

Printed Name: Brandy Kim Balansay

Notary Public in and for the State of Washington,

residing in Seattle, WA.

My commission expires 12/15/2022



Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
VI

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 18<sup>th</sup> day of March, 2021

STATE OF WASHINGTON )  
COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that SCOTT T. ROBINSON is  
the person who appeared before me, and said person acknowledged that (he/she) signed  
this instrument, on oath stated that (he/she) was authorized to execute the instrument and  
acknowledge it as the Deputy Director for the Recreation and  
Conservation Office and to be the free and voluntary act of such party for the uses and  
purposes mentioned in the instrument.

Dated: March 18, 2021

Signed: Leslie Frank

Notary Public in and for the State of Washington,  
residing in Thurston County

My commission expires 7-9-21



Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
V1

## EXHIBIT A

### Legal Description

That portion of the North 1/2 of the Southeast 1/4 lying Southerly of State Route 20, and Government Lots 1 and 2, Section 25, Township 35 North, Range 9 East, W.M.,

EXCEPT that portion conveyed to Skagit County by Deed recorded September 19, 1960, under Auditor's File No. 598887, records of Skagit County, Washington,

AND EXCEPT that portion lying Southerly of the following described line:

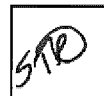
Beginning at the Northwest corner of said Government Lot 2;  
thence North 88°46'38" East along the North line of said Government Lot 2, for a distance of 640.80 feet to a point in an existing fence;  
thence the following courses and distances along said existing fence:

South 19°08'22" West, 385.42 feet; South 70°25'07" East, 678.96 feet; North 34°53'52" East, 56.30 feet;

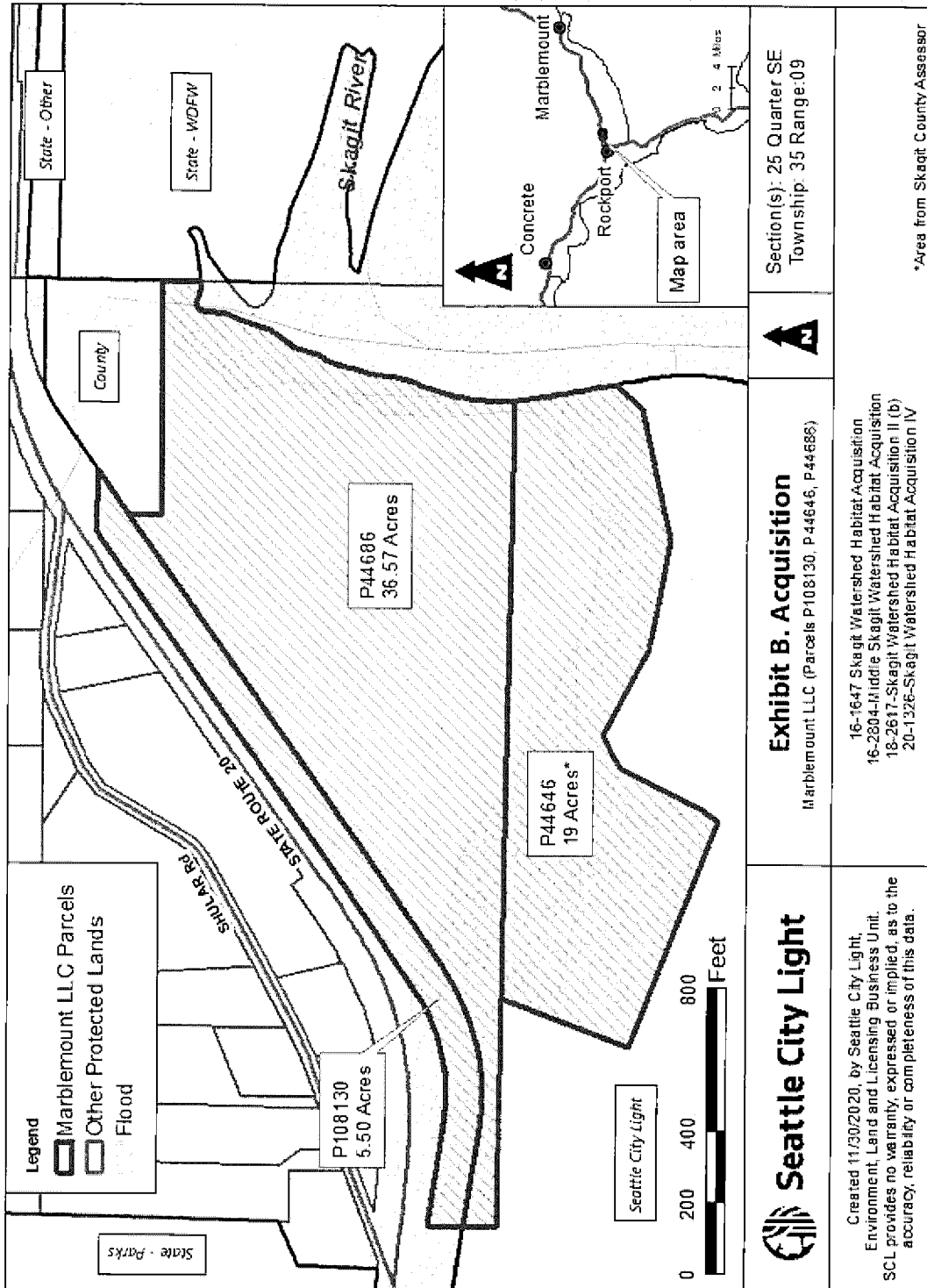
North 24°26'13" East, 257.12 feet to an angle point in said existing fence;  
thence North 61°31'46" East towards an end-of-fence, for a distance of 52.97 feet to the centerline of an existing access road and a point hereinafter referred to as Point "X";  
thence continuing North 61°31'46" East, 52.96 feet to said end-of-fence;  
thence the following courses and distances along an existing fence:

South 63°17'49" East, 266.93 feet; South 78°58'19" East, 154.49 feet; South 82°58'36" East, 164.98 feet to the East end of fence;  
thence North 75°52'26" East, 369.47 feet to an iron pipe and yellow plastic cap stamped "Steele 13138";  
thence North 42°08'39" East, 516.80 feet to the Northeast corner of aforesaid Government Lot 1, and the terminus of herein described line.

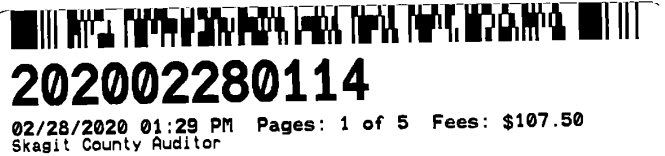
Situate in the County of Skagit, State of Washington.



Att 18 – Deed of Right to Use Land for Salmon Recovery Purposes for Marblemount  
V1



STR



When recorded return to:

City of Seattle, a Municipal Corporation of the State of Washington  
PO Box 34023  
Seattle, WA 98124

### STATUTORY WARRANTY DEED

GUARDIAN NORTHWEST TITLE CO.

THE GRANTOR(S) Gene R. Rasmussen, as his separate property, PO Box 2724, Stanwood, WA 98292,

for and in consideration of **ten dollars and other valuable consideration**

18-1088

in hand paid, conveys, and warrants to City of Seattle, a Municipal Corporation of the State of Washington

the following described real estate, situated in the County Skagit, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1:

Portions of GL 4 in Section 14 and GL 8 in Section 15 all in Twp. 35 N, R. 11 E, WM

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): P46056 & 351114-0-007-0409 & P46055 & 351114-0-007-0300 & P46057 & 351114-0-007-0508

Dated: 2/28/2020

Gene R. Rasmussen  
Gene R. Rasmussen

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

FEB 28 2020

Amount Paid \$ 005  
Skagit Co. Treasurer  
By MG Deputy

Statutory Warranty Deed  
LPB 10-05

Order No.: 18-1088-KH

Page 1 of 5



Att 19 – Statutory Warranty Deed for Rasmussen  
V1

STATE OF WASHINGTON  
COUNTY OF SKAGIT

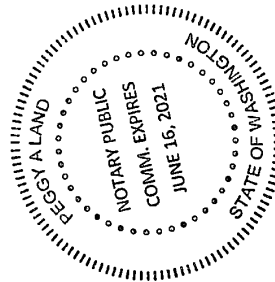
I certify that I know or have satisfactory evidence that Gene R. Rasmussen is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 28 day of February, 2020

Peggy A Land  
Signature

Escrow Assist.  
Title

My appointment expires: June 16, 2021



Att 19 – Statutory Warranty Deed for Rasmussen  
V1

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Property Address: NHN East Cascade Way, Concrete, WA 98237  
Tax Parcel Number(s): P46056 & 351114-0-007-0409 & P46055 & 351114-0-007-0300 & P46057 & 351114-0-007-0508

Property Description:

PARCEL "A":

Tracts 1, 2 and 3 of Short Plat No. 39-74, approved on July 30, 1974, recorded on August 15, 1974, under Auditor's File No. 805004, records of Skagit County, Washington, being a portion of Government Lot 4, in Section 14, and of Government Lot 8 in Section 15, Township 35 North, Range 11 East of W.M.

Situate in County of Skagit, State of Washington.

PARCEL "B":

A non-exclusive easement for ingress, egress, drainage and utilities as described in document recorded on January 29, 1973, under Auditor's File No. 779995, records of Skagit County, Washington.

Situate in County of Skagit, State of Washington.

Statutory Warranty Deed  
LPB 10-05

Order No.: 18-1088-KH

Page 3 of 5

**EXHIBIT B**

18-1088-KH

1. Any adverse claim by reason of any change in the location of the boundaries of said premises which may have resulted from any change in the location of the Cascade River, or its banks, or which may result from such change in the future.

2. Right of the general public to the unrestricted use of all the waters of a navigable body of water, not only for the primary purposes of navigation, but also for corollary purposes, including (but not limited to) fishing, boating, bathing, swimming, water skiing and other related recreational purposes, as those waters may affect the tidelands, shorelands, or adjoining uplands and whether the level of the water has been raised naturally or artificially to a maintained or fluctuating level, all as further defined by the decisional law of this state. (Affects all of the premises subject to such submergence.)

3. Agreement, affecting subject property, regarding road usage and the terms and provisions thereof between Bradsberry Timber and Bellingham Plywood Co., dated 9/24/1945, recorded 9/15/1952 as Auditor's File No. 479844. Said Agreement was actually an assignment of an unrecorded agreement from Bellingham Plywood Co. to Eclipse Lumber Company.

4. Agreement, affecting subject property, regarding road usage and the terms and provisions thereof between Bradsberry Timber Co. and John S. Pankratz, dated 9/10/1946, recorded 7/26/1954 as Auditor's File No. 504382.

5. Easement, affecting a portion of subject property for the purpose of road usage including terms and provisions thereof granted to State of Washington recorded 1/13/1965 as Auditor's File No. 660830

6. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Cascade River Park No. 1 recorded 8/21/1963 as Auditor's File No. 639857.

The company calls attention to provisions contained in Washington Uniform Common Interest Ownership Act, Senate Bill 6175 providing that Plats recorded after July 1, 2018, and older Plats that have opted in, that meet the requirements under Senate Bill 6175 will require delivery to the Proposed Purchaser of either a "Public Offering Statement" or "Resale Certificate".

7. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Cascade River Park No. 2 recorded 5/17/1966 as Auditor's File No. 682848.

The company calls attention to provisions contained in Washington Uniform Common Interest Ownership Act, Senate Bill 6175 providing that Plats recorded after July 1, 2018, and older Plats that have opted in, that meet the requirements under Senate Bill 6175 will require delivery to the Proposed Purchaser of either a "Public Offering Statement" or "Resale Certificate".

8. Easement, affecting a portion of subject property for the purpose of ingress, egress, drainage and utilities including terms and provisions thereof granted to William Hulbert Mill Co., et al, recorded 1/29/1973 as Auditor's File No. 779995

9. Acknowledgment from Bernard M. Brill, et al, recorded 12/22/1975 as Auditor's File No. 827717 to the effect that the property described herein is subject to the covenants of Cascade River Park No. 1 and Cascade River Park No. 2 among other topics set forth therein.

Statutory Warranty Deed  
LPB 10-05

Order No.: 18-1088-KH

Page 4 of 5

Att 19 – Statutory Warranty Deed for Rasmussen  
V1

10. Any and all offers of dedications, conditions, restrictions, easements, fence line/boundary discrepancies and encroachments, notes, provisions and/or any other matters as disclosed and/or delineated on the face of the following plat/short plat/survey named Short Plat No. 39-74 recorded 7/30/1974 as Auditor's File No. 805004.

The company calls attention to provisions contained in Washington Uniform Common Interest Ownership Act, Senate Bill 6175 providing that Plats recorded after July 1, 2018, and older Plats that have opted in, that meet the requirements under Senate Bill 6175 will require delivery to the Proposed Purchaser of either a "Public Offering Statement" or "Resale Certificate".

Statutory Warranty Deed  
LPB 10-05

Order No.: 18-1088-KH

Page 5 of 5

202002280116

02/28/2020 01:29 PM Pages: 1 of 7 Fees: \$109.50  
Skagit County Auditor

Upon Recording, Please Return To:  
Washington Recreation and Conservation Office  
P.O. Box 40917  
Olympia, WA 98504-0917  
Attn: Marc Dubioski

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

FEB 28 2020

Amount Paid \$  
By Skagit Co. Treasurer Deputy  
*Mh*

GUARDIAN NORTHWEST TITLE CO.

18-1088

**DEED OF RIGHT TO USE LAND FOR  
SALMON RECOVERY PURPOSES**

Grantor: City of Seattle acting by and through Seattle City Light Department

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON  
STATE SALMON RECOVERY FUNDING BOARD and the  
WASHINGTON STATE RECREATION AND CONSERVATION  
OFFICE, including any successor agencies.

Abbreviated

Legal

Description: Tracts 1, 2, & 3, SP# 39-74, AF# 805004, Ptn. GL 4, Sec. 14, Ptn. GL 8,  
Sec. 15 both in Township 35 North, Range 4 East, WM

More particularly described in Exhibit "A" (Legal Description), and as  
depicted in Exhibit "B" (Property Map).

Assessor's

Property Tax

Parcel Number: P 46055, 46056, and 46057, Skagit County





Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen  
V1

Reference Numbers of Documents Assigned or Released: None.

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from the Salmon Recovery Funding Board Account. Such grant is made pursuant to the Project Agreements entered into between the Grantor and the Grantee entitled Upper Skagit Watershed Habitat Acquisition, Project Number 16-1647A signed by the Grantor on the 2<sup>nd</sup> day of February, 2017 and by the Grantee on the 9<sup>th</sup> day of February, 2017 and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreements.

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to protect the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes riparian habitat. This habitat supports or may support priority species or groups of species including but not limited to Chinook.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery



Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen  
V1

purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

This Deed contains covenants running with the land and shall be binding upon the Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interest therein, including a leasehold interest, whether by operation of law or otherwise. If the Grantor sells all or any portion of its interest, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be subject to applicable covenants and requirements under the Deed.

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

---

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FOLLOW

KC

Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen  
V1

**GRANTOR:**

City of Seattle acting by and through Seattle City Light Department

By: Lynn Best

Name: Lynn Best

Title: Chief Environmental Officer, Environment, Land, and Licensing Division

Dated this 11 day of February 2020

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Lynn Best is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledge it as the Environmental Affairs and Real Estate Division Director for the Sponsor, City of Seattle and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

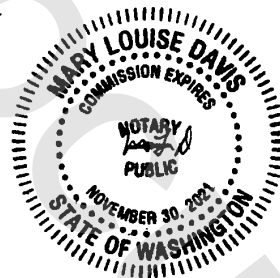
Dated: Feb. 11<sup>th</sup>, 2020

Signed: Mary Louise Davis

Printed Name: Mary Louise Davis

Notary Public in and for the State of Washington,  
residing in Edmonds, WA.

My commission expires November 30, 2021



YC

Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen  
V1

**GRANTEE:**

STATE OF WASHINGTON, acting by and through THE SALMON  
RECOVERY FUNDING BOARD, administered by the RECREATION AND  
CONSERVATION OFFICE

By: Kaleen Coppingham

Name: Kaleen Coppingham

Title: Director

Dated this 3<sup>rd</sup> day of February, 2020

STATE OF WASHINGTON )  
COUNTY OF Thurston ) ss

I certify that I know or have satisfactory evidence that Kaleen Coppingham is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledge it as the Director for the Recreation and Conservation Office and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: February 3, 2020

Signed: Leslie Frank

Notary Public in and for the State of Washington,

residing in Thurston County

My commission expires 7-9-



16

Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen  
V1

## **EXHIBIT A**

### **Legal Description**

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

#### **PARCEL “A”**

Tracts 1, 2, and 3 of Short Plat No. 39-74, approved on July 30, 1974, recorded on August 15, 1974, under Auditor's File No. 805004, records of Skagit County, Washington, being a portion of Government Lot 4, in Section 14, and of Government Lot 8 in Section 15, Township 35 North, Range 11 East of W.M.

#### **PARCEL “B”**

An non-exclusive easement for ingress, egress, drainage and utilities as described in document recorded on January 29, 1973, under Auditor's File No. 779995, records of Skagit County, Washington.



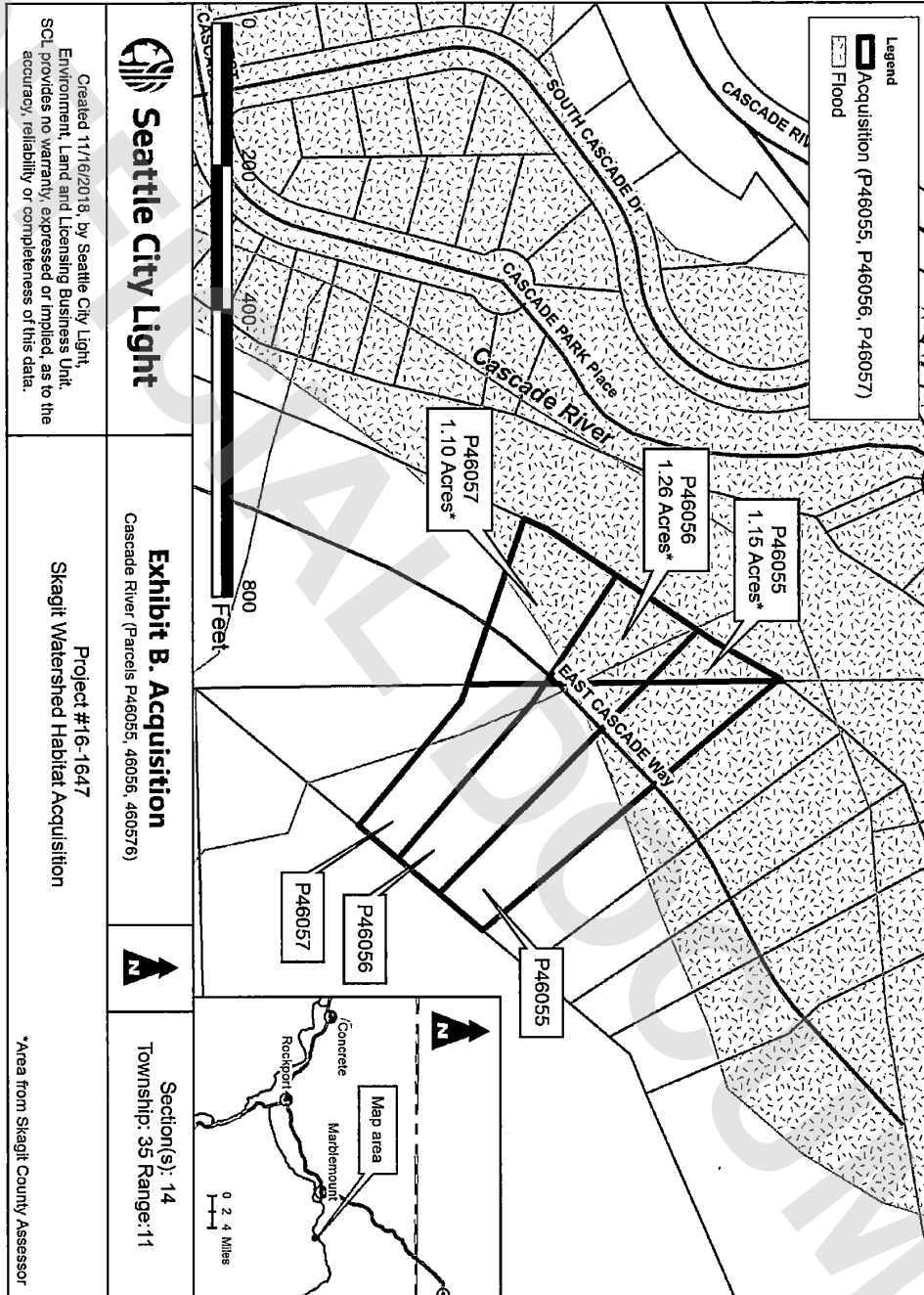


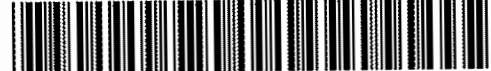
Att 20 – Deed of Right to Use Land for Salmon Recovery Purposes for Rasmussen  
V1

KE

Page 7 of 7

Service Layer Credits: Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user





202012310107

DEEDS (EXCEPT QCDS)

Rec: \$109.50

12/31/2020 9:27 AM 1 of 7

SNOHOMISH COUNTY, WA

Electronically Recorded

Att 21 - Statutory Warranty Deed for Ring  
V1

When recorded return to:

The City of Seattle  
Seattle City Light  
Real Estate Services, Attn Mary Davis  
Smt Room 3338  
PO Box 34023  
Seattle WA 98124-4023

# STATUTORY WARRANTY DEED

STEWART TITLE  
863692

THE GRANTOR(S) Ring Family Limited Partnership, a Washington Partnership, 813 East 8th Street, Port Angeles, WA 98362,

for and in consideration of ten dollars and other valuable consideration

in hand paid, conveys, and warrants to The City of Seattle, a municipal corporation of the State of Washington

the following described real estate, situated in the County Snohomish, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1:

Lots 3, 5, 6, 7, 8, 9 and 10, Snohomish County BLA 09-100057BA, Rec 201003310690, Lots 4 and 11, Boundary  
Line Adjustment No. 11-104139 BA Rec 201107060289; Lots 1 & 2, SCBLA BLA 10-105107 BA, Rec  
201007220318, being Ptn's of SE 25-32-9E, in Snohomish County, Washington

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may  
appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B"  
attached hereto

Tax Parcel Number(s): 32092500401200 & 32092500401100 & 32092500401000 & 32092500400800 &  
32092500400700 & 32092500400200 & 32092500400500 & 32092500400900 & 32092500400600 &  
32092500100400 & 32092500101600

Dated: 12/23/2020

Ring Family Limited Partnership, a Washington Partnership

By: [Signature]

Ring Family Group LLC, a WA LLC General Partner By: Riley Fogarty, Vice President, Authorized Agent

By: \_\_\_\_\_

Ring Family Group LLC, a WA LLC General Partner By: Monica Zuckett, Treasurer, Authorized Agent

Statutory Warranty Deed  
LPB 10-05

Order No.: 20-8913-KH

Page 1 of 5

Page 1 of 7

Thank you for your payment.  
E154422 \$8,218.60  
BRUCE E. 12/31/2020

Att 21 - Statutory Warranty Deed for Ring  
V1

When recorded return to:

The City of Seattle  
PO Box 34023  
Seattle, WA 98124-4023

## STATUTORY WARRANTY DEED

THE GRANTOR(S) Ring Family Limited Partnership, a Washington Partnership, 813 East 8th Street, Port Angeles, WA 98362,

for and in consideration of ten dollars and other valuable consideration

in hand paid, conveys, and warrants to The City of Seattle, a municipal corporation of the State of Washington

the following described real estate, situated in the County Snohomish, State of Washington:

FOR PROPERTY DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART  
HEREOF.

Abbreviated legal description: Property 1:

Lots 3, 5, 6, 7, 8, 9 and 10, Snohomish County BLA 09-100057BA, Rec 201003310690, Lots 4 and 11, Boundary Line Adjustment No. 11-104139 BA Rec 201107060289; Lots 1 & 2, SCBLA BLA 10-105107 BA, Rec 201007220318, in Snohomish County, Washington

This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey as described in Exhibit "B" attached hereto

Tax Parcel Number(s): 32092500401200 & 32092500401100 & 32092500401000 & 32092500400800 & 32092500400700 & 32092500400200 & 32092500400500 & 32092500400900 & 32092500400600 & 32092500100400 & 32092500101600

Dated: 12/23/2020

Ring Family Limited Partnership, a Washington Partnership

By:

Ring Family Group LLC, a WA LLC General Partner By: Riley Fogarty, Vice President, Authorized Agent

By:

Monica Zuckett  
Ring Family Group LLC, a WA LLC General Partner By: Monica Zuckett, Treasurer, Authorized Agent

Statutory Warranty Deed  
LPB 10-05

Order No. 20 0012 00

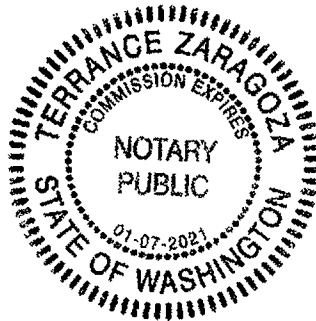
Att 21 – Statutory Warranty Deed for Ring  
V1

STATE OF WASHINGTON  
COUNTY OF ~~SKAGIT~~ KING

I certify that I know or have satisfactory evidence that Ring Family Group LLC, a WA LLC General Partner By: Riley Fogarty, Vice President and Ring Family Group LLC, a WA LLC General Partner By: Monica Zuckett, Treasurer, Authorized Agents of Ring Family Limited Partnership is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 23<sup>RD</sup> day of December, 2020

[Signature]  
Signature  
NOTARY PUBLIC  
Title



My appointment expires: 01/07/2021

Statutory Warranty Deed  
LPB 10-05

Order No. 20 0012 V12

Att 21 - Statutory Warranty Deed for Ring  
V1

STATE OF WASHINGTON  
COUNTY OF ~~SNOHOMISH~~ *Elliptical*

I certify that I know or have satisfactory evidence that Ring Family Group LLC, a WA LLC General Partner By: Riley Fogarty, Vice President, Authorized Agent of Ring Family Limited Partnership is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

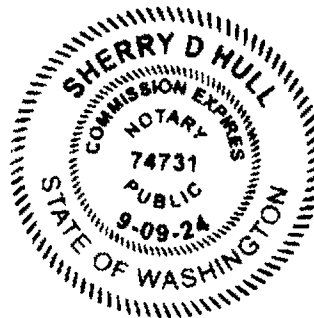
Dated: 23<sup>rd</sup> day of December, 2020

*Sherry D. Hull*  
Signature

*Accountant*  
Title

My appointment expires:

*9/9/24*



Statutory Warranty Deed  
LPB 10-05

Order No.: 20-8913-KH

Page 2 of 5



Att 21 – Statutory Warranty Deed for Ring  
V1

**EXHIBIT A  
LEGAL DESCRIPTION**

Property Address: NHN North Sauk River Road, Darrington, WA 98241  
Tax Parcel Number(s): 32092500401200 & 32092500401100 & 32092500401000 & 32092500400800 &  
32092500400700 & 32092500400200 & 32092500400500 & 32092500400900 & 32092500400600 &  
32092500100400 & 32092500101600

**Property Description:**

**Parcel A:**

Lot 11, Boundary Line Adjustment No. 11-104139 BA according to the plat thereof recorded under Snohomish County Recording No(s) 201107060289, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington.

**Parcel B:**

Lot 10, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

**Parcel C:**

Lot 8, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

**Parcel D:**

Lot 6, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

**Parcel E:**

Lot 4, Boundary Line Adjustment No. 11-104139 BA according to the plat thereof recorded under Snohomish County Recording No(s) 201107060289, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington.

**Parcel F:**

Lot 9, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

**Parcel G:**

Lot 3, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

**Parcel H:**

Statutory Warranty Deed  
LPB 10-05

Order No. 20 2012 211

Att 21 – Statutory Warranty Deed for Ring  
V1

Lot 7, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

Parcel I:

Lot 5, Snohomish County Boundary Line Adjustment BLA 09-100057BA, recorded under Auditor's No. 201003310690, being a portion of the Southeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington;

Parcel J:

Lot 1, Snohomish County Boundary Line Adjustment BLA 10-105107 BA, recorded under Auditor's No. 201007220318, being a portion of the Southeast quarter of the Northeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington.

Parcel K:

Lot 2, Snohomish County Boundary Line Adjustment BLA 10-105107 BA, recorded under Auditor's No. 201007220318, being a portion of the Southeast quarter of the Northeast quarter of Section 25, Township 32 North, Range 9 East, W.M., records of Snohomish County, Washington.

Situate in the County of Snohomish, State of Washington.

Att 21 - Statutory Warranty Deed for Ring  
V1

## EXHIBIT B

20-8913-KH

1. Right to make necessary slopes for cuts or fills upon property herein described as granted in deed recorded under Instrument Number 713105.
2. Easement granted to United States of America, as more fully set forth in the document recorded as Instrument No. 891147.
3. Reservation of oil, gas, or other minerals as set forth in instrument number 1116455, and all rights and easements appertaining thereto in favor of the holder of said interest and any party claiming by, through or under said holder. The Company makes no representation as to the present ownership of this interest.

The above has been amended or extended under document recorded under Instrument No. 199909140175

4. Easement granted to County of Snohomish, as more fully set forth in the document recorded as Instrument No. 201002020250.

Said easement supersedes and replaces easement recorded under Auditor's No. 200910300499.

5. Boundary Line Adjustment and the terms and conditions thereof recorded under Instrument No. 201003310690
6. Survey and the terms and conditions thereof, recorded under Instrument Number 201003315001.
7. Private Waterfront Access Easement including terms and conditions thereof as recorded in Instrument No. 201003310691.
8. Boundary Line Adjustment and the terms and conditions thereof recorded under Instrument No. 201107060289.
9. Rights of the State of Washington in and to that portion of the premises, if any, lying below the line of ordinary high tide or ordinary high water of the Sauk River, as said line exists today or may have existed in the past.
10. Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.
11. The right of use, control or regulation by the United States of America in exercise of power over commerce, navigation and fisheries.
12. Any question that may arise due to the shifting or change in the course of the Sauk River or due to the river having shifted or changed its course.

Statutory Warranty Deed  
LPB 10-05

Order No.: 20-8913-KH

Page 5 of 5

## **SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
City Light	Mike Haynes/684-4185	Greg Shiring/386-4085

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

#### **Legislation Title:**

AN ORDINANCE relating to the City Light Department; accepting statutory warranty deeds to the Beeson, Brecht, Chen, Crosson, Fresonke, Judd, Marsall, McElfresh (two properties), Metzler and De Llaguno, and Rasmussen properties in Skagit County, Washington, and the Ring Family Limited Partnership property in Snohomish County, all for salmonid habitat protection purposes; declaring certain real property rights surplus and no longer required for providing public utility service or other municipal purposes, and ratifying the grants of Deeds of Right to the State of Washington on the Beeson, Brecht, Chen, Fresonke Judd, Marblemount LLC, McElfresh properties, and Rasmussen for salmon recovery and conservation purposes; placing said lands under the jurisdiction of the City Light Department; and ratifying and confirming certain prior acts.

#### **Summary and background of the Legislation:**

This legislation authorizes the General Manager and Chief Executive Officer to accept statutory warranty deeds to the aforementioned properties in Skagit and Snohomish Counties, and ratifies the grants of Deeds of Right for nine of those properties to the Washington State Salmon Recovery Funding Board ("SRFB") for habitat protection purposes. All the properties were purchased as part of City Light's Endangered Species Act ("ESA") Early Action Program under the authority of Ordinance 121114. Both the Program and Ordinance stated criteria by which the City committed to assist in threatened species recovery and these properties meet the criteria by protecting salmonid habitat. Funding for the property acquisitions included \$624,000 in City Light funds and \$475,000 from the SRFB. This legislation places the acquired properties under the jurisdiction of the City Light Department. The funding for these acquisitions was already budgeted and does not require a new appropriation.

### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**    ☐ Yes    ☒ No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**    ☐ Yes    ☒ No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

The properties will require monitoring to protect current habitat conditions. A land management plan was developed for the ESA Lands and funding has been set aside for both

management and monitoring of these properties. Grant funds are pursued as needed to maintain or improve habitat conditions.

**Is there financial cost or other impacts of *not* implementing the legislation?**

City Light would be out of compliance with the terms of the signed grant with the SRFB. This may ultimately result in a loss of the award for the properties and subject City Light to funding the purchase of the properties with other resources, including but not limited to ratepayer funds.

#### 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**

No.

**b. Is a public hearing required for this legislation?**

Yes, a public hearing is held concurrent with Council hearing on the Ordinance.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**d. Does this legislation affect a piece of property?**

Yes, a map is included as an Attachment 1 to this Summary and Fiscal Note.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

None. As we work with willing private sellers, there are no communications with the public regarding the purchases of the properties.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

This legislation is likely to have a negligible impact on carbon emissions, with an overall slight decrease over time. Trees will be planted on the properties, capturing carbon, but to make a measurable difference, the trees would have to be fully mature. Trees planted on the properties in the next few years will not fully mature for upwards of 60-80 years. From a carbon emissions standpoint, not implementing the proposed legislation will not have a significant impact either way.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

This legislation is likely to have a negligible impact on climate resiliency, with an overall slight increase. As described in the previous question, trees will be planted on the



properties, capturing carbon, but to make a measurable difference, the trees would have to be fully mature. Trees planted on the properties in the next few years will not fully mature for upwards of 60-80 years. From a climate resiliency standpoint, not implementing the proposed legislation will not have a significant impact either way. There are no intersections of resiliency and race and social justice impacts for the reasons stated in Question 4e.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

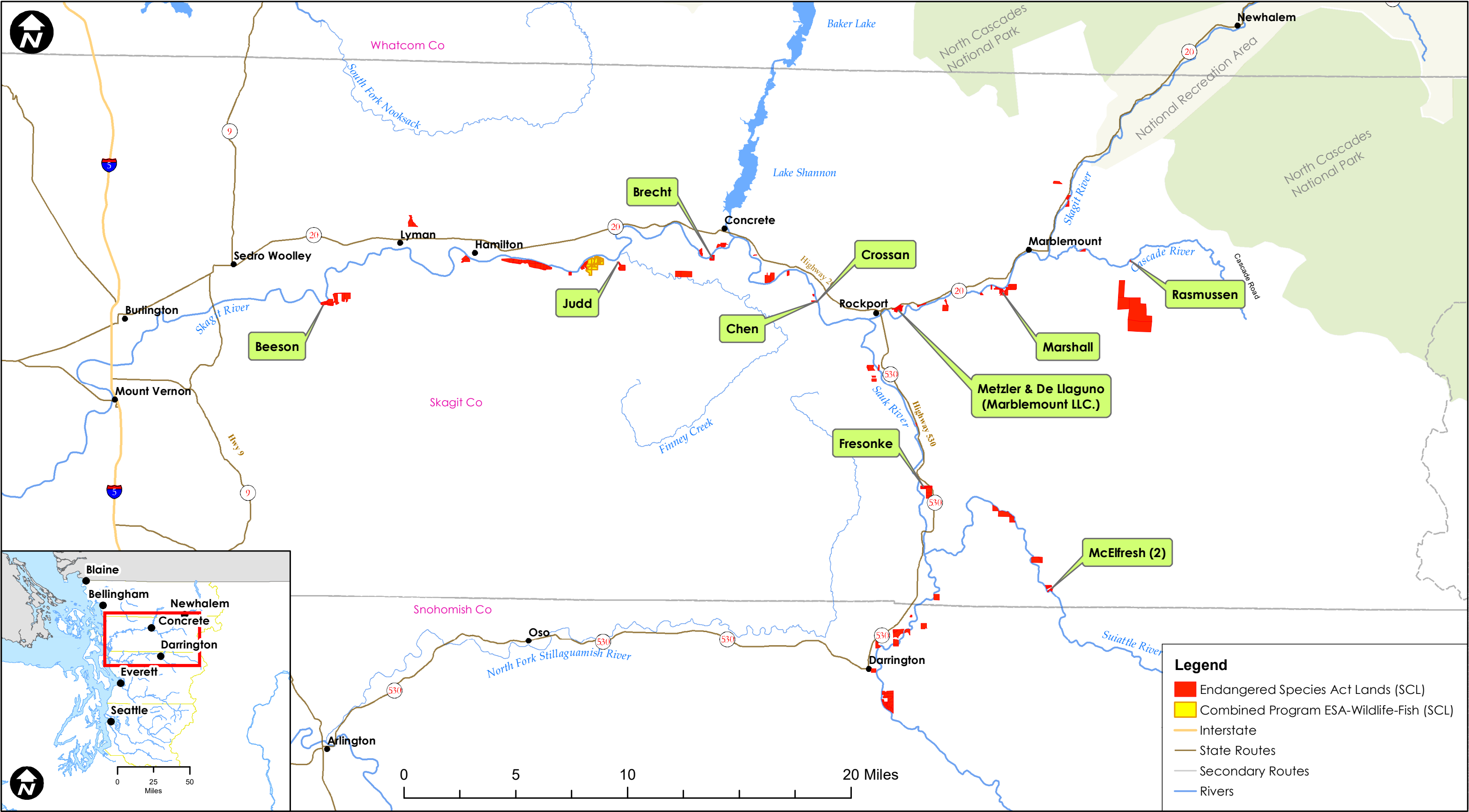
NA.

**List attachments/exhibits below:**

Summary Attachment 1 – Map of Properties

Map of Properties

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





Seattle City Light

# ENDANGERED SPECIES ACT DEED ACCEPTANCE ORDINANCE

Denise Krownbell – Seattle City Light

Transportation & Utilities Committee

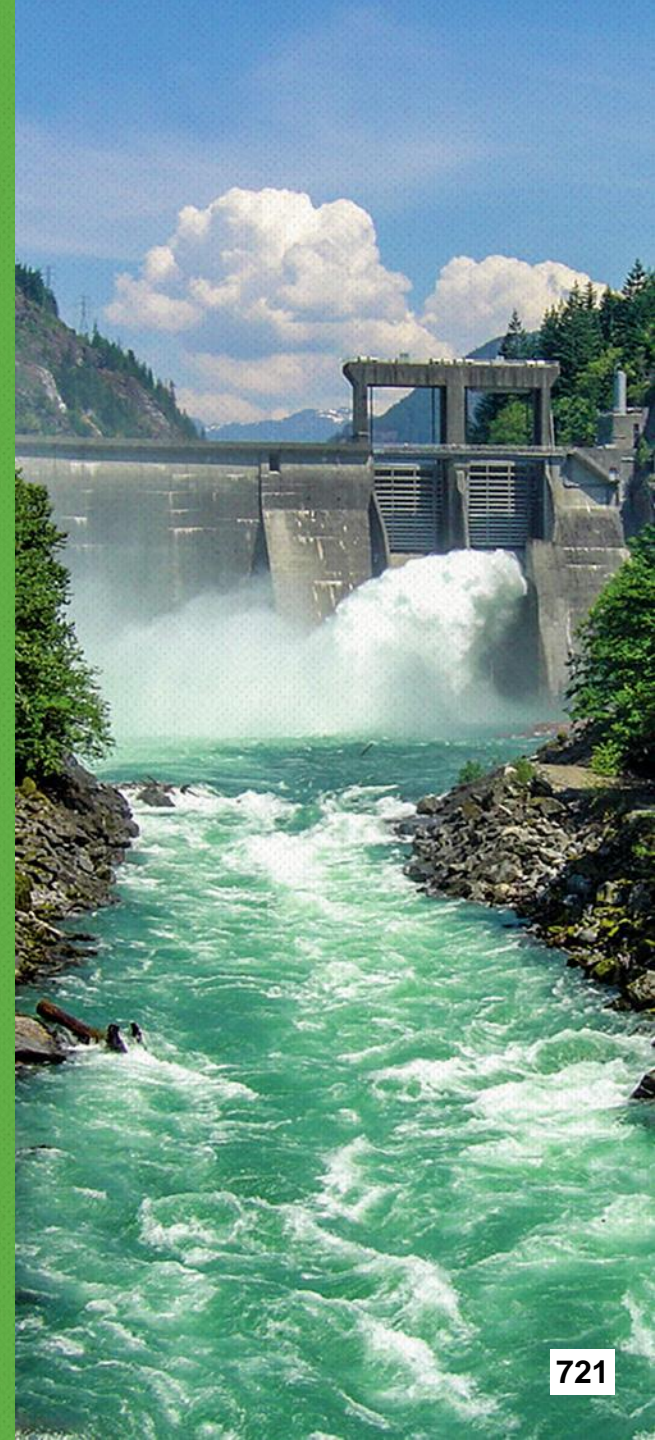
August 4, 2021





# PRESENTATION OVERVIEW

- ESA Early Action Program
- 2021 Deed Acceptance Ordinance
- Acquired Lands Photo Tour
- Questions



## ENDANGERED SPECIES ACT (ESA) LAND PROGRAM

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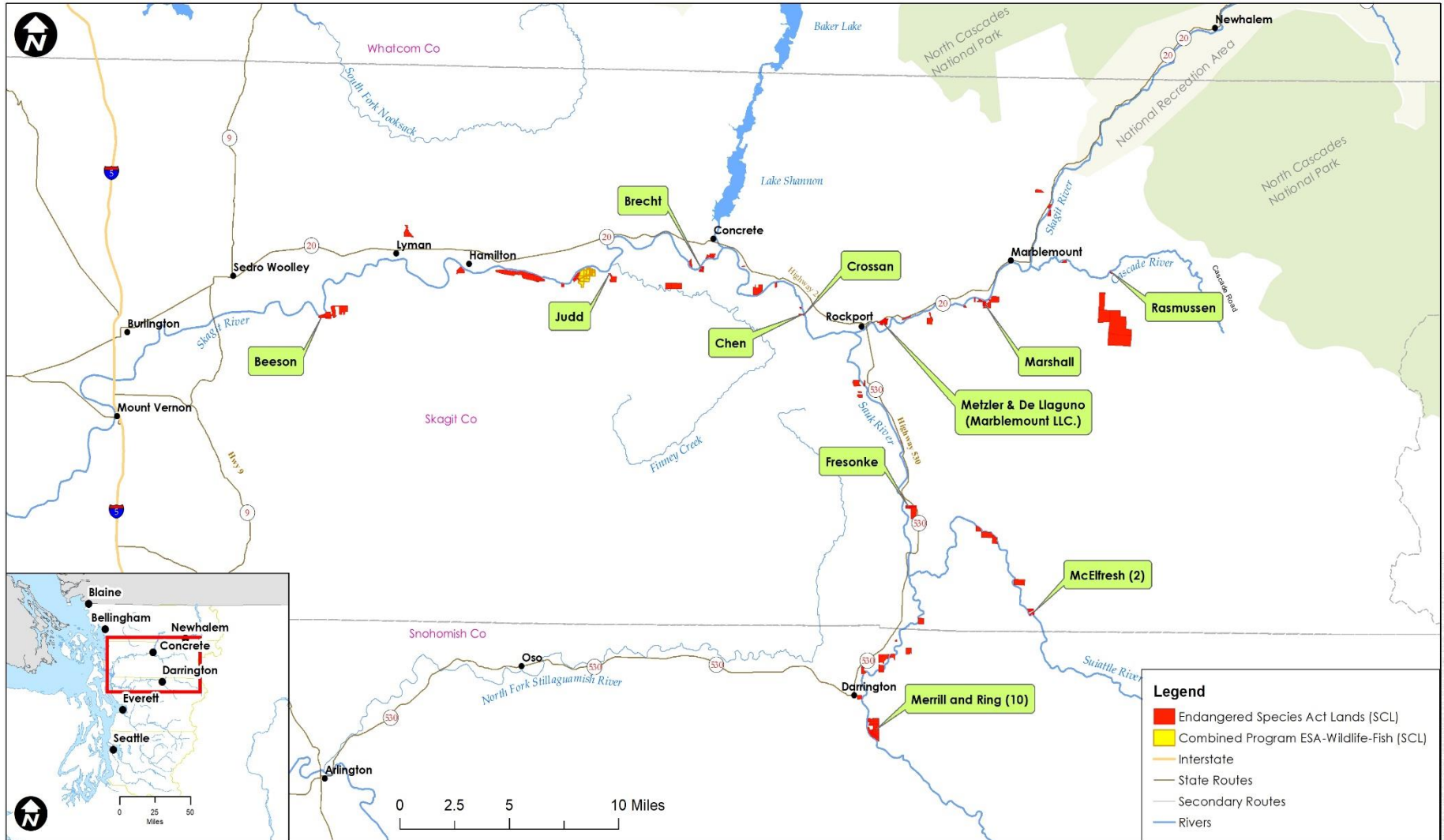
- Began in 2000 with the ESA listing of Chinook salmon and bull trout.
- Focus on fish habitat in the Skagit and Tolt watersheds.
- Part of the mitigation for the ESA Incidental Take Statement for the Skagit License.
- 3,700 acres purchased and protected thus far.
- Since the program's beginning, funded by \$5.9M SCL and \$5.2M grant (multiple sources) dollars.



## 2021 ENDANGERED SPECIES ACT DEED ACCEPTANCE ORDINANCE

---

- Includes purchase of 12 properties totaling 278 acres in the Skagit watershed in 2017, 2018, 2019, and 2020.
  - Accepted the Deeds of Right required by the grant funding to 9 properties.
- Funded by \$624,000 SCL and \$475,000 Salmon Recovery Funding Board (WA) grant dollars over the three years.







Dalles Bridge site similar to Marblemount LLC

© Keith Lazelle Photography





Pressentin Creek-Judd

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# QUESTIONS?

Cascade River-Rasmussen

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August 03, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Eric McConaghy, Analyst  
**Subject:** Council Bill 120146 – Authorizing Deed Acceptance and Ratifying Deeds of Right for City Light Salmonid Habitat Properties

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On August 4, 2021, the Transportation and Utilities Committee (Committee) will review and consider a vote on [Council Bill \(CB\) 120146](#) which would authorize the City to accept statutory warranty deeds for twelve properties in Skagit and Snohomish Counties. City Light purchased the properties under the authority of [Ordinance 121114](#) for the purpose of preserving salmonid habitat. Salmonids are fish biologically classified in the salmon family (Salmonidae). In the context of the proposed legislation, the term, “salmonids,” refers to Puget Sound chinook salmon and Puget Sound bull trout, both listed as threatened species under the federal Endangered Species Act (ESA) in 2000.

City Light purchased the properties and the respective sellers (grantors) for each property executed deeds conveying the properties. City Light recorded the deed documents with either Skagit or Snohomish County, respective of the location of each property. To complete the property transfer, the City Charter requires that Council approve the acquisition by ordinance, phrased in the legislation as “accepting” the deeds.<sup>1</sup>

For nine of the twelve properties described above, CB 120416 would ratify deeds of right that City Light and the State of Washington previously executed and filed for recording with the Skagit County Auditor. The deeds of right convey to the State of Washington (acting by and through the State of Washington Salmon Recovery Funding Board (SRFB) and the Washington State Recreation and Conservation Office) the right to enforce certain duties of the City (acting through City Light) in compliance with requirements of SRFB grant funding that City Light used to purchase the properties.

In general, the duties serve to protect in perpetuity the habitat for salmonids on the properties covered by the deeds of right. The purchase of property with these grant funds is consistent with the purpose authorized by Ordinance 121114.

The City Charter requires that the Council approve by ordinance any transfer of property rights.<sup>2</sup> And, the Revised Code of Washington requires that the City hold a public hearing on the deeds of right because they convey rights from property acquired for utility purposes.<sup>3</sup> The Committee agenda for August 4 will include a public hearing on the deeds of right.

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<sup>1</sup> Seattle City Charter, Article IV, Section 14, Powers by Ordinance.

[https://library.municode.com/wa/seattle/codes/municipal\\_code?nodeId=THCHSE\\_ARTIVLEDE\\_S14POOR](https://library.municode.com/wa/seattle/codes/municipal_code?nodeId=THCHSE_ARTIVLEDE_S14POOR)

<sup>2</sup> Ibid.

<sup>3</sup> Revised Code of Washington 35.94.040. <https://app.leg.wa.gov/rcw/default.aspx?cite=35.94.040>.

City Light purchased the habitat property with appropriations that were included in the six-year, Adopted Capital Improvement Programs for City Light encompassing the years of the purchases: 2017, 2018, 2019, and 2020. City Light reports that sources of funding included \$624,000 in City Light funds and \$475,000 from the SRFB.

CB 120146 necessarily includes language ratifying and confirming prior City Light actions. City Light completed these actions over the span of time from 2017 through 2021. Going forward, the Council may wish to request that City Light propose legislation to authorize City Light's acceptance of deeds and/or to ratify deeds of right for salmonid habitat lands within a year of completing such actions. However, Central Staff finds the proposed legislation to be ministerial and has not identified policy issues for Council's consideration.

### **Background**

In 1999, the City acknowledged the Early Action Proposal for Puget Sound Chinook by adopting [Resolution 29905](#). The City's implementation of the Early Action Proposal is known as the "Early Action Program" (EAP). The City's purpose for the EAP is to respond to the federal listing of Puget Sound chinook and Puget Sound bull trout as threatened species under the ESA. Habitat acquisition (purchasing property) and restoration projects to benefit salmonids are among the actions specified in Resolution 29905.

In 2003, consistent with Resolution 29905, the City approved Ordinance 121114. This ordinance authorized City Light to purchase property in the Skagit watershed "consistent with at least one of the purposes of the Early Action Program (namely)...to prevent degradation of otherwise pristine land, to enhance prime habitat that would otherwise not be enhanced, or to help build a network of prime habitat locations in partnership with other interested parties for purposes of salmon recovery..." Since 2000, City Light has purchased and protected 3,700 acres of land for salmonid habitat in the watersheds of the Skagit and Tolt Rivers.<sup>4</sup>

The proposed effects of CB 120146 are consistent with those of ordinances that City has approved over the years since 2003. For examples, see [Ordinance 125497](#) from 2017 and [Ordinance 124981](#) from 2016.

### **Next Steps**

If the Committee votes to recommend approval of CB 120146 on August 4, 2021, then Council could consider and take final action on the legislation as soon as August 9, 2021.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager

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<sup>4</sup> Ordinance 121114 also authorized City Light to purchase land in the Tolt/Snoqualmie watershed.



## Legislation Text

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**File #:** Inf 1859, **Version:** 1

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Presentation: 2020 Outside Financial Audit of Seattle Public Utilities



REPORT OF INDEPENDENT AUDITORS AND FINANCIAL  
STATEMENTS WITH REQUIRED SUPPLEMENTARY  
INFORMATION AND OTHER INFORMATION

**SEATTLE PUBLIC UTILITIES –  
WATER FUND  
(AN ENTERPRISE FUND OF THE CITY OF SEATTLE)**

December 31, 2020 and 2019



MOSSADAMS

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## Report of Independent Auditors

To the Director of Seattle Public Utilities  
Water Fund  
Seattle, Washington

### Report on the Financial Statements

We have audited the accompanying financial statements of Seattle Public Utilities – Water Fund (the Fund), which comprise the statements of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Seattle Public Utilities – Water Fund as of December 31, 2020 and 2019, and the changes in net position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of Seattle Public Utilities' proportionate share of the net pension liability, schedule of Seattle Public Utilities' contributions, and schedule of Seattle Public Utilities' proportionate share of the OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the financial statements. This information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2021, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

*Moss Adams LLP*

Seattle, Washington  
April 29, 2021

## Seattle Public Utilities – Water Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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As management of Seattle Public Utilities (SPU), a department of the City of Seattle (the City), we offer readers of SPU's financial statements this narrative overview and analysis of the financial activities of the Water Fund (the Fund) for the fiscal years ended December 31, 2020 and 2019. The revenues, expenses, assets, deferred outflows and inflows of resources, liabilities, and deferred inflows of resources of Seattle's water system are recorded in the Fund, the functions of which are primarily supported by user fees and charges to customers. The financial situation of other aspects of Seattle City government, including other utility services and general government operations, are reported elsewhere.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fund's financial statements. The financial statements include Management's Discussion and Analysis and basic financial statements with accompanying notes.

**Basic financial statements** – The basic financial statements of the Fund report information like the presentation used by private sector companies. These statements offer short-term and long-term financial information about its activities. The basic financial statements begin on page 12 of this report and are comprised of three components: (1) statements of net position, (2) statements of revenues, expenses, and changes in net position, and (3) statements of cash flows.

The statements of net position present information, as of December 31, 2020 and 2019, on all the Fund's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets combined with deferred outflows of resources and liabilities combined with deferred inflows of resources is reported as net position. They also provide information about the nature and amounts of investments in resources (assets and deferred outflows of resources), obligations to the Fund's creditors (liabilities and deferred inflows of resources) and provide the basis for assessing the liquidity and financial flexibility of the Fund.

The statements of revenues, expenses, and changes in net position present changes in the Fund's net position for the years ended December 31, 2020 and 2019. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. These statements reflect the results of the Fund's operations for the years identified to provide information about the Fund's credit worthiness and its ability to successfully recover all its costs through service fees and other charges.

The statements of cash flows are required to provide information about the Fund's cash receipts and cash payments during the years ended December 31, 2020 and 2019, and to provide answers to questions about sources, uses, and impacts to cash. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities for the reporting period.

**Notes to the financial statements** – The notes are an integral part of the financial statements. They provide additional disclosures that are essential to a full understanding of the data provided in the financial statements, such as for certain estimates and financing details. The notes to the financial statements begin on page 17 of this report.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

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#### Financial Analysis

Increases or decreases in net position may serve over time as a useful indicator of whether the Fund's financial position is improving or deteriorating. At December 31, 2020 and 2019, the Fund's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources, resulting in surpluses in total net position of \$641.8 million and \$585.9 million, respectively. In 2020, the Fund's change in net position was an increase of \$55.9 million (9.5%) as compared to 2019, which increased \$49.5 million (9.2%). The following summary statement of net position presents the assets and deferred outflows of resources of the Fund and shows the mix of liabilities, deferred inflows of resources, and net position used to acquire these assets:

#### Summary Statement of Net Position

	2020	2019	2018
<b>ASSETS</b>			
Current assets	\$ 186,462,740	\$ 173,480,929	\$ 160,457,325
Capital assets, net	1,338,082,729	1,319,864,509	1,320,292,790
Other	130,344,057	160,646,632	184,626,654
Total assets	1,654,889,526	1,653,992,070	1,665,376,769
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	31,706,364	42,606,814	23,263,682
Total assets and deferred outflows of resources	<u>\$ 1,686,595,890</u>	<u>\$ 1,696,598,884</u>	<u>\$ 1,688,640,451</u>
<b>LIABILITIES</b>			
Current liabilities	\$ 81,303,808	\$ 86,054,632	\$ 103,182,391
Revenue bonds	767,000,352	817,813,647	868,016,942
Other	122,317,203	139,523,671	116,652,644
Total liabilities	970,621,363	1,043,391,950	1,087,851,977
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Revenue stabilization fund	59,880,197	58,869,864	55,004,886
Deferred inflows - other	14,320,203	8,476,141	9,404,210
Total deferred inflows of resources	74,200,400	67,346,005	64,409,096
<b>NET POSITION</b>			
Net investment in capital assets	563,868,163	526,544,348	506,386,096
Restricted	13,230,176	12,976,412	12,985,756
Unrestricted	64,675,788	46,340,169	17,007,526
<b>TOTAL NET POSITION</b>	<u>641,774,127</u>	<u>585,860,929</u>	<u>536,379,378</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,686,595,890</u>	<u>\$ 1,696,598,884</u>	<u>\$ 1,688,640,451</u>

## Seattle Public Utilities – Water Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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### Financial Analysis (continued)

#### 2020 Compared to 2019

**Assets** – Current assets increased \$13.0 million (7.5%) from 2019. This is primarily due to increases in operating cash of \$10.7 million and accounts receivable of \$4.9 million offset by decreases in due from other funds of \$1.9 million, unbilled revenue of \$0.6 million and due from other governments of \$0.3 million. The change in operating cash is primarily due to increased spending for capital assets, of which a certain portion of those costs are reimbursed to operating cash from the bond proceeds. The increase in accounts receivable is mostly due to slower than expected payments from customers due to the COVID-19 pandemic.

Capital assets increased \$18.2 million (1.4%) from 2019 mainly due to closed projects transferred from construction in progress (Note 3).

Other assets decreased \$30.3 million (-18.9%) from 2019. The largest portion of the change was due to a decrease in restricted cash and equity in pooled investments of \$29.4 million for spending on capital projects.

**Deferred outflows of resources** – Deferred outflows of resources decreased by \$10.9 million (-25.6%) from 2019. This change resulted mainly from assumptions related to pension accounting and differences in expected and actual experience in other post-employment benefits (OPEB).

**Liabilities** – Current liabilities decreased \$4.8 million (-5.5%) from 2019. This change mostly resulted from decreases of \$1.1 million in accounts payable and \$3.8 million in salaries and benefits payable.

Noncurrent liabilities decreased \$68.0 million (-7.1%) over 2019. This decrease is mainly due to principal payments of \$46.2 million in revenue bonds and loans of \$2.0 million and decrease in net pension liability of \$16.4 million and bond premiums of \$4.6 million. These decreases were partially offset by an increase of \$1.1 million in compensated absences payable.

**Deferred inflows of resources** – Deferred inflows of resources increased by \$6.9 million (10.2%) from 2019. This increase is mainly due to an increase of \$1.0 million in the revenue stabilization account and \$5.8 million in deferred inflows-pension and OPEB.

**Net position** – Net investment in capital assets was the largest portion of the Fund's net position (\$563.9 million or 87.9%). This amount reflects the Fund's investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Fund uses these assets to provide services to customers; consequently, these assets are not available for future spending. Although the Fund's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. In 2020, net investment in capital assets increased \$37.3 million from 2019 primarily from an increase in utility plant and construction in progress. Other contributing factors are decreases in debt and debt related accounts, offset by a decrease in construction cash of \$29.4 million.



## Seattle Public Utilities – Water Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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### Financial Analysis (continued)

The Fund's restricted net position (\$13.2 million or 2.0%) represents resources that are subject to restrictions on how they may be used. Restricted net position increased slightly by \$0.3 million.

The Fund's unrestricted net position (\$64.7 million or 10.1%) represents resources that are not subject to external restrictions and may be used to meet the Fund's obligations to creditors. This portion increased \$18.3 million in 2020 as compared to 2019 primarily as a result of an increase in operating cash.

### 2019 Compared to 2018

**Assets** – Current assets increased \$13.0 million (8.1%) from 2018. This is primarily due to increases in operating cash of \$36.1 million, accounts receivable of \$0.2 million and unbilled revenue of \$1.1 million offset by decreases in due from other funds of \$15.4 million and due from other governments of \$9.4 million. The increase in operating cash is primarily due to less than anticipated expenditures for capital projects.

Capital assets decreased \$0.4 million (0.0%) from 2018 mainly due to retirements and accumulated depreciation (Note 3).

Other assets decreased \$24.0 million (-13.0%) from 2018. The largest portion of the change was due to a decrease in restricted cash and equity in pooled investments of \$21.7 million for spending on capital projects.

**Deferred outflows of resources** – Deferred outflows of resources increased by \$19.3 million (83.1%) from 2018. This change resulted from assumptions related to pension accounting and differences in expected and actual experience in other post-employment benefits (OPEB).

**Liabilities** – Current liabilities decreased \$17.1 million (-16.6%) from 2018. This change mostly resulted from decreases of \$23.2 million in due to other funds because of settlements made during the year. The decrease was offset by increases in salaries and benefits payable of \$4.4 million, revenue bonds due with one year of \$2.5 million and others of \$1.3 million.

Noncurrent liabilities decreased \$27.3 million (-2.8%) over 2018. This decrease is mainly due to principal payments of \$50.2 million in revenue bonds and \$2.0 million in loans payable. These decreases were partially offset by an increase of \$24.3 million in the net pension liability.

**Deferred inflows of resources** – Deferred inflows of resources increased by \$2.9 million (4.6%) from 2018. This increase is mainly due to an increase of \$3.9 million in the revenue stabilization account and offset by a decrease of \$1.0 million in deferred inflows-pension and OPEB.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

#### Financial Analysis (continued)

**Net position** – Net investment in capital assets was the largest portion of the Fund's net position (\$526.5 million or 89.9%). This amount reflects the Fund's investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Fund uses these assets to provide services to customers; consequently, these assets are not available for future spending. Although the Fund's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. In 2019, net investment in capital assets increased \$20.2 million from 2018 primarily from an increase in utility plant and construction in progress. Other contributing factors are decreases in debt and debt related accounts, offset by a decrease in construction cash of \$25.7 million.

The Fund's restricted net position (\$13.0 million or 2.2%) represents resources that are subject to restrictions on how they may be used. Restricted net position decreased slightly by \$0.09 million.

The Fund's unrestricted net position (\$46.3 million or 7.9%) represents resources that are not subject to external restrictions and may be used to meet the Fund's obligations to creditors. This portion increased \$29.3 million in 2019 as compared to 2018 primarily as a result of an increase in operating cash.

The following summary statements of revenues, expenses, and changes in net position present the annual surplus of revenues over expenses (the change in net position):

#### Summary Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	2018
Operating revenues	\$ 278,577,869	\$ 281,008,043	\$ 282,286,898
Operating expenses	(213,442,003)	(220,594,542)	(210,559,204)
Net operating income	65,135,866	60,413,501	71,727,694
Other expenses, net of other revenues	(19,433,866)	(18,930,740)	(20,417,977)
Fees, contributions, and grants	10,211,198	7,998,790	30,726,656
Change in net position	\$ 55,913,198	\$ 49,481,551	\$ 82,036,373

#### 2020 Compared to 2019

Operating revenues decreased approximately \$2.4 million (-0.9%) over 2019. The change was mainly driven by a decrease in unbilled revenue of \$1.8 million, utility discount of \$1.0 million, retail water sales of \$0.9 million, tap revenue of \$1.2 million and \$0.3 million of miscellaneous fines and penalties. The decreases were offset by increases of \$0.3 million in municipal utility services and \$2.5 million in rate stabilization account.

## **Seattle Public Utilities – Water Fund**

### **(An Enterprise Fund of the City of Seattle)**

### **Management's Discussion and Analysis**

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#### **Financial Analysis (continued)**

Operating expenses decreased \$7.2 million (-3.2%) from 2019. Notable factors affecting this change include decreases of \$1.4 million in salaries, wages and benefits, \$2.7 million in services, \$1.9 million in other operating expenses, \$0.6 million in intergovernmental payments and \$0.4 million in depreciation and amortization.

Other expenses, net of other revenues increased by \$0.5 million (2.7%) over 2019. The change was primarily due to a decrease in interest and debt service expenses of \$2.8 million.

Capital fees, contributions and grants increased by \$2.2 million (27.7%) over 2019. The main factors for the increase are \$3.1 million increase in donations.

#### **2019 Compared to 2018**

Operating revenues decreased approximately \$1.3 million (-0.5%) over 2018. The change was mainly driven by a decrease in wholesale revenue of \$13.1 million as a result of \$12.0 million contract transition payment received from Cascade Water Alliance (CWA in 2018). This decrease was offset by increased revenue of \$8.2 million in utility services and \$3.6 million in other operating revenues.

Operating expenses increased \$10.0 million (4.8%) from 2018. Notable factors affecting this change include increases of \$5.5 million in salaries, wages and benefits and \$5.3 million in other operating expenses.

Other expenses, net of other revenues decreased by \$1.5 million (-7.3%) over 2018. The change was primarily due to a decrease in interest and debt service expenses of \$1.3 million.

Capital fees, contributions and grants decreased by \$22.7 million (-74.0%) over 2018. The main factors for the decrease are settlements received for the bored tunnel and water reservoir seismic work.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

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#### Financial Analysis (continued)

#### Capital Assets

The following table summarizes capital assets, net of accumulated depreciation, by major asset category as of December 31, 2020, 2019, and 2018:

#### Summary of Capital Assets, Net of Accumulated Depreciation

	December 31,		
	2020	2019	2018
Land and land rights	\$ 54,016,672	\$ 48,319,324	\$ 48,319,324
Buildings	136,701,527	138,081,286	140,470,420
Structures	809,255,051	790,865,802	774,497,498
Machinery and equipment	270,111,490	285,317,611	304,030,908
Computer systems	22,261,534	22,096,338	25,807,660
Construction in progress	43,894,329	33,428,453	25,411,285
Artwork	1,567,614	1,481,184	1,481,184
Property held for future use	274,512	274,512	274,512
Capital assets, net of accumulated depreciation	<u>\$ 1,338,082,729</u>	<u>\$ 1,319,864,510</u>	<u>\$ 1,320,292,791</u>

Additional information about the Fund's capital assets can be found in Note 3 of this report.

#### 2020 Compared to 2019

The Fund's investment in capital assets for the year ended December 31, 2020, was \$1.3 billion, net of accumulated depreciation. This represents an increase of \$18.2 million (1.4%) compared to 2019. Addition of capital assets was offset by increased depreciation and disposals. Highlights of the Fund's major capital assets placed in service during 2020 include the following:

- \$21.9 million for Water infrastructure improvements and rehabilitation
- \$4.9 million for Cedar Falls and Lake Young's Facilities
- \$5.0 million for Infrastructure work for Cedar and Tolt
- \$4.3 million for Technology

As of December 31, 2020, the Fund had \$33.4 million in construction in progress. Major projects under construction are the following:

- \$27.5 million for Water system improvements and rehabilitation
- \$12.7 million for Regional Facility and infrastructure
- \$4.9 million for Technology

# **Seattle Public Utilities – Water Fund**

## **(An Enterprise Fund of the City of Seattle)**

### **Management’s Discussion and Analysis**

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#### **Financial Analysis (continued)**

##### **2019 Compared to 2018**

The Fund’s investment in capital assets for the year ended December 31, 2019, was \$1.3 billion, net of accumulated depreciation. This represents a decrease of \$0.4 million (-0.03%) compared to 2018. Addition of capital assets was offset by increased depreciation and disposals. Highlights of the Fund’s major capital assets placed in service during 2019 include the following:

- \$16.9 million for Water infrastructure improvements and rehabilitation
- \$1.9 million for Cedar Falls and Lake Young’s Facilities
- \$1.0 million for Infrastructure work for Cedar and Tolt

As of December 31, 2019, the Fund had \$33.4 million in construction in progress. Major projects under construction are the following:

- \$5.6 million for Water system improvements and rehabilitation
- \$4.1 million for Regional Facility and infrastructure
- \$3.1 million for Technology

##### **Debt Administration**

The Fund’s debt primarily consists of bonded debt and loans. Bonded debt is secured solely by water system revenues and provides financing for capital improvements. Loans issued by the Washington State Agencies for certain capital improvements are unsecured. The Fund’s credit ratings on its bonds were Aa1 and AA+ by Moody’s Investors Service Inc. and Standard & Poor’s Rating Services, respectively. Additional details about the Fund’s revenue bonds and loans are in Notes 4 and 10 of this report.

##### **2020 Compared to 2019**

At December 31, 2020, the Fund had \$728.5 million in bonded debt and \$24.8 million in loans, as compared to \$774.1 million and \$26.8 million, respectively, at December 31, 2019. Bonded debt decreased a net \$45.6 million, attributed to scheduled payments of debt principal on existing bonds. Loans also decreased \$2.0 million due to scheduled principal payments on existing loans.

##### **2019 Compared to 2018**

At December 31, 2019, the Fund had \$774.1 million in bonded debt and \$26.8 million in loans, as compared to \$817.2 million and \$28.9 million, respectively, at December 31, 2018. Bonded debt decreased a net \$43.0 million, attributed to scheduled payments of debt principal on existing bonds. Loans also decreased \$2.0 million due to scheduled principal payments on existing loans.



## **Seattle Public Utilities – Water Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis**

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### **Requests for Information**

The Fund's financial statements are designed to provide a general overview of the Fund's finances, as well as to demonstrate the Fund's accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Seattle Public Utilities, Finance and Administration Branch, Accounting Division, PO Box 34018, Seattle, WA 98124-4018, telephone (206) 684-3000.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Net Position**

	December 31,	
	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Operating cash and equity in pooled investments	\$ 140,762,314	\$ 130,035,812
Receivables		
Accounts, net of allowance	19,768,400	14,827,346
Interest and dividends	835,958	834,341
Unbilled revenues	16,516,809	17,131,177
Due from other funds	561,079	2,466,434
Due from other governments	884,847	1,200,473
Materials and supplies inventory	7,022,028	6,913,753
Prepayments and other current assets	111,305	71,593
<b>Total current assets</b>	<b>186,462,740</b>	<b>173,480,929</b>
<b>NONCURRENT ASSETS</b>		
Restricted cash and equity in pooled investments	93,098,242	122,541,451
Prepayments long-term	803,816	875,410
Conservation costs	26,171,056	27,817,727
Regulatory assets	6,017,105	7,322,244
Other charges	4,253,838	2,089,800
Capital assets		
Land and land rights	54,016,672	48,319,324
Plant in service, excluding land	2,146,526,408	2,095,575,255
Less accumulated depreciation	(908,196,806)	(859,214,219)
Construction in progress	43,894,329	33,428,453
Other property, net	1,842,126	1,755,696
<b>Total noncurrent assets</b>	<b>1,468,426,786</b>	<b>1,480,511,141</b>
<b>Total assets</b>	<b>1,654,889,526</b>	<b>1,653,992,070</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on advanced refunding	18,337,668	19,717,242
Pension and OPEB contributions and changes in assumptions	13,368,696	22,889,572
<b>Total deferred outflow of resources</b>	<b>31,706,364</b>	<b>42,606,814</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,686,595,890</b>	<b>\$ 1,696,598,884</b>

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Net Position**

	December 31,	
	2020	2019
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,924,189	\$ 11,069,972
Salaries, benefits, and payroll taxes payable	3,587,341	7,349,700
Compensated absences payable	296,233	240,567
Due to other funds	4,525	345,824
Due to other governments	109,515	-
Interest payable	10,704,947	11,346,745
Taxes payable	811,140	862,814
Revenue bonds due within one year	46,235,000	45,625,000
Claims payable	1,324,184	1,312,147
Habitat conservation program liability	733,539	578,319
Loans payable, due within one year	2,049,935	2,049,935
Other	5,523,260	5,273,609
Total current liabilities	<u>81,303,808</u>	<u>86,054,632</u>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences payable	5,628,415	4,570,756
Claims payable	3,907,560	3,883,307
Habitat conservation program liability	6,328,713	6,501,787
Loans payable	22,726,754	24,776,689
Unfunded other post employment benefits	3,014,776	2,901,073
Net pension liability	80,221,489	96,599,354
Other noncurrent liabilities	489,496	290,705
Revenue bonds	682,255,000	728,490,000
Bond premiums	84,745,352	89,323,647
Total noncurrent liabilities	<u>889,317,555</u>	<u>957,337,318</u>
Total liabilities	<u>970,621,363</u>	<u>1,043,391,950</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Rate stabilization account	59,880,197	58,869,864
Deferred inflows-pension and OPEB	14,320,203	8,476,141
Total deferred inflows of resources	<u>74,200,400</u>	<u>67,346,005</u>
<b>NET POSITION</b>		
Net investment in capital assets	563,868,163	526,544,348
Restricted for		
Other charges	5,122,759	4,531,742
Conservation costs	3,535,719	3,849,816
Habitat conservation program	4,571,698	4,594,854
Unrestricted	64,675,788	46,340,169
Total net position	<u>641,774,127</u>	<u>585,860,929</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,686,595,890</u>	<u>\$ 1,696,598,884</u>

See accompanying notes.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Revenues, Expenses, and Changes in Net Position**

	Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Charges for services and other revenues	\$ 278,577,869	\$ 281,008,043
OPERATING EXPENSES		
Salaries, wages and personnel benefits	60,886,762	62,308,052
Supplies	5,670,627	5,787,353
Services	43,864,447	46,581,746
Intergovernmental payments	46,100,555	46,746,129
Depreciation	50,393,358	50,440,403
Amortization	4,092,999	4,432,654
Other operating expenses	2,433,255	4,298,205
Total operating expenses	213,442,003	220,594,542
OPERATING INCOME	65,135,866	60,413,501
NONOPERATING REVENUES		
Other nonoperating revenue	2,561,005	4,031,561
Investment revenue	8,898,503	10,807,360
Total nonoperating revenues	11,459,508	14,838,921
NONOPERATING EXPENSES		
Interest/debt service expenses	30,893,374	33,658,477
Other nonoperating expenses	-	111,184
Total nonoperating expenses	30,893,374	33,769,661
Income before capital contributions and grants	45,702,000	41,482,761
Capital contributions and grants	10,211,198	7,998,790
CHANGE IN NET POSITION	55,913,198	49,481,551
NET POSITION		
Beginning of year	585,860,929	536,379,378
End of year	\$ 641,774,127	\$ 585,860,929

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Cash Flows**

	Years Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 280,463,985	\$ 313,163,122
Cash paid to suppliers	(53,970,448)	(81,969,592)
Cash paid to employees	(65,777,972)	(55,870,388)
Cash paid for taxes	(44,316,495)	(45,742,967)
Net cash provided by operating activities	<u>116,399,070</u>	<u>129,580,175</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Noncapital grants received	5,072,354	1,982,897
Payment for environmental liabilities	-	(76,440)
Net cash flows from noncapital financing activities	<u>5,072,354</u>	<u>1,906,457</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(42,532,929)	(44,252,045)
Capital expenditures and other charges paid	(75,331,822)	(51,002,667)
Interest paid on long-term debt	(36,478,733)	(38,667,808)
Build America Bonds Federal Interest Subsidy	1,937,152	1,984,080
Capital fees and grants received	5,138,843	6,015,892
Proceeds from sale of capital assets	119,624	(5,004)
Net cash used in capital and related financing activities	<u>(147,147,865)</u>	<u>(125,927,552)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	<u>6,959,734</u>	<u>8,831,723</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUITY IN POOLED INVESTMENTS</b>	(18,716,707)	14,390,803
<b>CASH AND EQUITY IN POOLED INVESTMENTS</b>		
Beginning of year	<u>252,577,263</u>	<u>238,186,460</u>
End of year	<u><u>\$ 233,860,556</u></u>	<u><u>\$ 252,577,263</u></u>
<b>CASH AT THE END OF THE YEAR CONSISTS OF</b>		
Operating cash and equity in pooled investments	\$ 140,762,314	\$ 130,035,812
Noncurrent restricted cash and equity in pooled investments	<u>93,098,242</u>	<u>122,541,451</u>
Total cash at the end of the year	<u><u>\$ 233,860,556</u></u>	<u><u>\$ 252,577,263</u></u>

See accompanying notes.

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**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Cash Flows (continued)**

	Years Ended December 31,	
	2020	2019
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating income	\$ 65,135,866	\$ 60,413,501
Adjustments to reconcile net operating income to net cash provided by operating activities		
Adjustment for net pension liability	(1,012,927)	2,135,030
Depreciation and amortization	54,486,357	54,873,057
Nonoperating revenues and expenses	2,441,379	4,001,821
Changes in operating assets and liabilities		
Accounts receivable	(4,941,054)	(2,200,399)
Unbilled revenues	614,368	(1,102,106)
Due from other funds	1,905,355	17,405,962
Due from other governments	315,626	9,380,981
Materials and supplies inventory	(108,275)	(421,669)
Other assets	31,882	71,593
Accounts payable	(1,145,783)	(653,494)
Salaries, benefits, and payroll taxes payable	(3,762,359)	4,414,393
Compensated absences payable	1,113,325	563,354
Due to other funds	(341,299)	(23,213,203)
Due to other governments	109,515	(114,865)
Claims payable	36,290	(371,891)
Taxes payable	(51,674)	(793,797)
Regulatory liability - revenue stabilization fund	1,010,333	3,864,978
Credits and other	562,145	1,326,929
Total adjustments	51,263,204	69,166,674
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 116,399,070	\$ 129,580,175
NONCASH TRANSACTIONS		
Contributed infrastructure	\$ 4,932,415	\$ 1,788,805

## Seattle Public Utilities – Water Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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### Note 1 – Operations and Summary of Significant Accounting Policies

**Operations** – The City of Seattle, Seattle Public Utilities – Water Fund (the Fund) is a public utility enterprise fund of the City of Seattle (the City). The Fund was established to account for activities of the water system operated by Seattle Public Utilities (SPU). The water system, established in 1890, provides water to the greater Seattle area through direct service to customers and through purveyors, such as suburban water districts and municipalities. The activities of the water system include protection of available water supply, transmission of water to customers, development of water conservation programs, evaluation of new water sources, and management of the City's water system assets, which include the Tolt and Cedar River Watersheds, water pipes, pumping stations, and treatment plants.

On January 1, 1997, the City created SPU, which brought together under one administrative umbrella the water, solid waste, and drainage and wastewater functions of the City. The Fund (as well as SPU's other funds) remains separate for accounting purposes.

SPU receives certain services from other departments and agencies of the City, including information technology and some that are normally considered to be general and administrative. The Fund is charged a share of these costs and during 2020 and 2019, paid \$20,707,277 and \$23,560,027, respectively, to the City for its share of these services. Additionally, the Fund pays a business and occupation utility tax to the City's General Fund. The Fund paid \$34,019,832 and \$34,467,729 for these taxes in 2020 and 2019, respectively.

The utility billing function is co-managed by SPU, Seattle City Light (SCL), and the Seattle Information Technology Department (ITD). SPU provides customer service through the call center and walk-in center. ITD maintains the Customer Information System (CIS). SPU and SCL bill and reimburse each other for these services. SPU reimburses ITD for the information technologies services mentioned above. Within SPU, the costs and reimbursements were shared among its three utility funds (Water, Drainage and Wastewater, and Solid Waste). The Fund received reimbursements related to the call center and walk-in center of \$2,327,309 and \$2,190,419 in 2020 and 2019, respectively. The Fund paid \$31,132 and \$8,143 for the utility billing services in 2020 and 2019, respectively.

Water services provided to other City departments and agencies are billed at rates prescribed by City ordinances. The Fund collected \$3,461,381 and \$4,283,105 in 2020 and 2019, respectively, from the City for water services provided.

The Fund is subject to regulation by the City and the State of Washington. Service rates are authorized by ordinances passed by the Seattle City Council (City Council). Financial reporting is reviewed by the Washington State Auditor's Office and conforms to accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

**Basis of accounting** – The Fund is accounted for on a flow of economic resources measurement focus. Its financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units using the accrual basis of accounting. With the flow of economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the Fund's operations are included on the statements of net position. The statements of revenues, expenses, and changes in net position present increases (revenues) and decreases (expenses) in total net position.

**Cash and equity in pooled investments** – Cash resources of the Fund are combined with cash resources of the City in a pooled investment portfolio that is managed by the City's Finance and Administration Services Department. The City's investment portfolio consists of fixed income securities authorized by the Revised Code of Washington and other applicable law. The pool operates like a demand deposit account in that all City departments may deposit cash at any time and withdraw cash out of the pool without prior notice or penalty. Interest earned on the pooled investments is prorated to individual funds at the end of each month on the basis of their average daily cash balances during the month when interest was earned. Cash and equity in pooled investments are reported at fair market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*. The Fund's share of the pool is included in the accompanying Statement of Net Position under the caption "cash and equity in pooled investments." Accordingly, the Statements of Cash Flows reconcile to cash and equity in pooled investments. The restricted cash and equity in pooled investments are comprised of unexpended bond proceeds, bond reserve account and a revenue stabilization account.

**Receivables and unbilled revenues** – Customer accounts receivable consist of amounts owed by private individuals, organizations and other city departments for goods delivered or services rendered in the regular course of business operations. Accounts receivable is shown net of allowances for doubtful accounts. The Fund also accrues an estimated amount for services that have been provided but not billed. Notes and contracts receivable arise from written agreements or contracts with public organizations and private individuals.

**Due from/to other funds and governments** – Activity between funds that is outstanding at the end of the year not related to the provision of utility services is reported as due from or due to other funds.

**Allowance for doubtful accounts** – A reserve has been established for uncollectible accounts receivable based on actual historical write-off trends and knowledge of specific circumstances that indicate collection of an account may be unlikely. As of December 31, 2020 and 2019, the Fund's allowance for doubtful accounts was \$728,885 and \$406,632, respectively.

**Materials and supplies inventory** – The Fund values its inventory based on a moving average method. The most recent total cost of an inventory item is divided by the total units of the item that remain in inventory to determine the moving average cost of the item. The moving average cost is then applied to all the units of the inventory item.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

**Regulatory assets** – GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, allows for certain costs to be capitalized as a regulatory asset instead of charged to expense. A regulatory asset is recorded when it is probable that future revenue in an amount at least equal to the capitalized costs will be recovered through customer rates over some future period. The Fund uses regulatory accounting for debt issuance costs because these costs are included in the rate structure and, as such, will continue to be amortized over the life of the associated bond and loan issues. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, would have required these costs to be expensed in the period incurred if the Fund had not utilized regulatory accounting for these costs.

**Revenue Stabilization Account** – The Revenue Stabilization Account (RSA) was established by City Ordinance 122841 to reduce year-to-year variation in rates. Amounts deposited into the RSA are excluded from the statements of revenues, expenses, and changes in net position and treated as a credit in accordance with GASB Statement No. 62. The RSA is included in the “Revenue Stabilization Account” identified in the Fund’s bond covenants. These covenants provide that withdrawals and deposits from the “Revenue Stabilization Account” shall augment or reduce adjusted net revenue available for the payment of debt service. In 2020, there was no deposit to or withdrawal from the RSA.

**BPA account** – In 2003, the Bonneville Power Administration (BPA) purchased an easement in the amount of \$6.0 million from the Fund to construct a power transmission line through the Cedar River Watershed. This \$6.0 million, together with \$657,149 in timber sales related to the easement, were deposited into the BPA account and classified as restricted assets. At December 31, 2020 and 2019, the cash balance in the BPA account was \$496,152 and \$487,705, respectively. Monies in the BPA account are considered a portion of the “Revenue Stabilization Account” described in bond covenants, and therefore shall augment or reduce adjusted net revenue available for the payment of debt service. The Fund will recognize the revenues deposited in the BPA account in the calculation of adjusted net revenues available for the payment of debt service as they are withdrawn to fund certain activities in the Cedar River Watershed.

**Conservation costs** – Conservation program costs that result in long-term benefits and reduce or postpone other capital expenditures or have a legal requirement are included in noncurrent assets and amortized over their expected useful lives, commencing when each program is in place. The conservation program costs are amortized over their expected useful lives of ten years. Certain costs related to the Habitat Conservation Plan (HCP) are included in the noncurrent assets and amortized through 2050, the year in which the plan expires. An incidental take permit was issued to the City by the federal government approving the HCP for 50 years. Costs of administering the conservation and HCP programs are expensed as incurred.

**Other charges** – Other charges include costs such as the Water System Plan, leasehold improvements, and the Tolt Levee modification. The Fund amortizes these charges over a 2- to 33-year period.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

**Capital assets** – Capital assets are stated at cost or, if contributed, at fair value at the date of contribution. Costs include direct material, labor, and indirect costs such as engineering, supervision, payroll taxes, pension benefits, and interest relating to the financing of projects under construction. The cost of current repairs and maintenance is charged to expense, while the cost of additions and improvements is capitalized. SPU's policy is to capitalize assets with a cost of \$5,000 or more. The Fund receives donated assets such as water mains from developers and other governmental agencies. These donated assets are treated as a special item under capital contributions and grants in the statements of revenues, expenses, and changes in net position.

**Construction in progress** – Capitalizable costs incurred on projects which are not in service or ready for use are held in construction in progress. When the asset is ready for service, related costs are transferred to capital assets. Upon determining that a project will be abandoned, the related costs are charged to expense.

**Other property** – Other property is stated at cost, or if contributed, the fair value at the date of contribution. Other property includes artwork and property held for future use. The artwork is acquired through the City's "One Percent for Art" program, which supports the City ordinance established to direct the inclusion of works of art in public spaces within the City.

**Depreciation** – Capital assets in service are depreciated on the straight-line method over estimated useful lives as follows:

Buildings and fixtures	10 to 50 years
Earthen source of supply developments	100 years
Transmission and distribution pipelines, reservoirs, and tanks	15 to 100 years
Water mains	33 to 57 years
Pumps, wells, and treatment equipment	10 to 50 years
Machinery and equipment	3 to 20 years
Computer systems	3 to 11 years

Asset depreciation begins in the month the asset is placed in service.

**Deferred outflows/inflows of resources** – In addition to assets, the statements of net position, when applicable, will report a separate section for deferred outflows of resources. It represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The fund has deferred loss on refunding debt which qualifies for reporting in this category. A deferred loss on refunding bonds results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Fund has also recorded deferred outflows of resources for certain pension and OPEB activities including, the difference between projected and actual experience, the difference between projected and actual earnings on investments, and contributions made subsequent to the measurement date (Notes 6 and 9).



**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

In addition to liabilities, the statements of net position, when applicable, will report a separate section for deferred inflows of resources. It represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Fund has also recorded deferred inflows of resources for changes in proportion and differences between employer contributions and proportionate share of contributions. The Fund has a revenue stabilization account which qualifies for reporting in this category.

**Compensated absences** – Employees earn vacation based upon their date of hire and years of service and may accumulate earned vacation up to a maximum of 480 hours. Unused vacation at retirement or normal termination is considered vested and payable to the employee. Earned but unused vacation is accrued as a liability of the Fund. Employees also earn up to 12 days of sick leave per year and may accumulate sick leave balances without limit. The Fund records a liability for estimated sick leave payments.

Employees who submit the required documentation when represented by the Coalition of City Unions are paid 35% of the value of unused sick leave upon retirement as part of the Health Reimbursement Arrangement – Voluntary Employees' Beneficiary Association (HRA-VEBA) program. If the employee fails to submit the required documentation by their last working day of employment, their sick leave balance is forfeited.

Retiring employees who are not eligible to participate in the HRA-VEBA program may elect to receive 25% of the value of unused sick leave upon retirement or defer receipt of 35% of the value of their sick leave balance to the City's 457 Plan and Trust, subject to the year-to-date or life-to-date limitations on deferrals and contributions. If the 35% value of the sick leave balance exceeds the maximum amount deferred to the City's 457 Plan and Trust, the employee shall receive a taxable cash payment equal to the amount by which the 25% value of the sick leave balance exceeds the 35% that was allowed to be deferred.

**Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Seattle City Employees' Retirement System (SCERS) are reported on the same basis as reported by SCERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)** – For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the benefit have been determined on the same basis as they are reported by the City. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**Operating revenues** – The Fund provides water service to wholesale and retail customers and recognizes revenue when such service is provided. Wholesale customers (Purveyors) are under contract with the Fund, and rates are set based on cost allocation criteria stipulated in the contracts.

## Seattle Public Utilities – Water Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

Service rates for all customers are authorized by ordinances passed by the City Council. Service revenues are recorded through cycle billings rendered to customers monthly or bimonthly. The Fund accrues and records unbilled water service revenues in the financial statements for services provided from the date of the last billing to year end.

**Operating expenses** – The Fund's operating expenses include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of deferred assets.

**Taxes** – The Fund is charged a public utility tax by the City at a rate of 15.54% of Fund revenues, net of certain credits and certain revenues. In addition, the Fund paid a 5.029% public utility tax to the State on a certain portion of revenues identified as utility revenues. The Fund also paid business and occupation tax to the City at the rate of 0.222% and to the State at the rate of 1.75% for certain other non-utility revenues.

**Other revenues and expenses** – The Fund's non-operating revenues and expenses arise from transactions not related directly to the major income-earning operations of the utility and are of a recurring nature. Major items are investment and interest income, interest expense, gains or losses on the sale of assets, and amortization of debt expenses.

**Net position** – The statements of net position report all financial and capital resources. Assets and deferred outflows of resources minus liabilities and deferred inflows of resources is net position. There are three components of net position: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets, consists of capital assets, less accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position is restricted when constraints placed on net position use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. The Fund's restricted net position as of December 31, 2020, are mainly related to conservation costs, HCP and certain other charges.

Unrestricted net positions are those that are not "net investment in capital assets" or "restricted."

**Arbitrage rebate requirement** – The Fund is subject to the Internal Revenue Code (IRC), Section 148(f), related to its tax-exempt revenue bond. The IRC requires that earnings on gross proceeds of any revenue bonds that are more than the amount prescribed will be surrendered to the Internal Revenue Service. As such, the Fund would record such a rebate as a liability. The Fund had no arbitrage liability as of December 31, 2020 and 2019.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

**Accounting standard changes** - GASB has issued Statement No. 87, *Leases*. The new standard was issued in June 2017 and was originally scheduled for implementation for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delayed the implementation dates of certain statements. As a result, GASB 87 will be effective for the Fund for reporting periods beginning after June 15, 2021. Under this rule, leases are all assumed to be capital financings of the underlying asset with only a narrow range of short-term equipment and motor vehicle leases treated as an 'operating lease. GASB now assumes that all leases are 'capital leases' except for the specific exceptions noted. The Fund is evaluating the impact of this standard on the financial statements.

GASB has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Statement was issued in June 2018 to be implemented effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB issued Statement No. 95 which delayed the implementation dates of certain statements. As a result, GASB 89 will be effective for the Fund for reporting periods beginning after December 15, 2020. The Fund plans to invoke regulatory accounting under GASB 62 and will continue to capitalize interest as an expense to projects.

**Use of estimates** – The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Estimates and assumptions are used to record unbilled revenues, allowance for doubtful accounts, accrued sick leave, capitalized interest, depreciation, risk liabilities, post-retirement benefits, pension liability, and other contingencies. Changes in these estimates and assumptions may have a material impact on the financial statements.

**Significant risks and uncertainties** – The Fund is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include, but are not limited to, water conditions, weather and natural disaster-related disruptions, collective bargaining labor disputes, fish and other endangered species act issues, Environmental Protection Agency regulations, federal government regulations or orders concerning the operation, maintenance, and licensing of facilities.

**Reclassifications** – Certain reclassifications have been made to the prior year financial statements and footnote presentations to correspond to the current year presentation. These reclassifications had no effect on the operating results of the Fund.

## Seattle Public Utilities – Water Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 2 – Cash and Equity in Pooled Investments

Per Seattle Municipal Code, SMC 5.06.010 Investment Authority, the City's Director of Finance and Administrative Services (FAS) is authorized to invest all moneys in the City Treasury. Cash resources of the Department are combined with cash resources of the City to form a pool of cash that is managed by the City's Department of Finance and Administrative Services (FAS). Under the City's investment policy, all temporary cash surpluses in the pool are invested. The Fund's share of the pool is included on the balance sheets as Cash and Equity in Pooled Investments or as restricted assets. The pool operates like a demand deposit account in that all departments, including the Fund may deposit cash at any time and can also withdraw cash, out of the pool, up to the amount of the Fund's balance, without prior notice or penalty. Accordingly, the statements of cash flows reconcile to cash and equity in pooled investments.

**Custodial credit risk – deposits** – Custodial credit risk of deposits is the risk that in the event of bank failure for one of the City's depository institutions, the City's deposits or related collateral securities may not be returned in a timely manner.

As of December 31, 2020 and 2019, the City did not have custodial credit risk. The City's deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA) as well as protection provided by the Washington State Public Deposit Protection Commission (PDPC) as established in RCW 39.58. The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks, credit unions, and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. This secures public treasurers' deposits when they exceed the amount insured by the FDIC or NCUA by requiring banks, credit unions, and thrifts to pledge securities as collateral.

As of December 31, 2020 and 2019, the City held sufficient cash in its vault for operations. Additional small amounts of cash were held in departmental revolving fund accounts with the City's various custodial banks, all of which fell within the NCUA/FDIC's \$250,000 standard maximum deposit insurance amount. Any of the City's cash not held in its vault, or a local depository, was held in the City's operating fund (investment pool), and at the close of every business day, any cash remaining in the operating fund is swept into an overnight repurchase agreement that matures the next day.

**Custodial credit risk – investments** – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the City will not have access to, or be able to recover, its investments or collateral securities that are in the possession of an outside party. The City mitigates custodial credit risk for its investments by having its investment securities held by the City's contractual custodial agent. The City maintains a custody relationship with Wells Fargo under the State of Washington's statewide custody provider program arranged by the State Treasurer's Office. The City mitigates counterparty risk by settling trades through its custodian on a delivery-versus-payment method.

By investment policy, the City maintains a list of approved securities dealers for transacting business. The City also conducts its own due diligence as to the financial wherewithal of its counterparties.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 2 – Cash and Equity in Pooled Investments (continued)**

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Some of the City's pooled investments have credit risk from holdings in commercial paper, corporate notes, and taxable municipal bonds. The City may not hold more than 50% of the Pool's total assets in these credit sensitive sectors.

State statute defines the investments in commercial paper and corporate notes as a "credit portfolio". The credit portfolio may not exceed 25 percent of the Pool's market value. Credit investments must be diversified by sector and industry. No single issuer shall exceed 3 percent of the Pool's market value.

Commercial Paper investments may not have maturities exceeding 270 days and must hold the highest short-term credit rating by all the major credit rating agencies that rate the issuer at the time of purchase.

Corporate notes must mature within 5.5 years from the time of purchase and must be rated at least weak single-A or better by all the major rating agencies that rate the note at the time of purchase. No single issuer rated AA or better may exceed 3 percent of the Pool's market value. No single issuer rated in the single-A category may exceed 2 percent of the Pool's market value.

Municipal bonds must have a credit rating of weak single-A or better by all the major rating agencies that rate the issuer at the time of purchase. No single issuer may exceed 5 percent of the Pool's market value.

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. To mitigate interest rate risk, the City intentionally immunizes its known and expected cash flow needs. To best accomplish meeting its investment objectives, the City has divided the Pool into two separate portfolios: Operating and Strategic.

The Operating Portfolio is invested to meet reasonably expected liquidity needs over a period of twelve to eighteen months. This portfolio has low duration and high liquidity. Consistent with this profile, and for the purpose of comparing earnings yield, its benchmark is the net earnings rate of the State of Washington's Local Government Investment Pool (LGIP).

The Strategic Portfolio consists of cash that is in excess of known and expected liquidity needs. Accordingly, this portfolio is invested in debt securities with longer maturities than the Operating Portfolio, which over a market cycle, is expected to provide a higher return and greater investment income. Consistent with this profile, and for the purpose of comparing duration, yield and total return, the benchmark for the Strategic portfolio is the Barclays U.S. Government 1–7 year index. The duration of the Strategic Portfolio is targeted between 75% and 125% of the benchmark.

To further mitigate interest rate risk a minimum of 60% of the Operating Portfolio and 30% of the Strategic Portfolio must be invested in asset types with high liquidity, specifically U.S. Government obligations, U.S. Government Agency obligations, LGIP, Demand Accounts, Repo, Sweep, and Commercial Paper.



## Seattle Public Utilities – Water Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 2 – Cash and Equity in Pooled Investments (continued)

**Investments** – The Fund’s cash resources may be invested by FAS separate from the cash and investments pool. Investments are managed in accordance with the City’s Statement of Investment Policy, with limits and restrictions applied at the City-wide level rather than to specific investments of the Fund. As of December 31, 2020, and 2019, the Fund did not have any dedicated investments. The City’s Statement of Investment Policy was modified on January 1, 2018, with an effective date of March 8, 2018. There have been no subsequent changes to the policy.

The City of Seattle has three objectives in managing its investments that define its risk profile and guide implementation of its investment strategy. In order of importance they are Safety of Principal, Maintenance of Liquidity, and Return on Investment.

The City follows a set of Standards of Care when it comes to its investments that include the following:

- **Social Policies:** A City social policy shall take precedence over furthering the City’s financial objectives when expressly authorized by City Council resolution, except where otherwise provided by law or trust principles.
- **Ethics and Conflict of Interest:** Investment officers shall comply with the City’s Ethics Code (SMC 4.16.080) and annually submit a Financial Interest Statement to the City’s Ethics & Elections Commission that identifies any potential financial interest that could be related to the performance of the City’s investment portfolio.

**Delegation of authority** – The Director of Finance and Administrative Services has delegated management responsibility for the City’s investment program to the Director of Finance who has designated day to day management responsibility to investment officers under the supervision of the City’s Treasury Services Director. No persons may engage in an investment transaction except as provided under the terms of the City Statement of Investment Policy and the procedures established therein.

**Fair value of pooled investments** – The City reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value of the City’s pooled investments fluctuates with changes in interest rates and the underlying size of the pooled investment portfolio. To mitigate interest rate risk in the City’s pooled investment portfolio, the City typically holds its investments to maturity and manages its maturities to ensure sufficient monthly cash flow to meet its liquidity requirements.

As of December 31, 2020, the City held \$519.7 million on deposit in the Washington State Local Government Investment Pool (LGIP) managed by the Office of the Washington State Treasurer. The City’s investments in the LGIP are reported at amortized cost which approximates fair value. It is overseen by the Office of the State Treasurer, the State Finance Committee, the Local Government Investment Pool Advisory Committee, and the Washington State Auditor’s Office.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 2 – Cash and Equity in Pooled Investments (continued)**

The City reports its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction amongst market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation techniques to determine fair value should be consistent with one or more of three approaches: the market approach, cost approach, and income approach. The City uses a combination of the market and cost approach for the valuation of pooled investments.

The City's overnight repurchase agreement with Wells Fargo Bank, N.A. and investment in the State of Washington Local Government Investment Pool (LGIP) are accounted for at cost. The LGIP is an external investment pool and is measured at a net asset value (NAV) per share of \$1. The remainder of the City's investments are purchased in the over-the-counter U.S. bond market and accounted for at market.

The City uses market pricing for its over-the-counter investments as provided by its contractual custodial agent, Wells Fargo Institutional Retirement & Trust, and its third-party investment accounting vendor FIS AvantGard LLC. Both Wells Fargo and FIS contract with Interactive Data Pricing and Reference Data, Inc., for securities pricing.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

**Level 1** – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date.

**Level 2** – Inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** – Inputs are unobservable inputs for the asset or liability. Valuation adjustments such as for nonperformance risk or inactive markets could cause an instrument to be classified as Level 3 that would otherwise be classified as Level 1 or Level 2.

The City's investments in US Treasuries are valued as Level 1. The City's remaining investments are valued as Level 2 or measured at amortized cost. The City does not invest in securities that require Level 3 inputs.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

#### Note 2 – Cash and Equity in Pooled Investments (continued)

As of December 31, 2020, the City's pooled investments were categorized within the fair value hierarchy as follows:

Investments	Fair Value as of December 31, 2020	Fair Value Measurements Using				Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at Amortized Cost	
U.S. Government Agency Securities	\$ 760,599,687	\$ 760,599,687	\$ -	\$ -	\$ -	1,111
Local Government Investment Pool	519,690,038	-	-	-	519,690,038	1
U.S. Treasury and U.S. Government-Backed Securities	470,004,815	470,004,815	-	-	-	732
Municipal Bonds	319,681,755	-	319,681,755	-	-	2,597
U.S. Government Agency Mortgage-Backed Securities	268,695,014	-	268,695,014	-	-	1,616
Corporate Bonds	92,745,580	92,745,580	-	-	-	509
Repurchase Agreements	72,592,802	-	-	-	72,592,802	4
International Bank for Reconstruction and Development	41,064,600	41,064,600	-	-	-	1,654
	<u>\$ 2,545,074,291</u>	<u>\$ 1,364,414,682</u>	<u>\$ 588,376,769</u>	<u>\$ -</u>	<u>\$ 592,282,840</u>	

Weighted Average Maturity of the City's Pooled Investments

1,010

As of December 31, 2019, the City's pooled investments were categorized within the fair value hierarchy as follows:

Investments	Fair Value as of December 31, 2019	Fair Value Measurements Using				Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at Amortized Cost	
U.S. Government Agency Securities	\$ 693,744,193	\$ 693,744,193	\$ -	\$ -	\$ -	1,246
U.S. Treasury and U.S. Government-Backed Securities	583,535,317	583,535,317	-	-	-	902
Local Government Investment Pool	509,563,594	-	-	-	509,563,594	2
Municipal Bonds	354,007,423	-	354,007,423	-	-	2,184
U.S. Government Agency Mortgage-Backed Securities	290,939,453	-	290,939,453	-	-	1,821
Repurchase Agreements	118,189,506	-	-	-	118,189,506	2
Commercial Paper	84,916,181	-	84,916,181	-	-	22
Corporate Bonds	50,188,027	50,188,027	-	-	-	570
International Bank for Reconstruction and Development	44,743,700	44,743,700	-	-	-	1,714
	<u>\$ 2,729,827,394</u>	<u>\$ 1,372,211,237</u>	<u>\$ 729,863,057</u>	<u>\$ -</u>	<u>\$ 627,753,100</u>	

Weighted Average Maturity of the City's Pooled Investments

1,026

The Fund's share of the City pool was as follows as of December 31:

	2020	2019
Cash and equity in pooled investments	\$ 140,762,314	\$ 130,035,812
Restricted cash and equity in pooled investments	93,098,242	122,541,451
Total	<u>\$ 233,860,556</u>	<u>\$ 252,577,263</u>
Balance as a percentage of City Pool cash and investments	9.2%	9.3%

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

**Note 2 – Cash and Equity in Pooled Investments (continued)**

**Concentration of credit risk** – Concentration risk is the risk of loss attributed to the magnitude of investments in a single issuer. The City manages concentration risk by limiting its investments in any one issuer in accordance with the City's investment policy and state statutes. The policy limits vary for each investment category. State statute and the City's Statement of Investment Policy do not stipulate concentration limits for holdings of U.S. Government or U.S. Government Agency Obligations. However, as noted under credit risk, the City's Statement of Investment Policy outlines maximum percentage allocations for municipal securities, commercial paper as well as bank notes and corporate notes.

The City's investments in which five percent or more is invested in any single issuer, as of December 31 are as follows:

Issuer	2020		2019	
	Fair Value	Percent of Total Investments	Fair Value	Percent of Total Investments
Local Government Investment Pool	\$ 519,690,038	20%	\$ 509,563,594	19%
United States Government	470,004,815	18%	583,535,317	21%
Federal National Mortgage Association	292,500,837	11%	283,978,980	10%
Federal Home Loan Bank	200,784,989	8%	244,714,007	9%
Federal Home Loan Mortgage Corp	193,228,369	8%	293,802,918	11%
Federal Farm Credit Bank	152,404,144	6%	162,187,740	6%

**Note 3 – Capital Assets**

Capital asset activity consisted of the following for the year ended December 31, 2020:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
Buildings	\$ 210,759,070	\$ 3,758,946	\$ -	\$ 214,518,016
Structures	1,197,172,414	41,088,818	(699,838)	1,237,561,394
Machinery and equipment	591,560,925	3,454,484	(927,555)	594,087,854
Computer systems	96,082,846	4,276,298	-	100,359,144
Total capital assets - excluding land	2,095,575,255	52,578,546	(1,627,393)	2,146,526,408
Less accumulated depreciation	(859,214,220)	(50,393,358)	1,410,772	(908,196,806)
	1,236,361,035	2,185,188	(216,621)	1,238,329,602
Construction in progress	33,428,453	67,420,370	(56,954,494)	43,894,329
Land and land rights	48,319,324	5,697,348	-	54,016,672
Artwork	1,481,184	86,430	-	1,567,614
Property held for future use	274,512	-	-	274,512
Capital assets, net	\$ 1,319,864,508	\$ 75,389,336	\$ (57,171,115)	\$ 1,338,082,729

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

#### Note 3 – Capital Assets (continued)

Capital asset activity consisted of the following for the year ended December 31, 2019:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
Buildings	\$ 208,106,851	\$ 2,652,219	\$ -	\$ 210,759,070
Structures	1,158,693,714	38,960,727	(482,027)	1,197,172,414
Machinery and equipment	593,436,427	4,605,750	(6,481,252)	591,560,925
Computer systems	122,139,537	483,814	(26,540,505)	96,082,846
Total capital assets - excluding land	2,082,376,529	46,702,510	(33,503,784)	2,095,575,255
Less accumulated depreciation	(837,570,044)	(50,380,749)	28,736,573	(859,214,220)
	1,244,806,485	(3,678,239)	(4,767,211)	1,236,361,035
Construction in progress	25,411,285	53,618,383	(45,601,215)	33,428,453
Land and land rights	48,319,324	-	-	48,319,324
Artwork	1,481,184	-	-	1,481,184
Property held for future use	274,512	-	-	274,512
Capital assets, net	\$ 1,320,292,790	\$ 49,940,144	\$ (50,368,426)	\$ 1,319,864,508

During 2020 and 2019, the Fund capitalized interest costs relating to construction of \$1,753,540 and \$1,195,229, respectively.

#### Note 4 – Revenue Bonds

The Fund issues bonds to provide financing for capital improvements. Payment of debt service on the bonds is derived solely from the revenues generated by the Fund. The Fund has set aside \$20,884,236 in a debt service reserve account and has obtained reserve insurance policies to meet the remainder of its reserve requirements. The total bonds outstanding as of December 31, 2020 and 2019, were \$728,490,000 and \$774,115,000, respectively.



**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

**Note 4 – Revenue Bonds (continued)**

Revenue bonds outstanding as of December 31, 2020 and 2019, consisted of the following Municipal Water bonds:

Name of Issue	Issuance Date	Maturity Years	Interest Rates	Original Issue Amount	Bonds Outstanding	
					2020	2019
2010 Improvement, Series A <sup>a</sup> (Taxable)	1/21/10	2019-2040	4.67-5.89%	\$ 109,080,000	\$ 102,255,000	\$ 105,720,000
2010 Improvement and Refunding, Series B	1/21/10	2010-2027	3.0-5.0%	81,760,000	28,215,000	31,515,000
2012 Refunding	5/30/12	2012-2034	2.0-5.0%	238,770,000	153,475,000	167,170,000
2015 Improvement and Refunding	6/10/15	2015-2045	2.0-5.0%	340,840,000	265,245,000	285,025,000
2017 Improvement and Refunding	1/25/17	2017-2046	4.0-5.0%	194,685,000	179,300,000	184,685,000
				<u>\$ 965,135,000</u>	<u>\$ 728,490,000</u>	<u>\$ 774,115,000</u>

Minimum debt service requirements to maturity on revenue bonds are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 46,235,000	\$ 33,891,504	\$ 80,126,504
2022	48,725,000	31,594,414	80,319,414
2023	50,870,000	29,136,995	80,006,995
2024	44,140,000	26,564,699	70,704,699
2025	46,300,000	24,318,809	70,618,809
2026 - 2030	207,840,000	89,408,658	297,248,658
2031 - 2035	146,600,000	47,817,230	194,417,230
2036 - 2040	93,470,000	20,270,038	113,740,038
2041 - 2045	38,575,000	5,636,800	44,211,800
2046 - 2047	5,735,000	229,400	5,964,400
	<u>\$ 728,490,000</u>	<u>\$ 308,868,547</u>	<u>\$ 1,037,358,547</u>

The following table shows the revenue bond activity during the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 774,115,000	\$ -	\$ (45,625,000)	\$ 728,490,000	\$ 46,235,000
Add (deduct) deferred amounts					
Issuance premiums	89,323,647	-	(4,578,295)	84,745,352	-
Total bonds payable	<u>\$ 863,438,647</u>	<u>\$ -</u>	<u>\$ (50,203,295)</u>	<u>\$ 813,235,352</u>	<u>\$ 46,235,000</u>

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 4 – Revenue Bonds (continued)

The following table shows the revenue bond activity during the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 817,195,000	\$ -	\$ (43,080,000)	\$ 774,115,000	\$ 45,625,000
Add (deduct) deferred amounts					
Issuance premiums	93,901,942	-	(4,578,295)	89,323,647	-
Total bonds payable	<u>\$ 911,096,942</u>	<u>\$ -</u>	<u>\$ (47,658,295)</u>	<u>\$ 863,438,647</u>	<u>\$ 45,625,000</u>

The Fund did not issue bonds in 2020.

**Financial covenants** – The revenue bonds contain certain financial covenants, the most significant of which requires the Fund to maintain net revenue available for debt service at least equal to 125% of average annual debt service. For 2020, net revenue available for debt service, as defined by the bond covenants, was 2.03% of annual debt service. As of December 31, 2020, management believes the Fund complied with all debt covenants. For more information, see Other Information (page 49).

#### Note 5 – Leases

The Fund has noncancelable operating lease commitments for real and personal property with minimum payments of \$152,345 in 2020 and \$135,718 in 2019. Rents are paid as they become due and payable.

Minimum payments under the leases for the years ending December 31 are shown below:

2021	\$ 154,781
2022	155,081
2023	155,387
2024	154,979
2025	45,991
2026 - 2030	<u>49,594</u>
	<u>\$ 715,813</u>

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 6 – Postemployment Benefit Plans**

**Deferred compensation** – The City offers all of its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code (IRC) Section 457. The Plan permits employees to defer a portion of their salaries until future years. The deferred compensation is paid to employees upon termination, retirement, death, or unforeseen emergency.

The Plan is an eligible deferred compensation plan under Section 457 of the IRC of 1986, as amended, and a trust exempt from tax under IRC Sections 457(g) and 501(a). The Plan is operated for the exclusive benefit of participants and their beneficiaries. No part of the corpus or income of the Plan shall revert to the City or be used for, or diverted to, purposes other than the exclusive benefit of participants and their beneficiaries. The Plan is not reported in the financial statements of the City or the Fund.

It is the opinion of the City's legal counsel that the City has no liability for investment losses under the Plan. Under the Plan, participants select investments from alternatives offered by the Plan Administrator, who is under contract with the City to manage the Plan. Investment selection by a participant may be changed from time to time. The City does not manage any of the investment selections. By making the selection, participants accept and assume all risks inherent in the Plan and its administration.

**Other postemployment benefits plan description** – Health care plans for active and retired employees are administered by the City of Seattle as single-employer defined benefit public employee health care plans.

Employees retiring under the City may continue their health insurance coverage under the City's health insurance plans for active employees. When a retired participant dies, the spouse remains fully covered until age 65 and covered by the Medicare supplement plan thereafter. Employees that retire with disability retirement under the City may continue their health coverage through the City with same coverage provisions as other retirees. Eligible retirees self-pay 100 percent of the premium based on blended rates which were established by including the experience of retirees with the experience of active employees for underwriting purposes. The postemployment benefit provisions are established and may be amended by ordinance of the Seattle City Council and as provided in Seattle Municipal Code 4.50.020. The City provides an implicit subsidy of the post-retirement health insurance costs and funds the subsidy on a pay-as-you-go basis.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 6 – Postemployment Benefit Plans (continued)

Based on the latest biennial actuarial valuation date, the significant methods and assumptions are as follows:

**Actuarial data and assumptions** – The demographic assumptions of mortality, termination, retirement, and disability are set equal to the assumptions used for City pension actuarial valuations based on a Seattle City Employees' Retirement System Experience Report for the period 2014–2017.

Valuation date	January 1, 2020
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Discount rate	2.74%
Health care cost trend rates – medical	6.55% in 2020, decreasing to 6.32% in 2021, and decreasing by varying amounts until 2030 thereafter
Health care cost trend rates – Rx	9.00% in 2020, decreasing to 8.50% in 2021, and decreasing by varying amounts until 2030 thereafter
Participation	25% of active employees who retire participate

#### Mortality

##### General Service (Actives)

Males: RP-2014 Employees Table for Males, adjusted by 60%

Females: RP-2014 Employees Table for Females, adjusted by 95%

Rates are projected generationally using Scale MP-2014 ultimate rates

##### General Service (Retirees)

Males: RP-2014 Healthy Annuitant Males, adjusted by 95%

Females: RP-2014 Healthy Annuitant Females, adjusted by 95%

Rates are projected generationally using Scale MP-2014 ultimate rates

**Marital status** – 25% of members electing coverage: married or have a registered domestic partner. Male spouses two years older than their female spouses.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

**Note 6 – Postemployment Benefit Plans (continued)**

**Health care claims development** – The sample per capita claim cost assumptions shown below by age, benefit, and plan represent the true underlying baseline experience estimated for the City of Seattle’s sponsored postretirement benefits and costs.

Age	Aetna Preventive Plan			Aetna Traditional Plan		
	Medical	Rx	Admin	Medical	Rx	Admin
50	\$ 11,520	\$ 2,677	\$ 358	\$ 11,243	\$ 2,659	\$ 358
52	12,533	2,912	358	12,230	2,893	358
55	14,220	3,305	358	13,877	3,282	358
57	15,499	3,601	358	15,125	3,576	358
60	17,638	4,097	358	17,210	4,069	358
62	19,003	4,415	358	18,543	4,384	358

Age	Group Health Deductible			Group Health Standard		
	Medical	Rx	Admin	Medical	Rx	Admin
50	\$ 4,961	\$ 1,145	\$ 689	\$ 5,291	\$ 1,171	\$ 689
52	5,397	1,246	689	5,755	1,273	689
55	6,123	1,413	689	6,531	1,445	689
57	6,674	1,540	689	7,118	1,574	689
60	7,595	1,752	689	8,100	1,792	689
62	8,182	1,888	689	8,727	1,930	689

The average medical and prescription drug per capita claims costs were developed from 2021 calendar year self-funded premium rates. Premium-equivalent rates were provided by City of Seattle’s health pricing actuary. The average medical and prescription drug per capita “adult-equivalent” claims costs were based on the respective pre-65 enrollment weighted average of the 2021 four-tier rate structure including the add-on cost of dependent children and trended back from 2021 to 2020 to be centered at the mid-point of the annual period following the valuation date. Average medical/Rx per capita claims costs were then age-adjusted based on the demographics of the rating population, and the assumed health care aging factors shown in the table below.

The average medical and prescription drug per capita claims costs were blended with the 2019 medical/Rx per capita developed claims cost trended forward to the valuation date.

Models are used to estimate underlying per capita medical and drug claims costs, subsequently utilized as assumption inputs for valuation models used to develop the liabilities for the 2020 and future valuations. The Aon consulting team leveraged expertise of Health experts within Aon as it relates to reviewing the models used for development of the per capita claims costs and future trend rates.



# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

#### Note 6 – Postemployment Benefit Plans (continued)

**Morbidity factors** – The claim costs for medical and prescription drugs were assumed to increase with age according to the table below.

Age	Medical	Rx	Composite
40–44	3.0%	4.8%	3.3%
45–49	3.7%	4.7%	3.8%
50–54	4.2%	4.7%	4.3%
55–59	4.4%	4.6%	4.4%
60–64	3.7%	4.6%	3.8%

**Other considerations** – Active employees with current spouse and/or dependent coverage elect same plan and coverage. After retirement, it is assumed that children will have aged off coverage and will have \$0 liability.

**OPEB liability** – The Fund reported an OPEB liability of approximately \$3.0 million in 2020 and \$2.9 million in 2019. The Fund's proportionate share of the change in the OPEB liability was 4.52% and 4.76% for the years ended December 31, 2020, and December 31, 2019, respectively. Based on the actuarial valuation date of January 1, 2019, details regarding the Fund's Total OPEB Liability as of December 31, 2020, are shown below.

#### Changes in Net OPEB Liability

<i>(\$ in thousands)</i>	Total OPEB Liability
Changes recognized for the fiscal year:	
Service cost	\$ 152.7
Interest on the total OPEB liability	116.9
Differences between expected and actual experience	314.4
Changes of assumptions	(350.8)
Benefit payments	(112.3)
Contributions from the employer	0.0
Other changes	(7.3)
Net changes	113.6
Balance recognized at 12/31/2019	2,901.1
Balance recognized at 12/31/2020	\$ 3,014.7

The Fund recorded an expense for OPEB of \$203,851 in 2020 and \$222,187 in 2019. The Health Care Subfund of the General Fund is reported in The City of Seattle's Comprehensive Annual Financial Report.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 6 – Postemployment Benefit Plans (continued)**

**Discount rate and healthcare cost trend rates** – The discount rate used to measure the total OPEB liability is 2.74% for 2020 and 4.10% for 2019. The following tables present the sensitivity of OPEB liability calculation to a 1% increase and a 1% decrease in the discount rate used to measure the total OPEB liability:

Discount Rate Sensitivity (in millions)		OPEB Liability at December 31, 2020
Discount rate		
1% decrease – 1.74%	\$	3.3
Current discount rate – 2.74%		3.0
1% increase – 3.74%		2.8

Discount Rate Sensitivity (in millions)		OPEB Liability at December 31, 2019
Discount rate		
1% decrease – 3.10%	\$	3.2
Current discount rate – 4.10%		2.9
1% increase – 5.10%		2.6

The following table presents the sensitivity of net Health Plan OPEB liability calculation to a 1% increase and a 1% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB liability:

Healthcare Cost Trend Rate Sensitivity (in millions)		OPEB Liability at December 31,	
		2020	2019
Discount rate			
1% decrease	\$	2.7	\$ 2.6
Trend rate		3.0	2.9
1% increase		3.4	3.3

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 6 – Postemployment Benefit Plans (continued)

**Deferred outflows of resources and deferred inflows of resources related to OPEB** – The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for the Fund at December 31, 2020.

<i>(in thousands)</i>	Deferred Outflows	Deferred Inflows
Difference between actual and expected experience	\$ 713.3	\$ -
Assumption changes	-	1,168.2
Contributions made in 2020 after measurement date	132.6	N/A
<b>Total</b>	<b>\$ 845.9</b>	<b>\$ 1,168.2</b>

The Fund's contributions made in 2020 in the amount of \$132,607 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. These contributions will be recognized in the future as shown in the following table. Note that additional future deferred outflows and inflows of resources may impact these amounts.

Year Ending December 31, <i>(in thousands)</i>	Amortization
2021	\$ (69.4)
2022	(69.4)
2023	(69.4)
2024	(69.4)
2025	(69.4)
Thereafter	(107.9)
<b>Total</b>	<b>\$ (454.9)</b>

The Health Care Sub Fund of the General Fund is reported in the City's Comprehensive Annual Financial Report, which can be obtained by writing the Department of Finance, City of Seattle, PO Box 94747, Seattle, Washington 98124-4747 or [www.seattle.gov/financial-services/comprehensive-annual-financial-report](http://www.seattle.gov/financial-services/comprehensive-annual-financial-report).

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 7 – Claims Payable**

The City and the Fund are self-insured for certain losses arising from personal and property damage claims by third parties and for casualty losses to the Fund's property. Liabilities for identified claims and claims incurred but not reported have been recorded by the Fund.

For 2020 and 2019, liabilities for workers' compensation claims, as well as other claims, are discounted over a 15-year period at the City's rate of return on investments 1.816% and 2.334%, respectively. Claims expected to be paid within one year are \$1,324,184 and \$1,312,147 at December 31, 2020 and 2019, respectively. The table below presents the changes in the liability for workers' compensation claims and other claims (risk-financing liabilities) as of December 31:

	2020	2019
Beginning liability, discounted	\$ 5,195,454	\$ 5,567,345
Payments	(489,679)	(958,916)
Incurred claims and changes in estimate	525,969	587,025
Ending liability, discounted	<u>\$ 5,231,744</u>	<u>\$ 5,195,454</u>

The Fund is involved in litigation from time to time as a result of operations.

**Note 8 – Compensated Absences**

The Fund has recorded a liability for earned but unused compensatory and vacation leave, as well as estimated sick leave payments calculated based on the termination payment method. The schedule below presents the compensated absences activity during the years ended December 31:

	2020	2019
Beginning liability	\$ 4,811,323	\$ 4,247,969
Additions	5,414,964	6,053,200
Reductions	(4,301,639)	(5,489,846)
Ending liability	<u>\$ 5,924,648</u>	<u>\$ 4,811,323</u>

## Seattle Public Utilities – Water Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 9 – Pension Benefit Plan

**Plan description** – The Seattle City Employees' Retirement System (the System) is a cost-sharing multiple employer pension plan covering employee of the City of Seattle and is administered in accordance with Chapter 4.36 of the Seattle Municipal Code.

The System is governed by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active members and one retired member of the System who are elected by other System members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

Beginning with employees with hire dates of January 1, 2017, or later, all new members are enrolled in SCERS Plan II, which has contribution and benefit calculation rates different than the original SCERS I Plan.

All permanent Fund employees are eligible to participate in the system.

**System benefits** –Service retirement benefits are calculated on the basis of age, salary, and service credit.

**SCERS I** – The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after ten years of service. Members are eligible for retirement benefits after 30 years of service; at age 52 after 20 years of service; at age 57 after ten years of service; and at age 62 after five years of service. Annual retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after 5 years of credited service.

**SCERS II** – Members are eligible for retirement benefits at age 55 after 20 years of service, at age 57 after 10 years of service, and at age 60 after 5 years of service. Annual retirement benefits are calculated as 1.75% multiplied by years of creditable service, multiplied by average salary, based on the highest 60 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after 5 years of credited service.



**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 9 – Pension Benefit Plan (continued)**

**Member and employer contributions** – Member and employer contributions are:

	<u>YEAR</u>	<u>SCERS I</u>	<u>SCERS II</u>
Member Contribution	2020	10.03%	7.00%
	2019	10.03%	7.00%
Employer Contribution	2020	16.20%	15.76%
	2019	15.23%	14.42%

Member and employer rates are established by the Seattle Municipal Code Chapter 4.36. The Fund's contributions to the System for the years ended December 31, 2020 and 2019, were \$8,253,575 and \$7,103,882, respectively.

The System issues stand-alone financial statements, which may be obtained by writing to the Seattle City Employees' Retirement System, 720 Third Avenue, Suite 900, Seattle, Washington, 98104, and telephone: (206) 386-1293, or [www.seattle.gov/retirement/annual\\_report.htm](http://www.seattle.gov/retirement/annual_report.htm).

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions** – At December 31, 2020 and 2019, the Fund reported a liability of \$80,221,489 and \$96,599,354, respectively, its proportionate share of the Systems' net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of these dates. The Fund's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating parties, actuarially determined. At December 31, 2020 and 2019, the Fund's proportion was 5.73% and 6.11%, respectively.

For the years ended December 31, 2020 and 2019, the Fund recognized pension expense of approximately \$8,757,000 and \$11,839,000, respectively.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 9 – Pension Benefit Plan (continued)**

The Fund's deferred outflows and inflows of resources are as follows at December 31, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,907	\$ 2,436,135
Change of assumptions	3,926,421	-
Difference between projected and actual earnings	-	6,249,661
Contributions made subsequent to measurement date	8,584,501	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,466,236
Total	<u>\$ 12,522,829</u>	<u>\$ 13,152,032</u>

The Fund's deferred outflows and inflows of resources are as follows at December 31, 2019:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,049	\$ 1,778,122
Change of assumptions	5,022,985	
Net difference between projected and actual earnings	9,779,565	-
Contributions made subsequent to measurement date	7,434,807	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,524,495
Total	<u>\$ 22,270,406</u>	<u>\$ 7,302,617</u>

Amounts currently reported as deferred outflows of resources relate to actual experience and difference in actual earnings on pension investments from projected earnings and will be recognized in pension expense as follows for years ending December 31:

2021	\$ (3,640,981)
2022	(2,668,317)
2023	548,019
2024	(3,079,980)
2025	<u>(372,445)</u>
Total	<u>\$ (9,213,704)</u>

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 9 – Pension Benefit Plan (continued)**

**Actuarial assumptions** – The total pension liability as of December 31, 2020, was determined using the following actuarial assumptions:

Valuation date	January 1, 2019
Measurement date	December 31, 2019
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percent, Closed
Remaining amortization period	30 years as of January 1, 2013 valuation
Asset valuation method	5-Year Non-asymptotic
Inflation	2.75%
Investment rate of return	7.25% compounded annually, net of expenses
Discount rate	7.25%
Projected general wage inflation	3.5%
Postretirement benefit increases	1.5%
Mortality	Various rates based on RP-2014 mortality tables and using generational projection of improvement using MP-2014 Ultimate projection scale. See 2018 Investigation of Experience report for details.

The actuarial assumptions that determined the total pension liability as of the measurement date were based on the results of an actuarial experience study for the period January 1, 2014, through December 31, 2017.

The discount rate used to measure the pension liability is based on a projection of cash flows assuming that plan member contributions will be made at the current contribution rate and that participating employers' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine total pension liability.

The long-term expected rate of return assumption was based on the System's investments using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

# Seattle Public Utilities – Water Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 9 – Pension Benefit Plan (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity: Public	4.77%
Equity: Private	7.96%
Fixed Income: Broad	0.67%
Fixed Income: Credit	3.66%
Real Assets: Real Estate	3.76%
Real Assets: Infrastructure	3.95%
Diversifying Strategies	N/A

**Sensitivity analysis** – The following presents the Fund's proportionate share of the net pension liability calculated using the discounted rate of 7.25%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

SPU's proportionate Share of the Net Pension Liability	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
	\$ 114,817,838	\$ 80,221,489	\$ 51,264,319

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

**Note 10 – Loans**

The Fund has various construction projects that are financed by low interest loans issued by the State. The loan agreements require that the Fund finance a portion of these projects from other sources. These loans have been used to enhance and protect the water system.

Loans outstanding as of December 31, 2020 and 2019, are as follows:

Description	Maturity Years	Interest Rate	Loan Amount	Loans Outstanding	
				2020	2019
Myrtle Reservoir	2008-2025	1.5%	\$ 4,040,000	\$ 1,122,222	\$ 1,346,667
Beacon Reservoir	2008-2026	1.5%	4,040,000	1,275,789	1,488,421
West Seattle Reservoir	2009-2027	1.5%	3,030,000	1,116,316	1,275,789
Maple Leaf	2011-2029	1.5%	3,030,000	1,452,149	1,613,498
Maple Leaf ARRA	2013-2031	1.0%	7,341,758	4,405,055	4,772,143
Morse Lake Pump Plant #1	2014-2037	1.5%	12,120,000	10,302,000	10,908,000
Morse Lake Pump Plant #2	2017-2036	1.5%	6,060,000	5,103,158	5,422,105
			<u>\$ 39,661,758</u>	<u>\$ 24,776,689</u>	<u>\$ 26,826,623</u>

Minimum debt service requirements to maturity on the loans are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 2,049,935	\$ 349,625	\$ 2,399,560
2022	2,049,935	320,711	2,370,646
2023	2,049,935	291,798	2,341,733
2024	2,049,935	262,884	2,312,819
2025	2,049,935	233,971	2,283,906
2026 - 2030	7,637,155	796,130	8,433,285
2031 - 2035	5,358,912	333,947	5,692,859
2036 - 2040	1,530,947	32,054	1,563,001
	<u>\$ 24,776,689</u>	<u>\$ 2,621,120</u>	<u>\$ 27,397,809</u>

The table below summarizes the activity for the loans for the years ended December 31:

	2020	2019
Net loans, beginning of year	\$ 26,826,623	\$ 28,876,558
Loan proceeds	-	-
Principal payments	(2,049,934)	(2,049,935)
Net loans, end of year	<u>\$ 24,776,689</u>	<u>\$ 26,826,623</u>
Loans due within one year	<u>\$ 2,049,935</u>	<u>\$ 2,049,935</u>
Loans, noncurrent	<u>\$ 22,726,754</u>	<u>\$ 24,776,688</u>



## **Seattle Public Utilities – Water Fund**

### **(An Enterprise Fund of the City of Seattle)**

### **Notes to Financial Statements**

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#### **Note 11 – Commitments**

The Fund is required by the Washington State Department of Health (DOH) to complete a program to cover its open, above-ground distribution system reservoirs. The total cost of burying six reservoirs is expected to be approximately \$224.1 million through the year 2025; costs beyond 2025 are not estimable as of the date of this report. As of December 31, 2020 and 2019, total cumulative costs incurred were \$168.9 million and \$168.3 million, respectively.

The City has wholesale contracts with Cascade Water Alliance (CWA) and nineteen individual water districts and municipalities. Sixteen wholesale customers have full and partial requirements contracts which obligate the City to meet the wholesale customers' demand that is not already met by their independent sources of supply. The full and partial requirements contracts include amendment periods where the parties may opt to review and change certain contract terms and conditions in effective as of 2022 and 2042. The review process is being undertaken in 2021. Two wholesale customers (including CWA) have block contracts which obligate the City to provide water up to a combined maximum of 41.85 MGD per year. Two other wholesale customers have emergency intertie agreements and do not purchase water from Seattle on a regular basis. CWA contract expires in 2063 while other wholesale contracts expire in 2062.

The City also has a contract with the City of North Bend to provide untreated water supply up to an average annual amount of 1.1 MGD through 2066 for use in supplementing stream flows.

#### **Note 12 – Habitat Conservation Program Liability**

SPU has prepared a comprehensive environmental management plan for its Cedar River Watershed. The purpose of the Habitat Conservation Plan (HCP) is to protect all species of concern that may be affected by the operations of SPU and SCL in the Cedar River Watershed, while allowing the City to continue to provide high quality drinking water to the region. The federal government has accepted the HCP. The total cost of implementing the HCP is expected to be \$115.5 million (in 2020 dollars) over a period of 50 years (from the year 2000 through the year 2050).

Expenditures are being funded from a combination of the Fund's operating revenues and issuance of revenue bonds. The total amount expended for the HCP through 2020 is \$100.5 million. The remaining \$15.0 million to complete the HCP is comprised of an \$7.1 million liability and an estimate of \$7.9 million for construction and operating commitments. The construction activities will add to the Fund's capital assets and the operating activities are mainly research, monitoring, and maintenance of the HCP Program that will be expensed as incurred.

## **Required Supplementary Information**

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**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Required Supplementary Information**

**Schedule of Seattle Public Utilities' Proportionate Share of the Net Pension Liability**

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	14.33%	14.55%	14.73%	15.13%	16.37%	16.96%
Employer's proportionate share of the net pension liability	\$ 180,105,232	\$ 221,049,893	\$ 163,086,154	\$ 197,454,529	\$ 212,671,200	\$ 187,919,945
Employer's covered payroll	\$ 112,528,955	\$ 111,973,027	\$ 107,715,383	\$ 106,696,535	\$ 105,031,141	\$ 102,783,473
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	160.05%	197.41%	151.40%	185.06%	202.48%	182.83%
Plan fiduciary net position as a percentage of the total pension liability	71.48%	64.14%	72.04%	65.60%	64.03%	67.70%

**Schedule of Seattle Public Utilities' Pension Contributions**

	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 17,041,133	\$ 17,103,559	\$ 16,466,270	\$ 16,354,089	\$ 16,487,154	\$ 15,170,276
Contributions in relation to the contractually required employer contribution	(17,041,133)	(17,103,559)	(16,466,270)	(16,354,089)	(16,487,154)	(15,170,276)
Employer contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 112,528,955	\$ 111,973,027	\$ 107,715,383	\$ 106,696,535	\$ 105,031,141	\$ 102,783,473
Employer contributions as a percentage of covered payroll	15.14%	15.27%	15.29%	15.33%	15.70%	14.76%

# **Seattle Public Utilities – Water Fund** **(An Enterprise Fund of the City of Seattle)** **Required Supplementary Information**

## **Schedule of City of Seattle's OPEB Liability and Related Ratios**

	December 31, 2020	December 31, 2019	December 31, 2018
<b>Total OPEB Liability</b>			
Normal cost	\$ 3,378,925	\$ 3,842,152	\$ 3,821,876
Interest	2,586,942	2,195,238	2,583,105
Differences between expected and actual experience	6,956,579	-	13,491,865
Changes in assumptions	(7,760,776)	(3,886,702)	(22,126,128)
Benefit payment	(2,484,320)	(2,333,610)	(2,289,000)
Total OPEB liability – beginning of year	60,946,911	61,129,833	65,648,115
Total OPEB liability – end of year	<u>\$ 63,624,261</u>	<u>\$ 60,946,911</u>	<u>\$ 61,129,833</u>
Covered-employee payroll	\$ 1,124,692,046	\$ 1,015,097,334	\$ 1,015,097,334
Net OPEB liability as percentage of covered-employee payroll	5.66%	6.00%	6.02%

## **Other Information (Unaudited)**

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**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Other Information (Unaudited)**

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**Water Fund Debt Service Coverage Calculation 2020**

**Operating Revenues**

Utility Service	\$ 207,590,225
Wholesale/Commercial	56,781,737
Other	14,205,907
<b>Total Operating Revenue</b>	<u>278,577,869</u>

**Operating Expense**

Salaries and Wages	40,151,759
Personnel Benefits	20,735,003
Supplies	5,670,627
Services	43,864,447
Intergovernmental Payments	46,100,555
Other Operating Expense	2,433,256
<b>Total Operating Expenses</b>	<u>158,955,647</u>

**Net Operating Income**

119,622,222

**Adjustments**

Add: Capital Contributions Connection Charge	4,770,084
Add: City Taxes	34,019,832
Add: Investment Interest	2,930,814
Less: DSRF Earnings	(360,400)
Add: BAB's Subsidy	1,937,152
Add (Less): Net Other Nonoperating Revenues/(Expenses)	2,203,426
Add: Proceeds from Sale of Assets	112,776
<b>Total Adjustments</b>	<u>45,613,684</u>

**Net Revenue Available for Debt Service**

\$ 165,235,906

*w/o Credit for City Taxes*

\$ 131,216,074

**Annual Debt Service**

Annual Debt Service	\$ 81,725,194
Less: DSRF Earnings	(360,400)
<b>Adjusted Annual Debt Service</b>	<u>\$ 81,364,794</u>

Coverage	2.03
Coverage without taxes	1.61

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Other Information (Unaudited)**

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**Water System Operating Statistics**

	2016	2017	2018	2019	2020
Population Served					
Retail	743,800	770,800	788,000	788,500	820,000
Wholesale <sup>(1)</sup>	689,400	707,200	718,000	722,500	741,000
Total Population Served	1,433,200	1,478,000	1,506,000	1,511,000	1,561,000
Water Sales Revenues					
Retail	\$ 184,888	\$ 195,291	\$ 198,516	\$ 200,304	\$ 207,590
Wholesale	53,060	56,210	57,941	57,805	56,782
Total Water Sales Revenues	\$ 237,948	\$ 251,501	\$ 256,457	\$ 258,109	\$ 264,372
Billed Water Consumption					
Retail	19,856	20,312	20,233	19,889	18,882
Wholesale	22,282	22,905	22,987	22,128	21,712
Total Billed Water Use	42,138	43,217	43,220	42,017	40,594
Operating Costs (\$ per MG)	\$ 4,548	\$ 4,675	\$ 4,924	\$ 5,065	\$ 5,246
Gallons Used per Day per	81	80	79	76	71
Retail Meters in Use	194,580	195,331	196,634	197,747	198,726
Number of New Retail	1,947	751	1,303	1,113	979
Total Water Diversions	121.7	124.0	125.0	124.2	118.2
Non-Revenue	6.3	5.6	6.5	9.1	7.0
% Non-Revenue	5.1	4.5	5.2	7.3	5.9

<sup>(1)</sup> This is the estimated total population served by SPU's water supply

<sup>(2)</sup> Revenues represent payments from customers for service provided at published rates in each year.  
Revenues shown are not net of transfers to the Rate Stabilization Account or other credits or deferrals of income.

<sup>(3)</sup> Per capita billed water consumption has been generally decreasing for the past 25 years. Variations in billed water use are primarily associated with year-to-year variations in temperature and precipitation in the summer irrigation period. There has been no change in the geographic area service nor any appreciable change in the number or composition of retail customers.

**Seattle Public Utilities – Water Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Other Information (Unaudited)**

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**Major Retail Water Customers – 2020 Annual Revenues and Volumes**

City of Seattle, Seattle Housing Authority, Port of Seattle, University of Washington, Equity Residential, Nucor Steel, Seattle Children's Hospital, CertainTeed Gypsum, Marriot International Inc. Harborview Medical Center. In aggregate, charges to these customers represented roughly 8% of total billed direct service for the year.

# Seattle Public Utilities – Water Fund (An Enterprise Fund of the City of Seattle) Other Information (Unaudited)

## Water Rates – Effective January 1, 2020

### Effective January 1, 2020

(a)	(b)	(c)	(d)	(e)	Direct Service				(i)	(j)	(k)	(l)	(m)	(n)
RATE SCHEDULES	Inside City				Outside City				City of Shoreline / City of Lake Forest Park					
	Residential	MMRD*	Gen Svc	Fire Service	Residential	MMRD*	Gen Svc	Fire Service	Residential	MMRD*	Gen Svc	Fire Service	MMRD* w/PUT	
Commodity Charge (\$/100 Cubic Feet)														
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\* Master Metered Residential Development

\*\* per residence

\* Master Metered Residential Development  
\*\* per residence



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REPORT OF INDEPENDENT AUDITORS AND FINANCIAL  
STATEMENTS WITH REQUIRED SUPPLEMENTARY  
INFORMATION AND OTHER INFORMATION

**SEATTLE PUBLIC UTILITIES –  
DRAINAGE AND WASTEWATER FUND  
(AN ENTERPRISE FUND OF THE CITY OF SEATTLE)**

December 31, 2020 and 2019



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## Report of Independent Auditors

To the Director of Seattle Public Utilities  
Drainage and Wastewater Fund  
Seattle, Washington

### Report on the Financial Statements

We have audited the accompanying financial statements of Seattle Public Utilities – Drainage and Wastewater Fund (the Fund), which comprise the statements of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Seattle Public Utilities – Drainage and Wastewater Fund as of December 31, 2020 and 2019, and the changes in net position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of Seattle Public Utilities' proportionate share of the net pension liability, schedule of Seattle Public Utilities' contributions, and schedule of Seattle Public Utilities' proportionate share of the OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the financial statements. This information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2021, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

*Moss Adams LLP*

Seattle, Washington

April 23, 2021

## Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management’s Discussion and Analysis

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As management of Seattle Public Utilities (SPU), a department of the City of Seattle (the City), we offer readers of SPU’s financial statements this narrative overview and analysis of the financial activities of the Drainage and Wastewater Fund (the Fund) for the fiscal years ended December 31, 2020 and 2019. The revenues, expenses, assets, deferred outflows and inflows of resources, and liabilities of the City of Seattle’s drainage and wastewater system are recorded in the Fund, the functions of which are primarily supported by user fees and charges to customers. The financial situation of other aspects of Seattle City government, including other utility services and general government operations, are reported elsewhere.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fund’s financial statements. The financial statements include Management’s Discussion and Analysis and basic financial statements with accompanying notes.

**Basic financial statements** – The basic financial statements of the Fund report information similar to the presentation used by private sector companies. These statements offer short-term and long-term financial information about its activities. The basic financial statements begin on page 12 of this report and are comprised of three components: (1) statements of net position, (2) statements of revenues, expenses, and changes in net position, and (3) statements of cash flows.

The statements of net position present information, as of December 31, 2020 and 2019, on all of the Fund’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets combined with deferred outflows of resources and liabilities combined with deferred inflows of resources is reported as net position. They also provide information about the nature and amounts of investments in resources (assets and deferred outflows of resources), obligations to the Fund’s creditors (liabilities and deferred inflows of resources), and provide the basis for assessing the liquidity and financial flexibility of the Fund.

The statements of revenues, expenses, and changes in net position present changes in the Fund’s net position for the years ended December 31, 2020 and 2019. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. These statements reflect the results of the Fund’s operations for the years identified to provide information about the Fund’s credit worthiness and its ability to successfully recover all its costs through service fees and other charges.

The statements of cash flows are required to provide information about the Fund’s cash receipts and cash payments during the years ended December 31, 2020 and 2019. To provide answers to questions about sources, uses, and impacts to cash, these statements report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities for the reporting period.

**Notes to the financial statements** – The notes are an integral part of the financial statements. They provide additional disclosures that are essential to a full understanding of the data provided in the financial statements, such as for certain estimates and financing details. The notes to the financial statements begin on page 17 of this report.



# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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## Financial Analysis

Increases or decreases in net position may serve over time as a useful indicator of whether the Fund's financial position is improving or deteriorating. At December 31, 2020 and 2019, the Fund's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources, resulting in a net position of \$535.7 million and \$451.8 million, respectively. In 2020, the Fund's overall net position increased \$83.9 million (18.6%) as compared to an increase in net position of \$72.7 million (19.2%) in 2019. The following summary statements of net position present the assets and deferred outflows of resources of the Fund and show the mix of liabilities, deferred inflows of resources, and net position used to acquire these assets and deferred outflows of resources:

## Statements of Net Position

	2020	2019	2018
<b>ASSETS</b>			
Current assets	\$ 290,290,608	\$ 292,633,791	\$ 250,237,660
Capital assets, net	1,340,766,313	1,222,123,319	1,160,660,014
Other	94,755,675	146,614,940	211,526,782
<b>Total assets</b>	<b>1,725,812,596</b>	<b>1,661,372,050</b>	<b>1,622,424,456</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>19,742,729</b>	<b>28,726,503</b>	<b>7,649,631</b>
Total assets and deferred outflows of resources	<u>\$ 1,745,555,325</u>	<u>\$ 1,690,098,553</u>	<u>\$ 1,630,074,087</u>
<b>LIABILITIES</b>			
Current liabilities	\$ 81,095,767	\$ 78,747,523	\$ 91,108,610
Revenue bonds	792,616,317	823,179,448	854,017,579
Other	320,602,583	327,655,004	296,186,563
<b>Total liabilities</b>	<b>1,194,314,667</b>	<b>1,229,581,975</b>	<b>1,241,312,752</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>15,544,036</b>	<b>8,677,263</b>	<b>9,628,120</b>
<b>NET POSITION</b>			
Net investment in capital assets	531,961,816	448,542,091	392,376,343
Restricted	21,150,712	22,384,553	49,971,545
Unrestricted	<u>(17,415,906)</u>	<u>(19,087,329)</u>	<u>(63,214,673)</u>
<b>Total net position</b>	<b>535,696,622</b>	<b>451,839,315</b>	<b>379,133,215</b>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,745,555,325</u>	<u>\$ 1,690,098,553</u>	<u>\$ 1,630,074,087</u>

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Management's Discussion and Analysis**

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**Financial Analysis (continued)**

**2020 Compared to 2019**

**Assets** – Current assets decreased \$2.3 million (-0.8%) over the prior year primarily due to a \$11.9 million decrease in operating cash and equity in pooled investments, a \$4.7 million decrease in due from other funds, and a \$3.3 million decrease in unbilled revenue. These decreases were offset by increases of \$12.9 million in due from other governments and \$4.6 million in accounts receivable, net of allowance for doubtful accounts. The decrease in operating cash is primarily due to capital spending increase.

Capital assets increased by \$118.6 million (9.7%) from 2019. Construction in progress and other plant assets increased \$150.5 million; the increase is mostly due to infrastructure, rehabilitation, and improvements. This change was offset by \$31.9 million increase in accumulated depreciation (Note 3).

Other assets decreased by \$51.9 million (-35.4%) from 2019. This is mostly attributable to a \$49.9 million reduction in restricted cash and equity in pooled investments used to fund capital projects, a \$3.7 million reduction in other charges, a \$0.3 million reduction in external infrastructure costs, and a \$0.3 million reduction in regulatory assets-bond issue costs. The decreases were offset by an increase of a \$2.4 million long-term receivable due from another city department.

**Deferred outflows of resources** – Deferred outflows of resources decreased by \$9.0 million (-31.3%) from 2019. This change resulted mainly from assumptions related to pension accounting and differences in expected and actual experience in other post-employment benefits (OPEB).

**Liabilities** – Current liabilities increased by \$2.3 million (3.0%) from 2019. This is mostly attributable to a \$5.4 million increase in accounts payable and a \$1.1 million increase in environmental liabilities. This increase was offset by a decrease of \$4.0 million in salaries, benefits, and payroll taxes payable, and a \$0.3 million decrease in revenue bonds due within one year.

Noncurrent liabilities decreased by \$37.6 million (-3.3%) from 2019. This decrease is mostly attributable to a decrease of \$30.6 million in revenue bonds and related liabilities, a \$19.2 million decrease in net pension liability (Note 9) because of contributions and changes in assumptions, a \$1.2 million decrease in long-term environmental liabilities because of changes in estimates, and a \$0.4 million decrease in claims payable. The decrease was offset by a \$11.0 million increase in loan debt, a \$1.6 million increase in other noncurrent liabilities, and a \$1.1 million increase in compensated absences payable.

**Deferred inflows of resources** – Deferred inflow of resources increased by \$6.9 million (79.1%) from 2019. This increase is due to assumptions related to pension accounting and difference between expected and actual expense in other post-employment benefits (OPEB).

## Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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### Financial Analysis (continued)

**Net position** – The largest portion of the Fund's net position (\$532.0 million or 99.3%) reflects the Fund's investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Fund uses these assets to provide services to customers; consequently, these assets are not available for future spending. Although the Fund's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. In 2020, net investment in capital assets increased by \$83.4 million from 2019 due to an increase in capital assets placed in service, net of depreciation offset by the related debt.

The Fund's restricted net position (\$21.2 million or 3.9%) represents resources that are subject to restrictions on how they may be used. This portion of net position decreased by \$1.2 million from 2019.

The remaining portion of the Fund's net position (negative \$17.4 million or -3.3%) represents resources that are unrestricted. The unrestricted portion of net position increased by \$1.7 million from the prior year.

### 2019 Compared to 2018

**Assets** – Current assets increased \$42.4 million (16.9%) over the prior year primarily due to \$46.0 million increase in operating cash and equity in pooled investments, \$3.3 million in accounts receivable, net of allowance for doubtful accounts, \$3.7 million in unbilled revenues, and \$0.3 million in materials and supplies inventory. These increases are offset by decreases of \$10.1 million in amounts due from other funds, and \$0.9 million in amounts due from other governments.

Other assets decreased by \$64.9 million (-30.7%) from 2018. This is mostly attributable to \$64.0 million reduction in restricted cash and equity in pooled investments used to fund capital projects, and \$0.9 million reduction in other charges.

**Deferred outflows of resources** – Deferred outflows of resources increased by \$21.1 million (275.5%) from 2018. This increase is attributed to a \$21.4 million increase in pension contributions and changes in assumptions related to pension and other post-employment benefits, and offset by a \$0.4 million decrease in unamortized loss on refunded debt.

**Liabilities** – Current liabilities decreased by \$12.4 million (-13.6%) from 2018. This is mostly attributable to \$19.1 million reduction in due to other funds because of settlements made during the year. This decrease was offset by an increase of \$1.2 million in accounts payable and \$4.6 million in salaries, benefits, and payroll taxes payable.

Other liabilities increased by \$31.5 million (10.6%) from 2018. This is mostly attributable to \$6.8 million increase in environmental liabilities because of changes in estimates, \$24.9 million in net pension liability (Note 9) because of contributions and changes in assumptions, and \$1.5 million increase in other noncurrent liabilities. The increase was offset by \$2.4 million reduction in loan debt.

# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

## Financial Analysis (continued)

**Deferred inflows of resources** – Deferred inflow of resources decreased by \$1.0 million (-9.9%) from 2018. This decrease is due to assumptions related to pension accounting and difference between expected and actual expense in other post-employment benefits(OPEB).

**Net position** – The largest portion of the Fund's net position (\$448.5 million or 99.3%) reflects the Fund's investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Fund uses these assets to provide services to customers; consequently, these assets are not available for future spending. Although the Fund's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. In 2019, net investment in capital assets increased \$56.2 million from 2018 due to an increase in capital assets placed in service, net of depreciation offset by the related debt.

The Fund's restricted net position (\$22.4 million or 5.0%) represent resources that are subject to restrictions on how they may be used. This portion of net position decreased by \$27.6 million from 2018.

The remaining portion of the Fund's net position (a negative \$19.1 million or -4.2%) represents resources that are unrestricted. The unrestricted portion of net position increased by \$44.1 million from the prior year.

The following summary statements of revenues, expenses, and changes in net position present the annual surplus of revenues over expenses (the change in net position):

## Summary Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	2018
Operating revenues	\$ 460,295,464	\$ 454,381,865	\$ 419,875,848
Operating expenses	(385,937,282)	(370,768,095)	(355,581,801)
Net operating income	74,358,182	83,613,770	64,294,047
Non-operating revenues and expenses	12,564,569	(2,005,208)	(7,425,190)
Environmental remediation	(3,065,444)	(8,902,462)	(40,699,511)
Change in net position	<u>\$ 83,857,307</u>	<u>\$ 72,706,100</u>	<u>\$ 16,169,346</u>

## 2020 Compared to 2019

The current year operating revenues increased by \$5.9 million (1.3%) from 2019. Drainage has additional revenues of \$11.6 million due to an average rate increase of 8.0%. Sewerage has an average rate increase of 7.4%, but due to the impacts of COVID-19, sewer revenue decreased by \$5.8 million. Other operating revenues increased by \$0.8 million.

## **Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management’s Discussion and Analysis**

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### **Financial Analysis (continued)**

The current year operating expenses increased by \$15.2 million (4.1%) from 2019. The increase can be attributed to \$8.7 million increase in other operating expenses; \$3.1 million increase in intergovernmental payments; \$2.1 million for services; \$1.5 million for depreciation and amortization; and \$0.3 million in salaries, wages, and personnel benefits. Of the \$8.7 million increase in other operating expenses, \$7.8 million is due to increase in capital outlays, \$1.2 million due to one-time natural resource damage (NRD) settlement, offset by \$0.2 million decrease in other miscellaneous operating expense. For the \$3.1 million increase in intergovernmental payments, it consists of \$1.7 million for city and state taxes and \$1.4 million for wastewater treatment. These increases were offset by a decrease in supplies by \$0.5 million.

Nonoperating revenues net expenses in 2020 increased by \$14.6 million as compared to 2019. There was a \$15.3 million increase in contributions and grants and a \$3.9 million decrease in investment income, while there was a \$3.2 million reduction in interest expense.

The Fund had an environmental remediation expense of \$3.1 million for 2020 as compared to \$8.9 million in 2019 (Note 10), resulting from changes in estimated costs for remediation management and construction.

### **2019 Compared to 2018**

Current year operating revenues increased \$34.5 million (8.2%) from 2018. This is due to an average rate increase of 7.4% for wastewater and 8.0% for drainage, resulting in additional revenues of \$25.7 million and \$9.5 million, respectively. Other operating revenues decreased by \$0.8 million.

Operating expenses increased by \$15.2 million (4.3%) from 2018. The increases can largely be attributed to \$6.6 million increase in salaries, wages, and personnel benefits and \$7.2 million increase in intergovernmental payments consisting of \$4.1 million for city and state taxes and \$3.1 million for wastewater treatment. Additional increases consisted of \$1.2 million for supplies and \$1.2 million for services. These increases were offset by a decrease in other operating expenses by \$1.0 million.

Nonoperating revenues (expenses) decreased by \$5.4 million (-73%) as compared to 2018. This decrease in net expenses is due to a \$6.0 million increase in investment income and \$2.8 million reduction in interest expense. The decrease in net expenses is offset by \$3.3 million decrease in contributions and grants.

The Fund had an environmental remediation expense of \$8.9 million for 2019 as compared to \$40.7 million in 2018 (Note 10). This significant reduction resulted from a one-time adjustment in 2018 to record additional estimated costs for remediation management and construction.



**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Management’s Discussion and Analysis**

**Capital Assets**

The following table summarizes capital assets, net of accumulated depreciation, by major asset category:

**Summary of Capital Assets, Net of Accumulated Depreciation**

	2020	2019	2018
Land and land rights	\$ 46,644,353	\$ 40,330,875	\$ 40,330,857
Buildings	14,909,819	14,294,425	14,979,994
Infrastructure	936,517,320	893,366,112	881,069,327
Machinery and equipment	61,984,467	65,786,979	61,973,886
Computer systems	21,622,034	22,083,185	25,114,329
Construction in progress	256,896,036	184,069,459	135,164,900
Artwork	2,192,284	2,192,284	2,026,721
Capital assets, net of accumulated depreciation	<u>\$ 1,340,766,313</u>	<u>\$ 1,222,123,319</u>	<u>\$ 1,160,660,014</u>

Additional information about the Fund’s capital assets can be found in Note 3 of this report.

**2020 Compared to 2019**

The Fund’s investment in capital assets, net of accumulated depreciation, for the year ended December 31, 2020, was \$1.3 billion. This represented an increase of approximately \$118.6 million (9.7%) compared to 2019.

Highlights of the Fund’s major capital assets placed in service during 2020 included the following:

- \$14.4 million for pipe rehabilitation and improvement
- \$14.2 million for pump station improvement
- \$8.4 million for environmental remediation
- \$4.2 million for combine sewer outfall pipeline and structures improvement
- \$3.9 million for culvert replacement
- \$3.4 million for drainage pipeline and sewer pipeline
- \$3.3 million for combined sewer valve and equipment
- \$20.6 million for various other small construction projects

Highlights of the Fund’s major construction projects in progress at the end of 2020 include the following:

- \$112.1 million for construction of a combined sewer overflow storage facility for the Ballard, Fremont, and Wallingford combined sewer overflow basins (Ship Canal Water Quality Project)
- \$20.8 million for sewer and storm water system improvement
- \$16.2 million to build a pump station facility near 7th Street and Riverside in South Park
- \$16.0 million for the Alaskan Way Viaduct and Waterfront combined sewer overflow control
- \$8.6 million for pipe improvements in the Alaska Way Viaduct Battery Street Tunnel project
- \$7.9 million for improvements to Taylor Creek downstream from Rainier Ave South
- \$6.2 million for upgrading pump stations and force main in East Montlake

## **Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management’s Discussion and Analysis**

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### **Capital Assets (continued)**

- \$4.9 million for construction project artwork
- \$4.4 million for infrastructure improvements in South Park
- \$4.2 million for raingardens, cisterns and other national drainage improvements
- \$4.1 million for roadside bioretention for Longfellow Creek
- \$3.3 million for the Delridge 168/169 combined sewer overflow control
- \$3.2 million for the South Park Stormwater Treatment Facility
- \$2.7 million for building 15-18 blocks of bioretention systems in Thornton Creek
- \$2.5 million for upgrading the core Oracle utilities applications
- \$2.2 million for replacing the 45th Ave SW culvert

### **2019 Compared to 2018**

The Fund’s investment in capital assets, net of accumulated depreciation, for the year ended December 31, 2019, was \$1.2 billion. This represented an increase of approximately \$61.5 million (5.3%) compared to 2018. Highlights of the Fund’s major capital assets placed in service during 2019 included the following:

- \$7.8 million for pipe rehabilitation and improvements
- \$6.6 million for sewer pipe lining projects
- \$6.2 million for emergency force main replacement
- \$5.8 million for pump station ventilation upgrades
- \$2.1 million for pump stations improvement
- \$15.5 million for various other small construction projects

Highlights of the Fund’s major construction projects in progress at the end of 2019 include the following:

- \$98.6 million for construction of a combined sewer overflow storage facility for the Ballard, Fremont, and Wallingford combined sewer overflow basins (Ship Canal Water Quality Project)
- \$14.0 million for sewer and storm water system improvements
- \$10.5 million to build a pump station facility near 7th Street and Riverside in South Park
- \$8.0 million for pipe improvements in the Alaska Way Viaduct Battery Street Tunnel project
- \$6.5 million for improvements to Taylor Creek downstream from Rainier Ave South
- \$4.3 million for the Alaskan Way Viaduct and Waterfront combined sewer overflow control
- \$4.1 million for pump station retrofit in the Magnolia area
- \$4.0 million for construction project artwork
- \$3.5 million for raingardens, cisterns, and other national drainage improvements
- \$3.5 million for infrastructure improvements in South Park
- \$3.2 million for culvert replacement at Puget Way SW
- \$2.9 million for the South Park Stormwater Treatment Facility
- \$2.7 million for construction of combined sewer overflow storage facilities in Henderson North
- \$2.5 million for roadside bioretention for Longfellow Creek

## **Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Management’s Discussion and Analysis**

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### **Capital Assets (continued)**

- \$2.3 million for repairing 20 deficient sewer pipes
- \$2.3 million for combined sewer overflow retrofit in the Mountlake area

### **Debt Administration**

The Fund’s debt primarily consists of bonded debt and loans. Bonded debt is secured solely by drainage and wastewater revenues and provides financing for capital improvements. Loans issued by various Washington State Agencies for certain capital improvements are unsecured. The Fund’s credit ratings on its bonds were Aa1 and AA+ by Moody’s Investors Service Inc. and Standard & Poor’s Rating Services, respectively. Additional details about the Fund’s revenue bonds and loans are in Notes 4 and 11 of this report.

### **2020 Compared to 2019**

At the end of 2020, the Fund had \$742.0 million in bonded debt, as compared to \$769.6 million in 2019, all of which was secured solely by drainage and wastewater system revenues. This decrease of \$27.6 million is attributed to payment of debt principal.

At the end of 2020, the Fund had an outstanding loan balance of \$56.1 million compared to \$45.0 million in 2019. This increase is due to a \$12.2 million drawdown from a loan with the Washington State Department of Ecology and a \$1.6 million drawdown from a new loan with the Washington State Department of Commerce. The increase is offset by a \$2.8 million payment of debt principal.

### **2019 Compared to 2018**

At the end of 2019, the Fund had \$769.6 million in bonded debt, as compared to \$796.0 million in 2018, all of which was secured solely by drainage and wastewater system revenues. This decrease of \$26.4 million is attributed to payment of debt principal.

At the end of 2019, the Fund had an outstanding loan balance of \$45.0 million compared to \$47.4 million in 2018. This decrease is due to \$2.7 million payment of debt principal offset by a \$0.4 million drawdown from a new loan with the Washington State Department of Ecology.

### **Requests for Information**

The Fund’s financial statements are designed to provide a general overview of the Fund’s finances, as well as to demonstrate the Fund’s accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Seattle Public Utilities, Finance and Administration Branch, Accounting Division, PO Box 34018, Seattle, Washington 98124-4018, telephone: (206) 684-3000.

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Statements of Net Position**

	December 31,	
	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Operating cash and equity in pooled investments	\$ 218,713,930	\$ 230,631,233
Receivables		
Accounts, net of allowance	28,968,477	24,374,625
Interest and dividends	290,861	300,369
Unbilled revenues	23,065,535	26,412,619
Due from other funds	549,260	5,228,230
Due from other governments	16,732,054	3,819,492
Materials and supplies inventory	1,895,318	1,832,708
Prepayments and other current assets	75,173	34,515
Total current assets	290,290,608	292,633,791
<b>NONCURRENT ASSETS</b>		
Restricted cash and equity in pooled investments	38,208,242	88,092,415
Prepayments long-term	484,017	518,531
Long-term receivable due from another city department	2,362,227	-
Environmental costs and recoveries	2,621,276	2,635,475
External infrastructure costs, net	17,570,958	17,863,808
Regulatory assets - bond issue costs	4,864,855	5,119,856
Other charges	28,644,100	32,384,855
Capital assets		
Land and land rights	46,644,353	40,330,875
Plant in service, excluding land	1,475,448,530	1,404,055,071
Less accumulated depreciation	(440,414,890)	(408,524,370)
Construction in progress	256,896,036	184,069,459
Other property, net	2,192,284	2,192,284
Total noncurrent assets	1,435,521,988	1,368,738,259
Total assets	1,725,812,596	1,661,372,050
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunded debt	5,594,783	5,962,106
Pension and OPEB contributions and changes in assumptions	14,147,946	22,764,397
Total deferred outflows of resources	19,742,729	28,726,503
Total assets and deferred outflow of resources	\$ 1,745,555,325	\$ 1,690,098,553

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Statements of Net Position**

	December 31,	
	2020	2019
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 16,444,533	\$ 11,075,543
Salaries, benefits, and payroll taxes payable	3,532,877	7,577,491
Compensated absences payable	303,286	246,294
Due to other funds	-	10,632
Due to other governments	13,726,395	13,829,482
Interest payable	10,774,345	10,995,428
Taxes payable	432,255	433,100
Revenue bonds due within one year	27,300,000	27,575,000
Claims payable	1,545,720	1,630,749
Environmental liabilities	2,811,563	1,730,070
Loans payable, due within one year	2,852,381	2,792,896
Other	1,372,412	850,838
Total current liabilities	<u>81,095,767</u>	<u>78,747,523</u>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences payable	5,762,426	4,679,584
Claims payable	5,106,321	5,549,328
Environmental liabilities	177,947,420	179,154,291
Loans	53,202,388	42,222,552
Unfunded other post employment benefits	3,101,715	2,968,115
Net pension liability	72,049,064	91,293,054
Other noncurrent liabilities	3,433,249	1,788,080
Revenue bonds	742,030,000	769,605,000
Less bonds due within one year	(27,300,000)	(27,575,000)
Bond discount and premium, net	77,886,317	81,149,448
Total noncurrent liabilities	<u>1,113,218,900</u>	<u>1,150,834,452</u>
Total liabilities	<u>1,194,314,667</u>	<u>1,229,581,975</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension and OPEB	<u>15,544,036</u>	<u>8,677,263</u>
<b>NET POSITION</b>		
Net investment in capital assets	531,961,816	448,542,091
Restricted for		
External infrastructure costs	7,275,625	6,807,082
Other charges	13,875,087	14,291,333
Retainage	-	1,286,138
Unrestricted	<u>(17,415,906)</u>	<u>(19,087,329)</u>
Total net position	<u>535,696,622</u>	<u>451,839,315</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 1,745,555,325</u></u>	<u><u>\$ 1,690,098,553</u></u>

See accompanying notes.



**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Statements of Revenues, Expenses, and Changes in Net Position**

	Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Charges for services and other revenues	\$ 460,295,464	\$ 454,381,865
OPERATING EXPENSES		
Salaries, wages, and personnel benefits	56,137,465	55,874,922
Supplies	2,681,606	3,229,100
Services	45,359,063	43,255,596
Intergovernmental payments	229,641,448	226,517,154
Depreciation and amortization	39,639,090	38,134,482
Other operating expenses	12,478,610	3,756,841
Total operating expenses	385,937,282	370,768,095
OPERATING INCOME	74,358,182	83,613,770
NONOPERATING REVENUES (EXPENSES)		
Investment income	11,044,448	14,954,743
Interest expense	(22,104,486)	(25,294,016)
Contributions and grants	21,685,659	6,382,015
Other, net	1,938,948	1,952,050
Total nonoperating revenues (expenses)	12,564,569	(2,005,208)
INCOME BEFORE SPECIAL ITEMS	86,922,751	81,608,562
ENVIRONMENTAL REMEDIATION	(3,065,444)	(8,902,462)
CHANGE IN NET POSITION	83,857,307	72,706,100
NET POSITION		
Beginning of year	451,839,315	379,133,215
End of year	\$ 535,696,622	\$ 451,839,315

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Statements of Cash Flows**

	Years Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 451,226,887	\$ 461,717,020
Cash paid to suppliers	(222,674,866)	(234,066,948)
Cash paid to employees	(63,398,263)	(50,010,015)
Cash paid for taxes	(60,822,545)	(59,091,556)
Net cash provided by operating activities	104,331,213	118,548,501
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Noncapital grants received	13,151,712	2,397,668
Payments for environmental liabilities	(3,176,623)	(3,324,535)
Net cash provided by noncapital financing activities	9,975,089	(926,867)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	13,832,217	-
Principal payments on long-term debt	(25,255,792)	(27,958,299)
Capital expenditures and other charges paid	(148,598,885)	(90,312,606)
Interest paid on long-term debt	(35,728,077)	(36,693,933)
Build America Bonds federal interest subsidy	1,632,214	1,686,168
Capital fees and grants received	8,533,947	3,984,348
Proceeds from sale of capital assets	54,856	386,764
Net cash used in capital and related financing activities	(185,529,520)	(148,907,558)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Gain on investments	9,421,742	13,273,855
<b>NET CHANGE IN CASH AND EQUITY IN POOLED INVESTMENTS</b>	(61,801,476)	(18,012,069)
<b>CASH AND EQUITY IN POOLED INVESTMENTS</b>		
Beginning of year	318,723,648	336,735,717
End of year	\$ 256,922,172	\$ 318,723,648
<b>CASH AT THE END OF THE YEAR CONSISTS OF</b>		
Operating cash and equity in pooled investments	\$ 218,713,930	\$ 230,631,233
Noncurrent restricted cash and equity in pooled investments	38,208,242	88,092,415
Total cash at the end of the year	\$ 256,922,172	\$ 318,723,648

See accompanying notes.

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**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Statements of Cash Flows (continued)**

	Years Ended December 31,	
	2020	2019
RECONCILIATION OF NET OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating income	\$ 74,358,182	\$ 83,613,770
Adjustments to reconcile net operating income to net cash from operating activities		
Adjustment for net pension liability	(3,760,766)	1,948,677
Depreciation and amortization	39,639,090	38,134,482
Nonoperating revenues and expenses	1,884,092	1,643,538
Changes in operating assets and liabilities		
Accounts receivable	(4,593,852)	(830,192)
Unbilled revenues	3,347,084	(3,697,640)
Due from other funds	4,678,970	10,025,579
Due from other governments	(12,912,562)	(1,521,321)
Materials and supplies inventory	(62,610)	(346,159)
Other assets	(2,368,370)	34,515
Accounts payable	5,368,990	1,211,571
Salaries, benefits, and payroll taxes payable	(4,044,614)	4,570,635
Compensated absences payable	1,139,834	576,766
Due to other funds	(10,632)	(19,146,672)
Due to other governments	(103,087)	476,129
Claims payable	(528,036)	215,341
Taxes payable	(845)	(4,517)
Other liabilities	2,300,345	1,643,999
Total adjustments	29,973,031	34,934,731
Net cash from operating activities	\$ 104,331,213	\$ 118,548,501

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies**

**Operations** – The City of Seattle, Seattle Public Utilities – Drainage and Wastewater Fund (the Fund) is a public utility enterprise fund of the City of Seattle (the City). The Fund was established to account for the drainage and wastewater activities of Seattle Public Utilities (SPU). Drainage activities include regulating storm water runoff, alleviating flooding, mitigating water pollution caused by runoff, and responding to federal storm water regulations, in addition to managing drainage utility assets. Wastewater activities consist of managing the City's sewer system, including the operation of sewer utility facilities and pumping stations necessary to collect the sewage of the City and discharge it into the King County Department of Natural Resources Wastewater Treatment System for treatment and disposal.

On January 1, 1997, the City created SPU, which brought together under one administrative umbrella the water, solid waste, and drainage and wastewater functions of the City. The Fund (as well as SPU's other funds) remains separate for accounting purposes.

SPU receives certain services from other departments and agencies of the City, including information technology and others that are normally considered to be general and administrative. The Fund is charged a share of these costs and during 2020 and 2019, paid \$24,391,299 and \$23,487,277, respectively, to the City for its share of these services. Additionally, the Fund pays a business and occupation utility tax to the City's General Fund. The Fund paid \$54,335,864 and \$53,151,086 for these taxes in 2020 and 2019, respectively.

The utility billing function is co-managed by SPU and Seattle City Light (SCL). SPU provides customer service through the call center and walk-in center. SCL operates and manages the billing system. SPU and SCL bill and reimburse each other for these services. SPU reimburses Seattle IT for the information technologies services mentioned above. Within SPU, the costs and reimbursements were shared among its three utility funds (Water, Drainage and Wastewater, and Solid Waste). The Fund received reimbursements related to the call center and walk-in center of \$2,397,843 and \$2,256,796 in 2020 and 2019, respectively. The Fund paid \$32,076 and \$8,390 for the utility billing services in 2020 and 2019, respectively.

Wastewater disposal and drainage services provided to other City departments and agencies are billed at rates prescribed by City ordinances. The Fund collected \$3,693,851 in 2020 and \$3,198,764 in 2019 from the City for wastewater services provided. The Fund also collected \$10,825,403 in 2020 and \$10,072,336 in 2019 from the City for drainage services.

The Fund is subject to regulation by the City and the State of Washington. Service rates are authorized by ordinances passed by the City Council. Financial reporting is reviewed by the Washington State Auditor's Office and conforms to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 1 – Operations and Summary of Significant Accounting Policies (continued)

**Basis of accounting** – The Fund is accounted for on a flow of economic resources measurement focus. Its financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units using the accrual basis of accounting. With the flow of economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the Fund's operations are included on the statements of net position. The operating statements present increases (revenues) and decreases (expenses) in total net position.

**Cash and equity in pooled investments** – Cash resources of the Fund are combined with cash resources of the City in a pooled investment portfolio that is managed by the City's Finance and Administration Services Department. The City's investment portfolio consists of fixed income securities authorized by the Revised Code of Washington and other applicable law. The pool operates like a demand deposit account in that all City departments may deposit cash at any time and withdraw cash out of the pool without prior notice or penalty. Interest earned on the pooled investments is prorated to individual funds at the end of each month on the basis of their average daily cash balances during the month when interest was earned. Cash and equity in pooled investments are reported at fair market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*. The Fund's share of the pool is included in the accompanying statements of net position under the caption "cash and equity in pooled investments." Accordingly, the statements of cash flows reconcile to cash and equity in pooled investments. The restricted cash and equity in pooled investments consist of unexpended bond proceeds, bond reserve funds, and vendor's escrow deposits.

**Receivables and unbilled revenues** – Customer accounts receivable consist of amounts owed by private individuals and organizations for goods delivered or services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. The Fund also accrues an estimated amount for services that have been provided but not billed.

**Due from/to other funds and governments** – Activity between other funds and governments that is outstanding at the end of the year, not related to the provision of utility services, is reported as due from or due to other funds and governments.

**Allowance for doubtful accounts** – A reserve has been established for uncollectible accounts receivable based on actual historical write-off trends and knowledge of specific circumstances that indicate collection of an account may be unlikely. As of December 31, 2020 and 2019, the Fund's allowance for doubtful accounts was \$1,338,981 and \$712,715, respectively.

**Materials and supplies inventory** – The Fund values its inventory based on a moving average method. The most recent total cost of an inventory item is divided by the total units of the item that remain in inventory to determine the moving average cost of the item. The moving average cost is then applied to all the units of the inventory item.



**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

**Environmental costs and recoveries** – The Fund is involved in several remediation efforts around the City (Note 10). When estimated remediation costs are approved to be recovered through rates, the costs, net of recoveries, associated with these efforts are deferred when accrued as a regulatory asset and are amortized over the rate recovery period. Certain environmental remediation costs that are infrequent in occurrence are treated as a special item in the statements of revenues, expenses, and changes in net position.

**External infrastructure costs** – The Fund has contributed \$21,963,686 to a joint project with King County to expand one of their transmission lines to help alleviate sewer overflows in the area. These costs represent the portion of the project that did not result in a capital asset for the Fund. The project was completed in 2005. The Fund has deferred these costs and began amortizing them in 2006 over a 75-year period.

**Regulatory assets – bond issue costs** – GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, allows for certain costs to be capitalized as a regulatory asset instead of charged to expense. A regulatory asset is recorded when it is probable that future revenue in an amount at least equal to the capitalized costs will be recovered through customer rates over some future period. The Fund uses regulatory accounting for debt issuance costs because these costs are included in the rate structure and, as such, will continue to be amortized over the life of the associated bond issues. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, would have required these costs to be expensed in the period incurred if the Fund had not utilized regulatory accounting for these costs.

**Other charges** – Other charges primarily represent costs related to the long term control plan, which direct the Fund's construction and monitoring of several combined sewer overflow projects. The Fund amortizes these charges over a 5 to 30-year period.

**Capital assets** – Capital assets are stated at cost or, if contributed, at fair value at the date of contribution. Costs include direct material, labor, and indirect costs such as engineering, supervision, payroll taxes, pension benefits, and interest relating to the financing of projects under construction. The cost of current repairs and maintenance is charged to expense, while the cost of additions and improvements is capitalized. SPU's policy is to generally capitalize assets with a cost of \$5,000 or more. The Fund received donated assets, such as sewer and drainage pipes, from developers and other government agencies. These donated assets are recorded under capital contributions and grants in the statements of revenues, expenses, and changes in net position.

**Construction in progress** – Capitalizable costs incurred on projects that are not in use or ready for use are held in construction in progress. When the asset is ready for use, related costs are transferred to capital assets. Upon determining that a project will be abandoned, the related costs are charged to expense.

# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 1 – Operations and Summary of Significant Accounting Policies (continued)

**Other property** – Other property is stated at cost, or if contributed, the fair value at the date of contribution. Other property includes artwork and property held for future use. The artwork is acquired through the City's "One Percent for Art" program, which supports the City ordinance established to direct the inclusion of works of art in public spaces within the City.

**Depreciation** – Capital assets in service are depreciated on the straight-line method over estimated useful lives as follows:

Buildings and fixtures	10 to 50 years
Laterals, mains, and outfalls	75 years
Detention structures	75 years
Pumping stations, equipment, and overflow structures	10 to 50 years
Machinery and equipment	3 to 20 years
Computer systems	3 to 11 years

Asset depreciation begins in the month the asset is placed in service.

**Deferred outflows/inflows of resources** – In addition to assets, the statements of net position, when applicable, will report a separate section for deferred outflows of resources. It represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Fund has deferred loss on refunding debt that qualifies for reporting in this category. A deferred loss on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Fund has also recorded deferred outflows of resources for certain pension activities including the difference between projected and actual experience, the difference between projected and actual earnings on investments, and contributions made subsequent to the measurement date (Notes 6 and 9).

In addition to liabilities, the statements of net position, when applicable, will report a separate section for deferred inflows of resources. It represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Fund has also recorded deferred inflows of resources for the difference between projected and actual experience and changes in proportion and differences between employer contributions and proportionate share of contributions.

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

**Environmental liabilities** – The Fund has accrued a liability for pollution remediation activities in accordance with GASB Statement No. 49 (GASB 49), *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB 49 outlines five specific obligating events that give rise to estimating expected pollution remediation outlays. These outlays may be accrued as a liability and expensed, or if appropriate, capitalized. The Fund will accrue a liability if any of the following obligating events occurs:

- The Fund is compelled to take pollution remediation action because of an imminent endangerment.
- The Fund violates a pollution prevention-related permit or license.
- The Fund is named, or evidence indicates it will be named, by a regulator as a potentially responsible party (PRP) for remediation.
- The Fund is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The Fund commences or legally obligates itself to commence pollution remediation.

Most pollution remediation outlays do not qualify for capitalization and the Fund does not anticipate significant capitalized costs in the future. See Note 10 for site descriptions.

**Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Seattle City Employees' Retirement System (SCERS) are reported on the same basis as reported by SCERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)** – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the benefit have been determined on the same basis as they are reported by the City. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**Compensated absences** – Employees earn vacation based upon their date of hire and years of service, and may accumulate earned vacation up to a maximum of 480 hours. Unused vacation at retirement or normal termination is considered vested and payable to the employee. Earned but unused vacation is accrued as a liability of the Fund. Employees also earn up to 12 days of sick leave per year and may accumulate sick leave balances without limit.

Employees who submit the required documentation when represented by the Coalition of City Unions are paid 35% of the value of unused sick leave upon retirement as part of the Health Reimbursement Arrangement – Voluntary Employees' Beneficiary Association (HRA-VEBA) program. If the employee fails to submit the required documentation by their last working day of employment, their sick leave balance is forfeited.

# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 1 – Operations and Summary of Significant Accounting Policies (continued)

Retiring employees who are not eligible to participate in the HRA-VEBA program may elect to receive 25% of the value of unused sick leave upon retirement or defer receipt of 35% of the value of their sick leave balance to the City's 457 Plan and Trust, subject to the year-to-date or life-to-date limitations on deferrals and contributions. If the 35% value of the sick leave balance exceeds the maximum amount deferred to the City's 457 Plan and Trust, the employee shall receive a taxable cash payment equal to the amount by which the 25% value of the sick leave balance exceeds the 35% that was allowed to be deferred. The Fund records a liability for estimated sick leave payments.

**Operating revenues** – Wastewater service revenues are recorded through cycle billings rendered to customers monthly or bimonthly. The Fund accrues and records unbilled wastewater service revenues in the financial statements for services provided from the date of the last billing to year end.

Drainage service charges are billed to the City's drainage residential and nonresidential customers twice a year through the service of King County's property tax billing system. These charges fund operations and maintenance of, and improvements to, the City's system of storm and drainage facilities.

Other operating revenues include revenues generated from wastewater and sewer permits, and engineering services provided to other City funds.

**Operating expenses** – The Fund's operating expenses include the cost of sales and services, administrative expenses, depreciation on capital assets, and amortization of deferred assets.

**Taxes** – The Fund is charged a public utility tax by the City at a rate of 12.0% for wastewater revenues and 11.5% for drainage revenues, net of certain credits. In addition, the Fund paid a 3.85% public utility tax to the state on a certain portion of revenues identified as sewer collection revenues. The Fund also paid business and occupation tax to the state on certain drainage and other non-utility revenues at the rate of 1.75%.

**Nonoperating revenues and expenses** – This includes the nonoperating revenues and expenses that arise from transactions not related directly to the major income-earning operations of the Fund and are of a recurring nature. Major items are investment and interest income, interest expense, and capital assets.

**Net position** – The statements of net position report all financial and capital resources. Assets and deferred outflows of resources minus liabilities and deferred inflows of resources is net position. There are three components of net position: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints placed on net position use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. The Fund's restricted net position as of December 31, 2020 and 2019, is related to external infrastructure costs, certain other charges, and retainage. Unrestricted net position is the portion that is not "net investment in capital assets" or "restricted."

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

**Arbitrage rebate requirement** – The Fund is subject to the Internal Revenue Code (IRC), Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed be surrendered to the Internal Revenue Service. As such, the Fund would record such a rebate as a liability. The Fund had no liability for arbitrage as of December 31, 2020 and 2019.

**Accounting standard changes** – GASB has issued Statement No. 87, *Standards of Accounting and Financial Reporting for Leases*. The new GASB standard on leases was issued in June 2017 and was originally scheduled to be effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB issued statement No. 95, which delayed the implementation dates of certain statements. As a result, GASB 87 will be effective for the Fund for reporting periods beginning after June 15, 2021. Under this rule, leases are all assumed to be capital financings of the underlying asset with only a narrow range of short-term equipment and motor vehicle leases treated as an ‘operating lease. GASB now assumes that all leases are ‘capital leases’ except for the specific exceptions noted. The Fund is evaluating the impact of this standard on the financial statements.

GASB has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a cost of a capital asset reported in a business-type activity or enterprise fund. The Statement was issued in June 2018 and was originally scheduled to be effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB issued statement No. 95, which delayed the implementation dates of certain statements. As a result, GASB 89 will be effective for the Fund for reporting periods beginning after December 15, 2020. The Fund plans to invoke regulatory accounting under GASB 62 and will continue to capitalize interest as an expense to projects.

**Use of estimates** – The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Estimates and assumptions are used to record unbilled revenues, allowance for doubtful accounts, fair market value of cash and equity in pooled investments, accrued sick leave, capitalized interest, depreciation, environmental liabilities, risk liabilities, pension liability, and other contingencies. Changes in these estimates and assumptions may have a material impact on the financial statements.

**Significant risks and uncertainty** – The Fund is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include, but are not limited to, weather and natural disaster-related disruptions, collective bargaining labor disputes, Environmental Protection Agency regulations, and federal government regulations or orders concerning the operation, maintenance, and licensing of facilities.



# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 2 – Cash and Equity in Pooled Investments

Per Seattle Municipal Code, SMC 5.06.010 Investment Authority, the City's Director of Finance and Administrative Services (FAS) is authorized to invest all moneys in the City Treasury. Cash resources of the Department are combined with cash resources of the City to form a pool of cash that is managed by the City's Department of Finance and Administrative Services (FAS). Under the City's investment policy, all temporary cash surpluses in the pool are invested. The Fund's share of the pool is included on the balance sheets as cash and equity in pooled investments or as restricted assets. The pool operates like a demand deposit account in that all departments, including the Fund, may deposit cash at any time and can also withdraw cash out of the pool, up to the amount of the Fund's fund balance, without prior notice or penalty. Accordingly, the statements of cash flows reconcile to cash and equity in pooled investments.

**Custodial credit risk – deposits** – Custodial credit risk of deposits is the risk that in the event of bank failure for one of the City's depository institutions, the City's deposits or related collateral securities may not be returned in a timely manner.

As of December 31, 2020 and 2019, the City did not have custodial credit risk. The City's deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA), as well as protection provided by the Washington State Public Deposit Protection Commission (PDPC) as established in RCW 39.58. The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks, credit unions, and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. This secures public treasurers' deposits when they exceed the amount insured by the FDIC or NCUA by requiring banks, credit unions, and thrifts to pledge securities as collateral.

As of December 31, 2020 and 2019, the City held sufficient cash in its vault for operations. Additional small amounts of cash were held in departmental revolving fund accounts with the City's various custodial banks, all of which fell within the NCUA/FDIC's \$250,000 standard maximum deposit insurance amount. Any of the City's cash not held in its vault or a local depository was held in the City's operating fund (investment pool), and at the close of every business day, any cash remaining in the operating fund is swept into an overnight repurchase agreement that matures the next day.

**Custodial credit risk – investments** – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the City will not have access to, or be able to recover, its investments or collateral securities that are in the possession of an outside party. The City mitigates custodial credit risk for its investments by having its investment securities held by the City's contractual custodial agent. The City maintains a custody relationship with Wells Fargo under the state of Washington's statewide custody provider program arranged by the State Treasurer's Office. The City mitigates counterparty risk by settling trades through its custodian on a delivery-versus-payment method.

By investment policy, the City maintains a list of approved securities dealers for transacting business. The City also conducts its own due diligence as to the financial wherewithal of its counterparties.

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 2 – Cash and Equity in Pooled Investments (continued)**

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Some of the City's pooled investments have credit risk from holdings in commercial paper, corporate notes, and taxable municipal bonds. The City may not hold more than 50% of the Pool's total assets in these credit sensitive sectors.

State statute defines the investments in commercial paper and corporate notes as a "credit portfolio". The credit portfolio may not exceed 25% of the Pool's market value. Credit investments must be diversified by sector and industry. No single issuer shall exceed 3% of the Pool's market value.

Commercial paper investments may not have maturities exceeding 270 days and must hold the highest short-term credit rating by all the major credit rating agencies that rate the issuer at the time of purchase.

Corporate notes must mature within 5.5 years from the time of purchase and must be rated at least weak single-A or better by all the major rating agencies that rate the note at the time of purchase. No single issuer rated AA or better may exceed 3% of the Pool's market value. No single issuer rated in the single-A category may exceed 2% of the Pool's market value.

Municipal bonds must have a credit rating of weak single-A or better by all the major rating agencies that rate the issuer at the time of purchase. No single issuer may exceed 5% of the Pool's market value.

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. To mitigate interest rate risk, the City intentionally immunizes its known and expected cash flow needs. To best accomplish meeting its investment objectives, the City has divided the Pool into two separate portfolios: Operating and Strategic.

The Operating Portfolio is invested to meet reasonably expected liquidity needs over a period of 12 to 18 months. This portfolio has low duration and high liquidity. Consistent with this profile, and for the purpose of comparing earnings yield, its benchmark is the net earnings rate of the state of Washington's Local Government Investment Pool (LGIP).

The Strategic Portfolio consists of cash that is in excess of known and expected liquidity needs. Accordingly, this portfolio is invested in debt securities with longer maturities than the Operating Portfolio, which over a market cycle, is expected to provide a higher return and greater investment income. Consistent with this profile, and for the purpose of comparing duration, yield and total return, the benchmark for the Strategic portfolio is the Barclays U.S. Government 1-7 year index. The duration of the Strategic Portfolio is targeted between 75% and 125% of the benchmark.

To further mitigate interest rate risk, a minimum of 60% of the Operating Portfolio and 30% of the Strategic Portfolio must be invested in asset types with high liquidity, specifically U.S. Government obligations, U.S. Government Agency obligations, LGIP, demand accounts, repo, sweep, and commercial paper.

## Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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### Note 2 – Cash and Equity in Pooled Investments (continued)

**Investments** – The Fund’s cash resources may be invested by FAS separate from the cash and investments pool. Investments are managed in accordance with the City’s Statement of Investment Policy, with limits and restrictions applied at the City-wide level rather than to specific investments of the Fund. As of December 31, 2020, and 2019, the Fund did not have any dedicated investments. The City’s Statement of Investment Policy was modified on January 1, 2018, with an effective date of March 8, 2018. There have been no subsequent changes to the policy.

The City of Seattle has three objectives in managing its investments that define its risk profile and guide implementation of its investment strategy. In order of importance they are safety of principal, maintenance of liquidity, and return on investment.

The City follows a set of standards of care when it comes to its investments that include the following:

- *Social policies* – A City social policy shall take precedence over furthering the City’s financial objectives when expressly authorized by City Council resolution, except where otherwise provided by law or trust principles.
- *Ethics and conflict of interest* – Investment officers shall comply with the City’s Ethics Code (SMC 4.16.080) and annually submit a Financial Interest Statement to the City’s Ethics & Elections Commission that identifies any potential financial interest that could be related to the performance of the City’s investment portfolio.

**Delegation of authority** – The Director of Finance and Administrative Services has delegated management responsibility for the City’s investment program to the Director of Finance who has designated day to day management responsibility to investment officers under the supervision of the City’s Treasury Services Director. No persons may engage in an investment transaction except as provided under the terms of the City Statement of Investment Policy and the procedures established therein.

**Fair value of pooled investments** – The City reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value of the City’s pooled investments fluctuates with changes in interest rates and the underlying size of the pooled investment portfolio. To mitigate interest rate risk in the City’s pooled investment portfolio, the City typically holds its investments to maturity and manages its maturities to ensure sufficient monthly cash flow to meet its liquidity requirements.

As of December 31, 2020, the City held \$519.7 million on deposit in the Washington State Local Government Investment Pool (LGIP) managed by the Office of the Washington State Treasurer. The City’s investments in the LGIP are reported at amortized cost, which approximates fair value. It is overseen by the Office of the State Treasurer, the State Finance Committee, the Local Government Investment Pool Advisory Committee, and the Washington State Auditor’s Office.

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 2 – Cash and Equity in Pooled Investments (continued)**

The City reports its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction amongst market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation techniques to determine fair value should be consistent with one or more of three approaches: the market approach, cost approach, and income approach. The City uses a combination of the market and cost approach for the valuation of pooled investments.

The City's overnight repurchase agreement with Wells Fargo Bank, N.A., and investment in the State of Washington Local Government Investment Pool (LGIP) are accounted for at cost. The LGIP is an external investment pool and is measured at a net asset value (NAV) per share of \$1. The remainder of the City's investments are purchased in the over-the-counter U.S. bond market and accounted for at market.

The City uses market pricing for its over-the-counter investments as provided by its contractual custodial agent, Wells Fargo Institutional Retirement & Trust, and its third-party investment accounting vendor FIS AvantGard LLC. Both Wells Fargo and FIS contract with Interactive Data Pricing and Reference Data, Inc., for securities pricing.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

**Level 1** – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date.

**Level 2** – Inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** – Inputs are unobservable inputs for the asset or liability. Valuation adjustments such as for nonperformance risk or inactive markets could cause an instrument to be classified as Level 3 that would otherwise be classified as Level 1 or Level 2.

The City's investments in U.S. Treasuries are valued as Level 1. The City's remaining investments are valued as Level 2 or measured at amortized cost. The City does not invest in securities that require Level 3 inputs.

# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

## Note 2 – Cash and Equity in Pooled Investments (continued)

As of December 31, 2020, the City's pooled investments were categorized within the fair value hierarchy as follows:

Investments	Fair Value as of December 31, 2020	Fair Value Measurements Using			Measured at Amortized Cost	Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
U.S. Government Agency Securities	\$ 760,599,687	\$ 760,599,687	\$ -	\$ -	\$ -	1,111
Local Government Investment Pool	519,690,038	-	-	-	519,690,038	1
U.S. Treasury and U.S. Government- Backed Securities	470,004,815	470,004,815	-	-	-	732
Municipal Bonds	319,681,755	-	319,681,755	-	-	2,597
U.S. Government Agency Mortgage-Backed Securities	268,695,014	-	268,695,014	-	-	1,616
Corporate Bonds	92,745,580	92,745,580	-	-	-	509
Repurchase Agreements	72,592,802	-	-	-	72,592,802	4
International Bank for Reconstruction and Development	41,064,600	41,064,600	-	-	-	1,654
	<u>\$ 2,545,074,291</u>	<u>\$ 1,364,414,682</u>	<u>\$ 588,376,769</u>	<u>\$ -</u>	<u>\$ 592,282,840</u>	

Weighted Average Maturity of the City's Pooled Investments

1,010

As of December 31, 2019, the City's pooled investments were categorized within the fair value hierarchy as follows:

Investments	Fair Value as of December 31, 2019	Fair Value Measurements Using			Measured at Amortized Cost	Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
U.S. Government Agency Securities	\$ 693,744,193	\$ 693,744,193	\$ -	\$ -	\$ -	1,246
U.S. Treasury and U.S. Government- Backed Securities	583,535,317	583,535,317	-	-	-	902
Local Government Investment Pool	509,563,594	-	-	-	509,563,594	2
Municipal Bonds	354,007,423	-	354,007,423	-	-	2,184
U.S. Government Agency Mortgage-Backed Securities	290,939,453	-	290,939,453	-	-	1,821
Repurchase Agreements	118,189,506	-	-	-	118,189,506	2
Commercial Paper	84,916,181	-	84,916,181	-	-	22
Corporate Bonds	50,188,027	50,188,027	-	-	-	570
International Bank for Reconstruction and Development	44,743,700	44,743,700	-	-	-	1,714
	<u>\$ 2,729,827,394</u>	<u>\$ 1,372,211,237</u>	<u>\$ 729,863,057</u>	<u>\$ -</u>	<u>\$ 627,753,100</u>	

Weighted Average Maturity of the City's Pooled Investments

1,026



**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

**Note 2 – Cash and Equity in Pooled Investments (continued)**

The Fund's share of the City pool was as follows as of December 31:

	2020	2019
Operating cash and equity in pooled investments	\$ 218,713,930	\$ 230,631,233
Restricted cash and equity in pooled investments	38,208,242	88,092,415
Total	<u>\$ 256,922,172</u>	<u>\$ 318,723,648</u>
Balance as a percentage of City pool cash and investments	10.1%	11.7%

**Concentration of credit risk** – Concentration risk is the risk of loss attributed to the magnitude of investments in a single issuer. The City manages concentration risk by limiting its investments in any one issuer in accordance with the City's investment policy and state statutes. The policy limits vary for each investment category. State statute and the City's Statement of Investment Policy do not stipulate concentration limits for holdings of U.S. Government or U.S. Government Agency Obligations. However, as noted under credit risk, the City's Statement of Investment Policy outlines maximum percentage allocations for municipal securities and commercial paper, as well as bank notes and corporate notes.

The City's investments in which 5% or more is invested in any single issuer as of December 31 are as follows:

Issuer	2020		2019	
	Fair Value	Percent of Total Investments	Fair Value	Percent of Total Investments
Local Government Investment Pool	\$ 519,690,038	20%	\$ 509,563,594	19%
United States Government	470,004,815	18%	583,535,317	21%
Federal National Mortgage Association	292,500,837	11%	283,978,980	10%
Federal Home Loan Bank	200,784,989	8%	244,714,007	9%
Federal Home Loan Mortgage Corp	193,228,369	8%	293,802,918	11%
Federal Farm Credit Bank	152,404,144	6%	162,187,740	6%

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

**Note 3 – Capital Assets**

Capital asset activity consisted of the following for the year ended December 31, 2020:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
Buildings	\$ 24,969,031	\$ 1,602,147	\$ -	\$ 26,571,178
Infrastructure	1,199,929,441	66,600,481	(3,908,329)	1,262,621,593
Machinery and equipment	114,564,808	4,305,974	(617,158)	118,253,624
Computer systems	64,591,791	3,410,344	-	68,002,135
Total capital assets, excluding land	1,404,055,071	75,918,946	(4,525,487)	1,475,448,530
Less accumulated depreciation	(408,524,370)	(33,822,537)	1,932,017	(440,414,890)
	995,530,701	42,096,409	(2,593,470)	1,035,033,640
Construction in progress	184,069,459	170,506,892	(97,680,315)	256,896,036
Land and land rights	40,330,875	6,313,478	-	46,644,353
Artwork	2,192,284	-	-	2,192,284
Capital assets, net	<u>\$ 1,222,123,319</u>	<u>\$ 218,916,779</u>	<u>\$ (100,273,785)</u>	<u>\$ 1,340,766,313</u>

Capital asset activity consisted of the following for the year ended December 31, 2019:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
Buildings	\$ 24,656,787	\$ 312,244	\$ -	\$ 24,969,031
Infrastructure	1,167,784,504	32,597,517	(452,580)	1,199,929,441
Machinery and equipment	105,465,391	11,497,317	(2,397,901)	114,564,808
Computer systems	72,929,653	849,796	(9,187,658)	64,591,791
Total capital assets, excluding land	1,370,836,335	45,256,874	(12,038,139)	1,404,055,071
Less accumulated depreciation	(387,698,799)	(32,825,355)	11,999,783	(408,524,370)
	983,137,536	12,431,519	(38,356)	995,530,701
Construction in progress	135,164,900	105,534,157	(56,629,598)	184,069,459
Land and land rights	40,330,857	18	-	40,330,875
Artwork	2,026,721	165,563	-	2,192,284
Capital assets, net	<u>\$ 1,160,660,014</u>	<u>\$ 118,131,257</u>	<u>\$ (56,667,954)</u>	<u>\$ 1,222,123,319</u>

During 2020 and 2019, the Fund capitalized interest costs relating to construction of \$10,514,450 and \$8,100,208, respectively.

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

**Note 4 – Revenue Bonds**

The Fund issues bonds to provide financing for capital improvements. Payment of debt service on the bonds is derived solely from the revenues generated by the Fund. The Fund has \$30,872,471 in a debt service reserve fund and has obtained reserve insurance policies to meet the remainder of its reserve requirements. The total bonds outstanding as of December 31, 2020 and 2019, were \$742,030,000 and \$769,605,000, respectively. Revenue bonds outstanding as of December 31, 2020 and 2019, consisted of the following Municipal Drainage and Wastewater bonds:

Name of Issue	Issuance Date	Maturity Years	Interest Rates	Original Issue Amount	Bonds Outstanding	
					2020	2019
2009 Improvement, Series A a (Taxable)	12/17/09	2017-2039	4.2-5.5%	\$ 102,535,000	\$ 89,920,000	\$ 93,210,000
2009 Improvement and Refunding, Series B	12/17/09	2010-2027	2.0-4.0%	36,680,000	8,545,000	9,565,000
2012 Improvement and Refunding	6/27/12	2012-2042	2.0-5.0%	222,090,000	163,355,000	171,790,000
2014 Improvement and Refunding	7/10/14	2015-2044	3.0-5.0%	133,180,000	117,750,000	123,475,000
2016 Improvement and Refunding	6/22/16	2016-2046	4.0-5.0%	160,910,000	149,845,000	153,755,000
2017 Improvement and Refunding	6/28/17	2018-2047	4.0-5.0%	234,125,000	212,615,000	217,810,000
				<u>\$ 889,520,000</u>	<u>\$ 742,030,000</u>	<u>\$ 769,605,000</u>

Minimum debt service requirements to maturity on revenue bonds are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 27,300,000	\$ 32,996,413	\$ 60,296,413
2022	28,610,000	31,651,003	60,261,003
2023	28,640,000	30,228,553	58,868,553
2024	30,035,000	28,800,296	58,835,296
2025	31,495,000	27,297,696	58,792,696
2026 - 2030	166,965,000	113,159,713	280,124,713
2031 - 2035	159,920,000	74,776,960	234,696,960
2036 - 2040	143,300,000	41,264,243	184,564,243
2041 - 2045	100,745,000	15,320,800	116,065,800
2046 - 2047	25,020,000	1,288,800	26,308,800
	<u>\$ 742,030,000</u>	<u>\$ 396,784,477</u>	<u>\$ 1,138,814,477</u>

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 4 – Revenue Bonds (continued)**

The following table shows the revenue bond activity during the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 769,605,000	\$ -	\$ (27,575,000)	\$ 742,030,000	\$ 27,300,000
Add (deduct) deferred amounts					
Issuance premiums	81,600,896	-	(3,286,891)	78,314,005	-
Issuance discounts	(451,449)	-	23,761	(427,688)	-
Total bonds payable	<u>\$ 850,754,447</u>	<u>\$ -</u>	<u>\$ (30,838,130)</u>	<u>\$ 819,916,317</u>	<u>\$ 27,300,000</u>

The following table shows the revenue bond activity during the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 796,030,000	\$ -	\$ (26,425,000)	\$ 769,605,000	\$ 27,575,000
Add (deduct) deferred amounts					
Issuance premiums	84,887,787	-	(3,286,891)	81,600,896	-
Issuance discounts	(475,209)	-	23,760	(451,449)	-
Total bonds payable	<u>\$ 880,442,578</u>	<u>\$ -</u>	<u>\$ (29,688,131)</u>	<u>\$ 850,754,447</u>	<u>\$ 27,575,000</u>

**Defeasance of debt** – The Fund defeases certain obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased, and the corresponding liabilities and trust account assets are not included in the statements of net position. At December 31, 2020, no outstanding bonds are considered defeased.

**Financial covenants** – The revenue bonds contain certain financial covenants, the most significant of which requires the Fund to maintain net revenue available for debt service of at least equal to 125% of annual debt service. For 2020, net revenue available for debt service, as defined by the bond covenants, was 294% of annual debt service. Management believes the Fund was in compliance with all debt covenants as of December 31, 2020. For more information, see Other Information (page 51).

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 5 – Leases**

The Fund has noncancelable operating lease commitments for real and personal property, with payments of \$364,107 and \$131,332 and in 2020 and 2019, respectively. The Fund has three leases. The two existing leases at 5821 First Avenue South and 2702 6th Avenue South are extended to February 28, 2025, and July 31, 2025, respectively. The 10-year lease for the property at 4209 21st Avenue West has terms from October 1, 2019, to September 30, 2029. Rents are paid as they become due and payable. Minimum lease payments under the leases for the years ending December 31 are as follows:

2021	\$ 373,056
2022	381,122
2023	389,195
2024	397,273
2025	362,065
2026 - 2029	<u>1,348,611</u>
	<u><u>\$ 3,251,322</u></u>

**Note 6 – Postemployment Benefit Plans**

**Deferred compensation** – The City offers all of its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code (IRC) Section 457. The Plan permits employees to defer a portion of their salaries until future years. The deferred compensation is paid to employees upon termination, retirement, death, or unforeseen emergency.

The Plan is an eligible deferred compensation plan under Section 457 of the IRC of 1986, as amended, and a trust exempt from tax under IRC Sections 457(g) and 501(a). The Plan is operated for the exclusive benefit of participants and their beneficiaries. No part of the corpus or income of the Plan shall revert to the City or be used for, or diverted to, purposes other than the exclusive benefit of participants and their beneficiaries. The Plan is not reported in the financial statements of the City or the Fund.

It is the opinion of the City's legal counsel that the City has no liability for investment losses under the Plan. Under the Plan, participants select investments from alternatives offered by the Plan Administrator, who is under contract with the City to manage the Plan. Investment selection by a participant may be changed from time to time. The City does not manage any of the investment selections. By making the selection, participants accept and assume all risks inherent in the Plan and its administration.

**Other postemployment benefits plan description** – Health care plans for active and retired employees are administered by the City of Seattle as single-employer defined benefit public employee health care plans.



# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 6 – Postemployment Benefit Plans (continued)

Employees retiring under the City may continue their health insurance coverage under the City's health insurance plans for active employees. When a retired participant dies, the spouse remains fully covered until age 65 and covered by the Medicare supplement plan thereafter. Employees that retire with disability retirement under the City may continue their health coverage through the City with same coverage provisions as other retirees. Eligible retirees self-pay 100 percent of the premium based on blended rates that were established by including the experience of retirees with the experience of active employees for underwriting purposes. The postemployment benefit provisions are established and may be amended by ordinance of the Seattle City Council and as provided in Seattle Municipal Code 4.50.020. The City provides an implicit subsidy of the post-retirement health insurance costs and funds the subsidy on a pay-as-you-go basis.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Based on the latest biennial actuarial valuation date the significant methods and assumptions are as follows:

**Actuarial data and assumptions** – the demographic assumptions of mortality, termination, retirement, and disability are set equal to the assumptions used for City pension actuarial valuations based on a Seattle City Employees' Retirement System Experience Report for the period 2014-2017.

<b>Actuarial data and assumptions</b>	<b>2020</b>
Valuation date	January 1, 2020
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Discount rate	2.74%
Health care cost trend rates – medical	6.55% in 2020, decreasing to 6.32% in 2021, and decreasing by varying amounts until 2030 thereafter
Health care cost trend rates – Rx	9.00% in 2020, decreasing to 8.50% in 2021, and decreasing by varying amounts until 2030 thereafter
Participation	25% of active employees who retire participate

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**Note 6 – Postemployment Benefit Plans (continued)**

**Mortality**

General Service (Actives)

Males: RP-2014 Employees Table for Males, adjusted by 60%

Females: RP-2014 Employees Table for Females, adjusted by 95%

Rates are projected generationally using Scale MP-2014 ultimate rates

General Service (Retirees)

Males: RP-2014 Healthy Annuitant Males, adjusted by 95%

Females: RP-2014 Healthy Annuitant Females, adjusted by 95%

Rates are projected generationally using Scale MP-2014 ultimate rates

**Marital status** – 25% of members electing coverage: married or have a registered domestic partner. Male spouses two years older than their female spouses.

**Health care claims development** – The sample per capita claim cost assumptions shown below by age, benefit, and plan represent the true underlying baseline experience estimated for the City of Seattle's sponsored postretirement benefits and costs.

Age	Aetna Preventive Plan			Aetna Traditional Plan		
	Medical	Rx	Admin	Medical	Rx	Admin
50	\$ 11,520	\$ 2,677	\$ 358	\$ 11,243	\$ 2,659	\$ 358
52	12,533	2,912	358	12,230	2,893	358
55	14,220	3,305	358	13,877	3,282	358
57	15,499	3,601	358	15,125	3,576	358
60	17,638	4,097	358	17,210	4,069	358
62	19,003	4,415	358	18,543	4,384	358

Age	Group Health Deductible			Group Health Standard		
	Medical	Rx	Admin	Medical	Rx	Admin
50	\$ 4,961	\$ 1,145	\$ 689	\$ 5,291	\$ 1,171	\$ 689
52	5,397	1,246	689	5,755	1,273	689
55	6,123	1,413	689	6,531	1,445	689
57	6,674	1,540	689	7,118	1,574	689
60	7,595	1,752	689	8,100	1,792	689
62	8,182	1,888	689	8,727	1,930	689

**Seattle Public Utilities –  
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**Note 6 – Postemployment Benefit Plans (continued)**

The average medical and prescription drug per capita claims costs were developed from 2021 calendar year self-funded premium rates. Premium-equivalent rates were provided by City of Seattle's health pricing actuary. The average medical and prescription drug per capita "adult-equivalent" claims costs were based on the respective pre-65 enrollment weighted average of the 2021 four-tier rate structure including the add-on cost of dependent children and trended back from 2021 to 2020 to be centered at the mid-point of the annual period following the valuation date. Average medical/Rx per capita claims costs were then age-adjusted based on the demographics of the rating population, and the assumed health care aging factors shown in the table below.

The average medical and prescription drug per capita claims costs were blended with the 2019 medical/Rx per capita developed claims cost trended forward to the valuation date.

Models are used to estimate underlying per capita medical and drug claims costs, subsequently utilized as assumption inputs for valuation models used to develop the liabilities for the 2020 and future valuations. The Aon consulting team leveraged expertise of Health experts within Aon as it relates to reviewing the models used for development of the per capita claims costs and future trend rates.

**Morbidity factors** – The claim costs for medical and prescription drugs were assumed to increase with age according to the table below.

<u>Age</u>	<u>Medical</u>	<u>Rx</u>	<u>Composite</u>
40–44	3.0%	4.8%	3.3%
45–49	3.7%	4.7%	3.8%
50–54	4.2%	4.7%	4.3%
55–59	4.4%	4.6%	4.4%
60–64	3.7%	4.6%	3.8%

**Other considerations** – Active employees with current spouse and/or dependent coverage elect same plan and coverage. After retirement, it is assumed that children will have aged off coverage and will have \$0 liability.

**Seattle Public Utilities –  
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**Note 6 – Postemployment Benefit Plans (continued)**

**OPEB liability** – The Fund reported an OPEB liability of approximately \$3.1 million in 2020 and \$3.0 million in 2019. The Fund's proportionate share of the OPEB liability was 5.31% and 4.87% for the years ended December 31, 2020 and 2019, respectively. Based on the actuarial valuation date of January 1, 2019, details regarding the Fund's total OPEB liability, plan fiduciary net position, and net OPEB liability as of December 31, 2020, are shown below.

**Changes in Net OPEB Liability**

<i>(\$ in thousands)</i>	<b>Total OPEB Liability</b>
Changes recognized for the fiscal year:	
Service cost	\$ 179.4
Interest on the total OPEB liability	137.4
Differences between expected and actual experience	369.5
Changes of assumptions	(412.2)
Benefit payments	(131.9)
Contributions from the employer	0.0
Other changes	(8.6)
Net changes	133.6
Balance recognized at 12/31/2019	2,968.1
Balance recognized at 12/31/2020	\$ 3,101.7

The Fund recorded an expense for OPEB of \$239,525 in 2020 and \$\$227,322 in 2019. The Health Care Subfund of the General Fund is reported in The City of Seattle's Comprehensive Annual Financial Report.

**Seattle Public Utilities –  
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**Note 6 – Postemployment Benefit Plans (continued)**

**Discount rate and healthcare cost trend rates** – The discount rate used to measure the total OPEB liability is 2.74 % for 2020 and 4.10% for 2019. The following tables present the sensitivity of net OPEB liability calculation to a 1% increase and a 1% decrease in the discount rate used to measure the total OPEB liability:

Discount Rate Sensitivity (in millions)		OPEB Liability at December 31, 2020	
		<hr/>	
Discount rate			
1% decrease – 1.74%		\$	3.4
Current discount rate – 2.74%			3.1
1% increase – 3.74%			2.8

Discount Rate Sensitivity (in millions)		OPEB Liability at December 31, 2019	
		<hr/>	
Discount rate			
1% decrease – 3.10%		\$	3.2
Current discount rate – 4.10%			3.0
1% increase – 5.10%			2.7

The following table presents the sensitivity of net Health Plan OPEB liability calculation to a 1% increase and a 1% decrease in the health care cost trend rates used to measure the total health plan OPEB liability:

Health Care Cost Trend Rate Sensitivity (in millions)		OPEB Liability at December 31,	
		2020	2019
		<hr/>	<hr/>
Discount rate			
1% decrease	\$	2.7	\$ 2.6
Trend rate		3.1	3.0
1% increase		3.5	3.4



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**Note 6 – Postemployment Benefit Plans (continued)**

**Deferred outflows of resources and deferred inflows of resources related to OPEB** – The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for the Fund at December 31, 2020:

<i>(in thousands)</i>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between actual and expected experience	\$ 762.0	\$ -
Assumption changes	-	1,222.8
Contributions made in 2020 after measurement date	<u>155.8</u>	<u>N/A</u>
Total	<u><u>\$ 917.8</u></u>	<u><u>\$ 1,222.8</u></u>

The Fund's contributions made in 2020 in the amount of \$155,813 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. These contributions will be recognized in the future as shown in the following table. Note that additional future deferred outflows and inflows of resources may impact these amounts.

<i>Year Ending December 31, (in thousands)</i>	<u>Amortization</u>
2021	\$ (70.3)
2022	(70.3)
2023	(70.3)
2024	(70.3)
2025	(70.3)
Thereafter	<u>(109.3)</u>
Total	<u><u>\$ (460.8)</u></u>

The Health Care Subfund of the General Fund is reported in the City's Comprehensive Annual Financial Report which can be obtained by writing the Department of Finance, City of Seattle, PO Box 94747, Seattle, WA 98124-4747 or [www.seattle.gov/cafrs/](http://www.seattle.gov/cafrs/).

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**Note 7 – Claims Payable**

The City and the Fund are self-insured for certain losses arising from personal and property damage claims by third parties and for casualty losses to the Fund's property. Liabilities for identified claims and claims incurred but not reported have been recorded by the Fund.

For 2020 and 2019, liabilities for workers' compensation claims, as well as other claims, are discounted over a 15-year period at the City's rate of return on investments of 1.816% and 2.334%, respectively. Claims expected to be paid within one year are \$1,545,720 and \$1,630,749 as of December 31, 2020 and 2019, respectively.

The schedules below present the changes in the liability for workers' compensation claims and other claims (risk financing liabilities) as of December 31:

	2020	2019
Beginning liability, discounted	\$ 7,180,077	\$ 6,964,736
Payments	(1,144,821)	(544,550)
Incurred claims and change in estimate	616,785	759,891
Ending liability, discounted	<u>\$ 6,652,041</u>	<u>\$ 7,180,077</u>

The Fund is involved in litigation from time to time as a result of operations.

**Note 8 – Compensated Absences**

The Fund has recorded a liability for earned but unused compensatory and vacation leave, as well as estimated sick leave payments calculated based on the termination payment method. The schedules below show the compensated absences activity during the years ended December 31, 2020 and 2019:

	2020	2019
Beginning liability	\$ 4,925,878	\$ 4,349,112
Additions	5,981,336	6,197,063
Reductions	(4,841,502)	(5,620,297)
Ending liability	<u>\$ 6,065,712</u>	<u>\$ 4,925,878</u>

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**Note 9 – Pension Benefit Plan**

**Plan description** – The Seattle City Employees' Retirement System (the System) is a cost-sharing multiple employer pension plan covering employee of the City of Seattle and is administered in accordance with Chapter 4.36 of the Seattle Municipal Code.

The System is governed by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active members and one retired member of the System who are elected by other System members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

Beginning with employees with hire dates of January 1, 2017, or later, all new members are enrolled in SCERS Plan II, which has contribution and benefit calculation rates different than the original SCERS I Plan.

All permanent Fund employees are eligible to participate in the system.

**System benefits** – Service retirement benefits are calculated on the basis of age, salary, and service credit.

**SCERS I** – The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after 10 years of service. Members are eligible for retirement benefits after 30 years of service; at age 52 after 20 years of service; at age 57 after 10 years of service; and at age 62 after five years of service. Annual retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after five years of credited service.

**SCERS II** – Members are eligible for retirement benefits at age 55 after 20 years of service, at age 57 after 10 years of service, and at age 60 after 5 years of service. Annual retirement benefits are calculated as 1.75% multiplied by years of creditable service, multiplied by average salary, based on the highest 60 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after five years of credited service.

**Seattle Public Utilities –  
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**Note 9 – Pension Benefit Plan (continued)**

Member and employer contributions – member and employer contributions are:

	<u>YEAR</u>	<u>SCERS I</u>	<u>SCERS II</u>
Member contribution	2020	10.03%	7.00%
	2019	10.03%	7.00%
Employer contribution	2020	16.20%	15.76%
	2019	15.23%	14.42%

Member and employer rates are established by the Seattle Municipal Code Chapter 4.36. The Fund's contributions to the System for the years ended December 31, 2020 and 2019, were \$ 9,697,951 and \$7,273,022 respectively.

The System issues stand-alone financial statements, which may be obtained by writing to the Seattle City Employees' Retirement System, 720 Third Avenue, Suite 900, Seattle, Washington, 98104, and telephone: (206) 386-1293, or [www.seattle.gov/retirement/annual\\_report.htm](http://www.seattle.gov/retirement/annual_report.htm).

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions** – At December 31, 2020 and 2019, the Fund reported a liability of \$72,049,064 and \$91,293,054, respectively, of its proportionate share of the System's net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Fund's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating parties, actuarially determined. At December 31, 2020 and 2019, the Fund's proportion was 6.74% and 6.26%, respectively.

For the years ended December 31, 2020 and 2019, the Fund recognized pension expense of approximately \$10,289,000 and \$12,121,000, respectively.

**Seattle Public Utilities –  
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**Note 9 – Pension Benefit Plan (continued)**

The Fund's deferred outflows and inflows of resources are as follows at December 31, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,994	\$ 2,565,347
Change of assumptions	3,854,118	-
Difference between projected and actual earnings	-	7,343,352
Contributions made subsequent to measurement date	9,367,024	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,412,576
Total	<u>\$ 13,230,136</u>	<u>\$ 14,321,275</u>

The Fund's deferred outflows and inflows of resources are as follows at December 31, 2019:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,836	\$ 2,011,932
Change of assumptions	5,142,579	-
Difference between projected and actual earnings	10,012,412	-
Contributions made subsequent to measurement date	6,942,096	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,656,030
Total	<u>\$ 22,130,923</u>	<u>\$ 7,667,962</u>

Other amounts currently reported as deferred outflows and inflows of resources will be recognized in pension expense as follows for years ending December 31:

2021	\$ (4,278,152)
2022	(3,135,273)
2023	643,922
2024	(3,618,977)
2025	(69,683)
Total	<u>\$ (10,458,163)</u>



# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 9 – Pension Benefit Plan (continued)

**Actuarial assumptions** – The total pension liability as of December 31, 2020, was determined using the following actuarial assumptions:

Valuation date	January 1, 2019
Measurement date	December 31, 2019
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percent, Closed
Remaining amortization period	30 years as of January 1, 2013 valuation
Asset valuation method	5-Year Non-asymptotic
Inflation	2.75%
Investment rate of return	7.25% compounded annually, net of expenses
Discount rate	7.25%
Projected general wage inflation	3.5%
Postretirement benefit increases	1.5%
Mortality	Various rates based on RP-2014 mortality tables and using generational projection of improvement using MP-2014 Ultimate projection scale. See 2018 Investigation of Experience report for details.

The actuarial assumptions that determined the total pension liability as of the measurement date were based on the results of an actuarial experience study for the period January 1, 2014 – December 31, 2017.

The discount rate used to measure the pension liability is based on a projection of cash flows assuming that plan member contributions will be made at the current contribution rate and that participating employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine total pension liability.

The long-term expected rate of return assumption was based on the System's investments using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Seattle Public Utilities –  
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**Note 9 – Pension Benefit Plan (continued)**

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity: Public	4.77%
Equity: Private	7.96%
Fixed Income: Broad	0.67%
Fixed Income: Credit	3.66%
Real Assets: Real Estate	3.76%
Real Assets: Infrastructure	3.95%
Diversifying Strategies	N/A

**Sensitivity analysis** – The following presents the Fund's proportionate share of the net pension liability calculated using the discounted rate of 7.25%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
\$ 103,120,970	72,049,064	\$ 46,041,856

# Seattle Public Utilities – Drainage and Wastewater Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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## Note 10 – Environmental Liabilities

Following is a brief description of the significant sites that require environmental remediation:

**Duwamish sites** – The U.S. Environmental Protection Agency (EPA) has indicated that it will require the clean-up and remediation of certain Duwamish sites under its Superfund authority. In order to manage the liability, the City has worked with the EPA and other PRPs to complete a Remedial Investigation (RI) and Feasibility Study (FS). On November 2, 2012, the EPA and Ecology approved the Lower Duwamish Waterway Group's FS. The EPA announced their proposed cleanup plan in February 2013 for public comment. The remaining scope of cleanup by potentially responsible parties (PRPs) has been decided by the EPA in the 2014 Record of Decision. The Fund recorded an estimate of its share of the estimated total cost. Remedial design work began in 2019.

Specific “early action sites” have been cleaned up separately under Administrative Orders on Consent (AOC). The Fund, together with other PRPs, has completed two early action sites identified during the RI under EPA issued AOC: Slip 4 and T-117.

**East Waterway Site** – In 2006 the EPA issued an AOC for a Supplemental RI and FS for the East Waterway, an operable unit of the Harbor Island Superfund Site. The Port of Seattle (the Port) alone signed the AOC. Both the City and King County signed a Memorandum of Agreement with the Port to participate as cost share partners in the RI/FS work required by the EPA. The RI and FS are complete. The FS identifies a range of alternatives for cleanup construction that range in cost from \$256 million to \$411 million (2016 dollars). EPA is currently developing the Proposed Plan, which will be followed by a Record of Decision. The schedule for release of EPA's Proposed Plan is spring 2021. The Record of Decision is expected in late 2021 or early 2022. Remedial design activities would start in late 2022 at the earliest. The Fund recorded an estimate of its share of the estimated total cost.

**Gas Works Park Sediment Site** – In April 2002, the Department of Ecology (DOE) named the City and another party, Puget Sound Energy, as PRPs for contamination at the Gas Works Sediments Site in North Lake Union. The City and Puget Sound Energy signed an Agreed Order with the DOE in 2005 to initiate two RIs and FSs for the sediment site: one in the western portion of the site led by the City, and another in the eastern portion of the site led by Puget Sound Energy. Subsequently, in fall of 2012, the City and Puget Sound Energy entered into a Settlement, Release, and Cost Allocation Agreement that puts Puget Sound Energy in the lead for all additional cleanup work at the site; the east-west split is no longer in place. Based on the 2012 Agreement, the City pays for 20% of the Shared Costs incurred by Puget Sound Energy for the cleanup work. The RI and FS include an evaluation of the nature and extent of contamination on the site, an evaluation of multiple alternatives for remediating the sediments, and a recommended preferred alternative. Puget Sound Energy collected additional environmental data in 2013 and the draft RI/FS was submitted to DOE in March 2016. A revised draft RI/FS is anticipated to be submitted to DOE in late 2021. A Clean-up Action Plan, which is the State's equivalent to a Record of Decision under the Model Toxics Control Act, is expected in 2022.

**Seattle Public Utilities –  
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**Note 10 – Environmental Liabilities (continued)**

**North Boeing Field/Georgetown Steam Plant** – The City, King County, and Boeing have signed an Administrative Order with the DOE requiring them to investigate and possibly remove contamination in an area that encompasses North Boeing Field, the Georgetown Steam Plant, and the King County Airport. A RI is currently in preparation.

**7th Avenue South Pump Station** – The City acquired land in the South Park area of Seattle to construct the 7th Ave South Pump Station. The land was determined to be contaminated subsequent to the purchase. The Fund has voluntarily agreed to clean up the contamination in order to continue with the planned construction of the pump station. The cleanup was completed in 2012; however, the Fund has ongoing monitoring activities it must perform.

**Terminal 108** – EPA notified the City in 2019 that it is a Potentially Responsible Party for a site adjacent to the Lower Duwamish Waterway that is known as Terminal 108 or T108. The City's potential liability arises from a former sewage treatment plant that was located there. Other PRPs include the Port of Seattle, which is the current owner of the site, King County, the United States and several private entities. In 2020, the Port of Seattle, City of Seattle (SPU), and King County entered into an agreed Administrative Order with EPA and a cost-sharing agreement among themselves. Work has begun on the investigative phase of cleanup at the T108 site in accordance with the Administrative Order. The Department's ultimate liability is indeterminate.

**South Park Marina** – The Washington Department of Ecology notified the City in 2016 that it is a Potentially Liable Party for contamination at the South Park Marina, which is adjacent to Terminal 117. The City Light Department is the lead department for the City at this site. The Potentially Liable Parties (PLPs), which are the City, the Port, and South Park Marina (SPM), signed a final Agreed Order for a Remedial Investigation (RI) in April 2019. A Common Interest and Cost Sharing Agreement among the PLPs was signed in 2019 with an interim cost share of one-third each. In 2019, the City contracted with a consultant to complete the RI. The City's share is split between City Light (97.5%) and SPU (2.5%). The Department's ultimate liability is indeterminate.

The Fund has included in its estimated liability those portions of the environmental remediation work that are currently deemed to be reasonably estimable. Cost estimates were developed using the expected cash flow technique in accordance with GASB 49. For most of the sites, estimated outlays were based on current cost and no adjustments were made for discounting or inflation. The Duwamish site cost estimates were adjusted to remove discounting and to record the costs in 2020 dollars. Cost scenarios were developed for a given site based on data available at the time of estimation and will be adjusted for changes in circumstance. Scenarios consider the relevant potential requirements and are adjusted when benchmarks are met or when new information revises estimated outlays, such as changes in the remediation plan or operating conditions. Costs reflect cost-sharing agreements in effect. In addition, certain estimates were derived from independent engineers and consultants. The estimates were made with the latest information available; however, as new information becomes available, estimates may vary significantly due to price fluctuations, technological advances, or applicable laws.

The Fund is aggressively pursuing other third parties that may have contributed to the contamination of the sites noted. The Fund's estimate for not yet realized recoveries from other parties for their share of remediation work that offset the Fund's estimated environmental liability was \$2.6 million as of December 31, 2020, and \$2.6 million as of December 31, 2019.

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**Note 10 – Environmental Liabilities (continued)**

The following changes in the provision for environmental liabilities at December 31 are:

	2020	2019
Beginning environmental liability, net of recovery	\$ 180,884,361	\$ 174,621,792
Payments or amortization	(3,176,623)	(3,246,282)
Incurred environmental liability	3,051,245	9,508,851
Ending environmental liability, net of recovery	<u>\$ 180,758,983</u>	<u>\$ 180,884,361</u>

The following table represents the current and long term portions for the environmental liabilities:

	2020	2019
Environmental liability, current	\$ 2,811,563	\$ 1,730,070
Environmental liability, noncurrent	<u>177,947,420</u>	<u>179,154,291</u>
Ending liability	<u>\$ 180,758,983</u>	<u>\$ 180,884,361</u>

**Note 11 – Loans**

The Fund has various construction projects that are financed by low interest loans issued by the state of Washington. The loan agreements require that the Fund finance a portion of these projects from other sources. These loans have been used to enhance the drainage system.

In 2019, The Fund entered into a 20-year loan agreement with the Washington State Department of Ecology to borrow up to \$25.0 million to support the Ship Canal Water Quality Project for protecting Lake Washington Ship Canal from combined sewer overflow from Ballard, Fremont, Wallingford, and North Queen Anne. Amounts borrowed under this agreement accrue interest at the rate of 2.0% per annum and estimated initiation of operation date is changed to December 31, 2021. As of December 31, 2020, the Fund had drawn \$12,623,133 on the loan.

In 2020, the Fund entered into a 20-year loan agreement with the Washington State Department of Commerce Public Work Board to borrow up to \$10 million for Pearl Street Drainage & Wastewater Improvement. Amounts borrowed under this agreement accrue interest at the rate of 1.58%. As of December 31, 2020, the Fund had drawn \$1,590,305 on the loan.



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Notes to Financial Statements**

**Note 11 – Loans (continued)**

Loans outstanding as of December 31, 2020 and 2019, are as follows:

Description	Maturity Years	Interest Rate	Amount Borrowed	Loans Outstanding	
				2020	2019
Midvale	2013-2031	0.25%	\$ 4,000,000	\$ 2,329,478	\$ 2,541,249
Thornton Creek Natural Drainage Systems	2006-2024	0.50%	3,700,000	783,529	979,412
High Point Natural Drainage Systems	2010-2029	1.50%	2,679,413	1,255,413	1,392,866
South Park Flood Control and Local Drainage Program	2007-2025	0.50%	3,400,000	985,614	1,182,737
Ballard Green Streets ARRA Project	2011-2020	2.90%	603,209	-	71,233
Thornton Creek Water Quality Project	2011-2030	1.50%	6,983,021	3,670,381	4,027,198
Capital Hill Water Quality Project	2014-2033	2.60%	1,880,598	1,367,536	1,454,831
Henderson CSO	2018-2037	2.40%	36,372,252	31,449,380	32,984,702
Ship Canal Water Quality Project	2022-2042	2.00%	12,623,133	12,623,133	381,221
Pearl Street	2021-2039	1.58%	1,590,305	1,590,305	-
			<u>\$ 73,831,931</u>	<u>\$ 56,054,769</u>	<u>\$ 45,015,448</u>

Minimum debt service requirements to maturity on long term loans are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 2,852,381	\$ 883,107	\$ 3,735,488
2022	3,199,102	844,433	4,043,535
2023	3,465,857	1,037,863	4,503,720
2024	3,527,869	973,357	4,501,226
2025	3,395,382	907,467	4,302,849
2026 - 2030	16,546,235	3,524,644	20,070,879
2031 - 2035	14,699,065	1,840,170	16,539,235
2036 - 2040	7,311,784	418,027	7,729,811
2041 - 2045	1,057,094	24,205	1,081,299
	<u>\$ 56,054,769</u>	<u>\$ 10,453,273</u>	<u>\$ 66,508,042</u>

The following table shows the loan activity during the years ended December 31:

	2020	2019
Net loans, beginning of year	\$ 45,015,448	\$ 47,379,124
Loan proceeds	13,832,217	381,221
Principal payments	(2,792,896)	(2,744,897)
Net loans, end of year	<u>\$ 56,054,769</u>	<u>\$ 45,015,448</u>
Loans due within one year	<u>\$ 2,852,381</u>	<u>\$ 2,792,896</u>
Loans, noncurrent	<u>\$ 53,202,388</u>	<u>\$ 42,222,552</u>

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Notes to Financial Statements**

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**Note 12 – Wastewater Disposal Agreement**

The Fund has a wastewater disposal agreement with the King County Department of Natural Resources Wastewater Treatment Division (the Division), which expires in 2036. The monthly wastewater disposal charge paid to the Division is based on the Division's budgeted cost for providing the service. The charges are determined by water consumption and the number of single-family residences as reported by SPU and other component agencies. Payments made by the Fund were \$167,490,395 and \$165,796,390 for fiscal years 2020 and 2019, respectively.

## **Required Supplementary Information**

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**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Required Supplementary Information**

**Schedule of Seattle Public Utilities' Proportionate Share of the Net Pension Liability**

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	14.33%	14.55%	14.73%	15.13%	16.37%	16.96%
Employer's proportionate share of the net pension liability	\$ 180,105,232	\$ 221,049,893	\$ 163,086,154	\$ 197,454,529	\$ 212,671,200	\$ 187,919,945
Employer's covered payroll	\$ 112,528,955	\$ 111,973,027	\$ 107,715,383	\$ 106,696,535	\$ 105,031,141	\$ 102,783,473
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	160.05%	197.41%	151.40%	185.06%	202.48%	182.83%
Plan fiduciary net position as a percentage of the total pension liability	71.48%	64.14%	72.04%	65.60%	64.03%	67.70%

**Schedule of Seattle Public Utilities' Contributions**

	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$17,041,133	\$ 17,103,559	\$ 16,466,270	\$ 16,354,089	\$ 16,487,154	\$ 15,170,276
Contributions in relation to the contractually required employer contribution	(17,041,133)	(17,103,559)	(16,466,270)	(16,354,089)	(16,487,154)	(15,170,276)
Employer contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$112,528,955	\$111,973,027	\$107,715,383	\$ 106,696,535	\$ 105,031,141	\$ 102,783,473
Employer contributions as a percentile of covered payroll	15.14%	15.27%	15.29%	15.33%	15.70%	14.76%

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Required Supplementary Information**

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**Schedule of Seattle Public Utilities' Proportionate Share of the OPEB Liability and Related Ratios**

	December 31, 2020	December 31, 2019	December 31, 2018
<b>Total OPEB Liability</b>			
Normal cost	\$ 3,378,925	\$ 3,842,152	\$ 3,821,876
Interest	2,586,942	2,195,238	2,583,105
Differences between expected and actual experience	6,956,579	-	13,491,865
Changes in assumptions	(7,760,776)	(3,886,702)	(22,126,128)
Benefit payment	(2,484,320)	(2,333,610)	(2,289,000)
Total OPEB liability – beginning of year	60,946,911	61,129,833	65,648,115
Total OPEB liability – end of year	<u>\$ 63,624,261</u>	<u>\$ 60,946,911</u>	<u>\$ 61,129,833</u>
Covered-employee payroll	\$ 1,124,692,046	\$ 1,015,097,334	\$ 1,015,097,334
Net OPEB liability as percentage of covered-employee payroll	5.66%	6.00%	6.02%



## **Other Information (Unaudited)**

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**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Other Information (Unaudited)**

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**Drainage Wastewater Debt Service Coverage Calculation 2020**

<b>Operating Revenues</b>	
Wastewater	\$ 299,098,180
Drainage	155,021,496
Other	6,175,788
<b>Total Operating Revenue</b>	<u>460,295,464</u>
<b>Operating Expense</b>	
Wastewater Treatment Contract	168,149,587
Other Operations and Maintenance	117,326,904
City Taxes	54,335,864
Other Taxes	6,485,837
<b>Total Operating Expenses Before Debt Service</b>	<u>346,298,192</u>
<b>Net Operating Income</b>	<u>113,997,272</u>
<b>Adjustments</b>	
Add: Claim Expense	616,785
Add: City Taxes	54,335,864
Add: Investment Interest	5,505,931
Less: DSRF Earnings	(627,618)
Add: BAB's Subsidy	1,632,214
Add (Less): Net Other Nonoperating Revenues/(Expenses)	4,417,692
Add: Proceeds from Sale of Assets	54,856
<b>Total Adjustments</b>	<u>65,935,724</u>
<b>Net Revenue Available for Debt Service</b>	<u>\$ 179,932,996</u>
<b>Net Revenue Available for Debt Service (w/o City Taxes)</b>	<u>\$ 125,597,132</u>
Annual Debt Service	\$ 61,848,978
Less: DSRF Earnings	(627,618)
<b>Adjusted Annual Debt Service</b>	<u>\$ 61,221,360</u>
Coverage	2.94
Coverage without taxes	2.05

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Other Information (Unaudited)**

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**Statistics Required for Revenue Bond Continuing Disclosure**

**Wastewater System Operating Statistics**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Population Served	686,800	713,700	730,400	747,300	761,100
Billed Wastewater Revenues (\$1,000's)	\$ 262,006	\$ 272,085	\$ 280,554	\$ 303,935	\$ 302,829
Billed Wastewater Volume (Thousand CCF)					
Residential	7,694	7,699	7,613	7,723	7,851
Commercial	<u>14,127</u>	<u>13,584</u>	<u>13,504</u>	<u>13,554</u>	<u>11,995</u>
Total	21,821	21,283	21,117	21,277	19,846
Gallons Used Per Day Per Capita	65.07	61.07	59.21	58.31	53.40

**Drainage and Wastewater – 2020 Accounts and Billed Revenues**

	<u>Drainage</u>	<u>Wastewater</u>
<b>Customer Accounts</b>		
Residential	154,605	155,363
Commercial	<u>66,072</u>	<u>19,600</u>
Total	<u>220,677</u>	<u>174,963</u>
	<u>Drainage</u>	<u>Wastewater</u>
<b>Billed Revenue</b>		
Residential	\$ 79,015,227	\$ 113,468,431
Commercial	<u>74,405,133</u>	<u>189,361,009</u>
Total	<u>\$ 153,420,360</u>	<u>\$ 302,829,440</u>

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Other Information (Unaudited)**

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**Major Wastewater Customers – 2020 Annual Billed Revenues and Percentage of Revenue**

Name	Revenue	% of Total Revenue
Seattle Housing Authority	\$ 6,326,793	2.1%
University of Washington	5,387,863	1.8%
City of Seattle	3,693,851	1.2%
Equity Residential	2,839,998	0.9%
Port of Seattle	1,724,552	0.6%
Darigold	1,505,465	0.5%
Seattle Children's Hospital	1,291,931	0.4%
Marriott International Inc	1,237,358	0.4%
Harborview Medical Center	1,172,513	0.4%
Essex	1,118,771	0.4%

**Major Drainage Customers – 2020 Annual Billed Revenues and Percentage of Revenue**

Name	Revenue	% of Total Revenue
City of Seattle	\$ 10,825,403	7.1%
King County	3,457,690	2.3%
Seattle Public Schools	3,385,364	2.2%
University of Washington	2,985,609	1.9%
BNSF	2,520,317	1.6%
Federal Government	1,188,514	0.8%
Seattle Housing Authority	1,120,250	0.7%
Union Pacific	950,039	0.6%
Archdiocese of Seattle	678,981	0.4%
Prologis Inc	646,421	0.4%

**Seattle Public Utilities –  
Drainage and Wastewater Fund  
(An Enterprise Fund of the City of Seattle)  
Other Information (Unaudited)**

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**Wastewater Rates**

	2016	2017	2018	2019	2020	2021
Volume rate per ccf	\$ 12.27	\$ 12.93	\$ 13.46	\$ 14.48	\$ 15.55	\$ 16.67

Note: 1 CCF equals 748 gallons. Wastewater rate increased 7.4% and 7.6% in 2020 and 2019, respectively.

**Drainage Rates**

Flat Rate per Parcel	2015	2016	2017	2018	2019	2020	2021	% Impervious Space
Single Family Residential*								
0-1,999 sq. ft.		\$ 123.81	\$ 140.46	\$ 159.68	\$ 169.81	\$ 183.47	195.57	
2,000 - 2,999 sq. ft.	\$ 198.83	\$ 206.93	\$ 231.47	\$ 259.68	\$ 276.51	\$ 298.75	320.58	
3,000 - 4,999 sq. ft.	\$ 258.06	\$ 286.63	\$ 319.05	\$ 356.15	\$ 383.43	\$ 414.26	445.25	
5,000 - 6,999 sq. ft.	\$ 350.40	\$ 390.03	\$ 432.45	\$ 480.86	\$ 516.72	\$ 558.27	599.94	
7,000 - 9,999 sq. ft.	\$ 443.55	\$ 491.40	\$ 543.98	\$ 603.90	\$ 652.61	\$ 705.09	757.69	
<b>Rate per 1,000 sq. ft.</b>								
Undeveloped								0 - 15%
Regular	\$ 28.25	\$ 31.24	\$ 34.76	\$ 38.78	\$ 42.62	\$ 46.05	\$ 49.49	
Low Impact	\$ 16.54	\$ 18.57	\$ 20.67	\$ 23.06	\$ 25.36	\$ 27.40	\$ 29.45	
Light								16 - 35%
Regular	\$ 43.69	\$ 48.52	\$ 53.54	\$ 59.24	\$ 63.64	\$ 68.75	73.92	
Low Impact	\$ 34.36	\$ 38.31	\$ 42.26	\$ 46.74	\$ 49.85	\$ 53.85	\$ 57.87	
Medium								36 - 65%
Regular	\$ 63.45	\$ 70.67	\$ 77.60	\$ 85.45	\$ 90.58	\$ 97.86	\$ 105.15	
Low Impact	\$ 51.04	\$ 57.21	\$ 62.86	\$ 69.28	\$ 73.31	\$ 79.21	\$ 85.00	
High	\$ 85.12	\$ 93.56	\$ 102.48	\$ 112.57	\$ 119.86	\$ 129.50	\$ 139.17	66 - 85%
Very High	\$ 100.69	\$ 112.38	\$ 122.94	\$ 134.85	\$ 143.10	\$ 154.60	\$ 165.81	86 - 100%

\* SFR parcels more than 10,000 sq. ft. are billed under the commercial rate structure.





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REPORT OF INDEPENDENT AUDITORS AND FINANCIAL  
STATEMENTS WITH REQUIRED SUPPLEMENTARY  
INFORMATION AND OTHER INFORMATION

**SEATTLE PUBLIC UTILITIES –  
SOLID WASTE FUND  
(AN ENTERPRISE FUND OF THE CITY OF SEATTLE)**

December 31, 2020 and 2019



MOSSADAMS

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## Report of Independent Auditors

To the Director of Seattle Public Utilities  
Solid Waste Fund  
Seattle, Washington

### Report on the Financial Statements

We have audited the accompanying financial statements of Seattle Public Utilities – Solid Waste Fund (the Fund), which comprise the statements of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Seattle Public Utilities – Solid Waste Fund as of December 31, 2020 and 2019, and the changes in net position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of Seattle Public Utilities' proportionate share of the net pension liability, schedule of Seattle Public Utilities' contributions, and schedule of Seattle Public Utilities' proportionate share of the OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the financial statements. This information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2021, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

*Moss Adams LLP*

Seattle, Washington

April 28, 2021



## Seattle Public Utilities – Solid Waste Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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As management of Seattle Public Utilities (SPU), a department of the City of Seattle (the City), we offer readers of SPU's financial statements this narrative overview and analysis of the financial activities of the Solid Waste Fund (the Fund) for the fiscal years ended December 31, 2020 and 2019. The revenues, expenses, assets, deferred outflows and inflows of resources, liabilities, and deferred inflows of resources of the City of Seattle's solid waste system are recorded in the Fund, the functions of which are primarily supported by user fees and charges billed to customers. The financial situation of other aspects of Seattle City government, including other utility services and general government operations, are reported elsewhere.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fund's financial statements. The financial statements include management's discussion and analysis and basic financial statements with accompanying notes.

**Basic financial statements** – The basic financial statements of the Fund report information similar to the presentation used by private sector companies. These statements offer short-term and long-term financial information about its activities. The basic financial statements begin on page 12 of this report and are comprised of three components: (1) statements of net position, (2) statements of revenues, expenses, and changes in net position, and (3) statements of cash flows.

The statement of net position presents information, as of December 31, 2020 and 2019, on all of the Fund's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets combined with deferred outflows of resources and liabilities combined with deferred inflows of resources is reported as net position. They also provide information about the nature and amounts of investments in resources (assets and deferred outflows of resources), obligations to the Fund's creditors (liabilities and deferred inflows of resources), and provide the basis for assessing the liquidity and financial flexibility of the Fund.

The statements of revenues, expenses, and changes in net position present changes in the Fund's net position for the years ended December 31, 2020 and 2019. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. These statements reflect the results of the Fund's operations for the years identified to provide information about the Fund's credit worthiness and its ability to successfully recover all its costs through service fees and other charges.

The statements of cash flows are required to provide information about the Fund's cash receipts and cash payments during the years ended December 31, 2020 and 2019. To provide answers to questions about sources, uses, and impacts to cash, these statements report cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities for the reporting period.

**Notes to the financial statements** – The notes are an integral part of the financial statements. They provide additional disclosures that are essential to a full understanding of the data provided in the financial statements, such as for certain estimates and financing details. The notes to the financial statements begin on page 17 of this report.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

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#### Financial Analysis

Increases or decreases in net position may serve over time as a useful indicator of whether the Fund's financial position is improving or deteriorating. At December 31, 2020, the Fund had a surplus in total net position of \$90.7 million compared to a surplus of \$65.9 million in 2019. In 2020, the Fund's net position increased \$24.8 million (37.7%), as compared to 2019 which increased \$28.1 million (74.4%). The following summary statement of net position presents the assets and deferred outflows of resources of the Fund and shows the mix of liabilities and deferred inflows of resources and net position used to acquire these assets.

#### Summary Statement of Net Position

	2020	2019	2018
<b>ASSETS</b>			
Current assets	\$ 134,607,416	\$ 108,655,197	\$ 80,767,613
Capital assets, net	204,667,218	218,939,397	220,886,290
Other	76,769,680	70,687,117	79,321,936
Total assets	416,044,314	398,281,711	380,975,839
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	6,270,320	10,060,161	2,769,545
Total assets and deferred outflows of resources	<u>\$ 422,314,634</u>	<u>\$ 408,341,872</u>	<u>\$ 383,745,384</u>
<b>LIABILITIES</b>			
Current liabilities	\$ 37,681,606	\$ 36,493,752	\$ 30,056,736
Revenue bonds	190,703,807	199,069,723	207,085,464
Other	60,177,224	66,494,598	68,956,549
Total liabilities	288,562,637	302,058,073	306,098,749
<b>DEFERRED INFLOWS OF RESOURCES</b>	43,006,393	40,387,545	39,853,592
<b>NET POSITION</b>			
Net investment in capital assets	29,625,548	32,280,073	31,968,120
Restricted	312,301	323,745	193,240
Unrestricted	60,807,755	33,292,436	5,631,683
Total net position	90,745,604	65,896,254	37,793,043
Total net position, liabilities and deferred inflows of resources	<u>\$ 422,314,634</u>	<u>\$ 408,341,872</u>	<u>\$ 383,745,384</u>

## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Management's Discussion and Analysis

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#### Financial Analysis (continued)

#### 2020 Compared to 2019

**Assets** – Current assets increased by \$26.0 million (23.9%) from the prior year mostly due to a \$25.8 million increase in operating cash, a \$1.8 million increase in accounts receivable, a \$0.6 million increase in unbilled receivables, and a \$0.2 million increase in materials and supplies inventory. These increases were offset by a \$2.5 million decrease in amounts due from other funds. The increase in operating cash was primarily the result of operating activities. The increase in unbilled receivables was mostly due to a rate increase of approximately 3% during the year.

Capital assets decreased \$14.3 million (-6.5%) over the prior year. This change is due to an increase in accumulated depreciation (\$10.2 million) and a decrease in construction in progress (\$7.8 million). The decrease in construction in progress is mostly due to \$8.3 million of construction in progress being expensed after the cancellation of the South Transfer Station Phase 2 project. The overall decrease is mostly offset by the increase in plant in service (\$3.8 million).

Other assets increased \$6.1 million (8.6%) from the prior year. This change consisted of an increase of \$4.5 million in restricted cash and equity in pooled investments and an increase of \$1.7 million in accrued landfill closure/postclosure costs, offset by a decrease of \$0.1 million in regulatory assets. The \$4.5 million change in restricted cash and equity in pooled investments is mostly attributable to the transfer of operating cash back to construction cash related to the cancellation of the South Transfer Station Phase 2 project offset by transfers of construction cash to the operating cash account for payment of current year projects.

**Deferred outflows of resources** – Deferred outflows of resources decreased by \$3.8 million (-37.7%) from 2019. This decrease is mostly attributed to changes in deferred outflows related to pension accounting in 2020, including differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions made subsequent to the measurement date.

**Liabilities** – Current liabilities increased \$1.2 million (3.3%) from the prior year. This is mostly attributed to an increase in accounts payable of \$9.8 million and an increase in the current portion of Revenue Bonds of \$0.4 million. These increases were mostly offset by a decrease in the current portion of accrued landfill closure/postclosure costs of \$4.9 million, environmental liabilities of \$2.0 million, salaries, benefits, and payroll taxes payable of \$1.2 million, taxes payable of \$0.7 million, and interest payable of \$0.1 million.

Noncurrent and other liabilities decreased \$14.7 million (-5.5%) from 2019. This decrease is mostly attributed to a decrease of \$8.4 million in Revenue Bonds and related liabilities, a \$5.3 million decrease in net pension liability, and a \$1.5 million decrease in the noncurrent portion of accrued landfill closure/postclosure costs. These decreases were offset by a \$0.4 million increase in compensated absences payable and a \$0.2 million increase in the noncurrent portion of environmental liabilities.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

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#### Financial Analysis (continued)

**Deferred inflows of resources** – Deferred inflows of resources increased by \$2.6 million (6.5%) from 2019 mostly due to a \$1.9 million increase attributed to changes in deferred outflows related to pension accounting, including differences between expected and actual experience, differences between projected and actual earnings, changes of assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions. There was also an increase of \$0.7 million in the Rate Stabilization Account as a result of interest earned in 2020.

**Net position** – Net position increased \$24.8 million (37.7%) from 2019. A portion of the Fund's net position (\$29.6 million) reflects the Fund's investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Fund uses these assets to provide services to customers. Consequently, these assets are not available for future spending. Although the Fund's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. During 2020, net position invested in capital assets decreased \$2.7 million mainly due to a decrease in capital assets offset by a decrease in debt related to investment in capital and an increase in construction cash.

The primary remaining portion of the Fund's net position (\$60.8 million) represents resources that are unrestricted. The unrestricted portion of net position increased \$27.5 million from the prior year primarily as a result of operating income.

#### 2019 Compared to 2018

**Assets** – Current assets increased by \$27.9 million (34.5%) from the prior year mostly due to a \$15.5 million increase in unbilled receivables, a \$12.9 million increase in operating cash, and a \$1.0 million increase in accounts receivable, net of allowance for doubtful accounts. These increases were offset by a \$0.8 million decrease in amounts due from other funds and a \$0.6 million decrease in amounts due from other governments. The increase in unbilled receivables was due to the transition from billing in advance to billing in arrears for residential customers during 2019. The increase in operating cash was primarily the result of operating activities. The accounts receivable increase mostly consisted of an increase from commercial customers.

Capital assets decreased \$1.9 million (-0.9%) over the prior year. This change is due to an increase in accumulated depreciation (\$4.9 million) and decreases in plant in service (\$0.9 million), and other property (\$0.9 million). The overall decrease is mostly offset by the increase in construction in progress (\$4.8 million), driven mostly by costs for the South Transfer Station Phase 2.

Other assets decreased \$8.6 million (-10.9%) from the prior year. This change consisted of a decrease of \$5.0 million in restricted cash and equity in pooled investments, a decrease of \$3.9 million in accrued landfill closure/postclosure costs, and a decrease of \$0.1 million in regulatory assets, offset by an increase of \$0.3 million in other noncurrent and regulatory assets. The \$5.0 million change in restricted cash and equity in pooled investments is mostly attributable to the transfers of construction cash to the operating cash for payment of current year projects.

## Seattle Public Utilities – Solid Waste Fund (An Enterprise Fund of the City of Seattle) Management's Discussion and Analysis

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### Financial Analysis (continued)

**Deferred outflows of resources** – Deferred outflows of resources increased by \$7.3 million (263.2%) from 2018. This increase is attributed to changes in assumptions related to pension accounting in 2019.

**Liabilities** – Current liabilities increased \$6.4 million (21.4%) from the prior year. This is mostly attributed to an increase in the current portion of accrued landfill closure/postclosure costs of \$7.0 million, accounts payable of \$3.0 million, environmental liabilities due within one year of \$2.1 million, salaries, benefits and payroll taxes payable of \$1.5 million, and taxes payable of \$0.9 million. These increases were mostly offset by a decrease of \$5.1 million in other current liabilities due to the fund transitioning out of billing in advance for residential customers and a \$2.8 million decrease in amounts due to other funds.

Noncurrent and other liabilities decreased \$10.5 million (-3.8%) from 2018. This decrease is mostly attributed to a \$9.0 million decrease in the noncurrent portion of accrued landfill closure/postclosure costs, a decrease of \$8.0 million in Revenue Bonds and related liabilities, and a \$2.4 million decrease in the noncurrent portion of environmental liabilities. These decreases were offset by a \$8.7 million increase in net pension liability and a \$0.2 million increase in compensated absences payable.

**Deferred inflows of resources** – Deferred inflows of resources increased by \$0.5 million (1.3%) from 2018 due to an increase of \$0.8 million in the Rate Stabilization Account as a result of interest earned in 2019 and partially offset by a \$0.3 million decrease attributed to changes in assumptions for pension accounting.

**Net position** – Net position increased \$28.1 million (74.4%) from 2018. A portion of the Fund's net position (\$32.3 million) reflects the Fund's investment in capital assets such as land, buildings, and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The Fund uses these assets to provide services to customers. Consequently, these assets are not available for future spending. Although the Fund's investment in its capital assets is reported net of related debt, the resources needed to repay the debt are provided by fees paid by customers for services provided by these assets. During 2019, net position invested in capital assets increased \$0.3 million mainly due to a decrease in debt related to investment in capital.

The primary remaining portion of the Fund's net position (\$33.3 million) represents resources that are unrestricted. The unrestricted portion of net position increased \$27.7 million from the prior year primarily as a result of operating income.



# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

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#### Financial Analysis (continued)

The following summary statements of revenues, expenses, and changes in net position present the annual surplus (or deficit) of revenues over expenses (the change in net position):

#### Summary Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	2018
Operating revenues	\$ 224,052,357	\$ 224,965,227	\$ 205,633,975
Operating expenses	(196,980,358)	(194,797,451)	(194,735,679)
Net operating income	27,071,999	30,167,776	10,898,296
Other expenses, net of other revenues	(2,596,977)	(2,188,471)	(6,219,586)
Fees, contributions, and grants	374,328	123,906	294,412
Change in net position	\$ 24,849,350	\$ 28,103,211	\$ 4,973,122

#### 2020 Compared to 2019

Current year operating revenues decreased \$0.9 million (-0.4%) compared to the prior year. There were several key factors affecting this change. There was an approximate 3.0% rate increase for residential and commercial garbage, and composting services effective April 1, 2020. However, residential and commercial solid waste collection service revenue decreased by \$1.3 million, mostly due to an increase in credits of \$1.2 million for the Utility Discount Program. There were also decreases of \$0.3 million for commercial disposal charges and \$0.2 million for other utility operating revenue. These decreases were offset by a \$0.9 million increase in revenues from fluctuations in pricing of recycling commodities.

Seattle City Council enacted legislation in 2012 (ordinance 124056) allowing the Fund to make contributions to a Rate Stabilization Account if the balance of operating cash on hand at year-end met certain targets. With sufficient funds in the Rate Stabilization Account, no transfers were made in 2020.

Operating expenses in 2020 increased \$2.2 million (1.1%) compared to 2019. This increase included a \$6.4 million increase in other operating expenses mostly due to \$8.3 million of construction in progress being expensed due to the cancellation of the South Transfer Station Phase 2 project. There was also a \$0.4 million increase in services. These increases were offset by decreases of \$1.4 million in salaries and wages, \$0.9 million in personnel benefits, \$0.9 million in depreciation and amortization, \$0.8 million in supplies and \$0.5 million in City and State taxes.

Nonoperating expenses experienced a net increase of \$0.2 million (-7.7%).

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Management's Discussion and Analysis

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#### Financial Analysis (continued)

#### 2019 Compared to 2018

Current year operating revenues increased \$19.3 million (9.4%) compared to the prior year. There were several key factors affecting this change. There was an approximate 4.0% rate increase for residential and commercial garbage, and composting services effective April 1, 2019. This resulted in residential and commercial solid waste collection service revenue gains of \$10.4 million, made up of \$7.5 million in residential garbage collection and \$2.9 million in commercial collection revenue. There was also a \$0.5 million increase in the transfer station revenue. These increases were offset by a \$1.8 million decrease in revenues from fluctuations in pricing of recycling commodities. Additionally, there was no transfer to the rate stabilization account in 2019 as compared to a \$10.2 million transfer in 2018.

Seattle City Council enacted legislation in 2012 (ordinance 124056) allowing the Fund to make contributions to a Rate Stabilization Account if the balance of operating cash on hand at year-end met certain targets. With sufficient funds in the Rate Stabilization Account, no transfers were made in 2019.

Operating expenses in 2019 increased \$0.1 million (0.0%) compared to 2018. The largest operating expense that increased was a \$1.7 million increase in City and State taxes due to the increase in revenue in 2019. Additional increases included \$1.2 million for personnel benefits, \$0.9 million for salaries and wages and \$0.2 in services. These increases were offset by decreases of \$2.5 million in supplies and \$1.4 million in other operating expenses.

Nonoperating revenues and expenses experienced a net increase of \$3.9 million (-65.2%). Investment income increased \$2.5 million, other nonoperating revenue increased \$1.1 million, and interest expense decreased by \$0.4 million.

#### Capital Assets

The following table summarizes capital assets, net of accumulated depreciation, by major asset category as of December 31, 2020, 2019, and 2018:

#### Summary of Capital Assets, Net of Accumulated Depreciation

	2020	2019	2018
Land and land rights	\$ 26,882,856	\$ 26,882,856	\$ 26,882,856
Buildings	114,281,596	117,394,496	120,891,674
Structures	12,682,749	12,241,597	12,649,182
Machinery and equipment	29,509,118	33,115,527	33,732,739
Computer systems	14,521,702	14,710,731	16,911,689
Construction in progress	4,341,772	12,146,765	7,374,575
Artwork	917,443	917,443	913,593
Property held for future use	1,529,982	1,529,982	1,529,982
Capital assets, net of accumulated depreciation	<u>\$ 204,667,218</u>	<u>\$ 218,939,397</u>	<u>\$ 220,886,290</u>

Additional information about the Fund's capital assets can be found in Note 3 of this report.

## **Seattle Public Utilities – Solid Waste Fund**

### **(An Enterprise Fund of the City of Seattle)**

### **Management's Discussion and Analysis**

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#### **Financial Analysis (continued)**

##### **2020 Compared to 2019**

The Fund's capital assets (net of accumulated depreciation) for the year ended December 31, 2020, is \$204.7 million. This represents a decrease of approximately \$14.3 million (-6.5%) compared to 2019.

Highlights of the Fund's capital assets placed in service during 2020 include the following:

- \$1.5 million for the Utilities CSS Portal Project

The Fund's construction in progress at year end did not include any projects over \$2 million.

##### **2019 Compared to 2018**

The Fund's capital assets (net of accumulated depreciation) for the year ended December 31, 2019, is \$218.9 million. This represents a decrease of approximately \$1.9 million (-0.9%) compared to 2018.

Highlights of the Fund's capital assets placed in service during 2019 include the following:

- \$2.7 for heavy equipment purchases
- \$1.5 million for the South Transfer Station Track-Out Control Project

The Fund's construction in progress at year end included \$7.6 million for a new facility at the prior site of the South Transfer Station.

#### **Debt Administration**

The Fund's debt primarily consists of bonded debt and loans. Bonded debt is secured solely by solid waste revenues and provides financing for capital improvements. Loans issued by the Washington State Agencies for certain capital improvements are unsecured. The Fund's credit ratings on its bonds were Aa3 and AA+ by Moody's Investors Service Inc. and Standard & Poor's Rating Services, respectively. Additional details about the Fund's revenue bonds and loans is in Note 4 of this report.

##### **2020 Compared to 2019**

At the end of 2020, the Fund had \$180.1 million in bonded debt, as compared to \$187.1 million in 2019, all of which was secured solely by solid waste revenues. This decrease of \$7.0 million is attributed to scheduled principal payments for existing bond debt. The Fund has used bond proceeds mostly for the Utilities CSS Portal and other miscellaneous projects. The Fund retains bond reserves of \$9.8 million.

## **Seattle Public Utilities – Solid Waste Fund** **(An Enterprise Fund of the City of Seattle)** **Management's Discussion and Analysis**

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### **Financial Analysis (continued)**

#### **2019 Compared to 2018**

At the end of 2019, the Fund had \$187.1 million in bonded debt, as compared to \$194.2 million in 2018, all of which was secured solely by solid waste revenues. This decrease of \$7.1 million is attributed to scheduled principal payments for existing bond debt. The Fund has used bond proceeds mostly for a new facility at the prior site of the South Transfer Station. The Fund retains bond reserves of \$9.8 million.

#### **Economic Factors Affecting Next Year**

Effective April 1, 2021, the Fund will adopt a rate increase of approximately 2.9% for residential and commercial services. This rate increase is expected to bring an additional \$4.1 million in operating revenues to the Fund in 2021.

#### **Requests for Information**

The Fund's financial statements are designed to provide a general overview of the Fund's finances, as well as to demonstrate the Fund's accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Seattle Public Utilities, Finance and Administration Branch, Accounting Division, PO Box 34018, Seattle, WA 98124-4018, telephone: (206) 684-3000.

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Net Position**

	December 31,	
	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Operating cash and equity in pooled investments	\$ 98,043,055	\$ 72,277,630
Receivables		
Accounts, net of allowance	18,180,732	16,372,817
Unbilled revenues	16,391,761	15,809,379
Due from other funds	390,028	2,889,299
Due from other governments	1,258,258	1,148,601
Materials and supplies inventory	306,839	135,956
Prepayments and other current assets	36,743	21,515
Total current assets	134,607,416	108,655,197
<b>NONCURRENT ASSETS</b>		
Restricted cash and equity in pooled investments	57,394,426	52,914,036
Prepayments long-term	216,363	234,393
Regulatory landfill closure and postclosure costs	17,001,367	15,342,885
Regulatory assets	1,531,871	1,623,031
Other charges	625,653	572,772
Capital assets		
Land and land rights	26,882,856	26,882,856
Plant in service, excluding land	257,473,897	254,627,430
Less accumulated depreciation	(86,478,732)	(76,247,636)
Construction in progress	4,341,772	12,146,765
Other property, net	2,447,425	1,529,982
Total noncurrent assets	281,436,898	289,626,514
Total assets	416,044,314	398,281,711
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunded debt	1,854,429	2,003,502
Pension and OPEB contributions and changes in assumptions	4,415,891	8,056,659
Total deferred outflows of resources	6,270,320	10,060,161
Total assets and deferred outflow of resources	\$ 422,314,634	\$ 408,341,872



**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Net Position**

	December 31,	
	2020	2019
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 21,581,638	\$ 11,820,242
Salaries, benefits, and payroll taxes payable	1,333,720	2,553,116
Compensated absences payable	105,798	85,917
Interest payable	2,029,617	2,116,179
Taxes payable	781,341	1,500,353
Revenue bonds due within one year	7,400,000	7,045,000
Claims payable	248,724	259,900
Environmental liabilities	411,000	2,431,000
Landfill closure and postclosure liability	3,779,701	8,673,320
Other	10,067	8,725
Total current liabilities	<u>37,681,606</u>	<u>36,493,752</u>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences payable	2,010,150	1,632,414
Claims payable	419,882	434,628
Environmental liabilities	16,439,503	16,283,140
Landfill closure and postclosure liability	12,399,960	13,923,280
Unfunded other post employment benefits	1,073,051	1,036,097
Net pension liability	27,834,678	33,157,484
Other noncurrent liabilities	-	27,555
Revenue bonds	180,060,000	187,105,000
Less bonds due within one year	(7,400,000)	(7,045,000)
Bond premium	18,043,807	19,009,723
Total noncurrent liabilities	<u>250,881,031</u>	<u>265,564,321</u>
Total liabilities	<u>288,562,637</u>	<u>302,058,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension and OPEB	4,926,513	3,027,193
Rate stabilization	38,079,880	37,360,352
Total deferred inflows of resources	<u>43,006,393</u>	<u>40,387,545</u>
<b>NET POSITION</b>		
Net investment in capital assets	29,625,548	32,280,073
Restricted	312,301	323,745
Unrestricted	60,807,755	33,292,436
Total net position	<u>90,745,604</u>	<u>65,896,254</u>
Total liabilities, deferred outflows, and net position	<u><u>\$ 422,314,634</u></u>	<u><u>\$ 408,341,872</u></u>

See accompanying notes.

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**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Revenues, Expenses, and Changes in Net Position**

	Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Charges for services and other revenues	\$ 224,052,357	\$ 224,965,227
OPERATING EXPENSES		
Salaries and wages	15,194,987	16,635,087
Personnel benefits	7,230,570	8,152,049
Supplies	1,081,240	1,927,131
Services	121,757,197	121,395,817
Intergovernmental payments	30,364,994	30,815,040
Depreciation and amortization	13,889,576	14,765,473
Other operating expenses	7,461,794	1,106,854
Total operating expenses	196,980,358	194,797,451
OPERATING INCOME	27,071,999	30,167,776
NONOPERATING REVENUES (EXPENSES)		
Other nonoperating revenue	178,535	1,166,932
Investment income	4,966,202	4,160,871
Interest expense	(7,741,714)	(7,516,274)
Contributions and grants	374,328	123,906
Total nonoperating revenues (expenses)	(2,222,649)	(2,064,565)
CHANGE IN NET POSITION	24,849,350	28,103,211
NET POSITION		
Beginning of year	65,896,254	37,793,043
End of year	\$ 90,745,604	\$ 65,896,254

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Cash Flows**

	Years Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 224,841,870	\$ 206,476,719
Cash paid to suppliers	(127,735,284)	(121,271,686)
Cash paid to employees	(26,125,376)	(24,452,429)
Cash paid for taxes	(30,869,768)	(29,220,101)
Net cash provided by operating activities	40,111,442	31,532,503
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating grants received	374,328	123,907
Recovery for environmental liabilities	-	(27,300)
Net cash provided by noncapital and related financing activities	374,328	96,607
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(5,425,869)	(6,832,878)
Capital expenditures and other charges	(1,438,869)	(12,808,762)
Interest paid on long-term debt	(8,404,500)	(8,756,875)
Proceeds from sale of capital assets	64,124	455,447
Net cash used in capital and related financing activities	(15,205,114)	(27,943,068)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	4,965,159	4,162,885
<b>NET INCREASE IN CASH AND EQUITY IN POOLED INVESTMENTS</b>	30,245,815	7,848,927
<b>CASH AND EQUITY IN POOLED INVESTMENTS</b>		
Beginning of year	125,191,666	117,342,739
End of year	\$ 155,437,481	\$ 125,191,666
<b>CASH AT THE END OF THE YEAR CONSISTS OF</b>		
Operating cash and equity in pooled investments	\$ 98,043,055	\$ 72,277,630
Noncurrent restricted cash and equity in pooled investments	57,394,426	52,914,036
Total cash at the end of the year	\$ 155,437,481	\$ 125,191,666

See accompanying notes.

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**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Statements of Cash Flows (continued)**

	Years Ended December 31,	
	2020	2019
RECONCILIATION OF NET OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 27,071,999	\$ 30,167,776
Adjustments to reconcile net operating income to net		
cash provided by operating activities		
Adjustment for net pension liability	217,282	720,700
Depreciation and amortization	13,889,576	14,765,473
Nonoperating revenues and expenses	114,410	694,863
Changes in operating assets and liabilities		
Accounts receivable	(1,807,915)	(1,009,409)
Unbilled revenues	(582,382)	(15,464,914)
Due from other City funds	2,499,271	845,614
Due from other governments	(109,657)	602,566
Materials and supplies inventory	(170,883)	21,433
Other assets	(1,654,635)	2,118,111
Accounts payable	9,761,396	3,032,203
Salaries, benefits, and payroll taxes payable	(1,219,396)	1,494,364
Taxes payable	(719,012)	897,924
Compensated absences payable	397,617	201,198
Due to other City funds	-	(2,795,988)
Claims payable	(25,922)	49,103
Accrued landfill closure and post-closure costs	(6,416,939)	(299,902)
Environmental liability	(1,863,636)	(300,217)
Rate stabilization	719,528	865,406
Other liabilities	10,740	(5,073,801)
Total adjustments	13,039,443	1,364,727
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 40,111,442	\$ 31,532,503

## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### **Note 1 – Operations and Summary of Significant Accounting Policies**

**Operations** – The City of Seattle, Seattle Public Utilities – Solid Waste Fund (the Fund) is a public utility enterprise fund of the City of Seattle (the City). The Fund was established to account for the solid waste activities of Seattle Public Utilities (SPU). These activities include the collection and disposal of residential and commercial garbage, recycling, and organic material, operation of the City's two transfer stations and two household hazardous waste facilities, and management of the post closure maintenance and environmental monitoring of the City's two closed landfills. The collection, disposal and/or processing of garbage, recycling, and organic materials is performed by private contractors, under contract with the Fund.

On January 1, 1997, the City created SPU, which brought together under one administrative umbrella the water, solid waste, and drainage and wastewater functions of the City. The Fund (as well as SPU's other funds) remains separate for accounting purposes.

SPU receives certain services from other departments and agencies of the City, including information technology and others that are normally considered to be general and administrative. The Fund is charged a share of these costs and during 2020 and 2019, paid \$6,760,293 and \$7,218,737, respectively, to the City for its share of these services. Additionally, the Fund pays a business and occupation utility tax to the City's General Fund. The Fund paid \$21,893,428 and \$22,031,211 for these taxes in 2020 and 2019, respectively, as well as \$4,503,586 and \$4,710,784, respectively, in tonnage taxes on waste collected and transferred in the City for disposal.

Solid waste collection and disposal services provided to other City departments and agencies are billed at rates prescribed by City ordinances. The Fund collected \$466,631 in 2020 and \$546,256 in 2019 from the City for solid waste services provided.

The utility billing function is co-managed by SPU, Seattle City Light (SCL), and the Seattle Information Technology Department (ITD). SPU provides customer service through the call center and walk-in center. ITD maintains the Customer Information System (CIS). SPU and SCL bill and reimburse each other for these services. SPU reimburses ITD for the information technologies services mentioned above. Within SPU, the costs and reimbursements were shared among its three utility funds (Water, Drainage and Wastewater, and Solid Waste). The Fund received reimbursements related to the call center and walk-in center of \$2,327,309 and \$2,190,419 in 2020 and 2019, respectively. The Fund paid \$31,132 and \$8,143 for the utility billing services in 2020 and 2019, respectively.

The City's Clean City program, administered by SPU staff, reduces public blight including illegal dumping, litter, graffiti, community cleanup, rat abatement, and abandoned vehicles services. Until 2016, the Program was funded by tonnage tax revenues with additional general fund support to maintain service levels. In the 2016 budget process, the City made an accounting adjustment that remits all tonnage tax revenues to the general fund and then funds the Program using only general funds.



# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

The Fund is subject to regulation by the City and the State of Washington. Service rates are authorized by ordinances passed by the Seattle City Council. Financial reporting is reviewed by the Washington State Auditor's Office and conforms to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Basis of accounting** – The Fund is accounted for on a flow of economic resources measurement focus. Its financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units using the accrual basis of accounting. With the flow of economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the Fund's operations are included on the Statement of Net Position. The operating statements present increases (revenues) and decreases (expenses) in total net position.

**Cash and equity in pooled investments** – Cash resources of the Fund are combined with cash resources of the City in a pooled investment portfolio that is managed by the City's Finance and Administration Services Department. The City's investment portfolio consists of fixed income securities authorized by the Revised Code of Washington and other applicable law. The pool operates like a demand deposit account in that all City departments may deposit cash at any time and withdraw cash out of the pool without prior notice or penalty. Interest earned on the pooled investments is prorated to individual funds at the end of each month on the basis of their average daily cash balances during the month when interest was earned. Cash and equity in pooled investments are reported at fair market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*. The Fund's share of the pool is included in the accompanying Statement of Net Position under the caption "cash and equity in pooled investments." Accordingly, the Statements of Cash Flows reconcile to cash and equity in pooled investments. The restricted cash and equity in pooled investments are comprised of unexpended bond proceeds, bond reserve funds and a Rate Stabilization Account.

**Receivables and unbilled revenues** – Customer accounts receivable consist of amounts owed by private individuals and businesses for goods delivered or services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. The Fund also accrues an amount for services that have been provided but not billed.

**Allowance for doubtful accounts** – A reserve has been established for uncollectible accounts receivable based on actual historical write-off trends and knowledge of specific circumstances that indicate collection of an account may be unlikely. As of December 31, 2020 and 2019, the Fund's allowance for doubtful accounts was \$1,598,731 and \$1,546,869, respectively.

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 1 – Operations and Summary of Significant Accounting Policies (continued)**

**Due from/to other funds and governments** – Activity between other funds and governments that is outstanding at the end of the year, not related to the provision of utility services, is reported as due from other funds and governments.

**Materials and supplies inventory** – The Fund values its inventory based on a moving average method. The most recent total cost of an inventory item is divided by the total units of the item that remain in inventory to determine the moving average cost of the item. The moving average cost is then applied to all the units of the inventory item.

**Regulatory assets** – GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, allows for certain costs to be capitalized as a regulatory asset instead of charged to expense. A regulatory asset is recorded when it is probable that future revenue in an amount at least equal to the capitalized costs will be recovered through customer rates over some future period. The Fund uses regulatory accounting for debt issuance costs because these costs are consistent with the rate methodology and, as such, will continue to be amortized over the life of the associated bond issues. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, would have required these costs to be expensed in the period incurred unless the Fund executed GASB 62. In addition, the Fund also uses regulatory accounting for future reasonably estimable landfill post closure costs and cleanup costs related to remediation of the South Park Bus Barn site located near the South Park Landfill.

**Other charges** – Other charges primarily include costs related to the Comprehensive Solid Waste plan which directs the Fund's future operations. The Fund amortizes these charges over a 5 to 30-year period.

**Capital assets** – Capital assets are stated at cost or, if contributed, at fair value at the date of contribution. Costs include direct materials, labor, and indirect costs such as engineering, supervision, payroll taxes, pension benefits, and interest relating to the financing of projects under construction. The cost of current repairs and maintenance is charged to expense, while the cost of improvements is capitalized. SPU's policy is to capitalize assets with a cost of \$5,000 or more.

**Construction in progress** – Capitalizable costs incurred on projects that are not in use or ready for use are held in construction in progress. When the asset is ready for use, related costs are transferred to capital assets. Upon determining that a project will be abandoned, the related costs are charged to expense.

**Other property** – Other property is stated at cost, or if contributed, the fair value at the date of contribution. In 1990, the Fund purchased 350 acres of land surrounding the Kent-Highlands landfill, which became part of the landfill area. Other property also includes artwork acquired through the City's "One Percent for Art" program, which supports the City ordinance established to direct the inclusion of works of art in public spaces within the City.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

**Depreciation** – Capital assets are depreciated on the straight-line method over estimated useful lives as follows:

Buildings	10–75 years
Transfer stations, scale houses, and related improvements	5–33 years
Machinery and equipment	3–20 years
Structures	10–15 years
Computer systems	3–11 years

Asset depreciation begins in the month the asset is placed in service.

**Deferred outflows/inflows of resources** – In addition to assets, the statement of net position, when applicable, will report a separate section for deferred outflows of resources. It represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Fund has deferred loss on refunding debt, which qualifies for reporting in this category. A deferred loss on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Fund has also recorded deferred outflows/inflows of resources for certain pension and other post-employment benefit activities including, the difference between projected and actual experience, the difference between projected and actual earnings on investments, and contributions made subsequent to the measurement date (Notes 6 and 9).

In addition to liabilities, the statement of net position, when applicable, will report a separate section for deferred inflows of resources. It represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. In 2020, the Rate Stabilization Account earned interest totaling \$0.7 million. However, the Fund did not deposit any additional funds into the rate stabilization account in 2020 or 2019. The Fund has also recorded deferred inflows of resources for changes in proportion and differences between employer contributions and proportionate share of contributions (Notes 6 and 9).

**Environmental liabilities** – The Fund has accrued a liability for pollution remediation activities in accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB 49 outlines five specific obligating events that give rise to estimating expected pollution remediation outlays. These outlays may be accrued as a liability and expensed or, if appropriate, capitalized.

## Seattle Public Utilities – Solid Waste Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

The Fund will accrue a liability if any of the following obligating events occurs:

- The Fund is compelled to take pollution remediation action because of an imminent endangerment.
- The Fund violates a pollution prevention-related permit or license.
- The Fund is named, or evidence indicates it will be named, by a regulator as a potentially responsible party (PRP) for remediation.
- The Fund is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The Fund commences or legally obligates itself to commence pollution remediation.

Most pollution remediation outlays do not qualify for capitalization and the Fund does not anticipate significant capitalized costs in the future. More information about environmental liabilities can be found in Note 11 of this report.

**Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Seattle City Employees' Retirement System (SCERS) are reported on the same basis as reported by SCERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)** – For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the benefit have been determined on the same basis as they are reported by the City. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**Compensated absences** – Employees earn vacation based upon their date of hire and years of service and may accumulate earned vacation up to a maximum of 480 hours. Unused vacation at retirement or normal termination is considered vested and payable to the employee. Earned but unused vacation is accrued as a liability of the Fund. Employees also earn up to 12 days of sick leave per year and may accumulate sick leave balances without limit.

Employees who submit the required documentation when represented by the Coalition of City Unions are paid 35% of the value of unused sick leave upon retirement as part of the Health Reimbursement Arrangement – Voluntary Employees' Beneficiary Association (HRA-VEBA) program. If the employee fails to submit the required documentation by their last working day of employment, their sick leave balance is forfeited.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

Retiring employees who are ineligible to participate in the HRA-VEBA program may elect to receive 25% of the value of unused sick leave upon retirement or defer receipt of 35% of the value of their sick leave balance to the City's 457 Plan and Trust, subject to the year-to-date or life-to-date limitations on deferrals and contributions. If the 35% value of the sick leave balance exceeds the maximum amount deferred to the City's 457 Plan and Trust, the employee shall receive a taxable cash payment. The cash payment is equal to the amount by which the 25% value of the sick leave balance exceeds the 35% that was allowed to be deferred. The Fund records a liability for estimated sick leave payments.

**Operating revenues** – Revenues are recorded through cycle billings rendered to customers monthly or bimonthly. Amounts billed but not earned at year-end are recorded as unearned revenues on the Fund's statement of net position. The Fund accrues and records unbilled collection service revenues in the financial statements for services provided from the date of the last billing to year end.

Other operating revenues include revenues generated from the Fund's two transfer stations. Transfer station revenues are collected from self-haul customers who deliver their garbage, yard waste, wood waste, appliances, and tires for a fee to the two transfer stations.

**Operating expenses** – The Fund's operating expenses include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of deferred assets.

**Taxes** – The Fund paid an 14.2% City utility tax on residential and commercial revenues, net of yard waste, recycling, and other costs related to waste reduction. The Fund also is charged a tax by the City based on solid waste tonnage for operating transfer stations and for collecting garbage within the City of Seattle. The City tonnage tax rate of \$13.27 per ton remained the same as 2019. In addition, the Fund paid a 1.75% business and occupation tax, a 0.484% wholesale tax, and a 0.471% retail tax to the State on the services provided to residential, commercial, and transfer station customers. The rate for business and occupation tax increased from 1.5% in 2019 and the other rates remained the same. The State refuse tax rate of 3.60% remained the same as 2019.

**Nonoperating revenues and expenses** – This includes the nonoperating revenues and expenses that arise from transactions not related directly to the major income-earning operations of the utility and are of a recurring nature. Major items are the investment and interest income, interest expense, amortization of debt expenses, amortization of debt discounts, premiums and refunding losses, sale of capital assets, and rental income.

**Net position** – The statement of net position reports all financial and capital resources. Assets and deferred outflows of resources minus liabilities and deferred inflows of resources is net position. There are three components of net position: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints placed on net position use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.



## Seattle Public Utilities – Solid Waste Fund (An Enterprise Fund of the City of Seattle) Notes to Financial Statements

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### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

The Fund's restricted net position relates to certain restricted assets that are offset by related liabilities.

Unrestricted net position is the portion that is not "net investment in capital assets" or "restricted."

**Arbitrage rebate requirement** – The Fund is subject to the Internal Revenue Code (IRC), Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed be surrendered to the Internal Revenue Service. As such, the Fund would record such a rebate as a liability. The Fund had no arbitrage liability as of December 31, 2020 and 2019.

**Accounting standard changes** – GASB has issued Statement No. 87, *Leases*. The new GASB standard on leases was issued in June 2017 and was originally scheduled to be effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delayed the implementation dates of certain standards. As a result, GASB 87 will be effective for the Fund for reporting periods beginning after June 15, 2021. Under this rule, leases are all assumed to be capital financings of the underlying asset with only a narrow range of short term equipment and motor vehicle leases treated as an 'operating lease.' GASB now assumes that all leases are 'capital leases' except for the specific exceptions noted. The Fund is evaluating the impact of this standard on the financial statements.

GASB has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The Statement was issued in June 2018 to be implemented effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB issued Statement No. 95 which delayed the implementation dates of certain standards. As a result, GASB 89 will be effective for the Fund for reporting periods beginning after December 15, 2020. The Fund plans to invoke regulatory accounting under GASB 62 and will continue to capitalize interest as an expense to projects.

**Use of estimates** – The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Estimates and assumptions are used to record landfill closure and post closure costs, unbilled collection services, allowance for doubtful accounts, fair market value of cash and equity in pooled investments, accrued sick leave, capitalized interest, depreciation, environmental liabilities, risk liabilities, pension liability, and other contingencies. Changes in these estimates and assumptions may have a material impact on the financial statements.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 1 – Operations and Summary of Significant Accounting Policies (continued)

**Significant risks and uncertainty** – The Fund is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include, but are not limited to, weather and natural disaster-related disruptions, collective bargaining labor disputes, Environmental Protection Agency regulations, and federal government regulations or orders concerning the operation, maintenance, and licensing of facilities.

#### Note 2 – Cash and Equity in Pooled Investments

Per Seattle Municipal Code, SMC 5.06.010 Investment Authority, the City's Director of Finance and Administrative Services (FAS) is authorized to invest all moneys in the City Treasury. Cash resources of the Department are combined with cash resources of the City to form a pool of cash that is managed by the City's Department of Finance and Administrative Services (FAS). Under the City's investment policy, all temporary cash surpluses in the pool are invested. The Fund's share of the pool is included on the balance sheets as Cash and Equity in Pooled Investments or as restricted assets. The pool operates like a demand deposit account in that all departments, including the Fund, may deposit cash at any time and can also withdraw cash, out of the pool, up to the amount of the Fund's balance, without prior notice or penalty. Accordingly, the statements of cash flows reconcile to cash and equity in pooled investments.

**Custodial credit risk – deposits** – Custodial credit risk of deposits is the risk that in the event of bank failure for one of the City's depository institutions, the City's deposits or related collateral securities may not be returned in a timely manner.

As of December 31, 2020 and 2019, the City did not have custodial credit risk. The City's deposits are covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA) as well as protection provided by the Washington State Public Deposit Protection Commission (PDPC) as established in RCW 39.58. The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks, credit unions, and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. This secures public treasurers' deposits when they exceed the amount insured by the FDIC or NCUA by requiring banks, credit unions, and thrifts to pledge securities as collateral.

As of December 31, 2020 and 2019, the City held sufficient cash in its vault for operations. Additional small amounts of cash were held in departmental revolving fund accounts with the City's various custodial banks, all of which fell within the NCUA/FDIC's \$250,000 standard maximum deposit insurance amount. Any of the City's cash not held in its vault, or a local depository, was held in the City's operating fund (investment pool), and at the close of every business day, any cash remaining in the operating fund is swept into an overnight repurchase agreement that matures the next day.

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 2 – Cash and Equity in Pooled Investments (continued)**

**Custodial credit risk – investments** – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the City will not have access to, or be able to recover, its investments or collateral securities that are in the possession of an outside party. The City mitigates custodial credit risk for its investments by having its investment securities held by the City's contractual custodial agent. The City maintains a custody relationship with Wells Fargo under the State of Washington's statewide custody provider program arranged by the State Treasurer's Office. The City mitigates counterparty risk by settling trades through its custodian on a delivery-versus-payment method.

By investment policy, the City maintains a list of approved securities dealers for transacting business. The City also conducts its own due diligence as to the financial wherewithal of its counterparties.

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Some of the City's pooled investments have credit risk from holdings in commercial paper, corporate notes, and taxable municipal bonds. The City may not hold more than 50% of the Pool's total assets in these credit sensitive sectors.

State statute defines the investments in commercial paper and corporate notes as a "credit portfolio". The credit portfolio may not exceed 25 percent of the Pool's market value. Credit investments must be diversified by sector and industry. No single issuer shall exceed 3 percent of the Pool's market value.

Commercial Paper investments may not have maturities exceeding 270 days and must hold the highest short-term credit rating by all the major credit rating agencies that rate the issuer at the time of purchase.

Corporate notes must mature within 5.5 years from the time of purchase and must be rated at least weak single-A or better by all the major rating agencies that rate the note at the time of purchase. No single issuer rated AA or better may exceed 3 percent of the Pool's market value. No single issuer rated in the single-A category may exceed 2 percent of the Pool's market value.

Municipal bonds must have a credit rating of weak single-A or better by all the major rating agencies that rate the issuer at the time of purchase. No single issuer may exceed 5 percent of the Pool's market value.

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. To mitigate interest rate risk, the City intentionally immunizes its known and expected cash flow needs. To best accomplish meeting its investment objectives, the City has divided the Pool into two separate portfolios: Operating and Strategic.

The Operating Portfolio is invested to meet reasonably expected liquidity needs over a period of twelve to eighteen months. This portfolio has low duration and high liquidity. Consistent with this profile, and for the purpose of comparing earnings yield, its benchmark is the net earnings rate of the State of Washington's Local Government Investment Pool (LGIP).

## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 2 – Cash and Equity in Pooled Investments (continued)

The Strategic Portfolio consists of cash that is in excess of known and expected liquidity needs. Accordingly, this portfolio is invested in debt securities with longer maturities than the Operating Portfolio, which over a market cycle, is expected to provide a higher return and greater investment income. Consistent with this profile, and for the purpose of comparing duration, yield and total return, the benchmark for the Strategic portfolio is the Barclays U.S. Government 1-7 year index. The duration of the Strategic Portfolio is targeted between 75% and 125% of the benchmark.

To further mitigate interest rate risk a minimum of 60% of the Operating Portfolio and 30% of the Strategic Portfolio must be invested in asset types with high liquidity, specifically U.S. Government obligations, U.S. Government Agency obligations, LGIP, Demand Accounts, Repo, Sweep, and Commercial Paper.

**Investments** – The Fund's cash resources may be invested by FAS separate from the cash and investments pool. Investments are managed in accordance with the City's Statement of Investment Policy, with limits and restrictions applied at the City-wide level rather than to specific investments of the Fund. As of December 31, 2020, and 2019, the Fund did not have any dedicated investments. The City's Statement of Investment Policy was modified on January 1, 2018, with an effective date of March 8, 2018. There have been no subsequent changes to the policy.

The City of Seattle has three objectives in managing its investments that define its risk profile and guide implementation of its investment strategy. In order of importance they are Safety of Principal, Maintenance of Liquidity, and Return on Investment.

The City follows a set of Standards of Care when it comes to its investments that include the following:

- **Social Policies:** A City social policy shall take precedence over furthering the City's financial objectives when expressly authorized by City Council resolution, except where otherwise provided by law or trust principles.
- **Ethics and Conflict of Interest:** Investment officers shall comply with the City's Ethics Code (SMC 4.16.080) and annually submit a Financial Interest Statement to the City's Ethics & Elections Commission that identifies any potential financial interest that could be related to the performance of the City's investment portfolio.

**Delegation of authority** – The Director of Finance and Administrative Services has delegated management responsibility for the City's investment program to the Director of Finance who has designated day to day management responsibility to investment officers under the supervision of the City's Treasury Services Director. No persons may engage in an investment transaction except as provided under the terms of the City Statement of Investment Policy and the procedures established therein.

## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 2 – Cash and Equity in Pooled Investments (continued)

**Fair value of pooled investments** – The City reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value of the City's pooled investments fluctuates with changes in interest rates and the underlying size of the pooled investment portfolio. To mitigate interest rate risk in the City's pooled investment portfolio, the City typically holds its investments to maturity and manages its maturities to ensure sufficient monthly cash flow to meet its liquidity requirements.

As of December 31, 2020, the City held \$519.7 million on deposit in the Washington State Local Government Investment Pool (LGIP) managed by the Office of the Washington State Treasurer. The City's investments in the LGIP are reported at amortized cost which approximates fair value. It is overseen by the Office of the State Treasurer, the State Finance Committee, the Local Government Investment Pool Advisory Committee, and the Washington State Auditor's Office.

The City reports its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction amongst market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation techniques to determine fair value should be consistent with one or more of three approaches: the market approach, cost approach, and income approach. The City uses a combination of the market and cost approach for the valuation of pooled investments.

The City's overnight repurchase agreement with Wells Fargo Bank, N.A., and investment in the State of Washington Local Government Investment Pool (LGIP) are accounted for at cost. The LGIP is an external investment pool and is measured at a net asset value (NAV) per share of \$1. The remainder of the City's investments are purchased in the over-the-counter U.S. bond market and accounted for at market.

The City uses market pricing for its over-the-counter investments as provided by its contractual custodial agent, Wells Fargo Institutional Retirement & Trust, and its third-party investment accounting vendor FIS AvantGard LLC. Both Wells Fargo and FIS contract with Interactive Data Pricing and Reference Data, Inc., for securities pricing.



# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

#### Note 2 – Cash and Equity in Pooled Investments (continued)

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

**Level 1** – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date.

**Level 2** – inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** – inputs are unobservable inputs for the asset or liability. Valuation adjustments such as for nonperformance risk or inactive markets could cause an instrument to be classified as Level 3 that would otherwise be classified as Level 1 or Level 2.

As of December 31, 2020, the City's pooled investments were categorized within the fair value hierarchy as follows:

Investments	Fair Value as of December 31, 2020	Fair Value Measurements Using			Measured at Amortized Cost	Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
U.S. Government Agency Securities	\$ 760,599,687	\$ 760,599,687	\$ -	\$ -	\$ -	1,111
Local Government Investment Pool	519,690,038	-	-	-	519,690,038	1
U.S. Treasury and U.S. Government-Backed Securities	470,004,815	470,004,815	-	-	-	732
Municipal Bonds	319,681,755	-	319,681,755	-	-	2,597
U.S. Government Agency Mortgage-Backed Securities	268,695,014	-	268,695,014	-	-	1,616
Corporate Bonds	92,745,580	92,745,580	-	-	-	509
Repurchase Agreements	72,592,802	-	-	-	72,592,802	4
International Bank for Reconstruction and Development	41,064,600	41,064,600	-	-	-	1,654
	<u>\$ 2,545,074,291</u>	<u>\$ 1,364,414,682</u>	<u>\$ 588,376,769</u>	<u>\$ -</u>	<u>\$ 592,282,840</u>	
Weighted Average Maturity of the City's Pooled Investments						1,010

The City's investments in US Treasuries are valued as Level 1. The City's remaining investments are valued as Level 2 or measured at amortized cost. The City does not invest in securities that require Level 3 inputs.

As of December 31, 2019, the City's pooled investments were categorized within the fair value hierarchy as follows:

Investments	Fair Value as of December 31, 2019	Fair Value Measurements Using			Measured at Amortized Cost	Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
U.S. Government Agency Securities	\$ 693,744,193	\$ 693,744,193	\$ -	\$ -	\$ -	1,246
U.S. Treasury and U.S. Government-Backed Securities	583,535,317	583,535,317	-	-	-	902
Local Government Investment Pool	509,563,594	-	-	-	509,563,594	2
Municipal Bonds	354,007,423	-	354,007,423	-	-	2,184
U.S. Government Agency Mortgage-Backed Securities	290,939,453	-	290,939,453	-	-	1,821
Repurchase Agreements	118,189,506	-	-	-	118,189,506	2
Commercial Paper	84,916,181	-	84,916,181	-	-	22
Corporate Bonds	50,188,027	50,188,027	-	-	-	570
International Bank for Reconstruction and Development	44,743,700	44,743,700	-	-	-	1,714
	<u>\$ 2,729,827,394</u>	<u>\$ 1,372,211,237</u>	<u>\$ 729,863,057</u>	<u>\$ -</u>	<u>\$ 627,753,100</u>	
Weighted Average Maturity of the City's Pooled Investments						1,026

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

**Note 2 – Cash and Equity in Pooled Investments (continued)**

As of December 31, 2020 and 2019, the Fund's share of the City Pool was as follows:

	2020	2019
Cash and equity in pooled investments	\$ 98,043,055	\$ 72,277,630
Restricted cash and equity in pooled investments	57,394,426	52,914,036
	<u>\$ 155,437,481</u>	<u>\$ 125,191,666</u>
Balance as a percentage of City Pool cash and investments	6.1%	4.6%

**Concentration of credit risk** – Concentration risk is the risk of loss attributed to the magnitude of investments in a single issuer. The City manages concentration risk by limiting its investments in any one issuer in accordance with the City's investment policy and state statutes. The policy limits vary for each investment category. State statute and the City's Statement of Investment Policy do not stipulate concentration limits for holdings of U.S. Government or U.S. Government Agency Obligations. However, as noted under credit risk, the City's Statement of Investment Policy outlines maximum percentage allocations for municipal securities, commercial paper as well as bank notes and corporate notes.

The City's investments in which five percent or more is invested in any single issuer, as of December 31 are as follows:

Issuer	2020		2019	
	Fair Value	Percent of Total Investments	Fair Value	Percent of Total Investments
Local Government Investment Pool	\$ 519,690,038	20%	\$ 509,563,594	19%
United States Government	470,004,815	18%	583,535,317	21%
Federal National Mortgage Association	292,500,837	11%	283,978,980	10%
Federal Home Loan Bank	200,784,989	8%	244,714,007	9%
Federal Home Loan Mortgage Corp	193,228,369	8%	293,802,918	11%
Federal Farm Credit Bank	152,404,144	6%	162,187,740	6%

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

#### Note 3 – Capital Assets

Capital assets activity for the year ended December 31, 2020, consisted of the following:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
Buildings	\$ 139,038,541	\$ 374,062	\$ -	\$ 139,412,603
Structures	13,837,233	894,739	-	14,731,972
Machinery and equipment	71,157,119	832,127	(496,342)	71,492,904
Computer systems	29,677,094	2,159,324	-	31,836,418
Total capital assets, excluding land	253,709,987	4,260,252	(496,342)	257,473,897
Less accumulated depreciation	(76,247,636)	(10,700,476)	469,380	(86,478,732)
	177,462,351	(6,440,224)	(26,962)	170,995,165
Construction in progress	12,146,765	4,834,140	(12,639,133)	4,341,772
Land and land rights	26,882,856	-	-	26,882,856
Artwork	917,443	-	-	917,443
Property held for future use	1,529,982	-	-	1,529,982
Capital assets, net	<u>\$ 218,939,397</u>	<u>\$ (1,606,084)</u>	<u>\$ (12,666,095)</u>	<u>\$ 204,667,218</u>

Capital assets activity for the year ended December 31, 2019, consisted of the following:

	Beginning Balance	Additions and Transfers In	Retirements and Transfers Out	Ending Balance
Buildings	\$ 138,913,900	\$ 124,641	\$ -	\$ 139,038,541
Structures	13,760,135	77,098	-	13,837,233
Machinery and equipment	68,593,400	4,435,800	(1,872,081)	71,157,119
Computer systems	34,220,881	160,895	(4,704,682)	29,677,094
Total capital assets, excluding land	255,488,316	4,798,434	(6,576,763)	253,709,987
Less accumulated depreciation	(71,303,032)	(11,444,730)	6,500,126	(76,247,636)
	184,185,284	(6,646,296)	(76,637)	177,462,351
Construction in progress	7,374,575	9,978,976	(5,206,786)	12,146,765
Land and land rights	26,882,856	-	-	26,882,856
Artwork	913,593	3,850	-	917,443
Property held for future use	1,529,982	-	-	1,529,982
Capital assets, net	<u>\$ 220,886,290</u>	<u>\$ 3,336,530</u>	<u>\$ (5,283,423)</u>	<u>\$ 218,939,397</u>

During 2020 and 2019, the Fund capitalized interest costs relating to construction of \$(236,720) and \$378,589, respectively. The negative amount in 2020 was a result of the cancellation of the South Transfer Station Phase 2 project.

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

**Note 4 – Revenue Bonds**

The Fund issues bonds to provide financing for capital improvements. Payment of debt service on the bonds is derived solely from the revenues generated by the Fund. The Fund has set aside \$9,831,311 in a debt service reserve fund and has obtained reserve insurance policies to meet the remainder of its reserve requirements. The total bonds outstanding as of December 31, 2020, were \$180,060,000.

Revenue bonds outstanding as of December 31, 2020 and 2019, consisted of the following Solid Waste bonds:

Name of Issue	Issuance Date	Maturity Years	Interest Rates	Original Issue Amount	Bonds Outstanding	
					2020	2019
2007 Improvement and Refunding Bonds	12/05/2007	2008-2033	4.0 - 5.0%	\$ 82,175,000	\$ -	\$ -
2011 Improvement Bonds	6/22/2011	2012-2036	3.0 - 5.0%	45,750,000	35,165,000	36,610,000
2014 Improvement and Refunding Bonds	6/12/2014	2015-2039	2.0 - 5.0%	95,350,000	79,460,000	83,690,000
2015 Improvement Bonds	6/25/2015	2016-2040	2.0 - 5.0%	35,830,000	31,735,000	32,665,000
2016 Improvement and Refunding Bonds	6/30/2016	2017-2041	4.0 - 5.0%	35,335,000	33,700,000	34,140,000
				<u>\$ 294,440,000</u>	<u>\$ 180,060,000</u>	<u>\$ 187,105,000</u>

Minimum debt service requirements to maturity on revenue bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 7,400,000	\$ 8,045,125	\$ 15,445,125
2022	7,775,000	7,667,625	15,442,625
2023	8,170,000	7,271,000	15,441,000
2024	8,590,000	6,854,125	15,444,125
2025	9,035,000	6,415,750	15,450,750
2026 - 2030	52,060,000	24,969,394	77,029,394
2031 - 2035	53,705,000	12,761,797	66,466,797
2036 - 2040	32,240,000	3,128,169	35,368,169
2041	1,085,000	21,700	1,106,700
	<u>\$ 180,060,000</u>	<u>\$ 77,134,685</u>	<u>\$ 257,194,685</u>

The following table shows the revenue bond activity during the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, revenue bonds	\$ 187,105,000	\$ -	\$ (7,045,000)	\$ 180,060,000	\$ 7,400,000
Add (deduct) deferred amounts					
Issuance premiums	19,009,723	-	(965,916)	18,043,807	-
Total bonds payable	<u>\$ 206,114,723</u>	<u>\$ -</u>	<u>\$ (8,010,916)</u>	<u>\$ 198,103,807</u>	<u>\$ 7,400,000</u>

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

#### Note 4 – Revenue Bonds (continued)

The following table shows the revenue bond activity during the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, revenue bonds	\$ 194,225,000	\$ -	\$ (7,120,000)	\$ 187,105,000	\$ 7,045,000
Add (deduct) deferred amounts					
Issuance premiums	19,980,464	-	(970,741)	19,009,723	-
Total bonds payable	<u>\$ 214,205,464</u>	<u>\$ -</u>	<u>\$ (8,090,741)</u>	<u>\$ 206,114,723</u>	<u>\$ 7,045,000</u>

**Prior year defeasance of debt** – In prior years, the Fund defeased certain obligations by placing the proceeds of new bonds in irrevocable trust to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased and the corresponding liabilities and trust account assets are not included in the statement of net position. At December 31, 2020, no outstanding bonds are considered defeased.

**Financial covenants** – The revenue bonds contain certain financial covenants, the most significant of which requires the Fund to maintain net revenue available for debt service at least equal to 125% of annual debt service. Net revenue available for debt service, as defined by the bond covenants, was 442% of annual debt service for 2020. Management believes the Fund was in compliance with all debt covenants as of December 31, 2020. For more information, see Other Information (page 49).

#### Note 5 – Leases

The Fund has noncancelable operating lease commitments for real and personal property with minimum payments of \$9,660 in 2020 and \$9,516 in 2019. The Fund has leases for properties at 2702 6th Avenue South and a trail at the South Transfer Station, with expiration dates of December 2020 and December 2025, respectively. Rents are paid as they become due and payable. Minimum payments under the leases for the years ending December 31 are as follows:

2021	\$ 9,731
2022	9,838
2023	9,947
2024	8,332
2025	4,899
	<u>\$ 42,747</u>



## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 6 – Postemployment Benefit Plans

**Deferred compensation** – The City offers all of its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code (IRC) Section 457. The Plan permits employees to defer a portion of their salaries until future years. The deferred compensation is paid to employees upon termination, retirement, death, or unforeseen emergency.

The Plan is an eligible deferred compensation plan under Section 457 of the IRC of 1986, as amended, and a trust exempt from tax under IRC Sections 457(g) and 501(a). The Plan is operated for the exclusive benefit of participants and their beneficiaries. No part of the corpus or income of the Plan shall revert to the City or be used for, or diverted to, purposes other than the exclusive benefit of participants and their beneficiaries. The Plan is not reported in the financial statements of the City or the Fund.

It is the opinion of the City's legal counsel that the City has no liability for investment losses under the Plan. Under the Plan, participants select investments from alternatives offered by the Plan Administrator, who is under contract with the City to manage the Plan. Investment selection by a participant may be changed from time to time. The City does not manage any of the investment selections. By making the selection, participants accept and assume all risks inherent in the Plan and its administration.

**Other postemployment benefits plan description** – Health care plans for active and retired employees are administered by the City of Seattle as single-employer defined benefit public employee health care plans.

Employees retiring under the City may continue their health insurance coverage under the City's health insurance plans for active employees. When a retired participant dies, the spouse remains fully covered until age 65 and covered by the Medicare supplement plan thereafter. Employees that retire with disability retirement under the City may continue their health coverage through the City with same coverage provisions as other retirees. Eligible retirees self-pay 100 percent of the premium based on blended rates which were established by including the experience of retirees with the experience of active employees for underwriting purposes. The postemployment benefit provisions are established and may be amended by ordinance of the Seattle City Council and as provided in Seattle Municipal Code 4.50.020. The City provides an implicit subsidy of the post-retirement health insurance costs and funds the subsidy on a pay-as-you-go basis.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 6 – Postemployment Benefit Plans (continued)

Based on the latest biennial actuarial valuation date, the significant methods and assumptions are as follows:

**Actuarial data and assumptions** – The demographic assumptions of mortality, termination, retirement, and disability are set equal to the assumptions used for City pension actuarial valuations based on a Seattle City Employees' Retirement System Experience Report for the period 2014–2017.

Actuarial data and assumptions	2020
Valuation date	January 1, 2020
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Discount rate	2.74%
Health care cost trend rates – medical	6.55% in 2020, decreasing to 6.32% in 2021, and decreasing by varying amounts until 2030 thereafter
Health care cost trend rates – Rx	9.00% in 2020, decreasing to 8.50% in 2021, and decreasing by varying amounts until 2030 thereafter
Participation	25% of active employees who retire participate

#### Mortality

##### General Service (Actives)

Males: RP-2014 Employees Table for Males, adjusted by 60%

Females: RP-2014 Employees Table for Females, adjusted by 95%

Rates are projected generationally using Scale MP-2014 ultimate rates

##### General Service (Retirees)

Males: RP-2014 Healthy Annuitant Males, adjusted by 95%

Females: RP-2014 Healthy Annuitant Females, adjusted by 95%

Rates are projected generationally using Scale MP-2014 ultimate rates

**Marital status** – 25% of members electing coverage: married or have a registered domestic partner. Male spouses two years older than their female spouses.

**Seattle Public Utilities – Solid Waste Fund**  
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**Notes to Financial Statements**

**Note 6 – Postemployment Benefit Plans (continued)**

**Health care claims development** – The sample per capita claim cost assumptions shown below by age, benefit, and plan represent the true underlying baseline experience estimated for the City of Seattle’s sponsored postretirement benefits and costs.

Age	Aetna Preventive Plan			Aetna Traditional Plan		
	Medical	Rx	Admin	Medical	Rx	Admin
50	\$ 11,520	\$ 2,677	\$ 358	\$ 11,243	\$ 2,659	\$ 358
52	12,533	2,912	358	12,230	2,893	358
55	14,220	3,305	358	13,877	3,282	358
57	15,499	3,601	358	15,125	3,576	358
60	17,638	4,097	358	17,210	4,069	358
62	19,003	4,415	358	18,543	4,384	358

Age	Group Health Deductible			Group Health Standard		
	Medical	Rx	Admin	Medical	Rx	Admin
50	\$ 4,961	\$ 1,145	\$ 689	\$ 5,291	\$ 1,171	\$ 689
52	5,397	1,246	689	5,755	1,273	689
55	6,123	1,413	689	6,531	1,445	689
57	6,674	1,540	689	7,118	1,574	689
60	7,595	1,752	689	8,100	1,792	689
62	8,182	1,888	689	8,727	1,930	689

The average medical and prescription drug per capita claims costs were developed from 2021 calendar year self-funded premium rates. Premium-equivalent rates were provided by City of Seattle’s health pricing actuary. The average medical and prescription drug per capita “adult-equivalent” claims costs were based on the respective pre-65 enrollment weighted average of the 2021 four-tier rate structure including the add-on cost of dependent children and trended back from 2021 to 2020 to be centered at the mid-point of the annual period following the valuation date. Average medical/Rx per capita claims costs were then age-adjusted based on the demographics of the rating population, and the assumed health care aging factors shown in the table below.

The average medical and prescription drug per capita claims costs were blended with the 2019 medical/Rx per capita developed claims cost trended forward to the valuation date.

Models are used to estimate underlying per capita medical and drug claims costs, subsequently utilized as assumption inputs for valuation models used to develop the liabilities for the 2020 and future valuations. The Aon consulting team leveraged expertise of Health experts within Aon as it relates to reviewing the models used for development of the per capita claims costs and future trend rates.

**Seattle Public Utilities – Solid Waste Fund**  
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**Notes to Financial Statements**

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**Note 6 – Postemployment Benefit Plans (continued)**

**Morbidity factors** – The claim costs for medical and prescription drugs were assumed to increase with age according to the table below.

Age	Medical	Rx	Composite
40–44	3.0%	4.8%	3.3%
45–49	3.7%	4.7%	3.8%
50–54	4.2%	4.7%	4.3%
55–59	4.4%	4.6%	4.4%
60–64	3.7%	4.6%	3.8%

**Other considerations** – Active employees with current spouse and/or dependent coverage elect same plan and coverage. After retirement, it is assumed that children will have aged off coverage and will have \$0 liability.

**OPEB liability** – The Fund reported an OPEB liability of approximately \$1.1 million in 2020 and \$1.0 million in 2019. The Fund's proportionate share of the change in the OPEB liability was 1.47% and 1.69% for the years ended December 31, 2020, and December 31, 2019, respectively. Based on the actuarial valuation date of January 1, 2019, details regarding the Fund's Total OPEB Liability as of December 31, 2020, are shown below.

**Changes in Net OPEB Liability**

	Total OPEB Liability
<i>(\$ in thousands)</i>	
Changes recognized for the fiscal year:	
Service cost	\$ 49.6
Interest on the total OPEB liability	38.0
Differences between expected and actual experience	102.2
Changes of assumptions	(114.0)
Benefit payments	(36.5)
Contributions from the employer	0.0
Other changes	(2.3)
Net changes	37.0
Balance recognized at 12/31/2019	1,036.1
Balance recognized at 12/31/2020	\$ 1,073.1

**Seattle Public Utilities – Solid Waste Fund**  
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**Note 6 – Postemployment Benefit Plans (continued)**

The Fund recorded an expense for OPEB of \$66,252 in 2020 and \$79,353 in 2019. The Health Care Subfund of the General Fund is reported in The City of Seattle's Comprehensive Annual Financial Report.

**Discount rate and healthcare cost trend rates** – The discount rate used to measure the total OPEB liability is 2.74% for 2020 and 4.10% for 2019. The following tables present the sensitivity of OPEB liability calculation to a 1% increase and a 1% decrease in the discount rate used to measure the total OPEB liability:

Discount Rate Sensitivity (in millions)		OPEB Liability at December 31, 2020
Discount rate		
1% decrease – 1.74%	\$	1.2
Current discount rate – 2.74%		1.1
1% increase – 3.74%		1.0

Discount Rate Sensitivity (in millions)		OPEB Liability at December 31, 2019
Discount rate		
1% decrease – 3.10%	\$	1.1
Current discount rate – 4.10%		1.0
1% increase – 5.10%		0.9

The following table presents the sensitivity of net Health Plan OPEB liability calculation to a 1% increase and a 1% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB liability:

Healthcare Cost Trend Rate Sensitivity (in millions)				OPEB Liability at December 31,
		2020	2019	
Discount rate				
1% decrease	\$	1.0	\$	0.9
Trend rate		1.1		1.0
1% increase		1.2		1.2



**Seattle Public Utilities – Solid Waste Fund**  
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**Notes to Financial Statements**

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**Note 6 – Postemployment Benefit Plans (continued)**

**Deferred outflows of resources and deferred inflows of resources related to OPEB** – The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for the Fund at December 31, 2020.

<i>(in thousands)</i>	Deferred Outflows	Deferred Inflows
Difference between actual and expected experience	\$ 247.9	\$ -
Assumption changes	-	411.4
Contributions made in 2020 after measurement date	43.1	N/A
<b>Total</b>	<b>\$ 291.0</b>	<b>\$ 411.4</b>

The Fund's contributions made in 2020 in the amount of \$43,097 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. These contributions will be recognized in the future as shown in the following table. Note that additional future deferred outflows and inflows of resources may impact these amounts.

Year Ending December 31, <i>(in thousands)</i>	Amortization
2021	\$ (24.9)
2022	(24.9)
2023	(24.9)
2024	(24.9)
2025	(24.9)
Thereafter	(39.0)
<b>Total</b>	<b>\$ (163.5)</b>

The Health Care Sub Fund of the General Fund is reported in the City's Comprehensive Annual Financial Report, which can be obtained by writing the Department of Finance, City of Seattle, PO Box 94747, Seattle, Washington 98124-4747 or [www.seattle.gov/financial-services/comprehensive-annual-financial-report](http://www.seattle.gov/financial-services/comprehensive-annual-financial-report).

**Seattle Public Utilities – Solid Waste Fund**  
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**Note 7 – Claims Payable**

The City and the Fund are self-insured for certain losses arising from personal and property damage claims by third parties and for casualty losses to the Fund's property. Liabilities for identified claims and claims incurred but not reported have been recorded by the Fund.

For 2020 and 2019, liabilities for workers' compensation claims as well as other claims are discounted over a 15-year period at the City's rate of return on investments, 1.816% and 2.334%, respectively. Claims expected to be paid within one year are \$248,724 and \$259,900 as of December 31, 2020 and 2019, respectively.

The schedules below present the changes in the liability for workers' compensation claims and other claims (risk financing liabilities) as of December 31:

	2020	2019
Beginning liability, discounted	\$ 694,528	\$ 645,425
Payments	(64,438)	(152,517)
Incurred claims and change in estimate	38,516	201,620
Ending liability, discounted	<u>\$ 668,606</u>	<u>\$ 694,528</u>

The Fund is involved in litigation from time to time as a result of operations.

**Note 8 – Compensated Absences**

The Fund has recorded a liability for earned but unused compensatory and vacation leave, as well as estimated sick leave payments calculated based on the termination payment method. The schedules below show the compensated absences activity during the years ended December 31:

	2020	2019
Beginning liability	\$ 1,718,331	\$ 1,517,133
Additions	1,735,698	2,204,176
Reductions	(1,338,081)	(2,002,978)
Ending liability	<u>\$ 2,115,948</u>	<u>\$ 1,718,331</u>

## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### Note 9 – Pension Benefit Plan

**Plan description** – The Seattle City Employees' Retirement System (the System) is a cost-sharing multiple employer pension plan covering employee of the City of Seattle and is administered in accordance with Chapter 4.36 of the Seattle Municipal Code.

The System is governed by the Retirement System Board of Administration (the Board). The Board consists of seven members including the Chair of the Finance Committee of the Seattle City Council, the City of Seattle Finance Director, the City of Seattle Personnel Director, two active members and one retired member of the System who are elected by other System members, and one outside board member who is appointed by the other six board members. Elected and appointed board members serve for three-year terms.

Beginning with employees with hire dates of January 1, 2017, or later, all new members are enrolled in SCERS Plan II, which has contribution and benefit calculation rates different than the original SCERS I Plan.

All permanent Fund employees are eligible to participate in the system.

**System benefits** – Service retirement benefits are calculated on the basis of age, salary, and service credit.

**SCERS I** – The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after ten years of service. Members are eligible for retirement benefits after 30 years of service; at age 52 after 20 years of service; at age 57 after ten years of service; and at age 62 after five years of service. Annual retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after 5 years of credited service.

**SCERS II** – Members are eligible for retirement benefits at age 55 after 20 years of service, at age 57 after 10 years of service, and at age 60 after 5 years of service. Annual retirement benefits are calculated as 1.75% multiplied by years of creditable service, multiplied by average salary, based on the highest 60 consecutive months, excluding overtime. Members who retire before meeting the age and/or years of service requirement receive a 0.1% reduction for each year that retirement precedes the date of eligibility. Retirement benefits vest after 5 years of credited service.

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 9 – Pension Benefit Plan (continued)**

**Member and employer contributions** – member and employer contributions are:

	YEAR	SCERS I	SCERS II
Member Contribution	2020	10.03%	7.00%
	2019	10.03%	7.00%
Employer Contribution	2020	16.20%	15.76%
	2019	15.23%	14.42%

Member and employer rates are established by the Seattle Municipal Code Chapter 4.36. The Fund's contributions to the System for the years ended December 31, 2020 and 2019, were \$2,682,412 and \$2,537,101, respectively.

The System issues stand-alone financial statements, which may be obtained by writing to the Seattle City Employees' Retirement System, 720 Third Avenue, Suite 900, Seattle, Washington, 98104, and telephone: (206) 386-1293, or [www.seattle.gov/retirement/annual\\_report.htm](http://www.seattle.gov/retirement/annual_report.htm).

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions** – At December 31, 2020 and 2019, the Fund reported a liability of \$27,834,678 and \$33,157,484, respectively, its proportionate share of the Systems' net pension liability. The net pension liability was measured as of December 31, 2019 and December 31, 2018, for the years ended December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of these dates. The Fund's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating parties, actuarially determined. At December 31, 2020 and 2019, the Fund's proportion was 1.86% and 2.18%, respectively.

For the years ended December 31, 2020 and 2019, the Fund recognized pension expense of approximately \$2,846,000 and \$4,228,000, respectively.

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 9 – Pension Benefit Plan (continued)**

The Fund's deferred outflows and inflows of resources are as follows at December 31, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,932	\$ 854,909
Change of assumptions	1,437,540	-
Difference between projected and actual earnings	-	2,031,140
Contributions made subsequent to measurement date	2,682,412	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,629,100
Total	<u>\$ 4,124,884</u>	<u>\$ 4,515,149</u>

The Fund's deferred outflows and inflows of resources are as follows at December 31, 2019:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,803	\$ 701,837
Change of assumptions	1,793,923	-
Difference between projected and actual earnings	3,492,702	-
Contributions made subsequent to measurement date	2,537,101	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,973,034
Total	<u>\$ 7,835,529</u>	<u>\$ 2,674,871</u>

Other amounts currently reported as deferred outflows of resources relate to the difference in actual earnings on pension investments from projected earnings and will be recognized in pension expense as follows for years ending December 31:

2021	\$ (1,183,319)
2022	(867,203)
2023	178,106
2024	(1,000,994)
2025	<u>(199,267)</u>
Total	<u>\$ (3,072,677)</u>



**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Notes to Financial Statements**

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**Note 9 – Pension Benefit Plan (continued)**

**Actuarial assumptions** – The total pension liability as of December 31, 2020, was determined using the following actuarial assumptions:

Valuation date	January 1, 2019
Measurement date	December 31, 2019
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percent, Closed
Remaining amortization period	30 years as of January 1, 2013 valuation
Asset valuation method	5-Year Non-asymptotic
Inflation	2.75%
Investment rate of return	7.25% compounded annually, net of expenses
Discount rate	7.25%
Projected general wage inflation	3.5%
Postretirement benefit increases	1.5%
Mortality	Various rates based on RP-2014 mortality tables and using generational projection of improvement using MP-2014 Ultimate projection scale. See 2018 Investigation of Experience report for details.

The actuarial assumptions that determined the total pension liability as of the measurement date were based on the results of an actuarial experience study for the period January 1, 2014 – December 31, 2017.

The discount rate used to measure the pension liability is based on a projection of cash flows assuming that plan member contributions will be made at the current contribution rate and that participating employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods on projected benefit payment to determine total pension liability.

The long-term expected rate of return assumption was based on the System's investments using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Notes to Financial Statements

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#### Note 9 – Pension Benefit Plan (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity: Public	4.77%
Equity: Private	7.96%
Fixed Income: Broad	0.67%
Fixed Income: Credit	3.66%
Real Assets: Real Estate	3.76%
Real Assets: Infrastructure	3.95%
Diversifying Strategies	N/A

**Sensitivity analysis** – The following presents the Fund's proportionate share of the net pension liability calculated using the discounted rate of 7.25%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
\$ 39,838,672	\$ 27,834,678	\$ 17,787,327

#### Note 10 – Contractual Obligations

The City contracts with Waste Management and Recology of King County for the collection of residential and commercial garbage, yard waste, food waste, and recycling. In addition, a few independent vendors provide large scale recycling and food waste for business customers. The collection contracts began in 2019 and are scheduled to end on March 31, 2029, with City options to extend to March 2031 and March 2033. Total payments under these contracts for residential and commercial collection were \$80,585,666 in 2019 and \$81,606,668 in 2020.

The City contracts with Waste Management of Washington, Inc. (formerly known as Washington Waste Systems), for rail-haul and disposal of non-recyclable City waste. The disposal contract began in 1990 and is scheduled to end on March 31, 2028, however the City may terminate this contract at its option without cause on March 31, 2024. Total payments under the terms of this contract for waste disposal were \$15,279,836 in 2019 and \$14,638,711 in 2020.

## Seattle Public Utilities – Solid Waste Fund

### (An Enterprise Fund of the City of Seattle)

#### Notes to Financial Statements

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#### **Note 10 – Contractual Obligations (continued)**

The City contracts with Lenz Enterprises, Inc., and Cedar Grove Composting, Inc. to process yard and food waste into marketable products. The Lenz processing contract began in 2014 and the Cedar Grove processing contract began in 2017. Both contracts are scheduled to end on March 31, 2022, with City options to extend to March 31, 2024. Total payments under the terms of these contracts were \$4,534,016 in 2019 and \$4,962,701 in 2020.

The City contracts with Rabanco, LTD., to process recyclables and marketing those commodities. The Rabanco processing contract began in 2016 and is scheduled to end on March 31, 2024, with a City option to extend to March 31, 2027. Total payments, net of recycling revenue, were \$5,285,545 in 2019 and \$5,194,417 in 2020. This variance resulted from fluctuations in recycling commodity pricing.

#### **Note 11 – Environmental Liabilities**

The City of Seattle and a private developer are under a Consent Decree with the Washington State Department of Ecology (Ecology) to implement a Cleanup Action Plan for the historic South Park Landfill site under the State Model Toxics Control Act. Previously the City was advancing a design based on an Interim Action Workplan approved by Ecology. SPU delayed the project to re-define the project scope. The delay caused the City to fall behind the schedule in the Consent Decree and Ecology has determined that the City must amend the existing Consent Decree and Cleanup Action Plan to reflect the revised project and new timeline. At the same time two additional parties will be added to the Consent Decreed, King County and Kenyon Business Park.

As of March 2021, a redefined scope has been approved by SPU. Amendments to the Consent Decree and Cleanup Action Plan are scheduled to be completed in 2021. Project design will occur between 2021 and 2022. Project construction is scheduled to start in 2023 and be completed in 2026.

In 2012, the City executed an agreement regarding the developer's interim action that settles City liabilities for the interim cleanup costs but not City liabilities for the permanent cleanup. In 2015, the developer completed Ecology-approved interim cleanup action on its portion of the site.

The Fund has included in its estimated liability those portions of the environmental remediation work that are deemed to be reasonably estimable. Cost estimates were developed using the expected cash flow technique. Estimated outlays were based on current cost and no adjustments were made for discounting or inflation. Cost scenarios were developed for a given site based on data available at the time of estimation and will be adjusted for changes in circumstance. Scenarios consider the relevant potential requirements and are adjusted when benchmarks are met or when new information revises estimated outlays, such as changes in the remediation plan or operating conditions.

# **Seattle Public Utilities – Solid Waste Fund** **(An Enterprise Fund of the City of Seattle)** **Notes to Financial Statements**

## **Note 11 – Environmental Liabilities (continued)**

Costs were calculated on a weighted average that was based on the probabilities of each scenario being selected and reflected cost-sharing agreements in effect. In addition, certain estimates were derived from independent engineers and consultants. The estimates were made with the latest information available; as new information becomes available, estimates may vary significantly due to price increases or reductions, technology, or applicable laws or regulations.

The following changes in the provision for environmental liabilities at December 31 are:

	2020	2019
Beginning environmental liability, net of recoveries	\$ 18,714,140	\$ 19,014,357
Payments or amortization	(168,976)	(389,296)
Change in estimated liability	(1,694,661)	89,079
Ending environmental liability, net of recoveries	<u>\$ 16,850,503</u>	<u>\$ 18,714,140</u>

The following table represents the current and long-term positions of the environmental liability:

	2020	2019
Environmental liability, current	\$ 411,000	\$ 2,431,000
Environmental liability, noncurrent	16,439,503	16,283,140
Ending liability	<u>\$ 16,850,503</u>	<u>\$ 18,714,140</u>

## **Note 12 – Landfill Closure and Post Closure Care**

In prior years, the Fund delivered its refuse to two leased disposal sites: the Midway and Kent-Highlands landfills. Subsequent to signing the original lease agreement, federal and state requirements for closure of landfill sites were enacted. The Fund stopped disposing of municipal waste in the Midway site in 1983 and in the Kent-Highlands site in 1986.

At December 31, 2020, accrued landfill closure and post closure costs consist primarily of monitoring, maintenance, and estimated construction costs related to I-5 improvement projects. It is the City Council's policy to include the Fund's share of all landfill closure and post closure costs in the revenue requirements used to set future solid waste rates. Therefore, the Fund uses regulatory accounting and total estimated landfill closure and post closure care costs are accrued and also reflected as a future cost in the accompanying financial statements, in accordance with generally accepted accounting principles. These costs are being amortized as they are recovered from rate payers and will be fully amortized in 2030. Actual costs for closure and post closure care may be higher due to inflation, changes in technology, or changes in regulations. Such amounts would be added to the liability and accrued when identified. Landfill closure costs were fully amortized in 2009 and landfill post-closure costs will continue to amortize until 2030.

## **Required Supplementary Information**

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# **Seattle Public Utilities – Solid Waste Fund** **(An Enterprise Fund of the City of Seattle)** **Required Supplementary Information**

## **Schedule of Seattle Public Utilities' Proportionate Share of the Net Pension Liability**

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	14.33%	14.55%	14.73%	15.13%	16.37%	16.96%
Employer's proportionate share of the net pension liability	\$180,105,232	\$221,049,893	\$163,086,154	\$197,454,529	\$212,671,200	\$187,919,945
Employer's covered payroll	\$112,528,955	\$111,973,027	\$107,715,383	\$106,696,535	\$105,031,141	\$102,783,473
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	160.05%	197.41%	151.40%	185.06%	202.48%	182.83%
Plan fiduciary net position as a percentage of the total pension liability	71.48%	64.14%	72.04%	65.60%	64.03%	67.70%

## **Schedule of Seattle Public Utilities' Pension Contributions**

	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 17,041,133	\$ 17,103,559	\$ 16,466,270	\$ 16,354,089	\$ 16,487,154	\$ 15,170,276
Contributions in relation to the contractually required employer contribution	(17,041,133)	(17,103,559)	(16,466,270)	(16,354,089)	(16,487,154)	(15,170,276)
Employer contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$112,528,955	\$111,973,027	\$107,715,383	\$106,696,535	\$105,031,141	\$102,783,473
Employer contributions as a percentile of covered payroll	15.14%	15.27%	15.29%	15.33%	15.70%	14.76%

# **Seattle Public Utilities – Solid Waste Fund** **(An Enterprise Fund of the City of Seattle)** **Required Supplementary Information**

## **Schedule of City of Seattle's OPEB Liability and Related Ratios**

	December 31, 2020	December 31, 2019	December 31, 2018
<b>Total OPEB Liability</b>			
Normal cost	\$ 3,378,925	\$ 3,842,152	\$ 3,821,876
Interest	2,586,942	2,195,238	2,583,105
Differences between expected and actual experience	6,956,579	-	13,491,865
Changes in assumptions	(7,760,776)	(3,886,702)	(22,126,128)
Benefit payment	(2,484,320)	(2,333,610)	(2,289,000)
Total OPEB liability – beginning of year	60,946,911	61,129,833	65,648,115
Total OPEB liability – end of year	<u>\$ 63,624,261</u>	<u>\$ 60,946,911</u>	<u>\$ 61,129,833</u>
Covered-employee payroll	\$ 1,124,692,046	\$ 1,015,097,334	\$ 1,015,097,334
Net OPEB liability as percentage of covered-employee payroll	5.66%	6.00%	6.02%

## **Other Information (Unaudited)**

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**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Other Information (Unaudited)**

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**Solid Waste Debt Service Coverage Calculation 2020**

**Operating Revenue**

Residential Collection Services	\$ 145,915,895
Commercial Collection Services	57,708,592
Disposal and Other	<u>20,427,870</u>

<b>Total Operating Revenue</b>	<u>224,052,357</u>
--------------------------------	--------------------

**Operating Expense**

Solid Waste Contract Expense	108,683,770
Other Operations and Maintenance	44,256,258
City Taxes	26,397,014
State B&O Tax	<u>3,753,741</u>

<b>Total Operating Expense</b>	<u>183,090,783</u>
--------------------------------	--------------------

<b>Net Operating Income</b>	<u>40,961,574</u>
-----------------------------	-------------------

**Adjustments**

Less: DSRF Earnings	(190,314)
Add: City Taxes	26,397,014
Add: Environmental Liability Costs	(1,694,661)
Add: Investment Interest	1,848,339
Add: Net Proceeds from Sale on Assets	-
Add: Net Other Nonoperating Revenues	<u>114,410</u>

<b>Total Adjustments</b>	<u>26,474,788</u>
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<b>Net Revenue Available for Debt Service</b>	<u><u>\$ 67,436,362</u></u>
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<b>Net Revenue Available for Debt Service (w/o City Taxes)</b>	<u><u>\$ 41,039,348</u></u>
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**Annual Debt Service**

Annual Debt Service	\$ 15,449,500
Less: DSRF Earnings	<u>(190,314)</u>

<b>Adjusted Annual Debt Service</b>	<u><u>\$ 15,259,186</u></u>
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Coverage	4.42
Coverage without taxes	2.69

**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Other Information (Unaudited)**

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**Solid Waste Customers by Class**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
VARIABLE CANS					
No Can/Vacancy	2,280	2,270	1,910	1,959	1,938
12-Gallon Can	20,707	21,355	21,747	21,710	21,587
20-Gallon Can	47,791	47,601	47,772	48,480	49,023
32-Gallon Can	85,503	82,859	83,504	82,932	82,259
64-Gallon Can	7,263	7,466	7,716	8,042	8,348
96-Gallon Can	2,235	2,484	2,777	2,994	3,239
TOTAL VARIABLE CANS	165,779	164,035	165,426	166,117	166,394
Residential Dumpster Accounts	5,383	5,324	5,221	5,245	5,240
Commercial Accounts	8,096	8,082	8,023	8,556	8,214



**Seattle Public Utilities – Solid Waste Fund**  
**(An Enterprise Fund of the City of Seattle)**  
**Other Information (Unaudited)**

**Solid Waste Tonnage**

	2015	2016	2017	2018	2019	2020
<b>GARBAGE</b>						
Residential Collection	101,972	103,720	105,315	107,485	109,367	119,903
Self-Haul Garbage	60,938	65,754	99,290	100,828	101,506	97,320
Commercial Collection	139,557	138,546	139,317	138,009	134,816	109,891
<b>Total tons disposed</b>	<b>302,467</b>	<b>308,020</b>	<b>343,922</b>	<b>346,322</b>	<b>345,689</b>	<b>327,114</b>
<b>RECYCLING</b>						
Private Recycling <sup>(1)</sup>	235,880	252,242	246,747	262,249	257,010	183,659
Residential Curbside Recycling	57,073	54,207	55,123	53,582	50,505	55,133
Apartment Recycling	24,028	24,781	24,652	24,520	24,802	26,852
Residential Curb Yard & Food Waste	89,213	91,375	90,789	88,947	89,105	99,850
Self Haul Yard Waste	4,009	4,390	6,127	6,127	6,957	6,780
Self-Haul Wood Waste	682	866	1,185	1,040	893	655
Self-Haul Recycling <sup>(1)</sup>	2,209	2,747	4,495	4,567	4,879	4,109
Composting <sup>(2)</sup>	10,800	10,800	10,800	9,450	9,450	9,450
<b>Total tons recycled</b>	<b>423,894</b>	<b>441,408</b>	<b>439,918</b>	<b>450,482</b>	<b>443,601</b>	<b>386,488</b>
<b>Total tons generated</b>	<b>726,361</b>	<b>749,428</b>	<b>783,840</b>	<b>796,804</b>	<b>789,290</b>	<b>713,602</b>
Garbage as a percentage of total tons generated	42%	41%	44%	43%	44%	46%
Recycling as a percentage of total tons generated	58%	59%	56%	57%	56%	54%

<sup>(1)</sup> Estimate for 2020

<sup>(2)</sup> Composting figures are estimates based on surveys and include grasscycling and backyard food waste and yard waste composting. Surveys were conducted in 2005, 2010, and 2018.

# Seattle Public Utilities – Solid Waste Fund

## (An Enterprise Fund of the City of Seattle)

### Other Information (Unaudited)

#### Solid Waste Rate Schedule and Transfer Station Fees

##### 2021 Monthly Residential Rate Schedule

Service unit	Rates (Effective April 1, 2021)
No can (minimum charge)	6.85
12-Gallon	25.72
20-Gallon	31.50
32-Gallon	40.95
64-Gallon	81.85
96-Gallon	122.85
Recycling	No charge
Non-Compacted Dumpster (one cubic yard, once/week, one container) <sup>(2)</sup>	303.55
Compacted Dumpster (three cubic yards, once/week, one container) <sup>(2)</sup>	876.19
Yard Waste Mini-Can	6.80
Yard Waste 32-Gallon Can	10.20
Yard Waste 96-Gallon Can	13.00

(1) Rates listed are for curb/alley service.

(2) Dumpster rates vary based on size and number of containers as well as the frequency of collection. Dumpster rates shown include a \$45.05 monthly account fee.

##### 2021 Commercial Collection Rates

Like other solid waste rates, the City sets commercial rates through ordinance. Commercial rates vary with the type and level of service. A typical commercial customer has 3 cubic yards of garbage collected once per week. As of April 1, 2021 the cost of this service is \$549.68 per month, including a monthly account fee of \$30.30

##### 2020 Transfer Station Fees

	Rates (Effective April 1, 2020)
Garbage	
Sedans, SUVs, and station wagons	\$31.00 per trip
All other self-haul vehicles with garbage	\$149.00 per ton (\$31.00 minimum charge)
Yard and wood waste	
Sedans, SUVs, and station wagons	\$21.00 per trip
All other self-haul vehicles with yard waste	\$113.00 per ton (\$21.00 minimum charge)

##### Regional Comparison of Transfer Station Rates

	2019		2020	
Garbage	Seattle	King County	Seattle	King County
Per Ton	\$ 145.00	\$ 151.06	\$ 149.00	\$ 151.06
Minimum Charge	\$ 30.00	\$ 25.25	\$ 31.00	\$ 25.50



MOSSADAMS



# Seattle Public Utilities

Report to Transportation & Utilities  
A Committee of the Seattle City Council

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REPORT ON 2020 AUDITS

August 4, 2021



# Purpose of our Audits

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- Audits of Seattle Public Utilities (SPU) are relied upon by the Washington State Auditor's Office in their audit of the City – no duplication of efforts
- The financial statements of SPU are 'rolled up' into the City of Seattle's Comprehensive Annual Financial Report
- Audit opinion for each Fund is used in official statements for bond issuances
- Report and financial statements are also available to other stakeholders





# Scope of our Audits

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- Separate audit for each of the three utilities: Water, Drainage & Wastewater, Solid Waste
- SPU management is responsible for the preparation and fair presentation of the financial statements
- Auditor's responsibility is to express an opinion on the financial statements
  - Presented fairly in all material respects
  - In conformity with generally accepted accounting principles
- We test certain systems within the structure of internal controls in place at SPU, and verify debt coverage and debt covenant compliance



# Reports Issued

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## Report on financial statements

- Unmodified Opinion for each of the separate statements for Water, Drainage & Wastewater, and Solid Waste Funds

## Internal control matters

- No material weaknesses noted as a result of our audits
- No significant deficiencies reports
- No written recommendations issued this year



# Areas of Audit Emphasis

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- **Cash and Investments:** Earnings and classification
- **Utility Plant and Related Accounts:** Work order cycle, capital projects, depreciation, overhead charges
- **Accounts and Other Receivables**
- **Bonds and Related Accounts:** Issuances and repayments, interest expense, covenant compliance, arbitrage liability, debt defeasance
- **Regulatory Assets and Liabilities/Credits and Deferred Accounts**
- **Internal Controls:** Cash receipts and disbursements, payroll, financial close and reporting, budgeting, treasury, debt, information technology/general computer controls
- **Operations:** Retail and wholesale sales, operating expenses, capital and operating contributions and grants
- **Management Discussion & Analysis and Note Disclosures**



# Significant Estimates

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- **Allowance for Doubtful Accounts:** Estimate of the amount of accounts receivable that will not be collected.
- **Recovery Periods for the Cost of Plant:** Represents the depreciation of capital assets. Estimate of the recovery periods for the capital assets is based on regulatory-prescribed recovery periods.
- **Environmental Remediation Costs and Liabilities:** Estimate of the total amount expected to be paid out for each remediation site.
- **Other Post-Employment Benefit Obligations:** Actuarially determined liability for expected future post-employment benefits.
- **Net Pension Liability:** Actuarially determined with the Seattle City Employees' Retirement System's estimates and inputs



# Our Responsibility Under Auditing Standards

1

To **express our opinion on whether the financial statements prepared by management with your oversight** are fairly presented, in all material respects, and conform to US GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the GASB and Government Auditing Standards issued by the Comptroller General of the United States and **design the audit to obtain reasonable, rather than absolute, assurance** about whether the financial statements are free of material misstatement.

3

To **consider internal control over financial reporting as a basis for designing audit procedures** but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To **communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process**. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.





# Matters to Be Communicated to the Governing Body

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- Audits were performed according to the planned scope and timing as provided by our Consultant Agreement No. 16-082-S.
- Significant accounting policies used by SPU are described in the notes to the financial statements for each Fund. There were no changes to significant accounting policies for the year ended December 31, 2020. Throughout the course of an audit, we review changes, if any, to accounting policies or their application, and the initial selection and implementation of new policies.
- Financial statement disclosures were consistent, clear, and understandable.



# Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
<b>Significant difficulties encountered during the audit</b>	No significant difficulties were encountered during our audits of the Funds' financial statements.
Matters to be Communicated	Moss Adams Comments
<b>Disagreements With Management:</b>  Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Company's financial statements, or the auditor's report.	There were no disagreements with management.



# Matters to Be Communicated to the Governing Body

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Matters to be Communicated	Moss Adams Comments
<p><b>Material, corrected or uncorrected misstatements</b></p> <p>Material, corrected or uncorrected misstatements that were brought to the attention of management as a result of audit procedures.</p>	<p>No material misstatements were identified as a result of our audits.</p>



# Matters to Be Communicated to the Governing Body

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Matters to be Communicated	Moss Adams Comments
Management's consultation with other accountants	None of which we are aware.
Matters to be Communicated	Moss Adams Comments
Significant issues arising from the audit that were discussed, or the subject of correspondence with management	No significant issues arose during the audits.



# Acknowledgements

**Thank you!**

- The audits progressed on time and in an orderly fashion; requested schedules and draft financial statements were received on a timely basis.
- All SPU personnel were courteous, responsive, and fulfilled all our requests in a timely manner.
- 'Tone at the Top' and attitude from management was one of helpfulness and openness in response to audit requests and discussion points.





# Block 20 Alley Vacation and Public Benefits



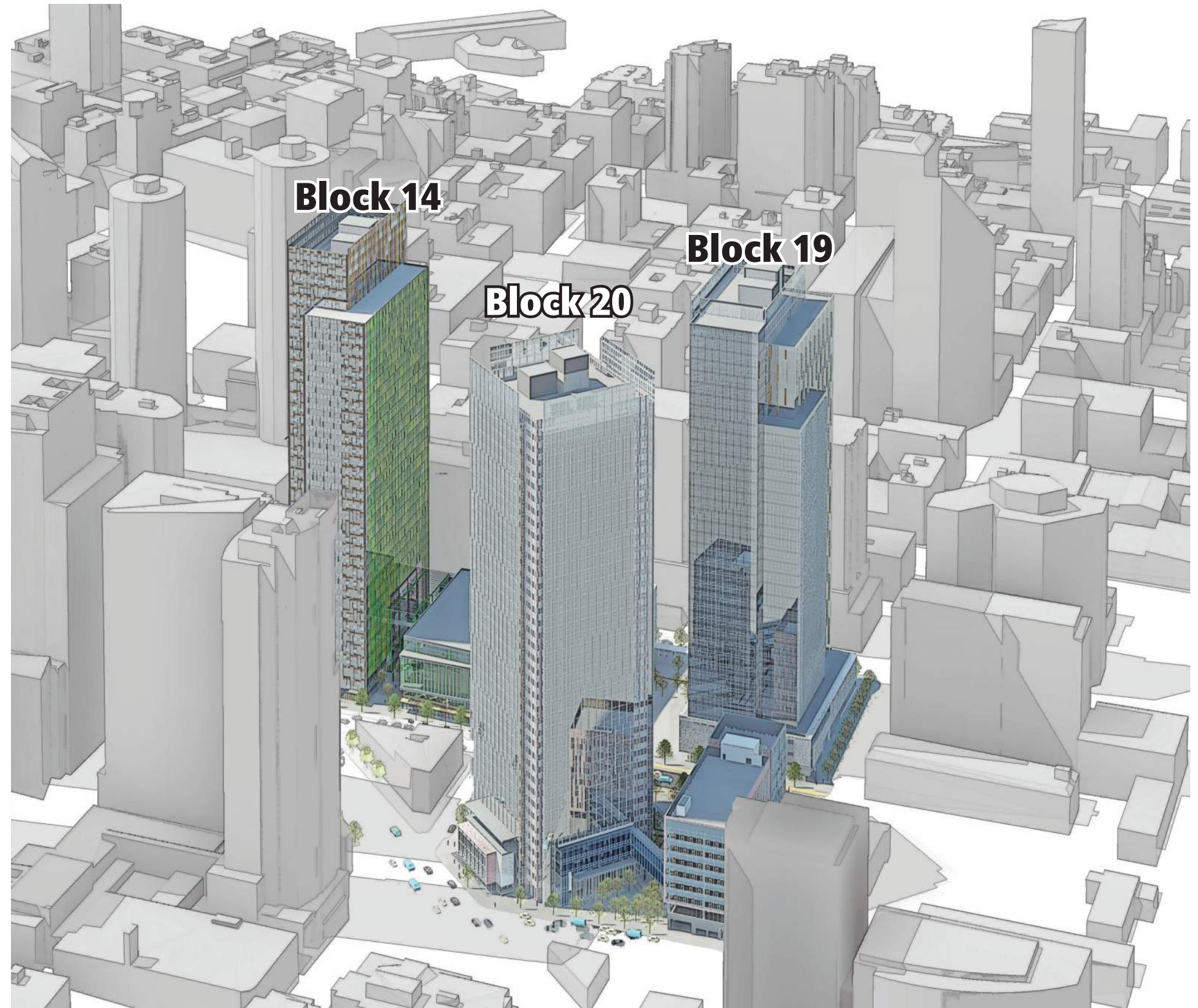
**Seattle City Council, Alley Vacation Final Presentation**

August 4, 2021



# Project Overview

- Block 20, now named “re:Invent,” is the third building in a 3-block development
- Block 20 consists of two office towers, one 37 stories and the other 8 stories, both with ground level retail and surrounded by landscaped public space
- Alley vacations allowed for:
  - Buildings oriented for maximum tower separation, better solar access to public open spaces, and improved views toward Elliott Bay
  - Generous public open spaces and through-block pedestrian connection
- Project schedule:
  - Block 14 completed in Q4 2015
  - Block 19 tower completed in Q4 2016
  - Spheres completed in Q1 2018
  - Block 20 in Q3 2019
- Alley vacation approvals to be phased by Block:
  - Block 14 was approved in Q4 2016
  - Block 19 was approved in Q2 2019
  - Block 20 is complete and is being presented today





# Project Overview

## Aerial of Block 20

Project replaced old lowrise building and surface parking with dense urban infill



2012



2019



# Block 20

## Public Open Space

Through block connection with Public Open Space and Site Amenities.

- The Property Use and Development Agreement (PUDA) contains a commitment to allowing free speech activities in the public benefit areas.
- Signs are installed at multiple locations around the site welcoming the public into the public benefit areas, and confirming the public's free speech rights consistent with the approved PUDA.



Proposed



View of Block 20 Plaza

'Tonbi' By Gerard Tsutakawa



# Public Benefit Overview

Summary (Blocks 14/19/20)

## FAR Public Benefits

### Land Use Code

#### Low-Income Housing and Childcare

- Block 14: 465,000 SF
- Block 19: 500,000 SF
- Block 20: 480,000 SF

#### Public Amenities (including TDRs)

##### Purchase of Landmark Development Transfer Rights (TDRs):

- Block 14: 94,000 SF
- Block 19: 55,000 SF
- Block 20: 51,000 SF

##### Amenity Bonus:

- Block 14: 12,000 SF Urban Plaza
- Block 19: 15,000 SF Urban Plaza / 7,000 SF Commercial Parcel Park
- Block 20: 15,000 SF Urban Plaza / 5,000 SF Commercial Parcel Park

## Planned Community Development Public Benefits

### Director of SDCI

#### 1. Improvements to Pedestrian Circulation:

- Develop Westlake Avenue and 7th Avenue Street Design Concept Plan (between Denny and McGraw Square/5th Ave) informed by:
  - Denny Triangle Urban Design Framework study
  - Westlake Hub Urban Strategy
  - South Lake Union Mobility Plan

#### 2. Improvements to Urban Form:

- Develop Design Guidelines for structures above 60’ for Blocks 19 & 20.

#### 3. Improvements to Transit Facilities:

- Design and install enhancements to existing street car stops including seating, shelter, landscaping and/or intersection improvements at 7th and Westlake.
- The stop abutting Block 14 is designed as a streetcar stop integrated with the building frontage, allowing for wider sidewalks immediately adjacent.
- Subsidize 7AM to 7PM weekday operations for third streetcar for 10 years.

#### 4. Demonstrate Sustainability:

- LEED Gold certification achieved for Blocks 14, 19 and 20
- Worked with the City to create a District Energy system that utilizes excess heat from nearby data center to heat (5) office buildings

## Alley Vacation Public Benefits

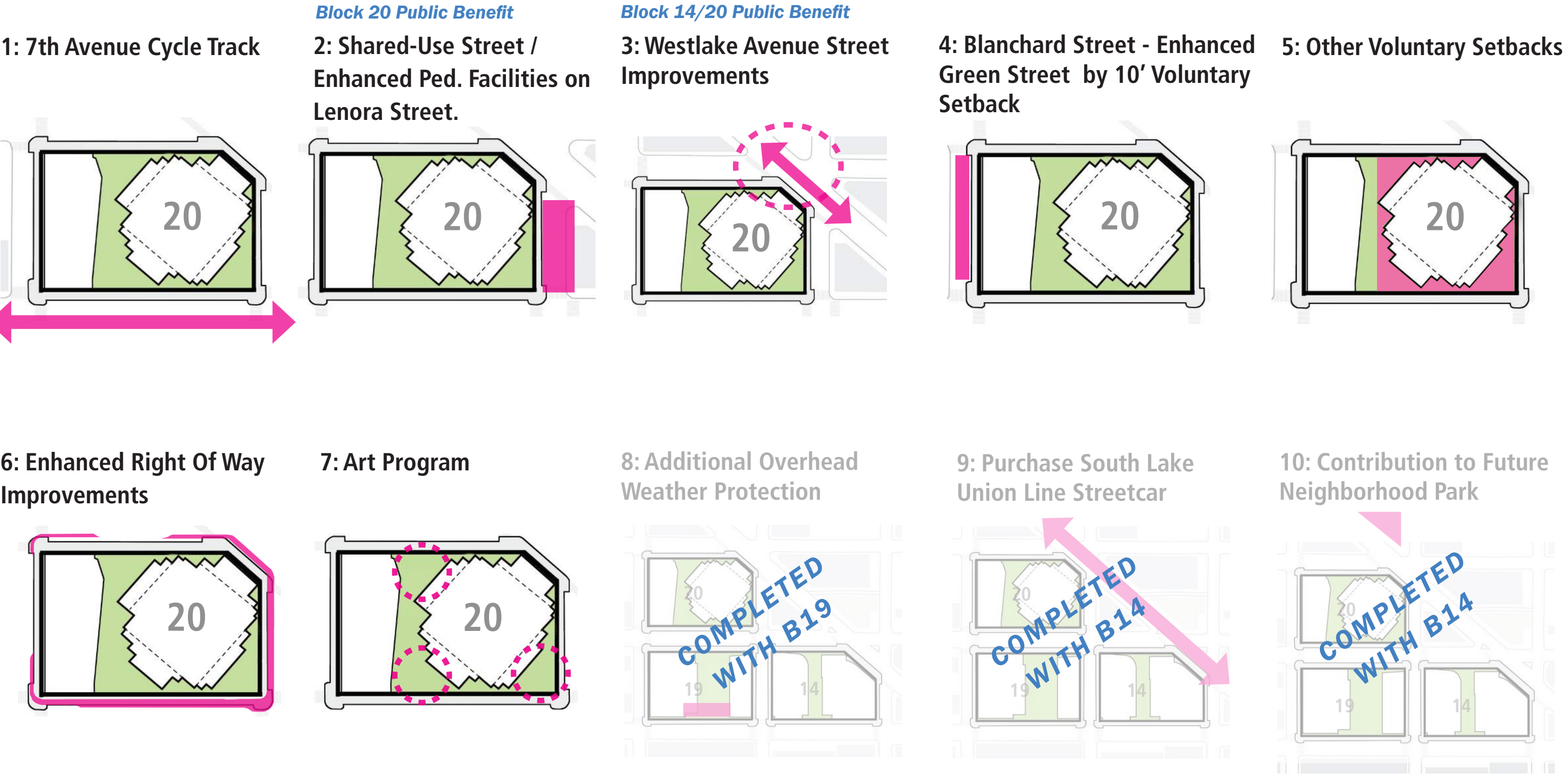
### Seattle City Council

1. 7th Avenue Cycle Track
2. Shared-Use Street / Enhanced Pedestrian Facilities on Lenora Street
3. Westlake Avenue Street Improvements
4. Blanchard Street - Enhanced Green Street by 10’ Voluntary Setback
5. Other Voluntary Setbacks
6. Enhanced Right Of Way Improvements
7. Art Program
8. Additional Overhead Protection
9. Purchase a South Lake Union Line Streetcar
10. Contribution to Future Neighborhood Park



# Alley Vacation Public Benefits for Block 20

Summary Diagrams [from original proposal]





# 7th Avenue Cycle Track on Block 20 (#1)

## PUBLIC BENEFIT

Physically separated cycle track, enhanced pedestrian zone/cycle track buffer with tree wells, contrasting paving surface, and site furnishings.

## STATUS

### Complete

The cycle track is installed on Block 20 between Blanchard Street and Lenora Street, as well as on the neighboring block between Lenora and Eastlake Avenue.

## CONSTRUCTED



Separated / Dedicated Bike Lane



Bike Counter near Blanchard Street



Proposed



Crosswalk and Signal Improvements at 7th and Blanchard



Integrated Plantings and Storm Drainage



# Shared-Use Street / Enhanced Pedestrian Facilities on Lenora Street (#2)

## PUBLIC BENEFIT

Enhanced pedestrian zone with tree wells, contrasting paving surface, and street furnishings.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, Lenora Street improvements feature wide pedestrian zones, a variety of landscape elements, multiple seating opportunities, and wide / flush street curbs.



Wide / Flush Curb along Lenora Street

## CONSTRUCTED



View of Enhanced Pedestrian Areas Along Lenora Street



# Westlake Avenue Street Improvements (#3)

## PUBLIC BENEFIT

Improved pedestrian crossings at the Intersection of 8th Avenue, Lenora Street, and Westlake Avenue.

## STATUS

### Complete

Improvements include the re-configuration of the traffic signal at Westlake/8th/Lenora, striping of the crosswalks, as well as landscape and pedestrian enhancements.



Landscape Features at Lenora and Westlake

## CONSTRUCTED



Crosswalk and Signalization Improvements at the Intersection of 8th Avenue, Lenora Street, and Westlake Avenue



# Blanchard Street Voluntary Setback on Block 20 (#4)

## PUBLIC BENEFIT

Blanchard Green Street enhanced by 10’ voluntary setback.

## STATUS

### Complete

Consistent with the alley vacation conceptual approval, Blanchard Street features an enhanced green street experience with a 10’ voluntary building setback allowing for integrated seating, separated cycle track, and additional landscaping.



Proposed

## CONSTRUCTED



View of Setback Area Along Blanchard Street & Separated Bike Lane



# Other Voluntary Setbacks on Block 20 (#5)

## PUBLIC BENEFIT

Voluntary building setbacks within property line allow for landscape and sidewalk improvements (in addition to Blanchard Street)

## STATUS

### Complete

Landscape and sidewalk improvements were installed on Block 20.

## CONSTRUCTED



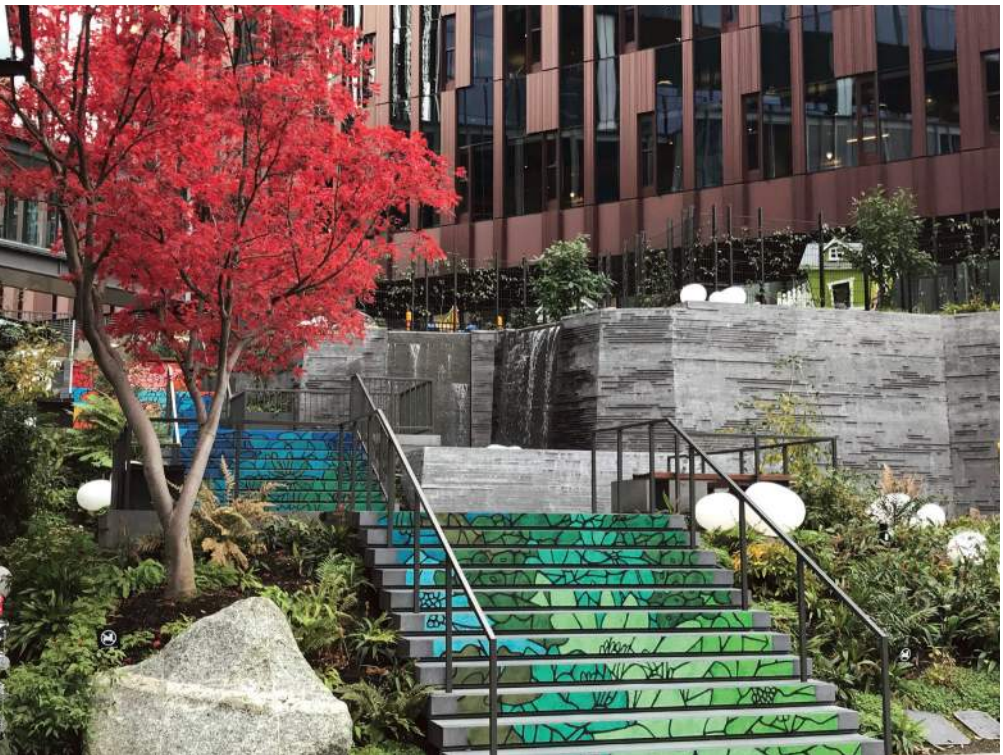
Landscape and Seating in the 7th Avenue Plaza Setback



Landscaped Setback at Lenora / 7th Avenue



Proposed



'Hillclimb' Feature Connecting 8th and 7th Avenues



Lobby Entrance Setback at 8th Avenue



# Enhanced Right of Way Improvements on Block 20 (#6)

## PUBLIC BENEFIT

Double Row of Trees on 7th Avenue

## STATUS

Complete



View along 7th Avenue with Double Row of Trees and Separated Bike Lane

## PROPOSED PUBLIC BENEFIT

Arbor structure as signature architectural way-finding element

## STATUS

Complete



View of Arbor Structure at Plaza Steps Connecting Westlake, Lenora & 7th Avenue



# Art Program on Block 20

## PUBLIC BENEFIT

Integrated art in right of way and public plazas (site furnishings, amenity spaces, utility covers, etc.)

## STATUS

Complete

- 1

Signature Artwork
- 2

Hillclimb Water Feature
- 3

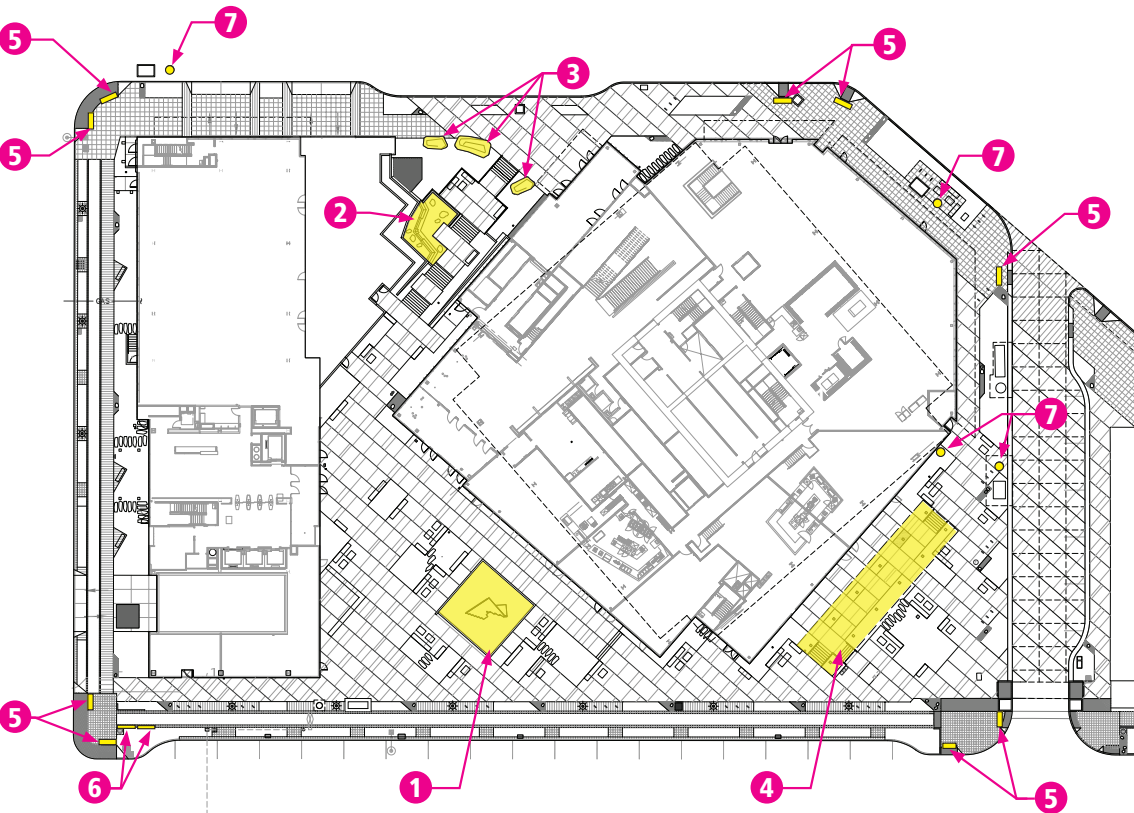
Glacial Erratic found on Block 19
- 4

Decorative Arbor
- 5

Bronze Street Name Inlays
- 6

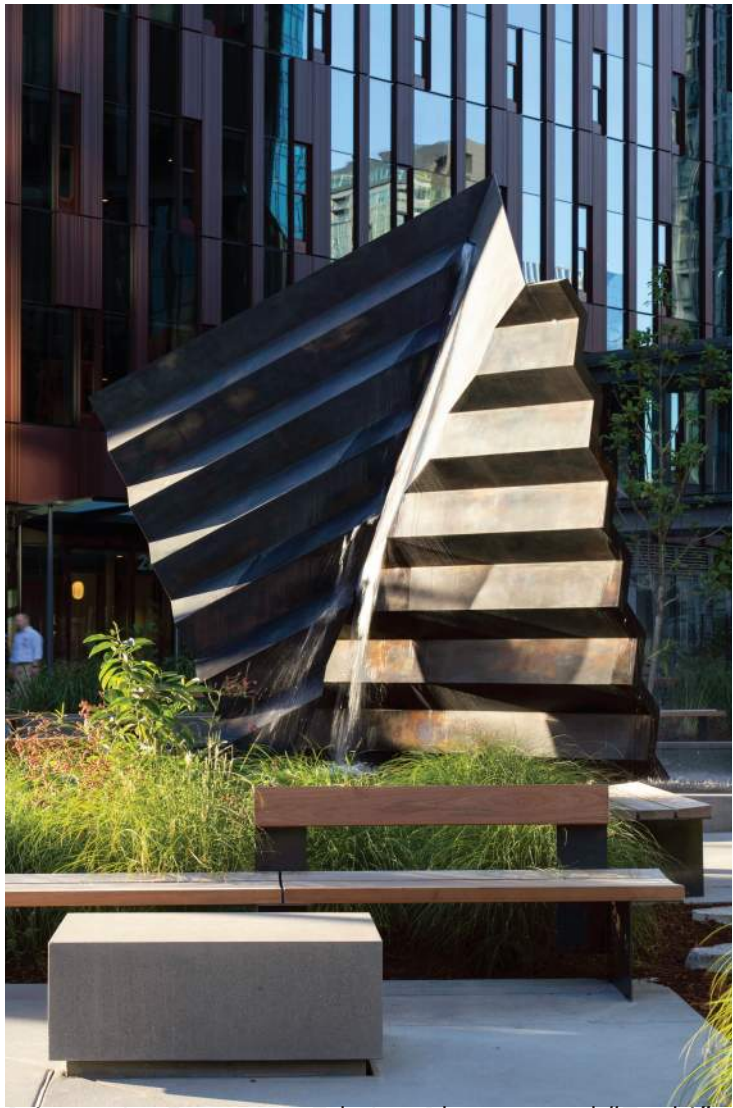
Bike Lean Rails
- 7

Decorative Utility Covers

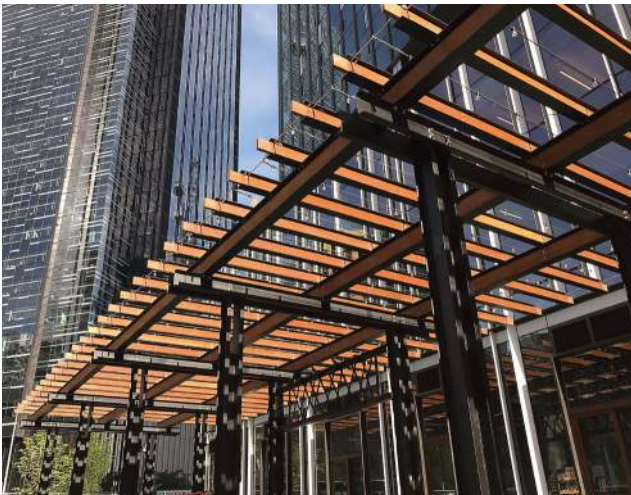


Proposed Artwork Plan

## CONSTRUCTED



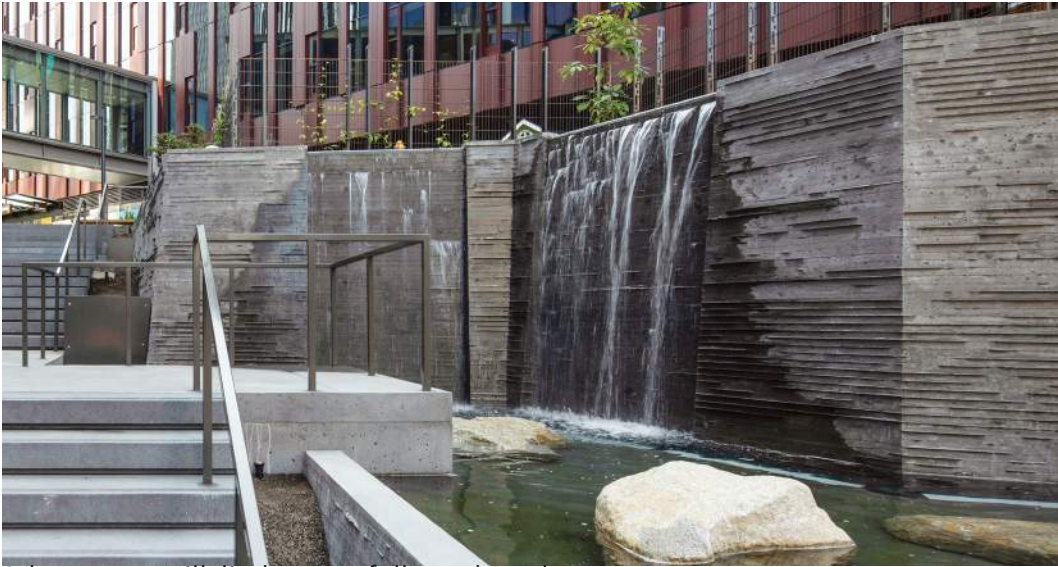
Primary Art Feature at 7th Ave Plaza named "Tonbi"



Arbor Structure Facing Lenora and 7th Avenue



Glacial 'Erratic'



8th Avenue Hillclimb Waterfalls and Pools



Bike Lean Rails



Street Name Inlays



Decorative Utility Covers



Questions?

