

## The “Community Package” of Public Benefits for Street and Alley Vacations Associated with the Washington State Convention Center Addition



**To:** Seattle Design Commission – Michael Jenkins, Director; Ross Tilghman, Chair  
**CC:** Beverly Barnett and Councilmembers Sally Bagshaw, Mike O’Brien, Lisa Herbold, Kshama Sawant, and Rob Johnson  
**From:** The Community Package Coalition

We are a coalition of nonprofits, community organizations, and advocacy groups serving neighborhoods adjacent to the proposed Washington State Convention Center (WSCC) Addition. We collectively represent thousands of Seattleites who are dedicated to creating a more attractive, safe, livable, and affordable city center.

The WSCC Addition will permanently reshape a large part of Seattle’s urban core. We believe the project’s size, central location, public ownership, and request for extensive public right-of-way vacations compels the WSCC to offer an accordingly large-scale public benefit package for our community.

Neighborhoods adjacent to the WSCC—including Downtown, South Lake Union, Capitol Hill, and First Hill—face shortages of public open space, safe pedestrian and bicycle facilities, and affordable housing. The WSCC Addition project risks exacerbating these problems. To avoid this risk, the WSCC has an obligation to make significant investments in our community, and to balance the need and impacts of growth by responsibly contributing to a more livable, equitable, and accessible city for all.

The WSCC has petitioned the City of Seattle for a full vacation of three public alleys in Blocks 33, 43, and 44, and subterranean vacations of Terry Avenue and Olive Way, totaling 47,985 square feet, or 1.28 acres.<sup>1</sup> The Seattle Design Commission and City Council will guide and authorize the transfer of land held in the public trust once—and only once—the applicant proposes a public benefit package that adequately compensates the loss of right-of-way and which is commensurate with the benefits of the scale of development resulting from the vacation.<sup>2</sup>

The WSCC Addition preferred alternative cost estimate is \$1.7 billion, making it the single largest real estate development in Seattle history - more costly than Safeco and CenturyLink Fields combined.<sup>3</sup> Based on the scale of public benefits associated with multiple recent large development projects in central Seattle, we anticipate the WSCC must offer a public benefits package valued in the range of **\$60-75 million**, independent of required fees and environmental mitigation.

The initial public benefits offer presented by the WSCC at the February 16, 2017 Design Commission meeting was estimated by City staff as \$20 million or less. **The revised offer being presented today, about \$30 million, still falls dramatically short of the applicant's obligations and does not meet the expectations of the City or the community.**

We propose full adoption of a Community Package which is comparable in scale to the vacation petition. Together, the Community Package components are bold investments in Seattle’s public spaces, transportation network, and affordable housing. These investments are interrelated and critical to ensuring the area proximate to the WSCC Addition remains livable with the increase in new visitors, employees, and traffic. The Community Package aligns with the Seattle Design Commission’s desire for a wide array of benefits which fully integrate into the surrounding neighborhoods, and which implement community-identified and department-vetted plans.

---

<sup>1</sup> Seattle Clerk File 314338. Updated petition information provided in e-mail from Moira Gray, January 11, 2017.

<sup>2</sup> Letter from Seattle Design Commission to Pine Street Group, November 20, 2015.

<sup>3</sup> WSCC Addition Financial Plan, April 26, 2017.

We wish to continue working cooperatively with the decision-makers to craft a public benefits package that adequately addresses the impacts of the proposed street and alley vacations. However, we must first dispute statements by the applicant to the Design Commission, City staff, and business organizations which attempt to downplay the WSCC's public benefits obligations.

- **Comparable Projects.** The WSCC has claimed the proposed SoDo Arena is not an appropriate basis of comparison because of its private ownership. But as the City has identified, the SoDo Arena will be a similarly large scale, multi-block event facility with widespread impacts. With due diligence, our coalition has also analyzed multiple other recent and similarly-sized developments to arrive at a refined public benefits obligation estimate of \$60-75 million.
- **Housing Impacts.** The WSCC has correctly stated that it is not responsible for housing its own employees. However, the scale of the housing need generated by this project cannot be ignored. Local labor unions have estimated the WSCC Addition will create demand for an additional 1,000 low-income housing units for workers in the service and hospitality industries. The Community Package contains a modest subsidy for 300 affordable units, which compares to the 40-60 units initially offered by the WSCC.
- **Obligation of the Project.** The WSCC states that as a nonprofit entity it should have lower financial burdens; the applicant is in fact a public facility district chartered by King County and funded by taxpayers. But ultimately, the WSCC governance structure is irrelevant to the scope and impact of the street and alley vacations. Nearly half of the vacation petitions reviewed by the Design Commission are for public entities, who are obligated to provide meaningful public engagement and commensurate public benefits irrespective of their status.
- **On-Site Benefits.** The largest portion of the proposed public benefits package are on-site elements such as setbacks, larger windows, and street level uses. Most of these features are standard outward facing features of a major downtown public facility that would occur without any vacations. To claim them as public benefits worth \$8 million is disingenuous, particularly given that these features have been part of qualifying for design review and urban design merit requirements.
- **Value of the Land.** The WSCC has argued the alleyways and subterranean arterial land has little use and therefore should be given away with limited compensation. The current use of this public right-of-way is irrelevant, as it is impossible to predict what such assets would otherwise be needed for in 5, 10, or 50 years from now--or what the public is giving up by forgoing the future opportunity to restitch the grid at Terry Avenue. A vacation is a vacation regardless of the location or current use.

The WSCC should also be compelled to address the significant transportation impacts that this development will have due to earlier-than-planned closure of Convention Place Station and removal of busses from the Downtown Seattle Transit Tunnel. In response, a multijurisdictional effort known as One Center City has been forced to rapidly plan up to \$28 million in capital improvements for Downtown streets to accommodate increased surface transit volumes. Proposed restructuring of some routes will have a ripple effect for transit riders across Seattle and the wider region. In light of this, the WSCC's public benefits package must be both scaled appropriately and contribute to mobility and safety improvements.

The Community Package Coalition has also met with several other groups impacted by the proposed development, including labor unions, environmental advocates, and social justice organizations. We understand that the interrelated effects of a project of this scale include the urban framework and the built environment, as well as the economic and social health of the city. We ask that consideration be given to how this project can further shared prosperity and generalized well-being.

The Community Package remains the same as our original proposal from February, and a summary is below. See Appendix A for more detailed descriptions, sponsoring and endorsing organizations, and estimated values. See Appendix B for a map.

#### Public Parks and Open Spaces

- **Freeway Park Improvements** - Improve Freeway Park to be more safe, accessible, and enjoyable for local residents, employees, and Convention Center visitors.
- **Interstate 5 Lid Feasibility Study** - Fund a City-led technical study of extending Freeway Park and lidding Interstate 5 in the Center City for parks, affordable housing, community facilities, new streets, and other public and private uses.
- **Melrose Promenade** - Implement walking and bicycling improvements, public space, and public art along Melrose Avenue in Capitol Hill.
- **Pine-Boren Lid Park** - Expand Plymouth Pillars Park by building a 14,000 square foot lid park over Interstate 5 at the east corner of Pine Street and Boren Avenue.
- **Terry Avenue Promenade** - Build a pedestrian-oriented woonerf on Terry Avenue between Cherry Street and Marion Street.
- **Virginia Street Woonerf** - Build a pedestrian-oriented woonerf on Virginia Street between Boren and Minor Avenues.

### Active Transportation

- **8th Avenue Bicycling Improvements** - Build a northbound protected bike lane between Pike Street and Bell Street.
- **Interstate 5 Overpasses “Kit of Parts”** – Implement a suite of pedestrian improvements for I-5 overpasses, such as landscaping and sound buffers, from Olive Way to Madison Street.
- **Olive Way Interstate 5 Overpass Walking Improvements** - Implement a roadway reconfiguration on the Olive Way I-5 overpass and I-5 interchange to increase pedestrian safety and reduce traffic conflicts.
- **Pike-Pine Corridor Bicycling Improvements** - Build protected bike lanes on Pike Street and/or Pine Street between Downtown and Capitol Hill.

### Affordable Housing

- **Affordable Housing** – Contribute funding to create 300 affordable homes for workers earning hospitality industry wages (50-60 percent of area median income) within one mile of the Convention Center Addition.

This is an initial proposal and we expect the Community Package to be flexible. We wish to collaborate with the Washington State Convention Center, Seattle Design Commission, City departments, City Council, and the Mayor on further refinement and advancement of the Community Package.

In the five months since forming the Coalition, the WSCC Addition team has engaged with us in only a brief informational meeting. We are eager to negotiate in good faith with the WSCC, and ask that the Seattle Design Commission ensure this process meets the stated goals of “equal opportunity and social inclusion” when considering how to proceed.

Thank you for your efforts to build a better city for all.

Sincerely,

Blake Trask, Senior Policy Director, Cascade Bicycle Club  
Joel Sisolak, Sustainability and Planning Director, Capitol Hill Housing  
Brie Gyncild, Chair, Central Seattle Greenways  
Alex Hudson, Executive Director, First Hill Improvement Association  
Nicki Hellenkamp, Director of Government Relations and Policy, Housing Development Consortium  
Riisa Conklin, Executive Director, Jim Ellis Freeway Park Association  
John Feit, Chair, Lid I-5 Steering Committee  
Mike Kent, Chair, Melrose Promenade  
Gordon Padelford, Policy Director, Seattle Neighborhood Greenways

Community Package contacts:      Alex Hudson, alex@firsthill.org, (206) 486-0007  
Gordon Padelford, gordon@seattlegreenways.org, (206) 963-8547



## Appendix A - Summary Table of Community Package Investments

This table describes each component of the Community Package. Community co-sponsors for City of Seattle projects are noted in parentheses, and components with additional endorsements are summarized at the end of the table. Estimated value ranges are for planning purposes only and do not reflect detailed designs or formal cost appraisals, and parenthetical information shows matching fund or leveraging opportunities.

Name	Type of Benefit and Description	Sponsor	Estimated Value
<b>Public Parks and Open Spaces</b>			
Freeway Park Improvements	Off-site: Fund park improvements, to be determined by a design process in 2017, to make Freeway Park more safe, accessible, and enjoyable for local residents, employees, and Convention Center visitors.	Freeway Park Association <sup>1</sup>	\$10 million (leverages \$0.5 million in funding for improving park entries)
Interstate 5 Lid Feasibility Study	In-lieu: Consistent with Comprehensive Plan policies T 3.12 and P 1.17, fund a City-led technical study of extending Freeway Park and lidding Interstate 5 in the center city and beyond for parks, affordable housing, new streets, other public and private uses. The study will estimate lid costs, identify funding sources, analyze potential land uses, involve public input, and provide for staff time at the public agencies involved.	Lid I-5 Steering Committee <sup>2</sup>	\$1-1.5 million
Melrose Promenade	Off-site: Consistent with the Melrose Promenade Visioning Project, implement public space, walking and bicycling improvements, and public art along Melrose Avenue in Capitol Hill.	Melrose Promenade	\$1.5-5 million (leverages recent \$3 million PSRC grant for early phase design and construction)
Pine-Boren Lid Park	Off-site and/or in-lieu: Consistent with Comprehensive Plan policies T 3.12 and P 1.17, expand Plymouth Pillars Park by designing and building a 14,000 square foot lid park over I-5 at the east corner of Pine Street and Boren Avenue, adding critical public open space in the rapidly redeveloping Capitol Hill neighborhood.	Lid I-5 Steering Committee <sup>3</sup>	\$8-10 million (may leverage potential matching funds from the City or State)
Terry Avenue Promenade	Off-site: Consistent with the First Hill Public Realm Action Plan, design and build a pedestrian woonerf on Terry Avenue between Cherry Street and Marion Street, providing critical new public open space in the rapidly redeveloping First Hill neighborhood. This project was adopted into SDOT's Right of Way Improvement Manual and is endorsed by all adjacent property owners.	First Hill Improvement Association <sup>4</sup>	\$3-4 million
Virginia Street Woonerf	Off-site: Design and build a woonerf on Virginia Street between Boren Avenue and Minor Avenue to provide critical new public open space in the rapidly growing South Lake Union neighborhood.	Seattle Department of Transportation (co-sponsored by Seattle Neighborhood Greenways)	\$0.5-1.5 million

Name	Type of Benefit and Description	Sponsor	Estimated Value
<b>Active Transportation Facilities</b>			
8th Avenue Bicycling Improvements	Off-site: Design and implement a northbound protected bike lane between Pike Street and Bell Street to increase bicycling safety and transportation options.	Seattle Department of Transportation (co-sponsored by Cascade Bicycle Club and Seattle Neighborhood Greenways)	\$4.5-6 million
Interstate 5 Overpasses "Kit of Parts"	Off-site: Design and implement a suite of pedestrian improvements for Downtown I-5 overpasses to make crossing the freeway safer and more enjoyable. The "kit" may include art, vegetation, lighting, buffers, sound barriers, enhanced fences, and wayfinding systems. Anticipate future I-5 lids in the designs.	Seattle Department of Transportation (co-sponsored by Lid I-5 Steering Committee, Seattle Neighborhood Greenways, and Central Seattle Greenways)	\$1.5-5 million
Olive Way Interstate 5 Overpass Walking Improvements	Off-site: Increase pedestrian safety on the Olive Way I-5 overpass via a reconfiguration of the roadway and nearby freeway ramps. Engage the public early in the design process and refer to the 1998 Capitol Hill Neighborhood Plan and the NACTO Urban Street Design Guide for best design practices.	Seattle Department of Transportation <sup>5</sup> (co-sponsored by Seattle Neighborhood Greenways and Central Seattle Greenways)	\$0.2-0.5 million
Pike-Pine Corridor Bicycling Improvements	Off-site: Consistent with the Bicycle Master Plan, design and implement protected bike lanes on Pike Street and/or Pine Street between 2nd Avenue and Broadway to create a critical east-west connection, increase bicycling safety, and increase transportation options.	Seattle Department of Transportation (co-sponsored by Cascade Bicycle Club, Seattle Neighborhood Greenways, and Central Seattle Greenways)	\$8-10 million
<b>Affordable Housing</b>			
Affordable Housing	In-lieu: Make a contribution to the Seattle Office of Housing to subsidize construction or acquisition of 300 homes affordable to workers earning hospitality industry wages (50-60 percent of area median income) within one mile of the Convention Center Addition, towards an overall need of at least 519 affordable homes for workers at the Addition and the related hospitality industry.	Capitol Hill Housing and Housing Development Consortium	\$33 million (leverages \$50 million in self-financing and Low Income Housing Tax Credits)

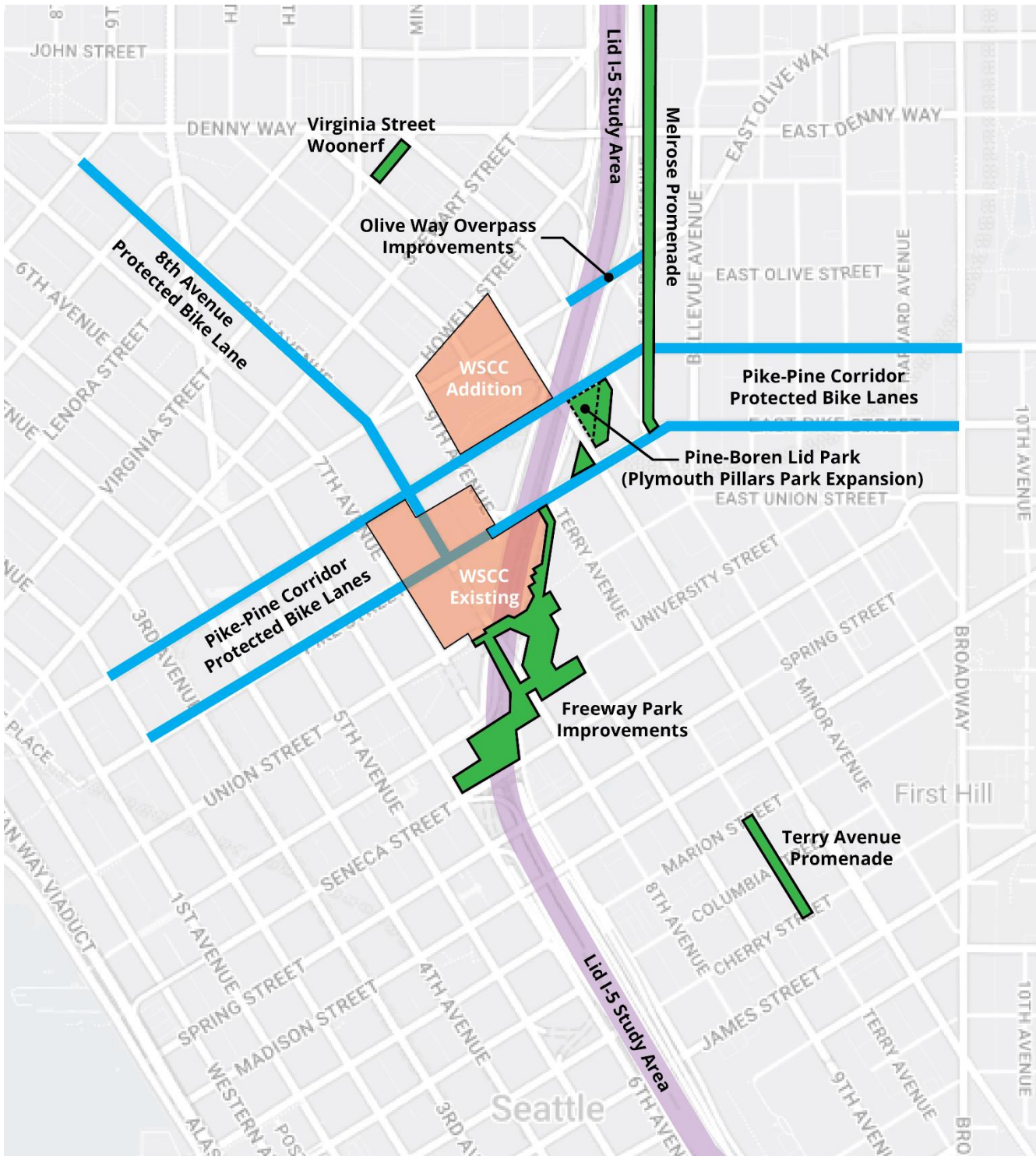
All signing organizations endorse all of the Community Package benefits proposed by fellow signees. Additional endorsements for particular Community Package benefits are as follows:

1. Horizon House, Town Hall Seattle, Virginia Mason, Washington Holdings
2. Seattle City Councilmember Sally Bagshaw, Seattle City Councilmember Rob Johnson, 43rd District State Representative Jamie Pedersen, Seattle Parks Foundation, Pike-Pine Urban Neighborhood Council, Capitol Hill Community Council, AIA Seattle Public Policy Board, Futurewise, Parents for a Better Downtown Seattle
3. Seattle City Councilmember Sally Bagshaw, Seattle City Councilmember Rob Johnson, 43rd District State Representative Jamie Pedersen, Seattle Parks Foundation, Pike-Pine Urban Neighborhood Council, Capitol Hill Community Council, Parents for a Better Downtown Seattle
4. BloodWorks, Columbia Pacific Advisors, Frye Art Museum, Harborview Medical Center, O'Dea High School, St. James Cathedral, Virginia Mason Medical Center, Westbank Development
5. Capitol Hill Community Council

## Appendix B - Map of Community Package Investments

This map provides a general overview of Community Package investments in areas proximate to the WSCC Addition. Many of the projects overlap and intersect. Affordable housing within one mile, additional potential I-5 lid study areas, and the I-5 overpasses “kit of parts” are not shown. This map is for general illustration purposes only and may not reflect the precise scope of project boundaries.

View this map online: [goo.gl/q1yIBy](http://goo.gl/q1yIBy).



OpenStreetMap data used under Creative Commons.

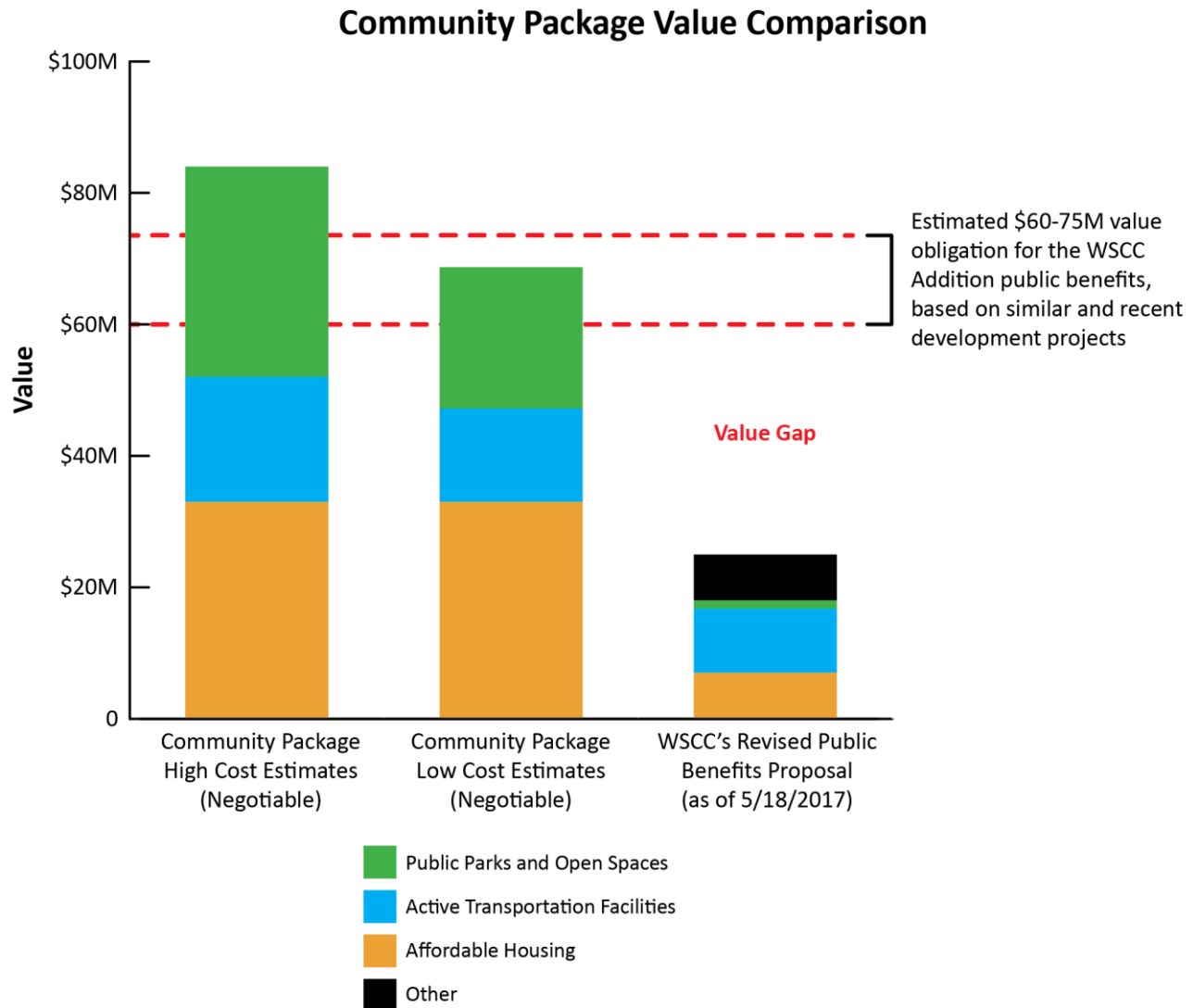
## Appendix C – Community Package Status Report

This table describes the status of each component of the Community Package in relation to the WSCC's revised public benefits proposal, presented to the Seattle Design Commission on May 18, 2017.

Community Package Component	Estimated Value	WSCC Revised Public Benefits Proposal Status (5/18/2017)
<b>Public Parks and Open Spaces</b>		
Freeway Park Improvements	\$10 million	<b>INCLUDED – \$1M ONLY</b>
Interstate 5 Lid Feasibility Study	\$1-1.5 million	<b>INCLUDED – \$0.25M ONLY</b>
Melrose Promenade	\$1.5-5 million	<b>NOT INCLUDED</b>
Pine-Boren Lid Park	\$8-10 million	<b>NOT INCLUDED</b>
Terry Avenue Promenade	\$3-4 million	<b>NOT INCLUDED</b>
Virginia Street Woonerf	\$0.5-1.5 million	<b>NOT INCLUDED</b>
<b>Active Transportation Facilities</b>		
8th Avenue Bicycling Improvements	\$4.5-6 million	<b>PARTIALLY INCLUDED - SCOPE AND FUNDING UNCLEAR</b>
Interstate 5 Overpasses “Kit of Parts”	\$1.5-5 million	<b>PARTIALLY INCLUDED – PINE STREET AND PIKE STREET ONLY</b>
Olive Way Interstate 5 Overpass Walking Improvements	\$0.2-0.5 million	<b>NOT INCLUDED</b>
Pike-Pine Corridor Bicycling Improvements	\$8-10 million	<b>PARTIALLY INCLUDED – SCOPE AND FUNDING UNCLEAR</b>
<b>Affordable Housing</b>		
Affordable Housing	\$33 million	<b>PARTIALLY INCLUDED - \$5 MILLION ONLY</b>

## Appendix C (Continued) – Community Package Status Report

This chart compares the estimated high and low values of the Community Package, the coalition’s estimated public benefits obligation of the WSCC, and the value of the WSCC’s revised proposal. Compared to other recent and similarly large scale development projects in central Seattle, there is a large value gap between the WSCC’s proposal and what is commensurate with the scale and scope of the requested street and alley vacations.





## Appendix D - City Council Resolution 31142, Policy 5, Section 1

Public benefits may include, but are not limited to:

**A. On-site Public Benefits:** on-site benefits are favored as the provision of the public benefit can also act to offset any increase in scale from the development. On-site public benefits may include:

- Publicly accessible plazas or other green spaces, including public stairways;
- Streetscape enhancements beyond that required by codes such as widened sidewalks, additional street trees or landscaping, street furniture, pedestrian lighting, wayfinding, art, or fountains;
- Pedestrian or bicycle trails;
- Enhancement of the pedestrian or bicycle environment;
- View easement or corridors; or
- Preservation of landmark buildings or other community resources.

**B. Off-site Public Benefits:** where it is not practicable to provide the public benefit or more than a portion of the public benefit on the development site, the public benefit may be provided off-site. This may include:

- Pedestrian or bicycle trails or public stairways;
- Enhancement of the pedestrian or bicycle environment;
- Enhancement of existing public open space such as providing playground equipment in a City park;
- Improvements to designated Green Streets;
- Funding an element from an adopted Neighborhood Plan;
- Providing wayfinding signage; or
- Providing public art.

**C. Real Property May Be Conveyed:** in certain circumstances the City may accept real property as a public benefit. The property proposed to be conveyed must be property that the City is willing to accept. The Petitioner is responsible for any costs associated with the conveyance including appraisals, title work, environmental site assessment, deeds or other document production, taxes on the transaction, or other expenses related to the conveyance of real property, including environmental remediation.

**D. Payment of Funds:** in certain circumstances where it is not practicable to provide or develop public benefits such as those listed above, the City may accept the payment of in-lieu funds dedicated for a specific purpose consistent with these policies as a public benefit. Such payment must be determined to be an acceptable alternative by the City. Such payment to meet public benefit obligations does not substitute for the payment of the required street vacation fee.

## Appendix E – Frequently Asked Questions

### **What is the basis for the coalition’s \$60-75 million estimate in required public benefits?**

The City of Seattle has no formula or methodology for calculating public benefit values in association with street and alley vacations. Instead, precedents are relied upon to generate a rough sense of scale and commensuration. In recent years the City’s expectations have grown as land becomes valuable.

Seattle has no precedent for the scale of the WSCC’s five requested vacations. The closest recent comparison of a multi-block development of such size is the proposed SoDo Arena, which is offering \$26.5 million in public benefits for a single street vacation. Along with the Arena, we analyzed several recent and similarly sized private and public development projects to perform a proportional comparison of public benefits value. Use of a ranged estimate, rather than a single number, is due to several different methods of analysis and the desire to be flexible.

### **What if the \$60-75 million estimate is off?**

The WSCC and its representatives have stated that, without the entire set of vacations, the Addition project would likely become infeasible. This means that even if the coalition’s calculation has a margin of error, the fact remains that the street and alley vacations are extremely valuable to the project. This greatly escalates the obligations for public benefits beyond what the WSCC is offering. The WSCC’s initial public benefits proposal certainly does not meet a sufficient level of benefits, but adoption of the Community Package would.

### **The alleyways proposed for vacating are used little. How does that affect the value of required public benefits?**

By claiming the three alleyways proposed for vacation are of limited value, the WSCC has implied their public benefits obligation in return should be minimal. We respectfully disagree. While the alleys have little use today, that is because they are surrounded by parking lots, a bus depot, and vacant buildings. These alleys would otherwise be retained in public ownership in perpetuity. In all probability, if the WSCC were not proposing to expand at this location, the adjacent properties would follow Downtown construction trends and soon be redeveloped with multiple mixed use towers. The alleys would be critical for public interests such as tower spacing for light and air, views, parking access, freight loading, and utility infrastructure.

In addition, since 1998 the community has expected Terry Avenue to be reconnected between Pine Street and Olive Way with, at a minimum, a pedestrian connection. That opportunity is lost with the WSCC Addition as designed.

### **Most of the requested vacations are underground. How does that affect the value of required public benefits?**

Although Olive Way and Terry Avenue will be restored after construction, the impacts during construction in the right-of-way will be massive. These will be the first subterranean vacations in Seattle to transfer ownership underneath the entirety of arterial streets, and the public will permanently use this right-of-way for any future needs.

### **Are there other public benefits proposed by the WSCC that are not part of the Community Package?**

The WSCC is proposing a number of other public benefits. In the interest of maximizing public investment in the community, we are generally supportive of these other proposals. The coalition welcomes the opportunity to partner with the WSCC, neighborhood organizations, and advocacy groups to add these benefits to the Community Package.

- On-site improvements beyond code, including setbacks, transparency, and street level uses
- Pike Pine Renaissance streetscape improvements
- 9th Avenue streetscape improvements
- Historic building lighting
- Public art

### **What is the City’s official position on the initial public benefits proposed by the WSCC?**

City staff at the February 16, 2017 Design Commission meeting publicly stated that there is a major gap between the WSCC’s initial public benefits proposal (later estimated as \$20 million) and the scale and impact of the street and alley vacations. Since then, multiple City staff and City Councilmembers have repeatedly expressed that the WSCC’s proposal does not meet the expectations of the City.