

Beverly Barnett
SDOT City Place IV LLC Alley Vacation ORD
November 19, 2012
Version #3

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

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AN ORDINANCE vacating a portion of the alley in Block 101, D. T. Denny’s Fifth Addition to North Seattle on the petition of City Place IV LLC, a Washington limited liability company; accepting an Easement for Alley Turn-Around for public vehicle turn-around purposes; accepting an Agreement Regarding Stormwater Drainage Improvements to design and construct a new stormwater system to convey stormwater from the alley to the City’s sewer system; and accepting a Property Use and Development Agreement as reflected in Clerk File 309170.

WHEREAS, City Place IV LLC (“Petitioner”) filed a petition to vacate the alley in Block 101, D.T. Denny’s Fifth Addition to North Seattle, which is the block bordered by Harrison Street, Boren Avenue North, Thomas Street, and Terry Avenue North in the South Lake Union neighborhood of Seattle; and

WHEREAS, following a August 19, 2008 public hearing on the petition, the Seattle City Council (“City Council”) conditionally granted the petition subject to conditions that have now been met; and

WHEREAS, the Petitioner has granted a turn-around easement to the City to provide space for vehicles to turn-around in the alley. Such easement prevents a dead-end alley by providing a space for vehicles to turn around within the City Place parking garage; and

WHEREAS, the construction of buildings on the portion of the alley to be vacated required that stormwater be collected and conveyed to the City’s sewer system in a different manner than previously existed and required that the Petitioner design and construct a new stormwater system that conveys stormwater from the alley to the City’s sewer system in the public right-of-way; and

WHEREAS, to accomplish this the City entered into an Agreement Regarding Stormwater Drainage Improvements (the “Agreement”) with the Petitioner and due to the permanent nature of the Agreement the City requests approval of the Agreement by the Seattle City Council; and

WHEREAS, a Property Use and Development Agreement recorded with the King County Recorder’s Office commits the Petitioner and their successors to fulfill ongoing public-benefit obligations required as a result of the alley vacation; and

1 WHEREAS, pursuant to Section 35.79.030 RCW and Seattle Municipal Code Chapter 15.62, the
2 Petitioner has paid the City a vacation fee of \$900,000, which amount is the full
3 appraised value of the property; NOW, THEREFORE,

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

5 Section 1. The real property described below is vacated:

6 The sixteen-foot-wide alley bisecting Block 101 of D.T. Denny's Fifth Addition
7 to North Seattle, according to the Plat thereof recorded in Volume 1 of Plats at
8 Page 202, Records of King County, Washington, lying South of the South margin
9 of Harrison Street and lying North of the North margin of Thomas Street;

10 Except the South 158.00 feet thereof:

11 The parcel described above contains 3,229 square feet, more or less.

12 Situate in the City of Seattle, King County, Washington.

13 RESERVING to the City of Seattle the right to make all necessary slopes for cuts or fills
14 upon the above described property in the reasonable original grading of any right-of-way
15 abutting upon said property after said vacation; and further,

16 RESERVING to the City of Seattle the right to reconstruct, maintain, and operate any
17 existing overhead or underground utilities in said rights-of-way until the beneficiaries of said
18 vacation arrange with the owner or owners thereof for their removal.

19 Section 2. The Easement for Alley Turn-Around, King County Recording Number
20 20110331000497, attached hereto as Attachment A, is hereby accepted.

21 Section 3. The Agreement regarding Stormwater Drainage Improvements, King County
22 Recording Number 20090610002138, attached hereto as Attachment B, is hereby accepted.

23 Section 4. The Property Use and Development Agreement, King County Recording
24 Number 20120601001274, attached hereto as Attachment C, is hereby accepted.
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1 Section 5. 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 ____ day of _____, 2012, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2012.

7
8 _____
9 President _____ of the City Council

10
11 Approved by me this ____ day of _____, 2012.

12
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2012.

17
18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)

21
22 Attachment A: Easement for Alley Turn-Around

23 Attachment B: Agreement Regarding Stormwater Drainage Improvements

24 Attachment C: Property Use and Development Agreement

Return Address:

ROGER A. PEARCE
FOSTER PEPPER P.L.L.C.
1111 3RD AVE, SUITE #3400
SEATTLE, WA 98101



20120601001274

PATTERSON CO AG 72.00
PAGE-001 OF 011
06/01/2012 14:31
KING COUNTY, WA

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document **must** be filled in)

1. PROPERTY USE & DEVELOPMENT 2. _____
AGREEMENT
3. _____ 4. _____

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) Exactly as name(s) appear on document

1. CITY PLACE IV LLC, _____
2. _____

Additional names on page _____ of document.

Grantee(s) Exactly as name(s) appear on document

1. CITY OF SEATTLE, _____
2. _____

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

LOTS 1-6, BLK 101, D.T. DALNY'S ADDN., VOL. 1, PG. 202 & LOTS
9-12, BLK 101, D.T. DALNY'S STR ADDN., VOL. 1, PG. 202, LESS ...

Additional legal is on page 1 of document.

Assessor's Property Tax Parcel/Account Number

assigned 1986200410, 1986200418, 1986200420,
1986200450 & 1963200460

Assessor Tax # not yet

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

"I am signing below and paying an additional \$50 recording fee (as provided in RCW 36.18.010 and referred to as an emergency nonstandard document), because this document does not meet margin and formatting requirements. Furthermore, I hereby understand that the recording process may cover up or otherwise obscure some part of the text of the original document as a result of this request."

Signature of Requesting Party

Note to submitter: Do not sign above nor pay additional \$50 fee if the document meets margin/formatting requirements

AFTER RECORDING RETURN DOCUMENT TO:

Roger A. Pearce
Foster Pepper PLLC
1111 3rd Avenue, Suite 3400
Seattle, Washington 98101

PROPERTY USE AND DEVELOPMENT AGREEMENT

Grantor(s): CITY PLACE IV LLC

Grantee(s): CITY OF SEATTLE

Abbreviated Legal Description:

Lots 1 – 6, Block 101, D.T. Denny's 5th Add., Vol. 1, p. 202; and
Lots 9 – 12, Block 101, D.T. Denny's 5th Add., Vol. 1, p. 202;
Less ptns for alley and for Terry Ave.
Official legal description on Exhibit A.

Assessor's Property Tax Parcel or Account Nos:

1986200410, 1986200418, 1986200420; 1986200450, 1963200460

Reference Number of Related Documents: N/A

PROPERTY USE AND DEVELOPMENT AGREEMENT

THIS AGREEMENT ("Agreement") is made this date in favor of the CITY OF SEATTLE, a municipal corporation of the State of Washington ("City") by CITY PLACE IV LLC, a Washington limited liability company, owner of the Property described herein ("Owner").

WITNESSETH

WHEREAS, the Owner is vested in fee simple title and has a substantial beneficial interest in the property located in King County, Washington, as legally described in Exhibit A hereto (the "Property");

WHEREAS, the Owner has redeveloped the Property with new office buildings (the "Development") pursuant to City of Seattle Department of Planning and Development Project Nos. 3008521; and

WHEREAS, in connection with the Development, a petition was filed in 2008 under City of Seattle Clerk's File No. 309170 pursuant to RCW Ch. 35.79 and Seattle Municipal Code Ch. 15.62, by the Owner to vacate a portion of the alley in Block 101, D. T. Denny's 1st Addition to North Seattle as legally described in Exhibit B; and

WHEREAS, the City Council granted preliminary approval of the vacation subject to conditions, including the public benefit features listed in Exhibit C, which include the condition that a certain amount of surface plaza area of the Development on the Property (the "Plaza Area") be accessible to the public as described in this Agreement. The surface plaza area open to the public is depicted on Exhibit D.

WHEREAS, the Owner now seeks final vacation of the portion of the alley in Block 101, D. T. Denny's 1st Addition to North Seattle as described in Exhibit B;

NOW, THEREFORE, the Owner covenants, bargains, and agrees on behalf of itself, its successors, and assigns to the following:

Section 1. The Plaza Area in compliance with the Council conditions in City of Seattle Clerk's File No. 309170 shall not be developed with buildings at grade level, and shall be developed with a plaza, landscaping, benches, lighting, signs and other open space and pedestrian amenities as shown on Exhibit D hereto. The Plaza Area shall be open to the public to pass through or use the plaza during all hours regardless of whether such use by the public is associated with the Development. Public use of the Plaza Area is, however, subject to the conditions contained in this Agreement.

The Owner shall provide signage in the Plaza Area indicating the Plaza Area is open for public use in accordance with the terms of this Agreement. The signage and any changes to the signage shall be approved by the Seattle Department of Transportation.

The Plaza Area does not include: below-grade or subsurface areas, which are occupied by the subsurface parking garage for the Development; or portions of structures that may extend over the ground surface of the Plaza Area, provided the portions of structures located over the Plaza Area do not restrict the public's use of the Plaza Area.

The areas identified as "Restricted Public Use Areas" on **Exhibit D** may be dedicated from time to time by the Owner, through leases or other written instrument to building tenants, as areas for outdoor seating for eating or drinking establishments located in the Development. In such cases, access to these areas shall be limited to use by patrons of the eating or drinking establishments.

Section 2. The Plaza Area shall be accessible from Boren Avenue North and Terry Avenue North and shall include the following public amenities on the Property as shown on the **Exhibit D** drawing: special pavers, seating, lighting, landscaping, and a signature element such as a mature tree in the portion of the Plaza Area off Terry Avenue North. The amount or types of amenities may be modified by the Owner after receiving the written consent of the Director of the Department of Transportation; provided, the quality of the amenities shall not be diminished and the modified amenities shall be designed to continue to activate the Plaza Area with public uses and pedestrian activity.

The Plaza Area is contiguous with improvements outside the Plaza Area that were required and constructed as part of the permitting for the Development, including sidewalk improvements, street trees and pedestrian enhancements in the rights-of-way of Boren Avenue North, Harrison Street and Terry Avenue North.

Section 3. The Owner shall have the right to temporarily close or obstruct the Plaza Area for: (1) construction; (2) maintenance and repair; (3) temporary use for private functions directly related to the Development or the Owners; (4) the maintenance of security for the Development or persons using the Development, or (5) other circumstances beyond the Owner's control.

Section 4: The Owner may adopt reasonable rules and regulations regarding the use of and access to the Plaza Area as are necessary to ensure the security of the users of the Plaza Area and the Development. The rules and regulations shall be consistent with the terms of this Agreement. A summary of the current rules and regulations may be posted in visible locations in the Plaza Area.

Section 5. The Owner and the City through its Parks Department, Department of Neighborhoods, or other City agency, may coordinate programming of community and public events or other public functions in the Plaza Area. Any such events shall be coordinated between the City and Owner not less than six months in advance.

Section 6. This Agreement shall be recorded in the records of King County and the covenants of this Agreement shall attach to and run with the Property and shall be binding upon the Owner, its heirs, successors, and assigns.

Section 7. This Agreement may be amended or modified by agreement between the Owner and the City; provided the amended Agreement shall be approved by the City Council by ordinance. Nothing in the Agreement shall be construed as a surrender of the City's governmental powers.

Section 8. This Agreement is made for the benefit of the City and the public, and the City may institute and prosecute any proceeding at law or in equity to enforce this Agreement.

Section 9. 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 all damages arising out of bodily injuries or death. The insurance policies obtained shall be approved as to form by the City Risk Manager and shall name the City as an additional insured.

Section 10. Owner shall indemnify, hold harmless, and defend the City and its officers, agents and employees, from any and all claims, losses, liabilities, liens, costs, or expenses including attorney's fees, resulting from or arising out of public use of the Plaza Area, except to the extent resulting from the negligence or intentional acts of the City.

Section 11. The Owner reserves the right to use the Plaza Area for any purpose which does not interfere with the public's use of the Plaza Area, including but not limited to the right to use the Plaza Area as described in this Agreement and the right to grant easements within the Plaza Area, provided the easements are consistent with the public's use of the Plaza Area.

Section 12. Notwithstanding the covenants contained in this Agreement, nothing in this Agreement shall constitute a public dedication of any portion of the Property.

Section 13. In the event any covenant or condition or any portion thereof in this Agreement is judicially determined to be invalid or void, such invalidity or voidness shall in no way affect any other covenant, condition or restriction contained in this Agreement.

Dated this 29 day of May, 2012.

OWNER:

CITY PLACE IV LLC,
a Washington limited liability company

By: **CITY INVESTORS LLC**
a Washington limited liability company
Its: **Manager**

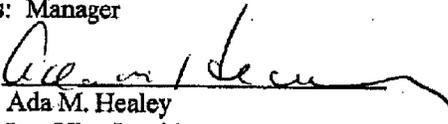
By: 
Ada M. Healey
Its: **Vice-President**

EXHIBIT A

Legal Description of the City Place IV LLC Property

THOSE PORTIONS OF BLOCK 101 OF D.T. DENNY'S 5TH ADDITION TO NORTH SEATTLE IN KING COUNTY, WASHINGTON, AND MORE PARTICULARLY DESCRIBED AS A WHOLE AS FOLLOWS:

PARCEL A:

LOTS 1 AND 2, BLOCK 101, D.T. DENNY'S 5TH ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS AT PAGE 202, IN KING COUNTY, WASHINGTON.

PARCEL B:

LOT 3, BLOCK 101, D.T. DENNY'S 5TH ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS AT PAGE 202, IN KING COUNTY WASHINGTON.

PARCEL C:

LOTS 4, 5 AND 6, BLOCK 101, D.T. DENNY'S 5TH ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS AT PAGE 202, IN KING COUNTY, WASHINGTON;
EXCEPT THAT PORTION OF THE WEST 2 FEET OF SAID LOTS 4, 5 AND 6 DEEDED TO THE CITY OF SEATTLE FOR ALLEY PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 20110310000270.

PARCEL D:

LOTS 9 AND 10, BLOCK 101, D.T. DENNY'S 5TH ADDITION TO NORTH SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS AT PAGE 202, IN KING COUNTY, WASHINGTON.
EXCEPT THE WEST 5 FEET THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 162246 FOR STREET PURPOSES;
AND EXCEPT THAT PORTION OF THE EAST 2 FEET OF THE SOUTH 34.88 FEET OF SAID LOT 9 DEEDED TO THE CITY OF SEATTLE FOR ALLEY PURPOSES BY DEED RECORDED UNDER RECORDING NUMBER 20110310000270.

PARCEL E:

LOTS 11 AND 12, IN BLOCK 101 OF D.T. DENNY'S 5TH ADDITION TO NORTH SEATTLE AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 202, RECORDS OF KING COUNTY.
EXCEPT THE WEST 5 FEET THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO 162246 FOR STREET PURPOSES.

EXHIBIT B

Legal Description of Portion of Alley to be Dedicated (C.F. 309170)

The sixteen-foot-wide alley bisecting Block 101 of D.T. Denny's Fifth Addition to North Seattle according to the plat thereof recorded in Volume 1 of Plats at Page 202, Records of King County, Washington, lying south of the south margin of Harrison Street and lying north of the north margin of Thomas Street;
Except the South 158 feet thereof;
The parcel described above contains 3,229 square feet, more or less. Situate in City of Seattle, King County, Washington.

EXHIBIT C

Plazas open to the public on Terry and Boren Avenues North **(completed and to be maintained on the Property pursuant to this Agreement)**

The 13,692 SF of open space available to the public 24 hours/day
One signature mature tree is planted on the Terry Avenue Plaza
Landscaping, seating, lighting, special paving are provided on both plazas
Preservation and reuse of the Terry Avenue Building is consistent with the
Landmarks Controls & Incentives Agreement

Terry Avenue North improvements **(completed and accepted by the City)**

Improvements are consistent with the Terry Avenue North Design Guidelines
A 31-foot wide sidewalk is provided
Sidewalk paving includes a combination of colored concrete pavers and
architectural concrete
Back-in angle parking
Improvements on Terry Avenue North include street trees and understory
planting areas, ornamental street lights, fixed benches and bicycle racks

Other Rights-of-way **(completed and accepted by the City)**

Curb bulbs to support pedestrian activity
Street trees, sidewalk improvements and retail frontage as feasible on Harrison
St. and Boren Ave. N

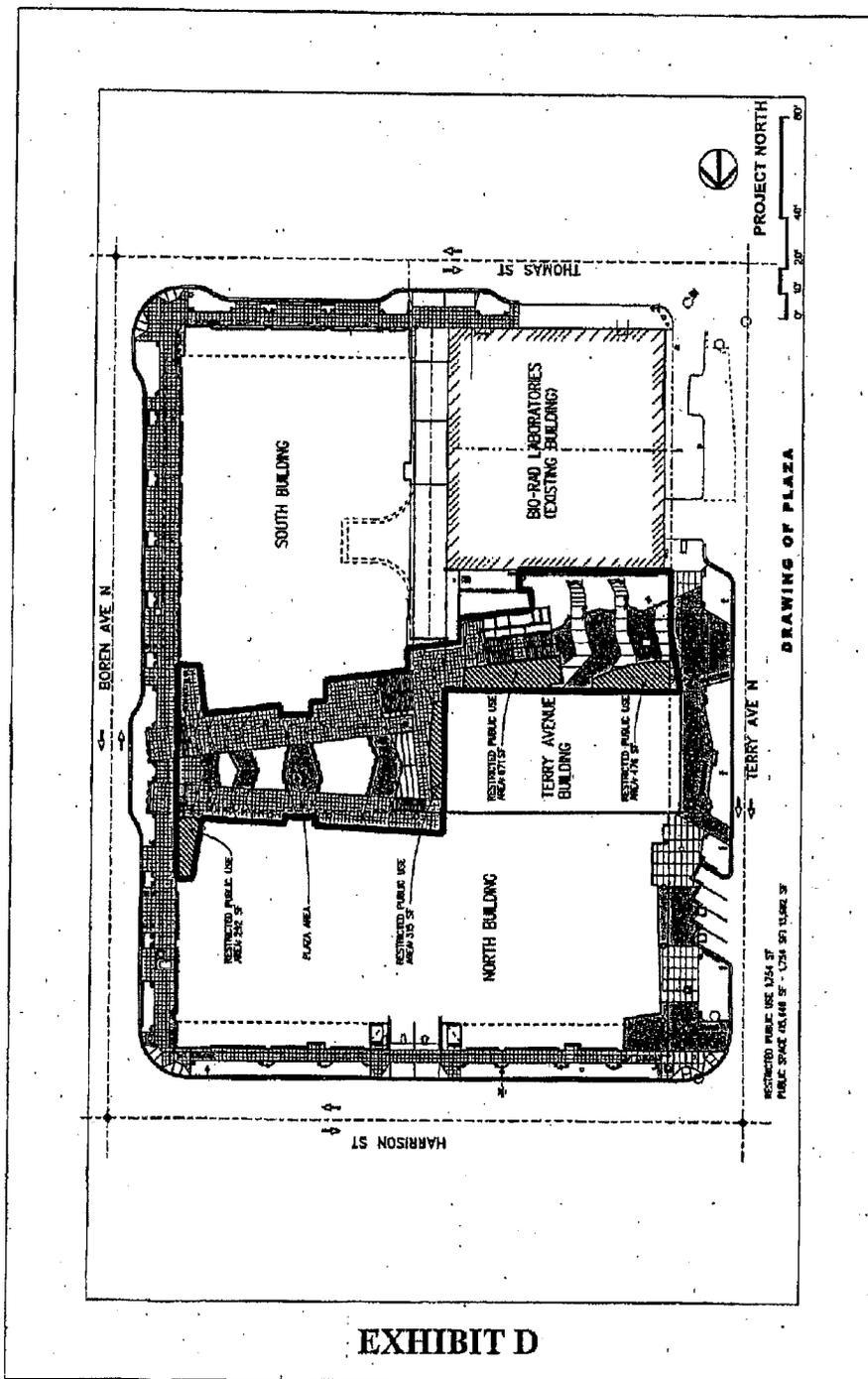


EXHIBIT D

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Department of Transportation	Beverly Barnett/684-7564	Rebecca Guerra/684-5339

Legislation Title:

AN ORDINANCE vacating a portion of the alley in Block 101, D. T. Denny’s Fifth Addition to North Seattle on the petition of City Place IV LLC, a Washington limited liability company; accepting an Easement for Alley Turn-Around for public vehicle turn-around purposes; accepting an Agreement Regarding Stormwater Drainage Improvements to design and construct a new stormwater system to convey stormwater from the alley to the City’s sewer system; and accepting a Property Use and Development Agreement as reflected in Clerk File 309170.

Summary of the Legislation:

This Council Bill completes the vacation process for a portion of the alley in Block 101, D.T. Denny’s Fifth Addition to North Seattle, on the petition of City Place IV LLC, a Washington limited liability company (the “Petitioner”), accepts a turn-around easement, accepts an Agreement Regarding Stormwater Drainage Improvements to design and construct a new stormwater system to convey stormwater from the alley to the City’s sewer system, and accepts a Property Use and Development Agreement for ongoing public-benefit obligations in connection with the alley vacation.

Background:

The project in Block 101 is part of a larger development project encompassing six blocks. Alley vacation petitions were submitted for three of the six blocks that facilitate this development project for Amazon.com’s new global headquarters.

The Petitioner sought vacation of a portion of the alley in Block 101, D.T. Denny’s Fifth Addition to North Seattle, bordered by Harrison Street to the North, Boren Avenue North to the east, Thomas Street to the south, and Terry Avenue North to the west in the South Lake Union neighborhood to facilitate a full block development for this project.

On September 15, 2008, the City Council voted to conditionally grant the Petitioner’s petition to vacate a portion of the alley. The Petitioner subsequently developed two new 12-story office buildings connected by a transparent glass, multi-story connecting bridge, two plazas with a connecting hillclimb, and three levels of below grade parking with approximately 780 stalls. The Petitioner has renovated and preserved the Terry Avenue

building which is designated as an historic landmark and now facilitates three restaurants operated by Tom Douglas.

To meet its public benefit requirement, the Petitioner has incorporated two publically accessible plazas totaling approximately 15,449 square feet which includes a hillclimb connecting the plazas, locally sourced paving materials, drought-tolerant landscaping, seating, lighting, and artwork. A large red-oak has also been planted. Additionally, the Petitioner developed street improvements consistent with the Terry Avenue North Street Design Guidelines, Seattle Department of Transportation Director's Rule 3-05.

Please check one of the following:

X **This legislation does not have any financial implications.**

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

Yes. This legislation does not accept or appropriate funds. The Seattle Department of Transportation received a vacation fee of \$900,000 in 2011, at which time 50 percent was deposited in the CRS Unrestricted Subaccount and 50 percent in the CRS Street Vacation Subaccount.

b) What is the financial cost of not implementing the legislation?

This vacation petition has already been approved by the Seattle City Council which obligates the City to complete the vacation process, provided that the Petitioner meets all the conditions imposed by the Council and the vacation fee is paid. The Petitioner has met all the conditions and paid the vacation fee. Therefore, by not implementing this legislation, the City would be in violation of its obligations, which could have financial implications.

c) Does this legislation affect any departments besides the originating department?

No. As part of the initial vacation review process, all interested departments are notified of the vacation petition and asked to comment. All issues must be resolved prior to the approval of the final legislation

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None. This legislation completes the vacation process.

e) Is a public hearing required for this legislation?

No.

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

No.

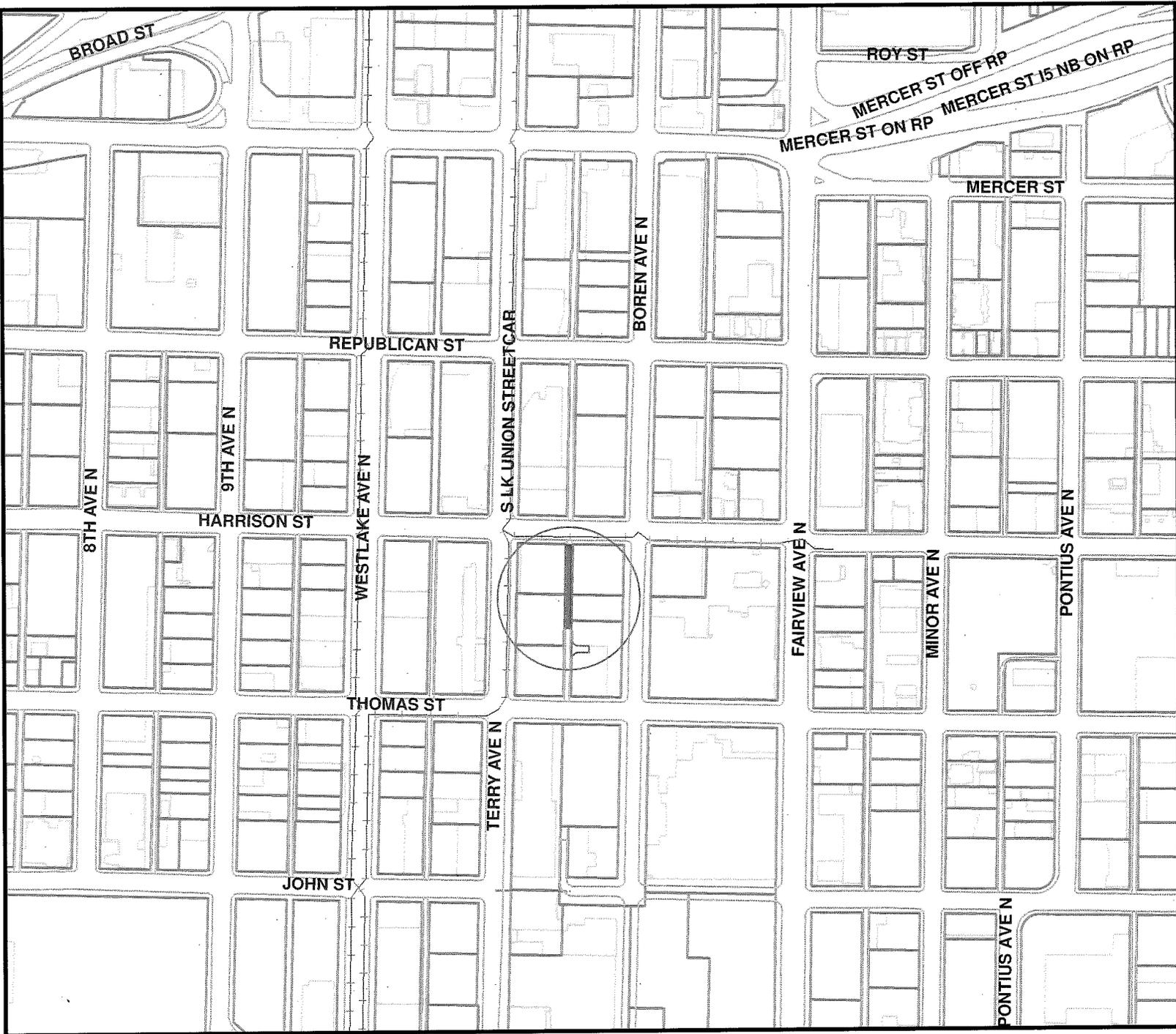
g) Does this legislation affect a piece of property?

Yes, it completes the vacation of right-o-way.

h) Other Issues:

List attachments to the fiscal note below:

Attachment A: Street Vacation Map.

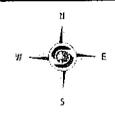


Partial Alley Vacation
and Dedication

North 202 ft of Block 101
DT Denny's Fifth
Addition to N Seattle

CF 309170
Petitioner:
City Place IV LLC

- Vacation Area
3,230 SF
- Easement
Area



©2009
THE CITY OF SEATTLE
All rights reserved.
Produced by the Seattle
Department of Transportati...
No warranties of any sort,
including accuracy, fitness or
merchantability, accompany
this product.

Coordinate System:
State Plane, NAD83-91,
Washington, North Zone
Orthophoto Source:
Pictometry 2007

PLOT DATE : August 2011
AUTHOR : Street Vacation



Partial Alley Vacation of Block 101 DT Denny's Fifth Addition to North Seattle

*For illustrative purposes only and is not intended to modify anything in the legislation.



City of Seattle
Office of the Mayor

November 20, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that would complete the vacation process for City Place IV LLC, a Vulcan affiliated entity that currently owns much of the property abutting the alley (Petitioner). The Petitioner sought to vacate a portion of the alley in Block 101, D.T. Denny's Fifth Addition to North Seattle in the South Lake Union neighborhood to facilitate a full block development that encompasses a portion of Amazon.com's new global headquarters.

On September 15, 2008, the City Council voted to conditionally grant the Petitioner's petition to vacate a portion of the alley. The Petitioner subsequently developed two new 12-story office buildings connected by a transparent glass, multi-story connecting bridge, two plazas with a connecting hillclimb, and three levels of below grade parking with approximately 780 stalls. The Petitioner has renovated and preserved the Terry Avenue building which is designated as an historic landmark and now provides space for three restaurants operated by Tom Douglas.

To meet its public benefit requirement, the Petitioner has incorporated two publically accessible plazas totaling approximately 15,449 square feet which includes a hillclimb connecting the plazas, locally sourced paving materials, drought-tolerant landscaping, seating, lighting, and artwork. A large red-oak has also been planted. Additionally, the Petitioner developed street improvements consistent with the Terry Avenue North Street Design Guidelines (Seattle Department of Transportation Director's Rule 3-05).

The proposed legislation facilitates South Lake Union's transformation into a vital innovative neighborhood. Thank you for your support of this legislation. If you have any questions please contact Beverly Barnett at (206) 684-7564.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council