Ordinance No. 123316

Council Bill No. 110867

AN ORDINANCE granting Macy's Department Stores, Inc. permission to maintain and operate a pedestrian skybridge over 3rd Avenue, between Pine Street and Stewart Street, for a seven-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

Related Legislation File: _____

Date Introduced and Referred: May 17, 2010	To: (committee): Transportation
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: 6.1.10	Date Presented to Mayor: 6.1.10
Date Signed by Mayor: 6.7.10	Date Returned to City Clerk: 6.9.10
Published by Title Only X Published in Full Text _____	Date Vetoed by Mayor:
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Tim Burgess

Committee Action:

Date	Recommendation	Vote
5-25	pass	3-0 TR, JG, SC

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
6.1.10	Passed	9-0

Law Department

Angela Steel
SDOT Macy's Skybridge ORD
March 15, 2010
Version #5a

ORDINANCE 123316

AN ORDINANCE granting Macy's Department Stores, Inc. permission to maintain and operate a pedestrian skybridge over 3rd Avenue, between Pine Street and Stewart Street, for a seven-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

WHEREAS, by Ordinance 88991, the City was authorized to issue a revocable permit (#G-2682) to the Allied Stores Corporation to construct, maintain and operate a pedestrian skybridge over 3rd Avenue; and

WHEREAS, by Ordinance 104687, the City granted the Allied Stores Corporation permission to maintain and operate the pedestrian skybridge over 3rd Avenue, between Pine Street and Stewart Street; and

WHEREAS, the conditions of Ordinance 104687 were amended by Ordinance 121855 and Resolutions 28468, 29202, and 30476; and

WHEREAS, the permission authorized by Ordinance 104687 was renewed for two successive 10-year terms by Resolutions 28468 and 29202 and terminated on March 31, 2005; and

WHEREAS, Macy's Department Stores, Inc. has submitted an application to the Seattle Department of Transportation (SDOT) Director to continue maintaining and operating the pedestrian skybridge and paid annual fees up to March 2010; and

WHEREAS, Macy's Department Stores, Inc. has satisfied all terms of the original authorizing ordinance, paid annual fees up to March 2010, and as required by Chapter 15.64 Seattle Municipal Code (SMC), has submitted the required information; and

WHEREAS, SDOT is evaluating the City's skybridge term permit policies and granting a term permit for less than ten years is consistent with SDOT's evaluation time frame while allowing the skybridge to come into permit compliance; and

WHEREAS, the SDOT Director (Director) has recommends that the term permit be approved subject to the terms identified in this ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. **Permission.** Subject to the terms of this ordinance, permission is granted to Macy's Department Stores, Inc. (Permittee) and its successors and assigns, to maintain and

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operate a pedestrian skybridge (skybridge) over 3rd Avenue, approximately 82 feet north of Pine Street, connecting Block 45 to Block 52, A. A. Denny's 6th Addition to the City of Seattle, between the properties known as King County parcel numbers 1977200980 and 197701320, for the purpose of providing pedestrian travel between the department store and parking garage.

Section 2. **Term.** The permission granted to the Permittee and its successors and assigns, shall be for a term of seven years starting April 1, 2005 and ending at 11:59 p.m. on March 31, 2012. The total term of the permission as originally granted shall not exceed seven years, subject to the right of the City to terminate the permit as provided for in Section 4, require removal as provided for in Section 5, and revise by ordinance any of the conditions of this ordinance. The Permittee shall submit a complete application for a new skybridge ordinance 180 days prior to the ordinance term expiring. Failure to obtain a new skybridge ordinance or remove the skybridge prior to the expiration of the term may be enforced as provided for in Chapter 15.90 SMC.

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 subsequent damage to the utilities due to the construction, repair, reconstruction, maintenance, or operation of the skybridge.

Section 4. **Removal for public use or for cause.** The permission granted is subject to use of the street right-of-way by the City and the public for travel, utility purposes, and other street uses. The City expressly reserves the right to require the Permittee to remove the skybridge at Permittee's sole cost and expense in the event that:

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

(b) 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 written request by the City.

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

Section 5. **Removal requirements.** If the permission granted reaches its termination in seven years and an application for a new permit is not granted or if the City orders removal of the skybridge pursuant to the terms of this ordinance, then within 90 days after the expiration or termination, or prior to the date stated in an Order to Remove, the Permittee shall, at its own expense, remove the skybridge and replace all portions of the street right-of-way that may have been disturbed for any part of the skybridge in as good condition for public use as they were prior to construction of the skybridge and in at least as good condition in all respects as the abutting portions of the right-of-way. The Director shall then issue a certificate discharging the Permittee, or its successor or assign, from responsibility under this ordinance for occurrences after the discharge date.

Section 6. **Repair, reconstruction, readjustment or relocation.** The Permittee shall not reconstruct, relocate, readjust, or repair the skybridge except under the supervision of the Director and in strict accordance with plans and specifications approved by the Director. The

Director may, in the Director's judgment, order the skybridge reconstructed, relocated, readjusted, or repaired at the Permittee's own cost and expense because of: the deterioration or unsafe condition of the skybridge or any part thereof or installation thereon; grade separations; 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 notice to the Permittee and failure of the Permittee to correct any unsafe conditions within the time stated in the notice, the Director may order that the skybridge be closed or removed at the Permittee's expense if the Director deems that it 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 obligation to remove and restore.** Notwithstanding termination or expiration of the permission granted, or closure or removal of the skybridge, the Permittee shall remain bound by its obligation under this ordinance until:

(a) the skybridge and all its equipment and property are removed from the street right-of-way;

(b) the area is cleared and restored in a manner and to a condition satisfactory to the Director; and

(c) the Director certifies that the Permittee has discharged its 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

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from compliance with all or any of the Permittee's obligations to remove the skybridge and its property and to restore any disturbed areas.

Section 9. **Release, hold harmless, indemnification, and duty to defend.** The skybridge shall remain the exclusive responsibility of the Permittee, and the Permittee agrees to maintain the skybridge in good and safe condition. The Permittee, by accepting the terms of this ordinance and the permission granted, releases the City from any and all claims resulting from damage or loss to its own property and covenants and agrees for itself, its successors and assigns, with the City to at all times protect and save harmless the City from all claims, actions, suits, liability, loss, costs, expense, or damages of every kind and description, excepting only damages that may result from the sole negligence of the City, that may accrue to, or be suffered by, any person or persons and/or property or properties, including without limitation, damage or injury to the Permittee, its officers, agents, employees, contractors, invitees, tenants and tenants' invitees, licensees or its successors and assigns, by reason of the construction, maintenance, operation or use of the skybridge, or any portion thereof, or by reason of anything that has been done or may at any time be done by the Permittee, its successors or assigns by reason of this ordinance or by reason of the Permittee, its successors or assigns failing or refusing to strictly comply with each and every provision of this ordinance.

If any suit, action or claim be filed, instituted or begun against the City, the Permittee, its successors or assigns shall, upon notice thereof from the City, defend the same at its or their sole cost and expense, and in case judgment shall be rendered against the City in any suit or action, the Permittee, its successors or assigns shall fully satisfy the judgment within 90 days after an action or suit shall have been finally determined, if determined adversely to the City. If it is

SDS CITY CLERK

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:

(a) the City, its agents, contractors or employees; and

(b) the Permittee, its agents, contractors, employees, or its successors or assigns;

this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Permittee or the Permittee's agents, contractors, employees or its successors or assigns.

Section 10. **Insurance.** For as long as the Permittee, its successors or assigns, shall exercise any permission granted by this ordinance and until the skybridge is entirely removed from its location as described in Section 1 or until discharged by order of the Director as provided in Section 5, the Permittee shall obtain and maintain in full force and effect, at its own expense, insurance that protects 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, operation, maintenance, use or existence of the skybridge permitted by this ordinance and of any and all portions of the skybridge;

(b) Permittee's activity upon, or the use or occupation of the 3rd Avenue right-of-way between Pine Street and Stewart Street, the area described in Section 1; and

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

Minimum insurance requirements are CGL insurance based on the Insurance Services Office (ISO) form CG 00 01 or equivalent. 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

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carrier pursuant to Chapter 48.15 RCW, except that if it is infeasible to obtain coverage with a required insurer, the City may approve an alternative insurer.

Minimum limits of liability shall be $2,000,000 each occurrence combined single limit bodily injury and property damage, with $4,000,000 annual aggregate. Coverage shall name the "City of Seattle, its elected and appointed officers, officials, employees and agents" as additional insureds for primary and non-contributory limits of liability subject to a Separation of Insureds clause.

Permittee shall provide to the City, or cause to be provided, certification of insurance coverage consisting of the CGL declarations page, schedule of forms and endorsements, and blanket or additional insured policy provision per the ISO CG 20 12 or equivalent. The insurance coverage certification shall be delivered or sent to the Director or to the department and address as the Director may specify, from time to time, in writing.

Should the Permittee be self-insured, a letter of certification from the Corporate Risk Manager or appropriate Finance Officer may be submitted in lieu of the insurance coverage certification required by this ordinance, if approved in writing by the City Risk Manager. The letter must provide all information required by the City Risk Manager and document, to the satisfaction of the City 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 subsequently from time to time require updated or additional information. The approved self-insured Permittee must provide 30 days notice of any cancellation or material adverse financial condition of its self-insurance program. The City may at any time revoke

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approval of self-insurance and require the Permittee to obtain and maintain insurance as specified in this ordinance.

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

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 in the sum of $100,000.00 executed by a surety company authorized and qualified to do business in the State of Washington, conditioned that the Permittee will comply with each and every provision of this ordinance and with each and every order of the Director issued under this ordinance. The Permittee shall ensure that the bond shall remain in effect until the skybridge is entirely removed from its location as described in Section 1, or until the Permittee is discharged by order of the Director as provided in Section 5. An irrevocable letter of credit approved by the City Risk Manager may be substituted for the bond.

Section 13. **Adjustment of insurance and bond requirements.** The Director, in consultation with the City Risk Manager, may adjust minimum levels of liability insurance and surety bond requirements during the term of this permission. If the Director and Risk Manager determine that an adjustment is necessary to fully protect the interests of the City, the Director

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shall notify the Permittee of the new requirements in writing. Upon receipt, the Permittee shall within 60 days, provide proof of the adjusted insurance and surety bond levels to the Director.

Section 14. **Consent for and conditions of assignment or transfer.** The right, privilege and authority granted shall not be assignable or transferable by operation of law; nor shall the Permittee, its successors or assigns 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 and/or transferal of the permit to a successor entity in the case of a change of name and/or ownership if the successor or assignee has demonstrated its acceptance of all of the terms of the permission provided by this ordinance.

Section 15. **Inspection fees.** The Permittee, its successors and assigns shall, as provided by Chapter 15.76 SMC, pay to the City the amounts charged by the City as costs to inspect the skybridge during construction, reconstruction, repair, annual structural inspections, and at other times deemed necessary to ensure the safety of the skybridge.

Section 16. **Inspection report.** The Permittee, its successors and assigns shall submit to SDOT Roadway Structures Division an inspection report that:

(a) describes the physical dimensions and condition of all load-bearing elements,

(b) describes any damage or possible repairs to any element of the skybridge,

(c) prioritizes all repairs and establishes a timeframe for making the repairs, and

(d) is stamped by a professional structural engineer licensed in the State of Washington.

The report shall be submitted within 60 days after the effective date of this ordinance. In the event of a natural disaster or other event that may have damaged the skybridge, the report shall be submitted by the date established by the Director.

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Section 17. **Annual fee.** Permittee shall promptly pay to the City, upon statements or invoices issued by the Director, an annual fee for the privileges granted by this ordinance in the amount of $31,185.00, beginning on April 1, 2010, and adjusted annually thereafter. Adjustments to the annual fee shall be made in accordance with a term permit fee schedule ordinance 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 of the Consumer Price Index for the Seattle-Tacoma-Bremerton 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 18. **Non-discrimination.** The Permittee shall comply with the City's laws prohibiting discrimination in employment and contracting including, the Seattle Fair Employment Practices Ordinance, Chapter 14.04 SMC, and the Fair Contracting Practices code, Chapter 14.10 SMC.

Section 19. **Acceptance of terms.** The Permittee shall deliver to the Director its written signed acceptance of the terms 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 acceptance is not 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.

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Section 20. **Ratify and confirm.** Any act taken by the City or the Permittee pursuant to the authority and in compliance with the conditions of this ordinance, but prior to the effective date, is hereby ratified and confirmed.

Section 21. This ordinance shall take effect and be in force 30 days from and 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 Municipal Code Section 1.04.020.

Passed by the City Council the 1st day of June, 2010, and signed by me in open session in authentication of its passage this

1st day of June, 2010.

President _____ of the City Council

Approved by me this 7th day of June, 2010.

Michael McGinn, Mayor

Filed by me this 9th day of June, 2010.

City Clerk

(Seal)

SDS CITY CLERK

Form revised February 4, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle Department of Transportation	Angela Steel/684-5967	Stephen Barham/733-9084

Legislation Title:
AN ORDINANCE granting Macy's Department Stores, Inc. permission to maintain and operate a pedestrian skybridge over 3rd Avenue, between Pine Street and Stewart Street, for a seven-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

- **Summary of the Legislation:**
  This legislation will allow Macy's Department Stores, Inc. to continue maintaining and operating the existing skybridge located across 3rd Avenue, between Pine Street and Stewart Street. An area map is attached for reference.

  This skybridge permit is for a term of seven years commencing from the expiration of the last term permit on April 1, 2005. The legislation specifies the conditions under which authorization is granted and provides for acceptance of the permit and conditions.

  The Macy's Department Store, Inc. is to pay the City of Seattle an annual fee of $31,185.00 commencing from the last paid annual fee invoice, April 1, 2010, and annually thereafter. Adjustments to the annual fee may be made every year and if so made shall be calculated in accordance with a term permit fee schedule adopted by the City Council by ordinance. In the absence of such a schedule, the Director may only increase or decrease the previous year's fee annually 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 of the Consumer Price Index for the Seattle-Tacoma-Bremerton Area, All Urban Consumers, All Products, Not Seasonally Adjusted. Further details on the Annual Fee Appraisal Summary are attached.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

  By Ordinance 104687, the City granted permission to the Allied Stores Corporation to construct, maintain, and operate a skybridge across 3rd Avenue, between Pine Street and Stewart Street. Ordinance 104687 was renewed by Resolutions 28468 and 29202 and the permission authorized by Ordinance 104687 expired on March 31, 2005.

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- *Please check one of the following:*

____ **This legislation does not have any financial implications.** (*Stop here and delete the remainder of this document prior to saving and printing.)*

__X__ **This legislation has financial implications.** *(Please complete all relevant sections that follow.)*

Appropriations: *This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.*

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
TOTAL				

**See budget book to obtain the appropriate Budget Control Level for your department.*

Notes: *N/A*

Anticipated Revenue/Reimbursement: Resulting From This Legislation: *This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
Transportation Operating Fund 10310	Seattle Department of Transportation	Annual Fee –	$31,185.00	$31,185.00 + CPI
TOTAL			**$31,185.00**	**TBD**

Notes:

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: *This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.*

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2010 Positions	2010 FTE	2011 Positions*	2011 FTE*

SEA CITY CLERK

TOTAL							

** 2010 positions and FTE are <u>total</u> 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.*

Notes: N/A

- **<u>Do positions sunset in the future</u>?** No.

<u>Spending/Cash Flow</u>: *This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.*

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Anticipated Expenditures
TOTAL				

** See budget book to obtain the appropriate Budget Control Level for your department.*

Notes: N/A

- **<u>What is the financial cost of not implementing the legislation</u>?**
  If the legislation is not enacted by the City Council, the City of Seattle will not receive the annual fee of $31,185.00 for at least two years. As previously stated, the City of Seattle has the option to adjust the fee amount on an annual basis. The skybridge, as originally permitted under Ordinance 104687, will no longer be permitted.

- **<u>Does this legislation affect any departments besides the originating department</u>?** None

- **<u>What are the possible alternatives to the legislation that could achieve the same or similar objectives</u>?** None

- **<u>Is the legislation subject to public hearing requirements</u>:** No

- **<u>Other Issues</u>** N/A

- **<u>List attachments to the fiscal note below</u>:**

  Attachment A - Macy's Skybridge Area Map
  Attachment B - Annual Fee Appraisal Summary

2010 CITY CLERK

Angela Steel
SDOT Macy's Skybridge ATT A
March 21, 2010
Version #1

Attachment A – Macy's Skybridge Area Map

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

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Attachment B - Annual Fee Appraisal Summary

STREET USE VALUE ESTIMATE

Summary:
Land Value: $550/SF
First Year Permit Fee: $31,185.00

Date: 8/21/2009
Prepared by: John Bresnahan Sr. Real Estate Agent

I. Property Description:

That portion of the 90' wide public road right-of-way known as 3rd Avenue bounded by Pine Street to the south and Stewart Street to the north lying beneath the Macy's Building/Parking Garage skybridge, connecting tax parcels 197720-1320 and 197720-0980, measuring approximately 1,260 square feet (14' skybridge width X 90' right-of-way).

II. Applicant:

Macy's, 300 Pine St., Seattle. / Pine Garage, LLC, 1601 3rd Ave., Seattle

III. Zoning, Size, Assessed Value:

Parcel 197720-1320 (Macy's Store)--DRC-85/150--81,100 square feet---Assessed $300/SF
Parcel 197720-0980 (Parking Garage)--DRC-85/150--31,262 square feet--Assessed $300/SF.

IV. Highest and Best Use Analysis:

The highest and best use of this particular public road right-of-way would be assemblage to the adjoining properties.

V. Sales Data Summary Based on Parcel Size:

	Sale #1	Sale #2
Location	2301 6th Ave.	811 5th Ave.
Sale Price	$49,887,233	$30,000,000
Area SF	83,522	30,720
Sale Date	11/2007	3/2008
Zoning	DMC-240/290-400	DOC1U/450/U
Price/SF	**$597**	**$977**
Parcel Number	069700-0105	094200-0530

Sales Data Summary Based on Zoning-CBD South of Stewart Street:

	Sale #1	Sale #2	Sale #3
Location	1520 3rd Ave.	1506 5th Ave.	1424 4th Ave.
Sale Price	$6,000,000	$13,026,560	$25,150,000
Area SF	6,970	13,199	12,210
Sale Date	10/2005	3/2007	4/2008
Zoning	DRC-85/150	DRC-85/150	DRC-85/150
Price/SF	**$861**	**$987**	**$2,059***
Parcel Number	197570-0380	197570-0155	197570-0235

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Sales Data Summary North of Stewart Street:

	Sale #1	Sale #2	Sale #3	Sale #4
Location	800 Stewart St.	1912 4th Ave.	901 Lenora	5th and Stewart
Sale Price	$9,839,000	$10,800,000	$12,995,000	$9,000,000
Area SF	13,560	14,400	21,601	12,960
Sale Date	9/2008	4/2006	For Sale	5/2006
Zoning	DOC2	DOC2-500	DMC240	DOC2-500
Price/SF	**$726**	**$750**	**$601**	**$694**
Parcel Number	066000-0625	065900-0410 (multiple)	066000-1310	065900-0455

***- building contributes significant value.**

VI. Notes:

Sales comps were considered a number of different ways in this estimate due to the lack of directly comparable sales of land with similar size and zoning. Looking at it first by recent sales with similar size in the CBD and just north shows a larger land parcel, similar in size to Macy's, but with inferior location and inferior zoning, sold for $600 per SF in 2007. Adjustments would be made upward for location and zoning, and downward for current market conditions. A smaller parcel roughly the size of the parking garage property sold in 2008 for $977 per SF, with superior zoning and location, so a downward adjustment would be made for that and for current market conditions.

Looking at sales by zoning within the CBD shows a range of values of $861-$2,059 per SF. There were no transactions of raw land, but it appears that sale #1 could be a redevelopment site, so the building appears to contribute little value. The sale is old, the location and zoning similar, but the size is significantly inferior. A downward adjustment would be made for market conditions and size.

There were no sales of DRC zoned properties north of Stewart Street. There were raw land sales: #1 and #4. Sales #2 and #3 are probably redevelopment sites. The range of values was $601-$750, with the lowest being a parcel currently listed for sale, and possibly reflecting the current market condition. All sales are inferior to the subjects in size and location.

The range of values for relevant sales of land and redevelopment sites in the vicinity has been $386-$977/SF where the higher values are generally for much smaller parcels. Taking into account the current market conditions, the estimated land value per square foot is $550, blended.

VII. Conclusion:

The value of that portion of 3rd Avenue spanned by the skybridge is estimated at $550.00 per square foot, blended. The first year permit fee should be calculated as follows: ($550/SF) X (1,260SF) X (50%) X (9%) = $31,000.00 (rounded), where 50% is the air rights/alienation multiplier and 9% is the rate of return.

CITY CLERK

City of Seattle

Michael McGinn, Mayor

Office of the Mayor

April 20, 2010

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that will grant to Macy's Department Stores, Inc. a new seven-year permit to maintain and operate an existing pedestrian skybridge over 3rd Avenue, between Pine Street and Stewart Street, linking the parking garage and department store.

The term for this skybridge permit will commence from the expiration of the last term permit, April 1, 2005. The Seattle Department of Transportation (SDOT) is currently evaluating the City's skybridge term permit policies and granting a term permit for less than ten years is consistent with SDOT's policy evaluation time frame.

In addition to authorizing a new term, the proposed Bill updates the insurance and bond requirements, amends the annual fee, and specifies the conditions under which authorization is granted.

Thank you for considering this legislation. Should you have questions, please contact Angela Steel at (206) 684-5967.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749
Tel: (206) 684-4000, TDD: (206) 615-0476 Fax: (206) 684-5360, Email: mike.mcginn@seattle.gov
An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.

2010 CITY CLERK

STATE OF WASHINGTON – KING COUNTY

--ss.

256192 No.
CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123312-17 TITLE ONLY

was published on

06/15/10

The amount of the fee charged for the foregoing publication is the sum of $ 88.73, which amount has been paid in full.

Subscribed and sworn to before me on

06/15/10

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on June 1, 2010, and published here by title only, will be mailed upon request, or can be accessed at http://clerk.ci.seattle.wa.us. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123312

AN ORDINANCE vacating the portion of 2nd Avenue South between South Mead Street and South Fidalgo Street, Commercial Street Steam Motor Addition to the City of Seattle, on the petition of Capital Industries, Inc. (Clerk File 307992).

ORDINANCE NO. 123313

AN ORDINANCE granting Hammer Company and Clise, Inc. permission to maintain and operate a pedestrian skybridge over the alley between 5th Avenue and 6th Avenue, south of Lenora Street, for a seven-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123314

AN ORDINANCE granting Lambda Association of Gamma Phi Beta permission to maintain and operate a pedestrian skybridge over the alley between 17th Avenue Northeast and 16th Avenue Northeast, north of Northeast 45th Street, for a four-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123315

AN ORDINANCE granting Theta Chi Fraternity, Inc. permission to maintain and operate a pedestrian skybridge over the alley between 17th Avenue Northeast and 16th Avenue Northeast, south of Northeast 47th Street, for a seven-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123316

AN ORDINANCE granting Macy's Department Stores, Inc. permission to maintain and operate a pedestrian skybridge over 3rd Avenue, between Pine Street and Stewart Street, for a seven-year term; specifying the conditions under which this permit is granted; providing for acceptance of the permit and conditions; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123317

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Publication ordered by the City Clerk

Date of publication in the Seattle Daily Journal of Commerce, June 15, 2010.

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