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February 16, 2021

VIA EMAIL

City of Seattle
Office of the City Clerk
Attention: Waterfront LID Appeal, CWF-0392
P.O. Box 94728
Seattle, WA 98124-4728

Email: cityclerkfiling@seattle.gov

**Re: Local Improvement No. 6751
CWF-0392: Notice of Appeal of Final Decision of Hearing Examiner**

Property Owner: **Pike Place Market Preservation and Development Authority**
85 Pike Street, #500
Seattle, WA 98101

Stewart House Parcel Numbers 800855-0000 (B-198-001, B-198-002, B-198-003, B-198-004)	North Arcade Parcel Number 1977200385 (B-188)
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To the Members of the Seattle City Council:

On behalf of the Pike Place Market Preservation and Development Authority (“PDA”), we respectfully submit the following appeal of the Hearing Examiner’s recommended resolution of the PDA’s objections to the proposed final assessment roll for Local Improvement District No. 6751 (the “Waterfront LID”).

The purpose of this appeal is to request consistency in the treatment of LID assessments of two properties owned by the PDA. As the Council is aware, the PDA-owned and managed Pike Place Market (“the Market”) is a special community within the heart of Seattle’s downtown. More than just the city’s beloved public market, the Market is a vibrant neighborhood comprised of hundreds of farmers, craftspeople, small businesses and residents. In addition to preserving and protecting the historic buildings and character of the Market’s nine-acre historic district and serving as an incubator and supporter of farmers, artisans and small businesses, the PDA

operates under a Charter of the City of Seattle to provide housing and services for low-income individuals.

Under this Charter, the PDA has developed and retains management of 373 apartments affordable to low and moderate income tenants. Consistent with the City Council's previous determination concerning the LID, such housing is exempt from LID assessments. The PDA has requested exemption from LID assessments only for the five properties which are subject to long-term contracts with governmental entities to provide this housing. Exemptions have been granted for four of these properties: the LaSalle, Pine, Western Avenue Senior Housing and PC-1 South Condominium buildings. Yet, for reasons that remain unexplained, the City and the Hearing Examiner have refused to extend the same exemption to Stewart House.

Accordingly, the PDA has filed this appeal to again request that the exemption for low-income housing also apply to Stewart House. Stewart House was built for the purpose of providing low income housing under contracts with the United States Department of Housing and Urban Development ("HUD"), has been operated as such continuously for 40 years, and remains under contract to continue to operate with federal subsidies in this manner until at least 2032. Despite this long record as a housing provider, the City (through the LID Appraiser) and the Hearing Examiner ask the Council to ignore this reality, and assess the PDA's low-income housing property as if it were a residential building, unrestricted in rents and income levels.

In other words, the City asks the Council to not only ignore the actual and historical use of the property, but to assess the PDA on a use that is contrary to the PDA's mission, and is in fact foreclosed by the many legal restrictions on Market property. The City's assessment has no basis in fact or law and should be overturned.

Similarly, the City's assessment of the North Arcade parcel continues to overstate its value and ignore its actual use, along with the significant legal and practical restrictions on any future use. The North Arcade assessment should likewise be further reduced.

I. Procedural History

The PDA is the owner of 14 properties (32 assessed tax parcels) within the Waterfront LID, however, it filed specific formal objections only to the assessments of two Market properties: Stewart House Condominium and the property referred to as the North Arcade of Public Market ("North Arcade").

On February 3, 2020, the PDA filed objections to the Waterfront LID concerning these two properties. A component of the PDA's objection to the North Arcade assessment was to direct the City to correct the ownership of the North Arcade parcel; the assessment roll had indicated the property was owned by the Seattle Department of Transportation ("SDOT"), not the PDA. The PDA raised this issue even though the result of this objection would be to increase its overall LID burden.

On August 13, 2020, the City submitted amended assessments to the final assessment roll for certain properties, including correcting the ownership of the North Arcade. The amended assessment proposed a reduction to the special benefit estimate for the North Arcade parcel consistent with the change in ownership to reflect the special restrictions on Market property in the historic district. The North Arcade assessment was thus reduced from \$103,833 to \$71,736, and added to the PDA's total LID share. The City did not recommend changes to the Stewart House assessment at that time.

On September 8, 2020, the Hearing Examiner issued a report recommending that the PDA's objections be remanded for further consideration. Specifically, the Hearing Examiner observed that the City's amended assessment for the North Arcade had been submitted after the close of the record and that the PDA had not had the opportunity to respond to it. With respect to Stewart House, the Hearing Examiner found that the City had failed to respond to the PDA's objections pertaining to the Stewart House assessment, and as such, the Hearing Examiner was without sufficient information to make a recommendation as to the merits. As such, the PDA's objections were remanded for further consideration by the City's appraiser.

On December 4, 2020, the City provided its revised valuation. The City made no further changes to the North Arcade assessment beyond the City's August amendments and again provided no response to the PDA's objections relating to Stewart House.

On December 22, 2020, the PDA participated in the deposition of the City's appraiser, Robert McCauley. Mr. McCauley testified that he rejected the PDA's objection because he was not aware of any contractual or deed restrictions related to the provision of low-income housing at Stewart House. *See Appendix at 49.*¹ However, the PDA had provided the City with its HUD contract to provide low-income housing in conjunction with its prior objection. Appendix at 16. Regardless, as a component of its briefing on remand, the PDA resubmitted its 20-year contract with HUD that restricts the use of Stewart House Units 1 and 3 to low-income housing until 2032.

Consistent with the schedule set by the Hearing Examiner, on January 8, 2021, the PDA filed objections on remand to City's revised valuation. The City filed a response on January 12, 2021 recommending the Hearing Examiner deny the PDA's objections. The City opined only that the PDA could theoretically terminate its contract to provide low-income housing before 2032, and as such, no exemption for Stewart House Units 1 and 3 should apply. The City's January 12 filing was the first time the City had articulated a response to the PDA's Stewart House objection, over a year after the PDA first raised it. On January 15, 2021, the PDA filed its Closing Statement. On January 29, 2021, the Hearing Examiner issued its Final Recommendation, recommending the denial of the PDA's objections.

¹ For ease of reference, the PDA has included selected supporting materials in the attached Appendix. The PDA incorporates by reference the materials filed in this matter to date, including those filed by the City.

II. The Pike Place Market

Listed on the National Register of Historic Places, the Market is a nine-acre historical district located adjacent to the Seattle Waterfront that is home to hundreds of small businesses, craftspeople, farmers, and residents. As noted, the Market is owned and managed by the PDA, a City-chartered not-for-profit self-sufficient governmental entity tasked with preserving, rehabilitating, and protecting the Market’s buildings, increasing opportunities for farm and food retailing within the Market, incubating and supporting small and marginal businesses; and providing services for low-income people, including supportive housing.² Under its charter, the PDA owns and manages 14 distinct properties in the Pike Place Market Historical District, including commercial properties, housing and public parking. The PDA relies on income from its property management for its operations and receives no operational funding from the local or state government.

With respect to housing, the PDA owns three HUD-subsidized buildings located directly within the Market, which provide income-qualified housing to low-income people. Appendix at 54-55 (Declaration of Mary Bacarella ¶ 2). One of those buildings is Stewart House, which provides 48 HUD-subsidized “Section 8” units and 38 Single Room Occupancy (“SRO”) apartments. The SRO units provide limited amenities and are affordable to tenants at below 50% of Seattle’s area median income. *Id.*; Appendix at 2.

Consistent with its mission, the Market is subject to multiple regulatory schemes governing the development, use, and operation of Market properties. These regulatory overlays, while crucial to the Market’s community-strengthening public purposes, also significantly restrict the ability of the PDA to realize the incremental value created by the Waterfront LID project. Specifically, the Market is subject to the following regulatory regimes generally not applicable to similarly situated private property:

- 1) Limitations on the Adaptability of PDA-Owned Property:** The PDA’s operations are governed by a City-issued Charter,³ which constrains changes in use of PDA property by describing the public market mission in terms that effectively prohibits the replacement of traditional uses with more lucrative retail operations and generally prohibiting the sale of real property.
- 2) Pike Place Urban Renewal Plan:** Adopted by the City Council in 1974 and extended indefinitely by Council action in 2013, the Pike Place Urban Renewal Plan (the “Plan”) functions as a zoning overlay over all PDA real property.⁴ The Plan imposes rehabilitation standards for buildings, prohibits demolition of any building without City Council approval, and requires at least 20% of the residential units or 350 units

² See <http://pikeplacemarket.org/governance>. PDA staff has knowledge of the facts set forth herein and can be made available to testify to the same if necessary.

³ <http://pikeplacemarket.org/sites/default/files/Charter%20Pike%20Place%20Market%20PDA.pdf>

⁴ <https://www.seattle.gov/Documents/Departments/SDCI/Codes/PikePineUrbanRenewalPlan.pdf>; see also Seattle Ordinance No. 124361 (extending renewal plan).

(whichever is greater) for low-income households in the residential development within the Plan area.

- 3) **Pike Place Market Historical District:** The Pike Place Market Historical District, which includes all PDA-owned property, imposes Historic Commission review and approval requirements for any proposed construction or change to PDA properties.⁵ The Commission has broad discretion to determine if the “buildings and continuance of uses in the Historical District [have] architectural, cultural, economic, and historical value.” The Commission’s guiding criteria relies on the historic role of the Pike Place Market as: the center of local farm marketing, a gathering place for people of varying backgrounds, a provider of housing for a community of low-income residents, an example of small independent businesses operations, and a distinctive area in which humble buildings have serviced and adjusted to a variety of marketing activities. The Commission must also plan for the perpetuation of the Market and historic Market activities.
- 4) **Deed Restrictions on Specific Properties Further Limit Their Adaptability:** The PDA acquired certain properties subject to various deed restrictions, covenants and conditions that further limit the uses to which the subject property is adaptable.

In light of the applicable regulatory schemes, the PDA’s properties are in general not reasonably adaptable to uses other than their current use. Importantly, an action by the PDA that has the effect of changing traditional uses of its property and imposing market-rate rents would be *ultra vires*, outside the legal power of the PDA, and therefore void.

These are important constraints. They are not traditionally expressed in recorded restrictions and covenants on the use of property. They are not easily researched. It is understandable that they may have not surfaced in an appraisal involving thousands of separate properties, or that they are not easily understood. However, these constraints are not theoretical: they are evidenced through the documents and practice the PDA presented in its objections over the course of the past year, yet they have inexplicably been disregarded by the City and the Hearing Examiner.

III. The Assessments

The PDA formally objected to the assessments on only the North Arcade and Stewart House out of the PDA’s 32 assessed parcels included in the Waterfront LID. The North Arcade objection was granted in part, but the Stewart House objection was denied in full. As detailed below, the Council should reject the Hearing Examiner’s recommendations with respect to both properties and grant the PDA’s objections. *See Hasit LLC v. City of Edgewood (Local Improvement Dist. #1),* 179 Wn. App. 917, 949, 320 P.3d 163 (2014) (City Council’s review of hearing examiner’s report is de novo).

⁵ See Seattle Ordinance No. 100475; see also <http://www.seattle.gov/neighborhoods/programs-and-services/historic-preservation/historic-districts/pike-place-market-historical-district#pikeplacemarkethistoricalcommission>

A. The Stewart House Assessment Should be Reduced to Account for the Provision of Low-Income Housing.

1. The PDA has provided low-income housing at Stewart House since 1982 and will continue to do so.

The Stewart House Condominium building is located at 80 Stewart Street, within the Pike Place Market Historical District. *See Appendix at 2.* Stewart House is comprised of three condominium units. *Id.* Unit 1 contains 48 housing units restricted to low-income seniors participating in the HUD Section 8 program. Of the 48 apartments, 46 are studio apartments and two are one-bedroom units. Unit 2 is a commercial space containing retail tenants. Unit 3 contains 38 single room occupancy (SRO) units with shared bathrooms. *Id.* at 2-5. The residential units in Unit 1 are included in the Housing Assistance Payment contract with HUD for the provision of low income housing. This contact is currently in effect until 2032. *Id.* at 23. Although no rental subsidies are provided for the units in Unit 3, the SRO units function as low-income housing as a result of their rent structure and lack of market-rate amenities. Appendix at 16, 54.

The Market has provided low-income housing at Stewart House since 1982 and is under contract with HUD to do so through at least 2032. Appendix at 23. Further, as noted above, the PDA is effectively prohibited via its Charter and the restrictions in the Market Historical District from changing the current use of any Market properties. Finally, the PDA has no intention or desire to convert Stewart House Units 1 and 3 to any other use, as doing so would be contrary to its mission. Appendix at 54-55. There is no evidence in the record to the contrary.

2. The City's assessment of Stewart House ignores its historical, current, and future use as low-income housing.

The total proposed final LID assessment for Stewart House is \$197,869, which is divided on the proposed final assessment roll between four separate parcels. *See Final Assessment Roll.* Each of the three units at Stewart House is assigned a separate parcel number, with the fourth parcel number assigned to an undivided interest in the Stewart House land. The PDA objected to the special benefit analysis for Stewart House because the assessments for Units 1 and 3 (and their corresponding share of the land value value) do not reflect the fact that both parcels are used to provide low-income housing.

The City did not dispute that the PDA is a party to a 20-year contract with HUD for the provision of these services. Nor did the City dispute any of the factual information provided by the PDA relating to the population served by Stewart House, the restrictions on the development of Stewart House arising both from the HUD contract and the Market's charter, the limitations imposed by the Market Historical District, or the corresponding lack of special benefit as a result. Rather, the City's only response to the PDA's objection was that the PDA could

theoretically terminate the HUD contract at some unspecified point in the future.⁶ Specifically, the City's appraiser summarily stated that "Section 8 of [the HUD] contract indicates that the contract can be terminated prior to 2032 and, as a result, is not the type of restrictive covenant that warrants a zero assessment." McCauley Decl. ¶ 34. But the cited section of the HUD contract does not bestow early termination rights upon the PDA. Rather, section 8 merely states that before the contract is ultimately terminated (presumably in 2032, unless it is renewed again), the PDA is required to provide notice to residents. *See Appendix at 30.* Despite the City's misunderstanding of the contract language, the Hearing Examiner nonetheless adopted the City's argument, concluding "Where the HUD contract is not an absolute restriction on use, and because it is possible for the owner to use it as something other than low-income housing, a zero assessment for the two units of Stewart House Condominiums is not warranted." Final Order at 102. The Council should reverse the Hearing Examiner's decision for multiple reasons.

First, the City is wrong that the PDA could discontinue the provision of low-income housing at Stewart House. The PDA built and renovated Stewart House for that express purpose with City funding 40 years ago. The PDA secured that operation with a 20-year contract with HUD to provide Section 8 housing in 1982. The PDA has repeatedly renewed that contract, the latest iteration of which runs through 2032. Appendix at 23 ("The Renewal Contract begins on August 11, 2012 and shall run for a period of twenty (20) years."). No provision of the contract grants the PDA early termination rights, and no evidence in the record even suggests the PDA would want to terminate the HUD contract if it could. The evidence in the record demonstrates the contrary. *See Appendix at 54-55 (Bacarella Decl. ¶¶ 4-6).*

Second, even if it theoretically could, there is no basis on which the City should assume that the PDA would terminate its contract with HUD prior to 2032 and cease to provide low-income housing at Stewart House. To the contrary, the PDA's Charter expressly provides that the provision of low-income housing is central to the PDA's purpose.⁷ Stewart House was constructed for this purpose, which is consistent with the PDA's long history of providing housing to low-income residents via numerous different PDA properties. *See App. at 1-3.* Moreover, the limitations on the PDA's properties in the Market Historical District prohibit the sale or further development of Stewart House. Neither the City nor the Hearing Examiner acknowledged this amalgamation of restrictions, which has the effect of assuring the continued provision of low-income housing at Stewart House, nor do they explain why they should not be

⁶ Moreover, the City's delay in providing this rationale was prejudicial to the PDA. Mr. McCauley's December 22, 2020 deposition testimony suggested only that he had overlooked the HUD contract and other information provided by the PDA when refusing to apply the low-income housing exemption to Stewart House and that he would consider such information upon remand. Appendix 49 (McCauley Dep. 20:6-21:13). It was not until the City's January 12, 2021 response brief that the City articulated the actual basis for the denial, namely, the City's unfounded assumption that the PDA would terminate its HUD contract before 2032 and take up commercial activity in Stewart House. The PDA's closing statement was due just three days later. Though the PDA disputed the City's assumption with ample record evidence of the actual and future use of Stewart House, the Hearing Examiner nonetheless accepted the City's assumption without elaboration. *See Final Order at 102.*

⁷ See Pike Place Market Preservation and Development Authority Charter, page 2.

<http://pikeplacemarket.org/sites/default/files/Charter%20Pike%20Place%20Market%20PDA.pdf>

credited in a manner consistent with other PDA properties providing commensurate residential services to low-income residents.

Third, the City has inexplicably singled out Stewart House for disparate treatment from other PDA properties that provide low-income housing. The PDA raised these disparities in both its February 3, 2020 and January 8, 2021 objections, and yet the City failed to respond to these facts until its final response on remand. *See City Response, January 12, 2021.* Specifically, the City's valuation properly recognized that no assessment should apply to similar PDA properties that provide low-income housing, including the Lasalle Building, Pine Building, PC-1 South and MarketFront. *See Final Assessment Roll; see also Appendix at 51-53.* Each of these buildings has condominiums with specific units dedicated to low income housing, each governed by a variety of agreements, including contracts with HUD under section 8, extended use agreements with the Washington State Housing Finance Commission or contracts with the City of Seattle. Yet Stewart House alone was levied an assessment that ignores its historical, current, and future actual use as low-income housing. The City's speculation about "possible" future commercial use in the face of contrary evidence is error.⁸

Finally, the Council should consider the fact that the PDA has an exemption from property taxes for all properties in the Market Historical District, regardless of use, as all uses are constrained by the PDA Charter. Despite this, the PDA appealed the LID assessment levied against only Stewart House and North Arcade, out of its 32 impacted parcels. Where the undisputed record demonstrates that the PDA has and will continue to provide low-income housing at Stewart House long into the future (and further is prohibited from developing Stewart House to a use inconsistent with the PDA Charter), a zero assessment for the impacted units and corresponding land value is equitable and should apply.

⁸ "An expert's prediction of future highest and best use must be reasonable. It cannot be based on speculation." *Bellevue Plaza, Inc. v. City of Bellevue*, 121 Wn. 2d 397, 417–18, 851 P.2d 662 (1993) (citations omitted). Moreover, as the Supreme Court observed in *Doolittle v. City of Everett*:

An owner who is assessed for LID improvements based upon potential highest and best use is forced to pay an assessment on a valuation which may or may not become a reality. Many factors, other than the market, influence the actual and potential use of any parcel of real estate. Not the least of those nonmarket factors are personal considerations and familial relationships, plus the ever-present tax consequences. When the governmental unit assesses its LID charges on a theoretical, compared to existing use, it is forcing the owner to pay on the basis of what an expert says the owner *should* do with his property. These facts must be considered in an assessment proceeding in application of the principle that future use to which property is reasonably adapted within a reasonably foreseeable time may be considered. This case illustrates the hazard of full application of the highest and best use principle. The City's principal appraiser proceeded on the basis that all improvements would be removed, the parcels combined, access changed and existing rental incomes destroyed. The owner's present use cannot dictate entirely the calculation of special benefits. However, potential highest and best use considerations must take into account the limitations expressed.

114 Wn.2d 88, 105–06, 786 P.2d 253 (1990) (second emphasis added).

3. Applying the low-income housing exemption, the Stewart House assessment should be reduced to \$77,397.

The elements of the Stewart House assessment as recommended by the Hearing Examiner are set forth in the table below.

Parcel ID/LID Map Number (Description)	Market Value w/o LID	Market Value with LID	Special Benefit	Total Assessment
8008550000/ B-198-001 (Land)	\$10,091,000	\$10,343,000	\$252,000	\$98,739
8008550000 B-198-002 (Unit 1)	\$5,988,000	\$6,093,000	\$105,000	\$41,141
8008550000 B-198-003 (Unit 2)	\$5,642,000	\$5,741,000	\$99,000	\$38,790
8008550000 B-198-004 (Unit 3)	\$2,799,000	\$2,848,000	\$49,000	\$19,199
Total:	\$24,520,000	\$25,025,000	\$505,000	\$197,869

The special benefit assessment for Stewart House should be reduced by the amount allocated to the low-income housing Units 1 and 3, on the established principle that such properties are exempt from assessment for LID improvements. Unit 1 is assessed at \$41,141 and Unit 3 is assessed at \$19,199; both of these amounts should be subtracted from the Stewart House assessment.

Further, the undivided interest in land should be further reduced by the amounts allocated to Units 1 and 3. Specifically, according to the King County Assessor, Stewart House Unit 1 is assessed at 41.5 % of the improvement value, and Unit 3 is assessed at 19.4 % of the improvement value. As such, Units 1 and 3 are jointly allocated 60.9 % of the land value of Stewart House and Unit 2 is allocated 39.1%. See Appendix 50. Reducing the land value assessment to remove the portions allocated for low-income housing would further reduce the assessment by \$60,132. In total, the result of removing assessments associated with low-income housing would reduce the assessment on Stewart House from \$197,869 to \$77,396, as illustrated below.

Parcel ID/LID Map Number (Description)	Market Value w/o LID	Market Value with LID	Special Benefit	Total Assessment
8008550000/ B-198-001 (60.9 % of Land for Units 1 and 3)	\$6,145,419	\$6,145,419	\$0	\$0
8008550000/ B-198-001 (39.1% of Land for Unit 2)	\$3,945,581	\$4,044,113	\$98,532	\$38,606
8008550000 B-198-002 (Unit 1)	\$5,988,000	\$5,988,000	\$0	\$0
8008550000 B-198-003 (Unit 2)	\$5,642,000	\$5,741,000	\$99,000	\$38,790
8008550000 B-198-004 (Unit 3)	\$2,799,000	\$2,799,000	\$0	\$0
Total:	\$24,520,000	\$24,717,532	\$197,532	\$77,396

Applying the low-income housing exemption to Stewart House is consistent with both the actual use of the property and the highest and best use of the property, which is for the continued provision of low-income housing in the Market, consistent with the PDA's Charter and Historical District requirements. Appendix 54-55. The City's appraisal (and Hearing Examiner's approval thereof) is based upon a counterfactual set of events that simply do not exist. Stewart House should not be assessed like a commercial property when it is not, and cannot be, a commercial property. The City presented no evidence to the contrary, nor could it.

Ignoring present use in favor of an entirely speculative (and in this case impossible) future use is both fundamentally wrong and arbitrary and capricious. See *Bellevue Plaza*, 121 Wn.2d at 412-13 (assessments overturned where appraiser ignored present uses and restrictions on property and assessed on the basis of speculative future uses). "Present use should be considered, as well as future use to which the property is reasonably well adapted." *Doolittle*, 114 Wn.2d at 93. The Hearing Examiner did not find that Stewart House is "reasonably well adapted" to commercial use "within a reasonably foreseeable time." *Doolittle*, 114 Wn.2d at 104-05. Nor did the City's appraiser. See McCauley Declaration ¶ 34. Rather, the Hearing Examiner merely opined that because a use other than low-income housing was not "absolutely prohibited," then such use was "possible" at an unspecified point in the future. Final Order at 102. This determination is insufficient under well-established Washington law governing special assessments.

The Council should grant the PDA's objection and exempt the low-income housing units at Stewart House from assessment.

B. The Assessed Land Value of the North Arcade Should be Reduced.

With respect to the North Arcade, in its amended assessment, the City corrected the ownership of the North Arcade parcel from SDOT to the PDA (thus increasing the PDA's overall LID burden). In its revised assessment, the North Arcade parcel is valued at \$700 per square foot. The City also applied the \$700 per square foot rate as the pre-LID price for the nearby PC-1 South Condominium. *See Appendix 51.* Similarly, the LaSalle Building was assigned a pre-LID land value of \$675 per square foot and \$688.50 with the LID. *Id.* at 52. But both the PC-1 South Condominium and the Lasalle Building parcels contain fully developed buildings near their maximum development height of 85 feet. *Id.*

By contrast, the North Arcade is a unique piece of property with an iconic one-story open-air enclosed walkway at street grade. Appendix at 55-56. This configuration dates from over a century ago and is registered on the National Register of Historic Places.⁹ The North Arcade can never be sold or developed to host a taller structure, yet it is priced similarly to nearby parcels built to their maximum development height of 85 feet. *See Appendix 51-53.* Thus, valuation of the land at \$700 per square foot greatly overestimates its worth in comparison to other PDA properties.

The PDA does not dispute the City's calculation of added land value by a factor of up to 2% as a result of the LID improvements or the assumption of increased property value due to the proximity to LID improvements. The PDA does, however, contest the appropriateness of using a standard \$700 per square foot to estimate the existing land value for all properties in the PDA portfolio. As noted in the Declaration of Robert McCauley submitted in support of the City's revised valuation, the properties of the Pike Place Market, owned by the PDA and within the Market Historical District, are subject to design and use restrictions that limit and reduce their value in comparison with "market rate" and unregulated properties. This has been reflected in the appraiser's reduction of the North Arcade assessment based on improvements on the property after the error in ownership was corrected from SDOT to the PDA. *See Final Order at 102.*

What has not been reflected, however, is the impact that physical, regulatory and geographic constraints have upon the value of the land itself, and the variation in land value based on specific property characteristics within the district. Thus, the Hearing Examiner should have rejected the City's premise that existing inherent land values are assumed to be equivalent to other PDA properties not subject to the same physical and regulatory constraints.

To be clear, this element of the PDA's objection is related to existing land valuations of the County Assessor and LID appraisal. The PDA has not challenged nor objected to valuations by the County Assessor in the past for two reasons – in the case of the North Arcade, it was not

⁹ <https://catalog.archives.gov/id/75612297>

notified of the valuations nor identified as a property owner in the official records until this last year. Moreover, statutory exemption from real estate taxes of all PDA-owned properties within the Market Historic District has until now obviated any need of the PDA to examine the Assessor's assumptions.

To that end, the land values for PDA properties in the Pike Place Market Historical District are arguably significantly less than \$700 per square foot due to the restrictions that prohibit the sale of the property. There is no fair market comparison. Development density and potential return on investment are highly variable by property and limited by regulation. In effect, this has been acknowledged in the exemption of such values from property taxes. Nevertheless, the PDA concedes for the purpose of this objection that the use of a base value is appropriate, as a benchmark for evaluation of relative property values among its holdings. For the reasons detailed above, however, the basis used for the determination of current land values for the North Arcade should be reduced by 50%, to \$350 per square foot, to better account for the exceptional restrictions on this parcel. Applying this proposed valuation, the North Arcade assessment should be reduced to \$35,868.

IV. Summary and Conclusion

For the reasons stated above, the City's assessments of Stewart House and the North Arcade land value do not accurately reflect the special benefits occasioned by the LID improvements. The Stewart House assessment must be reduced to accurately reflect its actual and future use as low-income housing, consistent with the exemption applied to other PDA housing properties. The North Arcade land value assessment should likewise be reduced to account for the unique limitations on this parcel.

The PDA respectfully requests that the Stewart House assessment be reduced to \$77,396 and the North Arcade assessment be reduced to \$35,868.

Sincerely,

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Attorneys for the Pike Place Market Preservation and Development Authority



Residential

Pike Place Market is more than a public market; it's a vibrant neighborhood home of 500 residents, many of whom are low-income people. The Pike Place Market Preservation and Development Authority (PDA) has three HUD subsidized buildings located directly within Pike Place Market, just steps away from the famous fish guys, Rachel the Piggy Bank and the neon Public Market Center clock.

The Market also has affordable market rate studio, one-bedroom, and two-bedroom apartments. There are also Single Resident Occupancy apartments with a kitchenette and shared bathroom.

Some of our buildings have sun and patio decks and offer spectacular views of Puget Sound. Our buildings offer easy access to the Market's many businesses.

If interested in Pike Place Market residential opportunities, please fill out a [Guest Housing Inquiry Form](#).

Affordable Housing Properties

Western Avenue Senior Housing

The Western Avenue Senior Housing building features 40 studio apartments, at 100% tax credit.

The new 40 studio apartments are being rented to low income persons, 55 years of age or older, with incomes 50% below area median income (called AMI).

Seven of the apartments on the west public plaza of the new MarketFront are intended for practicing artists and crafts persons willing to participate in active use and programming of the area.

For more information, contact:

Kim Barreto
Residential Manager
Phone: 206.774.5304
Fax: 206.774.5295
Email: Kim.Barreto@pikeplacemarket.org



HUD

La Salle Building – *Waiting list closed*

The La Salle building is a blended property. There are 40 HUD subsidized units with 100% tax credit. The waitlist is currently closed.

Property Description

La Salle property is a historic structure composed of four buildings. The original building, the La Salle Hotel, was built in 1907. The fourth building was completed in 2006. All units were modestly renovated in 2006.

Project Eligibility

- The head of household, co-head or spouse must be 62 years of age or older and/or "disabled"; Income restriction applied – (HUD requirement)
- The head of household, co-head or spouse must be 55 years of age and/or disabled; Income restriction applied. First come, first served basis – (Tax credit requirement)



La Salle Apartments Features

- 64 units: 44 studio and 20 one-bedroom
- Some units have gorgeous views of Elliott Bay and the Olympic Mountains

2/3/2020

Residential | Pike Place Market

- Pike Place Market Community Garden
- La Salle building houses the Pike Place Senior Center
- Proximity to the Market, restaurants and bus stops

Address:
85 Pike St. #500
Seattle, WA 98101

For more information, contact:
Verna Portugues
Residential Manager
Phone: 206.774.5228
Fax: 206.774.5295
Email: Verna.Portugues@PikePlaceMarket.org



Market House – *Waiting list closed*

Market House is a family project. It is 100% HUD subsidized units. The waitlist is currently closed.

Property Description
Market House was built in 1984. It was originally owned and managed by Seattle Housing Authority. Pike Place Market PDA acquired this project in 2005.

Project Eligibility
A family property. Anyone over the age of 18 can apply. Income restriction is applied.

Market House Features

- 51 units: 40 one bedroom and 11 studio
- Some units have gorgeous views of Elliott Bay and the Olympic Mountains
- Courtyard
- Proximity to the Market, restaurants and bus stops



Address:
1531 First Avenue
Seattle, WA 98101

For more information, contact:
Kim Hao
Residential Manager
Phone: 206.774.5228
Fax: 206.774.5290
Email: Kim.Hao@PikePlaceMarket.org

Stewart House – [Click here for SRO Pre-application](#) | [Click here for Section 8 Subsidized Housing Pre-application](#)

The red brick side of the building is an elderly property. It is 100% HUD subsidized units. The Stewart House waitlist is currently open and applications are being accepted. The wait time is six months to two years.

Property Description
• Stewart House was built in 1986. In 2012, this building was renovated with funding from the levy passed by the City of Seattle constituency.

Project Eligibility
• An elderly property. The head of the household must be 62 years of age. Income restriction is applied.

Stewart House Features

- 48 HUD units: 46 studio apartments and two, one-bedroom units. There are also 38 single room occupancy (SRO) units with shared bathrooms
- Some units have gorgeous views of Elliott Bay and the Olympic Mountains
- Courtyard
- Proximity to the Market, restaurants and bus stops



Address:
80 Stewart Street
Seattle, WA 98101

For more information, contact:
Kim Barreto
Residential Manager
Phone: 206.774.5283
Fax: 206.774.5284
Email: kim.barreto@pikeplacemarket.org

Conventional Market Rate Housing

Conventional Housing does not maintain a waitlist. Applications are accepted on a first come, first served basis. [Click here for Pre-application](#).

Livingston Baker Apartments (90 units)
1925 First Ave
Seattle, WA 98101

Bryan Houghton
Residential Manager
Phone: 206.774.5281
Fax: 206.774.5282
Email: Bryan@pikeplacemarket.org



Sanitary Market (22 units)
1522 Post Alley
Seattle, WA 98101

Kim Hao
Residential Manager
Phone: 206.774.5229
Fax: 206.774.5290
Email: Kim.Hao@pikeplacemarket.org



Leland Apartments (14 units)
1501 Pike Place
Seattle, WA 98101

Bryan Houghton
Residential Manager
Phone: 206.774.5281
Fax: 206.774.5282
Email: Bryan@pikeplacemarket.org



Triangle Apartments (7 units)
91 ½ Pine Street
Seattle, WA 98101

Bryan Houghton
Residential Manager
Phone: 206.774.5281
Fax: 206.774.5282
Email: Bryan@pikeplacemarket.org



Housing Pre-applications Forms

- [Guest/Housing Inquiry Card](#)
- [Pre-application for Conventional/Market Rate Housing](#)
- [Pre-application for Stewart House Section 8 Subsidized Housing](#)
- [Criteria for Residency](#)



Pike Place Market PDA is an equal housing access provider. We are open to all eligible individuals and families, regardless of actual or perceived sexual orientation, gender identity or marital status.

Pike Place Market PDA is an equal opportunity housing provider. We do not discriminate against any person because of race, color, religion, sex, handicap, familial status or national origin.

In addition, we also give equal access and housing opportunity to all individuals, regardless of age, political ideology, creed, ancestry, military status, Section 8 or other subsidy programs, alternative sources of income and association. This property does not condone any harassment or retaliatory actions against anyone, including housing applicants, tenants or PDA staff.

Community

- [Overview](#)
- [Neighborhood News](#)
- [Market Foundation](#)
- [Residential](#)
- [Social Services](#)
- [Organizations](#)
- [Volunteer Opportunities](#)

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PARCEL DATA

Parcel	800855-0000
Name	
Site Address	80 STEWART ST 98101
GEO Area	30-80
Spec Area	
Property Name	STEWART HOUSE CONDOMINIUM

Jurisdiction	SEATTLE
Levy Code	0011
Property Type	K
Plat Block / Building Number	
Plat Lot / Unit Number	POR
Quarter-Section-Township-Range	SE-31-25-4

Legal Description

Plat Block:
Plat Lot: POR

LAND DATA

Highest & Best Use As If Vacant	MULTI-FAMILY DWELLING
Highest & Best Use As Improved	PRESENT USE
Present Use	Condominium(Residential)
Land SqFt	14,416
Acres	0.33

Percentage Unusable	
Unbuildable	NO
Restrictive Size Shape	NO
Zoning	PMM-85
Water	WATER DISTRICT
Sewer/Septic	PUBLIC
Road Access	PUBLIC
Parking	ADEQUATE
Street Surface	PAVED

ADVERTISEMENT**Views**

Rainier	
Territorial	
Olympics	AVERAGE
Cascades	
Seattle Skyline	
Puget Sound	GOOD
Lake Washington	
Lake Sammamish	
Lake/River/Creek	
Other View	

Waterfront

Waterfront Location	
Waterfront Footage	0
Lot Depth Factor	0
Waterfront Bank	
Tide/Shore	
Waterfront Restricted Access	
Waterfront Access Rights	NO
Poor Quality	NO
Proximity Influence	NO

Designations

Historic Site	
Current Use	(none)
Nbr Bldg Sites	
Adjacent to Golf Fairway	NO
Adjacent to Greenbelt	NO
Other Designation	NO
Deed Restrictions	NO
Development Rights Purchased	NO
Easements	NO
Native Growth Protection Easement	NO
DNR Lease	NO

Nuisances

Topography	YES
Traffic Noise	
Airport Noise	
Power Lines	NO
Other Nuisances	NO

Problems

Water Problems	NO
Transportation Concurrency	NO
Other Problems	NO

Environmental

Environmental	NO
---------------	----

BUILDING

Building Number	1
Building Description	CONDO MIXED RETAIL W/RES UNITS
Number Of Buildings Aggregated	1
Predominant Use	MIXED RETAIL W/RES. UNITS (459)
Shape	Rect or Slight Irreg
Construction Class	WOOD FRAME
Building Quality	AVERAGE/GOOD
Stories	3
Building Gross Sq Ft	43,248
Building Net Sq Ft	24,845
Year Built	1904
Eff. Year	1990
Percentage Complete	100
Heating System	ELECTRIC
Sprinklers	Yes
Elevators	No

Section(s) Of Building Number: 1

Section Number	Section Use	Description	Stories	Height	Floor Number	Gross Sq Ft	Net Sq Ft
2	RETAIL STORE (353)	Unit 2	1	10	01	14,416	9,595
1	APARTMENT (300)	Units 1 & 3	2	10	2-3	28,832	15,250

Apartment / Condo Complex Data

Complex Type	Mixed Res Apt and Cml Use Condo
Complex Description	RETAIL & APTS
Value Distribution Method	Pcnt Land Val
# of Bldgs	1
# of Stories	3
# of Units	3
Avg Unit Size	177
Land Per Unit	4805
Project Location	AVERAGE
Project Appeal	AVERAGE
% With View	0
Construction Class	WOOD FRAME
Building Quality	AVERAGE
Condition	Average
Year Built	1904
Eff Year	1978
% Complete	100
Elevators	N
Security System	Y
FirePlace	N
Laundry	COMMON
Kitchens	Y
# of Meals	0
Founder's Fee	
Apt Conversion	Y
Condo Land Type	Leased Land

 Click the camera to see more pictures.

Picture of Building 1

**Unit Breakdown**

Unit Type	Number of This Type	Sq Ft	# of Bedrooms	# of Baths
Flat	86	177	S	1

- Units in this condominium complex

Parcel	Taxpayer Name	Building Number	Unit Number	Taxable Total
8008550005	PIKE PL MARKET PDA		POR	\$0
8008550010	PIKE PLACE MARKET PRESERVAT		UNIT 1	\$0
8008550020	PIKE PLACE MARKET PRESERVAT		UNIT 2	\$0
8008550030	PIKE PLACE MARKET PRESERVAT		UNIT 3	\$0

TAX ROLL HISTORY

SALES HISTORY

REVIEW HISTORY

PERMIT HISTORY

Permit Number	Permit Description	Type	Issue Date	Permit Value	Issuing Jurisdiction	Reviewed Date
6263279	Replace brick veneer/insulation as needed on portions of building; retrofit unit windows; replace insulation, waterproofing on roof, exterior decks and courtyard; replace skylight and railings and construct arbor per plans and DON approval.	Remodel	3/21/2011	\$2,500,000	SEATTLE	8/14/2013

HOME IMPROVEMENT EXEMPTION

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King County Department of Assessments

Fair, Equitable, and Understandable Property Valuations

You're in: Assessor >> Look up Property Info >> eReal Property

Department of Assessments

500 Fourth Avenue,
Suite ADM-AS-0708,
Seattle, WA 98104

Office Hours:
Mon - Fri
8:30 a.m. to
4:30 p.m.

TEL: 206-296-7300
FAX: 206-296-5107
TTY: 206-296-7888

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Parcel	800855-0005
Name	PIKE PL MARKET PDA
Site Address	85 PIKE ST ROOM 500 98101
Geo Area	30-80
Spec Area	
Property Name	STEWART HOUSE CONDOMINIUM

PARCEL DATA

Jurisdiction	SEATTLE
Levy Code	0011
Property Type	K
Plat Block / Building Number	
Plat Lot / Unit Number	POR
Quarter-Section-Township-Range	SE-31-25-4

Legal Description

STEWART HOUSE CONDOMINIUM TOTAL CONDO LAND VALUE - MI 0010 THRU 0030 - AKA LOTS 9 & 12 BLK 37
A A DENNYS 6TH ADD
PLat Block:
Plat Lot: POR

LAND DATA

Highest & Best Use As If Vacant	MULTI-FAMILY DWELLING
Highest & Best Use As Improved	PRESENT USE
Present Use	Condominium(Residential)
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Road Access	PUBLIC
Parking	ADEQUATE
Street Surface	PAVED

Waterfront

Waterfront Location	
Waterfront Footage	0
Lot Depth Factor	0
Waterfront Bank	
Tide/Shore	
Waterfront Restricted Access	
Waterfront Access Rights	NO
Poor Quality	NO
Proximity Influence	NO

Views

Rainier	
Territorial	
Olympics	AVERAGE
Cascades	
Seattle Skyline	
Puget Sound	GOOD
Lake Washington	
Lake Sammamish	
Lake/River/Creek	
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Historic Site	
Current Use	(none)
Nbr Bldg Sites	
Adjacent to Golf Fairway	NO
Adjacent to Greenbelt	NO
Other Designation	NO
Deed Restrictions	NO
Development Rights Purchased	NO
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Power Lines	NO
Other Nuisances	NO

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Environmental

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---------------	----

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Building Quality	AVERAGE/GOOD
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Building Gross Sq Ft	43,248

Reference Links:

- [King County Tax Links](#)
- [Property Tax Advisor](#)
- [Washington State Department of Revenue \(External link\)](#)
- [Washington State Board of Tax Appeals \(External link\)](#)
- [Board of Appeals/Equalization](#)
- [Districts Report](#)
- [iMap](#)
- [Recorder's Office](#)
- Scanned images of surveys and other map documents
- Scanned images of plats

Notice mailing date:
06/13/2019

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Building Net Sq Ft	24,845
Year Built	1904
Eff. Year	1990
Percentage Complete	100
Heating System	ELECTRIC
Sprinklers	Yes
Elevators	No

Section(s) Of Building Number: 1							
Section Number	Section Use	Description	Stories	Height	Floor Number	Gross Sq Ft	Net Sq Ft
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Building Quality	AVERAGE
Condition	Average
Year Built	1904
Eff Year	1978
% Complete	100
Elevators	N
Security System	Y
FirePlace	N
Laundry	COMMON
Kitchens	Y
# of Meals	0
Founder's Fee	
Apt Conversion	Y
Condo Land Type	Leased Land

+ | Units in this condominium complex

Condo Unit

Unit	Minor	Building	Floor	Unit type	Regression	Quality	Location	Condition
LAND 0005	**			Leased Land				

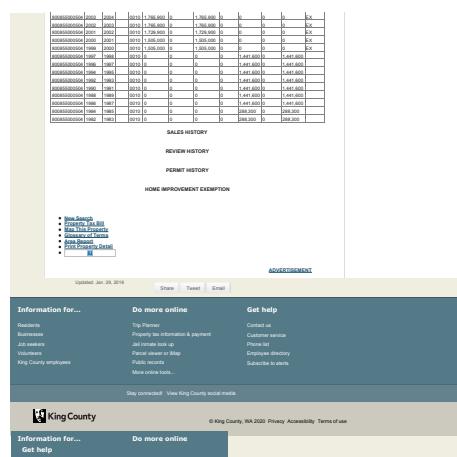
Measurement	Size	Bed Room	1/2 Bath	3/4 Bath	Full Bath	Other Room	Fire Place	Top Floor	End Unit
		0	0	0	0				

Parking Open	Carport	Parking Basement	Parking Basement Tandem	Parkage Garage	Parkage Garage Tandem	Parking Other
0	0	0	0	0	0	0

View Mountain	View Lake/River	View City Territorial	View Puget Sound	View Lake WA / Lake Sammamish

TAX ROLL HISTORY

Account	Valued Year	Tax Year	Omit Year	Levy Code	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total Value (\$)	New Dollars	Taxable Land Value (\$)	Taxable Imps Value (\$)	Taxable Total Value (\$)	Tax Value Reason
800855000504	2019	2020	0011	5,045,600	0	5,045,600	0	0	0	0	0	EX
800855000504	2018	2019	0011	4,252,700	0	4,252,700	0	0	0	0	0	EX
800855000504	2017	2018	0011	3,820,200	0	3,820,200	0	0	0	0	0	EX
800855000504	2016	2017	0012	3,243,600	0	3,243,600	0	0	0	0	0	EX
800855000504	2015	2016	0010	2,811,100	0	2,811,100	0	0	0	0	0	EX
800855000504	2014	2015	0010	2,666,900	0	2,666,900	0	0	0	0	0	EX
800855000504	2013	2014	0010	2,522,800	0	2,522,800	0	0	0	0	0	EX
800855000504	2012	2013	0010	2,162,400	0	2,162,400	0	0	0	0	0	EX
800855000504	2011	2012	0010	2,162,400	0	2,162,400	0	0	0	0	0	EX
800855000504	2010	2011	0010	2,162,400	0	2,162,400	0	0	0	0	0	EX
800855000504	2009	2010	0010	2,162,400	0	2,162,400	0	0	0	0	0	EX
800855000504	2008	2009	0010	2,162,400	0	2,162,400	0	0	0	0	0	EX
800855000504	2007	2008	0010	2,162,400	0	2,162,400	0	0	0	0	0	EX
800855000504	2006	2007	0010	1,765,900	0	1,765,900	0	0	0	0	0	EX
800855000504	2005	2006	0010	1,765,900	0	1,765,900	0	0	0	0	0	EX
800855000504	2004	2005	0010	1,765,900	0	1,765,900	0	0	0	0	0	EX



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PARCEL

Parcel Number	800855-0010
Name	PIKE PLACE MARKET PRESERVAT
Site Address	85 PIKE ST 98101
Legal	STEWART HOUSE CONDOMINIUM PCT OF VALUE 41.5 - IMP VALUE ONLY - SEE MI 0005 FOR TOTAL CONDO LAND VALUE

BUILDING 1

Year Built	1904
Construction Class	WOOD FRAME
Condition	Average
Building Quality	AVERAGE
Number of buildings	1
Number of units	3
Lot Size	14416
Present Use	Condominium(Residential)
Views	Yes
Waterfront	

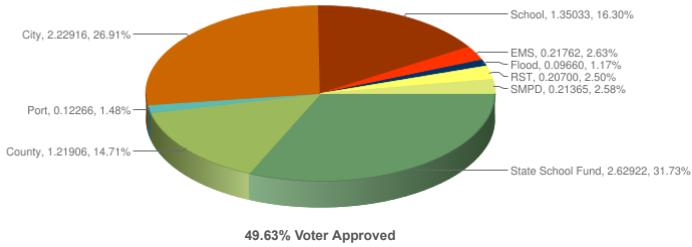


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[+ Units in this condominium complex](#)

TOTAL LEVY RATE DISTRIBUTION

Tax Year: 2019 Levy Code: 0011 Total Levy Rate: \$8.28530 Total Senior Rate: \$5.65180



49.63% Voter Approved

[Click here to see levy distribution comparison by year.](#)

TAX ROLL HISTORY

Valued Year	Tax Year	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total (\$)	Appraised Imps Increase (\$)	Taxable Land Value (\$)	Taxable Imps Value (\$)	Taxable Total (\$)
2019	2020	0	2,030,300	2,030,300	0	0	0	0
2018	2019	0	1,870,300	1,870,300	0	0	0	0
2017	2018	0	1,857,000	1,857,000	0	0	0	0
2016	2017	0	1,900,200	1,900,200	0	0	0	0
2015	2016	0	1,784,800	1,784,800	0	0	0	0
2014	2015	0	1,699,800	1,699,800	0	0	0	0
2013	2014	0	1,399,800	1,399,800	0	0	0	0
2012	2013	0	1,379,000	1,379,000	0	0	0	0
2011	2012	0	1,379,000	1,379,000	0	0	0	0
2010	2011	0	1,379,000	1,379,000	0	0	0	0
2009	2010	0	1,529,000	1,529,000	0	0	0	0
2008	2009	0	1,529,000	1,529,000	0	0	0	0
2007	2008	0	988,100	988,100	0	0	0	0
2006	2007	0	972,500	972,500	0	0	0	0
2005	2006	0	1,234,200	1,234,200	0	0	0	0
2004	2005	0	1,234,200	1,234,200	0	0	0	0
2003	2004	0	1,234,200	1,234,200	0	0	0	0
2002	2003	0	1,234,200	1,234,200	0	0	0	0
2001	2002	0	1,650,100	1,650,100	0	0	0	0
2000	2001	0	804,400	804,400	0	0	0	0
1999	2000	0	804,400	804,400	0	0	0	0
1997	1998	0	0	0	0	804,400	804,400	804,400
1996	1997	0	0	0	0	804,400	804,400	804,400
1994	1995	0	0	0	0	804,400	804,400	804,400
1992	1993	0	0	0	0	804,400	804,400	804,400

King County Department of Assessments: eReal Property

1990	1991	0	0	0	0	595,000	595,000
1988	1989	0	0	0	0	595,000	595,000
1986	1987	0	0	0	0	595,000	595,000
1985	1986	0	0	0	0	595,000	595,000
1984	1985	0	0	0	0	595,000	595,000
1983	1984	0	0	0	0	1,054,200	1,054,200
1982	1983	0	0	0	0	535,500	535,500

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PARCEL

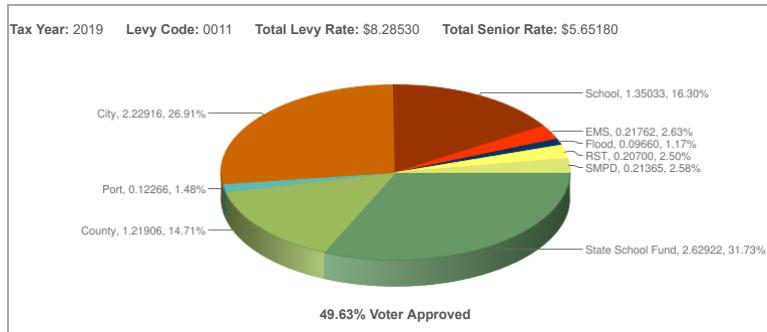
Parcel Number	800855-0020
Name	PIKE PLACE MARKET PRESERVAT
Site Address	85 PIKE ST 98101
Legal	STEWART HOUSE CONDOMINIUM PCT OF VALUE 39.1 - IMP VALUE ONLY - SEE MI 0005 FOR TOTAL CONDO LAND VALUE

BUILDING 1

Year Built	1904
Construction Class	WOOD FRAME
Condition	Average
Building Quality	AVERAGE
Number of buildings	1
Number of units	3
Lot Size	14416
Present Use	Condominium(Residential)
Views	Yes
Waterfront	

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 Units in this condominium complex

TOTAL LEVY RATE DISTRIBUTION


[Click here to see levy distribution comparison by year.](#)

TAX ROLL HISTORY

Valued Year	Tax Year	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total (\$)	Appraised Imps Increase (\$)	Taxable Land Value (\$)	Taxable Imps Value (\$)	Taxable Total (\$)
2019	2020	0	1,912,900	1,912,900	0	0	0	0
2018	2019	0	1,870,300	1,870,300	0	0	0	0
2017	2018	0	1,857,000	1,857,000	0	0	0	0
2016	2017	0	1,900,200	1,900,200	0	0	0	0
2015	2016	0	1,784,800	1,784,800	0	0	0	0
2014	2015	0	1,699,800	1,699,800	0	0	0	0
2013	2014	0	1,399,800	1,399,800	0	0	0	0
2012	2013	0	1,379,000	1,379,000	0	0	0	0
2011	2012	0	1,379,000	1,379,000	0	0	0	0
2010	2011	0	1,379,000	1,379,000	0	0	0	0
2009	2010	0	1,529,000	1,529,000	0	0	0	0
2008	2009	0	1,529,000	1,529,000	0	0	0	0
2007	2008	0	931,000	931,000	0	0	0	0
2006	2007	0	913,900	913,900	0	0	0	0
2005	2006	0	1,162,900	1,162,900	0	0	0	0
2004	2005	0	1,162,900	1,162,900	0	0	0	0
2003	2004	0	1,162,900	1,162,900	0	0	0	0
2002	2003	0	1,162,900	1,162,900	0	0	0	0
2001	2002	0	1,566,000	1,566,000	0	0	0	0
2000	2001	0	757,800	757,800	0	0	0	0
1999	2000	0	757,800	757,800	0	0	0	0
1997	1998	0	0	0	0	757,800	757,800	757,800
1996	1997	0	0	0	0	757,800	757,800	757,800
1994	1995	0	0	0	0	757,800	757,800	757,800
1992	1993	0	0	0	0	757,800	757,800	757,800

King County Department of Assessments: eReal Property

1990	1991	0	0	0	0	993,200	993,200
1988	1989	0	0	0	0	993,200	993,200
1986	1987	0	0	0	0	993,200	993,200
1984	1985	0	0	0	0	993,200	993,200
1983	1984	0	0	0	0	993,200	993,200
1982	1983	0	0	0	0	883,900	883,900

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PARCEL

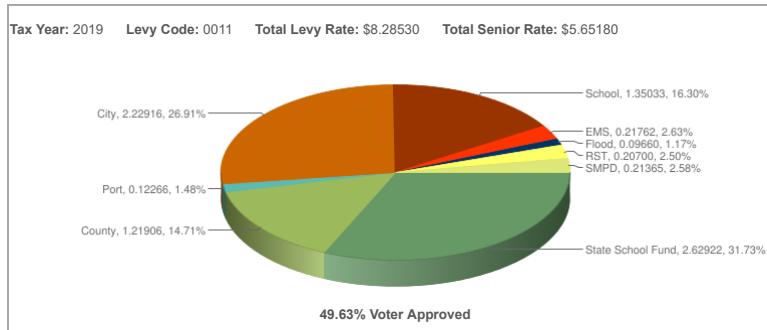
Parcel Number	800855-0030
Name	PIKE PLACE MARKET PRESERVAT
Site Address	85 PIKE ST 98101
Legal	STEWART HOUSE CONDOMINIUM PCT OF VALUE 19.4 - IMP VALUE ONLY - SEE MI 0005 FOR TOTAL CONDO LAND VALUE

BUILDING 1

Year Built	1904
Construction Class	WOOD FRAME
Condition	Average
Building Quality	AVERAGE
Number of buildings	1
Number of units	3
Lot Size	14416
Present Use	Condominium(Residential)
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Waterfront	

ADVERTISEMENT N
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 Units in this condominium complex

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TAX ROLL HISTORY

Valued Year	Tax Year	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total (\$)	Appraised Imps Increase (\$)	Taxable Land Value (\$)	Taxable Imps Value (\$)	Taxable Total (\$)
2019	2020	0	949,100	949,100	0	0	0	0
2018	2019	0	1,870,000	1,870,000	0	0	0	0
2017	2018	0	1,857,000	1,857,000	0	0	0	0
2016	2017	0	1,900,200	1,900,200	0	0	0	0
2015	2016	0	1,784,800	1,784,800	0	0	0	0
2014	2015	0	1,699,800	1,699,800	0	0	0	0
2013	2014	0	1,399,800	1,399,800	0	0	0	0
2012	2013	0	1,379,000	1,379,000	0	0	0	0
2011	2012	0	1,379,000	1,379,000	0	0	0	0
2010	2011	0	1,379,000	1,379,000	0	0	0	0
2009	2010	0	1,529,000	1,529,000	0	0	0	0
2008	2009	0	1,529,000	1,529,000	0	0	0	0
2007	2008	0	461,900	461,900	0	0	0	0
2006	2007	0	454,600	454,600	0	0	0	0
2005	2006	0	380,500	380,500	0	0	0	0
2004	2005	0	577,000	577,000	0	0	0	0
2003	2004	0	577,000	577,000	0	0	0	0
2002	2003	0	577,000	577,000	0	0	0	0
2001	2002	0	789,100	789,100	0	0	0	0
2000	2001	0	376,000	376,000	0	0	0	0
1999	2000	0	376,000	376,000	0	0	0	0
1997	1998	0	0	0	0	376,000	376,000	376,000
1996	1997	0	0	0	0	376,000	376,000	376,000
1994	1995	0	0	0	0	376,000	376,000	376,000
1992	1993	0	0	0	0	376,000	376,000	376,000

King County Department of Assessments: eReal Property

1990	1991	0	0	0	0	279,600	279,600
1988	1989	0	0	0	0	350,000	350,000
1986	1987	0	0	0	0	350,000	350,000
1985	1986	0	0	0	0	350,000	350,000
1984	1985	0	0	0	0	350,000	350,000
1983	1984	0	0	0	0	492,800	492,800
1982	1983	0	0	0	0	315,000	315,000

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PARCEL	
Parcel Number	269480-0000
Name	
Site Address	1606 PIKE PL 98101
Legal	

BUILDING 1	
Year Built	1908
Construction Class	MASONRY
Condition	
Building Quality	AVERAGE
Number of buildings	1
Number of units	3
Lot Size	5235
Present Use	Condominium(Office)
Views	Yes
Waterfront	

Units in this condominium complex

Parcel	Taxpayer Name	Building Number	Unit Number	Taxable Total
2694800010	2110 INVESTMENTS LLC		UNIT 1	\$4,850,000
2694800020	COLLINS ALFRED & SHIRLEY		UNIT 2	\$2,496,900
2694800030	MC1 LLC		UNIT 3	\$1,187,700

[Click here to see levy distribution comparison by year.](#)

Reference Links

- [King County Taxin Districts Codes an Leveis \(.PDF\)](#)
- [King County Tax Links](#)
- [Property Tax Advis](#)
- [Washington State Department of Revenue](#) (External link)
- [Washington State Board of Tax Appeals](#) (External link)
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<https://blue.kingcounty.com/Assessor/eRealProperty/Dashboard.aspx?ParcelNbr=2694800000>

APP. 15

Rent Schedule Low Rent Housing

**U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner**

OMB Approval No. 2502-0012
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

See page 3 for instructions, Public Burden Statement and Privacy Act requirements.		
Project Name	FHA Project Number	Date Rents Will Be Effective (mm/dd/yyyy)
Stewart House	WA198023004	08/11/2019

Part A – Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date (mm/dd/yyyy)) N/A	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
0 Bedroom	46	1,249	57,454	0	1,249		0
1 Bedroom	2	1,545	3,090	0	1,545		0
Non-Sec 8 (SRO)							
0 Bedroom	8	500	4,000	0	500		0
0 Bedroom	10	600	6,000	0	600		0
0 Bedroom	16	450	7,200	0	450		0
0 Bedroom	2	650	1,300	0	650		0
1 Bedroom	1	650	650	0	650		0
Total Units	85	Monthly Contract Rent Potential (Add Col. 4)* \$79,694			Monthly Market Rent Potential (Add Col. 8)* \$0		
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$956,328			Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0		

* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part G – Information on Mortgagor Entity**Name of Entity**

Pike Place Market PDA

Type of Entity

Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
 Corporation Limited Partnership Trust Non-Profit

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Mary M. Bacarella

Executive Director

Name and Title

Sabina Proto

Director of Finance

Name and Title

John H. Turnbull

Director of Asset Management

Name and Title**Council Members****Name and Title**

Rico Quirindongo

Chair

Name and Title

Betty Halfon

Vice Chair

Name and Title

Mark Brady

Secretary/Treasurer

Name and Title

David Ghoddousi

Officer at Large

Name and Title

Matt Hanna

Officer at Large

Name and Title

Ray Ishii, Colleen Bowman, Patrice Barrentine, and Paul Neal

Members

Name and Title

Devin McComb, JJ McKay, and Ali Mowry

Members

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Mary Bacarella
Executive Director

Authorized Official's Signature

4/8/19
Date (mm/dd/yyyy)**Part I – HUD/Lender Approval****Addendum Number****Branch Chief/Lender Official Signature****HAP Contract Number**

Date (mm/dd/yyyy)

WA198023004

Exhibit Number**Director, Housing Management Division Signature****Loan Servicer Signature**

Date (mm/dd/yyyy)

04/08/2019

4/9/19
Date (mm/dd/yyyy)

Kurt West, Executive Director
Housing Authority of the City of Bremerton

Previous editions are obsolete

Page 2 of 3

 form HUD-92458 (11/05)
 ref Handbook 4350.1



2019 Income and Rent Limits - Multifamily Tax Exemption Program

Effective 5/24/2019

Income Limits											
Family Size	Percent of Area Median Family Income (% AMI) Restriction on Unit										
	40%	50%	60%	65%	70%	75%	80%	85%	90%	100%	120%
1 Person	\$30,400	\$38,000	\$45,600	\$49,400	\$53,200	\$57,000	\$60,800	\$64,600	\$68,400	\$76,000	\$91,200
2 Persons	\$34,750	\$43,450	\$52,150	\$56,450	\$60,800	\$65,150	\$69,500	\$73,850	\$78,200	\$86,900	\$104,250
3 Persons	\$39,100	\$48,850	\$58,650	\$63,550	\$68,400	\$73,300	\$78,150	\$83,100	\$87,950	\$97,750	\$117,300
4 Persons	\$43,450	\$54,300	\$65,150	\$70,600	\$76,000	\$81,450	\$86,900	\$92,300	\$97,750	\$108,600	\$130,300
5 Persons	\$46,900	\$58,650	\$70,350	\$76,250	\$82,100	\$87,950	\$93,850	\$99,700	\$105,550	\$117,300	\$140,750

Rent Limits									
Unit Size	Percent of Area Median Income (% AMI) Restriction on Unit								
	40%	50%	60%	65%	70%	75%	80%	85%	90%
SEDU and Congregate	\$760	\$950	-	-	-	-	-	-	-
Studio	-	\$950	\$1,140	\$1,235	\$1,330	-	\$1,520	-	-
1 Bedroom	-	\$1,086	\$1,303	-	\$1,520	\$1,628	\$1,737	-	-
2 Bedrooms	-	\$1,221	\$1,466	-	\$1,710	-	\$1,953	\$2,077	\$2,198
3 Bedrooms	-	\$1,357	\$1,628	-	\$1,900	-	\$2,172	\$2,307	\$2,443
4 Bedrooms	-	\$1,575	-	-	-	-	\$2,677	\$2,835	

The above table represents the gross rent maximums for all new leases offered and month-to-month terms for the **City of Seattle Multifamily Tax Exemption program** on or after the effective date- the required notification period for a rent increase must be taken into account. **It is the expectation of the Office of Housing that rent renewal increases for existing MFTE tenants will not exceed the annual increase in the Consumer Price Index for Rent of Primary Residences for the Seattle area, or 4%, published April 2019.** The **base rent** that may be charged is equal to the gross rent, less the household's **utility estimate** for their unit's utility usage, less any **required recurring fees** that are a condition of occupancy (required renter's insurance, month-to-month charges, King County Sewer Treatment Capacity Fee, etc.). The utility estimate is based on household utility responsibility and the number of bedrooms in the unit, using the schedule published by the Seattle Housing Authority. Tenants should refer questions about rents to the property manager of their building. Property managers and owners with questions about the 2019 Income and Rent Limits should contact the Seattle Office of Housing at (206) 684-0721.

U.S. Department of Housing and Urban Development

Office of Housing

RECEIVED

SEP 6 2012

Project-based Section 8

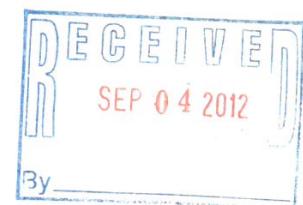
HUD - Seattle Regional Office
Region X MP Hub

**HOUSING ASSISTANCE PAYMENTS
BASIC RENEWAL CONTRACT
MULTI-YEAR TERM**



PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract



Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

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**U.S. Department of Housing and Urban Development
Office of Housing**

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: WA198023004

Section 8 Project Number of Expiring Contract: WA198023004

FHA Project Number (if applicable): NA

Project Name: Stewart House

Project Description:³

80 Stewart St, Seattle, King County, WA 98101-1053

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Housing Authority of the City of Bremerton

Address of Contract Administrator

345 - 6th Street, Suite 200
Bremerton, WA 98337-1860

Name of Owner⁵

Pike Place Market Preservation and Devlpmt Athry

Address of Owner

85 Pike St, Ste 500
Seattle, WA 98101-2166

Owner DUNS Number: 085248888

2 TERM AND FUNDING OF RENEWAL CONTRACT

- a** The Renewal Contract begins on August 11, 2012⁶ and shall run for a period of twenty (20)⁷ years.

- b** Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 314,462,⁸ an amount sufficient to provide housing assistance payments for approximately ten (10)⁹ months of the first annual increment of the Renewal Contract term.

- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at

the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing

assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
 - (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;

-
- (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
 - (i) Using an OCAF; or
 - (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

-
- (b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) **Comparability adjustments**

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, if applicable).**
- (i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
 - (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
 - (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) **Mid-term adjustment (discretionary comparability adjustment within 5-year term)**

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) **Adjusting contract rent**

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) **Procedure for rent adjustments during renewal term**

- (a) To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b) The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.
- (c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a** The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b** The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a** Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b** If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of

section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

Bremerton Housing Authority

By: *Dylenon for*

Signature of authorized representative

Kurt Wiest, Executive Director

Bremerton Housing Authority

Name and official title

Date *9/5/12*

U.S. Department of Housing and Urban Development

By: *T. Sovold*

Signature of authorized representative

Tim Sovold, Director, Seattle Multifamily Program Management Center

Name and official title

Date *SEP 06 2012*

Owner

Name of Owner

Pike Place Market Preservation and Devlpmt Athry

By: *R. Knight*

Signature of authorized representative

BEN FRANZ KNIGHT, Executive Director

Name and title

Date *8/30/12*

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")

BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: WA198023004

FHA Project Number (if applicable): NA

Effective Date of the Rent Increase (if applicable): August 11, 2012

<u>Number of Contract Units</u>	<u>Number of Bedrooms</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
46	0 BR	891	NA	891
2	1 BR	967	NA	967

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

EXHIBIT B
DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2 Any increased distribution as approved by HUD in accordance with the Guidebook.

Basic Renewal Contract
Multi-Year Term
REV-12-27-2009

INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

¹ This form of Renewal Contract is to be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract under the authority of Section 524(a) or 524(b)(1) of MAHRA for a term of two years or more. Attachment 11-1 is to be used for renewals under the authority of Section 524(a) or 524(b)(1) of MAHRA for a renewal term of one year.

This form may not be used for Mark-Up-To-Market Renewals. The HUD prescribed form of Mark-Up-To-Market Renewal Contract must be used for this purpose.

Section 2 of the Renewal Contract specifies the contract term.

² To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

³ Enter a description of housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state, and zip code, block and lot number (if known), and any other information, necessary to clearly designate the covered Project.

⁴ Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

⁵ Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

⁶ The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

⁷ Enter a whole number of two or more years.

⁸ Enter the amount of funding obligated.

⁹ Enter a whole number of months.

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

Ordinance No. 57510

AN ORDINANCE vacating a portion of Western Avenue on the petition of the Great Northern Railway Company, et al.

Council Bill No. 57510

INTRODUCED:	APR 29 1929	BY:	Streets & Sewers
REFERRED:	APR 29 1929	TO:	STREETS & SEWERS
REFERRED:		VETO:	
REPORTED:	MAY 8 1929	PUBLISHED:	
SECOND READING:	MAY 8 1929	VETO SUSTAINED:	
THIRD READING:	MAY 8 1929	PASSED OVER VETO:	
SIGNED:		APPROVED:	MAY 8 1929
PRESENTED TO MAYOR:		PUBLISHED:	
FILED:		BY:	CM
ENGROSSED:	E2 PAGE 345	COMPARED BY:	AND

Form I. 5M. 7-27 McCann.

57509

ORDINANCE NO. 57510

AN ORDINANCE vacating a portion of Western Avenue on the petition of the Great Northern Railway Company, et al.

Whereas, there has been filed with the City Council the petition of the Great Northern Railway Company, et al., (File No. 120728) asking for the vacation of a portion of Western Avenue, as therein fully described; and

Whereas, at the hearing on said petition on the 29th day of April, 1929, the said petition was duly granted by the City Council;

Now Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That the following described portion of Western Avenue, in the City of Seattle, to-wit:

All that portion of Western Avenue lying between Pike Place, and Block 36 of A. A. Denny's 6th Addition to the City of Seattle, beginning at a point 33 feet westerly from the center line of Pike Place at the intersection of Stewart Street and Pike Place, and 10 feet northerly from and at right angles to the center line of Stewart Street; running thence westerly at right angles to the center line of Pike Place, a distance of 12.75 feet; thence westerly 49 feet to point of intersection with the southerly boundary line of Block 36, A. A. Denny's 6th Addition to the City of Seattle extended easterly; thence westerly at right angles to the westerly marginal line of Western Avenue as condemned by the City of Seattle over and across said Block 36 to the westerly marginal line of Western Avenue as condemned as aforesaid; thence northerly along the westerly marginal line of Western Avenue as condemned as aforesaid 79.7 feet; thence easterly 44.4 feet to a point which is 59.6 feet distant from the center line of Pike Place measured at right angles to said center line; thence 26.6 feet measured at right angles to said center line of Pike Place to the westerly marginal line of Pike Place extended; thence southerly 31.9 feet to the place of beginning, extending indefinitely upward from an imaginary horizontal plane having an elevation at the northerly end thereof of 17 feet above the center line of Western Avenue as now graded, together with the area and space necessary for proper piers, posts, columns, frames, trusses and supports necessary to maintain a bridge over said Western Avenue at said elevation;

be and the same is hereby vacated.

(To be used for all Ordinances except Emergency.)

✓ Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed the City Council the 6 day of MAY, 1929,

and signed by me in open session in authentication of its passage this 6 day of

MAY, 1929. *John E. Scarold*
President of the City Council.

Approved by me this 13 day of MAY

Frank Edwards
Mayor.

Filed by me this 13 day of MAY

Attest: *H. W. Carroll*
City Comptroller and Ex-Officio City Clerk.

(SEAL) By *C. L. Street*

Deputy Clerk.

Published.....MAY 20, 1929.

H. W. Carroll
City Comptroller and Ex-Officio City Clerk.

By *C. L. Street*
Deputy Clerk.

Ordinance No. 59602

AN ORDINANCE vacating portions of
Pike Place and Western Avenue o - the
petition of Marie E. Bain, et al.

Council Bill No. 50022

INTRODUCED:	JUN 9 1930	BY:	Streets & Sewers Committee
REFERRED:	JUN 9 1930	TO:	STREETS & SEWERS
REFERRED:			
REPORTED:	JUN 16 1930	VETO:	
SECOND READING:	JUN 16 1930	PUBLISHED:	
THIRD READING:	JUN 16 1930	VETO SUSTAINED:	
SIGNED:	JUN 16 1930	PASSED OVER VETO:	
PRESENTED TO MAYOR:	JUN 16 1930	APPROVED:	JUN 24 1930
FILED:	JUN 24 1930	PUBLISHED:	JUN 26 1930
ENDORSED:		BY:	(OM)
VOL. 502 PAGE 38			
COMPARED BY:		AND	

Form I. 6M. 6-29 McCrum.

assessed = 57510?
- 57509

Done on
13/13

59602

ORDINANCE NO.

AN ORDINANCE vacating portions of Pike Place and Western Avenue on the petition
of Marie E. Bain, et al.

Whereas, there has been filed with the City Council the petition of Marie
E. Bain, et al. (File No. 124840) asking for the vacation of portions of Pike
Place and Western Avenue, as in said petition fully described; and

Whereas, at the time of the hearing on said petition on the 2nd day of
June, 1930, the said petition was duly granted by the City Council;

Now Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That the following described portions of Pike Place and
Western Avenue, in the City of Seattle, to-wit:

Beginning at the intersection of the center lines of Pine Street and Pike
Place, thence southerly along the center line of Pike Place a distance of
24.52 feet, thence westerly along the southerly marginal line of Pine Street,
projected, a distance of 24.05 feet to the westerly curb line of Pike Place,
which point is the true place of beginning; thence continuing along the south-
erly marginal line of Pine Street, projected, a distance of 32.2 feet; thence
northerly along a line which is 53.8 feet distant from and at right angles to
the center line of Pike Place and parallel thereto, a distance of 274.2 feet;
thence northerly on an angle 11.6 feet to a point on a line which is 45
feet westerly from and at right angles to the center line of Pike Place; thence
northerly along said line parallel to the center line of Pike Place a distance
of 55 feet, thence easterly at right angles 10.55 feet, thence northerly at
right angles a distance of 185.51 feet to the southerly marginal line of
Virginia Street, projected; thence easterly at right angles 11.45 feet, thence
southerly at right angles along the westerly curb line of Pike Place a
distance of 532.11 feet to the true place of beginning, including in the above
description only that portion of Western Avenue extending indefinitely upward
from a plane the elevation of which is the westerly sidewalk on Pike Place
between the southerly marginal line of Pine Street, projected westerly, and a
point 182.51 feet southerly from the southerly marginal line of Virginia Street,
together with the area and space necessary for proper columns and supports to
maintain an overhanging structure over Western Avenue;

be and the same are hereby vacated.

(To be used for all Ordinances except Emergency.)

Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed the City Council the 16 day of JUNE 1950
and signed by me in open session in authentication of its passage this 16 day of

JUNE 1950 Oliver T. French

President of the City Council.

Approved by me this 24 day of JUNE 1950 Frank Edwards
Mayor

Filed by me this 24 day of JUNE 1950

Attest: A. W. Canfield
City Comptroller and Ex-Officio City Clerk.

By: A. W. Canfield
Deputy Clerk.

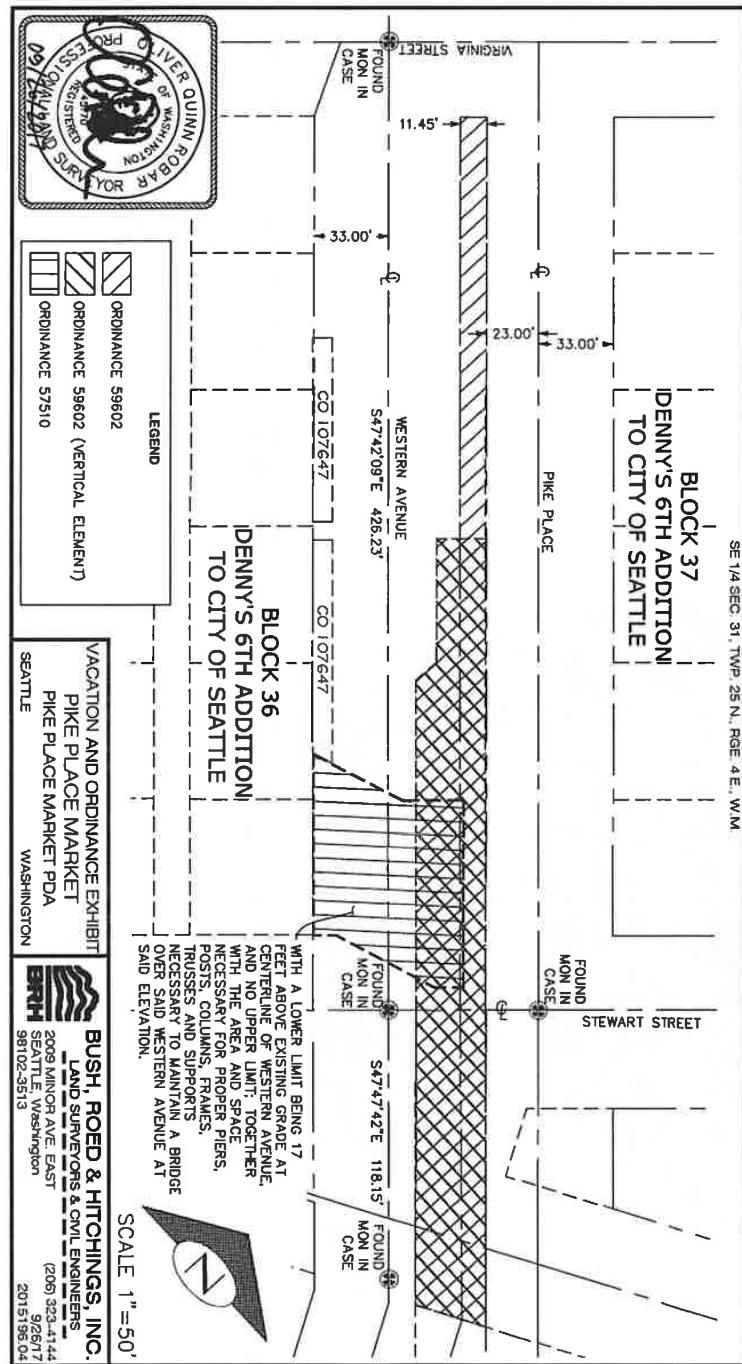
Attest: A. W. Canfield
City Comptroller and Ex-Officio City Clerk.

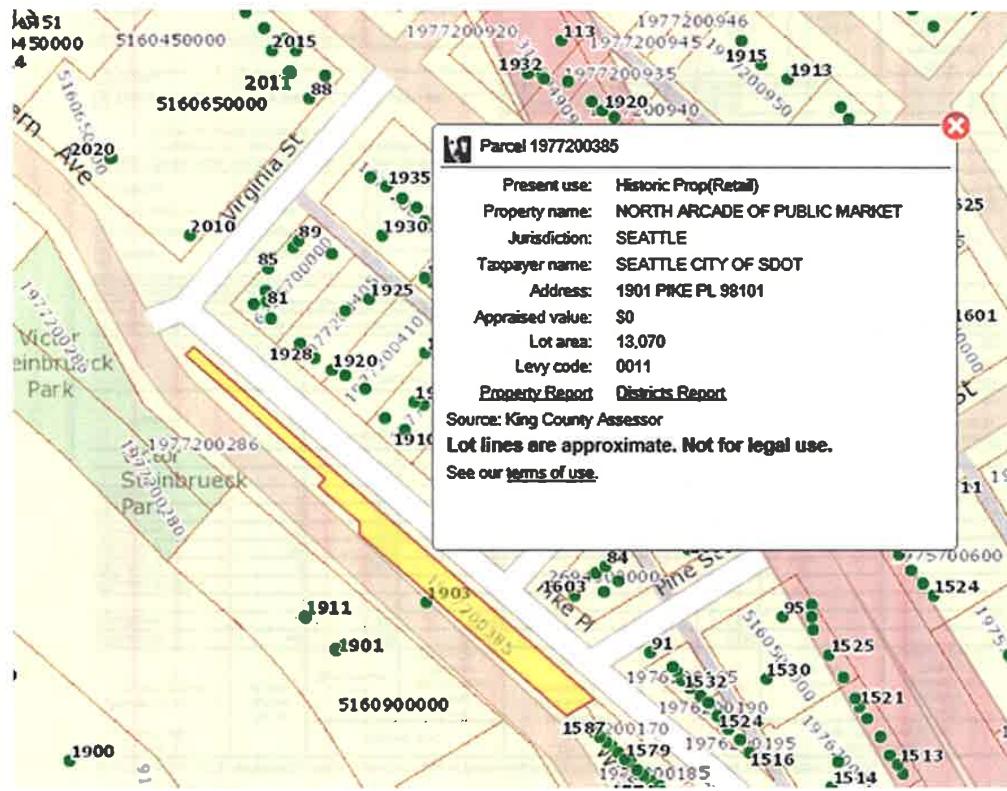
By: A. W. Canfield
Deputy Clerk.

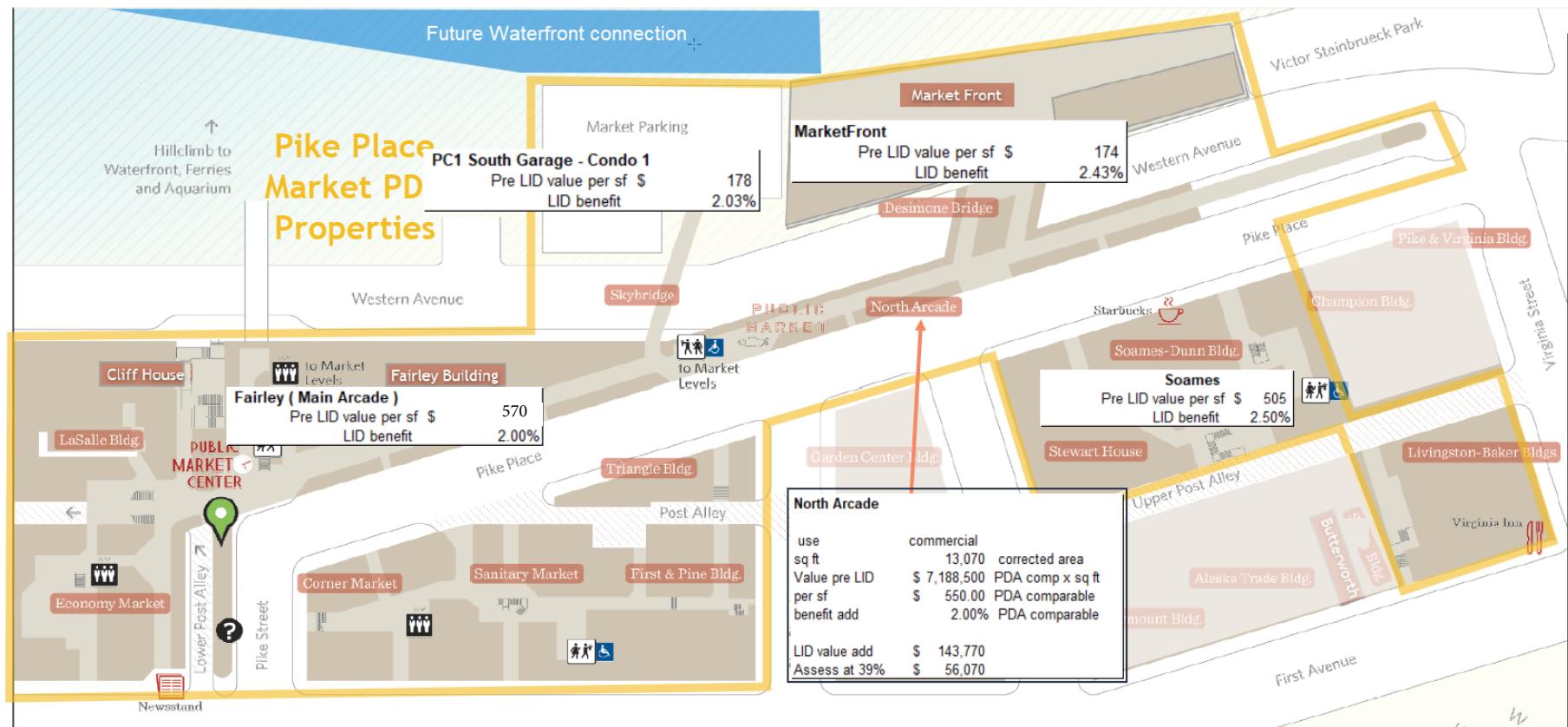
(SEAL)

JUN 26 1950

Published.....







Page 1

BEFORE THE HEARING EXAMINER OF THE CITY OF SEATTLE

In re Proposed Final Assessment)
Roll for Local Improvement District)
No. 6751 (Waterfront LID),)
)
)
)
)No. CWF-0318, et al.
)
Parcel Nos: 6094670010;)
6094670020; 6094670030; 6094680050;)
0660000740; 0660000708; 2285130010;)
6792120010; 6195000030; 0942000430;)
6792120020; 7683890010; 1976200070;)
1976200075; 1976200076; 7666202465;)
7666202345; 1975700365; 0696000015;)
1974700175; 1117080020; 1975700235;)
0696000055; 0660000540; 0660000545;)
0660000575; 2538831460; 2438831480;)
0939000240; 1974600025; 1974600035)
)

Deposition Upon Oral Examination Of

ROBERT MACAULAY

12:40 p.m.

December 22, 2020

Deposition held via videoconference.

All parties attended remotely.

REPORTED BY: Yvonne A. Gillette, RPR, CCR No. 2129.

Page 18	Page 20
<p>1 and things of that nature.</p> <p>2 Q How does that translate into -- I mean, I'm</p> <p>3 always thinking that you should have some sort of math</p> <p>4 methodology or logic to your values, and it always</p> <p>5 seems to be just kind of a wag. If the difference</p> <p>6 between 2016 and 2019 is this significant renovation,</p> <p>7 I'd like you to tell me what you know about the</p> <p>8 renovation and how that translated into such a giant</p> <p>9 leap in value.</p> <p>10 MR. FILIPINI: Object to form.</p> <p>11 A Well, it was a significant increase in value</p> <p>12 from what Gordon estimated too. I think we're still</p> <p>13 higher. I don't have an exact figure of what that</p> <p>14 renovation cost is or was.</p> <p>15 Q Do you know in the time period, 2017 to</p> <p>16 2019, what happened to the occupancy rates in Seattle</p> <p>17 hotels?</p> <p>18 A Well, my recollection, they were going up.</p> <p>19 Q And room prices?</p> <p>20 A Were going up.</p> <p>21 Q And supply going up?</p> <p>22 A Correct.</p> <p>23 MR. REUTER: That's all I have.</p> <p>24 THE COURT REPORTER: It looks like</p> <p>25 Ms. Evanson is joining us right now.</p>	<p>1 that this reduction reflects only the proposed</p> <p>2 assessments that the city filed in August 13?</p> <p>3 A The reduction -- that reduction just deals</p> <p>4 with the North Arcade property, not the Stewart House</p> <p>5 property.</p> <p>6 Q Okay. That's what I wanted to confirm</p> <p>7 because it doesn't -- in the heading there, it says</p> <p>8 North Arcade and Stewart House, but the reduction was</p> <p>9 the same as just what was provided for the Stewart</p> <p>10 House.</p> <p>11 A Yes, correct. I should have just said North</p> <p>12 Arcade property.</p> <p>13 Q Okay. So then the city did not make any</p> <p>14 corrections to the Stewart House assessment; is that</p> <p>15 correct?</p> <p>16 A That's correct.</p> <p>17 Q And why is that?</p> <p>18 A In a lot of these subsidized properties we</p> <p>19 appraised, there were use agreements that ran five,</p> <p>20 ten, 15, 20 years or longer that held that the</p> <p>21 property had to be used for subsidized housing. So</p> <p>22 there was really no -- theoretically, if the property</p> <p>23 were to have sold, there was no way for a buyer to</p> <p>24 increase income as a result of the project. In what</p> <p>25 you provided and what we could research, there was no</p>
Page 19	Page 21
<p>1 (Discussion held off the record.)</p> <p>2 EXAMINATION</p> <p>3 BY MS. EVANSON:</p> <p>4 Q Mr. Macaulay, my name is Kymberly Evanson.</p> <p>5 I'm an attorney at the Pacifica Law Group on behalf of</p> <p>6 the Pike Place Market in Appeal Number CWF 392 and as</p> <p>7 well as the Port of Seattle in Appeal Number CWF 328.</p> <p>8 I just have a few limited questions for you this</p> <p>9 afternoon.</p> <p>10 With respect to the Pike Place Market's</p> <p>11 appeal, that is related to parcel number 800855000.</p> <p>12 That's the one I want to talk about first, which is</p> <p>13 the parcel relating to the Stewart House assessment.</p> <p>14 Do you have -- and I apologize since I just joined the</p> <p>15 deposition. Do you have your declaration in front of</p> <p>16 you, your amended declaration?</p> <p>17 A I do.</p> <p>18 Q Okay. Great. So first, in looking at</p> <p>19 paragraph 59 of your declaration -- are you there?</p> <p>20 A Yeah.</p> <p>21 Q So in paragraph 59 of your declaration, you</p> <p>22 have combined the remanded assessment for Stewart</p> <p>23 House and the other Pike Place Market parcel, the</p> <p>24 North Arcade. And you note that that assessment was</p> <p>25 reduced from \$103,833 to \$71,736. But isn't it true</p>	<p>1 real long-term agreement in that respect with that</p> <p>2 property, so that type of consideration wasn't looked</p> <p>3 at.</p> <p>4 Q So was the city not aware that the -- that</p> <p>5 Stewart House is under a 20-year contract with HUD to</p> <p>6 provide low-income housing?</p> <p>7 A No. What we showed was a 2017 agreement</p> <p>8 that had five years remaining on it. And at the time</p> <p>9 of our report, yeah, it was a 2017 agreement that had</p> <p>10 five years remaining on it. If there is some document</p> <p>11 that shows a more extended period of time than we</p> <p>12 discovered or we knew about, I'd be happy to review</p> <p>13 it.</p> <p>14 Q Okay. So that's helpful, and we can provide</p> <p>15 that to you. I believe the contract runs through 2032</p> <p>16 with HUD. The city also assessed Stewart House</p> <p>17 separately for an undivided interest in land, and</p> <p>18 other nearby condominiums did not have that similar</p> <p>19 assessment. Can you explain why that is?</p> <p>20 A The way that the assessor has your ownership</p> <p>21 interest is very strange. It's different from any</p> <p>22 other of the condominiums that we looked at in the</p> <p>23 LID. And so to be consistent with how we looked at</p> <p>24 everything else, we based it on -- we based our</p> <p>25 analysis on that basis. So I'd either recommend</p>

6 (Pages 18 to 21)

PC-1 South Condominium (Heritage House)							
Map Nos.:	E-001-002						
Tax Parcel Nos.:	659535-0020						
Property key:	8593						
Address:	1527-1529 Western Avenue						
Zoning:	PMM-85						
Property rights:	50-year low-income housing use restriction on the apartments began February 2014.						
Previous sale:	N/A						
Proximity to project:	Almost adjacent to overlook						
Ownership:	Pike Place Market Preservation and Development Authority						
Description:	48,971 SF site on the west side of Western Avenue between Pike and Pine streets, zoned PMM-85, improved with a 200,164 SF building constructed in 1989 and platted into a 5-unit condominium (see summary to the right). The apartments are operated as senior housing with housekeeping and meal services.						
INCOME ANALYSIS Before							
	Year Built	1989					
Potential Gross Income							
	Units	SF NRA	Total NRA	Rent	Rent/SF		
Studios & 1-bedrooms	62	626	38,800	\$3,500	\$5.59		
2-bedroom	0	0	\$0	\$0.00	\$0.00	\$0	\$0
3-bedroom	0	0	\$0	\$0.00	\$0.00	\$0	\$0
Total apartments	62	626	38,800	\$3,500	\$5.59	\$2,604,000	\$2,604,000
Retail							
Office							
Restaurant							
Other							
Subtotals	0	0				\$0	\$0
Parking Area/Stalls	0	0	0	stalls @ \$0.00	/month	\$0	\$0
Basement	0	0				\$0	\$0
Other	0	0				\$0	\$0
Other						1.0% of PGI	1.0% of PGI
Total Bldg Area & Gross Income	38,800	38,800	SF NRA @	\$67.78	/SF =	\$2,630,040	\$2,630,040
Less: Vacancy/credit allowance @	3.0%	of apartment revenue				(\$78,120)	(\$78,120)
	5.0%	of commercial revenue				\$0	\$0
	0.0%	of parking revenue				\$0	\$0
Total vacancy/credit allowance						(\$78,120)	(\$78,120)
Effective gross income						\$2,551,920	\$2,551,920
Less: Operating expenses							
Management fee @	5.0%	of total EGI				(\$127,596)	(\$127,596)
Parking operating expenses @		of parking EGI				\$0	\$0
Apartment operating expenses	55.0%	of apartment EGI				(\$1,389,234)	(\$1,389,234)
Structural maintenance/reserve	\$0.25	per SF of GBA				(\$9,700)	(\$9,700)
Total operating expenses						(\$1,526,530)	(\$1,526,530)
Net operating income						\$1,025,390	\$1,025,390
Indicated Value							
			Capitalized @			6.50%	6.50%
			Indicated value			\$15,775,231	\$15,775,231
			(R)			\$15,775,000	\$15,775,000
			Per DU			\$254,435	\$254,435
Land Value	48,971	12,732	SF @	\$700.00	per SF =	\$8,913,000	\$8,913,000
Residual Improvements	38,800	38,800	SF NRA @	\$176.86	per SF =	\$6,862,000	\$6,862,000
			SF GRA @	\$176.86			

PC-1 South Condominium (Heritage House)							
Scenario A: Rental and Vacancy Rate Changes							
APN	Description	Land Area	%	GBA	NRA		
659835-0010	Parking structure	32,321	66.00%	156,000	156,000		
856660-0020	62-unit apartment facil	12,732	26.00%	38,800	38,800		
856660-0030	Retail	979	2.00%	1,440	1,440		
856660-0060	Retail	490	1.00%	1,155	1,155		
856660-0050	Clinic	2,449	5.00%	2,769	2,769		
		48,971		200,164	200,164		
INCOME ANALYSIS After							
	Year Built	1989					
Potential Gross Income							
	Units	SF NRA	Total NRA	Rent	Rent/SF		
Studios & 1-bedrooms	62	626	38,800	\$3,500	\$5.59	\$2,604,000	\$2,604,000
2-bedroom	0	0	\$0	\$0.00	\$0.00	\$0	\$0
3-bedroom	0	0	\$0	\$0.00	\$0.00	\$0	\$0
Total apartments	62	626	38,800	\$3,500	\$5.59	\$2,604,000	\$2,604,000
Retail	0	0				0.00%	0.00%
Office	0	0				\$0	\$0
Restaurant	0	0				\$0	\$0
Other	0	0				\$0	\$0
Subtotals	124	1,252				\$0	\$0
Parking Area/Stalls	0	0	0	stalls @ \$0.00	/month	0.00%	0.00%
Basement	0	0				\$0	\$0
Other	0	0				\$0	\$0
Other						1.0% of PGI	1.0% of PGI
Total Bldg Area & Gross Income	38,800	38,800	SF NRA @	\$67.78	/SF =	\$2,630,040	\$2,630,040
Less: Vacancy/credit allowance	3.0%	of apartment revenue				(\$78,120)	(\$78,120)
	5.0%	of commercial revenue				\$0	\$0
	0.0%	of parking revenue				\$0	\$0
Total vacancy/credit allowance						(\$78,120)	(\$78,120)
Effective gross income						\$2,551,920	\$2,551,920
Less: Operating expenses							
Management fee @	5.0%	of total EGI				(\$127,596)	(\$127,596)
Parking operating expenses @		of parking EGI				\$0	\$0
Apartment operating expenses	55.0%	of apartment EGI				(\$1,389,234)	(\$1,389,234)
Structural maintenance/reserve	\$0.25	per SF of GBA				(\$9,700)	(\$9,700)
Total operating expenses						(\$1,526,530)	(\$1,526,530)
Net operating income						\$1,025,390	\$1,025,390
Indicated Value							
			Capitalized @			6.50%	6.50%
			Indicated value			\$15,775,231	\$15,775,231
			(R)			\$15,775,000	\$15,775,000
			Per DU			\$254,435	\$254,435
Land Value	48,971	12,732	SF @	\$700.00	per SF =	\$8,913,000	\$8,913,000
Residual Improvements	38,800	38,800	SF NRA @	\$176.86	per SF =	\$6,862,000	\$6,862,000
			SF GRA @	\$176.86			

PC-1 South Condominium (Heritage House)							
Scenario B: Overall Capitalization Rates Changes							
APN	Description	Land Area	%	GBA	NRA		
659835-0010	Parking structure	32,321	66.00%	156,000	156,000		
856660-0020	62-unit apartment facil	12,732	26.00%	38,800	38,800		
856660-0030	Retail	979	2.00%	1,440	1,440		
856660-0060	Retail	490	1.00%	1,155	1,155		
856660-0050	Clinic	2,449	5.00%	2,769	2,769		
		48,971		200,164	200,164		
INCOME ANALYSIS After							
	Year Built	1989					
Potential Gross Income							
	Units	SF NRA	Total NRA	Rent	Rent/SF		
Studios & 1-bedrooms	62	626	38,800	\$3,500	\$5.59	\$2,604,000	\$2,604,000

The LaSalle (Commercial and Senior Housing Units)									
Map Nos. E-011-001 and -003									
Tax Parcel Nos. 419380-0010 and -0030									
Property key 8680, 8681, 8683									
Address 86 Pike Street									
Zoning: PMM-85									
Property rights: No apparent restrictions, housing units on city spreadsheet but no underlying data									
Previous sale: N/A									
Proximity to project: 200± feet from Pike Street improvements, 500± feet from waterfront park									
Ownership: Pike Place Market Preservation and Development Authority									
Description: 14,393 SF site on the southwest corner of Western Avenue and Pike Street, zoned PMM-85, improved with a 77,088 SF building constructed in 1901 and platted in 2007 into a 3-unit condominium (see summary to the right).									

The LaSalle (Commercial and Senior Housing Units)									
Scenario A: Rental and Vacancy Rate Changes									
APN 419380-0010									
Description Commercial Unit									
Land Area 5,757									
% 40.00%									
GBA 30,649									
NRA 30,649									
APN 419380-0020									
Description 64-unit apartment facility									
Land Area 7,340									
% 51.00%									
GBA 39,557									
NRA 39,557									
APN 419380-0030									
Description Senior housing									
Land Area 1,295									
% 9.00%									
GBA 6,882									
NRA 6,882									
Total 14,393									
% 100.00%									
GBA 77,088									
NRA 77,088									

The LaSalle (Commercial and Senior Housing Units)									
Scenario B: Overall Capitalization Rates Changes									
APN 419380-0010									
Description Commercial Unit									
Land Area 5,757									
% 40.00%									
GBA 30,649									
NRA 30,649									
APN 419380-0020									
Description 64-unit apartment facility									
Land Area 7,340									
% 51.00%									
GBA 39,557									
NRA 39,557									
APN 419380-0030									
Description Senior housing									
Land Area 1,295									
% 9.00%									
GBA 6,882									
NRA 6,882									
Total 14,393									
% 100.00%									
GBA 77,088									
NRA 77,088									

NORTH ARCADE OF PUBLIC MARKET						
Map No.	B-188	Historic:	Yes			
Tax Parcel Nos.	197720-0385	Stories:	1			
Address	1901 Pike Place	Current Rent:	-			
Zoning:	PMM-85	NOTE:				
Property rights:	Fee Simple					
Proximity to project:	1-block					
Previous sales:	-					
Ownership	Pike Place Market- PDA					
Land Value Without "Before"		13,070	SF @	\$700.00	per SF =	\$9,149,000
Land Value With "After"		13,070	SF @	\$714.00	per SF =	\$9,332,000
Special Benefit				\$14.00	per SF =	\$183,000
INCOME ANALYSIS WITHOUT "Before"		Year Built 1909				
		Parking 0				
Potential Gross Income						
		GBA	NRA			
Retail	0	0	SF NRA @	\$0.00	per SF =	\$0
Office	0	0	SF NRA @	\$0.00	per SF =	\$0
Restaurant space	0	0	SF NRA @	\$0.00	per SF =	\$0
Other- Arcade	13,070	13,070	SF NRA @	\$50.00	per SF =	\$653,500
Other	0	0	SF NRA @	\$0.00	per SF =	\$0
Other	0	0	SF NRA @	\$0.00	per SF =	\$0
Building Area		13,070				\$653,500
Parking Area/Stalls	0	0	0 stalls @	\$0.00	/month	\$0
Basement	0	0	SF NRA @	\$0.00	per SF =	\$0
Total Bldg Area & Gross Income	13,070	13,070	SF NRA @	\$50.00	/SF =	\$653,500
Less: Vacancy/credit allowance @	0.0%					\$0
	5.0%					(-\$32,675.00)
Effective gross income						
Less: Operating expenses						
Management fee @	7.0%	of total EGI				
Parking operating expenses @	0.0%	of parking EGI				\$0
Structural maintenance/reserve	\$0.00	per SF of NRA				\$0
Total operating expenses						(-\$43,458)
Net operating income						\$577,367
Indicated Value		Capitalized @	7.50%			\$7,698,230
				(R)		\$7,698,000
				Per SF NRA		\$588.98
Land Value		13,070	SF @	\$700.00	per SF =	\$9,149,000
Residual Improvements		13,070	SF NRA @	\$0.00	per SF =	\$0
		13,070	SF GBA @	\$0.00		
Special Benefit Summary						
		Land				
		Per SF	Total	Improved	% Change	Total Estimated Value
Without LID		\$700.00	\$9,149,000	\$0	N/A	\$9,149,000
With LID		\$714.00	\$9,332,000	\$0	0.00%	\$9,332,000
From Summary page						\$183,000
Without LID		\$700.00	\$9,149,000	\$0	N/A	N/A
With LID		\$714.00	\$9,332,000	\$0	0.00%	\$183,000
Percent change in land value		2.00%				
Preliminary Estimates						
Without LID						\$9,149,000 N/A
With LID						\$9,416,000 \$267,000

Declaration of Mary Bacarella

Re: Local Improvement No. 6751 Objection to Final Assessment Roll

Objections to Parcel Numbers: Parcel Numbers 8008550000 (B-198-001, B-198-002, B-198-003, B-198-004) and 1977200385 (B-188)

Property Owner: Pike Place Market Preservation and Development Authority

I, Mary Bacarella, declare under penalty of perjury:

1. I serve as the Director of the Pike Place Market Preservation and Development Authority (“the PDA”). I am over the age of 18, have personal knowledge of the facts stated herein, and could testify to the same if called to do so.

2. The PDA has three HUD-subsidized buildings located directly within Pike Place Market. One such building is Stewart House, which is comprised of three condominium units. Unit 1 is a commercial space containing retail tenants. Unit 2 contains 48 housing units restricted to low-income seniors participating in the HUD Section 8 program. Of the 48 apartments, 46 are studio apartments and two are one-bedroom units. Unit 3 contains 38 single room occupancy (SRO) units with shared bathrooms.

3. While not formally income-qualified properties, the SRO units function as low-income housing as a result of their rent structure and lack of market-rate amenities. These units are included by reference in the HUD Housing Assistance contract that provides Section 8 rental assistance. The separate parcel designation for the SRO wing of the Stewart House Building does not relate to a functional separation or separate building from the Section 8 units, but rather is simply an artifact of financing for historic preservation tax credits.

4. To the extent that rents on the SRO units could technically be raised to market, capital constraints, Historical District requirements on structural changes and improvements, and

a lack of competitive amenity offerings significantly limit the ability of the PDA to command rents for these units that are on par with market rates. Moreover, offering the low-rent SRO units is consistent with the PDA's mission to provide community-strengthening uses at the Market by providing affordable residential options downtown for low-wage workers.

5. Due to the nature of low-income housing, which is held to a fixed or reduced rent schedule, along with the Market's regulatory mandates for the provision of low-income housing and accompanying services, Units 2 and 3 of Stewart House will not be specially-benefitted from the LID improvements such that their values will increase like market-rate or other commercial properties.

6. The assessment for Stewart House contains three principal errors. First, the LID assessment identifies the highest and best use of Stewart House as "Commercial Use," however, in light of the majority residential use, the appropriate designation should be "Multifamily/Commercial." Second, the land value of Stewart House should be allocated to its three condominium units. Finally, two of the three condominium units and their corresponding proportional interests in land qualify for exemption from assessment as low-income housing.

7. Adjusting the assessment to account for these errors, the total assessment for Stewart House should be reduced to \$82,117.

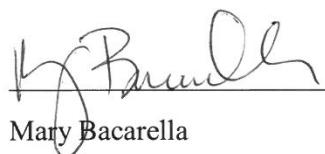
8. As a component of my duties at the PDA, I am also knowledgeable about the constraints and conditions with respect to other Market properties. For example, the North Arcade, Parcel 1977200385, is subject to specific restrictions on its use pursuant to a contract with the City of Seattle. This contract establishes the priority use as a farmers' market with daily rentals and secondary use for daily rentals by independent arts and craft businesses. The one-

story building is covered from rain but is essentially an open air facility that cannot be converted to term lease space for conventional businesses, as is standard on all other PDA property.

9. The assessment on the North Arcade contains an error in the size of the building, which takes up the entire lot. Based on my familiarity with the building, I believe the correct building size is 13,070 square feet.

10. PDA staff prepared the map included in the Appendix submitted with these materials that depicts comparable values for other PDA property in the close vicinity of the North Arcade. The valuation of these properties suggests that the North Arcade should be assessed at a pre-LID value of \$550 per square feet and assigned a 2% benefit value, for a total assessment of \$56,070.

I declare the foregoing is true and correct.



Mary Bacarella 2/3/20
Mary Bacarella

Signed this 3rd day of February, 2020 at Seattle, WA.