Seattle Waterfront LID Assessment Hearing

Seattle LID Public Comment Hearing

February 13, 2020



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20 21	
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1	SEATTLE, WASHINGTON; FEBRUARY 13, 2020
2	9:05 A.M.
3	
4	HEARING EXAMINER VANCIL: Good morning.
5	I'll call to order this February 13, 2020 continuance
6	of the Seattle Waterfront LID Assessment hearing.
7	Today, objections will be heard for
8	Hearing Examiner Case Nos. 97, we have starting now,
9	236 at 10:15, and then later today, Case No. 22 at
10	1:15.
11	Just one procedural matter I want to
12	address before we get started on Case No. 97. With
13	the City, I've indicated your dates right now on the
14	calendar being held are April 27, 28, 29 and 30. I
15	would like to issue an order that generally carries a
16	message of some notes on procedure and timing when the
17	City's going to go, cross-examination, et cetera, so
18	that I can put that out for all of the objectors.
19	Could you could the City, please I
20	think our next time from today is on Tuesday, if the
21	City could confirm that it's ready to go on the 27th
22	and 28th, and they'd originally indicated they needed
23	two days for hearing, if that's still the case, so we
24	can, on Tuesday, firm up the dates that the City would
25	be going.

1	MS. THOMPSON: Yes.
2	HEARING EXAMINER VANCIL: Thank you. All
3	right.
4	Turning to Case No. 97, please state your
5	name and spell it for the record.
6	MR. JUSTEN: William Justen, J-U-S-T-E-N.
7	(William Justen sworn.)
8	HEARING EXAMINER VANCIL: Thank you.
9	Please proceed.
10	MR. JUSTEN: Okay.
11	Mr. Hearing Examiner, I brought you a
12	binder to follow through with everything I've
13	presented before and today
14	HEARING EXAMINER VANCIL: All right.
15	MR. JUSTEN: with exhibits marked and
16	so forth.
17	HEARING EXAMINER VANCIL: Okay.
18	MR. JUSTEN: That should be helpful.
19	One question I had, have you had a chance
20	to read the objection I filed on the February 3rd?
21	HEARING EXAMINER VANCIL: I have read
22	every objection so far. Whether I can cite to it and
23	remember specific
24	MR. JUSTEN: Right.
25	HEARING EXAMINER VANCIL: sections of

1	it out of 400-plus objections is not likely, so you'll
2	want to highlight specific sections if you want today
3	as part of your testimony.
4	MR. JUSTEN: Thank you. Congratulations
5	on that reading.
6	HEARING EXAMINER VANCIL: I'll have to do
7	it again before the end so
8	MR. JUSTEN: Yeah, it's very complex.
9	I'll introduce myself. Up on the screen
10	is the information about our objection. We're the
11	homeowners of the condominium unit stated above. We
12	purchased our home when it was new in March of 2009.
13	That was 11 years ago.
14	My wife and I both have considerable real
15	estate experience. Sandra's a real estate broker, and
16	I am a licensed managing and designated real estate
17	broker.
18	Sandra's lived in the Pike Place Market
19	neighborhood for 20 years, and has been a listing or
20	selling broker for more than 150 condominiums in 11
21	different condominium buildings in the LID for the
22	past 12 years. I have lived in the Pike Place Market
23	neighborhood since 1977. During those 43 years, I've
24	been the developer and resident of the Pike and
25	Virginia condominiums at 87 Virginia Street, Market

1	Place Tower office and condominiums at 2033 First
2	Avenue at Lenora Street, and 1521 Second Avenue
3	condominium tower.
4	As a developer of these projects and
5	dozens elsewhere in Seattle, I've hired and instructed
6	many appraisers to prepare value appraisals for my
7	projects. I've also am [sic] the former director of
8	the City of Seattle's Department of Construction and
9	Land Use, currently named the Seattle Department of
10	Construction and Inspections. Actually, the
11	department I ran also included the planning functions
12	for the City. That's now been separated out into a
13	separate office.
14	I was also a founding board member and a
15	faculty member of the Rustad Real Estate Center at the
16	University of Washington. And in May of 2011, the
17	Central Waterfront Committee appointed me as an
18	advisor to the committee's finance and partnership
19	subcommittee to advise on the Waterfront Improvement
20	strategic financing strategies.
21	Just to make clear, my wife and I
22	definitely support the improved, attractive
23	waterfront; however, we are convinced that Seattle
24	will get that waterfront without any of the LID
25	enhancements.

enhancements.

4

I am disappointed that our request for a continuance for 90 days was rejected by the hearing examiner. We gave that request on January 22nd. The reasons were being that the 451-page studies that were done for the final special benefit proportion [sic] of the assessment study that were dated November 18th were not made available until January 8th, and we are concerned why the City Office of the Waterfront was attempting to place property owners at a disadvantage as it did not give us, the owners in the LID, our -- or our consultants nearly enough time to study these comprehensive documents that are the basis of the proposed final assessment, which we received in the mail on January 2nd.

We have submitted these objections and appeals, this letter to the hearing examiner, as our response to the proposed final assessment, which is being authorized by the Waterfront LID Formation Ordinance 125760 passed in January of 2019. That's Exhibit A in this binder.

I'd like to bring your attention to sections 5 and 6, and I quote those in our objection letter. Section 5 of that ordinance says [as read]:

The total estimated cost and expense of design and construction of the Central Waterfront Improvement

1 Program is estimated to be approximately \$712 million, 2 notwithstanding the provisions of any other ordinance 3 of the City. 4 The total cost of the LID improvements, 5 including planning, design, construction improvements, 6 and, B, the estimated cost of creation and 7 administration of the waterfront, together, the LID 8 expenses and the estimated financing costs and the cost of issuing LID bonds estimate amounts to be --10 fund a deposit of the LID guarantee fund is declared 11 to be approximately \$346,570,000. 12 It goes -- the ordinance goes on to say in 13 this section 5 that [as read]: The portion of the LID 14 expenses that are -- shall be borne by and assessed 15 against the property within the Waterfront LID 16 specifically benefitted by the LID improvements shall 17 not exceed \$160 million. 18 It goes on to say: Assessments shall be 19 made against the property within the Waterfront LID in 20 accordance with the special benefits accruing to such 21 property. 22 Section 6 says, under Method of Assessment 23 [as read]: The -- in accordance with the provisions 24 of RCW 354.44.047, the City may use any method or

combination of methods to compute assessments that may

1	be deemed to fairly reflect the special benefits to
2	the properties being assessed.
3	The ordinance is attachment A, or
4	Exhibit A. On the last page of that ordinance, there
5	is a budget for the six items that are defined as the
6	LID improvements, and I've put a little tag on that
7	for you.
8	And I made some notes. Those six projects
9	total \$282.24 million. There's also a one percent for
10	the art and the administration by the City of
11	\$8.27 million for City staff to manage the project,
12	some other things that come to 48.3.
13	So when I add those up, and the LID is 160
14	million, you can see the and the total cost is 330,
15	we can assume the LID assessments are covering
16	50 percent of each of the six programs that are going
17	to be that are proposed to be sponsored by the LID
18	funding.
19	So I will be using some of those numbers
20	as I talk about each of those six.
21	HEARING EXAMINER VANCIL: Mr. Justen
22	MR. JUSTEN: Yes.
23	HEARING EXAMINER VANCIL: I commend you
24	on your organization. I was just about to tell you,
25	you should have instructed some of your fellow

1	objectors on how to do this, but did you did you
2	make a copy of this for the City?
3	MR. JUSTEN: Yes.
4	HEARING EXAMINER VANCIL: And the City
5	the City has a copy.
6	MR. JUSTEN: Oh, I didn't I'm talking
7	to you and not the City. So I I have my copy and
8	your copy.
9	HEARING EXAMINER VANCIL: Right. And as
LO	part of this process, objectors are supposed to bring
L1	copies for the City so they can follow along.
L2	MR. JUSTEN: I didn't see that in the
L3	instructions.
L4	HEARING EXAMINER VANCIL: Yes.
L5	MR. JUSTEN: It is 99.9 percent the same
L6	as what I submitted on February 3rd. The only
L7	difference is, I added some exhibits and made
L8	reference to those exhibits. So if the City has the
L9	original filing, that would be substantially the same
20	as what we're looking at today.
21	HEARING EXAMINER VANCIL: Was this chart
22	of your was this chart
23	MR. JUSTEN: Yes.
24	HEARING EXAMINER VANCIL: in your
25	original objection in this form?

1	MR. JUSTEN: Yes, without my notes on it,
2	though.
3	HEARING EXAMINER VANCIL: Without the
4	notes, so not in this form?
5	MR. JUSTEN: Right, but that was part of
6	the ordinance that was in the exhibit and
7	HEARING EXAMINER VANCIL: But your notes
8	were not?
9	MR. JUSTEN: Yeah.
LO	HEARING EXAMINER VANCIL: Okay.
L1	And you're going to be referring to those
L2	notes and numbers?
L3	MR. JUSTEN: I just did.
L4	HEARING EXAMINER VANCIL: You also
L5	indicated that, as you proceed, you're going to be
L6	referring back to these.
L7	MR. JUSTEN: Oh, yes.
L8	HEARING EXAMINER VANCIL: Okay.
L9	MR. JUSTEN: What I'll be doing is
20	reciting the number in the exhibit as the City
21	prepared it, and adding the 17 percent of other costs,
22	so that we can see the total cost per project.
23	HEARING EXAMINER VANCIL: Okay. Here's
24	what we're going to do. I do see again, I do see
25	you're very organized, and it's very helpful and I

1	appreciate that, but for key documents, we're going to
2	need to make a copy for the City, and so that they
3	can follow along with it, and that's going to delay us
4	a little bit in time. You were delayed in some time
5	because of the set-up to begin with, so I'm going to
6	make up time for you to do that. That was about ten
7	minutes.
8	So, unfortunately, we do have an objector
9	coming after you, and we do need time for a break, so
10	we will do that, but you're going to get the ten
11	minutes you lost with that, but I can't give you more
12	time to make up for the fact that you didn't bring
13	copies for the City.
14	So you follow where we're going? I tell
15	you that as a warning, simply so that, as you go
16	through your packet
17	MR. JUSTEN: Right.
18	HEARING EXAMINER VANCIL: if there are
19	areas that you want to trim up and
20	MR. JUSTEN: Right.
21	HEARING EXAMINER VANCIL: maybe make
22	more efficient, you have an opportunity to do that,
23	and I don't tell you at the end that you're out of
24	time.
25	MR JUSTEN: Okay

1	HEARING EXAMINER VANCIL: But you can
2	proceed, please.
3	MR. JUSTEN: Okay.
4	HEARING EXAMINER VANCIL: Are you going
5	well, are you going to be referring to this document
6	immediately?
7	Go ahead.
8	MR. JUSTEN: Soon.
9	HEARING EXAMINER VANCIL: Okay. Let's
LO	pause and get a copy for the City then.
L1	MR. JUSTEN: Okay. Yeah, it is very minor
L2	changes related to the exhibits, which I was told I
L3	could bring more exhibits to the hearing.
L4	HEARING EXAMINER VANCIL: Yes. Objectors
L5	were asked to bring a copy for the Examiner and a copy
L6	for the City
L7	MR. JUSTEN: Okay.
L8	HEARING EXAMINER VANCIL: when they
L9	were scheduled for this. And I understand individuals
20	are not attorneys, and they're not used to all the
21	instructions and how this goes. So we don't normally
22	make copies is an example of how we're trying to
23	accommodate this
24	MR. JUSTEN: Okay.
25	HEARING EXAMINER VANCIL: so and

1	while I'm while this document is being copied, are
2	there any others that were not a part of your original
3	objection that are original documents in here that are
4	worth calling out and copying now, so we can I can
5	just hand them to my assistant when he comes back.
6	MR. JUSTEN: Everything that is on the
7	PowerPoint, there's 16 slides in Exhibit D.
8	HEARING EXAMINER VANCIL: So it will be on
9	the screen when you're referring to it?
LO	MR. JUSTEN: They'll be on the screen,
L1	yes.
L2	HEARING EXAMINER VANCIL: Okay.
L3	Is there anything else that won't be? I'm
L4	just trying to identify anything else that should be
L5	copied at this time.
L6	MR. JUSTEN: I don't think so.
L7	HEARING EXAMINER VANCIL: Okay. Thank
L8	you.
L9	MR. JUSTEN: So we're waiting?
20	HEARING EXAMINER VANCIL: Yes.
21	MR. JUSTEN: Okay.
22	(Brief pause in the proceedings.)
23	HEARING EXAMINER VANCIL: If you want to
24	give testimony about something other than the
25	document, that you're referring to it, you could do

1	that, but I'm holding this just because the City needs
2	an opportunity to have a copy of the document.
3	MR. JUSTEN: Right.
4	So I can talk about something that is not
5	in the documents?
6	HEARING EXAMINER VANCIL: That document,
7	yes.
8	MR. JUSTEN: That document. Okay.
9	HEARING EXAMINER VANCIL: I do assume that
LO	the City has access to your objection. If they elect
L1	to bring it or not, that's up to them.
L2	MR. JUSTEN: Right.
L3	HEARING EXAMINER VANCIL: But if you bring
L4	a new item to be introduced today, and you're going to
L5	be referring to it that's unique
L6	MR. JUSTEN: Okay.
L7	HEARING EXAMINER VANCIL: I need them
L8	to have a copy. So it looks like we made it through
L9	that part of the hearing, though. Please proceed.
20	MR. JUSTEN: Okay.
21	So our letter I'm on page 3, and this
22	letter will explain our objections to the City's
23	findings, as they are clearly not consistent with
24	ordinance section 5 and 6. And, therefore, we object
25	to any assessment for Seattle's Local Improvement

1	District 6751, the LID on our property at 1521 Second
2	Avenue for lack of any evidence, and going back to the
3	ordinance, deemed to fairly reflect the special
4	benefits to our property.
5	And I'm quoting the Washington Practice
6	Instructions [as read]: Special benefits are those
7	that add value to the remaining property as
8	distinguished from those arising incidentally and
9	enjoyed by the public generally.
LO	So we're going to provide the following
L1	reasons and objections in Sections A through L of this
L2	binder.
L3	First of all, our building is physically
L4	remote both horizontally and vertically from the
L5	central waterfront as we are more than three city
L6	blocks, 1,240 feet from our building lobby entry to
L7	the Promenade on the west side of Alaskan Way. Our
L8	building entrance is also 116 vertical feet above
L9	Alaskan Way.
20	The waterfront is clearly not convenient
21	to residents to take their dogs for a walk or to go
22	for a stroll. The value of our homes from a location
23	perspective comes from proximity to convenient
24	shopping, services, and employment centers in the

downtown core.

1	Additional value for west-facing
2	condominiums in our building comes from the views of
3	Elliott Bay, but clearly not from proximity or
4	close proximity to the waterfront.
5	Let's see. Slide the next slide,
6	please. So our specific condominium, home, on the
7	29th floor is an east side of the building with a
8	skyline view. You can see that there. Actually, that
9	lost that view is going to be lost when a proposed
10	46-story tower directly east across Second Avenue is
11	built from us.
12	And what irritates me is also that
13	building, that won't start construction until the end
14	of this year, would not be subject to the LID
15	assessment for its improvements, and it's a
16	substantially larger building than ours.
17	Oh, and by the way also, our building at
18	1521 Second Avenue, I understand, is the has the
19	highest special assessment of any single building in
20	Seattle. And there and it's 11 years old, it's
21	40 stories, and now they're building 44-story
22	buildings. They have built some 44-story buildings.
23	There are much taller office buildings, hotel
24	buildings. We are still assessed higher per our
25	single building than any of the other buildings in the

1 LID. We're not sure why that is, other than the 2 assessor make huge mistakes. 3 Let's see. The City's determination of 4 final benefit value lift from the LID improvements of 5 our home of \$64,411.20 with a special assessment of 6 \$25,237.73 shows a complete lack of understanding of 7 property values, and general versus special benefits 8 by the City's appraiser, even after the City spent 9 millions of dollars and several years having studies 10 prepared. 11 We strongly -- strongly object to the 12 City's speculation that there will be any special 13 benefits to our property. Therefore, there are no 14 special benefits enjoyed specifically by our property 15 or the other properties physically remote by 100- to 16 150-foot steep bluff above the waterfront. 17 All the planned improvements will be 18 enjoyed by the general public, and that makes the 19 waterfront a specific destination by the general 20 public to enjoy the waterfront's general benefits. 21 How am I doing on my -- oh, there's the 22 time? Okay. So that's the time of day. What time --23 HEARING EXAMINER VANCIL: That's the time 24 of -- yes, the hearing started at 9:10. 25 MR. JUSTEN: Okay.

1	HEARING EXAMINER VANCIL: You were
2	allotted 9:00 to 10:00, so you had an hour from 9:00
3	to 10:00.
4	MR. JUSTEN: Okay.
5	HEARING EXAMINER VANCIL: You lost ten
6	minutes because of the set-up.
7	MR. JUSTEN: Right.
8	HEARING EXAMINER VANCIL: We're adding
9	that, so 10:10.
LO	MR. JUSTEN: So I go to 10:10.
L1	HEARING EXAMINER VANCIL: Um-hmm.
L2	MR. JUSTEN: Thank you. As structured
L3	I'm on page 4. As structured, the LID is terribly
L4	flawed as the LID enhancements are proposed to be paid
L5	for by existing properties as currently improved in
L6	the LID; however, there are hundreds of properties
L7	that will be developed and redeveloped in the near and
L8	distant future that will not be required to pay
L9	assessments based on those future improvements. Many
20	of those are significant towers.
21	This clearly inequitable treatment between
22	existing properties developed to their potential, and
23	properties not yet developed to the highest and best
24	use, there should be some kind of a latecomer's
25	navment provision as occurs in other LIDs

I've attached in Exhibit C in the binder a quote from the seven-page letter from Anthony Gibbons on page 7, and it talks about special benefits, and I won't spend time reading that since that is public and it's in the binder and -- and you've read it.

On section C, page 5, upon our read of the before and after, no LID versus LID, in the addendum volume, pages A1 through A8, it's very clear to us that there will be no special benefit or value lift to our property from the LID funding for the following reasons.

The LID before conditions describe major changes along the waterfront, funded by public tax dollars, will be great improvements over the previous waterfront conditions prior to the viaduct removal and Elliott Bay seawall project. These major changes, which clearly provide general benefits, as these changes will create an attractive waterfront for the general public as a general benefit, without the need for any LID funding enhancements.

So I'm going to -- let's see. Slide -next slide, please. This is a slide from the City's
study. This is the Promenade. It looks pretty cool.
It's clearly a major roadway, six to eight lanes,
depending on where you are. This is the before

picture. This has a lot of street trees, this has lighting. This has a boulevard down the center. This has a very wide Promenade walkway that is open to handle a lot of tourists.

This before picture from the City's -- I

quoted -- quote from the City's study as to what is available before the LID. The viaduct's gone, the seawall project's done, the Market Front building project's complete, Pier 62 project will be complete, the multimodal tomal -- terminal at Colman Dock project will be complete, the Washington boat landing pergola would be complete, the habitat beach will be complete.

On the -- on page 6, the rebuilt new surface roadway in the LID before condition. New surface roadway would fulfill some of the functions that were no longer -- will no longer be provided by SR 99 after the viaduct -- Alaskan Way viaduct is removed by serving both local and regional transportation needs, and providing access to SR 99, downtown and northwest Seattle.

So what this is telling us is this is still a very major transportation route for the region. It's a truck route, and it's got cars, and because of serving downtown, you can't get into

1 downtown from the tunnel. The tunnel exit and 2 entrance is south and north of downtown, so this is 3 still going to be a major roadway, not what the City 4 has been selling us as a park. That is not a park and 5 never will be a park, and we'll look at that picture a 6 little bit more. 7 The -- more roadway improvements before, 8 again, I'm on the middle of page 6, additional 9 on-street parking and loading zones on the curbside on 10 Alaskan Way, east and west side, new arterial called 11 Elliott Way will be -- would follow the path of the 12 former viaduct to connect up the hill. 13 377 street trees planted in the median and 14 planting trips on the east and west sides of Alaskan 15 Way are part of the before. 377 trees. According to 16 the LID, we add 16 more trees, and all the trees are a 17 little bit larger, but that's a problem that I will 18 show you momentarily. 19 There's also the stormwater system being 20 put in, sidewalks on both sides of the roadway of 21 Alaskan Way, with the standard two-foot-by-two-foot 22 scored concrete, which is the standard downtown. The 23 LID would give you exposed aggregate, which is 24 probably harder to maintain and gets dirty quicker

than the City's standard two-foot-by-two-foot scored

1 concrete.

There will also, in the before, be a two-way bicycle facility, it would run along the west side of Alaskan Way, begin at King Street and along Alaskan Way up to Virginia, and then later it joins over to the east side of the roadway to the existing bikeway.

The Marion Street pedestrian bridge over
Alaskan Way will be constructed. The reconnection of
the Lenora Street pedestrian bridge to the new Elliott
Way will be constructed.

And at the top of page 8, it mentions that there's -- accommodate 128 parking spaces, and I note that all this parking is lost if the after LID improvements are made, as it fills up much of the open space with trees and pathways.

Let's look at slide number 8, the Overlook
Walk, so we got to jump ahead a little bit. This is
the Overlook Walk, which is one of the major cost
items, as I will mention a little later the cost of
that.

What's interesting is, it's a huge structure. The market front that's been completed is here. You access this up here, come down, and I actually note that this is the bottom of the Pike

1	Street Hill Climb, and the Overlook Walk ends up at
2	the same place. So it's really not serving it's
3	very redundant, and it's a big expensive structure,
4	but I'll talk about that in a little bit.
5	Let's see. That's the Overlook Walk. And
6	I do note that, in the City's description of the
7	Overlook Walk, they mention the Pike Street Hill
8	Climb, but they only mention that. They missed the
9	other three existing pedestrian connections, the
10	Lenora Street, Union Street, and Harbor Steps at
11	University, and I'll have a slide showing all of those
12	existing connections making the Overlook Walk
13	completely redundant.
14	The Pier 58 park, nothing happens to that
15	in the before, and I think it's a shame that the City
16	has let that park that's the only official park
17	down on the waterfront let that deteriorate, lack
18	of maintenance and lack of upgrades over its several
19	decades of existence.
20	The following and at the near the
21	bottom of page 8 on section D, the following are our
22	comments and objections to the six projects proposed
23	using LID funding to enhance a major the major
24	improvements that I've just described. And these are

copied from the Executive Summary of the special --

1	City special benefits study, pages 6 through 8.
2	The six main the first one is the
3	Promenade. So let's go back to the slide of the
4	Promenade, slide 3. So there we see that, and we
5	talked about the before already, the 377 trees, the
6	stormwater, the bicycle pathways, and so forth.
7	So the conclusion I have on this, and
8	is, they have budgeted, with the 17 percent addition
9	to their estimated cost, with approximately half of
10	the LID funding, 70 almost \$74 million for this
11	these enhancements, the more trees, the different
12	walkway, and the bike additional pathways through the
13	Promenade.
14	If we look at the next slide, slide 4,
15	this is the after, so you can see the trees look a lot
16	bigger, the road is still full of a lot of cars
17	because it's still a roadway, which doesn't feel like
18	a park. It's narrower on the west edge because
19	they've basically created a tree canopy for the
20	running and bike paths, walking and bike paths, and
21	taken up some of the open space that way.
22	To me, this is still a roadway, a six- to
23	eight-lane roadway. You can call it a boulevard. But
24	let's look at the next slide. So this is from the
25	City, and my concern is public safety. So I put a

note there: Poor visibility into the Promenade from eyes on the -- in the buildings east of Alaskan Way, a major security concern for hidden risks to public and crime.

So as a City planner and a resident of downtown for 43 years, eyes on the street is a

downtown for 43 years, eyes on the street is a fundamental public safety goal in just comprehensive planning and zoning and so forth, seeing what's happening on your street.

What this after is doing is basically creating blocks and blocks of hidden area. If we look at the next slide, the buildings on the right are not going to be able to see what's going on, and, sure, it's fine during a July day with thousands and thousands of tourists, but when they're gone, and the general public and a much-reduced density is down there, this is going to be, I believe, like other parks, especially Freeway Park, where you really can't see. People around it, there's no visibility to kind of police it to identify crime, to identify security problems. And I think this lush tree boulevard is a public safety hazard, and -- and it is much better with the before option.

If we look at the next slide, this is the Embarcadero, and my note down here says: Seattle

1	Waterfront best compared with the removed viaduct
2	along the central waterfront with the six- to
3	eight-lane roadway, with street trees, pedestrian
4	sidewalks, retail piers, and waterfront views. So
5	it's very much like the Embarcadero.
6	The Embarcadero I have a note up there,
7	it's a little hard to read but they have trees,
8	they have several rows of trees, but they're spread
9	out, they've maintained visibility, they've maintained
LO	eyes on the street from the buildings on the shore
L1	upland parcels. And I've spent a lot of time in the
L2	Embarcadero, and it feels perfectly safe because it's
L3	open, visible, sunny, and people can see into it at
L4	all times.
L5	Let's look at the next slide, the Overlook
L6	Walk. We saw that before, and my comments on the
L7	Overlook Walk, on page 10, I'm saying: This is
L8	totally unnecessary, redundant, wasteful of the City's
L9	estimated costs of \$117.33 million dollars. That's a
20	lot of money. That's with the 17 percent add-on from
21	the City's overhead and contingencies. It offers no
22	new special general benefits because of the three
23	nearby existing pedestrian connections between the
24	waterfront and Pike Place Market.

Let's look at the next slide. I think

1	that's where it is. Yes. So on this slide, this is
2	the before, so I'm calling this existing, so we have a
3	pedestrian link here at Harbor Steps.
4	HEARING EXAMINER VANCIL: Mr. Justen, when
5	you're describing this, if you could do your best to
6	try and describe it to someone who cannot see you
7	pointing
8	MR. JUSTEN: Oh, okay.
9	HEARING EXAMINER VANCIL: would be
LO	helpful, just because we're trying to create a record.
L1	MR. JUSTEN: Okay.
L2	So on
L3	HEARING EXAMINER VANCIL: And I'm
L4	following you just fine, but we're trying to create a
L5	record, and so if you can say east, west, the color
L6	red or something
L7	MR. JUSTEN: Okay.
L8	HEARING EXAMINER VANCIL: visual that's
L9	descriptive is helpful.
20	MR. JUSTEN: This slide is the before
21	slide, and it shows some parking opportunities along
22	the waterfront as well, but there are four black,
23	heavy lines going east-west, and the left-most is
24	Harbor Steps, which is a wonderful existing connection
25	between First Avenue, where that line starts, down to

the waterfront.

The next one is the stair system on Union

Street by the Four Seasons, and then west of Western,
that stair could be improved, but it works. I use it
every now and then.

Then the next line is the Pike Hill Climb, and it goes through the market, which is a wonderful experience, wide open stairs down to Western, and then the Hill Climb continues down from the waterfront.

Then the fourth one is up in the far right corner, and that is the Lenora Street bridge and elevator that connects the market area. And I talk about market area because, officially, the City designates the market, southbound where you have Union, and northbound of Lenora, so there are really three existing connections, as well as the Harbor Steps a block south of the market.

So let's look at the next slide. So I also, 1521, show that in the bottom center of where our building is, and that was on the previous slide, and there's a red arrow to the left of that. The existing point of access from the market to the waterfront is basically a block from our building. The Overlook Walk is circuitous, it's further over to the right, and that's its entrance at the market

front, so not as convenient.

So let's go to the next slide. And this is the route from the City's drawings, and you can see the fuchsia color, I guess, which is the pedestrian route using the Overlook Walk. Our building is down near the bottom -- I didn't add it onto this slide, but it's where it was before. It's near the route on the left-right, and I identify that as the Pike Hill Climb and Overlook Walk, they end at the same place.

So from my building, it makes no sense to wander several blocks further northwest to get to the Overlook Walk if I'm going to the waterfront, rather than the direct route that I've been using for decades, which is delightful through the market itself. So I'm saying that's redundant and has no special benefit to our building.

Then Pioneer Square improvements, I think anything in Pioneer Square is a wonderful thing. I manage the Samis Land Company, and we had 15 -- 14 or 15 buildings, we renovated those, like the Smith Tower and the -- the Corona and the Terry Denny, and the Collins Pub, wonderful buildings down there, I managed that portfolio and did those -- rehabbed those buildings over a 14-year period.

However, the improvements down in Pioneer

1	Square range from 10 to 14 blocks from my property.
2	That really doesn't do any enhancement or special
3	benefit. It's a certainly general benefit if I go
4	down there, like many people would, through Pioneer
5	Square, but certainly no special benefit to someone 10
6	to 14 blocks away.
7	The Union Street connection, I just
8	mention that on page 11. Another \$16.3 million. It's
9	a three-block walk down First Avenue from my building,
10	has no value to my building because we have the
11	existing, much more convenient Pike Street Hill Climb,
12	and Pike Street Stair.
13	The Pike Street Pike-Pine cityscape,
14	that's a real big deal to us. Let's go to the slide
15	13. Okay. This is the existing Pike Street from
16	Second Avenue. I took that picture because there was
17	only a thumbnail picture I could find in the City's
18	report. They had larger pictures of the others. But
19	this is what it is today.
20	And what's important to realize is our
21	building is in the middle of the block to the right.
22	You can see the State Hotel on the right, and we're
23	immediately adjacent to that, just north on Second
24	Avenue. Our garage uses that alley and exits onto
25	Pike Street. Our alley serves our garage, which is

1	298 cars, let's call it 300, a 50-car parking lot
2	that's heavily used by the market, the historic Doyle
3	building has 30 cars that they park in their garage.
4	There are two hotels, they get services off of there.
5	And our building alone gets 15,474 packages delivered
6	last year, and over 500 service vehicles using that
7	alley.
8	Now, let's go to the after, what they want
9	to do with it, the next slide. That's going to be
10	tough to get access, and we can't go right, it's one
11	way, so we have to go from the alley to the east to
12	get onto Second Avenue or to continue on Pike, and
13	this would cause a huge amount of value reduction in
14	our property if we're restricted significantly for
15	access to and from our building.
16	Let's look at the next slide, please.
17	This is Pine Street. So Pine Street is one way west,
18	where Pike Street was one way east. This is the
19	before, the existing, and the primary access to our
20	garage, the parking lot, the Doyle building there on
21	the left is the historic building that has 30 cars
22	subgrade parking about 40 feet down the alley to the
23	left.
24	So this is the primary entrance to nearly

400 parking stalls and thousands of deliveries a year.

1	We like it this way. It's got some nice trees. You
2	can see the market sign down at the end, and you can
3	see a little bit of the water as you get closer to
4	First Avenue.
5	Let's look at what the City wants to do.
6	It's no longer going to be accessible in any
7	reasonable fashion to get access, vehicle access into
8	that alley, left turn into the alley, Pine Street
9	looking west. This is a disaster, and would
10	definitely harm the value of our properties if it is
11	no longer convenient. Right now, it's congested.
12	This would basically block it and encourage
13	pedestrians in the roadway, much like the market. And
14	I go to the market almost every day since I live
15	there, and I always wonder why people bother driving a
16	car down Pike Place in the market. This will have
17	that kind of a feel, and we'll wonder, why would
18	anyone drive down that? Well, that's the only way we
19	can get to our building. So that is quite harmful to
20	us, that proposal.
21	And Pier 66 on page 12, I just mention
22	that the existing Waterfront Park is part of a tourist
23	destination of the central waterfront. It's
24	tourist-oriented. It's got retail piers. The park
25	itself is kind of a curious place for tourists to

1 explore since it recessed down close to the water 2 rather than up at the sidewalk level. 3 The City wants to spend \$76.4 million, 4 half of that ours, and I think it's a small park 5 that's received little maintenance from the City, 6 which is irresponsible. The described improvements 7 reflect deferred maintenance of the park and lack 8 appropriate improvements over the many years that 9 should have been added to the park. 10 On section E -- I'm through the exhibits 11 right now, I think, or the slideshow. From our 12 experience, I'm speaking for my wife and myself, 13 living in the Pike Place Market neighborhood for over 14 four decades, including living adjacent to Westlake 15 Park for eight years, and managing 15 historic 16 buildings in Pioneer Square for 14 years, we've 17 experienced the negative impacts to properties and 18 pedestrians using or passing nearby public open spaces 19 in the downtown core, including Victor Steinbrook 20 Park, Westlake Park, Freeway Park, Occidental Park. 21 These public places frequently attract unlawful 22 behavior and threatening events. 23 We all know that last week, seven 24 pedestrians were shot one block from our building.

We're concerned that the central waterfront boulevard

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with even much fewer eyes on the street and on the pedestrian areas, even less than these other parks because you don't have people living or working on the west side, that's the water, that's the piers, even less than that, is going to be a significant public safety problem for Seattle.

I still have a little more time. Boy, I'm going faster than I thought. So I'll go to F. I'll just mention, for ten years, I was the responsible official for the City of Seattle lead agency on SEPA decisions and conditions for all privately sponsored developments. I read dozens and dozens of EISes because the City attorney at the time, Doug Jewett, made it clear to the mayor, Charlie Royer, that if he wanted to influence development decisions, he was going to have to come to the appeal hearings, and he said he wasn't going to do that. So I had to be the designated, responsible official, and had quite a bit of experience with SEPA as it, because of the one court case, decided that it no longer applied only to public projects, but also to public decisions on private projects. Well, from what I can tell, I can't find any meaningful SEPA analysis of the Central Waterfront project.

In G, I'm concerned about the budget.

1	Everything is running way over. I'm working on
2	projects right now in Seattle. Costs are escalating.
3	Contractors say budget three and a half percent
4	escalation, but then when you get the bids, it's more
5	like eight or nine percent.
6	This \$712 million project that the City's
7	estimated is we are going to go over budget. And
8	how's that going to be paid for? Will the hundred and
9	something million dollars of philanthropy happen? And
10	if it does, the City's still short 80-some million
11	dollars. How's that going to impact the budget? If
12	there are overruns, these funds would likely come from
13	the City's general fund at the cost of general
14	fund-supported City functions, such as police
15	protection, support to the homeless and Social
16	Services.
17	In H, I mention I have not focused much
18	on the value of our home because my premise is, there
19	are no special benefits, so the assessed value is
20	meaningless. But in H, I do say something that causes
21	me some alarm about the credibility of the City's
22	appraiser.
23	In H, I say: As a further lack of
24	confidence in the work done by the City's appraiser,
25	the appraiser determined the value of our home, No.

1 2901, on the northeast corner, before the LID was 2 \$2,385,600, which tells us that the appraiser is 3 completely unaware of the decline in condominium 4 market values this past year in the LID. 5 For example, the unit adjacent to ours --6 and I think this is a revised section from the earlier 7 filing I did on the 3rd because this happened after 8 that -- the unit adjacent to ours, 2902, it's on the same floor, we share a wall, on the southeast corner, 10 sold for \$1.8 million last week on February 4th. 11 That's 15 percent less than the City's appraisers 12 before value of 2,074,800. 13 Redfin, in a January of 2020 report, 14 estimates our home at one-million-nine-seventy-one, 15 which is 82.6 percent of the City appraiser's before 16 value. 17 My question is, if the City's appraiser is 18 15 percent or more, 15 to 18 percent off of market 19 value, how can anyone believe his estimate of value 20 lift of our home from a fully -- LID improvements of 21 2.7 percent? When he's off 15 percent, how can he so 22 scientifically come up with 2.7 percent? Well, he 23 can't, and I think it's speculation, and I think this 24 is an MIA appraisal, which means made as instructed,

and I really think he was told what he had to come up

1 with because there's no document scientifically of an 2 appraisal, as I have reviewed hundreds of appraisals 3 over the years, that prove that this is correct. 4 In conclusion, bottom of page 13: As 5 long-term residents and employees of downtown core, 6 and as active domestic and international travelers, 7 where we've observed and studied public spaces, it is 8 very clear to us that those major changes that are 9 planned for the Central Waterfront in the before 10 option, without the LID enhancements, will be a 11 wonderful regional attraction, primarily as a tourist 12 destination in the long summer days. 13 This clearly will not be a neighborhood 14 park, but rather a waterfront boulevard offering no 15 special benefits and property value lift to property 16 owners in the downtown core. Rather, our major 17 concern is the large waterfront boulevard will be 18 unpleasant and unsafe, as are other downtown 19 pedestrian spaces during the dark days and evenings, 20 which adversely impact our property values. 21 Thank you for giving this very serious 22 attention that it deserves. 23 HEARING EXAMINER VANCIL: Thank you, 24 Mr. Justen. Anything further? 25 MR. JUSTEN: No. Your copy has -- we did

1	a fresh signature on this, and with the list of the
2	updated exhibits. But I think I'm done.
3	HEARING EXAMINER VANCIL: All right.
4	MR. JUSTEN: Thank you.
5	HEARING EXAMINER VANCIL: Thank you.
6	Your notebook will be entered as it is
7	with as Exhibit 1 for your Case No. 97.
8	(Exhibit No. 1 was marked.)
9	Anything from the City?
LO	MS. THOMPSON: Yes. Thank you.
L1	CROSS-EXAMINATION
L2	BY MS. THOMPSON:
L3	Q. Mr. Justen, are you a certified real estate
L4	appraiser?
L5	A. No, I hire them and I advise them.
L6	Q. And do you have training or experience in
L7	mass appraisal techniques?
L8	A. Yes.
L9	Q. Could you explain that, please?
20	A. I've studied extensively real estate
21	programming, evaluation, cost method, income method,
22	replacement method of appraisals as I've studied
23	appraisals for my projects, worked with many of the
24	appraisers in Seattle, and so I'm very familiar with
25	the process of evaluation.

1	Q. Have you ever prepared a valuation or
2	appraisal?
3	A. No. I'm not an appraiser. It's not eas
4	it takes a lot of time to become an appraiser, but
5	it's not very intellectually tough.
6	Q. And are you familiar with the Uniform
7	Standards of Professional Appraisal Practice?
8	A. I can't quote them, but I've I'm somewhat
9	familiar with them since I've hired appraisers over
10	the years, and discussed their limits of what they can
11	and cannot do.
12	MS. THOMPSON: Okay. Thank you. Nothing
13	further.
14	HEARING EXAMINER VANCIL: And I'm sorry,
15	Mr. Justen, I did have one clarifying question about
16	one of your arguments. I believe it was in it's in
17	the slide that's up now. You indicated that the
18	City's plans, you believe, will block access to your
19	alley; is that correct?
20	MR. JUSTEN: I would say impede.
21	HEARING EXAMINER VANCIL: And what
22	specifically in the plan will do that? I'm looking at
23	the image now, and I'm trying to compare it to the
24	photo of what's there what's there now, and then
25	I'm looking at the image of what is planned and

1	MR. JUSTEN: So this is what it is now.
2	HEARING EXAMINER VANCIL: Right.
3	MR. JUSTEN: So right now it's an open two
4	lanes in order to go from Second and take a right,
5	which is if you're coming from the north, that's a
6	frequent route, and then going half a block and
7	turning left into the alley. Or another very frequent
8	access point is coming west on Pine, crossing Second
9	into this part of Pine, and taking a left into the
10	alley.
11	HEARING EXAMINER VANCIL: Understood.
12	And then to the if we can go back to
13	the slide here. Again, what are you what's your
14	allegation of what is in reducing the value?
15	MR. JUSTEN: It's narrowing it down to one
16	lane, and it's encouraging pedestrians to share the
17	street
18	HEARING EXAMINER VANCIL: All right.
19	MR. JUSTEN: something like a woonerf,
20	like Pike Place and the market itself. This is going
21	to make it much more restrictive in gaining vehicle
22	access to go into this pedestrian-auto mix area, and
23	taking a left into the alley with that number of
24	vehicles that have to use it.
25	HEARING EXAMINER VANCIL: So it's the

1	num it's the invitation of pedestrians into the
2	right-of-way and reducing it to one lane
3	MR. JUSTEN: Yes.
4	HEARING EXAMINER VANCIL: is that
5	correct? Okay.
6	MR. JUSTEN: Yes.
7	HEARING EXAMINER VANCIL: Thank you very
8	much.
9	MR. JUSTEN: Thank you.
LO	HEARING EXAMINER VANCIL: We will
L1	adjourn we will adjourn for a break and return at
L2	10:15 for the next objection.
L3	(A break was taken from
L4	9:57 to 10:15 a.m.)
L5	HEARING EXAMINER VANCIL: We return to the
L6	record to hear Case No. 236. It appears the objector
L7	is not present. Common practice for the Hearing
L8	Examiner's office for all cases is to wait ten minutes
L9	for a party. If they don't appear, then their matter
20	is dismissed.
21	Obviously, in this case, the objection
22	would still stand for the record, but the opportunity
23	to testify orally would be withdrawn. We will
24	reconvene either at the appearance of the objector or
25	at 10:25.

1	(A break was taken from
2	10:16 to 10:27 a.m.)
3	HEARING EXAMINER VANCIL: We reconvene to
4	hear Case No. 236, noting that the objector is not
5	present. The opportunity to testify in this matter is
6	dismissed. The objection stands for the record as is
7	with no opportunity to supplement.
8	We will reconvene for Case No. 22 at 1:15
9	today. Thank you.
10	(A break was taken from
11	10:27 a.m. to 1:15 p.m.)
12	HEARING EXAMINER VANCIL: All right. I'll
13	call to order this February 13, 2020, continuance for
14	the Seattle Waterfront LID Assessment hearing. We're
15	now hearing Case No. 22 set for 1:15.
16	Before I start with that, I see that
17	Mr. Justen from our 9:00 a.m. hearing for Case No. 97
18	submitted a document.
19	MR. JUSTEN: For the City attorney, their
20	copy.
21	HEARING EXAMINER VANCIL: Oh, that doesn't
22	come through me. That just goes straight to them.
23	All right. I've handled that.
24	Moving on to Case No. 22, please state
25	your name and spell it for the record.

1	MR. JUSTEN: My name is Eugene Burrus,
2	E-U-G-E-N-E B-U-R-R-U-S.
3	(Eugene Burrus was sworn.)
4	HEARING EXAMINER VANCIL: Okay. Please
5	proceed.
6	MR. BURRUS: Thank you. I think we have
7	somehow I got assigned two case numbers as well, so I
8	want to be sure we I have that covered or
9	something. I know in my notice it said 22 and 50.
LO	HEARING EXAMINER VANCIL: The filing
L1	the case number system in this is not exact.
L2	MR. JUSTEN: Okay.
L3	HEARING EXAMINER VANCIL: This is a unique
L4	hearing, and so it doesn't follow our case number
L5	system.
L6	MR. JUSTEN: Right.
L7	HEARING EXAMINER VANCIL: I believe when
L8	we got started, some case numbers got assigned
L9	originally to when if you filed, say, by e-mail,
20	and
21	MR. JUSTEN: Got it.
22	HEARING EXAMINER VANCIL: then
23	something by hard copy, maybe two
24	MR. JUSTEN: They got two of something.
25	HEARING EXAMINER VANCIL: We've got

1	individuals who filed on behalf of two parcel numbers.
2	We had a whole thing.
3	MR. JUSTEN: Yeah, that
4	HEARING EXAMINER VANCIL: But trust me
5	that we've got case numbers, we've got your parcel
6	number.
7	MR. JUSTEN: Good.
8	HEARING EXAMINER VANCIL: I know who you
9	are
LO	MR. JUSTEN: Got it.
L1	HEARING EXAMINER VANCIL: and you're in
L2	the system, and it's all a consolidated hearing for
L3	purposes of that.
L4	MR. BURRUS: Good. Thank you.
L5	I've got two additional exhibits that I've
L6	got for you, and a copy for you, and you could
L7	either you can either follow along on the hard
L8	copy, or one is the PowerPoint deck that I've got up
L9	on the screen here, and the other is an excise tax
20	certificate from the King County Assessor's website
21	that was not available yet when I was completing the
22	deck, but it became available today or yesterday,
23	so
24	HEARING EXAMINER VANCIL: All right.
25	We'll mark the PowerPoint presentation as Exhibit 1

1	for Case No. 22, and the excise tax affidavit as
2	Exhibit 2.
3	(Exhibit Nos. 1 and 2 were marked.)
4	MR. BURRUS: All right.
5	So as I said, my name is Eugene Burrus.
6	My wife Leah and I are both retired, and we own a
7	condominium within the Waterfront LID located at 1521
8	Second Avenue, Unit 1702. We've lived there since we
9	purchased that unit in 2012. And we were, prior to
10	that, renters downtown. We've lived downtown for over
11	a decade now.
12	We've got a number of objections to the
13	proposed final assessments, including the asserted
14	market value of our condominium, which we believe
15	exceeds the actual market value by more than
16	30 percent, and the the 2.7 percent asserted
17	special benefit, which we believe is unsupported and
18	speculative, at best.
19	So, first, unlike some of the other ones
20	I've seen, we're going to assess the market value
21	issue first, and then move on to the special benefit
22	analysis, but so we'll go to the to the market
23	value first.
24	So the initial appraised value without the
25	LID assigned to our property is excessive, and clearly

1 not based on any examine -- examination of comparable 2 sales and listings, nor any other credible evidence. 3 The City appraiser asserts the market 4 value of our condominium without the LID is 1.901 --5 wait -- \$1,901,900. Comparable sales, which I will 6 show you, prove that the City has overestimated the 7 value of our property by more than 30 percent. Their 8 guess doesn't reflect the realities of the market, seems to be unsupported by any evidence, and is an 10 arbitrary and capricious value that the City 11 appraisers applied without any examination, 12 apparently, of comparable sales or understanding of 13 the market or our building. So even if the arbitrary 14 assertion of a 2.7 percent special benefit is upheld, 15 we are being overassessed by approximately 30 percent. 16 The City -- okay. Let's move on just to 17 some of the basic math that we've got here. The 18 City's assessor has determined his assertion of 19 special benefit by assigning a special benefit percent 20 change, and that value that he has assigned to our 21 building is 2.7 percent. He asserts that percent 22 change for every unit in our building as a positive 23 2.7 percent. 24 Then he assigns a market value without LID

to our unit, and determines the alleged special

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benefit by multiplying that market value without LID by the 2.7 percent change.

The proposed final LID assessment is, then, calculated by taking 39.18 percent of that calculated special benefit. Thus, that results in -- because of the overvaluation of our units, market value without the LID that exceeds 30 percent that results in us being overassessed by 30 percent.

So we live in a high-rise condominium that is 39 floors total. There's -- this is a picture of our -- of our building on Second Avenue between Pike and Pine, and, roughly, that's the view that we have since our unit is in the 02 stack. Our unit is 1702, and the 02 stack is on the south and east corner of the building. All of the 02 units, at least up to the 29th floor, have identical floor plans, roughly identical finishes. The only differences you tend to see, even in finishes, among units in the 02 stack are coloration of countertops, and maybe the color -colors of the floors, but, roughly speaking, they are identical in terms of floor plan and finishes, and all have the same south- and east-facing view. It's different -- different only by the height above the street that they are.

They -- they -- so basically, you know,

1	the higher the floor, the higher the market value,
2	but but the comparable sales that I have are truly
3	comparable, given that the only significant
4	significant differences at all between units tends to
5	be their height above the street.
6	So there were two comparable sales that
7	I'm sorry. This is this is this is old. There
8	are now three. There were two comparable sales in the
9	02 stack during 2019, and then another last week on
10	February 4th. The sales were Unit 1002, Unit 2702,
11	and the amounts that they sold for and the dates that
12	they sold for are are here on this slide, which
13	isn't showing up again for some reason, but you've got
14	it so
15	HEARING EXAMINER VANCIL: I do have it
16	MR. JUSTEN: Okay.
17	So, yeah
18	HEARING EXAMINER VANCIL: and I'm
19	actually following this more closely.
20	MR. BURRUS: Good. Okay.
21	So then
22	HEARING EXAMINER VANCIL: I believe the
23	City has a copy as well, so we all are on
24	MR. JUSTEN: Okay.
25	HEARING EXAMINER VANCIL: literally the

1 same page.

MR. BURRUS: So the next slide, then, it has the -- has the comparable sales that have taken place within the last year in the 02 stack, which are direct -- direct comparable sales.

So Unit 1002 sold on June 28th for 1.25 million. That's six floors below ours. It's six, not seven, because we apparently are superstitious and don't have a 13th floor, so 10 -- 10 is 6 below 17, not 7.

And then Unit 2702 sold for \$1.8 million on October 16th, 2019. That's ten floors above our unit.

And then last week, 2902 also sold for \$1.8 million, and that's 12 floors below our unit.

The next slide has copies of the excise tax certificates for those sales that were -- that were downloaded from the King County Assessor's website that shows the amount of the sales.

So with these -- with these comparable sales during 2019, it's simply not possible that the value of our unit could be assessed at over \$1.9 million in October of 2019. If you do the math, which I have on the next slide after the certificates, if you take the two sales that took place during 2019,

1	and and come up with a per floor differential
2	for for the valuation, you get what the
3	calculation basically works out to take the
4	\$1.8 million that 2702 sold for, subtract from that
5	the delta for what for what 1002 sold for, and
6	you've got that's the delta, basically, that gives
7	you a per per floor, if you have there are 16
8	floors between 1002 and 2702, and to get to the value
9	for our unit, we take the sales price of 1002, which
10	is \$1.25 million, and add to that the 6/16ths of the
11	delta between 1002 and 2702. That gets you to a
12	market value of 1.456 \$1,456,250 for our unit
13	located at 1702.
14	The recently closed sale of 2902 that
15	happened just in the last week suggested there might
16	be an even lower value for our Unit 1702. And if you
17	do the same math calculations based on that sale
18	versus 1002, you get a value of \$1,433,333.
19	This this delta is roughly a \$35,000
20	per floor differential in market value, which is
21	roughly in line with what the what the delta in
22	sales have been throughout the time that we've lived
23	in the building, and even from the time that we looked
24	at units to purchase in that building.
25	So rough roughly, it is right and

roughly in line with what you'd expect, so, based on those comparable sales, actually, our -- our market -- our market value is overassessed by approximately \$450,000.

I'll note that the primary focus of the residential

claims that the primary focus of the residential portion of the valuation analysis is on the sales comparison approach. However, it's pretty clear that no comparable sales in our building, much less the directly comparable sales to our particular unit, were consulted at all when he arrived at a market value for our unit, and his conclusion is completely contradicted by the available information.

To -- to further demonstrate the arbitrary nature of the City appraiser's approach to assigning market values within our building, a quick look at the City's final report shows how arbitrary it is. On -- so the following two slides, I have taken from the -- taken from the final assessment report, the -- the pages from the spreadsheet from the final assessment roll that -- that cover our building, or cover at least the first 28 floors of our building.

And what that shows is the City appraiser, though he claims to have -- he claims to have stated that, quote, value adjustments were made based on an

1	individual unit's floor placement he says this
2	at at his final study at page 74 it's clearly
3	not what he actually did because if you look at the
4	spreadsheet that he's got of values for for units
5	in our building, he he assigns exactly the same
6	\$1,901,900 before LID assessed value to every unit in
7	the 02 stack from from I believe it's from 1502
8	all the way up to 2602. They have exact they all
9	have exactly the same value assigned to them. So the
10	assessor didn't actually do what he said he did in
11	his in his report, which is to make value
12	adjustments based upon an individual unit's floor
13	placement.
14	And throughout the history of the
15	building, the history of the time we've lived in
16	there, and the history of time we've looked at units
17	in other buildings downtown, there's never been a time
18	when higher floors don't command higher prices.
19	I'd like to also add that all of these
20	sales took place before some rather unfortunate but
21	noteworthy events took place downtown that undoubtedly
22	will further depress downtown residential property
23	values going forward. On January 22nd, during rush
24	hour, a block from our home, another and I say
25	another because it's become a pretty regular

1 occurrence downtown within a block or two of our 2 apartment -- another shooting -- another mass shooting 3 occurred at the corner of Third and Pine, which is 4 about a block from where we live. 5 While shootings downtown, unfortunately, 6 are not uncommon, this one actually made national and 7 international news, and will almost certainly cause 8 property values for residential units downtown to drop further as people living here seek to leave, and 10 people that might have been interested in moving here 11 are deterred. 12 And the City's failures to properly 13 perform its public safety duties are driving down our 14 properties even further than the \$450,000 that they're 15 already below what the City asserts it's worth. By 16 the way, if the City has a willing -- a willing -- a 17 willing buyer at 1,901,000, I can close very fast. 18 So the City has no evidence to support the 19 assigned market value without LID for our property. 20 None. Not a single comparable side is cited or 21 identified, and the methodology of equally valuing --

So the City has no evidence to support the assigned market value without LID for our property.

None. Not a single comparable side is cited or identified, and the methodology of equally valuing -- valuing units in our building, despite big differences in the units' floor placement, is clearly an error.

The comparable sales prove that the City is inflating the value of our unit by over 30 percent.

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23

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This further calls into question a -- an appraiser and a appraise -- an appraisal that can get wrong the market value of our unit by more than 30 percent, or \$450,000. It's implausible that his down-to-the-penny assertion of an increase in special benefit of \$50,000 could be held to be credible in any way.

Nonetheless -- let me get through that.

So, then, if you do math, if you -- just -- just to close out this section of the argument, if you do the math, then, and -- and reach a proper market value without LID for our unit of \$1.45 million, even if you assume the appraiser's assertion of a 2.7 percent special benefit is valid, which we believe it's not, and I will be making a number of arguments why we think that's not valid -- even if you accept that, the special -- the final LID assessment on our unit should be reduced from \$20,120.57 to \$15,388.97.

Moving on to the -- moving on to the arguments about the special benefit and the special benefit study itself, the final special benefit study is speculative or in violation of the law, I think, for a number of reasons and should be invalidated.

First, the final benefit study violates the LID Formation Ordinance 125760 from January 19th,

1 2019, which requires plans and specifications to be on 2 file with the -- with the City Clerk's office, and 3 from which the City Clerk cannot significantly depart 4 for. 5 However, in response to -- and that's --6 that's from the formation ordinance, section 3, 7 page 5, which reads [as read]: The LID improvements 8 shall be in accordance with plans and specifications prepared by the director of the OWCP on behalf of the 10 Director of Transportation of the Seattle Department 11 of Transportation, and on file in the City Clerk's 12 office, and may not be modified by the City Council as 13 long as such modifications -- and may be modified by 14 the City Council as long as such modifications do not 15 affect the purpose of the LID improvements, or 16 constitute material -- materially different 17 improvements, provided, however, that changes in 18 detail of such plans that do not -- that do not 19 significantly alter the scope or cost of the LID 20 improvements will not require further approval. 21 In the next slide, we have the City's 22 response -- the next two slides, we have City 23 responses to interrogatories from the pending King 24 County litigation. We have the City's response to 25 Interrogatory No. 36 in that case, which asks the City

1	to identify each person who participated in the
2	preparation of the plans and specifications that are
3	referred to in the following court from Ordinance
4	125760, section 3, which is what I had just read to
5	you.
6	In that response, the City the City
7	notes that no plans and specifications as referenced
8	in section 3 of the ordinance are currently on file
9	with the City Clerk's office. The Promenade is the
10	only Waterfront LID improvement that has reached
11	100 percent design that has complete plans and
12	specifications. Those plans and specifications for
13	the Promenade have not yet been filed with the City
14	Clerk's office, and this response was dated
15	January 17th, 2020.
16	Next, in the City's response to
17	Interrogatory No. 50, the City has admitted that
18	design and construction of the Waterfront LID's
19	improvements is a complex process that will take
20	several years to complete, and that all the timelines
21	for completion and all the designs, plans, agency
22	reviews, specifications and construction documents are
23	still in process and subject to change. And this is
24	from the City's response to Interrogatory No. 50 in

that litigation, dated January 23rd, 2020.

1 If it's necessary, or if the City objects, 2 I can -- I was trying to save trees and did not print 3 out the entire -- the entire discovery requests, so if 4 this is acceptable to the City, can we just admit 5 these as -- as direct evidence of what their responses 6 were? 7 So the final report actually acknowledges 8 the speculate -- speculative nature of these -- of 9 these projects as well. The attempt -- we've got --10 the City's assessor himself acknowledges that, 11 currently, the design process for the Promenade 12 portion of the improvements is 100 percent complete, 13 just as the City's interrogatory response indicated. 14 Design for Pier 58, which is formerly 15 known as Waterfront Park improvements, is 30 percent 16 complete. The lower Union improvements design is 17 90-plus-or-minus percent complete, and design is 18 30 percent, plus or minus, complete for the Overlook 19 Walk portion of the project. The Pike-Pine corridor 20 and Pioneer Square elements of the project have not 21 yet reached the 30 percent design milestone. That's 22 from the City's final -- the assessor's final report. 23 So the attempt to impose a so-called final 24 assessment roll before there are plans and

specifications on file with the City Clerk's office,

1	as required by the formation ordinance itself, and
2	while the projects themselves are not even designed
3	complete and subject to change, violates both the law
4	and common sense.
5	Attempting to attach precise,
6	down-to-the-penny estimates of special benefits,
7	while before anyone even knows what the Waterfront
8	LID projects will actually defines the word
9	speculation, and should invalidate the the report
LO	and the final assessment.
L1	Second
L2	HEARING EXAMINER VANCIL: Okay. Let me
L3	stop you there and just ask you a question,
L4	Mr. Burrus.
L5	MR. BURRUS: Yes.
L6	HEARING EXAMINER VANCIL: Are you you
L7	may be making arguments in the alternative. I want to
L8	make sure I understand your arguments.
L9	MR. BURRUS: Yes.
20	HEARING EXAMINER VANCIL: On the one hand,
21	you've indicated that the plans are not filed with the
22	City Clerk as as you identify is is in the
23	ordinance.
24	MR. BURRUS: Yes.
25	HEARING EXAMINER VANCIL: On the other

1	hand, you've also are you are you saying, is
2	that the basis for your challenge here? Or are you
3	also saying that, without even if this this
4	ordinance didn't exist, for example
5	MR. BURRUS: Yes.
6	HEARING EXAMINER VANCIL: that without
7	designs and plans, there's not specificity.
8	MR. BURRUS: I'm yeah, I'm arguing
9	both.
LO	(Cross-talking.)
L1	MR. JUSTEN: I'm arguing both
L2	HEARING EXAMINER VANCIL: Okay.
L3	MR. JUSTEN: yes.
L4	HEARING EXAMINER VANCIL: I just wanted to
L5	make sure I was following you.
L6	MR. JUSTEN: Yeah, yeah. I'm arguing they
L7	can't move forward absent complying with their own
L8	ordinance, and then, a second secondly, I'm arguing
L9	they can't move forward with a final assessment before
20	designs are final, much less in the less than
21	30 percent
22	HEARING EXAMINER VANCIL: Okay. I
23	understand.
24	And for the ordinance, you've got the
25	section here that calls for the LID improvements to be

1	in accordance with plans and specifications.
2	Is there something elsewhere in the
3	ordinance or in this section about tying the the
4	plans and timing of that with the timing of the
5	assessment? I mean, it just it says they have to
6	be
7	MR. BURRUS: Yes
8	HEARING EXAMINER VANCIL: on file.
9	MR. BURRUS: that's correct.
10	HEARING EXAMINER VANCIL: Is there some
11	indication as to when that needs to be
12	MR. BURRUS: No, but I I believe not
13	that I'm aware of. What I believe, though, is common
14	sense will dictate, you cannot move forward with a
15	final assessment before you actually know what you're
16	assessing. And we can not know, as a matter of law,
17	what we're assessing
18	HEARING EXAMINER VANCIL: Which goes to
19	your second argument.
20	MR. BURRUS: That's right.
21	HEARING EXAMINER VANCIL: All right.
22	MR. BURRUS: Yeah. Okay.
23	Next argument, I believe that the ABS
24	report and its and the City's attempt to lump
25	together the combined combined, quote, special

1	benefit from six separate projects is actually
2	invalid, as a matter of law, under RCW 35.43.050.
3	That statute says [as read]: Where no
4	finding is made by the legislative body as to the
5	benefit of of the improvements as a whole, to all
6	of the property within a Local Improvement District or
7	Utility Local Improvement District, the cost and
8	expense of each continuous unit of the improvements
9	shall be ascertained separately, as near as may be,
10	and the assessments assessment rates shall be
11	computed on the basis of the cost and expense of each
12	unit.
13	In this case, there is there is, as far
14	as I can tell, no such finding made by the legislative
15	body, so that each project must be evaluated
16	separately on the special benefit, or lack thereof, to
17	any particular property within the LID must be
18	separately ascertained.
19	HEARING EXAMINER VANCIL: And I'm not sure
20	if you've gone off-script here. I don't
21	MR. JUSTEN: I don't think so.
22	HEARING EXAMINER VANCIL: see that RCW
23	citation in your
24	MR. BURRUS: Did I miss unless my
25	printer screwed up. No, it's before that one,

1	actually. There you go.
2	HEARING EXAMINER VANCIL: Got it. Thank
3	you.
4	MR. BURRUS: So, that said, I think that's
5	especially notable in this case where only one or two
6	of the of the six improvements that are being
7	evaluated has even reached design completion or close
8	to it, and, thus, would be subject to any reasonable
9	study and evaluation.
10	The City's failure to separately evaluate
11	the six projects should invalidate the ABS study and
12	the final assessment roll, as a matter of law, I
13	believe.
14	Next, I want to get into why I think the
15	completion of the Waterfront LID remains speculative
16	because funding the funding for completing them
17	remains speculative and doubtful at best.
18	The the City has acknowledged, based on
19	what, at this point, are almost certainly outdated and
20	understated budgets, that the Waterfront LID projects
21	will cost approximately \$346.57 million. That's from
22	the ordinance itself.
23	On the unlikely assumption that there are
24	no cost overruns or delays on these projects over the

next three years, that means that completion of the

1	Waterfront LID projects will will require at least
2	an additional \$186.57 million beyond the \$160 million
3	in the capital LID assessments, which which is
4	capped by the ordinance as well. The and then
5	there's an additional amount for financing costs, but
6	not to go to the capital construction costs.
7	So we've got, at best, \$160 million
8	collected from LID assessments, leaving the leaving
9	the City \$186.5 million hole over the next three years
LO	that it's got to come up with.
L1	Currently, the City believes that they
L2	will obtain these additional resources from, quote,
L3	city, state and philanthropic funds. I will I will
L4	not the last time we heard testimony in the City
L5	Council about the collection of contingent
L6	philanthropic funds, it they had they had raised
L7	approximately, they said, 20 to \$25 million in
L8	philanthropic contributions towards the Waterfront
L9	Park.
20	So however the City sources these funds
21	the City sources for this \$186 million, less whatever
22	they have committed from philanthropic, maybe 20
23	million, maybe a little more, we don't know for sure,
24	they have not been secured or allocated by the City or

by the City Council. Whether these funds ever emerge

1	is entirely speculative at this point. And these
2	funds are essential to delivering the projects upon
3	which the entire premise of delivering a special
4	benefit to Waterfront LID properties is based.
5	If the if the City fails to complete
6	LID projects on time and as designed and as analyzed
7	by their assessor, the LID assessments have no legal
8	basis and actually become illegal takings without due
9	process.
LO	However, reliable sources for the funds
L1	have not yet been established. Whether or not they
L2	materialize is entirely speculation at this point.
L3	Indeed, the dependence on tens or hundreds of million
L4	dollars in philanthropy to complete what will become a
L5	legal obligation on the part of the City should render
L6	this LID and the final assessments invalid on their
L7	face, unless and until the City actually secures such
L8	funds.
L9	The degree of the City's plan to depend on
20	unsecured private funding and donations is made clear
21	in some of the documents that I linked to from my
22	original original filing that I made with you and
23	the City Clerk.
24	The Central Waterfront Piers

Rehabilitation Project is counting on \$35.673 million

1	in private funding, and the Overlook Walk and
2	East-West Connections Project is counting on
3	\$56.38 million in private funding.
4	Currently, the City is promising LID
5	property owners and the rest of the city, and
6	representing to the hearing officer, that the
7	waterfront projects Waterfront LID projects and the
8	supposed special benefits that they will bring with
9	them will be completed by late 2023 or early 2024.
LO	Therefore, the City has four years in
L1	which to raise and efficiently spend at least
L2	\$186.57 million. 2020 is already a lost cause in that
L3	regard, from a budget perspective, because funding
L4	according to the City budget, funding for the Central
L5	Waterfront Improvement Fund was budgeted at \$1 million
L6	for 2020, despite representations from the City that
L7	significant work would commence during 2020 on the new
L8	Alaskan Way and park Promenade and east-west
L9	connections, including Union Street, Bell Street,
20	Pioneer Square and Pike and Pine.
21	Incredibly, and adding to the speculative
22	nature of these projects, despite the promise of
23	never mind.
24	Oh, yeah. Incredibly, and adding to the
25	speculative nature of these projects, despite the

1 City's -- promises by the City to begin construction 2 during 2020 on east-west connections, including 3 Pike-Pine corridor and Pioneer Square improvements, 4 the City assessor's own report notes that design 5 process for these elements have not yet -- not yet 6 even reached the 30 percent milestone, yet we're 7 expected to believe that these projects will be 8 completed by 2023, and are expected to be able to 9 be -- to -- and -- and we are expected to be able to 10 meaningfully challenge and imagine special benefit 11 that they will deliver, despite the designs being less 12 than 30 percent complete. 13 So given that 2020 is already a lost cause 14 with respect to the City budget on these projects, 15 what we have, in reality, is that the City will 16 essentially have three years, 2021, 2022 and 2023 17 budgets, in which to raise or secure approximately 18 \$185 million, assuming zero cost overruns. 19 Delay is not an option, downsizing is not 20 an option, and redesign is not an option. The City 21 will legally owe every Waterfront LID owner, from 22 which they took a LID assessment on these projects, a 23 completed, on-time, and as envisioned waterfront 24 project. Over -- so that means over \$60 million a

year must be raised and allocated and spent

effectively in each of the next three years.

To understand the magnitude of that number, the project is currently budgeted for 2020 for \$1 million, and budgeted -- and -- and if you look at the entire parks building for the future budget for 2020, for projects committed to across the entire city, it's \$33 million total. This -- this will require an additional \$60 million a year for the next three years-plus.

The City is legally committing itself to find sources for and to increase this budget -- its budget by more than \$60 million a year for the next three years to complete these projects on time and as envisioned. If that sounds impossible and improbable, I think it's because it is. The City cannot and should be not be permitted to assess property owners on the ephemeral promise of delivering a special benefit when the source of that purported special benefit and its completion remain speculative at best.

Until sources of funding emerge that can reasonably assure completion of the waterfront projects on time and as -- as envisioned, these assessments are unlawful, premature and speculative.

Also, I'd say recent tragic events downtown further call into the question the ability of

1	the City to deliver the necessary \$185 million or more
2	over the next three years. The events on January
3	22nd, 2020, involving a multi-victim shooting have led
4	to necessary calls from the mayor's office and some in
5	the City Council to take steps to address
6	long-standing failures of the City to address public
7	safety issues downtown, and crime and nuisances in
8	general.
9	This assertion of new priorities make less
10	likely, not more likely, that the already impossible
11	task of finding and allocating \$185 million to
12	complete this project will actually take place. The
13	City simply has bigger priorities.
14	I'll also add that, I think we included in
15	our original filing an opinion from the Washington
16	Attorney General on the inability of prior councils to
17	have legally bound future ones. So that the
18	makes it makes the allocation of this 185 million
19	more speculative yet, in that, while they have to come
20	up with it in order to give us the special benefit
21	we've been promised, they are not legally bound to
22	actually allocate the \$185 million. So that makes
23	that makes the the current attempt to assess and to
24	make final the assessment rolls even more speculative.
25	Next, I will move on to our our

1 particular property and why I think this assertion of 2 2.7 million -- 2.7 percent as an uptick for our 3 special benefit is -- is wrong and speculative, and 4 counter to the -- and counter to all of the available 5 evidence. 6 So the City -- our contention is the City 7 appraiser's attribution of special benefit to my 8 property and to that of residential properties in general, I believe, is arbitrary, is unprecedented in 10 scope and distance, is counter to the realities of 11 living in downtown Seattle, and is contrary to the 12 academic literature on the topic. 13 An examination of the six Waterfront LID 14 projects, and the before and after conditions 15 described, show how ludicrous the assertion of the 16 City's appraiser is, that my unit will somehow realize 17 an increase in value of more than \$50,000, and that 18 any residential owner will actually realize any 19 benefit at all. 20 First, it's important, I think, to look at 21

First, it's important, I think, to look at the academic literature that was relied upon by the City appraiser. It makes clear that the types of projects being undertaken are not the types that will add value to neighboring residential properties.

To quote from the Crompton study, which is

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1	his primary the primary academic article on which
2	he relies, he says [as read]: It's important to
3	recognize that some types of parks are more desirable
4	than others as places to live nearby. For example,
5	there is convincing evidence that large, flat, open
6	spaces, which are used for athletic activities and
7	large social gatherings, are much less preferred than
8	natural areas containing woods, hills, ponds or marsh.
9	Further, it must be recognized that there
10	are contexts in which parks exert a negative image on
11	property values value. A useful analogy is with a
12	well-groomed front lawn, which is likely to increase
13	the value of a home, but if it is overgrown with
14	weeds, then the property value is likely to be
15	diminished.
16	This point was made directly by the deputy

This point was made directly by the deputy director of the Parks Council, a non-profit advocacy organization in New York City, when she observed: We have many poor neighborhoods in the South Bronx near parks, but the parks are not helping them. If you put money into a park, chances are that you will improve one portion of the neighborhood, but if the park does not have proper security and maintenance, it becomes a liability for nearby homes.

Adverse impacts may result from nuisances,

1 some intended, some not, such as congestion, street 2 parking, litter, and vandalism, which may accompany an 3 influx of people coming into a neighborhood to use a 4 park: Noise and ball field lights intruding into 5 adjacent residences, poorly maintained or blighted or 6 derelict facilities, or undesirable groups 7 congregating in the park engaging in morally offensive 8 activities. We have a lot of that in downtown Seattle 9 in -- in public parks and public spaces, 10 unfortunately. 11 The -- the academic literature also 12 compares the impact on property values -- on parks on 13 property values of two different kinds of parks, and I 14 think it's important to look at. That's a graph that 15 I had in my original -- in my original filing, but it 16 shows increase in property value due to proximity of a 17 park being positive for certain kinds of parks, but 18 actually proximity being decreased due to proximity 19 due to highly developed -- a highly developed park 20 with nuisance factors. 21 This park, as they call it, is, in fact, a 22 highly developed park, which is -- which consists 23 mostly of paved areas, that is actually designed to 24 attract nuisance factors to -- to downtown: Crowds,

tourists, noise, lights, that sort of thing, concerts,

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1	so it is it's actually the exact kind of park that
2	the that the academic literature says decreases the
3	value of adjacent adjacent residential properties.
4	I'll then point you to the some of
5	the the back to the slide deck that we've got,
6	where we've got some some pictures and diagrams
7	of of what is planned compared to what they attempt
8	to compare it to.
9	So slide 22 has a has a picture of the
10	LID improvements and how they and how they how
11	they appear within downtown Seattle. And the LID
12	improvements actually on that on that photo are
13	just the orange slivers of pavement that are on
14	that that are on that on that diagram. Nothing
15	else. Just the orange slivers of pavement.
16	Compare that to the the most comparable
17	situation that the that the assessor compared it to
18	for comparison purposes, to the Embarcadero in San
19	Francisco, which is also a primarily, a
20	thoroughfare for automobile traffic that was placed
21	there after the after the destruction and tear-down
22	of of a double-decker freeway on the waterfront in
23	San Francisco.
24	There, you can see the Embarcadero after
25	picture compared to the before picture, and then I've

1 got another slide that shows both the before and after 2 placed next to each other for -- for emphasis. 3 As the City assessor's [sic] makes clear, 4 the Embarcadero is what he calls a well-studied public 5 benefit project, so well-studied that it actually 6 destroys the assertions made by the assessor regarding 7 the special benefits of the Seattle Waterfront 8 projects. As he clearly states: While the project 10 is considered to have completely revitalized the 11 waterfront area in San Francisco, there are no special 12 benefits associated with the project beyond a one- to 13 two-block radius east of the expressway. Now, that's 14 for a project that, quote, completely revitalized the 15 San Francisco waterfront. Compare that to the before 16 and after of what the LID projects will do on the 17 Seattle waterfront. 18 And I know Mr. Justen sent you these --19 sent you these -- showed you these slides earlier 20 today, and I've got them in here again, but, 21 literally, the delta for the Seattle Waterfront 22 between pre-LID and post-LID consists of more trees 23 and an aggregate sidewalk instead of a -- instead of a 24 scored concrete sidewalk.

I'll also add to this the City's -- the

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1	City assertion, consistent with the findings that
2	that there is no special benefit associated with the
3	Embarcadero beyond a one- to two-block radius, also
4	from the Crompton study that was relied upon by ABS,
5	he goes on to state that the area approximate impact
6	of a park should be limited to 500 feet or three
7	blocks. The empirical results suggest that this is
8	likely to capture almost all of the premium from small
9	neighborhood parks, and 75 percent of the premium from
10	relatively large parks. The remaining 25 percent is
11	likely to be dissipated over properties between 500
12	and 2,000 feet.
13	Disregarding this will lead to an
14	underestimate of the proximate impact of large parks,
15	which may be substantial because while the premiums at
16	these distances distances are relatively low, the
17	number of properties within these parameters is
18	relatively high. However, adopting this 500-foot
19	parameter substantially simplifies the estimation
20	task.
21	Now, he's got our building at a
22	2.7 percent uptick for special benefit. That's what
23	he asserts. That's near the top of his range for
24	condominiums, which the top the top range for any
25	condominium unit, he says, is 3 percent. He's got

1 ours at 2.7, almost at the very top, despite our unit 2 being well more than 500 feet away and over 1200 feet 3 away from all of the -- all of the improvements with 4 the exception of the Pike-Pine projects. 5 So that -- that assertion of 2.7 percent 6 just isn't -- isn't supported by the academic research 7 that he relies upon himself. And unlike the 8 Embarcadero, these waterfront projects are not in any way a complete revitalization of the Seattle 10 waterfront. That revitalization actually took place 11 by virtue of the -- the destruction of the -- of the 12 viaduct and the -- and the subsequent improvements, 13 before-LID improvements that will be made to Alaskan 14 Way along the -- along the waterfront. That's 15 what's -- that's what's changed the waterfront, not --16 not the Waterfront LID projects, which are -- which 17 are, at best, incremental -- incremental upgrades. 18 It is clear that the appraiser's guess at 19 special benefits are completely arbitrary and without 20 basis. What is being constructed is not really a park 21 at all, much less the kind of park with, quote, 22 natural areas, including woods, hills, ponds and 23 marshes that could bring special benefits to adjacent 24 residential properties. The only -- the only natural

part of the Seattle Waterfront is actually Elliott Bay

25

1 itself, and that is definitely preexisting -- that 2 definitely preexists the LID projects. 3 Further, the City itself has engaged in a 4 mischaracter -- in a rampant mischaracterization in 5 the public of what the Waterfront LID projects will 6 bring. The mayor compared -- the mayor compared 7 this -- the LID -- the Waterfront LID projects to 8 Stanley Park in Vancouver, which is a vast natural 9 area covering over a thousand acres. And then 10 Marshall Foster, director of the Office of the 11 Waterfront, also in a recent AAA magazine article, 12 compared it to the Golden Gate Park in San Francisco, 13 which is also an over 1,000-acre area with large open 14 and natural areas. 15 These characterizations are delusional, at 16 best, and they make -- they make -- as any examination 17 of the intended projects here make clear. You can 18 compare those parks to the tiny orange slivers that 19 the Seattle Waterfront LID projects entail, and they 20 are -- they are -- it's not even close. 21 I will add, on the -- on the nuisance 22 front -- oh, let's go -- the -- the before and after 23 descriptions in the appraiser's report are actually 24 striking, their -- for their revealed lack of 25

significance. The pictures attached as exhibits and

in this deck are even more striking and worth a thousand words each.

Starting at page 18, the assessor himself describes not really a park, much less one with the natural -- with the natural areas that would benefit residential adjacent residential properties, but instead describes what is primarily -- quote, what is primarily more or slightly upgraded paving, lowered or eliminated curbs, and larger trees and landscaping. That's from his description of the after of the rebuilt, new surface roadway and Promenade.

Then -- then I've got slides showing the -- the before and after for Union Street, the before and after for the Overlook Walk, which is described primarily as a paved stairway public space with landscaping. The Overlook Walk is intended to and provides access for pedestrians between the waterfront and downtown, and is either replacing or additive to existing -- existing access.

We've got -- and I've got photos of all of those places that have existing accesses. It's redundant. At University Street, we have Harbor Steps with landscaping and fountains, and I've got a photo of the Harbor Steps access. At Pike Street, we have -- at Union Street, we have a staircase that

1	leads down from the Four Seasons and past the public
2	storage area, and I've got at Pike Street, we've
3	got the Pike Street Hill Climb, which has elevators,
4	landscaping and lighting. At Lenora Street, we've got
5	stairs and an elevator. And at Bell Street, we've got
6	stairs, a bridge and an elevator. The access aspect
7	of the Overlook Walk is completely redundant and does
8	not add anything for downtown residents accessing the
9	waterfront.
10	The overlook views are also redundant, and
11	I've got photos of that because the existing market
12	front actually has the sweeping over overlook
13	public views areas that the City would also would
14	be being redundant in adding with the Overlook Walk.
15	And I'll add, of course, that both the
16	the Promenade and the Overlook Walk are several blocks
17	from our from our condominium, and far outside the
18	500-foot benefit range that the Crompton study
19	suggests should be used.
20	Next, we have the Union Street pedestrian
21	connection, which would merely improve an existing
22	stairway from Western Avenue to Alaskan Way. That is
23	also several several blocks away from my
24	condominium.

Pier 58 would become a, quote, flexible

1	space that will facilitate events, performances and
2	activities along Elliott Bay. This is, again, per the
3	Crompton study, the opposite of what would add value
4	to adjacent residential properties.
5	In addition, I'll say, the report notes
6	the possibility of a public bathroom being added to
7	the to the Pier 59 Pier 58, I'm sorry, which the
8	appraiser the appraiser excludes from his LID
9	analysis, but which would be an obvious detriment to
LO	neighboring properties, given the realities and
L1	experience with public bathrooms that the that the
L2	City has had in its downtown areas, and its
L3	unfortunate track record with regard to public
L4	restrooms.
L5	I'll also add that, like like five of
L6	the other six like like the other five of the
L7	six projects proposed under the Waterfront LID, Pier
L8	58 is also several blocks from any thousand more
L9	than more than a thousand feet away from my
20	condominium building.
21	Notably, I'll add, the the appraiser
22	does not even attempt to describe at length in his
23	report a before and after condition for the Pike-Pine
24	corridor improvements. He does briefly describe it in

his cover letter, that both streets between First

1	Avenue both streets between First and Second
2	Avenues will be reconstructed as, quote, shared space
3	without curbs, single travel lines, westbound on
4	Pike eastbound on westbound on Pine and
5	eastbound on Pike, designed for slow vehicle movement
6	and local access will share the same space with
7	pedestrians and bicycles. Bollards and detectable
8	warning strips will help define the area to be used by
9	vehicles, along with light poles, trees, and paving
10	treatments. There will be more room available for
11	sidewalk cafes. Other improvements will be made in
12	the various blocks of Pike and Pine Streets between
13	Second and Ninth Avenue, such as planters protecting
14	bike lanes, etc., including construction of a new
15	paved public plaza, a flexible space designed to
16	accommodate diverse program diverse programming,
17	similar to Westlake Park, on the south side of Pine
18	Street between Third and Fourth Avenues.
19	The City's materials do have a couple of
20	existing and proposed renderings of what we can expect
21	from the Pike-Pine corridor near my building, and I
22	have attached I include some of those in my slides
23	as well. Pike Pike Street between First and Second
24	Avenues before, and Pine Street between First and
25	Second Avenues, before and after, and I think they

make clear, this is the on- -- this is -- this is, by
the way, the only one of the six LID projects that is
in any proximity to my -- my condominium, and the
appraiser doesn't even make an effort to justify or
describe why those improvements would impact my unit
positively, much less how they would justify any
special benefit near the top of his range for
condominiums.

As can be seen from the renderings, the only significant changes that appear to be larger trees -- it's -- it's actually unclear to me whether that is simply due to the time in which it will take to complete the projects, and the growth of the trees that already exist there, or whether it means they will actually be planting larger trees, along with some repaving and nicer planters.

It also appears they actually intend to remove the park space on Pine Street, based on the rendering, and incorporate that existing park space that exists outside the McDonald's on Pine Street there, and incorporate that into a wider sidewalk.

The proposed changes to Pike and Pine, the only LID project anywhere near my building, would absolutely, I believe, reduce the value of our property. It would increase vehicle and pedestrian

1	traffic, nuisances; it will increase traffic. It
2	reduces Pine Street westbound to one lane from two,
3	and will, as Mr. Justen said earlier this morning,
4	greatly impede the ability of trucks to make the left
5	turn into the alley, will, unfortunately, slow
6	obviously slow the ability even to get to the alley in
7	the first place, thanks to the one lane instead of
8	two, and will undoubtedly result in unfortunate
9	encounters between pedestrians and trucks, I fear.
10	It would it would also as he said,
11	we have over 15,000 package deliveries to our building
12	in 2019, and over 500 service vehicle calls. One of
13	the entrances to our parking garage is on the alley,
14	and the the loading bay for our building is on that
15	alley. All trucks that need to make deliveries to our
16	building have to use that alley, and will, obviously,
17	be slowed.
18	Also, it will it will just impede it
19	will increase traffic for residents and will also
20	impede our ability to get to that alley just as
21	just as drivers as well.
22	The project will make living in our
23	building less attractive, not more attractive. The
24	assertion of a 2.7 percent special benefit at the top
25	of his range for condominiums should be rejected as

1	arbitrary and capricious. The appraiser himself
2	doesn't even try to suggest that the after for the
3	only project anywhere near my building will have any
4	benefit at all, and the literature on which he relies
5	suggests that it will be a detriment rather than a
6	benefit because of the nuisances that it's going to
7	attract.
8	The further, the literature upon which
9	he relies shows a rapidly declining benefit with
10	distance from parks, further discrediting his attempt
11	to assess our building near the top of his range,
12	despite our distance from the majority of the
13	Waterfront LID projects.
14	I'll also add that his range his range
15	for condominiums in general is also just as arbitrary.
16	They're taken out of the air, and apparently have no
17	basis.
18	Not only are these what is being
19	proposed are not the type of parks that the academic
20	literature says are preferred for residential
21	properties, it's also the unfortunate reality that
22	these are the exact kind of public space and
23	facilities that the literature says can be a detriment
24	to neighboring properties.
25	The spaces are actually designed to

1	attract crowds and visitors. That's great for the
2	businesses on the piers. That's great for businesses
3	that cater to tourists and the Pike Market area. It's
4	not great for people that live there, and it's not
5	great for the value of our property as we live there.
6	Further, the reality of public spaces in
7	downtown Seattle is that they do not, in fact, have
8	proper security and maintenance, and are a liability
9	for nearby homes. They are plagued with litter, and,
10	unfortunately, needles and human waste, vandalism, and
11	they're magnets for crime and drug use.
12	Steinbrook Park, Westlake Park, Occidental
13	Park, Freeway Park, and City Hall Park, these are all
14	parks downtown. All are perceived by local residents
15	as dangerous magnets for crime, drugs and
16	homelessness.
17	Indeed, the situation at City Hall Park is
18	so bad that the King County Courthouse recently had to
19	close its Third Street entrance because even they were
20	unable to provide for the safety of the public and
21	their employees. Residents have no chance.
22	Those of us that live near them
23	affirmatively avoid walking through them or past them
24	after hours, and seldom, if ever, use them otherwise.
25	Whether you consider those fears and reasonable or

rational, that it is the perception of downtown residents, and perception is what drives property values.

The idea that a new area won't become a -this new park area won't become a dangerous magnet for
drugs, crime and homelessness, defies the unfortunate
reality that we have to live in every day. Even those
parks like Westlake that are activated during the
daytime and business hours, they are no-go zones for
residents after hours. There is similarly no basis to
believe that this public space will be anything but a
detriment for local residents and their property
values, just as are the already existing downtown
parks.

That raises what I would like to propose for the hearing officer is that he actually -- I know the rules provide for site visits. I would like to propose a site visit to both the waterfront -- bringing the before and after pictures from the appraiser's report so that one can envision what the waterfront looks like, what -- now, what it will look like before the LID, and then what it will look like after the LID, and its proximity and -- and usability for various properties downtown.

I would also like to propose a site

1	visit I'm not sure I want to go with you but a
2	site visit to all of the downtown parks after dark to
3	understand how how these how these impact the
4	perception of living downtown. Tragically, the
5	inability of the City to properly manage its role in
6	providing for public safety and eliminating nuisances
7	downtown, and the negative impact that that those
8	failings bring with them, was put on full display
9	again on January 22nd when, at the corner of Third and
10	Pine, a multi-victim shootout took place, leading
11	local, national and international news, and further
12	cementing downtown Seattle's reputation nationally and
13	internationally as a lawless, unsafe place to live.
14	There is no evidence to suggest the City
15	will do anything differently downtown with these
16	new planned new public spaces. Further, the
17	reaction of the mayor's office and the few City
18	Councilmembers suggests strongly that budget
19	priorities might change going forward to focus more on
20	public safety. I haven't seen evidence of that yet.
21	They have simply reallocated some resources to the
22	Third and Third and Pike and Pine area, taking away
23	from other priorities in the city, unfortunately.
24	But their stated desire to increase
25	increase budget and priorities with respect to public

1	safety further calls into question what we discussed
2	before, which is whether the City actually will be
3	able to allocate the necessary \$185 million or more
4	over the next three years that will be required to
5	deliver the promised special benefit.
6	That's said that said, if we go to the
7	second to last slide, I'm actually I'm actually
8	close to done, so I'm not going to take all the time
9	that I had but I wanted to reiterate, at least for
10	the record, the timeline of some of the disclosures
11	that have been made by the City in this case.
12	I understand that you denied our request
13	for a continuance on these motions, but I wanted to
14	I wanted to once again show you the timeline of
15	disclosures made by the City, our opportunities to
16	conduct discovery, or lack thereof, and our and our
17	opportunity to actually completely analyze and assess
18	the the final the final report.
19	So the City actually mailed its notices
20	HEARING EXAMINER VANCIL: Yes, I did make
21	a ruling on it.
22	MR. JUSTEN: Yes.
23	HEARING EXAMINER VANCIL: Normally, I
24	wouldn't allow that, but you're well ahead within your
25	time, so please proceed.

MR. BURRUS: Thank you.

So on December 30th -- and there have been new facts that have emerged since your denial of that, too, which I will -- which I will add to that.

December 30th is the day that the City mailed its Notices of Proposed Final Assessments and Notice of Hearing. We received that notice on or about January 4th, 2020. I might not have checked my mail that day or the day before, but on or about January 4th.

On or about January 8th is when the City made its final assessment report and addenda available. That's in excess of 400 pages of materials.

I made my motion for continuance on

January 10th, and supplemented that on January 13th
when I discovered that the final assessment report had
actually been made available on the 8th.

The -- on January 13th, within -- within five days of the City making its final assessment report available and disclosing the existence of supporting documents in the ABS appraiser's file, I made a public records request to the City Clerk's Off- -- to the Office of Finance to which the letter was addressed, so that was done within five days.

1 On January 15th, the City responded to 2 that records request with an intent to begin 3 production of documents on February 7th, four days --4 three days after the intended hearing. 5 On February 3rd, the finance office -- the 6 day before the -- the day before the scheduled 7 hearing, the finance office made some of those 8 responsive documents available by links. And on February 5th, the City ultimately 10 made what they purport to be all of the supporting 11 materials related to condominiums available by links 12 from the City Clerk's website. 13 Still to come as far as -- as far as 14 discovery goes, we have -- well, two -- two other 15 things. 16 Just yesterday, we -- we got from the 17 City -- the City made available a -- a copy of the --18 the extensive Excel spreadsheet that is contained 19 within the final assessor's report in a way that we 20 could actually analyze it -- made it available in 21 Excel format rather than PDF format, so that we could 22 actually compare. 23 I think that's important because it gives 24 us the -- actually, the ability to go in and start to 25 analyze some of what the assessor did, some of the

1	arbitrary assignment of of uptick in special
2	benefit to even adjacent buildings of similar with
3	similar uses, and that that was literally made
4	available yesterday.
5	Still to come, we have, apparently, the
6	deposition of the City assessor, Robert McCauley,
7	scheduled for February 27th or 28th. I'm not sure
8	that that date has been fixed yet. And then I
9	understand there may be a motion to compel made for
10	depositions of other City witnesses.
11	So with all of that said, I'd I'd like
12	to leave the record open to perhaps be supplemented by
13	either analysis of the Excel spreadsheet that I just
14	received yesterday from the City, or additional
15	information or facts that might come to light as a
16	result of discovery from the City's witnesses.
17	HEARING EXAMINER VANCIL: Are you pausing
18	for a response on that, or do you have more argument
19	you want to
20	MR. BURRUS: I'm done with my argument.
21	HEARING EXAMINER VANCIL: Okay. Thank
22	you.
23	Before we go, if there's any questions, to
24	the City, I want to respond to a couple items that you
25	asked of the hearing examiner.

1	Again, this isn't question-answer for the
2	hearing examiner, but one is in the form of a question
3	about a site visit, and it's the practice of the
4	hearing examiner, from my predecessor, my mentor for
5	some time, to always do site visits. And and I
6	I being I'm a walker, I probably do it more than my
7	predecessor.
8	So for example, on the Burt Gilman trail,
9	which covers a large section of the city, I walked
10	every block. I will walk every block in this case as
11	well
12	MR. JUSTEN: Good.
13	HEARING EXAMINER VANCIL: of the
14	Waterfront LID area.
15	I have been in the vicinity of the parks
16	that you've mentioned at the hours you mentioned. I
17	will decline to make some special extra trip
18	MR. BURRUS: I don't think you
19	HEARING EXAMINER VANCIL: but not for
20	any other purpose than I believe I understand the
21	issue already.
22	The request has been made to leave the
23	record open. The hearing examiner will note that the
24	original motion was specifically directed at and
25	the order concerned very specific documents that were

1	issued on specific dates. And so the order was
2	indicating that, for those documents and let's look
3	at the so the final assessment report, for example,
4	they were available recognizing the short timeline,
5	I said, look, there you've got time to do it, so
6	take your time with that.
7	There was one other objector that did
8	indicate that they had made a request for documents
9	and they weren't getting documents until after the
10	date. That was a very different circumstance.
11	MR. BURRUS: That was in my it was
12	actually in my supplement, the January January
13	13th
14	HEARING EXAMINER VANCIL: I don't see it.
15	MR. BURRUS: Okay.
16	HEARING EXAMINER VANCIL: So yeah, I
17	don't see it here. I may have missed it, but there
18	are three pages, so I'm not seeing any reference to
19	seven.
20	Regardless, I can leave the record open
21	for that limited purpose for this for this. So
22	documents that you are receiving in request to public
23	records requests, documents that are coming in
24	during past the date of the hearing, in the course
25	of the hearing, and you need to address those, you can

1 do that by declaration and/or submission of the 2 documents. 3 MR. BURRUS: Okay. 4 HEARING EXAMINER VANCIL: Do you have a 5 sense of -- I'll need to give you a deadline for that, 6 though. We have had one other similar request from 7 another party, and that deadline, if I'm recalling 8 correctly, was April 13th. The purpose of that is to give the City an 10 opportunity to analyze and review any new submissions 11 you make. They are planning on putting their case 12 on -- at this point, we're looking at April 27 and 28 13 so --14 MR. BURRUS: April 13th would be 15 sufficient to -- I think for us to get through at 16 least analyzing the Excel spreadsheet and planning 17 any other -- any other facts from that that we 18 might --19 HEARING EXAMINER VANCIL: Well, let's 20 recognize that the record's left open for the narrow 21 purpose of addressing those documents you've requested 22 and you're just getting responses to. 23 MR. JUSTEN: And potential facts that 24 emerge from the -- from the depositions of the City's 25 witnesses as well, which are still -- still upcoming.

1	HEARING EXAMINER VANCIL: I will not leave
2	the record open for that. There's an opportunity to
3	cross-examine the City witnesses later, and so that
4	would be the appropriate timing for that, rather than
5	doing it in a manner that the City can't respond to by
6	objection.
7	MR. BURRUS: Okay.
8	HEARING EXAMINER VANCIL: And so,
9	recognizing that you don't have documents in front of
LO	you, you need an opportunity to address those. I
L1	can't give you more time in the hearing. We're
L2	already going to be 30 days of hearing by the time
L3	this is over. But I can give you an opportunity to
L4	fill in or complete the record for your case with
L5	that.
L6	MR. BURRUS: Okay.
L7	HEARING EXAMINER VANCIL: Okay.
L8	MR. BURRUS: Thank you.
L9	HEARING EXAMINER VANCIL: I believe that
20	addressed the questions you had.
21	MR. BURRUS: I think so.
22	HEARING EXAMINER VANCIL: Any questions
23	from the City?
24	MR. FILIPINI: Just one question, and then
25	iust a comment on the outstanding documents.

1	CROSS-EXAMINATION
2	BY MR. FILIPINI:

Q. Mr. Burrus, it's true that this week that you closed out your public disclosure request to the City with respect to the documents referenced in Mr. McCauley's report?

A. Yes, that's true because I got representation from you that all of the condominium-related documents were now available on the City Clerk's website as of February 5th.

Q. Right.

MR. FILIPINI: The other -- the only thing
I would say, Mr. Hearing Examiner, with respect to the production of documents is we believe we did timely produce everything. The Excel spreadsheet that was produced yesterday is simply just searchable by parcel names. If one wants to type in Hilton, you can go around and see all the entries that say Hilton. But the experts retained by objectors or the objectors themselves have been able to do that by looking at the PDFs for some time.

HEARING EXAMINER VANCIL: All right.

Recognizing the challenge of navigating the electronic world, as it were, by objectors, and that -- the fact that they were given a date as

1	opp and I don't all I've been told by objectors
2	is they were given a date from the City. What I
3	haven't heard is, we sent you the link. If that was
4	the case, then I wouldn't have this problem.
5	If the objectors didn't get the access
6	they needed, I'm leaving the record open for this
7	narrow purpose on two cases at this point in this
8	already voluminous process.
9	MR. FILIPINI: Understood.
10	HEARING EXAMINER VANCIL: I believe we're
11	completed then.
12	Anything further from the City?
13	MR. FILIPINI: Nothing.
14	HEARING EXAMINER VANCIL: All right.
15	Thank you, Mr. Burrus.
16	We are adjourned for the day. We return
17	on Tuesday, February 18th, at 9:00 a.m.
18	Thank you.
19	(Hearing adjourned at 2:22 p.m.)
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1	CERTIFICATE
2	
3	STATE OF WASHINGTON)
4) ss. COUNTY OF KING)
5	
6	
7	I, ANITA W. SELF, a Certified Shorthand
8	Reporter in and for the State of Washington, do
9	hereby certify that the foregoing transcript is true
10	and accurate to the best of my knowledge, skill and
11	ability.
12	IN WITNESS WHEREOF, I have hereunto set my hand
13	and seal this 27th day of February 2020.
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18	ANITA W. SELF, RPR, CCR #3032
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