

TCL LLC
2006 2nd Avenue
Seattle, Washington 98121

September 21, 2020

VIA EMAIL (CITYCLERKFILING@SEATTLE.GOV)

City of Seattle Office of the City Clerk

Attention: Waterfront LID Appeal

P.O. Box 94728

Seattle, Washington 98124-4728

Re: Notice of Appeal, Waterfront LID No. 6751
Hearing Examiner Case No. CWF-0243
Property Owners: TCL LLC
Parcel Number: 1977201130
Address: 2006 2nd Avenue, Seattle, WA 98121-2206

We, TCL LLC, are the owners of the property located at 2006 2nd Avenue, Seattle, WA 98121-2206 (PIN 1977201130), and pursuant to SMC 20.04.090.C, respectfully submit the appeal of the recommendations of the hearing officer in this matter, Waterfront LID No. 6751 Case No. CWF-0243. Because the City has not provided “metered index numbers”, our appeal cannot reference them. Should the Public Works committee secure and provide appellants with such a record, this appeal can then be supplemented with that additional information. Instead page numbers of attached exhibits are referenced.

We appeal from the following portions of the recommendations of the Hearing Officer (attached as Exhibit A):

1. Decision, Exhibit A, Page 65 “The objection is only a brief statement of issues in opposition to the Waterfront LID and includes no supporting evidence or testimony.”

This is incorrect. Our objection (attached hereto as Exhibit B) listed specific errors and faults with the proposed Waterfront Local Improvement District (“LID”) improvements, pertaining to its patently unfair application to our property, and minimal, if any, benefits derived therefrom. We discussed the City’s flawed methodology of anticipated benefits (which includes, of course, the City’s inflated appraised value on which these supposed benefits and assessment are based); and (ii) the detrimental effects these assessments will have on our property, amounting to, in essence, a taking of our property by the Seattle City government.

The City’s appraised “value without LID” of our property is grossly overvalued and exaggerated. This value is listed as \$10,368,000 (www.clerk.seattle.gov/~CFS/CF_321491.pdf). Not only is this inflated appraisal unsupported by evidence and clearly arbitrary, it is also detached from the total assessed value as determined by the King County Department of Assessments of \$6,157,000

(<https://blue.kingcounty.com/Assessor/eRealProperty/Dashboard.aspx?ParcelNbr=1977201130>). Furthermore, a recent arms-length fair market offer received for our property of \$3,500,000, is the figure much more in line with current, post-COVID, realities. The City appraiser's arbitrary market value is thus almost 70% higher than its true fair market value.

It also seems clear that the City appraiser failed to take into consideration our particular parcel and its actual use (nor for that matter did the City ever address our particular parcel in its case in chief), and thus the City has a flawed idea of how the Waterfront LID projects will impact us. Our property is a one-story commercial building, with height and development restrictions that the City's appraisal either ignored or was not aware of. In addition, our actual use of the property has no retail component whatsoever—any increased foot traffic for example, as a result of the proposed projects, would have no effect on our business whatsoever.

Moreover, it should be noted that the homeless population in the area surrounding our parcel has been increasing substantially and steadily. Homeless individuals constantly loiter in front of our property and use our parcel (and surrounding areas) as a bathroom requiring constant clean-up. How will the city keep the Waterfront safe and clean if it is unable to do so now in our area?

Finally, the City's valuations and its Final Benefit Study and Waterfront LID were completed at a time prior to the COVID-19 pandemic, and subsequently failed to take the pandemic into account, despite the requirement to do so by the Universal Standards of Professional Appraisal Practice Standards. The COVID-19 pandemic has had an enormously detrimental impact on our business, property value, and future, as it has our nation and world as a whole. Yet the City has decided to ignore this entirely.

2. Decision, Exhibit A, Page 65 "The Objector failed to meet the burden of proof required to demonstrate that the property will not receive a special benefit.
Recommendation: denial"

This is also incorrect. We not only questioned the stated special benefit assigned to our particular property, including the assumptions on which they were based, but indicated the Waterfront projects and related assessments would be detrimental to our business, indeed, possibly resulting in our forced closure.

Given that: (i) the Waterfront LID Projects are at this juncture still speculative, as is the City's ability to fully fund them (including any possible cost overruns); (ii) the City has failed to engage in any State Environmental Policy Act (SEPA) reviews, as required under the *LID Manual*; and (iii) owners have not been provided with more design details of the proposed projects or a date certain for completion of construction, it is simply speculation on the City's part what special benefits the improvements may bring, and is unsupported by evidence or hard facts. More likely the effects of the proposed improvements will be detrimental to us—we foresee no benefits at all.

There are also several other reasons, made clear by expert appraisers who testified on behalf of other objectors, why the City's Final Benefit Study ("FBS") is flawed, including, but not limited to: (i) its failure to measure or calculate the "total" benefits created by the Waterfront LID improvements on which to base special benefits attributable to each parcel; (ii) failure to measure before and after hypothetical values (the study simply conjures a special benefit without

measurement); (iii) the assigned special benefit increase percentages are less than the standard used in the industry, thus making the calculations not credible; and (iv) its reliance on case studies of other jurisdictions that are not adequately comparable to Seattle's Waterfront area.

For the reasons above stated, we find that the proposed Waterfront LID improvements provide no special benefits to our property and that the proposed assessments are patently unfair. We thus request that the City impose no assessment against our parcel whatsoever.

Respectfully,

TCL LLC
By: Jacopo Vecchiato
Title: Manager

A handwritten signature in black ink, appearing to read 'Jacopo Vecchiato', written in a cursive style.

EXHIBIT A

- process was adequate, which are the issues within the Hearing Examiner's jurisdiction to consider in this hearing.
2. The objection also incorporated by reference comments made by Anthony Gibbons in his letter dated March 2, 2018, which issue is addressed below in the Legal Analysis section.
 3. The objection raises the following common objection issue addressed below in the Legal Analysis section B: 10.

The Objector failed to meet the burden of proof required to demonstrate that the property will not receive a special benefit or that the City appraisal valuation process was flawed.

Recommendation: denial

CWF-0242 (9195872110) – The objection argues that the subject property will receive no special benefit. The objection indicates of the Objector: "I am licensed architect, commercial real estate broker, and real estate investor. I was licensed to practice architecture in 1980, and licensed as a real estate broker since 1985." Objector could therefore be considered to have some relevant experience. However, the objection is not accompanied by any special assessment analysis or appraisal valuation. The objection primarily indicates that the property will have negative impacts from the LID Improvements. This issue is not supported by any adequate evidence. In addition, this issue is addressed below in the Legal Analysis section. The Objector failed to meet the burden of proof required to demonstrate that the property will not receive a special benefit or that the City appraisal valuation process was flawed.

Recommendation: denial

CWF-0243 (1977201130) – The objection is only a brief statement of issues in opposition to the Waterfront LID and includes no supporting evidence or testimony. The Objector failed to meet the burden of proof required to demonstrate that the property will not receive a special benefit.

Recommendation: denial

CWF-0244 (2538830780) – The objection raises the following common objection issues addressed below in the Legal Analysis section B: 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10. The objection includes a brief statement concerning the Objector's opinion that the subject property has not been properly valued by the City's appraisal. Without additional supporting evidence, the subjective opinion of the Objector is not adequate to demonstrate an error in the special assessment for this property. The objection lacks evidence or testimony demonstrating that the subject property will not receive a special benefit or that the valuation by the City is inaccurate. The Objector failed to meet the burden of proof required to demonstrate that the property will not receive a special benefit or that the City appraisal valuation process was flawed.

Recommendation: denial

EXHIBIT B

From: Jacopo Vecchiato
To: [LIDhearingexaminer](#)
Subject: Objection Letter: 2006 2nd Avenue, Seattle, WA; PIN: 1977201130
Date: Saturday, February 01, 2020 3:19:06 PM
Attachments: [Seattle Office Clerk LID Protest Letter.pdf](#)
Importance: High

CAUTION: External Email

Dear LID Examiner,

Please find attached our objection letter regarding the new waterfront Lid Assessment.

Thank You for your attention,

Best Regards

Jacopo Vecchiato, MSc
President
Lino Tagliapietra Inc.
linotagliapietra.com
206-420-4867

TCL LLC
2006 2nd Avenue
Seattle, Washington 98121

February 1, 2020

VIA EMAIL (LID@HEARINGEXAMINER@SEATTLE.GOV)

Seattle Office of the City Clerk
City of Seattle
P.O. Box 94607
Seattle, Washington 98124-6907

Re: Waterfront LID Protest; 2006 2nd Avenue, Seattle WA

To Whom it may Concern:

We are the owners of the parcel site address located at 2006 2nd Avenue, Seattle Washington (**Lot: 9; Block: 47; PIN: 1977201120**) and write to protest the proposed final assessment roll for LID No. 6751 (the "Waterfront LID"), as described in the enclosed notice received from the Seattle Office of the City Clerk.

Our objection is based primarily on the grounds that the assessment as proposed is patently unfair and offers minimal benefits (if any at all) to our particular property, and likely to any similar properties in our surrounding area.

As a small business owner occupying a small, one-story structure, such assessments have an enormously detrimental impact on our ability to conduct business (whether or not the assessment is paid up-front in full, or in interest-bearing installments). Our property is already heavily burdened by high carrying costs, including but not limited to high property taxes and an existing Lake Union Development assessment, both of which increase annually. The prospect of an additional assessment will require that we conduct a feasibility study as to whether continued operations in downtown Seattle are sustainable. We suspect our neighbors of similar size would be doing likewise.

Your office has estimated a proposed monetary benefit to our property of \$156,000. Aside from the questions one has as to what in fact are these tangible benefits, and what in fact are the assumptions on which your methodology was based that resulted in the \$156,000 figure, even assuming your "best guess" estimate is accurate, it does not account for the forced closure of our business (or others), and the detrimental effect on the downtown area as a whole. The monetary benefit you cite seems to be, at best, short-termed and short-sighted.

As far as the methodology by which the assessment is calculated, we ponder also its fairness in terms of how applied to each parcel: ours as compared to the one across

from us may share a similarly-sized foot print, but the neighboring property towers over us at 10-stories or more. How and by which calculus are they being assessed?

We understand and appreciate the value of improvements made to municipal districts. Our objection, however, is to the assessment proposed at hand, and how it fails to outweigh any potential benefit as perceived by your office and fails to be administered fairly. We feel certain its long-term effects will be devastating to us and the city of Seattle as a whole.

Respectfully,

TCL LLC
By: Jacopo Vecchiato
Title: Manager

A handwritten signature in black ink, appearing to read 'Jacopo Vecchiato', written in a cursive style.