

#2

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 117699

AN ORDINANCE relating to the Central Waterfront Project, authorizing execution of a Memorandum of Understanding Concerning Redevelopment of the PC-1 North Site within the Pike Place Market Historical District

WHEREAS, the City owns certain land in the Pike Place Urban Renewal Project area designated as PC-1 North ("PC-1N") in the Pike Place Urban Renewal Plan as amended in January of 1974, pursuant to Ordinance 102916 (the "Plan"). The property consists of approximately .75 acres and is bounded by Western Avenue to the east, the Alaskan Way Viaduct (the "Viaduct") to the west, the existing Pike Place Market parking garage to the south, and Victor Steinbrueck Park and the Market Place North parking garage to the north; and

WHEREAS, the PC-1N site was occupied by the Municipal Market building, which contained public parking and market-related commercial uses until that building burned down in 1974. The Pike Place Market Preservation and Development Authority ("PPMPDA") has operated surface-level public parking on the site under an agreement with the City since 1979; and

WHEREAS, redevelopment of the PC-1N site for Market-related purposes has been a PPMPDA priority for over 30 years in order to restore the property to its historic uses and reintegrate it into the Market.; and

WHEREAS, the Community Renewal Act, RCW 35.81, authorizes the disposition of community renewal project property such as the PC-1N site for such consideration as the City deems adequate, including redevelopment that would advance public purposes and provide public benefits. The Act also authorizes the City to transfer such property to another public body with or without consideration for the purposes of implementing a community renewal project. Further, pursuant to RCW 35.21.730 governing public development authorities, the City may transfer property to the PPMPDA with or without consideration; and

WHEREAS, any redevelopment of the PC-1N faces substantial and costly challenges, including extraordinary structural issues associated with its elevation and location as well as the location of the Burlington Northern Railroad tunnel transecting the site. Any redevelopment may also encounter environmental, archaeological and other challenges; and



1 WHEREAS, over the past two years the PPMPDA has passed four resolutions supporting the
2 redevelopment of the PC-1N site, including resolutions 12-31 (MOU negotiation), 11-77
3 (PC-1N uses), 11-102 (PC-1N preliminary building program), and 12-77 (endorsing PC-
4 1N Concept Design). Resolution 11-77 prioritized uses for any PC-1N development to
5 include such traditional Market uses as commercial, residential (either stand-alone or
6 provided in conjunction with the substantial renovation or even complete redevelopment
7 of the adjacent Heritage House), human services, storage, and other Market support
8 functions; and

9 WHEREAS, the Washington State Department of Transportation is presently undertaking the SR
10 99 bored tunnel project that involves demolition and removal of the Viaduct and the
11 planned construction of a new elevated street connecting the waterfront to Belltown; and

12 WHEREAS, in 2003, in conjunction with plans for the removal of the Viaduct and replacement
13 of the aging Elliott Bay Seawall, the City began developing a community vision for the
14 central city that resulted in the adoption by Resolution 31264 of a series of Guiding
15 Principles for the Central Waterfront that includes reconnecting downtown Seattle to its
16 waterfront, and future development on the PC-1N site is a critical component of
17 achieving that goal; and

18 WHEREAS, the PPMPDA been actively engaged in planning for the eventual development of
19 the PC-1N site in conjunction with the development of the Central Waterfront including
20 completing conceptual design for the PC-1N Project for the Director of Transportation's
21 approval and renewing its eligibility under State law to utilize an alternative procurement
22 process to select a general contractor/construction manager for its project; and

23 WHEREAS, on August 13, 2012, the Seattle City Council unanimously adopted Resolution
24 31399, with the Mayor concurring, which Resolution expresses support for the City's
25 Central Waterfront Committee's Strategic Plan and for the Central Waterfront Concept
26 Design and Framework Plan (contained in Clerk File Number 312468) and encourages
27 agreements to be completed with the Pike Place Market and Seattle Aquarium Society by
28 the end of 2012 for complementary developments to further the parties' common
29 objectives; and

30 WHEREAS, the Memorandum of Understanding authorized by this ordinance is intended to
31 satisfy the requirements of Resolution 31399 with regard to an agreement between the
32 City and the Pike Place Market and serve as the basis for the City to reimburse PPMPDA
33 for certain design work for its PC-1N project so that it may proceed with such work as
34 expeditiously as possible;

35 NOW, THEREFORE,

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



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Section 1. The Director of Transportation or his/her designee is hereby authorized to execute, for and on behalf of the City, an agreement with the Pike Place Market Preservation and Development Authority substantially in the form of Attachment 1 hereto, and entitled "Memorandum of Understanding Concerning Redevelopment of the PC-1 North Site within the Pike Place Market Historical District".

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.



1 Passed by the City Council the ____ day of _____, 2012, and
2 signed by me in open session in authentication of its passage this
3 ____ day of _____, 2012.

4
5 _____
6 President _____ of the City Council

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8 Approved by me this ____ day of _____, 2012.

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10 _____
11 Michael McGinn, Mayor

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13 Filed by me this ____ day of _____, 2012.

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15 _____
16 Monica Martinez Simmons, City Clerk

17 (Seal)

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22
23 Attachment 1: MEMORANDUM OF UNDERSTANDING



MEMORANDUM OF UNDERSTANDING
CONCERNING REDEVELOPMENT OF THE PC-1 NORTH SITE
WITHIN THE PIKE PLACE MARKET HISTORICAL DISTRICT

Dated: _____



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**MEMORANDUM OF UNDERSTANDING
CONCERNING REDEVELOPMENT OF THE PC-1 NORTH SITE
WITHIN THE PIKE PLACE MARKET HISTORICAL DISTRICT**

THIS MEMORANDUM OF UNDERSTANDING CONCERNING REDEVELOPMENT OF THE PC-1 NORTH SITE WITHIN THE PIKE PLACE MARKET HISTORICAL DISTRICT (the "MOU") is dated as of _____, 2012, and is by and between THE CITY OF SEATTLE (the "City"), a first class city organized under the laws of the State of Washington, and THE PIKE PLACE MARKET PRESERVATION & DEVELOPMENT AUTHORITY (the "PPMPDA"), a Washington public development authority chartered by the City under the laws of the State of Washington and City ordinance (the "Parties").

Section I. Recitals. The following facts and circumstances form the background of this MOU:

A. The City owns certain land in the Pike Place Urban Renewal Project area designated as PC-1 North ("PC-1N") in the Pike Place Urban Renewal Plan as amended in January of 1974, pursuant to Ordinance 102916 (the "Plan"). The property consists of approximately .75 acres and is bounded by Western Avenue to the east, the Alaskan Way Viaduct (the "Viaduct") to the west, the existing Pike Place Market parking garage to the south, and Victor Steinbrueck Park and the Market Place North parking garage to the north.

B. The PC-1N site was occupied by the Municipal Market building, which contained public parking and market-related commercial uses until that building burned down in 1974. The PPMPDA has operated surface-level public parking on the site under an agreement with the City since 1979.



C. Following passage of the "Save the Market" initiative (the "Initiative") in 1971, the Plan was redirected toward the rehabilitation of the Pike Place Market (the "Market"). The Initiative also provided for the establishment of the Pike Place Market Historical District (the "District") and the formation of the Pike Place Market Historical Commission to ensure continuing consistency with the Initiative over time. The PMPDA was formed to implement the revised Plan and thereafter to operate and maintain the publicly-owned properties within the District.

D. The PC-1N site is the last of the parcels acquired by the City under the Plan. The Plan calls for the site to be the location of public parking for the Market, and of commercial, residential, and public spaces to complement existing Market activity. A June, 1974, Pike Place Design Report also recommended these uses for the site.

E. Redevelopment of the PC-1N site for Market-related purposes has been a PMPDA priority for over 30 years in order to restore the property to its historic uses and reintegrate it into the Market. However, any redevelopment of the PC-1N site faces substantial and costly challenges, including extraordinary structural issues associated with its elevation and location as well as the location of the Burlington Northern Railroad tunnel transecting the site. Any redevelopment may also encounter environmental, archaeological and other challenges.

F. The Washington State Department of Transportation is presently undertaking the SR 99 bored tunnel project that involves demolition and removal of the Alaskan Way Viaduct ("Viaduct") and the planned construction of a new elevated street connecting the waterfront to the Belltown neighborhood.

G. In 2003, in conjunction with plans for the removal of the Viaduct and replacement of the aging Elliott Bay seawall, the City began developing a community vision for the central



waterfront that resulted in the adoption of a series of Guiding Principles that includes reconnecting downtown Seattle to its waterfront. Future development on the PC-1N site is one critical component of achieving that goal.

H. The Central Waterfront Concept Design and Framework Plan (“Waterfront Concept Design”) has been developed by City staff and a multi-disciplinary team of consultants under the oversight of the Central Waterfront Committee, with lead designer James Corner Field Operations building on broad public engagement.

I. Responding to the Guiding Principles, the Waterfront Concept Design calls for a significant new public pedestrian connection, the “Overlook Walk,” between Pike Place Market and the waterfront, in the vicinity of the Seattle Aquarium. This public connection will require use of the PC-1N site for public access from the Market, and will include significant public open space on the site as described in the Waterfront Concept Design. The Waterfront Concept Design is generally consistent with the 1974 Plan and also allows the use of the PC-1N site to achieve a critical public goal for the Central Waterfront redevelopment.

J. To guide design and future development of the PC-1N site and to participate constructively as a stakeholder in the City’s Waterfront Concept Design process, the PPMPDA governing council has adopted its own set of guiding principles for the site and areas extending west to the waterfront, that address pedestrian access and neighborhood connectivity, vehicle access, character and identity, PC-1N priority uses, views, 24-hour activation, financial viability, and preservation and sustainability.

K. In addition, over the past two years, the PPMPDA has passed four resolutions supporting the redevelopment of the PC-1N site, including resolutions 12-31 (MOU negotiation), 11-77 (PC-1N uses), 11-102 (PC-1N preliminary building program), and 12-77 (endorsing



PC-1N Concept Design). Resolution 11-77 prioritized uses for any PC-1N development to include such traditional Market uses as commercial, residential (either stand-alone or provided in conjunction with the substantial renovation or even complete redevelopment of the adjacent Heritage House), human services, storage, and other Market support functions.

L. The PPMPDA has also been actively engaged in planning for the eventual development of the PC-1N site in conjunction with the development of the Central Waterfront. Through a competitive process, the PPMPDA retained The Miller/Hull Partnership to provide design services in connection with its envisioned PC-1N project (the "PC-1N Project") and to coordinate with James Corner Field Operations. The PPMPDA has completed conceptual design for the PC-1N Project (as reflected in Exhibit A hereto) for the Director of Transportation's approval. While encouraging, meeting the City's expectations for incorporation of substantial public amenity spaces and features in any PC-1N redevelopment to be undertaken by the PPMPDA may increase overall project costs to the exclusion of alternate uses that could be more self-sustaining. Anticipating construction of the project, the PPMPDA also has renewed its eligibility under State law to utilize an alternative procurement process to select a general contractor/construction manager for its project.

M. The Community Renewal Act, RCW 35.81, authorizes the disposition of community renewal project property such as the PC-1N site for such consideration as the City deems adequate, including redevelopment that would advance public purposes and provide public benefits. The Act also authorizes the City to transfer such property to another public body with or without consideration for the purposes of implementing a community renewal project. Further, pursuant to RCW 35.21.730 governing public development authorities, the City may transfer property to the PPMPDA with or without consideration.



N. The City has conveyed other property within the District to the PPMPDA to manage and operate including, in 1989, the PC-1 South ("PC-1S") property immediately south of the PC-1N site. The PPMPDA constructed a structured public parking garage on the PC-1S site that also provides space for commercial and human services uses. That project also included construction of Heritage House, currently owned by the Seattle Housing Authority, which includes 62 units of assisted living housing for low-income elderly persons.

O. The PPMPDA has a history of successful project management. In 2008, Seattle voters approved a property tax levy that yielded \$68.4 million to fund an extensive renovation of the Market, including replacement of obsolete systems and building elements and components, earthquake stabilization, and provision of other improvements to enhance accessibility and provide needed public accommodations. Under an agreement with the City the PPMPDA successfully managed the complex project with all major work completed on budget and on schedule, with minimal disruption to Market tenants and users. The PPMPDA also leveraged the levy funding to secure additional resources, including Federal tax credits, to expand the scope of the project to include additional improvements.

P. On August 13, 2012, the Seattle City Council unanimously adopted Resolution 31399 (the "Resolution"), with the Mayor concurring. The Resolution expresses support for the City's Central Waterfront Committee's Strategic Plan (the "CWC Strategic Plan") and encourages agreements with the Market and Aquarium for co-developments that will integrate the Waterfront Concept Design with related major projects proposed by both of them. The Resolution calls for agreements between the City, the Market and the Aquarium to be negotiated by the end of 2012.



Q. The Resolution also indicates that the City's continuing financial participation in the development of the PC-1N Project will depend upon the City's success in securing funding for the PC-1N Project as a component of the Central Waterfront Project funding outlined in the CWC Strategic Plan. Additional City participation in the PC-1N Project is therefore contingent on the successful implementation of a downtown local improvement district (the "LID") projected to be in place by mid-2014.

R. The Resolution also affirms the importance of continuing work on the Central Waterfront project as well as the PC-1N Project as the funding plans for the projects are achieved. Consequently, in the Resolution, the Seattle City Council:

...requests that the Executive include sufficient resources in the City's 2013-2014 biennial budget to advance design work and funding strategies for the Core Projects, community outreach, efforts to form a local improvement district, and design collaboration with the Pike Place Market Development Authority on the PC-1 north site and the Seattle Aquarium on its renovation.

S. The Central Waterfront project represents a unique and unprecedented opportunity to accomplish both the PPMFDA's longstanding goals of redevelopment of the PC-1N site and replacing parking lost as a consequence of the Viaduct removal, as well as several of the City's objectives for the Central Waterfront project, including making the important connection between the Market and the Aquarium.

T. The City and the PPMFDA concur that in addition to meeting these goals, their coordination of the PC-1N Project with the Central Waterfront project will achieve efficiencies and potential cost savings to both projects that are in their respective and mutual best interests and will accomplish numerous public purposes.

U. This MOU is intended to satisfy the requirements of Resolution 31399 and to serve as the basis for the City to reimburse PPMFDA for certain design work for its PC-1N Project so that it may proceed with such work as expeditiously as possible.

Section II. Guiding Principles. The following guiding principles are intended to reflect the City's priorities with respect to the development of the PC-1N site.

A. The City will cooperate with the PMPDA in the development of the PC-1N site provided that the project meets both the City's goals for its Central Waterfront project and the PMPDA's aspiration for recovering the PC-1N site for historic Market uses. Specifically, the PC-1N Project must be consistent with and complement key adjacent elements of the Waterfront Concept Design (contained in Clerk File Number 312468), including but not limited to the Overlook Walk and the Elevated Elliott Connection. The design of the PC-1N site must address the City's need for a public connection in perpetuity from the waterfront to Western Avenue, Victor Steinbrueck Park and Pike Place Market, and provide public open spaces of a size, character and quality consistent with the Waterfront Concept Design.

B. City financial participation in the PC-1N Project will be applied only to PC-1N Project capital costs. Because City funding will be a fungible component of the overall PC-1N project budget, the project must include elements of priority concern to the City such as the Waterfront-Related Elements specifically identified in Exhibit B hereto, and publicly accessible open space. It is likely that the PC-1N Project will include other elements that also represent public uses or provide public benefits such as affordable housing, Market retail space, and retention and replacement of parking serving both the Market and waterfront, and that project infrastructure will support all project elements in an integrated manner.

C. To the maximum extent possible, the PC-1N Project should be undertaken on a schedule that maximizes opportunities for meaningful coordination with construction of certain other elements of the Waterfront Concept Design such as the Overlook Walk and the Elevated



Elliott Connection in order to yield efficiencies and help to ensure successful integration of the Parties' respective projects.

D. The City's financial participation in the PC-1N Project shall be for a defined maximum dollar amount and structured to minimize financial risk. As noted, funds for the City's participation in the development of the PC-1N Project are included in the funding plan incorporated in the CWC Strategic Plan and that plan currently contemplates that a LID will provide the City's share of PC-1N Project funding. Consequently, availability of additional City funding for development of the PC-1N Project, shall be contingent upon the formation of and confirmation of the assessment roll for a LID, as recommended in the CWC Strategic Plan.

E. The City's financial support for the PC-1N Project also will be contingent upon reasonable City review and approval of the design of the PC-1N Project in both its regulatory and proprietary roles.

Section III. Design Development.

A. Shared Principles. The Parties agree that the following principles shall guide the evolving design of the PC-1N Project, specifically including the Waterfront-Related Elements.

1. Both the PC-1N Project and the Waterfront-Related Elements should respect the character of the District as well as the regulatory requirements governing it. For example, the visual expression, scale and character of new structures and buildings should be appropriate to their use and function, utilitarian and consistent with the character of the Market.

2. The design of the PC-1N Project should integrate with the evolving design of the new ADA-accessible pedestrian overlook and Overlook Walk. The public spaces on the PC-1N site should be ample and generous so as to facilitate easy public access to the Overlook Walk from the Market and Victor Steinbrueck Park and vice versa. Market uses on the PC-1N



site should be designed to encourage public use and activation of public spaces in the PC-1N Project.

3. Public parking on the PC-1N surface lot and other Market public parking lost to demolition of the Viaduct should be replaced in the PC-1N Project with on-site structured parking for short-term Market and waterfront use (“Replacement Parking”) to the extent feasible. Replacement Parking should, to the degree possible, physically connect and functionally integrate with the PPMPDA’s PC-1S garage so as to provide access and functionality for Market and waterfront use.

4. Overall cost-effectiveness is a core shared principle. The PC-1N Project design, including but not limited to the Waterfront-Related Elements, should be continuously evaluated for cost-effectiveness, taking into consideration both initial development costs and ongoing costs for operation and maintenance.

5. The Waterfront-Related Elements, together with the PC-1N Conceptual Design, attached as Exhibit A hereto, represent an appropriate and generally mutually acceptable baseline for ongoing refinement by the City’s and the PPMPDA’s respective design teams. Such continuing design processes should be collaborative and yield a fully integrated PC-1N Project design acceptable to both Parties for incorporation in the Project Development Agreement, as required under Section IV.B.1 of this MOU.

B. Management, Review and Approvals. Upon execution of this MOU, the PPMPDA shall proceed with the design of the PC-1N Project, subject to the City’s continuing review and approval, as provided herein. The Parties will develop and observe procedures for continued close collaboration between their respective design teams. The PPMPDA shall be responsible for managing all regulatory review for the PC-1N Project including, but not limited



to, Pike Place Market Historical Commission review, environmental review, and any other City review and permitting processes, including supporting the City in reviews by the Design Commission with respect to the Waterfront-Related Elements. The PPMPDA also shall be responsible for undertaking and managing informal, community-based design review, including review by the Market community. Separate and apart from any permissions or approvals required by any regulatory agency, the City in its proprietary capacity shall have the right to review and approve of the evolving PC-1N Project design, specifically including Exhibit A, for its continuing compatibility with the evolving Waterfront Concept Design, and cost-effectiveness, among other purposes. Such review and approval shall be required upon completion of design development documents, and 30%, 60% and 100% construction documents. City review shall be led and, when appropriate, approval shall be provided by the City's Director of Transportation ("Director") or his designee.

C. Funding. As contemplated in the Resolution, the City's 2013-14 biennial budget includes funding for continued design collaboration between the City and the PPMPDA. The City agrees to reimburse the PPMPDA for fifty percent (50%) of its expenditures for PC-1N Project engineering, design and consultant services incurred after August 21, 2012, to a maximum payment of \$7 million; provided, however, that no more than \$1 million shall be payable during 2013.

Such reimbursement may include PPMPDA direct project-related costs as well as the fair market value of up to a maximum of \$200,000 in in-kind project-related services provided through 2014, but shall not be available for PPMPDA general or central overhead or staffing. The City will reimburse the PPMPDA for such expenditures within 30 days after it provides the City with a fully-documented invoice, supplemented with such additional information as the



Director may reasonably request from time to time. Upon the PPMPDA's request and at the City's discretion, the City may direct that any portion of the \$7 million not required for engineering and design services be used for PC-1N Project site preparation work. The PPMPDA currently anticipates securing its share of PC-1N design costs incurred after January 1, 2013 from funds available from the SR 99 bored tunnel project for replacement of surface parking that will be lost when the Viaduct is demolished. The PPMPDA's commitment to continue to fund its share of ongoing design costs is contingent upon the availability of such funding. If such funding is not available, the PPMPDA may continue to fund its share of such costs using other resources or it may suspend design development until the Parties can agree on alternative arrangements for funding design.

Section IV. Project Development.

A. Shared Principles. The Parties agree that the following principles shall guide project development.

1. The PC-1N Project shall proceed with the goal of starting construction on the below-ground portions no later than June 30, 2014. It is the Parties' intention that the below-ground Replacement Parking be completed prior to demolition of the Viaduct, to provide replacement parking for the Market and waterfront businesses and attractions, including the Aquarium.

2. Because the PC-1N site will be developed in a manner consistent with the PPMPDA's Charter, the Pike Place Market Historical Commission rules and regulations, and the Waterfront Concept Design, opportunities to develop spaces within the PC-1N Project for fully self-sustaining uses will be limited. Consequently, the ability of the PPMPDA to finance its participation in the PC-1N Project also will be constrained and the Project funding plan will



include a disproportionate amount of funding from sources other than debt incurred by the PPMPDA.

3. A portion of the PC-1N site may serve as a construction staging site for the construction of the Elevated Elliott Connection, the Overlook Walk, and Alaskan Way (“Construction Staging”), unless the Parties reasonably conclude that such temporary staging is technically infeasible or would adversely impact the PC-1N Project schedule.

4. To the maximum extent possible, the timeline for construction of the Replacement Parking should be coordinated to ensure it can be used for Construction Staging at critical periods in the Central Waterfront Project construction, currently identified as between 2016 and 2018.

B. Project Development Agreement. The Parties will negotiate and submit to the PPMPDA Council and the Seattle City Council for their respective review and approval a Project Development Agreement that will include the following:

1. A design for the PC-1N Project that integrates with the design of the City’s Central Waterfront Project. The PC-1N Project design, when approved by the Director as provided in Section III, above, shall constitute the “Approved Project Design” for purposes of the Project Development Agreement. This MOU will not impact the imposition of regulatory requirements on the project by the City as part of the permitting and plan review process. In addition, the PPMPDA will brief the Seattle City Council on the design status of the PC-1N Project in August 2013 or when 30% design is complete, whichever occurs first in order to receive Council review comments.

2. If the Parties determine to use a portion of the PC-1N site for Construction Staging, the Project Development Agreement shall address the extent, nature and duration of



such use, as well as the subsequent restoration of that portion of the site used for Construction Staging.

3. An overall PC-1N Project budget identifying, with reasonable specificity, the principal sources of funding sufficient to complete development and construction of the PC-1N Project in accordance with the Approved Project Design. In developing its PC-1N Project funding plan, the PMPDA must demonstrate that the project as designed and funded is feasible and can be undertaken in a manner consistent with the prudent financial management of the PMPDA and its properties. The City Council will consider the feasibility and prudence of the proposed funding and financing of the PC-1N Project among other matters in its review of the Project Development Agreement. Funding for the PC-1N Project is anticipated to come from a variety of sources including, but not limited to, the following currently identified sources:

a. Central Waterfront project funding in an amount not to exceed \$40 million, which amount includes the payments for design, consultant and site preparation services for the PC-1N Project made pursuant to this MOU. The Parties understand and agree that any such City funding will be provided only as a component of overall funding for construction of the Waterfront Concept Design, specifically including the PC-1N Project, as both are presently conceived and designed. As stated in Section II.D, the City currently expects to fund its share of the PC-1N Project through proceeds derived from the LID and the City's contribution of any funds for construction of the PC-1N Project is contingent upon the successful formation of such LID. The CWC Strategic Plan contemplates formation of a LID that would yield \$200 million to \$300 million for overall waterfront project costs. City Resolution 31399 recognizes that the City's ability to fund partner projects is dependent on successful implementation of LID funding, which may call for flexibility in implementing the PC-1N development. The Resolution states



that the City intends to form and confirm the assessment roll for a LID by Spring 2014, before leveraging the other identified funding sources, including levy lid lift, City general fund, and private philanthropic funding. In the event the contemplated LID yields materially less than \$200 million and the CWC Funding Plan requires substantial revision such that City funds for construction of the PC 1N Project cannot realistically be provided solely from LID funding, the City and the PPMPDA also will reassess the funding plan for the PC-1N Project accordingly. Any PC-1N Development Agreement must be consistent with any revised central waterfront project funding plan.

b. Funding from other public programs or projects. For instance, depending upon how the PC-1N development evolves, elements of the PC-1N Project may also be eligible for public funding or financing through various City, State or other public low- and moderate-income housing assistance programs, as well as capital grants from jurisdictions other than the City.

c. The PPMPDA may secure additional funding for construction of elements of the PC-1N Project through Federal New Markets income tax credits. Unlike some other sources of proposed funding, use of tax credit funding would likely be restricted to certain end use project elements like structures or improvements for Market retail, services and housing. The Parties will work to ensure that PC-1N Project asset ownership and funding can be structured in such a way as to maximize the ability of the PPMPDA to secure such funding. The Project Development Agreement should include appropriate provisions to facilitate PPMPDA access to such tax credits.

d. The PPMPDA may be able to borrow funds to pay for elements of the PC-1N Project for which financing would be available and appropriate. However, the

Waterfront Concept Design, zoning, Pike Place Market Historical District regulations and related constraints, and other public policies may limit the PPMPDA's ability to develop conventional retail and other spaces within the project from which it could realize sufficient net revenue to finance development of such spaces.

e. The PPMPDA currently has retained funds in the form of capital reserves, some of which it already has committed to design of the PC-1N Project. The PPMPDA anticipates committing additional funding to design and eventual construction of the PC-1N Project, provided that such commitment can be made without impairing the financial security or prudent financial management of the PPMPDA or its properties.

f. The PPMPDA, working with the Pike Place Market Foundation, will attempt to develop additional funding from grants and philanthropic gifts. A detailed fundraising plan and feasibility study will be developed by the PPMPDA to maximize the potential for new, revenue sources to the project. This plan and study will be reviewed by City staff as due diligence during the negotiation of the Project Development Agreement.

4. A detailed PC-1N Project schedule incorporating agreed-upon sequencing of construction of the basic project elements and threshold requirements for commencing construction of each such element, if necessary. For instance, if commencement of construction of any material element is subject to confirmation of funding or any other major contingency, such contingency should be explicitly identified. The Parties may agree to phase construction of the overall PC-1N Project in the interest of ensuring completion of the Replacement Parking to correspond with demolition of the Viaduct.



5. Provision for transfer of ownership of the PC-1N site to the PPMPDA, subject to a right of access, easement, or other form of interest providing for public access to and use of particular PC-1N Project spaces in perpetuity.

6. City requirements for the PPMPDA management of construction of the PC-1N Project, including but not limited to the following:

a. that the PPMPDA shall complete construction of the PC-1N Project substantially consistent with the Approved Project Design.

b. that the PPMPDA will negotiate and execute design and construction contracts.

c. that the PPMPDA will be responsible for all cost overruns that may be experienced by the PC-1N Project, including those due to unforeseen conditions.

d. that change orders that represent material changes to the Approved Project Design are subject to the review and approval of the Director, which approval shall not be unreasonably denied or delayed.

e. that the PPMPDA shall cause all work to be done in a good and workmanlike manner and shall comply with or cause compliance with all laws. The PPMPDA also shall obtain or cause to be obtained and maintain in effect all building permits, licenses and other governmental approvals that may be required in connection with such work.

7. Additional conditions to property conveyance and construction commencement, which conditions may apply to commencement of the entire PC-1N Project or any phase of the project identified in the schedule required under Section IV.B.4. The PC-1N site will be conveyed to the PPMPDA (subject to the perpetual public access, use right or easement required herein) and the PPMPDA may issue its notice to proceed with construction to



its general contractor when the Director has provided written concurrence that the PPMPDA has satisfied all of the following conditions, which concurrence shall not be unreasonably withheld:

a. Compliance with Resolution 31399. The PPMPDA has demonstrated that it has timely access to sufficient funds from all available sources, including the City funding identified in this MOU, to fully fund construction of the entire PC-1N Project or a mutually acceptable phase thereof, consistent with the Approved Project Design, including construction contingencies consistent with industry standards.

b. The PPMPDA has obtained all necessary permits or other governmental approvals for the project.

c. The PPMPDA has negotiated a construction contract that is consistent with the requirements of the Project Development Agreement and under which the PPMPDA's general contractor has agreed to construct the PC-1N Project or an acceptable phase thereof consistent with the Approved Project Design for a guaranteed maximum price.

8. A memorandum of agreement regarding operations and maintenance of the Waterfront-Related Elements.

Section V. Abandonment or Curtailment of Central Waterfront Project.

In the event that the Central Waterfront Concept Design and Framework Plan, as approved by the City Council under Resolution 31399, is effectively abandoned or curtailed in whole or material part such that the PC-1N Concept Design is rendered not viable (for example, the Overlook Walk is eliminated, materially reduced in scope or materially redesigned), the Parties agree that if a form of the Central Waterfront Project is proceeding and the project continues to include funding for redevelopment of the PC-1N site, the Parties will evaluate proceeding with a phase or phases of the PC-1N Concept Design that may have been previously



identified pursuant to Section IV.B.4 of this MOU or a mutually acceptable alternative project. Any such project shall include public parking for both Market and waterfront use and provide public access and use features appropriate for the project. If the Parties determine such a project can be undertaken within resources available to the Parties, a Project Development Agreement for such project will be negotiated for review by the PPMPDA Council and the City Council.

Under circumstances in which the City funding for the PC-1N Project identified in Section IV.B.3.a is eliminated or reduced so as to render the PC-1N Concept Design not feasible or the PC-1N Project is not undertaken under this MOU within five (5) years after its effective date, the PC-1N site shall be conveyed to the PPMPDA for continued use for Market and related public purposes, contingent on the City's approval of the PPMPDA's revised development concept; reservation of reasonable and appropriate rights of public access and use; and PPMPDA Council and City Council review and approval of a new or revised development agreement for such project. Any such project should specifically include public parking serving the Market and the waterfront; public spaces; and such connection between the waterfront and the Market as the Parties determine feasible and appropriate.



Section VI. Miscellaneous Provisions.

A. Nondiscrimination/Compliance with Laws. The PPMPDA shall comply with all applicable laws including, without limitation, all equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code (SMC), as they may be amended, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

B. Notices. All notices and requests required or permitted to be given in connection with this MOU shall be in writing and shall be deemed given as of the day they are received either by messenger, express delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed as follows, or to such other address as the party to receive the notice or request so designates by written notice to the other consistent with this Section VI:

If to City: Seattle Department of Transportation
Attn: Peter Hahn, Director
Seattle Municipal Tower
700 Fifth Avenue, Suite 3900
PO Box 34996
Seattle, WA 98124-4996

With a copy to: City of Seattle
City Attorney's Office
Attn: Helaine Honig, Senior Assistant City Attorney
600 Fourth Avenue, 4th Floor
PO Box 94769
Seattle, WA 98124-4769

If to the PPMPDA: Pike Place Market Preservation & Development Authority
Attn: Ben Franz-Knight, Executive Director
85 Pike Street, Room 500
Seattle, WA 98101

With a copy to: Pacifica Law Group LLP
Attn: B. Gerald Johnson
1191 2nd Avenue, Suite 2100
Seattle, WA 98101-2945

C. Indemnifications.

1. Right to Indemnification.

a. To the extent permitted by law, the PPMPDA agrees to indemnify, defend, and hold the City harmless from and against, and to reimburse the City with respect to, any and all losses, damages, liabilities, claims, judgments, settlements, fines, costs, and expenses (“Indemnifiable Amounts”) of every nature whatsoever incurred by the City by reason of or arising out of or in connection with any breach or default in the performance of any obligation on the PPMPDA’s part to be performed under the terms of this MOU or arising out of or relating to any actual or alleged negligent act or omission or willful misconduct of the PPMPDA with respect to its performance under the terms of this MOU, or any of the PPMPDA’s officers, agents, employees or contractors (“Indemnifiable Events”). The indemnifications to be provided pursuant to this subsection shall survive the expiration or earlier termination of this MOU.

b. To the extent permitted by law, the City agrees to indemnify, defend, and hold the PPMPDA harmless from and against, and to reimburse the PPMPDA with respect to, any and all losses, damages, liabilities, claims, judgments, settlements, fines, costs, and expenses (“Indemnifiable Amounts”) of every nature whatsoever incurred by the PPMPDA by reason of or arising out of or in connection with any breach or default in the performance of any obligation on the City’s part to be performed under the terms of this MOU or arising out of or relating to any actual or alleged negligent act or omission or willful misconduct of the City with respect to its performance under the terms of this MOU, or any of the City’s officers,



agents, employees or contractors (“Indemnifiable Events”). The indemnifications to be provided pursuant to this subsection shall survive the expiration or earlier termination of this MOU.

2. Procedure.

a. With respect to any claims or demands by third parties that relate to Indemnifiable Events and/or Amounts, whenever the City shall have received a written notice that such a claim or demand has been asserted or threatened, it shall deliver notice to the PPMPDA of such claim or demand and of the facts within the City’s knowledge that relate thereto within the earlier of: (a) fifteen (15) days after receiving written notice of the claim or demand; or (b) with respect to arbitration, litigation, or similar proceedings, not less than ten (10) days before the initial date by which the City would be required to file its first substantive response to such action, but in no event less than the amount of time that the City is given to respond to the action. The PPMPDA shall then have the right and the obligation to contest, defend, negotiate or settle any such claim or demand through counsel of its own selection, solely at its own cost, risk, and expense.

b. With respect to any claims or demands by third parties that relate to Indemnifiable Events and/or Amounts, whenever the PPMPDA shall have received a written notice that such a claim or demand has been asserted or threatened, it shall deliver notice to the City of such claim or demand and of the facts within the PPMPDA’s knowledge that relate thereto within the earlier of: (a) fifteen (15) days after receiving written notice of the claim or demand; or (b) with respect to arbitration, litigation, or similar proceedings, not less than ten (10) days before the initial date by which the PPMPDA would be required to file its first substantive response to such action, but in no event less than the amount of time that the PPMPDA is given to respond to the action. The City shall then have the right and the obligation to contest, defend,



negotiate or settle any such claim or demand through counsel of its own selection, solely at its own cost, risk, and expense.

D. Term and Termination. This MOU shall commence on the date first set forth above and shall continue for a term of ten (10) years. Notwithstanding the foregoing, this MOU may be terminated by written notice under the following circumstances: (a) a party has breached its obligations hereunder and such breach remains uncured for one hundred twenty (120) days after the non-breaching party has given notice to the breaching party describing such breach or, in the case of a breach by the PPMPDA, such other period as the Director may reasonably determine; (b) either party has defaulted in its obligations under this MOU on three or more occasions during any consecutive 12-month period; or (c) the City has transferred the PC-1N site to the PPMPDA under the circumstances contemplated under Section IV.B.

E. Legal Relationship. This MOU does not constitute the PPMPDA as the agent or legal representative of the City for any purpose whatsoever. The PPMPDA has no express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City or to bind the City in any manner or thing whatsoever.

F. Mandatory Disclaimer.

The Pike Place Market Preservation and Development Authority ("PDA") is organized pursuant to Seattle Municipal Code (SMC) 3.110 and RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides in part as follows: "All liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority." The powers of the PDA are limited by state and federal law and regulations, ordinances of The City of Seattle, and other elements of the local regulatory scheme.



G. Governing Law. This MOU shall be governed by and interpreted under the laws of the State of Washington applicable to agreements made and to be performed in Washington, exclusive of its conflict of law rules.

H. Entire Agreement. This MOU, when executed, contains the entire understanding between the Parties with respect to the subject matter hereof, and supersedes any promises or conditions in any other oral or written agreement. No provision of this MOU may be amended or supplemented except by a written agreement signed by the Parties hereto or their respective successors in interest.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year stated above.

CITY OF SEATTLE

PIKE PLACE MARKET PRESERVATION &
DEVELOPMENT AUTHORITY

By _____
Peter Hahn
Director of Transportation

By _____
Ben Franz-Knight
Executive Director



EXHIBIT A

PC-1N CONCEPTUAL DESIGN



Pike Place Market
Concept Design
Project Narrative
September 14, 2012

PIKE PLACE MARKET PC-1 NORTH FINAL CONCEPT DOCUMENT



prepared by: The Miller Hull Partnership, Magnusson Klemencic Associates, Arup, Swift Company, Steinbrueck Urban Strategies

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I.0 INTRODUCTION

1.1 PROJECT OVERVIEW

The Pike Place Market opened in Seattle in 1907, and is one of the oldest continually operated public farmers' markets in the country, attracting some 10 million visitors per year. Spurred on by the replacement of the elevated Alaskan Way Viaduct, which currently blocks much of the waterfront from downtown, with a bored tunnel, the City of Seattle is in the early design stages to overhaul the entire waterfront and dramatically improve the connection from the urban core to water's edge. The Pike Place Market is a central connection point and the PC1-N site will play a critical role in making that connection successful.

1.2 PROJECT GOALS

The project goals, as discussed in numerous meetings with the PDA Council, Waterfront Redevelopment Committee and Market community members can be summarized as a commitment to providing unique and memorable market experiences. The public will feel welcomed into a vibrant mixed-use project made up of commercial spaces and low income residential units with market parking and other support spaces carefully organized into 'back of house' spaces. This collection of program spaces will be framed and enhanced by nearly an acre of public open space. This network of terraced open spaces will belong to everyone — families, seniors, travelers, market vendors—and transition seamlessly with the planned Overlook Walk and connection to the revived waterfront.

The Pike Place Market Preservation and Development Authority (PDA) established a series of 'Guiding Principles' for the development of the PC1N site as follows:

- *Pedestrian Access and Neighborhood Connectivity*
- *Vehicle Access*
- *PC1N Priority Uses (see below under Program)*
- *Character and Identity*
- *Views*
- *24/7 – 365 Activation*
- *Financial Viability*
- *Preservation and Sustainability*

The design team embraced these principles and developed the design concept to address them.

1.3 DESIGN PROCESS

For this process to be a successful one, two paramount objectives were established early to work closely with the market constituency and to work collaboratively with the Waterfront design team. To that end the team:

- Met with PDA on a weekly basis
- Presented to the Waterfront Redevelopment Committee (WRC) on a biweekly basis where the team received a significant amount of input from not only the committee but the general public and market constituency
- Met with the Market Historical Commission regularly
- Held design working sessions with council and WRC Committee
- Met with the Waterfront design team at least once a month
- Participated in a half-day working retreat with the full PDA Council
- Met with the Market stakeholder group and conducted multiple public meetings
- Created a dedicated information page on the Market website
- Presented to the Market Foundation
- Presented to the Central Waterfront Design Oversight Committee

2.0 DESIGN RATIONALE

2.1 PROGRAM

Development of Program

The PDA had developed a series of priority uses for the PC1N site:

PC1N Priority Uses:

1. Parking

- loss of 130 spaces from surface lots and need to preserve as many of the existing 81 spaces as possible.

2. Storage

- Cold storage and dry storage is chronically in short supply. Key component in retention and recruitment of farmers, crafters, restaurants and businesses.

3. Commercial/Residential Activation

- Financial support for development and maintenance of PC1N could include commercial and/or residential activation along the edges. activating space along Western, new space facing the Waterfront and integrating with the Desimone bridge consistent with historic plans and concepts.

4. Social Services

- The Foodbank, while operating successfully, faces ongoing challenges with access and space. This project could improve access to the Foodbank and consider possible relocation and expansion. Options include possible adult dental or other support spaces for the Medical Clinic.

5. Programs

- Provide opportunities to expand and support components of core programs including farming, education and busking will greatly aid in the successful activation of new public space created between the Market and the Waterfront.

On December 15th, 2011 the PDA passed Resolution 11-102 which adopted a preliminary program:

PC1-North Preliminary Building Program

- Support and enhance the Market's core mission, functions and character, consistent with historical uses for PC1N and adjacent areas as part of Central Waterfront redevelopment
- Improve Market pedestrian connections to and from the Central Waterfront through the PC1N site
- Develop the PC1N site to its maximum potential for serving core Market mission and functions
- Remain consistent with Market Historic Commission Guidelines
- Include the following general uses:
 - o Retail
 - o Residential
 - o Replacement parking
 - o Storage
 - o Social Services
 - o Public Space
 - o Circulation and Pedestrian Passage

Final Concept Program

In a previous feasibility study, the PDA further developed the above program and established targets of 76,900 square feet of building area and 23,100 square feet of public open space. Through the course of the concept design process and numerous public meetings, the building program was reduced to approximately 42,000 with an increase in the amount publicly accessible open space to 44,000 square feet. We are providing an additional 9500 square feet provided as open space reserved for the use of residents. The initial parking target was for 260 stalls and we have increased that number through the course of the concept study to meet the requirements of a WSDOT parking mitigation plan.

Final Program Summary

housing	22,500 sf
commercial	19,300 sf
total conditioned area	41,800 sf
parking	122,000 sf
open space	44,000 sf

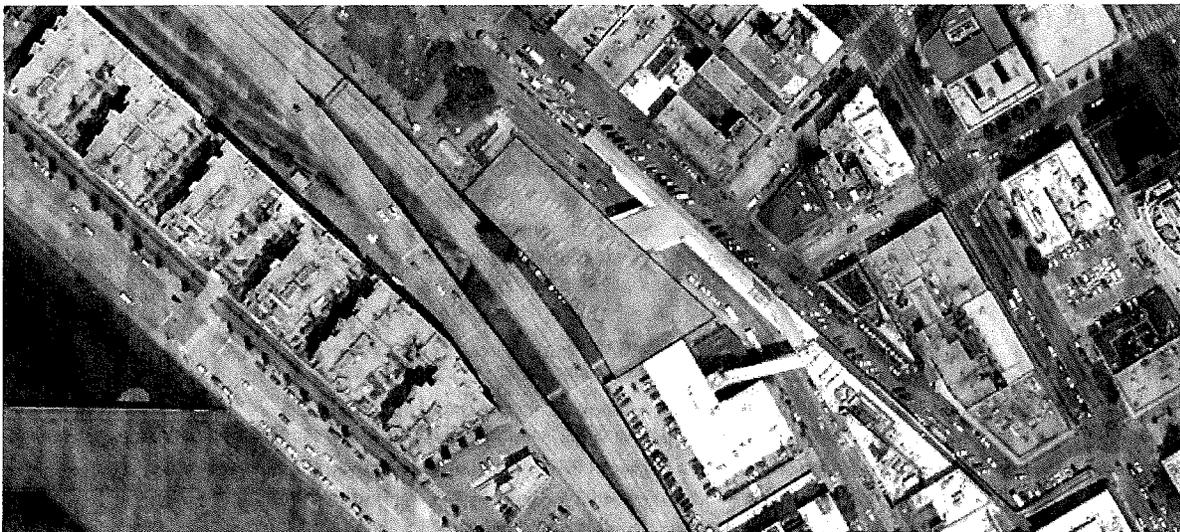
2.0 DESIGN RATIONALE

2.2 SITE, HISTORY AND CONSTRAINTS

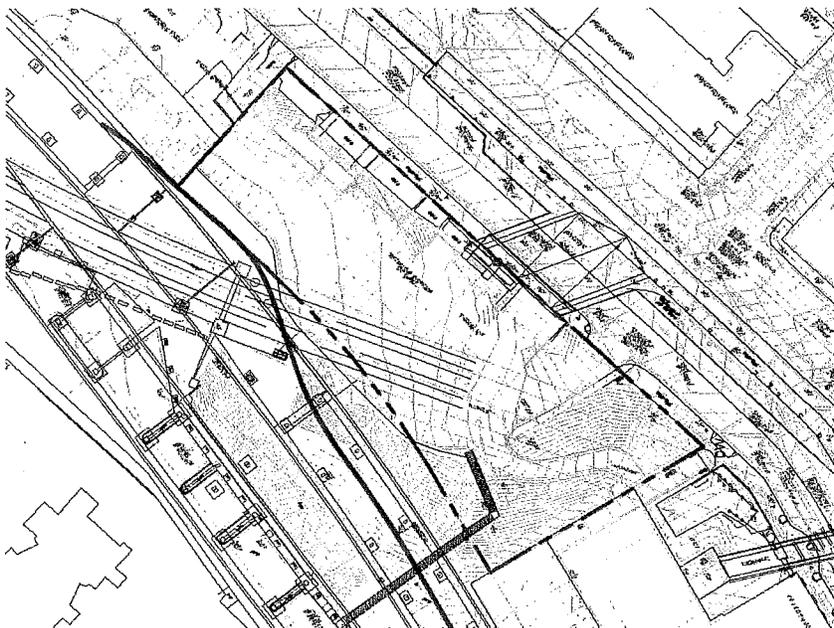
SITE

The site comprises approximately 39,142 square feet and is bounded by Western Avenue to the east, the Alaskan Way Viaduct to the west, Victor Steinbrueck Park to the north and the Heritage House and Market Parking Structure to the south.

The base zone is Pike Market Mixed with a corresponding height limit of 85 feet. The site, however, is within the boundaries of the Pike Place Market Urban Renew Plan of 1974, which established much lower maximum allowable building heights. The site is also within the city's Pike Place Market Historic District and therefore subject to the Historic Commission Use and Design Guidelines which places further restrictions on the height and the developable areas on site.



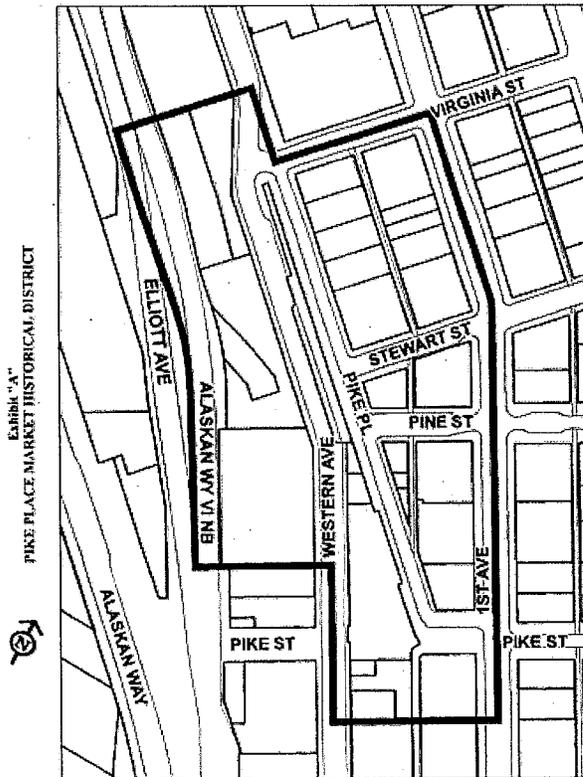
PC1-N Site



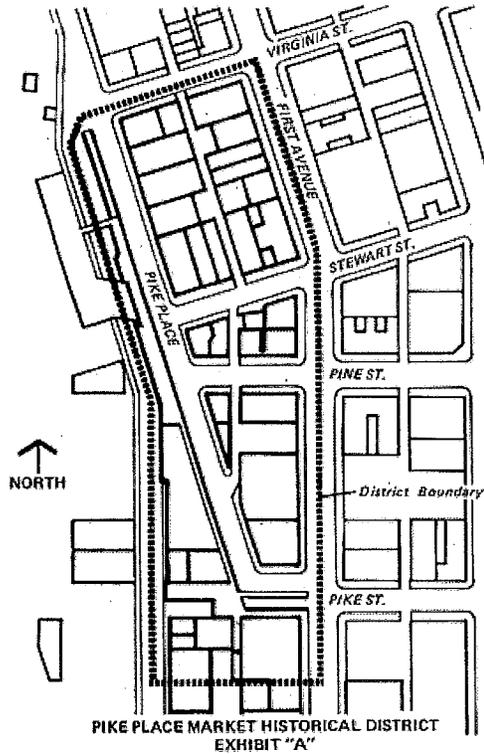
Underground high voltage transmission line

The site is classified as having Environmentally Critical Areas due to steep slopes existing at the southwest corner and a small portion of the northeast corner. The Burlington Northern Railway has an easement to operate a tunnel that runs directly below the site and daylights just to the west of the site. Seattle City Light (SCL) has an underground high voltage transmission line that runs along the western property line and crosses over the top of the tunnel adjacent to the portal and then crosses onto the PC1N site for the northernmost 55 feet. The line encroaches only about a foot so the impact to the building is not significant, however careful coordination with SCL during construction will be required.

While the site is not included in the "Pike Place Market Historic District" that is listed on the US National Register of Historic Places, it is included in the Seattle Department of Neighborhoods "Pike Place Market Historic District".



Seattle's Pike Place Market Historic District Map



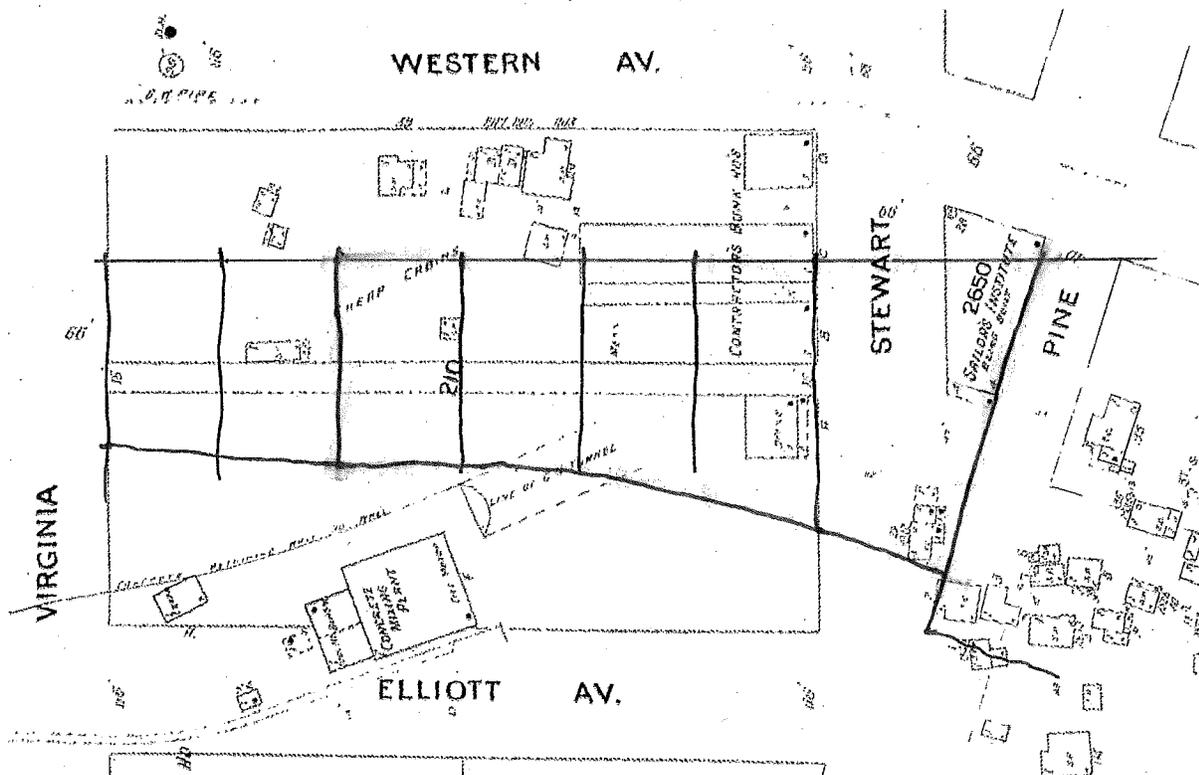
National Register of Historic Places District Map

2.0 DESIGN RATIONALE

SITE HISTORY

The site is at a critical juncture in the city of Seattle not only in terms of its proximity to the market and downtown urban core but also in its adjacency to major transportation infrastructure. The Alaskan Way Viaduct runs the length of the site to west and the Burlington Northern train tunnel runs directly below the site. The Viaduct presents phasing challenges and the railroad tunnel presents planning and construction issues. To achieve the parking program the Market requires creates very tight tolerances between the building foundation and the tunnel structure. To better understand the tunnel infrastructure and what else might be buried on site the team researched city archives and historic photo databases. The following is a summary of that research and attached as an appendix is a complete chronology.

While there is earlier information, our focus began with construction of tunnel. A Sanborn fire insurance map from 1904-05 gives us a glimpse of what buildings were on the site right at the time of construction. The maps shows a number of 'cheap cabins' on the northern portion of the site and two long buildings referred to as 'contractor bunk houses' and another west of the alley labeled 'office.' We have assumed these were for the construction of the tunnel as the below photographs suggest. The red lines delineate the current parcel lines which were adjusted when Pike Place connection was established and the Western Avenue right of way shifted to the west.



Sanborn Fire Insurance Map, 1904-1905

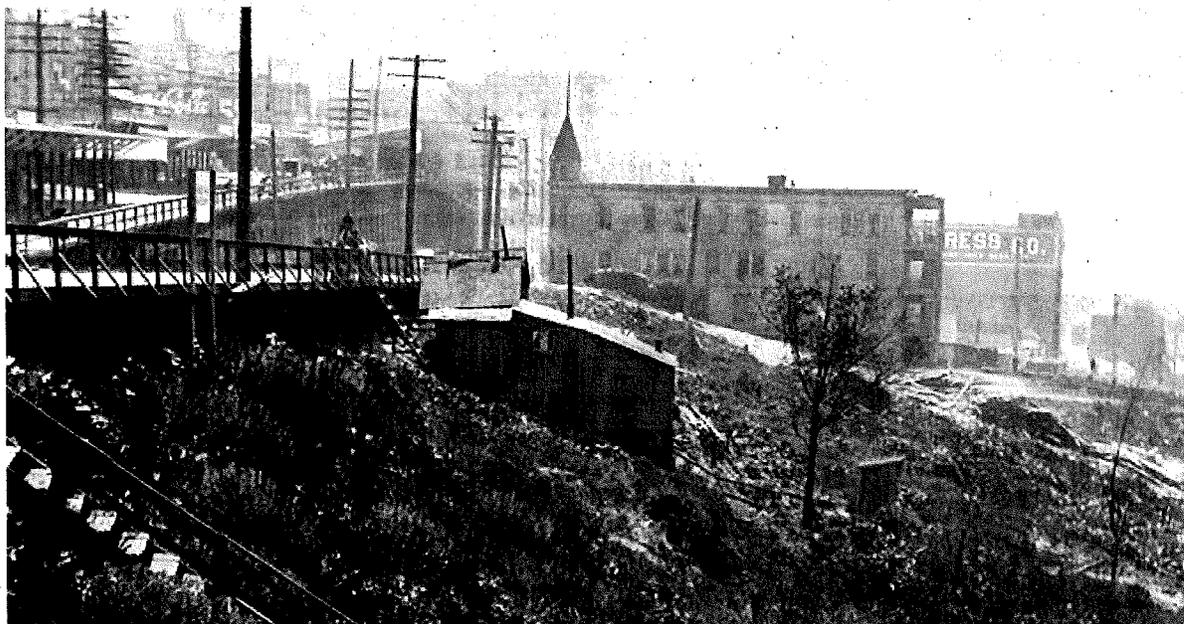


Tunnel Excavation, 1903



Tunnel Construction, 1905

A photograph dated to 1903 shows the tunnel portal being excavated and three gabled wood frame structures that conform to what is shown on the map. This map also shows a structure just west of the tunnel portal and refers to it as a concrete mixing shed. This shed appears to be in construction with timber columns in place in the 1903 photo and clearly identifiable in the 1905 photo.

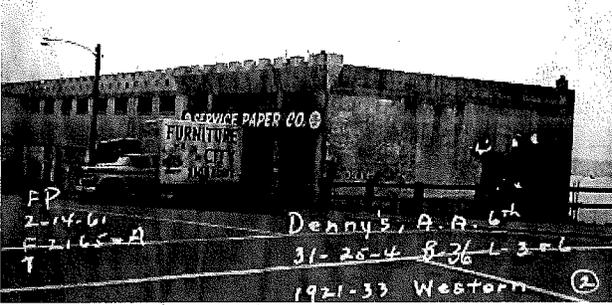


View across site to the south, 1909

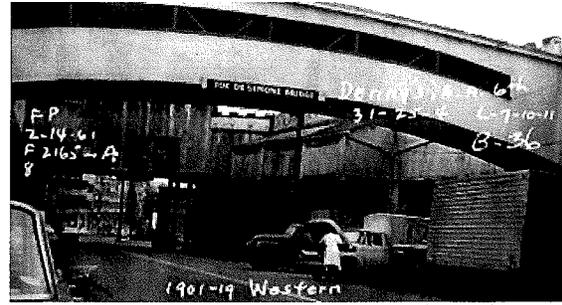
A photo dated 1909, with the tunnel now operational and construction complete, shows the site cleared and graded with a gentle slope to the west. The contractor's bunk houses, the office and most of the cabins are gone. Western Ave has been re-graded and realigned. The Market was now in its second year of operation. The building at the south end of the site is the Sailor's Institute which is labeled as 'being built' on the 1904-05 Sanborn map.



2.0 DESIGN RATIONALE



Municipal Building, 1961



Municipal Building with two bridges, 1961

The site appears to have been largely vacant until 1920, when the Market Municipal Building was constructed. The building had two bridge connections to the market arcade. The original Joe Desimone bridge was an arched truss pedestrian bridge that connected to the north end of the arcade. South of that pedestrian bridge was larger, timber framed bridge.

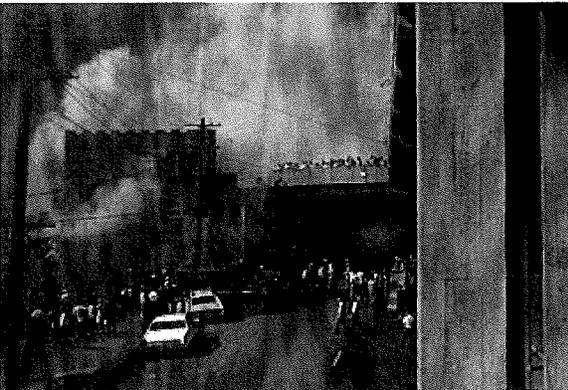


Municipal Building converted to garage, 1964



Municipal Building converted to garage, 1964

This timber truss bridge was replaced in 1965 with the precast concrete T-section bridge that we see now. This conversion allowed vehicles to access the Municipal building which was converted at the same time to provide open-air parking on the top floor.



Municipal Building, 1974



Municipal Building being demolished after the fire, 1974

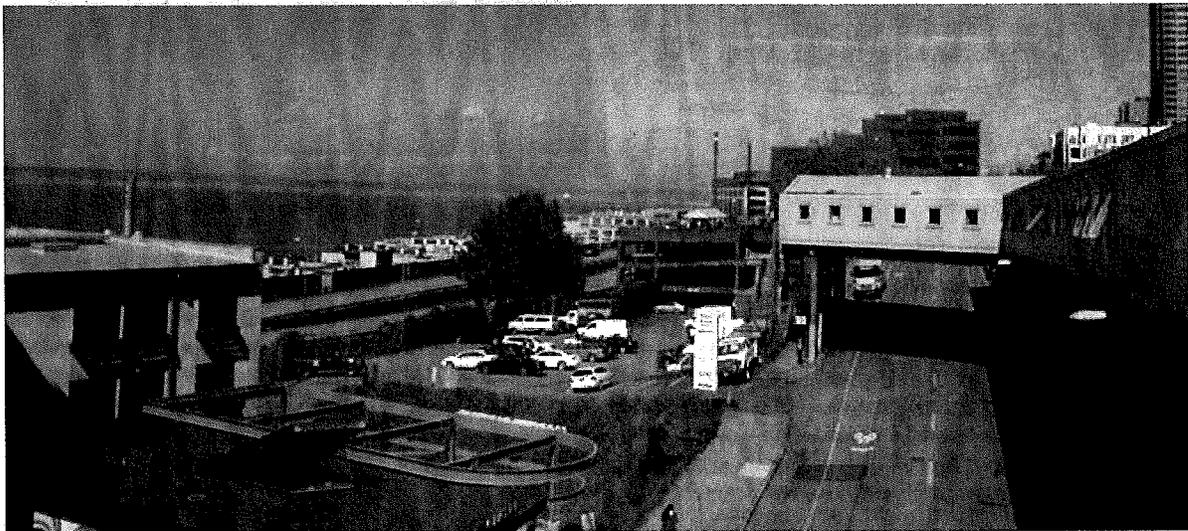
In 1974 the Municipal building caught fire and was subsequently torn down. The 10 year old vehicular bridge was preserved however and remained as open air deck until architect Jim Cutler designed an enclosure that allowed the bridge the function as an extension of market arcade. This work occurred in 1985 and remains intact today.



Site cleared and graded for surface parking, 1974



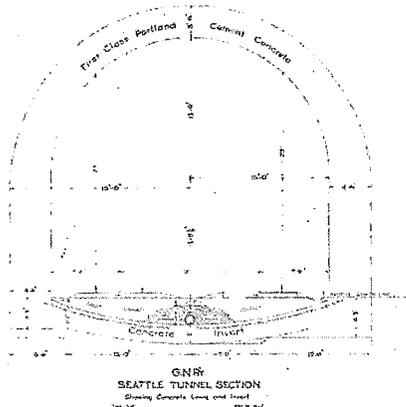
Site cleared and graded for surface parking, 1974



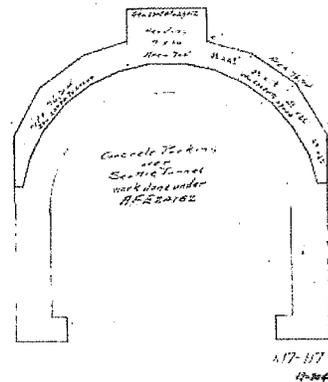
View of site from the Truss Bridge, 2012

SITE CONSTRAINTS

Train Tunnel: A critical feature and design constraint of the site is the Burlington Northern train tunnel. As mentioned above, the tunnel was constructed in 1903-1905. During a review of the as-built drawings of the tunnel we encountered a sketch that described additional concrete that was placed on top of the tunnel and a heading that was seven feet tall and ten feet wide. The sketch says this concrete was placed in 1911-1913.



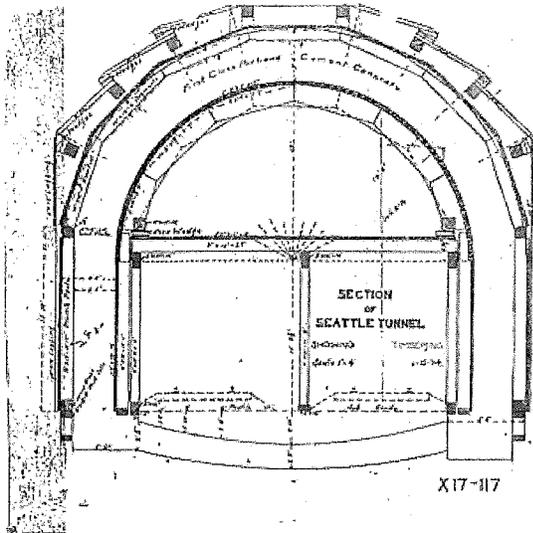
Typical Tunnel Section, 1903



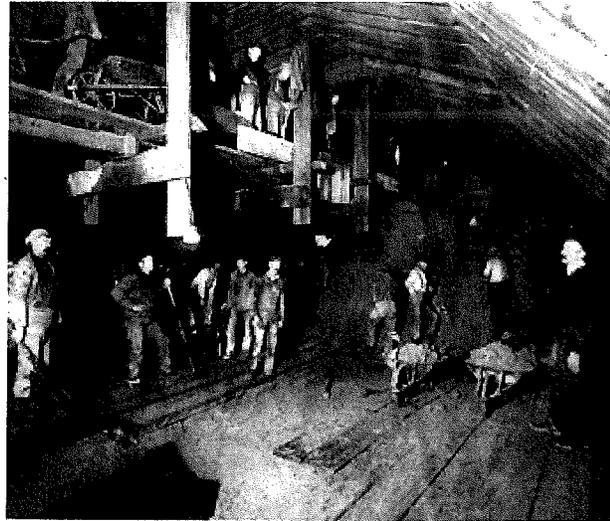
Concrete Packing over Tunnel, 1913



2.0 DESIGN RATIONALE



Timber Shoring system, 1903



Crews excavating and placing timber shoring, 1903

The explanation for this additional concrete has to do with the timber shoring that used to retain earth while concrete tunnel was formed and cured. A few years after the construction was complete a number of locations along 4th Avenue and the new Central Library at 4th and Madison in particular, experienced some settling. The city determined that the tunnel was the cause and filed suit against the railroad. Engineers determined that timbers used to retain earth around the concrete tunnel were rotting and the surrounding soils settling down onto the concrete tunnel shell. To mitigate future settlement, the Great Northern company excavated a seven by ten foot access way for the length of the tunnel so that concrete packing could be placed in the voids to prevent further settlement to buildings and infrastructure above. This heading was subsequently filled as crews moved backward toward the tunnel portals.

This addition of seven feet to the top of the tunnel is significant because it affects the number of parking levels that can be accommodated between existing grade and top of tunnel. Without this additional heading, three levels could fit, but with the heading intact, only two are possible. This is important to the project because it determines how much flexibility we have on the west property line to accommodate the Overlook Walk and supporting program spaces.

One final question involved the extent of the concrete cap. The heading is not visible where the tunnel daylighted just to the west of our site and no documentation could be found as where exactly the heading started or stopped. Another discrepancy uncovered was conflicting survey data on the exact location of the tunnel below grade. To field verify the location and sectional profile of the tunnel a potholing crew was contracted to dig down and field verify depths of concrete in key locations. We were able to confirm that the heading and packing on top of the tunnel existed at the eastern portion of the site but not the western. We then dug a series of holes along the centerline of the tunnel to determine exactly where the heading stopped and how it terminated. See pothole plans and sections in Appendix 2, 12.0 Concept Design Drawing Set.

Another aspect of the site that was discovered through the course of potholing was the existence of a significant amount of debris across the site. At times, the potholing crew were unable to reach the tunnel zone. An analysis of historic photos and grades where debris was encountered suggested that the original grade of the site was approximately ten feet below the current grade. Below this ten-foot zone of fill and building debris is undisturbed soil. Refer to Appendix 1, Civil Narrative for additional detail and geotechnical data.

2.3 ZONING AND CODE ANALYSIS

Zoning Analysis

An analysis of the Seattle Zoning Code was conducted and included in section 7.0 Architectural Attachments. While the base zoning allowable height is 85 feet, Urban renewal covenants apply which reduce the allowable height. No parking is required for either the commercial uses nor the residential due to fact that site is located within the Commercial Core Urban Center Village. Most of the code does not apply due to the Historic District and Market Historic Commission.

Building Code Analysis

An analysis was also conducted of the Seattle Building Code and found in section 7.0 Architectural Attachments. A quick overview of the major issues is as follows. The parking garage will be required to have a 3-hour fire separation from the commercial and residential above. Separation between commercial and residential will be 1-hour. The building will be sprinkled at all levels. The design intent for the above garage construction is that of a heavy timber building. Whether we design it as a type-IV heavy timber building or as a type-V and utilize the heavy timber exception for the primary structural members will be determined during subsequent phases of design. The housing component is envisioned either as post-tensioned concrete or cross-laminated timber to minimize depth of the floor structure and maximize ceiling heights.

2.4 HISTORICAL

Market Historical Commission Design Guidelines Overview

The Pike Place Market Historical District is a 7-acre site bounded by 1st Avenue, Virginia Street, the Alaska Viaduct and a line approximately midway between Union Street and Pike Street. The Market Historical Commission reviews all design proposals for the Pike Place Market and have established Design Guidelines for decision-making on the approval of uses and designs in the Market.

Our design team has studied and evaluated the guidelines and our work has been substantially influenced by them. Guidelines that we feel are particularly relevant to our project, include: maintaining and enhancing pedestrian qualities, respecting and enhancing visual connections between Steinbrueck Park, Elliott Bay, and within the district, shaping unique utilitarian urban form that is respectful of the surrounding structures, utilizing exterior materials that have inherent color and do not require painted surfaces, differentiating the new work from the historic while being compatible with massing, size, scale and architectural features.

Our team is especially inspired by the use of the concrete post and beam structures along Western Avenue – commonly referred to as the Western Frame. We are also inspired by the use of heavy timber structures in the Market. Wood, harvested from certified forests, and used as a structural element, is the most sustainable building material in the Pacific Northwest.



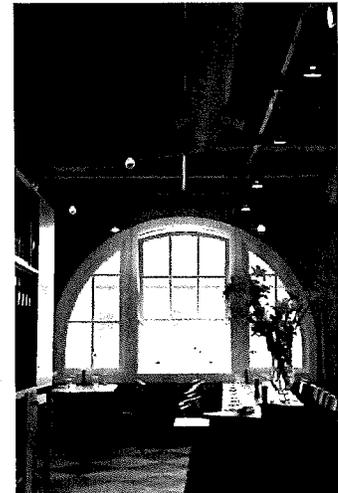
Regular structural rhythm along Western Avenue



Concrete frame with glass infill



Heavy timber framing



Exposed structure, mechanical and lighting

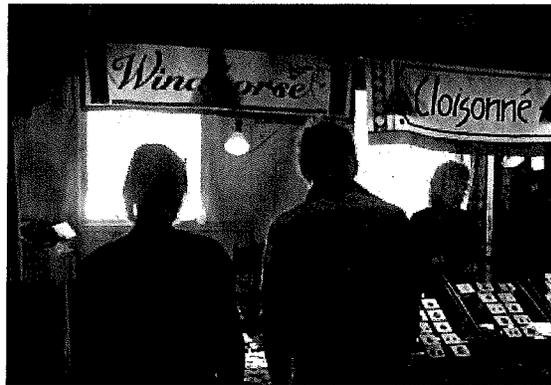
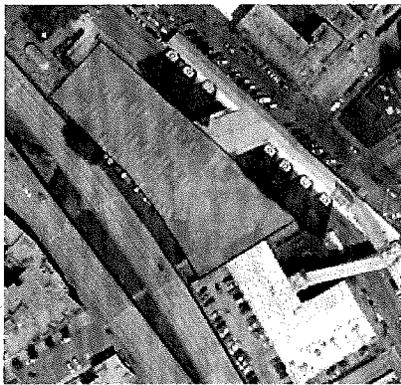


3.0 PUBLIC REALM ANALYSIS

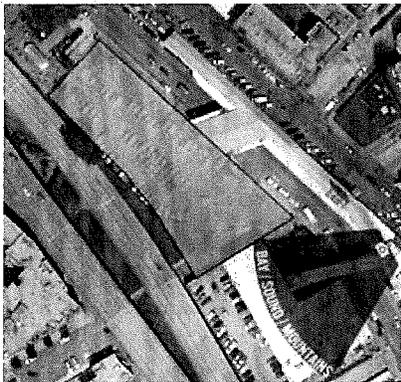
3.0 PUBLIC REALM ANALYSIS

Primary Interior Views

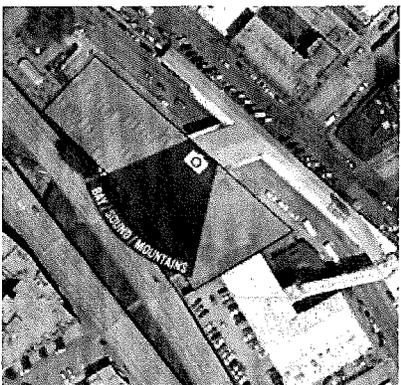
The primary interior views include views from within the North arcade across the site, views from restaurants within the market, and views from the Joe Desimone Bridge.



North arcade views



Market views



Desimone Bridge views

3.2 CIRCULATION ANALYSIS

1. Connect to the Overlook Walk along the west edge of the site
2. Connect to Victor Steinbrueck Park
3. Connect to Western along south edge of site
4. Stair connection up to the Desimone Bridge
5. Activation of Western Avenue with commercial
6. Connect the Desimone bridge to Victor Steinbrueck Park which creates a larger circulation loop back across Western to the north end of Pike Place
7. Establish a new, second and lower level on the truss bridge to provide improved access to the DownUnder in the Market
8. Explored a new stair and pedestrian crossing at the north end of Market arcade



4.0 PRELIMINARY MASSING CONCEPTS



4.1 OPTIONS A, B, C & D

The Design team produced four massing options in various configurations to test the program fit on the site. The process was essential to engaging dialog and public input to refine massing and program placement.

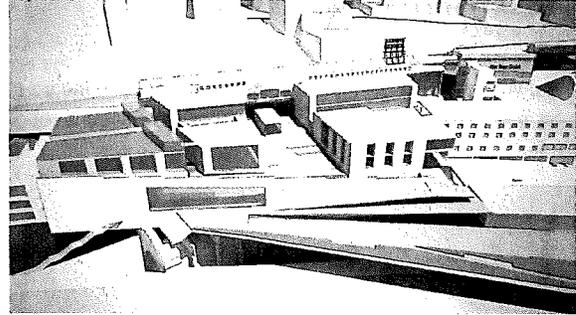
Option-A preserved west views from the slabs on Pike Place with a one-story building at the northern half of the site. The building stepped up to two stories adjacent to the existing arcade. The housing program occupied the south portion of the site and extended westward leaving a 15 feet to accommodate the pedestrian circulation.

Option-B considered a long narrow building along Western Avenue with 2 stories of program at north and three at the south. A break in the center provide open space in front of the Desimone Bridge. A second level exterior circulation space ran along the west side of the north building and connected down to Steinbrueck Park. While we had ample commercial space, the housing program was reduced to about half of the program.

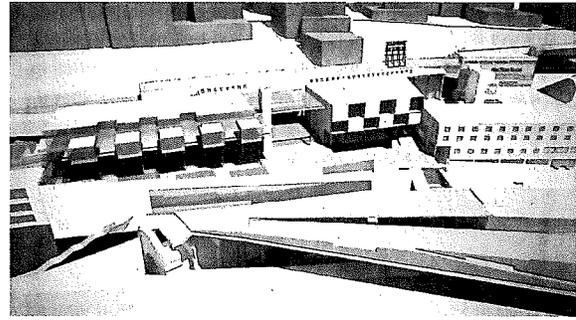
Option-C tested the concept of a housing tower on the south east corner of the site. Also considered was a wider opening from Desimone Bridge. This option provided the most public space along the western portion of the site but compromised views to achieve the program required.

Option-D considered a horizontal projection of residential program instead of the vertical tower form. The pedestrian walk from the waterfront would pass underneath the building.

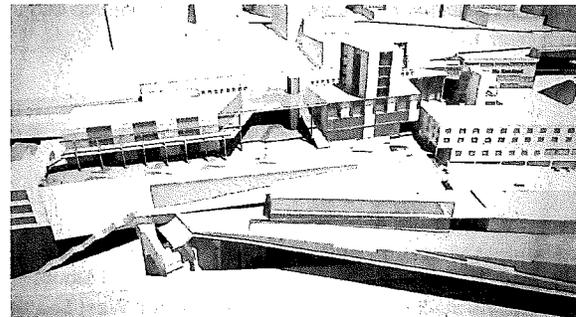
These four massing options were presented to the PDA Council and constituency at a series of public meetings. We received a lot of great feedback that helped us understand how to better place the program on the site. The following series diagrams synthesizes that feedback and provides logical progression that leads us to our preferred massing concepts.



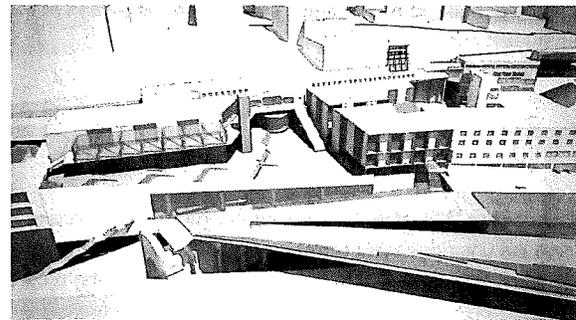
Option-A



Option-B



Option-C



Option-D



4.0 PRELIMINARY MASSING CONCEPTS

4.2 PROJECT DIAGRAMS

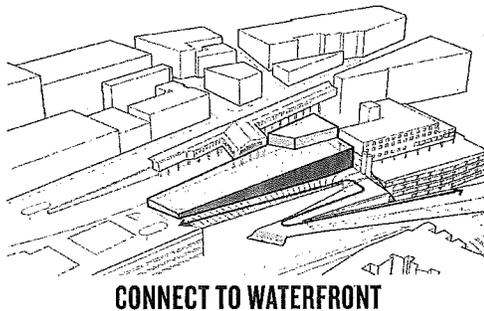
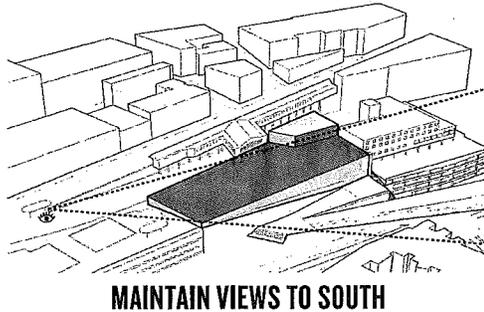
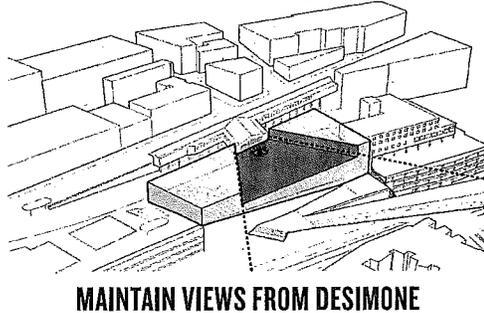
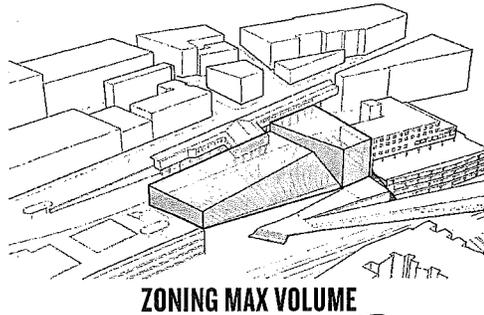
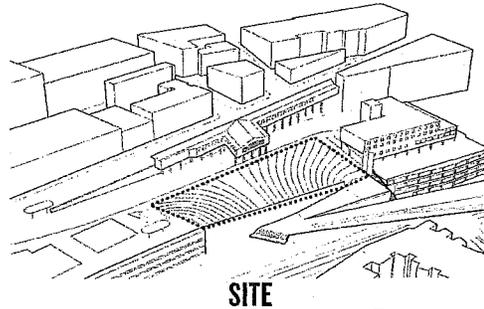
Site: We start with base site which slopes gently to the south and west. The grade change along Western Avenue is roughly 18 feet.

Zoning Max Volume: The maximum allowable height on site is not the 85 foot limit of the base zone but limited instead by the Urban Renewal legislation passed by city council in 1974 which results in a maximum envelope not to exceed the arcade roof on the northern portion of the site and an approximate one story increase to south.

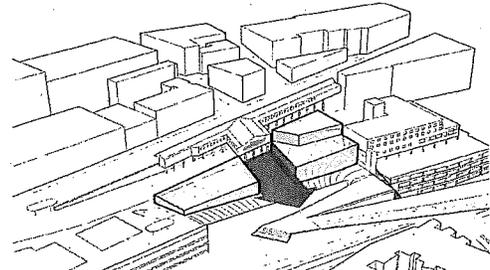
Maintain Views from Desimone: To ensure that views from the Joe Desimone Bridge were preserved, we carved into this maximum building envelope.

Maintain Views to South: To ensure that views of Mount Rainier, the stadiums, the Duwamish River and West Seattle are preserved from the Virginia Street pergola, we lowered the top of building as required. This left a small portion at the southeast corner of the site a higher elevation.

Connect to Waterfront: Honoring the switchback concept from the Overlook Walk removed roughly a third of the potential floor area for the below market portion of the project.

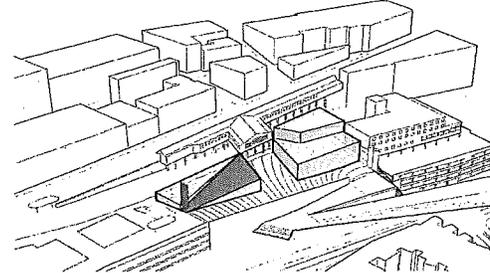


Connect to Western With Plaza: To preserve mountain and sound views from Western Avenue, under the Desimone Bridge, the remaining volume was bisected.



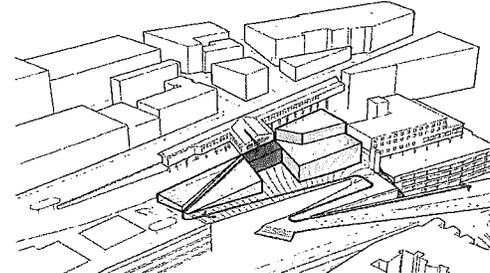
CONNECT TO WESTERN WITH PLAZA

Connect to Park: Providing an accessible connection to Victor Steinbrueck Park was also a strong priority. Sloping the roof terrace accomplished this but reduced ceiling heights in the northwestern portion of the building.



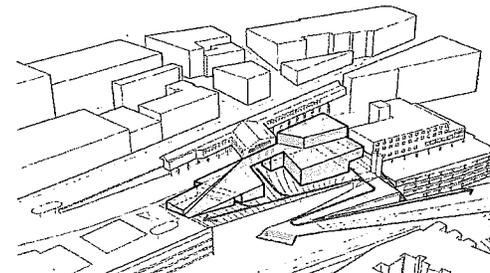
CONNECT TO PARK

Connect to Market: Completing the primary connection from the waterfront to the Desimone Bridge requires a deck area to span over the primary Western Ave breezeway.



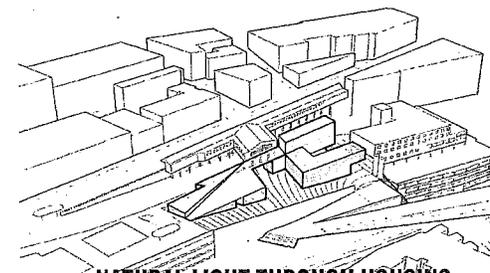
CONNECT TO MARKET

Porosity Through Building: Providing multiple breezeway connections to Western Avenue ensured that pedestrians have numerous options and helped break down the scale and massing of the project further and is consistent with the multiple paths of travel currently found in the Market.



POROSITY THROUGH BUILDING

Natural Light Through Housing: To ensure that the residential uses on the south half of the site have ample access to natural daylight and ventilation the floor plates were narrowed and courtyard created.



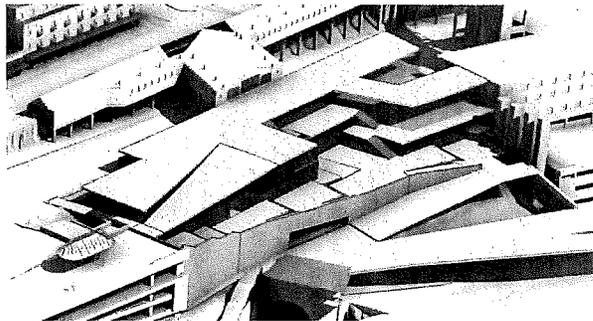
NATURAL LIGHT THROUGH HOUSING

5.0 PREFERRED MASSING CONCEPTS

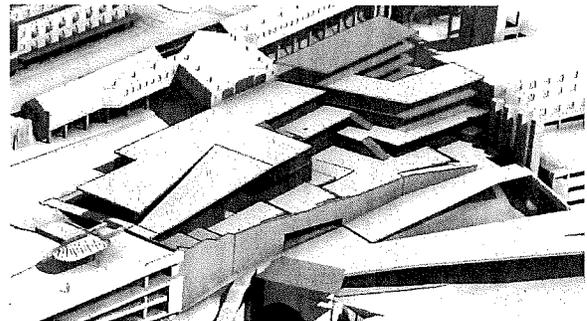


5.1 MASSING DIAGRAMS

The team received approval from the PDA council on July 19 to continue study of the preferred massing concept, which had two versions — BB (below bridge) and BB+ (below bridge +). The two version were the same with the exception of an additional floor and a half of housing. By lifting the roof of the third floor 3 feet we are able to fit another level below and maintain nine foot floor to floors. A fourth level of housing can also be achieved without going above the ridge of the Market arcade building. Both options were tested to ensure that they didn't block the view from under the Virginia Street Pergola.

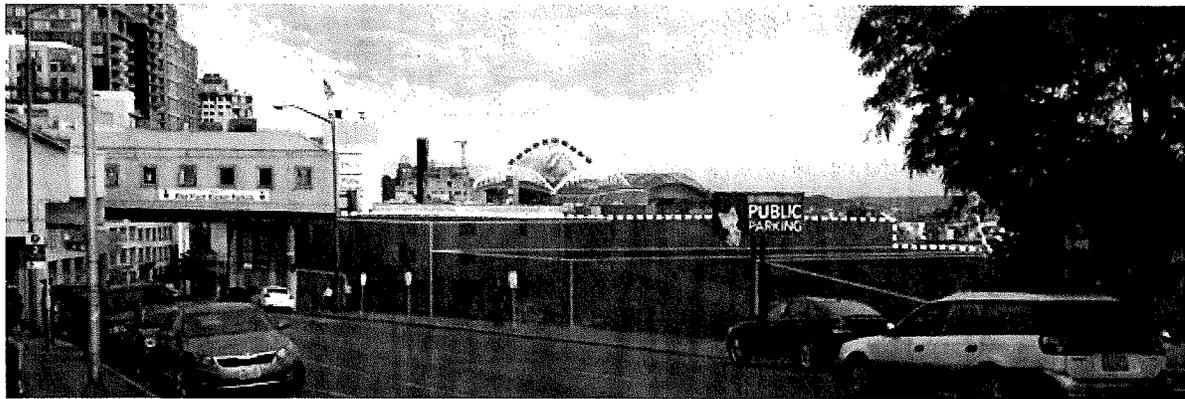


Preferred Massing option BB

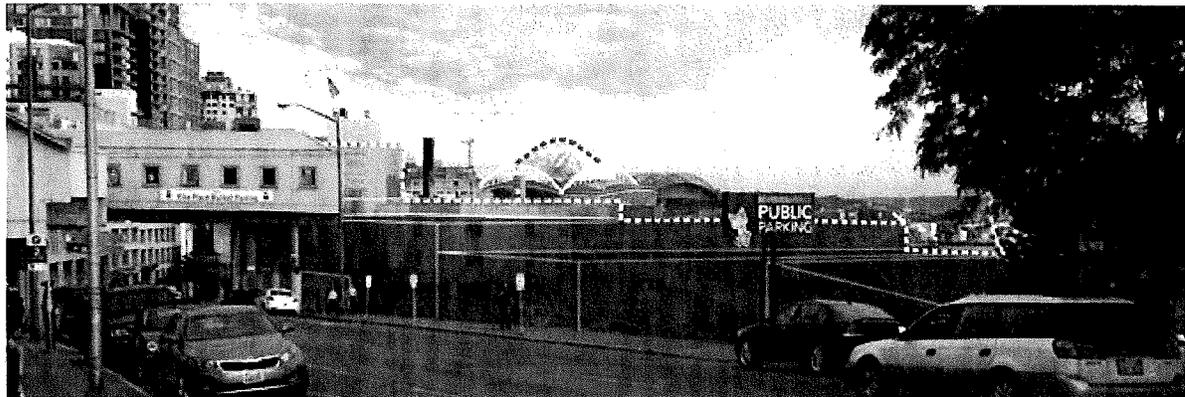


Preferred Massing Option BB+

- Retail/Commercial
- Housing



View Analysis for Preferred Massing Option BB from under the Virginia Street Pergola



View Analysis for Preferred Massing Option BB+ from under the Virginia Street Pergola

6.0 CONCEPT DESIGN



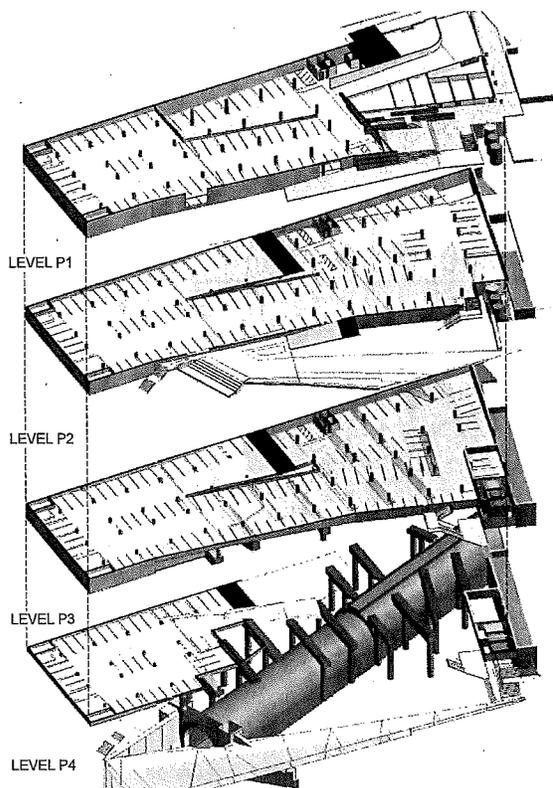
6.1 PARKING

The final concept design brings together nearly four months of work.

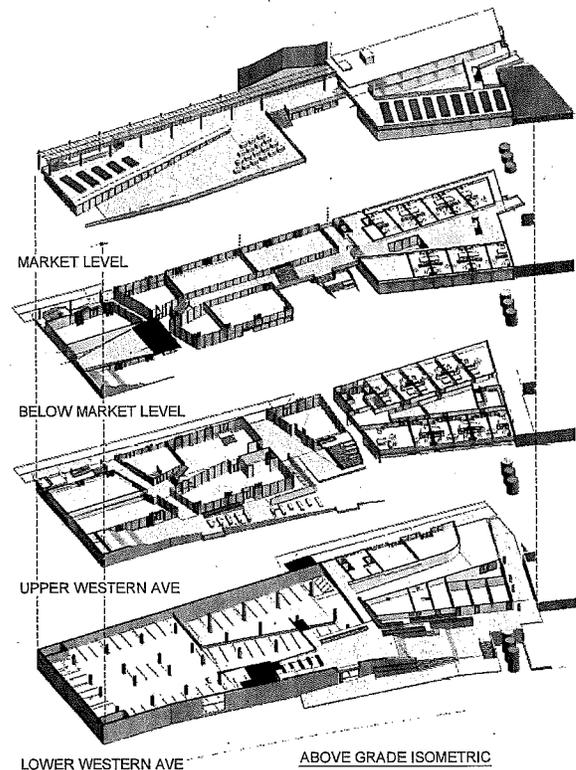
The Parking levels are accessed from a new curb cut along Western Avenue at the southeast corner of the site. To preserve the pedestrian connection across the site to Western Avenue the single parking ramp on the PC1-Market Parking garage will be abandoned and overframed to create a level pedestrian connection through. The Heritage House extends over the new walkway creating a dynamic pedestrian experience and dramatic unfolding of views when walking toward the waterfront.

The parking access ramp will have fully automated parking payments columns just inside the property lines and under cover of the building above. After ticketing the ramp slopes down at a 5% grade into the garage and below the rising grade on Western Ave by the time it gets to southern end of the Desimone Bridge. This ramp configuration preserves the site connection and views from Western below the bridge.

The garage is configured with four levels on the northern portion of the site and two levels on the south half of the site. Vehicular access between levels is a continuous two way loop with 90 degree parking stalls.



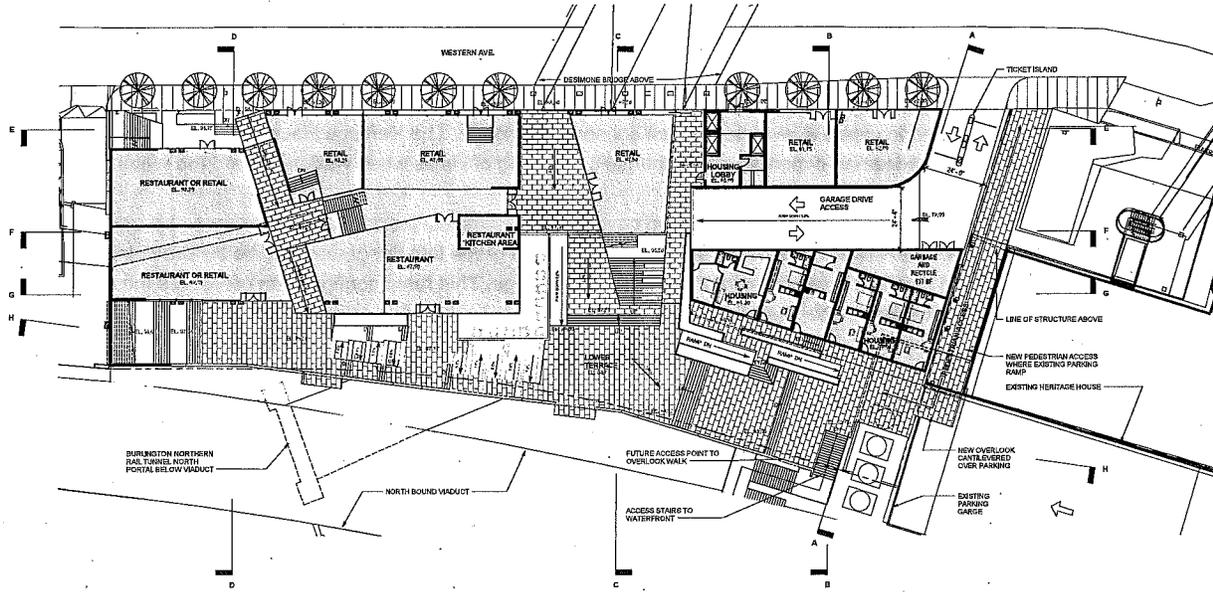
Parking Level Summary



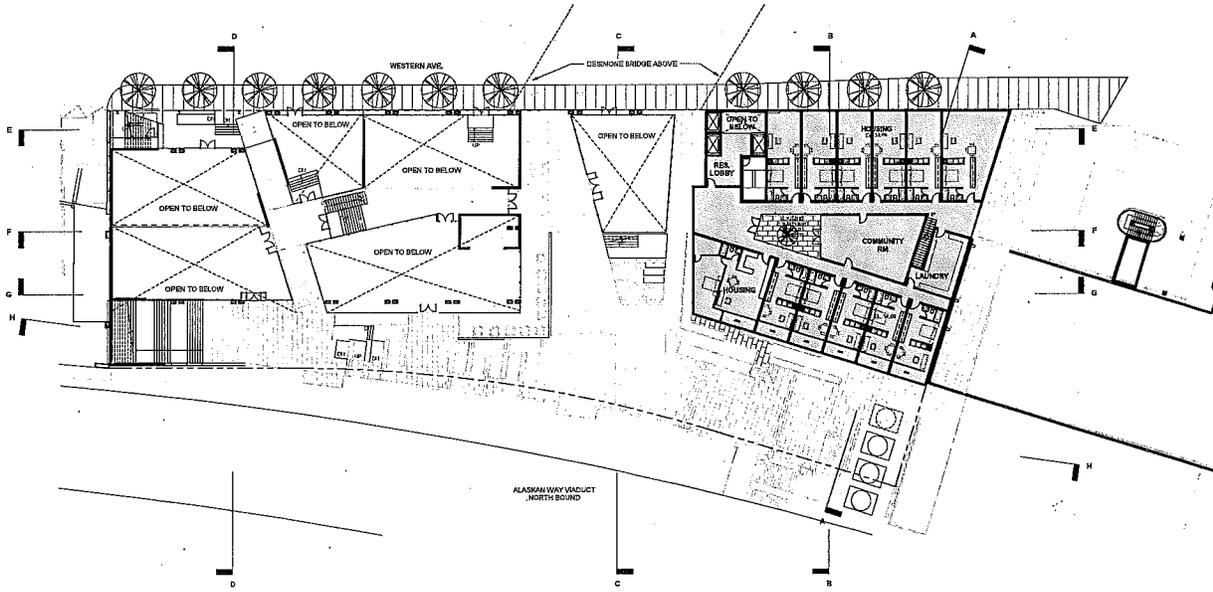
Upper Level Summary

6.0 CONCEPT DESIGN

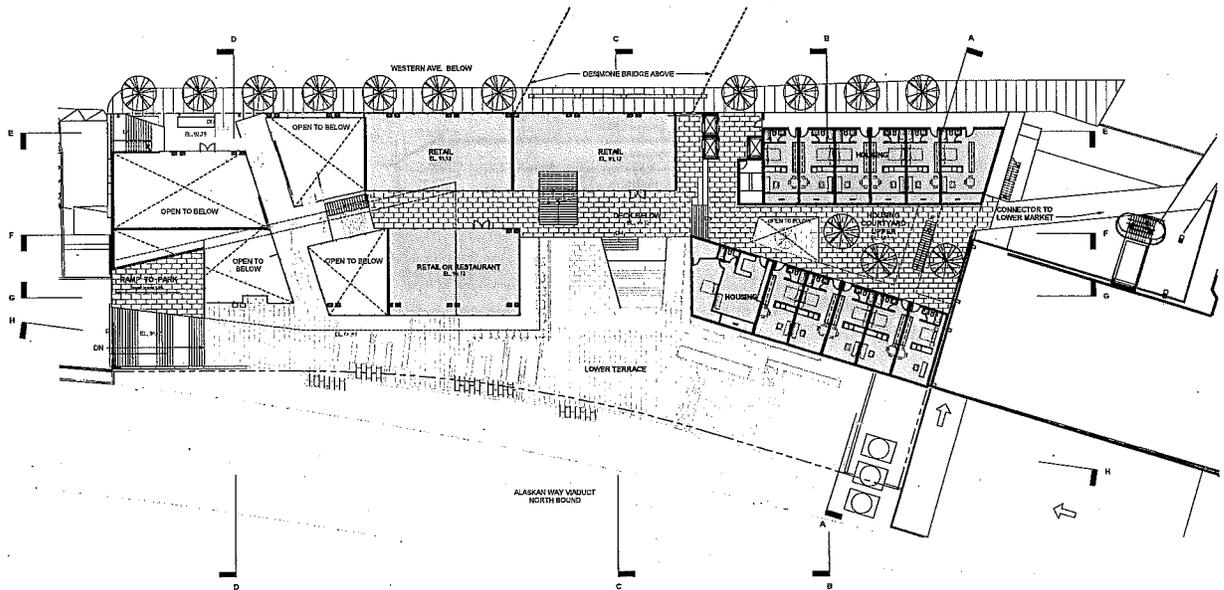
6.2 BUILDING PLANS



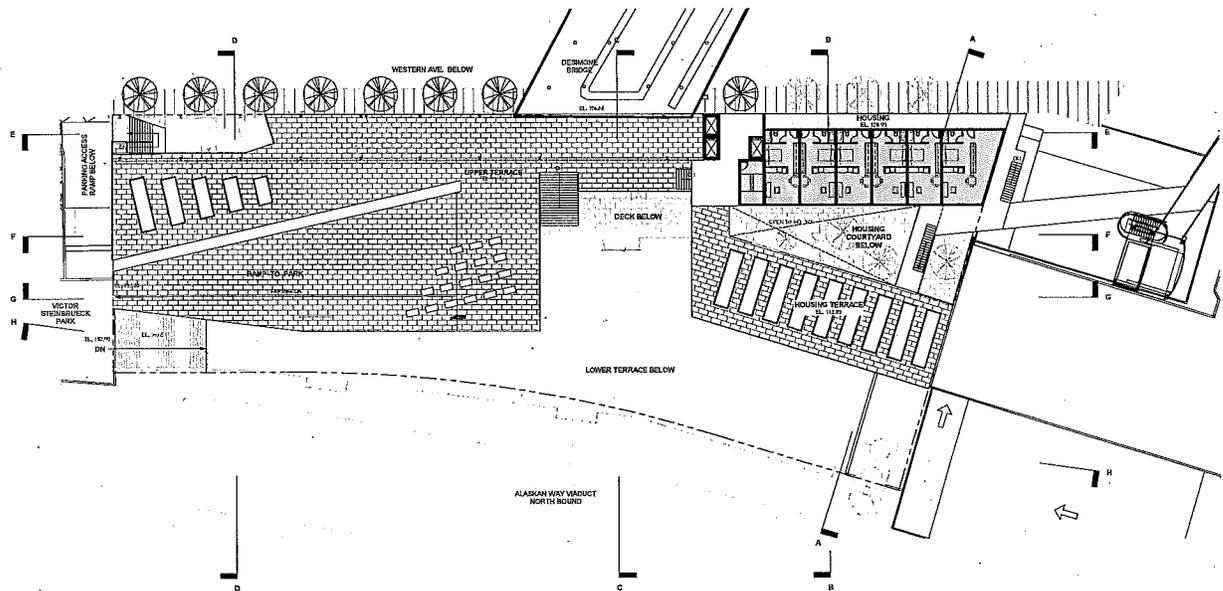
Western Avenue, Lower Terrace Plan, Plan Elements: Retail on Western Ave and public space, arcade connection to Western, central terrace, housing on public space, and entrance to garage.



Housing Level 2 (Lower Courtyard) Plan, Plan Elements: Housing units around shared community spaces.



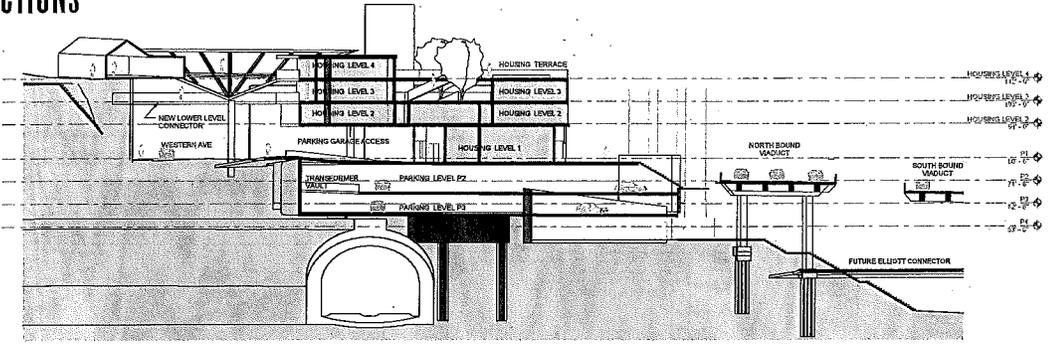
Mezzanine Plan, Plan Elements: Mid-level terrace with associated retail at mezzanine. Housing around semi-public courtyard, bridge to "DownUnder."



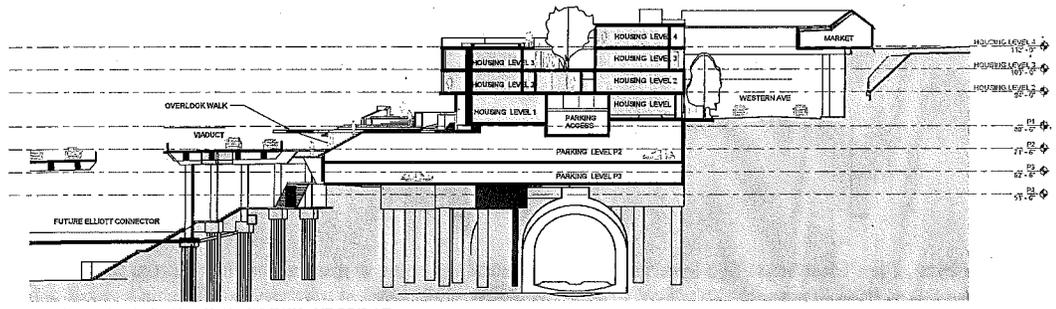
Market (Upper) Terrace Plan & Housing Level 4 Plan, Plan Elements: Connection to Desimone Bridge, roof terrace at Market arcade level, and ramp to Steinbrueck Park and public space. Fourth floor of housing at East and roof garden at West, preserves view corridor from Desimone.

6.0 CONCEPT DESIGN

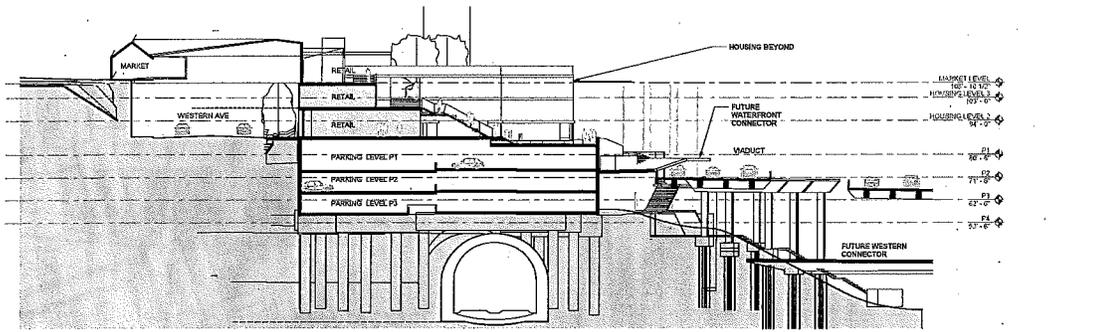
6.3 SITE SECTIONS



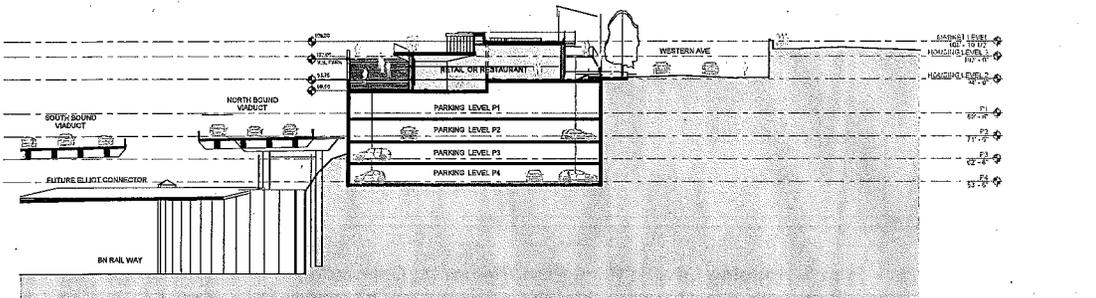
(A) SITE SECTION "A" - LOOKING SOUTH
1/8" = 1'-0"



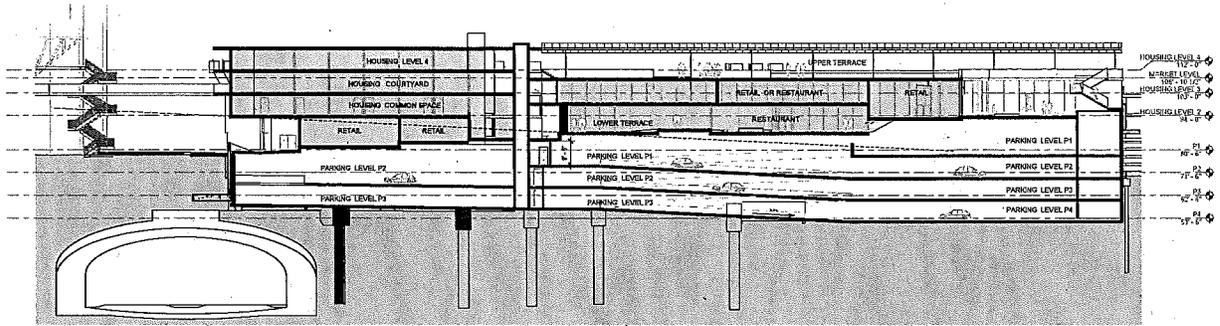
(B) SITE SECTION "B" AT SOUTH OF DESIMONE BRIDGE
1/8" = 1'-0"



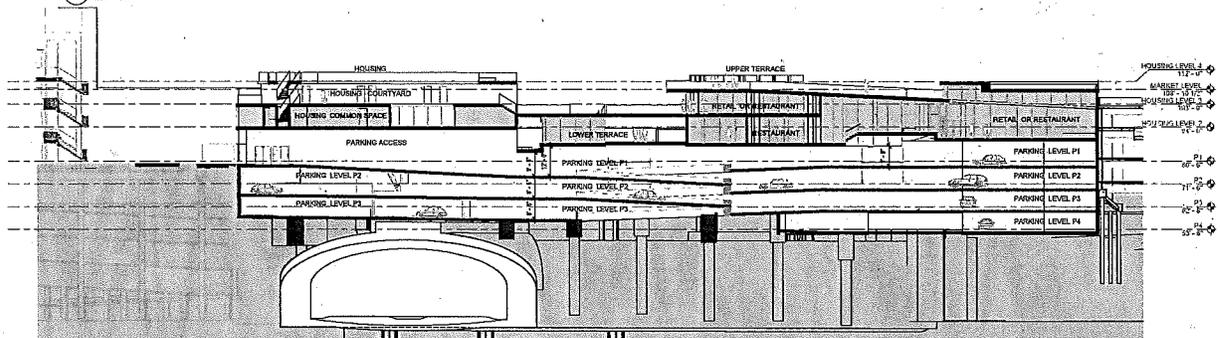
(C) SITE SECTION "C" AT DESIMONE BRIDGE
1/8" = 1'-0"



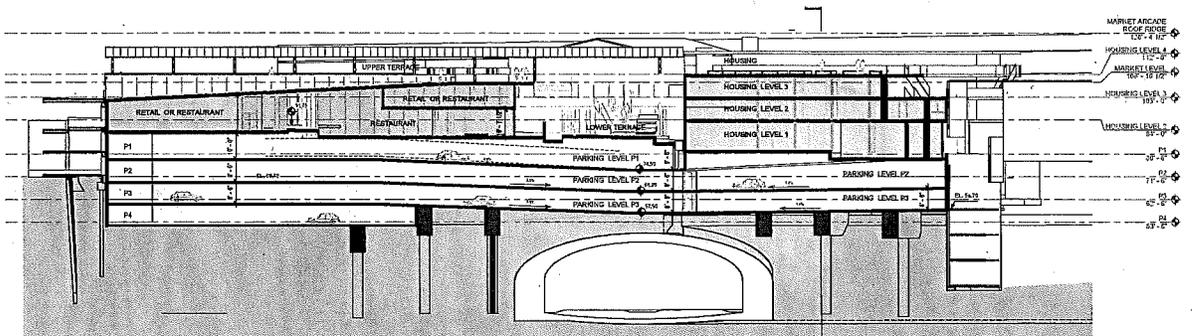
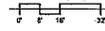
(D) SITE SECTION "D" - LOOKING NORTH
1/8" = 1'-0"



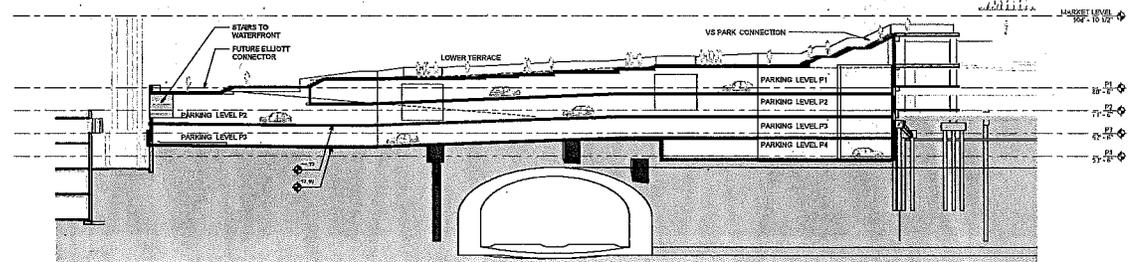
E SITE SECTION "E" AT WESTERN
1/8" = 1'-0"



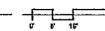
F SITE SECTION "F" AT GARAGE ENTRY
1/8" = 1'-0"



G SITE SECTION "G" AT FOLD FROM MARKET TO VS PARK
1/8" = 1'-0"



H SITE SECTION "H" AT WEST EDGE OF SITE LOOKING WEST
1/8" = 1'-0"



6.0 CONCEPT DESIGN

6.4 RENDERINGS



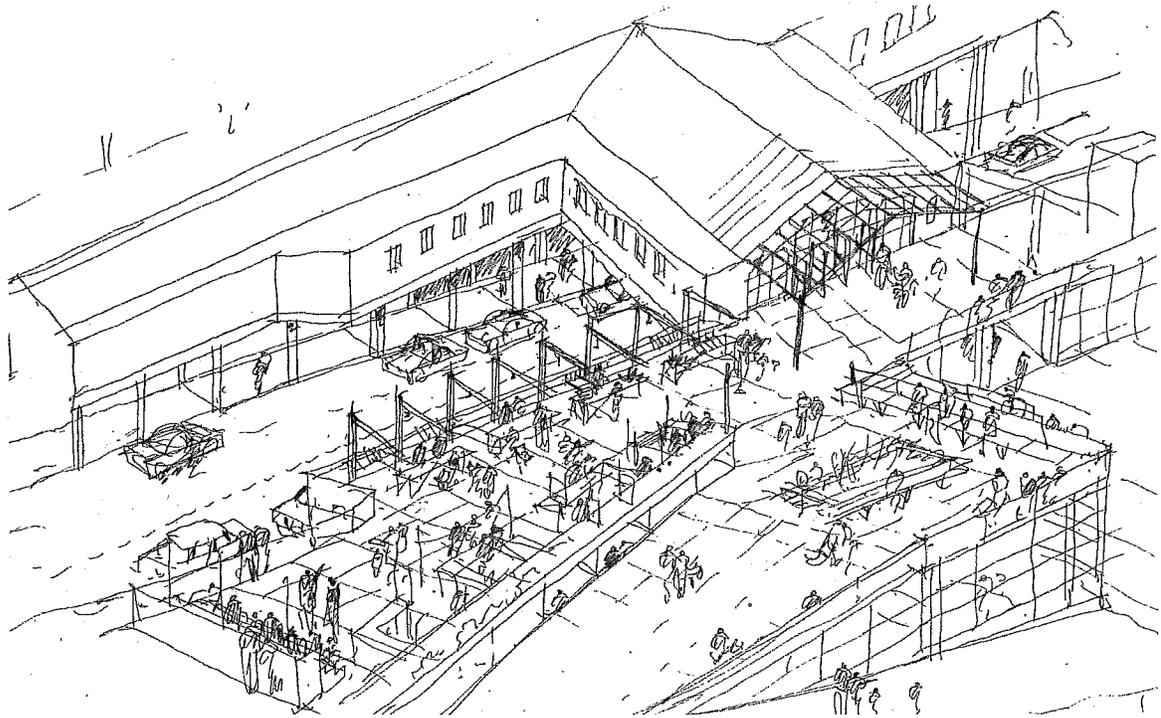
View of project from Pine St.



View of project from Stewart St.



View of the project from the Pergola at Virginia and Pike Place



Axon sketch



View to the West across the roof terrace from the Desimone Bridge

6.0 CONCEPT DESIGN



View back toward the Market from the Overlook Walk



View to the South from Victor Steinbrueck Park

6.5 PHASING DIAGRAMS



Site Phasing Figure #1: Existing Site Conditions, 2012



Site Phasing #2: Construction of PC1N complete, Fall 2015

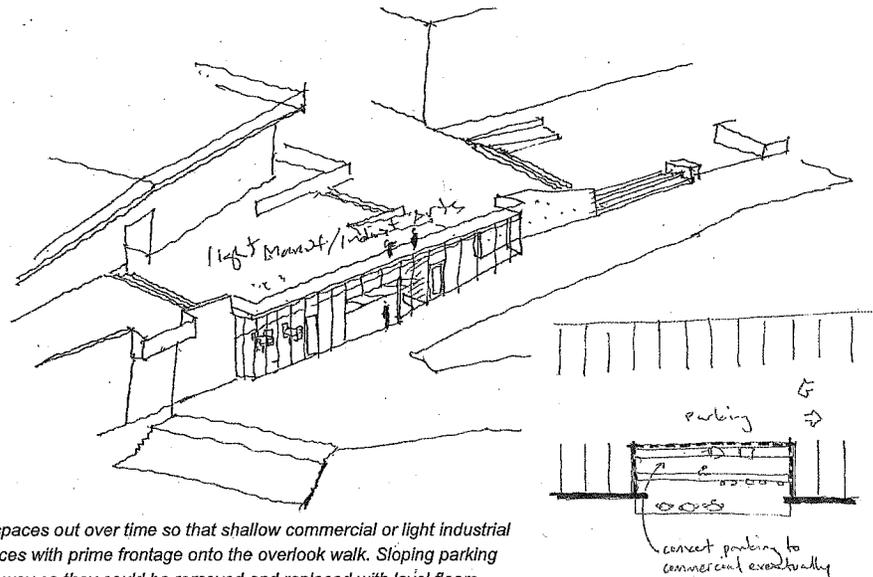
6.0 CONCEPT DESIGN



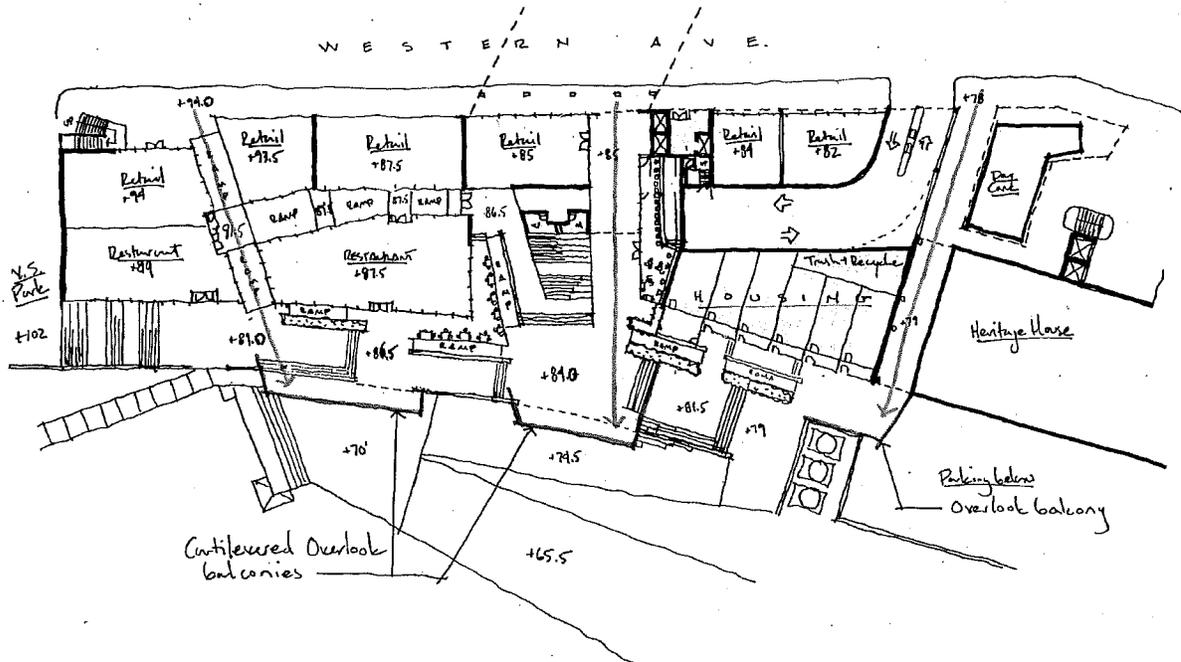
Site Phasing Figure #3: Construction of Overlook Walk est. 2018

6.6 NEXT STEPS

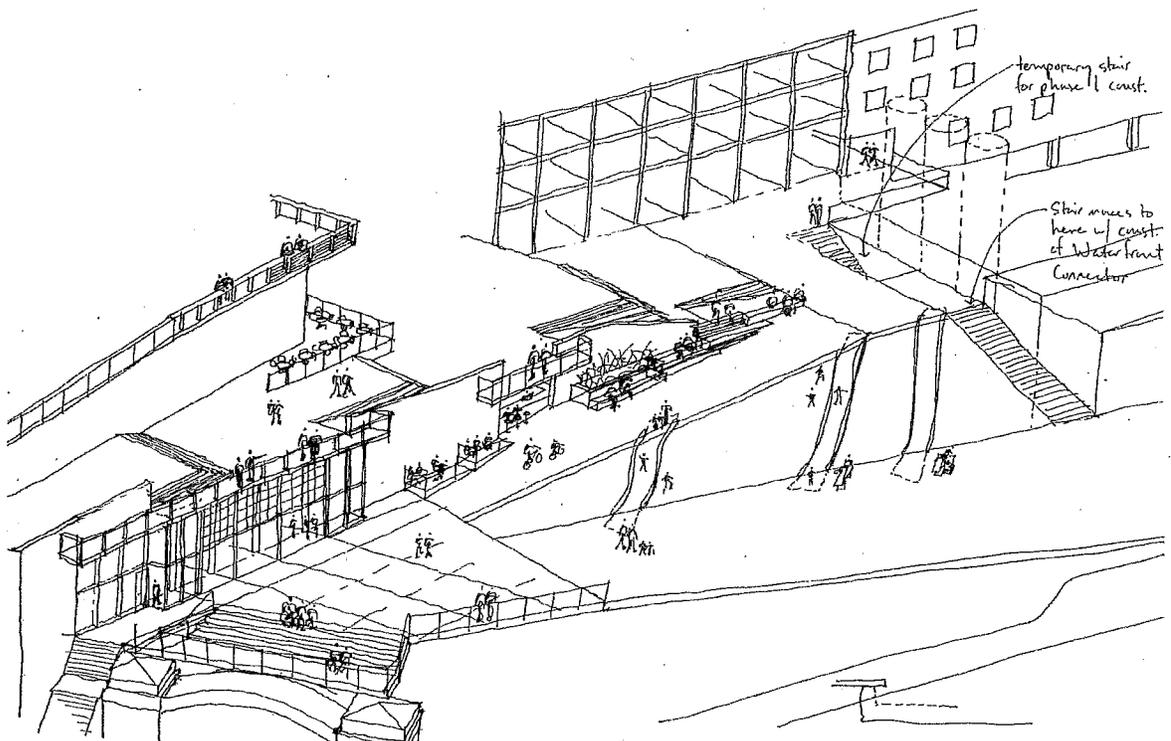
The next steps in the design process are to focus on the connection to the overlook walk and develop a more seamless transition and beginning to address the complex phasing between the two projects. To that end, the team met with the waterfront team on September 13th to formally begin this process. Miller Hull prepared a series of sketches to begin the discussion.



It is possible to phase parking spaces out over time so that shallow commercial or light industrial uses could take over these spaces with prime frontage onto the overlook walk. Sloping parking slabs could be constructed in a way so they could be removed and replaced with level floors.



A possible revision to building massing would consolidate the two breezeways below Desimone Bridge into a single larger connection with additional commercial space fronting onto it.



The design team identified three shared goals that we will work toward; (1) the incorporation of children play spaces, (2) breaking down the wall to provide a more graceful flow between the waterfront and the market, and (3) a more consistent presence of landscape along the pedestrian walk.

7.0 ARCHITECTURAL ATTACHMENTS

ID	Task Name	Duration	Start	Finish	2012			2014			2016			
					Qtr 1	Qtr 3								
1	Concept Document w/ Pricing Delivered to PDA	0 days	9/14/12	9/14/12										
2	PDA - negotiate MOU w/ city	13 wks	9/3/12	11/30/12										
3	City Council approves MOU	10 days	12/3/12	12/14/12										
4	PDA - approve MH full design contract	0 days	12/20/12	12/20/12										
5	PDA - extend design team contract	8 days	12/20/12	12/31/12										
6	Schematic Design	4 mons	1/1/13	4/22/13										
7	Design Development	4 mons	4/23/13	8/12/13										
8	Contract Documents	6 mons	8/13/13	1/27/14										
9	Permit Review	6 mons	1/28/14	7/14/14										
10	Construction	18 mons	7/15/14	11/30/15										
11	Demolition of Viaduct	152 days	1/1/16	8/1/16										
12	GCCM, Geotech, Commissioning Selection Process	3.3 mons	10/1/12	12/31/12										

Project: 120911-PPM Project Schedules Date: 9/14/12	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	

7.1 PROJECT SCHEDULE

7.0 ARCHITECTURAL ATTACHMENTS

7.2 ZONING CODE ANALYSIS

The table below is a brief overview of the Seattle Land Use and Zoning Code (titles 23 and 24 of the SMC). An in-depth analysis will be required for future design phases.

CHAPTER	ISSUE	CODE REQUIREMENT	REMARKS
	Zone	Pike Market Mixed (PMM)	Zoning Map #109
	Special Districts	Pike Place Market Urban Renewal Area	
		Pike Place Market Historic District	
	Overlay	Downtown Fire District (DF)	
		Pike Place Market Historic Core Area	
	Urban Village Overlay	Commercial Core Urban Center Village	
	Allowable Height	85 feet	Superseded by Pike Place Market Urban Renewal Plan in adopted by city council in 1974
23.49	Downtown Zoning		
23.49.02		Downtown Amenity Standards also apply to downtown district but...	Downtown Amenity Standards do not apply to the PMM zone
23.49.08	Structure Height	In PMM base height is based on urban renewal covenants	
23.49.008 D.2.b.1	rooftop features-elevator penthouse	elevator penthouses limited to 15 feet above height in PMM	
23.49.008 D.2.d	rooftop features-greenhouses	greenhouses dedicated to food production are permitted to extend 15 feet above height limit	
23.49.008 D.3.c	Screening of Rooftop Features	height of screening shall not exceed height of equipment or based on approval of PPMHC	
23.49.009	Street-level use requirements	per Map 1G street-level use regulated by Special Overlay District	
23.49.010	General requirements for residential uses	Common Recreation Area required for all development with greater than 20 units. <ol style="list-style-type: none"> 1. area to be equivalent to 5% of gross residential area 2. maximum of 50% required area allowed to be enclosed 3. minimum horizontal dimension of 15 feet, minimum area of 225 sf 4. common recreational area provided as open space at street level counts double 5. director can allow public open space to satisfy a portion of required area 6. pedestrian access can be counted if it meets WSR&R for Barrier free design 	
23.49.011	Floor area ratio	FAR of 7 allowed per Table A	
23.49.018	Overhead Weather Protection and Lighting	continuous overhead weather protection required along entire street frontage	there are a few exceptions based on setbacks or landscaping
23.49.019	Parking	this section does not apply to PMM zones	
23.49.025	odor, noise, light/glare and waste recyclable space standards	venting shall be 10 feet above sidewalk and directed away from residential uses within 50 feet	

23.49.336	Allowable Uses	determined by the Market Historical Commission (MHC)	Map 1K delineates the district which includes PC1 North site
23.53	Streets, Alleys and easements		
23.54	Parking		
23.54.015	Required parking	Table A for nonresidential uses, Table B for residential. Parking based on gross floor areas.	
23.54.015 B	required parking	parking in downtown zones regulated by 23.49.019, which per above doesn't apply to PMM zone	no parking requirements then?
23.54.015 D	Parking waivers for nonresidential uses	in pedestrian designated zones, parking waived for uses listed on table-D	
23.54.015 K	Bicycle parking	minimum number of bicycle spaces set forth in Table E	
23.54.015 Table A	Nonresidential parking requirements	B.2--Eating and drinking establishments--1 per every 250sf B.4--Food processing and craft work--1 per every 2000sf B.7--Medical services--1 per every 500sf D--Live-work--none for units less than 1500sf E--Manufacturing--1 per every 2000sf F--Storage--1 per every 2000sf Subsection II I--nonresidential uses in urban centers--no parking required	no required parking for nonresidential uses
23.54.015 Table B	Residential parking requirements	I--multifamily residential--1 per unit Subsection II L--residential uses within urban centers--no parking required	no required parking for residential uses
23.54.015 Table E	Parking for Bicycles	A.1--Eating and drinking establishments--1 per 12,000sf long-term and 1 per 2000sf short-term A.4--Medical services--1 per 12,000sf long-term and 1 per 2000sf short-term C--Manufacturing--1 per 4000sf long-term D.2--Multifamily--1 per 4 units long-term	
23.54.030	Parking space standards	parking required by 23.54.015 shall meet the requirements of 23.54.030.	need to clarify that parking provided when not required is subject to the standards of 23.54.030
23.54.030 B.2.c		between 35 and 65% of stalls to be striped for small cars and at least 35% to be striped for large vehicles	
23.54.030 B.2.d		minimum of 6'-9" vertical clearance on at least one floor	
23.54.030 D.2	Exhibit B	Driveway width to be a minimum of 22 feet wide and meet dimensional requirements of Exhibit B (18 foot radius minimum) at turn	
23.54.035	Loading berth requirements	one loading berth is required with 14 foot vertical clearance required	need to verify this can occur on PC1S garage upper deck
23.54.040	waste and recyclable materials storage spaces	375 sf required for residential uses 175 sf required for commercial uses	can be shared space, with some restrictions
23.73	Pike/Pine Conservation Overlay District		
25.24	Historic District Ordinance		



7.0 ARCHITECTURAL ATTACHMENTS

7.3 BUILDING CODE ANALYSIS

The table below is a brief overview of 2009 International Building Code with Seattle Amendments. An in-depth analysis will be required for future design phases.

Seattle Building Code – 2009 Edition

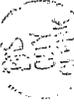
CHAPTER	ISSUE	CODE REQUIREMENT	REMARKS
3	Occupancy	S-2 Parking Garage (closed) A-2 (restaurant), M Retail R-2 Residential	
4	406.4 Garage Ventilation	Enclosed parking area; mechanical ventilation required.	
5	509.2 Special Provisions	S-2 with A, M, R-2, above. Consider as separate buildings (area, fire wall continuity, stories, type of construction). Type IA construction below. 3-hour horizontal separation. 2 hr shaft penetrations. Above separation, can have A (<300 occupants), B, M, R, or S. Below separation, can have S-2, or A<300, B, M, if sprinklered. Can also have lobbies, mechanical rooms, etc.	Max total building height no greater than allowed under 503.
5	508 Occupancy Separation	1-hour separation between: <ul style="list-style-type: none"> • A-2 and R, M • S-2 and R, M • M and R No requirement between S-2 and A-2 .	Fully Sprinklered
5	504 Building Height	Under 504.2, sprinklers complying with NFPA13 allow adding 1 story and 20 feet to height. Group R may be increased by 20 feet not to exceed 60 feet and 1 stories. This is in addition to area increases allowed under 506.2 and 506.3.	
5	505 Mezzanines	Under 505.2, mezzanines can be up to 1/2 of the floor area of the open space within the room in Type I construction where there are approved voice/alarm communication systems. 2 means of egress are required.	
5	506 Allowable Areas - below horizontal separation	Construction Type: 1A Base Area: Unlimited Base Height: Unlimited Approx Actual area: 121,200 SF.	
5	506 Allowable Areas - above horizontal separation, For R-2 occupancy	Type VA, R-2 occupancy Base Height: 4 stories, 50 feet Increase to 5 stories, 70' per 504.2 Base Area: 12,000 SF Increase to 24,000 SF (F/P = 0.50) per story. Total Area limit: 120,000 SF. Approx Actual R-2 Area: 22,300 SF	
5	506 Allowable Areas - above horizontal separation, for M and A-2 occupancy	Type VA, A-2 occupancy (most restrictive) Base Height: 2 stories, 50 feet Increase to 3 stories, 70' per 504.2 Base Area: 11,500 SF Increase to 23,000 SF (F/P = 0.50) per story. Total Area limit: 69,000 SF. Approx Actual A-2/M Area: 19,400 SF	

6	601 Fire Ratings	Type IA Frame: 3 hr Exterior Bearing Walls: 3 hr Interior Bearing Walls: 3 hr Exterior Non-Bearing Walls: per Table 602 Interior Non-Bearing Walls: unrated Floor: 2 hr Roof: 1 1/2 hr	
		Type VA Frame: 1 hr Exterior Bearing Walls: 1hr Interior Bearing Walls: 1 hr Exterior Non-Bearing Walls: per Table 602 Interior Non-Bearing Walls: unrated Floor: 1 hr Roof: 1 hr or HT	
6	602 Exterior Wall Ratings	Type IA construction, S-2 occupancies: Generally 1 hr < 30' Unrated > 30'	Below Horizontal Separation
		Type VA construction, R-2, A, B, M occupancies: Generally 1 hr < 30' Unrated > 30'	Above Horizontal Separation
6	602.5	Type VA buildings are permitted to have exposed heavy timber construction for columns, beams, girders, arches, trusses floors and roof decks except for fire-resistive construction requirements by section 509 and 708 and Chapter 10	
7	705.8 Unprotected Opening Areas	Area of unprotected openings in rated exterior walls (distance): Not permitted < 3' 15% < 5' 25% < 10' 45% < 15' 75% < 20' No limit < 25'	Sprinklered
7	706 Fire Walls	A-2, R-2 and S-2: 2 hr M: 3 hr	
9	903 Fire Protection	Sprinklers complying with NFPA 13 will be used.	Sprinklers are used for stories and area increases and 509.2 Special Provisions.
10	1005 Egress Width	Worst case: Parking levels P2 and P3 39,000 SF / 200 = 200 occupants / Floor. 60" for stairs required and 40" for doorways required Worst case: Residential Level 3 = 12,128 SF / 200 = 18" required for Stairs and 12" required for doors.	
10	1016 Exit Access travel distance	A, M, R-2 occupancies: 250' with sprinklers B occupancy: 300' with sprinklers S-2 occupancy: 400' with sprinklers	
10	1017 Corridors	A, M, B and S occupancies: unrated R-2 occupancy: 1 hr rating	
10	1021 Number of Exits	2 exits required from each type of occupancy	



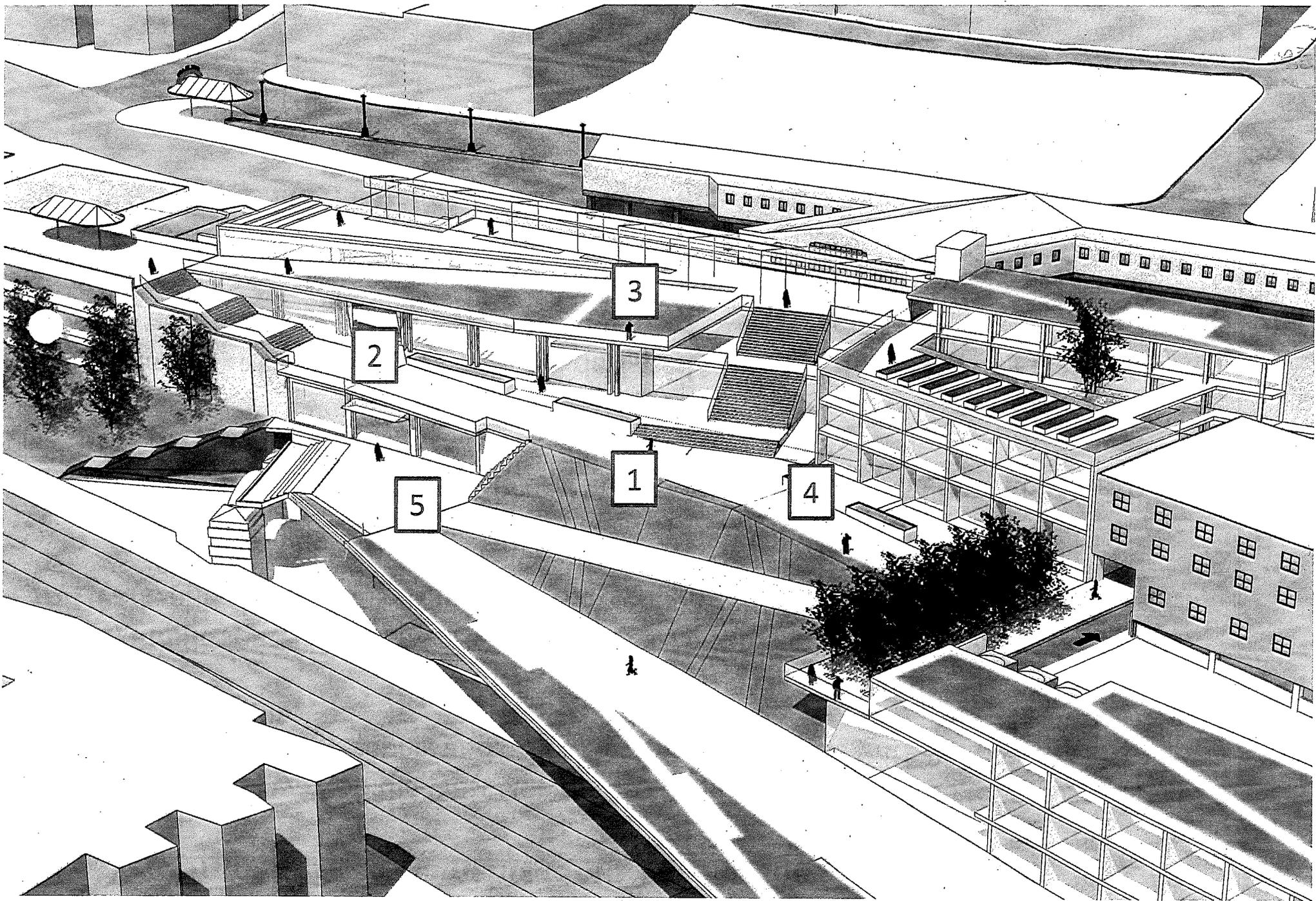
EXHIBIT B

WATERFRONT-RELATED ELEMENTS



Waterfront Related Elements for PC1-N and the Overlook Walk:

- 1) **Structural wall** on the west side of the site and potential slope for steps, public art, children's playscapes, and other treatments that integrate PC-1 N with the Overlook Walk
- 2) **Public space along the west side of PC1-N**, connections from Victor Steinbrueck Park, and connections from Western Avenue to the Overlook Walk
- 3) **Public roof concept** on the PC1-N building that connects the Desimone Bridge into the overall public space concept
- 4) **Green areas in the public spaces** designed for PC1-N, incorporating features from the Overlook Walk
- 5) **Refined Overlook Walk** in response to the emerging PC1-N design, including the platform around the train overlook relating more to the PC1-N public spaces



Waterfront Related Elements for PC1-N and the Overlook Walk Page 2

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Department of Transportation	David Conway / 684-5016	Cameron Keyes / 684-8048

Legislation Title: AN ORDINANCE relating to the Central Waterfront Project, authorizing execution of a Memorandum of Understanding Concerning Redevelopment of the PC-1 North Site within the Pike Place Market Historical District.

Summary and background of the Legislation:

This legislation authorizes the City of Seattle to enter into a Memorandum of Understanding (MOU) with the Pike Place Market Preservation and Development Authority (PPMPDA) concerning the redevelopment of the PC-1N site within the Pike Place Market Historic District. The MOU outlines the guiding principles, design development principles and procedures, and a process to finalize a Project Development Agreement.

Future development on the PC-1N site is one important component of reconnecting Seattle to its waterfront. As part of the Central Waterfront Concept Design and Framework Plan related to the Waterfront Improvement Program, the City plans to fund up to \$40 million for the Pike Place Market PC-1N project. The PPMPDA has been actively engaged in planning for the eventual development of the PC-1N site in conjunction with the development of the Central Waterfront and has coordinated with the City's design team. In August 2012, the City Council adopted Resolution 31399 that calls for agreements with the PPMPDA for co-developments that are integrated with the Central Waterfront Concept Design.

The MOU states that the City will reimburse PPMDA fifty percent of the expenditures for design and consultant costs for the PC-1N Project in 2013 and 2014, up to \$7 million. The City's total share of funding for the project shall not exceed \$40 million and construction funding is contingent upon the City obtaining full funding as outlined in the CWC Strategic Plan. This includes successful implementation of a downtown local improvement district (LID)..

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
Waterfront Improvement Program	TC367330	Various	Q1/2013	Q4/2018

Please check any of the following that apply:

This legislation creates, funds, or anticipates a new CIP Project.
 (Please note whether the current CIP is being amended through this legislation, or provide the Ordinance or Council Bill number of the separate legislation that has amended/is amending the CIP.)

This legislation does not have any financial implications.

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

X This legislation has financial implications. (If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section. Please delete the instructions provided in parentheses at the end of each title and question.)

This legislation does not make appropriations, or spending plan changes. The 2013-2014 Budget and 2013-2018 Proposed Capital Improvement Program includes funds for the Waterfront Improvement Program project to support the MOU.

Other Implications:

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

Yes, adoption of this legislation enables the PPMPDA and the City to continue to move forward with design of the PC-1N project and proceed with an integrated approach.

Consistent with the 2013-2014 Adopted Budget and 2013-2018 Adopted CIP, the current funding source for the \$7M design funds is the interfund/cash pool loan with the intention to repay the loan from future LID revenues. If the LID is not successful, the City would need to fund these design costs with a different funding source (e.g., general fund).

This MOU also sets the framework for future agreements which may contain details on the use of the remaining portion (construction funding) of the City's \$40 million contribution to the project. As stated earlier, the City's share of construction funding for the PC-1N project will be contingent on the City securing additional funding.

In addition, and assuming there is full funding for construction, there would be additional fiscal impacts because the PC-1N site would ultimately be conveyed from the City (via SDOT) to the PPMPDA. The details of this transaction would be outlined in the future Project Development Agreement, per Section V of the MOU, and would include, but not be limited to, timing of conveyance, public access easements, potential LID assessments, etc. However, as stated in Recital F of the MOU, RCW 35.81 authorizes the disposition of community renewal property such as the PC-1N site for such consideration as the City deems adequate. It should be noted that the assessed value of the PC-1N site for 2013 is \$4.64 million, however, the City may transfer property to the PPMPDA with or without consideration.

The current assumption is that the property would be conveyed without consideration. The City will receive a permanent public access easement, the PPMPDA will build the public access and other improvements, including affordable housing. The PPMPDA is also providing public parking that will serve both users of the Market and the Waterfront. Moreover, it will be accessed off of Western Ave (in proximity to the Market) and Alaskan Way (in proximity to the Waterfront). In addition, much of the site cannot be developed because of the public access requirements and the general structural



challenges, as it is built over the railroad tunnel.

Per the City/PPMPDA Parking Operation and Management Agreement, the City receives 35% of the revenues collected from the PC-1N site. It is anticipated that the City will forego approximately \$130K/year. These revenues are currently deposited into the Cumulative Reserve Subfund – Unrestricted Account (CRS-U). The PPMPDA anticipates beginning construction in mid-2014, so the City would permanently discontinue receiving revenues around that time period.

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

If the legislation is not implemented, the PC-1N site will not be designed or developed in conjunction with the Central Waterfront project, and the property may remain in City ownership and may continue in use as a parking lot.

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

FAS would work with SDOT on the conveyance of the PC-1N site to the PPMPDA.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives? None.

e) Is a public hearing required for this legislation?

No.

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

No.

g) Does this legislation affect a piece of property?

The project improvements will be constructed on land currently owned by the City which, will be transferred to the PPMPDA, assuming there is full funding secured for construction.

h) Other Issues: None.

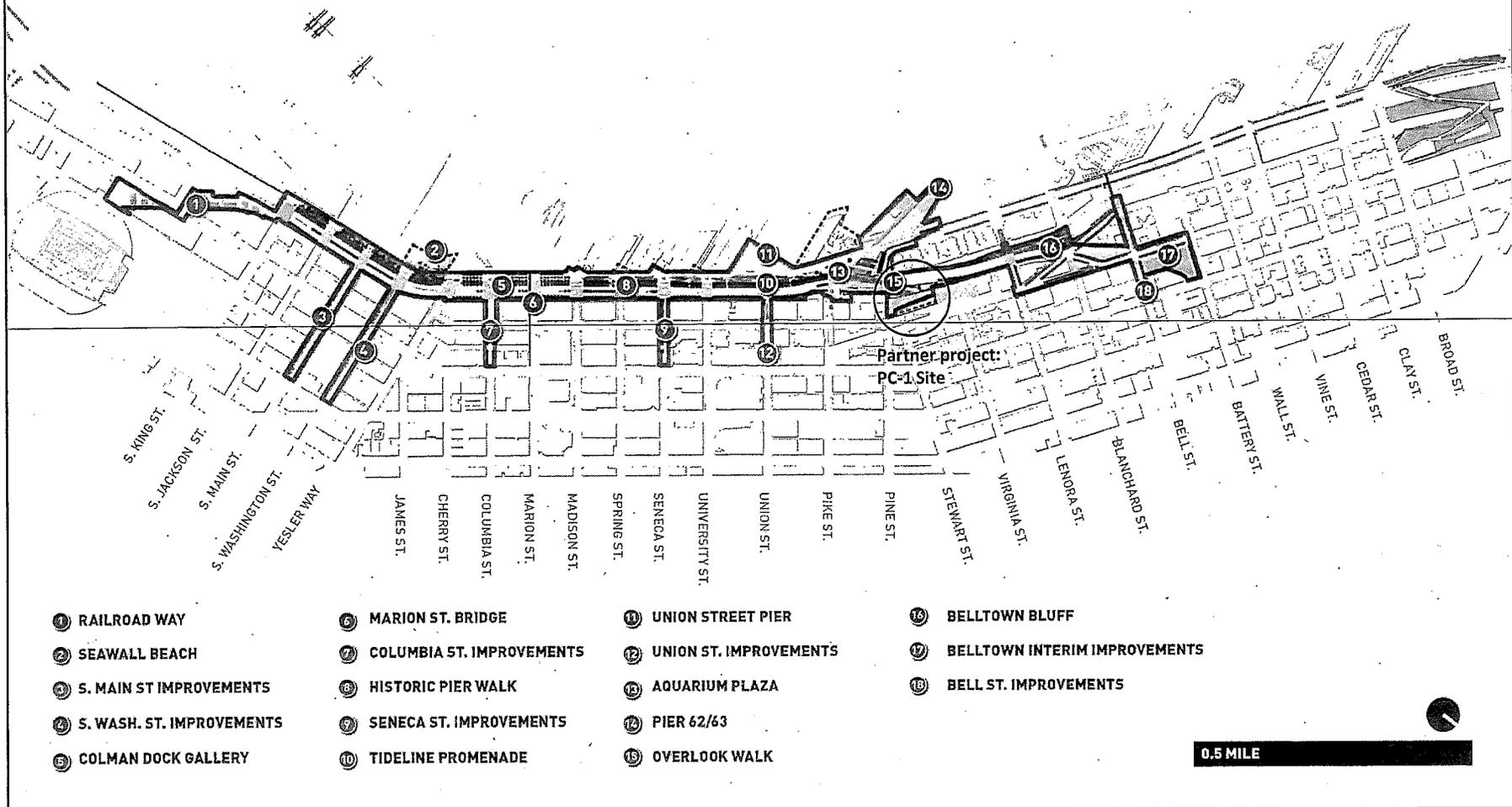
List attachments to the fiscal note below:

Attachment A: Project Map





Core Projects



- | | | | |
|-----------------------------|-----------------------------|--------------------------|---------------------------------|
| ① RAILROAD WAY | ⑥ MARION ST. BRIDGE | ⑪ UNION STREET PIER | ⑭ BELLTOWN BLUFF |
| ② SEAWALL BEACH | ⑦ COLUMBIA ST. IMPROVEMENTS | ⑫ UNION ST. IMPROVEMENTS | ⑯ BELLTOWN INTERIM IMPROVEMENTS |
| ③ S. MAIN ST IMPROVEMENTS | ⑧ HISTORIC PIER WALK | ⑬ AQUARIUM PLAZA | ⑰ BELL ST. IMPROVEMENTS |
| ④ S. WASH. ST. IMPROVEMENTS | ⑨ SENECA ST. IMPROVEMENTS | ⑫ PIER 62/63 | |
| ⑤ COLMAN DOCK GALLERY | ⑩ TIDELINE PROMENADE | ⑮ OVERLOOK WALK | |



City of Seattle
Office of the Mayor

January 14, 2013

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

Dear Council President Clark:

I am pleased to transmit the proposed Council Bill authorizing the Director of Transportation to enter into an agreement with the Pike Place Market Preservation and Development Authority (PPMPDA) pursuant to Resolution 31399 adopted by the Council in August 2012.

The Memorandum of Understanding (MOU) states mutual goals for development of the Market's PC-1 North site that would further the goals of the Central Waterfront project as well as the Pike Place Market. The MOU states guiding principles intended to reflect the City's priorities with respect for development of the site; shared principles for design development; and principles for project review and development.

The MOU requires the parties to negotiate and submit to the PPMPDA Council and the City Council a Project Development Agreement to include, among its provisions, design for project integration with the Central Waterfront project, limitations on construction staging, an overall budget, a project schedule and a provision for transfer of ownership of the PC-1 North site to the PPMPDA.

This agreement is the next step in implementing the goals resulting from extensive long-term planning for the Central Waterfront as a whole and the long-held priority to return the PC-1 North property to its historic uses. The MOU enables a creative joint effort to build a unique civic space for the people of Seattle.

This legislation marks an important step toward accomplishing long-held goals in connecting downtown to the waterfront. Thank you for your consideration. Should you have questions, please contact Nathan Torgelson of Seattle Parks and Recreation at 684-0343 or Bob Chandler of Seattle Department of Transportation at 684-7595.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

