

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**STAFF BRIEFING**

|                        |                      |
|------------------------|----------------------|
| <b>Item No.</b>        | <u>7c</u>            |
| <b>Date of Meeting</b> | <u>March 8, 2016</u> |

**DATE:** March 2, 2016  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Lindsay Wolpa, Regional Government Affairs Manager  
**SUBJECT:** Local Legislative Update: Seattle Department of Transportation's Proposed Vacation of Occidental Avenue

**SYNOPSIS**

The Seattle Department of Transportation (SDOT) recommended the Seattle City Council vacate a portion of Occidental Avenue S within the Seattle's Duwamish Manufacturing/Industrial Center (MIC) for development of a sports and entertainment arena. The Seattle City Council has called a public hearing for March 15 on the topic and announced a possible vote on the vacation in late April.

The SDOT recommendation fails to fully consider the severe negative impacts on movement of freight and other traffic resulting from loss of a street segment within the congested SoDo area; the lack of identified mitigation for increased congestion and schedule coordination with existing sports facilities; and flaws in the environmental review of the arena project.

**BACKGROUND**

The proposed acquisition of Occidental Ave S. between S. Holgate Street and S. Massachusetts Street is essential to construction of the proposed 20,000-seat sports and entertainment arena within the Duwamish MIC.

The arena has been proposed as a home for both professional basketball and hockey, as well as a venue for concerts, shows and exhibitions.

The industrial center connects vital international trade, manufacturing and transportation interests at a crossroads in the heart of Seattle. The area serves an important function in facilitating the efficient movement of cargo between shipping terminals, rail yards, transload facilities and distribution centers. It also supports thousands of permanent family-wage jobs. Although construction of a new arena in SoDo, or any location, would create temporary construction jobs, much of the permanent employment resulting from the development of a new arena would be temporary and part-time, minimum-wage positions.

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The proposed sports and entertainment project was announced by developer Chris Hansen and officials of Seattle and King County on February 16, 2012. The Seattle and King County councils approved an Interlocal Agreement and Memorandum of Understanding (MOU) with the investment group on October 15, 2012.

The arena would be financed by a combination of private investment and contributions from Seattle and King County tax revenues up to \$200 million. Before public funds could flow to the project, the developer must secure permits, including the street vacation for the project, certain financial guarantees and an NBA team with a non-relocation agreement. Several years ago, the NBA rejected a bid by the ownership group for the Sacramento Kings team and there is no immediate prospect of securing a team. Nor are there prospects for relocation of an existing NHL team or league expansion to Seattle.

The Final Environmental Impact Statement was released in September 2015 and did not fully acknowledge the potential negative impacts on freight mobility or traffic generally. In addition, alternative options to the SODO site have not been thoroughly considered and analyzed. Some have indicated this is because of the legal restrictions of the MOU. That agreement is set to expire December 2017.

### **MARCH 8 DISCUSSION POINTS**

#### **SDOT Occidental Vacation Recommendation is Incomplete**

SDOT's recommendation outlines "examples of potential mitigation measures," but does not include any plans in how the City would replace the lost capacity in taking Occidental out of the system. The "transportation-related mitigation measures" suggests various plans to address street closures, scheduling event coordination and event access information, but fails to explain how any of these proposals might actually be executed.

Further, the SDOT report implies that vacating Occidental would cause no harm because other streets in the vicinity have already been vacated (S Massachusetts Street east of Occidental Avenue S and Occidental Avenue S between S Atlantic Street and Royal Brougham Way). However, the segment of Occidental Avenue S under the proposed Arena is different. The arena site is located in a narrow sliver of SODO that is sandwiched between the BNSF Railroad's mainline tracks and the BNSF Seattle International Gateway (SIG) Railyard. Concerning issues not addressed include:

- Long trains can cut this area off, leaving the only alternate route via the grade-separated crossings at SR 519;
- Only two north-south streets in this area connect through to SR 519: 1<sup>st</sup> Avenue and Occidental Avenue;
- The intersection at 1<sup>st</sup> Avenue S/SR 519 is already the most congested intersection in the neighborhood; and

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- 1<sup>st</sup> Avenue South is one of the primary connections to the BNSF SIG Railyard.

### **Lack of Progress with Scheduling Agreement**

Siting the arena near the two existing stadiums—CenturyLink and Safeco—substantially increases the likelihood for simultaneous large events on dozens of days throughout the year. Large events already adversely affect terminal access and the surrounding industrial area by increasing congestion earlier in the afternoon and interrupting street and rail operations when cars arrive early to find street parking. It has been well documented that shippers will avoid coming to the Seattle terminals on days when there are large events due to congestion and street closures.

Overall, the SDOT Street Vacation report identifies mitigation measures that are too vague, may be infeasible, and may not be legally enforceable, including:

- “Update the current Event Scheduling Agreement that exists between the two existing venues to add the Arena.”
- “Establish a protocol for scheduling to minimize conflict with events.”

Both mitigation measures rely on multiple other businesses and organizations, including the Port of Seattle. As far as we are aware, the project proponent has made no progress toward a scheduling agreement. The commitments must be feasible and enforceable.

### **SODO ARENA ENVIRONMENTAL IMPACT STATEMENT (EIS)**

The Port of Seattle has long been on the record with our concerns about the SODO Arena EIS and its failure to sufficiently address the probable negative impacts of the project, and further, its failure to adequately evaluate arena alternatives such as upgrading Key Arena that would avoid such impacts. Last fall, staff sent a letter to Seattle’s Department of Planning and Development outlining our issues with the EIS. A copy of that letter is attached to this memo.

### **CONCLUSION**

Given the severe peak-hour congestion at 1<sup>st</sup> Avenue South at the SR-519 access ramps, there are no easy solutions known to mitigate the loss of Occidental Avenue, capacity reduction on Holgate, and event closures of nearby streets. We believe that the Seattle City Council must address the incomplete issues outlined above before they vote on SDOT’s recommendation.

### **ATTACHMENT TO THIS REQUEST**

- November 13, 2015 Port of Seattle Comments on the Proposed Seattle Arena Addendum to the Final Environmental Impact Statement