



TO: T.C. Broadnax, City Manager
FROM: Phyllis K. Macleod, Hearing Examiner *BKM*
Richard Price, Senior Real Estate Officer *RP*
COPY: City Council and City Clerk
SUBJECT: Ord. Request No. 16-0518 – Street Vacation 124.1358 – July 12, 2016
DATE: June 16, 2016

SUMMARY:

An ordinance to vacate that portion of South Fawcett Avenue lying between South 21st and South 23rd Streets, to facilitate construction of large commercial mixed-use development.

COUNCIL SPONSORS:

N/A.

STRATEGIC POLICY PRIORITY:

The proposed street vacation will support a large mixed-use development that will bring residential, retail, commercial and public uses to the downtown area in alignment with the following strategic policy priorities:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage thriving residents with abundant opportunities for life-long learning.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.

BACKGROUND:

The Petitioner is seeking vacation of a portion of South Fawcett Avenue to combine with adjoining real property being acquired pursuant to a Development Agreement with the City of Tacoma. The property will be used to construct a large commercial mixed-use development referred to as the Tacoma Town Center. The complex would contain residential units, commercial/retail space, office space, and parking. The Tacoma Town Center would also contain a plaza area encompassing the vacated South Fawcett Avenue property and featuring public spaces and art installations. Retail storefronts would open to the courtyard area. Vehicular traffic would be limited to a small drop-off zone and emergency vehicle access off of South 21st Street. Bicycle and pedestrian use of the vacated area to traverse between South 21st and 23rd Streets would be maintained pursuant to a retained easement.

South Fawcett Avenue is identified in the Transportation Element of Tacoma's *Comprehensive Plan* as a bicycle priority corridor. The City constructed improvements along South Fawcett Avenue in 2014, making this street a central component of a 13.1 mile bicycle corridor from the south to the north ends of the City. At the hearing on this street vacation, representatives of Planning and Development Services and Traffic Engineering both emphasized the need to retain access across the vacated area for bicycles and pedestrians in order to achieve transportation goals now and in the future.

The City of Tacoma Traffic Engineering group indicates that the vacation of this portion of South Fawcett Avenue will not have a significant adverse effect on the street pattern or traffic circulation in the area. A traffic study has been prepared covering a larger geographic area referred to as the Tacoma Brewery District. The study included analysis of traffic impacts if a development is undertaken on the parcels in question involving closure of South Fawcett Avenue from South 21st to South 23rd Streets. The study concluded that vehicular traffic on South Fawcett Avenue is light and that it could be accommodated on other streets such as Tacoma Avenue South and Jefferson Avenue. By contrast, bicycle circulation along



the north-south corridor through the downtown would be negatively impacted by the closure of South Fawcett Avenue. Accordingly, bicycle circulation must be protected through retention of bicycle and pedestrian access through the proposed development on a reserved easement.

A 40-foot wide easement has been recommended for reservation as a condition of the vacation that would allow for utility installations and would be the site of a designed passage through the area for bicycles and pedestrians. Intersection improvements to connect bicycles to the adjacent segments of South Fawcett Avenue at South 21st and 23rd Streets would also be required. Under those conditions, the project would be implemented in a manner that retains non-vehicular circulation through the vacated right-of-way.

The public would benefit from the proposed right-of-way vacation in a number of ways. This property is classified as a Tier 1 property, pursuant to the City's General Government Surplus Property Policy and is a prime location for a mixed-use development incorporating retail, commercial, and residential uses with a pedestrian-friendly gathering place. Once the property is developed and is no longer in City ownership or control, it will return it to the property tax rolls. As part of the project conditions, a strip of property will be acquired by the City from the developer to allow for future improvement of South 23rd Street to achieve minimum design standards. The mixed-use project will create employment opportunities both during construction and during ongoing operation of the businesses on site. The project will be a catalyst for additional development and activity in the downtown area and the nearby University of Washington Tacoma campus. Operations at the project site will generate tax benefits including property taxes, B&O taxes, and sales taxes. The development will include a public gathering space that will contain substantial public art installations as a required element of the design. The Development Agreement between the developer and the City of Tacoma is structured to assure that the public benefits of this street vacation are realized, by requiring the developer to show proof the project is moving to the construction phase before the street vacation is finalized.

ISSUE:

Whether the Council should approve the proposed vacation of a portion of South Fawcett Avenue.

ALTERNATIVES:

The Council could choose not to approve the proposed vacation of South Fawcett Avenue. The vacation appears to be critical to the project design, so failure to approve could result in discontinuation of the proposed mixed-use project.

RECOMMENDATION:

The street vacation request is hereby recommended for approval, subject to the conditions contained in Conclusion 5 of the Hearing Examiner's Recommendation.

FISCAL IMPACT:

N/A.