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From: [Vicki J. Hadley](#)

Sent: Monday, February 28, 2022 4:18:34 PM

To: [Debbie Tarry](#)

Cc: [Ann M. Gygi](#); rmerks@aaamanagementllc.com; [City Council](#)

Subject: [EXTERNAL] Letter to D. Tarry, Shoreline

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[Letter to D. Tarry, Shoreline.pdf](#);

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February 28, 2022

Via Email (dtarry@shorelinewa.gov)

Debbie Tarry
City Manager, City of Shoreline
17500 Midvale Avenue N
Shoreline, WA 98133

*Re: Overhead 3-Phase Construction Power for MXU21-2058
345 NE 149th Street, Shoreline, WA*

Dear Ms. Tarry:

We represent AAA Management LLC regarding permits for its mixed use/apartment development at the 300 block of NE 149th Street (the “Project”). The Project is in the MUR-70’ zone and within the 145th Street Station Subarea for the forthcoming Sound Transit light rail station. We write to address the immediate need for overhead 3-Phase construction power to be authorized, so the Project can be built without further delay and significant resulting costs. As further discussed below, our client supports Option 2 presented in the Staff Report, which would enable AAA Management to pull the Project building permit and Seattle City Light (SCL) to upgrade the needed overhead 3-Phase power, allowing construction to begin. Although we only received the Staff Report on Friday, we have reviewed it and believe it is important to get initial comments to the City for tonight’s Council meeting, addressing topic 9(a) of the agenda.

As the Staff Report recognizes, our client has a major investment in the 149th Street Project: more than \$15 million in development, design, and land cost as of today. The Project will provide 252 units of much needed housing toward City goals. These apartments will house around 400 residents of Shoreline, and include 51 affordable apartments (at 70-80% of AMI), a legislative priority for Shoreline. The mixed-use development also includes a 2,500 sf restaurant suite, a positive contribution to the 145th Street Station Subarea. Without the overhead 3-Phase power solution there is no construction and no development possible.

The scheduled construction start date for the Project was February 15, and the Project is already two weeks delayed by the re-emergence of the construction power issue. Our client has been in talks with the City and SCL regarding the temporary and permanent power to the Project over the past year. On June 4, 2021, AAA’s utility consultant, Murray McKinney, issued AAA’s SCL application for permanent and temporary power to SCL, and our client thought the issues had been addressed. It is regrettable that this issue has arisen again, in such an untimely manner. Although the Staff Report does not indicate costs to the City from the

February 28, 2022

Page 2 of 3

Council's decision, Council should be made aware that each day of delay results in significant cost to our client. Moreover, we note that lack of overhead construction power would result in the delay of approximately \$2 million in payments to the City for building permit and impact fees. Our client is prepared to make that payment in March with the issuance of the building permit, but that requires a confirmation of overhead construction power.

The Staff Report correctly identifies our client's willingness to install underground power, and its **overriding concerns with Project delay caused by waiting for undergrounding of power for construction and initial operations:**

In addition to the interim overhead 3-phase powerlines being critical for the LLE Project schedule, developers of multi-family and mixed-use private projects in the MUR-70' zone of the 145th Street Station Subarea are also concerned about not being able to connect to or utilize interim overhead powerlines and the level of delay undergrounding would cause their projects. Most specifically, AAA Management would like to continue to utilize its proposed temporary overhead powerline extension on an interim basis until the Duct Bank Project is completed, similar to the LLE Project. If its temporary construction powerline were allowed by an amendment to the SMC and subsequently constructed, this powerline would still need to be removed upon the completion of the project. However, if interim overhead power is also allowed by the SMC in certain circumstances, this temporary overhead powerline would be allowed to remain until the project can be connected to Duct Bank Project, once completed by SCL. AAA Management has indicated they are willing to install underground power, when possible, but their current schedule would be significantly impacted if SCL cannot maintain the overhead 3-phase power on NE 148th Street and extend it to the AAA site on 149th for temporary construction or an interim duration.

In today's construction environment, with supply chain issues already a complicating factor, each day of delay can have repercussions throughout the greater Project timeline, contributing to further delays and associated costs over time. We urge Council to approve Option 2 of the Staff Report, and authorize staff to immediately take steps to implement the overhead 3-Phase power for construction. It will be an important follow-up step to adopt legislation allowing the interim use of overhead power for operations in the designated areas until the Duct Bank Project is completed by SCL. Council's positive response to cure the present, untenable power situation is an opportunity to provide certainty and predictability for development in Shoreline's priority transit areas. This is an important action for the City to take, to attract quality development in support of its diverse program objectives.

Again, we ask for the City's immediate authorization to implement Option 2.

Very truly yours,

Ann M. Gygi

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AMG:vjh

February 28, 2022

Page 3 of 3

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