

FISCAL NOTE FOR NON-CAPITAL PROJECTS

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Legislation Title:

AN ORDINANCE relating to land use and zoning, establishing minimum floor area ratio requirements for lots with pedestrian designations within Urban Centers, Urban Villages, and the Station Area Overlay District, for lots in the Northgate Overlay District on a Major Pedestrian Street, and for lots zoned Seattle Mixed abutting a Class 1 or Class 2 Pedestrian Street within a Station Area Overlay District; amending Sections 23.47A.013 and 23.48.009 of the Seattle Municipal Code.

Summary of the Legislation:

The legislation would establish a permanent minimum floor area ratio (FAR) requirement. In summary, the proposed amendments would:

1. Continue to apply a minimum FAR requirements (that vary by zone and height limit) to all lots with a pedestrian designation in Urban Villages, Urban Centers and the Station Area Overlay Districts and add a minimum FAR requirement to lots within the Northgate Overlay District (along designated Major Pedestrian Streets) and lots zoned Seattle Mixed in a Station Area Overlay District that abut a Class 1 or Class 2 pedestrian street.
2. Identify the development threshold for the requirement; add flexibility for existing structures that do not conform to the minimum FAR requirement, to allow demolition to create a vacant lot and to exclude parks and open space.
3. Continue to include provisions that specify portions of a lot that would not be included in calculating the minimum FAR requirement, such as wetlands or steep slopes.
4. Allow exceptions for lots that contain a designated landmark or lots within a Landmark District and add flexibility for lots within the Pike/Pine Conservation Overlay District.

Background:

Over the years, neighborhood groups have reacted negatively to development proposals that are inconsistent with the urban character of pedestrian-oriented commercial districts. This issue has generated interest in requirements for minimum building size in specific areas. In 2013, Council and DPD received complaints about applicants proposing structures that were significantly smaller (one-story with surface parking) than the size of structures anticipated in pedestrian-

oriented areas of the city. Common complaints regarding these low-density developments are that they:

- impact the existing and/or desired character of the neighborhood by diminishing activity adjacent to the sidewalk, and preventing a street wall that can frame the pedestrian environment;
- reduce the capacity of neighborhood business districts to provide goods and services and accommodate residents and commercial employees within a compact area;
- negatively impact the environment by encouraging greater use of automobiles, discouraging residents from walking to and within neighborhood centers, and making it more difficult to create transit-supportive densities; and
- conflict with Comprehensive Plan goals to create vibrant, pedestrian-oriented neighborhood centers that allow residents to satisfy their daily needs within close proximity to their homes.

To address this, the City adopted Ordinance 124270 in 2013 to establish a minimum floor area ratio (FAR) ¹ requirement on pedestrian-designated commercially-zoned lots within Urban Centers, Urban Villages, and the light rail Station Area Overlay District. The legislation was adopted on an emergency basis to prevent near-term development incompatible with comprehensive and neighborhood plan goals and policies. Permanent regulations were to be developed for the City Council to consider within a year. Ordinance 124270 was effective on September 16, 2013. It is scheduled to expire, unless extended, on September 15, 2014.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes. This legislation may increase the size of development occurring on certain projects where the project might otherwise be built below the minimum FAR and may limit development where property owners feel there is not a market for higher density new development. These changes may result in developments that pay higher or lower permit fees or may even, in some cases, result in a property owner deciding not to build at all.

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

¹ Floor Area Ratio (FAR), means the amount of gross floor area allowed within structures per square foot of the lot. For example, a lot of 20,000 square feet with a maximum FAR of 3 would allow a building containing 60,000 square feet (i.e. a three story building that occupied the full lot or a six story building that occupied half the lot). The same lot with a minimum FAR of 2 would be required to provide a building containing, at minimum, 40,000 square feet (i.e. a two story building that occupied the full lot or a four story building that occupied half the lot).

None.

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

No.

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?

Yes. The City Council must hold a public hearing before the Planning, Land Use and Sustainability (PLUS) Committee.

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

Yes. Publication of notice of the Council public hearing will be made in *The Daily Journal of Commerce* and in the City's Land Use Information Bulletin. Environmental review under the State Environmental Policy Act (SEPA) is also required for this legislation, and publication of notice of the environmental determination was also made in *The Daily Journal of Commerce* and in the City's Land Use Information Bulletin.

g) Does this legislation affect a piece of property?

This legislation would affect development on lots whenever more than 1,000 square feet of gross floor area is added to or removed from a lot that is less than five acres and that is located: in a pedestrian-designated zone designated in an Urban Center, Urban Village, or the Station Area Overlay District; located in the Northgate Overlay District and abuts a Major Pedestrian Street; or is located on a lot zoned Seattle Mixed in a Station Area Overlay District and abuts designated Pedestrian Streets.

h) Other Issues: None.

List attachments to the fiscal note below: None.