



City of Seattle

Gregory J. Nickels, Mayor

Department of Planning and Development

Diane M. Sugimura, Director

Director's Report and Recommendation

South Lake Union Urban Center Industrial Commercial Zone Height and Density Changes and Bonus Program

Introduction

The Department of Planning and Development (DPD) is proposing to amend the City's Land Use Code (SMC, Title 23) to allow for increases in permitted height and density under specified conditions in certain areas within Industrial Commercial (IC) zones within the South Lake Union Urban Center. This amendment is intended to allow projects up to one hundred and sixty (160) feet in height, and up to seven (7) FAR, when participating in housing and childcare bonus programs in portions of the IC zones in South Lake Union Urban Center. The proposal implements policies in the South Lake Union Urban Center neighborhood plan.

Background

The South Lake Union Urban Center occupies a prime location next to Downtown Seattle. It is currently undergoing significant change and growth, consistent with the Seattle Comprehensive Plan and the South Lake Union neighborhood plan. With the Seattle Streetcar currently under construction, it will have increased transit access to the densest transit hub in the region.

The City Council adopted the goals and policies of the South Lake Union Urban Center neighborhood plan into the City's Comprehensive Plan in December, 2006. The neighborhood plan anticipates significant growth in the urban center, including 16,000 additional jobs and 8,000 additional households over twenty years.

Vulcan, a major property owner in the neighborhood, has identified a potential tenant, currently located in Seattle, but looking to establish a new corporate headquarters and Seattle area operations in South Lake Union. This tenant would bring approximately 6,000 jobs to the neighborhood in the next five years. This would be a substantial contribution to the neighborhood's 20-year employment target. To accommodate this tenant, Vulcan is proposing to build approximately 700,000 to 800,000 square feet of space on one and a half blocks between John and Harrison Streets and between Boren and Terry Avenues.



Attachment 1 to the Fiscal Note

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The South Lake Union neighborhood plan envisions a diverse community with a range of building types and forms. It supports the growth of “innovative” industries in the neighborhood. It also recommends providing incentives for the creation of affordable housing and preservation of City landmarks and other older neighborhood buildings. A summary of relevant goals and policies from both the South Lake Union Urban Center Neighborhood Plan and the Land Use Element of the Comprehensive Plan are included as Exhibit A.

Current Zoning

The area under consideration is currently zoned Industrial Commercial with a 65-foot height limit on the northern block and an 85-foot height limit on the southern block. The IC zone is intended to “promote a wide mix of employment activities including industrial and commercial activities, such as light manufacturing and research and development.”

The IC zone in South Lake Union has a floor area ratio (FAR) limit of three. In other words, a building with floor area equal to three times the lot area can be built on a lot in this area. Residential uses are generally prohibited in this industrial area. It is surrounded by areas zoned Seattle Mixed (SM), which has varying height and density limits. Generally one can build a 4.5 FAR or 5 FAR office structure in the SM zone. The area to the south of the IC zone is zoned for 125-foot buildings, to the west is an 85-foot zone, and to the east is a zone that encourages housing with a 55-foot height limit for office buildings and a 75-foot height limit for residential buildings, and has no FAR limit.

One block farther south a DMC begins, with variable height limits depending on the use and specific conditions (DMC-240/290-400). The DMC zone allows a base of five FAR of chargeable floor area (generally commercial use), with additional FAR allowed under specified conditions. Floor area above 5 FAR may be achieved in part through the housing and childcare bonus (providing for low-income housing to offset part of the increased need related to low-income employees expected to work in the building, and child care to address a similar increased need) and transferable development rights (TDR). The first increment of floor area above five FAR must be achieved by satisfying a LEED silver rating, or its equivalent.

The IC zone, as an industrial zone, contains few of the development requirements that apply to areas where the City expects large numbers of people to work. Light and glare limits, odor limits, a street tree requirement, screening of specific uses, and limits on blank walls apply in the IC zones. The Seattle Mixed zone includes all of the above, plus specific setbacks, facade requirements, transparency requirements, requirements for solid waste storage, and requirements for specific parking and loading locations.

The Comprehensive Plan's targets of at least 16,000 new jobs and 8,000 new households by the year 2024 were established when the City updated the Plan in 2004. In addition to setting specific growth targets for jobs and households in each urban center and urban village, the City's Comprehensive Plan also sets a jobs/household ratio goal for the year 2024. In those goals, South Lake Union is one of the four urban centers that constitute an area called “center city,” which collectively have a goal of 4.2 jobs per household. At the time the center city goal was set in 2004, South Lake Union had approximately 19,700 jobs and 1,200 households, for a ratio of 16.4 jobs per household. If the neighborhood were to meet its jobs and housing targets, in the year 2024 the neighborhood would contain approximately 35,000 jobs and 9,000

households, for a ratio of approximately 3.9 jobs per household. This ratio would be much more in line with the Comp Plan's jobs/housing goal and would help offset a higher job ratio expected to occur in other portions of the center city, particularly downtown.

Recommendation:

In order to implement the neighborhood plan and to support development within the South Lake Union IC zone, the Director recommends allowing additional height and density on the portions of the two blocks shown on the attached map, under certain conditions.

1. Limit the building height to 160 feet. While this would be the highest allowable structure height in South Lake Union, it is only somewhat higher than the 125-foot height limits on the block immediately south of this site. Combining additional height with the FAR limit discussed below will permit a building that is less blocky than a building with the same FAR but at a lower height.
2. Set a maximum FAR of 7. This higher FAR would allow for more concentration of office space to accommodate the needs of a potential corporate headquarters.
3. To exceed the currently allowed 3 FAR, structures would need to:
 - Satisfy a LEEDTM Silver standard. The Downtown zoning requires participation in LEEDTM (Leadership in Energy and Environmental Design, a program of the US Green Building Council) for any project using bonus floor area. LEEDTM encourages an integrated design process and establishes performance goals in the form of credits for sustainable site development, water savings, energy efficiency, materials selection, indoor environmental quality, and process and innovation. Points are awarded for credits achieved, with a total of 69 points possible. Thirty-three points of these points must be achieved to be certified LEEDTM Silver.
 - Meet certain development standards that would help structures in this area better fit the desired character the neighborhood plan articulates for the South Lake Union Urban Center:
 - Upper level structure setbacks along Thomas and Harrison Streets, to maintain view corridors down those streets.
 - Transparency and blank facade limits, to provide a safe and pleasant pedestrian environment.
 - Solid waste and recyclables storage requirements, to provide space for the waste to be generated by these facilities.
 - Parking and loading location, access, and curbcuts, to provide for appropriate locations and reduce pedestrian/vehicle conflicts.
 - Facade requirements that are consistent with those applied in nearby SM zones.
 - Seattle Green Factor, which requires that development provide landscaping to mitigate the impacts of that development. A range of landscaping options is

weighted based on the extent of mitigation, and a specific score is required to be met.

- Include a strong Transportation Management Program (TMP). Structures with 7 FAR on these sites could have significant impacts on the transportation network, if there were not strong measures to keep employees from driving alone to work. With a TMP that results in a maximum of 40% of employees driving alone to work, a study by The Transpo Group shows that there will not be a significant adverse impact on the transportation system.
 - Submit an energy management plan describing how the project's design and systems could reduce its impact on the electrical network. This plan would need to be approved by Seattle City Light before submitting the application for the Master Use Permit. The plan could include on-site energy generation, energy conservation, and/or electrical infrastructure improvements.
4. To exceed 5 FAR, structures would need to:
- Participate in a bonus program in which 75% of floor area above 5 FAR would be earned by providing low-income housing and child care or making voluntary payments to offset part of the additional needs generated by employees in a building. Either TDR or additional housing/childcare bonus could be used to satisfy all or a portion of the other 25% of this additional floor area. Consistent with the Downtown zoning, at least five percent of this additional floor area would be required to be transferred from a landmark structure, provided that there is landmark TDR available. TDR from arts facilities would also be permitted. The bonus program and TDR provisions help to implement the South Lake Union neighborhood plan's policies directing the City to implement incentive programs for housing, arts organizations, and landmark preservation.
5. Within South Lake Union Urban Center IC zones generally, change how floor area is counted for FAR limits. Under the proposed provisions, parking on floors that are above grade would count in floor area, while street-level retail uses would not be counted. This provides an incentive for active uses along the streetfront and removes the possibility that a project could be built to significantly more than the planned amount of FAR by providing above-grade parking.

Exhibit A: Relevant Comprehensive Plan policies

Neighborhood Plan Element: South Lake Union.

- SLU-P2 Promote diversity of building styles and support the diverse characters of neighborhood sub-areas.
- SLU-P6 Establish incentives to encourage preservation, reuse and rehabilitation of historically significant structures in the neighborhood; explore incentives to encourage the adaptive reuse of other older buildings in the neighborhood that provide a visual reminder of the past and promote diversity of character and building types.
- SLU-P9 Support the growth of innovative industries in South Lake Union including biotechnology, information technology, environmental sciences and technology and sustainable building.
- SLU-P11 Encourage characteristics that favor a sustainable arts and cultural presence, including affordable and adaptable venues for making, performing, and displaying art that meet the diverse needs of artists and arts organizations.
- SLU-P33 Provide incentives to encourage housing for people across a range of incomes in a variety of housing types, particularly in mixed-income buildings.
- SLU-P37 Encourage employers to develop and participate in strategies that allow employees to live near their work.
- SLU-P41 Encourage low-impact development and activities that can control consumption of resources, improve public health and safety, and provide for multiple environmental benefits.
- SLU-P45 Encourage building designs that allow for public view corridors through the neighborhood to Lake Union and the Space Needle and natural light at street level.
- SLU-P46 Seek to increase tree coverage, reintroduce native plant species into the neighborhood and provide for additional wildlife habitat appropriate to the urban environment.

Land Use Element: Industrial Commercial Zones

- LU169 Limit development density in Industrial Commercial zones to reflect transportation and other infrastructure constraints, while taking into account other features of an area. Employ development standards designed to create an environment attractive to business, while recognizing the economic constraints facing new development.
- LU173 Apply a range of maximum building height limits for all uses in Industrial commercial zones to protect the special amenities that attract new technology industrial development, such as views of water, shoreline access, and the scale and

character of neighboring development, so that these amenities will continue to be enjoyed both within the zone and from the surrounding area. Assign height limits independently of the zoning designation to provide flexibility in zoning specific areas. Allow different areas within a zone to be assigned different height limits according to the rezone criteria.

- LU174 Include development standards in the Industrial Commercial zones designed to create an attractive environment for new industry and ensure compatibility with surrounding development without inhibiting more traditional industrial activity or the expansion of smaller firms already located in the area. Generally require screening, landscaping and setback standards in the Industrial Commercial zone similar to those found in the pedestrian-oriented commercial areas to promote an attractive setting for new industries.

Land Use Element: Other Land Use Policies

- LU5
1. Consider, through neighborhood planning processes, recommendations for the revision of zoning to better reflect community preferences for the development of an area, provided that consistency between the zoning and this Plan is maintained. Consider relevant goals and policies in adopted neighborhood plans when evaluating a rezone proposal.
 2. Seek opportunities to incorporate incentive programs for development of housing affordable to lower-income households into legislative rezones or changes in development regulations that increase development potential.
 3. Consider development regulations that condition higher-density development on the provision of public benefits when such public benefits will help mitigate impacts of development attributable to increased development potential. (LU5)