



City of Seattle
 Gregory J. Nickels, Mayor

Department of Planning and Development
 D. M. Sugimura, Director

**CITY OF SEATTLE
 ANALYSIS AND DECISION OF THE DIRECTOR
 OF THE DEPARTMENT OF PLANNING AND DEVELOPMENT**

Application Number: 3009234
Applicant Name: David Yuan of NBBJ for City Investors XX LLC
Address of Proposal: 601 Westlake Avenue N

SUMMARY OF PROPOSED ACTION

Land Use Application to allow a six-story building containing 246,508 sq. ft. of office and 14,428 sq. ft. of ground level retail space. Parking for 335 vehicles to be provided in three levels below grade. Project includes 71,000 cu. yards. of grading and the demolition of existing structures. Historically designated elements of buildings to be demolished would be reinstalled on the proposed new building.

The following approvals are required:

SEPA – Environmental Determination pursuant to Chapter 25.05 SMC.

Design Review – Chapter 23.41 Seattle Municipal Code (SMC).

Departures from the Land Use Code as follows:

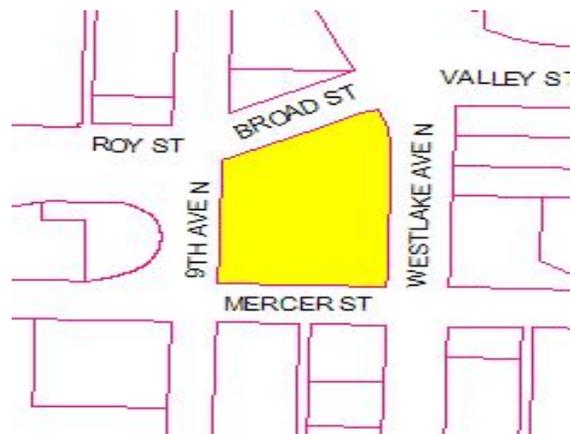
1. Street Level Setbacks – SMC 23.48.014(D)(2)
2. Façades on Class 1 Pedestrian Street – SMC 23.48.014.C
3. Vent Location Requirements – SMC 23.50.042
4. Street Level Use Requirements – SMC 23.48.019
5. Structural Building Overhangs – SMC 23.53.035.A.4.c.

SEPA Determination: Exempt DNS MDNS EIS
 DNS with conditions
 DNS involving non-exempt grading, or demolition, or another agency with jurisdiction.

BACKGROUND INFORMATION:

Site and Area Description

The proposal is for development of a six-story administrative office building with ground floor retail uses on one tax parcel comprising the irregularly-shaped block bounded by Broad Street to the north, Westlake Avenue N to the east, Mercer Street to the south, and Ninth Avenue N (modified by the proposed Mercer Corridor Project to have a new



chamfer) to the west. The block was formerly divided by a mid-block north-south alley, which was vacated in 1957 by Seattle Ord. No. 86574 (Oct. 29, 1957). The project site is approximately 1.68 acres (73,016 square feet). The site is relatively flat and generally gently slopes down from the southwest corner toward the northeast, with a maximum grade of 3 percent.

The City currently plans to begin its Mercer Corridor Project in Summer 2009 with an expected completion date in Summer 2012. The Mercer Corridor Project will transform Mercer Street from a one-way eastbound street by widening it to provide more travel lanes, wider sidewalks, a landscaped median, and two-way traffic. The City will acquire approximately the southern 70 feet of the project site adjacent to Mercer for the project.

The project site is zoned Seattle-Mixed with a 65-foot height limit (SM-65) and located in the South Lake Union Urban Center. Additional height is allowed up to 85-feet in the South Lake Union Urban Center based on compliance with certain conditions. Property to the north, west, and south is also zoned SM-65. Property to the east is zoned Seattle Mixed with a 40-foot height limit (SM-40). Property to the northeast is zoned Commercial 2 with a 40-foot height limit (C2-40). Mercer Street is a Class 2 Pedestrian Street and Westlake Avenue N is a Class 1 Pedestrian Street.

Portions of the project site are designated as potential liquefaction zones. There are no other environmentally critical areas on the site.

The existing development on the property consists of four buildings totaling approximately 69,542 square feet of gross floor area related to auto sales and services:

- The Ford McKay Building (central building on eastern half of block), a 1-story, 39,162 sq. ft. masonry building built in 1922 and formerly used as an automobile showroom;
- The Pacific McKay Building (building at southeast corner of the block), a 1-story, 6,250 sq. ft. masonry building built in 1925 and formerly used as an automobile showroom;
- The northernmost building on the eastern half of the block, a 1-story, 7,020 sq. ft. masonry building built in 1946 and formerly used as a service garage associated with the auto dealerships; and
- The building on the western half of the block, a 1-story, 17,100 sq. ft. masonry building that was built in 1946 and formerly used as a service garage associated with the auto dealerships.

The north quarter of the block is paved with asphalt and formerly served as customer parking associated with the automobile dealerships.

The site and buildings are currently used for construction staging/parking or remain vacant with the exception of a biodiesel fueling station located at the north end of the site.

The Pacific McKay and Ford McKay buildings were constructed on very poor quality fill. As a result, they have sustained significant settlement damage. The Pacific McKay building in particular is listing to the south.

By request of the applicant, in March 2006, the City Landmarks Board designated the Pacific McKay and Ford McKay buildings as Seattle Landmarks and imposed controls on the exterior terra cotta facades and the interior showroom of the Pacific McKay Building. The Pacific McKay and Ford McKay buildings are situated within the proposed acquisition area for the Mercer Corridor Project. As a result of the planned widening of Mercer Street, historically significant portions of

these two buildings would be removed and reconstructed as part of the proposed McKay Block Development. These elements include the interior showroom of the Pacific McKay Building and the terra-cotta-clad east facades of both the Pacific McKay Building and the Ford McKay Building and a portion of the terra cotta clad south façade of the Pacific McKay building. The applicant has applied to the Landmarks Board to obtain a Certificate of Approval to remove and store the historic elements so that demolition of the non-designated portions of the buildings can move ahead together with the construction of the Mercer Corridor Project. The preserved building facades and interior showroom will be incorporated into the proposed new development.

Adjacent land uses include a mix of commercial, retail, and recreational uses. North and northwest of the project site are South Lake Union Park, several restaurants, and automotive sales establishments. To the west is a landscaped open area and a commercial building. To the southwest is the UW Medicine's South Lake Union research facility. To the south there is surface parking, retail uses, and a vacant building. To the southeast is a mix of retail uses, surface parking, and office space. To the east is a former gas station site currently undergoing remediation.

Project Description

The project is a six-story structure with three levels of below-grade parking. The project anticipates construction of approximately 246,508 square feet of above-grade space for administrative office uses and approximately 14,428 square feet of retail space at grade (totaling approximately 260,936 square feet). Parking for 335 vehicles will be located in a below-grade garage. The project includes excavation of approximately 71,000 bank yards (92,300 truck yards) of material.

It is anticipated that work related to the removal/storage of historically significant aspects of the McKay buildings would occur prior to work commencement of the Mercer Corridor Project. Work associated with site preparation, grading/excavation, and building construction would begin after the Mercer Corridor Project has been completed. All elements of demolition, storage and rebuilding/reinstalling elements of the Landmarked Pacific McKay and Ford McKay buildings must be subject to the review and approval jurisdiction of the Seattle Landmarks Board and must be done pursuant to a Certificate of Approval from that body.

Two street-level public plazas, perimeter trees, and other amenities will be provided for the public and building occupants. Bicycle parking will be provided for 62 bicycles.

Access for vehicle parking will be via a mid-block entrance on Broad Street. Access for service through four loading bays would also be through the Broad Street mid-block entrance.

PUBLIC NOTICES AND MEETINGS

The Notice of Application for the project was published on October 16, 2008. Two letters in support, including one from the South Lake Union Chamber of Commerce, were received.

The Magnolia/Queen Anne Design Review Board held a properly noticed Early Design Guidance meeting for the project on July 2, 2008. A properly noticed Recommendation Meeting was held on November 19, 2008.

ANALYSIS-DESIGN REVIEW

Design Guidelines Priorities

The initial ideas for the project were presented at the Early Design Guidance meeting on July 2, 2008. After visiting the site, considering the analysis of the site and context provided by the proponents, and hearing public comment, the Design Review Board members provided the siting and design guidance described below and identified in the City of Seattle's *Design Review: Guidelines for Multifamily and Commercial Buildings* of highest priority to this project. The guidance and recommendations made were agreed to by all of the Board members present, unless otherwise noted. While the notes below indicate the areas the Board found most important, all of the Guidelines for Multifamily and Commercial Buildings, as well as the South Lake Union neighborhood design review guidelines, were considered.

A-1 Responding to Site Characteristics - The siting of buildings should respond to specific site conditions and opportunities such as non-rectangular lots, location on prominent intersections, unusual topography, significant vegetation, and views or other features.

A-4 Human Activity - New Development should be sited and designed to encourage human activity on the street.

A-2 Streetscape compatibility - The siting of buildings should acknowledge and reinforce the existing desirable spatial characteristics of the right-of-way.

A-3 Entrances Visible from the Street - Entries should be clearly identifiable and visible from the street.

Board Comments

The site is an entire block with four street frontages and it has two historic buildings to be incorporated into the new development. The Board prefers the third massing option.

The Board discussed whether the 17 foot setback above the historic building expression along Westlake Ave. N. is enough. They requested the applicants to come back with eye level drawings of this aspect and will be interested in the opinion of the Landmarks Board or its Architectural Review Committee.

A "gasket" expressing the location of the former alley entering the site from Broad Street was endorsed by the Board although they asked whether it should not be wider; so the design would read more as two buildings and allow more light and air into the office spaces along it.

The chamfer at the corner of Ninth and Mercer St. was questioned as it does not seem to relate to the overall building expression. It is suggested that the applicants look to the architecture of the building and not just the oddity of the property line in deciding how to address this corner.

Architect's Response

- Massing of the new office project follows the traditional "grain" of the South Lake Union neighborhood expressed as two parallel and interconnected office bars oriented North/South
- Retail uses are to be located behind the historical facades and along the length of Westlake Avenue, a South Lake Union "heart location" and along a portion of Valley.

B-1 Height, Bulk and Scale Compatibility - Projects should be compatible with the scale of development anticipated by the applicable Land Use Policies for the surrounding area and should be sited and designed to provide a sensitive transition to near-by, less-intensive zones. Projects on zone edges should be developed in a manner that creates a step in perceived height, bulk and scale between the anticipated development potential of the adjacent zones.

SLU-specific supplemental guidance

- Address both the pedestrian and auto experience through building placement, scale and details with specific attention to regional transportation corridors such as Mercer, Aurora, Fairview and Westlake. These locations, pending changes in traffic patterns, may evolve with transportation improvements.
- Encourage stepping back an elevation at upper levels for development taller than 55 feet to take advantage of views and increase sunlight at street level. Where stepping back upper floors is not practical or appropriate other design considerations may be considered, such as modulations or separations between structures.
- Relate proportions of buildings to the width and scale of the street.
- Articulate the building facades vertically or horizontally in intervals that relate to the existing structures or existing pattern of development in the vicinity.
- Consider using architectural features to reduce building scale such as:
 - landscaping;
 - trellis;
 - complementary materials;
 - detailing;
 - accent trim.

Board Comments

The Board thinks that this guideline, with its unique additional language for the South Lake Union area, needs some form of application to this 85 foot tall, full block building. A “wedding cake” expression should be avoided.

Architect’s Response

- Mass of the new office building is set back approximately 60 feet back from Mercer Street and 17 feet back on Westlake Avenue to reduce the perception of bulk behind the relocated historic Pacific McKay and Ford McKay facades. A portion of the 6th floor of the building is also further set back to reduce the bulk and scale of the building as viewed from the street.

C-1 Architectural Context - New buildings proposed for existing neighborhoods with a well-defined and desirable character should be compatible with or complement the architectural character and siting pattern of neighboring buildings.

C-2 Architectural Concept and Consistency - Building design elements, details and massing should create a well-proportioned and unified building form and exhibit an overall architectural concept. Buildings should exhibit form and features identifying the functions within the building. In general, the roofline or top of the structure should be clearly distinguished from its facade walls.

Board Comments

The new building needs to be designed to be integrated into the historic building features.

Architect's Response

- Two moves enhance the human scale and the pedestrian environment at street level. All parking is located below grade so that no cars are visible at the street level. In addition, entire block only has a single curb cut that provides access to the below grade garage and loading dock.
- Exterior facades articulated as two expressions. The first is a butt-glazed glass curtain wall system that forms a neutral backdrop for the historic buildings and enables the clear differentiation between the historic and the new portions of the project. The second consists of a brick frame with infill openings of metal panel and glass set that recalls the warehouse language of South Lake Union. Two contrasting tones of brick are also employed to break down the scale of the office portions of the building, especially when viewed along Valley and Ninth Avenue.

C-3 Human Scale - The design of new buildings should incorporate architectural features, elements and details to achieve a good human scale.

D-1 Pedestrian Open Spaces and Entrances - Convenient and attractive access to the building's entry should be provided. To ensure comfort and security, paths and entry areas should be sufficiently lighted and entry areas should be protected from the weather. Opportunities for creating lively, pedestrian-oriented open space should be considered.

Board Comments

The Board endorsed the provision of a plaza area along Mercer St. in the location of the historic service garage function.

The Board indicated that the street environment along Broad St. and Westlake Ave. N. will be across from the South Lake Union Park and has the opportunity to be an active area from a pedestrian perspective. Street level features of the building should be designed with this active pedestrian environment in mind and should include features which would encourage retail or restaurant uses within the building.

Architect's Response

- New 4,500 sq. ft. outdoor public plaza is located north of the Pacific McKay building. It is adjacent to the south office entry and features raised planters and a fountain that serves as a focal point of the open space.
- An additional 1,580 sq. ft. open space is located at the northeast corner of the site near the north office entry and affords views of South Lake Union park.

MASTER USE PERMIT APPLICATION

The applicant revised the design according to the Design Review Board's guidance and applied for a Master Use Permit with a design review component on September 19, 2008. The application was deemed complete on October 10, 2008.

DESIGN REVIEW BOARD RECOMMENDATION

The Design Review Board conducted a recommendation meeting on November 19, 2008, to review the applicant's project proposal developed in response to the previously identified priorities. At the public meeting, proposed departures, site plans, elevations, floor plans, landscaping plans and a palette of proposed exterior materials were presented for the Board members' consideration.

Development Standard Departures

The applicant requested five development standard departures pursuant to SMC 23.41.012. Departures may be granted when an applicant demonstrates that departures from Land Use Code requirements would result in a development that better meets the intent of adopted design guidelines. Each departure request is discussed and followed by the Board's rationale for approval.

Street Level Façade Setback – SMC 23.48.014.D.2.

The Land Use Code requires that structures may be set back up to 12 feet from the property line. Additional setbacks shall be permitted for up to 30% of the length of the set-back street wall, provided that the additional setback is 20 feet or greater from any street corner. The length of setback street wall for the project is 73 feet 10 inches, allowing 22 feet of increased setback area under the 30% additional rule. Applicant proposes to increase the additional setback area to length of 38 feet setback 60 feet from the property line.

Rationale for approval: The increased setback area is appropriate to accommodate a proposed public plaza at Mercer Street as a response to the historic buildings incorporated into the site and the site's unique characteristics. *See* Design Guideline A-1 (responding to site characteristics).

Façade Requirements on Class 1 Pedestrian Streets (Westlake Avenue N) – SMC 23.48.014.C

The Land Use Code requires that a minimum of 70% of facades on Class 1 Pedestrian Streets be built to the property line. Applicant proposes to reduce the setback along Westlake by 9% from 70% to 61%.

Rationale for approval: The property line along Westlake at the northeast corner of the project site is curved, making it infeasible for the building to be built following the precise curve of the street property line. *See* Design Guideline A-1 (responding to site characteristics).

Venting Requirements in Industrial Zones – SMC 23.50.042

The Land Use Code requires odors vents to be located at least 10 feet above adjacent grade. Applicant proposes to locate the intake louver for garage ventilation at 8 feet above the adjacent grade at project open space.

Rationale for approval: There is insufficient space to situate the louver at 10 feet above existing grade on the exterior façade. Since the louver is for intake air only and will still be 8 feet above grade, it should not present a hazard. *See* Design Guideline C-3 (human scale).

Street Level Use Requirements (Westlake Avenue N) – SMC 23.48.019

The Land Use Code requires certain uses to be located along Class I Pedestrian Streets no more than 10 feet from the street property line for 75% of the street frontage length. Applicant proposes to set a required street level use 12 feet 4 inches from the street property line along the curved portion of Westlake Avenue N at the northeast corner of the project site.

Rationale for approval: The street curve makes it infeasible to build to the street property line along the entire Westlake frontage. The requested departure would permit street level use and total street level use within 10 feet of the street property line would be 72.56%, a minimal decrease from the required 75%. *See* Design Guideline A-1 (responding to site characteristics).

Structural Building Overhangs – SMC 23.53.035.A.4.c.

The Land Use Code limits encroachment of bay windows into public property to a maximum of 3 feet of depth and a total encroachment area of 36 square feet. Applicant proposes to develop a bay window at the northeast corner of the property that extends an additional 1'6" to a total depth of 4 feet 6 inches and an area of 20 square feet.

Rationale for approval: The departure gives the northeast corner of the building (facing South Lake Union) a stronger and more unified visual element. *See* Design Guideline C-1 (architectural context).

Public Comments

Public comment was requested but none was received at the meeting.

Board Deliberation

After considering the site and context, hearing public comment, reconsidering the previously identified design priorities, drawings and model showing the proposal, the Design Review Board members recommended approval of the subject design and development standard departures based on the above noted rationales with the following recommended conditions (all recommendations were by all members agreeing, unless otherwise indicated). The Board found that the design had progressed greatly and responded well to the guidance provided at the Early Design Guidance Meeting. The recommendations summarized below were based on the plans submitted at that meeting.

- Move the vent shaft to the western side of the driveway.
- Review the proposed white spandrel panels to determine if another technique, such as fritted glass is more appropriate and pleasing.
- The alley remnant expression on the north façade devising two building expressions shall be modified to make it a stronger element.
- Make the corner glass “point” element at the northeast corner wider and more prominent.
- The historic terra cotta wall element should not reach the glass curtain wall of the building behind it in exactly the same plane and instead shall be offset.

- The easternmost segment of the screen wall along the property line in front of the plaza area on Mercer St shall be removed.

The Board recommended that all five requested development code departures be granted.

DIRECTOR'S ANALYSIS - DESIGN REVIEW

The Director finds no conflict with SEPA requirements or state or federal laws, and has reviewed the *City of Seattle Design Review: Guidelines for Multifamily & Commercial Buildings (January 2007)* and the *South Lake Union Design Guidelines (May 2005)* and finds that the Board neither exceeded its authority nor applied the guidelines inconsistently in the approval of this design and development standard departures. In addition, the Director is bound by any condition where there was consensus by the Board and agrees with the conditions recommended the Board members and the recommendation to approve the design and departures, as stated above.

DECISION - DESIGN REVIEW

Therefore, the proposed **design and departures** as presented at the November 19, 2008 Design Review Board meeting are **CONDITIONALLY APPROVED**. Design Review conditions are listed at the end of this decision.

ANALYSIS-SEPA

Environmental review resulting in a Threshold Determination is required pursuant to the State Environmental Policy Act (SEPA), WAC 197-11, and the Seattle SEPA Ordinance (Seattle Municipal Code Chapter 25.05).

The initial disclosure of the potential impacts from this project was made in the environmental checklist submitted by the applicant on September 19, 2008, and annotated by the Department. The information in the checklist, the supplemental information submitted by the applicant, and the experience of the lead agency with review of similar projects forms the basis for this analysis and decision.

The Seattle SEPA ordinance provides substantive authority to require mitigation of adverse impacts resulting from a project (SMC 25.05.655 and 25.05.660). Mitigation, when required, must be related to specific adverse environmental impacts identified in an environmental document and may be imposed only to the extent that an impact is attributable to the proposal. Additionally, mitigation may be required only when based on policies, plans, and regulations as enunciated in SMC 25.05.665 to SMC 25.05.675, inclusive, (SEPA Overview Policy, SEPA Cumulative Impacts Policy, and SEPA Specific Environmental Policies). In some instances, local, state, or federal requirements will provide sufficient mitigation of a significant impact and the decision maker is required to consider the applicable requirement(s) and their effect on the impacts of the proposal.

The SEPA Overview Policy (SMC 25.05.665) clarifies the relationship between codes, policies, and environmental review. Specific policies for each element of the environment, certain neighborhood plans, and other policies explicitly referenced may serve as the basis for exercising substantive SEPA authority. The Overview Policy states in part: "*where City regulations have been adopted to address an environmental impact, it shall be presumed that such regulations are*

adequate to achieve sufficient mitigation,” subject to some limitations. Under specific circumstances (SMC 25.05.665 D 1-7) mitigation can be required.

The policies for specific elements of the environment (SMC 25.05.675) describe the relationship with the Overview Policy and indicate when the Overview Policy is applicable. Not all elements of the environment are subject to the Overview Policy (e.g., Traffic and Transportation). A detailed discussion of some of the specific elements of the environment and potential impacts is appropriate.

Short-Term Impacts

Construction activities could result in the following adverse impacts: construction dust and storm water runoff, erosion, emissions from construction machinery and vehicles, increased particulate levels, increased noise levels, increased vibration levels, occasional disruption of adjacent vehicular and pedestrian traffic, and a small increase in traffic and parking impacts due to construction related vehicles. Several construction-related impacts are mitigated by existing City codes and ordinances applicable to the project such as the Noise Ordinance, the Stormwater Grading and Drainage Control Code, the Street Use Ordinance, and the Building Code. Additionally, due to the temporary nature and limited scope of these impacts, they are not considered significant per SMC 25.05.794. The following is an analysis of construction-related noise, vibration, drainage, earth, grading, traffic and parking impacts as well as mitigation.

Air Quality

The Puget Sound Clean Air Agency (PSCAA) regulations require control of fugitive dust to protect air quality and will require permits for removal of asbestos or other hazardous substances during demolition. Prior to demolition, the asbestos, lead-based paint and other similar hazardous materials that may be encountered during demolition would be removed by a qualified abatement contractor in accordance with State and Federal guidelines. The applicant will also take the following precautions to reduce or control emissions or other air impacts during construction:

- *During demolition, excavation and construction, debris and exposed areas will be sprinkled as necessary to control dust; a truck wash, and quarry spall areas, will be provided on-site to treat construction vehicles prior to their exiting the site; and truck loads and routes will be monitored to minimize dust-related impacts.*
- *Using well-maintained equipment and avoiding prolonged periods of vehicle idling will reduce emissions from construction equipment and construction-related trucks.*
- *Using electrically operated small tools in place of gas powered small tools wherever feasible.*
- *Trucking building materials to and from the project site will be scheduled and coordinated to minimize congestion during peak travel times associated with adjacent roadways.*

Noise

The project is expected to generate increased noise impacts during demolition, grading and construction. Compliance with the Noise Ordinance (SMC 25.08) is required and will limit the use of loud equipment registering 60 dBA (not including construction equipment exceptions in SMC 25.08.425) or more at the receiving property line or 50 feet to the hours between 7:00 a.m. and 10:00 p.m. on weekdays, and between 9:00 a.m. and 10:00 p.m. on weekends and holidays. This

condition may also be modified to permit low noise exterior work (e.g., installation of landscaping) after approval from DPD. Construction noise is within the parameters of SMC 25.05.675.L, which states that the Noise Ordinance provides sufficient mitigation for most noise impacts.

Earth/Grading

An excavation to construct the below-grade parking for the proposal will be necessary. Approximately 71,000 bank yards of soil and existing material will be removed from the site, which could create potential earth-related impacts. Compliance with the Stormwater, Grading, and Drainage Control Code (SMC 22.800) will require the proponent to identify a legal disposal site for excavation and demolition debris prior to commencement of demolition/construction.

Compliance with the Seattle Building Code and the Stormwater, Grading, and Drainage Control Code will also require that Best Management Practices (BMPs) be employed during demolition/excavation/construction including that the soils be contained on-site and that the excavation slopes be suitably shored and retained in order to mitigate potential water runoff and erosion impacts during excavation and general site work.

There is some groundwater below grade. As a result, dewatering will likely be necessary during construction. A drainage control plan, including a temporary erosion and sedimentation control plan will be required with the building permit application. In addition, a Shoring and Excavation Permit will be required by SDOT prior to issuance of a building permit.

Based upon the above considerations it is concluded that no SEPA-based conditioning is necessary for the anticipated short-term impacts related to earth/grading.

Construction-Related Traffic and Parking

Under SMC 25.05.675.B.2, DPD has authority under SEPA to impose conditions to mitigate parking impacts related to the project. During construction, parking demand will increase due to construction personnel and equipment. Off-site parking during construction hours in the general vicinity of the project is limited. Truck trips could be generated during excavation, shoring, and foundation construction.

It is the policy of the City of Seattle to minimize or prevent temporary adverse impacts associated with construction activities, including measures to address parking and transportation impacts during construction per SMC 23.05.675.B.1.g. Pursuant to this policy, project approval shall be conditioned upon the following:

- To minimize on-street parking in the project vicinity due to construction impacts, construction workers will park off-street at facilities made available by the applicant and/or the applicant's contractor.
- Prior to issuance of a street use permit, the applicant shall provide the City with a construction traffic plan. Site work shall be conducted in a manner that would minimize interference with vehicular, pedestrian, and other non-motorized forms of circulation. Temporary traffic control or pedestrian obstructions during construction (if any) shall be managed in accordance with the current City of Seattle Traffic Control Manual for In-Street Work and Manual of Uniform Traffic Control Devices. In the event that work requires closure of an entire sidewalk or travel lane, a signage plan and traffic control plan shall be prepared for approval by SDOT.

Environmental Health

Preliminary site assessments indicate that due to their age, the existing buildings on the project site may have asbestos-containing materials, lead-based paint, and other similar hazardous materials that may be encountered during demolition. The presence of underground storage tanks (USTs) and above-ground storage tanks (ASTs) and groundwater contamination has been identified.

If necessary, the applicant will take the following precautions to reduce or control potential environmental health issues:

- *A hazardous materials remediation plan would be prepared for the various hazardous materials that may potentially be encountered on the site. Remediation work will be professionally monitored throughout demolition and excavation.*
- *Prior to demolition, asbestos, lead-based paint, and other similar hazardous materials that may be encountered during demolition would be removed by a qualified abatement contractor in accordance with state and federal guidelines.*
- *USTs would be removed and disposed of by a qualified UST removal contractor in accordance with state and federal guidelines.*
- *The excavation would be monitored by an environmental consultant and if contaminated soils are identified, the soils will be sorted, stockpiled, and disposed pursuant to applicable state and/or federal law.*

Based upon the above considerations it is concluded that no SEPA-based conditioning is necessary for the potential short-term impacts related to environmental health.

Long-term Impacts

Long-term or use-related impacts are also anticipated as a result of approval of this proposal including: increased on-site bulk and scale, increased ambient noise due to increased human activity, increased demand on public services and utilities, increased light and glare, increased energy consumption, increased on-street parking demand, increased vehicle traffic, and demolition of buildings. These long-term impacts are not considered significant.

Notwithstanding the Determination of Non-Significance, the following impacts merit more detailed discussion.

Historic

The Pacific McKay and Ford McKay buildings (601-615 Westlake Ave N.) on the eastern portion of the project site have been designated as Seattle Landmarks. These two automotive showroom buildings were constructed in 1922 and 1925, respectively. The proposed Mercer Corridor Project includes the widening of Mercer Street to provide more travel lanes, wider sidewalks, a landscaped median, and two-way traffic (current traffic flow is one-way east-bound). Construction is tentatively scheduled to begin in summer 2009 with the changes operational by summer 2011. The proposed widening of Mercer St. would require acquisition of approximately a 70-foot wide strip of property along the existing north right-of-way of Mercer St. (south portion of the project site).

Development of the project site would involve removal of all existing buildings on-site. Two of the existing structures -- the Pacific McKay and the Ford McKay buildings -- are situated within the proposed acquisition area associated with the Mercer Corridor Project. As a result of the planned widening of Mercer Street, historically significant portions of these two buildings would be removed and reconstructed as part of the proposed development. These elements include portions of the interior showroom of the Pacific McKay Building and the terra cotta clad east and south facades of the Pacific McKay Building and the east façade of the Ford McKay Building. The Seattle Landmarks Preservation Board must issue a Certificate of Approval for the demolition and preservation of the historically significant elements of the Landmarks. This will mitigate the impact of demolition of the two Landmark buildings.

There are a number of other designated landmark buildings near the site, including:

- Troy Laundry (1927, at Fairview Avenue North);
- Seattle Times Building (1920, at 1120 John Street);
- Metropolitan/New Richmond Laundry (1917-1944, at 224 Pontius Avenue North);
- Supply Laundry (ca. 1906+, 1265 Republican Street);
- Ford Assembly Plant (1913, 1155 Valley Street);
- Van Vorst Building (1909, 413-421 Boren Avenue North);
- Pacific McKay and Ford McKay Buildings (1925 and 1922, 601 and 615 Westlake Avenue North);
- Lake Union Steam Plant and Hydro House (1914-1921, 1179 Eastlake Avenue East);
- Immanuel Lutheran Church (1912, 1215 Thomas Street);
- St Spiridon Russian Orthodox Cathedral (1941, 400 Yale Avenue North);
- Jensen Block (1906, 601-611 Eastlake Avenue East);
- Old Norway Hall (1915, now Cornish College Raisbeck Performance Hall, 2015 Boren Avenue); and
- Terry Avenue Building (320 Terry Avenue).

In addition, numerous older buildings exist in the South Lake Union area and may be eligible for consideration as historic resources. The project is not expected to have any impact on any of these structures.

Archaeological

The site is within the historic shoreline area of Lake Union and a cultural resources assessment was prepared and submitted to DPD to evaluate the site for potential archaeological resources. No recorded archaeological properties were identified within or adjacent to the project area. Background investigation indicates a moderate probability that significant archaeological resources could be present in the project area.

If resources of potential archaeological significance are encountered during excavation or construction associated with the proposal, the following measures would apply:

- *Work that is occurring in the portion of the site where potential archaeological resources are found would be stopped immediately;*
- *the City of Seattle land use planner assigned to the project and the State Department of Archaeology and Historic Preservation would immediately be contacted;*

- *regulations would be adhered to pertaining to discovery and excavation of archaeological resources, including but not limited to Chapters 27.34, 27.53, 27.44, 79.01 and 79.90 RCW and Chapter 25.48 WAC, as applicable.*

Otherwise, the project should not have any significant adverse impacts on archaeological resources.

Housing Impacts

The City's SEPA policies encourage preservation of existing housing, especially low income housing. SMC 25.05.675.I. These policies require compliance with City Code provisions on housing relocation, demolition, and conversion for proposed development to be in compliance with the housing policy. SMC 25.05.675.I.2.C. The proposed project will demolish automobile sales and service buildings and replace them with offices and retail space. No existing housing will be demolished, relocated, or converted. Therefore, no mitigation to housing impacts is required.

Traffic, Transportation, and Parking

The Transpo Group ("Transpo") completed a traffic study for the project which was submitted to the City as part of the application and review process.

For its analysis, Transpo utilized trip generation rates associated with ITE Land Use 814 Specialty Retail and LU 710 General Office Building, to estimate trips that would be generated for the project. All rates were obtained from the ITE 7th Edition (2003). The study estimated that the project would generate approximately 1440 trips per day, of which 181 trips would be generated during the AM peak hour, and 181 trips during the PM peak hour. This would be a net reduction of 1410 trips per day based on the site's prior use as a new car sales dealership (ITE LU 841). The net reduction includes a net AM peak hour increase of 6 trips and a net PM peak decrease of 45 trips.

The project will include 335 parking spaces. The proposed 335 on-site parking stalls would exceed the minimum Land Use Code requirements of 1 stall per 1,000 square feet of office space and 1 stall per 500 square feet for general sales and service (the Code requires at least 263 stalls, including allowed deductions). Peak parking demand for the project is 294 stalls. Assuming an effective supply of 95 percent, (to account for the efficiency lost by circulating in the garage in search of a vacant stall), or 318 spaces, the project can accommodate its peak parking demand. The urban site, served by the South Lake Union Streetcar and a number of Metro bus routes, can be expected to attract some number of employees and retail customers without cars. The number of visitors without cars would be expected to increase over time in this increasingly urban location. The Land Use Code requirements for this project also require a Transportation Management Plan ("TMP") that meets the requirements of Director's Rule 14-2002. The TMP goal will be no more than 40 percent of PM peak hour trips shall be single-occupant vehicle trips.

The traffic study also evaluated transportation concurrency for the proposed project. The calculated v/c ratios for the four tested screenlines were determined to remain below the adopted LOS standard; therefore, the proposed project was determined to meet the City of Seattle concurrency requirements.

Transit service to and from the project vicinity is provided by King County Metro Transit, including routes 17, 30, 26, 28, 39, 42, 70, and the South Lake Union Streetcar. These transit options provide access to downtown Seattle and (via connections) destinations throughout King County and the Puget Sound region.

Expected traffic and parking impacts of the proposal are not considered significant and while present are considered to be consistent with the density of uses envisioned for an urban center context. No SEPA-based conditioning of traffic or parking impacts is imposed.

Transportation Mitigation

In July 2004, the Seattle Department of Transportation completed the South Lake Union Transportation Study with the help of consultants Parsons Brinckerhoff and Enviroissues. The study recommended a package of transportation improvements for the South Lake Union area which has broad support from a diverse group of neighborhood, business and community representatives. The improvements include a two-way Mercer Street, a narrower Valley Street, a streetcar, and a number of transit, pedestrian and bicycle measures. These improvements are intended to reconnect the South Lake Union area to the city, untangle streets that create barriers in the middle of the city, improve mobility, promote alternatives to single-occupant-vehicles, and continue a smooth flow of freight and people through the area.

As an alternative to mitigation measures that focus solely on minor improvements to nearby streets and intersections, DPD has determined that a more effective mitigation approach is for the applicant to contribute to the costs of the more comprehensive transportation improvements recommended in the South Lake Union Transportation Study. DPD has reviewed the projected transportation impacts of the project, as detailed in the September 2008 Transpo Memorandum, and concluded that the transportation improvements in the South Lake Union Transportation Study would adequately mitigate those impacts.

DPD has considered the share of the transportation improvement costs that should be borne by this project. A portion of the improvement costs is attributable to existing deficiencies and must be funded with resources other than private developer mitigation payments. This project should bear its fair share of the remaining costs, based on the expected trip generation. Based on DPD's analysis of costs and allocation to this project, a payment of \$162,850 is appropriate for traffic impact mitigation.

There will be added vehicle trips on area roads and these roads, especially along major transportation corridors, are becoming increasingly congested. Implementation of a Transportation Management Plan would likely be of some effect in reducing the number of vehicle trips to and from the site and the project will be conditioned pursuant to SEPA policy authority to require such implementation to help mitigate both traffic and parking impacts of the proposed project.

Plants/Animals

Any existing vegetation would be removed during the site excavation and construction. There is no known occurrence of threatened or endangered species on or near the site.

Frontage improvements will include street trees. Landscaped open spaces will be provided in the public rights-of-way and in the public courtyards/plazas

Impacts to plants and animals are not considered significant and no mitigation is warranted.

Energy and Natural Resources

Natural gas and electricity would be used as the principal source of energy for space heating. Electrical energy would be used for lighting and operating appliances. It is not expected that the height and configuration of the proposed structure would interfere with the potential use of solar energy by adjacent properties. Building construction would comply with this and other requirements of the Seattle Energy Code, at a minimum, to be reviewed at the time of Building permit application.

Long term impacts to energy and natural resources are not considered significant and no mitigation is warranted.

Height, Bulk and Scale

The subject proposal has been through the Design Review Process, previously discussed in this decision. A project that is approved pursuant to the design review process is presumed to comply with the City's height, bulk and scale policies. This presumption may be rebutted only by clear and convincing evidence that the height, bulk and scale impacts documented through environmental review have not been adequately mitigated. SMC 25.05.675.G.2. Measures employed to mitigate height, bulk and scale impacts, as incorporated into the building architecture, were reviewed by the Design Review Board and found sufficient.

Long-term height, bulk and scale impacts have been addressed through the Design Review process. No additional SEPA mitigation measures are warranted.

Public Services and Utilities

The change of use, increase in development on the site, and type of development (office and retail) are expected to result in an increased demand for public services. There are no existing deficiencies in needed services or utilities to the site. The project would comply with applicable codes and requirements of the Seattle Fire Department for fire protection and fire suppression, to be reviewed at the time of Building Permit application. All exterior entrances to the building would be well-lit and equipped with security gates.

All utilities required to serve the proposed development are located within adjacent street frontages. Only side service connections should be required for each utility service. Overall, the impacts to public services and utilities are not considered significant and no mitigation is warranted.

Greenhouse Gas Emissions

Operational activities, primarily vehicular trips associated with the project and the projects' energy consumption, are expected to result in increases in carbon dioxide which adversely impact air quality and contribute to climate change and global warming. While these impacts are adverse, they are not expected to be significant due to the relatively minor contribution of greenhouse gas emissions from this project

Existing and Projected Land Use; Comprehensive and Neighborhood Plan

The site is currently occupied by automotive sales/service buildings and surface parking. With the redevelopment proposal, the site would be redeveloped into a commercial office building with ground-floor retail uses. The land use of the site would thus be changed with the proposal.

The proposed project is compatible with surrounding uses and is located in an area of mixed Industrial-Commercial and Seattle Mixed zoning. The site itself is zoned Seattle Mixed (SM-65). The redevelopment proposal is consistent with the SM-65 zoning of the property. Office and retail uses are permitted outright in the SM zone. The proposal complies with development standards applicable to commercial office and retail development within the SM-65 zone.

The City of Seattle Comprehensive Plan designates the site as a Commercial/Mixed Use area, and it is located in the South Lake Union Urban Center. The proposed commercial office and retail development is consistent with the Comprehensive Plan designation.

In addition, the proposed project complies with the South Lake Union Neighborhood Plan. This Plan is one of 37 neighborhood plans prepared with the participation of people in the neighborhood to articulate a vision for growth and change over the next 20 years, which identifies actions to be taken to help achieve this vision and further implement the Citywide Comprehensive Plan. The Plan adopts several neighborhood specific goals and policies. The project is consistent with the following policies and goals:

- SLU-G1: A vital and eclectic neighborhood where people both live and work, where use of transit, walking and bicycling is encouraged, and where there are a range of housing choices, diverse businesses, arts, a lively and inviting street life and amenities to support and attract residents, employees and visitors.
- SLU-G2 A neighborhood that recognizes its history as a maritime and industrial community and embraces its future as a growing urban center that provides for a wide range of uses.
- SLU-G3: A neighborhood that serves as a regional center for innovative organizations and that supports a diverse and vibrant job base.
- SLU-G6: A livable, walkable community that is well served by transit and easy to get around by foot, bike or transit.
- SLU-P2: Promote diversity of building styles and support the diverse characters of neighborhood sub-areas.
- SLU-P3: Encourage public and private developers to consider existing neighborhood character when designing projects adjacent to parks and historical sites.
- 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-G10: Parks and open spaces provide an obvious and inviting purpose, accessible to and meeting the needs of an increasingly diverse neighborhood as it grows and changes.
- SLU-P31: Use visual and physical connections between open spaces, adjacent streets and surrounding activities to stimulate positive social interactions.

The proposal conforms to the above-stated goals and policies. The site is in close proximity to transit facilities and residential areas. The planned public courtyards/plazas and street landscaping will provide open space and improve physical connections in the neighborhood.

It is the City's SEPA policy to ensure that proposed uses in development projects are reasonably compatible with surrounding uses and are consistent with adopted City land use policies. The subject proposal is compatible with surrounding uses, zoning, and City policies. The proposed mixed use project is consistent with the South Lake Union Neighborhood Plan and the Seattle Comprehensive Plan. No mitigation resulting from land use impacts is warranted.

Summary

In conclusion, no significant adverse impacts on the environment are anticipated to result from the proposal.

DECISION - SEPA

This decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirement of the State Environmental Policy Act (RCW 43.21.C), including the requirement to inform the public of agency decisions pursuant to SEPA.

[X] Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030(2)(C).

[] Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030(2)(C).

CONDITIONS - SEPA

The owner(s) and/or responsible parties shall:

Prior to Issuance of MUP Permit

1. All of the conditions contained in this decision must be embedded in the cover sheet for updated MUP permit plans and for all subsequent permits including any MUP revisions, and all building permits.

Prior to Issuance of Demolition, Grading, or Construction Permits

2. Prior to issuance of a construction permit, the contractor shall provide a construction traffic plan to SDOT for review and approval. Site work shall be conducted in a manner that would minimize interference with vehicular, pedestrian, and other non-motorized forms of circulation. Temporary traffic control or pedestrian obstructions during construction (if any) shall be managed in accordance with the current City of Seattle Traffic Control Manual for In-Street Work and Manual of Uniform Traffic Control Devices. In the event that work requires closure of an entire sidewalk or travel lane, a signage plan and traffic control plan shall be prepared for approval by SDOT.

3. Obtain a Certificate of Approval from the Department of Neighborhoods authorizing modifications to historic landmarks on the site.
4. A drainage control plan, including a temporary erosion and sedimentation control plan, will be required with the construction permit application.
5. A Shoring and Excavation Permit shall be required prior to issuance of a construction permit.
6. Construct the project with siting, materials, and architectural details substantially the same as those presented to and receiving a recommendation of approval from the Design Review Board meeting on November 19, 2008 including the following conditions, which were subsequently incorporated by the design team into the project design: Relocate the garage vent exhaust opening to minimize noise onto Valley Street; strengthen the alley remnant expression on the north façade; make the northwest corner “point” more prominent; and offset the historic terra cotta wall element so it is not co-planar with the glass curtain wall of the new building adjacent to it.
7. Any proposed changes to the exterior of the building or the site must be submitted to DPD for review and approval of the Land Use Planner (Scott Kemp, scott.kemp@seattle.gov). Any proposed changes to the improvements in the public right-of-way must be submitted to DPD and SDOT for review and for final approval by SDOT.
8. All of the conditions contained in this decision must be embedded in the cover sheet for updated MUP permit plans and for all subsequent permits including any MUP revisions, and all building permits.

During Construction

9. To minimize on-street parking in the project vicinity due to construction impacts, construction workers will park at off-street facilities made available by the applicant and/or the applicant’s contractor.
10. Comply with the limitations contained in the approved construction-phase transportation plan.
11. Debris and exposed areas shall be sprinkled as necessary to control dust; and truck loads and routes shall be monitored to minimize dust-related impacts.
12. Use well-maintained equipment to reduce emissions from construction equipment and construction-related trucks and avoid prolonged periods of vehicle idling.
13. Use electrically operated small tools in place of gas powered small tools wherever feasible.
14. Trucking building materials to and from the project site shall be scheduled and coordinated to minimize congestion during peak travel times associated with adjacent roadways.
15. If resources of potential archaeological significance are encountered during construction or excavation, the owner and/or responsible parties shall:
16. Stop work immediately and notify DCLU (scott.kemp@seattle.gov) and the Washington State Archaeologist at the State Office of Archaeology and Historic Preservation (360 407-0771). The procedures outlined in Appendix A of Director’s Rule 2-98 for Assessment and/or protection of potentially significant archeological resources shall be followed.

17. Abide by all regulations pertaining to discovery and excavation of archaeological resources, including but not limited to Chapters 27.34, 27.53, 27.44, 79.01, and 79.90 RCW and Chapters 25.48 WAC, as applicable.

Prior to Certificate of Occupancy

18. The applicant shall pay a transportation mitigation fee of \$162,850 to SDOT, to be apportioned among South Lake Union transportation projects.
19. A Transportation Management Plan (TMP) shall be implemented for the users of the proposed building and continued for the life of the project. This TMP will be approved by DPD prior to issuance of any Certificate of Occupancy for the new building. The TMP will be developed and maintained pursuant to the laws and regulations applicable to such plans which are currently described in Director's Rule 14-2002. The goal of the TMP shall be a Single Occupancy Vehicle Rate (SOV) of 53% for office uses and 66% for research and development uses. These percentages shall be applied on a prorated basis to a mix of the two uses.
20. Compliance with all images and text on the MUP drawings, Design Review meeting guidelines and approved design features and elements (including exterior materials, landscaping and ROW improvements) shall be verified by the DPD planner assigned to this project, or by the Design Review Manager.
21. An appointment with the assigned Land Use Planner must be made at least (3) working days in advance of field inspection. The Land Use Planner will determine whether submission of revised plans is required to ensure that compliance has been achieved.

Signature: _____ (signature on file) Date: February 05, 2009
Scott Kemp, Senior Land Use Planner
Department of Planning and Development
Land Use Services

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