City of Seattle

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: 3009681

Applicant Name: Patrick Farley

Address of Proposal: 2746 NE 45th Street

SUMMARY OF PROPOSED ACTION

Land Use Application to allow a 21,773 sq. ft. 1st floor expansion of an existing grocery store (QFC) and a 21,773 sq. ft. 2nd floor expansion of an existing mini warehouse. 5,715 sq. ft. converted from existing building (former liquor store). Project also includes a two story parking garage for 566 vehicles. Environmental Impact Statement prepared under DPD Project #3008972.

The following Master Use Permit components are required:

Design Review – Seattle Municipal Code Section 23.41

SEPA Environmental Review - Seattle Municipal Code Section 25.05

SEPA DETERMINATION: [ ] Exempt [ ] DNS [ ] MDNS [X] EIS

[ ] MDNS with conditions

[ ] DNS involving non-exempt grading, or demolition, or involving another agency with jurisdiction.

SITE AND VICINITY

The approximately 383,446 square foot QFC site is located on a number of parcels bordered on the west by University Village, on the south by NE 45th Street, and on the east by commercial development and a portion of 30th Avenue NE. The site is occupied by a 79,000 square foot QFC grocery store, with a 53,000 square foot Public Storage facility on the second floor above the grocery. A former liquor store was located in a separate building at the southeast corner of the site. A facilities building is located near the north end of the site. The heights of the structures range from one to two stories. Surface parking is located north, south, and west of the

grocery store, with a total of approximately 455 spaces. Vehicle access occurs from NE 45th Street, 30th Avenue NE, and indirectly from various University Village drive aisles.

The site is zoned Commercial 2 with a 65 foot height limit (C2-65); this zoning continues to the southeast. Less intensive Commercial 1 zoning with a 65' height limit (C1-65) is located to the west. Lower height commercial zoning (C2-40) is located to the east, with Single Family Residential (SF 5000) further to the east. Lower height commercial zoning regulated by the University of Washington Major Institution Overlay (MIO-50-C1-40) is located to the north. Multifamily Lowrise 1 zoning, also within the University of Washington Major Institution Overlay (MIO-37-LR1) is located to the south across NE 45th Street.

Surrounding uses are a mix of commercial and residential development. Commercial areas are adjacent to Union Bay Place NE and NE 45th Street near the site. Multifamily residential development is located just north of the site. Nearby single family residential development primarily is located east of 30th Avenue NE and Union Bay Place NE. Open space on the University of Washington campus is located to the south across NE 45th Street. Most of the nearby retail and single family structures are one to two stories tall. Newer multi-family residential structures are around four stories tall.

The area includes sidewalks, with a sidewalk with no vegetated buffer on NE 45th Street adjacent to the subject property. There is no sidewalk on 30th Avenue NE near the northeast corner of the site, but a walkway leads from that street to the site along the northern site edge. Bus stops are located on NE 45th Street and 25th Avenue NE.

A designated steep slope is located along the northern and northeastern edges of the site. A Steep Slope Exemption was granted on August 18, 2009, citing existing development on the site. Other areas of the site are relatively flat, with a slight upslope to meet street grade at NE 45th Street. The site is mapped as a Peat-settlement Prone area, and much of the site is within an Abandoned Landfill area.

PROJECT DESCRIPTION

Quality Food Centers proposes to redevelop the southern portion of the property (adjacent to NE 45th Street), currently developed with a surface parking lot and an existing 5,715 square-foot liquor store. The redevelopment would allow for an expansion of the existing grocery store by approximately 21,773 square-feet. The upper floor of this addition would accommodate a 21,773 square-feet expansion of existing mini warehouse use. The project would include conversion of the former liquor store space into retail grocery space within the expanded building. In total, the existing gross floor area of the QFC store would increase from approximately 73,030 square feet to 100,515 square feet. The existing surface parking lot on the northern portion of the QFC property would be reconfigured and a second story of structured parking constructed, for a total of 566 parking spaces, representing a net increase of approximately 111 parking stalls.

As described below, this project is somewhat smaller than prior proposals. The project initially was proposed as including 375 residential units, 37,000 square feet of additional grocery store space, 8,800 square feet of new retail space, and an increase of 282 parking spaces. The proposal was modified twice: once prior to Early Design Guidance, and once following Early Design Guidance prior to Master Use Permit application.

BACKGROUND

On January 15, 2009, DPD issued a Determination of Significance, requiring preparation of an Environmental Impact Statement (EIS) for the proposed University Village shopping center expansion. The DS anticipated development on both the University Village and the QFC sites. A Determination of Significance for the proposed QFC project was issued on February 19, 2009. On March 16, 2009, an EIS Scoping meeting was held. On December 17, 2009, a Draft Environmental Impact Statement (DEIS) was issued, and on January 27, 2010, the DEIS Hearing was held. The EIS provided a cumulative analysis of the potential environmental impacts on both the QFC and University Village sites.

On May 24, 2010, a Final EIS (FEIS) was issued, with a revised notice and modified issuance date on May 27, 2010. The revised notice and modified issuance date were necessary to update the project description.

Since publication of the FEIS, both QFC and University Village have reduced their development proposals. The EIS anticipated development on the QFC site that encompassed 375 residential units, a 37,000 square foot expansion of the grocery store, 8,800 sq. ft. of new retail, and an additional 282 parking spaces.

PUBLIC COMMENTS

Approximately 15 members from the public attended the Early Design Review meeting for the QFC project on December 15, 2008, including representatives of University Village and Laurelhurst Community Club. The following comments, issues and concerns were raised:

- If the north building is connected to the expanded QFC building, the result will be a very long 700-800' building. The applicant should break it up with open space between portions of the building.
- The three alternatives are very similar, and the applicant should consider a possible third distinct alternative.
- Shadow studies are needed to determine the proposed development massing effect on adjacent existing development.
- Parking should be screened and not left open.
- The proposed vehicular entry/exit at the chamfered corner by Union Bay Place NE could cause a lot of traffic problems at that location, affecting pedestrians and cyclists.
- Four proposed garage entries would have a large negative impact on the pedestrian environment near those entries.
- The pedestrian and vehicular access plan shown in the graphics assumes supply of vehicles through the University Village site for the proposed garage access points.

University Village is instead trying to reduce vehicle access through the center of the site and increase pedestrian use through the site.

- The proposal to place loading only at the east edge of the property is positive. The applicant also should consider providing a garage entry point at the east edge of the site, to allow QFC shoppers easier access to the parking garage.
- The building massing should be stepped and terraced to the west, possibly with landscaping on the terraced levels to reduce the appearance of bulk and provide a visual transition to the shorter development west of QFC.
- The landscaping at the east edge consists mostly of blackberries and ivy and the applicant is working in a positive direction to replace this.
- Because the proposal and University Village's recent design recommendation are in review at roughly the same time, the Board should apply the same design criteria to the QFC proposal as they did to the University Village proposal.
- The proposed east vehicular entry would be a problem. There are already vehicular backups at that access road, there are no sidewalks in that portion of Union Bay Place NE, and the Burke Gilman Trail crossing is very close to that access point.
- The proposed development should include a sidewalk and lighted intersection at Union Bay Place NE.
- General positive comments for University Village development, and hope that this project will be as good.

An EIS Scoping public meeting was held on March 16, 2009. Three persons offered public comments, including:

- Increased traffic from the project at the crossing of the Burke-Gilman Trail and Union Bay Place NE will increase conflicts between pedestrians, cyclists, and automobile drivers; the vehicle circulation plan should be arranged to avoid additional vehicular traffic at this location.
- A crosswalk with blinking lights or a traffic light with a bell should be provided at the Burke-Gilman Trail crossing.
- Alternative transportation should be provided with the proposal to reduce potential traffic impacts, such as enhancing Burke-Gilman Trail opportunities, providing a shuttle to the future light rail station at Husky Stadium, additional Metro bus service, and an improved pedestrian environment adjacent to the site.
- An additional vehicular entry point from Union Bay Place NE is needed for the residential component of the project.
- The proposal should include curb, gutter, sidewalk, and on-street parking along Union Bay Place NE, to enhance pedestrian safety and not result in a loss of on-street parking for businesses along the street.
- QFC should provide parking for employees, to avoid parking spillover on adjacent streets.
- The new proposed residential uses will increase on-street parking demand from residents and their guests.
- The EIS should consider the cumulative impacts of nearby development.
- The developer should coordinate with the University Village development

Following the Scoping meeting, several additional comments were received, including:

- The traffic analysis conducted for the EIS must use verifiable data, including traffic counts and openings of the Montlake Bridge.
- The study should analyze parking utilization, and ensure adequate provision of employee parking.
- The study should consider alternatives for new vehicle access points into the proposed residential complex and parking garage, and address pedestrian and bicycle safety issues.
- The proposed new retail development on the south side of QFC has the potential to exacerbate traffic congestion.

The applicant applied for a Master Use Permit on October 20, 2011. Notice of Application was published on November 10, 2011, with a 14-day comment period ending on November 23. No comments were received during this time.

No public comments were made at the Recommendation Meetings held on March 5 and May 23, 2012.

ANALYSIS - DESIGN REVIEW

The initial proposal presented to the Design Review Board at Early Design Guidance included the construction of a 6-story mixed-use multi-family residential and commercial structure with two levels of structured parking. The proposal included approximately 350 residential units, 11,000 square feet of commercial area at the street level, and a net increase of 240 structured above-grade parking stalls (410 existing on-site, 650 proposed), a slightly smaller project than that analyzed in the EIS. Parking would be accessed from several proposed points along the north and west facades. Commercial entries would face west; the applicant noted that the primary residential entry may be located at the northeast corner.

Three schemes were presented at the Early Design Guidance meeting by the applicant team. The applicant noted that the three schemes do not differ greatly, and that the parking level schemes can be combined with any of the residential schemes. The applicant also noted that no departures are proposed with any of the three schemes, and the developer doesn't have a strong preference for one scheme over the others.

The design intent is to create a development that better utilizes the existing site, creates connections to the nearby residential areas to the east, creates more usable opportunities for structured vehicle parking, and improves pedestrian access and circulation. The applicant noted that while the parcel doesn't have street frontage at Union Bay Place NE, there is a pump station between this site and Union Bay Pl NE, over which they may be able to gain a pedestrian easement.

All of the options included retention of the existing QFC and storage building, new retail space at the north and south sides of the existing QFC building, a new structure with two levels of structured parking and residential above located north of the QFC building ("the north building"), and approximately 11,000 square feet of street level retail at the west façade of the north building. The upper level of residential on all three schemes would be terraced, with the appearance of a five-story building at the west façade and a six-story building at the east façade.

The first scheme (Scheme 1) proposed site plan maintained the existing loading truck access route along the north side of QFC. A new Retail Court would be added between this access route and the north side of the existing QFC. The loading/retail/liquor store on the southeast corner of the QFC building would remain, with additional retail area added on the south side of QFC.

Scheme 1 residential massing (upper levels of the north building) proposed a modified "S"-shaped mass, with two west-facing upper level courtyards and one east-facing upper level courtyard. The massing stepped in at the north bay of the east facade, following the convoluted east property line.

The second scheme (Scheme 2) proposed site plan relocated the existing loading truck access route and removed the existing loading/retail/liquor store structure at the southeast corner of the site. The new loading area would be located in the area of the existing loading/retail/liquor store structure and accessed only from a curb cut at NE 45th St. Additional retail area would be added on the south side of QFC, west of the new loading area. The new Retail Court on the north side of the QFC would be connected to the north building by an atrium, which could be partially or fully enclosed. The atrium would include additional retail and restaurant spaces with seating areas.

Scheme 2 residential massing (upper levels of north building) proposed an "E"-shaped mass, with three upper level west-facing courtyards and one upper level courtyard on the east façade (along the 'back' of the "E" shape). This massing provided smaller building bays at the west façade and additional upper level setback of massing near the southeast area of the north building.

The third scheme (Scheme 3) proposed the same site plan as Scheme 2 (relocated loading area, connection between QFC and the north building, etc).

Scheme 3 residential massing (upper levels of north building) proposed a mass with two completely enclosed courtyards. The massing stepped in at the north bay of the east façade, following the convoluted east property line. This massing provided a stronger street wall on all sides and courtyard spaces separated from adjacent development.

At the Early Design Guidance meeting, the Board identified the following two items as being of top importance:

1) **Proposed vehicular access**. The proposed access for both loading and the parking garage will have a large influence on the proposed building design. All proposed loading and vehicular access should be designed to minimize conflicts with the pedestrian environment.
   The Board commended the applicant on the proposed loading areas at the east perimeter only, and advised the applicant to examine the potential for garage entry from that access point as well.
   The Board noted that some of the vehicular access points to the structured parking are located at the end of a visual axis through the site. Vehicular garage entries should be designed to enhance hierarchy of the pedestrian over the vehicle, both visually and for safety.

2) **Massing and scale in context with surrounding development**. The proposed 6-story height will have a large visual contribution to the site, and the applicant should work to reduce the mass and height transition to adjacent development. The west façade should include reduction of scale and apparent length, through use of open spaces brought down to grade and visually breaking the façade into smaller scales. The Board noted that the scale of the development should be no larger than the expression of scale found on the south façade of the north garage building at University Village.

PRIORITIES & BOARD RECOMMENDATIONS

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 following siting and design guidance. The Board identified the Citywide Design Guidelines of highest priority for this project. For the full text please visit the Design Review website.

Site Planning (see University Community Design Guidelines for full text)

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

A-3 Entrances Visible from the Street. Entries should be clearly identifiable and visible from the street.
University Community Guideline #1 (augmenting A-3). On Mixed Use Corridors, primary business and residential entrances should be oriented to the commercial street. Secondary and service entries should be located off the alley, side street or parking lots.

A-6 Transition Between Residence and Street. For residential projects, the space between the building and the sidewalk should provide security and privacy for residents and encourage social interaction among residents and neighbors.

A-7 Residential Open Space. Residential projects should be sited to maximize opportunities for creating usable, attractive, well-integrated open space.
University Community Guideline #1 (augmenting A-7). The ground-level open space should be designed as a plaza, courtyard, play area, mini-park, pedestrian open space, garden, or similar occupiable site feature. The quantity of open space is less important than the provision of functional and visual ground-level open space. Successfully designed ground level open space should meet these objectives:
• Reinforces positive streetscape qualities by providing a landscaped front yard, adhering to common setback dimensions of neighboring properties, and providing a transition between public and private realms
• Provides for the comfort, health, and recreation of residents
• Increases privacy and reduce visual impacts to all neighboring properties

<u>A-8 Parking and Vehicle Access</u>. Siting should minimize the impact of automobile parking and driveways on the pedestrian environment, adjacent properties, and pedestrian safety. The Board noted that some of the vehicular access points to the structured parking were located at the end of a visual access through the site; vehicular garage entries should be designed to enhance the hierarchy of the pedestrian over the vehicle, both visually and for safety. Vehicular garage entries should be minimized in number and appearance, recessed from walkways where possible, and include safety enhancements. Due to the unusual character of the street frontage, the siting adjacent to University Village, and the grade changes, a prominent residential entry should be provided at the west side of the north building. Proposed upper courtyards should be brought down to street level at the west façade, to help break the building mass and provide usable open space at grade. The at-grade open space should include sidewalk furniture to enhance activity in the area, such as seating opportunities, water features, street trees, and vegetation.

Height, Bulk and Scale (see University Community Design Guidelines for full text)

<u>B-1 Height, Bulk, and Scale Compatibility</u>. 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 created a step in perceived height, bulk, and scale between the anticipated developments potential of the adjacent zones.

The Board noted that the proposed six-story height will have a large visual contribution to the site; the applicant should work to reduce the mass and height transition to adjacent development. The west façade should include reduction of scale and apparent length, through use of open spaces brought down to grade and visually breaking the façade into smaller scales. The Board noted that the scale of the development should be no larger than the expression of scale found on the south façade of the University Village north garage building. The Board expressed a preference for Scheme 1 upper level massing, so long as the courtyards were brought down to grade. A combination of one larger courtyard at street level and terracing the building down to the courtyard also could be used.

Architectural Elements and Materials (see University Community Design Guidelines for full text)

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

<u>University Community Guideline #2 (augmenting C-1)</u>. For areas within Ravenna Urban Village, particularly along 25th Avenue NE, the style of architecture is not as important so long as it emphasizes pedestrian orientation and avoids large-scale, standardized and auto-oriented characteristics.

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

<u>C-4 Exterior Finish Materials</u>. Building exteriors should be constructed of durable and maintainable materials that are attractive even when viewed up close. Materials that have texture, pattern or lend themselves to a high quality of detailing area encouraged.

<u>C-5 Structured Parking Entrances</u>. The presence and appearance of garage entrances should be minimized so that they do not dominate the street frontage of a building.

In addition to guidance under (A) and (B), the applicant should demonstrate how the proposed façade treatment responds to the nearby architectural context. The Board noted that a unified design response is desirable, but the proposal should respond to the context of nearby development, including University Village, residential areas to the north and east, and industrial uses to the east and southeast.

Pedestrian Environment (see University Community Design Guidelines for full text)

<u>D-1 Pedestrian Open Spaces and Entrances</u>. 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.

<u>D-5 Visual Impacts of Parking Structures</u>. The visibility of all at-grade parking structures or accessory parking garages should be minimized. The parking portion of a structure should be architecturally compatible with the rest of the structure and streetscape. Open parking spaces and carports should be screened from the street and adjacent properties.

<u>University Community Guideline #1 (augmenting D-5).</u> The preferred solution for parking structures is to incorporate commercial uses at the ground level. Below grade parking is the next best solution for parking.

<u>University Community Guideline #2 (augmenting D-5)</u>. There should be careful consideration of the surrounding street system when locating auto access. When the choice is between an arterial and a lower volume, residential street, access should be placed on the arterial.

<u>University Community Guideline #3 (augmenting D-5)</u>. Structured parking façades facing the street and residential areas should be designed and treated to minimize impacts, including sound transmission from inside the parking structure.

<u>D-6 Screening of Dumpsters, Utilities, and Service Areas</u>. Building sites should locate service elements like trash dumpsters, loading docks and mechanical equipment away from the street front where possible. When elements such as dumpsters, utility meters, mechanical units and service areas cannot be located away from the street front, they should be situated and screened from view and should not be located in the pedestrian right-of-way.

<u>D-7 Personal Safety and Security</u>. Project design should consider opportunities for enhancing personal safety and security in the environment under review.

<u>D-12 Residential Entries and Transitions</u>. For residential projects in commercial zones, the space between the residential entry and the sidewalk should provide security and privacy for residents and a visually interesting street front for pedestrians. Residential buildings should enhance the character of the streetscape with small gardens, stoops and other elements that work to create a transition between the public sidewalk and private entry.

Pedestrian open space for the proposed development should provide strong connections with the proposed University Village pedestrian improvements and should include features such as wide sidewalks, enhanced landscaping and buffers from vehicle areas, seating opportunities, and gathering areas. Parking should be carefully screened from pedestrian areas, especially at-grade. Additional retail space should be used to screen the ground-level parking if at all possible. Non-opaque screening methods should include high-quality materials and landscaping. The applicant should work to enhance pedestrian safety at all vehicular and pedestrian points of interaction. Adequate garage entry signage is preferred to encourage use of parking areas, rather than allowing the parking areas to have a large visual impact on the pedestrian environment. Restricting the proposed landing areas to the east property line is a positive aspect.

Landscaping (see University Community Design Guidelines for full text)

<u>E-2 Landscaping to Enhance the Building and/or Site</u>. Landscaping, including living plant material, special pavements, trellises, screen walls, planters, site furniture, and similar features should be appropriately incorporated into the design to enhance the project.

<u>E-3 Landscape Design to Address Special Site Conditions</u>. The landscape should take advantage of special on-site conditions such as high-bank front yards, steep slopes, view corridors, or existing significant trees and off-site conditions such as greenbelts, ravines, natural areas, and boulevards.

<u>University Community Guideline #1 (augmenting E-3)</u>. Retain existing large trees wherever possible. This is especially important on the wooded slopes in the Ravenna Urban Village. The Board is encouraged to consider design departures that allow retention of significant trees. Where a tree is unavoidably removed, it should be replaced with another tree of appropriate species, 2 ½ inch caliper minimum size for deciduous trees, or minimum size of 4' height for evergreen trees.

Due to the grade changes in the area, the roof of this structure will be visible from areas nearby to the west and east. The applicant could use the roof opportunity to reduce storm water runoff, enhance the appearance of the roof area, and improve energy efficiency of the building with planted roof areas. Several large existing trees are located on the slopes along the north and east perimeters of the site; the applicant should retain these trees if at all possible, or plant with comparably-sized trees.

Following Early Design Guidance, the project was modified prior to MUP application. The proposed residential units were eliminated, the 11,000 sq. ft. of additional commercial space was shifted to 21,773 sq. ft. of grocery store expansion and 21,773 sq. ft. of storage expansion, and parking (primarily structured) for 577 vehicles, rather than 650, was proposed.

Two Design Review Recommendation meetings were held. At the first Recommendation meeting issues identified included:

1. The need for a more full architectural expression of the new tower element proposed near N.E. 45th St.
2. A treatment of the lid of the parking garage which provides visual interest and pedestrian level amenity.
3. Develop a safe pedestrian route into the site from NE 45th St. and from the site on into the University Village Shopping Center.
4. Extend and further develop the pedestrian area at the top of the escalators to the parking deck.

At the Second Recommendation Meeting, attended by all five Board Members, a project design responding to the Board's guidance was presented. In this design the parking deck was improved by large retaining walls providing planting areas on either side of the driveway entry, a series of light standards with colorful banners running the length of the parking deck between the driveway entry on the north and the store on the south termination with a redesigned pedestrian area at the top of the escalators with canopy covering, elevator doors and landscape planter boxes. Also in the design presented at the Second Recommendation Meeting there was a shorter tower element with architectural elements including planted trellis elements and pedestrian canopies providing overhead weather protection for the route from N.E. 45th into the store entry. Landscape along the sidewalk area in from N.E. 45th St. included planting strips along the curb an area of trellis with climbing vines and extensive use of hanging planters from an overhead canopy.

The Board continued to express concerns with the appearance of the parking deck, stating that the deck will, due to its location tucked into a hillside, be visible to the north in much the same way an at-grade parking lot would be. The Board called for added detail along the axial path with architectural features such as trellises, landscaping, pedestrian paths, or hanging baskets, as are used extensively in University Village. A pedestrian walkway along the parking deck must be wide enough to accommodate pedestrians with shopping carts. The deck area near the escalators and elevators should spread towards the parking spaces and tie in with the surface design of the plaza area at the base of the escalators. This connection should be clear to pedestrians and could include a change in color and concrete stamping.

The Board indicated it appreciated the response to their guidance regarding the front tower element. Although transparent windows on either side would be ideal, well-lighted display windows would be adequate, given QFC's programming needs. The Board also indicated that the vine-covered trellis should be well-lighted and the canopies should contain ample down-lighting onto the pedestrian path. Further north, at the "135 degree corner," the Board directed that a window or display window be placed on each side so that an extensive area of blank wall is not present at the point of the pedestrian path near the building entry.

The Board indicated that paint colors on the middle tower element along the driveway adjacent to NE 45th Street should be balanced. (Materials presented at the meeting indicated that an element of dark color was on one side and an element of light color was on the other, leading to an unbalanced appearance.)

No development standard departures were requested.

With the above comments and recommendations, the Board recommended Design Review Approval of the proposed design.

ANALYSIS & DECISION – DESIGN REVIEW

Director's Analysis

The design review process prescribed in Section 23.41.014.F of the Seattle Municipal Code describing the content of the DPD Director's decision reads in part as follows:

> *(I)f four or more members of the Design Review Board are in agreement in their recommendation to the Director, the Director shall issue a decision that makes compliance with the recommendation of the Design Review Board a condition of permit approval, unless the Director concludes that the recommendation of the Design Review Board:*
>
> *a. Reflects inconsistent application of the design review guidelines; or*
> *b. Exceeds the authority of the Design Review Board; or*
> *c. Conflicts with SEPA conditions or other regulatory requirements applicable to the site; or*
> *d. Conflicts with the requirements of state or federal law.*

All five members of the Northeast Area Design Review Board were in attendance and provided recommendations (listed above) to the Director based on key elements of the Design Guidelines.

Following the Recommendation meeting, DPD staff worked with the applicant to update the submitted plans to include the recommendations of the Design Review Board. With these updates, the Director agrees with and accepts the recommendations offered by the Board that further augment the selected Guidelines, and finds that they are consistent with the City of Seattle Design Review Guidelines for Multifamily and Commercial Buildings.

Director's Decision

The design review process is prescribed in Section 23.41.014 of the Seattle Municipal Code. Subject to the above-proposed conditions, the design of the proposed project was found by the Design Review Board to adequately conform to the applicable Design Guidelines. The Director of DPD has reviewed the decision and recommendations of the Design Review Board made by the members present at the decision meeting, provided additional review and finds that they are consistent with the City of Seattle Design Review Guidelines for Multifamily and Commercial Buildings. The Design Review Board agreed that the proposed design, along with the recommendations listed, meets each of the Design Guideline Priorities as previously identified. Therefore, the Director accepts the Design Review Board's recommendations and **CONDITIONALLY APPROVES** the proposed design with the conditions summarized at the end of this Decision.

DIRECTOR'S ANALYSIS—SEPA

The initial disclosure of the potential impacts from this project was made in Draft and Final Environmental Impact Statements dated December 2009 and May 2010, respectively ("DEIS" and "FEIS"). The documents analyzed the cumulative impacts of independent proposals to expand the University Village Shopping Center and to add the following to the QFC site: 37,000 square feet of additional grocery store space; 8,800 square feet new retail space; 375 new apartment units; and 282 new parking spaces. Potential significant adverse parking and transportation impacts were found, as noted in the DPD Determination of Significance dated February 19, 2009.

During the public comment periods, DPD received a total of seven written comments from members of the public and affected agencies. In addition, four individuals provided oral comments at the hearing. DPD published a Final EIS on May 24, 2010, with a revised notice and publishing date on May 27, 2010 to correct the noticed project description. The FEIS included additional information on the project as well as responses to the comment letters.

Following the publication of the FEIS, the QFC project was revised and reduced in scope from the larger project which was evaluated in the aforementioned Draft and Final EIS documents. The current proposal is to construct: 21,773 square feet of additional grocery store space; 21,773 square feet of new mini-warehouse space on the second floor; 5,715 square feet conversion of liquor store space to grocery store space; no residential units; and 111 new parking spaces. The revised project results in no new significant adverse impacts. To identify the specific impacts of the revised proposal, an Addendum to the May 2010 FEIS was prepared and published on January 24, 2013. The information in the Addendum, the DEIS, the FEIS, supplemental information provided by the applicant (plans, transportation analysis), comments from members of the community, and the experience of the lead agency with review of similar projects form the basis for this analysis and decision.

The SEPA Overview Policy (SMC 25.05.665 D) clarifies the relationship between codes, policies, and environmental review. Specific policies for each element of the environment, 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. Adverse impacts are anticipated from the proposal. Thus, a more detailed discussion of impacts is appropriate and is provided below.

Short -Term Impacts

The following temporary construction-related impacts are expected: temporarily decreased air quality due to dust and other suspended air particulates during construction and demolition; increased noise from construction operations and equipment; increased traffic and parking demand from construction personnel; conflicts with normal pedestrian and vehicular movement adjacent to the site; tracking of mud onto adjacent streets by construction vehicles; and consumption of renewable and nonrenewable resources. Due to the temporary nature and limited scope of these impacts, these are not considered significant (SMC Section 25.05.794). Although not significant, these impacts may be adverse, and in some cases, mitigation is warranted. The SEPA Overview Policy (SMC 25.05.665) and the SEPA Construction Impacts Policy (SMC 25.05.675B) allow the reviewing agency to mitigate impacts associated with construction.

City codes and/or ordinances apply to the proposal and will provide adequate mitigation for some of the identified impacts. Specifically these are: 1) Grading and Drainage Control Ordinance, SMC 22.800 (storm water runoff, temporary soil erosion, and site excavation); 2) Street Use Ordinance (tracking of mud onto public streets, and obstruction of rights-of-way during construction); and 3) Noise Ordinance (both construction and general noise impacts). The Puget Sound Clean Air Agency (PSCAA) regulations require control of fugitive dust to protect air quality.

Earth/Soils

The construction plans, including shoring of excavation as needed and erosion control techniques, will receive separate review by DPD. Any additional information demonstrating conformance with applicable ordinances and codes will be required prior to issuance of building permits. Applicable codes and ordinances provide extensive conditioning authority and prescriptive construction methodology to ensure safe construction techniques are utilized. No additional conditioning for geotechnical review is warranted pursuant to SEPA policies.

Historic and Cultural Preservation

The City mapping system indicates that the subject property is located within the Meander Line Buffer, which follows the original shorelines of Seattle. Given that the site is close to the original shoreline, there is a possibility that unknown archeological resources could be discovered during excavation.

Consistent with DPD Director's Rule 2-98 on SEPA Environmental Review and Archaeological Resources, and in order to ensure no adverse impact would occur to an inadvertently discovered archaeological significant resource, DPD conditions the project in accordance with the Director's Rule.

Noise

The project is expected to generate loud noise during demolition, grading, and construction. Some of the nearby properties are developed with housing and will be impacted by construction noise. These impacts would be especially adverse in the early morning, in the evening, and on weekends. The Seattle Noise Ordinance permits increases in permissible sound levels associated with construction and equipment between the hours of 7:00 AM and 7:00 PM on weekdays and 9:00 AM and 7:00 PM on weekends.

The limitations stipulated in the Noise Ordinance are not sufficient to mitigate noise impacts; therefore, pursuant to SEPA authority, the applicant shall be required to limit periods of construction activities (including but not limited to grading, deliveries, framing, roofing, and painting) to non-holiday weekdays from 7:00 AM to 6:00 PM, unless modified through a Construction Noise Management Plan, subject to review and approval by DPD (see SEPA condition #2).

Traffic and Parking

Impacts to traffic and roads are expected during demolition and construction activities. These activities will require the removal of material from the site and can be expected to generate truck trips to and from the site. In addition, delivery of concrete and other materials to the site will generate truck trips. The immediate area is subject to considerable traffic congestion during both the morning and afternoon peak periods, and large construction trucks would further exacerbate the flow of traffic.

As a result of the construction truck trips, adverse impacts to existing traffic will be introduced to the surrounding street system, which is unmitigated by existing codes and regulations. The project will be required to develop and implement a Construction Transportation Management Plan to reduce construction-related impacts. The specific elements of the Plan will include the following:

- Document the expected extent of street, bicycle lane, and sidewalk or pedestrian path closures during construction, limiting them as much as possible;
- Identify construction haul routes;
- Limit truck trips to and from the site to avoid the peak hours of adjacent street traffic, specifically 6-9 AM and 4-7 PM on weekdays;
- Identify likely locations of construction worker parking.

For the removal and disposal of the spoil materials, the Code (SMC 11.74) provides that material hauled in trucks not be spilled during transport. The City requires that a minimum of one foot of "freeboard" (area from level of material to the top of the truck container) be provided in loaded uncovered trucks which minimize the amount of spilled material and dust from the truck bed en route to or from a site.

The Street Use Ordinance requires sweeping or watering streets to suppress dust, on-site washing of truck tires, removal of debris, and regulates obstruction of the pedestrian right-of-way. This ordinance provides adequate additional mitigation for construction transportation impacts; therefore, no additional conditioning is warranted pursuant to SEPA policies.

Long-Term Impacts

Potential long-term impacts anticipated by the proposal include increased height, bulk and scale of the building; increased light and glare; increased traffic on adjacent streets; decreased air quality; increased noise; and increased energy consumption. These long-term impacts are not considered significant because they are minor in scope, but some warrant further discussion (noted below).

Height, Bulk, and Scale

The design review process conducted in conjunction with the proposed development is intended to mitigate the potential height, bulk, and scale impacts of the project. The architecture and urban design features of the proposed structure are described in the Design Review section of this report. Therefore, the Department concludes that no significant adverse height, bulk, and scale impacts will result from the proposal. No additional mitigation for height, bulk, and scale impacts beyond those inherent in the design review process are warranted.

Environment

Operational activities, primarily vehicular trips associated with the project and energy consumption, are expected to result in increases in carbon dioxide, which would 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.

Transportation

The May 2010 FEIS forecast cumulative transportation impacts for the University Village expansion and the proposed QFC project. As noted above, the current QFC proposal is smaller than that analyzed in the FEIS. Specific impacts of the current proposal are documented in the Addendum to the FEIS published January 24, 2013, and in the accompanying Transportation Technical Report by Transportation Engineering NorthWest (October 1, 2012).

The current proposal is projected to generate 1,200 new daily trips, with 130 of these trips occurring during the PM peak hour. Additionally, 670 daily and 69 PM peak hour "pass-by" trips are expected; these are trips that will not be new to the roadway system, but will divert to the site while "passing by" on adjacent roadways. As documented in the Technical Report, these trips were distributed to the local roadway network based on trip distribution tables generated by the City of Seattle's traffic forecasting model. Based on these distributions, 70% of the new trips are forecast to access the site from the south driveway on NE 45th Street, 22% from the northeast driveway on 30th Avenue NE, and eight percent from University Village Shopping Center driveways on 25th Avenue NE. Assignment of pass-by trips was weighted somewhat more heavily towards the NE 45th Street driveway.

Future year traffic baseline forecasts were developed assuming build-out of the University Village Reduced Development Scenario (FEIS Addendum February 2012). This scenario is expected to generate 71 fewer PM peak hour trips than the Full Development Scenario previously analyzed for University Village in the May 2010 FEIS.

Traffic operational analysis of site driveways (including University Village driveways on 25th Avenue NE) and the "5 Corners" intersection east of QFC was performed both without and with the projected traffic from the QFC proposal. Results of this analysis, reporting Levels of Service and average seconds of delay, are shown below:

Intersection	Without Project	With Project
Union Bay Place/NE 45th Street (5 Corners)	F (98)	F (100)
25th Avenue NE/W University Village driveway	B (19)	B (19)
25th Avenue NE /NW University Village driveway	D (27)	D (28)
30th Avenue NE/NE QFC driveway	B (10)	B (10)
NE 45th Street/S QFC driveway	B (16)	B (19)

Slight increases in travel delay are forecast at some of the intersections, but no significant adverse traffic impacts are expected to occur as a result of the proposed project.

A more detailed analysis of the QFC driveway on NE 45th Street was undertaken, as eastbound queues waiting to turn left into the QFC site have the potential to back up as far as the NE 45th Street/Montlake Blvd NE intersection. With the QFC project and other forecast growth in the area, including the University Village Shopping Center expansion, a total of 287 vehicles are forecast to make this eastbound left turn in the PM peak hour. This is below the maximum hourly service level of 340 – 350 eastbound left-turn vehicles previously documented by the City of Seattle and Transportation Engineering NorthWest. No impacts from the project at the 45th/Montlake intersection due to eastbound left-turn queuing from the 45th/QFC driveway are anticipated.

Internal Circulation: The project would remove approximately 48 surface parking stalls on the south side of the site between the building and NE 45th Street; internal driveways to these stalls also would be removed. The removal of these internal driveways and parking maneuvers within close proximity of the intersection with NE 45th Street is expected to substantially improve the operational efficiency of the north leg of this signalized intersection, by eliminating all vehicle conflicts within 250 feet of the signal stop bar. Additionally, many of the internal turning movements and pedestrian crossings that now occur between the interior site driveway adjacent to the QFC store and the surface parking lot west of the store would be removed as part of both the QFC redevelopment and the construction of University Village's Cascade Building, which would replace much of the surface parking west of the QFC interior driveway. Pedestrian circulation between NE 45th Street and the QFC store entrances also would be greatly improved through construction of a raised sidewalk within the site along the east side of the access driveway.

Mitigation: The University Area Transportation Plan (UATP), developed by the Seattle Department of Transportation, provides a comprehensive, multi-modal plan for the area's transportation system, and is intended to serve as a blueprint for financing and prioritizing SDOT's capital investments in the University Area for the next several decades. Traffic from the QFC expansion is expected to impact some of the locations where these capital investments are planned. To mitigate these impacts, the project will be required to help fund proximate capital projects identified by the UATP on a pro-rata basis. The total amount of this pro-rata contribution is $186,226.

In lieu of making all or a portion of this payment, the applicant may contribute funds directly to the construction (by the City or another party) of, or privately undertake construction of, Project 6e, which would provide safety improvements at the Burke-Gilman Trail crossing at the intersection of 30th Avenue NE/NE Blakely Street. If construction of this project as described in the UATP is determined to be inappropriate when mitigation is required (e.g., because the project has been constructed, or because City or other funds are not available to fund the balance

of the project costs), a functionally-equivalent UATP or University Area Transportation Action Strategy (UATAS) project, or a revised version of project 6e, will be substituted as approved by the Department (in consultation with SDOT). Any funds so contributed by the applicant, or expended by the applicant in connection with the construction of such a project, shall be applied as a dollar-for-dollar credit in reduction of the cash payment amount indicated above.

Parking

Currently the surface parking lots north and west of the QFC store exhibit shared demand during peak periods of approximately 60 percent utilization by QFC patrons and 40 by University Village patrons during a typical weekday. On weekends, these patterns shift to roughly 45 percent utilization by QFC customers and 55 percent utilization by University Village patrons. The parking lot west of QFC is within the University Village site, while the parking lot north of QFC is owned by QFC. As such, significant sharing of adjoining parking facilities currently occurs.

Based on current proposals, both existing surface parking lots utilized by QFC and University Village patrons would be eliminated and replaced with new land uses and parking garages. With this cumulative build out scenario, shared parking by QFC customers of the University Village's new parking structure is expected to be very limited, as few QFC patrons are expected to take their groceries across an interior drive and circulate vertically up through the new garage.

As documented in the University Village DEIS, parking for the combined sites peaks on Saturday afternoons around 2:00 PM. Parking demand data for the QFC site were collected in July 2008. Rates derived from these counts were substantially higher than those published for corresponding land uses in the Institute of Transportation Engineers' *Parking Generation* manual (4th edition); therefore, observed rates were used to forecast increased demand for expansion of the grocery store space. Parking demand for existing uses on the QFC site peaks on weekdays at approximately 298 parking stalls and on weekends at approximately 300 stalls. Increased demand for parking from the proposed project would be approximately 89 stalls on weekends and 94 stalls on weekdays. The proposed parking supply on the QFC site would be 566 stalls, which would result in parking surpluses of approximately 174 and 177 stalls.

DECISION – STATE ENVIRONMENTAL POLICY ACT (SEPA)

This decision was made after review of the University Village DEIS (December 2009) and FEIS (May 2010) and the Addendum for the QFC proposal (January 2013) as well as other information on file with the Department. This action constitutes the lead agency's final decision and has been signed by the responsible official on behalf of the lead agency. Pursuant to state and local environmental regulations, alternatives to the proposed action meeting the Applicant's objectives were considered. All information relied on by the Department and responsible official concerning the proposal and the alternatives is and has been available to the public. The Department of Planning and Development finds that the proposed development, including mitigation measures proposed by the applicant or imposed as conditions of the Master Use Permit, would be reasonably compatible with existing land uses and the City's land use and environmental policies, and should be conditionally approved.

This proposed action is **APPROVED WITH CONDITIONS.**

CONDITIONS OF APPROVAL - DESIGN REVIEW

The owner applicant/responsible party shall:

Prior to Master Use Permit Issuance

The applicant should ensure that the MUP set incorporates the following design modifications that reflect the recommendations of the Design Review Board:

1. Provide added detail along the axial path with architectural features such as trellises, landscaping, pedestrian paths, or hanging baskets, as are used extensively in University Village.

2. A pedestrian walkway along the parking deck must be wide enough to accommodate pedestrians with shopping carts.

3. The deck area near the escalators and elevators should spread towards the parking spaces and tie in with the surface design of the plaza area at the base of the escalators. This connection should be clear to pedestrians and could include a change in color and concrete stamping.

4. Although transparent windows on the front tower element would be ideal, well-lighted display windows would be sufficient, given QFC's programming needs.

5. The vine-covered trellis on the tower element should be well-lighted and the canopies should contain ample down-lighting onto the pedestrian path.

6. At the '135 degree corner,' a window or display window should be placed on each side so that an extensive area of blank wall is not present at the point of the pedestrian path near the building entry.

7. Paint colors on the middle tower element along the driveway adjacent to NE 45th Street should be balanced.

Prior to the Issuance of a Certificate of Occupancy

8. The Land Use Planner shall inspect material, colors, and design of the constructed project. All items shall be constructed and finished as shown at the final design recommendation meeting, the Master Use Plan sets, and the drawings provided by the applicant. Any change to the proposed design, materials, or colors shall require prior approval by the Land Use Planner (John Shaw, 206-684-5837, or john.shaw@seattle.gov).

CONDITIONS – SEPA

The following condition(s) to be enforced during demolition/construction shall be posted at the site in a location on the property line that is visible and accessible to the public and to construction personnel from the street right-of-way. If more than one street abuts the site, conditions shall be posted at each street. The conditions will be affixed to placards prepared by DPD. The placards will be issued along with the building permit set of plans. The placards shall be laminated with clear plastic or other waterproofing material and shall remain posted on-site for the duration of the construction.

The owner applicant/responsible party shall:

Prior to Issuance of a Demolition, Grading, or Building Permit

9. A Construction Transportation Management Plan shall be developed and submitted to DPD and SDOT for review and approval. The specific elements of this plan shall include the following:
    a. Document the expected extent of street, bicycle lane, and sidewalk or pedestrian path closures during construction, limiting them as much as possible;
    b. Identify construction haul routes;
    c. Limit truck trips to and from the site to avoid the peak hours of adjacent street traffic, specifically 6 – 9 AM and 4 – 7 PM on weekdays;
    d. Indicate likely locations of construction worker parking.

10. If the applicant intends to work outside of the limits of the hours of construction described in condition #4 (below), a Construction Noise Management Plan shall be required, subject to review and approval by DPD, and prior to issuance of a demolition, grading, or building permit. The Plan shall include proposed management of construction-related noise, efforts to mitigate noise impacts, and community outreach efforts to allow people within the immediate area of the project to have opportunities to contact the site to express concern about noise. Elements of noise mitigation may be incorporated into any Construction Management Plans required to mitigate short-term transportation impacts that result from the project.

11. The applicant shall pay a transportation mitigation fee of $186,226, as the project's pro-rata contribution to UATP capital projects. In lieu of making all or a portion of this payment, the applicant may contribute funds directly to the construction (by the City or another party) of, or privately undertake construction of, Project 6e, which would provide safety improvements at the Burke-Gilman Trail crossing at the intersection of 30th Avenue NE/NE Blakely Street. If construction of this project as described in the UATP is determined to be inappropriate when mitigation is required (e.g., because the project has been constructed, or because City or other funds are not available to fund the balance of the project costs), a functionally-equivalent UATP or University Area Transportation Action Strategy (UATAS) project, or a revised version of project 6e, will be substituted as approved by the Department (in consultation with SDOT). Any funds so contributed by the applicant, or expended by the applicant in connection with the construction of such a project, shall be applied as a dollar-for-dollar credit in reduction of the cash payment amount indicated above.

During Construction

12. Construction activities (including but not limited to demolition, grading, deliveries, framing, roofing, and painting) shall be limited to non-holiday weekdays from 7 AM to 6 PM. Interior work that involves mechanical equipment, including compressors and generators, may be allowed on Saturdays between 9 AM and 6 PM once the shell of the structure is completely enclosed, provided windows and doors remain closed. Non-noisy activities, such as site security, monitoring, and weather protection shall not be limited by this condition. This condition may be modified through a Construction Noise Management Plan, required prior to issuance of a building permit as noted in condition #2, above.

13. If resources of potential archeological significance are encountered during construction or excavation, the owner and/or responsible parties shall:
    a. Stop work immediately and notify DPD (John Shaw, 206-684-5837 or john.shaw@seattle.gov) and the Washington State Archaeologist at the State Department of Archaeology and Historic Preservation (DAHP). The procedures outlined in Appendix A of Director's Rule 2-98 for assessment and/or protection of potentially significant archaeological resources shall be followed.
    b. Abide by all regulations pertaining to discovery and excavation of archaeological resources, including but not limited to Chapters 27.34, 27.44, 27.53, 79.01 and 79.90 RCW and Chapter 25.48 WAC, as applicable, or their successors.

Signature: (signature on file) Date: June 6, 2013
John Shaw, Senior Land Use Planner
Department of Planning and Development

JS:drm

I/Shaw/Doc/3009681 decision docx