



City of Seattle

Department of Planning and Development

D.M. Sugimura, Director

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

Application Number: 3011479
Council File Number: 311061
Applicant Name: Richard B. Robison, Mithun Architects
Address of Proposal: 500 Fairview Avenue North

SUMMARY OF PROPOSED ACTION

Council Land Use Action to contract rezone 21,372 sq. ft. of land from IC-65' to SM-85'. Project includes a seven-story building containing 62,887 sq. ft. of laboratory, 41,924 sq. ft. of office, and 1,188 sq. ft. of café/retail. Project also includes 29,260 cu. yds. of grading in an environmentally critical area. Parking for 143 vehicles to be provided in three levels below grade. Existing office building and parking lot to be demolished. (CF# 311061).

The following Master Use Permit components are required:

Contract Rezone - To rezone from IC-65' to SM-85'
Seattle Municipal Code Section 23.34

SEPA Environmental Review - Seattle Municipal Code Section 25.05 – DNS Grant
Conditionally Recommended

Design Review - Seattle Municipal Code Section 23.41 with Development Standard
Departure

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

SITE AND VICINITY

The project site includes an existing two-story office building of approximately 21,600 square feet, with an accessory surface parking lot with 28 spaces. The site borders an existing 16' alley and is in the block just south of the Mercer Street corridor and entrance to Interstate 5.

Immediately north of the project site is a recently constructed five-story research and development laboratory building, which was developed by the same owner as the current proposal. Across the alley, development is mixed in use and scale. On the south end of the block are one- and two-story structures (café, office, and residence) and to the north is the six-story residential Pete Gross House, owned and operated by the Fred Hutchinson Cancer Research Center. A small scale commercial building is on the north end of the block.

Development in the block immediately across Fairview Avenue North consists of one- and two-story commercial buildings. Surrounding development is transitioning from older commercial and multifamily buildings to new, larger commercial and multifamily buildings, including multifamily buildings with ground floor retail, the multi-block Amazon campus, UW Medicine research facilities along Mercer Street, Group Health offices, and the Seattle Biomedical Research Institute Facilities at 307 Westlake Avenue.

PROPOSAL

The proposal is to rezone a half-block parcel from Industrial Commercial (IC-65') to Seattle Mixed (SM-85') as a contract rezone for a specific development proposal, as approved through Design Review. The specific proposal is to demolish the existing office building and surface parking lot and construct a seven-story laboratory and office building, with three levels of below grade parking for 143 vehicles, accessed through the parking garage in the building to the north. The building would include 62,887 square feet of laboratory space, 41,924 square feet of office space, and a café/retail space at the corner of Fairview Avenue North and Republican Street of 1,188 square feet. Total building square footage, exclusive of underground parking, would be approximately 106,011 square feet.

PUBLIC COMMENTS

One letter was received during the review process, requesting that proposed setbacks on Fairview and the alley be required, along with the “green wall” on the south side of the project, and that the building be used exclusively for Bio-tech so that the extra 20' in height would not be used for other commercial uses.

During the Design Review process, there were three public meetings held. At the first Early Design Guidance meeting, three members of the public spoke. No public comments were offered at the second Early Design Guidance meeting. At the Recommendation meeting, several public comments were presented. Comments focused on building setbacks and potential impacts on the Pete Gross House to the east. At the Recommendation meeting, comments were made as to how building exhaust ventilation would be handled, and how security would be provided in

open space areas. Applicant responses were provided at the Recommendation meeting, and the comments are further addressed in the discussion of the rezone criteria below.

In addition to opportunities to provide comment at City meetings, the applicant held three community meetings to obtain feedback on the proposal. Presented were 3D massing alternatives of various development options and a context scale model of the surrounding neighborhood to show the relationship between the proposal and existing development. That outreach process resulted in suggestions regarding building siting and retaining the view corridor down Fairview Avenue North toward Lake Union, the desirability of having a coffee shop or other retail area at the corner of Fairview Avenue North and Republican Street in order to activate the street, and incorporating sustainable and green strategies for mitigating carbon footprint and storm water runoff. Also, the applicant consulted the Manager of the Pete Gross House and concerns about maintaining daylight to that six-story residential structure were discussed.

In response to the community outreach, the proposed building was aligned with the front of the building to the north in order to retain the view corridor down Fairview Avenue North, a café/retail space has been included on the corner of Fairview Avenue North and Republican Street, and a variety of sustainable strategies have been incorporated to improve use of natural day lighting and to mitigate storm water runoff by putting planters facing south on several of the floors. In addition, the building has been set back 12' from the property line on the alley to improve day light access to the Pete Gross House. The setback on the alley resulted in a net loss of 11,900 square feet of rentable area.

REZONE ANALYSIS

SMC 23.34. 004 Contract rezones.

A. Property Use and Development Agreement (PUDA). The Council may approve a map amendment subject to the execution, delivery and recording of an agreement executed by the legal or beneficial owner of the property to be rezoned to self-imposed restrictions upon the use and development of the property in order to ameliorate adverse impacts that could occur from unrestricted use and development permitted by development regulations otherwise applicable after the rezone. All restrictions shall be directly related to the impacts that may be expected to result from the amendment. A rezone shall be conditioned on performance or compliance with the terms and conditions of the property use and development agreement. Council may revoke a contract rezone or take other appropriate action allowed by law for failure to comply with a PUDA. The agreement shall be approved as to form by the City Attorney, and shall not be construed as a relinquishment by the City of its discretionary powers.

The proposal is for a contract rezone in which development would be controlled by the use of a Property Use and Development Agreement (PUDA) that would be executed to impose conditions on the project. The Design Review and SEPA process has helped inform an appropriate Agreement. The PUDA would restrict the development of the properties proposed for rezone to the structure approved through the Design Review process. The approved design includes, but is not limited to, the structure design, structure height, building materials, and landscaping documented in the approved plans dated July 15, 2011.

B. Waiver of Certain Requirements. The ordinance accepting the agreement may waive specific bulk or off-street parking and loading requirements if the Council determines that the waivers are necessary under the agreement to achieve a better development than would otherwise result from the application of regulations of the zone. No waiver of requirements shall be granted which would be materially detrimental to the public welfare or injurious to property in the zone or vicinity in which the property is located.

No waivers are being requested as part of the contract rezone.

SMC 23.34.007 Rezone evaluation.

A. The provisions of this chapter apply to all rezones except correction of mapping errors. In evaluating proposed rezones, the provisions of this chapter shall be weighed and balanced together to determine which zone or height designation best meets those provisions. In addition the zone function statements, which describe the intended function of each zone designation, shall be used to assess the likelihood that the area proposed to be rezoned would function as intended.

B. No single criterion or group of criteria shall be applied as an absolute requirement or test of the appropriateness of a zone designation, nor is there a hierarchy or priority of rezone considerations, unless a provision indicates the intent to constitute a requirement or sole criterion.

There is no provision evidencing an intent to constitute a requirement or sole criterion. Therefore, the evaluation applicable to the proposed rezone involves a weighting and balancing of factors.

C. Compliance with the provisions of this chapter shall constitute consistency with the Comprehensive Plan for the purpose of reviewing proposed rezones, except that Comprehensive Plan Shoreline Area Objectives shall be used in shoreline environment redesignations as provided in SMC Subsection 23.60.060.B3.

The site is not located in a shoreline area, and thus Shoreline Area Objectives are not applicable.

D. Provisions of this chapter that pertain to areas inside of urban centers or villages shall be effective only when a boundary for the subject center or village has been established in the Comprehensive Plan. Provisions of this chapter that pertain to areas outside of urban villages or outside of urban centers shall apply to all areas that are not within an adopted urban village or urban center boundary.

The site is located in the South Lake Union Urban Center. This Urban Center was designated in the Comprehensive Plan in 2004.

E. The procedures and locational criteria for shoreline environment redesignations are located in Sections 23.60.060 and 23.60.220, respectively.

The proposal is not located within any shoreline area.

F. Mapping errors due to cartographic or clerical mistakes may be corrected through process required for Type V Council land use decisions in SMC Chapter 23.76 and do not require the evaluation contemplated by the provisions of this chapter.

Not applicable.

SMC 23.34.008 General rezone criteria.

A. To be approved a rezone shall meet the following standards:

1. In urban centers and urban villages the zoned capacity for the center or village taken as a whole shall be no less than one hundred twenty-five percent (125%) of the growth targets adopted in the Comprehensive Plan for that center or village.

The proposed rezone is consistent with this criterion because it does not reduce capacity below 125% of the Comprehensive Plan growth target.

2. For the area within the urban village boundary of hub urban villages and for residential urban villages taken as a whole the zoned capacity shall not be less than the densities established in the Urban Village Element of the Comprehensive Plan.

The proposal is located within an Urban Center and the zoned capacity will not be less than the densities established in the Urban Village Element of the Comprehensive Plan.

B. Match Between Zone Criteria and Area Characteristics. The most appropriate zone designation shall be that for which the provisions for designation of the zone type and the locational criteria for the specific zone match the characteristics of the area to be rezoned better than any other zone designation.

See discussion below regarding the locational criteria for the IC and SM zones from other sections of the Code.

C. Zoning History and Precedential Effect. Previous and potential zoning changes both in and around the area proposed for rezone shall be examined.

In 1996, a new zone was created and applied in portions of South Lake Union, called the Seattle Cascade Mixed zone. Then in 2005, that zone was changed to Seattle Mixed, with accompanying changes to the text of the Land Use Code. (Ordinance 121782, April 2005). In 2010, the Seattle Mixed zone provisions were amended to allow for an additional 20' of height for biotech, research and development labs, and associated offices uses in the South Lake Union Urban Center, in order to promote those uses. (Ordinance 123215, January 2010). Recent significant growth in the South Lake Union area has proceeded consistent with existing zoning designations and utilizing Code amendments applicable to particular portions of South Lake Union (e.g. multiple phases of Amazon's office and headquarters build out), rather than relying on rezones.

In addition to the subject rezone, there is another pending rezone proposal in the area, reviewed under Project No. 3012117. This is a proposal to change the zoning from IC-85' to SM-85' for the block bounded on the north and south by Thomas and John Streets, and on the east and west by Fairview Avenue North and Boren Avenue North. If approved, the rezone would expand the range of permissible uses, to include residential use.

In terms of other potential zoning changes, the City and South Lake Union neighborhood are in the process of evaluating strategies to implement goals and policies that are supportive of the Urban Center designation for South Lake Union, including potential rezones and changes to the Land Use Code. In 2006, goals and policies from the South Lake Union Neighborhood Plan were adopted into the Comprehensive Plan through Ordinance 122313. Also in that Ordinance, the City Council directed DPD to work with neighborhood groups and stakeholders to identify strategies to accomplish the goals and policies incorporated into the Comprehensive Plan.

In 2008 and 2009, through work with interested citizens and organizations, several alternatives were developed with different configurations of height and density in South Lake Union. Following that, a South Lake Union Urban Design Framework was developed and issued on December 31, 2010, and a Draft Environmental Impact Statement was issued in February 2011 to study various alternatives for increasing height and density in South Lake Union. Work on a Final Environmental Impact Statement is underway.

All of the alternatives in the Draft Environmental Impact Statement, except for No Action, propose rezoning the IC area of South Lake Union (including the property that is the subject of this contract rezone application) to Seattle Mixed, in recognition that IC zoning is no longer appropriate for this area. The subject rezone property is within the area called the Fairview Corridor and proposed heights within this Corridor include a range of 160' for commercial uses and 240' for residential uses (Alternatives 1 and 2) to 85' for commercial and 160' for residential (Alternative 3). [DPD South Lake Union Height and Density Draft EIS, February 2011, pages 2-18 to 2-30].

As studies of the rezone of the IC area were already well underway before the subject rezone was proposed, approval of the subject rezone is not itself an impetus for other rezones of the IC area. A rezone of the entire IC area to SM is expected to be considered by the City Council, with or without the subject rezone.

D. Neighborhood Plans.

- 1. For the purposes of this title, the effect of a neighborhood plan, adopted or amended by the City Council after January 1, 1995, shall be as expressly established by the City Council for each such neighborhood plan.*
- 2. Council adopted neighborhood plans that apply to the area proposed for rezone shall be taken into consideration.*

The project site lies within the planning area of the South Lake Union Neighborhood Plan

which was adopted as an amendment to the Comprehensive Plan by the City Council, December 11, 2006, by Ordinance 122313. The South Lake Union Neighborhood Plan includes the geographical area around the site, but has no specific references to this site or its environs. As discussed below, the general goals and policies of the Neighborhood Plan have been taken into consideration in evaluation of the subject rezone.

The following goals and policies in the adopted South Lake Union Neighborhood Plan potentially apply to the subject rezone (*Goal/Policy* in italics followed by the response/analysis).

***SLU Goal G-1:** 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.*

The rezone and associated height increase for biotechnology use will add to area employment. In addition, the proposed building was approved through the Design Review process with design changes to enhance the pedestrian realm along Republican Street, as an amenity for the neighborhood. A café/retail space would be located at the southwest corner, with an area for tables and chairs, and the south façade and landscaping within Republican Street help create an inviting street life. Also, the proposal will utilize the existing curb cut on Mercer Street rather than adding a curb cut to the site, thus improving the pedestrian experience on both Fairview Avenue North and Republican Street. The proposal thus furthers the goal of promoting a vital neighborhood.

***SLU Policy P-4:** Work with the community to develop strategies to make the neighborhood safe for all community members.*

A public comment was offered at the Recommendation meeting regarding security in open space areas accessible to the public. The applicant responded that building security is expected to be adequate to address any issues that might arise.

***SLU Policy P-8:** Seek to maintain a diversity of uses in the neighborhood, including maritime, industrial and downtown-core service businesses traditionally occupying the neighborhood.*

The proposal would add to the number of biotechnology uses in the neighborhood and is consistent with this Policy.

***SLU Policy P- 9:** Support the growth of innovative industries in South Lake Union including biotechnology, information technology, environmental sciences and technology, and sustainable building.*

The proposed building is designed primarily as a laboratory and office building, with the specific tenant to be determined. The building includes a number of sustainable features. The relatively narrow width of the building maximizes daylight penetration and allows the

opportunity for natural ventilation. The south façade will be a “green wall” of planters that also serve as part of the storm water infiltration system. The proposal is consistent with the policy of encouraging innovative industries.

SLU Policy P- 38: Allow housing and businesses throughout South Lake Union to provide opportunities for people to work and live in the neighborhood.

The proposal provides employment opportunities for residents to work in the neighborhood. The proposal is consistent with the pattern of development occurring throughout the neighborhood and which is the subject of the City’s South Lake Union Height and Density EIS. The City is expected to adopt substantial height and density increases in the South Lake Union neighborhood, with commercial heights of up to 160’ on the subject site. The proposal is consistent with development and growth in the neighborhood.

3. Where a neighborhood plan adopted or amended by the City Council after January 1, 1995 establishes policies expressly adopted for the purpose of guiding future rezones, but does not provide for rezones of particular sites or areas, rezones shall be in conformance with the rezone policies of such neighborhood plan.

The adopted South Lake Union Neighborhood Plan does not contain policies for guiding future rezones.

4. If it is intended that rezones of particular sites or areas identified in a Council adopted neighborhood plan are to be required, then the rezones shall be approved simultaneously with the approval of the pertinent parts of the neighborhood plan.

The subject property is not identified for rezoning in the South Lake Union Neighborhood Plan.

E. Zoning Principles. The following zoning principles shall be considered:

1. The impact of more intensive zones on less intensive zones or industrial and commercial zones on other zones shall be minimized by the use of transitions or buffers, if possible. A gradual transition between zoning categories, including height limits, is preferred.

The present zoning pattern along the four-block area between Mercer Street and John Street is for IC zoning to be separated from the SM/R zone by an alley. The IC, SM, and SM/R zones all allow research and development laboratories and associated offices, so all of these zones allow the same types of uses.

The rezone to SM does allow the proposal to utilize the height allowance of the SM zone (SMC 23.49.010) for biotech and research and development-type uses that need extra height for mechanical space. Under this Code provision, 20’ of building height beyond 85’ is allowed, for a total of 105’ in height with a maximum of seven stories. For comparison, the IC zone in South Lake Union also has a height allowance for biotech and research and development-type uses that need extra height for mechanical space. In the IC-65’ zone in South Lake Union (SMC 23.50.026.D), buildings may have a total height of 85’ in a maximum of six stories.

Thus, assuming a building utilizes this height allowance under existing and proposing zoning, the rezone would result in one additional floor and 20' of additional height.

The SM/R zone across the alley allows for commercial buildings at a maximum height of 55', with residential buildings at a maximum of 75' in height. Thus, the rezone would yield an additional 30' of building height as compared to residential development in the SM/R zone.

In terms of building square footage, the IC zone in general has a floor area ratio (FAR) limit of 3.0, although the 2.5 block area one block west of the subject rezone site has an FAR limit of 7.0 due to a 2007 Land Use Code amendment that added Section 23.50.051 to the Code. The FAR limit for SM-85' is 4.5 for this site and 5.0 for other sites in the SM-85' zone. In the SM/R zone, bulk is regulated through other development standards and there is not a specific FAR limit.

Comparison of extra building square footage due to the rezone can be made, although each zone has somewhat different provisions for FAR exemptions. For general purposes, it can be stated that with the IC FAR limit of 3.0, 64,116 chargeable square feet would result. Under the SM-85' FAR limit of 4.5 for this site, 96,174 chargeable square feet would result, for an increase of 32,058 square feet due to the rezone. The proposed development under the contract rezone does not utilize the full 4.5 FAR allowed, but is instead at an FAR of 4.2 and 90,133 chargeable square feet. Thus, in terms of square footage, the rezone would result in an increase of 26,017 chargeable square feet (90,133 – 64,116).

Given the Urban Center designation of the area, and the intensity and size of recent development, the height, bulk and scale difference between the subject property with a rezone, and the existing properties across the alley is noted, but is not an abrupt transition between zoning categories. The 16' wide alley provides some separation, and the alley width would be expanded to 18' through the dedication of two feet of the subject property, along the length of the abutting alley. However, additional transitions or buffers do not exist between the zones on both sides of the alley. Instead, differences in height, bulk, and scale due to the rezone have been effectively mitigated through the Design Review process. That process resulted in building changes that reduced building square footage and substantially increased the building setbacks from the alley and SM/R zone, as well as an increased setback along Republican Street. Design Review also considered light, air, and privacy for the residential use across the alley and the Board determined that no additional building changes were needed to provide an appropriate transition between the proposed building and the uses and zone across the alley.

With regard to other zone relationships, property to the north is zoned IC-65' and is developed with research and development and office uses by the same proponent as the subject rezone. The 60' width of Republican Street separates the rezone site from the IC-65' property south of Republican, and the 66' width of Fairview Avenue North separates the rezone site from the IC-65' property west of Fairview. These streets help to provide buffers between the site and these zones.

2. Physical buffers may provide an effective separation between different uses and intensities of development. The following elements may be considered as buffers:

- a. *Natural features such as topographic breaks, lakes, rivers, streams, ravines and shorelines;*
- b. *Freeways, expressways, other major traffic arterials, and railroad tracks;*
- c. *Distinct change in street layout and block orientation;*
- d. *Open space and greenspaces.*

Physical buffers of the kind described are not present. However, an alley to the east and arterial streets to the south and west do provide buffering of areas beyond them.

3. Zone Boundaries.

- a. *In establishing boundaries the following elements shall be considered:*
 - (1) *Physical buffers as described in subsection E2 above;*
 - (2) *Platted lot lines.*

The proposed rezone follows existing platted lot lines.

b. Boundaries between commercial and residential areas shall generally be established so that commercial uses face each other across the street on which they are located, and face away from adjacent residential areas. An exception may be made when physical buffers can provide a more effective separation between uses.

The rezone of the site would result in SM zoning across the street from IC zoning, and as both zones allow commercial uses, this criterion would be met. The proposed building faces away from the SM/R zone across the alley.

4. In general, height limits greater than forty (40) feet should be limited to urban villages. Height limits greater than forty (40) feet may be considered outside of urban villages where higher height limits would be consistent with an adopted neighborhood plan, a major institution's adopted master plan, or where the designation would be consistent with the existing built character of the area.

The property is located within the South Lake Union Urban Center where heights above 40 feet are considered appropriate.

F. Impact Evaluation. The evaluation of a proposed rezone shall consider the possible negative and positive impacts on the area proposed for rezone and its surroundings.

1. *Factors to be examined include, but are not limited to, the following:*
 - a. *Housing, particularly low-income housing;*

Not applicable.

b. Public services;

There will be a slight increase in demand for public services from the proposed increase of 26,017 chargeable square feet of lab and office space.

c. Environmental factors, such as noise, air and water quality, terrestrial and aquatic flora and fauna, glare, odor, shadows, and energy conservation;

The increased building height from the rezone causes a slight increase in shadows. However, the building has been set back 12' from the alley which helps to mitigate this slight increase in shading.

d. Pedestrian safety;

Pedestrian safety is improved by utilizing the existing vehicular access on Mercer Street for the building to the north. This allows the proposed project not to add any curb cuts or access points on the subject property. Pedestrian safety will also be enhanced with landscaping and exterior lighting along Fairview Avenue North and Republican Street.

e. Manufacturing activity;

There is no manufacturing activity existing or proposed at this location.

f. Employment activity;

It is anticipated that approximately 250 to 400 people will occupy the lab and office portion of the building, thus increasing employment at the site. In addition, the proposal includes a small café/retail space adding employment.

g. Character of areas recognized for architectural or historic value;

The rezone site is not within an area recognized for architectural or historic value. There are no Landmark buildings on the site or in the immediate vicinity. There are individual Landmark buildings in the area, for example, between Fairview Avenue North and Terry Avenue, and Republican Street and Denny Way.

h. Shoreline view, public access and recreation.

The proposal is not located within or near any shoreline area.

2. Service Capacities. Development which can reasonably be anticipated based on the proposed development potential shall not exceed the service capacities which can reasonably be anticipated in the area, including:

a. Street access to the area;

The site has excellent street access. Fairview Avenue North is a north-south principal arterial with two travel lanes in each direction, and left-turn lanes at signalized intersections. Fairview Avenue North provides a connection between downtown, South Lake Union, Eastlake, and University neighborhoods. Republican Street is a two-lane east-west minor arterial with one

travel lane in each direction. North of the block with the rezone property is the Mercer Corridor, with access to Interstate 5.

b. Street capacity in the area;

A Traffic Impact Study was prepared by Transportation Engineering NorthWest, LLC, and reviewed by DPD staff. No concerns with street capacity to serve the project have been identified. As part of the separate Mercer Corridor project, SDOT is planning to widen Fairview Avenue North adjacent to the subject property.

c. Transit service;

The site is well served by public transit and Fairview Avenue North serves as a primary transit corridor. There is a transit shelter located on the west side of Fairview Avenue North just south of Mercer Street. The shelter location is served by five King County Metro transit routes. In addition, stops for the City of Seattle Streetcar are located within 0.5 miles of the site, on Valley Street, Westlake Avenue North, and Terry Avenue North.

d. Parking capacity;

According to the Traffic Impact Study, the proposed on-site supply is anticipated to accommodate the anticipated peak parking demand of the rezone project. (Note: the Traffic Impact Study assumed 117 on-site stalls based on early project design, whereas the project now includes 143 stalls.)

e. Utility and sewer capacity;

Sewer Capacity:

The proposed rezone would result in an increase in the demand for sewer capacity over what would be allowed to be built outright under the existing zone. This increase is expected to be minimal.

Electrical Service:

The proposed rezone would result in a minimal increase in the electrical service load over what would be allowed to be built outright under the existing zone.

Water Availability:

A Water Availability Certificate was issued by Seattle Public Utilities on July 16, 2010. The Certificate stated that: "This Certificate is: Approved; Building Permit may be approved at this time. Property owner may order water service after meeting all service requirements. No change to the water distribution system is required."

f. Shoreline navigation.

The project site is not located within or near any shoreline area.

G. Changed Circumstances. Evidence of changed circumstances shall be taken into

consideration in reviewing proposed rezones, but is not required to demonstrate the appropriateness of a proposed rezone. Consideration of changed circumstances shall be limited to elements or conditions included in the criteria for the relevant zone and/or overlay designations in this chapter.

Recent substantial biotech, life sciences, office and related development in the South Lake Union area, including in the IC zone, demonstrates a change in the predominant use in the area which no longer matches the IC zone. That zone allows a variety of industrial uses, including general manufacturing uses, which by definition (SMC 23.84A.025) includes uses that “typically have the potential of creating moderate noise, smoke, dust, vibration or other environmental impacts or pollution.” This portion of South Lake Union is no longer functioning as an Industrial area, and general manufacturing uses would be inconsistent with the character and function of existing and planned development. The height and density changes under consideration by the City and neighborhood recognize that an IC zone in this location is no longer necessary or appropriate.

H. Overlay Districts. If the area is located in an overlay district, the purpose and boundaries of the overlay district shall be considered.

The site is not located in an overlay district.

I. Critical Areas. If the area is located in or adjacent to a critical area (SMC Chapter 25.09), the effect of the rezone on the critical area shall be considered.

The site is designated in DPD records as a Steep Slope Environmentally Critical Area due to steep slopes that were originally created through street grading. Since that time, there has been subsequent site alteration when the existing building and parking area were created. At present, the site slopes to the north along Fairview Avenue North, and slopes slightly to the east along Republican Street. No adverse effect on the Steep Slope is expected, as confirmed by DPD review of the Master Use Permit plans and Geotechnical Report.

SMC 23.34.009 Height limits of the proposed rezone.

Where a decision to designate height limits in commercial or industrial zones is independent of the designation of a specific zone, in addition to the general rezone criteria of Section 23.34.008, the following shall apply:

A. Function of the Zone. Height limits shall be consistent with the type and scale of development intended for each zone classification. The demand for permitted goods and services and the potential for displacement of preferred uses shall be considered.

Height limits of 85' (105' allowed through height allowance) are allowed in the area two blocks to the west of the site, and two blocks south of the site, and large-scale buildings have been built nearby. The proposed building height is consistent with the incentives in the Land Use Code for biotech and research and development uses. No “preferred uses” would be displaced, as the existing use on the site is a small office building.

B. Topography of the Area and its Surroundings. Height limits shall reinforce the natural topography of the area and its surroundings, and the likelihood of view blockage shall be considered.

The major topographic change in the area is a slope to the north along Fairview Avenue North. The subject property would have an 85' height limit, and then the lower area to the north on the block would retain its existing 65' height limit; thus, the height limits would reinforce the natural topography of the area.

View blockage has been considered in the project massing, and the increased setback from Republican Street aids in maintaining views to the north and west. Views of Lake Union and the downtown skyline are available from the plaza planned for the southwest corner of the site.

C. Height and Scale of the Area.

- 1. The height limits established by current zoning in the area shall be given consideration.*
- 2. In general, permitted height limits shall be compatible with the predominant height and scale of existing development, particularly where existing development is a good measure of the area's overall development potential.*

There are a variety of zoned height limits in the immediate area, from 65 to 125'. Some existing structures are of lower heights, although the area is undergoing significant development, and existing structures are not necessarily a good measure of the overall development potential of this Urban Center location.

D. Compatibility with Surrounding Area.

- 1. Height limits for an area shall be compatible with actual and zoned heights in surrounding areas excluding buildings developed under Major Institution height limits; height limits permitted by the underlying zone, rather than heights permitted by the Major Institution designation, shall be used for the rezone analysis.*
- 2. A gradual transition in height and scale and level of activity between zones shall be provided unless major physical buffers, as described in Subsection 23.34.008 D2, are present.*

The proposed height limit is compatible with actual and zoned heights in surrounding areas; Major Institution height limits are not applicable. The property to the east is developed with a seven-story residential structure. The existing IC-65' zone would allow a building 85' in height with six stories on the subject property, if the extra height allowance is utilized. The proposed development with the contract rezone would have seven stories, and 105', which is an increase of one floor and 20'. This difference between the proposed zone and the existing zone on the east side of the alley is considered to be a gradual transition in height and scale and level of activity.

The proposal would also be compatible with the scale of recent development in the area, including the Amazon campus directly west of the subject rezone site.

E. Neighborhood Plans.

- 1. Particular attention shall be given to height recommendations in business district plans or neighborhood plans adopted by the City Council subsequent to the adoption of the 1985 Land Use Map.*
- 2. Neighborhood plans adopted or amended by the City Council after January 1, 1995 may require height limits different than those that would otherwise be established pursuant to the provisions of this section and Section 23.34.008.*

The South Lake Union Neighborhood Plan does not include height recommendations, and thus, this criterion does not apply.

SMC 23.34.090 Designation of industrial zones.

- A. The industrial zones are intended to support existing industrial activity and related businesses and provide for new industrial development, as well as increased employment opportunities.*

There is no existing industrial activity on the site. Given recent life-science and office development in the vicinity, new industrial development is not anticipated nor considered necessarily compatible with the existing character of the area or the residential use across the alley.

- B. Industrial areas are generally well-served by rail, truck and water transportation facilities and do not require direct vehicular access through residential zones.*

The site does not have rail or water access, but it does have truck access and no direct vehicular access needs to travel through residential zones.

- C. Relative isolation from residential zones either by distance or physical buffers shall be preferred in the creation of new industrial zones.*

Not applicable, as a new industrial zone is not being created.

- D. Areas where the infrastructure (streets, water, sewer, electrical, and other facilities) is adequate, or can be upgraded at a reasonable cost, are preferred to accommodate an industrial designation.*

Not applicable, as a new industrial zone is not being created.

- E. 1. Economic Development. Increasing industrially zones land shall be favorably considered when such action will provide additional opportunities for business expansion, retention of manufacturing and other industrial firms in Seattle, or increased employment, especially employment that adds to or maintains the diversity of job opportunities in Seattle. Land proposed to be assigned an industrial designation shall be suitable for manufacturing, research and development and other industrial uses and shall meet the locational criteria for the industrial zone.*

2. The rezone shall enhance and strengthen the industrial character of an area.

No new industrial zone is being created, and retention of IC zoning on this property is not necessary for maintaining or strengthening the industrial character of the area.

F. In determining appropriate boundaries with residentially and commercially zoned land, the appropriate locational and rezone criteria shall be considered.

Not applicable, as a new industrial zone is not being created.

G. Rezoning of Industrial Land. Rezoning of industrial land to a less-intensive zone shall be discouraged unless most of the following can be shown:

- 1. The area does not meet the locational criteria for the industrial zone.*
- 2. The rezone will not decrease industrial development and employment potential, especially manufacturing employment.*
- 3. The rezone would not result in existing industrial uses becoming nonconforming.*
- 4. The area clearly functions as a residential or commercial zone, has little or no potential for industrial development, and would not lead to further encroachment of residential, office, or retail uses into industrially zoned land located adjacent to or near the proposed rezone.*
- 5. The rezone shall be consistent with the Seattle Shoreline Master Program.*
- 6. The area is not part of an adopted Manufacturing/Industrial Center (MIC).*

All of the above elements can be shown, and thus a rezone of industrial land is appropriate. The site and area generally do not meet the locational criteria for an industrial zone, the rezone would not decrease industrial development and employment potential and no industrial uses would become nonconforming, the area currently functions more like a commercial zone with little or no potential for industrial development or concern for encroachment. In addition, the site is not within a shoreline area or Manufacturing/Industrial Center.

H. Compatibility With Scale and Character of Surrounding Area-Edges. In general, a transition in scale and character shall be provided between zones. A gradual change in height limit or an area of transition (e.g., commercial zone between residential and industrial zones) shall be provided when the area lacks physical edges. Rezones shall achieve a better separation between residential and industrial zones, significantly reducing or eliminating major land use conflicts in the area. The following elements shall be considered physical edges or buffers:

- 1. Natural features such as topographic breaks, lakes, streams, ravines and shorelines;*
- 2. Freeways, expressways, other major traffic arterials, and railroad tracks;*
- 3. Changes in street layout and block orientation;*

4. Open spaces and greenspaces.

By rezoning the property from an IC designation that allows general manufacturing uses, a potential incompatibility with the SM/R zone and residential use across the alley is avoided.

I. Existing Pattern of Development. Consideration shall be given to whether the area is primarily industrial, commercial, residential, or a mix, and whether the area is fully developed and in need of room for expansion, or minimally developed with vacant parcels and structures.

The existing pattern of recent and projected development is biotech, life-science, office, and residential uses, and the site and area are not industrial in nature. The current planning effort in South Lake Union favors SM, rather than IC, zoning.

SMC 23.34.096 Locational criteria – Industrial Commercial (IC) Zone

The Industrial Commercial (IC) zone is intended to promote development of businesses which incorporate a mix of industrial and commercial activities, including light manufacturing and research and development, while accommodating a wide range of other employment activities. In reviewing a proposal to rezone an area to Industrial Commercial (IC), the following criteria shall be considered:

A. Areas with amenities such as shoreline views, proximity to downtown, or access to public open spaces that could provide an attraction for new businesses, particularly new technology-oriented and research and development activities which might otherwise be likely to seek locations outside the City;

The area includes views of Lake Union and is in proximity to the new park at the south end of the Lake. However, the intent behind the IC zone is to allow for businesses that include a mix of industrial and commercial activities. The subject proposal does not include any industrial activities, and based on recent substantial development, there does not appear to be an area-wide need to maintain a zone that allows for this mix of uses. Technology-oriented and research and development activities are permitted and encouraged in the SM zone, and it is not necessary to continue IC zoning in order to attract such uses.

B. Areas in close proximity to major institutions capable of providing support for new technology-oriented and research and development businesses;

The area is not in close proximity to major institutions; instead major institutions such as the University of Washington and the Fred Hutchinson Cancer Research Center have located ancillary facilities in the South Lake Union area.

C. Former industrial areas which are undergoing a transition to predominantly commercial or mixed commercial and industrial activity, but where transportation and/or other infrastructure capacities are constrained and can only accommodate modest growth without major improvements;

This area transitioned away from industrial and manufacturing uses and activities many years ago. Transportation and/or other infrastructure are not constrained, although improvements to the Mercer Corridor have been identified as a long-standing need.

D. Areas where there is an existing concentration of technology-oriented and research and development uses which may be subject to displacement by commercial development;

No issues of displacement have been identified.

E. Areas which are underutilized and, through substantial redevelopment, could provide the type of campus-like environment attractive for new technology-oriented industrial and commercial development.

South Lake Union has experienced substantial recent development, including the multi-block Amazon development, which is in close proximity to the subject property, and the Gates Foundation development. The area is not substantially underutilized, and future development of technology-oriented commercial development does not depend on retaining IC zoning.

SMC 23.34.126 Designation of the Seattle Mixed (SM) zone.

The Seattle Mixed (SM) zone is applied to achieve the goal of a diverse, mixed-use community with a strong pedestrian orientation. The zone permits a wide range of uses and promotes density to encourage a mixed-use neighborhood. This zoning designation balances the need for flexibility and a variety of activities with the need to provide adequate direction to ensure the presence of housing and commercial activities critical to the success of an urban neighborhood.

The rezone and proposed project are consistent with the intent of the SM zone, and there is already substantial SM zoning nearby.

SMC 23.34.128 Seattle Mixed (SM) zone, function and locational criteria.

In considering rezones to the Seattle Mixed (SM) zone designation the following function and locational criteria shall be taken into consideration:

A. Function. An area that provides for a wide range of uses to encourage development of the area into a mixed-use neighborhood with a pedestrian orientation or an area that is in transition from traditional manufacturing or commercial uses to one where residential use is also appropriate;

The area is in transition from traditional manufacturing use and has a diverse mix of uses, including residential, commercial, and life-science buildings. New development has significantly improved pedestrian conditions. An SM/R zone and residential use are located across the alley, and the SM zone fits this circumstance better than an IC zone in close proximity to residential use.

B. Transportation and Infrastructure Capacity. An area that is well-served by transit and vehicular systems and where utility infrastructure is adequate, or where such systems and infrastructure can be readily expanded to accommodate growth;

As noted previously, the site is well served by Metro transit, the Streetcar, and the street and highway system in general. Utility infrastructure is adequate to accommodate growth.

C. Relationship to Surrounding Activity. An area that provides a transition from a densely developed or zoned neighborhood or from industrial activity;

The SM zone provides a transition from Downtown zoning south of Denny Way to more residential areas along Eastlake and Westlake Avenues. The South Lake Union area has developed over the last ten years into a vital, high quality Urban Center with a mix of uses and substantial pedestrian and transit improvements. The development of the park on the south end of the Lake, and the addition of the Museum of History and Industry, both contribute to the desirability of this area for home, work, and recreation.

D. Mix of Use. An area within the SM zone may be identified for the purposes of encouraging a primarily residential character. Such an area shall be designated as Seattle Mixed/Residential (SM/R). Within the SM/R area, nonresidential uses shall generally be of modest scale or neighborhood-serving in character;

Not applicable, as an SM/R zone is not proposed.

E. Height. Height limits of forty (40) feet, fifty-five (55) feet, sixty-five (65) feet, seventy-five (75) feet, eighty-five (85) feet, and one hundred twenty-five (125) feet may be applied to land zoned SM. A forty (40) or fifty-five (55) foot height shall be applied to the SM/R designation, or where it is appropriate to limit the intensity and scale of new development. A sixty-five (65) foot, seventy-five (75) foot or eighty-five (85) foot height shall apply where it is appropriate to provide for a uniform and pedestrian scale. A one hundred twenty five (125) foot height may be designated to serve as transition from areas where greater heights are permitted.

The proposed contract rezone would allow one additional floor and 20' of additional height over what is allowed in the existing zone. This level of height and scale increase would be in keeping with existing development. In addition, given that the building massing is centered on the site, with setbacks from the alley, Republican Street, and Fairview Avenue North, a narrow building form is created that helps mitigate the increased height and contributes to an appropriate pedestrian scale.

Summary

The proposed rezone meets the function and locational criteria of the SM-85' zone and is, therefore, appropriate to rezone from IC-65' to SM-85'. The proposal is consistent with the applicable policies contained in the Comprehensive Plan's adopted South Lake Union Neighborhood Plan. An increase in height and density on the site is appropriate for this highly developed Urban Center location in close proximity to access to Interstate 5.

Impacts of the proposed height and square footage increases are modest, and care was taken through the Design Review and DPD review process to provide sensitive massing with respect to the SM/R zone to the east across the alley. Adequate parking is being provided, transit service to the site is excellent, and the proposal incorporates sustainable features.

RECOMMENDATION - REZONE

Based on the above analysis, the Director recommends that the proposed contract rezone to SM-85' be **CONDITIONALLY APPROVED** subject to a Property Use and Development Agreement (PUDA) that limits the structure to be built to the design approved by the Design Review process and documented in approved plans dated July 15, 2011.

ANALYSIS - DESIGN REVIEW

Design Review Board Design Guidance

At the first Early Design Guidance meeting, held October 20, 2010, three design alternatives were presented and the Board identified the following Citywide Design Review Guidelines for Multifamily and Commercial Buildings and the corresponding South Lake Union supplemental design guidance of highest priority for the project: A-1 Responding to Site Characteristics, A-2 Streetscape Compatibility, A-3 Entrances Visible from the Street, A-4 Human Activity, A-5 Respect for Adjacent Sites, A-8, Parking and Vehicle Access, B-1 Height, Bulk and Scale Compatibility, C-2 Architectural Concept and Consistency, C-3 Human Scale, C-4 Exterior Finish materials, D-1 Pedestrian Open Spaces and Entrances, D-2 Blank Walls, D-3 Retaining Walls, D-6 Screening of Dumpsters, Utilities, and Service Areas, D-8 treatment of Alleys, E-2 Landscaping to Enhance the Building and/or Site, and E-3 Landscape Design to Address Special Site Conditions.

Two potential design departures were identified: Building Entry Grade to allow the primary entry to be more than three feet above sidewalk grade, and Street-level Setback to provide a building setback along Fairview Avenue North greater than that allowed by Code.

At this first meeting, the Board did not support the massing of the proposed design, particularly as it related to the area to the east. The Board noted that too much of the building setback area was placed along Fairview Avenue North as opposed to along the alley or Republican Street. The Board also noted that pedestrian activity in the area is expected to flow east and west along Republic Street, and not north and south on Fairview Avenue North or in the alley. Thus, the Board requested that additional massing examples be presented to open up light and air to the Pete Gross House across the alley, and that a pedestrian amenity be created along Republican Street by, for example, having the plaza along Fairview Avenue North also serve pedestrians along Republican Street. The Board responded favorably to the concept that a “green wall” would shade most of the south façade. However, the Board recommended the project return for an additional Early Design Guidance meeting.

At the second Early Design Guidance meeting, held December 1, 2010, a substantially modified proposal was presented. The building was moved away from the alley and centered on the parcel with 12-foot setbacks from both the east and west property lines. An additional three feet of setback was also proposed from the south property line. These massing changes provide more opportunity for light and air to enter the alley and also enhance the pedestrian realm along Republican Street. This revised massing also eliminated the need for the second departure, related to additional setback along Fairview Avenue North.

In addition, the plaza area proposed along Fairview Avenue North was modified. A building colonnade was added to connect the entry points of the proposed building with the existing building to the north, and a plaza area was located at the southwest corner of the building. The café/retail space was moved to that same corner and portions of the plaza would be designed for tables and chairs to be located between the sidewalk and the building. This activated plaza area would serve as a pedestrian amenity along Republican Street. Views of Lake Union and the downtown skyline will be visible from these public places.

Along Fairview Avenue North, the retaining wall was redesigned to soften the edge with raised planters and integrated seating, and an allee of trees in double rows along each side of the sidewalk was proposed. (Note: as explained below, this double row of trees was no longer possible once the effects of the City's proposed widening of Fairview Avenue North were better understood.) Also, at the mid-block point along Fairview Avenue North, where the entry to the proposed building and the entry to the existing building to the north are located, the stairway up from sidewalk level was modified to conceal its full height.

At this second meeting, the Board supported the proposed massing and endorsed the concept that the front plane of the proposed building match the existing building to the north and that a colonnade be provided. The Board also supported the setback on the east as being adequate to address the Pete Gross House across the alley, and asked the applicant to bring floor plans to the Recommendation meeting to show how interior uses could be arranged to moderate impacts on the privacy of Pete Gross House residents. The Board also endorsed the increased building setback and proposed landscaping along Republican Street. Finally, the Board noted preliminary support for the Building Entry Grade departure, as it is necessary given the sloping grade along Fairview Avenue North and given the logical location for the building entry. The Board also asked that detailed drawings of the entry area with the path from the sidewalk level be presented at the Recommendation meeting.

Design Review Board Recommendation

At the Recommendation meeting on June 15, 2011, the Design Review Board considered building changes that addressed comments from Early Design Guidance; more detailed information on facades, materials, exterior lighting and planting; and updated information on the effects of the City's plan to widen Fairview Avenue North as part of the Mercer Corridor project.

With regard to the layout of interior spaces, two proposed layouts of laboratory spaces were reviewed with the Board. In both layouts, the space directly across from the Pete Gross House was shown as conference rooms, and that façade element was redesigned to reduce the amount of

vision glass. Adjustable, interior window blinds would be provided in those spaces as well.

The applicant also presented information on the entry area, path and landscaping along Fairview Avenue North. The applicant had obtained additional information on the City's proposal to widen Fairview Avenue North directly adjacent to the proposed site. As a result of roadway widening, a row of street trees was no longer feasible. Consideration was given to replacing the street trees with another row of trees within the property, but the distance from curb to the edge of the development was too narrow to allow an alley of trees. Therefore, the double row of trees described at the Early Design Guidance meeting was determined to be no longer feasible. However, a row of trees on the site just inside of the property line would continue to be provided, which would also include seat level planting areas.

The applicant's materials for the Recommendation meeting depicted the façades, exterior materials, exterior lighting intent, street furniture and planting materials. The building will be constructed of cast in place concrete and have a metal composite panel and glass curtain wall skin, with glass and metal sunshades. The building façades are highly articulated. On the south façade, a series of planters at levels 2, 4 and 6 form a "green wall" and are designed to act as part of the storm water infiltration system.

In Board deliberations at the Recommendation meeting, the Board appreciated the changes made in response to design guidance and endorsed the overall design. The Board expressed satisfaction with the massing, the Republican Street streetscape, the south elevation with its interesting green elements, and the location and design of the café/retail space. With regard to the relationship to the Pete Gross House across the alley, the Board discussed possible additional changes to the façade in that area in an attempt to increase privacy to residents to the east. However, the Board concluded that the proposed treatments to the façade as shown were sufficient in combination with the likely uses shown in the tenant build-out examples.

The Board unanimously found that the proposed project adequately conforms to the applicable Citywide Design Review Guidelines for Multifamily and Commercial Building and South Lake Union supplemental guidance and recommended approval of the project and the requested development standard departure: SMC 23.48.014 General Façade Requirement, to allow a primary building entrance to be five feet above sidewalk grade rather than the required three feet or less.

ANALYSIS & DECISION- DESIGN REVIEW

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

The Director's decision shall consider the recommendation of the Design Review Board, provided that, if four (4) members of the Design Review Board are in agreement in their recommendation to the Director, the Director shall issue a decision which incorporates the full substance of the recommendation of the Design Review Board, unless the Director concludes the Design Review Board recommendation:

- a. *Reflects inconsistent applications 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*
- e. *Conflicts with the requirements of state or federal law.*

Director's Analysis and Decision

Three members of the Queen Anne/Magnolia Design Review Board provided recommendations (listed above) to the Director and identified elements of the Design Guidelines which are critical to the project's overall success. The Director must provide additional analysis of the Board's recommendations and then accept, deny or revise the Board's recommendations (SMC 23.41.014.F3).

The Director of DPD has reviewed the decision and recommendations of the Design Review Board made at the Recommendation meeting and finds that they are consistent with the City of Seattle Design Review Guidelines for Multifamily and Commercial Buildings and the South Lake Union supplemental guidance. The Director agrees with the Design Review Board's conclusion that the proposed project as presented at the June 15, 2011 meeting would result in a design that best meets the intent of the applicable Design Guidelines. Therefore, the Director accepts the Design Review Board's recommendations and **APPROVES** the proposed **design and** the requested **departure**.

ANALYSIS – SEPA

The proposal is not exempt from SEPA review. Environmental review resulting in a Threshold Determination is required pursuant to the Seattle State Environmental Policy Act (SEPA), WAC 197-11, and the Seattle SEPA Ordinance (Seattle Municipal Code Chapter 25.05) because the proposed project exceeds the 12,000 square feet size threshold.

The initial disclosure of the potential impacts from this project was made in the environmental checklist submitted by the applicant dated October 2010, as updated in August 2011, and as annotated by the Land Use Planner. The information in the checklist, pertinent public comment, and the experience of the lead agency with review of similar projects form the basis for this analysis and decision.

The Department of Planning and Development has analyzed the environmental checklist which was submitted by the project applicant and reviewed the project plans and any additional information in the file. As indicated in this analysis, this action will result in impacts to the environment. However, due to their temporary nature and limited effects, the impacts are not expected to be significant.

The SEPA Overview Policy (SM C 25.05.665) clarifies the relationship between codes, policies and environmental review. Specific policies for each element of the environment, and 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 and environmental impact, it shall be presumed that such regulations are adequate to achieve sufficient mitigation,*” subject to some limitations.

Short-Term Impacts

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 activities. Most short-term impacts are expected to be minor, and compliance with existing applicable codes and ordinances will reduce or eliminate most short-term impacts to the environment. For example, the Stormwater, Grading and Drainage Control Code regulates site excavation for foundation purposes, and requires that soil erosion control techniques be initiated for the duration of construction. Puget Sound Clean Air Agency (PSCAA) regulations require control of fugitive dust to protect air quality. The Building Code provides for construction measures in general. Finally, the Noise Ordinance regulates the time and amount of construction noise that is permitted in the City.

The following temporary or construction-related impacts are expected: decreased air quality due to suspended particulates from demolition and building activities and hydrocarbon emissions from construction vehicles and equipment; increased dust caused by drying mud tracked onto streets during construction activities; increased traffic and demand for parking from construction equipment and personnel; increased noise; and consumption of renewable and nonrenewable resources. Several adopted codes and/or ordinances provide mitigation for some of the identified impacts:

- The applicant estimates approximately 29,260 cubic yards of excavation for construction. Excess material to be disposed of must be deposited in an approved site.
- The Stormwater, Grading and Drainage Control Code regulates site excavation for foundation purposes and requires that soil erosion control techniques be initiated for the duration of construction.
- The Street Use Ordinance requires watering streets to suppress dust, on-site washing of truck tires, and removal of debris and regulates obstruction of the pedestrian right-of-way.
- PSCAA regulations require control of fugitive dust to protect air quality. The Building Code provides for construction measures in general.
- Finally, the Noise Ordinance regulates the time and amount of construction noise that is permitted in the city.

Compliance with these applicable codes and ordinances will reduce or eliminate most short-term impacts to the environment. However, given the amount of building activity to be undertaken in association with the proposed project, additional analysis of drainage, grading, traffic, circulation and parking, noise, and greenhouse gases is warranted.

Drainage

Soil disturbing activities during site excavation for foundation purposes could result in erosion and transport of sediment. The Stormwater, Grading and Drainage Control Code provides for extensive review and conditioning of the project prior to issuance of building permits. Therefore, no further conditioning is warranted pursuant to SEPA policies.

Earth - Grading

The Master Use Permit plans have been reviewed by DPD's Environmentally Critical Areas reviewer since DPD records show the site to contain a Steep Slope. Any sloped area on the site do not appear to be part of a system of slopes and to have been created by legal grading for right-of-way improvement or site grading. No concerns regarding the Steep Slope were identified. Construction plans will be reviewed by DPD. Any additional information showing 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 assure safe construction techniques are used; therefore, no additional conditioning is warranted pursuant to SEPA policies.

The Stormwater, Grading and Drainage Control Code requires preparation of a soils report to evaluate the site conditions and provide recommendations for safe construction on sites where grading will involve cuts or fills of greater than three feet in height or grading greater than 100 cubic yards of material. The current proposal involves excavation of approximately 29,260 cubic yards of material. A Geotechnical Report by Terra Associates, Inc. dated April 25, 2011, was submitted with this application and was reviewed and approved by DPD. The Stormwater, Grading and Drainage Control Code provides extensive conditioning authority and prescriptive construction methodology to assure safe construction techniques are used, therefore, no additional conditioning is warranted pursuant to SEPA policies.

Traffic, Circulation and Parking

Construction activities are expected to affect the surrounding area. Impacts to traffic and roads are expected from truck trips during excavation and construction activities. The SEPA Overview Policy (SM C 25.05.665) and the SEPA Construction Impacts Policy (SM C 25.05.675B) allows the reviewing agency to mitigate impacts associated with transportation during demolition and construction. The construction 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. As a result of these truck trips, an adverse impact to existing traffic will be introduced to the surrounding street system, which impact is unmitigated by existing codes and regulations.

During demolition and construction, the existing City code (SMC 11.62) requires truck

activities to use arterial streets to the greatest extent possible. This general area is subject to traffic congestion during the PM peak hour, and large construction trucks would further exacerbate the flow of traffic. Pursuant to SMC 25.05.675(B) (Construction Impacts Policy) and SMC 25.05.675(R) (Traffic and Transportation), additional mitigation is warranted.

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 to minimize the amount of spilled material and dust from the truck bed en route to or from a site.

For the duration of the construction activity, the applicant/responsible party shall cause construction truck trips to cease during the hours between 4:00 p.m. and 6:00 p.m. on weekdays. This condition will assure that construction truck trips do not interfere with daily PM peak traffic in the vicinity. As conditioned, this impact is sufficiently mitigated in conjunction with enforcement of the provisions of existing City Code (SMC 11.62).

On-street parking in the neighborhood is limited, and the demand for parking by construction workers during construction could exacerbate the demand for on-street parking and result in an adverse impact on surrounding properties. The owner and/or responsible party shall assure that construction vehicles and equipment are parked on the subject site or on a dedicated site within 800 feet for the term of the construction, whenever possible.

To facilitate these efforts, a Construction Management Plan will be required as a condition of approval identifying construction worker parking and construction materials staging areas; truck access routes to and from the site for excavation and construction phases; and sidewalk and street closures with neighborhood notice and posting procedures.

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

Noise

All construction activities are subject to the limitations of the Noise Ordinance. However, given the proximity of the site to existing residential uses (particularly the Pete Gross House across the alley), additional restrictions are warranted. Construction activities (including but not limited to demolition, grading, deliveries, framing, roofing, and painting) shall be limited to non-holiday weekdays from 7 a.m. to 6 p.m. Interior work that involves mechanical equipment, including compressors and generators, may be allowed on Saturdays between 9 a.m. and 6 p.m. 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.

Greenhouse Gas Emissions

Construction activities, including construction worker commutes, truck trips, the operation of

construction equipment and machinery, and the manufacture of the construction materials themselves, result in increases in carbon dioxide and other greenhouse gas emissions 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.

Long-Term Impacts — Use-Related Impacts

Land Use

The proposed project includes a Council action to rezone the subject site from IC-65' to SM-85'. See the rezone analysis at the beginning of this report.

Air Quality

A concern was raised at the Design Review Recommendation meeting regarding the venting of exhaust from building operations. All research and laboratory space will be designed and operated according to the requirements and operational protocols as defined by the National Institute of Health. In addition, the HVAC systems will be designed to the appropriate standards and recommendations of the ASHRE (American Handbook for Heating, Ventilation, and Air-Conditioning Engineers) and ASHRAE.1. Review of mechanical systems will be conducted by the Department of Planning and Development as part of building and mechanical permit review.

Height, Bulk and Scale

The SEPA Height, Bulk and Scale Policy (25.05.675.G) states that:

“...the height, bulk and scale of development projects should be reasonably compatible with the general character of development anticipated by the goals and policies...for the area in which they are located, and to provide for a reasonable transition between areas of less intensive zoning and more intensive zoning.”

In addition, the Policy states that:

“A project that is approved pursuant to the Design Review Process shall be presumed to comply with these Height, Bulk and Scale policies. This presumption may be rebutted only by clear and convincing evidence that height, bulk and scale impacts documented through environmental review have not been adequately mitigated.”

The IC, SM, and SMR zones in the vicinity are developed with a mix of structure sizes and heights, including buildings 125 ft. in height. Recent development, such as the Amazon campus across the street to the west, is of a very significant scale. The proposed development would proceed according to Land Use Code standards for the proposed zone, apart from the one minor design departure required for the height of the building entry. The development as a whole will be in keeping with the scale of development anticipated by the goals and policies for the South Lake Union Urban Center. In addition, in approving the project, the Design Review Board gave particular attention to the height, bulk and scale relationship of the proposal to its surroundings. There is no evidence that height, bulk and scale impacts have been inadequately mitigated through the Design Review Board process. Therefore, given the rezone requirement that the

development comply with the approved plans, no mitigation of height, bulk and scale impacts is warranted pursuant to SEPA.

Historic and Cultural Preservation

The existing building on the site was constructed in 1959, but is not likely to meet City of Seattle Landmark criteria. Thus, it is not considered a historic resource.

Public View Protection

The SEPA Public View Protection policy allows the reviewing agency to mitigate impacts to public views of significant natural and human-made features from public places consisting of specified viewpoints, parks, scenic routes, and view corridors as identified in Attachment 1 to the Environmental Policies and Procedures Ordinance. Both Fairview Avenue North and Mercer Street are designated scenic routes under this Ordinance.

No adverse public view impacts are anticipated from the proposal. The proposed building sets back from the western property line, allowing a wider view corridor down Fairview Avenue North than presently exists. The proposed building is south of Mercer Street, and does not affect views from that street.

Traffic and Transportation

A Traffic Impact Study was prepared by Transportation Engineering NorthWest, LLC, dated August 26, 2010, to determine the traffic impacts of the proposal. The initial Study methodology was approved by John Shaw of the Department of Planning and Development, and he also reviewed and approved the Study.

According to the Traffic Impact Study, the proposed development is estimated to generate approximately 76 net new trips during the weekday AM peak hour and 75 net new trips during the weekday PM peak hour. In terms of intersection Level of Service (LOS), the Study analyzed existing and future 2013 conditions, assuming completion of the Mercer Corridor Project currently under construction.

The intersection LOS analyses were conducted at the following four study intersections in the project vicinity: 1) Fairview Avenue North/Mercer Street, 2) Fairview Avenue North/Republican Street, 3) Minor Avenue North/Mercer Street, and 4) Minor Avenue North/Republican Street. Three study intersections are expected to operate or include movements at LOS F with or without the project in 2013. The three LOS F intersections are: Fairview Avenue North/Mercer Street during the AM and PM peak hours, Fairview Avenue North/Republican Street during the PM peak hour, and the northbound stop controlled movement at the intersection of Minor Avenue North/Republican Street during the PM peak hour.

The LOS at the study intersections is expected to remain the same with or without the proposed project. However, given congested background conditions, project traffic will have potentially significant adverse impacts at one or more nearby intersections. To mitigate these impacts, the project will be required to pay its share of South Lake Union capital improvement projects, as identified in the Seattle Department of Transportation *South Lake Union Transportation Study*, which is \$47,666.

Transportation concurrency was evaluated in the Traffic Impact study. The calculated volume to capacity ratio for the tested screenline was determined to remain below the adopted LOS standards with the proposed development. Therefore, the proposed development was determined to meet the City's concurrency requirements.

Parking

The proposed development is located in the South Lake Union Urban Center, where parking is not required per SMC 23.54.015.B.2. The Traffic Impact Study assumed development of a 108,000 square foot building with 129 parking stalls. (As the project plans were finalized, the building contains 106,011 square feet and 143 parking spaces.) According to the Traffic Impact Study, the estimated peak parking demand for the proposed development would be 117 stalls. Therefore, the proposed on-site parking supply is anticipated to accommodate the peak parking demand.

Greenhouse Gas

Operational activities, primarily vehicular trips associated with the project and the projects' energy consumption, are expected to result in increases in carbon dioxide and other greenhouse gas emissions 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.

DECISION — STATE ENVIRONMENTAL POLICY ACT (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. The intent of this declaration is to satisfy the requirements of the State Environmental Policy Act (RCW 43.21 C), including the requirement to inform the public of agency decisions pursuant to SEPA.

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

RECOMMENDED CONDITIONS — REZONE

Approval of this contract rezone is conditioned upon the development of the project in accordance with the final approved Master Use Permit drawings, dated July 15, 2011.

RECOMMENDED CONDITIONS — SEPA

Prior to Issuance of any Construction, Shoring or Grading Permits

1. The applicant shall provide to the DPD Land Use Planner for approval a Construction

Management Plan which identifies construction worker parking and construction materials staging areas; truck access routes to and from the site for excavation and construction phases; and sidewalk and street closures with neighborhood notice and posting procedures.

During Construction

2. The hours of construction activity shall be limited to non-holiday weekdays between the hours of 7:00 a.m. and 6:00 p.m. and between the hours of 9:00 a.m. and 6:00 p.m. on Saturdays (except that grading, delivery and pouring of cement and similar noisy activities shall be prohibited on Saturdays). This condition may be modified by DPD to allow work of an emergency nature. This condition may also be modified to permit low noise exterior work (e.g., installation of landscaping) after approval from DPD.
3. For the duration of the construction activity, the applicant/responsible party shall cause construction truck trips to cease during the hours between 4:00 p.m. and 6:00 p.m. on weekdays.

Prior to Issuance of any Certificate of Occupancy

4. The applicant shall pay \$47,666 to the City of Seattle as its prorata share of South Lake Union transportation improvements. This payment shall be earmarked for the transportation improvements listed in CAM 243, with the funds to be held in a special reserve account.

CONDITIONS-DESIGN REVIEW

Prior to Issuance of any Certificate of Occupancy

5. The applicants shall arrange for an inspection with the Land Use Planner to verify that the construction of the buildings with siting, materials, landscaping, and architectural details is substantially the same as those documented in the approved plans dated July 15, 2011.

Signature: _____
Scott Kemp, Senior Land Use Planner
Department of Planning and Development

Date: September 1, 2011