

# Market Forecasts in Seattle's Light Rail Corridor

This chapter summarizes the methods used to forecast employment and population in Seattle's proposed light rail corridor and to evaluate the potential for transit-oriented development in potential station areas.

The analysis of demand for new development in station areas began with a review of regional growth forecasts and Seattle's share of that growth. Ultimately, development forecasts reflect growth projections for the region as a whole, the city, the light rail corridor (comprised of the eleven light rail market segments), and finally for potential light rail station areas<sup>1</sup> where the impact of light rail transit will be greatest.

## **REGIONAL GROWTH AND THE CITY OF SEATTLE**

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The Puget Sound Regional Council (PSRC) forecasts for population and employment growth, as published in *Population and Employment Forecasts for the Central Puget Sound Region*, provided the basic framework for forecasting station area development. The PSRC anticipates strong growth in the region as a whole, as well as in the City of Seattle and in the light rail corridor.

According to the PSRC, between 1997 and 2020, total population in the Puget Sound region is expected to grow from 3.1 million (in 1997) to more than 4.1 million people (in 2020). Employment in the region is projected to grow from roughly 1.8 million to 2.4 million jobs. While the majority of this growth is expected to occur outside the city of Seattle, the city itself is projected to grow by almost 100,000 people and 117,000 new jobs over the same period. By

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<sup>1</sup> Station areas are defined as the aggregate of all parcels of land located, in their entirety or in part, within a one-quarter mile radius of a potential station site. After reviewing the general market conditions in the market segments, forecasts for station areas were prepared. These station area forecasts reflect projected growth in population and employment, trends in household incomes, rents, and land values and specific development opportunities in the station areas. Because several potential station areas overlap, an individual parcel of land may be located in more than one station area. Therefore, to avoid double-counting, totals for all station areas are not presented.

the year 2020, the PSRC anticipates that the total population living within the city will exceed 635,000, with total employment almost equal at 632,000 jobs.

Coincident with its forecasts for growth in population and employment, the PSRC forecasts a general decrease in the typical size of households. In the Puget Sound region as a whole, the PSRC estimates that the average household size will fall from 2.51 to 2.33 people. For the city, an even larger decline is anticipated, with the average household size projected to fall from 2.08 to 1.86 people. Due to this projected decline in household size, growth in the demand for housing units is expected to exceed the growth in overall population.

Development of a light rail transit system, in and of itself, is unlikely to increase the total level of growth in Seattle. It is possible, however, that light rail will shift some development out of other areas of the city and into the light rail corridor. (See Chapter 2 and 3 for discussions of the land use impacts of light rail.)

## **MARKET SEGMENT FORECASTS**

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The light rail corridor is comprised of eleven contiguous market segments. These segments are comprised of particular Seattle Transportation Analysis Zones (STAZs) that were selected to identify a broader service area for each station area. Each market segment is an area 2-4 square miles in size and encompasses 1 to 6 potential station areas that share market characteristics (see Figure 7-1).

## **PROJECTED POPULATION AND EMPLOYMENT**

Growth projections for population and employment are based on two separate forecasts:

- PSRC Existing Trends forecast, reflecting policies in the early 1990s; and
- City of Seattle 20-year forecast (*Seattle Comprehensive Plan, 1994*).

The PSRC forecast was selected to represent growth in the absence of a light rail system. This forecast is different from the 1997 PSRC forecast for the city, which assumes the completion of the Sound Transit rail system and policies to encourage densification.

The *Seattle Comprehensive Plan* 2014 forecast anticipates development of a rapid transit system in the city and implementation of policies to concentrate growth inside designated urban centers and urban villages. In order to compare the PSRC (assuming no light rail) and the Comprehensive Plan (with light rail present) forecasts for a common year, the Comprehensive Plan forecasts had to be extrapolated to 2020.

To extend the *Comprehensive Plan* forecast, the growth rate implicit in the City's projections for each market segment were derived and applied to the estimated 1997 populations for 23 years – to arrive at a 2020 population forecast. Then the 1997 base was subtracted from these forecasts to arrive at a projected new population increment (between 1997 and 2020) for each market segment.

The PSRC and *Comprehensive Plan* forecasts establish a reasonable range of growth for the light rail market segments over the next 20 years, with and without rail transit investments and supportive policies to encourage development in urban centers and light rail station areas. Viewing these two sets of forecasts in the context of the broad projections discussed above, a range of market factors were evaluated as the basis for projecting specific new development in the station areas.

While these rates may be appropriate for the current market, it is probably not reasonable to assume this level of growth will continue into the year 2020. In the station area development forecasts, adjustments have been made in the forecasts for specific market areas to correct for the high rates.

### PROJECTED POPULATION AND HOUSING GROWTH

As illustrated in Table 8-1, almost all of the difference between the PSRC existing trends (assuming no light rail) and *Comprehensive Plan* extrapolation projections (assuming light rail present) results from different forecasts for the University District, Capitol Hill, South Lake Union, and Downtown Seattle market segments.

**Table 8-1: Projected Population Growth Rates in Light Rail Corridor for the Period 1997 to 2020**

<i>Market Segment</i>	<i>PSRC Existing Trends Forecast Rate</i>	<i>Comprehensive Plan 20-Year Growth Extrapolation Rate</i>
1. Northgate	1.3%	1.4%
2. Greenlake/Roosevelt	-0.1%	0.3%
3. University	0.3%	0.8%
4. Capitol Hill	0.1%	1.0%
5. South Lake Union/Denny Regrade	1.5%	5.0%
6. Downtown	1.1%	3.9%
7. Duwamish	3.7%	0.0%
8. North Rainier/Beacon Hill	0.7%	0.7%
9. Columbia City	0.5%	0.6%
10. Holly Park/Brighton/Dunlap	0.6%	0.5%
11. Rainier Beach	0.4%	0.6%
<b>TOTAL</b>	<b>0.6%</b>	<b>1.3%</b>

Source: ECONorthwest calculations based on data from PSRC and Seattle Comprehensive Plan.

To estimate the new housing necessary to accommodate the projected population, three parameter were considered: the average vacancy rate, average household sizes, and the likely future ratio of single-family and multi-family construction. For more detail on housing projections for market segments, refer to the report *Market Analysis and Station Area Development Strategies* of September 1998. Also, housing projections for individual station areas are found at the end of this chapter and in Chapter 10.

## PROJECTED EMPLOYMENT AND FLOOR AREA GROWTH

From 1997 to 2020, the PSRC existing trends and *Comprehensive Plan* extrapolation forecasts project new employment in the range of 108,000 to 126,000 new jobs, respectively. To place these two forecasts in perspective, the current PSRC projections for the entire city predict a total of 117,000 new jobs by the year 2020. Therefore, the two forecasts appear to be reasonable lower and upper bounds on employment growth.

In six of the eleven market segments, the PSRC Existing Trends forecast actually predicts more employment growth than the *Comprehensive Plan* extrapolation (see Table 8-2). In Downtown, by far the most significant segment in terms of job growth, the *Comprehensive Plan* extrapolation predicts 67,000 new jobs, compared to less than 50,000 in the PSRC forecast. This difference of 17,000 jobs in the Downtown market segment approximates the total difference between the two forecasts for the city as a whole.

**Table 8-2: Projected Additional Employment: 1997 – 2020**

<i>Market Segment</i>	<i>PSRC Existing Trends</i>	<i>Comprehensive Plan Extrapolation</i>
1. Northgate	5,639	11,695
2. Greenlake/Roosevelt	1,512	585
3. University	16,399	11,193
4. Capitol Hill	9,781	10,526
5. South Lake Union/Denny Regrade	13,348	12,212
6. Downtown	49,817	67,005
7. Duwamish	3,333	3,317
8. North Rainier/Beacon Hill	2,936	5,002
9. Columbia City	2,131	1,397
10. Holly Park/Brighton/Dunlap	1,260	772
11. Rainier Beach	1,510	1,878
<b>TOTAL</b>	<b>107,668</b>	<b>125,582</b>
<i>Source: ECONorthwest calculations based on PSRC Existing Trends and Seattle Comprehensive Plan forecasts</i>		

The projections of new commercial floor area in each market segment correlate to forecasts of new employment. The square footage of commercial space to accommodate the projected increases in jobs (the number of new employees who would be working in retail and in offices) were classified separately and then space needs (non-residential floor area) were calculated. From 1997 to 2020, the PSRC Existing Trends and *Comprehensive Plan* extrapolation forecasts call for an additional 34 million and 40 million square feet of floor area, respectively (see Table 8-3).

**Table 8-3: Projected New Commercial Floor Area Added to Each Market Segment**

<i>Market Segment</i>	<i>PSRC Trends Forecast</i>	<i>Comprehensive Plan Extrapolation</i>
1. Northgate	1,916,356	3,974,247
2. Greenlake/Roosevelt	520,982	201,393
3. University	5,131,472	3,502,413
4. Capitol Hill	3,087,869	3,323,097
5. South Lake Union/Denny Regrade	4,344,746	3,974,826
6. Downtown	15,702,937	21,120,676
7. Duwamish	1,164,156	1,158,591
8. North Rainier/Beacon Hill	939,856	1,600,831
9. Columbia City	674,922	442,382
10. Holly Park/Brighton/Dunlap	404,647	248,000
11. Rainier Beach	568,940	707,753
<b>TOTAL</b>	<b>34,456,882</b>	<b>40,254,211</b>
<i>Source: ECONorthwest calculations based on projected employment and estimated new commercial floor space per new employee.</i>		

Given the existing stock of 175 million square feet of commercial floor area, these projected additions represent total floor area increases of roughly 20% and 23% over the 23-year period. In terms of floor area ratio (the ratio of total commercial floor area to the total square feet of land within the station area), these projections translate into relatively small changes in all market segments except Northgate, University, South Lake Union/Denny Regrade, and Downtown Seattle (see Table 8-4).

Each of the eleven light rail market segments represents a distinct area with unique conditions in terms of the current and future demand for housing and commercial space. The market for housing and retail uses is generally stronger in the market segments north of Downtown and weaker in the Rainier Valley. The Downtown area is quite vibrant economically, with high office rents, low vacancy rates, and a strong retail sector.

The strategies that the City adopts to encourage transit-oriented development should respond to the differences in market conditions in the various market segments. Potential development strategies tailored to each station area are summarized in Chapters 9 and 10 of this Report. A description of how the market segment forecasts and other market data were integrated to develop station area forecasts is discussed below.

**Table 8-4: Current and Projected Floor Area Ratios**

<i>Market Segment</i>	<i>Current FAR<sup>1</sup></i>	<i>Range of Projected Floor Area Ratios<sup>2</sup></i>
1. Northgate	0.17	0.22 - 0.26
2. Greenlake/Roosevelt	0.18	0.19 - 0.20
3. University	0.30	0.38 - 0.42
4. Capitol Hill	1.08	1.19 - 1.20
5. South Lake Union/Denny Regrade	0.93	1.08 - 1.10
6. Downtown	2.83	3.51 - 3.75
7. Duwamish	0.51	0.55 - 0.55
8. North Rainier/Beacon Hill	0.21	0.23 - 0.25
9. Columbia City	0.06	0.07 - 0.08
10. Holly Park/Brighton/Dunlap	0.07	0.08 - 0.09
11. Rainier Beach	0.05	0.06 - 0.06
<sup>1</sup> Total Commercial Floor Area over Net Square Feet of Land		
<sup>2</sup> End points of the range are based on PSRC projections of existing trends and Comprehensive Plan extrapolation		
Source: ECONorthwest calculations based on projected total floor area and net total area of land from King County Assessor's database.		

## **FORECASTS OF DEVELOPMENT IN STATION AREAS**

For preliminary projections of station area population and employment growth, an allocation of projected market segment growth was made to specific areas based on each station area's share of available capacity, as derived from the City of Seattle's analysis of development capacity.<sup>2</sup>

### **DEVELOPMENT CAPACITY**

Estimates of development capacity in each station area and market segment summary are based on data provided by the City of Seattle. For the purpose of this analysis, capacity is the amount of residential development (measured in housing units) and non-residential development (measured in square feet of commercial space) that could be added under the City's *existing* zoning. In residential zones, new development was assumed to be residential in use. In commercial and other zones, where mixed use development is possible, the following assumptions were made to estimate future potential development:

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<sup>2</sup> An alternative method is a uniform application of preliminary growth rates for the larger market segments, projecting increases in population and employment within station areas according to each station area's share of the current population and employment.

- In commercial zones, approximately 50% of the land area was assumed to be developed for primarily residential uses (at average densities possible with mixed use development) and 50% for non-residential uses. Individual commercially zoned parcels were selected for residential or commercial uses, and the allocation of uses to specific parcels was done at random.
- In downtown zones, residential and commercial development was projected to take place at the allowable proportions of the two uses in each particular downtown zone. The Downtown Office Core-1 (DOC-1) and Downtown Retail Core (DRC) zones were considered available solely for non-residential uses, while land in the Downtown Mixed Residential (DMR) and International District Residential (IDR) zones was assigned only residential uses. In other Downtown zones, the land was split evenly, or 75-25 in favor of non-residential uses.

The City’s development capacity estimates must be taken with certain caveats:

- They are not a prediction that a certain amount of development will occur; rather, they represent an approximation of the amount of redevelopment possible under current zoning. They do not take account of site constraints, availability of financing, market conditions, or the capacity of the infrastructure, including roads and utilities.<sup>3</sup>
- They may not fully reflect recent development and actual building conditions. It is possible that vacant sites may have been developed, or developed sites redeveloped, since the estimates were made.
- Because the City’s estimates randomly select commercial parcels throughout the city for residential or commercial development, a disproportionate amount of residential or commercial development may appear when the data is examined at the level of one-quarter mile station areas.

For these reasons, estimates of development capacity in potential station areas were adjusted using revised maps of station area development opportunity sites.

## **ALLOCATION OF MARKET SEGMENT FORECASTS TO STATION AREAS**

The two forecasting approaches described above provided the basis for final population and employment forecasts for each station area. The PSRC Existing Trends forecast was a first approximation of development in station areas “without light rail transit” and the City’s *Comprehensive Plan* extrapolation was a first approximation of development “with light rail transit and other supportive policies.” The *Comprehensive Plan* assumed high-capacity transit *and* included elements of supportive policies, such as public investments in pedestrian facilities in designated centers.

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<sup>3</sup> In some cases, large amounts of vacant zoning capacity do not necessarily imply large opportunities for development. A large capacity could mean that poor market conditions result in vacant or underdeveloped sites.

Formulating a baseline development forecast “without light rail transit” (or supportive policies), the baseline station area forecasts are closer to the PSRC Existing Trends forecast. Using the PSRC forecast and the City’s targets as a probable range of development in each station area, the following five factors were considered in developing station area forecasts of population and employment.

- *Land Available for Development.* The City’s analysis of the capacity of zoned land to accommodate new development relied upon an assessment of the amount of vacant and redevelopable land, as reported in the King County Assessor’s database. For each station area, an index was created that ranged from 5 (sufficient capacity relative to the development forecast) to 1 (development forecast approaches the available zoned capacity). Note: The weight of the index must be evaluated in the context of other considerations (e.g., large amounts of capacity may also indicate weak demand for land in a particular station area).
- *Opportunity Sites.* Field observations were recorded for each station area to confirm the City’s capacity analysis and to identify additional “opportunity sites” for new development. The station area forecasts considered the total acreage of opportunity sites, as well as the number of dwelling units and the amount of commercial floor area that could be built if a particular parcel were developed to the maximum allowed under current zoning.
- *Current Demand for Housing, Office, and Retail.* For each station area, an index of the station area’s strength in that market segment was established, with higher rankings indicating more favorable conditions for development. In the housing market, these ratings reflect current rental prices and vacancy rates, land values for single-family and multi-family parcels, recent development activity, interview responses from the development community, and field observations of station area conditions. In the office market, the rating reflects lease rates, vacancy rates, land values, recent development activity, interview responses from the development community, and field observations. For the retail market, the rating reflects retail employment, recent development activity, development prospects, interview responses from the development community, and field observations.
- *Accessibility Benefits from Light Rail.* For each station area, the number of daily boardings currently forecast by sound transit indicate the level of activity around the station. Stations with greater ridership (i.e. downtown stations) would be expected to have stronger market conditions in the station area. While some ridership forecasts may change, the relative levels of ridership between station is not expected to change significantly.
- *Current Development Activity.* For each station area, development that has been approved for construction or is under permit review was quantified as an index of current development activity.

To project station area population and employment growth based on these factors, the total additional employment or population expected by year 2020 for the market segment (based on growth rate estimates) was multiplied by the share of the market’s development capacity that fell within the given station area. This method has the advantages of being simple, obtainable from existing data, and commonly used in metropolitan population and land use allocations. A disadvantage of this method is that it assumes that development is directed by vacant land and public policy—in other words, it lacks a formal demand analysis. Despite

these limitations, the method provides a good preliminary estimate of population and employment growth.

With growth forecasts for population and employment, growth in housing and commercial floor space was calculated (by a method similar to that used for market segment projections). Projections of new housing were derived by combining new population projections, assuming a vacancy rate of 5%, and estimating market segment household sizes to determine the new housing necessary to accommodate the projected population increase.

One divergence from the market segment method came in the area of the projected split in new single-family and multi-family housing construction; for station areas, it was assumed that all new housing would be multi-family. Projections of new commercial floor area were derived by the same methods used for market segment floor area forecasts. With growth forecasts for new employment in a station area, the required new floor area was projected by multiplying projected new jobs in retail and office (based on current ratios) by an estimate of the average floor area needed per new employee (400 and 300 square feet, respectively).

## **FORECASTED DEVELOPMENT INCREMENT FROM LIGHT RAIL ONLY**

As noted previously and corroborated by the case study findings (see Chapter 3), “light rail without supportive policies” is unlikely to have a significant effect on development in Seattle’s light rail station areas (see Chapters 2 and 3).<sup>4</sup> Nonetheless, the increased accessibility of a station area from light rail service tends to make a station area more attractive for development. Based on the literature review, case studies, and professional experience of the City’s consultants, this increment is estimated to be between 0% and 10%<sup>5</sup> (see Table 8-5).

For station areas where baseline conditions are already supportive of transit-oriented development, an increase of 5% may be expected. For some of the stations in Downtown Seattle and in the industrial area to the south, there is not likely to be such an effect because the baseline conditions or existing Industrial Area policies do not support transit-oriented development, or because other market forces tend to outweigh the beneficial effects of light rail. For some station areas, principally those near the University of Washington, a 10% increase in development is expected because existing conditions tend toward densification and the accessibility benefits of light rail in these areas would be substantial.

Estimates of the effect of light rail are based on the informed judgment of members of the City’s consultant team. The actual increment of new development from locating a light rail station, without any other policy changes, will depend on the performance of the light rail system itself, individual decisions of landowners and developers, and the evolution of housing and transportation preferences

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<sup>4</sup> See Parsons Brinckerhoff, 1996, Vol 1:1, p. 29 and Bernick and Cervero, 1997, p. 353.

<sup>5</sup> The early PSRC forecast for the city of Seattle’s growth with the addition of light rail transit was an increase of 4%.

*Background Report for Light Rail Station Area Planning in Seattle:  
Existing Conditions and Future Prospects for Transit-Oriented Development*

Throw Page: Table 8-5: Station Area Forecasts, New Growth by 2020

## POTENTIAL DEVELOPMENT INCREMENT FROM LIGHT RAIL WITH SUPPORTIVE STRATEGIES

The station area forecasts “with light rail transit *and* supportive policies” reflect the additional development that could occur if the City adopts specific measures to focus development around light rail transit stations. There is a wide range in the type and level of supportive policies that could increase the total number of dwelling units and commercial floor area near transit stations. For example, the City and the Seattle Housing Authority can directly influence the number of units built during the redevelopment of the Holly Park and Rainier Vista housing projects. Similarly, the City could choose to locate offices or other public services in transit station areas that could directly affect the amount of new floor area in office use that will be built. Policies regarding financial and economic assistance and development partnerships could also effect the level of development in station areas.

The scope of potential strategies is discussed in Chapter 9. Since the details of the application of these policies have not yet been determined, the development forecasts “with supportive policies” should be viewed as general approximations of increased development that could occur with focused public policies, given the existing land capacity and current zoning patterns in station areas. The actual level of development “with light rail transit and supportive policies” will depend on the details of implementation and market conditions over the next two decades. The effect of potential development strategies in the eleven market segments is summarized below, and forecasts resulting from both light rail and supportive strategies are shown in Table 8-5.

The potential development increment resulting from development strategies was estimated for each station area based on several main factors:

- *Market Trends.* Existing market trends and the relative strength of housing, retail, and office markets (see Chapter 7);
- *Station Area Development Opportunities.* The availability of sites for development (see Chapter 6 and the Station Area Atlas).
- *Perspectives of the Development Community.* Opinions of the development community about how different strategies would potentially influence the timing, location, and intensity of development (see Chapter 5);
- *Neighborhood Perspectives.* The willingness of the station area neighborhood to accept strategies for transit-supportive development (see Chapter 4);
- *Case Studies.* Experiences in other jurisdictions with different types of development strategies (see Chapter 3);

For each station area, the development increment reflects the unique characteristics and conditions specific to the station area. No single formula or ratio was used. Development strategies and the potential development increment were subject to peer review by City staff whose comments are reflected in this report.

### ***Northgate Market Segment***

Northgate's position at the end of the light rail corridor, the strong market for retail reflected in the Northgate Mall's planned expansion, and a strengthening office market all work together to make the station area a strong candidate for land use policies and parking management strategies to foster transit-oriented development. The King County Metro Park-and-Ride lot creates a particular opportunity for a pilot project related to parking management. Most of the opportunity sites in the station area are part of the Mall's current plan for expansion. Design review can help encourage a transit-oriented urban form and may also encourage higher densities in this new development. A ten-acre opportunity site west of I-5 could be a candidate for four- to five-story multi-family housing units at densities of 70 units per acre. Providing a pedestrian connection across I-5 could provide an important boost to housing development on this site. Given the opportunity sites in this station area, potential development strategies could add an additional 700 units of housing and a 20% increase in the total retail and office floor area.

### ***Greenlake/Roosevelt Market Segment***

The potential policies of some mixed-use incentives, parking policies, and transit connections could provide a boost to development in this station area. Given the market demand, expedited permitting with SEPA clearance for transit-oriented development projects could also spur development. Such potential policies could boost development of the opportunity sites to approximately three-quarters of their zoned capacity, which would add an additional 40 to 60 dwelling units to the area. Supportive policies could boost the office and retail uses in the station area by 5% to 20% above the "rail only" forecast. This level of commercial development would also represent about three-quarters of the zoned capacity.

### ***University Market Segment***

Potential development strategies for the station areas in this market segment focus on providing incentives in the zoning code for mixed-use transit-oriented development and developing parking management plans. Since the NE 45<sup>th</sup> Street and Campus Parkway station areas occupy a strong commercial market next to the University of Washington, economic and financial assistance should be limited to providing for affordable housing. These potential policies, combined with expedited permitting and SEPA clearance for transit-oriented development projects, could boost the development of the opportunity sites to approximately one-half of their zoned capacity. This level of development could potentially increase the projected number of new dwelling units by 100 in the NE 45<sup>th</sup> Street station area, and by 170 in the Campus Parkway station area. Given the existing constraints on capacity, supportive policies could increase the non-residential floor area approximately 10% beyond what is in the "rail only" forecast for NE 45<sup>th</sup> Street. Little additional commercial development would be expected to result from supported development strategies in the Campus Parkway station.

Potential development strategies for the Pacific station area focus on providing incentives in the zoning code for mixed-use transit oriented development and developing a parking management plan. Since this station is surrounded by land owned by the University, there may be future opportunities for joint development.

### ***Capitol Hill Market Segment***

The potential development strategies for the station areas in this market segment focus on providing incentives in the zoning code for mixed-use transit-oriented development and developing parking management plans. Since the Capitol Hill station is located in a strong mixed-use transit-oriented environment, economic and financial assistance should be limited to providing for affordable housing. These potential policies, combined with expedited permitting and SEPA clearance for transit-oriented development projects, could boost the development of the opportunity sites within the station areas to approximately one-half of their zoned capacity. Given the existing constraints on capacity and strong retail presence in the area, supportive policies would not have a strong impact on non-residential floor area beyond what is in the “rail only” forecast.

### ***South Lake Union/Denny Regrade***

The potential development strategies for the station areas in this segment focus on providing incentives in the zoning code for mixed-use transit-oriented development with increased emphasis on housing and developing parking management plans. In the South Lake Union station area, City-owned land on Mercer Street provides some opportunities for development partnerships. The location of a light rail station, along with expedited permitting, could strengthen the demand for housing in this area. With zoning changes, the South Lake Union station area could add another 320 units beyond the “rail only” forecast. These policies could also boost office and neighborhood retail use by 10%, adding close to an additional 100,000 square feet of floor area. Given the strong development interest in the Denny Regrade neighborhood and zoning that allows high densities, potential development strategies for the Seattle Center station area will probably not increase development beyond the “rail only” forecast of 2,630 new dwelling units and 651,000 square feet of floor area.

### ***Downtown Market Segment***

The principal strategies for the Downtown station areas could include zoning changes to accommodate more mixed-use development and the formation of partnerships to develop the site of the Convention Place station. Parking policies to support higher densities, including no parking requirements for new residential units, are already in place. The International District has distinct needs in terms of an appropriate development strategy, including improved pedestrian linkages from the light rail station to the nearby sports stadiums and King Street and Union Stations. The development interest in this area may create some opportunities for partnerships. In sum, given the strong development interest in the Downtown area and zoning that allows high densities, the potential development strategies could alter the form, but not the overall levels of, new development in the “rail only” forecasts.

### ***Duwamish Market Segment***

The potential development strategies in the station areas in this industrial market segment focus on preserving the industrial uses, while exploring the possibility of a tightly-drawn commercial area adjacent to light rail stations to serve riders. With this emphasis on preserving existing uses, the potential development strategies would have little effect on development in these station areas.

### ***North Rainier/Beacon Hill Market Segment***

The potential development strategies for the Poplar Place station area focus on providing incentives in the zoning code for mixed-use transit-oriented development and improving pedestrian linkages. The station is in a relatively weak market area, with few sites for development. Supportive policies would have a small effect on development in this station area, increasing the number of new dwelling units to 190 and new commercial floor area to 90,000 square feet.

The potential development strategies for the Rainier/I-90 station area focus on providing incentives in the zoning code for mixed-use transit-oriented development and improving linkages to the adjacent neighborhood. Because of the station's proximity to I-90, development strategies focus on opportunity sites along Rainier Avenue South. With some financial assistance, many sites could be redeveloped to provide housing and retail services. Targeted development policies could boost the number of new dwellings by 50 units and new commercial floor area by 20% from the "rail only" forecast.

The potential development strategies for the alternative McClellan stations focus on providing incentives in the zoning code for mixed-use transit-oriented development, establishment of a pedestrian overlay zone, affordable housing, and east-west transit service. A large opportunity site to the southeast of the station could help anchor the transition to a more pedestrian-oriented intersection. With some financial assistance, including tax abatements, these sites could be redeveloped to provide housing and retail services. Targeted development policies could boost the number of new dwelling units by 50 and new commercial floor area by 8%.

The potential development strategies for the Beacon Hill station area focus on providing incentives in the zoning code for mixed-use transit-oriented development, the establishment of a pedestrian overlay zone, and parking management policies. Opportunity sites adjacent to the station site could redevelop with the introduction of light rail service, zoning incentives, and expedited permitting. Such targeted development policies could increase the number of new dwellings by 60 units and new commercial floor area by 8%.

### ***Columbia City Market Segment***

The potential development strategies for the five alternative station areas in this segment focus on providing incentives in the zoning code for mixed-use transit-oriented development, improved pedestrian linkages, and direct economic and financial assistance (including tax abatements) to support housing and mixed-use development. The transit-oriented character of historic Columbia City creates some special opportunities and challenges for station area development. Policies must address parking in Columbia City and try to leverage the existing historic character to attract new development. Targeted development strategies could boost the number of new dwellings by 80 to 130 units and new commercial floor area by 10,000 to 30,000 square feet.

***Holly Park/Brighton/Dunlap Market Segment***

The potential development strategies for the two station areas in this segment, (Graham and Othello) focus on providing incentives in the zoning code for in-fill residential and mixed used development of opportunity parcels along Martin Luther King Jr. Way South. There also is need for improved pedestrian linkages and direct economic/financial assistance (including tax abatements) to support housing and mixed-use development. Targeted development strategies could boost the number of new dwelling units by 100 in the Graham station area and by 150 in the Othello station area. Commercial floor area could increase by more than 30,000 square feet at Graham and more than 90,000 square feet at Othello.

***Rainier Beach Market Segment***

The potential development strategies for this station area focus on providing incentives in the zoning code for mixed-used development near the station site and along Henderson Street to create a boulevard connecting the station with the commercial area on Rainier Avenue. There also is need for improved pedestrian linkages to the east and west. Joint development of school district property along Henderson and the Metro CSO project could provide opportunities for direct economic/financial assistance that could boost development in this station area. Targeted development strategies could increase the number of new dwelling units by 110 and the new commercial floor area by 17,000 square feet.

