

March 13, 2025

Director Nathan Torgelson  
Seattle Department of Construction and Inspections  
P.O. Box 34019  
Seattle, WA 98124-4019

Re: Providence/Swedish Medical Center, Cherry Hill Campus  
500 17<sup>th</sup> Avenue

## **COMPLAINT FOR VIOLATION OF LAND USE CODE**

The basis of this complaint is the Master Use Permit and Construction Permit issuance to Perfect Wealth Investment for a commercial hotel within the boundaries of the Providence/Swedish Medical Center Major Institution Overlay (MIO) in violation of the City Council-adopted Major Institution Master Plan (MIMP) and other applicable Land Use Code provisions.

The Seattle Department of Construction and Inspection has issued a Master Use Permit and related permits to Perfect Wealth for the construction of a hotel. Such a hotel could be a use permitted by the Land Use Code only if it complies with **SMC 23.69.008- Permitted Uses: All uses that are functionally integrated with, or substantively related to, the central mission of a Major Institution or that primarily and directly serve the users of an institution shall be defined as Major Institution uses and shall be permitted in the Major Institution Overlay (MIO) District.**

Since the proposed hotel is not functionally integrated with, or substantively related to, the central mission of Providence/Swedish, it is not a use permitted by the Land Use Code.

The letter to the Director of SDCI from Providence Health System dated September 13, 2024, makes that clear. Nevertheless, staff of DCI have apparently ignored that letter, and, most egregiously, withheld that letter from the Hearing Examiner and the public.

The basis for the Department's having concluded that the proposed hotel was a permitted use is a document called a "non-binding Memorandum of Understanding dated October 11, 2018, and a "Letter of Clarification" dated September 17, 2020.

In June 2024, still relying on the 2018 document, the Department issued a decision allowing the hotel proposal to go forward. Using the only administrative remedy available, members of the Swedish Cherry Hill Implementation Advisory Committee and other neighbors of the institution filed an appeal with the Hearing Examiner challenging the Department's decision. The only administratively appealable decision issued by the Department was the Environmental Impact Statement Determination of Nonsignificance.

Before the conclusion of the Hearing Examiner's hearing regarding the hotel, on or about September 16, Mike Denney, the Chief Real Estate Officer of Providence Health System sent a letter to the Director of SDCI stating that, because of significant design changes in the years since 2020, Providence/Swedish "no longer feel(s) the project meets the development standards set forth in the MIMP."

That letter from Mr. Denney specifically cites the "Lack of Programmatic Integration and Degree of Interdependence: There is no agreement in place that this project will directly support Swedish Medical Center patients and families, nor is there any practical or HIPAA-compliant way to identify whether hotel guests have any connection to the hospital."

The letter goes on to state: We understand that the project has been issued a Master Use Permit (MUP) and Building Permit, which has been appealed ... *We trust that this clarification will be appropriately taken into consideration.*" (emphasis added)

The information contained in the letter from Mr. Denney almost certainly is conclusive evidence that the proposed hotel cannot be a permitted use within the meaning of the Land Use Code.

Nevertheless, astonishingly, after this letter the SDCI's representatives, on September 24, 2024, submitted their final argument to the Hearing Examiner making no mention or acknowledgement of the letter and the statements contained. Rather, the Department continued to allow the Hearing Examiner to believe that their earlier representations, based on a four-year-old document were complete and accurate.

Also, the Department's representatives did not reveal the existence of these new and extremely important facts to the appellants or any other parties in the Hearing Examiner's Hearing.

Nor did the Department reveal the existence of, or in any way clearly consider, these new and highly relevant facts in the ensuing almost three months before the Department approved the construction permit for Perfect Wealth's development.

Five months later, the concealed facts first became known to the public. On February 27, 2025, in an Institution Advisory Committee-related meeting, the chair and vice chair of the IAC were informed by a Swedish staff member of Mr. Denney's September 2024 letter.

The Director of SDCI is asked to issue a citation for a violation of the Land Use Code related to Perfect Wealth's continuing to plan to build a hotel in the Swedish MIO that is not a permissible use in that location.

Also, the Director is asked to direct all his employees to cease and desist from concealing relevant and important information from the public, and most importantly from the Hearing Examiner. The undersigned members of the Swedish Cherry Hill IAC and Squire Park neighborhood believe that the actions of the Department in withholding relevant and important documents and information is an extremely grave breach of the duty to the public to conduct the public's business in a fair and just manner.

If the Department's enforcement of a violation of the Land Use Code does not result in the cessation of plans for and construction of an impermissible use, the undersigned will seek all available legal action.

Submitted by:

Neighbors and members of the Implementation Advisory Committee- Swedish Cherry Hill,

Claire Lane

Maureen Devery

Cat Koen

Ellen Sollod

Kathy Yasi

Bill Zosel

Vicky Schiantarelli

