

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

Project Name: Capitol Hill Light Rail Station Sites Development Agreement and Site-specific Design Guidelines Approval

Applicant Names: City of Seattle

SUMMARY OF PROPOSED ACTION

Approval of a development agreement and site-specific Design Guidelines for real properties owned by the Central Puget Sound Regional Transit Authority (Sound Transit) in the Capitol Hill Station Area Overlay district. The proposed agreement addresses several topics including but not limited to: range of future land uses, building heights and massing, building density, streetscape design, open space locations and characteristics, pedestrian connections and accessibility, preferred development characteristics near public space edges, affordable housing, bicycle and vehicle parking, coordinated vehicle access, and environmental design performance levels. The proposal also includes amending Section 23.41.010 of the Seattle Municipal Code to supplement the Capitol Hill Neighborhood Design Guidelines with site-specific design guidelines for real properties owned by Sound Transit in the Capitol Hill Station Area Overlay district.

The following approval is required:

SEPA - Environmental Determination - Chapter 25.05, Seattle Municipal Code.

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

BACKGROUND

The proposed development agreement and site-specific design guidelines follow from the 2011 Urban Design Framework (UDF). The UDF informed the negotiations between City staff and Sound Transit staff of a term sheet signed by the DPD Director and Sound Transit CEO in October 2012. The term sheet describes intended commitments by each party to follow some of the development guidance offered in the UDF. The site-specific design guidelines articulate the design guidance offered in the UDF. SMC 23.61.016 authorizes DPD to recommend a development agreement informed by a UDF for approval by the City Council.

The public has had a number of opportunities to offer comment and input, including during public meetings and workshops hosted by Sound Transit, the City, and both jointly. Also, in 2006, Sound Transit attended meetings with the Capitol Hill Chamber of Commerce and City staff on the topic of implementing a Broadway Economic Vitality Action Agenda. In May 2011, the City held an open house to invite comment on the draft UDF that was revised to reflect comments received and finalized in October of 2011. In September 2012, the City and Sound Transit co-hosted an open house on draft site-specific design guidelines and the term sheet.

As part of ongoing planning, City and Sound Transit staff have prepared a draft development agreement, on topics including but not limited to open spaces, streetscape design quality, pedestrian accessibility, affordable housing, future uses, building massing, and parking.

THE PROPOSAL

This proposed non-project action is the approval of a development agreement and site-specific design guidelines for real properties owned by Sound Transit in the Capitol Hill Station Area Overlay District at the Capitol Hill Light Rail Station. Statutory authority for development agreements is provided in RCW Chapter 36.70B. The process for approving this development agreement is described in SMC 23.61.016, which also provides requirements and limitations upon the agreement's ability to vary from otherwise applicable development regulations.

Development Agreement

Negotiations have led the parties to tentatively agree on a draft development agreement intended to meet the requirements of SMC 23.61.016 and state law. The contents of the agreement address several detailed aspects of arrangements that will pertain to future development. These include but are not limited to: range of future land uses, building heights and massing, building density, streetscape design, open space locations and characteristics, pedestrian connections and accessibility, preferred development characteristics near public space edges, affordable housing, bicycle and vehicle parking, coordinated vehicle access, and environmental performance levels.

The agreement would provide sufficient specificity to define the characteristics of future buildings and the environments that will be provided in the future along certain street edges and within the properties, to form street corridors and public spaces that will optimally serve the purposes needed for the light rail station and future occupants. A summary of the development agreement follows:

Housing

- An increase in height on all five sites; from 65' to 85' on sites A, C and D and from 40' to 85' on sites B North and B South. All sites will be built to a minimum height of 74'11" and a maximum height of 85', except the southern portion of site D within the Seattle Central Community College Major Institution Overlay District (MIO) that has a height limit of 105 feet' for institutionally related development.
- A requirement that site B North be made available exclusively to a developer who commits to providing 100% affordable housing at or below 60% AMI on site B north.

- A requirement that the developers of all sites except B North participate in the City's Multifamily Tax Exemption Program. This program currently provides a tax exemption for developers committing to provide 20% of the total number of residential units as affordable to low and moderate income households, with the level of affordability related to the unit type; at or below 65% of median for studio units, at or below 75% of median for 1-bedroom units, and at or below 85% of median for 2-bedroom and larger units. Sound Transit will require these units remain affordable at these levels for a minimum of 12 years. The specific allocation of unit sizes and affordability levels would be subject to change if the MFTE Program requirements are updated, which Council is currently considering.
- In order to build to 85' on sites A and C, the developer must commit to an additional duration of affordability beyond 12 years, or to a greater percentage (above 20%) of affordable residential units.

Appraisals

- All sites will be appraised at the allowed capacity of 85' with the exception of sites B North which will be appraised under the current height limit of 40'.

Amenity Areas

- A required publically accessible plaza that will be available to entities and organizations seeking to conduct programmed public events such as the Broadway Farmers market.
- Required mid-block crossings between Broadway and the plaza and 10th Ave E and the plaza of a minimum 15 foot dimension.
- A required 12 foot setback from the southern property line of site A to create an overlook onto the E Denny Way Festival Street.
- A requirement to provide 266 bike stalls on site
- A requirement to provide a generous 10th Ave E green streetscape

Design Considerations

- A required discernible visual break in building mass along site A's Broadway street frontage, variable through design review as long as intent is met.
- Required ground related housing on 10th Ave E with stoops.
- Required upper level setbacks of a minimum five feet depth on the top two floors of any structure on site C

Sustainability and Green Factor

- Ability to meet Green Factor requirements, per Seattle's Land Use Code, across all five sites as opposed to having to meet the required Green Factor score on each of the five sites. This results in a coordinated approach across all five sites with a unified design concept that complements Cal Anderson Park.
- Requirement to meet a combined Green Factor score of .302

Automobile Parking

- A maximum residential parking stall-to-unit ratio of 0.7.
- Requirements to unbundle parking costs from charged rent for affordable residential units.

Modified Design Review

- One alternative to the project proposal presented in the RFP process (as opposed to 3) required for submission to the Early Design Guidance meeting.
- Two Design Review Board meetings, with a commitment to no more than three meetings total; additional meetings at the request of the applicant.

The complete development agreement is an attachment to the environmental checklist regarding the proposed agreement.

Site-Specific Design Guidelines

The proposal also includes amending Section 23.41.010 of the Seattle Municipal Code to supplement the Capitol Hill Neighborhood Design Guidelines with site-specific design guidelines for real properties owned by Sound Transit in the Capitol Hill Station Area Overlay district. The guidelines are summarized below, and more detail is provided in the guidelines document itself, in Attachment B.

CS1 Natural Systems and Features	Use natural systems and features of the site and its surroundings as a starting point for project design.
CS2 Urban Pattern and Form	Strengthen the most desirable characteristics and patterns of the streets, block faces, and open spaces in the surrounding area.
PL1 Open Space Connectivity	Open space should complement and contribute to the network of open spaces around the site and the connections among them.
PL2 Walkability	Create a safe and comfortable walking environment that is easy to navigate and well-connected to existing pedestrian walkways and features.
PL3 Street-Level Interaction	Encourage human interaction and activity at the street-level with clear connections to building entries and edges.
PL4 Active Transportation	Incorporate design features that facilitate active forms of transportation such as walking, cycling, and use of transit.
DC1 Project Uses and Activities	Optimize the arrangement of uses and activities on site.
DC2 Architectural Concept	Develop an architectural concept that will

	result in a unified, functional and harmonious design that fits well on the site and within its surroundings.
DC3 Open Space Concept	Integrate open space design with the design of the building so that each complements the other.
DC4 Exterior Elements and Finishes	Use appropriate and high quality elements and finishes for the building and its open spaces.

Incorporation by reference of findings of a 2011 SEPA Determination

A SEPA Determination of Non-Significance (DNS) was published in July 2011 regarding Ordinance 123711, which adopted SMC 23.61.016. Although that ordinance addressed the ability to pursue development agreements in any Station Area Overlay District, it also contained a number of details specifically relating to future development of the real properties currently owned by Sound Transit in the Capitol Hill station area that is also the subject of this current SEPA Determination. The ordinance imposed limits on the ability of any development agreement to vary underlying development regulations relating to such factors as heights, density, land uses, and application of Green Factor requirements. The DNS for that ordinance analyzed these factors as they relate to the Capitol Hill station area, including with respect to land use and transportation elements in particular. The DNS was not subsequently appealed. The Development Agreement now proposed adheres to the limitations established in that ordinance.

Based on the similarity of several items addressing these topics in the proposed development agreement (and their presence in the Land Use Code), the DNS for that ordinance is incorporated by reference for and is an attachment to this current Determination. No further analysis is provided in this current Determination on topics pertaining to height, density, permitted land uses, and Green Factor compliance, except as may incidentally relate to other aspects of the development agreement and design guidelines. Because the current proposed development agreement and design guidelines amendments remain within the limits established by SMC 23.61.016, no substantial adverse impacts of this proposal on height, bulk, scale, density, or permitted land uses are anticipated.

PUBLIC COMMENT

The proposed development agreement and site-specific design guidelines amendments require City Council approval. Public comment will be taken on the proposal at a future City Council public hearing expected to be held in June or July.

ANALYSIS - SEPA

This proposal is an adoption of legislation, which is defined as a non-project action. It is not categorically exempt (SMC 25.05.800). Therefore, a threshold determination is required.

The disclosure of the potential impacts from this proposal was made in an environmental checklist submitted by DPD, dated May 7, 2013. The information in the checklists, the Director's Report and Recommendation, other information provided by the applicant, and the experience of the lead agency with review of similar projects form the basis for this analysis and decision.

ELEMENTS OF THE ENVIRONMENT

Adoption of the proposal would result in no immediate adverse short-term impacts because it would be a non-project action. The discussion below evaluates the potential long-term impacts that might conceivably result from related possible future development, to the extent that the proposal could influence the nature of such development.

Natural Environment

The proposal increases the probability that features provided in future development will achieve improved natural environmental amenity value across the large site, which will also contribute to a probable increased level of protection against spillover adverse effects of development on the natural environment. This would occur due to probable future designs of buildings and spaces that would be likely to follow design guidelines relevant to the natural environment (including guideline CS1 summarized earlier) and incorporate features to meet Green Factor performance levels that signify good natural environmental performance. As development occurs over time in the area, site-by-site improvements would accumulate in their probable positive effects, within the highly urbanized context of Capitol Hill. Natural environmental values are relatively low given the existing condition of the site and its immediate surroundings. The natural environment would also be protected in future development assuming compliance with City requirements such as drainage codes that would reasonably ensure that potential adverse impacts from runoff, erosion, and similar phenomena would be minimized.

Built Environment: Land Use, Housing, and Relationship to Plans and Policies

Any proposal's potential for land use impacts relates to the potential for incremental differences in development outcomes that would be interpreted as adverse upon the built environment. However, on the contrary, the most probable outcomes of this proposal would be positive in their overall contribution to site design, urban design qualities, and probable achievement of an improved level of architectural quality.

The probable effects of the proposal, particularly regarding the site-specific design guidelines, predominantly would be to support the achievement of future development patterns that would likely be compatible with the surrounding vicinity (as determined through an extensive planning process). The probable outcomes would be consistent with the City's policy intent expressed by its Comprehensive Plan, neighborhood planning, regulatory codes, design guidelines and other intents that have emerged from the current process of development agreement negotiation. Namely, the proposal would support future development patterns that would include networks of high-quality pedestrian streetscapes and open spaces, activated street-level uses, and good quality and building design that would be compatible with their surroundings in their height,

bulk, scale, and function. The proposal provides significant additional affordable housing outcomes which would help avoid significant adverse impacts upon housing.

Built Environment: Land Use – Aesthetics

Similar to the rationales discussed above regarding low potential for adverse land use impacts, no potential significant adverse aesthetic-related impacts are identified in relation to the elements of the proposal under review within this Determination. Rather, the proposed development agreement and guidelines approach would reasonably ensure that future development would accomplish well-designed arrangements of buildings, land uses, open spaces, streets, and pedestrian connections that would provide aesthetic/design outcomes beneficial to the public interest.

Built Environment: Transportation

To the extent that the proposed agreement and design guidelines amendments would influence the provision of higher quality pedestrian-oriented streetscapes and open spaces, and probable increased provision of pedestrian networks that provide for overall improved pedestrian accessibility, probable positive transportation impacts are identified. This might include an increased capability over time for individuals to rely upon pedestrian and transit trips rather than single-person automobile trips. For example, transportation research indicates that a finer-grained pedestrian travel network increases the attractiveness of pedestrian travel modes, compared to a network that consists of larger blocks that are typically associated with automobile-oriented commercial areas. Along with future light rail service, this suggests the possibility of site-generated vehicle traffic volumes that would be moderated (e.g., reduced from the maximum worst-case levels) by the anticipated building pattern and relationship to the neighborhood context and its proximity to multiple transportation system options. As such, no potential significant adverse transportation impacts are identified in relation to the elements of the proposal under review within this determination.

DECISION - SEPA

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

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

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

SEPA CONDITIONS

None.

Signature: _____ Date: _____
Gordon Clowers, Senior Planning and Development Specialist
Department of Planning and Development

Attachment, incorporated by reference:

Determination of Non-Significance, dated July 11, 2011, on Land Use Code amendments to “facilitate the use of development agreements authorized by RCW Chapter 36.70B for transit oriented development within Station Area Overlay Districts”

ATTACHMENT

DETERMINATION OF NON-SIGNIFICANCE, DATED JULY 11, 2011

**CITY OF SEATTLE
DETERMINATION OF NON-SIGNIFICANCE BY
THE DEPARTMENT OF PLANNING AND DEVELOPMENT**

Applicant Name: The Department of Planning and Development

Address of Proposal: Properties within the Capitol Hill Station Area Overlay District in Seattle owned or under control of regional transit authority.

SUMMARY OF PROPOSED ACTION

The proposal is a non-project action to amend the Land Use Code to provide general procedures to facilitate the use of development agreements authorized by RCW Chapter 36.70B for transit oriented development within Station Area Overlay Districts. Additionally, the proposal specifically authorizes development agreements between the City and the regional transit authority in the Capitol Hill Station Area Overlay District and specifies how those agreements can be limited.

The following approval is required:

SEPA - Environmental Conditions - Chapter 25.05, Seattle Municipal Code.

SEPA DETERMINATION: Exempt DNS MDNS EIS

 DNS with conditions

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

BACKGROUND DATA

Background

City of Seattle policy, including the Comprehensive Plan and Transit Master Plan supports compact transit oriented development (TOD) near transit stations and transit hubs. Several ongoing or planned investments in regional transit systems are being made by transit authorities. Specifically, Sound Transit is currently building the University Link segment of the light rail system, and is designing the North Link segment of the light rail system. In order for public

transit authorities to construct transit facilities, it is common for authorities to acquire parcels of land around future transit stations. Acquisition of land is commonly needed to accommodate staging areas for construction activities. After completion of the construction activity, such lands may be eligible for reuse for TOD. State law authorizes the City of Seattle to enter into development agreements with property owners. The proposed Land Use Code amendment would facilitate use of such agreements with a regional transit authority in the Capitol Hill Station Area Overlay District to enable coordinated, flexible TOD on transit-authority-owned property above or directly adjacent to the Broadway light rail station.

Proposal Description

The proposed Land Use Code amendment sets out general procedures to facilitate the use of development agreements authorized by RCW Chapter 36.70B for TOD within Station Area Overlay Districts. Such development agreements would allow for variations from certain Land Use Code development regulations to enable coordinated flexible development above or directly adjacent to transit stations on property owned by a regional transit authority in the Capitol Hill Station Area Overlay District. Under the proposed amendment, the Director of the Department of Planning and Development would recommend a development agreement to the City Council. That recommendation would be informed by a coordinated development plan or urban design framework that the Director has developed through a community involvement process. Although a final agreement may set forth development standards that vary from otherwise applicable development regulations, the proposed code amendments would limit that variation:

1. Under the proposal, development agreements would not be allowed to increase height above 85 feet, except in certain situations.
2. The agreement would not authorize uses prohibited in the underlying zone.
3. Floor Area Ratio (FAR) requirements would be allowed to be modified for an individual lot, but the total FAR for all parcels affected by a development agreement would not be allowed to exceed 6.0.
4. Variations of Green Factor requirements for an individual lot may not result in a Green Factor ratio for the aggregated lots that is less than the ratio that would result from imposition of otherwise applicable Green Factor requirements to all individual lots.
5. Design review requirements will apply, but if there is a conflict between a Design Review Board recommendation and the terms of the development agreement, the agreement shall prevail.

Public Comments

Proposed changes to the Land Use Code require City Council approval. Public comment will be taken on the proposed amendments during future Council hearings.

ANALYSIS - SEPA

The initial disclosure of the potential impacts from this project was made in the environmental checklist dated July 6, 2011. The information in the checklist, a copy of the proposed text changes, and the experience of the lead agency with review of similar legislative actions form the basis for this analysis and decision.

Short-term Impacts

As a non-project action, the proposed amendment will not have any short-term impact on the environment. Future development affected by this legislation and subject to SEPA will be required to address short-term impacts on the environment.

Long-term Impacts

Most long-term impacts of this code amendment are expected to be minor. Impacts to noise, light and glare, shadows, energy, air quality (including greenhouse gas emissions), and most public services and facilities may slightly increase, due to potentially larger structures and greater levels of activity on various sites, but are not expected to be substantial. Any such increase would be required to be approved as a part of a development agreement entered into between the City of Seattle and a regional transit authority. In Station Area Overlay Districts, any project action that is an expansion of more than 12,000 square feet (4,000 square feet in Single Family or Multi Family zones) or the creation of more than 30 dwelling units will be subject to project-level SEPA review, which will allow for more focused review of environmental impacts of individual developments. In addition, projects expanding under the provision of this code amendment will need to comply with existing codes and regulations, including the Environmentally Critical Areas regulations, and the Stormwater, Grading and Drainage Control Code.

The most likely adverse impacts of the proposed amendment would be to land use; height, bulk, and scale; and traffic and transportation. These topics are discussed further below.

Land Use

The Land Use SEPA policy states, in part, that “it is the City’s policy to ensure that proposed uses in development projects are reasonably compatible with surrounding uses and are consistent with any applicable, adopted City land use regulations, the goals and policies set forth in Section B of the land use element of the Seattle Comprehensive Plan regarding Land Use Categories, and the shoreline goals and policies set forth in section D-4 of the land use element of the Seattle Comprehensive Plan for the area in which the project is located.”

The proposed amendment would not permit uses that are not currently allowed on properties within station area overlays that are owned by transit agencies. The uses that would be allowed

under a development agreement are expected to be reasonably compatible with uses in adjacent zones.

Height, Bulk, and Scale

In general, height, bulk and scale of projects developing pursuant to an approved development agreement in the Capitol Hill Station Area Overlay District would not be substantially different than what could be built under the base zoning. The greatest increases in allowable heights would be to a maximum of 85 feet, and the allowable total FAR of the sites included in a development agreement would not be allowed to exceed 6.0. Height and FAR limits of 85 feet and 6.0 respectively are generally compatible with and appropriate for properties in the immediate vicinity of Sound Transit's Broadway light rail station. Development agreements would not substantially alter the allowable height bulk and scale from that allowed by existing zoning.

Bulk and scale impacts of projects proposed pursuant to this code amendment will be addressed by the City's design review process, which, as noted above, would apply throughout the areas proposed for rezone. Specific height, bulk and scale impacts of particular projects will be determined at the time of project-specific SEPA review. The proposed amendments are not expected to have a significant impact on height, bulk, and scale, pursuant to SMC 25.05.675.G.

Numerous Comprehensive Plan goals policies, including those cited below, call for focused density of commercial and multifamily uses in transit oriented development. These policies give support for minor increases to height, bulk, and scale around transit stations to achieve environmental benefits of transit oriented development.

LG16 – (High density multifamily areas goal.) Accommodate the greatest concentration of housing in desirable, pedestrian-oriented urban neighborhoods having convenient access to regional transit stations...

LU117 (Mixed Use Commercial Areas policy) - Generally permit a greater intensity of development in pedestrian and transit supportive environments...

Transportation

The proposed text amendment could lead to potential minor increases in development capacity on parcels owned by the regional transit authority near the Broadway light rail station. Therefore projects developing pursuant to a future development agreement may generate higher volumes of traffic and have greater transportation impacts. Actual additional traffic volumes would depend on a number of factors, including the mix of uses that would be proposed both on any individual development site and throughout the development agreement area.

Any impact of potentially increased development capacity pursuant to a development agreement on the roadway transportation system is expected to be substantially mitigated by the immediate adjacency to a transit station. Additionally, Seattle's transit stations are priority areas for a network of connecting bus service and bicycle infrastructure. Typical traffic generation

methodologies draw from suburban sites and auto-centric development patterns, and lead to high estimates for auto trips per additional commercial or residential capacity unit. These typical traffic generation models are not applicable to sites that would be affected by this proposal. Given the immediate availability of a mass transit alternate, additional capacity created through a development agreement is not expected to have a significant impact on traffic and transportation, pursuant to SMC 25.05.675.R. The transportation impacts of individual projects developing pursuant to these proposed text changes will be evaluated through SEPA review at the time of permit applications; if appropriate, mitigation will be required at that time.

DECISION – SEPA

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

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

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

RECOMMENDED CONDITIONS – SEPA

None.

Signature: On File Date: 7/11/11
Geoffrey Wentlandt, Senior Planning and Development Specialist
Department of Planning and Development