



City of Seattle

Gregory J. Nickels, Mayor

SEATTLE PLANNING COMMISSION APRIL 28, 2005 FINAL MEETING MINUTES

Commissioners in Attendance: George Blomberg, Chair; Steve Sheehy, Vice Chair; Hilda Blanco, Mahlon Clements, Tom Eanes, Jerry Finrow, Chris Fiori, Valerie Kinast, Lyn Krizanich, Joe Quintana, Mimi Sheridan

Commissioners Absent: Martin Kaplan, John Owen, Tony To

Commission Staff: Barbara Wilson, Director; Scott Dvorak, Analyst; Robin Magongil, Administrative Assistant

Guests: Rebecca Herzfeld, Council Central Staff; Dennis Meier, DPD; Bob Morgan, Council Central Staff; Neil Powers, Legislative Aide to Councilmember Peter Steinbrueck

Call to Order

The meeting was called to order at 9:00 am.

COMMISSION BUSINESS

CHAIR'S REPORT

- **Approval of April 14, 2005 SPC Minutes**
The minutes were not finished in time for this meeting and will be presented for approval at the May 12 meeting.
- **Upcoming Activities/Housekeeping Updates**

Chair George Blomberg announced a number of upcoming events particularly noting the following:

- Tuesday, May 3, there will be an Executive Committee Meeting. The Executive Committee will meet from 7:30 – 9:00 am. Meeting is open to all commissioners.
- Tuesday, May 3, 6:00-8:00 p.m., Broadway Avenue East Rezones Public Hearing at Seattle Central Community College. This is sponsored by the Seattle City Council. Commissioner Mimi Sheridan noted that she had not heard anything about the rezoning of Broadway and that she had found out the day before comments closed. Chair

Blomberg asked if anyone felt that this was awkward, that the rezone is taking place, without any input from the Commission. Barbara Wilson noted that there had been one briefing on it earlier in the year at Commissioner Sheehy's request and the Commission made the decision that it did not have adequate resources to review this proposal.

- Wednesday, May 4, North Bay DEIS Public Hearing at the National Guard Armory. There will be more discussion on the North Bay DEIS later in the meeting.
- Thursday, May 19, Land Use and Transportation Committee. Chair Blomberg remarked that this was an important meeting to get that committee properly launched.
- Tuesday, May 10, the Waterfront Core Planning team is going to have a session from 4:00-5:30 pm. They are going to discuss land use and zoning matters and have invited the Commissioners to join them.
- Nominations committee members will be calling Commissioners to get nominations for new Commissioners. Ms. Wilson asked that the Commissioners turn the blue leadership forms, that were in the folders at the last meeting, in to the staff.
- Commissioner Jerry Finrow encouraged the Commissioners to attend the June 6 presentation of Urban Sustainability Forum Series from 5:30-7:00 pm at the Seattle Central Library to hear Jan Gehl's presentation on public spaces.

▪ **Project Reports (Center City, Northgate, Monorail SAP, NBDS)**

CENTER CITY:

Ms. Wilson called attention to the notes from the past retreat and noted that the Center City work group met last week and there are some notes from that meeting in the folders as well. She also noted that Commissioner Sheridan and Commissioner John Owen have agreed to take a first crack at developing a matrix for one of the neighborhoods, First Hill. The work group has also started to define the big questions. Ms. Wilson asked Commissioners to begin to review the questions and think about next steps. Chair Blomberg stated that one thing they did discuss was performance goals and objective measures. The matrix is a good start.

NORTHGATE:

Ms. Wilson reminded Commissioners that Councilmember Peter Steinbrueck had brought up a Commission involvement in the housing and zoning study. She stated that Councilmember Steinbrueck has brought up his concern about the lack of housing development in Northgate to the Planning Commission for some time now. The status on that request is that DPD, Kristian Kofoed in particular, is beginning to put together the scope and action for that study. The Public Involvement may include a series of focus group with citizens, developers, etc. to begin to look at some of the issues there. Ms. Wilson is meeting with Kristian Kofoed and Norm Schwab (Council Central Staff) to make sure that they are moving forward on this. Commissioner Sheridan expressed her feeling that focus groups may not be necessary for this small area. She felt that it might be easier to identify key developers, other than those directly involved, and interview them on the phone asking what are the pros and cons to developing in that particular area.

Commissioner Finrow stated that a developer, who owns much of the site to the east of Northgate, is developing plans to redevelop their property but they are not ready to make the information public yet. Chair Blomberg elaborated that the Commissioners see the

housing/zoning component as one of the remaining items that still requires some analysis and evaluation. Commissioner Finrow stated that he felt that the biggest concern had to do with all the housing west of Target and its potential for redevelopment. Commissioner Sheridan noted that there is a lot of vacant property and one story buildings. Commissioner Finrow felt that the developers were aware of that.

MONORAIL STATION AREA PLANNING:

Ms. Wilson reminded Commissioners that there was originally a briefing scheduled on monorail station area planning today but the Executive Committee felt there were other pressing items that needed to be discussed. The briefing will be rescheduled for later in the year. Commissioner Sheridan mentioned that today's paper reported the Washington Group, one of the three major companies on the monorail bidding team, has dropped off. Commissioner Tom Eanes noted that the fact that Washington Group has dropped out is very telling regarding the risk.

NEIGHBORHOOD BUSINESS DISTRICT STRATEGY:

Commissioner Eanes reported that he sat on a CNC panel this past Saturday. He remarked that it was unfortunate that Bruce Lorig did not show up so his point of view was not represented. Commissioner Eanes stated that most of the discussion centered around parking with limited discussion on use issues. He feels that the issues are a little more complicated than most people understand. There was quite a bit of support from Carol Eychner who was on the panel, but the fact that mapping would be done later was under everyone's radar. Carol did not realize that DPD was going back and revisiting the Pedestrian Zone designation throughout the city. Her impressions were that these regulations were finished and that this goes in effect all at one time. Commissioner Eanes noted that the mapping issue was very poorly understood and further stated that the parking just all depends on which neighborhood you are in. Commissioner Eanes reported that there were a couple of points that were disconcerting. One was that the group was against any reduction in parking regulations and the other was that they liked the existing 64% lot coverage limitation. Overall he felt that the meeting was disappointing.

Chair Blomberg asked about the public comment at the meeting and what issues were brought up. Commissioner Eanes responded that the use issue was poorly understood. He doesn't think they understand how the regulations work now and why they work in some places and not others.

Chair Blomberg emphasized that there are some good things in NBDS that deserve strong support from the Commission and should not be thrown out. Commissioner Eanes responded that he has been looking at the detailed proposal and the more he looks at it the more he finds little problems. An example is that the new P designation really ratchets up some of the restrictions in regards to what you can do with parking. The other thing he noticed is that the zoning is very loose with some upper story set back requirements but there is no lot coverage limitation, and no FAR. This is outside the commercial zone so it is not affected by this proposal except for the P regulations. There is a great variety of buildings that have been built there and he attributes to the fact that the regulations are looser. This is causing him to question even more the extent to which the regulations are overdone. He agrees with the changes to FAR.

Ms. Wilson noted that today is the last day for people to submit any appeals to the EIS. As of yesterday they had not gotten any appeals but they expected to get some today. The Commission had decided last meeting to send their comments to City Council after the appeals process. So the

work group will have to talk through some of these issues and decide where to move from the letter that was originally drafted to Diane Sugimura but not sent. The original letter can be used as a basis to work from. Commissioner Eanes emphasized that he felt it would be most unfortunate if the few things wrong with NBDS caused it to not be adopted. This is a chance to make some change for the better in the commercial district zoning code. We may have to couch what we say very carefully in terms of the tweaks so that it does not unravel everything. Chair Blomberg noted that the next step on this issue will be to discuss it with a smaller group who will begin drafting Commission comments and recommendations.

COMMISSION PROJECT REVIEW

NORTH BAY DEIS

Chair Blomberg noted again for the record that he was recusing himself from any debate or Commission actions on this issue due to a conflict of interest.

Scott Dvorak passed out a sign up sheet for the Commissioners to indicate which chapters of the Port of Seattle's North Bay DEIS they would be interested in reviewing and providing comments on. There will be a public hearing on May 4th at the National Guard Armory. He also noted that comments are due to the Port on May 16 so the Commissioners would need to get their comments in to Scott and Barb by May 6. Ms. Wilson pointed out that that would give her and Scott enough time to put together a final draft which would be approved at the May 12 Commissioner meeting.

Commissioner Sheridan asked Chair Blomberg if the Port abides by the City's comprehensive plan. Rebecca Herzfeld (Council Central Staff) responded that the Port does have to follow the City's Comprehensive Plan and zoning. They can propose amendments just like they have with the North Bay project. Ms. Wilson added that consistency with the City of Seattle Comprehensive Plan is articulated in the North Bay DEIS.

Commissioner Quintana asked what level of involvement the Commission wanted to take at this point. Commissioner Sheridan stated that we should probably comment rather than really comment in detail because the Commission's major emphasis should be on the industrial lands study. More energy should be focused on that broader question. Commissioner Finrow questioned what action the City Council recently took and what impact that might have. The whole discussion on the housing in that North Bay area is ongoing and is not really a dead issue but is undergoing some pretty hard questioning.

Mr. Dvorak said that the Industrial Lands Strategy has been requested by a number of folks and the Commission is participating in creating a background paper that will be presented to the Mayor's Economic Vitality Sub-cabinet on May 4. The sub-cabinet will then give some direction as to how they want City Staff to move forward on creating a strategy.

Commissioner Clements asked that if this would be a City led strategy in partnership with the Port. Mr. Dvorak responded that it would not necessarily be a partnership with the Port but just a City led strategy. North Bay is just one of the projects that would be affected by it.

Ms. Wilson added that the Council set August 1 as a deadline for the completion of the Strategy so that they had it in time to consider Comprehensive Plan amendments in the fall.

DOWNTOWN ZONING PROPOSAL

Ms. Wilson explained that she had asked Dennis Meier from DPD and some of the people from Council Central Staff to come today and help the Commissioners think through where they are going with this and perhaps talk about some of the more recent changes. Chair Blomberg invited Dennis Meier, DPD along with Rebecca Herzfeld and Bob Morgan from Council central staff to join Commissioners at the table for this discussion.

Chair Blomberg reminded the Commission of some of their history of involvement stating that a year ago the Commission reviewed the DEIS and submitted comments. Since that time staff has released the final EIS including responses to the Commission's letter. They have also identified a preferred alternative. There is a draft of the proposed changes to the height and density limits. Ms. Wilson reminded the Commission about Councilmember Steinbrueck's request that they be involved in giving comments to Council on this issue. Some of the key issues that Councilmember Steinbrueck thought were important were around housing, whether TDR hit the mark, will the changes really help us achieve our housing goals - specifically workforce housing.

Chair Blomberg asked Dennis Meier to give commissioners a run down of recent changes and the differences in the preferred alternative since his last briefing to the Commission. One thing that Mr meier emphasized is that this is a follow-up in the implementation program for the downtown neighborhood planning process. He stated that an earlier phase of the process resulted in changes to the code in 2001 that anticipated this next step so a lot of the things that people have been concerned about (open spaces, historic preservation, etc.) had already been taken care of. The actions taken then helped restablish the priorities that these current bonus program proposals focus on. Key among them was the shift in priority to the housing end of how bonus and TDR programs are used. There were additional provisions that dealt with the use of incentives for historic preservation, establishing a bank that the city could fund to purchase development rights, and requiring developers to purchase them in order to exceed the base FAR.

Mr. meier also explained that historic preservation was one of the significant changes that have raised some concerns. There has been an effort to try and explore other ways that regulations might be improved upon to enhance conditions for landmark buildings. There are two new proposals that are intended to do that. One is that landmark structures would be considered "invisible" as far as their floor area ratio is concerned and what they have available to transfer. The historic property owner would be free to sell off all of the commercial development rights. The intent is to provide more of a gain to landmark structures to sell of their development rights. The other proposed change would allow landmark structures that are newly converted to residential use for affordable housing, to transfer their development rights to the housing side of the spectrum.

Mr. Meier pointed out that another significant change was that for projects to gain access to any of the bonus FAR they would need to be constructed to Silver LEED standards. Silver LEED would give the developer their first increment above the base allowed FAR and then give them

access to additional bonus FAR. The bonuses above LEED include bonuses for affordable housing (either on-site or funds committed to a housing bank) and open space (again on-site or to an open space fund). These provisions exist in all of the DOC1, DOC2, and DMC Zones and it is also a requirement for high-rise residential buildings where the new provisions establish a base that can be built without any participation in bonuses but if you exceed that base to go to maximum floor plate size you would also have to meet the Silver LEED standard.

Commissioner Clements asked where the changes came from. Mr. Meier answered that it was just general responses from the environmental community. Chair Blomberg questioned if this then encourages developers to use them then they would receive some benefit as an incentive. Commissioner Clements asked for clarity that this requires that anything over the base, the first thing a developer would have to do is LEED and then above and beyond that you have access to the housing and open space bonuses. Mr. Meier confirmed that is the case.

Commissioner Quintana asked if there were any analysis on the additional cost. Mr. Meier stated that he, DPD and the environmental folks have tracked costs of how the program has performed in other places. There is an additional cost initially but in the long term it is a benefit to the project and that those costs are felt not to be substantial.

Mr. Meier also noted another change that affects the zoning map is in the area that has been referred to as Area 5. This area has been dropped in that there will not be any additional height increase. He went on to note that this was an area where there were a number of landmark structures. Commissioner Sheridan remarked that she had surveyed for the viaduct in determination for eligibility for the National Register for most of the buildings there that are not already designated. Mr. Meier determined that if there continues to be an interest in height increases in that area that could be addressed in the waterfront plan.

Mr. Meier expressed that those are the key differences and that DPD will have a complete version of the ordinance completed by the end of this week. Then there will be review time and the City Council expect to get to this by the end of May with a public hearing in June and a possibility of a final action by the end of the year. Rebecca Herzfeld added that the schedule had that resolution currently scheduled for December 12.

Commissioner Clements stated that there is some feeling among the development community that this project has been discussed and analyzed for years and now they are concerned that it will take to the end of the year - so there is some anxiousness about the timing. Commissioner Sheridan noted that she has noticed that more and more public buildings are using LEED. She stated that the highest quality buildings she has seen are those built for low income housing and yet they don't use LEED standards. They are high quality because the organization responsible for building them wants a solid building that they are investing in for the long-run. Commissioner Blanco expressed concern that the program was relying on the bonus programs to develop affordable housing. Commissioner Quintana added that if you create a new cost you have driven up the development cost and that will have some effect on the use of the property.

Mr. Meier answered that the fee for the affordable housing bonus is fixed and is not something that fluctuates. The challenge for the developer will be to figure out if this LEED incentive be something that can be incorporated with little cost and yet substantial benefit.

Commissioner Lyn Krizanich noted that many developers are already taking very ambitious steps toward sustainable development. She does not think that there need s to be requirements but beyond that if development costs go up development will be sent out to areas where it isn't wanted.. There is a very delicate balance between costs and getting development where you want it. Mr. Meier responded that part of the incentive is that maximum density and height limits are being increased substantially and that works well for development. The additional space that is available can offset some of additional costs.

Commissioner Clements noted that although the goal is very admirable there are energy code restraints to building high-rise residential buildings. The City of Seattle can only do so much and there needs to other things that happen, most conspicuously with the energy code. Mr. Meier responded that the base that can be done without going to LEED standard is pretty generous and is probably taller and bigger floor plate size than what already exists in places like Belltown.

Commissioner Finrow emphasized that he wants to reinforce the need to look at the implications of these policies on housing development in the rest of the city. He asked if a typical building cost analysis of these layers of requirements had been done. Mr. Meier answered that when the 2001 nexus study was done there had been a cost analysis at that time. Commissioner Krizanich pointed out that was in 2001 and a current one should be done as we do not have all the numbers we need to draw a clear picture.

Commissioner Eanes commented on housing affordability. He feels that this has been highly speculative as to what effect this would have on the affordability of housing in specific neighborhoods as well as the areas around them. He stated that it is hard for him to see the positive relation between the costs for the extra FAR and the affordability of housing in these buildings Mr. Meier explained that there is no housing in the building per se but the developer pays into a fund that non-profits use to build affordable housing elsewhere.

Commissioner Eanes wondered if the developer couldn't also provide the affordable housing within the development. Mr. Meier stated that there is a performance option but it is increasingly difficult to do this option because of the nexus requirement that the types and income levels for the units are very specific. Commissioner Eanes expressed that this still seems speculative. Mr. Meier noted that it is a question of how much you can provide. An individual project is not expected to provide any more than their impact.

Chair Blomberg asked about the analysis and whether or not there is time to do that. He expressed that it would be useful to know this information as to a materials analysis and what it might yield and how it is titrated. He also wondered if the inclusion of the LEED standard approaches a point of diminishing return for developers.

Commissioner Quintana stated that it is not just the cost in obtaining the Silver LEED but also the cost of losing the bonus FAR. Mr. Meier stated that there are many variables. Mr. Meier drew a graphic to help better explain the was the LEED incentive works with the rest of the Bonus.

Commissioner Krizanich asked for clarification regarding the extra FAR . Mr. Meier answered that the step that was taken was to allow one additional FAR if the development achieves Silver

LEED Certification and then the developer would be given access to additional bonus FARs based on open space and affordable housing. Commissioner Eanes wanted to make sure that he heard Mr. Meier correctly and that Silver LEED Certification would essentially be a requirement before any other bonus FAR could be added to the project. Mr. Meier responded that was correct. Commissioner Eanes stated that he would not back that.

Mr. Meier suggested that if the Commission does decide to look at the implications of this aspect of the proposal that they invite Lynn Barker from DPD to brief them, as she is the person most familiar with LEED and other cities' experiences with it. Commissioner Sheridan requested a briefing with Lynn Barker be scheduled.

Commissioner Eanes stated that, in regard to LEED, he does not know how it works in high-rise residential but that it does not work in low-rise residential. He explained that the one thing that we would need to know is, if we are building a mixed use building where there would be office below and residential above, would the residential part of the building be required to achieve LEED. Mr. Meier answered that any residential structure that is less than 125 feet tall would not be subject to this but once you have increased the average floor size and go up to as high as 400 feet then that kicks in the LEED requirement. The base of what is allowed without Silver LEED and is fairly significant for a residential building.

Ms. Wilson requested that, in view of the time, Commissioners characterize the next steps and actions that should be taken. She noted that what she has confirmed so far is a request for a briefing from Lynn Barker, more information on the energy code, and some different types of analysis. Commissioner Sheridan requested that the Commission needed to look at the EIS responses to the Commission's comments, especially since Councilmember Steinbrueck has requested this. She also stated that in regard to LEED, she is particularly interested in how it relates to residential.

Chair Blomberg expressed that there might be four action items thus far and asked what the timeline is. Ms. Wilson stated that the Commission has been asked to come to Councilmember Steinbrueck's committee on June 29. It would be important at this meeting to have some key issues of support or concerns.

Commissioner Quintana noted that he would personally like the Commission to make the Executive aware of the concerns that exist. Commissioner Quintana continued by adding that he has three concerns. One is the practicality of the standard, the other is the potential for increasing the financial burden for downtown developers, and the last one is the implications for areas outside of downtown.

Commissioner Eanes added that one of the issues in respect to residential and the energy code is that both do not recognize that residential is often stricter than it needs to be. This new LEED requirement appears to be repeating the same oversight as the existing energy code. Commissioner Blanco reiterated her concern about the impact on the provision of affordable housing. Chair Blomberg stated that those are the broader questions and to get to those we would have to hear more about the details.

Commissioner Sheridan observed that the problem is that this proposal is leaving the Executive very soon. Just to make sure everyone realizes that the Commission may not have very much time to study these issues. Ms. Wilson suggested a quick one page letter to the Executive stating

that the Commission is continuing to review this proposal, that we have not had an opportunity to look at it in detail but have some initial thoughts we would like to share with him. Chair Blomberg summarized that this heads up communication would include references to: driving costs higher, residential implications, and the impact outside downtown.

Commissioner Fiori interjected that there is an assumption made by all the DEIS studies, that no matter how you change the zoning, the same amount of demand for downtown office space will exist. When they look at what the aggregate number is, it stays the same for all of the options. He feels that we could simplify our issue to the fact that the LEED requirement could undermine the reason for having a higher height in the first place without addressing the other competitive issues.

Ms. Wilson suggested that the Executive Committee approve a letter at their next meeting and send it the rest of the Commission for a final review. Ms. Wilson encouraged any of the Commissioners to attend the Executive Committee meeting and stated that the letter would be drafted and then sent around to the rest of the Commission. Commissioner Quintana stated that he did not need to review the letter and that he would recuse himself from any formal recommendations on this matter due to a conflict of interest.

ACTIONS:

The Planning Commission will get more information on the LEED standard that exists in the current version of the Downtown Zoning Proposal including scheduling a briefing on LEED certification from Lynne Barker of DPD. The Commission will also further investigate related energy code issues and their relationship to LEED standards and how they might be used to achieve similar goals.

The Commission will send a memo to the Executive to inform him of the Commission's initial concern about the inclusion of the Silver LEED certification has in the downtown zoning changes. The letter will include the SPC's concern with the practicality of the standard, potential burden on developers, implications for the development on downtown open space and affordable housing, and potential development pressure put on areas around downtown.

As requested, the Planning Commission will brief and provide recommendations to the City Council on this matter. The Commission will conduct a review of the City's FEIS response to the it's comments on the DEIS.

PUBLIC COMMENT

Chair Blomberg asked for public comment. There was no public comment presented.

ADJOURNMENT

Chair Blomberg adjourned the meeting at 5:35 pm.