

Chapter Three

Key Issues and Findings

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Introduction

The overall purpose of this Environmental Impact Statement is to provide information that will assist decisionmakers in making choices about possible changes in Downtown zoning. Given the complexities involved in zoning regulations and planning Downtown's long-term future, understanding the full spectrum of issues is a challenge. It is necessary to focus on "big picture" policy perspectives as well as the relationship to detailed aspects of the Land Use Code and zoning. This chapter summarizes the most important findings of the Draft EIS and places them in the context of the City's long-term Downtown planning efforts.

OVERVIEW OF KEY ISSUES AND FINDINGS

The key findings of this EIS speak to the multidimensional effects of making choices in Downtown zoning controls. Different choices may alter the "shape" of Downtown in terms of its buildings' physical dimensions, mixes of land uses, streetscape quality, real estate market, the presence of open space amenities, and the preservation of historic resources. How it functions will depend upon the adequacy of the available infrastructure.

Growth Policy and Downtown Planning Issues

The alternatives studied in this EIS would alter the height and density parameters for future growth in certain Downtown zones. The EIS analysis identifies a range of potential impacts relevant to: the City's growth policies and regulatory programs; the mix of commercial and residential uses that will occur with future growth; and the physical qualities of building height, bulk and scale. The ultimate choices may confirm the City's current growth policies expressed in its Comprehensive Plan and zoning, or alternatively, may adjust the City's policies to recognize changes in preferred growth priorities.

Relationship to growth policies and regulatory programs

Downtown Seattle is the pre-eminent urban center in the region, a dense employment and residential center that will continue to support a diverse mix of office, retail, service, governmental, cultural and entertainment uses. The City's Comprehensive Plan defines a central role for Downtown in accommodating employment and residential growth that helps fulfill the City's growth management responsibilities. Neighborhood planning for the various Downtown neighborhoods provides further policy guidance about the shape of growth Downtown.

The City's Downtown growth policies define a commercial office and retail core at the heart of Downtown, with office expansion areas extending north into the Denny Triangle area and south toward Pioneer Square and the International District. The map on page NP-58 of the Comprehensive Plan illustrates this concept. The largest residential concentration area defined by the growth policies is Belltown, and much of the rest of Downtown is intended for mixed commercial and residential development, as reflected by Downtown Mixed Commercial (DMC) zoning. The heights and densities of the DMC zone currently provide intermediate levels of height and density that act as a transition from the densest portion of Downtown to the adjacent neighborhoods.

The alternatives studied in the Draft EIS emphasize different aspects of the City's Downtown growth policies, with Alternative 1 posing the greatest challenge to those policies. The extent of changes

proposed in Alternative 1 would essentially represent further expansion of the office core area into areas currently intended to be transition areas with mixed residential and commercial uses. Alternative 2 is more compatible with the City's current growth policies because it avoids changing the DMC zones, while still adding height and density to the office core zones. Alternative 3 would provide a more residentially-oriented option by adjusting zoning in the DMC zones to more greatly emphasize inclusion of housing as part of mixed-use development and by reclassifying some DMC areas in the northern Denny Triangle and southern edge of Belltown to a more residential zone designation.

As a response to the findings of the Draft EIS and subsequent public input, the Mayor's Office has developed a Preferred Alternative (refer to Chapter 1). This alternative would retain most of the office core, office expansion and mixed-use transition zones described in current comprehensive and neighborhood planning. However, it would more tightly define the office expansion area by establishing a new DMC zone that would apply to some DMC areas in the Denny Triangle, as well as office expansion areas currently zoned DOC 2 near Interstate 5 and along the southern edge of the Commercial Core adjacent to Pioneer Square and Chinatown/International District. At the same time, many of the existing DMC-zoned areas in Belltown, the Commercial Core and the Denny Triangle would continue to have a mixed residential and commercial use emphasis to support further residential and mixed-use development. The Preferred Alternative would essentially combine the most beneficial elements of Alternatives 1, 2 and 3 while retaining the existing purposes and hierarchy of the zoning system.

The EIS alternatives would impact the existing Transfer of Development Credits (TDC) program in different ways. The TDC program accommodates additional density of residential development through increased height in the Denny Triangle in exchange for obtaining development rights from rural areas in King County and contributing to neighborhood amenities. It also is expected to result in King County funding for public amenities in the Denny Triangle. Alternative 1 would have the greatest effect on the TDC program, and Alternatives 2 and 3 would also constrict this program compared to existing conditions. Depending upon zoning choices, the TDC program could continue to be a factor in the City's Downtown regulations or could be superseded. Similar to Alternative 1, the proposed changes in the Preferred Alternative would supersede the Transfer of Development Credit program.

Relationship to mix of commercial and residential uses

Increases in the height and density limits of DMC zoned properties and some DOC 2 zoned properties could alter assumptions about property values and attractiveness for development. This could influence how properties are developed or speculatively held for future development. Future development might seek to maximize development potential by providing commercial and residential mixes of uses on sites. Alternatively, depending upon zoning, some properties might become more valuable and attractive only for commercial uses. Dynamics of real estate values could encourage speculative holding of property, squeeze out residential uses and discourage the economic viability of residential development. These dynamics could alter the future character of development, especially in Denny Triangle, and preclude achieving Comprehensive Plan and neighborhood plan objectives, unless the zoning and land use regulations are consciously defined.

The Preferred Alternative proposes zones with height and density limits that will clarify the intended scale and pattern of future development. Increases to commercial density limits are confined to a smaller area than under Alternative 1 to promote a stronger concentration of employment density in areas best served by transit, and in DMC areas, the maximum height limits are reserved for residential use to help promote housing where it is most desired as part of the overall mix of uses. Using zoning to better direct the type and densities of development desired in different areas should help avoid "overzoning" that can lead to speculative holding of property in underdeveloped uses such as parking lots.

Relationship to height, bulk and scale of future development

Possible code changes would alter the size and shape of future development through height and bulk regulations. The relationship between permissible height and density in a zone helps influence the shape and design of buildings. If the maximum height is too low, buildings seeking to maximize floor area may be designed in bulky squat forms rather than slimmer towers that better distribute building bulk. Conceptually, providing higher height limits would allow the same amount of building floor area to be more flexibly designed in a greater variety of forms. Therefore, the relationship between the permissible height and density should be carefully considered so that building designs are not artificially constrained within a building envelope that is too small.

The Draft EIS found that some of the proposed density increases would be proportionately even greater than the proposed height increases. For at least portions of Alternatives 1 and 2, this suggests that overly bulky buildings would continue to be an issue. Further, because residential use is currently exempt from density limits, residential structures could be designed in a quite bulky and dense form. Therefore, unless refined strategies are employed, the possible code changes could result in taller yet similarly bulky buildings as under the existing regulations (see Draft EIS pages 3-74 to 3-101 and 1-4 to 1-9 for further discussion of related issues).

The Preferred Alternative includes recommendations that would address height, bulk and scale concerns with refined strategies. For commercial development, the proposed increases in height limits, which in several areas exceed those in the Draft EIS alternatives, will allow structures with smaller, less bulky floor sizes to accommodate the additional density proposed. Modified upper-level development standards will also continue to ensure relief in the massing of structures to make them appear less bulky from the street level. For high-rise residential structures, maximum floor size limits and maximum wall dimensions will provide more predictability regarding the allowed bulk of residential towers, and will result in structures that are taller but relatively more slender than what is currently allowed.

Housing, Open Space and Historic Preservation Issues

The EIS identifies preservation and enhancement of housing, open space and historic resources as important aspects of City policy that should be considered in decisionmaking of zoning proposals. These are valuable resources and amenities that help shape the attractiveness, character and livability of Downtown. The presence of significant amounts of housing Downtown can also benefit transportation conditions, as more people could live close enough to walk, cycle or use transit to commute, helping to manage the impacts of vehicle commute trips.

Housing Resources

Housing resources for households at all income levels are important to the future of Downtown, including perpetuation of existing affordable housing resources and development of new housing resources. As discussed above, the mix of residential and commercial uses encouraged by zoning in portions of the Denny Triangle, Belltown and the Commercial Core is an issue pertinent to housing resources Downtown. A positive impact of the alternatives (including the Preferred Alternative) is the projected increase in housing bonus program funds for affordable housing that, if leveraged, could provide for more housing units developed Downtown than under the existing zoning. These funds, when leveraged with other resources, could contribute to the production of between 3,600 units under existing conditions to over 8,000 units, depending upon the alternative. Under all of the alternatives, including the Preferred Alternative, up to six residential buildings (three of which receive subsidies) totaling 300 residential units are located on sites that could be redeveloped by 2020.

The EIS also takes into consideration the nature of the residential environments likely to emerge under various zoning scenarios, recognizing that Downtown policies are not only targeted at increasing housing resources, but also at creating viable residential neighborhoods. Factors that influence Downtown's livability include type of development, character of the street environment, presence of amenities desired by residents, and concentrations of housing sufficient to support needed services and a residential character.

The Preferred Alternative encourages greater concentrations of housing in most DMC areas, through height incentives for residential use and other measures such as provisions for the transfer of commercial development rights from housing sites. The proposed bulk controls on high-rise residential structures will promote development that is more compatible with high-density, mixed-use neighborhoods, with a greater variety in development scale and a generally stronger sense of openness in the street environment than would be expected with development under existing conditions. The potential for increased use of landmark TDR, open space TDR and low-income housing TDR by commercial developments in DMC areas could result in more amenities complementing residential use in the area and enhancing the overall quality of neighborhood character. Provisions allowing common recreation area requirements for residential projects to be made off-site provide an opportunity to generate more funding for public open space in mixed-use neighborhoods. The screening of parking in residential structures, including separation from the street by other uses along the ground floor and portions of upper floors, should also contribute to more positive streetscape conditions.

Park and Open Space Resources

Growth in Downtown's residential and office populations will generate additional demand for park and open space amenities, for which there is a shortfall in supply relative to Comprehensive Plan goals for Downtown open space. "Open space" or recreation spaces can encompass several types of features, including parks, public plazas, indoor atriums, rooftop gardens, private and shared residential recreation spaces, and sidewalk "Green Street" spaces improved with landscaping and aesthetic and pedestrian-oriented features. Future development would provide some of these features over time per code requirements, but these may not be enough to satisfy all park and open space needs of Downtown residents and employees. Several commenters noted the importance of dealing with the open space impacts of future growth, recommending that effective mitigation be required. Potential mitigation strategies include making additional public investments in open space, exploring mechanisms to pool resources for open space improvements (such as payment of in-lieu funds), adjusting open space requirements to allow for innovative solutions (to residential and/or commercial demands), and other regulatory or incentive-oriented strategies.

Under the Preferred Alternative, increasing the maximum commercial density (FAR) limits while retaining the current base FAR in DOC 1, DOC 2 and the newly created DMC areas increases potential use of bonus floor area in these locations for open space amenities and open space TDR beyond what would likely occur under other alternatives. Limiting options for floor area increases in many DMC zones to various types of TDR could encourage greater use of open space TDR for open space improvements. Allowing developers to meet common recreation requirements for residential projects at off-site public open space locations or through green street improvements could contribute to the future supply of Downtown open space.

Historic Resources

City policy supports preservation of important historic resources typically consisting of Downtown buildings with architectural and/or historic value. Historic preservation was cited as an important issue in comments on the EIS by the Seattle Planning Commission, State Office of Archaeology and Historic

Preservation, the State Department of Community, Trade and Economic Development, and the Historic Seattle preservation group. Already-designated landmarks are afforded protection by the current regulations governing preservation of historic resources, and zoning incentives such as the transfer of development rights, providing opportunities to direct resources to these structures to ensure their preservation.

The Draft EIS also identified several buildings that are not yet designated but might qualify for landmark status. Historic Seattle and a couple of other sources also submitted the names of several other such buildings that were not identified in the Draft EIS. Of those, approximately 12 are located in the study area, including the Centennial Building, Chamber of Commerce, Diller Hotel/Porter-Davis, Fifth Avenue Court, Foster and Marshall Building, IBM Building, Maritime Building, Norton Building, Rainier Tower, Second and Pike Building, Securities Building, and the YWCA. Possible mitigation strategies identified in the Draft EIS include (but are not limited to) additional funding for acquisition of development rights from landmarks most at risk for redevelopment, as well as additional designation of landmarks by the City.

Under the Preferred Alternative, increasing the maximum commercial density (FAR) limits while retaining the current base FAR in DOC 1, DOC 2 and the newly created DMC areas increases potential use of bonus floor area in these locations for landmark TDR beyond what would likely occur under other alternatives. Limiting options for floor area increases in many DMC zones to various types of TDR could encourage greater use of landmark TDR than might otherwise occur. **Some special provisions that could be considered would provide greater incentives for landmark preservation, including the amended Planned Community Development process (or modified combined lot provisions) which identify landmark preservation as a public benefit enabling a project to seek added development flexibility through these mechanisms.**

Transportation and Energy Impact Issues

The EIS identifies transportation and energy as important environmental elements affected by the zoning proposals.

Transportation

Even with projected increases in transit ridership using bus, monorail, light rail and Sounder service, denser growth would contribute to increased congestion in portions of Downtown, most notably in the Denny Triangle. Traffic on commuting corridors to/from the north, east and south would experience greater delay, including delay in bus travel. Several intersections along the key commuting corridors of Stewart Street, Olive Way, Howell Street and Denny Way are likely to experience significant congestion during evening commute peak hours by 2020. Providing for continued capability to develop housing Downtown is one way to help limit the effects of congestion. More aggressive implementation of demand reduction programs, transit improvements, easing of parking requirements, and strategic physical improvements to the street system would also aid in reducing these impacts. City staff have also recommended examining the possibility of public-private partnerships that would leverage developer contributions to fund additional hours of transit service. Decisionmakers' choices will determine which package of mitigation strategies will be selected. By targeting proposed commercial density increases to those areas best served by transit and expected to receive further investment in transit infrastructure, the Preferred Alternative further concentrates employment at locations where commuters will be most likely to use transit.

Energy Infrastructure

This Final EIS, based on updated input from City Light, now identifies a need for an additional electrical substation to serve Downtown growth beyond 2020. However, a portion of the Denny Triangle could experience electrical capacity limitations sooner than that if commercial energy load grows more quickly than expected. These findings point to the need for strategic actions to ensure that future development can be served sufficiently. Actions could include additional capital investments, adoption of incentives or requirements for more sustainable choices in energy system design, and further implementation of City Light capacity planning recommendations.

The Preferred Alternative would have the effect of moderating impacts on energy infrastructure in critical areas like the northeast portion of the Denny Triangle by encouraging a mix of uses with more housing, which would generate less-intensive energy demands than commercial-only buildings.

Public Comment Themes

Public comments on the Draft EIS reflect a healthy diversity of opinions. Several of the comments indicate a willingness to consider regulatory changes that would lead to better forms of future development, with a sense that decisions need to be made in a balanced and careful manner. Many also favor stewardship of resources such as Downtown open space, housing and pedestrian-oriented streetscapes. Some commenters questioned the need for zoning changes, expressing concerns about aesthetic impacts as well as building bulk, streetscape quality and open space impacts. Some commenters also wondered how the EIS's Downtown growth scenario fit in with regional growth expectations and whether there are implications related to shifts in growth.

Many of the stakeholders representing the development community and Downtown business community expressed concerns that some Alternatives (particularly Alternative 3) would be too constrictive, with negative implications for development prospects. Several requested that even larger changes than Alternative 1 be considered, so that the Downtown zoning regulations do not hinder development in the next wave of economic growth. For many of these stakeholders, the desired strategies are believed to be mandated by neighborhood plans, and should be implemented so that subsequent development maximizes the fund-generating benefits accrued to housing resources, so there would be "wins across the board." This approach leans toward letting the market decide the uses and form of development that occurs in Downtown.

GROWTH RELATIONSHIPS BETWEEN DOWNTOWN, NEIGHBORHOODS AND THE REGION

In comments on the Draft EIS, a number of commenters expressed interest in how Downtown Seattle's growth (or lack of growth) under the alternatives might affect growth regionally and within Seattle. These comments arose from a range of perspectives both for and against change.

Pro-change and neutral perspectives in public comments

Several of the growth-related comments favor significant increases in the height and density limits of Downtown zoning. Some theorize that new development can choose to locate either in Downtown or other portions of Seattle or the region. Unless Seattle loosens its Downtown regulations, they believe that developers may more often choose to develop in other regional cities or parts of Seattle where the regulatory environment is more favorable. This outlook assumes that some of the Draft EIS alternatives might be "downzones" or contain disincentives to development.

Other comments more neutrally inquired about the potential impacts of diverting growth away from Downtown to other neighborhoods. They asked: "What happens if growth does not occur Downtown?"

Evaluation

Evaluating the potential for growth diversions into other areas is beyond the scope of this EIS. It is not reasonably possible to infer how different Downtown zoning choices might influence different patterns of growth in other parts of the city or region. This type of analysis would need to interpret extensive amounts of regional growth data and broadly infer how future growth might redistribute itself and what effects that might have. This would require too much speculation about how or if development might instead locate in the greatly different environments of Seattle neighborhoods or various suburban cities. Even supposing that such studies are possible, numerous “push” and “pull” factors would be involved as well as a multitude of uncertainties.

The EIS does not support conclusions of growth shifts away from Downtown Seattle based on differences among alternatives. The real estate consultant's analysis did not believe such shifts to be a plausible outcome. Historical trends in Downtown growth, including the perspectives provided by reviewing real estate and economic trends and Puget Sound Regional Council projections, support the growth range studied in the EIS. Inferring significant diversion of growth from Downtown based on particulars of certain zoning alternatives is not a supportable finding of the EIS, even as a hypothetical exercise. In fact, considering that the alternatives would all increase allowable height and density compared to existing zoning, these alternatives should increase the attractiveness of Downtown for development rather than decrease it.

Furthermore, even under existing conditions, Downtown can accommodate significantly more growth than is projected over the next 20 years—and beyond. The more pressing issue presented by the choices in this EIS is: where within Downtown can projected growth be best accommodated, and what type of growth is most desirable in different locations to be consistent with the City's growth plans and policies?

Skeptical perspectives in public comments

Among the skeptical perspectives expressed in comments on the Draft EIS were the following:

- Downtown might absorb more than its share of regional growth which might slow the prospective benefits of growth that might be achieved in other urban centers such as Lynnwood or Federal Way.
- Alternatively, the South Lake Union neighborhood might grow so much that demand for Downtown growth would thus be reduced, bringing into question the need for zoning changes.
- We should consider the secondary impacts of future Downtown growth, such as increased traffic congestion and housing costs, on other Seattle neighborhoods.

Evaluation

The EIS does not identify shifts in growth that might cause Downtown to absorb “too much” growth. Studies for the EIS concluded that increasing zoning capacity would not likely increase the amount of growth that might occur in Downtown over 20 years. Further speculation about differences in growth rates in other neighborhoods or cities is beyond the scope of this EIS. Rather than characterize whether growth in some areas would be “too much” or “not enough”, the suggested perspective is to consider that growth is a long-term and ongoing phenomenon. Regardless of possible zoning changes in Downtown Seattle, growth will likely continue to happen in the city and region. Even so, it may take decades for many neighborhoods (including Downtown and South Lake Union) and suburban cities to reach their full growth potential. The suggested approach is to examine the long-term needs of Downtown Seattle and

ensure that sufficient commercial and residential development capacity is available and that development consistent with Seattle's policies for Downtown can be reasonably achieved. This would ensure that Downtown can continue to fulfill its role as the central, largest urban center in the region.

Further analyses of secondary impacts of long-term Downtown growth on other neighborhoods are beyond the scope of this EIS. The EIS was oriented to analyze what difference the zoning changes might make in development patterns and the identifiable differences that might result in Downtown. This is a suitable approach for a programmatic environmental review on a non-project proposal. Given this, it is not within the EIS scope to evaluate the cumulative impacts of 20 years of growth on Seattle neighborhoods. This task would be better addressed in analyses for the City's Comprehensive Plan.

Those with concerns about citywide housing and traffic impacts should consider that potential Downtown zoning changes are oriented to accommodating additional housing development in areas where residents will be better able to live without automobiles. This type of Downtown housing growth is conceptually more efficient in terms of housing, transportation and environmental impacts than growth in areas away from the Downtown Urban Center. Data from the 2000 Census indicate that a significant proportion of Downtown residents commute on foot or by transportation modes other than automobiles.