Chapter Three

Affected Environment, Impacts and Mitigation Measures

CHAPTER THREE

AFFECTED ENVIRONMENT, IMPACTS AND MITIGATION MEASURES

POPULATION AND EMPLOYMENT

AFFECTED ENVIRONMENT

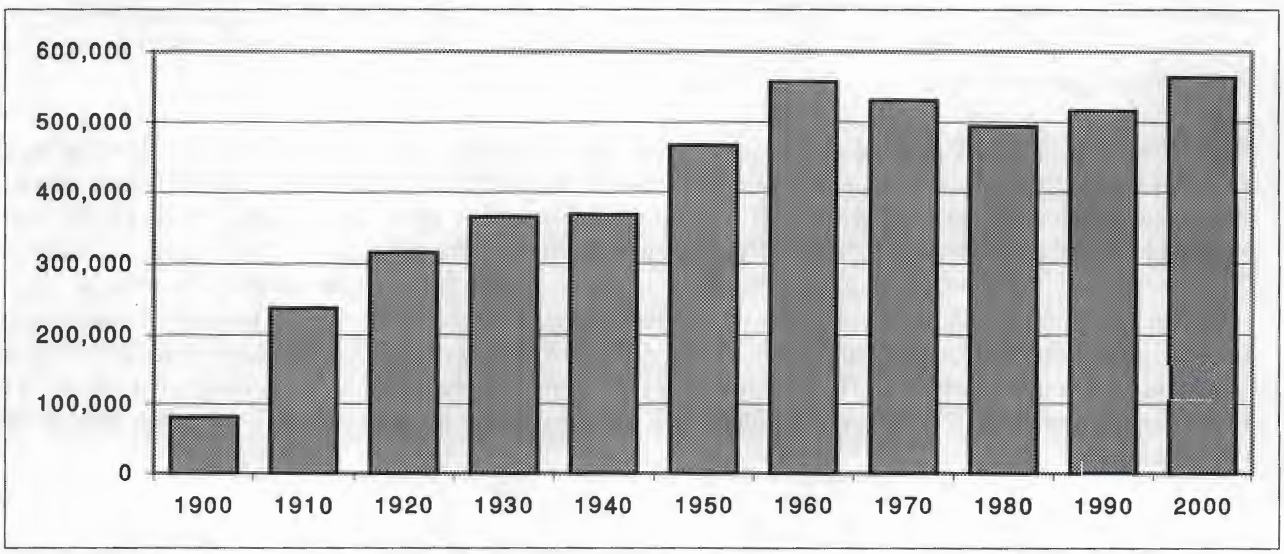
This section summarizes population and employment data gathered and analyzed for this EIS. See Appendix A for additional detailed information gathered from the U.S. Census and other sources.

Population

POPULATION GROWTH

In 2000, Seattle's population hit an all-time high. According to the U.S. Census Bureau, Seattle's population grew by approximately 9% during the 1990s to 563,374 residents (see Figure 12). This rate of growth was twice that of the 1980s. The growth between 1980 and 2000 reversed population declines in the 1960s and 1970s.

Figure 12
City of Seattle's Population 1900-2000



Sources: 1900-1990: U.S. Census Bureau online http://www.census.gov/population/www/documentation/twps0027.html, various tables 2000: U.S. Census Bureau, 2001, Census 2000 Table DP-1

However, Seattle grew at a slower rate than King County and the State of Washington during both the 1980s and 1990s. During the 1990s, the County's total population increased by 15% to 1.7 million residents, and Washington's total population increased 21% to 5.9 million residents. Seattle's share of King County's population consequently declined in the 1990s, from 34% to 32%. This generally indicates continued suburbanization of growth in King County, outside the regional center of Seattle. However, strong Downtown residential growth helped counter this trend.

Seattle's increase in population is primarily due to immigration into the region. According to the United States Census 2000, 61% of Seattle's residents were not born in Washington State. According to the Washington State Office of Financial Management, 53% of residential growth in King County throughout the 1990s was a result of migration into the County, as opposed to natural growth resulting from births. Consequently, growth rates in Seattle are likely to be more influenced by economic factors and job growth than birth rates.[1]

During the 1990s, the Downtown Urban Center was one of the fastest-growing areas in the city with a 65% increase in population over ten years to 20,088 residents. This level of growth was considerably greater than the minimal Downtown population growth during the 1980s. Increased growth in Downtown Seattle reflects the several different trends:

- more small households better suited to small multifamily units;
- changes in perceptions about living and building in Downtown neighborhoods;
- a booming economy bringing more people to the region and creating a larger segment of the population with higher paying jobs;
- greater interest in shorter commutes to/from work, due to increased congestion in the region;
- an evolving concentration of cultural amenities and entertainment in Downtown Seattle; and
- more limited opportunities for new housing growth in other Seattle neighborhoods.

Households

At 1.34 persons per household, the Downtown Urban Center's average household size is significantly smaller than the average for Seattle. However, Downtown's household size is growing. In 1990 the average Downtown household contained 1.26 persons. Based on trends from previous decades, some population forecasts had assumed that Seattle's average household size would shrink significantly. In fact, at 2.08 persons per household, the city's average household size remained close to the 1990 average of 2.09 persons per household.

The Downtown Urban Center is composed of five Urban Villages: Belltown, Chinatown-International District, Commercial Core, Denny Triangle and Pioneer Square. During the 1990s, Belltown experienced the greatest residential growth of any Downtown neighborhood – approximately two-thirds (2,641 new households) of the Downtown Urban Center's growth occurred there during the 1990s (Table 7). Another 27 percent (1,063 households) of Downtown's household growth occurred in the Commercial Core neighborhood, and the Chinatown/International District neighborhood received 15 percent of Downtown household growth. The Denny Triangle and Pioneer Square neighborhoods experienced lesser but notable increases in households, and the Denny Triangle saw a significant increase in the number of residents not in Group Quarters. All Downtown neighborhoods had percentage growth rates at least twice that of the city as a whole.

[1] Birth rates do drive population growth in some of Washington's rural counties.

Table 7
Downtown Urban Center Village Household and Population Change, 1990-2000

Downtown Urban Center Villages	1990 HHs	2000 HHs	% Change	1990 Pop.	2000 Pop.	% Change
Belltown	3,230	5,871	82%	4,131	8,504	106%
Denny Triangle	573	844	47%	732	1,605	119%
Commercial Core	1,314	2,377	81%	3,886	5,521	42%
Pioneer Square	603	755	25%	1,507	1,756	17%
Chinatown/International District	941	1,514	61%	2,053	2,702	32%
Downtown Urban Center	6,661	11,361	71%	12,309	20,088	63%
Seattle Total	236,702	258,499	9%	516,259	563,374	9%

Source: U.S. Census Bureau, City of Seattle, 2001 Note: HH = Household; Pop. = Population

DEMOGRAPHICS

According to the 2000 U.S. Census, the composition of Downtown's residential population differs from the city and region in a number of ways, but as it grows it is starting to look more like the citywide population.

Unlike the city as a whole and King County, there are more male than female residents of Downtown Seattle. This holds true throughout all age ranges, except for children and residents more than 65 years old. However, the share of the Downtown population that is female has grown from 33% in 1990 to 39% in 2000.

Downtown Seattle has larger proportion of minority residents than the city or region as a whole. Downtown's residents are more likely to be Asian, Black or American Indian and Alaskan Native than the city as a whole, King County, or the region.

Only 4% of Downtown Seattle's residents are children under 18 years old. Citywide, sixteen percent of the population is under 18 years old. However, in 1990 only 2% of Downtown's residents were children, indicating a comparatively large increase in the number of children living Downtown. At the same time, the share of Downtown residents who are over 65 years old has fallen from 19% to 13%. Overall, Downtown has a much higher percentage of residents between the ages of 25 and 64 than the city or region, with especially large shares of residents between the ages of 25 and 34, a group that had a similar share of the Downtown population in 1990. However, the 44 to 54 year old age group's share of the Downtown population grew the most over the last ten years. In 1990, this group represented 12% of the Downtown population. In 2000, 17% of Downtown residents were between 44 and 54 years old.

Households

Downtown's household composition is very different from the city and region as a whole. Almost three-quarters of all Downtown households are single persons living alone (down from 79% in 1990). Only 4% of Downtown households contain three or more people. This contributes to the average household size of 1.34 persons in Downtown. The city as a whole has a much greater proportion of households with three or more persons (25%), but even this is lower than the region's proportion (39%). The Denny Triangle has the smallest households in Downtown Seattle with an average of 1.24 persons per household, while the Chinatown/International District and Pioneer Square villages have larger than average household sizes.

Given the large proportion of one-person households in Downtown, it is not surprising to see that "non-family" households (which include single-person households) are the predominant type of household in Downtown Seattle. Only 17% of Downtown's households are family households, with one-or-more household members related by blood or marriage to the householder. On the other hand, most of the households in the region are family households. Family households make up two-thirds of the households in King, Kitsap, Pierce and Snohomish counties. They have grown from 14% of Downtown households in 1994, but their share Downtown remains much lower than the rest of the region.

Population Not in Households

A sizable portion of Downtown Seattle's households are in "group quarters." According to the Census Bureau, all people not in a household are living in group quarters. They classify group quarters as either institutional (correctional facilities, nursing homes, and mental hospitals) or non-institutional (college dormitories, military barracks, group homes, missions and shelters). One-quarter of the Downtown Urban Center's population is in group quarters. The largest group quarters facility is the King County Jail located in the Commercial Core, with beds for 1,697 inmates, most in use. Other group quarters serving sizable populations include homeless shelters throughout Downtown, and senior housing and student housing buildings in Belltown.

Homeless people are a significant part of Downtown's non-household population. Downtown Seattle has historically provided many of the homeless beds available in the region. A recent study of homeless shelter use by the Seattle/King County Coalition for the Homeless found 3,674 people sleeping in shelters in Seattle. That same night, 1,001 people were sleeping in shelters in other parts of King County. Because they have no fixed address, homeless populations are difficult to count. The most recent count of homeless residents in Seattle, performed by the Seattle/King County Homeless Coalition, found 2,040 homeless people sleeping outdoors in Seattle, in addition to the population in shelters.

Employment

EMPLOYMENT GROWTH

According to data from the Washington State Employment Security Department (ESD), total covered employment in Downtown in 2000 was approximately 174,528 jobs, of which two-thirds are located in the Commercial Core. As a dense office center, Downtown is a center of financial, insurance, real estate and services (FIRES) employment. These industries employ more workers than all other Downtown employment categories taken together. Downtown accommodates considerable government employment, the second most common employment category, in Federal, King County and Seattle City facilities, primarily in the south end of the Commercial Core. Retail employment is the third most common employment category, particularly in the Chinatown/International District.

Total non-agricultural covered employment in King County was approximately 1.16 million in 2001 (ESD, Puget Sound Regional Council [PSRC]). Downtown Seattle contains roughly 15% of the County's employment, and 34% of the City's employment. Approximately 21% of all FIRES jobs and 20% of government and education jobs in King County are located Downtown.

Seattle's four other Urban Centers combined (Capitol Hill/First Hill, the University District, Uptown and Northgate) account for nearly 20% of the City's employment. Fifty-four percent of Seattle's employment is located in designated Urban Centers. Employment in Manufacturing/Industrial (M/I) Centers

(Duwamish and Ballard/Interbay) and Hub Urban Villages represented 16% and 9% of the city's employment, respectively.

Employment growth information from PSRC for 1980-2000 provides a longer-term perspective. Between 1980 and 2000, the city's net job growth was approximately 242,700 jobs (63% growth), including 71,000 additional jobs in Downtown (63% growth).[2] Net job growth in Downtown during the 1980s was over twice as much as during the 1990s (49,600 versus 21,400 jobs). Downtown gained a greater portion of the city's total employment during the 1980s. Through the 1990s Downtown maintained its share of approximately one-third of the jobs in Seattle. The financial/insurance/real estate/services sector was the leading employment category in terms of job growth in both Downtown Seattle and the city as a whole between 1980 and 2000, followed by the government/education and wholesale/trade/communications/utilities (WTCU) sectors.

INCOMES

Residents of Downtown Seattle generally have much lower incomes than Seattle or King County residents as a whole. According to the 2000 U.S. Census, the median annual earnings of Seattle residents in 1999 was $40,929 for male full-time workers and $35,134 for female full-time workers. The median household income Citywide was $45,736. The median income for a male resident of Downtown Seattle was $20,491; for females, the median was $18,057, approximately half the citywide average. The median household income for all households downtown was $22,816. Overall, more than sixty percent of Downtown's households had incomes in 1999 that were less than half the King County median income.

Downtown Seattle's distribution of household incomes reflects the large number of low-income housing units that have been available Downtown, and to a lesser extent, recently built high-end condominiums. The Downtown Urban Center has a disproportionately high share of the county's households earning less than $25,000. In 1999, 53.4% of Seattle's households earned less than $25,000, compared to 19.9% of King County's households. Downtown Seattle also has a higher portion of individuals in poverty: 32.3% of all Downtown residents were in poverty in 1999. According to the U.S. Census, in 1999, 8.4% of King County residents were in poverty.

Downtown has a lower share of households at almost all income levels over $25,000. However, at the very highest income level, Downtown Seattle has a larger share of households. In 1999, Downtown Seattle had 470 households (4.1% of all households) that had incomes of more than $200,000 in 1999. In comparison, 3.8% of King County households and 3.5% of Seattle households are in this income category. Approximately 70% of the Downtown households with incomes this high live in Belltown, with over 20% living in the Commercial Core.

A higher proportion of Seattle's and Downtown Seattle's residents are employed in Management, Professional, Sales and Office Occupations than in King County or Washington State as a whole. On the other hand, both Downtown Seattle and the City as a whole have lower than average shares of residents employed in Construction, Extraction and Maintenance, and Production, Transportation and Material Moving occupations.

[2] These data from PSRC use a different definition for Downtown, referring only to the portions of the Downtown Urban Center west of Interstate 5, and excluding the eastern half of the Chinatown/International District.

POPULATION AND EMPLOYMENT PROJECTIONS

Four different sources provide some indication of the amount of residential and employment growth that may occur in Downtown Seattle over the coming twenty years:

- projections from the Puget Sound Regional Council (PSRC);
- market studies by Economics Research Associates (ERA);
- targets from the City of Seattle's Comprehensive Plan; and
- recent growth trends (see Table 8).

All four of these sources predict the Downtown residential population will more than double over the next twenty years. Downtown employment, already strong, will continue to grow by as much as 50% over the next twenty years. Given these four data sources, this EIS analyzes the impacts of the highest reasonable amount of growth projected for the next twenty years. The ERA projection of residential and employment growth in the Downtown Urban Center over the ten years between 2000 and 2010 was used here as a basis for the twenty-year growth projection. For the purposes of this EIS, between 2000 and 2020, growth in Downtown Seattle is projected to equal 17,500 new households and 70,000 new jobs. In order to accommodate that growth, an additional 18,375 new housing units, and 17.5 million square feet of office space would need to be added to the Downtown Urban Center.

Because the ERA forecast was for the entire Downtown Urban Center, a portion of that development was assumed to be included within the study area, and a portion of the development was assumed to occur outside of the study area. It was assumed that 90% of the growth in commercial space would occur within the study area over the twenty-year period, consistent with the amount of capacity available in the study area and recent development trends. On the other hand, only 40% of Downtown's residential growth was expected to take place within the study area, given the attractiveness of Belltown, Pioneer Square and the Chinatown/International District areas for residential development.[3]

Table 8
Downtown Urban Center
Households, Population and Employment, 2000 and 2020

	2000	2020 Comprehensive Plan Targets		2020 PSRC Projections		Extended 2020 ERA Projection	
Households	11,361	26,061	129%	22,893	102%	28,861	154%
Population	20,088	40,080	100%	37,617	87%	46,338	131%
Employment	174,527	237,227	36%	224,564	23%	244,527	40%

Sources: U. S. Census Bureau, 2001; City of Seattle Strategic Planning Office, 2001; Puget Sound Regional Council, 2003; ERA, 2000

Comprehensive Plan Growth Targets

Seattle's 1994 Comprehensive Plan and the King County Countywide Planning Policies included twenty-year "growth targets" or projections for residential and employment growth in the Downtown Urban Center. In addition, "planning estimates" identified how growth might be divided within the Urban Center. These targets and estimates present levels of growth that balance growth in Downtown with growth in the rest of King County in pursuit of City and County growth management goals. The "Urban Center" is a County designation indicating an area expected to accommodate a large share of employment

[3] In the last five years, 68% of all new Downtown units have been built outside of the study area. In addition, 68% of units in Downtown projects with issued building permits as of January 1, 2002 were located outside of the study area.

and housing growth over twenty years. The Comprehensive Plan's targets and estimates for 1994 to 2014 indicate an expected doubling of Downtown households during this period. The Belltown and Denny Triangle neighborhoods are projected to receive 68% of Downtown's *residential* growth through 2014. Over 80% of Downtown's *employment* growth over the same period is expected to occur in the Commercial Core and Denny Triangle neighborhoods (see Table 9).

Table 9
Downtown Urban Center Villages
Comprehensive Plan "Planning Estimates" 1994-2014

Downtown Urban Center Villages	Additional Households (HH)	% of Urban Center's HH growth	Additional Jobs	% of Urban Center's Job growth
Belltown	6,500	44%	4,500	7%
Chinatown/International District	1,300	9%	2,800	4%
Commercial Core	1,300	9%	27,000	43%
Denny Triangle	3,500	24%	23,600	38%
Pioneer Square	2,100	14%	4,800	8%
TOTAL	14,700	100%	62,700	100%

Source: City of Seattle, Comprehensive Plan, 2001

Puget Sound Regional Council Forecasts

The Puget Sound Regional Council (PSRC) has developed updated working forecasts of population, households and employment for the central Puget Sound region for the years 2010, 2020 and 2030. These projections are based on forecasts of regional economic trends. The PSRC uses a model to project future conditions based upon regional economic growth trends. The most recent forecasts were published in January 2003.

PSRC's model forecasts employment and residential growth in numerous subareas throughout the region. The Downtown area south of Denny Way is approximately the same as two of these subareas. The PSRC projects growth of 11,532 households between 2000 and 2020, or approximately 576 new households in Downtown per year. They project a population growth of 17,529 new residents in Downtown Seattle. Assuming a stable group quarters population of approximately 5,000 residents, this projection would result in a household size for new households of only 1.42 residents per household, up from the 1.34 residents per household currently residing Downtown, and continuing the growth in downtown household sizes. This projection is slightly lower than the Comprehensive Plan's twenty-year growth target for population growth.

The PSRC's employment projection is significantly lower than the Comprehensive Plan's projection. The PSRC has projected that Downtown Seattle would see growth of only 41,300 jobs during the period between 2000 and 2020. This twenty-year projected growth is compared to a growth of 71,000 jobs between 1980 and 2000 and a job growth of 28,500 jobs in the high growth six-year period of 1995-2001. PSRC's employment projection is a third lower than the Comprehensive Plan target.

Economic Research Associates Analysis

In the winter of 2000, the City hired Economic Research Associates (ERA) to perform a market study of the office, hotel and residential markets in Downtown Seattle. This study, written during an aggressive growth period in the real estate market, predicted a ten-year demand for 6,000 additional apartment units and 3,200 additional condominiums in Downtown Seattle. Extending this projection over the twenty-year period studied by this EIS would result in 18,400 new units. Assuming a vacancy rate of 5 percent, an addition of 17,500 households to the Downtown population might be expected. Household sizes are expected to continue to remain small, but will likely continue to grow, so 1.5 persons per household may be an appropriate household size to determine the potential population of these units. Using this household size would result in 26,250 additional Downtown residents over twenty years.

ERA projected demand between 2000 and 2010 for an additional 6.83 million square feet of office space Downtown. This amount of space could accommodate new 30,356 jobs. Further, there would be demand for an additional 5,300 hotel rooms in the greater Downtown Seattle area over the ten years between 2000 and 2010.

Much of the growth in office development is expected to result from continuing growth of traditional finance, real estate, legal services and government tenants Downtown. In addition, growth in high-tech industries, including growth in the software and Internet-related industries in Downtown Seattle, was expected to help increase demand for Downtown Seattle office space. Most of the tenants in the new residential units are expected to be younger professionals, and older singles and couples. Growth in the software industry was seen as driving much of the demand for higher-end rental units.

Recent Development Trends and Residential Absorption

During the seven-year period from January 1995 through December 2002, 4,641 new dwelling units were built in the Downtown Urban Center – approximately 32% of the Comprehensive Plan's twenty-year residential growth target. The City had issued additional building permits for approximately 700 additional dwelling units. Belltown has been the most popular neighborhood for this residential growth, accommodating 59% of Downtown's growth. Rents in Downtown Seattle have been higher than those in the rest of the city, indicating tenants are willing to pay a premium to live Downtown. These and other data indicate a strong long-term residential growth trend in the Downtown Urban Center and other central urban areas of the city, emphasizing multifamily housing growth. If this level of growth were to be projected over twenty years, 15,470 additional housing units would be built, enough to house 14,695 households with a five-percent vacancy rate.

In the five years between 1996 and 2001, approximately 940,000 square feet of office space was absorbed annually in Downtown Seattle. At a standard ratio of 250 square feet per employee, this amount of office space could accommodate 3,760 new employees a year or 75,200 employees in twenty years. Over the twelve years between 1988 and 2001, the average amount of office space absorbed was 820,000 square feet a year. If this more modest rate of absorption were to occur, Downtown Seattle could accommodate approximately 65,600 new office jobs in twenty years.

IMPACTS

Alternative 1 – High End Height and Density Increase

EMPLOYMENT

Under Alternative 1, the total capacity for development on vacant and underutilized properties in the study area is 38.32 million square feet of commercial space. If all currently redevelopable sites in the Downtown Urban Center were to be built-out, there could be as many as 338,000 employees in Downtown Seattle. Based on the ten-year ERA employment projections, this commercial capacity could accommodate as much as 48 years worth of employment growth if commercial demand continued at the same pace. Under this alternative, the maximum potential employment density Downtown could reach 350 employees per acre across Downtown Seattle.

According to the recent study by Craig Kinzer & Company with Cushman and Wakefield and the Seneca Real Estate Group, changes to zoning, in and of themselves, do not change the supply and demand cycles. In other words, increasing commercial densities does not necessarily lead to more development occurring in Downtown Seattle. The number of employees Downtown will instead be driven by economic forces larger than the Downtown real estate market. Factors such as the regional and international growth of industries most likely to seek Downtown office space, interest rates, the availability of funding for new development projects, and the regional transportation network are more likely to influence the amount of new Downtown office development than zoning changes.

Zoning changes increasing height and density limits alone will not change the amount of employment attracted to Downtown Seattle, or the type of industries likely to locate or expand in Downtown Seattle. Consequently, implementing zone changes in Alternative 1 is not likely to change the amount or type of Downtown employment over twenty years. Depending on the forecast used, the number of new jobs in the Downtown Urban Center could range between 41,000 and 71,000. Twenty years worth of employment growth could be concentrated primarily in the existing Office Core zones, particularly on underdeveloped parcels in the Denny Triangle Downtown Office Core 2 zone. Potentially difficult development sites in the Downtown Office Core 1 zone (those sites with older, actively used structures, smaller sites, or other development challenges) might not be redeveloped in the twenty-year time frame. This alternative might result in a higher concentration of hotel employment Downtown, because of potentially larger hotels on each individual site, and the potential co-location of residential and hotel uses within the same building, leading to increases in the demand for hotel employment.

POPULATION

Under Alternative 1, the total capacity for residential development on vacant and underutilized properties in Downtown Seattle is 22,850 units. Assuming some vacancies, these units could house an additional 21,710 Downtown households. Based on the ERA household projections, this capacity could accommodate up to 26 years worth of residential demand. If all available residential capacity is used, there could be a maximum of 33,070 households in Downtown Seattle. Downtown Seattle's residential density could reach 35 households per acre.

According to a 2001 study by Keyser Marston Associates, Inc., population growth in most U.S. regions usually occurs as a result of job growth. While natural increase (more births than deaths) accounts for some growth, most long-term population growth in the Puget Sound region is a result of job growth – if there are jobs, people will move to the region, if there aren't jobs, people will leave. Under Alternative 1, the Downtown employment projected for the coming twenty years would lead to approximately 43,225 additional households in need of new housing in the region. These households would be formed by people new to the region, people leaving other jobs in the region, or the children of existing residents.

Extending the ERA forecast suggests that approximately 17,500 of these new households will seek housing in Downtown Seattle between 2000 and 2020, adding 21,900 new Downtown residents. Households that earn above 80% of the King County median area income for households (MAI) are expected to be able to afford privately financed housing. However, according to the Keyser Marston study, households earning less than 80% MAI may need public subsidies to be able to afford housing in Downtown Seattle. The Downtown Housing Bonus program, which uses partnerships between commercial developers and the City to leverage funding for permanent subsidized housing, could be a key source of funding for Downtown housing affordable to households earning less than 80% MAI. Table 10 shows the predicted household growth by income category. It assumes aggressive use of the Housing Bonus program and the ability to leverage money from that program to build additional units. It also assumes that the remaining households attracted to Downtown Seattle would earn above 80% MAI in order to be able to afford a market-rate housing unit in Downtown Seattle (for more discussion of this analysis, please see the Housing section and Appendix B).

Table 10
New Downtown Households by Income Group by Alternative, 2000-2020

	0-30% MAI	30-50% MAI	50-80% MAI	>80% MAI	Total
Alternative 1	400	1,160	780	15,160	17,500
Alternative 2	520	1,520	1,020	14,440	17,500
Alternative 3	450	1,310	880	14,860	17,500
Alternative 4	330	950	640	15,580	17,500

Source: City of Seattle Strategic Planning Office, 2002.

The vast majority of new households are expected to occupy market-rate housing. As market-rate housing units tend to be larger than subsidized units, and can therefore accommodate larger households, an increase in the number of two-person households living Downtown would be likely. Households with more than two persons are less likely to find housing that meets their needs Downtown. Consequently, the average Downtown household size may grow slightly between 2000 and 2020 as it did between 1990 and 2000.

Alternative 2 – Concentrated Office Core

EMPLOYMENT

Under Alternative 2, the total capacity for development on vacant and underutilized properties in the study area is 33.70 million square feet of commercial space. If all currently redevelopable sites in the Downtown Urban Center were to be built-out, there could be as many as 319,000 employees in Downtown Seattle, or 19,000 fewer employees than under Alternative 1. Based on an extension of the ERA employment projections, this commercial capacity could accommodate as much as 42 years worth of employment growth, or six fewer years than under Alternative 1. The maximum commercial density across Downtown Seattle could reach 335 jobs per acre. However, over the next twenty years both Alternative 1 and Alternative 2 are expected to result in the same number of Downtown employees. Under this zoning scheme, there would be enough developable land to accommodate projected employment over the period between 2000 and 2020.

POPULATION

Under Alternative 2, the maximum potential capacity for residential development on vacant and underutilized properties in Downtown Seattle is 24,800 units. Assuming a standard vacancy rate, these units could house an additional 23,620 Downtown households. Based on the ERA 10-year projections of residential demand, this capacity could accommodate up to 27 years worth of residential demand. If all available residential capacity is used, there could be a maximum of 35,000 households in Downtown Seattle, or 37 households per acre.

Under any of the alternatives, the employment projected for the coming twenty years Downtown would lead to an additional 43,225 households in need of new housing in the region. ERA has forecast that 17,500 of these new households will seek housing in Downtown Seattle between 2000 and 2020, adding 21,900 new Downtown residents. Households that earn above 80% of MAI are expected to be able to afford privately financed housing. However, households earning less than 80% of MAI may need public subsidies to be able to afford housing in Downtown Seattle. Funding would be available to house approximately 3,060 households earning less than 80% of MAI or 30% more households than under Alternative 1 (Table 10, above).

Alternative 3 – Residential Emphasis

EMPLOYMENT

Under Alternative 3, the total capacity for development on vacant and underutilized properties in the study area is 30.5 million square feet of commercial space. If all currently redevelopable sites in the Urban Center were to be built-out, there could be as many as 305,000 employees in Downtown Seattle, or 33,000 fewer employees than under Alternative 1. Based on an extension of the ERA employment projections, this commercial capacity could accommodate 38 years worth of employment growth, or ten fewer years than under Alternative 1. The maximum commercial density in Downtown Seattle could reach 325 jobs per acre. However, over the next twenty years, Alternatives 1 and 3 are expected to result in the same number of Downtown employees. Under this zoning scheme, there is enough developable land to accommodate projected employment over the period between 2000 and 2020.

POPULATION

Under Alternative 3, the maximum potential capacity for residential development on vacant and underutilized properties in Downtown Seattle is 27,440 units. These units could house an additional 26,070 Downtown households. Based on the ERA 10-year projections of residential demand, this capacity could accommodate up to 30 years worth of residential demand. If all available residential capacity is used, there could be a maximum of 37,430 households in Downtown Seattle.

Under any of the alternatives, the employment projected for the coming twenty years Downtown would lead to an additional 43,225 households in need of new housing in the region. Of these new households, ERA has forecast that 17,500 will seek housing in Downtown Seattle between 2000 and 2020, adding 21,900 new Downtown residents. Households that earn above 80% of the King County median income (MAI) are expected to be able to afford privately financed housing. However, households earning less than 80% of MAI may need public subsidies to be able to afford housing in Downtown Seattle. Funding would be available to house 2,640 households earning less than 80% MAI, 12 percent more than under Alternative 1.

Alternative 4 – No Action

EMPLOYMENT

Under Alternative 4, the total capacity for development on vacant and underutilized properties is 28.65 million square feet of commercial space. If all currently redevelopable sites in the Urban Center were to be built-out, there could be 300,000 employees in Downtown Seattle, or 38,000 fewer employees than under Alternative 1. Based on an extension of the ERA employment projections, this commercial capacity could accommodate 37 years worth of employment growth, or eleven fewer years than under Alternative 1. The maximum employment density in Downtown Seattle could reach 314 jobs per acre. However, all alternatives are expected to result in the same number of Downtown employees over the next twenty years. Under this zoning scheme, there is enough developable land to accommodate projected employment over the period between 2000 and 2020.

POPULATION

Under Alternative 4, the maximum potential capacity for residential development on vacant and underutilized properties in the Downtown Urban Center is 26,140 units. These units could house an additional 24,830 Downtown households. Based on the ERA employment projections, this capacity could accommodate up to 29 years worth of residential demand. If all potential residential capacity is used, there could be a maximum of 36,190 households in Downtown Seattle at an average density of 39 households per acre.

Under any of the alternatives, the employment projected for the coming twenty years Downtown would lead to an additional 43,225 households in need of new housing in the region. Of these new households, ERA has forecast that 17,500 will seek housing in Downtown Seattle between 2000 and 2020, adding 21,900 new Downtown residents. Households that earn above 80% of MAI, are expected to be able to afford privately financed housing. However, households earning less than 80% of MAI may need public subsidies to be able to afford housing in Downtown Seattle. Funding would be available to house approximately 1,920 households earning less than 80% MAI or approximately 430 fewer households (18% less) than under Alternative 1.

MITIGATION STRATEGIES

No mitigation strategies are proposed for the Population and Employment impacts of the alternatives. See the Land Use and Housing sections for discussion of proposed and other possible mitigation strategies relevant to Downtown residential and employment populations.

SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

No significant unavoidable adverse impacts are identified for any of the alternatives. Over the long term, the alternatives could have differing impacts on the number and composition of Downtown households and Downtown employees, but none of these impacts are identified as significant unavoidable adverse impacts.

HOUSING

AFFECTED ENVIRONMENT

This section summarizes the findings of housing analyses developed for this EIS. See Appendix B for additional detailed information.

Current Housing Stock and Development Trends

Downtown Seattle's housing stock represents a small but rapidly growing segment of the City's overall housing inventory (see Table 11). Approximately 5% of Seattle's housing units are currently located in the Downtown Seattle Urban Center. The last decade saw a significant growth in housing in Downtown. The total housing unit count in the census sub-area that contains most of north Downtown grew by over 50%. The Downtown Urban Center experienced a net increase of 7,000 units between 1991 and 2001.

Table 11
Housing Unit Growth 1980-2000

	1980	1990	2000
Downtown Seattle Sub-Area[1]			
Total Units	10,935	11,362	17,133
% Change		1980-1990: 3.9%	1990-2000: 56.7%
Seattle			
Total Units	230,039	249,032	270,524
% Change		1980-1990: 8.3%	1990-2000: 8.6%
King County			
Total Units	497,000	647,343	742,237
% Change		1980-1990: 30%	1990-2000: 14.6%

Source: US Census Bureau, City of Seattle

Growth within the Downtown Seattle Urban Center has not been evenly distributed. Belltown experienced the greatest amount of new residential development during the 1990s. Fifty-eight percent of Downtown Seattle's new units were built in the Belltown Urban Village (see Table 12). The Commercial Core saw the next largest amount of residential development over the 10-year period. Growth has been slowest in the City's historic districts (Pioneer Square and the Chinatown/International District) and in the Denny Triangle neighborhood. More residential units were completed in 2001 than any other three years in the previous decade.

[1] Includes the following 2000 Census tracts: 72, 73, 80.01, 80.02, 81, 82, 83, 91 and 92. This area includes most of South Lake Union and portions of First Hill. It is similar but not equivalent to the Downtown Urban Center boundary used elsewhere.

Table 12
Net Units Built and Permitted by Downtown Urban Center Village
1991-2002

Urban Center Village	Units Built 1991-2000	Units Built in 2001	Units Built in 2002	Permitted Units	Total
Belltown	2,914	1,168	920	574	5,576
Chinatown-International District	215	269	76	115	675
Commercial Core	1,512	124	-1	61	1,696
Denny Triangle	210	366	65	306	947
Pioneer Square	159	1	0	107	267
Total Downtown Urban Center	5,010	1,928	1,060	1,163	9,161

Source: City of Seattle Strategic Planning Office, 2002; Dept. of Design, Construction & Land Use, 2003

Table 13 summarizes the amount and type of housing in Downtown neighborhoods. Belltown contains slightly more than half of Downtown's housing inventory, followed by the Commercial Core and Chinatown/International District.

Table 13
Downtown Housing Units by Ownership and Tenure, 2000

Urban Village	Subsidized Rental*	Market Rate Rental	Condominium**	Total***
Belltown	2,062	3,019	1,626	6,707
Chinatown/International District	1,287	329	25	1,641
Commercial Core	1,220	820	740	2,780
Denny Triangle	697	230	0	927
Pioneer Square	502	113	182	797
Downtown Total	5,768	4,511	2,573	12,852

Sources: *City of Seattle Office of Housing, **City of Seattle Strategic Planning Office/King County Assessor, ***U.S. Census

There are three predominant housing types in Downtown Seattle: condominiums, privately owned market-rate rental apartments, and subsidized apartments.

- Subsidized units account for approximately 45% of all Downtown housing units and two-thirds or more of the housing units in the Chinatown/International District, Pioneer Square and Denny Triangle. According to Office of Housing reports, over 25% of all of Seattle's subsidized units are located in Downtown, an area with only 5% of all units. Buildings with subsidized housing may be owned by market-rate owners, non-profit housing agencies or public agencies.
- Condominiums account for approximately 20% of the housing stock. They are most prevalent in the Belltown and Commercial Core neighborhoods, representing 27 and 20% of the housing units respectively.
- Market rate rentals account for 45% of the units in the Belltown neighborhood, but represent a much smaller share of the housing stock in other Downtown neighborhoods.

A large proportion of Downtown's housing units receive subsidies. It is therefore not surprising that a large proportion of the Urban Center's housing units are currently affordable to households earning less than 50% of the Median Income for King County (Median Area Income or MAI). Tables 14 and 15 show these income levels and rents that would be affordable to households earning those incomes. According to a study by the City of Seattle's Office of Housing in December 2001, 42% of Downtown units were affordable to households earning less than 50% MAI (see Figure 13, next page). Approximately 78% of these units receive some public subsidy, including 3,300 units of low-income housing that have been preserved or developed by non-profit organizations with the assistance of the City of Seattle since 1985.

Table 14
Income Limits for the Seattle-Everett-Bellevue MSA, 2003

Family Size	% of Median Income			
	30%	50%	80%	100%
1 Person	$16,350	$27,250	$39,550	$49,450
2 Persons	$18,700	$31,150	$45,200	$56,500
3 Persons	$21,050	$35,050	$50,850	$63,550
4 Persons	$23,350	$38,950	$56,500	$70,650

Source: HUD, 2003

Table 15
Affordable Monthly Rents by Unit Size, 2003

Unit Size	% of Median Income			
	30%	50%	80%	100%
0 Bedrooms	$408	$681	$988	$1,236
1 Bedroom	$438	$730	$1,059	$1,324
2 Bedrooms	$526	$876	$1,271	$1,588
3 Bedrooms	$607	$1,012	$1,468	$1,835

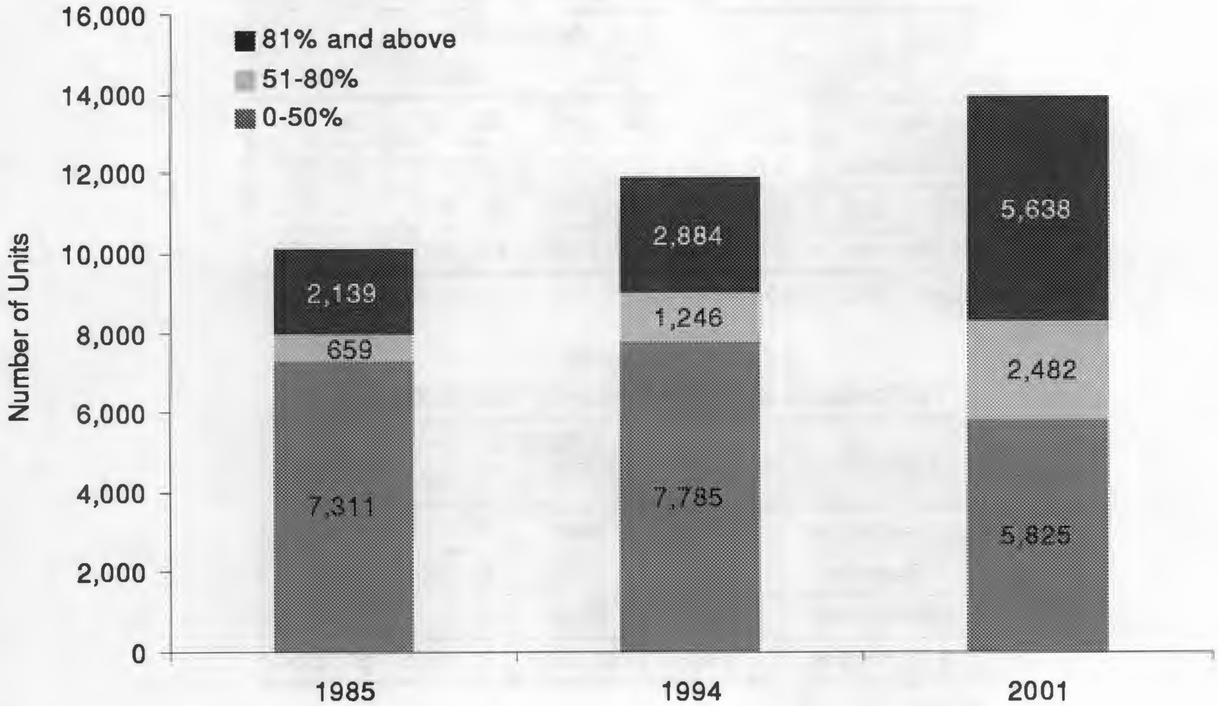
Source: HUD, 2003

However, despite the presence of these units, fewer housing units are affordable to this income group than in 1994, for a number of reasons.

- Some of the low income housing stock available in the market was low cost because it was substandard or derelict in condition. Increased interest in Downtown Seattle as a place to live allowed owners of market-rate housing affordable to lower-income households to improve properties and increase rents above levels affordable to households earning less than 50% MAI.
- Several privately-owned subsidized apartment buildings had been receiving subsidies based on a 20-year commitment to maintain units affordable to lower-income households. Some of the buildings targeted by these subsidies did not renew their subsidy and became available on the private market.
- Redevelopment of sites containing small residential buildings for new residential towers may have resulted in the loss of units affordable to lower-income households, even as the total number of units Downtown grew.
- The expansion of the Convention Center resulted in the demolition of one private apartment building containing over 127 units, which were replaced on First Hill.
- Finally, the renovations of two existing Single Room Occupancy (SRO) hotels have resulted in a net loss of units. These renovations changed SRO units with shared baths and limited kitchen facilities into self-contained apartments and resulted in safer and more private permanent housing available to the same income group.

All of these reasons account for loss of units affordable to households earning less than 50% MAI. Further, a federal subsidy program introduced in 1986 in the form of low income tax credits permits low income units up to 60% of median income, resulting in some new units created just above the 50% affordability level. Finally, mixed-income buildings are a priority in the city and are consistent with neighborhood plans, resulting in more buildings containing a mix of rent levels affordable to households earning between 50% and 80% MAI.

Figure 13
Historic and Current Downtown Urban Center Housing Units
By Affordability (Percentage of Median Area Income), 2001



Source: City of Seattle, Office of Housing

The increase in units affordable to households earning more than 80% MAI is the result of greater attractiveness of Downtown Seattle as a residential community. Vacancy rates in Downtown apartment buildings hovered between two and four percent between 1995 and early 2001, before jumping to a high of 11.4% in Spring 2002 as a number of new buildings opened and the economy crashed at the same time. Between 1995 and 2001, the average rent in market-rate buildings in Downtown Seattle rose 72%, from $759 a month to $1,308 a month. Rents then dropped 12% to $1,156 by Fall 2002. By Spring 2003, vacancy rates had fallen to 8.2% and rents had started to increase again, with an average rent in Downtown apartments of $1,206.

Many of Downtown Seattle's housing units are small. Approximately 47% of units in Downtown Seattle are studios or SRO units, generally one-room units. In comparison, only 7% of housing units citywide are one-room units per a survey by the U.S. Census. Two-thirds of the studio and SRO units are in subsidized buildings, providing a significant stock of affordable housing for low-income single persons. However, larger units are more likely to be offered at market rates. Only 35% of one-bedroom units are subsidized, and only 3% of two-bedroom units in Downtown Seattle are subsidized.

IMPACTS

Under all alternatives, if the development forecasts are achieved, the housing stock in the study area would be significantly transformed through increased residential densities. This transformation is consistent with the City's Comprehensive Plan and neighborhood plans for the study area and is not necessarily an adverse impact.

Under all of the alternatives, including today's existing conditions, some existing housing might be demolished. Some households with employees in new Downtown Seattle office buildings and hotels would have difficulty finding affordable housing to meet their needs in King County. They would need to live in overcrowded conditions, pay more than 30% of their income for rent, or commute from lower-priced housing outside of King County. Those few households not able or willing to make these choices could potentially become homeless. However, those demolitions and the difficulties that some households with employees Downtown would face finding appropriate housing would be as likely to occur under existing conditions as under any of the alternatives, and are not significant adverse impacts of the alternatives.

There would, however, be unavoidable impacts on the City's Transfer of Development Credits (TDC) program. The TDC program uses incentives for additional residential development in the Denny Triangle to leverage preservation of rural King County land in agricultural use and to contribute to an amenity fund dedicated to the Denny Triangle. For all Alternatives other than Alternative 4 – No Action, the ability of the TDC program to function would be limited to a lesser or greater extent.

In addition to the impacts on the TDC program, the different alternatives would have varying effects on: the capacity for housing; the concentration and mix of housing over twenty years; the potential demolition of residential buildings; and the ability of households with Downtown employees earning below-median incomes to find housing meeting their needs.

Alternative 1 – High End Height and Density Increase

CAPACITY FOR HOUSING

Under Alternative 1, there would be capacity for approximately 10,505 additional housing units within the study area, and another 12,350 housing units could be built in the rest of the Downtown Urban Center (see Table 16). This amount of housing development could meet market demand for approximately 26 years, after which theoretically there would not be any more residential development sites available to meet Downtown residential demands. Within the study area, the greatest amount of residential capacity is located in the Denny Triangle. There is not much projected residential development capacity within the Commercial Core, due to a limited number of available sites in the Commercial Core and the assumption that new residential structures will not be built within the DOC1 zone. For more discussion of the capacity model, please see the Land Use section.

Table 16
Capacity for New Housing Units on Available Sites
By Alternative and Urban Center Village

	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Commercial Core	1,260	1,340	1,340	1,185
Denny Triangle (No TDC)	7,170	6,410	6,905	5,375
Belltown (Portion)	2,075	2,070	2,430	1,930
Total Study Area without the TDC Program	**10,505**	**9,820**	**10,675**	**8,490**
Potential Units under the TDC Program	N/A	2,630	4,415	5,300
Total Outside Study Area[2]	12,350	12,350	12,350	12,350
Maximum Potential Downtown Capacity	**22,855**	**24,800**	**27,440**	**26,140**

Source: Cushman & Wakefield, Craig Kinzer & Co., The Seneca Real Estate Group, 2001; Strategic Planning Office, 2002

If all of the potential commercial development capacity was built out under Alternative 1, approximately 101,700 households new to the region would include Downtown workers.[3] If the potential Downtown residential capacity was used, only about 22% of those households could find housing Downtown. The other 78% of new households with Downtown employees would need to obtain housing and commute to work from areas outside of Downtown (see Table 17).

Table 17
New Worker Households and New Residential Units at Maximum Build-Out

Urban Village	Alternative 1		Alternative 2		Alternative 3		Alternative 4	
	New Worker HH[4]	Res. Capacity	New Worker HH	Res. Capacity	New Worker HH	Res. Capacity	New Worker HH	Res. Capacity
Commercial Core	32,300	1,260	30,100	1,340	28,600	1,340	25,100	1,185
Denny Triangle	49,600	7,170	42,400	7,070	36,500	8,010	36,200	6,645
Belltown	11,000	2,075	9,200	2,070	7,600	2,430	8,400	1,930
Outside Study Area	8,800	12,350	8,800	12,350	8,800	12,350	8,800	12,350
Total	101,700	22,855	90,500	22,830	81,500	24,130	78,500	22,110

Source: Cushman & Wakefield, Craig Kinzer & Co., The Seneca Real Estate Group, 2001; Strategic Planning Office, 2002

TRANSFER OF DEVELOPMENT CREDITS PROGRAM

The Denny Triangle Transfer of Development Credits (TDC) program allows additional residential height with the transfer of development opportunities from rural King County land. The TDC program reduces the number of units that can be built on a site in rural King County (the "sending area"). The right to build those units is transferred to a new residential (or mixed-use) project in the Denny Triangle (the "receiving area"). The sending area property owner is paid to keep the land undeveloped, while the receiving area property owner buys the credit, allowing additional development beyond what zoning allows in the

[2] Includes units in the development pipeline as of 1/1/2000 and potentially developable parcels in the rest of Belltown, the Chinatown/International District, and Pioneer Square.
[3] This assumes that there will be one worker for every 250 square feet of commercial space built, and 1.65 workers for every household with workers employed Downtown.
[4] Assumes use of the TDC program on one-quarter of eligible sites.

receiving area. In the Denny Triangle, the amount of residential development permitted on a site is regulated through the height limit. Under the TDC program, a developer in the Denny Triangle may increase the height limit of a project by purchasing development credits. The building floor area could extend up to 30% above the zoned height limit through the purchase of credits and amenities funding. In other words, the TDC program works by exchanging a 30% height increase for commitments to purchase rural credits and to pay into a neighborhood amenity fund.

With 30% height limit increases for all uses, however, the incentive to use the TDC program would disappear under Alternative 1. Under this alternative, all commercial projects could build up to that 30% above the zoned height limit without requiring the use of the TDC program. Although different measures could be taken to preserve the TDC program, all of those options would create increased hurdles for new residential development. Consequently, there would not be enough incentive to use the program to expect developers to choose to use it.

The TDC program, started in 1999, has not yet been used on any site in the Denny Triangle. During this time, six residential projects have been permitted in the Denny Triangle, three of which would reach the maximum height limit. Three of these have received their land use approval after the TDC program was in place. Interviews by Craig Kinzer & Co. indicated a lack of understanding or interest in the program on the part of some developers. However, other developers have proposed using the program. Those projects that would have used the program are currently stalled due to changes in the real estate market. It is thus too early to determine whether the TDC program would be viable under any of the alternatives.

DOWNTOWN HOUSING SUPPLY

Between 2000 and 2020, approximately 45,385 new housing units[5] would need to be built in the region to accommodate the new households attracted by new Downtown jobs. An extended forecast based on the ERA study suggests a demand for approximately 17,500 (40%) of these new housing units in Downtown Seattle between 2000 and 2020. The balance of the households would seek housing in other parts of the City, County and region. Under all alternatives, there would be enough capacity to meet that projected twenty-year demand, and developers are likely to build enough units to satisfy that demand.

The development capacity model assumed that residential development could and would occur as part of mixed-use projects on sites that are developed with commercial uses at the same time. These projects would often consist of large sites developed with market-rate apartment or condominium towers paired with separate office towers. An example of this type of development is the proposed 2200 Westlake Project, which will combine residential towers, office space and substantial retail space, including a grocery store, on the same site.

Other mixed-use projects might include both commercial and residential space within the same tower. This type of development is most likely to combine hotel uses and residential uses within a tower, because of similarities in the development types and opportunities that would arise for providing hotel-like services to the permanent residential tenants. However, the first project in Downtown Seattle to combine residential uses on top of office uses in a tower has had difficulty selling its units, and their experience may discourage other projects of this type. Increases in the permitted height of residential buildings and no limits on residential density will also encourage the development of some large-scale residential projects. These projects might be large residential towers up to 100 feet taller and 30% denser than recent residential towers.

It was not possible to predict the portion of market-rate units that would be condominium units compared to apartment units. Approximately 20% of Downtown's current housing stock is owner-occupied, up from

[5] Assumes that, on average, there would be a 5% residential vacancy rate, requiring 5% more units than households.

10% in 1990. This would indicate that Downtown condominiums could be a strong component in the future mix of housing units. However, several recent lawsuits have found condominium developers liable for multi-million dollar judgements based on claims of poor quality construction. Because of these lawsuits, condominium developers have had a difficult time finding insurance at prices that would make a project feasible. Unless liability regulations change, Downtown Seattle is unlikely to see many new condominiums developed. However, if there is such a change, the percentage of Downtown units that are owner-occupied will likely continue to increase.

The physical form of residential development will be influenced by the costs of construction and the markets served. While a number of market-rate apartment and condominium towers have used high-rise steel-frame construction and future buildings of this type can be expected, this type of construction has generally not been attractive to non-profit and other subsidized housing developers. This is so for a number of reasons. First, the initial cost of building taller steel-frame buildings is higher than lower-rise wood-frame construction. Consequently, the amount of funding that is required from development partners to build taller buildings is higher. The non-profit developer can't recoup those costs, but market-rate builders can recoup costs through the higher rents that market-rate tenants are willing to pay for higher units. Second, managing larger buildings can require additional staff, which increases costs.[6] Third, the concentration of low-income and special needs housing in single-use high rise developments is no longer seen as a preferred development model. Smaller-scale, mixed-income buildings, and subsidized housing integrated into the non-subsidized housing stock are seen as superior models for the residents as well as the surrounding community. If non-profit developers build subsidized housing in the study area, such housing will most likely be lower-density, with up to a five-story wood-frame structure over a concrete base.

Given the current and probable future stock of Downtown housing (mostly smaller rental units) and current and historic household sizes, households attracted to living in Downtown Seattle would likely be smaller households of one or two people. Larger households, most family households, and many households interested in owning rather than renting their housing, would generally not be able to find appropriate housing within the Downtown Urban Center.

Supply of Affordable Units

Given current and projected Downtown office tenants, approximately 16% of these office worker households would earn less than 80% of the Median Area Income (MAI). These households would generally need some subsidy in order to afford a Downtown housing unit. By 2020, as many as 550 households with new Downtown workers would have household incomes of less than 30% of MAI. Approximately 2,160 households would have incomes between 30% and 50% of MAI. Finally, as many as 3,725 households with new Downtown employees would have incomes between 50% and 80% of MAI.

New office and hotel projects contributing to the Downtown Bonus program would create funds that could be leveraged with other public and private funds to create housing to serve projected new populations with housing assistance needs. Under Alternative 1, funds could be generated over twenty years to address the housing needs of approximately 450 (74%) of households earning up to 30% MAI (see Table 18). The bonus program could contribute funds to house approximately 1,325 (54%) of the households earning between 30% and 50% MAI. Approximately 900 households earning between 50% and 80% MAI (21%) could be housed through housing from the Bonus program. The current stock of subsidized housing Downtown generally consists of smaller units (Single Room Occupancy units and Studios), not appropriate to larger households. Approximately 4,075 households attracted by new jobs in Downtown Seattle would not be able to find housing in Downtown Seattle they could afford.

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[6] The economics of building senior housing projects may be different. The type of services offered to senior housing residents, such as providing meals, may be subject to increased efficiencies as tenant populations increase.

Table 18
Potential Subsidized Housing Units Leveraged[7] through the Downtown Bonus Program[8]
2000-2020

	$ Available to Meet Demand	Units Leveraged by Income Group			
		0-30% MAI	30-50% MAI	50-80% MAI	Total
Alternative 1	$85,900,000	450	1,325	900	2,675
Alternative 2	$96,700,000	550	1,600	1,075	3,225
Alternative 3	$83,800,000	475	1,375	925	2,775
Alternative 4	$60,700,000	350	1,000	675	2,025
Demand[9]		575	2,265	3,910	6,750

Source: Strategic Planning Office, 2002

If all available sites within the study area were built out, as many as 14,050 new households with Downtown Seattle workers would have combined incomes of less than 80% of the Median Area Income. These households would potentially need some subsidy to be able to afford housing in Downtown Seattle. The Downtown Bonus program would provide enough funds to develop up to 7,850 units affordable to those households, which would meet approximately 55% of the demand (see Table 19).

Table 19
Subsidized Housing Units Leveraged through
Downtown Bonus Program if all Available Sites are Developed

	New Housing Units Leveraged by Income Group				Demand for Housing Units affordable at <80% MAI from new Downtown Workers
	0-30% MAI	30-50% MAI	50-80% MAI	Total	
Alternative 1	1,350	3,900	2,600	7,850	14,050
Alternative 2	1,400	4,050	2,700	8,150	12,350
Alternative 3	950	2,700	1,850	5,500	11,200
Alternative 4	600	1,800	1,200	3,600	10,550

Source: Strategic Planning Office, 2002

Households not able to find subsidized housing in Downtown Seattle would need to look for housing in other parts of the City and region. A study by the King County Office of Regional Policy and Planning found a deficit of housing affordable to households earning less than 30% of Median Income in the County. Opportunities for households earning less than 30% MAI to find any affordable housing in King County would be limited both inside and outside the City. As a result, approximately 150 households with employees in new Downtown Seattle office buildings and hotels would have difficulty finding affordable housing to meet their needs in King County. They would need to live in overcrowded conditions, pay more than 30% of their income for rent, or commute from lower-priced housing outside of King County.

[7] Assumes leveraging of City, State, Federal and private funds on top of the contribution of the housing bonus program. If additional funds are not available, the funding required would equal $120,000 for units affordable at less than 30% MAI; $110,000 for units affordable to households earning between 30% MAI and 50% MAI; and $50,000 for units affordable between 50% MAI and 80% MAI.
[8] Based on projected commercial projects not in the permit pipeline as of 1/1/2001. Some projects permitted as of 1/1/2001, may also contribute to the Downtown Housing Bonus fund, but would not be required to contribute.
[9] Assumes a 5% vacancy rate.

Those few households not able or willing to make these choices could potentially become homeless (see Table 20).

Table 20
Countywide Surplus or Deficit of Housing Affordable to Low-Income Households 2002

Percent of Median Income For Household of Three	Number of Renter Households in this Income Group	Total Number of Units Affordable to this Income Group Including Subsidized Units	Cumulative Deficit or Surplus of Units with Subsidized Units Included
0% to 30% (Under $19,500)	59,454	38,638	-20,816
31% to 60% ($19,500-$39,000)	72,082	113,763	20,865
61% and above% ($39,000 or more)	162,523	158,845	17,187

Source: King County Countywide Planning Policies Benchmark Report, 2002

POTENTIAL LOSS OF HOUSING TO REDEVELOPMENT

Six sites in the study area currently occupied by buildings in residential use were identified by Cushman and Wakefield as potentially redevelopable. These sites were identified by comparing the size of existing buildings to the maximum permitted size of buildings on the site. This does not indicate that the City or the consultant has any knowledge of proposed demolition of these buildings, or that the current owners are contemplating demolition of these buildings. Instead, it indicates that existing buildings are small compared to the potential size of buildings that might be built on those sites.

Two of these buildings are in the DMC zone of the Commercial Core, along 1st Avenue: Oxford Apartments, 1920 1st Ave.; and the Elliott Hotel (Hahn Building), 103 Pike St. One is in the DOC 1 zone of the Commercial Core: Downtown YWCA, 1118 5th Ave. One is in the DOC 2 zone of the Commercial Core: 411 Apartments, 411 Jefferson St. Another building is in the DMC zone in Belltown: Stratford on Fourth, 2021 4th Ave. The last is in the Denny Triangle's DOC 2 zone: Williamsburg Apartments, 1007 Stewart St. These buildings contain approximately 300 residential units.

Three of the buildings, housing approximately 141 units, currently receive subsidies to maintain their units affordable to households earning less than 50% of the median area income (Downtown YWCA, 411 Jefferson St. and the Elliott Hotel). Two of the buildings, (the Oxford Apartments and the Elliott Hotel) totaling approximately 80 units, were identified among the Downtown sites "more likely to redevelop." The other four buildings are categorized as "less likely" to be redeveloped than many other Downtown sites. The development scenario used in this analysis did not project that any of these sites would be redeveloped between 2000 and 2020.

Alternative 2 – Concentrated Office Core

CAPACITY FOR HOUSING

Under Alternative 2, there would be capacity for approximately 9,820 housing units within the study area, and another 12,350 housing units in the rest of the Downtown Urban Center (refer to Table 16). This amount of housing development could meet market demand for approximately 24 years, after which there would theoretically not be any more residential development sites Downtown. This alternative provides one less year's worth of residential development capacity compared to Alternative 1.

There is little difference in total residential capacity in the Commercial Core between Alternatives 1 and 2. Permitted heights and densities would not change between these two alternatives in the Commercial Core DOC 1 and the southern DOC 2 zones. The number of residential units that could be built in the DMC zone and the northern DOC 2 zone could increase slightly. These increases would be due to shifts in the ratio between the permitted commercial density and the permitted building envelope.

Because of reduced commercial densities in the DOC 2 zone in Belltown, additional residential units could be built in that zone. At the same time, the potential number of units in the Belltown DMC zone could drop as a result of decreases in the DMC height limit. The net result of these changes might be a slight shift in the number of potential residential units from the DMC zone to the DOC 2 zone.

If all of the potential commercial development capacity were built out under Alternative 2, an additional 90,500 households would include Downtown workers. If all potential Downtown development capacity was used, 25% of those households could find housing Downtown. This would represent a 13% increase over Alternative 1, reflecting a decrease in the number of potential Downtown workers and an increase in the number of potential housing units. The other 75% of households with Downtown employees would need to obtain housing and commute from areas outside of Downtown.

TRANSFER OF DEVELOPMENT CREDITS PROGRAM

Under Alternative 2, the TDC program could create opportunities for development of approximately 2,630 more units in the Denny Triangle DMC zone than described above. With the TDC program, the Denny Triangle would have capacity for 1,945 units more than under Alternative 1, a gain of 2 additional years worth of capacity. The TDC program, which has not yet been used in the Denny Triangle, would not function in the Denny Triangle DOC 2 zone for the same reason that it would not operate under Alternative 1. The increase in height that is an incentive to build residential space under the TDC program would be granted to commercial projects without their use of the program.

DOWNTOWN HOUSING SUPPLY

Over twenty years, the net supply and demand of Downtown housing under Alternative 2 is expected to be the same as for Alternative 1.

Supply of Affordable Units

Between 2000 and 2020, more resources could be available to meet demand for housing for the lowest-income households than under Alternative 1. New office and hotel projects contributing to the Downtown Bonus program would provide funds that could leverage other public and private funds to create housing to serve these populations.

Under Alternative 2, funds could be generated over twenty years to address the housing need of as many as 96% of households with Downtown workers with incomes that are less than 30% MAI (refer to Table 18). The bonus program could contribute funds to house approximately 70% of the households with Downtown workers earning between 30% and 50% MAI. Twenty-seven percent of the households with Downtown workers earning between 50% and 80% MAI could be housed through leveraging funds available from the Bonus program.

Overall, over twenty years, funds would be available to house approximately 48% of households earning less than 80% MAI, or 550 more households than under Alternative 1. However, even given this increase in housing for lower income households, twenty-five households with employees in new Downtown Seattle office buildings and hotels would have difficulty finding affordable housing to meet their needs in King County. They would need to live in overcrowded conditions, pay more than 30% of their income for rent, or commute from lower-priced housing outside of King County. Those few households not able or willing to make these choices could potentially become homeless.

Beyond 20 years, if all available parcels are developed, there would be demand for 12,350 units affordable to households earning less than 80% MAI with Downtown workers. Developers participating in the Downtown housing bonus program would contribute funds that might be able to leverage other City, State, Federal and private funds to develop 8,150 units. The total number of units that could be built is 300 units more than under Alternative 1. As a result, approximately 66% of new households with Downtown workers earning less than 80% MAI could find housing financed in part by the Housing Bonus funds. This would represent a 10% increase over the proportion of households able to find affordable Downtown housing under Alternative 1.

The increase in funds contributed to the housing bonus program under Alternative 2 is a result of the base FAR increases contemplated throughout the study area under Alternative 1. By not increasing the base FAR in Alternative 2, more commercial floor area would be subject to the provisions of the Downtown Bonus and TDR programs. Under Alternative 2, a larger portion of all commercial floor area would be subject to the housing bonus program. Approximately 52% of the floor area in all new buildings would be subject to the Bonus/TDR program requirements, compared to 44% under Alternative 1. By not increasing the base FAR limit while still increasing the maximum FAR limit, more floor area in each building in each zone would be likely to provide voluntary contributions to the Bonus program. If the base FAR limit were to be increased in the DOC 1 and DOC 2 zones as is proposed under Alternative 1, the amount of funds available over 20 years would be less than the funds available under Alternative 1.

POTENTIAL LOSS OF HOUSING TO REDEVELOPMENT

The potential for demolition of residential buildings under Alternative 2 would be the same as for Alternative 1, in both the number and location of identified buildings.

Alternative 3 – Residential Emphasis

CAPACITY FOR HOUSING

Under Alternative 3, there would be capacity for approximately 10,675 housing units within the study area, and another 12,350 housing units in the rest of the Downtown Urban Center (refer to Table 16). This amount of housing development could meet market demand for over 25 years, after which theoretically there would not be any more residential development sites available Downtown. This alternative provides approximately the same amount of residential development capacity as under Alternative 1.

Permitted heights and densities would not change between these two alternatives in the Commercial Core DOC1 and southern DOC2 zones. The number of residential units that could be built in the DMC and northern DOC2 zones could increase slightly. These increases would be due to shifts in the ratio between the permitted commercial density and the permitted building envelope.

Because of a reduced height limit in the DOC2 zone in Belltown, fewer residential units could be built in that zone. At the same time, the potential number of units in the Belltown DMC zone would increase with a rezone from DMC to a Downtown Mixed Residential/Commercial (DMR/C) zone. This rezone would reduce the amount of commercial space permitted on a site. It would also require that larger office buildings include residential units. These changes would lead to an increase in capacity of approximately 350 units throughout the area over Alternative 1, a 17% increase in this area.

If all of the potential commercial development capacity were built out under Alternative 3, an additional 81,500 households would include Downtown workers. If the potential Downtown residential capacity was used, 30% of those households could find housing Downtown. This would be equal to an increase of one-third over the proportion that could be housed Downtown under Alternative 1. This increase results from a decrease in the number of Downtown employees and a similar number of potential Downtown units. The other 70% of households with Downtown employees would need to obtain housing and commute from areas outside of Downtown.

TRANSFER OF DEVELOPMENT CREDITS PROGRAM

The TDC program would create opportunities for approximately 4,400 units in the Denny Triangle's DMC zone and portions of the DOC 2 zone. If all potential units available through the TDC program were built, the Denny Triangle would have capacity for 4,585 more units than under Alternative 1, enough potential capacity to meet an additional five years worth of residential demand. The TDC program, which has not yet been used in the Denny Triangle, would not function in those portions of the DOC 2 zone that would be subject to height and commercial density increases. The increase in height that is an incentive to build residential space under the TDC program would be granted to commercial projects in that portion of the DOC 2 zone without requiring their use of the program.

DOWNTOWN HOUSING SUPPLY

Over twenty years, the demand for Downtown Housing under Alternative 3 is expected to be the same as for Alternative 1. The type of housing that could be built under Alternative 3 would be similar to, although often shorter than, the housing projects that could be built under Alternative 1. However, under Alternative 3, some residential enclaves could be developed in areas rezoned to DMR. These areas would be developed with high-rise residential towers, separate from the office/residential mixed-use environment that could emerge in the rest of the study area.

Supply of Affordable Units

Between 2000 and 2020, more resources could be available to meet demand for housing for the lowest-income households than under Alternative 1. New office and hotel projects contributing to the Downtown Bonus program would provide funds that could leverage other public and private funds to create housing to serve these populations. Under Alternative 3, funds could be generated over twenty years to address the housing need of as many as 83% of households with Downtown workers with incomes that are less than 30% MAI (refer to Table 18). The bonus program could contribute funds to house approximately 61% of the households with Downtown workers earning between 30% and 50% MAI. Twenty-four percent of the households with Downtown workers earning between 50% and 80% MAI could be housed by leveraging funds available from the Bonus program.

Overall, over twenty years, funds would be available to house approximately 41% of households earning less than 80% MAI, or 325 more households than under Alternative 1. However, even given this increase in housing for lower income households, 100 households with employees in new Downtown Seattle office buildings and hotels would have difficulty finding affordable housing to meet their needs in King County. They would need to live in overcrowded conditions, pay more than 30% of their income for rent, or commute from lower-priced housing outside of King County. Those few households not able or willing to make these choices could potentially become homeless.

Beyond 20 years, if all available parcels are developed, there would be demand for 11,200 units affordable to households earning less than 80% MAI with Downtown workers. Developers participating in the Downtown housing bonus program would contribute funds that might be able to leverage other City, State, Federal and private funds to develop 5,500 units. This is 2,350 fewer units than under Alternative 1. As a result, approximately 49% of new households with Downtown workers earning less than 80% MAI could find housing financed in part by the Housing Bonus funds. This would represent a 6% decrease from the proportion of households able to find affordable Downtown housing under Alternative 1.

POTENTIAL LOSS OF HOUSING TO REDEVELOPMENT

The potential for demolition of residential buildings under Alternative 3 would be the same as for Alternative 1, in both the number and location of identified buildings.

Alternative 4 – No Action

CAPACITY FOR HOUSING

Under Alternative 4, there would be capacity for approximately 8,490 housing units within the study area, and another 12,350 housing units in the rest of the Downtown Urban Center (refer to Table 16). This amount of housing development could meet market demand for up to 23 years, after which there would theoretically not be any more residential development sites available Downtown. Residential capacity under this alternative provides two fewer years worth of residential development capacity than under Alternative 1. This decrease is due to the height increases proposed for Alternative 1. All zones and subareas would have less capacity for housing under existing conditions except for the Commercial Core DMC zone where the density increases proposed under Alternative 1 would meet or exceed the potential building envelope in lower height-limit areas.

TRANSFER OF DEVELOPMENT CREDITS PROGRAM

Under existing conditions, the TDC program would create opportunities for approximately 5,300 units throughout the Denny Triangle, potentially doubling the residential capacity in the study area. If all potential units were built under the TDC program, there would be capacity for 3,285 more units than there would be capacity for under Alternative 1. The potential residential capacity under the TDC program could provide housing to meet almost six years worth of residential demand. No projects have used the TDC program in the three years that it has been in existence. This is the only alternative under which the TDC program would remain active throughout the entire Denny Triangle.

DOWNTOWN HOUSING SUPPLY

Over twenty years, the supply and demand for Downtown Housing under Alternative 3 is expected to be the same as for Alternative 1.

Supply of Affordable Units

Under Alternative 4, fewer resources could be available between 2000 and 2020 to meet demand for housing for the lowest-income households than under any other Alternative. New office and hotel projects contributing to the Downtown Bonus program would create funds that could be leveraged with other public and private funds to create housing to serve these populations. Under Alternative 4, commercial projects might provide bonus funds to address the housing need of approximately 61% of households earning less than 30% MAI, 20% less than under Alternative 1. The bonus program under Alternative 4 could contribute funds to house approximately 49% of the households earning between 30% and 50% MAI. Seventeen percent of the households earning between 50% and 80% MAI could be housed through funds leveraged through the Bonus program. Overall, funds would be available to house 30% of households earning less than 80% MAI, or 650 fewer households than under Alternative 1. As many as 225 households with employees in new Downtown Seattle office buildings and hotels would have difficulty finding affordable housing to meet their needs in King County. They would need to live in overcrowded conditions, pay more than 30% of their income for rent, or commute from lower-priced housing outside of King County. Those few households not able or willing to make these choices could potentially become homeless.

The difference between Alternative 1 and Alternative 4 is a direct result of the potential commercial FAR increases under Alternative 1. Because less commercial space is permitted on each site under Alternative 4, more commercial sites would need to be developed to accommodate the same level of demand for commercial space. Less would be contributed to the housing Bonus program for three reasons. First, a smaller portion of the FAR in all zones would be subject to the housing bonus provisions under the current zoning. Second, projects in the DMC zone would not contribute to the Housing Bonus program. Third, development would start to spread into the DMC zone, due to lower FAR limits in the DOC 1 and DOC 2 zones.

If all available parcels were to be developed under the existing conditions, there would be demand for 10,550 units affordable to households earning less than 80% MAI with Downtown workers. However, the Downtown housing bonus program could only be expected to contribute funds that could be leveraged to develop 3,600 units. Compared to Alternative 1, Alternative 4 would produce 4,250 fewer units. This would meet only 34% of the demand generated by new Downtown jobs. Under this alternative, the bonus program would be able to house sixty percent of the households earning less than 80% MAI that could be housed under Alternative 1.

POTENTIAL LOSS OF HOUSING TO REDEVELOPMENT

The potential for demolition of residential buildings under Alternative 4 would be the same as for Alternative 1, in both the number and location of identified buildings.

MITIGATION STRATEGIES

The City of Seattle currently has a number of programs in place that can mitigate the impacts of specific developments on housing in Downtown Seattle. Among these programs are:

- In September 2002, Seattle voters approved a property tax levy renewal that will total $86 million from 2003 through 2009, earmarked for preservation and creation of affordable housing. The 2002 Levy is funding 5 programs: (1) Rental Preservation and Production; (2) Homebuyer Assistance; (3) Neighborhood Housing Opportunity Program; (4) Rental Assistance; and (5) Operating and Maintenance.
- The multifamily rehab loan program, implemented after the 2001 Nisqually earthquake, provides low-interest loans to private owners to rehabilitate properties in the Pioneer Square and International District. The program helps add rehabbed affordable housing to the Downtown housing stock.
- The City of Seattle's Multifamily Tax Exemption (MFTE) Program allows for a partial property tax exemption for up to 10 years for multifamily rental homeownership projects of four or more units in designated target areas (including parts of Downtown). The program, which is authorized and regulated by State law (RCW 84.14), is a growth management tool for local governments to help spur residential development in urban neighborhoods. Seattle's original MFTE Program ended on 1/1/03. The City's Office of Housing is exploring reinstating the program, with some modifications. There will continue to be a requirement that, in return for the tax exemption, a certain percentage of units must serve low- or moderate-income households.
- Seattle's Housing Bonus Program which allows commercial developers to achieve greater density in their buildings. They may either produce new affordable housing or make a contribution to a City housing bonus fund, the proceeds of which are used to fund new affordable housing in Downtown, which in turn mitigates housing-related impacts of office and hotel development. Affordable housing produced or funded through the Housing Bonus Program provides lower-wage office and hotel workers in Downtown Seattle with greater opportunities to live near where they work.
- Seattle's Transferable Development Rights (TDR) Program allows existing residential buildings to transfer unused potential commercial floor area to commercial projects seeking to build above the base FAR limits. Affordable housing on sites from which TDRs are sold is preserved for 50 years.

- The Transfer of Development Credits Program provides opportunities for developers to build larger residential buildings in the Denny Triangle neighborhood.
- Relocation requirements provide funding to qualifying households earning less than 50% MAI who are forced to move because their building is subject to demolition, change of use or substantial renovation.

Possible Mitigation Strategies

In addition to the programs listed above, the potential mitigation measures discussed below could be applied to any of the alternatives as tools to ensure that as the neighborhood changes, housing opportunities can be provided to all who seek them.

Funding for low-income housing

- As discussed above, Seattle's TDR Program and Housing Bonus Program are key tools for preserving and creating affordable housing in Downtown. In July 2001, City Council adopted changes to the Downtown Land Use Code that, among other things, changed the thrust of the revised Downtown FAR (floor area ratio) system to favor housing. Under the current system, generally 75% of incremental floor area above the base FAR allowed outright by the Downtown Land Use Code must be achieved through either housing TDR and/or housing-childcare bonus. One of the most effective strategies for mitigating the impacts of future changes to the Downtown Land Use Code on housing would be to continue to make preservation and production of affordable housing the primary focus of the TDR and Bonus Programs.
    - § Specifically, the City could require that 75% of the entire amount of incremental floor area above the base FAR (including any increases to the maximum FAR) be achieved through either housing TDR and/or housing-childcare bonus.
- The City could also reduce the amount of floor area that is exempt from TDR, bonus, and amenity feature requirements. One option would be to eliminate rules that exempt projects in the DMC zone from the new bonus/TDR program requirements adopted in 2001.
- In addition, the City could remove the option developers have in the DOC1 and DOC2 zones to achieve the first FAR above the base through revenue-generating improvements.
- The City could reinstate the tax exemption program, which grants multifamily housing developers a tax break if they include a certain portion of below-market rate housing units in their project, in targeted neighborhoods.

Capacity for residential development beyond 25 years

Under all of the alternatives, capacity for residential development throughout Downtown Seattle could be consumed within 23 to 25 years. There is currently enough capacity for Downtown commercial development for 35 years, and various alternatives could add enough commercial capacity to meet demand for another ten years on top of that. In order to ensure a balance between residential development and commercial development beyond twenty-five years, a number of tools could be considered:

- The City could rezone various areas as "residential enclaves" reducing the maximum permitted commercial densities in targeted areas. This idea is studied under Alternative 3.
- The City could increase height limits while maintaining current FAR limits, thus increasing the potential space for residential uses.
- The City could look at options for retaining the TDC program, which currently provides additional residential development capacity for projects that participate in the program.

- The City could work with communities outside the study area to explore rezones to increase residential capacity. One such opportunity might be the portion of the Chinatown/International District east of Interstate 5.

Retention of existing residential buildings threatened with demolition

- The City can build partnerships with non-profit housing developers and current property owners to acquire those buildings that are most threatened with demolition. The TDR bank is currently an important funding source for the acquisition of existing low-income residential buildings. Continuing to prioritize housing in the menu of choices available to commercial developers for achieving additional FAR in new Downtown office and hotel developments is a key housing mitigation strategy.

Transfer of Development Credits (TDC) program

The TDC program, which is currently available to all projects in the Denny Triangle, would be eliminated under at least one alternative and would be significantly reduced under two of the other alternatives.

- The City could work with other neighborhoods or areas where the program would apply.
- The City could work to develop other land use strategies to encourage the use of the program.
- The City could undertake an outreach program to educate developers about the program and the benefits of using the program.

Housing for Families and Other Large Households

Downtown Seattle's current housing stock generally consists of smaller housing units attractive to smaller households. In order to make Downtown Seattle attractive and amenable to larger households a number of strategies would need to be undertaken.

- The City could work with low-income housing developers funded by the City to provide larger units.
- The City could amend its Downtown design review guidelines to include guidelines for specific residential design elements that could be attractive to larger households.
- The City could provide incentives for projects that include units with multiple bedrooms.
- The City could work to encourage the development of facilities that would support families living Downtown, including the construction of children's play areas and the development of a new elementary school accessible to Downtown households.

SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

Under all alternatives, large public and private subsidies would be required to meet ambitious targets for housing preservation and production. If these subsidies are not available, some buildings currently providing affordable housing may be lost and other potential housing opportunities may not be created.

In spite of the number of programs currently available to assist households earning less than 30% MAI with housing, some households with employees in new Downtown Seattle office buildings and hotels would have difficulty finding affordable housing to meet their needs in King County. They would need to live in overcrowded conditions, pay more than 30% of their income for rent, or commute from lower-priced housing outside of King County. Those few households not able or willing to make these choices could potentially become homeless.

The TDC program would be eliminated under Alternative 1. The TDC program would no longer be available to projects in some portions of the Denny Triangle DOC2 zone under Alternatives 2 and 3.

LAND USE

AFFECTED ENVIRONMENT

Existing Conditions

SUBAREAS

The study area for this EIS encompasses three zoning categories in three Urban Villages. Each of these areas has a distinct land use character that emphasizes different mixes of uses, ranging from the densest concentration of office space in Washington State to areas at the periphery of Downtown most notable for their surface parking lots. Downtown Seattle accommodates a wide range of densities and uses from high-rise office buildings to warehouses, surface parking lots to department stores, the new football stadium, to historic single room occupancy (SRO) hotels. Table 21 and Figure 14 present summaries of the range of land uses on Downtown Seattle parcels in the different subareas based on King County Assessor's data, surveys of the study area undertaken in 2001 and knowledge of recent construction in the area.

Table 21
Percent of Parcel Area by General Land Uses

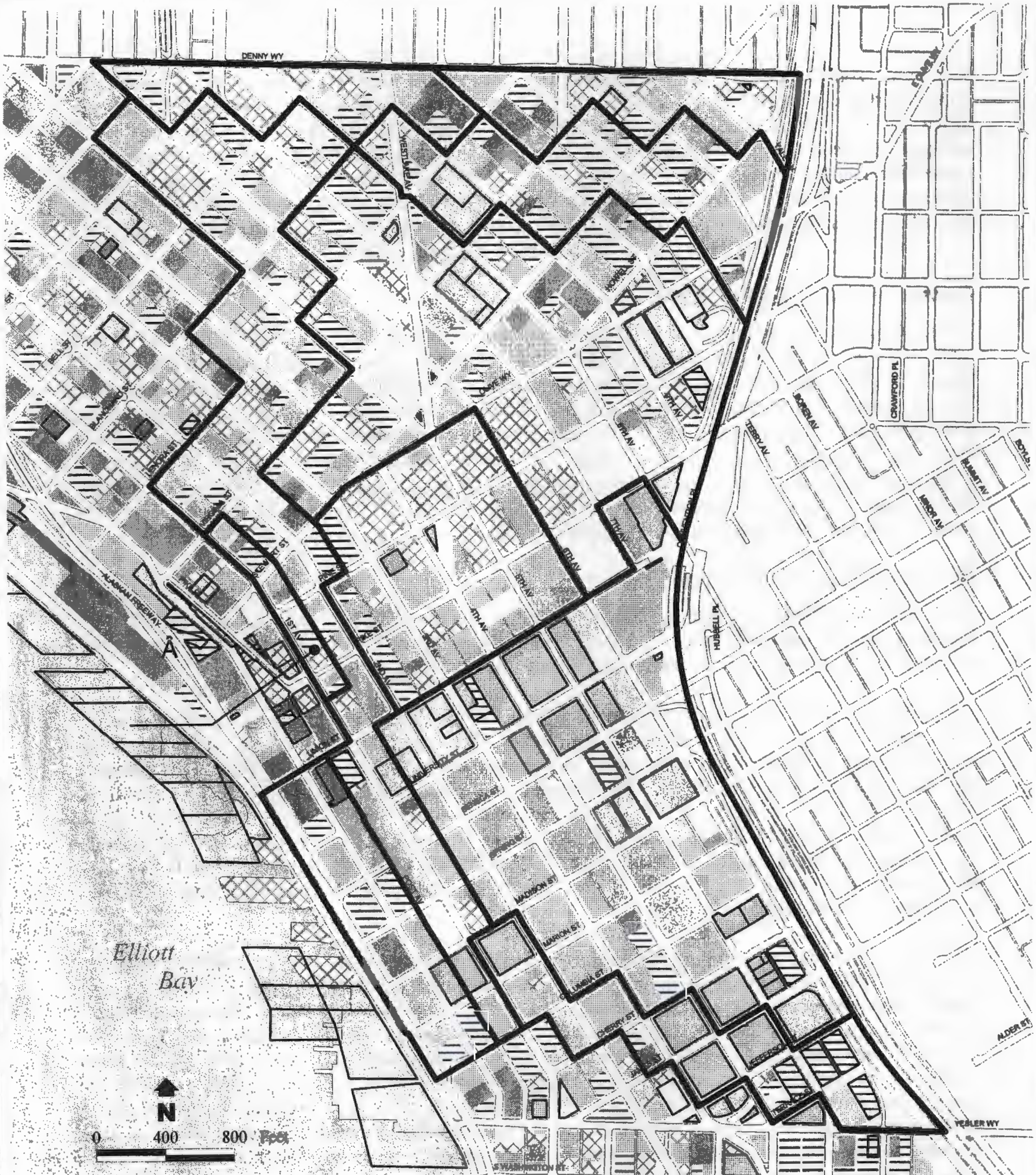
Subarea	Office	Hotel/ Motel	Indust./ Utility	Gov't Facility	Other Public/ Non-Profit Facility	Retail/ Service	Residential	Parking	Vacant
Commercial Core									
DOC1	56%	9%	0%	13%	12%	5%	1%	5%	0%
DOC2	14%	11%	0%	24%	7%	9%	2%	22%	11%
DMC	25%	5%	7%	15%	4%	7%	19%	19%	0%
Denny Triangle									
DOC2	18%	9%	7%	5%	22%	15%	5%	20%	0%
DMC	24%	7%	6%	5%	2%	19%	5%	31%	0%
Belltown									
DOC2	25%	0%	3%	0%	0%	15%	3%	54%	0%
DMC	26%	12%	0%	0%	4%	27%	12%	19%	1%
Rest of Downtown	20%	2%	14%	0%	6%	33%	10%	12%	4%
Total Downtown	25%	4%	9%	4%	7%	24%	8%	14%	3%

Source: King County Assessor; City of Seattle Strategic Planning Office, December 2001, parcel area excludes waterfront parcels.

Commercial Core

Downtown Office Core 1 (DOC1)

The DOC1 zone, located approximately between Second Avenue and I-5 south of Union Street, is the Downtown zoning area with the densest pattern of land uses, predominantly consisting of large full- and half-block office buildings and hotels. Retail spaces in this area primarily serve Downtown office tenants. However, near the retail core, several buildings include ground-floor retail and restaurant uses to attract pedestrians and shoppers. There are few residential structures in the office core – all residential buildings in this area were built before 1940, and almost all of these are designated landmark structures. Single-use parking structures are much less frequent in this area than in other parts of Downtown, and in contrast to other parts of Downtown, there are no surface parking lots.



DOWNTOWN SEATTLE LAND USES

FIGURE 14

Hotel/Motel
Industrial
Institutional
Mixed Use
Office
Parking
Residential
Retail/Service
Vacant

Zoning Boundary
Publicly Owned Property
Outside Study Area

Strategic Planning Office
City of Seattle
May 1, 2002

dwntwneis\genluse.apr

The DOC1 zone contains a variety of public uses, institutional uses and private clubs. The southern portion of the core contains the City of Seattle and King County government centers with administrative office uses, as well as public safety, courthouse and support facilities. The federal government also occupies a variety of office facilities and the current Federal Courthouse in the core area. Cultural and convention facilities include the Washington State Convention Center, Benaroya Symphony Hall, the Seattle Public Library's central branch and the Seattle Art Museum. Churches and other organizations located in this area include the Plymouth Congregational Church, First United Methodist Church, the Downtown YMCA, the Women's University Club and the Rainier Club.

Downtown Office Core 2 (DOC2)

The DOC2 zone at the south end of the Commercial Core is a one-to-two block buffer and transition area between the denser DOC1 area and the historic districts (Pioneer Square and the Chinatown/International District) to the south and west. Although small, this area has three distinct use patterns. At its eastern edge near 5th Avenue and Yesler Way, properties are predominantly vacant or used for surface and garage parking and are mostly publicly owned. The central portion of this DOC2 zone accommodates some of King County and the City of Seattle's government office buildings, and a few subsidized housing structures. The character of the western portion of the DOC2 zone, along 1st, 2nd and 3rd Avenues, reflects the character of the adjacent Pioneer Square and Office Core areas consisting of newer office towers mingled with historic commercial and residential buildings.

Downtown Mixed Commercial (DMC)

This area extends along First and Western Avenues between Union and Columbia Streets. Historically a warehouse and commercial district serving the waterfront, it currently serves as a transition between the Pike Place Market, the waterfront and Pioneer Square and the Office Core.

The transition area between the Pike Place Market and the retail core contains several commercial, office and residential buildings from the first quarter of the 20th Century. The ground-level uses in this area include a variety of smaller-scale commercial uses oriented to Market shoppers and Downtown residents, restaurant and adult entertainment uses, and a scattering of parking lots and garages. This area, with the adjacent Pike Place Market, has the greatest concentration of housing in the Commercial Core. Residential buildings in the area range from the Harbor Steps Apartments and Newmark condominiums to the non-profit-managed Gatewood Hotel. With the construction of Harbor Steps and Newmark in the 1990s, this area is the only portion of the Commercial Core where significant new residential development has occurred.

Land uses along Western and First Avenues between Union and Columbia Streets transition from the higher-density office buildings in the DOC-1 to older office/warehouse-style buildings with historical character near the waterfront and Pioneer Square. However, newer residential complexes such as Harbor Steps and institutional uses such as the old Federal Building are also present. Some blocks contain highly improved uses such as the Alexis Hotel and Watermark Building, while the structures across the street contain vacant floors, adult-oriented businesses and pawnshops in older lower-scale structures. The area along Western Avenue contains a concentration of furniture and interior design-oriented businesses, many of which serve higher-end residential markets and the Downtown office market. Western and 1st Avenue are separated by a large elevation change at the north end of this area, but are linked by the Harbor Steps and a lower grade change south of Spring Street.

Denny Triangle

Downtown Office Core 2 (DOC2)

The DOC2 zone in the Denny Triangle is north of the DOC1 zone wrapping around the northern edge of the retail core. For the purposes of this study, the three DOC2 zoned blocks at the north end of the Commercial Core are analyzed as part of the Denny Triangle. This area is approximately bounded by Union Street and Boren Avenue, zigzagging to Blanchard Street and then south to Olive Way. Historically, with the adjacent DMC zone, this area supported light manufacturing, warehouse, and early automobile-oriented uses. Many of these structures have been converted to new uses. The land use pattern currently transitions from dense office, hotel and commercial retail uses in the south to relatively low-density older uses further north. The land use pattern in the southern portion reflects its adjacency to the retail core and Convention Center. The area features large retail and entertainment facilities such as the Pacific Place shopping mall, the Paramount and Meridian Theaters and large hotels such as the Sheraton, the Camlin and the newer Elliott Hotel. Overall, density of use decreases in blocks further from the retail core and convention center, providing a transition to the less-developed area to the north.

The Denny Triangle DOC2 zone contains a broad range of uses, often highly varied within the same block, from high-rise office buildings to parking lots or lowrise structures. Larger buildings include the new 24-story 1700 Seventh Avenue building, the Marsh and McLennan Building, the Bell Plaza building, and the Westin, Camlin and Vance Hotels. In addition to these hotels, several smaller hotels or motels are located in the area, such as the Sixth Avenue Motor Inn. Residential uses include two market-rate residential towers: the new Metropolitan Tower Apartments, and the Tower@801, built in 1970. In addition, there are a number of smaller-scale subsidized housing projects, such as the new 60-unit Stewart House, built in conjunction with the 1700 Seventh Avenue building. Other subsidized buildings include the Julie, Larned and Westlake Apartments, all built in the early 1900s and renovated in the 1990s. The new Federal Courthouse, West Precinct police station, Convention Place transit station, Urban Rest Stop and Washington State Library for the Blind are institutional uses in this subarea. Several sites, including whole blocks, are vacant or underdeveloped with surface parking lots, car dealerships and small-scale retail buildings. However, a number of new buildings have been built in this area: the 1700 Seventh Avenue office tower and Stewart House, the new Federal Courthouse, the Convention Center expansion, the Elliott Hotel, the new Metropolitan Tower apartment building and the West Police Precinct.

Downtown Mixed Commercial (DMC)

The Denny Triangle DMC zone, north of the DOC2 zone, is approximately bounded by I-5, Denny Way, 6th Avenue, and a zigzag edge between Blanchard Street and Boren Avenue. This area has a relatively low-density land use pattern mixed with occasional denser uses, similar to the northern portion of the DOC2 zone. The area has a wide range of uses and building sizes, with clusters of uses ranging from east to west; however, surface parking lots are prevalent throughout the area, making up 31% of the parcel area. Three large office buildings, the Metropolitan Park buildings, are located at the southeast corner of the area, adjacent to Interstate 5. At the eastern end of the area are nightclubs, a new hotel and housing projects, along with several surface parking lots. Near Fairview Avenue are clustered a small number of not-for-profit agencies such as Youth Care's Orion Center and the Dutch Shisler Sobering Support Center. Between Fairview and Westlake Avenues are found older warehouse buildings, many converted to office use, such as the Quinton Instruments Building, and small retail/service uses. Cornish College for the Arts will be moving into the Lenora Square and Sons of Norway Hall buildings in this area. Automotive uses such as automobile dealerships and Elephant Car Wash are located to the west of Westlake Avenue. This area also has a number of motels dating from the 1950s and 1960s, and is home to Antioch University. To the south of Antioch are a couple of office buildings, the 12-story Denny Building from 1968, and the 15-story Blanchard Plaza building from 1983. The vacant former U.A. Cinemas site is across the street from these buildings to the south.

Belltown

Downtown Office Core 2 (DOC2) and Downtown Mixed Commercial (DMC)

This area extends along the eastern and southern edges of Belltown, to the northeast corner of the Pike Place Market. It provides a transition between the residential core of Belltown and the Denny Triangle, the retail core, and the Pike Place Market. Transitions in type and/or density of land uses occur within these areas, reflecting shifts in the intended purpose or orientation of the adjacent areas. For example, Belltown's DMC zoned area adjacent to the Denny Triangle contains a variety of uses, such as surface parking lots, 1960s-era motels and automobile showrooms as well as new residential buildings, popular restaurants and the Cinerama Movie Theater.

The south end of Belltown contains a mix of older hotel, retail and business services uses and office buildings, reflecting the long-term commercial use of the vicinity and general proximity to the retail core. However, there are also numerous older and newer residential structures, indicative of the area's past and present attractiveness for residential uses. Among these residential buildings are a number of larger older hotel buildings such as the Moore, Josephinum and Calhoun, dating back to the first phase of development in the Denny Regrade, in the early 1900s. The area remains attractive for residential development, providing amenities attractive to new households, including proximity to service and entertainment uses in the Pike Place Market, retail core, Belltown, and views of Elliott Bay. The DOC2 portion of the area consists of two and a half blocks adjacent to the Retail Core. Entertainment uses, such as the Moore Theater, are distributed within this area, and several restaurants attract much evening activity. Parking lots and garages intermittently occur.

SURROUNDING AREAS

The study area includes the principal Downtown commercial zones and a majority of the Downtown Urban Center, but not Pioneer Square and the International District to the south. In addition, most of the Belltown neighborhood, the Pike Place Market, Retail Core and the Waterfront are omitted from the study area.

Other adjacent neighborhoods are located outside of the Downtown Urban Center. South Lake Union and the Cascade neighborhood border the area on the north. Pike/Pine, First Hill and the southwest portion of Capitol Hill are across Interstate 5 at the eastern border of the area. The Uptown Queen Anne Urban Center, which includes the Seattle Center, is northwest of the study area.

Pioneer Square is characterized by a mix of historic commercial and residential structures with a strong street-level presence. The edges of the study area provide transitions between the historic character and infrastructure of Pioneer Square and the Downtown Office Core 1 zone.

Grade changes and surface parking lots currently provide a buffer between the core of the **International District/Chinatown** and the study area. However, some of the densest residential areas of the International District are located on the hill just south of the office core. Beyond the International District hill, the neighborhood is characterized by numerous older mixed-use residential buildings, street level retail uses and older industrial buildings. Newer office and commercial buildings including the redeveloped Union Station have created an influx of new residents and employees to this neighborhood.

The **central waterfront** has a distinct identity related to historic pier structures and retail uses. The Washington State ferry terminal and several marine and tourist attractions including the Seattle Aquarium also contribute to the character of this area. The Alaskan Way Viaduct and railroad tracks form a perceptual barrier separating the waterfront from the adjacent Western Avenue vicinity. On a bluff above the Waterfront, and adjacent to the Commercial Core and Belltown DMC zones, the historic **Pike Place**

Market area contains a fine-grain mixture of retail and tourist-oriented uses, including hotels. The Market vicinity also includes several market-rate and subsidized residential buildings. The **Retail Core** is centrally located Downtown, surrounded by the study area. The area's retail shopping is anchored by two major department stores, two indoor shopping malls, and several street-level retail businesses. A few office towers also dot the area, some of which include street-level and mezzanine retail uses.

North of the Market and Retail Core, the **Belltown** neighborhood overlooks Elliott Bay, extending eastward to Fifth Avenue. Its mix of residential and commercial uses has changed considerably over the last 20 years with new residential development, but most prominently along the hillside at Elliott, Western and 1st Avenues. The eastern portion of Belltown is generally developed with one- and two-story commercial structures, and slightly taller brick residential buildings, punctuated by occasional office and residential towers, and surface parking lots. To the north of Belltown is the **Uptown/Seattle Center** neighborhood with its mix of office, residential, retail, and entertainment/recreational uses.

North of Downtown is **South Lake Union** with its mix of office and warehouse and light manufacturing uses close to Downtown, including the Seattle Times. A number of biotechnology and high-tech uses have developed in the north end of this neighborhood, close to the lake. Adjacent to I-5 and the Denny Triangle is the mixed-use **Cascade** community with residential, office, retail and light industrial uses.

Northeast of the Denny Triangle is the residential community of **Capitol Hill** with its midrise apartment and condominium structures, and small-scale neighborhood-serving retail uses. South of Capitol Hill is the **Pike/Pine** neighborhood with its growing collection of mixed-use residential/retail buildings and lower-scale retail and automobile-oriented buildings. South of Pike/Pine and adjacent to the study area is **First Hill** with its high-rise residential buildings, churches, major hospitals, employee-serving retail uses and surface parking lots used by Downtown commuters.

Land Use Pattern and Recent Development Activity

As described above, Downtown Seattle contains a wide mix of uses, often housed in high-rise towers, but also accommodated within a large range of building types and forms. This section of the Draft EIS describes these uses and recent development trends.

OFFICE

Amount and Location of Office Space

The entire Downtown Seattle/Central Business District office market currently has approximately 35,321,000 square feet (SF) of office space in 278 buildings. Between Denny Way and Yesler Way there are 178 office buildings containing approximately 26,225,000 square feet of office space, or 74% of the total Central Business District office market.

The highest concentration of Downtown office space is in the DOC1 area, with high-rise private offices in the central financial district and mid-rise government offices at the south end. Other concentrations are at the south end of the Denny Triangle DOC2 zone, including portions of the retail core. Large office buildings are also dispersed north of the retail core along 3rd through 6th Avenues and adjacent to Interstate 5 in the Denny Triangle's DMC zone. For more information about the location of Downtown Office uses, please see Appendix C.

Recent Development History and Absorption

"Absorption" compares the amount of office space newly built and/or demolished to the amount of space newly occupied and/or vacated. Typically, positive market absorption represents space that is now leased, that was not previously leased. Negative absorption indicates that space formerly leased has become vacant. Between 1988 and 2001, the rate of Downtown office space absorption averaged approximately 820,000 SF annually. In the five years between 1996 and 2001, absorption averaged 940,000 SF annually. Over this same five-year period, 4,875,000 SF was added to the Downtown office market. Projects built during this time include One Convention Center; 505 Union Station; Opus Center East, West and South; 1700 7th Avenue; Millennium Tower; World Trade Center East, West and North; King Street Center; Fisher Plaza; and Metropolitan Park III.

By the end of 2001, however, a large amount of office space was added to the available supply both through subleases and through tenants not renewing leases, resulting in a negative absorption rate. According to CB Richard Ellis, at the end of 2001, the vacancy rate for office space in the Downtown CBD and the Denny Regrade was 10 percent. Just under 2.5 million square feet of office space were available in these two subareas. Net absorption for the entire Downtown Seattle area was a negative 500,000 square feet in the fourth quarter of 2001 because a number of companies went out of business and construction of new office buildings was completed. Since 2001, three additional office buildings, the IDX Tower, the Fifth & Bell Building and the Gray Cary Building in the Chinatown/International District, have been completed. One private office project is under construction as of Fall 2003, the 9th & Stewart Life Sciences Building is being built by the Touchstone Corporation for Corixa, a biotechnology firm. Generally, new office space that is not specifically built for a particular tenant will likely not be built until the vacancy rate drops, and absorption rates become positive.

Seattle's largest office buildings, spread throughout the DOC1 and adjacent DRC zone, were built during a construction boom that lasted throughout the 1980s. The 1.5-million square foot Bank of America (Columbia) Center is joined by six other buildings at or above 1 million square feet: U.S. Bank Center (in the DRC zone), Two Union Square, Washington Mutual Tower, Seafirst Fifth Avenue Plaza, the Wells Fargo Building and Key Tower. All of these buildings were built between 1980 and 1990 on full blocks, and were permitted under previous Downtown regulations. In 1985, with adoption of a Downtown plan, and again in 1989 because of a citizens' initiative, height and density limits were reduced.

More recently, Downtown office projects have been built around the edges of the DOC1 zone, incorporating a broader mix of uses than were found in earlier generations of development. The largest buildings built in the study area under current land use code provisions include:

- **One Convention Place**, permitted as part of the expansion of the Washington State Convention & Trade Center. The first five stories of the 300-foot tall building are expanded Convention Center meeting rooms and entry areas. Above the Convention Center are 16 floors of private office space. With 308,580 SF on 22 floors, its floorplates range from 14,400 SF to 20,300 SF.
- **Millennium Tower**, a mixed-use office, condominium and retail building in the DOC2 zone. Above ground-floor retail are 13 office floors and 6 floors containing luxury condominiums. The office floors average 14,500 leasable square feet, totaling 188,000 SF of office space.
- **1700 7th Avenue (or Nordstrom Office Tower)**, built in the DOC2 zone, a 24-story office tower. It contains 538,000 SF of office use and 22,000 SF of retail on two levels. The building also includes seven levels of underground parking. In conjunction with this building, the Housing Resources Group is constructing Stewart Court, a 60-unit subsidized housing project next door. The developers of 1700 7th Avenue were able to use the commercial development rights available on the Stewart Court lot and in exchange helped to subsidize the cost of the land under Stewart Court.

- **IDX Tower**, the last major office tower completed Downtown. It is the largest office building built in Seattle since 1990. This office tower wraps around the historic Downtown Seattle YMCA building, and uses some of the development rights available from the YMCA site. On a 40,000 square foot site, the building contains a 7-story podium along 3rd Avenue and a 33-story tower north of the YMCA building. With 846,600 total SF, typical floor plates average 24,000 SF.

Except for the IDX Tower, these buildings were built at the edges of the traditional office core, indicating an expansion of the character of the DOC1 zone into surrounding areas to the north, south and west.

Proposed Projects

As of Fall 2003, at least twenty office projects had been proposed for Downtown Seattle. These projects would include 6,735,700 SF of office space. In these projects, there is enough proposed office space to accommodate between 7.5 and 8.5 years of demand, based on average annual historical absorption rates. Not all of these projects will likely be built. A number of these projects are still in the conceptual stage, and some are "on hold" indefinitely and will be re-examined when demand for new office space starts to increase. Only a handful will come on-line when currently projected. The amount of pre-leased space is the greatest factor affecting decisions to develop. For most developers, construction financing hinges on whether a certain percentage of space can be leased before construction. The exact percentage is unique to every developer and each project, but it ranges somewhere between 10% and 50% of the project. The proposed office projects are listed in Appendix C.

HOTELS AND MOTELS

Amount and Location of Hotel Rooms

Downtown Seattle currently has over 8,000 hotel rooms in 40 buildings. The Downtown hotel market consists of twelve major hotels with 4,764 rooms, and a number of smaller hotels ranging from 20 rooms to 300 rooms. In November 2001, Downtown hotels had an overall occupancy rate of approximately 58%, down from 70% in 2000 (Stephen Dunphy quote of Wolfgang Rood Hospitality, Seattle Times, "*The Newsletter: No Need to Leave the Light On*", 1/16/02). However, hotel occupancy has improved somewhat since that time.

Seattle's largest hotels are found within five blocks of the Convention Center and retail core. These hotels include the Westin Seattle and the Seattle Sheraton with over 800 rooms apiece. Other major hotels include the Renaissance Madison with over 500 rooms, and the Four Seasons Olympic, the Seattle Hilton, the Seattle W Hotel and the newer Elliott Hotel, each with more than 400 rooms. Two office towers that were converted to hotels in the last decade, the Red Lion Hotel and the Monaco Hotel, are also near these larger hotels.

Smaller hotels are scattered throughout Downtown, although a number are found near 1st Avenue to serve tourists visiting Pioneer Square and the Pike Place Market. More automobile-oriented motels are found along 5th and 6th Avenues, most built to serve the 1962 World's Fair.

Recent Development History

Four types of new hotels have been built Downtown in the last ten years: new full-service hotels, conversions of office buildings to full-service hotels, new limited-service hotels and renovations of existing buildings into boutique hotels. The following new Downtown hotels are in or adjacent to the study area:

- **Seattle W Hotel**, in the DOC1 zone, across the street from the Four Seasons Olympic Hotel, was the first new major hotel building to be built in Downtown Seattle since 1983. The W is a 26-story tower with a ground-floor restaurant and bar, meeting rooms. The W has 426 hotel rooms and suites in 272,000 SF with approximately 10,000 SF floorplates.

- **Elliott Grand Hyatt Hotel,** like the One Convention Place office building, was incorporated into the recent expansion of the Washington State Convention Center. Built in conjunction with the Convention Center's 950 space parking garage, the Elliott contains 425 rooms in a 29-story building, including 40,000 SF of restaurant space. The fourth floor of the building contains 98,000 SF of Convention Center space. The hotel itself is 410,000 square feet with approximately 14,000 SF floorplates.
- The 11-story **Paramount Hotel** was finished in 1996. Located on Pine Street across the street to the northeast from the Elliott, it was the first hotel to be built downtown since 1983. Its 146 rooms average 325 square feet.
- The **Monaco** and **Red Lion Hotels** were originally office buildings built in 1969 and 1973 respectively. The 134,000 SF Monaco contains 189 guestrooms in eleven stories with a ground floor restaurant and lounge. The Red Lion is a 297-room hotel with 272,800 SF in 19 stories.
- Marriott's **SpringHill Suites** is a new limited-service hotel at the edge of Downtown in the Denny Triangle. It contains 234 suites, a restaurant and lounge on ten floors. The building is 96,000 SF in size.

Except for the SpringHill Suites, all of these new hotels are within a block of an existing hotel and close to the retail core and the Convention Center.

Proposed Projects

A number of hotels have been discussed over the last three years. The Seattle Sheraton, currently over 800 rooms, has considered a 400-room expansion. Two other hotels have been proposed near the retail core. One would be built on the block between 6th Avenue, Stewart Street and Olive Way. This project would contain a 300-room luxury hotel and condominiums. Another mixed-use structure including a hotel has been proposed for the half-block adjacent to the Bon Parking Garage at 2nd Avenue and Pine Street. This project would contain a large amount of retail space, a 189-room luxury hotel and 31 condominiums. The 358-room Marriott Hotel was recently completed along Alaskan Way adjacent to the Port of Seattle's Bell Harbor Conference Center. Also, a mixed-use hotel building has been proposed for the Warshal's Sporting Goods site at 1st Avenue and Madison Street. This project would contain a 100- to 200-room hotel and condominiums. Most of these projects are in the conceptual design stage and may not be built.

HOUSING

Amount and Location of Residential Buildings

According to the 2000 U.S. Census, there were 12,852 housing units in the Downtown Urban Center. The largest concentration of units is in the Belltown neighborhood. Most of the blocks between 5th and Elliott Avenues contain at least one residential structure. Other housing concentrations Downtown are in and around the Pike Place Market, in Pioneer Square and along 6th and Maynard Avenues in the Chinatown/International District.

Within the study area, the largest concentration of housing can be found along the edge of the abutting Belltown and the Pike Place Market along 1st Avenue. Another, small concentration of housing is located in the northeast corner of the Denny Triangle, close to the Pike/Pine, Capitol Hill and Cascade neighborhoods. Table 22 shows the number of units in each urban village according to the most recent U.S. Census. For more description of housing in Downtown Seattle, please see the Housing chapter.

Table 22
Downtown Urban Center Village Housing Units

Urban Village	Census Units
Belltown	6,707
Chinatown/International District	1,641
Commercial Core	2,780
Denny Triangle	927
Pioneer Square	797
Total Downtown Urban Center	12,852

Source: U.S. Census, 2000

Recent Development Activity

Over the past decade, several new residential buildings have been built in Downtown Seattle, many in the Belltown Urban Village. Some residential buildings built in the study area may be indicative of future residential building types in Downtown Seattle. These include:

- **Metropolitan Tower** is a high-rise apartment building in the Denny Triangle's DOC 2 zone and is the first market rate apartment building to be built in the Denny Triangle since 1970. Its 366 units average 900 SF, ranging from 500 to 1,500 SF. Units provided range from studios to 3 bedroom units. The building includes ground floor retail space, a spa with swimming pool and concierge services.
- **Millennium Tower** contains six floors of high-end condominiums on top of 15 floors of office space. It is the first new building with residential units to be built in the Commercial Core DOC2-240 zone in ninety years. Its condominiums range in size from 2,300 to 10,000 square feet. The project includes the maximum permitted office floor area, and because residential uses are exempt from floor area limits and there was additional permitted building height and bulk, the developer maximized the building area by adding condominiums. This closely-watched project has had difficulties selling its luxury condominiums, which may discourage similar buildings of this type in the near term.
- **Stewart Court** – a subsidized residential project in the Denny Triangle's DOC2 zone. This project was made feasible by construction of the 1700 7th Avenue Project. A subsurface alley vacation made it possible for the developer of 1700 7th Avenue to use development rights from the adjacent Stewart Court site, in addition to gaining bonused commercial floor area. The office developer, through a housing bonus agreement, subsidized development of Stewart Place as a 65-unit housing project affordable to low-income households. Twenty studio and 45 one-bedroom units occupy a 6-story building with ground floor retail and below-grade parking.

During the summer of 2003, five residential buildings were under construction in Downtown Seattle. These projects range from the Cristilla condominium tower at Second and Lenora, which will contain almost 200 new units in a primarily single-purpose residential structure, to the International District Village Square project at 8th Avenue S. & S. Dearborn Street which will combine fifty-seven units with a new library, community center and human service uses. Overall, these new buildings will add 244 market-rate units and 252 subsidized units Downtown.

Proposed Projects

As of the summer of 2003, at least 18 new residential projects with more than 2,000 dwelling units are proposed in Downtown. Almost all of these projects combine a mix of uses. Ground floor retail space is common in Downtown residential projects. However, some projects propose to combine office or hotel uses and residential uses. Proposed or under-construction projects with residential uses are shown in Appendix C. Many of these were first proposed before the decline of the residential real estate market in 2001, and may change significantly before they are constructed.

RETAIL

Amount and Location of Retail Space

Retail space is located throughout the Downtown Urban Center. Street level, office-serving retail space is common in much of the office core. Tourist-oriented retail uses are frequently found near tourist destinations, such as Pioneer Square, the waterfront and the Pike Place Market. Residential-oriented retail services are growing in the Belltown area. However, the city's major concentration of retail space is in and around the Retail Core centered on Pike and Pine Streets between 3rd and 6th Avenues. Here the size of retail uses range from small shops to department stores with over 1,000,000 square feet of retail space.

Recent Development Activity

The most recent major retail project in Downtown Seattle is the Pacific Place shopping mall in the DOC2 zone at the north end of the Commercial Core. This facility includes a City-subsidized 1,200-space short-term parking garage with a 325,000 SF complex with a mix of retail, restaurants and cinemas. Additional retail space has been added as part of the Convention Center expansion, primarily at the base of the Elliott Hotel.

Proposed Projects

Two proposed new major retail spaces are not purely retail but combine sizable retail spaces with residential and commercial space. The Avalon Hotel is a mixed-use project including a 6-story, 148,000 square foot department store. This project, a block away from both the Bon Marché and the Pike Place Market, would help extend the retail core to the west. The Milliken/Vulcan project at 2200 Westlake Avenue would include the second grocery store in Downtown Seattle and the first full-size grocery north of the International District as part of a large mixed-use complex, with a total of 93,000 square feet of retail space.

HUMAN SERVICES

Amount and Location of Human Services Facilities

Downtown Seattle Human Service agencies provide a broad range of services to the residential and employee populations in Downtown Seattle and the region as a whole. Services provided by human service agencies in the study area include:

- Child care
- Emergency shelters;
- Short-term transitional housing facilities;
- Permanent subsidized housing with on-site human service facilities;
- Alcohol and drug abuse treatment programs;
- Mental health counseling and medical care programs; and
- Education, legal and job referral and training facilities.

A 1999 survey of Downtown Seattle Human Services providers identified 58 different agencies operating 99 separate programs providing human services in the Downtown Urban Center. Thirty-three of those programs are located in the study area. Several human service agencies own their own buildings, especially long-established agencies, those that provide housing or shelter, and government-run facilities. Providers without their own buildings often co-locate with a church or other provider. Others lease space in older, smaller office or retail spaces less attractive to market-rate tenants. Of the 58 identified agencies, nine non-governmental agencies could be identified as locating in privately owned buildings. Seven of those nine buildings are located within the study area. Washington State and Federal Government agencies also lease space in private buildings.

Some human service agencies provide services without office space in Downtown Seattle. Operation Sack Lunch brings lunches to the homeless in Downtown Seattle from locations outside of Seattle.

Recent Development Activity

Some of the largest recent Downtown human service projects have combined human services and residential uses. For example, the International District Village Square project built by the Seattle Chinatown/International District PDA includes residential units, mental health transitional housing, a social service agency, retail space and restaurant space. The Dutch Sisler Sobering Center/Harbor House project developed by the Seattle-King County Department of Public Health and the Community Psychiatric Clinic combines a short-term sobering center for chronic public inebriates with a longer-term transitional housing facility for the mentally ill. The Urban Rest Stop in the Denny Triangle was recently created on the ground floor of LIHI's Julie Apartments. The Boomtown Café has been located in the Morrison Hotel building. Senior Services of Seattle/King County built a combined human service office and senior housing project in Belltown outside of the study area. The Lillian Rice Center contains three floors of program and administrative space for Senior Services, and five additional floors of low-income housing for seniors. Finally, within the Belltown DMC-240 zone, YWCA is building the Opportunity Place project, combining counseling, food and health services for homeless women, job counseling, training and placement services and 145 apartments for very-low-income women.

Proposed Projects

A few agencies have proposed new combinations of human services and housing. LIHI has received permit approval for a new 7-story building containing LIHI's offices and five stories of housing at the north end of Belltown. Another project, to be built by the Downtown Emergency Services Center, will provide housing and supportive services for street alcoholics in the DMC-125 zone in the Denny Triangle.

On the other hand, some human services agencies have faced displacement because of redevelopment of existing buildings or concern about their impacts. Street Outreach Services, which provides a number of services for the homeless and drug users, was forced to move in 2001. The agency's rent had been eighty cents per square foot per month, significantly less than the thirty dollars per square foot per month that was being asked for some retail spaces in the retail core four blocks away. The agency was able to find new office space, but has not been able to find a location for a Downtown drop-in center.

LANDMARK STRUCTURES AND DISTRICTS

There are 27 designated City of Seattle Landmark buildings in the different subareas. The biggest concentrations of landmark buildings are in the Belltown and Commercial Core DMC zones along 1st Avenue generally between Madison and Seneca Streets. Other groupings of City landmarks occur near Pioneer Square and along Cherry Street. In addition, six buildings within the study area have been designated Washington Historic Register and National Register landmarks, but not City landmarks. Most of these structures are owned by the Federal Government or a Washington State agency. The study area is adjacent to three City, State and Federally designated historic districts, the International District Special Review District, the Pike Place Market Historic District and the Pioneer Square Preservation District. In addition to the landmarks within the study area, 21 City landmarks are within one or two blocks of the study area. These landmarks are listed and mapped in Appendix D.

Recent Renovations

A few landmarks within the study area have been substantially renovated over the last 5 years, including the Downtown Seattle YMCA, completed in 2000. Its 100,000 SF contain the Gates Youth Development Center, an expanded pool, gymnasium, exercise areas, locker rooms with steam, sauna, and whirlpool, racquetball and handball courts, administrative offices, and young-adult transitional housing units. Renovation was funded through a variety of mechanisms, including use of the City of Seattle's Transfer of Development Rights program and through a partnership with the developers of the adjacent IDX Tower.

The Julie Apartments is a landmark apartment building in the Denny Triangle. It was renovated in 1999 by LIHI, with funding coming from several sources, including the City's Transfer of Development Rights program. The 1929 building now includes 47 low-income units, a ground-floor grocery and the Urban Rest Stop, which provides laundry and hygiene facilities to the homeless.

The historic Dexter Horton office building was recently extensively renovated. It was sold by the City of Seattle, which had used it for City offices for 12 years. The current renovation includes earthquake stabilization and an updating of the office space. The Exchange Building northwest of the Dexter Horton Building was renovated in 1999 and 2000.

VACANT AND UNDERUSED SITES

Downtown Seattle is the densest commercial area in the Pacific Northwest. However, numerous blocks contain vacant parcels, surface parking lots, or relatively small buildings compared to the maximum size of a building that could be developed. Figure 15 illustrates vacant and underutilized sites that are considered by this study to be redevelopable in the future. This study divides potentially redevelopable sites into Primary and Secondary development sites, depending on existing use, ownership, location and general ease of development. The study classified 166 parcels (55.6 acres) as primary development sites and 78 sites (16.4 acres) as secondary sites. Table 23 shows current land uses on these sites.

Table 23
Existing Uses on Vacant and Underutilized Sites

Use	Primary Sites			Secondary Sites		
	Parcel Area (SF)	Building Size (SF)	Average FAR	Parcel Area (SF)	Building Size (SF)	Average FAR
Parking	1,102,455	658,422	0.6	221,059	110,050	0.5
Retail/Service	493,474	532,903	1.1	158,895	152,716	1.0
Office	273,655	669,134	2.4	87,470	198,085	2.3
Industrial/Utility	146,282	187,589	1.3	154,457	359,801	2.3
Government Facility	112,658	455,825	4.0	0	0	0.0
Vacant	108,595	0	0.0	7,200	0	0.0
Other Public/Non-Profit Facility	103,320	268,145	2.6	27,960	59,986	2.1
Hotel/Motel	91,395	111,680	1.2	6,660	35,820	5.4
Residential	20,492	93,498	4.6	36,840	190,900	5.2
TOTAL	2,452,326	2,977,196	1.2	700,541	1,107,358	1.6

Source: King County Assessor, Cushman & Wakefield

Office uses represent the next largest category of underdeveloped sites. The average FAR on underutilized sites is less than 2.5 FAR. Office buildings within the study area are currently permitted to be built to FAR limits between 7 and 14, three to six times the average size on underutilized sites. Office buildings surrounded by surface parking lots were particularly identified as potential redevelopment sites.

Industrial and utility sites Downtown were also identified as underutilized. Industrial structures Downtown are most often warehouse buildings, both mini-warehouse and larger warehouse buildings. However, there remain some heavier industrial uses in the Denny Triangle, such as printing companies. Downtown utilities that can be considered underutilized include Seattle City Light and Seattle Steam sites.

Utility uses were generally categorized as secondary sites given their owners' long-term interest in serving Downtown Seattle. Transportation facilities such as the Greyhound Terminal in the Denny Triangle were also classified in the industrial/utility category. While these facilities provide important services, owners are likely to redevelop these properties if they want to maximize their investments.

Government facilities include all sites currently owned by government agencies, including properties in the City of Seattle's Municipal Campus identified for redevelopment, such as the Public Safety Building site. Other such sites include King County's Goat Hill properties, currently used as a surface parking lot, and the Central Post Office, which is in a relatively small building compared to the maximum permitted space on the site.

Vacant sites are those not currently used for any use, not even a surface parking lot. If a vacant structure was on the site, it was classified according to its last use. Vacant sites with no structures are prime sites for redevelopment, unless they are very small.

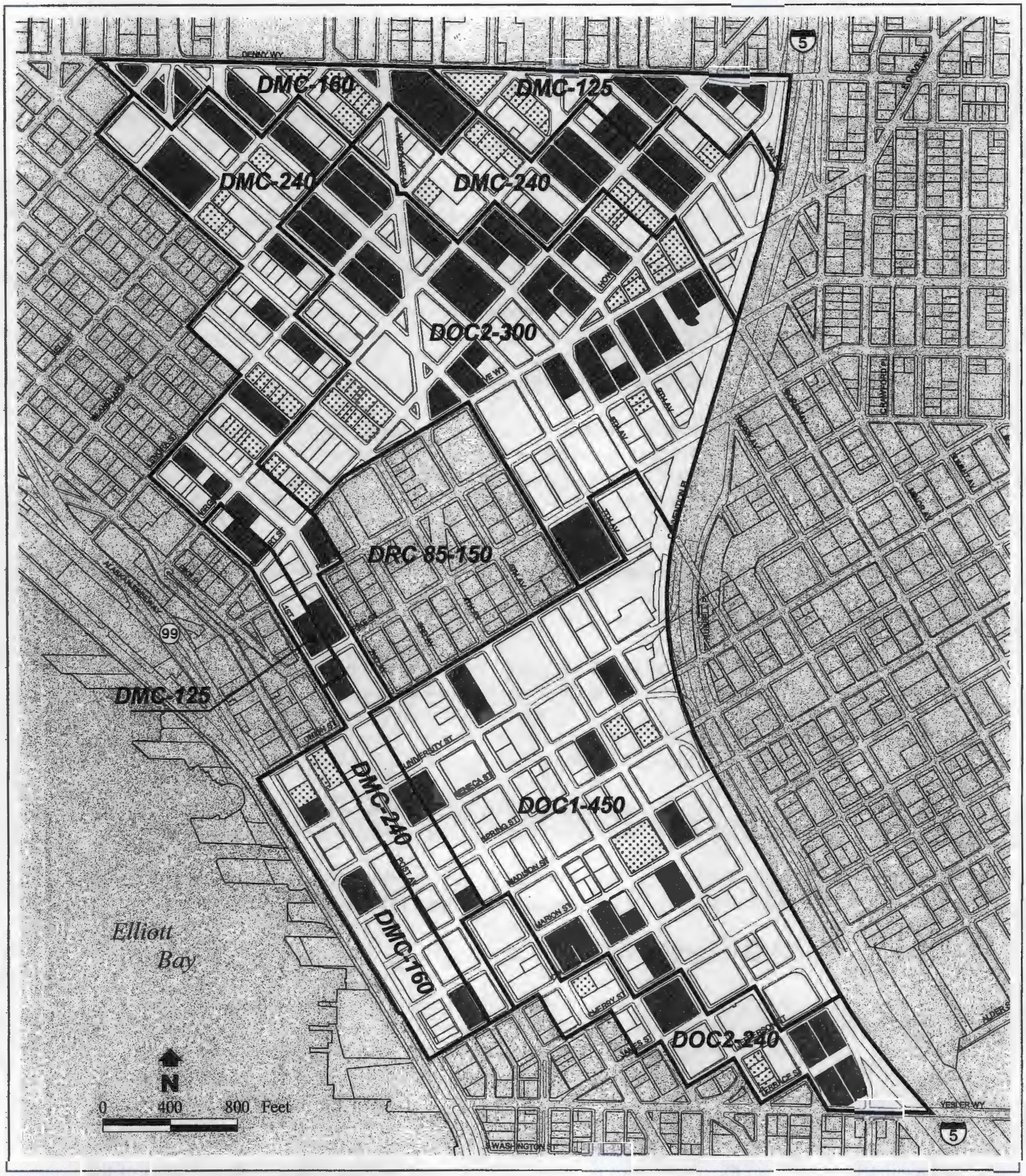
Other public or non-profit facilities include small buildings owned or occupied by non-profit organizations, churches, private clubs, schools and childcare facilities, and other private organizations that do not fit into the other categories. A number of Downtown churches were identified as redevelopable, in part based on their recent interest in redevelopment opportunities. Non-profit agencies in small buildings may consider redevelopment if there are opportunities to expand in equally accessible locations.

A few of Downtown Seattle's motels were identified as redevelopable, because of their comparatively low-density use. These motels are generally along Fifth and Sixth Avenues in the Denny Triangle.

Six residential buildings with 296 units were identified as redevelopable, given their size and surrounding low-density development. These sites are discussed in more detail in the Housing section.

Current Zoning Classifications

The study area is subject to three different zoning designations: Downtown Office Core 1 (DOC 1), Downtown Office Core 2 (DOC 2) and the Downtown Mixed Commercial (DMC) zone, as shown on Figure 16. These zones are all intended to accommodate a wide range of uses, and are differentiated primarily by the density of the buildings permitted. However, DOC 1 and DOC 2 are generally intended to provide locations for concentrated office development to accommodate employment growth. The DMC zone allows for a greater mix of commercial uses and housing to accommodate both employment and residential growth. Height limits and floor area ratios (FAR) are the defining factor in how these areas are regulated, rather than the mix of uses permitted or prohibited. See the Urban Design section of this chapter for additional information and discussion of zones, height limits and density limits.



POTENTIAL DEVELOPMENT SITES

FIGURE 15

Primary Development Sites

Zoning Boundary

Secondary Development Sites

Outside Study Area

Strategic Planning Office
City of Seattle
May 20, 2002

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DOC 1. The Downtown Office Core 1 zone is intended to function as a high-density office and commercial area with related support services and retail shopping. This area is intended to be the densest of all areas Downtown, with the tallest height limits, in order to capitalize on existing transportation and utilities infrastructure. The DOC 1 zone has an existing height limit of 450 feet, and a maximum commercial FAR limit of 14 FAR.

DOC 2. The Downtown Office Core 2 zone is intended to accommodate significant office densities and provide a transition between the Office Core 1 zone and less dense areas north and south of the Downtown core. Office uses are a primary emphasis, along with other commercial uses, retail shopping and services to support the DOC 1 area. The DOC 2 zones in the study area have existing height limits of 300 and 240 feet, and a maximum commercial FAR limit of 10 FAR.

DMC. The Downtown Mixed Commercial zone is intended for "lower-scale" office, retail and commercial uses supportive of the Office Core, along with housing and services for that housing. Buildings are expected to be lower in order to provide a transition between the office core and the surrounding lower-density neighborhoods. The DMC zones in the study area have existing height limits of 125, 160 and 240 feet, and a maximum commercial FAR limit of 7 FAR.

See Appendix E for additional description of Downtown zoning and land use regulations.

IMPACTS

Real Estate and Land Use Impacts

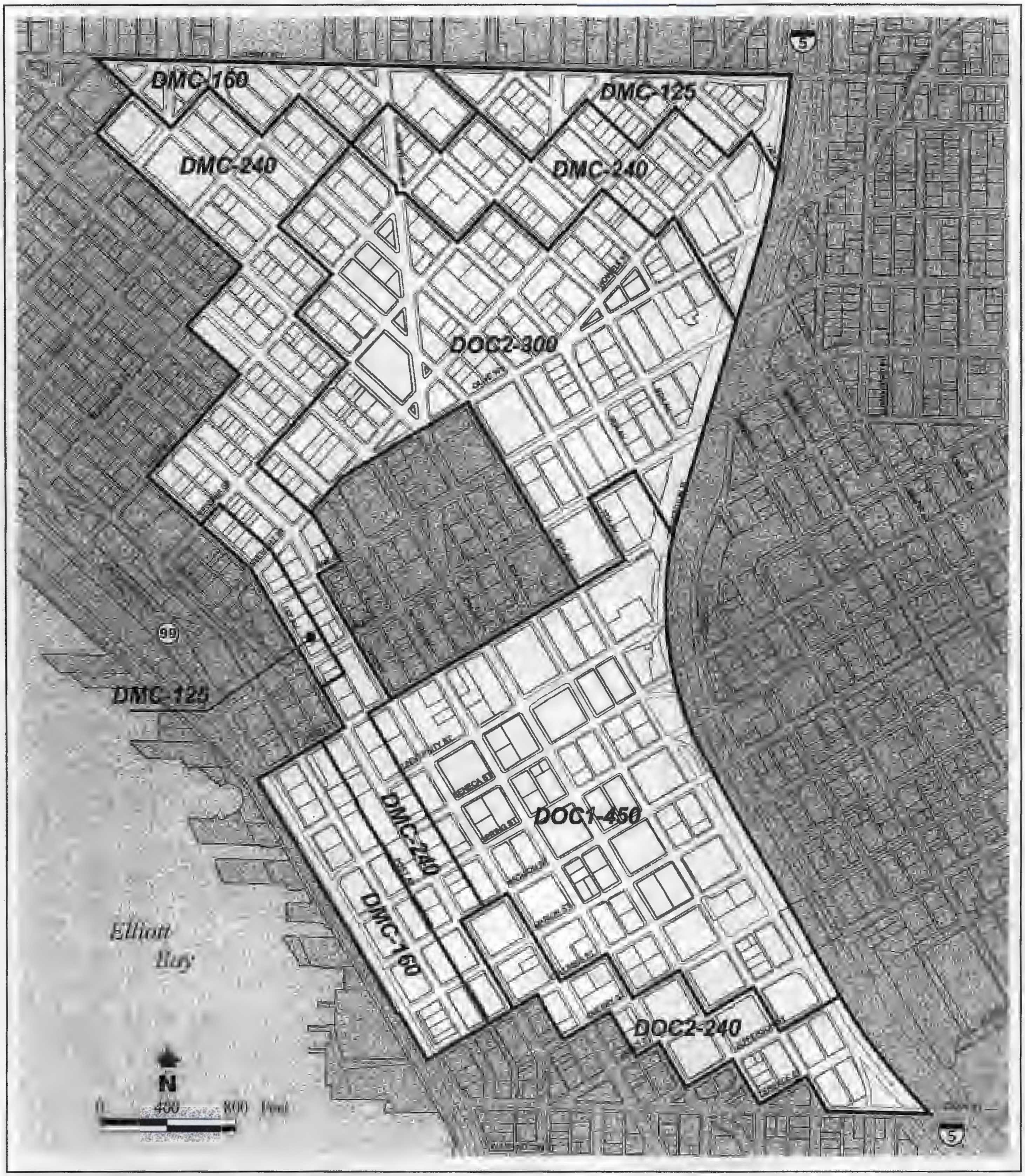
Under all alternatives, if the development forecasts are achieved, land use in the study area would be significantly transformed by the increased density of residential and commercial development. This transformation is expected to occur consistent with the City's Comprehensive Plan and neighborhood plans for the study area and is not necessarily an adverse impact.

Under all of the alternatives, including existing conditions, some City of Seattle landmarks, some existing housing and some buildings containing human service uses might be demolished. However, those demolitions would be as likely to occur under existing conditions as under any of the alternatives and are not significant adverse impacts of the alternatives.

In spite of a lack of significant unavoidable adverse impacts directly resulting from these alternatives, the different alternatives would have varying effects on: the capacity for new development; the concentration and mix of development over twenty years; the potential demolition of residential buildings and human service facilities; and the preservation of landmark and other key community structures.

ALTERNATIVE 1 – HIGH END HEIGHT AND DENSITY INCREASE

Alternative 1 would create the greatest capacity for residential and commercial development of any alternative. In the long term, dense office development might be likely in all zones within the study area, interspersed with some mixed-use residential/commercial towers and some residential buildings adjacent to office towers. More commercial floor area would be permitted on any individual site and increased height limits would permit more floors of housing on a site, leading to denser market-rate residential structures. Consequently, if projects are consistently built to the maximum permitted FAR and height limit, fewer buildings would need to be built to meet the same demand for commercial and residential space. As a result, over the next twenty years, Alternative 1 would result in the fewest number of sites being redeveloped (potentially 54 projects on 57 acres under one development scenario). It is likely that this alternative would encourage the retention of small-scale buildings that enhance the character of Downtown as well as surface parking lots in their current uses.



CURRENT ZONING WITHIN THE STUDY AREA

FIGURE 16

Zoning Boundary

Outside Study Area

Strategic Planning Office
City of Seattle
May 20, 2002

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Development Capacity

Craig Kinzer & Company, Cushman and Wakefield and the Seneca Real Estate Group were retained to create a model of Downtown's potential commercial development capacity, commercial development distribution, and possible housing growth under the four EIS alternatives. Their analysis identified likely development sites within the study area, and the maximum potential development that could occur on each site. In addition, their study assessed the potential timing and geographic distribution of future development. Table 24 summarizes their findings about development capacity that can be accommodated on potential redevelopment sites in Downtown Seattle. Appendix F contains their report.

Table 24
Development Capacity on Underdeveloped and Vacant Parcels

Urban Village/ Current Zoning	Alternative 1		Alternative 2		Alternative 3		Alternative 4	
	Comm. SF	Res. Units	Comm. SF	Res. Units[1]	Comm. SF	Res. Units	Comm. SF	Res. Units
Commercial Core								
DOC1	6.70M	0	6.70M	0	6.70M	0	5.52M	0
DOC2	3.93M	525	3.84M	590	3.84M	590	2.96M	430
DMC	2.68M	735	1.87M	750	1.87M	750	1.87M	755
Denny Triangle								
DOC2	12.49M	2,895	11.64M	3,545	10.07M	2,970 (4,520)	9.10M	2,485 (5,155)
DMC	7.98M	4,275	5.85M	2,865 (5,490)	4.98M	3,935 (6,810)	5.85M	2,890 (5,485)
Belltown								
DOC2	1.54M	375	1.43M	460	1.10M	325	1.10M	325
DMC	2.99M	1,700	2.35M	1,610	2.03M	2,105	2.35M	1,605
Total	38.32M	10,505	33.70M	9,820 (11,880)	30.00M	10,185 (14,595)	28.75M	8,490 (13,755)

Source: Craig Kinzer & Co., The Seneca Real Estate Group, Cushman & Wakefield of Washington, 2001; SPO, 2002

Under Alternative 1, the total capacity for office development on vacant and underutilized properties in the study area is 38.32 million square feet of commercial space. Based on ERA employment projections, this capacity could accommodate as much as 44 years worth of employment growth. Office development could occur throughout the study area, although there is much less capacity for additional office development in the Commercial Core Urban Village than in the Denny Triangle. If all available sites were redeveloped, approximately 867,200 square feet of existing office space would be demolished. This office space is generally in older buildings in fringe locations, currently providing space for non-profit organizations, smaller office-based businesses, and businesses that provide services to Downtown office tenants.

Under Alternative 1, there is capacity for 10,505 market-rate residential units in the study area, primarily on sites that would also accommodate commercial development. This capacity could meet approximately 11 years worth of Downtown's residential demand. Combined with areas Downtown outside of the study area, there would be capacity for 25 years worth of residential development.

If all identified sites are developed, six existing residential buildings could be demolished. These buildings currently contain 296 units. See the Housing section for more discussion of potential demolition of

[1] Where two numbers are presented, the first equals the maximum residential capacity without use of the TDC program. The second – in parentheses – equals the maximum capacity if all eligible sites were to use the TDC program. If only one number is presented, projects in that area would not be likely to use the TDC program, because commercial space could be built to the same height without participating in the TDC program.

residential structures. Under this alternative the Denny Triangle TDC program would be essentially eliminated because the extra height that provides an incentive for additional residential development would be permitted outright for commercial structures. For more discussion, please see the Housing section.

This combination of office and residential development would result in a mix of high-rise office buildings, high-rise hotels (potentially topped with residential units) and high-rise residential buildings, all with ground-floor retail uses. Residential uses would be incorporated into high-density commercial projects. There would likely be few concentrations of residential uses; rather, housing projects would be interspersed among commercial structures.

20-Year Development Model

According to the Kinzer & Co. analysis, changes to the zoning, as studied under this EIS, in and of themselves do not change the supply and demand cycles. In other words, changing permitted commercial densities does not necessarily lead to more development occurring in Downtown. The amount of space provided Downtown reflects the amount of demand for Downtown space. Demand will generally change based on regional, national and global economic trends, not because of changes to the Land Use Code. See the Population and Employment section for more discussion of likely demand for additional space.

Without a change in the demand for new space, there is not likely to be a change in the total amount of space that developers are likely to produce over a given period. The four alternatives generally focus on changes to the amount of office and residential space that could be built on particular sites. The main difference in how the different alternatives will affect land uses in Downtown Seattle over twenty years is in the number and size of buildings that would be developed to meet the demand for office and residential space. Over a given time period, alternatives that increase development capacity are likely to lead to fewer, larger buildings in the study area. Alternatives that do not increase the density limits will generally lead to more sites being developed over a specific period, dispersed more broadly within the study area.

In order to gain a better understanding of how the four alternatives might influence the mix of land uses in the study area, the City of Seattle developed a potential 20-year development projection for each alternative, between 2000 and 2020. Included are sixteen projects either completed since 2000 or under construction as of January 2002: nine office buildings, two new hotels, four residential buildings and one mixed office/residential building. Also included are seventeen projects that have undergone substantial permit review. These projects were generally assumed to continue to completion, unless a project is likely to take advantage of increased density limits. See Appendix G for more information.

Twenty years worth of demand would require more than the sites identified above. The development capacity model selected potential 20-year development sites based on the following assumptions:

- For most parts of Downtown, developers are likely to maximize office floor area allowed under the Land Use Code.
- If significant additional floor area were available within a permitted building envelope after a commercial area of a building has been built to its maximum permitted FAR, the additional space would be used for residential uses. This combination of commercial and residential uses was assumed to be most likely on sites that would accommodate the commercial and residential uses in separate structures on a single site.
- Based on recent development trends, residential uses were assumed to be preferred over commercial uses in the Belltown urban village, especially in those areas along 1st and 2nd Avenues.
- No residential uses were assumed to be developed in the Downtown Office Core 1 zone.

- Larger sites with low-density development were assumed more likely to be redeveloped than smaller sites and those sites with significant structures.
- Sites close to the Downtown core and transit facilities are more likely to be redeveloped before sites farther from the Downtown core.

Table 25 summarizes the results of this development scenario exercise.

Table 25
Downtown Development Scenario 2000-2020[2]

Urban Village/ Current Zoning	Potential Commercial Square Feet				Potential Residential Units			
	Alt. 1	Alt. 2	Alt. 3	Alt. 4	Alt. 1	Alt. 2	Alt. 3	Alt. 4
Commercial Core								
DOC1	4.12M	4.84M	4.84M	4.63M	0	0	0	0
DOC2	1.17M	1.17M	1.09M	1.09M	20	20	20	20
DMC	0.99M	0.70M	0.70M	0.70M	405	395	425	395
Denny Triangle								
DOC2	8.28M	7.88M	8.08M	7.65M	4,495	4,725	4,660	4,540
DMC	2.5M	2.08M	1.91M	2.35M	990	1,165	1,340	1,170
Belltown								
DOC2	0	0	0	0	565	565	420	420
DMC	0.87M	0.87M	0.87M	1.05M	895	770	685	770
Total	17.93M	17.54M	17.49M	17.47M	7,370	7,640	7,550	7,315

Source: Strategic Planning Office, 2001

Office Development

Twenty years worth of employment growth could be concentrated primarily in the Denny Triangle, with more office space built in the DOC 2 and DMC zones than under many of the other alternatives. Potentially difficult development sites in the DOC 1 zone (those sites with older, potentially historic structures in active use; smaller sites less than a half-block in size; and sites owned by multiple parties) would be less likely to be redeveloped in the twenty-year time frame, even with proposed increases in height and density limits. This results in less office development in the Commercial Core. With increased density limits, DMC and DOC 2 sites that do not face those development challenges would be able to accommodate most of the projected demand for office space.

Hotels and Motels

Hotels are likely to continue to be built near existing hotels, as these hotels are located to serve tourists, convention goers and business people. Potentially, 3,000 hotel rooms would be built over 20 years, generally within one block of the Retail Core (one hotel has been proposed along 1st Avenue further south in the Commercial Core, across the street from existing hotels). If there is a market for additional high-end residential units in Downtown Seattle, many of these hotels could include condominium or apartment units, providing the residents of those units with many hotel services. One older automobile-oriented motel in the Downtown Office Core 2 zone may be redeveloped within 20 years.

[2] This analysis is hypothetical and models buildings that are at least 200,000 square feet. Differences in the total amount of development occurring under each alternative should not be seen as indicating an impact of the alternative. Instead, the model indicates general shifts of development from area to area because of higher or lower density limits.

Housing

In the 20 years between 2000 and 2020, residential growth within the study area may be concentrated on approximately 34 sites, including five structures currently under construction. The Denny Triangle would see the most residential development. Projects would include residential uses in a range of configurations, including individual residential towers, mixed-use buildings with commercial uses and residential uses in the same building, and mixed-use complexes with separate residential and commercial structures on a site. Additional residential development in the Commercial Core would be most likely as part of hotel projects. The south Belltown area is most likely to be developed with residential-only structures.

In 20 years, funding for approximately 2,475 subsidized units could be leveraged through funds from the Downtown bonus and TDR programs. If the height and density changes proposed under Alternative 1 are implemented, land prices within the study area will increase in order to reflect the increase in revenue that each particular site would see from a larger potential building. These increased land prices within the study area would increase the land acquisition costs low-income housing developers face and thus increase the costs to develop each additional unit. Consequently, subsidized housing units would most likely be built on sites in Downtown Seattle where land is less expensive than it is likely to be in the study area. Such sites would generally be located at the fringes of Downtown. See the Housing section for more discussion.

Human Services

With development to meet future demand for office and residential space, there is likely to be a loss of space for human services Downtown. Existing buildings that contain human services, especially those buildings with below-market rents owned by private property owners, are likely to be torn down for redevelopment. One site currently accommodating human services was identified as a potential redevelopment site within twenty years under Alternative 1. However, ten programs currently provided in Downtown Seattle are located on sites identified as potential redevelopment sites and any of these sites could be redeveloped over or beyond twenty years.

Examples of these potential redevelopment sites include all Downtown Seattle churches. Each Downtown church provides space for some human service agencies and each, because their current structures are much smaller than potential development on their sites, is likely to consider redevelopment over the next twenty years. At least one Downtown church has submitted a development proposal. If these churches decide to sell their Downtown property and move to another site outside of Downtown Seattle, some Downtown Seattle human services will be likely to relocate.

Even if no buildings containing human services are demolished, some human service agencies may still be displaced under Alternative 1. The height and density increases in Alternative 1 are likely to lead to higher land values reflecting increased future profits due to the increased development potential. As land values grow, property taxes will also increase. In order to offset these increased future costs, property owners will need to increase rents they charge their tenants. Both existing and new human service agencies seeking Downtown locations may find it difficult to pay rents that offset property owners' costs.

Relocating human services that need public subsidies for their services is not as simple as relocating other types of uses. Each City-funded human service agency must go through a neighborhood notification effort as it seeks to locate, move or expand within a neighborhood, providing barriers and increasing costs for locating human service agencies that are not present for other types of uses.

Vacant and Underutilized Sites

Over the next twenty years, 126 parcels identified as vacant or underutilized would likely be redeveloped under Alternative 1, if all sites were to be built to their maximum development capacity. These 126 parcels would be combined for approximately 54 projects. Sites within the Denny Triangle DOC2 zone are most likely to be redeveloped. Underdeveloped sites in the DOC1 zone and DMC zones are most likely to remain in their current uses: surface parking lots in the Denny Triangle, or smaller-scale buildings in the Commercial Core.

Historic Landmarks

There are currently several incentives to encourage the preservation of City of Seattle Landmarks. In addition to local, state and federal tax incentives for rehabilitation of landmarks, owners of landmarks in the Seattle Downtown Urban Center are permitted to transfer unused development rights to other sites Downtown. Also, if a landmark is retained on a development site in many parts of the study area, developers are allowed to build taller commercial buildings. Given the breadth of incentives available Downtown, it is unlikely a developer would choose to tear down a designated City of Seattle landmark for redevelopment. Instead, developers have chosen, when possible, to incorporate landmarks into their site plans. Only one City of Seattle landmark located within a larger underdeveloped site was identified as a potential redevelopment site, the Old Norway Hall in the Denny Triangle. The owners of this property may propose to redevelop the half-block that the landmark sits on under Alternative 1 or any other zoning alternative. In addition, one landmark on the National Register not designated a City of Seattle Landmark, the William Volker Building (Lenora Square), was identified as a potential site for redevelopment.

Under any scenario, at least one City of Seattle landmark and at least one site on the National Register of Historic Places might be subject to demolition given the building's size compared to permitted development. However, neither of these sites is likely to be a primary development site, and this potential for demolition is not a significant adverse impact resulting from any alternative. Under Alternative 1, the Downtown TDR program might result in the transfer of 287,400 square feet of development rights from Landmark TDRs to new commercial structures.

Potentially more threatened are those sites identified by community groups and planning processes as important neighborhood "icons" or undesignated buildings that help to contribute to the unique character of their neighborhood. The owners of some of these buildings, because they do not receive the benefits of landmark status, may choose to demolish these buildings for development. The list of buildings in the following paragraph should not necessarily be considered eligible for landmark designation, nor should the list be considered an exhaustive list of historic resources or "icon" buildings in the study area. As years pass and different architectural styles and historical events are documented, other buildings may be eligible for landmark designation. The City is currently revising its 1979 Inventory of Historic Resources and more buildings may be added to the inventory as a result of that action.

Three different sources provide some indication of undesignated buildings important to community groups. The Seattle Commons/South Lake Union Plan Final Environmental Impact Statement developed a list of potential Landmarks and National Register sites for a large portion of the Denny Triangle. The Belltown neighborhood plan identified a number of "icon" buildings that the neighborhood seeks to preserve. Also, MAKERS Architecture and Urban Design did a visual survey of the Commercial Core neighborhood to identify "character buildings." The following undesignated buildings are located on sites identified as redevelopable by this EIS.

BUILDINGS ON POTENTIALLY REDEVELOPABLE SITES IDENTIFIED AS "CHARACTER BUILDINGS"

Belltown Neighborhood Plan "Icon Buildings"

Façade of the Bethel Temple[3]
Griffin
Labuznik Building
Oxford Building
Terminal Sales Annex

Commercial Core "Character Buildings"

Central Building
Dover Apartments
Galland Building
Marion Court
Seneca Building
The Vault (aka Pure Fitness)
Women's University Club

Denny Triangle
"Buildings or Sites Likely to Meet Landmarks or National Register"

Craftsman Press/Kendar Corporation
Johnson Hudson Dealer/Westlake Chevrolet
Lloyd Building
Pande Cameron

"Buildings or Sites of Community Importance That May Meet Landmarks or National Register Criteria"

Empire Company
Greyhound Bus Terminal
Quinton Instruments Building[4]
Seattle Trust Building/Times Square Garage
Williamsburg Court

It is possible that any of these buildings is less susceptible to redevelopment under Alternative 1 because fewer sites are required to accommodate the demand for housing and commercial space expected over the next twenty years. However, an active property owner inclined to consider demolition of the landmark would likely see the increased development capacity on their site as an incentive to redevelop if they are able to meet market demand for space.

ALTERNATIVE 2 – CONCENTRATED OFFICE CORE

Alternative 2 would result in a mix of land uses similar to Alternative 1. Some additional sites might be developed, resulting in either a loss of surface parking lot uses or the demolition of structures in the Downtown Office Core 1 zone. Over 20 years, Alternative 2 might result in the development of 55 sites on 58 acres, one additional site and one more acre than under Alternative 1.

Development Capacity

Under Alternative 2, the total capacity for office development on vacant and underutilized properties within the study area is 33.7 million square feet of commercial space, approximately 12% fewer square feet of commercial space than under Alternative 1. This capacity could accommodate as much as 38 years worth of Downtown's employment growth, 6 fewer years than under Alternative 1. The primary reduction in office capacity would occur in the DMC zone, where commercial development capacity would be reduced by 25%. In addition, the permitted commercial capacity would drop by 7% in the Denny Triangle's DOC 2 zone.

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[3] Construction has begun on the Cristilla project on the Bethel Temple site. This project is preserving the street-level façade of the building as part of a much larger residential project.

[4] A development proposal is currently under review for the Quinton Instruments Building. It would demolish the building and build a full-block mixed use project including a grocery store, two apartment towers and an office tower.

Under this alternative, there is capacity for 9,820 market-rate residential units in the study area, primarily on sites that would also accommodate commercial development. This capacity could meet approximately 11 years worth of Downtown's residential demand. Combined with areas outside of the study area, there would be capacity for 24 additional years of residential growth Downtown. The decrease in development capacity from Alternative 1 includes a number of shifts in development capacity. Under this alternative, capacity would increase by over 600 units in the DOC2 zone in the Denny Triangle. A decrease in the height limit in the DMC zones would reduce capacity for residential development in all DMC zones, including a capacity reduction of more than 1,400 units in the Denny Triangle DMC zones.

However, under this alternative, the Denny Triangle TDC program would be available to residential developers in the Denny Triangle DMC zone. The TDC program provides an incentive for additional residential development if that development transfers development rights from rural areas and mitigates impacts of increased development in the Denny Triangle. If all eligible sites were to use the TDC program, an additional 2,060 units could be accommodated in the DMC zone in the Denny Triangle, meeting three additional years worth of housing demand. It is assumed that the height and density increases proposed for the Denny Triangle DOC2 zone would terminate the program there.

This combination of office and residential development would result in a mix of high-rise office buildings, high-rise hotels (potentially topped with residential units) and high-rise residential buildings, all with ground-floor retail uses, with smaller scale structures at the edge of the study area. More residential units might be incorporated into high-density commercial projects, than under Alternative 1. If the TDC program was used in the DMC zone, there could be a mix of projects that combine commercial towers with taller residential towers on the same block, and other mixed-use projects that have commercial space topped by residential units, similar to the Millennium Tower.

20-Year Development Model

Office Development

Office development is likely to occur in the same locations as in Alternative 1. Due to the reduced FAR limits in the Denny Triangle, one additional office building might be built to meet the demand for office space. This is likely to be built either on a more difficult development site in the DOC1 zone, or on a site further from DOC 1 in the Denny Triangle.

Hotels and Motels

There are few differences between Alternative 1 and Alternative 2 related to hotel development. Hotels built in the Denny Triangle would be slightly smaller under Alternative 2, due to reduced FAR limits. The reduction in density is likely to result in slightly fewer hotel rooms over the 20-year period, but likely not enough to encourage the development of an additional hotel.

Housing

In the 20 years between 2000 and 2020, residential growth may be concentrated on approximately 34 sites (same as Alternative 1), including 5 structures currently under construction. Because there would be more capacity for residential uses on each individual mixed-use site, the Denny Triangle neighborhood could see more of the projected residential development than under Alternative 1.

In 20 years, funding for approximately 3,200 subsidized units could be leveraged through funds from the Downtown bonus and TDR programs, up to 725 units more than under Alternative 1. These units would most likely be built on less-expensive available land in Downtown Seattle, generally at the fringes of Downtown.

Human Services

There are few differences between Alternative 1 and Alternative 2 regarding impacts on human service uses. Under Alternative 2, land prices and consequently rents are expected to increase to a lesser degree than under Alternative 1, but would likely increase in the DOC 1 and DOC 2 zones. Under Alternative 2, one structure currently containing human services would likely be demolished within the next 20 years.

Vacant and Underutilized Sites

Over the next 20 years, 129 parcels identified as vacant or underutilized would likely be redeveloped under Alternative 2, if all sites were built to maximum capacity. Under Alternative 2, three additional parcels would be developed than under Alternative 1. These 129 parcels would be combined for approximately 55 projects, one more than under Alternative 1. Sites within the Denny Triangle DOC 2 zone are most likely to be redeveloped. Underdeveloped sites in the DOC 1 zone and DMC zones are most likely to remain in their current uses: surface parking lots in the Denny Triangle, or smaller-scale buildings in the Commercial Core.

Historic Landmarks

Under Alternative 2, one more site than under Alternative 1 would likely be developed to meet demand for commercial uses. Depending on the market for new office space and development opportunities, this additional project would either locate on a site in the Commercial Core currently occupied by a "character building" or on a site with a surface parking lot in the Denny Triangle. Under this alternative as much as 343,750 square feet of potential commercial square feet could be transferred from City of Seattle Landmarks to new commercial buildings. This would be a 20% increase in the amount of Landmark TDR potentially acquired over 20 years over Alternative 1.

ALTERNATIVE 3 – RESIDENTIAL EMPHASIS

Alternative 3 would result in a mix of land uses similar to Alternative 1, although residential enclaves would be encouraged to develop in areas rezoned to the Downtown Mixed-Use Residential (DMR) zone in the Denny Triangle and Belltown. Some additional sites might be developed, resulting in either a loss of surface parking lot uses or the demolition of structures in the DOC 1 zone. Between 2000 and 2020, Alternative 3 might result in the development of 58 sites on 60 acres, three additional projects on three more acres than Alternative 1.

Development Capacity

Under Alternative 3, the total capacity for office development on vacant and underutilized properties in the study area is 30 million square feet of commercial space, approximately 20% fewer square feet of commercial space than under Alternative 1. This capacity could accommodate as much as 34 years worth of Downtown employment growth, 10 fewer years than under Alternative 1. The primary reduction in office capacity would occur in the DMC zone, where commercial development capacity would be reduced by 35%. The largest decrease would be in the Denny Triangle DMC zone, where commercial capacity would be 38% less than under Alternative 1. In addition, the permitted commercial capacity would drop by 16% in the DOC 2 zone, including a 20% drop in the capacity of the Belltown DOC 2 zone. In the DMC zones, office development is likely to include residential uses, in order to achieve maximum density limits under the zoning regulations.

Under Alternative 3, there is capacity for 10,675 market-rate residential units in the study area, a slight increase over Alternative 1. This capacity could meet approximately 12 years worth of Downtown residential demand. Combined with areas outside of the study area, there would be capacity for 25 additional years of residential growth Downtown. As with the other alternatives, residential development would occur primarily on sites that would also accommodate commercial development. Under Alternative 3, there is a greater likelihood of residential development in the DMC zones. Under this Alternative, maximum commercial density limits in the DMC zone could only be achieved by projects that include residential uses.

Under Alternative 3, the Denny Triangle TDC program would be available to residential developers in the Denny Triangle DMC zone and in those portions of the Denny Triangle DOC 2 zone that are not subject to height and density increases. If all eligible sites used the TDC program, an additional 4,400 units could be accommodated in the Denny Triangle. This could meet five years worth of demand for Downtown housing.

This combination of office and residential development would result in a mix of high-rise office buildings, high-rise hotels (potentially topped with residential units) and high-rise residential buildings, often with ground-floor retail uses. More residential units might be developed in those areas currently zoned DMC zones, particularly those areas rezoned to DMR/C, than under Alternative 1. This more concentrated residential development could begin to create small residential enclaves, within a larger mixed-use area. If the TDC program was used, there could be a mix of projects that combine commercial towers with taller residential towers on the same block, and other mixed-use projects that have commercial space topped by residential units, similar to the Millennium Tower.

20-Year Development Model

Office Development

Office development is likely to occur in the same locations as under Alternative 2. Due to the reduced FAR limits in the Denny Triangle, up to four additional office buildings might be built to meet demand for office space. These are likely to be built either on challenging development sites in the DOC 1 zone, or in the Denny Triangle on more peripheral sites.

Hotels and Motels

There are few differences between Alternative 1 and Alternative 3 related to hotel development. Hotels built in the Denny Triangle would be slightly smaller under Alternative 3, due to reduced density limits. The reduction in density is likely to result in slightly fewer hotel rooms over the 20-year period, but likely not enough to encourage the development of an additional hotel.

Housing

In the 20 years between 2000 and 2020, residential units may be built on two additional sites than projected under Alternative 1. As a result of additional capacity for residential uses on individual mixed-use sites, the Denny Triangle neighborhood would see more of the projected residential development than under Alternative 1.

Sites developed in those portions of the DMC zone that would be rezoned to DMR/C would be most likely to see additional residential development, where residential development had not been previously planned. In addition, some sites in the Commercial Core and Denny Triangle DMC zones previously projected to be developed with commercial-only buildings under Alternative 1 would be developed with mixed-use buildings. This would result from new regulations requiring a project in this zone to include residential units to achieve maximum commercial densities.

In 20 years, funding for approximately 2,800 subsidized units could be leveraged through funds from the Downtown bonus and TDR programs, approximately 50 fewer units than under Alternative 1. These units would most likely be built on less-expensive available land in Downtown Seattle, generally at the fringes of Downtown.

Human Services

There are few differences between Alternative 1 and Alternative 3 related to impacts on human service uses. Under Alternative 3, land prices and consequently rents are expected to increase to a lesser degree than under Alternative 1. Rents in areas rezoned to DMR might actually drop due to decreased commercial floor area limits, but would likely increase in the DOC 1 and those portions of the DOC 2 zones which would receive height and density increases. Under Alternative 3, one structure currently containing human services would likely be demolished within the next 20 years.

Vacant and Underutilized Sites

Over the next 20 years, 140 parcels identified as vacant or underutilized would likely be redeveloped under Alternative 3, if all sites were built to maximum capacity. Under this alternative, fourteen additional parcels would be developed than under Alternative 1. These 140 parcels would be combined for approximately 58 projects, four more than projected under Alternative 1. Sites within the Denny Triangle DOC 2 zone are most likely to be redeveloped. Underdeveloped sites in the DOC 1 zone and DMC zones are most likely to remain in their current uses: surface parking lots in the Denny Triangle, or smaller-scale buildings in the Commercial Core.

Historic Landmarks

Under Alternative 3, six more sites than under Alternative 1 would likely be developed in order to meet demand for commercial and residential uses. These additional projects would generally be located on sites predominantly used by surface parking lots in the Denny Triangle. However, one or two sites occupied by "character buildings" in the Commercial Core might be redeveloped, depending on the real estate market and the success of other projects in the Denny Triangle. As much as 300,000 square feet of Landmark TDR might be transferred over 20 years.

ALTERNATIVE 4 – NO ACTION

Alternative 4 would result in a mix of land uses similar to Alternative 1, although more sites might be developed in the DMC zoned area over the next 20 years. Additional sites would be developed, resulting in either a loss of surface parking lot uses or the demolition of structures in the DOC1 zone. Between 2000 and 2020, this alternative may result in the development of approximately 61 sites on 63 acres, 7 additional projects on 6 more acres than under Alternative 1.

Development Capacity

Under the existing zoning, the total capacity for additional office development in the study area is 28.75 million square feet of commercial space, approximately 25% square feet less than could be available under Alternative 1. This capacity could accommodate as much as 33 years worth of Downtown employment growth, 11 fewer years than under Alternative 1. Reductions in the office capacity would occur equally in the DMC and DOC 2 zones, where commercial development capacity would be 27% and 26% less than under Alternative 1. The largest decrease would be in the Belltown DOC 2 zone, where Alternative 4 would have 30% less commercial capacity than Alternative 1.

Under the current zoning, there is capacity for 8,490 market-rate residential units in the study area. This is equivalent to 81% of the residential capacity available under Alternative 1. The existing conditions could meet approximately nine years worth of demand for Downtown residential space, and could be filled two years before Alternative 1. Areas outside of the study area Downtown could accommodate another thirteen years worth of residential demand. As with the other alternatives, residential development would occur primarily on sites that would also accommodate commercial development.

Under this alternative, the Denny Triangle TDC program would be available to residential developers in all Denny Triangle zones. If all eligible sites were to use the TDC program, an additional 5,280 units could be accommodated in the Denny Triangle, resulting in a 34% increase in development capacity over Alternative 1. The TDC program could add residential capacity to meet six years worth of Downtown residential demand.

This combination of office and residential development would result in a mix of high-rise office buildings, high-rise hotels (potentially topped with residential units) and high-rise residential buildings, all with ground-floor retail uses. If the TDC program was used, there could be a mix of projects that combine commercial towers with taller residential towers on the same block, and other mixed-use projects that have commercial space topped by residential units, similar to the current Millennium Tower. There would not likely be a defining mix of uses within the study area outside of the DOC 1 zone. Residential and commercial uses would be mixed, depending on the relative strengths of the office and residential markets and the orientation of Downtown developers and property owners.

20-Year Development Model

Office Development

Office development is likely to occur in the same locations as under Alternative 2. Due to the lower density limits in all areas, as many as seven additional half-blocks might be redeveloped with office towers to meet the demand for office space. These are likely to be built either on challenging development sites in the DOC 1 zone or on DMC sites predominantly used for surface parking in the Denny Triangle.

Hotels and Motels

There are few differences between Alternative 1 and existing conditions related to hotel development. Hotels built in the Denny Triangle would be smaller under Alternative 4, due to lesser density limits. The lesser density is likely to reduce the supply of hotel rooms over the 20-year period, potentially encouraging the development of one additional hotel on a site near the existing concentrations of hotels.

Housing

In the 20 years between 2000 and 2020, residential units may be built on two more sites than projected under Alternative 1, one mixed-use project and one residential-only tower. As a result of these additional projects, the Denny Triangle would see more residential development than under Alternative 1.

In 20 years, funding for approximately 2,000 subsidized units could be leveraged through funds from the Downtown bonus and TDR programs, almost 500 fewer units than under Alternative 1. These units would most likely be built on less-expensive available land in Downtown Seattle, generally at the fringes of Downtown.

Human Services

There are few differences between Alternative 1 and Alternative 4 related to impacts on human service uses. Under Alternative 4, land prices and consequently rents are not expected to increase beyond increases due to inflation. Under Alternative 4, one structure currently containing human services would likely be demolished within the next twenty years.

Vacant and Underutilized Sites

Over the next twenty years, 152 parcels identified as vacant or underutilized would likely be redeveloped under Alternative 3, if all sites were built to their maximum development capacity. Under this alternative, fourteen additional parcels would be developed than under Alternative 1. These 152 parcels would be combined for approximately 61 projects, seven more than projects than under Alternative 1. Sites within the Denny Triangle DOC 2 zone are most likely to be redeveloped. Underdeveloped sites in the DOC 1 zone and DMC zones are most likely to remain in their current uses: surface parking lots in the Denny Triangle, or smaller scale buildings in the Commercial Core.

Historic Landmarks

Under Alternative 4, eight more sites than under Alternative 1 would likely be developed in order to meet demand for commercial and residential uses. These additional projects would predominantly locate on sites used as surface parking lots in the Denny Triangle. However, two or more sites occupied by "character buildings" in the Commercial Core, Belltown or Denny Triangle might be redeveloped, depending upon the real estate market and the success of projects in the Denny Triangle. If Landmark TDR is available for purchase, up to 217,500 square feet of Landmark TDR might be transferred from Landmarks to new commercial projects between 2000 and 2020.

MITIGATION STRATEGIES

The City of Seattle currently has several programs in place that can mitigate the impacts of specific developments on land use in Downtown Seattle. Among these programs are:

- project-level SEPA review, which identifies and requires mitigation for the impacts of specific buildings;
- the City of Seattle's Transfer of Development Credits and Multifamily Tax Exemption programs, which encourage residential development in targeted areas;
- the Downtown Seattle housing bonus (public benefit features) program, which mitigates the impacts of increased development densities through voluntary payments or provision of public benefit features;
- the City's Transfer of Development Rights (TDR) program that allows property owners of Downtown City of Seattle landmarks, new public open space and low-income buildings to transfer the right to develop unused floor area to another site in Downtown;
- the City's TDR bank program by which the City acquires TDRs from eligible sites and holds them in trust until a market exists to acquire the development rights;
- exemptions given for facilities providing public benefits from Floor Area Ratio limits; and
- restrictions on the use of the voluntary TDR and bonus programs to those projects that do not demolish a City of Seattle landmark.

In addition, buildings designated as City of Seattle Landmarks are eligible for a number of additional incentives including:

- zoning code relief, which allows the Director of the Department of Design, Construction and Land Use to provide flexibility of use, parking ratios and a number of other land use code provisions to encourage the preservation and use of historic buildings;

- building code relief, which allows the Director of the Department of Design, Construction and Land Use to modify specific requirements of the building code for landmark buildings;
- special tax valuation, which revises the assessed value of a historic property, subtracting significant rehabilitation costs for up to 10 years if they are approved by the Seattle Landmarks Preservation Board.

Possible Mitigation Strategies

In addition to the programs listed above, the possible mitigation measures discussed below could be applied to any of the alternatives as tools to ensure that as the neighborhood changes it retains a combination of land uses that meets the City's goals for Downtown Seattle.

Residential Character

In order to ensure achievement of residential enclaves as proposed in the Denny Triangle Neighborhood plan, specific areas could be rezoned to better promote residential development character. Rezones, such as those proposed under Alternative 3, would maintain or increase residential development limits while reducing commercial development limits, thus encouraging residential development. Also see the Housing section discussion of mitigation strategies to encourage the development and retention of low-income housing, and strategies to encourage housing for families with children and other large households.

Human Services

New programs may be required to preserve opportunities for human services facilities in Downtown Seattle.

- The City could give priority for City funds to those low-income housing projects that would create space for human services agencies as part of street-level uses.
- A Human Services TDR program could be created to allow property owners to sell development rights off of existing buildings that reserve space for human service agencies. This could create a source of funding for human service agencies seeking to acquire permanent space. It would also support other property owners with long-term commitments to provide space for human service agencies. This would be one way to offset acquisition and/or renovation costs, or to subsidize rents for human service agencies.
- A human services nexus analysis could be funded, similar to those performed for low-income housing and childcare. This would allow the City to implement a human services bonus program that could leverage the development of office and hotel buildings above a specific size to fund the development of new spaces for those Downtown human service agencies that serve Downtown employees.

Historic Landmarks

In order to preserve historic landmarks and neighborhood-identified "character buildings" within the study area, several strategies could be implemented.

- The resources of the City's TDR bank, which acquires development rights from eligible sending sites, could be targeted toward acquiring development rights from those City of Seattle Landmarks that are most at risk for redevelopment due to their size and location. The City could work with other agencies to identify and acquire additional funds for the acquisition of development rights from City of Seattle Landmarks. If funding could be identified, the City could actively work to designate additional structures within the study area as City of Seattle Landmarks.

- The City could restructure the bonus and TDR programs by removing the one FAR above the base FAR that can be achieved through programs that are lower priorities to the City and neighborhoods. If this one FAR rule is removed, additional resources would be available to landmark structures, housing, child care and open space. The City could remove the option to use lower-priority programs to mitigate the impacts of development above the base FAR limit in the DMC zone.
- The City could consider the impacts of projects requesting street or alley vacations on the retention and character of City of Seattle Landmarks. As the City grants alley vacations, thus selling City property, the City should consider the impacts of those vacations on historic landmarks and neighborhood character buildings.
- The City could work with non-profit housing providers and property owners to leverage the use of Downtown housing TDRs and housing bonus funds for the preservation of buildings identified by neighborhoods as important "character buildings."

SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

Under all alternatives, if forecasted development occurs, land uses in the study area would be significantly transformed by the increased density of residential and commercial development. This transformation is interpreted to be consistent with the City's Comprehensive Plan and neighborhood plans for the study area, and is not interpreted to be a significant unavoidable adverse impact.

Similar to existing conditions, some City of Seattle landmarks, some existing housing and some buildings containing human service uses might be demolished. This could occur under any of the alternatives, including the No Action Alternative, and is not interpreted to be a significant unavoidable adverse impact.

RELATIONSHIP TO PLANS AND POLICIES

This section summarizes the plans and policies that provide guidance for regulations within the study area. See Appendix H for additional detailed information about specific goals and policies.

GMA and Washington State's Regulatory Framework

GROWTH MANAGEMENT ACT (RCW 36.70A)

Summary

The Growth Management Act, first enacted as ESHB 2929 by the 1990 State legislature, contains a comprehensive framework for managing growth and coordinating land use planning with infrastructure. Many provisions of the Act apply to the state's largest and fastest growing jurisdictions, including King County and all its cities. The Act is long and quite complex; the following is a brief, selective summary of relevant provisions:

Among other requirements, jurisdictions subject to the Act must prepare and adopt:
- County-wide planning policies for implementation of the Act;
- Comprehensive land use plans containing specified elements and embodying state-wide goals;
- Regulations consistent with those plans;
- Capital facilities plans (including financing elements) for utilities and transportation systems; and
- Programs designating and regulating critical/sensitive areas (including agricultural and forest lands, wetlands, steep slopes and critical habitat).

The general planning goals of the Act include: directing growth to urban areas; reducing sprawl; providing efficient transportation systems; promoting a range of residential densities and housing types, and encouraging affordable housing; promoting economic development throughout the state; protecting private property rights; ensuring timely and fair processing of applications; maintaining and enhancing resource-based industries; encouraging retention of open space and habitat areas; protecting the environment; involving citizens in the planning process; ensuring that public facilities necessary to support development are adequate prior to occupancy; and preserving lands with historical and archaeological significance.

Comprehensive plans must contain elements dealing with land use, housing, capital facilities, public utilities, rural lands where appropriate, and transportation. Optional elements include conservation, solar energy and recreation as well as other areas dealing with the physical environment. Sub-area plans (i.e., neighborhood and community plans) are also authorized.

The Act authorizes the imposition of impact fees for specified public services and facilities—roads, schools and parks. Such fees must be based on adopted capital facilities plans and facility standards. Among other things, the plan must identify the projected facility needs and sources of funding. The Act also contains general standards for calculating, imposing and expending fees. The Act provides for creation of three Growth Planning Hearings Boards for the State of Washington that hear and determine petitions alleging noncompliance of local plans and regulations with the Act.

Counties must also designate "urban growth areas" within which urban growth is encouraged and services and facilities are, or are planned to be, available. All cities must be within an urban growth area. Cooperative intergovernmental negotiation is contemplated as the means to determine urban growth boundaries; a dispute resolution process is also set forth.

Within designated urban growth areas, residential densities are to be sufficient to accommodate 20-year population forecasts. The growth areas should also include greenbelts and open space. Other lands that must be identified in comprehensive plans include: land for public purposes, such as utility and transportation corridors, sewage treatment facilities, landfills, schools and recreation, and open space corridors within and between urban growth areas.

The framework established by the Act relies on adoption of regional and/or local plans and regulations that can be measured against the Act's goals and objectives. The Act itself does not establish a permitting system or regulations for individual development proposals.

Relationship of the Alternatives

All of the alternatives are consistent with the primary directive of GMA, which is to discourage sprawl by directing growth to urban areas.

PUGET SOUND REGIONAL COUNCIL ADOPTED MULTICOUNTY FRAMEWORK GOALS AND POLICIES

Summary

The Multicounty Framework Goals and Policies provide guidance for regional growth consistent with the mandates of the State's Growth Management Act. Generally, these policies seek to locate development in urban growth areas to conserve natural resources, foster sustainability, promote economic opportunity, and enable efficient provision of services and facilities. The policies encourage concentrated growth in compact, well-defined mixed-use urban centers to use land resources efficiently, enable residents to live close to work and services, promote bicycling, walking and transit use, and strengthen community. Coordination among jurisdictions in providing necessary public facilities and services is encouraged to promote efficiency and cost effectiveness. Interjurisdictional planning is emphasized to coordinate plans and implementation activities to achieve consistency.

Relationship of the Alternatives

All of the alternatives are consistent with the directive of the Multicounty Framework Goals and Policies to promote concentrated growth in compact, well-defined mixed-use urban centers. By allowing for the greatest density of development, Alternative 1 could accommodate the greatest concentration of development. However, under all of the alternatives, as residential capacity becomes increasingly limited over the longer term, accommodating the mix of uses will become more difficult.

KING COUNTY COUNTYWIDE PLANNING POLICIES

Summary

The Metropolitan King County Council adopted the Countywide Planning Policies (CPP), drafted by the King County Growth Management Planning Council, in August 1994. The policies are intended to provide a regional policy framework for local jurisdictions to follow in their planning to implement the Growth Management Act. The CPP also contain development guidelines, standards and recommended processes to be implemented by individual cities and King County. Subject areas addressed in the CPP include critical areas, land use pattern, transportation, community character and open space, affordable housing, contiguous and orderly development, siting regional/statewide capital facilities and economic development.

Policies generally encourage concentrating urban development in a defined Urban Growth Area and phasing the provision of adequate services. The CPP also recognize 12 designated Urban Centers (including Downtown Seattle) as the focus for a significant portion of regional growth over the 20-year planning period. The CPP call for 25% of all new housing units and 50% of all new jobs targeted for the County to be accommodated in Urban Centers. Additional employment growth is also directed to areas designated as Manufacturing/Industrial Centers, with policies promoting the continued concentration of manufacturing and other types of industrial uses in these areas. The policies envision Urban Centers as areas of concentrated employment and housing, with direct access to high capacity transit, and supporting a wide range of other land uses, such as retail, recreation, public facilities and parks and open space. Criteria are also established regarding employment and household densities and size requirements that areas must meet for designation as an Urban Center.

The CPP also provide that local plans should designate Activity Areas within the Urban Growth Area, outside designated Urban Centers. Uses and densities should provide local employment, commercial activities and public facilities, and should encourage bicycle and pedestrian travel. Business and office parks are directed primarily to Urban Centers; office development outside Urban Centers should occur in pedestrian-oriented Activity Areas.

Relationship of the Alternatives

All of the alternatives are consistent with Downtown's designation as one of the 12 Urban Centers established by the CPP, and all would accommodate the concentration of employment, housing and other uses envisioned for Urban Centers under these policies. Altogether, 25% of the County's total residential growth and 50% of the job growth is targeted to Urban Centers. To date, Urban Centers have accommodated about 18% of the total residential growth in the County, and 29% of the job growth. While falling short of the goals, the proportion of growth occurring in centers has been growing almost every year. From 1995 to 1999, the Downtown Seattle Urban Center added 24,090 jobs, or 47% of the total jobs accommodated in all Urban Centers over the same time period. The 5,400 housing units added Downtown between 1995 and 2000 represent 42% of all housing units added in Urban Centers. While Downtown has been successful in accommodating a significant share of total Urban Center growth, the success of the regional strategy also requires that more growth be attracted to under-performing Centers, including locations like Northgate, SeaTac and Kent.

CITY OF SEATTLE COMPREHENSIVE PLAN: LAND USE ELEMENT

Summary

Adopted in July 1994, Seattle's Comprehensive Plan includes policies in the Land Use Element that call for concentrating future employment and population growth in Urban Centers, as defined by countywide planning policies, and in existing activity centers. The policies promote the Urban Village concept, targeting employment and housing growth to various centers and villages in a balanced manner, to respond to transportation accessibility, neighborhood character and identity, pedestrian friendliness and human scale, and capacities of public facilities and amenities. The policies also emphasize the need to promote a comprehensive citywide open space system by protecting existing open space resources and incorporating new public open space as an important element for supporting growth in Urban Villages.

Several of the land use policies provide further guidance regarding appropriate locations within the city for different types and amounts of growth. These policies promote stronger links between the location of job growth and transportation capacity, discourage population growth in areas not easily served by existing transportation facilities, and encourage population growth within walking distance of Downtown employment and high capacity transit centers.

Specific to Downtown, policies in the Land Use Element establish Downtown Seattle as one of the region's Urban Centers, meeting the criteria of the Countywide Planning Policies for size, achievable employment and housing densities and connection to high-capacity transit. The Plan targets the area for substantial growth over the 20-year planning timeframe, including the addition of 62,700 more jobs and 14,700 new households by the year 2014.

Relationship of the Alternatives

Alternative 1. In addition to accommodating the Comprehensive Plan targets for Downtown housing and employment growth between the years 1994 and 2014, the height and density increases proposed in this alternative provide additional development capacity to accommodate further growth for perhaps another 20 years or more beyond the Comprehensive Plan's initial 20-year timeframe (1994-2014).

Continued growth Downtown is consistent with Downtown's designation as a regional Urban Center. However, the Comprehensive Plan does not specify the amount of growth or balance between residential and employment growth sought for Downtown beyond 2014. In all the alternatives, the employment and residential growth projected over 20 years from 2000 to 2020 represents an addition of one new housing unit Downtown for about every four additional jobs; essentially the same ratio as that established by the Comprehensive Plan's employment and housing growth targets. Growth over the longer term presents issues in terms of the balance maintained between accommodating new jobs and housing Downtown. Beyond 2020, Alternative 1 has the most capacity remaining for continued employment growth.

Alternative 2. Alternative 2 will provide sufficient capacity to accommodate projected employment and residential growth. Similar to Alternative 1, it is estimated that job growth can be accommodated for another 18 years beyond the 20-year planning period (2000 to 2020), with residential capacity tapering off after about 25 years.

Alternative 3. Alternative 3 provides sufficient capacity to accommodate projected employment and residential growth, with additional capacity estimated for another 14 years or more of job growth and 5 years of residential growth beyond the 20-year planning period.

Alternative 4. Alternative 4 will provide sufficient capacity to accommodate projected employment and residential growth. Additional commercial capacity could accommodate another 13 or more years of job growth and 2 or more years of residential growth beyond the 20-year planning period.

DOWNTOWN URBAN CENTER GOALS AND POLICIES

Summary

The City's goals and policies for the Downtown Urban Center are included in the Neighborhood Planning Element of the Comprehensive Plan. These goals and policies define the direction for Downtown growth, investment, and development. The policies focus on the following major areas: 1) land use, urban design, and open space, 2) economic development, 3) housing, and 4) transportation.

Overall, the policies identify the desired character and function of the different areas within Downtown, and establish the various zones intended to achieve these desired conditions. The policies support strong coordination of land use and transportation, promoting high levels of transit use to accommodate the densities of development allowed, and placing special emphasis on the quality of the pedestrian environment. The policies establish an urban design framework that seeks to strike a balance between accommodating growth and change while protecting positive characteristics of the existing Downtown environment. Goals and policies also emphasize increasing the supply of housing Downtown to achieve an adequate balance between employment and housing and to ensure a supply of housing that is affordable to households from a wide range of income groups

Downtown zones permit the most intensive combination of office, retail, hotel and residential uses within the city, and the allowed heights and densities of some Downtown zones are the highest in the region. The policies recognize that service employment in Downtown offices is the economic sector expected to absorb the greatest share of the city's future employment. With Downtown already established as the regional center for such jobs, the policies allow for further expansion of that role.

The policies promote a development pattern that includes a densely concentrated office core already dominated by high-density office development and served by high-capacity transit, including the transit tunnel. Adjacent to the office core to the north is the retail core, where maintaining existing conditions is emphasized to support the retail function and special character of the area. Wrapping around the retail core to the east and north is an area allowing for expansion of the office core to accommodate future employment growth while providing a transition in development intensity between the Downtown core and adjacent neighborhoods. Around the northern and western perimeter of these core zones are areas intended to accommodate a mix of employment and housing at a scale and intensity of development that is compatible with existing conditions in these areas and adjacent neighborhoods. The northwestern corner of Downtown, Belltown, is primarily intended to accommodate high-density residential development. For the Pioneer Square and Chinatown/International District neighborhoods at the southern end of Downtown, the policies promote the preservation of the special character of these areas while accommodating compatible levels of employment and housing growth.

Relationship of the Alternatives

Alternative 1. This alternative's height and density increases in DOC 1 and DOC 2 zones are consistent with Downtown Urban Center policies promoting concentrated employment growth in designated office core areas with superior access to transit. Height and density increases in DMC zones would allow greater intensities of commercial development—equivalent to what currently is allowed in DOC 2—which permits higher employment densities in some areas with more limited transit service and alters the existing balance between densities permitted for housing and commercial development in areas where policies seek to accommodate both uses. Increasing the permitted height and density of development also alters the transitional function of the zone by allowing a greater scale and intensity of development adjacent to less intensive areas.

The expected increase in the use of bonus and TDR programs as a result of increased commercial densities is consistent with policies for promoting increased housing production in general and, in particular, providing more affordable housing. However, discontinuing the TDC program in the Denny Triangle would remove one incentive for increasing residential densities and funding public amenities in this area.

Alternative 2. Alternative 2 allows increased height and density for commercial development in DOC 1 and DOC 2 zones consistent with Downtown Urban Center policies promoting concentrated employment growth in designated office core areas with superior access to transit. Retaining current height and density limits in the DMC zone would also retain the transitional relationship that exists between this zone and adjacent areas, as well as the current balance between densities permitted for commercial and residential uses.

Through the use of commercial development incentives, Alternative 2 would generate resources for affordable housing in amounts similar to Alternative 1. While the TDC program would be retained, it could only be used in a substantially diminished portion of the Denny Triangle.

Alternative 3. Alternative 3 allows increased height and density for commercial development in DOC 1 and portions of DOC 2 zones consistent with Downtown Urban Center policies that promote concentrated employment growth in designated office core areas with superior access to transit. Current height and density limits would be retained in other portions of the DOC 2 300' zone in the north office core, which would maintain the transition in scale and development intensity that this zone currently provides with adjacent areas.

Rezoning some DMC areas to DMR/C to increase opportunities for residential development would promote housing more strongly in areas intended for mixed use and somewhat higher commercial densities under current policies. Portions of these residential areas would also directly abut DOC 2 zones without the benefit of transition that the DMC zone typically provides between the office core and residential areas. By retaining existing height limits, the same scale relationship would be maintained between the newly created DMR/C zones and adjacent areas. However, additional bulk controls that apply in the DMR/C zone would result in less bulky and consequently less dense developments than possible under existing conditions. For those DMC areas not rezoned to DMR/C, existing height and density limits would be retained, which would maintain the current transitional relationship with adjacent areas. However, special provisions would require new commercial development built to the maximum density limit to provide housing on-site, which would promote residential development more strongly than under existing conditions.

Alternative 3 would provide increased resources for affordable housing through the use of commercial development incentives, but not to as great a degree as Alternatives 1 and 2. However, Alternative 3 would retain a greater area within the Denny Triangle where the TDC program would continue to apply.

Alternative 4. Alternative 4 reflects current policies.

OTHER DOWNTOWN NEIGHBORHOOD GOALS AND POLICIES

In addition to the Downtown Urban Center itself, the Neighborhood Planning Element of the Comprehensive Plan includes goals and policies adopted for the five neighborhoods that collectively comprise the Downtown Urban Center, including: 1) Commercial Core Neighborhood, 2) Denny Triangle Neighborhood, 3) Belltown, 4) Pioneer Square, and 5) Chinatown/International District. Policies for neighborhoods within the study area are described below:

Commercial Core Goals and Policies

Commercial Core goals and policies call for maintaining the area as a major employment center, tourist and convention attraction, shopping magnet, residential neighborhood and regional hub of cultural and entertainment activities. Policies also emphasize: improved mobility and convenient transit access; an enhanced pedestrian environment; housing affordable to a wide range of income levels; a unified urban design strategy that enhances connections and integrates public open spaces and green streets into a comprehensive network; and increased use of bonuses and incentive programs to stimulate development and support neighborhood goals.

Relationship of the Alternatives

Alternative 1. Alternative 1 includes height and density increases in DOC 1, DOC 2 and DMC 240' zones that were originally proposed in the Commercial Core Neighborhood Plan as a "super bonus" for use on a interim basis to stimulate development and generate resources for affordable housing and other neighborhood improvements. The permanent height increases proposed in the Plan have already been implemented. Increasing height and density limits to further stimulate development and increase the use of bonuses and TDR incentives would be consistent with the goals and policies of the Commercial Core Neighborhood Plan. Alternative 1 also includes an option to consider height and density increases in other DMC zones within the Commercial Core, including the DMC 160' zone adjacent to the harborfront and the DMC 125' zone adjacent to the Pike Place Market. These increases were not part of the original Commercial Core Plan.

Alternative 2. Alternative 2 includes the same proposals as Alternative 1 for height and density increases in the DOC 1 and DOC 2 zones of the Commercial Core. Since there would be no changes to height and density limits in DMC zones under this alternative, it would be consistent with the Plan's treatment of the DMC 125' and DMC 160' zones. However, it does not include the Commercial Core's "super bonus" proposal for increasing height and density in the DMC 240' zone. Unlike Alternative 1, under Alternative 2, developers would need to use housing bonuses and/or TDR for increases in commercial density above the base FAR.

Alternative 3. Like Alternative 2, this alternative would not include changes to height and density limits in Commercial Core DMC zones. However, to increase opportunities for housing, projects built to maximum commercial densities would be <u>required</u> to include residential units, which is not an approach advocated in the Commercial Core Plan. Housing bonuses and/or TDR would also have to be used in DMC zones for increases in commercial density above the base FAR.

Alternative 4. Alternative 4 reflects existing conditions, which already include provisions for height increases in DOC 1 and DOC 2 zones as proposed in the Commercial Core Neighborhood Plan.

Denny Triangle Goals and Policies

The goals and policies for the Denny Triangle focus on housing, land use, urban form and transportation. Housing policies promote a diverse residential neighborhood with housing evenly distributed among income levels. The use of zoning, development incentives and City investment is encouraged to promote housing development throughout the neighborhood. Land use policies encourage a mixed-use neighborhood and call for stimulating residential and commercial development through a variety of measures, including increases to height and density limits, development incentives, design review and floor area exemptions. Urban form policies emphasize creating a diverse mixed-use character for the neighborhood and promote a variety of neighborhood improvements, including the creation of new open spaces to meet neighborhood open space goals and implementation of Green Street improvements. Transportation policies call for improving local circulation and transit service, reducing external transportation impacts, and providing safer conditions for pedestrians and bicyclists.

Relationship of the Alternatives

Alternative 1. Alternative 1 includes Denny Triangle Neighborhood Plan proposals for height and density increases in all zones to achieve objectives for stimulating development and increasing resources for affordable housing and neighborhood improvements.

Alternative 2. Alternative 2 includes height and density increases in the Denny Triangle DOC 2 zone, similar to those in the Denny Triangle Neighborhood Plan. However, no changes are proposed to the limits in the DMC zones. The existing transfer of development credits (TDC) program would continue to allow more modest height increases in DMC zones as an incentive for residential and mixed-use development, which is consistent with policies advocating use of zoning and incentives to promote housing, encouraging a mixed-use neighborhood, and increasing resources for neighborhood improvements.

Alternative 3. In Alternative 3, height and density increases would be limited to a portion of the DOC 2 zone in the Denny Triangle. Changes to DMC zones would include reclassifying some DMC areas to DMR, a residential zone, to increase opportunities for housing in areas where the Denny Triangle Plan seeks to promote residential enclaves. In remaining DMC areas, commercial development would be required to provide housing to build to the current maximum density limit allowed.

Proposals that reduce or maintain current development capacity, or directly favor residential over non-residential use, are contrary to the specific actions sought to implement the Denny Triangle Neighborhood Plan. However, policies in the Plan do promote more residential development and a stronger residential character in parts of the Denny Triangle. The rezone actions would likely reduce the use of incentives by commercial development to generate funds for affordable housing and would limit capacity for commercial development. Retaining the TDC program in DMC and part of the DOC 2 zones would continue to provide an incentive for residential and mixed-use development that also generates resources for the type of neighborhood improvements the Plan's policies support.

Alternative 4. Alternative 4 reflects existing conditions. Some existing provisions were recently implemented and are consistent with Denny Triangle Neighborhood Plan goals and policies, including actions to rezone some DMC areas to DOC 2, changes to the bonus/TDR program to increase funds for affordable housing, provisions for height increases in DOC 2 zones, and height incentives through the TDC program to provide incentives for residential and mixed-use development and increase resources for neighborhood improvements.

Belltown Goals and Policies

The Belltown goals and policies focus on the following areas: 1) housing, 2) land use, 3) transportation, 4) community enrichment and social services, and 5) public safety and neighborly regulations.

Housing goals and policies seek to: promote a varied housing stock affordable to households from a wide range of income levels; prevent displacement of low and low-moderate income residents; preserve existing neighborhood scale and character by retaining existing buildings and encouraging small-scale development; increase use and effectiveness of incentives like TDR and bonuses for preserving and producing affordable housing; and preserve the existing housing stock.

This plan's land use policies emphasize the residential and mixed-use character desired for Belltown, and promote active streetscapes and opportunities for small businesses. Transportation policies promote improved circulation compatible with the area's residential character, efficient transit, adequate parking, and an enhanced pedestrian environment and Green Street improvements.

Relationship of the Alternatives

Alternative 1. Included as an option under Alternative 1 is an Advisory Committee recommendation to consider height and density increases in all DMC areas, including the southern and eastern edges of Belltown. Increases to height and density limits would also apply to the small portion of the DOC 2 300' zone that extends into Belltown. The Belltown Plan did not provide direction for any such increases. However, actions for increasing the use of development incentives to encourage the preservation of existing housing and promote the production of new affordable housing are consistent with the Plan's goals and policies.

Alternative 2. Alternative 2 does not propose changes to height and density limits in DMC zones, but does include the same height and density increase as in Alternative 1 for the portion of the DOC 2 300' zone that extends into Belltown. In the DMC zone, use of housing bonuses or TDR would be required to reach the maximum commercial density limit. This is a change from existing conditions, where developers can use housing bonuses, but also have the option to use other non-housing TDR or on-site amenity bonuses to reach maximum limits. Increasing the use of development incentives to encourage the preservation of existing housing and promote the production of new affordable housing is consistent with the Plan's goals and policies.

Alternative 3. Alternative 3 proposes changes to the DMC zones in Belltown that would reclassify some DMC areas to DMR, a residential zone that applies to the rest of Belltown, to increase opportunities for residential development and to provide additional limits on permitted development bulk. In the remaining DMC areas, commercial development would be required to provide housing to build to the maximum density limit allowed. Although there is no specific direction for rezones in the Plan, these changes are consistent with policies to encourage more residential development and promote a stronger residential character for the area. However, opportunities for using incentives by commercial development to generate funds for affordable housing may be more limited. Under Alternative 3, no changes are proposed to the portion of the DOC 2 300' zone that lies within the Belltown neighborhood.

Alternative 4. Alternative 4 reflects existing conditions.