



**Legislative Department
Seattle City Council
Memorandum**

Date: March 18, 2013
To: Special Committee on South Lake Union
From: Sara Belz and Ketil Freeman, Council Central Staff
Subject: Decision Agenda #1 – Proposed map amendments for Council Bill (CB) 117603, the South Lake Union Urban Center rezone legislation

At its March 18, 2013, meeting, the Council’s Special Committee on South Lake Union will continue its discussion of CB 117603, the South Lake Union Urban Center rezone legislation. That discussion is scheduled to include consideration of several proposed map amendments that pertain to the following locations within the rezone area:

- The east side of Fairview Avenue;
- The interior blocks of the Cascade neighborhood;
- The three lakefront blocks located between Mercer and Valley Streets (“the Mercer Blocks”); and
- The area located between Westlake Avenue, Aloha Street, Aurora Avenue, and Galer Street (“the Westlake Panhandle”).

Maps of all four areas, together with detailed descriptions of the proposed amendments, are provided on the following pages. If you have questions about any of the information included in this memorandum, please contact (Sara: 684-5382 / sara.belz@seattle.gov; Ketil: 684-8178 / ketil.freeman@seattle.gov).

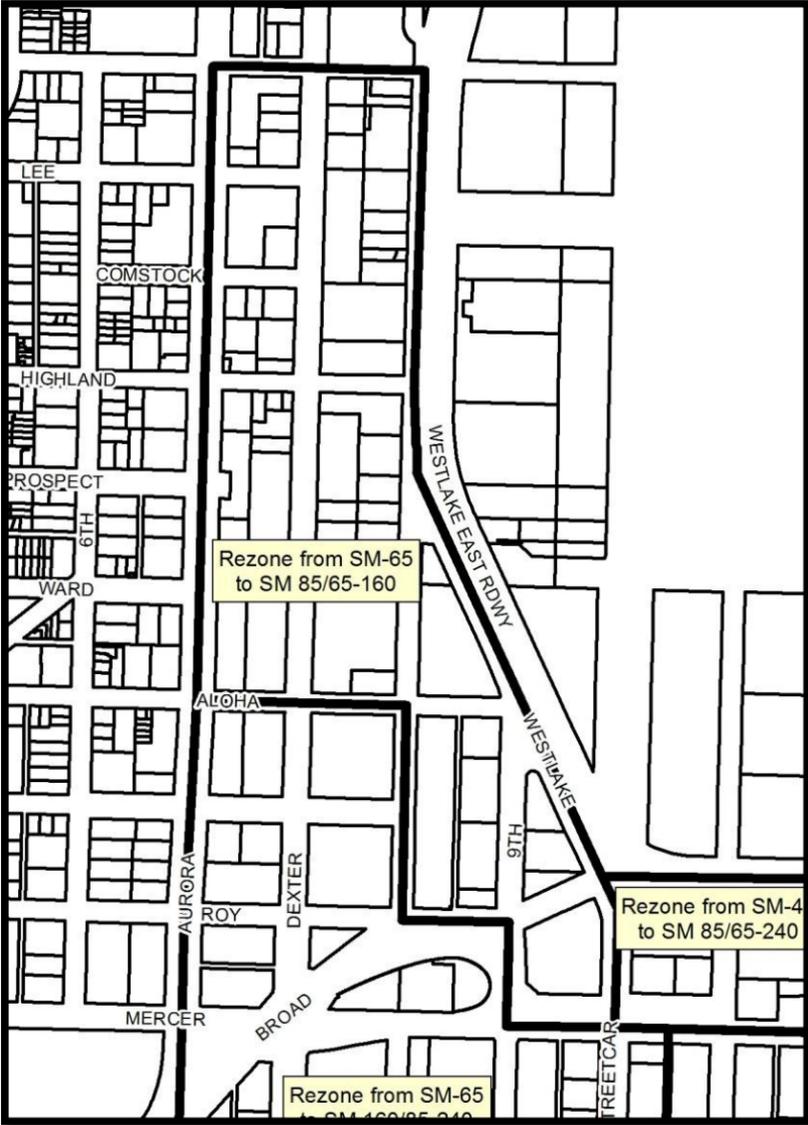
Issue	Amendment Option(s)	Map of Amendment Option(s)
<p>1. East side of Fairview Avenue</p> <p>The Mayor’s proposal would retain an existing zone boundary along the alley between Fairview and Minor Avenues. Under current zoning, this boundary primarily serves to separate incompatible uses. Specifically, the boundary separates Industrial Commercial (IC) zoning on the west side of the alley, which prohibits most residential uses and accommodates light industrial uses, from Seattle Mixed/Residential (SM/R) zoning on the east side of the alley, which favors residential uses. The height limits permitted under existing zoning range from 65 to 85 feet on the west side of the alley and, on the east side, from 55 to 75 feet.</p> <p>Under CB 117603, zoning on both sides of the alley would be within the SM family of zones and generally allow the same uses. However, there would be significant transitions in allowable height, bulk and scale. On the west side of the alley, the proposed zoning designation of SM 160/85-240 would allow commercial towers with heights of up to 160 feet and mixed-use and residential towers with heights of up to 240 feet. Properties on the east side of the alley would retain their current SM/R 55/75 zoning designation.</p> <p>The Mayor’s proposal is intended to match zone designations across the relatively wide Fairview Avenue right-of-way and includes upper level setback standards at the alley to mitigate the transition from SM 160/85-240 to SM/R 55/75. These setback standards would apply along the east side of the alley for portions of buildings above 25 feet. The maximum required depth of the setbacks would be 15 feet.</p> <p>Council has received comments and testimony expressing concern about the severity of the proposed height, bulk and scale transitions at the alley.</p>	<p>Option A</p> <p>Rather than retaining the existing zone boundary along the alley, the Council could move the boundary line to Fairview Avenue. As a result, the SM/R 55/75 zoning that is currently in place on the east side of the alley would extend all the way to Fairview Avenue. Because some of the lots located between Fairview Avenue and the alley are currently zoned to accommodate denser forms of development than what are permitted under SM/R 55/75 zoning, Council approval of this Option A could reasonably be considered a downzone by some property owners unless the zoning on both sides of the alley is amended. Possible options for rezoning the properties on the east side of the alley are described on the following three pages of this memorandum.</p>	

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<p>2. Cascade Neighborhood</p> <p>Located east of the alley between Fairview and Minor Avenues, and west of Yale Avenue, are the interior blocks of the Cascade neighborhood. Within this area, the Mayor’s proposal would retain existing SM/R zoning with a 55 foot height limit for commercial use and a 75 feet height limit for residential use. This designation is proposed to be retained, in part, to preclude additional development pressure on the area’s existing housing stock, which includes residential uses in older brick apartment buildings. The interior section of the Cascade neighborhood is the only portion of the South Lake Union Urban Center that would not be rezoned under CB 117603.</p>	<p>Option A</p> <p>A coalition of Cascade property owners has requested that the Council consider upzoning the interior blocks of the Cascade neighborhood from SM/R 55/75 to SM/R 85/125. They assert that most of the properties that would be affected have been redeveloped in recent years and that increasing the maximum height limit would allow for greater design flexibility and support the construction of mixed-use (as opposed to residential-only) buildings on the remaining under-developed lots. It would also allow City bonus programs to be applied in the interior of Cascade – something that is not contemplated in the Mayor’s rezone proposal.</p> <p>This option was recently developed by property owners within the Cascade neighborhood and neither DPD nor Central Staff have yet had an opportunity to complete any substantive analysis of it. If Councilmembers are interested in potentially rezoning the interior blocks of the Cascade Neighborhood to SM/R 85/125, staff could provide such analysis at a future meeting of the Special Committee on South Lake Union. Such an analysis would include a review of the potential impacts such an upzone may have on the area’s stock of older, affordable apartment buildings and other unique structures (e.g., designated and potentially eligible landmark sites).</p>	

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<p data-bbox="167 223 677 258">2. Cascade Neighborhood (continued)</p>	<p data-bbox="966 223 1090 258">Option B</p> <p data-bbox="966 298 1721 540">Another possible rezone option for Cascade would be to upzone the neighborhood's interior blocks from SM/R 55/75 to SM 85. By increasing the height limit for commercial development by 30 feet without providing a similar boost for housing construction, this area, which is currently zoned to encourage a more residential character, could see more office and retail development over time.</p> <p data-bbox="966 580 1721 923">On the residential side, DPD has determined that increasing the maximum permitted building height from 75 to 85 feet would be unlikely to produce much additional housing in individual buildings. However, it could allow for more generous ground-level ceiling heights, which could bring more street-level retail uses to what is now a more residentially-focused area. Upzoning the interior blocks of Cascade from SM/R 55/75 to SM 85 could also put additional development pressure on the neighborhood's older apartment and character structures.</p> <p data-bbox="966 963 1721 1205">Under CB 117603, the area between Interstate 5 and the interior blocks of Cascade is already proposed to be rezoned to SM 85. Thus, Council selection of this Option B for the interior blocks of the Cascade neighborhood would result in consistent zoning throughout the area bounded by John Street, Interstate 5, and the freeway ramps near Mercer Street, and the alley just east of Fairview.</p>	

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<p>2. Cascade Neighborhood (continued)</p>	<p>Option C</p> <p>A third option Councilmembers may want to consider for the interior of the Cascade neighborhood would be to only increase the height limit for residential development to 85 feet. This would result in an upzone from the current SM/R 55/75 to SM/R 55/85.</p> <p>DPD reviewed this option and determined that increasing the maximum height limit for residential development in Cascade from 75 feet to 85 feet would be unlikely to produce much additional housing. However, it could result in building forms with more generous ground-floor ceiling heights, which could help to encourage the construction of more street-level retail.</p> <p>Although selection of this option would only result in a modest upzone of the interior blocks of Cascade, it could still place some additional development pressure on the older apartment buildings and character structures located in the neighborhood.</p>	

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<p>3. Mercer Blocks</p> <p>The Mayor’s proposal establishes the SM 85/65-240 zone designation, which would apply to the Mercer Blocks. This zone designation would allow construction of residential towers, or hotel towers meeting residential development standards, up to a height of 240 feet, if authorized by a development agreement between the City and the owner of the Mercer Blocks. Without a development agreement, the same buildings could not exceed heights of 160 feet. The height proposed for commercial structures, other than hotels, is 85 feet. The opportunity for the City and the owner of the Mercer Blocks to enter into a development agreement would expire six months after the effective date of CB 117603.</p> <p>Current zoning allows development on the Mercer Blocks up to 40 feet in height with an exception allowing additional building height up to 65 feet if 20% of the site is set aside as usable open space and other development, including upper level setback and lot coverage limits are met.</p>	<p>Option A</p> <p>Some Councilmembers and South Lake Union residents have expressed interest in lowering the maximum residential tower heights that would be permitted on the Mercer Blocks to 160 feet. This option is consistent with what is currently permitted along the downtown waterfront, where the maximum building height permitted anywhere along the east side of Alaskan Way is also 160 feet. Limiting residential buildings on the Mercer Blocks to 160 feet would also result in a clear stepping down of tower heights between Denny Way and Lake Union. More specifically, maximum building heights would transition from 400 feet immediately north of Denny to 240 feet north of John Street, to 160 feet between Mercer and Valley.</p> <p>Under this option, the maximum height limit for commercial buildings developed on the Mercer Blocks would remain 85 feet. It is unclear whether the likelihood that the Mercer Blocks would be developed with commercial uses would increase if the residential height limit is reduced from 240 to 160 feet.</p>	<p>The map shows a street grid with several callout boxes indicating zoning amendments. The streets shown include ALASKAN WAY, DENNY WAY, JOHN STREET, MERCER STREET, VALLEY STREET, FAIRVIEW, and S LK UNION STREETCAR. The callouts are: 'Rezone from SM-65 to SM 85/65-160' (north of Denny Way), 'Rezone from SM-40 to SM 85/65-160' (between Denny and John), 'Rezone from SM-65 to SM 160/85-240' (south of John Street), 'Rezone from SM-85 to SM 160/85-240' (south of Mercer), and 'Rezone from IC-65 to SM 160/85-240' (south of Valley).</p>

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<p>4. Westlake Panhandle</p> <p>The northwest portion of the rezone area is shaped like a panhandle and located between Westlake Avenue, Aloha Street, Aurora Avenue, and Galer Street. C.B. 117603 proposes this area be upzoned from SM 65 to SM 85. The proposed zoning for properties located immediately south of the panhandle is a mix of SM 160/85-240 and SM 85/65-160.</p> <p>Within the panhandle area, there is a significant grade change between Aurora Avenue and Westlake Avenue as the east slope of Queen Anne Hill extends down toward Lake Union. The southernmost portion of panhandle, near Aloha Street, is located in the flight path for the Kenmore Air seaplane terminal.</p>	<p>Option A</p> <p>Recently, a large property owner from the panhandle blocks requested the Council consider further upzoning this area to SM 85/65-160. Although several blocks within the panhandle area have been redeveloped in recent years, some opportunities for infill development remain. Although the maximum building heights that would be permitted under SM 85/65-160 zoning are significantly taller than what are permitted under the area's current SM 65 zoning, the potential visual impacts of new tower development would be mitigated somewhat by the sloping nature of the panhandle blocks.</p> <p>In response to the proposal to upzone the panhandle area to SM 86/65-160, Kenmore Air has expressed concerns about the potential impacts of such zoning on aircraft operations and flight safety. In particular, they believe the presence of new tower development on both the Mercer Blocks and along Westlake Avenue could create a challenging flight corridor for aircraft departing from Lake Union.</p>	 <p>The map shows a street grid with several streets labeled: LEE, COMSTOCK, HIGHLAND, PROSPECT, 6TH, WARD, ALOHA, AURORA, ROY, DEXTER, MERCER, BROAD, WESTLAKE EAST RDWY, WESTLAKE, 9TH, and TREETCAR. Three yellow callout boxes indicate zoning changes: 'Rezone from SM-65 to SM 85/65-160' (top center), 'Rezone from SM-4 to SM 85/65-240' (middle right), and 'Rezone from SM-65 to SM 160/85-240' (bottom center).</p>

Issue	Amendment Option(s)	Map of Amendment Option(s)
<p>4. <i>Westlake Panhandle (continued)</i></p>	<p>Option B</p> <p>Another option the Council may want to consider for the panhandle area would be to rezone the area west of Dexter Avenue to SM 85, as originally proposed by the Mayor, and only upzone the blocks between Dexter and Westlake Avenues to SM 85/65-160. Given the steep grade change between Aurora and Westlake Avenue, this option would help to further mitigate the potential visual and shading impacts of any tower development on nearby properties. However, it would not address the concerns expressed by Kenmore Air about the negative effects 160 foot tall buildings along Westlake Avenue could have on aircraft operations and safety.</p> <p>Please note that the map of the zoning option to the right contains an error. Specifically, the zone should be called out as <u>SM 85/65-160</u> instead of SM 85/65-240. If the Committee seeks to move this amendment, staff will provide a clarification of the intended zone for a clear record of the Committee's action.</p>	