

**Divided Report for Council Bill 118111
For Consideration at Full Council on June 23, 2014**

Overview

Council Bill (CB) 118111 would rezone land in the North Rainier Hub Urban Village; expand the Mount Baker Station Overlay District; amend development standards; and implement incentive zoning. The proposed rezones are shown on Attachment A and the proposed expansion of the Overlay District is shown on Attachment B.

On June 3, 2013, the Committee voted to recommend passage of the bill by the Full Council

Yes 4 (O'Brien, Burgess, Licata, Clark)

No 1 (Harrell)

History of legislation

This legislation began as Council Bill 117979, introduced on November 25, 2013 and discussed on November 27, 2013. On May 1, 2014, PLUS held a public hearing on CB 117979 and an amendment proposal for the addition of certain rezones to the bill. On May 20, 2014 PLUS discussed and passed amendments to the legislation that are incorporated into Council Bill 118111. Generally, the amendments:

- except non-residential uses in the Mount Baker Station Overlay District from the parking maximums of the Seattle Mixed (SM) zone;
- add a map to Seattle Municipal Code 23.48.014 to designate portions of S. McClellan Street, generally between 26th Avenue S. and 29th Avenue S., and Rainier Avenue S., generally from S. Bayview Street to S. Byron Street, as Class II Pedestrian Streets; and
- rezone the property east of Martin Luther King Jr Way S. and north of S. McClellan Street: the property currently zoned NC1-40 to SM-65 and the property currently zoned LR3 to MR (2.0).

PLUS found that these amendments are consistent with the central purpose of the legislation, that is, to implement the actions called for in the North Rainier Neighborhood Plan, updated in 2010. In summary, PLUS concluded that the exception of non-residential uses in the Mount Baker Station Overlay District from parking maximums of the SM zone and the designation of the aforementioned streets as Class II Pedestrian streets provide more flexibility for commercial uses and that the additional rezone areas allow redevelopment consistent with the Neighborhood Plan.

The parking maximum amendment required a change to the title of the bill, so this new bill, CB 118111, was introduced on June 2, 2013.

PLUS Discussion and Vote

On June 3, 2014, the City Council's Planning, Land Use and Sustainability Committee (PLUS) discussed and considered CB 118111 and two amendments to the bill. PLUS did not pass either amendment.

The Committee discussed the rezone of a portion of the property immediately to the south of S. Winthrop Street and west of Martin Luther King Jr Way S. from Lowrise 3 Residential Commercial (LR3 RC) to Seattle Mixed. Councilmember O'Brien prompted this discussion because parcels in the area are just south of the Sound Transit light rail station.

Brennon Staley and Lyle Bicknell, Department of Planning and Urban Development (DPD), explained the current uses and challenges for development in the area and fielded questions from PLUS. Councilmember O'Brien recommended no amendment at this time, but did recommend that the City continue to explore opportunities for development in the area with landowners and the community to support the neighborhood vision.

Councilmember Harrell offered a motion to hold the legislation indefinitely. The intention of the hold was to use the remainder of 2014 to continue outreach, to work through issues, to bring communities together, and to build a common vision for Southeast Seattle that includes an economic strategy and a zoning strategy. The motion to hold did not receive a second.

The first amendment proposal, from Councilmember Harrell, would limit the maximum height to 85 feet, instead of 125 feet, for the Mount Baker Overlay District Special Standards Area, the two parcels currently occupied by Lowe's Home Improvement and associated parking. The amendment failed 1-4, with Councilmember Harrell voting for and Councilmembers O'Brien, Burgess, Licata, and Clark voting against.

The second amendment proposal, from Councilmember Clark, would not allow residential uses above 85 feet for the same parcels as described above. The amendment failed 1-4, with Councilmembers Clark voting for and Councilmembers O'Brien, Burgess, Licata, and Harrell voting against.

The bill passed out of committee with a 4-1 vote recommending passage of the bill to the Full Council with Councilmembers O'Brien, Burgess, Licata and Clark voting for and Councilmember Harrell voting against. Councilmember O'Brien requested that a divided report be prepared in advance of Full Council action anticipated on June 23, 2014.

Majority Position (O'Brien, Burgess, Licata, and Clark)

The legislation provides for future commercial and residential development in a pedestrian-oriented town center around the light rail station. The rezone proposal is timely and ripe for approval, along with the associated expansion of the Mount Baker Station Overlay District, new development regulations, and incentive zoning provisions. These changes were called for in the

updated Neighborhood Plan approved by Council almost four years ago and are consistent with the North Rainier Neighborhood Plan's recommendations for the area. That plan was recognized by City Council in 1999.

Seattle has designated the area as a Hub Urban Village and the City of Seattle and partners will continue to work in an ongoing way to attract the appropriate development, including job development widely desired by the surrounding neighborhoods. While none of the existing major owners/tenants are expected to change or leave the area in the near future, the mix of uses in the area will change. This rezone applies a zoning designation (Seattle Mixed) more appropriate for:

- a mix of housing types and affordability levels;
- commercial development, including retail and office;
- the potential for a campus-style development should a large employer or education provider desire to land in the area; and
- the potential for a wider variety and higher number of job opportunities than now present by virtue of the opportunities detailed above.

We also recognize that the incentive zoning provisions of the legislation are important to help provide open space and resources for affordable housing alongside new market-rate development, and that the incentive zoning provisions are advanced by sufficient height maximums. Some members did not support the amendment that would have reduced the height maximum for the Special Standards Area because it would have reduced the potential for gains in affordable housing and open space accompanying development.

Moreover, without the appropriate zoning, development may occur that will not be consistent with the neighborhood vision. The current commercial zoning does not match the neighborhood's vision for a more safely walkable area. While the community and Council could wait for a rezone proposal from a private party, we believe "setting the table" for the kind of development we want is part of good economic development.

Consistent with City Council's desire for constant improvement in the City of Seattle's public outreach and engagement efforts, Council adopted Resolution 31204 in 2010. Resolution 31204 outlines specific actions, deliverables, and a schedule for completing neighborhood plan updates for the North Rainier neighborhood, as well as the North Beacon Hill and Othello neighborhoods. In 2010, the Council recognized the completion of the North Rainier Neighborhood Plan Update by the community and executive staff pursuant to Resolution 31204, and directed that proposed goals and policies be prepared for adoption into the Neighborhood Planning Element of the City's Comprehensive Plan. Goals and policies from the updated Neighborhood Plan were incorporated into the Comprehensive Plan by Ordinance 123575 in 2011.

We are satisfied from our involvement and from the record presented by DPD that the outreach effort for the neighborhood plan and urban design framework was sufficient, especially considering the use of the Public Outreach and Engagement Liaisons (POEL) model to connect with people who have not traditionally been involved in a meaningful way in neighborhood planning. The proposed legislation responds appropriately to the vision articulated in the updated Neighborhood Plan and the urban design framework.

We urge passage of CB 118111 by the Full Council without amendment.

Minority Position (Harrell)

There is broad agreement that Seattle needs more affordable housing and diversity in housing stock. However, Seattle must find a balance of development in Southeast Seattle, both jobs and housing. In order to achieve this balance, proposed rezones, like those called for in this bill, should be paired with City-sponsored strategies to attract investment in the rezone area that advance the community's vision for future development.

In 2010, the City Council adopted Resolution 31204 outlining specific actions, deliverables, and a schedule for completing neighborhood plan updates for the North Beacon Hill, North Rainier, and Othello neighborhoods. While Council recognized the outreach to the community in the process of updating the Neighborhood Plan, I am unsatisfied that the City's record in meeting the stated outreach and inclusion goals has been demonstrated in the process of developing the legislation before us.

For this reason, and because there are no pending development projects contingent upon the proposed rezone, this legislation is not ready. I offered an amendment that would allow for a more prudent approach to rezoning property in the North Rainier Hub Urban Village. My amendment would change the maximum height for the rezone area currently occupied by Lowe's and associated parking to be consistent with the zoning of the adjacent, proposed rezones.

This proposal would rezone the existing Commercial 2 (C2-65) and Neighborhood Commercial 3 (NC-65) zones to Seattle Mixed (SM-85); instead of rezoning to SM-125, as provided in CB 118111. This would change the maximum height of the rezoned property to 85 feet, rather than 125 feet.

My amendment would allow for more time to explore the possibilities for future development with the community and to understand better what factors promote or inhibit the kind of growth desired by the community before committing to a higher height limit.

Because the bill comes to the Full Council without this amendment, I urge the Full Council to vote "no" on CB 118111.

Attachments:

- Attachment A: North Rainier /Mt. Baker Rezone
- Attachment B: Mt. Baker Station Area Overlay Expansion Area

ATTACHMENT A

Lyle Bicknell, Brennon Staley, Eric McConaghy
 LEG North Rainier Rezone ORD Exhibit A May 27, 2014 Version #2

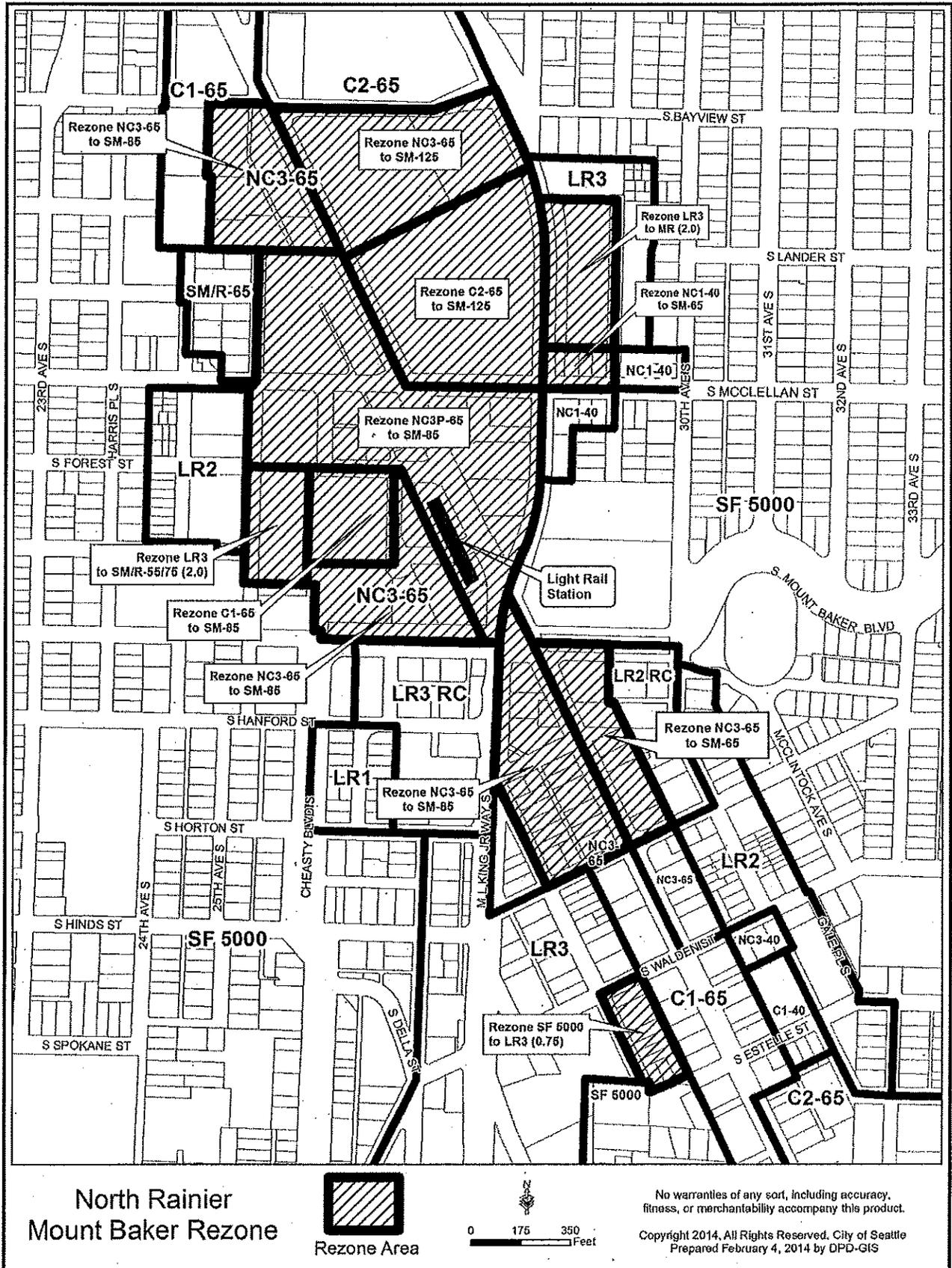
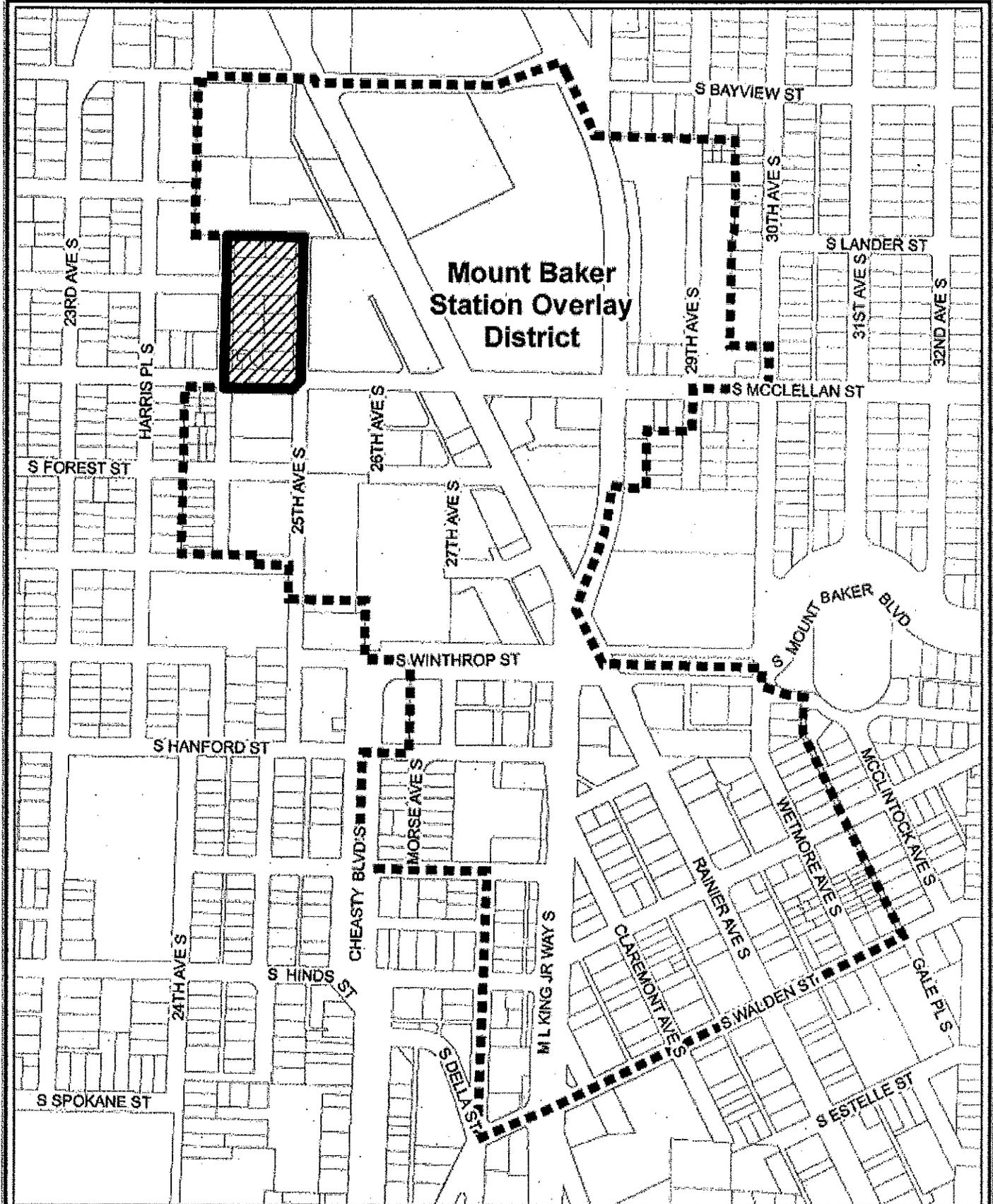
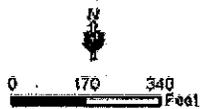


Exhibit A to North Rainier Rezone



**Mount Baker
Station Area Overlay
Expansion Area**



No warranties of any sort, including accuracy, fitness, or merchantability accompany this product.

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Prepared September 21, 2011 by DPD-GIS