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CODAC

Draft Proposal Report to Council
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OPEN TO COMMENTS, CRITICISMS, ADDITIONS, SUBTRACTIONS

Elements of the Solution:

1. **Hub District Plan Review Criteria**
2. **Director of District Development** to manage the establishment process and facilitate the implementation of District Plans within Hub Districts.
3. **Financing and Regulatory Tools** that can be applied within each District as proposed in its District Plan, to incentivize private and non-profit development to preserve and create cultural, arts and entertainment public benefit amenities as so described in the District Plan.
4. **City of Seattle Hub District Commission** to review and approve the establishment of Hub Districts and their District Plans in an open public process.

What we think Council Should do:

(The following three choices are arranged based on our estimate of relative cost and difficulty of implementation. We realize that recommendations may need to be implemented in phases rather than all at once.)

Option 1: Good

Allow for the extension of Incentive Zoning and TDR programs outside of Downtown. We will address the allocation of benefits (to Housing, Culture, etc.) as well as the TDR Sending and Receiving Zones.

Option 2: Better

Allow for the extension as described above, and also create a City of Seattle Hub District Commission, to review and approve the establishment of Hub Districts and their District Plans in an open public process.

Option 3: Best

Allow for the extension and Commission as both described above, and create a new City FTE position, Director of District Development, to manage the Hub District program.

I. Hub District Plan Review Criteria

“The purpose of this Land Use Code is to protect and promote public health, safety and general welfare through a set of regulations and procedures for the use of land which are consistent with and implement the City’s Comprehensive Plan (SMC 23.02.020).”

A. Establishing a Hub Overlay District. In reviewing a proposal to establish a Hub Overlay District, the following criteria shall be considered:

1. Function. To preserve or encourage diverse, socially just, mixed-use, community hubs with a pedestrian orientation around unique local cultural assets where incompatible uses are discouraged and local cultural development is encouraged.

2. Desired Existing Land Use Characteristics. The Hub Overlay District designation is most appropriate in areas generally characterized by:

- a. Presence of or close pedestrian access to the cultural assets identified in the Hub District Plan; and one or more of the following:
- b. High levels of pedestrian activity at street level in commercial and mixed-use zones; or
- c. Presence of a wide variety of retail/service activities in commercial and mixed-use zones; or
- d. Minimal pedestrian-auto conflicts; or
- e. Medium to high residential density in close proximity to high capacity transit.

3. Desired Plan Characteristics. The Hub Overlay District designation is most appropriate with a plan generally characterized by:

- a. Identifying and capitalizing on existing assets and their related land uses and/or real estate product types;
- b. Identifying future desired assets and their related land uses and/or real estate product types;
- c. Partnerships with and support from a diverse range of neighborhood groups and local stakeholders;
- d. A small-business economic development framework;
- e. A social justice framework;
- f. A district management plan;
- g. A financing plan;
- h. A phased implementation plan.
- i. Refers to and supports neighborhood planning goals.

4. Physical Conditions Favoring Designation as a Hub Overlay District.

- a. Presence of medium to high density residential zoning in proximity to the proposed District.
- b. Presence of commercial or mixed-use area where goods and services are available to the public and where opportunities for enhancement of the pedestrian environment exist;
- c. Opportunities for construction of new development that will support the local cultural assets identified in the Hub Plan.
- d. Opportunities for new development to access the district as a local cultural hub.
- e. Properties zoned Single-family may only be included within the overlay district when it can be demonstrated that the criteria for Single-family designation cannot be satisfied.

B. Revising the Boundaries of a Hub Overlay District

1. When a proposal is made to include land within an existing Hub Overlay District, the land proposed to be added must be contiguous to the Hub Overlay District, be consistent with the criteria prescribed in subsection A, above, and satisfy the function of and locational criteria for a commercial or multifamily zone designation.

2. When a proposal is made to remove land from an existing Hub Overlay District, the land proposed to be removed must be contiguous to land lying outside the boundary and not meet the criteria in subsection A of this section.

II. Director of District Development:

This person would be charged with working cross departmentally between OED, DON, MOACA (and the Arts Commission), DPD, and work closely with 4Culture on their Real Estate Task Force. They would work with communities who had requested 'hub district' designation - or who were thinking of doing so - to help them understand the process and the incentives ...they would also navigate between the different city departments to get necessary information/resources and facilitate the process of district designation; sort of a liaison between municipal tower and a given neighborhood. They would work closely with the process of Transit Oriented Development and Neighborhood Plan Updates, helping communities to understand what the incentives are, how they can take advantage of them, and what will be required of the designation (I recommend the designation coincide with one of these 2 existing processes as an additional resource for local communities)...I suggest a designation based on combined support of Chamber of Commerce/Merchants Association, Neighborhood Arts Council/Arts Commission, and Neighborhood Council/District Council. Those groups would apply for designation of a specific geographic area (12th Ave between John and Union, for example), and would clearly identify what cultural uses they would allow to qualify for the development incentives (per Matthew).

That' s just me dumping my first thoughts...I may have some more articulate thoughts tomorrow.

I' m not sure if they should work inside DON or OED, but either would likely work. They also could be a contractor on a District by District Process, but 1 FTE makes more sense.

III. Financing and Regulatory Tools

There are three major categories of tools to apply within a Hub District: (1) Regulatory, (2) Financial, and (3) Land Use and Building Code Incentives. The committee then reviewed information from a "live" project (capitol hill housing's 12th Ave precinct), discussed our values together, and then decided to come up with a "menu" of three incentives from each of the three categories (nine in total) that could be used by a qualified community in a cultural overlay district. We then brought in an expert real estate financial consultant, Greg Easton, to perform some analysis.

Based on discussions of the CODAC group, the Finance & Regulatory Subcommittee, technical work sessions, and a review of the City of Seattle's Comprehensive Plan (CRG3, CR4, CRG5,

CR7, CR9, CR10, CRG7, CR11, CRG8, CRG9, CR17, CRG10, CR23, CR26, CRG15, CR39, CR40), we recommend the following menu:

(1) Regulatory:

1a: Tax Abatement (Property, Sales, Admissions, B&O are all options): Note that City of Seattle's Comp Plan (CR25) suggests that a district should be permitted to fund the development of cultural facilities through claiming a portion of revenue tax (could be sales, B&O, etc.) generated in that region. Note this is different than TIF, which normally assesses property tax.

1b: Expedited Permitting: Recognizing that this is difficult both to implement and rely upon, we still also recognize that this can have a large financial impact on development without a corresponding large cost to the City.

1c: Parking Requirement relaxation: Although this may not affect areas that have exempted parking requirements (such as Capitol Hill), this is a very powerful driver of cost for both housing and cultural space.

(2) Financing:

2a: Environmental Clean-up Financing (in exchange for cultural use): Identify brownfield infill properties within Districts, then provide technical and financial assistance to help remediate the clean-up, in exchange for public benefit amenities being provided.

2b: Loan Fund created from "Fees in Lieu of Development" to support cultural use: Create a loan fund seeded by monies paid from developers who take advantage of incentives and choose to pay fees in lieu of actually developing the public benefit amenity.

2c: Explore expansion of OED financing programs (or other agents such as 4Culture): In combination with 2b, explore the possibility of establishing additional financing programs through PDA, CDFI and/or Community Bank interventions.

(3) Land Use and building Code Incentives:

CR7, CR9 and CR11 suggest using public resources, including incentives, to preserve, expand, and/or develop new cultural assets as well as historic assets.

3a: Upzones: Allow for upzones and also for "ghost" upzones to support TDR programs.

3b: Density Bonus: Allow for density bonus and ghosted bonus.

3c: TDR (example is bway sending to 12th ave receiving): Each plan must specify a sending and receiving zone within its overall District or by agreement with another District.

IV. City of Seattle Hub District Commission

The CODAC should discuss and select which option makes most sense of the below

Option A City Structure Reps
Arts & Culture

Film & Music
Economic Development
Health
Housing
Human Services
Education
Senior Citizens
Neighborhoods
Parks & Rec
Planning & Development
Sustainability & Environment
Transportation

Option B Product Type Reps

Housing
Daycare
Open Space
Design
Parks
Historic Preservation
Local Business
Developer
Residents
Arts Service Organization
Nightlife
Health
Education

Option C Unique Expertise Reps

Local Business (economic dev + includes small / minority-owned expertise)
Culture (includes ethnomusicology / anthropology type expertise)
Social Service (includes health, homeless, ed, etc)
Design (includes historic preservation, green, open space)
Resident (includes tenant' s union knowledge, resident advocacy knowledge)
Real Estate Development (complex project expertise, Affordable Housing expertise)
Community Organizer
Finance