

**ADDENDUM TO SEPA DETERMINATION OF NON-SIGNIFICANCE (DNS)
INTERIM DESIGN REVIEW EXEMPTION
OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT**

Project Sponsor: City of Seattle Department of Construction and Inspections (SDCI)

Location of Proposal: The Downtown Urban Center and specified adjacent land, South Lake Union Urban Center, Uptown Urban Center, and First Hill.

Scope of Proposal: The proposal is a legislative action that exempts development including residential uses, hotels, and research & development (R&D) laboratory uses in the target geographic area from the Design Review process for an interim period of three years.

Addendum: Addendum to the April 18, 2024 SEPA DNS

INTRODUCTION

The following is an addendum to the SEPA Determination of Non-Significance (DNS) issued on April 18, 2024. This addendum adds to the prior DNS by offering new evaluation of potential SEPA impacts due to minor updates to, and additional information available about, the Executive’s draft proposed legislation since the DNS was published. This evaluation does not change the overall finding of a DNS that was reached in April 2024 by the responsible official.

DESCRIPTION

Updates and Additional Information About the Executive’s Proposed Legislation

The following describes and summarizes the updates to the proposed legislation since the version that received a DNS in April 2024. See the proposal’s Director’s Report for more information.

1. Public notice provisions

Additional information is added to the proposed legislation concerning public notice. The proposed ordinance clarifies that a public notice and comment period requirement would be maintained for a range of affected projects even if the project is exempted from design review under the proposed ordinance and the project is only subject to a Type I permit decision. The requirements will include posting a sign, providing mailed notice of application, and providing a public comment period. This clarification concerns procedures and administrative processes only.

2. Clarifying Design Review exemption applicability to landmark structures and sites.

The original proposal was defined as not applying to developments with “special features” per Table A for 23.41.004. Relevant special features in the Table include “designated landmark structure” and developments involving “Type IV” or “Type V” land use decisions (made by the City Council).

The updated legislation is revised to delete reference to “special features” while continuing to exclude developments involving Type IV or V decisions. This means that to the extent Chapter 23.41 Design Review may in some cases be triggered for sites including landmarks, the current proposal would exempt such sites from the Chapter 23.41 Design Review.

Input from the historic preservation staff at the City’s Department of Neighborhoods during and after the comment period helped to clarify the explanation of how landmarks, landmark districts, and special review districts pertain to landmarks. The relevant SEPA checklist discussion, as revised by the Department of Neighborhoods suggested edits, now reads:

“Decisions on Certificates of Approval for project proposals impacting historic buildings or sites would continue to be made by the DON Director, the City Historic Preservation Officer, or boards tasked with reviewing and recommending actions on relevant permit proposals (Landmarks Preservation Board, special review district boards, or other landmark district boards/commission if applicable). This includes a potential need for SEPA review for new uses within or adjacent to an existing historic building or site, where potential impacts to landmarks related to new development would be in the purview of the City Historic Preservation Officer, the Landmarks Preservation Board, and City permit reviewers to evaluate and decide if impact-mitigating actions would be needed. This would occur while remaining consistent with City policies about such impacts and the regulatory protections they afford.”

The Department of Neighborhoods notes there are cases where a development proposal – outside of special review districts – may undergo both a landmark-related board review and a Chapter 23.41 Design Review process. In such cases, the Department of Neighborhoods supports the current code amendment proposal, in part because it would reasonably reduce duplicative processes during the interim effective period.

As a result, this addendum clarifies that in many or most cases, permitting for development proposals involving sites with landmarks would be exempt from Chapter 23.41 Design Review due to the code amendment proposal. However, such proposals would continue to trigger a landmark-related review by the responsible boards or officials. This means that instead of two design and landmark review processes occurring, there would be only one board review process – relating to landmark considerations.

For locations within special review districts, such as the Pioneer Square and Chinatown/International District neighborhoods, the respective Pioneer Square Preservation District and

International Special Review District would continue to be the sole review body reviewing the design or historic preservation aspects of development proposals. Chapter 23.41 Design Review would not pertain to sites in these districts. The updated proposed legislation clarifies this issue and is not a substantive change to how the originally proposed legislation would have functioned.

3. Addition of a tract of land adjacent to the south boundary of the Downtown Urban Center to the proposed design review exemption area.

The updated proposal extends the interim design review exemption to an area: east of 4th Avenue S; west of Interstate 5, north of S Royal Brougham Way, and south of S Charles Street. The area is adjacent to the south boundary of the Downtown Urban Center and the Chinatown/International District neighborhood. See the attached figure indicating the overall proposed affected area, including the proposed addition.

The area is currently used for vehicle sales, other commercial uses, construction material staging, parking, and the temporary South Downtown Services Hub that provides enhanced shelter to unhoused populations. The land is located within the city's designated Manufacturing Industrial Center (MIC) but is zoned Industry and Innovation 85-240 (II 85-240) which is a mixed-use zone with up to a 240-foot height limit. This is the only location in the City with the unique II 85-240 zoning, and the scale and character of potential future development in the zone would most closely resemble downtown zones in bordering it to the north.

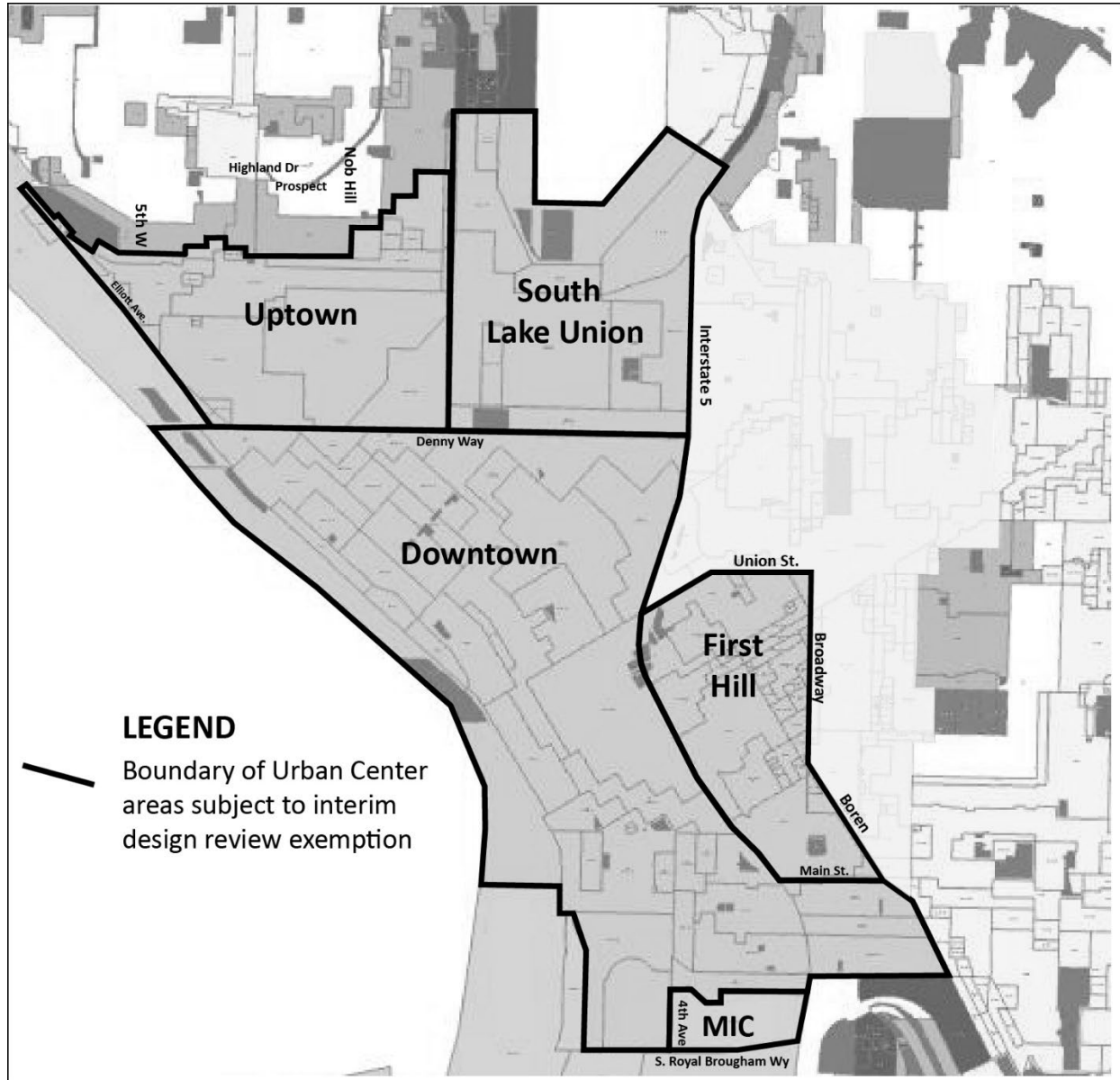
4. Addition of a subarea north of the Uptown Urban Center to the proposed design review exemption area, if such area is adopted in the One Seattle Plan as an expansion of the Uptown Urban Center.

The updated proposal includes a possibility that the interim design review exemption affected area could be expanded at a later date to a vicinity north of the north edge of the existing Uptown Urban Center. This extension reaches approximately 4 blocks northward in the Queen Anne area. Although boundaries of this area are only approximately shown in the proposed One Seattle Plan it could newly include properties as far north as the Highland Drive/Queen Anne Avenue N intersection, with boundaries transitioning down to approximately W Roy Street/5th Avenue W to the west, and to Nob Hill Avenue N midway between Valley and Roy Streets to the east. (The existing Urban Center boundary is primarily located at W Roy Street or one-half block north of Roy Street in this vicinity.) See the One Seattle Plan's page 22 of its Growth Strategy Element in its public review draft. This subarea is primarily zoned Lowrise 3 (LR3) and Midrise (MR). This expansion area would only become part of the design review exemption area on the date that new Center designations of the One Seattle Plan take effect, and only if this area is included in an expanded Uptown Urban Center (which would be renamed as a "Regional Center").

5. Lack of performance on a letter of eligibility

The updated proposed legislation clarifies procedural details related to what occurs if a design review exemption letter of eligibility expires due to subsequent lack of progress submitting sufficient permit application materials. This clarification concerns procedures and administrative processes only.

Figure: Updated Affected Area for Temporary Design Review Exemption



ANALYSIS - DISCUSSION OF RELEVANCE TO SEPA IMPACTS

1. Public notice provisions

Due to the procedural nature of this update to the legislation it is not likely to generate any net difference on the impacts upon the natural environment or built environment. The update responds to comments received during the original SEPA comment period by community members. The effect of this update is that it would provide community members near potential future projects with more information and awareness about potential developments.

2. Clarifying Design Review exemption applicability to landmark structures and sites

This addendum serves to clarify the meaning of the City's codes, regarding review of development actions relating to already-designated landmarks.

The proposed update to the legislation clarifies that landmark-related board reviews will continue to be the City's designated venues for evaluating and making recommendations on proposed alterations or redevelopment of properties with landmarks. And, special review district boards will continue to be the City's designated venue for reviewing proposed buildings and improvements in special review districts. The updated proposal would remove one layer – Chapter 23.41 Design Review – that in some cases could pertain to development sites with landmarks that are already undergoing a historic landmark review or landmark district review process. Therefore, the update has the effect of reducing duplicative or overlapping forms of project design reviews. In current practice, when there is a historic landmark review and a design review process, the guidance of the historic review process takes precedence. Therefore, there is no substantial change stemming from this update from current practice. This update would not result in differences in the potential for adverse cumulative environmental impacts to landmarks from the proposed amendments, because relevant landmark boards and officials would continue to have authority to review development proposals and issue Certificates of Approval.

3. Addition of a tract of land adjacent to the south boundary of the Downtown Urban Center to the proposed design review exemption area

The extension of the proposed Chapter 23.41 Design Review exemption for a three-year period to this area would address property within approximately five blocks that includes vacant properties and properties for which future redevelopment is likely, given their zoning and current status of uses.

A number of the properties in this area consist of multiple parcels, and at least two of the blocks are mostly in common ownership, plus other blocks that include adjoining parcels

with common ownership. As such, these are good candidates for future redevelopment, which could be eligible to use the proposed exemption from Design Review.

Due to these characteristics, it is possible that approximately two or three new development proposals could be applied for and receive exemptions from Chapter 23.41 Design Review in this subarea during the interim three-year period. The most likely probable uses would include research and development laboratory uses and possibly lodging uses. Given the non-residential nature and probable size of these probable uses, they could be required to undergo SEPA review, which means they would require Type II appealable decisions and the City could require conditions of approval based on SEPA analysis.

The scope of the originally proposed legislation was described for and intended to apply to the greater downtown area. Existing zoning on the blocks in question is most similar to downtown zones, and the scale and nature of development there would be similar to and functionally linked to the Downtown Urban Center. The clarification that these blocks would be included in a design review exemption area for greater downtown area does not substantially deviate from the original intent or concept level description of the proposed area for temporary design review exemption. Analysis of the potential for environmental impacts as discussed in the DNS is not different due to the addition of these blocks. The potential for adverse environmental impacts related to the proposal is comparable to what already was disclosed in the issued Determination of Non-Significance.

4. Addition of a subarea north of the Uptown Urban Center to the proposed design review exemption area

The possible extension of the proposed Chapter 23.41 Design Review exemption for a three-year period to this area would address property within all or parts of approximately 25 blocks, in areas zoned Lowrise and Midrise, but only if those areas are added to the Uptown Urban Center.

Existing properties contain primarily multifamily residential structures and scattered presence of single-family residential uses. Almost every property is already developed in a relatively dense mix of low-density and moderate-density multifamily use structures. It is possible that properties with older housing stock, either in low- or medium-density uses, could be candidates for redevelopment. Given current zoning and land use patterns, new residential uses would be the most probable type of future development. If these are proposed during the interim period, they could receive exemptions from Chapter 23.41 Design Review, and some could also be exempt from SEPA environmental review. (However, an exemption from SEPA review for residential uses is anticipated to expire by approximately September 2025, unless it is extended.) New uses could be denser than the existing structures they would replace, depending on the allowances of the existing zoning, which could incrementally add to the overall average density of development on their block.

During the expected three-year Chapter 23.41 Design Review exemption period, an estimate of approximately three or four additional development projects might be encouraged by this updated to the proposal. Together with the proposed expansion of the affected area in South Downtown the two added areas could cumulatively add approximately 5 to 7 additional developments to the total estimate of affected developments from the prior SEPA DNS finding. This means the updated code proposal might, in total, lead to approximately 30 to 42 development projects being affected by the proposed exemption from Design Review. This is an estimate and actual development could be much lower, depending on whether economic conditions for the next three years attract new development at the same rate as happened over the last six years. Factors like national and regional economic indicators about growth, interest rates, and demand for new non-residential use space would affect the probable rate of development proposals likely to be applied for.

The scope of the originally proposed legislation was described for and intended to apply to the greater downtown area and was described to include the Uptown Urban Center. The clarification that a future expansion of the Uptown Urban Center would be included in a design review exemption area does not substantially deviate from the original intent or concept level description of the proposed area for temporary design review exemption. The City's intent to plan for and potentially expand the boundary of the Uptown Urban Center is disclosed and being contemplated during the One Seattle Comprehensive Plan process concurrent with this proposed legislation. Analysis of the potential for environmental impacts as discussed in the DNS is not different due to the potential future addition of these blocks. The potential for adverse environmental impacts related to the proposal is comparable to what already was disclosed in the issued Determination of Non-Significance. If future development does occur in response to the proposal, it could lead to additional infill of multifamily development and a denser residential use presence within the affected area, which already has a predominantly multifamily use pattern and character.

5. Lack of performance on a letter of eligibility, and notice provisions

Due to the procedural nature of this update to the legislation it is not likely to generate any net difference on the impacts upon the natural environment or built environment. The update clarifies the city's internal permit processing procedures.

ISSUANCE OF ADDENDUM

Consistent with the SEPA Rules, this Addendum adds information to the SEPA DNS that was issued on April 18, 2024. The City received and considered public comments following the April 18, 2024 DNS. This addendum is complimentary to the analysis and information provided in the SEPA checklist and Determination that was provided on April 18, 2024, to provide complete and useful information to decisionmakers. This DNS Addendum meets OPCD's SEPA

