



City of Seattle Seattle Planning Commission

Jerry Finrow, Chair
Barbara Wilson, Executive Director

SEATTLE PLANNING COMMISSION MARCH 8, 2007 APPROVED MEETING MINUTES

Commissioners in Attendance

Jerry Finrow – Chair, Linda Amato, George Blomberg, Mahlon Clements, Tom Eanes, Chris Fiori, Martin Kaplan, Kay Knapton, Amalia Leighton, M. Michelle Mattox, Kevin McDonald, Kirsten Pennington

Commissioners Absent

Hilda Blanco, Steve Sheehy, Tony To

Commission Staff

Barbara Wilson – Director, Casey Mills – Planning Analyst, Robin Magonegil-Administrative Specialist

Guests

Jim Holmes, DPD; Rick Hooper, Amy Gray Office of Housing

In Attendance

Bob Morgan, Council Central Staff;

Please Note: Seattle Planning Commission meeting minutes are not an exact transcript but instead represent key points and the basis of the discussion.

CALL TO ORDER

The meeting was called to order at 3:04 pm by Chair Jerry Finrow.

COMMISSION BUSINESS

- Approve February 22, 2007 Minutes

ACTION: Commissioner Kay Knapton moved to approve the February 22, 2007 minutes. Commissioner Kevin McDonald requested that the minutes be amended to contain his statement that transit oriented development should be expanded to not just be around transit stations, but also on transit corridors. Commissioner Kevin McDonald seconded the motion. The amended minutes passed with Commissioner Martin Kaplan abstaining.

▪ **Chairs Report**

Commissioner Finrow reviewed the upcoming meetings. He called attention to the upcoming University District walking tour. Chair Finrow noted that the event will begin at Gould Hall on March 30 at 2:30 p.m.

Commissioner Finrow thanked Commissioner Mahlon Clements for representing the Commission at the reconfirmation of DPD Director Diane Sugimura.

Chair Finrow noted that the Commission, Mayor and City Council were still working on the appointment of new Commissioners.

Chair Finrow mentioned the recent successful release of the Incentive Zoning white paper. He noted that more than 100 people attended. Chair Finrow congratulated the staff on their work.

• **Project Updates**

Incentive Zoning-Next Steps

Director Barbara Wilson reported on the recommendations from the HNUC Committee regarding next steps for the work on Incentive Zoning. Ms. Wilson stated that the white paper provided a good framework for thinking about the issue. She noted that the next steps are to broaden the discussion by doing outreach to other organizations and hopefully convening roundtable discussions and conducting an online survey. She added that, after that, the Commission can get in to the next level of questions regarding Incentive Zoning, including affordability levels and the nature of pro forma analyses conducted to develop Incentive Zoning programs.

Chair Finrow suggested that the Commission look at various areas where Incentive Zoning has been implemented and where it could be implemented in the future, and monitor them as they develop.

Commissioner McDonald suggested an event similar to the Multifamily Code Rewrite workshop held with the public, which was very effective, with the focus of the event on Incentive Zoning.

Industrial Lands Strategy- Commission workshop series

Ms. Wilson noted that the first event will include a panel discussion with experts from other cities, who will be arriving on the morning of March 29th at Seattle Municipal Tower for an orientation of Seattle and its issues. She suggested that interested commissioners should attend. Ms. Wilson noted that Commissioners McDonald, Finrow and Mattox have all agreed to attend. Ms. Wilson outlined the remaining meetings, including the second event, on April 10, which will be moderated by Commissioner Linda Amato, and the third event, held April 24th, moderated by Commissioner Chris Fiori.

Chair Finrow noted the events represent a good way for the Commission to be educated on the issue of Industrial Lands, so that they can make good recommendations in the future on the subject.

Commercial Code Pedestrian Mapping - Update

Ms. Wilson noted that the mapping is the final piece of the Commercial Code revision. She added that the outreach process for the project will include six district meetings, which DPD has asked the

Commission to participate in. Chair Finrow noted that the project is happening in part due to the Commission recommending that it should happen, and represents a good example of the help the Commission can provide to the City.

COMMISSION DISCUSSION

▪ Dravus Rezone Proposal

Jim Holmes – Department of Planning and Development

Chair Finrow noted that the Commission would not be taking any action on the Dravus Rezone Proposal at this meeting.

Mr. Jim Holmes noted that in 2005, those proposing the Dravus rezone attempted to amend the Comprehensive Plan to make the area around West Dravus a Hub Urban Village. He stated that it was not accepted as a Comp Plan amendment, but the City Council directed the City to look at the project in terms of how the City's Industrial base could be protected, how it could be a mixed-use development, how infrastructure improvements could be made by the project proponents, and how new height limits would affect the area.

Mr. Holmes noted that the proponents proposed 125 feet North and South of Dravus, and 45 feet along the edges of the street. He added that they proposed approximately 1,200 dwelling units and approximately 150,000 square feet of commercial space. Mr. Holmes stated that they also proposed a Local Improvement District (LID) to pay for streetscape and drainage improvements.

Mr. Holmes stated that the key issues for the City were that the heights proposed are reserved for Urban Villages, and the City hopes to understand if raising the heights undermines the City's efforts to encourage density in specific areas. He added that the development would also put residential uses adjacent to Industrial uses, which often causes conflict. Mr. Holmes noted that mitigating these conflicts would be an important issue. He continued that getting capital financing for the improvements to the area was also an important issue.

Mr. Holmes noted that DPD's recommendations are still awaiting completion, and that some issues have simply not been resolved. He added that initial recommendations include creating an overlay zone of Seattle Mixed in which anything over 40 feet must be residential and that residents must sign a covenant stating they recognize they are living in an industrial area, which will likely have negative aspects, including noise and pollution. Mr. Holmes mentioned that in terms of infrastructure, an LID would have to be created before the Seattle Mixed zoning could be enacted. He noted that the improvements would cost about \$1 million, and would include new signals, reconstruction of intersections, and the providing of some restricted turn access. Mr. Holmes stated that as for height, there would be a uniform 85' throughout the area and that there would be an incentive zoning package, which the City is still working to define.

Disclosures: Commissioner Tom Eanes recused himself. His employer, Hewitt Architects is involved in the project. Commissioner Eanes left the room.

Commissioner Kevin McDonald asked about existing transit service to the area. Mr. Holmes responded that there are two Metro routes that run through the area, and Bus Rapid Transit is being proposed there as well.

Commissioner Clements stated that having Industrial next to residential is an issue no matter what the heights. He wondered why 85' instead of 125' had been proposed by DPD. Commissioner Clements stated that eventually the city should get past the hurdle of disliking tall buildings, and encouraged future conversation about Dravus be about the magnitude of the development, not the height of the buildings.

Commissioner Kay Knapton mentioned that construction technology should be part of the debate, since some developers claim that 85' is not an economically feasible height.

Chair Finrow noted that construction technology can play a role in what type of housing is built. He stated that if housing goes up to 125', it is often steel and concrete, and because of the cost of this type of development, the housing is often luxury housing, not workforce housing. He added that higher heights would be an enormous economic boon to the developers, and could create a greater Incentive Zoning package, which is important so that the amount of workforce housing the project provides is maximized.

Commissioner Chris Fiori stated that sometimes projects at 85' in Seattle Mixed zones can be monolithic, so architecturally, he would prefer 125'. He added that he also believes higher heights would create units that could sell for more, thus increasing the Incentive Zoning package for workforce housing.

Commissioner Kaplan stated that he doesn't think Queen Anne residents have any problems with view blockage and that the Dravus area is ripe for higher heights because it is in a depression.

Commissioner Kirsten Pennington noted that the project's inconsistency with the Comprehensive Plan concerns her. She wondered why the City's resources aren't being put towards where the Comp Plan encourages growth to occur.

Ms. Wilson noted that when the proposal was in the form of a Comp Plan amendment, the Commission agreed with DPD that the area should not be designated a Hub Urban Village.

Mr. Holmes noted that DPD's recommendations should be completed in April, possibly in May. He added that DPD is currently checking the feasibility of the LID and if it will meet the infrastructure needs in the area.

Commissioner Amato noted that the noise and the vibration of the rail yards could have a significant impact on the new residents in the area, and doesn't believe residents can be shielded from the noise, as the proponents of the development claim they can be.

Chair Finrow then asked that the Commissioners weigh in on each of the main points of the proposal.

Commissioner Fiori stated the Seattle Mixed overlay made sense, since the City has not fleshed out a citywide Incentive Zoning package, so tailoring the package to Dravus made sense.

Chair Finrow noted that he approved of the LID part of the proposal, particularly the portion that stated all infrastructure improvement needed to be made before development begins. He noted that he wanted to see more information about the public benefits zoning analysis. Chair Finrow stated that

while the area won't be zoned from Industrial to another use, it will put residential uses up against Industrial Lands.

Commissioner Kay Knapton asked about open space provisions for the area. Mr. Holmes noted the playfields located near the Dravus area.

Commissioner Finrow stated the Commission would continue to develop their initial recommendations on the issue.

▪ **Multifamily Tax Exemption**
Rick Hooper and Amy Gray – Office of Housing

Mr. Rick Hooper noted that Office of Housing will have to go to City Council with their annual report on the MFTE program soon.

Ms. Amy Gray noted that two pieces of enabling legislation were created at the state level to bring the program about. She stated that the program allows for local jurisdictions to have an affordability component, but they are not required to. Ms. Gray added that only Seattle and Kirkland have an affordability component and that the program was initially used as an economic revitalization tool. Ms. Gray noted that recently the state legislature has been considering forcing all of the state's programs to include an affordability component, in part because of recent luxury developments in Tacoma that used the program to lure buyers with the advertisement that they would not have to pay taxes on their property for ten years. She added that the program does not cause a net loss of taxes, but instead shifts taxes to other property owners.

Mr. Hooper noted that the 2007 review process will include consideration of whether the program can be tied into the city's Incentive Zoning programs, whether or not the current affordability requirements are too great, and whether the current neighborhoods where the program is offered make sense.

Disclosures: Commissioner Chris Fiori disclosed that his employer, Heartland, might be involved with projects in the future that could take advantage of the Multifamily Tax Exemption. Commissioner Tom Eanes disclosed that his employer, Hewitt Architects designs apartments.

Commissioner Kaplan noted that all the projects that used the program are rental, and that not many projects had not taken advantage of the program. He asked what was holding the program back. Mr. Hooper responded that the economics of projects vary from site to site, and gave examples of projects that considered the program and used it and those that considered it and did not.

Commissioner Fiori noted that the amount of taxes the MFTE shifts to other property owners is often so small, it does not present a significant enough reason to not offer the program. This is especially true because the many new developments coming online are adding to the City's tax base.

Commissioner Eanes stated that, as the state considers mandating an affordability requirement for all MFTE programs statewide, it should not mandate the level of affordability these programs require.

Mr. Hooper noted that City Council requested a report on the program by March 31st and that this will likely be the starting point of the discussion with Council. Mr. Hooper would like to return to the

Commission once the Office of Housing has developed some recommendations for how the program should move forward.

Commissioner Kaplan asked if the affordable units created by the program are significantly cheaper than the market rate units in the development. Commissioner Eanes said that they are indeed substantially cheaper.

PUBLIC COMMENT

No public comment.

ADJOURNMENT

Chair Finrow adjourned the meeting at 5:28 pm.