



**CITY OF SEATTLE  
ANALYSIS AND DECISION OF THE DIRECTOR OF  
THE SEATTLE DEPARTMENT OF CONSTRUCTION AND INSPECTIONS**

**Record Numbers:** 3036188-LU  
3036212-LU  
3036216-LU

**Applicant:** KR Manager, LLC

**Address of Proposals:** 1815 6<sup>th</sup> Avenue  
621 Stewart Street  
1818 6<sup>th</sup> Avenue

**SUMMARY OF PROPOSALS**

3036188-LU: Land use application to allow a 30-story office building with retail. Parking for 250 vehicles proposed. Existing building (Bank of America) to be demolished.

3036212-LU: Land use application to allow a 54-story, 650-unit apartment building with retail. Parking for 240 vehicles proposed. Parking lot to be removed.

3036216-LU: Land use application to allow an 18-story office building with retail. Project includes renovations and alterations to existing landmark building (Lloyd Building) with a new shared lobby. Parking for 185 vehicles proposed. Existing garage (Vance Garage) and south façade of the Lloyd Building to be demolished.

The following approvals are included in the decision:

**Planned Community Development** (Seattle Municipal Code (SMC) 23.49.036)

**SEPA - Environmental Determination** (SMC 25.05)

**SEPA DETERMINATION**

Mitigated Determination of Non-significance

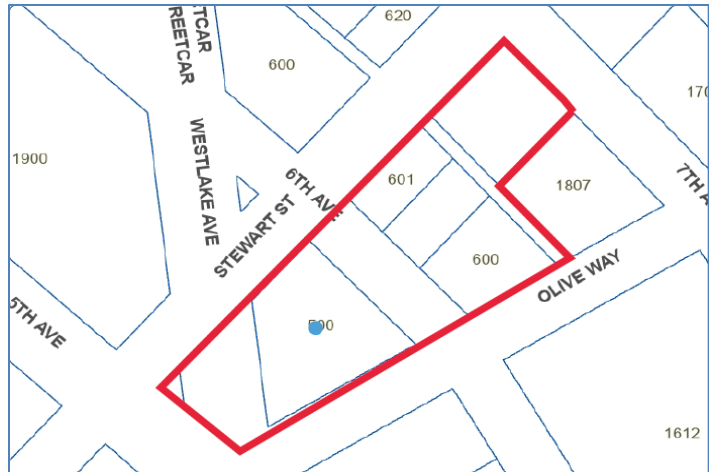
- ☐ No mitigating conditions of approval are imposed.
- ☒ Pursuant to SEPA substantive authority provided in SMC 25.05.660, the proposal has been conditioned to mitigate environmental impacts

## BACKGROUND




### Site Description

The proposal consists of three development sites, a portion of 6<sup>th</sup> Avenue, and McGraw Square in the Downtown Urban Center.

For clarity within this decision, the references “Site A,” “Site B,” and “Site C” are used to describe the private development sites within the PCD and are described in the following table.



The top of this image is north. This map is for illustrative purposes only. In the event of omissions, errors or differences, the documents in SDCI's files will control.

SITE	MAP	MUP No.	CURRENT ADDRESS	FORMER ADDRESS	EXISTING DEVELOPMENT	PROPOSED DEVELOPMENT
A		3036188-LU	1815 6 <sup>th</sup> Ave	500 Olive Way	Bank of America Building, surface parking lot	30-story office building with retail, parking for 250 vehicles. Existing building to be demolished.
B		3036216-LU	1818 6 <sup>th</sup> Ave	601 Stewart Ave and 600 Olive Way	Existing Lloyd Building, surface parking lot, Vance parking garage	18-story office building with retail. Renovation to existing Lloyd Building. Parking for 185 vehicles. Existing parking garage to be demolished.
C		3036212-LU	621 Stewart St	1825 7 <sup>th</sup> Ave	Surface parking lot	54-story, 650-unit apartment building with retail. Parking for 240 vehicles. Surface parking lot to be removed.

### Site and Vicinity

Site Zone: Downtown Office Core 2 (DOC2 500/300-550)

Zoning Pattern: North: DOC2 500/300-550  
South: DOC2 500/300-550  
West: DOC2 500/300-550  
East: DOC2 500/300-550

Environmental Critical Areas: No mapped environmentally critical areas (ECAs)

### Land Use Decision Framework

The scope of this project requires the following Type II land use decisions: PCD (SMC 23.49.036), SEPA (SMC 25.05), and Design Review (SMC 23.41). An applicant with a project requiring more than one decision may either use the integrated framework or proceed with separate applications for each permit decision sought (SMC 23.76.004). In this case, the applicant has elected to use the integrated framework for the PCD and SEPA and will proceed with separate site specific land use applications. Separate land use applications for Design Review and SEPA have been submitted for Site A (MUP No. 3038769-LU) and Site B (MUP No. 3038765-LU).

### Permit Expiration

Master Use Permits with a PCD component allow for an extended permit life in recognition of the longer timeframe required for the development of complex, large site and multi-phased projects. Pursuant to SMC 23.76.032, the first phase will have an expiration date of three years, and expiration of future phases to be determined at the time of permit issuance for each phase, and the date shall be stated in the permit. The applicant anticipates the PCD will be built in three phases as follows: Phase I is Site A (MUP #3036188-LU); Phase II is Site B (MUP #3036216-LU); and Phase III is Site C (MUP #3036212-LU). The applicant proposes a 15-year life for the PCD.

The Director finds that the 15-year term is reasonable in consideration of the project scope and anticipated phasing and supports this extended permit life for phases II and III. The requested 15-year term for the PCD is approved. Phase I will have an expiration date of three years, and subsequent phases will have an expiration date determined at the time of permit issuance for each phase and shall be consistent with the overall 15-year term of the PCD approval.

### Public Comment

The public comment periods for the three proposals ended on September 15, 2021. Comments were received and carefully considered, to the extent that they raised issues within the scope of this review. These areas of public comment related to parking, traffic, and density. Comments were received both in support and in opposition to the proposal. Comments were also received that are beyond the scope of this review and analysis.

## **I. PLANNED COMMUNITY DEVELOPMENT**

### **ANALYSIS – PLANNED COMMUNITY DEVELOPMENT**

A PCD is a zoning process intended to promote comprehensive, coordinated development of large tracts of land within downtown zones. As explained per SMC 23.49.036, the PCD allows for the transfer of floor area from one site to another, requires contribution of public benefits, and allows for an extended life of the master use permit.

**SMC 23.49.036 - Planned community developments (PCDs)**

- A. *Planned community developments (PCDs) may be permitted by the Director as a Type II Land Use Decision pursuant to Chapter 23.76, Procedures for Master Use Permits and Council Land Use Decisions.*

The project is proposed as a PCD consistent with SMC 23.49.036 and SMC 23.76.

- B. *Public benefit priorities. The Director shall determine public benefit priorities for the PCD. These priorities shall be prepared prior to application for a Master Use Permit. They shall include priorities for public benefits listed in subsection 23.49.036.F and priorities for implementing the goals of the Comprehensive Plan, including adopted neighborhood plans for the area affected by the PCD, and a determination of whether the proposed PCD may use public right-of-way area to meet the minimum site size set forth in subsection 23.49.036.E. Before the priorities are prepared, the Director shall cause a public meeting to be held to identify concerns about the site and to receive public input into priorities for public benefits identified in adopted neighborhood plans and subsection 23.49.036.F. Notice for the meeting shall be provided pursuant to Section 23.76.011. The Director shall prepare priorities for the PCD taking into account comments made at the public meeting or in writing to the Director, and the criteria in this Section 23.49.036. The Director shall distribute a copy of the priorities to all those who provided addresses for this purpose at the public meeting, to those who sent in comments or otherwise requested notification, and to the project proponent, except that, while Ordinance 126188 is in effect, the following provisions shall apply in lieu of the requirement for a public meeting:*
- 1. Before the priorities are prepared, the applicant shall consult with the Department of Neighborhoods to prepare a community outreach plan for conducting public outreach to identify concerns about the site and receiving public input into priorities for public benefits identified in adopted neighborhood plans and subsection 23.49.036.F;*
  - 2. Upon approval of the outreach plan by the Department of Neighborhoods, the plan shall govern while Ordinance 126188 is in effect and the applicant shall submit to the Director documentation of the public outreach conducted and a summary of public input received;*
  - 3. The Director shall prepare priorities for the PCD taking into account comments made during public outreach or in writing to the Director, and the criteria in this Section 23.49.036; and*
  - 4. The Director shall distribute a copy of the priorities to all those who provided addresses for this purpose during public outreach, to those who sent in comments or otherwise requested notification, and to the project proponent.*

The applicant consulted with the Seattle Department of Neighborhoods (DON) to prepare a community outreach plan for conducting public outreach to identify concerns about the site and receive public input into priorities for public benefits identified in adopted neighborhood plans and SMC 23.49.036.F. The community outreach plan was approved by DON on September

29, 2020. The applicant conducted public outreach to identify concerns about the site and received public input into priorities for public benefits (SMC 23.49.036.B.). The applicant submitted information documenting public input received through this process. This input is summarized as follows:

- Recommended improvements for safety and security.
- Recommended increased sidewalk widths, bicycle lanes, and pet relief areas.
- Concerned about traffic along Olive and Pine Streets.
- Recommended additional green space and the preservation of trees.
- Recommended a reduction of bicycle lanes.
- Concerned with congestion along streets and sidewalks and potential vehicle-pedestrian conflicts.

The Director prepared priorities for the PCD considering comments made during public outreach or in writing to the Director and the criteria in SMC 23.49.036 (*Director's Public Benefit Priorities Memo*, June 20, 2021). The public benefit priorities identified by the Director include low-income housing; historic preservation; public open space; improvements in pedestrian circulation; improvements in urban form and improvements in transit facilities. These public benefit priorities are intended to implement the goals of the Comprehensive Plan, including adopted neighborhood plans for the area affected by the PCD. Those goals include the Housing Goal (DT-G10), Urban Form Goal (DT-G4), and Public Safety Goal of the Downtown Neighborhood Plan (DT-G12), and Transportation Goal of the Comprehensive Plan (DT-G9).

The *Director's Public Benefit Priorities Memo* (June 20, 2021) contained direction for implementing the public benefit priorities and goals of the comprehensive plan and recommended on-site performance of affordable housing, preservation of the historic Lloyd Building, a strong physical connection to McGraw Square, streetscape concept plans, massing that responds appropriately to the existing and future context, and improved pedestrian connections and alternative modes of transportation.

The applicant's response to these priorities are summarized below in response to SMC 23.49.036.F.

- C. A PCD shall not be permitted if the Director determines it would be likely to result in a net loss of housing units or if it would result in significant alteration to any designated feature of a landmark structure, unless a Certificate of Approval for the alteration is granted by the Landmarks Preservation Board.*

No net loss of housing units will result from this proposal. Existing structures to be demolished do not contain housing units.

Alterations to a designated feature of a landmark structure are proposed on the historic landmark structure, the Lloyd Building, on Site B. Proposed alterations to the Lloyd Building are being reviewed by the Landmarks Preservation Board consistent with SMC 25.12 *Landmarks Preservation*, and a Certificate of Approval is required for the alterations.

*D. Location*

1. *PCDs may be permitted in all downtown zones except the PMM zone and the DH1 zone.*
2. *A portion of a PCD may extend into any non-downtown zone(s) within the Downtown Urban Center and adjacent to a downtown zone subject to the following conditions:*
  - a. *The provisions of this title applicable in the non-downtown zone(s) regulate the density of non-residential use by floor area ratio; and*
  - b. *The portion of a PCD project located in non-downtown zone(s) must not exceed 20 percent of the total area of the PCD.*

The PCD is located in a downtown zone, DOC2 500/300-550, and may be permitted. The PCD does not extend into any non-downtown zones.

- E. Minimum size. A PCD shall include a minimum site size of 100,000 square feet within one or more of the Downtown zones where PCDs are permitted according to subsection 23.49.036.D.1. The total area of a PCD shall be contiguous. Public right-of-way shall not be considered a break in contiguity. At the Director's discretion, public right-of-way area may be included in the minimum area calculations if actions related to the PCD will result in significant enhancements to the streetscape of the public right-of-way, improved transit access and expanded transit facilities in the area, and/or significant improvement to local circulation, especially for transit and pedestrians.*

The PCD exceeds the minimum site size requirement with 103,778-square feet within one downtown zone. The total area of the PCD is contiguous and includes portions of public right-of-way in the minimum size area calculations. Portions of 6<sup>th</sup> Avenue, 7<sup>th</sup> Avenue, Stewart Street, Olive Way, and the existing McGraw Square designated as public right-of-way, are included in the minimum size area calculations. The Director has determined that including the public right-of-way in the minimum area calculations will result in significant enhancements to the streetscape of the public right-of-way, improved transit access and expanded transit facilities in the area, and/or significant improvement to local circulation, especially for transit and pedestrians. Some examples of such enhancements and improvements include additional seating, landscaping, and hardscape improvements to McGraw Square, increased setbacks at building entrances, and right-of-way improvements such as curb bulbs and street trees.

- F. Evaluation of PCDs. A proposed PCD shall be evaluated on the basis of public benefits provided, possible impacts of the project, and consistency with the standards contained in this subsection 23.49.036.F.*

1. *Public benefits. A proposed PCD shall address the priorities for public benefits identified through the process outlined in subsection 23.49.036.B. The PCD shall include at least three of the following elements:*
  - a. *low-income housing,*
  - b. *townhouse development,*
  - c. *historic preservation,*
  - d. *public open space,*

- e. implementation of adopted neighborhood plans,*
- f. improvements in pedestrian circulation,*
- g. improvements in urban form,*
- h. improvements in transit facilities,*
- i. green stormwater infrastructure beyond the requirements of the Stormwater Code (Chapters 22.800 through 22.808), or*
- j. other elements that further an adopted City policy and provide a demonstrable public benefit.*

The proposed PCD addresses the priorities for public benefits identified through the process outlined in subsection 23.49.036.B. and described in the *Director's Public Benefit Priorities Memo* (June 20, 2021), and summarized above. The applicant provided an urban design analysis addressing each of the public benefit priorities in written and graphic format. The following is a summary of the project's response to the public benefit priorities and the Director's evaluation:

*Low-income housing:* The Director identified low-income housing as a public benefit priority. The project will contribute more than \$20 million in Mandatory Housing Affordability (MHA) fees as required by code and does not propose additional contributions beyond this amount at this time. The Director finds that the project has met this priority.

*Historic preservation:* The Director identified historic preservation as a public benefit priority. The project proposes the rehabilitation and integration of the existing historic Lloyd Building with new development (office tower on Site B). Floor area from the new office tower is proposed to be transferred to the new office tower on Site A. The applicant explained that this shift in floor area is intended to minimize the tower height adjacent to the Lloyd Building resulting in an appropriate scale to the historic structure. Per the applicant, examples of preservation and/or restoration would include maintaining existing floor to floor heights and replacing faux elements, such as vinyl e-glass, to wood framed windows to match the original historic window frames on the façade.

A Certificate of Approval from the Landmarks Preservation Board is required pursuant to SMC 25.12. The Director finds that the project has met this priority.

*Public open space:*

The Director identified public open space as a public benefit priority. The project proposes improvements to McGraw Square in coordination with the Seattle Department of Transportation (SDOT), DON, SDCI, OPCD, and the Downtown Seattle Association (DSA). The conceptual plan is contained in the MUP plan set and Public Benefit Priorities Packet. Improvements include elements such as landscaping, hardscape, seating, improved pedestrian circulation, and lighting.

McGraw Square is a public right-of-way; therefore, permitting for the improvements will be approved via the Street Use Permit process with SDOT. Given the adjacency to Site A, these public benefits are to be completed with Site A. A condition is included requiring the completion of improvements prior to issuance of the Final Certificate of Occupancy for Site A. The Director finds that the project has met this priority.

*Improvements in pedestrian circulation:*

The Director identified improvements in pedestrian circulation as a public benefit priority. The project enhances pedestrian circulation with a coordinated streetscape concept plan for the streets bounding and within the development. In coordination with SDOT, features such as widened sidewalks, curb bulbs, seating, plantings, overhead weather protection, and improved lighting are proposed. Improvements to 6<sup>th</sup> Avenue, in particular, are aimed at prioritizing the pedestrian. Setbacks at primary building entries are proposed on Sites A and B to allow for additional seating and other pedestrian amenities to enhance the public realm. The Director finds that the project has met this priority.

*Improvements in Urban Form:*

The Director identified improvements in urban form as a public benefit priority. The project proposes a tower separation between Sites B and C that is greater than required by code, allowing for greater access to light and air, and is consistent with the patterns of urban form observed in the existing context. The Director finds that the project has met this priority.



*Improvements in transit facilities:*

The Director identified improvements in transit facilities as a public benefit priority. The project includes improvements and design considerations to enhance existing transit facilities in and around the PCD. Improvements to McGraw Square and the existing South Lake Union streetcar will enhance the pedestrian realm, and bicycle parking, signage, and lighting will be provided at and around the site. The Director finds that the project has met this priority.

2. *Potential impacts. The Director shall evaluate the potential impacts of a proposed PCD including, but not necessarily limited to, the impacts on housing, particularly low-income housing, transportation systems, parking, energy, and public services, as well as environmental factors such as noise, air, light, glare, public views, and water quality.*
3. *The Director may place conditions on the proposed PCD in order to make it compatible with areas adjacent to Downtown that could be affected by the PCD.*

The below response is to criteria 2 and 3 above. Potential impacts of the proposed development under the PCD are anticipated as a result of approval of this proposal on housing, transportation systems, parking, energy, and public services, as well as environmental factors such as noise, air, light, glare, public views, and water quality. Potential impacts are analyzed in detail in the SEPA section below.

4. *When the proposed PCD is located in the Pioneer Square Preservation District or International District Special Review District, the Board of the District(s) in which the PCD is located shall review the proposal and make a recommendation to the Department of Neighborhoods Director who shall make a recommendation to the Director prior to the Director's decision on the PCD.*

This criterion is not applicable. The project is not located within the Pioneer Square Preservation District nor the International District Special Review District.

- G. *Bonus Development in PCDs. All increases in floor area above the base FAR shall be consistent with provisions in Section 23.49.011, Floor area ratio, and the PCD process shall not result in any increase in the amount of chargeable floor area allowed without use of bonuses or TDR, considering all of the lots within the PCD boundaries as a single lot.*

The proposed FAR is consistent with the provisions of SMC 23.49.011, no increase in chargeable floor area is proposed.

H. *Exceptions to Standards.*

1. *Portions of a project may exceed the floor area ratio permitted in the zone or zones in which the PCD is located, but the maximum chargeable floor area allowed for the PCD as a whole shall meet the requirements of the zone or zones in which it is located.*

A portion of the project, Site A, exceeds the floor area ratio (FAR) permitted in the zone; this FAR was moved from Site B to Site A. The maximum chargeable floor area allowed for the PCD as a whole meets the requirements of the zone in which it is located.

2. *Except as provided in subsection H3 of this section, any requirements of this chapter may be varied through the PCD process in order to provide public benefits identified in subsection F.*

No requirements of this chapter are proposed to be varied through the PCD process.

3. *Exceptions to the following provisions are not permitted through the PCD process:*
  - a. *The following provisions of Subchapter I, General Standards:*
    - (1) *Applicable height limits,*
    - (2) *Light and glare standards,*
    - (3) *Noise standards,*
    - (4) *Odor standards,*
    - (5) *Minimum sidewalk widths,*
    - (6) *View corridor requirements,*
    - (7) *Nonconforming uses,*
    - (8) *Nonconforming structures, when the nonconformity is to one (1) of the standards listed in this subsection;*
  - b. *Use provisions except for provisions for principal and accessory parking;*
  - c. *Transfer of development rights regulations;*
  - d. *Bonus ratios and amounts assigned to public benefit features;*
  - e. *Development standards of adjacent zones outside the Downtown Urban Center in which a PCD may be partially located according to subsection D2 of this section.*
  - f. *Provisions for allowing increases in floor area above the base FAR and for allowing residential floor area above the base height limit.*

Exceptions to the provisions listed in this subsection have not been requested.

## **DECISION – PLANNED COMMUNITY DEVELOPMENT**

The Director CONDITIONALLY APPROVES the proposed PLANNED COMMUNITY DEVELOPMENT with conditions listed at the end of this document.

## **II. SEPA**

### **ANALYSIS – SEPA**

Environmental review resulting in a Threshold Determination is required pursuant to the State Environmental Policy Act (SEPA), WAC 197-11, and the Seattle SEPA Ordinance (SMC Chapter 25.05).

The initial disclosure of the potential impacts from this project was made in the environmental checklists submitted by the applicant received December 22, 2021. The Seattle Department of Construction and Inspections (SDCI) has annotated the environmental checklists submitted by the project applicant; reviewed the project plans and any additional information in the project file submitted by the applicant or agents; and any pertinent comments which may have been received regarding this proposed action have been considered. The information in the checklists, the supplemental information, and the experience of the lead agency with the review of similar projects form the basis for this analysis and decision.

The SEPA Overview Policy (SMC 25.05.665 D) clarifies the relationship between codes, policies, and environmental review. Specific policies for each element of the environment, and certain neighborhood plans, and other policies explicitly referenced may serve as the basis for exercising substantive SEPA authority. The Overview Policy states in part: *“where City regulations have been adopted to address an environmental impact, it shall be presumed that such regulations are adequate to achieve sufficient mitigation”* subject to some limitations. Under such limitations/circumstances, mitigation can be considered. Thus, a more detailed discussion of some of the impacts is appropriate.

#### SHORT TERM IMPACTS

Construction activities could result in the following adverse impacts: construction dust and storm water runoff, erosion, emissions from construction machinery and vehicles, increased particulate levels, increased noise levels, occasional disruption of adjacent vehicular and pedestrian traffic, a small increase in traffic and parking impacts due to construction related vehicles, and increases in greenhouse gas emissions. Several construction-related impacts are mitigated by existing City codes and ordinances applicable to the project such as: the Stormwater Code (SMC 22.800-808), the Grading Code (SMC 22.170), the Street Use Ordinance (SMC Title 15), the Seattle Building Code, and the Noise Control Ordinance (SMC 25.08). Puget Sound Clean Air Agency regulations require control of fugitive dust to protect air quality. The following analyzes construction-related noise, construction mud and dust, greenhouse gas, construction traffic and parking impacts, and environmental health as well as mitigation.

#### Greenhouse Gas Emissions

Construction activities including construction worker commutes, truck trips, the operation of construction equipment and machinery, and the manufacture of the construction materials themselves result in increases in carbon dioxide and other greenhouse gas emissions which adversely impact air quality and contribute to climate change and global warming. While these impacts are adverse, no further mitigation is warranted pursuant to SMC 25.05.675.A.

### Construction Impacts – Parking and Traffic

Areas of dense construction are defined as *Construction Hubs* and are managed by SDOT to ensure mobility and access to and through work zones. The project is located in the *Downtown Pioneer Square Hub*.

Increased trip generation is expected during the proposed demolition, grading, and construction activity. The area is subject to significant traffic congestion during peak travel times on nearby arterials. Large trucks turning onto arterial streets would be expected to further exacerbate the flow of traffic.

The area includes limited and timed or metered on-street parking. Additional parking demand from construction vehicles would be expected to further exacerbate the supply of on-street parking. It is the City's policy to minimize temporary adverse impacts associated with construction activities.

Pursuant to SMC 25.05.675.B (*Construction Impacts Policy*), additional mitigation is warranted, and a Construction Management Plan (CMP) will be required and shall be approved by SDOT prior to issuance of demolition or construction permits on any of the sites included in the PCD. The requirements for the CMPs include a Haul Route, Construction Parking Plan, and must provide pedestrian mobility strategies. The submittal information and review process for CMPs are described on the SDOT website at: [Project & Construction Coordination Office](#)

### Construction Impacts – Noise

The project is expected to generate loud noise during demolition, grading and construction. The Seattle Noise Ordinance (SMC 25.08.425) permits increases in permissible sound levels associated with private development construction and equipment between the hours of 7:00 AM and 10:00 PM on weekdays and 9:00 AM and 10:00 PM on weekends and legal holidays.

If extended construction hours are necessary due to emergency reasons or construction in the right of way, the applicant may seek approval from SDCI through a Noise Variance request. The applicant's environmental checklist does not indicate that extended hours are anticipated.

A Construction Management Plan for each site will be required prior to issuance of the first demolition or building permit, including contact information in the event of complaints about construction noise, and measures to reduce or prevent noise impacts. The submittal information and review process for Construction Management Plans are described on the SDOT website at: [Construction Use in the Right of Way](#). The limitations stipulated in the Noise Ordinance and the CMP are sufficient to mitigate noise impacts; therefore, no additional SEPA conditioning is necessary to mitigation noise impacts per SMC 25.05.675.B.

### Construction Impacts – Mud and Dust

Approximately 142,900-cubic yards of material will be excavated and removed from the sites. Transported soil is susceptible to being dropped, spilled or leaked onto City streets. The City's Traffic Code (SMC 11.74.150 and .160) provides that material hauled in trucks not be spilled during transport. The City requires that loads be either 1) secured/covered; or 2) a minimum of six inches of "freeboard" (area from level of material to the top of the truck container). The regulation is intended to minimize the amount of spilled material and dust from the truck bed en route to or from a site. No further conditioning of the impacts associated with these construction impacts of the project is warranted pursuant to SMC 25.05.675.B.

### Environmental Health

#### *Contaminated Soils*

The applicant submitted studies regarding contamination on site (*Phase I Environmental Site Assessment, Sixth and Olive Property, 1825 7<sup>th</sup> Avenue, 601 Stewart Street, and 600 Olive Way*, HartCrowser, October 4, 2019; *Focused Phase II Environmental Site Assessment, Sixth and Olive – Parcel A, B, and C*, HartCrowser, December 6, 2019; and *Focused Phase II Environmental Site Assessment, Sixth and Olive – Parcel D*, HartCrowser, December 6, 2019). If not properly handled, existing contamination could have an adverse impact on environmental health.

As indicated in the SEPA checklist and environmental site assessments, field observations and screening from the Phase II report indicated potential environmental impacts on all sites both above and below the Model Toxics Control Act (MTCA) cleanup levels. As noted in the SEPA checklist and Phase II reports, underground storage tanks from previous gas stations and decommissioned boilers were found on one or all sites. Prior to development, the Phase II report recommended a cleanup action plan/construction contingency plan (CAP/CCP) be developed to address the known impacted soil, potential vapor intrusion, and any potentially unknown environmental impacts encountered or abandoned tanks that may be encountered during subsurface excavation. The report further recommends an assessment of remedial options (feasibility study), addressing the potential vapor intrusion pathways, and including protocols for removal of any discovered tanks or unknown impact soils.

If the recommendations described in the Phase II assessment and CAP/CCP are followed, then it is not anticipated that the characterization, removal, treatment, transportation or disposal of any such materials will result in a significant adverse impact to the environment. This conclusion is supported by the expert environmental consultants for the project, whose conclusions are also set forth in the materials in the MUP file for this project. As noted in the SEPA checklist, the applicant will comply with all provisions of MTCA in addressing these issues in the development of the project.

Adherence to MTCA provisions and federal and state laws are anticipated to adequately mitigate significant adverse impacts from existing contamination on site. The Phase II report

describes strategies to ensure adherence with MTCA provisions and indicates compliance with Washington State Department of Ecology (Ecology) regulatory authority.

Mitigation of contamination and remediation is in the jurisdiction of Ecology, consistent with the City's SEPA relationship to Federal, State and Regional regulations described in SMC 25.05.665.E. This State agency program functions to mitigate risks associated with removal and transport of hazardous and toxic materials, and the agency's regulations provide sufficient impact mitigation for these materials. The City acknowledges that Ecology's jurisdiction and requirements for remediation will mitigate impacts associated with any contamination.

The proposed strategies and compliance with Ecology's requirements are expected to adequately mitigate the adverse environmental impacts from the proposed development and no further mitigation is warranted for impacts to environmental health per SMC 25.05.675.F.

### *Asbestos*

Should asbestos be identified on any of the sites within the PCD, it must be removed in accordance with the Puget Sound Clean Air Agency (PSCAA) and City requirements. PSCAA regulations require control of fugitive dust to protect air quality and require permits for removal of asbestos during demolition. The City acknowledges PSCAA's jurisdiction and requirements for remediation will mitigate impacts associated with any contamination. No further mitigation under SEPA Policies 25.05.675.F is warranted for asbestos impacts.

### *Lead*

Should lead be identified on any site within the PCD, there is a potential for impacts to environmental health. Lead is a pollutant regulated by laws administered by the U. S. Environmental Protection Agency (EPA), including the Toxic Substances Control Act (TSCA), Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X), Clean Air Act (CAA), Clean Water Act (CWA), Safe Drinking Water Act (SDWA), Resource Conservation and Recovery Act (RCRA), and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) among others. The EPA further authorized the Washington State Department of Commerce to administer two regulatory programs in Washington State: The Renovation, Repair and Painting Program (RRP) and the Lead-Based Paint Activities Program (Abatement). These regulations protect the public from hazards of improperly conducted lead-based paint activities and renovations. No further mitigation under SEPA Policies 25.05.675.F is warranted for lead impacts.

### LONG TERM IMPACTS

Long-term or use-related impacts are also anticipated as a result of approval of this proposal including greenhouse gas emissions, historic resources, parking, transportation. Compliance with applicable codes and ordinances is adequate to achieve sufficient mitigation of most long-term impacts and no further conditioning is warranted by SEPA policies. However, greenhouse gas, historic resources, height bulk and scale, parking, public views, shadows on public open spaces and transportation warrant further analysis.

### Greenhouse Gas Emissions

Operational activities, primarily vehicular trips associated with the project's energy consumption, are expected to result in increases in carbon dioxide and other greenhouse gas emissions which adversely impact air quality and contribute to climate change and global warming. While these impacts are adverse, no further mitigation is warranted pursuant to SMC 25.05.675.A.

### Historic Resources

#### *Demolition of Existing Structures*

Two existing structures within the PCD are more than 50 years old and are proposed for demolition: the Bank of America Building (Site A) and the General Tire Service and Times Square Garage (or Vance Garage) (Site B). The applicant submitted an *Appendix A Report* (Miller Hull, June 2021) consistent with SMC 25.05.675.H. These structures were reviewed for potential to meet historic landmark status. The Department of Neighborhoods (DON) reviewed the proposal for compliance with the Landmarks Preservation requirements of SMC 25.12 and indicated the structures are unlikely to qualify for historic landmark status (Landmarks Preservation Board Memorandum, LPB 107/22, April 6, 2022). Pursuant to the Overview policies in SMC 25.05.665.D, the existing City Codes and regulations to mitigate impacts to historic resources are presumed to be sufficient, and no further conditioning is warranted per SMC 25.05.675.H for the demolition of the Bank of America Building and General Tire Service and Times Square Garage (Vance Garage).

#### *Adjacency Review, Designated Historic Landmarks Within and Outside the PCD*

The Lloyd Building (Site B) and the McGraw statue in McGraw Square within the adjacent right of way are historic landmarks. Other adjacent historic landmarks in proximity to the proposal include: the Times Square Building; Seattle Monorail; and Medical Dental Building. The applicant submitted an *Adjacency Report* (Miller Hull, June 2021) consistent with SMC 25.05.675.H. The DON reviewed the proposal for compliance with the Landmarks Preservation requirements of SMC 25.12 and did not recommend mitigating measures for the proposed new development at this time (Landmarks Preservation Board Memorandum, LPB 107/22, April 6, 2022). Pursuant to the Overview policies in SMC 25.05.665.D, the existing City Codes and regulations to mitigate impacts to historic resources are presumed to be sufficient, and no further conditioning is warranted per SMC 25.05.675.H.

#### *Certificate of Approval, Lloyd Building*

The historic Lloyd Building on Site B is proposed for retention and integration into the new development on Site B. Modification of this landmark requires a Certificate of Approval from the Landmarks Preservation Board consistent with SMC 25.12. The site specific SEPA analysis, which includes the Certificate of Approval is being conducted under MUP 3038765-LU.

### Height, Bulk, and Scale

It is the City's policy that height, bulk, and scale of development projects be reasonably compatible with the general character of development anticipated by the goals and policies of the Comprehensive Plan, applicable development standards, and provide a reasonable transition between areas of less intensive zoning and more intensive zoning (SMC 25.05.675.H.).

To demonstrate reasonable compatibility with the general character of development anticipated by the goals and policies of the Comprehensive Plan and applicable development standards, the applicant submitted an urban design analysis. This analysis focused on context and massing and provided three massing alternatives demonstrating the massing response to the goals of the Comprehensive Plan, DOC2 zoning standards, and context. Those project elements proposed include increased tower separation between Sites B and C to allow for greater access to light and views, the transfer of floor area from Site B to Site A to better respond to the historic Lloyd Building, and greater ground level setbacks at building entrances on Sites A, B, and C to enhance the pedestrian experience at street-level.

The height, bulk and scale of the proposed development and relationship to nearby context have been analyzed. Pursuant to the Overview policies in SMC 25.05.665.D, additional mitigation is not warranted pursuant to SMC 25.05.675.G.

### Parking

The PCD proposes office, retail, and residential uses with a total parking stall count of 534 stalls. The anticipated parking demand associated with the proposed uses is summarized in the *Transportation Impact Analysis* (TranspoGroup, December 2021) and includes a total parking demand of 534 vehicles and spillover of 65 vehicles (41 vehicles during the day associated with the office use, and 24 generated overnight by the residential use). The estimated overnight spillover parking associated with the residential and the estimated midday spillover associated with the office are anticipated to utilize off-street parking provided within the 30 off-street parking lots/garages located within 800-feet of the PCD. Based on SDOT's 2018 Off-Street Parking Facilities study, over 1,000 stalls would be available in these garages and lots both during the day and overnight. It is anticipated that the additional vehicles associated with the proposed PCD would be accommodated in the off-site lots. No additional mitigation is warranted pursuant to SMC 25.05.675.M.

### Public View Protection

It is the City's policy to protect public views of significant natural and human-made features, such as Mount Rainier, the Olympic and Cascade Mountains, and downtown skyline, the Space Needle, and historic landmarks. Public views are protected from designated locations consisting of specified viewpoints, parks, scenic routes, and view corridors. (SMC 25.05.675.P.)

The applicant submitted a *Viewshed Analysis* (EA Engineering, Science, and Technology, Inc. June 2021) illustrating those public views that could be impacted. The protected public views



include features such as Elliott Bay, the Cascade and Olympic Mountains, Lake Union, the downtown skyline, Washington State Convention Center addition, the Space Needle, and historic landmarks such as the Lloyd Building, McGraw Square, the Seattle Monorail, the Medical Dental Building, and the Times Square Building. The designated locations from which these public views are protected include Volunteer Park; Bhy Kracke Park; Plymouth Pillars Park; 5<sup>th</sup> Avenue; and Westlake Avenue.

The proposed development is located in a manner that maintains views of the protected features and structures. Additional mitigation is not warranted per SMC 25.05.675.P.

### *Shadows on Open Space*

It is the City's policy to minimize or prevent light blockage and the creation of shadows on open spaces most used by the public. The applicant submitted an *Aesthetics – Shadow Analysis* (EA Engineering, Science, and Technology, Inc. June 2021) analyzing impacts to McGraw Square and Westlake Square and anticipate no significant shadow impacts. McGraw Square and Westlake Square are not identified as areas in downtown where shadow impacts may be mitigated; therefore, no additional mitigation is warranted per SMC 25.05.675.S.

### *Transportation*

#### *Trip Generation*

The transportation analyses (*Transportation Impact Analysis*, TranspoGroup, December 2021; *Type I Access Analysis*, TranspoGroup, July 2021; *500 Olive – Loading Berth Analysis*, TranspoGroup, July 12, 2021 ) indicated that the total project is expected to generate a net total of 2,590 daily vehicle trips, with 240 net new PM peak hour trips and 250 AM peak hour trips.

The additional trips would have an impact on the transportation system in the vicinity of the project. The transportation study analyzed project impacts at 23 intersections in the vicinity of the project sites. Five of those intersections are anticipated to operate at Level of Service (LOS) E or F (indicating high levels of congestion) in the expected year of opening. Traffic from the project is forecast to add only minor delays at these intersections. Although project traffic would cause operations at several intersections to degrade, it would not cause any intersection operating at LOS A through D to degrade to a LOS E or F.

Although not significant, these impacts are adverse. To help mitigate these impacts, the project will be required to develop Transportation Management Programs (see below) and participate in the Denny Way Adaptive Signal System program. Pursuant to that mitigation payment system, the project will be required to pay a pro rata contribution of \$3,650 as a pro-rata payment for signal improvements at the Denny Way/Stewart Street intersection in order to help reduce the project's transportation impacts. This fee shall be paid prior to building permit issuance, consistent with SDCI business rules, and conditioned with this decision.

Vehicular access to Site A is proposed via Olive Way, and access to Sites B and C is proposed via the north-south alley located between the two sites connecting Stewart Street and Olive Way. The traffic operational analysis indicates that these access locations will operate at LOS E and F with the project. Such access operations are not unusual in downtown locations, as heavy pedestrian traffic volumes often limit opportunities for vehicles to turn into and out of driveways and alleys.

#### *Transportation Management Program*

Given the anticipated trip generation, a Transportation Management Program (TMP) is required per SMC 23.49.019.J. for Sites A and C. The TMPs shall be approved prior to issuance of a construction permit for each site. Site B falls below the minimum threshold for a TMP per SMC 23.49.019.J. Per the analysis in the *Transportation Impact Analysis* (TranspoGroup, December 2021), this site is forecast to generate 534 average daily trips with 52 AM peak hour trips and 52 PM peak hour trips. Given the cumulative impacts of this anticipated trip generation combined with that of Sites A and C, SDCI has reviewed this material and determined that a TMP for Site B is warranted to mitigate potential transportation impacts associated with anticipated trip generation, consistent with SMC 25.05.675.R. Such a condition is included at the end of this decision.

#### *Loading Berths*

As described above, loading berths are proposed on all sites, with modifications proposed to the required number and size. The transportation and loading berth analyses included detailed analyses of Sites A and B and indicate the proposed loading berth layout could accommodate vehicles on-site and a dock management plan would help mitigate potential impacts on adjacent public rights-of-way. The Director, in consultation with SDOT, reviewed the information and determined that dock management plans are warranted to mitigate potential impacts associated with loading activity, pursuant to SMC 25.05.675.R. To mitigate potential impacts to the transportation system, a condition is included requiring dock management plans for the future development of Sites A, B, and C. Furthermore, the Director determined further analysis is warranted for Site C, pursuant to SMC 25.05.675.R. A condition is included requiring further transportation analysis of Site C, including but not limited to identifying the expected numbers and duration of vehicles using the loading dock(s) and steps to be taken to avoid loading and delivery impacts to the adjacent alley, which shall be submitted with the future permit for development of Site C.

The conditions to reduce trips through Transportation Management Programs, pay a pro rata contribution of \$3,650 to the Denny Way Adaptive Signal System program, submit dock management plans, and provide additional transportation analysis of Site C with the first permit for development are expected to adequately mitigate the transportation impacts from the proposed development, consistent with SMC 25.05.675.R.

## **DECISION – SEPA**

This decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirement of the State Environmental Policy Act (RCW 43.21.C), including the requirement to inform the public of agency decisions pursuant to SEPA.

- ☐ Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21.030(2)(c).
- ☒ Mitigated Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21.030(2)(c).

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030 (2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

This MDNS is issued after using the optional DNS process in WAC 197-11-355 and Early review DNS process in SMC 25.05.355. There is no further comment period on the MDNS.

## **CONDITIONS – PLANNED COMMUNITY DEVELOPMENT**

### **SITE A (MUP No. 3036188-LU)**

#### Prior to Issuance of Final Certificate of Occupancy

1. Complete improvements to McGraw Square consistent with the Public Open Space PCD Public Benefit (*Director's Public Benefit Priorities Memorandum*, June 22, 2021) and Street Improvement Permit(s) approved by SDOT.

## **CONDITIONS - SEPA**

### **SITE A (MUP No. 3036188-LU)**

#### Prior to Issuance of Demolition, Excavation/Shoring, or Construction Permit for Site A

2. Submit a Construction Management Plan (CMP) approved by the Seattle Department of Transportation (SDOT). The CMP shall include a Haul Route, Construction Parking Plan,

and pedestrian mobility strategies. The submittal information and review process for Construction Management Plans are described on the SDOT website at: [Construction Use in the Right of Way](#).

*Prior to Issuance of a Construction Permit for Site A*

3. Submit a Dock Management Plan with the goal of avoiding loading and delivery impacts to Olive Way.
4. Make a pro rata mitigation payment in the amount of \$3,650 for the Denny Way Adaptive Signal System program to the City of Seattle.

**SITE B (MUP No. 3036216-LU)**

*Prior to Issuance of Master Use Permit #3036216-LU for Site B*

5. Submit a Transportation Management Plan Acknowledgement Form consistent with Director's Rule 05-2021.

*Prior to Issuance of Demolition, Excavation/Shoring, or Construction Permit for Site B*

6. Submit a Construction Management Plan (CMP) approved by the Seattle Department of Transportation (SDOT). The CMP shall include a Haul Route, Construction Parking Plan, and pedestrian mobility strategies. The submittal information and review process for Construction Management Plans are described on the SDOT website at: [Construction Use in the Right of Way](#).

*Prior to Issuance of a Construction Permit for Site B*

7. Submit a Transportation Management Plan consistent with the requirements of SMC 23.49.019 and Director's Rule 05-2021.
8. Submit a Dock Management Plan with the goal of avoiding loading and delivery impacts to the adjacent alley.

**SITE C (MUP No. 3036212-LU)**

*Prior to Issuance of a permit for development of Site C*

9. Submit a transportation study including analysis of loading demand, including but not limited to identifying the expected numbers and duration of vehicles using the loading dock(s) and steps to be taken to avoid loading and delivery impacts to the adjacent alley.

Prior to Issuance of Demolition, Excavation/Shoring, or Construction Permit for Site C

10. Submit a Construction Management Plan (CMP) approved by the Seattle Department of Transportation (SDOT). The CMP shall include a Haul Route, Construction Parking Plan, and pedestrian mobility strategies. The submittal information and review process for Construction Management Plans are described on the SDOT website at: Construction Use in the Right of Way.

Prior to Issuance of a Construction Permit for Site C

11. Submit a Dock Management Plan with the goal of avoiding loading and delivery impacts to the adjacent alley.

Carly Guillory, Senior Land Use Planner  
Seattle Department of Construction and Inspections

Date: December 29, 2022