



Director's Report and Recommendation Interim Street Activation

Introduction and Summary of Proposal

The Seattle Department of Construction and Inspections (SDCI) is proposing legislation to add more flexibility to the Land Use Code to help fill empty spaces in existing buildings in Seattle's core. Along with new opportunities for flexible design and layout in the first two floors of buildings, the legislation will encourage the filling of vacant spaces by enabling a larger pool of potential tenants. The legislation would apply these interim provisions for three years.

The proposal will help encourage positive trends of new investment in Seattle's core to support economic recovery over the next three years. It will also help better activate street environments by encouraging greater continuity of occupied street-level uses and increase eyes on the street for greater pedestrian comfort. The proposal is similar to the interim Ordinance 126421 (effective September 2021 through September 2022), which was prompted by the economic impacts of the COVID 19 pandemic.

The legislation would apply to certain streets in the Downtown, South Lake Union, and Uptown Urban Centers where the street-level uses are currently limited by the Land Use Code to certain kinds of uses like retail and restaurants.

The legislation includes the following:

1. **Broaden the uses allowed along sidewalks.** Currently, along several mapped streets, the Land Use Code limits allowed uses to retail, bars/restaurants and entertainment uses, and cultural and community facilities (like libraries, museums, childcare, and religious facilities). This is meant to provide engaging, pedestrian-oriented street environments that are continuously occupied by street-level uses that help attract visitors and activity. But now, the presence of too many vacant spaces is jeopardizing those qualities and contributing to economic challenges in the greater downtown Seattle area. The proposal would allow more flexibility in the code for a wider variety of less-active uses to also include:
 - Offices
 - Research and development laboratories
 - Community centers and a variety of other institutional uses
 - Medical offices
 - Food processing/craft work
 - Art installations
 - Horticultural uses
 - Non-household sales and services
 - Any similar use or activity determined by the SDCI Director to attract and increase pedestrian activity or increase the variety of goods and services available

The proposal would require the portions of interim street activation uses that are most frequently used by people, such as lobbies, waiting areas, and retail sales, to locate along the street faces aided by this proposal.

2. **Greater flexibility in the space filled by street-uses:** Currently, uses at street-level must occupy a space with a minimum depth of 15 feet Downtown, and 30 feet in South Lake Union and Uptown. This is an obstacle to smaller-scaled businesses that can function in smaller spaces and thrive. The proposal would reduce this minimum requirement to a depth of 8 feet.
3. **Encourage occupancy of spaces on the first two floors of buildings.** Currently, along certain streets where the code requires street-level uses, it exempts them from floor area limits. However, this exemption does not apply to uses on the second floor except in the Downtown retail core, and a few other limited circumstances. In order to promote the filling of second floor spaces, the proposal would provide an exemption to the floor area limits on the second floor for the expanded list of uses in Item 1, above. These spaces could include mezzanines or lofts as well as second-floors and encourage renovation of larger and more diverse options for streetfront uses, such as multi-level restaurants and retail spaces, or as part of common areas for hotels. This would apply in Downtown and portions of Uptown and South Lake Union, in the locations identified in the attached maps at the end of this report.

The proposal would allow businesses established to remain after the legislation expires in three years. The permitted uses would become non-conforming (grandfathered) uses and could stay in perpetuity. This would encourage a successful tenant to stay for the long-term, to recoup over time the costs of obtaining permits and making improvements.

Where the temporary flexibility would apply. The proposal would apply to most areas in the Downtown Urban Center (except Pioneer Square, Chinatown/International District, and Pike Place Market Historical District), and in selected portions of the South Lake Union and Uptown Urban Center that have street-level use restrictions. See the attached maps. The areas where the proposal would apply include:

- Portions of Westlake Avenue and Valley Street in South Lake Union.
- Portions of Mercer Street and 5th Avenue N in Uptown.
- Several portions of Downtown in Belltown, Commercial Core, and Denny Triangle, except for certain key streets like Pike and Pine Streets and blocks closest to Pike Place Market.

Implementing the proposal would allow for a wider range of tenants to occupy street-level spaces that are currently vacant. Filling in these spaces would bring more continuity to street-level uses, and would encourage more pedestrian activity and enhance aesthetics and perceptions of safety. This is especially important for places in and near retail and activity centers in these neighborhoods, where most activity occurs. In the downtown retail core, the proposal is balanced by seeking new tenant opportunities where there are currently unused spaces, while maintaining current retail/service use requirements along certain streets that support the Pike Place Market, for example. See the attached maps showing the affected areas.

Pioneer Square and Chinatown/International District neighborhoods are not included in this proposal, because the special review district approach to permitting already accommodates the necessary flexibility and variety in street-level uses. For these neighborhoods, implementing this interim proposal would not be meaningful, a point expressed by the Department of Neighborhoods staff and neighborhood stakeholders.

Analysis

General

Like many other cities, Seattle is experiencing economic challenges in the post-pandemic period relating to shifts in patterns of employee and customer use of downtown centers. Vacancies at street-level create or contribute to gaps in the continuity of neighborhoods, and lessen the presence of shoppers and pedestrians. This is contrary to the desirable qualities of street activity, a mix of uses that invite visitation, and other qualities that establish neighborhood quality and character. Seattle's policies support countering negative trends with positive actions to restore economic vitality and remedy negative trends that threaten the quality and health of neighborhoods. This is especially important in the city's core urban centers (Downtown, Uptown, and South Lake Union) that are the heart of economic activity and are among its densest residential neighborhoods as well.

Parts of these centers are rebounding with renewed employee and customer presence and recovery in tourism, but the benefits of these trends are experienced unevenly throughout these urban centers. There remain intermittent vacancies in street-level spaces, with uncertainties about the ability to attract new tenants. These gaps negatively impact the overall vitality of neighborhoods and may limit the availability of goods and services for residents and other customers. This is a critical factor that may affect long-term perceptions about these neighborhoods' attractiveness to host residents, visitors, and employers.

The proposal would apply for an interim period of three years to accommodate and encourage new uses and investments to aid economic recovery and increase attractiveness and activity levels in Seattle's core urban centers. The Office of Planning and Community Development and SDCI anticipate conducting a comprehensive review of the policies and codes for street activation in these areas during the interim period to evaluate possible recommendations for future amendments.

Allow Wider Variety of Uses at Street-level

The proposed range of uses newly permitted at street-level are supportive of street activity levels. They include craft work activities, offices, labs, community centers, various forms of sales and service businesses, and other similar uses as determined the SDCI Director. These will attract employees, visitors and customers that will support higher activity levels and be a positive presence in their locality compared to the current situation. This will be greatly preferable to spaces that have been vacant for long periods that are detrimental to neighborhood character. Along with other strategies evaluated below, this increases the range of possible tenants and activities and the flexibility of the code to accept new kinds of space design for street-level uses.

The streets likely to benefit from this change include:

- 1st, 2nd and 3rd Avenues in Belltown, portions of 3rd Avenue through 8th Avenue and Union Street and Olive Way in the retail core vicinity and Denny Triangle, and 1st, 3rd and 4th

Avenues in the commercial core. Each of these vicinities currently have intermittent vacancies that create gaps in continuity and tend to decrease pedestrian and customer activity and aesthetic appeal. All of these areas would benefit from additional presence of daily residents, workers, and pedestrians.

- The 5th Avenue N corridor and portions of Mercer Street would benefit if the proposal leads to additional engaging street-level uses and more pedestrians using the streets. These corridors are transitions between Downtown, Seattle Center, and lower Queen Anne, including the Uptown business district. Supportive street-level uses along these key arterial connections would reinforce the people-attracting qualities of local business clusters near Denny Way, Seattle Center, and Uptown as activity destinations.
- The northern portion of South Lake Union – near Westlake Avenue, Mercer and Valley Streets – would benefit if the proposal fosters a greater mix of businesses and types of activities at street level. The proposal's greater flexibility in possible tenants supports the ability of the local district to reach a successful business use mix. Also, enhancing the continuity of uses here would attract more pedestrians using the area every day, and reinforce the attractiveness of pedestrian connections to and from the southern edge of Lake Union.

Development Standard Flexibility

Minimum depth of street-level spaces. The standards for street-level uses, with minimum sizes as deep as 30 feet in South Lake Union, may impede the ability for new businesses to locate in these neighborhood centers. Giving more flexibility in minimum depth of space would likely attract new varieties of active uses – such as pop-up food windows and other small, start-up businesses. These kinds of uses and opportunities can help drive positive trends in variety and attractiveness that would support renewal or growth in business creation and pedestrian activity.



Allow mezzanines and multi-floor street-level spaces. The Code currently discourages flexible design of interior spaces at street level, because it does not accommodate businesses that would occupy the street and second floors of buildings, including loft or mezzanine spaces, outside of the retail core area. This may impede new tenants interested in creating unique kinds of spaces. The proposal addresses this by removing restrictive standards that prevent mezzanines in required

interior spaces next to streets. Similarly, the proposal clarifies that when a street-level business extends to second floors, the entire space of this use can be exempt from density limits.

Adjustments to floor area limits. For non-residential development, which is often offices and hotels, the overall size of buildings is regulated by a limit on the amount of floor area that can be built as a non-residential use, expressed using a “floor area ratio” (FAR). The FAR is defined as the total amount of floor area allowed in a new building, divided by the property’s total land area. For example, a zone that allows a building’s total floor area to be 4 times the size of the property has an FAR limit of 4.

The code requires street-level uses along certain streets to encourage local districts with a variety of adjacent uses that will be aesthetically and functionally attractive to pedestrians and customers. This is important to foster interesting and engaging urban environments. To recognize the public value of these street-level uses, the code exempts them from counting against floor area limits. It also exempts other building spaces like those with elevators and mechanical features. Thus, the code’s floor area limits focus on the size of primary intended uses of each building.

The proposal for Downtown, Uptown, and South Lake Union recognizes that street-level uses may be extended to second floors, and removes design-related and floor area limit restrictions that would otherwise discourage or prevent new uses from making use of existing first- and second-floor vacant spaces in existing buildings. This is similar to current code provisions for the retail core that recognize and exempt multi-floor retail facilities like shopping arcades. The proposal would allow a wider variety of activating uses to contribute to positive activity and attractions, and lead to more eyes on the street, promoting safe environments.

For the eligible existing buildings using these provisions, the proposal may cause some floor area that was previously subject to the floor area limits on second floors to become newly exempt from counting against these limits. This may free up additional usable capacity to use more floor area in a building for uses subject to floor area limits. This will be consistent with anticipated densities in the applicable neighborhoods and further add to activity at street-level.

Mandatory Housing Affordability (MHA). Currently, MHA fees for commercial development only apply to changes of use in existing buildings that would convert residential uses to commercial uses with over 4,000 square feet of floor area. There is a low likelihood that the proposal would lead to conversions of residential uses to commercial use, or that it would lead to a building addition of greater than 4,000 square feet. But, if either of these kinds of development proposals occur, they would continue to be subject to existing MHA requirements. Therefore, the proposal does not change the applicability of MHA requirements and would have no impact on MHA funds collection.

Relationship to Comprehensive Plan

The legislation supports interim land use flexibility measures to help restore healthier activity levels in the Downtown, Uptown, and South Lake Union neighborhoods that will contribute to restoration of economic vibrancy, greater public safety, targeted preservation of active street-level use requirements, and other aesthetic and social benefits. These are objectives predominantly aligning with Comprehensive Plan goals and principles relevant to the core Downtown and South Lake Union Urban Centers, such as:

Goal GS G1 *Keep Seattle as a city of unique, vibrant, and livable urban neighborhoods, with concentrations of development where all residents can have access to employment, transit, and retail services that can meet their daily needs.*

Goal LU G9 *Create and maintain successful commercial/mixed-use areas that provide focus for the surrounding neighborhood and that encourage new businesses, provide stability and expansion opportunities for existing businesses, and promote neighborhood vitality, while also accommodating residential development in livable environments.*

Goal DT-G4 (Downtown Areas) Urban Form Goal – *Use regulations in the Land Use Code and other measures to encourage public and private development that contributes positively to the Downtown physical environment by: 1. Enhancing the relationship of Downtown to its spectacular setting of water, hills, and mountains; 2. Preserving important public views; 3. Ensuring light and air at street-level and in public parks; 4. Establishing a high-quality pedestrian-oriented street environment; 5. Reinforcing the vitality and special character of Downtown's many parts; 6. Creating new Downtown parks and open spaces at strategic locations; 7. Preserving Downtown's important historic buildings to provide a tangible link to the past; 8. Adequately mitigating impacts of more intensive redevelopment on the quality of the physical environment.*

Goal DT-G6 (Downtown Area) Retail Concentration Goal - *Reinforce the concentrated shopping function of the retail core; preserve the general form and scale of the area; and protect the area from high-density uses that conflict with the primary retail function. Other concentrations of retail activity should be encouraged where they already exist or where such uses are desirable to encourage an active pedestrian environment or focal point of neighborhood activity.*

Policy DT-UDP11 (Downtown) Urban Design – *Regulate uses at street-level in certain areas in order to generate pedestrian interest and activity in conformance with policies for the pedestrian environment. Promote street-level uses to reinforce existing retail concentrations, enhance main pedestrian links between areas, and generate new pedestrian activity where appropriate to meet area objectives without diluting existing concentrations of retail activity. Promote active and accessible uses at the street-level of new development where it is important to maintain the continuity of retail activity. Consider measures to promote street-level space of adequate size and sufficient flexibility to accommodate a variety of retail and service activities. Encourage incorporation, as appropriate, of street-level uses as part of open space public amenity features provided for a floor area bonus to promote activity and increase public use of these spaces. To encourage active and accessible street-level uses throughout Downtown, consider appropriate exemptions of these uses from floor area limits.*

Policy B-P14 (Belltown) Land Use – *Promote pedestrian activity through such methods as eliminating "dead spots" of street-level activity.*

Policy PS-G4 (Pioneer Square) Economic Development – *A diverse and unique community with an eclectic mix of businesses and major community facilities.*

Policy QA-P1 (Queen Anne Uptown) Streetscape – *Seek to create and maintain attractive pedestrian-oriented streetscapes and enhance Queen Anne's community character with open space, street trees, and other vegetation.*

Policy SLU-P1 (South Lake Union) Neighborhood Character – *Encourage the colocation of retail, community, arts, and other pedestrian-oriented activities in key pedestrian nodes and corridors.*

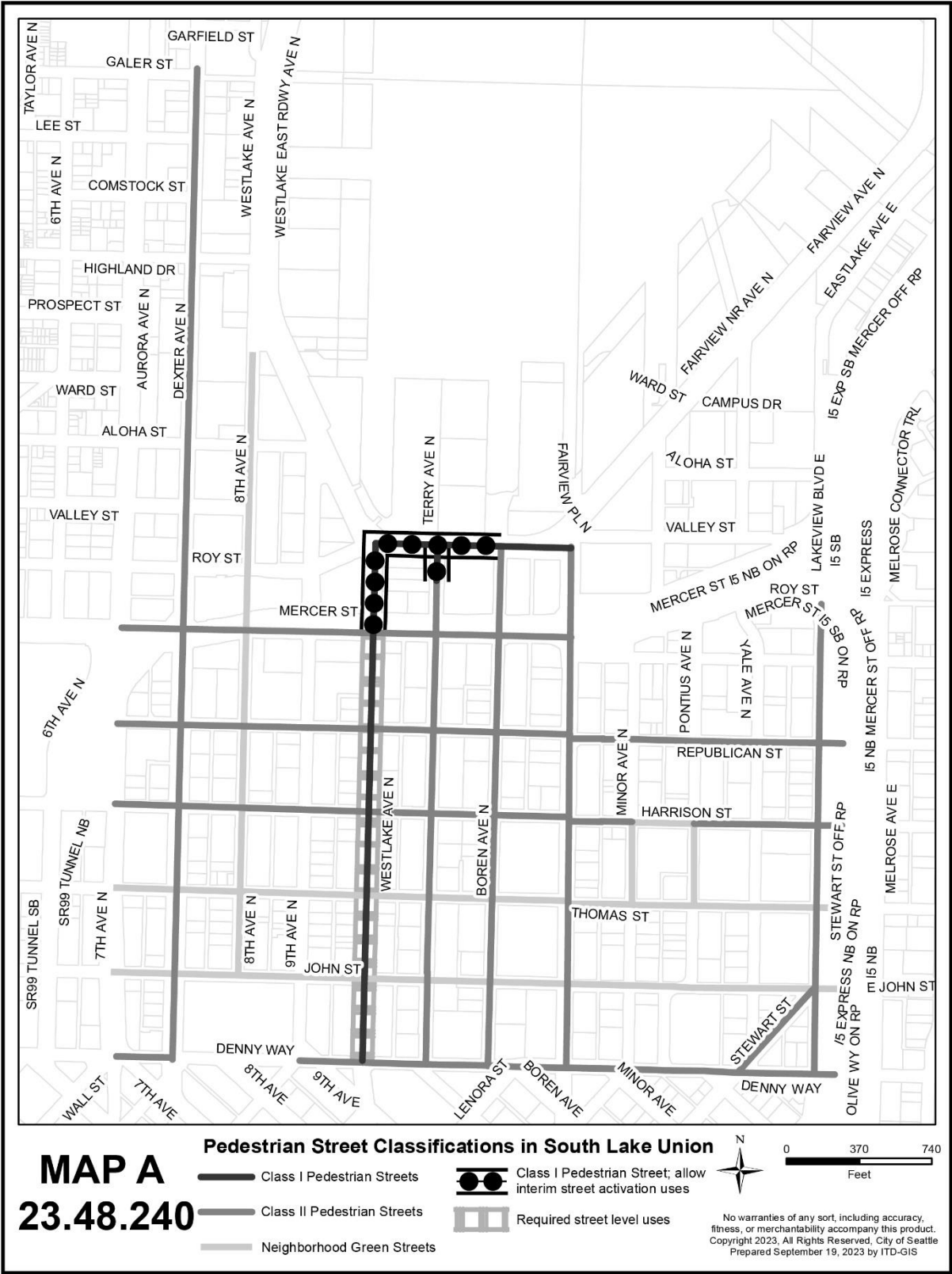
Goal LU G11 (Downtown Areas) Promote Downtown Seattle as an urban center with the densest mix of residential and commercial development in the region, with a vital and attractive environment that supports employment and residential activities and is inviting to visitors.

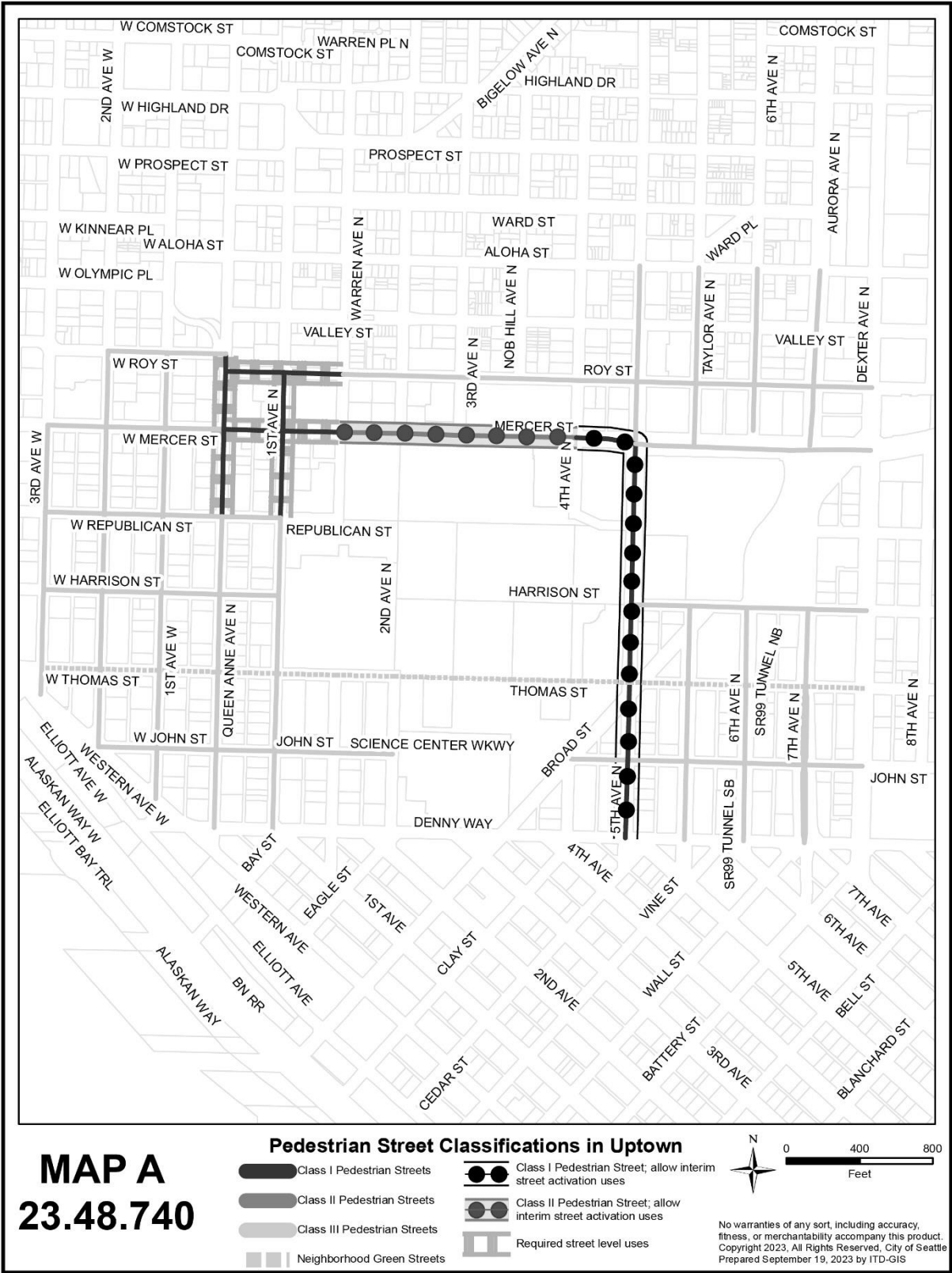
Downtown Neighborhood Plan – Commercial Core, Goal COM-G1 Maintain the Commercial Core as a major employment center, tourist and convention attraction, shopping magnet, residential neighborhood, and regional hub of cultural and entertainment activities.

Recommendation

The Director recommends adoption of the proposal to encourage filling vacant spaces in buildings on key streets in Downtown, Uptown, and South Lake Union, to aid economic revitalization of our most important urban centers.

Maps of Applicable Areas

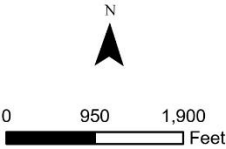




Street Level Uses Required



- Require active street level uses, per 23.42.041
- == Allow interim street activation uses
- Special Review or Historic Districts



DOWNTOWN ZONING
Map 1G
 Street Level Uses
 Required

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Public Amenity and Other Features

