

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
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1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; adopting interim provisions to facilitate occupancy of street-level spaces in the Downtown, South Lake Union, and Uptown Urban Centers; adding a new Section 23.42.041 to the Seattle Municipal Code; and amending Sections 23.42.108, 23.48.005, 23.48.020, 23.48.040, 23.48.240, 23.48.740, 23.49.009, 23.49.011, 23.76.004, and 23.76.006, and Downtown Overlay Maps 1G and 1J in Chapter 23.49 of the Seattle Municipal Code.

Summary and background of the Legislation: The Seattle Department of Construction and Inspections (SDCI), Office of Planning and Community Development (OPCD), and the Department of Neighborhoods (DON) are proposing land use legislation to temporarily add more flexibility and variety to the uses required to occupy street-level spaces. Along with new opportunities for flexible design and layout of these uses 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 intent of this legislation is to encourage new investments in Seattle’s core to support economic recovery over the next three years. It also aims to better activate street environments by encouraging greater continuity of occupied street-level uses and “eyes on the street.”¹

The legislation affects 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 active uses like retail and restaurant uses.

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 includes the following:

1. **Greater flexibility in types of permitted uses at the street level.** Currently, in several mapped streets, the Land Use Code requires street-level uses to be only the most “active” categories of uses (like retail, bars/restaurants and entertainment uses) and a few types of cultural and community facilities (like libraries, museums, childcare, and religious

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facilities). This is meant to provide for engaging, pedestrian-oriented street environments that are continuously occupied by street-level uses that attract visitors and activity. But in 2024, too many vacant spaces are jeopardizing those qualities and contributing to economic challenges in Seattle’s core urban centers. The proposal would allow more flexibility for a greater variety of less-active uses, such as offices, research and development laboratories, art installations, co-working spaces, and a variety of other institutional uses, including medical offices, food processing/craft work, horticultural uses, and non-household sales and services.

2. **Reduced minimum depth of use.** Street-level uses could be located in spaces with minimum depths of 8 feet, in contrast to existing depth requirements of 15 feet in Downtown and 30 feet in South Lake Union and Uptown.
3. **Greater flexibility in floor area density limit exemptions, to encourage design flexibility and more occupancy of spaces on the first two floors of buildings.** Greater flexibility in floor area density limit provisions would allow street-front uses to include second-floor and mezzanine spaces in them, while not counting them as “chargeable” toward floor area density limits. Spaces could include mezzanine and second-floor spaces in street-level uses, encouraging renovation of existing building spaces for larger and more diverse kinds of uses, such as multi-floor restaurants, retail spaces, or as part of hotel uses.
4. **Duration of permit.** The proposal treats these permits like any other and would allow the use to remain after the temporary rules expire. The permitted uses would become non-conforming, but could stay in perpetuity. This would encourage a tenant to stay for the long-term, to recoup over time the costs of obtaining permits and making improvements.
5. **Where the temporary flexibility would apply.** The proposal applies to most areas in the Downtown Urban Center and in selected portions of the South Lake Union and Uptown Urban Center that have street-level use restrictions. See the attached maps. This includes:
 - Portions of Westlake Avenue and Valley Street in South Lake Union.
 - Portions of Mercer Street and 5th Avenue North 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.

To qualify for an interim street activation use, a location must have a certificate of occupancy that was already issued before the ordinance becomes effective; and, a complete application for the interim use must be submitted and accepted within 36 months of the ordinance effective date. The ordinance automatically expires 36 months after the effective date.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

☐ Yes ☒ No

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No financial impacts, direct or indirect, are anticipated from adoption of this legislation. The cost of administering the proposal is anticipated to be covered by existing fees and with existing staff. Upgrades to the permit tracking system to aid SDCI in tracking permits under this legislation are covered by existing resources.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

SDCI does not anticipate direct or indirect costs associated with the legislation; if an additional volume of permit applications are made for tenant improvement permits in existing buildings' vacant spaces, permit fees are expected to cover the costs of review. Existing resources will be sufficient to train staff about a wider range of candidate uses that can occupy spaces in certain areas (broadening from a narrow retail-focused range of uses), create public information materials, and adjust business practices if needed. No significant technology changes are anticipated.

Please describe any financial costs or other impacts of *not* implementing the legislation.

There is no direct financial cost of not implementing the legislation. Failure to implement this or similar legislation could prolong challenges that the City is facing to help fill vacant spaces in downtown storefronts in order to generate economic activity and tax revenue.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

The legislation would affect, and has been developed in partnership with the Office of Planning and Community Development (OPCD), and with consultation of the Department of Neighborhoods (DON). SDCI, and possibly DON, will review permit applications that may use this legislation. No impacts to any departments are anticipated.

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No. The legislation would not directly affect any specific piece of property but would modify the type of businesses allowed on properties along streets with street-level use requirements within the South Lake Union Urban Center, Uptown Urban Center, and Downtown Urban Center (excluding the International Special Review District, Pioneer Square Preservation District, and Pike Place Market Historical District).

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

The proposal is intended to create opportunities for new businesses and jobs, which may extend to BIPOC communities. Further actions are anticipated to help BIPOC-owned businesses and job seekers benefit from the proposal, including communication in multiple languages. OPCD and SDCI are working with other departments and offices on methods and materials to help BIPOC and other businesses navigate the permit process, and provide priority processing.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

No specific RET or equity analysis was prepared.

- iii. What is the Language Access Plan for any communications to the public?**

Access to language translation services is available, if needed. No language access plan was prepared.

- d. Climate Change Implications**

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

This legislation will likely result in a reduction of greenhouse gas emissions. To the extent that the legislation facilitates incrementally more businesses providing goods and services downtown, the legislation could marginally increase the number of Seattle residents able to meet daily needs without the use of a car.

- ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

This legislation increases Seattle's resiliency and its ability to adapt to climate change by encouraging provision of a greater range of goods and services in the center city area.

- e. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

Not applicable.

5. CHECKLIST

- ☒ **Is a public hearing required?** The City Council will hold a public hearing.
- ☒ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?** Notice of the environmental review decision and the public hearing will be posted in the DJC.
- ☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- ☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

6. ATTACHMENTS

Summary Attachments:

Summary Att A - Map A for 23.48.240 (South Lake Union)

Summary Att B - Map A for 23.48.740 (Uptown)

Summary Att C - Downtown Map 1G

Summary Att D - Downtown Map 1J

Summary Att E - Determination of Non-Significance