

MEMORANDUM

To: Members of the Planning Land Use and Zoning Committee
From: Ketil Freeman, Legislative Analyst
Date: March 2, 2017
Subject: Clerk File No. 314331, Contract Rezone for 203 West Republican Street

This memorandum: (1) provides an overview of the rezone application contained in Clerk File (CF) 314331; (2) describes the contents of Council decision documents, which would grant the rezone application; and (3) summarizes a bill, which would amend the Official Land Use Map, also known as the zoning map, to effectuate the rezone, and accept a Property Use and Development Agreement (PUDA) limiting future development.

Overview

Mariner on Republican, LLC (the Applicant), has applied for a contract rezone for an approximately 14,000 square foot site located at 203 West Republican Street (the Property) from Neighborhood Commercial 3 with a 65-foot height limit (NC3 65) to Neighborhood Commercial 3 with an 85-foot height limit (NC3 85).

The Applicant plans to redevelop the site with a 128 residential unit apartment building with ground floor live-work and retail space. Through a combination of participation in the Multifamily Tax Exemption Program and voluntary compliance with the Mandatory Housing Affordability – Residential (MHA-R) Program. The Applicant will provide 21 affordable units: eight affordable to households at 60% of Area Median Income (AMI) and 13 affordable to households earning between 65% and 85% of AMI. Voluntary compliance with MHA-R would be based on phased implementation amounts set out in a draft SDCI Directors Rule. Those amounts are 6% of total units for on-site performance or payment of \$13.25 per gross square foot of residential floor area. Parking for 55 vehicles will be provided on-site. The proposed structure height would be approximately seven stories tall.

The Applicant filed a rezone petition in October 2015. On November 3, 2016, the Seattle Department of Construction and Inspections (SDCI) issued an affirmative rezone recommendation, State Environmental Policy Act decision, and design review decision. The Hearing Examiner held an open record hearing on the rezone recommendation on December 6, 2016. One party, a representative of the Lower Queen Anne Residents, testified against the rezone at the hearing. The substance of that testimony is contained in Exhibit 42 in the record. On January 10, 2017, the Hearing Examiner issued a recommendation to Council to approve the rezone subject to a PUDA.

Type of Action and Materials

This rezone petition is a quasi-judicial action. Quasi-judicial rezones are subject to the Appearance of Fairness Doctrine prohibiting *ex-parte* communication. Council decisions must be made on the record established by the Hearing Examiner.¹

The Hearing Examiner establishes the record at an open-record hearing. The record contains the substance of the testimony provided at the Hearing Examiner's open record hearing and the exhibits

¹ Seattle Municipal Code (S.M.C.) § 23.76.054.E.

entered into the record at that hearing. The entire record, including audio recordings of the hearing, are available for review in my office.

Attachments to this memo include:

- Proposed Council Findings, Conclusions and Decision
- The Hearing Examiner’s recommendation to approve the rezone; and
- Drawings and other images excerpted from the Applicant’s Design Review Packet.²

Committee Decision Documents

To approve a contract rezone the Council must make recommendations to the Full Council on two pieces of legislation: (1) a Council Findings, Conclusions and Decision that grants the rezone application and (2) a bill amending the zoning map and approving a PUDA.

Findings, Conclusions and Decision

Council staff has drafted a proposed Council Findings, Conclusions and Decision, which:

1. Adopt the Hearing Examiner’s findings and conclusions;
2. Establish conditions to implement the Applicant’s voluntary agreement to provide affordable housing as reflected in Exhibit 31 in the Hearing Examiner proceeding; and
3. Approve the proposed rezone subject to a condition that the Applicant execute a PUDA limiting development to the project shown on final approved plans.

Council Bill and the PUDA

If the Committee is supportive of the proposed rezone with the conditions laid out in the draft Findings, Conclusions and Decision, I will work to introduce and refer a Council Bill to amend the zoning map and approve a PUDA. That bill would be referred to the Committee for action on March 21. I will also work with the applicant to record the final PUDA reflecting the Committee’s direction. The PUDA would incorporate the following conditions recommended by the Hearing Examiner:

- Development of the site would be subject to requirements of SMC Chapters 23.58B and 23.58C. including a payment of \$13.25 for affordable housing or inclusion of 6% affordable units;
- Development of the property must substantially conform with the approved Master Use Permit plans.

Next Steps

The rezone application will be considered by PLUZ for a recommendation to Full Council on March 21. Depending on Committee action, a Full Council vote would occur no earlier than March 27.

cc: Kirstan Arestad, Central Staff Executive Director

² Hearing Examiner’s Exhibit 13.