

# Seattle Children's Hospital Major Institution Master Plan



## Revised Final Environmental Impact Statement

Date of Issue: May 28, 2009

City of Seattle  
Department of Planning and Development

The intent and purpose of this Revised Final Environmental Impact Statement is to satisfy the procedural requirements of the State Environmental Policy Act (RCW 43.21c) and City Ordinance 114057. This document is not an authorization for an action, nor does it constitute a decision or a recommendation for an action; in its final form it will accompany the final decision on the proposal.

# **Revised Final Environmental Impact Statement**

for

## **Seattle Children's Hospital Major Institution Master Plan**

**Master Use Permit Application No. 3007521**

City of Seattle  
Department of Planning and Development

Prepared in Compliance with the  
State Environmental Policy Act of 1971  
Chapter 43.21 C, Revised Code of Washington

SEPA Rules, Effective April 4, 1984  
Chapter 191-11, Washington Administrative Code

City of Seattle SEPA Ordinance 114057 Seattle Municipal Code Chapter 25.05

Date of Issue: May 28, 2009



# Preface

On June 9, 2008, the City of Seattle Department of Planning and Development (DPD) issued a Draft Environmental Impact Statement (DEIS) for the Seattle Children's Hospital (Children's) Major Institution Master Plan (MIMP). The issuance of the DEIS was followed by a 45 day agency and public review period which ended on July 25, 2008. During the review period, DPD conducted a public hearing at 6:00 pm on July 10, 2008 in the Northwest Horticulture Society Hall at the Urban Horticulture Center, 3501 NE 41st Street, Seattle, Washington.

On November 10, 2008, DPD issued a Final Environmental Impact Statement (FEIS). It fully incorporated the information contained in the DEIS, comments received on the DEIS during the public review period, responses to those comments, and additional information developed in response to comments.

On December 11, 2008, DPD issued an errata to the FEIS containing an additional comment letter, and locations in the November 10, 2008 FEIS where the same or similar comments were made and a response provided.

The adequacy of the FEIS was appealed by the Laurelhurst Community Club and a hearing was held before the Seattle Hearing Examiner. On April 20, 2009, the Hearing Examiner issued her Findings and Decision reversing the Director's determination that the FEIS issued for the proposal is adequate as the FEIS fails to present a reasonably thorough discussion of probable significant housing and land use impacts. The Hearing Examiner found that the FEIS presents a reasonably thorough discussion of the probable significant impacts on aesthetics (height, bulk and scale), and on transportation.

Specifically, the Hearing Examiner found the following on housing and land use:

## Housing

*“The FEIS fails to provide necessary information on the scope of details of the impact of demolishing 136 units of moderate-income housing, such as the average square footage and size of the units, the appraised value of the units, and the cost in current dollars to replace them. Without such basic information, the Council lacks a baseline for determining the extent of the impact and thus, cannot determine whether any proposed mitigation package satisfies the Code requirement for comparable replacement housing. As a result, the Council cannot make the balancing judgment mandated by SEPA, SMC 25.05.448, or by SMC 23.34.124.*

*In all other respects, the FEIS presents a reasonably thorough discussion of the significant housing impacts of the proposal.”*

## Land Use

*“Although the FEIS is not required to directly analyze “the viability, vitality and livability of the area” or the Land Use Code’s zoning principles, as suggested by the*

*Appellant, there will likely be some overlap between the analysis of land use impacts in the FEIS and the Director's analysis of "viability and vitality" and zoning principles in conjunction with the proposed MIMP. The decision-maker must be provided with a complete, objective analysis of the proposal's relationship to existing land use plans. "Analysis" includes "the nature, significance and relationship of the various parts, elements, aspects, or qualities" of whatever is being reviewed. Webster's Third International Dictionary (unabridged). Thus, the land use section of the FEIS must review the nature, significance and interrelationship of all applicable parts of the land use planning scheme and the proposal's relationship to it. Because it does not do so, it is inadequate."*

This Revised FEIS is intended to provide the additional information determined to be missing by the Hearing Examiner. It fully incorporates by reference all information contained in the November 10, 2008 FEIS, including all comments and responses, and is limited to only the new information provided on land use (Section 3.7) and housing (Section 3.8). New or revised text is marked with a vertical line in the margin next to the text.

This Revised FEIS contains:

- A summary of the revisions made to the discussion on impacts or mitigation measures contained in Revised Section 3.7 Land Use and Revised Section 3.8 Housing (Section 1);
- A review of the nature, significance and interrelationship of all applicable parts of the land use planning scheme and the proposal's relationship to it. (Revised Section 3.7 Land Use)
- Details of the impact of demolishing 136 units of moderate-income housing, such as the average square footage and size of the units, the appraised value of the units, and the cost in current dollars to replace them. (Revised Section 3.8 Housing)

DPD will proceed with this document as a Revised FEIS and will make a recommendation regarding the proposed Major Institution Master Plan no less than seven days following the issuance of this document.

# Fact Sheet

## Project Title

Seattle Children's Hospital Major Institution Master Plan

## Proponent

Seattle Children's Hospital

## Location

The proposal is located in northeast Seattle on the 21.7-acre campus of Seattle Children's Hospital (Children's) at 4800 Sand Point Way NE, the Hartmann property at 4575 Sand Point Way NE across from Children's, and the 6.75-acre Laurelon Terrace Condominium site located immediately to the west of Children's and bounded on the south by NE 45th Street, on the west by 40th Avenue NE, and on the northwest by Sand Point Way NE.

## Proposed Action

The proposal is to expand Children's to approximately 2.4 million square feet to include 500 – 600 beds, clinic, research, clinical laboratory, and office uses. Depending on the alternative selected, approximately 170,000 square feet of the total expansion could occur at the Hartmann site for office and medical clinic use. Two alternatives include the expansion of the campus to incorporate the Laurelon Terrace site. The proposal includes an increase of parking to approximately 2,570 – 3,100 stalls at Children's and approximately 225 – 530 stalls at Hartmann (depending on alternative selected).

## Lead Agency

City of Seattle Department of Planning and Development

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Master Use Permit No.: 3007521

## **Required Approvals**

Preliminary investigation indicates that the following permits and/or approvals could be required for the proposal. Additional permits and/or approvals may be identified during the review process.

### **State of Washington**

#### Department of Health

- Certificate of Need

#### Labor & Industries

- Elevator Permits

### **Puget Sound Clean Air Agency**

- Asbestos Survey
- Demolition Permit

### **City of Seattle**

#### Department of Planning and Development

- Draft and Final EIS Approval
- Major Institution Master Plan
- Rezone
- Master Use Permit
- Exemption from Environmentally Critical Areas (depending on selected alternative and location of construction on Hartmann site)
- Grading Permit/Shoring Permit
- Demolition Permit
- Building Permit
- Mechanical Permits
- Electrical Permits
- Structural Permit
- Certification of Occupancy
- Energy Code Approval
- Drainage Control Plan Review and Approval

#### Seattle City Light

- Electrical connection

#### Seattle Department of Transportation

- Vacation of 41st Avenue NE and NE 46th Street between Sand Point Way NE and 40th Avenue NE (if Alternative 7R or 8 is approved)
- Pre-construction roadway condition survey

Seattle Public Utilities

- Water connection
- Sewer connection

Seattle Fire Department

- Fire Code Inspections

**Seattle-King County Department of Health**

- Plumbing Permits

## **Date of Issuance of the Revised Final EIS**

May 28, 2009

## **Approximate Date of Action by the City of Seattle**

Following the issuance of the Revised Final EIS, the following process will take place:

- DPD will submit the Revised Final EIS to the Hearing Examiner for reconsideration of adequacy, along with the Director's Recommendation on the Major Institution Master Plan.
- The Hearing Examiner will hold a hearing and will submit a recommendation to the City Council.
- The City Council will take final action on the Hearing Examiner's recommendation within three months of receipt of the recommendation.

It is estimated that City Council action will occur during the summer of 2009.

## **Additional Environmental Review**

No additional environmental review beyond this Revised Final EIS is anticipated for the proposed action. Depending on the alternative selected, and the timing of individual Master Use permits, a SEPA addendum to this EIS may be required.

## **Document Availability and Cost**

Copies of this Revised Final EIS have been distributed to agencies and organizations noted in Section 6, Distribution List of the November 10, 2008 Final EIS.

Copies of this document are also available for review at the City of Seattle Department of Planning and Development Public Resource Center, located in Suite 2000 of Seattle Municipal



Tower in Downtown Seattle (700 Fifth Avenue) and at the following branches of the Seattle Public Library:

- Central Library (1000 – 4th Avenue)
- North East Branch (6801 – 35th Avenue NE)

A limited number of complimentary copies of this Revised Final EIS may be obtained from the Department of Planning and Development Public Resource Center while the supply lasts. Additional copies may be purchased for the cost of reproduction.

Information regarding the master plan can be found at: <http://masterplan.seattlechildrens.org/>

## **Authors and Principal Contributors to this Revised Final EIS**

The Major Institution Master Plan Revised Final EIS has been prepared under the direction of the Department of Planning and Development. Research and analysis was provided by the following consulting firm:

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## **Location of Background Data**

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Department of Planning and Development  
Seattle Municipal Tower, 700 Fifth Avenue, Suite 2000  
PO Box 34019  
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# **Section 1 - Summary**

Section 1 – Summary contained in the Final EIS is fully incorporated by reference and is only amended by the following information on land use and housing:

## **1.1 Summary of Potential Impacts**

A summary comparing potential environmental impacts of each alternative discussed in Section 3 is shown in Table 1-2. See Section 3 for more details.

## **1.2 Summary of Potential Mitigation Measures**

A summary of potential mitigation measures discussed in Section 3 is shown in Table 1-3. See the mitigation sections included for each element of the environment in Section 3 for more details.

## **1.3 Significant Unavoidable Adverse Impacts**

Significant unavoidable adverse impacts are those adverse impacts that would remain even after applying mitigation measures, or for which no mitigation measures would be effective.

Table 1-4 summarizes the significant unavoidable adverse impacts anticipated to be caused by each of the alternatives.

**Table 1-2 Summary of Potential Impacts**

Environmental Element	Construction and Operation Phases	Alternative 1 - No Build	Alternative 3 – South Campus Expansion	Alternative 6 - Modified North Campus Expansion	Alternative 7R -Expanded Boundary, Early Laurelon Development	Alternative 8 - Early Laurelon Development without Hartmann
Land Use	Construction	Impacts from construction activities	Impacts from construction activities	Same as Alternative 3	Same as Alternative 3	Same as Alternative 3
	Operation	No impacts	Impacts would be minor to moderate on surrounding land uses	Same as Alternative 3	Conversion of housing to medical use at Laurelon Terrace property would be an impact. The resultant remaining half block wide multi-family zone between the hospital and NC2-40 zone would be impacted.	Same as Alternative 7R
Housing	Construction	No impacts	No impacts	Same as Alternative 3	Same as Alternative 3	Same as Alternative 3
	Operation	Impacts from minimal increases in staffing and patient levels	Impact due to need for additional staff for housing, and need for additional patient family and visitor overnight accommodations	Impact due to need for additional staff for housing, and need for additional patient family and visitor overnight accommodations	If not mitigated, a significant impact on multi-family housing by removing 136 moderately-priced housing units from the neighborhood and northeast Seattle. Children's <del>has proposed a housing replacement package that is under review by the</del> City and the Office of Housing have developed a proposed agreement on housing replacement for consideration by the City Council.	Same as Alternative 7R

**Table 1-3 Summary of Potential Mitigation Measures**

Environmental Element	Construction and Operation Phases	Mitigation Measures
Land Use	Construction	No mitigation measures are required. See Air Quality, Noise and Transportation for mitigation measures on air emissions, noise and traffic during construction.
	Operation	See Aesthetics/Light, Glare and Shadow for mitigation measures for height, bulk and scale.
Housing	Construction	No mitigation measures are proposed.
	Operation	If Alternative 7R or 8 is selected and the housing units in Laurelton Terrace demolished, Children's would be required to propose comparable replacement to maintain the housing stock of the city. <del>Children's has informed the City's Office of Housing that it will meet, and to the extent feasible and cost-effective, exceed housing replacement responsibilities for the demolition of Laurelton Terrace. Children's says it will work with non-profit housing organizations and the City's Office of Housing and DPD to establish a binding agreement for a specific package of replacement housing.</del> The housing replacement package is intended to address the City's policy and program goals for comparable affordable housing and contribute to the replacement of at least 136 housing units in northeast Seattle. <del>They have also said that participation in the development of affordable housing at Sand Point Magnuson will be a component of the agreement.</del> Per the SEPA housing policy codified in SMC 25.05.675 I. Housing, c. "Compliance with legally valid City ordinance provisions relating to housing relocation, demolition and conversion shall constitute compliance with this housing policy." The approval on the proposed replacement housing would be made by the City as part of the Major Institution Master Plan review and approval process. If approved, Children's housing replacement package would constitute mitigation for the loss of the Laurelton Terrace housing.

**Table 1-4 Summary of Significant Unavoidable Adverse Impacts**

<b>Element of the Environment</b>	<b>Significant Unavoidable Adverse Impact</b>
<b>Land Use</b>	No significant unavoidable adverse impacts to land use have been identified. The potential for significant adverse impacts for density-related impacts such as loss of housing or increased height, bulk and scale, are addressed in other subsections within Section 3 of this Final EIS.
<b>Housing</b>	At the time of the 2000 census, there were 649 multi-family units in the Laurelhurst/Sand Point Way CRA and 3,013 multi-family units in northeast Seattle. Multi-family or attached housing provides a more affordable housing option for many of Seattle’s residents. Through the loss of 136 units at Laurel Terrace, Alternative 7R or 8 would reduce the available amount of multi-family housing in the Laurelhurst/Sand Point CRA by approximately 21 percent unless the required comparable housing were proposed to be located within the same CRA. This would be a significant loss of moderately priced housing available in the area that would be difficult to replace. Children’s has proposed to contribute to the development of 136 new housing units in northeast Seattle. The proposed agreement between Children’s and the Office of Housing addresses the recommendations of the CAC and incorporates Children’s financial commitment of \$5 million for replacement housing, with a contribution to 52 units at Sand Point Magnuson, located at 7400 Sand Point Way NE in Census Tract 41 which is immediately north of the Laurelhurst/Sand Point CRA. At this time, the proposal has been presented by Children’s and is under review by the Office of Housing and the Department of Planning and Development. If the proposal is found to be acceptable as a means of maintaining the housing stock of the city, proposed agreement is implemented, the impact of the loss of the 136 units at Laurel Terrace would be mitigated and reduced to less than significant.

## 3.7 Land Use (Revised)

In a decision dated April 20, 2009, the Hearing Examiner found:

*“Although the FEIS is not required to directly analyze “the viability, vitality and livability of the area” or the Land Use Code’s zoning principles, as suggested by the Appellant, there will likely be some overlap between the analysis of land use impacts in the FEIS and the Director’s analysis of “viability and vitality” and zoning principles in conjunction with the proposed MIMP. The decision-maker must be provided with a complete, objective analysis of the proposal’s relationship to existing land use plans. “Analysis” includes “the nature, significance and relationship of the various parts, elements, aspects, or qualities” of whatever is being reviewed. Webster’s Third International Dictionary (unabridged). Thus, the land use section of the FEIS must review the nature, significance and interrelationship of all applicable parts of the land use planning scheme and the proposal’s relationship to it. Because it does not do so, it is inadequate.”*

In response, Section 3.7.2.2 Land Use Regulations, beginning on page 3.7-8, has been replaced in its entirety.

### 3.7.1 Affected Environment

#### 3.7.1.1 Land Use

##### Hospital Campus

Children’s is located on a 21.7-acre site adjacent to the Laurelhurst and Bryant neighborhoods in northeast Seattle. The property is wholly owned by Children’s and is 0.5 mile from the Ravenna portion of the University Community Urban Center. The hospital moved from Queen Anne Hill to the current location in 1953.

The existing Major Institution boundaries are NE 50th Street to the north, 44th Avenue NE, NE 47th Street and 45th Avenue NE to the east, NE 45th Street to the south, and Sand Point Way NE and a shared property line with the Laurelon Terrace Condominiums to the west. The campus extends roughly 1,300 feet in a north-south direction and 900 feet in an east-west direction. There are approximately 900,000 sf of hospital uses and 1,462 on-site parking spaces.

There is one primary vehicle entrance to the campus from Sand Point Way NE, at the intersection with Penny Drive, a private roadway. Penny Drive extends diagonally from Sand Point Way NE on the west to the Whale Garage on the east, and separates the existing hospital facilities. On the south and west sides of Penny Drive are the inpatient and outpatient facilities for patient care. On the north and east sides are parking, administrative offices in trailers, a nursery for plants, and evaporative cooling equipment. Along this path, all of the building entries are accessible. A secondary egress is located along the southeastern corner side of the campus accessible from NE 45th Street. This is a drive-through bus layover area, with a



pedestrian and service vehicle connection to the Whale Garage and fire access along the south face of the building.

On the south side of Penny Drive, the tallest roof top elevation is approximately 90 feet in height. On the north side of Penny Drive, the highest building is the Giraffe Garage at 2.5 to 3 stories tall, below 37 feet in height.

The Master Plan for Children's as adopted in 1994 included 16 projects totaling 262,630 sf of additional space plus a new parking structure (Whale Garage). Most of the existing approved development has been completed, except for approximately 54,000 gross square feet (sf) of unbuilt area.

### **Surrounding Land Uses**

The area surrounding Children's is primarily single family homes, and includes a mixture of single- and multi-family residences, retail/commercial businesses, institutions, and recreational opportunities, such as the Burke-Gilman Trail, Laurelhurst Playfield, and Magnuson Park. The retail/commercial businesses are located primarily west of Children's along Sand Point Way NE, and include University Village, restaurants and shops, an exercise gym, office space, and the Virginia Mason Pediatric Clinic. There are several institutions in the area, including the Children's 70th and Sand Point Way facility, churches, Talaris Research and Conference Center, Laurelhurst Elementary School, and Villa Academy. The nearest Major Institution in the area, the University of Washington, is less than a mile to the west. See Figure 1-1 for a site vicinity map.

Single-family and low and moderate density multi-family residences surround the hospital. The western edge of the hospital is adjacent to the 6.75-acre Laurelon Terrace multi-family development. Laurelon Terrace was built in the 1940s and consists of 136 units in twenty garden-style two to three-story buildings. The units are owned as condominiums. The elevation of the hospital site slopes from Elevation 170 feet at NE 45th Avenue to Elevation 60 feet on the western property line with Laurelon Terrace. Due to the 110 foot grade change, the buildings appear low on the eastern edge of the campus but commensurably taller on the western edge of the campus. Facing the southern portion of Laurelon Terrace, on the west side of 40th Avenue NE, are multi-family (duplex) buildings.

Properties to the south and east of the hospital are developed with single-family homes. The homes are separated from the hospital grounds on the south by NE 45th Street, a local arterial, and on the east by 45th Avenue NE and 44th Avenue NE. To the north, across NE 50th Street, the properties are duplex and triplex residences.

Children's has recently purchased some single family homes and Laurelon Terrace condominiums. In late February, 2008, Children's reached a tentative agreement with the Laurelon Terrace Condominium Association to purchase the entire 6.75-acre property. The condominium board submitted a final agreement to its members for signature by each consenting owner, and this agreement was approved by over 80 percent of the owners. On October 6, 2008, Children's and Laurelon Terrace signed a Purchase and Sale Agreement for the property. This is a binding agreement, committing Laurelon Terrace to sell the property to Children's and

committing Children's to buy the property if the City Council approves the proposed Final Master Plan. Unless changed by the MIO, the use would continue as residential even if totally owned by Children's. (See Section 3.8 for more information on existing housing and potential impacts.)

### **Hartmann**

Children's also owns the Hartmann property located on the west side of Sand Point Way NE. The Hartmann property is developed with a one-story clinic and office constructed in 1958. There are 80 surface parking spaces. The west edge of the property fronts on the Burke-Gilman Trail. The east edge is adjacent to Sand Point Way NE. Multi-family buildings are located both north and south of the Hartmann property. The tallest of these multi-family developments is on Sand Point Way NE immediately south of the Hartmann property, and has a height of approximately 120-100 feet. The multi-family development to the north is lower, approximately 35 feet high along 40th Avenue NE.

### **Leased Space**

Children's currently leases approximately 6,700 sf at the Springbrook office complex located at the intersection of NE 45th Street and Sand Point Way NE. The Springbrook property is fully developed with two office buildings; one is a two-level structure and the other has three levels. The property is surrounded by commercial and multi-family residential uses within the neighborhood commercial center for Laurelhurst.

Children's also leases approximately 805 parking spaces at remote parking lots north of the hospital campus at the National Archives & Records Depository (at 61st Avenue NE and Sand Point Way NE), Magnuson Park, and the 13th Church, and south of campus at the University of Washington's E-1 parking lot<sup>1</sup>. Children's operates a shuttle connecting these parking lots to the hospital, 70th Avenue NE and Sand Point Way NE (70th and Sand Point Way), and other clinical partners in South Lake Union and at the University of Washington.

### **Decentralization**

Children's provides pediatric specialty care at regional clinics in Bellevue, Everett, Federal Way and Olympia, and outreach clinics in Yakima, Wenatchee, and Kennewick, Washington, and sites in Alaska and Montana. A regional clinic in the Tri-Cities areas opened in May 2008 and provides regularly scheduled consultation and follow-up services in Cardiology, Gastroenterology, Genetics, Nephrology, Orthopedics, Prenatal cardiology, Pulmonary, and Rheumatology to serve children and their families in Benton/Franklin and surrounding counties. These clinics provide outpatient services only; they do not provide general pediatric or emergency care. In addition, Children's is working with community providers to increase the availability of pediatric specialty-care services in the area.

Research functions have been consolidated away from the hospital campus. In 2006, Children's purchased new research facilities and land for a total of 1.5 million gross square feet in the South

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<sup>1</sup> At the time the traffic analysis was prepared, Children's was leasing 640 spaces, all north of their campus.

Lake Union area of downtown Seattle. Children's is in the process of acquiring 6.6 acres near downtown Bellevue for a new outpatient facility, expected to open in 2010.

### 3.7.1.2 Land Use Regulations

#### Code Provisions Directly Applicable to Major Institution Master Plans

The establishment or amendment of a Major Institution Overlay District (MIO) must be accomplished through the development of a Major Institution Master Plan (MIMP). The Seattle Municipal Code (SMC) provisions containing the criteria for review and approval of a MIMP are set forth in SMC Chapter 23.69. An application for a MIMP is initiated with a notice of intent to apply for a MIMP filed with the Department of Planning and Development (DPD). SMC 23.69.032.A. The application must be reviewed by the DPD, the Citizens Advisory Committee, and the City's Hearing Examiner, each of whom, in their turn, must make a recommendation on the proposed MIMP before it is considered by the City Council, who makes the decision to adopt, adopt with conditions, or deny an application for a MIMP.

The criteria for recommendation and approval of a MIMP are set forth in two chapters of the SMC. First, in the portions of SMC 23.69 setting forth the criteria for the DPD Director's Report, it states: *"a determination shall be made whether the planned development and changes of the Major Institution are consistent with the purpose and intent of this chapter, and represent a reasonable balance of the public benefits of development and change with the need to maintain livability and vitality of adjacent neighborhoods."* SMC 23.69.032.E.2. The "purpose and intent" provisions are set forth in SMC 23.69.002.A through M. In applying the criteria quoted above, the Director is required to give "consideration" to a lengthy list of factors that are set forth in SMC 23.69.032.E.2, E.4, E.5, and E.6. These are Land Use Code factors, fully set forth in SMC 23.69. There is one instance in which the Director is asked to consider particular policies in the Comprehensive Plan: *"In the Director's Report, an assessment shall be made of the extent to which the Major Institution, with its proposed development and changes, will address the goals and applicable policies under Education and Employability and Health in the Human Development Element of the Comprehensive Plan."* SMC 23.69.032.E.3. There are no separate substantive criteria applicable to the Council's decision on the merits (see SMC 23.69.032.J) other than those that are set forth with respect to the Director's Report as referenced above.

Second, in those instances where the boundaries of an MIO district or the heights within such MIO district are being "established or amended," such decisions must be made in accordance with the special rezone criteria applicable to Major Institutions in SMC 23.34.124 and the purpose and intent provisions set forth in SMC 23.69.002.A through M. The special rezone criteria require a statement of public benefits by the applicant, set forth applicable boundaries criteria, set forth applicable height criteria, and request consideration of the general rezone criteria in SMC 23.34.008 as well as consideration of the CAC recommendations. Again, these criteria for boundary and height changes are applicable to the Director, in her recommendation, as well as to the Council in its final decision.

In Section 3.7.2.2 below, the Comprehensive Plan goals and policies that apply to Major Institutions, as well as land use elements that are relevant to Children's proposed Master Plan,

are identified. For each applicable goal or policy, the FEIS includes an assessment of the manner in which Children’s proposed Master Plan is consistent or inconsistent, in whole or in part, with such goals and policies. The purpose of this analysis is to augment the discussion of land use “impacts.” It is not the function of the FEIS to assess and apply the criteria for review and approval of Master Plans that is contained in SMC 23.69, SMC 23.34.124, and SMC 23.34.008. That is the prerogative of the recommending entities (DPD, CAC and the Hearing Examiner) and the City Council.

The Director's Report and Recommendation will include a full analysis of Children's proposed Master Plan using the regulatory criteria for review and approval of Master Plans described above. The FEIS as well as the Director's Report will be provided to the City Council to assist it in making its decision on Children's proposed Master Plan.

### **City of Seattle Comprehensive Plan**

The Comprehensive Plan “Toward a Sustainable Seattle,” is a 20-year policy plan designed to articulate a vision of how Seattle will grow in ways that sustain its citizens’ values. The City first adopted the plan in 1994 in response to the state Growth Management Act of 1990. The current plan contains amendments adopted by the Seattle City Council through the year 2005.

The Comprehensive Plan contains eleven elements: urban village, land use, transportation, housing, capital facilities, utilities, economic development, neighborhood planning, human development, cultural resource, and environmental. The *Future Land Use Map*, which is part of the plan, designates the Children’s site as a Major Institution<sup>2</sup>, with single family and City-owned open space to the south and east, multi-family and City-owned open space to the west and north, and commercial along Sand Point Way NE.

The Land Use Element of the plan contains location-specific land use policies for Major Institutions. Under C-1 Major Institutions, the plan states:

*Hospitals and higher educational facilities play an important role in Seattle. Institutions containing these facilities provide needed health and educational services to the citizens of Seattle and the region. They also contribute to employment opportunities and to the overall diversification of the city’s economy. However, when located in or adjacent to residential and pedestrian-oriented commercial areas, the activities and facilities of major institutions can have negative impacts such as traffic generation, loss of housing, displacement and incompatible physical development.*

*These policies provide a foundation for the City’s approach to balancing the growth of these institutions with the need to maintain the livability of the surrounding neighborhoods.*

The City of Seattle Economic Land Use Map shows three uses for the hospital site: Public Facilities, Parking, and Mixed-Use. To the south and east of the site, the land use is Single Family. A mixture of Multi-Family, Retail/Service and open space is located north and west of the site. The established land use of the Hartmann site is medical services.

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<sup>2</sup> See Chapter 5 Glossary for a definition of "Major Institution".

## Zoning

The hospital campus is zoned as Single-Family Residential with an MIO, with height limits ranging from 37 feet to 90 feet. The Hartmann site is zoned Multi-family Residential, Low-rise 3 with a 30-foot height limit (L-3). The area immediately west and northwest of the hospital campus, including the Laurelon Terrace property, is also zoned L-3. North of the hospital, the surrounding area is zoned Low-rise Duplex/Triplex with a 25-foot height limit (LDT). The areas east, south and west of 39<sup>th</sup> Avenue NE are all zoned Single-Family Residential with a 30-foot height limit (SF 5000). See Figure 2-1 in Section 2, Description of Alternatives for existing zoning.

### 3.7.2 Impacts

Table 3.7-1 compares the estimated density of the Build Alternatives in terms of the approximate percentage of lot coverage, approximate acreage of open space, approximate percentage of the campus to remain in open space, and approximate floor area ratio. The density-related impacts of additional development, such as loss of housing, increased height, bulk and scale, increased noise, parking, increased traffic, and increased need for public services and utilities are addressed in other subsections within Section 3 of this Final EIS. Height limits, height overlay photos, and the potential impacts of height, bulk and scale are discussed in Section 3.9, Aesthetics/Light, Glare and Shadows.

**Table 3.7-1  
Comparison of Density**

	<b>Property Size</b>	<b>Building (gross sf)</b>	<b>Approx. Lot Coverage Percentage</b>	<b>Approx. Open Space Acreage</b>	<b>Approx. Open Space Percentage</b>	<b>Approx. Floor Area Ratio</b>
<b>Alternative 1 – No Build</b>	21.7 acres	900,000	35%	10.4 acres	48%	0.95
<b>Alternative 3 – South Campus Expansion</b>	23.48 acres	2,400,000	57%	7.81 acres	33%	2.35
<b>Alternative 6 – Modified North Campus Expansion</b>	21.70 acres	2,400,000	59%	6.70 acres	31%	2.54
<b>Alternative 7R – Expanded Boundary, Early Laurelon Development</b>	30.23 acres	2,400,000	51%	12.27 acres	41%	1.82
<b>Alternative 8 – Early Laurelon Development without Hartmann</b>	28.45 acres	2,400,000	52%	11.06 acres	39%	1.94

This land use impact analysis, in conformance with the City’s SEPA Land Use Policy, is focused on ensuring that the proposed uses in development projects are reasonably compatible with surrounding uses and are consistent with any applicable, adopted City land use regulations, and the goals and policies set forth in the Urban Village and Land Use Elements of the Comprehensive Plan, including Section A, City-Wide Land Use Policies, Section B, Land Use Categories for single-family and multi-family areas, and Section C, Major Institutions of the Seattle Comprehensive Plan regarding Location-Specific Land Use Categories in C-1 Major Institutions. The project site is not located within a shoreline, and an analysis of the shoreline goals and policies set forth in section D-4 of the land use element of the Seattle Comprehensive Plan is not required.

### 3.7.2.1 Land Use

For all alternatives, detailed summaries of each alternative, including proposed MIO boundaries, and comparisons between alternatives can be found in Section 2, Description of Alternatives.

For all of the alternatives, the proposed Master Plan would continue the use of the hospital property and the Hartmann site in medical uses. Alternatives 7R and 8 would require the conversion of multi-family housing (Laurelon Terrace condominiums) to medical use. A summary of the proposed changes in development is provided in Table 3.7-1a.

**Table 3.7-1a  
Proposed Change of Use – Comparison of Alternatives**

	<b>Property Size (acres)</b>	<b>Building (gross sf)</b>	<b>Proposed Change of Use of Campus</b>	<b>Proposed Change of Use of Hartmann</b>	<b>Proposed Change of Use of Laurelon Terrace</b>
<b>Alternative 1 – No Build</b>	21.7	900,000	None; remain as Medical Major Institution	None; remain as medical service (clinic and office)	None; remain as multi-family housing
<b>Alternative 3 – South Campus Expansion</b>	23.5	2,400,000	None; remain as Medical Major Institution	Change from medical service to Medical Major Institution	None; remain as multi-family housing
<b>Alternative 6 – Modified North Campus Expansion</b>	21.7 in MIO 23.5 total	2,400,000	None; remain as Medical Major Institution	None; remain as medical service (clinic and office)	None; remain as multi-family housing
<b>Alternative 7R – Expanded Boundary, Early Laurelon Development</b>	30.2	2,400,000	None; remain as Medical Major Institution	Change from medical service to Medical Major Institution	Change from multi-family to Medical Major Institution
<b>Alternative 8 –</b>	28.4	2,400,000	None; remain	None; remain	Change from

	<b>Property Size (acres)</b>	<b>Building (gross sf)</b>	<b>Proposed Change of Use of Campus</b>	<b>Proposed Change of Use of Hartmann</b>	<b>Proposed Change of Use of Laurelon Terrace</b>
<b>Early Laurelon Development without Hartmann</b>			as Medical Major Institution	as medical service (clinic and office)	multi-family to Medical Major Institution

## Construction Impacts

Secondary impacts on land use would be expected due to construction activities.

### Alternative 1

Alternative 1 would include the construction of approximately 54,000 square feet remaining to be developed with the existing MIMP. As noted above in Section 3.7.1, Children’s has recently purchased some single family homes and Laurelon Terrace condominiums. The use of these is governed by the existing zoning and would continue to be residential. The proposed uses would remain consistent with current uses.

### Alternative 3

Alternative 3 would maintain the existing hospital and clinic uses on the hospital and Hartmann sites. This would have a secondary to no impact on surrounding land uses.

### Alternative 6

The land use impacts for Alternative 6 would be the same as for Alternative 3.

### Alternatives 7R and 8

Alternatives 7R and 8 would include the acquisition and conversion of the 6.75-acre Laurelon Terrace condominium site to hospital use. This would be an impact on land use.

~~Both Laurelon Terrace and the property properties to the southwest across 40th Avenue NE are zoned L-3, and both are developed with multi-family buildings. There appears to be one single family home at the northwest corner of NE 45th Street and 40th Avenue NE, located within the L-3 zone. Further to the west is the site of the Springbrook office complex, of this L-3 zone, is land-zoned NC2-40-30 that contains the Springbrook office complex. The redevelopment of the Laurelon Terrace property will change the its use from multi-family to Medical Major Institution. This will cause the remaining multi-family zoned land to become a half block wide zone of multi-family, between commercial property on the west and Medical Major Institution on the west east. This would be constitute an a land use impact on land use.~~

Seattle’s SEPA ordinance, SMC 25.05.675 subsection H, requires consideration of the historic significance of older buildings that appear to meet the criteria for designation under the City’s landmarks preservation ordinance. Designation as a historic landmark under SMC 25.12.350

requires that a building satisfy all three of the following criteria; (1) be more than 25 years old, (2) meet a threshold standard of historic significance and integrity to convey that significance, and (3) qualify under one or more specific categories of significant historic importance. Laurelon Terrace was constructed in 1949 and is over 25 years old. The Hartmann Building was constructed in 1958 and is also over 25 years old. On September 3, 2008, the City's Landmarks Preservation Board voted to deny the designation of the Laurelon Terrace condominiums based on the finding that this property does not meet any of the designation standards of SMC 25.12.350. If the City Council approves Alternative 7R-is approved, Children's would apply for a similar review of the Hartmann building-would be performed.

## **Decentralization**

In December 2007, Children's approved plans to purchase 6.6 acres near downtown Bellevue for a new outpatient facility, expected to open in 2010. Similar clinics are planned for Everett and South King County. Assuming that the proposed or future sites are appropriately zoned for medical clinic use, the clinics would have secondary to no impacts on land use.

### **3.7.2.2 City of Seattle Comprehensive Plan**

The Reader's Guide to the Comprehensive Plan includes a section called "*Implementing the Plan*" which provides an overview as to how the Plan is to be used: *As a policy document, the Plan lays out general guidance for future City actions. Many of those actions are addressed in functional plans that focus on a particular aspect of City services, such as parks, transportation or drainage. Another way the City implements the Plan is through development regulations, primarily found in the City's zoning map and Land Use Code.*

In the Reader's Guide to the Land Use Element, it is stated that: *"The Growth Management Act requires that all comprehensive plans include a land use element. Policies guiding the City's zoning and development regulations can be found here. This includes general descriptions of the five major zoning categories - single family, multifamily, commercial, industrial and downtown - as well as the rationale behind development regulations, such as height and density limits, parking and setback requirements. Zoning and development regulations are important tools for implementing the urban village strategy because they help to direct and control where and what type of development can occur. The element is divided into three major sections: one deals with policies that affect all areas of the city; a second describes the unique rules for each of the five zoning categories; and the third addresses special areas, such as shorelines, environmentally critical areas and major institutions. Detailed regulations that are used in reviewing individual development projects can be found in the City's Land Use Code."*

Directions on how to apply the Comprehensive Plan are found on page xi: *"The principal purpose of this Comprehensive Plan is to provide policies that guide the development of the City in the context of regional growth management. These policies can be looked to by citizens and by all levels of government in planning for growth. Specifically, the Plan will be used by the City of Seattle to help make decisions about proposed ordinances, policies and programs. Although the Plan will be used to direct the development of regulations which govern land use and development, the Plan will not be used to review applications for specific development projects*



*except when reference to this Comprehensive Plan is expressly required by an applicable development regulation.*

While consistency with the goals and policies of the Comprehensive Plan must be considered in the SEPA review, the Comprehensive Plan itself directs the decision-maker to use the regulations of the Land Use Code in reviewing an individual development project. Major Institutions are regulated by SMC Section 23.69. See Section 3.7.2.4 below.

The Children's site is designated as a Major Institution on the City's *Future Land Use Map*. The Hartmann site and the Laurelon Terrace Condominium sites are both designated as multi-family. Land to the south and east of Children's is designated as single family. In applying and determining ~~compliance~~ consistency with the numerous goals and policies of the Comprehensive Plan, the City must balance the needs of the institution with the protection of residential and commercial uses. This balance is considered as part of the Major Institution Master Plan approval process.

There are two elements of the Comprehensive Plan containing policies that apply to the siting of major institutions, the Urban Village Element and the Land Use Element. Each applicable policy is discussed below:

### **Consistency with the Urban Village Element of the Comprehensive Plan**

Children's site and the two areas proposed for expansion (Hartmann and Laurelon Terrace) are not located within an area designated by the City as an "Urban Village". Children's is located approximately 0.5 mile from the Ravenna portion of the University Community Urban Center.

The Urban Village Element is divided into two sections: Section A-1 defines the categories of urban villages, and Section A-2 of the Urban Village Element has policies that pertain to "Areas Outside of Centers & Villages". Section A-2 is applicable to the vicinity in which Children's proposed expansion would occur. Within A-2, there is one goal, UVG29, and five policies, UV35 through UV39. Following Section A, are three sections: B Distribution of Growth; C Open Space Network; and D Annexation.

#### ***Section A-2 Areas Outside of Centers & Villages***

The applicable goals and policies of Section A-2 include the following:

*UVG29 Support and maintain the positive qualities of areas outside of urban centers and villages.*

**Discussion:** The goal provides general guidance to reinforce and sustain characteristics of the neighborhood that people value. While the goal does not specify which positive qualities are of highest priority, the public has identified many pertinent descriptions, including mature and varied landscaping, low density and smaller scale development, strong relationships among neighbors, and well-used public open spaces. Positive qualities also include access to services, schools, religious institutions and recreation; and availability of transit, pedestrian and bicycle facilities. Children's proposed expansion would likely affect some of these qualities. Where the Master Plan proposes future

expansion, Children's would remove most existing vegetation, and in many cases would transplant healthy specimens in accordance with the landscape design envisioned in the Master Plan. The Master Plan appears to be consistent with the goal, in that it provides for substantial areas of publicly-accessible or visible open space (12.1 acres), access to children's health care, improved bicycle and pedestrian facilities linking the neighborhood to the Burke-Gilman Trail, and improvements to transit services (both physical improvements to the transit stops along Sand Point Way and service improvements through more frequent service). The Master Plan appears to be inconsistent with the goal, in that it contrasts sharply with the smaller scale development of the low-density residential neighborhoods of the surrounding area.

*UV35 Provide that the area of the city outside urban centers and villages remain primarily as residential and commercial areas with allowable densities similar to existing conditions, or as industrial areas, or major institutions.*

**Discussion:** Children's and its adjoining neighborhoods are located outside of any urban center and village. As the City has designated Children's as a major institution, Policy UV35 allows that it may be located outside of urban centers and villages. The expansion of Children's MIO boundaries to the Laurelon Terrace site would result in the demolition of 136 multifamily units with a substantial expansion of a major medical institution. This change in use and intensity is an impact on the subject site and the immediate vicinity, and the FEIS addresses mitigations for impacts to related elements of the environment, such as housing, traffic, and aesthetics. While the Master Plan represents a departure from neighborhood's existing residential and commercial densities, it is clearly at odds with the first clause of the policy. However, the policy recognizes major institutions separately, offering no guidance that the Master Plan should adhere to densities similar to existing conditions.

Major institution code criteria include the requirement to replace demolished housing.

*UV36 Protect single-family areas, both inside and outside of urban villages. Allow limited multifamily, commercial, and industrial uses outside of villages to support the surrounding area or to permit the existing character to remain.*

**Discussion:** Single-family areas adjoin the Children's campus across rights of way to the east and south. The Master Plan would convert no single-family land to major institution use. Land to the north is designated as LDT, and the two sites proposed for expansion to the west in Alternatives 7R and 8 (Laurelon Terrace and Hartmann) are both designated as multifamily residential Lowrise 3. Alternatives 3 and 6 would place new development on the east side of campus, closer to single-family areas, in contrast with Alternatives 7R and 8 which would orient the new development farther away from single-family areas located east of campus, but closer to single-family areas located south of campus.

Policy UV36 does not mention major institutions. Its focus is on the protection of single family areas, and the appropriate location of multifamily uses outside of urban villages. Both conditions exist in the vicinity of Children's existing campus, and the Master Plan does not propose to

modify the existing distribution of single-family zoned neighborhoods around the campus. As such, there is no apparent conflict between the Master Plan and this policy.

*UV37 Recognize neighborhood anchors designated in adopted neighborhood plans as important community resources that provide a transit and service focus for those areas outside of urban villages.*

**Discussion:** Children's and its adjoining neighborhoods are not subject to any neighborhood plan, and therefore any neighborhood anchors are not clearly identified. Policy UV37 is not applicable.

*UV38 Permit limited amounts of development consistent with the desire to maintain the general intensity of development that presently characterizes the multifamily, commercial, and industrial areas outside of urban centers and villages and direct the greatest share of growth to the urban centers and villages.*

**Discussion:** This policy speaks to the intent to focus new development primarily in areas that are identified as receptors for increased growth in accordance with the City's land use map and neighborhood plans. The development envisioned by the Master Plan is not multifamily, commercial, or industrial. Nor is it comparable in scale to the general intensity of development in the surrounding area. The Plan's 1.5 million square-foot expansion would occur outside of any urban center or village. As such, the Master Plan appears to be inconsistent with this policy.

*UV39 Accommodate growth consistent with adopted master plans for designated major institutions located throughout the city.*

**Discussion:** This policy clearly applies to Children's proposed expansion. As a major institution, any proposed growth must be in accordance with an adopted master plan. Children's has an adopted master plan and has grown to the limits allowed in that plan. As provided by the Land Use Code, further expansion must first be reviewed and approved under a new master plan. Regardless of where the institution is located, its growth is subject to the provisions of its adopted plan.

### **Section B Distribution of Growth**

Section B of the Urban Village Element addresses growth. In the general discussion, the plan states: *The urban village strategy directs Seattle's future growth primarily to areas designated as centers and villages. The greatest share of job growth will be accommodated in urban centers – areas that already function as high density, concentrated employment centers with the greatest access to the regional transit network. Growth in industrial sector jobs will continue to be accommodated primarily within the two manufacturing/industrial centers where this activity is already securely established. Job growth will also occur in hub urban villages, which are distributed throughout the city to promote additional employment concentrations in areas easily accessible to the surrounding residential population, thereby locating jobs and services near where people live. The greatest share of residential growth will also be accommodated in urban centers, increasing opportunities for people to live close to work. The next most significant share of residential growth will be distributed among the various hub and residential urban villages*

*throughout the city in amounts compatible with the existing development characteristics of individual areas. Modest growth will also be dispersed, generally at low density, in various areas outside centers and villages.*

**Discussion:** This statement on growth allows for modest low density growth outside of urban centers and villages. Considered in isolation, the goal appears to be at odds with the proposed expansion, as the site and vicinity are not located in an urban center or village, and the Master Plan’s preferred alternative is not low-density development. While this language does not specifically rule out instances of high density job growth outside of urban centers, it does establish a preference for locating such growth in established urban centers and urban villages.

Children’s proposed expansion is not located within an urban village or center, and would therefore not likely contribute to or encourage growth within urban villages or centers. Of the eight Urban Village goals that follow the general statement in Section B of the Urban Village element, seven goals (UVG30, UVG31, UVG 32, UVG33, UVG34, UVG35, and UVG36) focus on planning for growth within urban villages. The policies either do not apply to this proposal, as Children’s is outside of any urban village or center, or, alternatively, any substantial expansion to a major institution located outside of urban villages and centers could be considered inconsistent with these goals.

The eighth goal is UGV37: *Allow limited amounts of development in areas of the city outside urban centers and villages to maintain the general intensity of development that already characterizes these areas and to promote the targeted level of growth in village and center locations.*

**Discussion:** The proposed expansion represents an intensification of development within its area compared to the current level of development. While the expansion request would be limited by the proposed Master Plan, the expansion at 1.5 million sf does not appear to constitute a “limited amount of development” and would therefore be inconsistent with this goal.

Six policies (UV40, UV41, UV42, UV43, UV44, and UV45) correspond to the goals in Section B. All are aimed at planning for, maintaining, and adjusting growth targets within urban villages. These policies do not apply to the subject site or the proposed Master Plan.

### ***Section C Open Space Network and Section D Annexation***

Sections C and D of the Urban Village Element address open space networks and annexation and do not apply to the proposed expansion.

### **Consistency with the Land Use Element of the Comprehensive Plan**

The Land Use Element of the Comprehensive Plan comprises three sections: A, Citywide Land Use Policies; B, Land Use Categories; and C, Location-Specific Land Use Policies.

The introduction to Section A states, “*Citywide land use policies guide the development and interpretation of the City’s land use regulations. Policies in this section generally apply across*

*all of the City's zones, unless a difference is identified. Policies specific to a particular land use category, including differences from the citywide policies, are discussed in section B below."*

Section B of the Land Use Element of the Comprehensive Plan includes five land use categories: single-family areas, multifamily residential areas, mixed-use commercial areas, industrial areas, and downtown areas. Given the predominant land use patterns in the vicinity of Children's proposed expansion, the categories of single-family and multifamily are most relevant here.

Section C (Location-Specific Land Use Policies) states, *"The basic zoning categories described in Section B, are augmented here by policies that respond to specific characteristics of an area. For example, historic districts are governed by a basic zoning category as well as regulations that respond to the unique historic characteristics of an area. This section provides the policy foundation to guide how the City adjusts its regulations to respond to unique environments, particularly those created by: major institutions, historic districts and landmarks, environmentally critical areas and shorelines."* In other words, location-specific land use policies may modify the application of language in Section B's more general land use categories. Policies related to major institutions and critical areas may apply to the proposed Master Plan more specifically.

Children's is a major institution located in a single-family zone, proposing to expand into property zoned and designated primarily for multifamily residential use. It is not located in an historic district, nor does its existing or proposed expanded site contain any historic landmarks. The existing and proposed expanded site is not located within a shoreline. Portions of the Hartmann site and the Laurelon Terrace site are classified as environmentally critical areas, due to the presence of steep slopes.

This analysis first considers the applicable citywide land use policies contained in Section A. It then assesses the Master Plan's consistency with the single-family and multifamily residential area goals and policies contained in B-1 and B-2, and then reviews for consistency with C, Location-Specific Land Use Policies, C-1 Major Institutions and C-3 Environmentally Critical Areas.

### ***Section A, Citywide Land Use Policies***

One policy, LU6, specifically pertains to major institutions. *"In order to focus future growth, consistent with the urban village strategy, limit higher intensity zoning designations to urban centers, urban villages, and manufacturing/industrial centers. Limit zoning with height limits that are significantly higher than those found in single-family areas to urban centers, urban villages, and manufacturing/industrial centers and to those areas outside of urban villages where higher height limits would be consistent with an adopted neighborhood plan, a major institution's adopted master plan, or with the existing built character of the area."*

***Discussion:*** Children's is not within an urban center, an urban village, or a manufacturing/industrial center. Nor is there an adopted neighborhood plan for the adjacent area.

Children's is a designated major institution, has an adopted master plan, and has asked for City approval of a new master plan with increased boundaries and increased height

limits. As the proposed Master Plan envisions heights that exceed those in the adopted Master Plan, the City must consider the new limits in accordance with criteria in SMC 23.69, 23.43.007, and 23.34.124.

The campus' existing height limits range from 37 feet to 90 feet, and proposed heights would extend up to 140 feet, substantially higher than structures found in single-family areas.

The existing built character of the area includes single-family homes to the east and south, attached multifamily on the north (mostly duplexes) and west (Laurelon Terrace). Along Sand Point Way, there are two and three-story buildings, and across Sand Point Way, there is a condominium building of approximately 100 feet in height. Children's existing buildings extend to heights of up to 90 feet consistent with its currently adopted Master Plan. The EIS describes the relative height, bulk and scale of the alternatives in Section 3.9 Aesthetics, specifically 3.9.2 Impacts.

South of NE 47th Street, along the eastern portion of the campus across from the single-family area, there is an existing 75-foot buffer, and an existing MIO of 37 feet. South of NE 47th Street, all proposed build alternatives would maintain the 75-foot setback and MIO 37.

On the south property line, there is an existing 75-foot setback, and MIOs of 37 and 50. All of the proposed build alternatives would maintain the 75-foot setback and MIOs of 37 and 50.

On the northern portion of the existing campus, the setbacks are 40 feet on the east and west sides, and 20 feet along the north property line. The MIO is 37 feet. Alternative 3 would retain the existing setbacks and increase the height to 50 feet. Alternative 6 would increase the setbacks on the east and northeast to 75 feet, and increase heights to MIOs of 50, 65, and 90. Alternatives 7R and 8 would increase the setbacks to 75 feet on the east and northeast and to 40 feet on the northwest. A portion of the area on the west would be increased to MIO 65 with the portion facing single-family remaining at MIO 37. The increase in height to MIO 65 would be a change from the existing Master Plan. The area proposed for MIO 65 is not adjacent to single-family zoned areas, however the existing height limits for the adjacent LDT zoning are similar to single-family heights. The proposed height limit of MIO 65 would be substantially higher, roughly twice the height of structures that define the neighborhoods' existing character.

As described in Section 3.9.2, with Alternatives 7R or 8, much of the redevelopment would occur on the site of the existing Laurelon Terrace condominiums. The Master Plan would demolish the existing 2 and 3-story garden-style multifamily buildings and replaced them with buildings of up to 125 and 140 feet.

The southern property line faces single-family areas across NE 45th Street. The western property line faces low-rise multifamily and a bank, with 2 to 4-story commercial buildings behind the multifamily buildings. Across Sand Point Way are two condominium buildings, and the Hartmann medical office/clinic building. The proposed

heights of 125 and 140 feet would be substantially higher than the single-family homes to the south and east, and higher than the multifamily and commercial buildings to the west, and higher than the approximately 100-foot condominium building across Sand Point Way NE.

The Hartmann building site is zoned L-3 with a 37-foot height limit. On the south is the approximately 100-foot condominium building, and on the north is a 3-story condominium. The Burke-Gilman Trail borders the western property line at a higher elevation than the site. Sand Point Way NE is on the east. Alternative 3 proposes a MIO 105 for the Hartmann site; Alternatives 6 and 7R propose a MIO 65, and Alternative 8 proposes no development of Hartmann. The proposed heights of 65 feet would provide a transition between the two condominium buildings and would be consistent with the existing built character. The proposed height of 105 feet with Alternative 3 would be consistent with the built character of the approximately 100-foot condominium, but substantially higher than the height of the condominium to the north.

As documented above, the Master Plan's higher and more intensively zoned MIOs are generally inconsistent with policies that apply to areas zoned for single family and lowrise residential development. Identified buffers and edge conditions are generally consistent with the underlying zoning and the surrounding land use. For certain alternatives, proposed heights at the western edge of an expanded campus represent a pronounced increase in overall scale and intensity of use, though existing land use conditions suggest this is the most appropriate location to effect such a transition.

### ***Section B-1, Land Use Categories, Single Family Areas***

Children's existing campus overlays land zoned for single-family use. The existing Master Plan modifies the underlying single-family development standards. The proposed Build Alternatives would increase heights in some areas of the existing campus and locate future development; distribution and siting of future development varies in each Build Alternative.

There are three goals in Section B-1: **LUG8**, **LUG9**, and **LUG10**.

***LUG8*** *Preserve and protect low-density, single-family neighborhoods that provide opportunities for home-ownership, that are attractive to households with children and other residents, that provide residents with privacy and open spaces immediately accessible to residents, and where the amount of impervious surface can be limited.*

***Discussion:*** The single-family-zoned areas to the east and south of Children's are low-density neighborhoods with a high percentage of home-ownership. Public testimony has indicated that the Laurelhurst and Ravenna/Bryant neighborhoods are considered attractive to households with children, and also include many longtime homeowners. During public testimony, some homeowners testified that they chose to live in the neighborhood to be close to Children's for their children's healthcare needs. There are a number of parks and recreation areas in the surrounding neighborhoods that provide open spaces immediately accessible to residents, and extensive unbuilt and landscaped areas in

the neighborhood and on Children's existing and proposed campus that provide for increased perviousness.

No additional single-family-zoned land would be required for the development or expansion of Children's. The Master Plan's new access points are proposed to be located away from the single-family-zoned areas, and the development proposed in Alternatives 7R and 8 has been oriented toward Sand Point Way NE. Some public comment has articulated the view that the expansion and its intensity-related impacts (such as aesthetics, traffic, parking, noise) do not preserve and protect the elements that characterize the nearby residential neighborhoods.

As the proposal involves no direct or indirect encroachment into single family residential neighborhoods, the Master Plan's preferred alternative is consistent with this goal.

***LUG9** Preserve the character of single-family residential areas and discourage the demolition of single-family residences and displacement of residents, in a way that encourages rehabilitation and provides housing opportunities throughout the city. The character of single-family areas includes use, development, and density characteristics.*

**Discussion:** The proposal would not directly or indirectly cause any demolition of single-family residences, nor displacement of single-family residents. The character of the single-family areas surrounding the hospital as measured by the definition of use, development, and density characteristics, would not be changed by the proposal. As the Master Plan's preferred alternative locates its most intensive new development away from nearby single family areas, the proposal is consistent with this policy.

***LUG10** Provide for different intensities of single-family areas to reflect differences in the existing and desired character of single-family areas across the city. Allow development that is generally consistent with the levels of infrastructure development and environmental conditions in each area. Include opportunities for low-cost subsidized housing in single-family areas.*

**Discussion:** In the immediate vicinity of Children's campus, existing single family areas are zoned entirely for lots with a minimum lot size of 5000 sf. Further to the northeast and southeast in the Laurelhurst neighborhood, larger minimum lot sizes apply. Children's proposed Master Plan would not affect the existing distribution of single family zones, nor would it affect the intensity of the single-family areas surrounding the hospital. This goal is therefore not applicable.

There are four policies that address the location or designation of single-family areas: LU57 directs the designation of areas containing predominantly single-family structures, and enough space to maintain low-density development, as single-family areas; LU58 directs that a range of single-family zoning be used; LU59 describes the criteria to be used in approving an upzone of single-family; and LU60 describes when to apply small-lot single-family zoning. The underlying zoning would remain as single-family; these policies are not relevant to the proposal.

There are five policies related to single-family residential use: LU61 through LU65. The existing and proposed use is major institution, and none of these policies apply to the proposal.



There are two policies related to minimum lot size for single-family lots: LU66 and LU67. These policies do not apply to the proposal.

There are two policies related to bulk and siting of single-family residences (LU68 and LU69) and one policy related to height limitations on single-family structures (LU70). None of these policies apply to the proposal.

### ***Section B-2, Land Use Categories, Multifamily Residential Areas***

Children's is proposing to expand into two areas currently designated for multifamily residential use. Neither site is within an area with an adopted neighborhood plan.

In section B-2 Multifamily Residential Areas, there are two goals. The first, LUG11, is relevant to the Master Plan. *“Encourage the development and retention of a diversity of multifamily housing types to meet the diverse needs of Seattle’s present and future populations.”*

***Discussion:*** Alternatives 7R and 8 propose to demolish the existing 136-unit Laurelon Terrace Condominiums. The Land Use Code and SEPA housing policy require comparable replacement housing. The Master Plan proposes a mitigation strategy that would result in the development of new replacement multifamily housing. As proposed, the Master Plan would result in no net loss of multifamily housing, conforming to the policy’s encouraged “development” but conflicting with its encouraged “retention”.

There are six policies pertaining to the designation of multifamily areas (LU71 through LU76). One policy is applicable: LU72 *Maintain a variety of multifamily zoning classifications to permit development at low, moderate and high densities with a variety of scales and configurations appropriate to the specific conditions and development objectives of different areas within the city.*

***Discussion:*** Alternatives 3, 6 and 7R would rezone the Hartmann site to include a major institution overlay, thereby facilitating the hospital’s proposed expansion on this site. Similarly, Alternatives 7R and 8 would rezone the Laurelon Terrace site to include major institution overlays. Both sites are currently zoned L-3. There are other L-3 zoned areas in the surrounding neighborhood. While the Master Plan would reduce the amount of lowrise-zoned land in residential use, it would leave unchanged a variety of multifamily zoning classifications. Although the Master Plan would reduce the overall supply of multifamily zoned land available for residential development, it does not unduly limit the diversity of multifamily housing available in the general vicinity. The proposal would be consistent with this policy.

There are three multifamily residential use policies, LU77 through LU79. Policy LU79 does not apply as the proposed use is not commercial.

***LU77 Establish multifamily residential use as the predominant use in multifamily areas, to preserve the character of multifamily residential areas and preserve development opportunities for multifamily use.***

**Discussion:** The policy partially applies, as the rezones associated with the Master Plan’s preferred alternative would result in the replacement of existing multifamily housing, located in a multifamily zone, with a major medical institution expansion. The L-3 zoning of the Laurelon Terrace site abuts the existing campus on the west. There is additional L-3 zoning and neighborhood commercial zoning across 40th Avenue NE and Sand Point Way to the west, single-family zoning on the south, and LDT on the north of the existing campus.

The Hartmann site abuts L-3 zoning on the north, and neighborhood commercial on the south and east across Sand Point Way. Single-family zoning is located to the west on the other side of the Burke-Gilman Trail. The L-3 zoning continues north of both sites. The Hartmann site, though zoned for multifamily, has been developed with a medical office/clinic building for over 50 years. The use of the Hartmann site would be intensified but it would remain medical in character and use.

Multifamily residential is the predominant use directly along Sand Point Way NE, to the north of both the existing campus and the Hartmann site. Although multifamily residential development in this area is intermixed with single family, multifamily, neighborhood commercial and major medical uses in the area, it is predictably the predominant use in residential lowrise zones. For the subject sites, a rezone involving Major Institution Overlays would result in the demolition of existing multifamily housing, with secondary impacts to the remaining multifamily zone located across 40th Ave NE.

The Master Plan’s preferred alternative would result in changes to the character of the Laurelon Terrace site, and to a lesser extent would affect the character of residential properties located across 40th Ave NE. As such, the proposal would be inconsistent with this multifamily preservation policy.

*LU78 Limit the number and type of non-residential uses permitted in multifamily residential areas to protect these areas from negative impacts of incompatible uses.*

**Discussion:** The Hartmann site is currently occupied by a non-residential medical office, and the Master Plan would demolish and replace this use with a larger Children’s facility. The Laurelon Terrace site is currently occupied by lowrise residential housing, and the Master Plan would demolish and replace this use with a higher and more intensive institutional development.

As framework language for zoning regulations, this policy seeks to focus the rules multifamily zones on their principal purpose, to provide for residential uses. In the context of Children’s application for rezones and its Major Institution Master Plan, the multifamily residential zone would be overlain with a Major Institution Overlay, subject to additional policies.

The vicinity is characterized by a diversity of uses and intensities of development. The Master Plan represents an increase in the scale and intensity of development on the expanded campus, with identified mitigations that address many of the analyzed impacts.

While the Master plan clearly represents a displacement of residential use and an effective reduction in area devoted to multifamily residential use, it appears to address the underlying policy intent – to limit negative impacts associated with nonresidential development.

The following goals and policies contained in Section B-2 are specific to the development of multifamily housing and are not applicable to this proposal: density limits policies; multifamily development standards policies; low density multifamily areas goals and policies; moderate density multifamily areas goals and policies; and high density multifamily areas goals and policies.

### ***Section C, Location-Specific Land Use Policies***

Section C Location-Specific Land Use policies states that, “*The basic zoning categories described in Section B, are augmented here by policies that respond to specific characteristics of an area. For example, historic districts are governed by a basic zoning category as well as regulations that respond to the unique historic characteristics of an area. This section provides the policy foundation to guide how the City adjusts its regulations to respond to unique environments, particularly those created by: major institutions, historic districts and landmarks, environmentally critical areas and shorelines.*”

There is one overarching goal listed in Section C:

***LUG31*** *Provide flexibility in, or supplement, standard zone provisions to achieve special public purposes where circumstances warrant. Such areas include shoreline areas, airport height districts, historic landmark and special review districts, major institutions, subarea plan districts, areas around high capacity transit stations, and other appropriate locations.*

***Discussion:*** The proposed major institution Master Plan is an application to supplement the standard zone provisions to achieve special public purposes for a major institution. The proposal is consistent with this goal.

The first policy, LU178, promotes the integration of high capacity transit stations into surrounding neighborhoods. This policy does not apply. The second policy, LU179, does apply.

***LU179*** *Permit the establishment of zoning overlay districts, which may modify the regulations of the underlying land use zone categories to address special circumstances and issues of significant public interest in a subarea of the city, subject to the limitations on establishing greater density in single-family areas. Overlays may be established through neighborhood planning.*

***Discussion:*** There is no neighborhood plan for the area. The expansion of Seattle Children’s is an issue of significant public interest in this subarea of the city, evidenced by the number of comments received from the public during the EIS and master planning process. The underlying zoning of the existing campus is single-family. Even though the bulk of the new development proposed for Alternatives 7R and 8 would occur on the Laurelon Terrace site which is zoned multifamily, there would be an increase in density on the existing campus, which is located in a Major Institution Overlay. As the

underlying zone of the existing campus is single family, increased density on the hospital campus might therefore be characterized as inconsistent with this policy. However, this policy identifies the opportunity to establish new overlays, which is the intent of the proposed Master Plan.

### ***Section C-2, Major Institution Goals and Policies***

*As stated in the introduction to C-2, Hospitals and higher educational facilities play an important role in Seattle. Institutions containing these facilities provide needed health and educational services to the citizens of Seattle and the region. They also contribute to employment opportunities and to the overall diversification of the city's economy. However, when located in or adjacent to residential and pedestrian-oriented commercial areas, the activities and facilities of major institutions can have negative impacts such as traffic generation, loss of housing, displacement and incompatible physical development. These policies provide a foundation for the City's approach to balancing the growth of these institutions with the need to maintain the livability of the surrounding neighborhoods.*

There are four goals listed, LUG32 through LUG35:

***LUG32*** *Maximize the public benefits of major institutions, including health care and educational services, while minimizing the adverse impacts associated with development and geographic expansion.*

***Discussion:*** Alternatives 3 and 7R propose to expand the MIO boundary to the Hartmann site, which is currently used for health care. Two alternatives, Alternatives 7R and 8, would convert residential land (Laurelon Terrace) to hospital uses. While this conversion would impact multifamily housing, it would mitigate the impacts on single-family housing located east of the hospital by re-directing hospital development toward Sand Point Way NE relative to Alternatives 3 and 6. The Master Plan and this EIS discuss mitigation measures for each element of the environment intended to minimize the adverse impacts associated with development and geographic expansion. The proposal, with its proposed mitigation measures, is consistent with this goal.

***LUG33*** *Recognize the significant economic benefits of major institutions in the city and the region and their contributions to employment growth.*

***Discussion:*** As an indicator of the economic benefit of Children's to the city and the region, Children's identified 2006 expenditures including \$216 million in employee salaries and benefits and over \$230 million in supplies, renovation and new equipment. (Warren Hewitt, February 2007). The proposal would allow for additional space, services, and staff. The proposal is consistent with this goal.

***LUG34*** *Balance each major institution's ability to change and the public benefit derived from change with the need to protect the livability and vitality of adjacent neighborhoods.*

***Discussion:*** The Hearing Examiner's decision of April 20, 2009, states, "*The EIS is not the place for the balancing judgments that are reserved to the decision-makers*". To the extent that the Master Plan provides for Children's ability to change and provide services

valued by the public, and to the extent that it responds to community concerns about future growth, the Master Plan is consistent with this goal.

*LU35 Promote the integration of institutional development with the function and character of surrounding communities in the overall planning for urban centers.*

**Discussion:** Neither the Laurelhurst or Ravenna/Bryant neighborhoods are identified in the Comprehensive Plan as “urban centers”, and in that respect the goal either does not apply to this Master Plan, or alternatively the goal suggests that such institutions should occur primarily in urban centers. In the context of Children’s proposed Master Plan, the goal reflects the priorities identified in the master planning process, to balance the need for institutional development and the livability and character of the surrounding neighborhood. Throughout public comment, neighbors repeatedly recalled instances when their families had come to Children’s as a result of some illness or accident, and received services that they valued. In this respect, Children’s has integrated with the function of the surrounding communities. Commentors also identified issues related to the hospital’s expansion and the neighborhood’s function and character, such as transitions in scale, construction noise, and increased traffic volumes. The EIS analyzes these impacts and identifies mitigations. The hospital has existed in its current location for over 50 years. The perimeter is heavily landscaped in a manner similar to, but much denser than, the surrounding residential areas. The current landscaping integrates the character of the existing development with the surrounding communities, and that part of the proposal is consistent with this goal. The scale of both the existing and proposed buildings is more intense than the surrounding Laurelhurst and Ravenna/Bryan neighborhood character, and that aspect of the proposal is inconsistent with the goal.

The goals are followed by 12 general policies for major institutions, LU180 through LU191:

*LU180 Designate the campuses of large hospitals, colleges and universities as Major Institutions to recognize that a separate public process is used to define appropriate uses in the areas.*

**Discussion:** Children’s campus contains a large hospital and the campus is designated as a Major Institution. The major institution master plan process in SMC 23.69 has been established as the process to define appropriate uses for Children’s proposed Master Plan. The proposal is consistent with this policy.

*LU181 Provide for the coordinated growth of major institutions through major institution conceptual master plans and the establishment of major institution overlay zones.*

**Discussion:** Children’s is a designated Major Institution with adopted major institution overlay (MIO) zones. Children’s submitted its conceptual Master Plan to the City of Seattle on July 16, 2007 and has applied to both expand its MIO boundaries, and to revise some of the existing MIO height districts. The process applied to review and approval of a new Master Plan is consistent with this policy.

*LU182 Establish Major Institution Overlays (MIO) to permit appropriate institutional development within boundaries while minimizing the adverse impacts associated with*

*development and geographic expansion. Balance the public benefits of growth and change for major institutions with the need to maintain the livability and vitality of adjacent neighborhoods. Where appropriate, establish MIO boundaries so that they contribute to the compatibility between major institution areas and less intensive zones.*

**Discussion:** City Council established Children’s existing MIMP and MIOs in 1994. In that approval process, the City Council, as the decision-maker, permitted Children’s to grow within boundaries while minimizing the adverse impacts associated with development. The Council balanced the public benefits of growth and change for the major institution with the need to maintain the livability and vitality of adjacent neighborhoods. The existing MIMP and MIOs are consistent with this policy. Similar balancing by the City Council will occur with the proposed Master Plan. As noted in Conclusion 15 of the Hearing Examiner’s April 20, 2009 Decision, “*The EIS is not the place for the balancing judgments that are reserved to the decision-makers*”. To the extent that the Master Plan provides for Children’s ability to change and provide services valued by the public, and to the extent that it responds to community concerns about future growth, the Master Plan is consistent with this policy.

**LU183** *Allow modifications to the underlying zone provisions in order to allow major institutions to thrive while ensuring that impacts of development on the surrounding neighborhood are satisfactorily mitigated.*

**Discussion:** The Master Plan and the EIS contain a number of design features and mitigation measures intended to mitigate the impacts of development on the surrounding neighborhood. Proposed MIO development standards are distinct from the provisions of the underlying zoning, in order to provide increased flexibility for major institution growth, as well as clear provisions to identify the siting of future growth and the distribution of key amenities. The FEIS summarizes the mitigation measures in Table 1-3, and significant unavoidable adverse impacts are summarized in Table 1-4. The identified significant unavoidable adverse impacts include height, bulk and scale in comparison to the surrounding development, especially when viewed from Sand Point Way NE. City Council will decide whether to allow the modifications to the underlying zone provisions.

**LU184** *Allow all functionally integrated major institution uses within each overlay district, provided the development standards of the underlying zone are met. Permit development standards specifically tailored for the major institution and its surrounding area within the overlay district through a master plan process.*

**Discussion:** Children’s proposed uses in its Master Plan are functionally integrated major institution uses. Consistent with the process described in this policy, Children’s has requested approval for development standards specifically tailored to its needs. City Council will decide whether to approve the development standards as part of the Major Institution Master Plan approval process.

**LU185** *Allow modification of use restrictions and parking requirements of the underlying zoning by the overlay to accommodate the changing needs of major institutions, provide*

*flexibility for development and encourage a high-quality environment. Allow modification of the development standards and other requirements of the underlying zoning by an adopted master plan.*

**Discussion:** Children’s has requested that the City allow modifications of use restrictions and parking requirements for the underlying single-family and multifamily zoning through MIO overlays to accommodate its changing needs, to provide flexibility for current and future development, and to allow what it describes as a high-quality development. The proposed on-campus parking would meet the parking standards for Major Institutions.

**LU186** *Discourage the expansion of established major institution boundaries.*

**Discussion:** Alternative 6 would maintain the existing boundary of Children’s MIO and would be consistent with this policy. Alternatives 3 and 7R would both include an expansion of the established boundaries to include the Hartmann property, and for Alternatives 7R and 8, an expansion to include the Laurelton Terrace property. While the expansion options may provide benefits in terms of lower heights and dispersed traffic, they are inconsistent with this policy.

**LU187** *Encourage significant community involvement in the development, monitoring, implementation and amendment of major institution master plans, including the establishment of citizen’s advisory committees containing community and major institution representatives.*

**Discussion:** The Citizens Advisory Committee (CAC), appointed by the Mayor and City Council, was created through significant outreach to the surrounding business and residential community. The Notice of Intent, required under the Land Use Code to form the CAC, was published in the city’s Land Use Information Bulletin. In addition, outreach to stakeholders in the residential and business community occurred to develop potential members. The following is the list of CAC members appointed initially, including city staff and a representative of Children’s:

**Members:**

Karen Wolf	Chair, Ravenna/Bryant Resident
Catherine Hennings	Vice Chair, Laurelhurst Resident
Cheryl Kitchin	Laurelhurst Resident
Delores Prichard	Laurelhurst Resident
Kathleen Sabo	Laurelhurst Resident
Myriam Muller	Laurelhurst Resident
Kim O Dales	Laurelhurst Resident
Doug Hanafin	Laurelhurst Resident
Dr. Gina Trask	Laurelhurst Resident/Local Business Owner
Michael S Omura	Hawthorne Hills Resident/Architect
Wendy Paul	Seattle Children’s Non-management Representative
Yvette Moy	Patient or User Representative and Citywide Representative
Robert Rosencrantz	Montlake Resident
Bob Lucas	View Ridge Resident

Cathy Higgins Laurelhurst Resident

**Alternates:**

Theresa Doherty Citywide (Adjacent Institution – Univ. of Washington)  
Shelley D Hartnett Hawthorne Hills Resident  
Christine Barrett Laurelhurst Resident

**Ex-Officio Members:**

Steve Sheppard Department of Neighborhoods  
Scott Ringgold Department of Planning and Development  
Ruth Benfield Seattle Children’s Hospital

Two CAC members, Kathleen Sabo and Cathy Higgins, and one alternate, Christine Barrett, were residents of the Laurel Terrace condominiums. Due to the purchase of the Laurel Terrace condominium property by Children’s, these three resigned from the CAC prior to the April 2008 meeting (CAC Meeting #9). The two remaining alternates, Theresa Doherty and Shelley D. Hartnett, were advanced to the committee, and three new alternates were appointed: Nicole Van Borkulo, Mike Wayte, and Dr. Brice Semmens.

The CAC members who participated in the preparation of their Final Report include:

**Members:**

Karen Wolf Chair, Ravenna/Bryant Resident  
Catherine Hennings Vice Chair, Laurelhurst Resident  
Cheryl Kitchin Laurelhurst Resident  
Delores Prichard Laurelhurst Resident  
Myriam Muller Laurelhurst Resident  
Kim O Dales Laurelhurst Resident  
Doug Hanafin Laurelhurst Resident  
Dr. Gina Trask Laurelhurst Resident/Local Business Owner  
Michael S Omura Hawthorne Hills Resident  
Wendy Paul Non-management Institutional Representative  
Yvette Moy Patient or User Representative and Citywide Representative  
Robert Rosencrantz Montlake Resident  
Bob Lucas View Ridge Resident  
Theresa Doherty Citywide (Adjacent Institution – Univ. of Washington)  
Shelley D Hartnett Hawthorne Hills Resident

**Alternates:**

Nicole Van Borkulo Ravenna/Bryant Resident/Local Business Owner  
Mike Wayte Laurelhurst Resident  
Dr. Brice Semmens Ravenna/Bryant Resident

**Ex-Officio Members:**

Steve Sheppard Department of Neighborhoods  
Scott Ringgold Department of Planning and Development  
Ruth Benfield Seattle Children’s Hospital



Prior to the development of the Director's Report, 18 meetings were held by the CAC to review and comment on the development of several discussion drafts. At each CAC meeting, the public was invited to comment, and the comment periods were often extended to allow each person who wished to speak the opportunity to do so. The CAC considered the comments from the public in their discussions and recommendation on the Master Plan.

In addition to the CAC meetings, Children's held several public open houses to share information and provided updates to the Master Plan on Children's website.

As described above, a CAC has been established that includes 18 members from the community. The committee also includes a representative of Children's and representatives of the City's Department of Neighborhoods and Planning and Development. There has been significant community involvement in the development, monitoring, implementation and amendment of the Children's Master Plan. The process being followed is consistent with this policy.

*LU188 Encourage Advisory Committee participation throughout the process of revision, amendment and refinement of the master plan proposal.*

**Discussion:** The Advisory Committee has actively participated in the revision, amendment and refinement process, and met 26 times prior to the issuance of their recommendation. Meetings took place at least once a month and in some months, two or more meetings or subcommittee meetings were held. The Master Plan process involved the CAC during the development of the Draft and Final Master Plan and EIS. Children's modified its initial concept plan in response to the CAC's comments and concerns. Subsequently, in response to the CAC's formal comments on the Draft Master Plan and Draft EIS, Children's and DPD made substantial changes to the Final Master Plan and Final EIS (see Appendix E of the Final EIS for the CAC's comment letter). Those changes are detailed in the Final Master Plan (Section 3, Alternatives Considered). Consistent with this policy, the CAC's continued participation has been encouraged by both the City of Seattle and Children's.

*LU189 Require preparation of either a master plan or a revision to the appropriate existing master plan when a major development is proposed that is part of a major institution, and does not conform with the underlying zoning and is not included in an existing master plan.*

**Discussion:** Due to the scope of Children's proposed expansion, it is required to prepare a new master plan. Children's has prepared and submitted its Master Plan to the City for approval. This is consistent with this policy.

Policies LU190 and LU191 provide for the establishment of new major institutions, and the location of new institutions. Neither policy is applicable to this proposal as Children's is an existing designated Major Institution located in an area designated as "major institution".

There is one use policy, LU192:

*LU192 Define all uses that are functionally integrated with, or substantively related to, the central mission of the major institution or that primarily and directly serve the users of the institution as major institution uses and permit these uses in the Major Institution Overlay district, subject to the provisions of this policy, and in accordance with the development standards of the underlying zoning classifications or adopted master plan.*

**Discussion:** All existing uses at Children's are functionally integrated with, or substantially related to, the central mission of Children's as a major institution, and are permitted uses in the MIO districts. In reviewing the proposed Master Plan, DPD has commented on the potential list of uses proposed along Sand Point Way NE and 40th Avenue NE street edge to ensure that the uses are either functionally integrated with, or substantially related to, the central mission of Children's, or would otherwise be allowed in the underlying L-3 zone. The proposed Master Plan, if approved, would be monitored to ensure that new uses are consistent with this policy.

There are two policies on development standards for major institutions: **LU193** and **LU194**:

*LU193 Apply the development standards of the underlying zoning classification for height, density, bulk, setbacks, coverage and landscaping for institutions to all major institution development, except for specific standards altered by a master plan.*

**Discussion:** The underlying zoning for the existing campus is single-family; the underlying zoning for both areas proposed for expansion is L-3. In single-family zones, institutions, such as community centers, schools, religious facilities, and libraries are allowed through conditional use approval. Hospitals are only allowed in single-family zones through the approval of a Major Institution Master Plan.

The applicable development standards for institutions are codified in SMC 23.44.022. Section D states, "New or expanding institutions in single-family zones shall meet the development standards for uses permitted outright in Section 23.44.008 through 23.44.016 unless modified elsewhere in this section or in a Major Institution Master Plan." Children's is not a new institution, but would be expanding in a single-family zone by adding additional square footage and height. The maximum height permitted for single-family development is 30 feet (25 feet if the lot is less than 30 feet in width). For nonresidential uses, some features such as mechanical penthouses, are allowed to extend up to 10 feet above the maximum height limit. Front yards are to be either 20 feet, or the average of the yards on either side, whichever is less. Rear yards shall be 25 feet, and side yards shall be 5 feet (with some exceptions). The maximum lot coverage is 35 percent.

For institutions in single-family zones, there are some additional exceptions to the height limits, allowing religious symbols to extend an additional 25 feet above the 30 foot height limit, and gymnasiums to extend up to 35 feet in height.

The existing and proposed setbacks in Children's Master Plan are more than those required in the underlying single-family zoning, so the setbacks are consistent with underlying development standards. The existing and proposed heights and the existing

and proposed lot coverage exceed those of single-family development standards. The underlying zoning standards for institutions have been modified by the existing Major Institution Overlay, and the existing development is consistent with this policy.

In the multifamily zoning that underlies both the Hartmann and Laurelon Terrace sites, hospitals are considered “institutions” while an outpatient medical clinic is not. The height limits for institutions are the same as for the multifamily structures. Similar to the single-family zone, the height limit for the L-3 underlying zone is 30 feet with exceptions for pitched roofs, and exceptions for gymnasiums and religious symbols. The proposed height limits of 65 feet for the Hartmann site and 125 to 140 feet for the Laurelon Terrace site would exceed the development standards of the underlying L-3 zoning and would only be allowed if the development standards are altered by the proposed Master Plan.

In the L-3 zone, front setbacks shall not be less than 5 feet nor can they be required to be more than 15 feet. Rear setbacks are 25 feet or 15 percent of the lot depth, whichever is less, but in no case less than 15 feet. Side setbacks vary with the depth of the structure and the height of the wall facing the street, with average side setbacks ranging from 5 feet to 23 feet, and greater for structures over 180 feet in depth. Children’s proposed 5- to 15-foot setbacks for the front, 15- to 25-foot setbacks in the rear and 8 feet on the side for the Hartmann site in its Final Master Plan. Based on recommendations from the CAC, Children’s agreed to a front setback of 10 feet, and an upper level setback above 50 feet in height for a distance of 40 feet back from the edge of the building setback. On the rear, Children’s agreed to the CAC’s recommendation of a 60-foot deep upper level setback, as measured above the average height of the Burke-Gilman Trail along the west Hartmann property line.

Children’s has requested additional modifications in the proposed Master Plan, including heights ranging from 37 feet up to 140 feet, and lot coverage of 51 percent. City Council will decide whether to approve these modifications. The policy allows for and addresses the request for approval of specific standards to be altered by a master plan.

**LU194** *The need for appropriate transition shall be a primary consideration in determining setbacks.*

**Discussion:** The eastern and southern boundaries on the campus face single-family zones across streets. Along the eastern property line, the existing setback is 75 feet south of NE 47th Street, and 40 feet north of NE 47th Street to NE 50th Street. Beyond the setback, the existing MIO is 37 feet. All Build Alternatives would maintain the 75-foot buffer and the MIO 37 along the eastern property line south of NE 47th Street. North of NE 47th Street, Alternative 3 would maintain the existing setback, but increase the MIO to 50. Alternative 6 would increase the setback to 75 feet, and increase the height to MIO 50 and MIO 65. Alternatives 7R and 8 would increase the setback to 75 feet while maintaining the MIO 37. Along the eastern property line, all proposed Build Alternatives provide for a transition between the single-family development standards to the MIO districts, and for setbacks of 40 to 75 feet. Appropriate transition has been proposed with both the heights and proposed setbacks, and the proposed development along the eastern property line for all Build Alternatives.

Along the southern property line, which faces single-family homes across NE 45th Street, the existing setback is 75 feet. Beyond the setback, the eastern portion of the campus has a MIO 37 overlay and the western portion of the campus has a MIO 50. All four Build Alternatives would maintain the 75-foot setback. Alternative 3 would increase the MIO on the western third of the campus to 90 feet. Alternative 6 would increase all of the MIO adjacent to the setback to MIO 50. Alternatives 7R and 8 would also include MIO 50 for this portion of the campus adjacent to the 75-foot setback. The 75-foot setback provides an appropriate transition to the higher heights, and is consistent with this policy.

Alternatives 7R and 8 would include the development of the Laurelon Terrace property. Children's has proposed a setback of 40 feet, and then a MIO 50 for the buildable area adjacent to the setback. The 40-foot setback would provide an appropriate transition to the MIO 50 when added to the approximately 48 – 60 feet width of NE 45th Street that separates the single-family homes from the proposed expanded campus.

On the northern portion of the existing campus, the setbacks are 40 feet on the east and west sides, and 20 feet along the north property line. The MIO is 37 feet. The zoning north of NE 50th Street is LDT which has a 25-foot height limit. Alternative 3 would retain the existing setbacks and increase the height to 50 feet. Alternative 6 would increase the setbacks on the east and northeast to 75 feet, and increase heights to MIOs of 50, 65, and 90. Alternatives 7R and 8 would increase the setbacks to 75 feet on the east and northeast and to 40 feet on the northwest. A portion of the area on the west would be increased to MIO 65 with the portion facing single-family remaining at MIO 37. The 40- and 75-foot setbacks proposed for Alternative 7R and 8 would provide an adequate transition to the MIO 37 and MIO 65.

The western property line of the Laurelon Terrace site faces low-rise multifamily and a bank, with 2- to 4-story commercial buildings behind the multifamily buildings. Across Sand Point Way are two condominium buildings, and the Hartmann medical office/clinic building. The proposed heights of 125 and 140 feet would be substantially higher than the multifamily and commercial buildings to the west, and higher than the approximately 100-foot condominium building across Sand Point Way NE. In the Master Plan, Children's proposed no setback from 40th Avenue NE. DPD, in the Director's Report, recommended a 20-foot setback. The CAC recommended a 20-foot setback and then MIO of 50 feet for a depth of 80 feet (including the 20-foot setback), and this recommendation has been accepted by Children's. The proposed 20-foot setback would be greater than the 5- to 15-foot setback required for multifamily development, and would provide an appropriate transition to the MIO 50.

The Hartmann building site is zoned L-3 with a 30-foot height limit. On the south is the approximately 100-foot condominium building, and on the north is a 3-story condominium. The Burke-Gilman Trail borders the western property line at a higher elevation than the site. Sand Point Way NE is on the east. In the Master Plan, Children's proposed 5- to 15-foot setbacks for the front, 15- to 25-foot setbacks in the rear and 8 feet on the side. Based on recommendations from the CAC, Children's agreed to a front setback of 10 feet, and an upper level setback above 50 feet in height for a distance of 40 feet back from the edge of the building setback. On the rear, Children's

agreed to the CAC's recommendation of a 60-foot deep upper level setback, as measured above the average height of the Burke-Gilman Trail along the west Hartmann property line. These setbacks would provide an appropriate transition.

The transition between the heights of the proposed Children's development and nearby zones has been appropriately considered in developing setbacks, and the proposed setbacks are consistent with this policy.

There are four policies that address parking standards for Major Institutions:

*LU195 Establish minimum parking requirements in MIO districts to meet the needs of the major institution and minimize parking demand in the adjacent areas. Include maximum parking limits to avoid unnecessary traffic in the surrounding areas and to limit the use of single occupancy vehicles (SOV).*

**Discussion:** Children's has proposed to meet the Land Use Code required minimum parking amounts. The minimum parking supply requirement is based on a combination of numbers of employees, beds, outpatients, and auditorium seating. The maximum allowed parking supply is 135 percent of the calculated required minimum. Table 3.10-8 of this FEIS shows the required minimum spaces calculated to be 2,297 spaces, and the maximum calculated to be 3,102. Children's is proposing to provide up to 3,100 spaces on campus (including the Hartmann site), and the proposal is consistent with this policy.

*LU196 Allow short-term or long-term parking space provisions to be modified as part of a Transportation Management Program (TMP).*

**Discussion:** Children's has proposed to modify the maximum parking space provisions to allow additional spaces in off-site parking lots to meet the calculated parking demand. The parking provisions and the calculated demand are included in its TMP. The request to modify the parking space provisions is consistent with this policy.

*LU197 Allow an increase to the number of permitted spaces only when an increase is necessary to reduce parking demand on streets in surrounding areas and is compatible with goals to minimize traffic congestion in the area.*

**Discussion:** The calculated parking demand for all Build Alternatives is 3,600 vehicles. Children's is proposing to provide 3,100 spaces on site and up to an additional 500 parking spaces in off-site lots. The Land Use Code allows that additional parking supply can be provided if the institution is meeting its TMP goal. Children's current TMP goal is 50 percent SOV, and the 2006 Commute Trip Reduction (CTR) survey indicates Children's currently exceeds the goal with SOV use at 38 percent. The proposal to modify the parking space provisions to provide additional parking is consistent with this policy and the parking standards of the Land Use Code.

*LU198 Use the TMP to reduce the number of vehicle trips to the major institution, minimize the adverse impacts of traffic on the streets surrounding the institution, minimize demand for parking on nearby streets, especially residential streets, and minimize the adverse impacts of*

*institution-related parking on nearby streets. To meet these objectives, seek to reduce the number of SOVs used by employees and students to reach the campus at peak times.*

**Discussion:** As noted in the discussion above on Policy LU197, Children’s current TMP goal is 50 percent SOV, and the 2006 CTR survey indicates Children’s currently exceeds the goal with SOV use at 38 percent. Table 3.10-10 of this FEIS shows the unmitigated parking demand of 3,600 spaces would be reduced to 3,100 spaces through the use of an enhanced TMP and shuttle services. To reduce SOV use, and prevent parking on nearby adjacent streets, Children’s would continue to charge employees for parking, increase parking rates, and assign employee parking to specified lots. Children’s employees are prohibited from parking on neighborhood streets, and both traffic flows and neighborhood parking violations are monitored by a full-time parking officer and supported by security staff. To encourage alternative modes of transportation, Children’s employees are provided with transit passes, shuttles to transport staff between the campus and transit hubs, bicycle parking, the use of a free bicycle for commuting, monetary bonuses for not using SOVs, and a guaranteed ride home for those who need to work late and miss their transit connection. The proposed Master Plan includes a number of enhancements to current programs, including design features such as new transit facilities on Sand Point Way NE, new pedestrian access from Sand Point Way NE, and additional shower and locker facilities. The plan includes additional shuttle routes, and new annual gear bonuses for walking or bicycling. The proposed Master Plan and the TMP are consistent with this policy.

There is one policy on residential structures:

*LU199 Encourage the preservation of housing within major institution overlay districts and the surrounding areas. Discourage conversion or demolition of housing within a major institution campus, and allow such action only when necessary for expansion of the institution. Prohibit demolition of structures with non-institutional residential uses for the development of any parking lot or parking structure which could provide non-required parking or be used to reduce a deficit of required parking spaces. Prohibit development by a major institution outside of the MIO district boundaries when it would result in the demolition of structures with residential uses or change of these structures to non-residential uses.*

**Discussion:** No housing exists on the existing campus. Two alternatives, Alternative 7R and 8, would include the 6.75-acre site currently occupied by the 136-unit Laurelon Terrace condominiums. Alternatives 3 and 6 would not include an expansion onto the Laurelon Terrace site, or require any demolition or conversion of housing. Alternatives 7R and 8 would extend the boundaries of the major institution and would result in the demolition of structures with residential uses – and this would be in conflict with this policy.

Policy LU199 prohibits the development of a major institution outside of its boundaries when it would cause the demolition or conversion of housing. Children’s proposed Master Plan would demolish housing within the extended boundaries of the major institution, which is discouraged by the land use policy. Section 23.34.124(7) of the Seattle Municipal Code allows the expansion of MIO boundaries if comparable

replacement housing is provided. The Land Use Code section precludes the expansion where “they would result in the demolition of structures with residential use unless comparable replacement is proposed to maintain the housing stock of the city.” The EIS identifies proposed mitigation through housing replacement. See Section 3.7 Housing.

There are five policies pertaining to the Master Plan:

*LU200 Require a master plan for each Major Institution proposing development which could affect the livability of adjacent neighborhoods or has the potential for significant adverse impacts on the surrounding areas. Use the master plan to facilitate a comprehensive review of benefits and impacts of the Major Institution development.*

**Discussion:** The City of Seattle has required that Children’s prepare a new master plan for its proposed development. The Master Plan describes Children’s proposed benefits. This EIS reviews the impacts of the proposed 1.5 million sf of development. The Master Plan review and approval process, and the EIS review, are consistent with this policy.

*LU201 Use the master plan to: Give clear guidelines and development standards on which the major institutions can rely for long-term planning and development; Provide the neighborhood advance notice of the development plans of the major institution; Allow the City to anticipate and plan for public capital or programmatic actions that will be needed to accommodate development; and Provide the basis for determining appropriate mitigating actions to avoid or reduce adverse impacts from major institution growth.*

**Discussion:** If approved, the Master Plan would provide clear guidelines and development standards on which Children’s can rely for long-term planning and development. The draft and final Master Plans have been provided to the CAC and to the public for review as a means of providing advance notice of the amount of, and size of proposed future development.

The Master Plan and the EIS provide information on site access, traffic volumes, intersection congestion, transit ridership, and utility needs (energy, water supply, and water discharge) which would allow the City to anticipate and plan for public capital or programmatic actions, including the potential need for new traffic signals along Sand Point Way NE. The proposed Comprehensive Transportation Plan provides for contributions by Children’s to area transportation facilities, including the NE 45th Street/Montlake Boulevard Intelligent Transportation System (ITS), Northeast Seattle Transportation Improvements, and Northeast Seattle Pedestrian and Bicycle Improvements. See Section 3.10.20.2 Operation mitigation measures for additional information.

The information contained in the Master Plan and the analysis contained in this EIS provide the basis for identifying appropriate mitigation measures to avoid or reduce the adverse impacts of the proposed growth.

The Master Plan and the EIS contain the information required by this policy, and the Master Plan is consistent with the policy.

*LU202 The master plan should establish or modify boundaries; provide physical development standards for the overlay district; define the development program for the specified time-period; and describe a transportation management program.*

**Discussion:** Children's proposed Master Plan includes a request to modify boundaries for Alternatives 3, 7R and 8; requests approval of physical development standards for the MIOs; includes a proposed development schedule for a 20-year period; and includes a draft transportation management program. The proposed Master Plan contains the elements required by this policy and is consistent with the policy.

*LU203 Require City Council review and adoption of the master plan following a cooperative planning process to develop the master plan by the Major Institution, the surrounding community and the City.*

**Discussion:** Children's developed a Concept Plan in July 2007, followed by the development and submittal of a Preliminary Master Plan (January 2008), a Draft Master Plan (June 2008), a Preliminary Final Master Plan (August 2008), and a Final Master Plan (November 2008). Each of the documents was presented to the CAC for its review and consideration. The CAC met regularly through the planning process. From the summer of 2007 through February of 2009, the CAC held 26 committee meetings to provide comments and input to Children's on the development of the Master Plan. Children's, through its representative Ruth Benfield, was an active participant in the committee discussions. All CAC meetings were open to the public, appeared to be well publicized by the Department of Neighborhoods, and were generally well attended by neighbors and interested citizens. At each of the CAC meetings, opportunity was provided to the public to provide comments, and many members of the surrounding community spoke frequently during the public comment period. DPD, through its representative Scott Ringgold, was also an active participant of the CAC, attending most meetings, and present at all meetings in which the CAC's recommendations on the Master Plan were formulated.

DPD has made its recommendation to the Hearing Examiner on approval of the Master Plan. Following the Hearing Examiner's recommendation, the proposed Master Plan will then go to the City Council for its review and consideration of the Master Plan.

The process followed for the review of the Master Plan has been consistent with this policy.

*LU204 In considering rezones, the objective shall be to achieve a better relationship between residential, commercial or industrial uses and the Major Institution uses, and to reduce or eliminate major land use conflicts in the area.*

**Discussion:** The proposed MIO height limit and boundary changes require a rezone. One alternative, Alternative 6, also includes a proposal to rezone the Hartmann side from L-3 to NC3-65. City Council will make the rezone decisions as part of their consideration of approval of the requested Master Plan. As noted in Conclusion 10 of the Hearing Examiner's Findings and Decision, the rezone analysis is correctly a part of the



Director’s analysis of the proposal, rather than the EIS’s analysis of the proposal’s environmental impacts.

### 3.7.2.3 Zoning

The underlying zoning of the hospital campus is single family, and the underlying zoning of both the Laurelon Terrace condominium site and the Hartmann site is Lowrise-3 (multi-family). The current Master Plan includes a City-approved Major Institution Overlay for the hospital campus which revises the development standards for the underlying single family zoning. A revision to the existing MIO would be required to implement the proposed heights for each of the action alternatives. A summary of existing and proposed height limits is provided in Table 3.7-52.

**Table 3.7-52  
Existing and Proposed Height Limits**

Alternative	Height South of Penny Drive	Height North of Penny Drive	Height on Hartmann Property	Height on Laurelon Terrace Property
<b>Alternative 1 – No Build (existing)</b>	37’, 50’, 70’ and 90’	37’	30’	(30’ – outside of MIO)
<b>Alternative 3 – South Campus Expansion</b>	37’, 50’, 70’, 90’ and 105’ on the east, 37’, 50’, 90’, 105’ and 160’ on the west;	50’	50’ and 105’	(30’ – outside of MIO)
<b>Alternative 6 – North Campus Expansion</b>	37’, 50’, 65’, 70’, and 90 on the east, 37’, 50’, 70’, 90’ and 160’ on the west	37’, 50’, 65’ and 90’	(rezoned to NC3-65’ – outside of MIO)	(30’ – outside of MIO)
<b>Alternative 7R – Expanded Boundary, Early Laurelon Development</b>	37’, 50’, 70’, and 90’ on the east, 50’, 70’, 90’ and 160’ on the west	37’ and 65’	65’	37’, 50’ and 160’ <sup>3</sup>
<b>Alternative 8 – Early Laurelon Development without Hartmann</b>	37’, 50’, 70’ and 90’ on the east, MIO of 50’, 70’, 90’ and 160’ on the west	37’ and 65’	30’	37’, 50’ and 160’

### 3.7.2.4 Regulation of Major Institutions

#### Relationship of Comprehensive Plan to Seattle Land Use Code

In order to reconcile the applicability of consistency with the Comprehensive Plan Goals and Policies with the regulations found in the Land Use Code, the decision-maker is directed to the language on page xi of the Comprehensive Plan: *“Although the Plan will be used to direct the development of regulations which govern land use and development, the Plan will not be used to review applications for specific development projects except when reference to this Comprehensive Plan is expressly required by an applicable development regulation.”*

<sup>3</sup> Children’s is proposing to limit the height of development on the Laurelon Terrace site to 140 feet.

Major Institutions are regulated by SMC Section 23.69.002: Within Section 23.69 there are only two references to the Comprehensive Plan, both related to the goals and policies of the Education and Employability and Health in the Human Development Element. The two references are as follows:

- In Section 23.69.030 Contents of a Master Plan, 13. *“A description of the following shall be provided for informational purposes only. The Advisory Committee, pursuant to Section 23.69.032 D1, may comment on the following but may not subject these elements to negotiation nor shall such review delay consideration of the master plan or the final recommendation to Council:*
  - a. *A description of the ways in which the institution will address goals and applicable policies under Education and Employability and Health in the Human Development Element of the Comprehensive Plan,”*
- And in Section 23.69.032 Master Plan Process, E. Draft Report and Recommendation of the Director, 3. *In the Director's Report, an assessment shall be made of the extent to which the Major Institution, with its proposed development and changes, will address the goals and applicable policies under Education and Employability and Health in the Human Development Element of the Comprehensive Plan.*

Children’s has included a description of consistency with the Human Development Goals and Policies of the Comprehensive Plan in Appendix D of the proposed Master Plan, beginning on page D-7. In the Director’s Report, in Section E3, the Director has included an assessment of the extent to which Children’s will address the goals and applicable policies contained within the Human Development Elements.

There are no references in SMC Chapter 23.69, SMC 23.34.124, or SMC 23.34.007 that require application of either the Land Use or Urban Village Elements of the Comprehensive Plan to the decision on Children’s proposed Master Plan.

### **Consistency with Purpose and Intent of the Major Institution Regulations**

Major Institutions are regulated by SMC Section 23.69. The purpose and intent of the regulations is stated as follows:

#### ***SMC 23.69.002: Purpose and Intent***

*The purpose of this chapter is to regulate Seattle's major educational and medical institutions in order to:*

- A. *Permit appropriate institutional growth within boundaries while minimizing the adverse impacts associated with development and geographic expansion;*
- B. *Balance a Major Institution's ability to change and the public benefit derived from change with the need to protect the livability and vitality of adjacent neighborhoods;*

- C. *Encourage the concentration of Major Institution development on existing campuses, or alternatively, the decentralization of such uses to locations more than two thousand five hundred (2,500) feet from campus boundaries;*
- D. *Provide for the coordinated growth of major institutions through major institution conceptual master plans and the establishment of major institutions overlay zones;*
- E. *Discourage the expansion of established major institution boundaries;*
- F. *Encourage significant community involvement in the development, monitoring, implementation and amendment of major institution master plans, including the establishment of citizen's advisory committees containing community and major institution representatives;*
- G. *Locate new institutions in areas where such activities are compatible with the surrounding land uses and where the impacts associated with existing and future development can be appropriately mitigated;*
- H. *Accommodate the changing needs of major institutions, provide flexibility for development and encourage a high quality environment through modifications of use restrictions and parking requirements of the underlying zoning;*
- I. *Make the need for appropriate transition primary considerations in determining setbacks. Also setbacks may be appropriate to achieve proper scale, building modulation, or view corridors;*
- J. *Allow an increase to the number of permitted parking spaces only when it is 1) necessary to reduce parking demand on streets in surrounding areas, and 2) compatible with goals to minimize traffic congestion in the area;*
- K. *Use the TMP to reduce the number of vehicle trips to the major institution, minimize the adverse impacts of traffic on the streets surrounding the institution, minimize demand for parking on nearby streets, especially residential streets, and minimize the adverse impacts of institution-related parking on nearby streets. To meet these objectives, seek to reduce the number of SOVs used by employees and students at peak time and destined for the campus;*
- L. *Through the master plan: 1) give clear guidelines and development standards on which the major institutions can rely for long-term planning and development; 2) provide the neighborhood advance notice of the development plans of the major institution; 3) allow the city to anticipate and plan for public capital or programmatic actions that will be needed to accommodate development; and 4) provide the basis for determining appropriate mitigating actions to avoid or reduce adverse impacts from major institution growth; and*
- M. *Encourage the preservation, restoration and reuse of designated historic buildings.*

**Discussion:** Children's is not a new institution, nor are there any designated historic buildings located on the existing campus or within the areas proposed for expansion, and therefore items G and M do not apply.

**Boundary Expansion:** There are two items that indirectly address boundary expansion, items A and C, and one that directly addresses boundary expansion, item E that discourages the expansion of established major institution boundaries. Children's proposed expansion plans

in either Alternative 3, 7R or 8 would include development outside of ~~their~~ its existing campus, in potential conflict with the goals of items C and E above. Neither statements C nor E prohibit an expansion of a major institution boundary, but do include the words “*Encourage the concentration...on existing campuses*” and “*Discourage the expansion of established major institution boundaries*”.

The only express prohibition on boundary expansions is found in Section 23.69.024 Major Institution Designation in B.6 which states: “*A new Major Institution Overlay District may not be established and a Major Institution Overlay District Boundary may not be expanded in Single-family or Industrial zones.*” Children’s is not proposing to expand into either single-family or industrial zones.

Outside of Single-family and Industrial zones, it is apparent that boundary expansions of Major Institutions could be approved subject to two other section of SMC 23.69 in which a rezone is required.

- In SMC 23.69.028 Major Institution master plan – General provisions, “*C. Changes to the boundaries of the MIO District or to a MIO District height limit shall require a rezone in addition to adoption of a master plan or major amendment, except that a boundary adjustment caused by the acquisition, merger or consolidation of two (2) contiguous Major Institutions shall be governed by the provisions of Section 23.69.023.*” (emphasis added)
- In SMC 23.69.030 Contents of a master plan, E. Development program components, “*5. A site plan showing: property lines and ownership of all properties within the applicable MIO District, or areas proposed to be included in an expanded MIO District, and all structures and properties a Major Institution is leasing or using or owns within two thousand five hundred (2,500) feet of the MIO District;*” (emphasis added)

The balance between these policies of discouraging expansion of established boundaries and providing for the coordinated growth of a major institution will occur as part of the Major Institution Master Plan approval process. Policies that provide for the coordinated growth of the major institution coexist with policies that discourage expansion of established institutional boundaries. The Major Institution Master Plan process applies general policy concerns to the more specific context of the site and vicinity, the development program, the impact analysis, and proposed mitigations. While the policies are not intended to explicitly prohibit or permit expansions, they do present a range of issues to be evaluated and weighed against the potential benefits of a Master Plan approval. Boundary expansions may also present a range of potential mitigation measures not otherwise possible within the existing MIO. DPD notes the stated concern over boundary expansion and will evaluate it in the context of the specific environment, the impacts, and the proposed mitigations in order to determine whether to approve, deny or amend the proposed Major Institution Master Plan.

~~These two statements are consistent with the Comprehensive Plan Policy LU-186 “Discourage the expansion of established major institution boundaries.”~~

However, there are other policies in the Land Use Element of the Comprehensive Plan that appear to allow for boundary expansions. These policies include:

- ~~LUG32: Maximize the public benefits of major institutions, including health care and educational services, while minimizing the adverse impacts associated with development and geographic expansion.~~
- ~~LU181: Provide for the coordinated growth of major institutions through major institution conceptual master plans and the establishment of major institution overlay zones.~~
- ~~LU182: Establish Major Institution Overlays (MIO) to permit appropriate institutional development within boundaries while minimizing the adverse impacts associated with development and geographic expansion. Balance the public benefits of growth and change for major institutions with the need to maintain the livability and vitality of adjacent neighborhoods. Where appropriate, establish MIO boundaries so that they contribute to the compatibility between major institution areas and less intensive zones.~~

Impacts of Development: Three of the items are directed toward reducing the impacts of the height, bulk and scale of new development, items B, H, and I. The analysis of height, bulk and scale impacts is included in Section 3.9 of this FEIS.

Master Plan Process: Two items, D and L, describe the process to be followed for the Master Plan. This process is being followed by Children's and the City.

Community Involvement: Item F encourages significant community involvement and the formation of a CAC. Both have been done in this process.

Traffic and Parking: Items J and K are aimed at reducing both parking and traffic. The impacts on transportation are described in Section 3.10 of this FEIS.

Section 23.69.032 includes the regulations for the Master Plan process. Subsection E describes the requirements for the content of the Director's Report, including the required analysis and recommendation.

### **3.7.3 Mitigation Measures**

Mitigation for the density-related impacts of additional development, such as loss of housing, increased height, bulk and scale, increased noise, parking, increased traffic, and increased need for public services and utilities are addressed in other subsections within Section 3 of this Final EIS. No significant impacts to land use have been identified, and no mitigation measures are required.

### **3.7.4 Significant Unavoidable Adverse Impacts**

No significant unavoidable adverse impacts to land use have been identified. The potential for significant adverse impacts for density-related impacts such as loss of housing or increased height, bulk and scale, are addressed in other subsections within Section 3 of this Final EIS.

### **3.7.5 Secondary and Cumulative Impacts**

The increase in staffing and patient levels at the hospital would contribute to secondary and cumulative land use changes, both directly and indirectly. There would be increased demands for customer service-type businesses in the nearby retail/commercial area to serve hospital staff, patients and visitors. There may be increased future demand for more intensive zoning along Sand Point Way NE to accommodate additional retail and commercial space. The overall impact is not expected to be significant when viewed in the context of existing and proposed future land uses.

For Alternatives 7R or 8, the conversion of the Laurelon Terrace property from multi-family to Medical Major Institution would cause the remaining multi-family zoned land across 40th Avenue NE to become a half block wide zone of multi-family, between commercial property on the west and Medical Major Institution on the west. This land may be subject to future requests for rezone.



## 3.8 Housing (Revised)

The information contained in this section on housing characteristics and population was obtained from the US Census Bureau. The US Census Bureau uses Census Tracts and Community Reporting Areas (CRAs) to report census information.

The goal of the City of Seattle Comprehensive Plan on Housing is ~~plans~~ for at least one-quarter of the city housing stock to be affordable to households with incomes up to 50 percent of the area's median income. This goal incorporates housing that is publicly subsidized and housing provided by the private housing market. The Plan encourages the use of public funds for the production and preservation of low-income housing in urban centers and villages. It also encourages the production of housing for households with incomes up to 50 percent of the median in areas with high land values and little existing rental housing in that income range.

In a decision dated April 20, 2009, the Hearing Examiner found:

*“The FEIS fails to provide necessary information on the scope of details of the impact of demolishing 136 units of moderate-income housing, such as the average square footage and size of the units, the appraised value of the units, and the cost in current dollars to replace them. Without such basic information, the Council lacks a baseline for determining the extent of the impact and thus, cannot determine whether any proposed mitigation package satisfies the Code requirement for comparable replacement housing. As a result, the Council cannot make the balancing judgment mandated by SEPA, SMC 25.05.448, or by SMC 23.34.124.”*

The information requested by the Hearing Examiner has been added to the impacts discussion on Alternatives 7R and 8 in subsection 3.8.2.3.

### 3.8.1 Affected Environment

The Census Bureau's northeast neighborhood study area includes approximately 16 Census Tracts. Its approximate boundaries include NE 98th Street to the north, Lake Washington to the east, East Galer Street to the south, and Roosevelt Way NE to the west. Within this neighborhood study area is the Laurelhurst/Sand Point Way CRA which includes Census Tracts 40 and 41. Children's is located within Census Tract 41.

The Laurelhurst/Sand Point CRA reflects the most immediate data surrounding Children's. The northeast neighborhood study area represents a broader view of housing near Children's.

All of the following data is current as of the 2000 US Census. Table 3.8-1 compares the Laurelhurst/Sand Point CRA, the northeast neighborhood, and the city of Seattle in characteristics such as population, housing units, and income.



**Table 3.8-1  
Population, Housing and Income Characteristics**

	<b>Laurelhurst/Sand Point CRA</b>	<b>Northeast Neighborhood</b>	<b>City of Seattle</b>
<b>Population</b>	9,857	71,855	563,374
<b>Housing Units</b>	4,328	30,135	270,536
Single Family	3,679 (85%)	27,122 (90%)	227,250 (84%)
Multi-family of less than 10 units	210 (5%)	1,808 (6%)	16,232 (6%)
Multi-family of more than 10 units	439 (10%)	1,205 (4%)	27,054 (10%)
<b>Occupied housing units</b>	4,168	29,142	258,510
Owner occupied	3,083 (74%)	16,619 (57%)	125,151 (48%)
Renter occupied	1,085 (26%)	12,523 (43%)	133,359 (52%)
<b>Median household income</b>	\$72,398	\$34,640	\$45,736
<b>Median Value for Single-family Homes</b>	<b>\$484,860</b>	<b>\$331,739</b>	<b>\$252,100</b>

Source: 2000 US Census, Summary File 3

### 3.8.1.1 Housing Comparison

The Laurelhurst/Sand Point Way CRA contains approximately 1.7 percent of Seattle’s population, and approximately 1.6 percent of Seattle’s housing units. The percentage of single family homes (85 percent), and the percentage of multi-family units (5 percent in buildings of less than 10 units and 10 percent in buildings of 10 or more units) is similar to the city-wide percentages. In comparison with the northeast neighborhood, the percentage of single family homes (85 percent) is less than the overall percentage of 90 percent, and the percentage of multi-family units is greater.

As compared to Seattle as a whole, there is a higher percentage of housing within the Laurelhurst/Sand Point CRA that is classified by the Census Bureau as “large” (three or more bedrooms). Approximately 60 percent of housing units in the CRA are large, while within Seattle approximately 35 percent of the housing units are large.

The Laurelhurst/Sand Point Way CRA has a higher percentage of owner-occupied units than city-wide or in the northeast neighborhood. Within the CRA, approximately 74 percent of the housing units are owned, and approximately 26 percent are rented. Within the northeast neighborhood, approximately 57 percent of the housing units are owned, while approximately 43 percent are rented. In the rest of the city, approximately 48 percent of the housing units are owned and 52 percent are rented.

Median value for owner-occupied housing units within the CRA was \$484,860. The median value for owner-occupied housing units within the northeast neighborhood was \$331,739, substantially lower than the value within the CRA.

### 3.8.1.2 Rental Housing

As shown in Table 3.8-1, approximately 26 percent of the housing in the Laurelhurst/Sand Point CRA is occupied by renters. Of the 1,085 rental units in the CRA, approximately 18 percent are single-family homes (detached), while approximately 47 percent (510 units) are in multi-family structures with 10 or more units. Approximately 35 percent (380 units) are in duplex or triplex buildings, or other buildings of less than 10 units. These percentages are very similar to the northeast neighborhood and Seattle amounts.

Median rent within the CRA was \$715 per month in 2000, compared to \$695 per month in the northeast neighborhood and \$677 in Seattle. A breakdown of contract rent is shown in Table 3.8-2.

**Table 3.8-2  
Contract Rent**

Rent	Laurelhurst/Sand Point CRA	Northeast Neighborhood	City of Seattle
	Number of Units		
\$0 to \$299	10	380	12,862
\$300 to \$549	131	2,692	24,716
\$550 to \$799	482	4,713	50,692
\$800 to \$1,999	368	4,365	41,016
\$2,000 or more	27	107	1,564
<b>TOTAL</b>	1,018	12,257	130,850
<b>Median contract rent</b>	<b>\$715.00</b>	<b>\$695.00</b>	<b>\$677.00</b>

Source: 2000 US Census, Summary File

### 3.8.1.3 Housing Characteristics near Children's

Available housing in the Laurelhurst neighborhood is predominantly single-family homes. As detached homes typically have a higher value than attached housing, there is limited availability of moderately priced housing.

The Laurelon Terrace is a group of 136 condominiums located immediately west of Children's (See Figure 1-1). The condominiums were built in 1949, almost 60 years ago. There are approximately 650 attached units within the CRA. Laurelon Terrace's units represent approximately 21 percent of the total attached housing in the CRA, and approximately 5 percent of the total attached housing in the northeast neighborhood. Facing the southern portion of Laurelon Terrace, on the west side of 40th Avenue NE, are multi-family (duplex) buildings.

Children's has recently purchased some single-family homes in the area immediately surrounding the hospital and over sixty units in Laurelon Terrace. In late February, 2008, Children's reached a tentative agreement with the Laurelon Terrace Condominium Association to purchase the entire 6.75-acre property for \$93 million, approximately 2.8 times the market

value of each individual unit (with Children’s assumption of all closing costs). The agreement was based on a straw poll of the 136 condominium owners in which 120 residents voted in favor of the deal, three voted against it, one abstained and 12 did not vote. The straw poll was used to gauge owner support for the deal. Pursuant to State law, as amended by the 2008 Legislature, 80% of Laurelon Terrace owners must approve the decision to terminate the Condominium Association and sell the Condominium property. The condominium board submitted a final agreement to its members for signature by each consenting owner, and this agreement was approved by over 80 percent of the owners. On October 6, 2008, Children’s and Laurelon Terrace signed a Purchase and Sale Agreement for the property. This is a binding agreement, committing Laurelon Terrace to sell the property to Children's and committing Children's to buy the property if the City Council approves the proposed Final Master Plan.

**3.8.1.4 Housing for Patient Families**

There are a number of existing housing options for patient families as described below.

**At Bedside**

Most inpatient rooms have a sleeper chair or couch for one parent/legal guardian to stay at the bedside overnight, depending on the condition of the patient, space and safety.

**Intensive Care Unit Sleeping Areas**

A limited number of sleep rooms are assigned daily to parents of ICU patients based on availability and eligibility.

**Ronald McDonald House**

Ronald McDonald House Charities (RMH) provides low-cost housing for qualifying Children’s families. RMH can house up to 80 families per night and is located one block from Children’s. There is onsite parking and free transportation between Children’s and Ronald McDonald House.

**Trailer Hookups**

Children’s offers limited RV spots with electrical hookups for patients’ families.

**Hotels**

Table 3.8-3 identifies hotels that are located within ten miles of the Children’s campus. Those hotels that provide a shuttle service to Children’s are marked with an asterisk.

**Table 3.8-3  
Hotels Within Ten Miles of Children’s Campus**

<b>Name</b>	<b>Address</b>	<b>Distance from Children's</b>
Silver Cloud Inn – University*	5036 25th Ave NE	1.5 miles
Hotel Deca	4507 Brooklyn Ave NE	1.7 miles
College Inn	4000 University Way NE	1.9 miles

Watertown*	4242 Roosevelt Way NE	2.0 miles
University Inn*	4140 Roosevelt Way NE	2.1 miles
Quality Inn & Suites	225 Aurora Ave N	4.1 miles
The Baroness Hotel*	1005 Spring St	4.2 miles
Emerald Inn	8512 Aurora Ave N	4.9 miles
First Hill Apartments	400 10th Ave E	5.5 miles
Studio 6 Mountlake Terrace Motel	6017 244th St SW	10 miles

\* Shuttle service available

### Local Recreational Vehicle Parks

There are two recreational vehicle parks within 11 miles of Children’s campus (Table 3.8-4).

**Table 3.8-4  
Recreational Vehicle Parks Within Eleven Miles of Children’s Campus**

Name	Address	Distance from Children's
University Trailer Park	2200 N.E. 88th Street	2.9 miles
Holiday Resort Hotel & Trailer Park	19250 Aurora Ave. N.	10.4 miles

### 3.8.2 Impacts

#### 3.8.2.1 Alternative 1

With Alternative 1, staffing and patient levels would minimally increase over current levels.

It is anticipated that Children’s would continue to purchase units in Laurelon Terrace. The neighborhood homes previously offered by owners and purchased by Children’s, and Laurelon Terrace condominiums are zoned for residential use and could only be used for residential use. If Children’s rents these units to staff or families of patients, it could increase the amount of renter-occupied housing in the immediate neighborhood; however, this increase would be a small percentage of the area’s housing stock.

#### 3.8.2.2 Alternatives 3 and 6

If one of these alternatives were selected, there could be a greater need for housing due to the increased number of visitors, families of patients, and staff which would likely be dispersed throughout the region. Visitors and families would likely be using temporary housing which may increase demand for the hotel rooms and recreational vehicle spaces identified in Subsection 3.8.1.4.

Staff members would need permanent housing. Some of this need could be met by Children’s renting recently-purchased single-family homes. As with Alternative 1, if Children’s rents these units to staff or families of patients, it could increase the amount of renter-occupied housing in the immediate neighborhood; however, this increase would be a small or minor percentage.

Alternatives 3 and 6 do not include an expansion of the existing MIO to include the Laurelon Terrace property. Children's would be required to continue using units it owns in Laurelon Terrace in conformance with the existing multi-family zoning. The property could be redeveloped, but only for housing or uses permitted within a multi-family zone. Uses permitted within the multi-family zone include single-family dwelling units, multifamily structures, congregate residences, adult family homes, nursing homes, assisted living facilities; institutions meeting all development standards; public facilities meeting all development standards; and parks and open space including customary buildings and activities. Major institutions are permitted, but only through the Major Institution Master Plan process. This is the permitting approval proposed for Alternative 7R or 8.

### 3.8.2.3 Alternatives 7R and 8

With Alternatives 7R and 8, the existing MIO boundary would be expanded to include the property currently developed as the Laurelon Terrace condominiums. This 6.75-acre site contains 136 units, ~~over 60~~ of which 101 ~~have already been~~ were purchased by Children's as of April 30, 2009. On October 6, 2008, Children's and Laurelon Terrace signed a Purchase and Sale Agreement for the property. This is a binding agreement, committing Laurelon Terrace to sell the property to Children's and committing Children's to buy the property if the City Council approves the proposed Final Master Plan. While over 80 percent of the owners have expressed a willingness to sell their units through their signature on the agreement, there are also some residents who would prefer to remain.

Selection of Alternatives 7R or 8 would significantly impact housing by removing 136 moderately-priced housing units from the neighborhood and northeast Seattle unless replacement housing is developed within the same area. Section 23.34.124(7) of the Seattle Municipal Code precludes the expansion of MIO boundaries where *"they would result in the demolition of structures with residential use unless comparable replacement is proposed to maintain the housing stock of the city."*

To evaluate the impacts of the loss of the Laurelon Terrace housing, and the anticipated costs of replacing the housing, Table 3.8-5 provides information on the total number of units, the bedrooms and baths per unit, average square footage for each unit size, the average assessed values, the average appraised values, and the average rents for the units that are currently rented. An appraisal has not been performed for the one unit that contains 4 bedrooms.

Schedule C, filed with the 1978 condominium conversion of the Laurelon Terrace apartments, included a total of 136 units. The total consisted of 70 one-bedroom, 58 two-bedroom, and 8 three-bedroom units. The current list as shown in Table 3.8-5 totals 135 units, and includes 1 less one-bedroom and 1 less two-bedroom unit, and 1 new four-bedroom unit. It is likely that a one-bedroom and a two-bedroom unit have been combined to create the four-bedroom unit, thus accounting for the difference in total number of units. The overall total square footage of 106,538 square feet remains the same.

**Table 3.8-5  
Laurelon Terrace Housing Characteristics**

Number of Units	Number of Bedrooms & Baths	Average Square Footage Per Unit Size	Average Assessed Improvement Value	Average Assessed Land Value	Average Total Assessed Value	Average Appraised Value	Average Monthly Rental Rates (for units that are rented)
69	1/1	686	\$93,875	\$108,077	\$201,952	\$244,472	\$950 - \$975
57	2/1	791	\$101,133	\$116,692	\$217,825	\$284,190	\$1,050 - \$1,075
8	3/1	1,093	\$121,900	\$160,600	\$282,500	\$358,643	\$1,150 - \$1,175
1	4/2	1,892	\$172,000	\$277,000	\$449,000	NA	
<b>TOTAL</b>		<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>		
<b>135 units</b>		<b>106,538 sf</b>	<b>\$13,423,200</b>	<b>\$15,664,5000</b>	<b>\$29,087,700</b>		

**Replacement Housing**

Under SMC 23.34.124.B.7, demolition of residential structures to expand boundaries of major institutions is not permitted unless “comparable” replacement housing is proposed to maintain the City’s housing stock. The City has historically interpreted “comparable” in this context to mean one-for-one replacement of housing that is similar in its location based on sector of the city, size based on number of bedrooms, and affordability based on income that is maintained for a minimum of 10 years. Children’s proposed housing replacement package is intended to address the City’s policy and program goals for comparable affordable housing and contribute to the replacement of at least 136 housing units in northeast Seattle. The determination as to whether the proposed replacement housing constitutes “comparable replacement” would be made by the City as part of the Major Institution Master Plan review and approval process.

There are two examples of other major institutions whose expansion involved the displacement of existing residential housing.

1. Harborview’s MIMP, approved in 2000, allowed for the demolition of 64 housing units in order to accommodate its planned expansion. Condition 14 of the MIMP required “one-for-one” replacement of the units being demolished, with replacement units to be provided within the First Hill/Capitol Hill Urban Center boundary, with the units at substantially the same size, with the units to be affordable for a period of ten years, without the use of City funds, and requiring relocation assistance as provided by City regulations. In April 2004, these conditions for replacement housing were modified by a DPD minor amendment (MUP No. 2306410) to allow a reduction in the required number of replacement units from 64 to 50, to require that such units would remain affordable for a period of 50 years, to require a contribution from Harborview of \$1.5 million dollars to the City to be used in support of the Cabrini Senior Housing project, and to eliminate the restriction against the use of City funds. It is presumed that Harborview paid its share of

the City's required relocation assistance (half of \$2,336 in 2004-2005) to those residents whose income levels made them eligible for such assistance.

2. Virginia Mason Medical Center's MIMP, approved by the City Council in 1994, required the demolition of two apartment buildings with approximately 80 market rate units in order to develop its east campus. Virginia Mason made an equity contribution of approximately \$300,000 to Housing Resources Group (HRG) to upgrade the 40-unit John Winthrop Apartments. In addition, Virginia Mason donated a half-block surface parking lot to HRG for the 97-unit Tate Mason House project and received in return the rights to structured parking in the project. There was no City requirement that Virginia Mason replace any units on a one-to-one basis, and there was no specification of the amount of funds required to be paid by Virginia Mason for replacement housing. No funds were paid by Virginia Mason to the City. Virginia Mason followed the City's required relocation assistance program, offering approximately \$2,000 to those residents whose income levels made them eligible for such assistance.

### ***Agreement for Replacement Housing***

Children's and the City's Office of Housing have developed a proposed agreement for the replacement of the 136 units proposed for demolition. The key elements of the proposed agreement include:

- **Compensation to Existing Laurelon Terrace Owners and Tenants:** Children's provision for the owners (and tenants) of the Laurelon Terrace Condominiums has included mitigation in the form of direct compensation paid and to be paid to the owners (and qualifying tenants) of the Laurelon Terrace units. These payments are of three kinds: (i) commencing in October 2007, Children's agreed to purchase any Laurelon Terrace unit offered to it for sale through payment to the owner of the unit's then appraised fair market value, and to pay all costs of sale normally paid by the seller, including the real estate broker's fees, the real estate excise taxes, title insurance, escrow and other fees – as of April 30, 2009, Children's has purchased 101 units in this manner and paid a total of over \$27 million; (ii) if Children's is granted approval of its proposed Master Plan and the expansion of its boundaries to allow hospital expansion onto the Laurelon Terrace site, Children's will pay each owner of a condominium unit a premium payment that will constitute approximately 2.8 times the fair market value of each unit (with Children's assumption of all closing costs) – this payment, in the aggregate for all 135 units, is \$93 Million; (iii) for each individual unit that Children's has purchased and rented back to the original owner or rented to a third party who is not the former owner, Children's will also pay its share of relocation assistance (\$1,501) to all qualifying tenants as defined by SMC Ch. 22.10.
- **Contribution for New Housing:** Children's must contribute \$5,000,000 in order to satisfy its obligation for the replacement of the 136 Laurelon Terrace residential units. Payment of these funds will support the creation of 136 or more affordable and comparable replacement housing units.
- **Timing on When Payment is Due:** Children's \$5,000,000 payment for replacement housing must be paid prior to the issuance of the Certificate of Occupancy for Children's

Phase 1 expansion under the approved Major Institution Master Plan. Children's has committed to the payment of \$600,000 toward the development of Solid Ground's Stage One of two-, three-, and four-bedroom family housing at Sand Point. Construction is scheduled to begin in late 2009. This project is intended to help achieve the goals of the 10-Year Plan to End Homelessness and the contribution has been approved by the Office of Housing. The remaining \$4,400,000 will be paid directly to the Office of Housing to provide needed funds for replacement housing through a competitive funding round either through the Office of Housing's bi-annual Notice of Funding Announcement or through a special RFP. In order to provide for a full range of replacement housing options and leverage all available housing funds to maximize the number of units that can be developed, the Office of Housing will consider proposals from qualified for-profit and non-profit housing providers. Development of replacement housing may be done on one or multiple sites. The Office of Housing is not prohibited from also contributing to the replacement housing projects. The replacement housing, including Solid Ground's project, will total 136 or more new housing units.

- **Location of Replacement Housing:** Replacement housing must be located in Northeast Seattle.
- **Net Gain of Units Required:** Children's funds for replacement housing must be used to create a net gain of at least 136 housing units in northeast Seattle. These units, in the aggregate, must be of a size to provide a comparable number of bedrooms to the number of bedrooms in the Laurelon Terrace units. The funds may be used for new construction or they may be used to rehabilitate an existing building that is not currently in use as housing.
- **Eligible Replacement Housing:** In order to provide for a full range of replacement housing options, the Seattle Office of Housing will consider qualified for-profit and non-profit housing providers for the development of replacement housing on one or multiple sites. The Office of Housing is not prohibited from contributing to the replacement housing projects developed in accordance with the proposed agreement.
- **Affordability of Replacement Housing:** The replacement housing must be affordable to households whose incomes are no higher than median household income as established by Department of Housing and Urban Development guidelines for the Seattle Metropolitan Statistical Area.
- **Duration of Affordability for Replacement Housing:** The replacement housing shall remain affordable for a term of at least fifty years.

### **Evaluation of Whether the Conditions of the Proposed Agreement Will Result in Providing "Comparable Housing"**

There are four key measures to determining whether proposed replacement housing would be considered "comparable", the number of units being demolished and replaced (i.e., one-for-one replacement), the size of the units, the location, and the rental or purchase price of the new units to determine if they would be "affordable" at similar income levels to those being demolished.



### ***Number and Size of Replacement Units***

The demolition of the Laurelon Terrace condominiums will remove 136 units of housing (or 135 units based on current unit configurations). Children's funds for replacement housing must be used to create a net gain of at least 136 housing units in northeast Seattle. The funds may be used for new construction or they may be used to rehabilitate an existing building that is not currently in use as housing. The existing units are a mix of one-bedroom (69 units), two-bedroom (57 units), three bedroom (8 units), and four-bedroom (1 unit). The new housing should be of a similar mix of bedroom counts.

### ***Location***

The demolition of the Laurelon Terrace units would remove 136 housing units (or 135 units based on current unit configurations) from northeast Seattle unless replacement housing is developed within the same area. In the proposed agreement with the City's Office of Housing, the City and Children's have agreed that the replacement housing must be located in northeast Seattle.

### ***Affordability***

According to the U.S. Housing and Urban Development's (HUD) Community Planning and Development website (<http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>), "*The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing.*" As shown on Table 3.8-5, the average monthly rental rate for a one-bedroom unit in the Laurelon Terrace is \$950 - \$975; a two-bedroom unit average rental rate is \$1,050 - \$1,075; and a three-bedroom unit rents for \$1,150 - \$1,175.

To calculate what level of income would be required to afford those monthly rental rates, you take the monthly rental rate and multiply it by 12 (for one year), and then divide the result by 0.3 (for 30 percent).

HUD classifies incomes based on family size as: "extremely low income" for those earning less than 30 percent of the median income; "very low income" for those earning less than 50 percent of the median income; and "low income" for those earning less than 80 percent of the median income. The rental rates in the Laurelon Terrace would be considered affordable to those earning between 52 and 62 percent of the median income, and would fall into the category as affordable to "low income" as established by Department of Housing and Urban Development guidelines for the Seattle Metropolitan Statistical Area.

**Table 3.8-6  
Calculation of Affordability for Rental Rates**

Number of Bedrooms	Family Size Assumed by HUD Based on # of Bedrooms	2009 Monthly Laurelon Terrace Average Monthly Rental Rates	Required Annual Income to “Afford” Those Rates (30% of Income for Monthly Rental Payment)	HUD Median Income by family size	Annual Income as Percentage of Median Income
1	1.5	\$950 - \$975	\$38,000 - \$39,000	\$63,200	60 – 62%
2	3	\$1,050 - \$1,075	\$42,000 - \$43,000	\$75,900	55 – 57%
3	4.5	\$1,150 - \$1,175	\$46,000 - \$47,000	\$87,650	52 – 54%

As shown on Table 3.8-5, the average appraised value for a one-bedroom unit in the Laurelon Terrace is \$244,472; a two-bedroom unit average appraisal is \$284,190; and a three-bedroom unit average appraisal is \$358,643.

An estimate of the monthly mortgage rates has been made by the Office of Housing assuming a 3.5 percent down payment, and a 30-year fixed rate mortgage at 5 percent interest. The calculation also assumes monthly payments of \$250 for property taxes, \$50 for insurance, and \$250 for condominium dues. To calculate what level of income would be required to afford those mortgage rates, a similar calculation was performed as was done for the rental rates, but the percentage of income allocated to housing was increased to 35 percent to account for the additional homeownership costs (taxes, insurance and dues).

**Table 3.8-7  
Calculation of Affordability for Home Ownership Costs**

Number of Bedrooms	Family Size Assumed by HUD Based on # of Bedrooms	2009 Monthly Laurelon Terrace Average Appraised Values	Average Monthly Housing Payment Based on 3.5% down, 30 year fixed rate, 5% interest	Required Annual Income to “Afford” Those Rates (35% of Income for Monthly Housing Payment)	HUD Median Income by family size	Annual Income as Percentage of Median Income
1	1.5	\$244,472	\$1,809	\$62,017	\$63,200	98%
2	3	\$284,190	\$2,021	\$69,299	\$75,900	91%
3	4.5	\$358,643	\$2,045	\$82,442	\$87,650	94%

Based on the current appraised values, the home ownership costs in the Laurelon Terrace would be considered affordable to those earning between 91 and 98 percent of the median income, and would fall into the category as affordable to “median income” as established by Department of Housing and Urban Development guidelines for the Seattle Metropolitan Statistical Area.

When taken together, this analysis shows that replacement housing for Laurelon Terrace, whether homeownership or rental, should be no higher than median income. This is reflected in the proposed agreement which states that the replacement housing must be affordable to households whose incomes are no higher than median household income as established by Department of Housing and Urban Development guidelines for the Seattle Metropolitan Statistical Area, and shall remain affordable for a period of at least fifty years. The 52-unit Solid

Ground project at Sand Point Magnuson is planned for rental rates that would rent for less than median income, and includes 33 two-bedroom, 14 three-bedroom, and 5 four-bedroom units.

### ***Replacement Housing Costs***

Costs in current dollars for replacing the units at Laurelon Terrace are highly variable. The components making up the total cost of a project include land, architectural and engineering fees, permits, construction, Washington State sales tax, financing expense, project administration, and other minor expenses directly associated with developing and filling the project. These costs will vary depending on the individual site and the project itself. The level of finish, number of parking stalls, quantity of retail in the building (if any), and market conditions (cost of land, labor, and materials) will influence the built cost.

On April 24, 2009, Dupree + Scott made a presentation to the City Council to update for the Council on the housing market in anticipation of Council's work on the 2009 Housing Levy Renewal. In the "*Apartment Market Trends and Forecast*" presentation, Dupree + Scott stated that the costs of purchasing an apartment building in Seattle, on a per unit cost, was approximately \$170,000 per unit in mid-2008 (including land costs). While the purchase price for an already developed project is not exactly the same as the cost for developing a new unit, it is indicative as to what the development costs would be on a per unit basis, including profit to the developer.

Additional research on housing replacement costs was done by contacting Hal Ferris of Spectrum, John Teutsch of Teutsch Partners, and Tom Sager of Seneca Group. All have years of experience with residential and commercial development in Seattle. In the information they provided, land cost ranged between \$18 and \$35 per built square foot of housing. Total project costs ranged between approximately \$150 per square foot and \$190 per square foot. Total estimated cost per unit, therefore, translated into a range between approximately \$165,000 and \$235,000, including land, or an average of \$200,000 per units for comparably sized units. The developers noted, not surprisingly, that costs have dropped significantly over the past year and will probably continue to decline over the next six months.

Comparing this information with the information on Laurelon Terrace contained in Table 3.8-5, the appraised land cost is \$147 per built square foot of housing. The appraised value of the improvements is \$126 per square foot, for a total of \$273 per square foot, including land costs. The average appraised costs, for the one to three bedroom units, range from \$202,000 to \$282,000, including land.

As noted in the comparison of the land costs for Laurelon Terrace with the more recent information on land costs provided by the three housing developers, the land costs for Laurelon Terrace at \$147 per built square foot of housing are substantially higher than the \$18 to \$35 range for land costs today. This is likely due to the large size of the Laurelon Terrace parcel at 6.75 acres, the location, and the large amount of open space and parking. Taking out the land costs, the appraised value of the improvements at Laurelon Terrace at \$126 per square foot for fifty-year old housing compares with the \$150 to \$190 per square foot for newly developed housing.

To determine whether a housing project is feasible, a developer would put together a financial pro forma that considers the development costs and the funding sources including the following elements:

- costs for land and construction
- project timeline (time for construction and when rents or sales will begin)
- gross potential rent or sales projections
- effective gross income projections (estimate of the total income of the property while taking vacancies and other non-rent or sale revenue into account)
- expenses and net operating income projections
- debt service on loans and cash flow
- state and federal tax credits
- community grants
- developer return on equity

In working through the pro forma, the project developer would identify any gap in financing, which is the difference between the total development costs and the total funding sources. In order to create housing that is affordable to those earning below median income, some amount of subsidy is typically required to make up the gap in financing. The amount of needed subsidy increases as the housing is aimed at affordability for lower income levels.

Children's is not in the housing business, nor are they planning on constructing and operating the replacement housing. They are proposing to work with the City's Office of Housing to provide the missing amount of funds necessary, i.e., "gap financing", without which affordable housing would not be feasible. Children's funding is proposed to provide the necessary level of "gap financing" to allow a developer to make up the difference between what it will cost to develop the housing and the return to the developer that can be expected from either monthly rents or condominium sales.

Information was obtained from the Office Housing on gap financing to create affordable housing in Seattle. For affordable housing projects with predominantly one-bedroom, two-bedroom, and/or three-bedroom units, between 2006 and 2008, the Office of Housing provided between 15 percent and 35 percent of the total development cost. The average gap financing was 25 percent of the total development cost. However, because there are so many variables based on land costs, site development costs (such as utilities, required land set-asides for open space, and street improvements), the cost of financing (interest rates), the cost of construction materials, changes in rental and sales prices, available housing inventory near a project location, holding costs, and available grants and loans, no "typical pro forma" can be relied upon to be entirely predictive.

Children's is required to replace 136 units of housing. To date, Children's has committed \$600,000 which will result in 52 units at Solid Ground's project. Based on the current average development cost of \$200,000 per unit, the remaining 84 units would cost \$16.8 million to develop, including land costs. Applying the average gap financing amount of 25 percent of

\$200,000 development costs, the 84 units would require approximately \$4.2 million from Children's to provide the gap financing to enable affordable units to be created. The Office of Housing has determined that Children's must contribute \$5 million in order to satisfy its obligation for the replacement of the 136 Laurelon Terrace residential units.

### **Visitor and Patient-Family Housing**

The increased demand for visitor and patient-family housing would be the same as for Alternatives 3 and 6.

### **3.8.3 Mitigation Measures**

If Alternative 7R or 8 is selected and the housing units in Laurelon Terrace demolished, Children's would be required to propose comparable replacement housing to maintain the housing stock of the city. ~~Children's has informed the City's Office of Housing that it will meet, and to the extent feasible and cost-effective, exceed housing replacement responsibilities for the demolition of Laurelon Terrace. Children's says it will work with non-profit housing organizations and the City's Office of Housing and DPD to establish a binding agreement for a specific package of replacement housing.~~ The housing replacement package described in Section 3.8.2.3 is intended to address the City's policy and program goals for comparable affordable housing and contribute to the replacement of at least 136 housing units in northeast Seattle. ~~They have also said that participation in the development of affordable housing at Sand Point Magnuson will be a component of the agreement.~~ Per the SEPA housing policy codified in SMC 25.05.675 I. Housing, c. "*Compliance with legally valid City ordinance provisions relating to housing relocation, demolition and conversion shall constitute compliance with this housing policy.*" The approval on the proposed replacement housing would be made by the City as part of the Major Institution Master Plan review and approval process. If approved, Children's housing replacement package would constitute mitigation for the loss of the Laurelon Terrace housing.

### **3.8.4 Significant Unavoidable Adverse Impacts**

At the time of the 2000 census, there were 649 multi-family units in the Laurelhurst/Sand Point Way CRA and 3,013 multi-family units in northeast Seattle. Multi-family or attached housing provides a more affordable housing option for many of Seattle's residents. Through the loss of 136 units at Laurelon Terrace, Alternative 7R or 8 would reduce the available amount of multi-family housing in the Laurelhurst/Sand Point CRA by approximately 21 percent unless the required comparable housing were proposed to be located within the same CRA. This would be a significant loss of moderately priced housing available in the area that would be difficult to replace. Children's has proposed to contribute to the development of 136 new housing units in northeast Seattle. The proposed agreement between Children's and the Office of Housing addresses the recommendations of the CAC and incorporates Children's financial commitment of \$5 million for replacement housing. ~~with a contribution to 52 units at Sand Point Magnuson, located at 7400 Sand Point Way NE in Census Tract 41 which is immediately north of the Laurelhurst/Sand Point CRA. At this time, the proposal has been presented by Children's and is under review by the Office of Housing and the Department of Planning and Development. If the proposal-proposed agreement is implemented found to be acceptable as a means of maintaining~~

| the housing stock of the city, the impact of the loss of the 136 units at Laurelon Terrace would be mitigated and reduced to less than significant.

### **3.8.5 Secondary and Cumulative Impacts**

With Alternatives 3 or 6, the use of the Laurelon Terrace property would be required to conform to the uses permitted within a multi-family zone. This could include maintaining the existing units, perhaps making the units available as rental units, or redeveloping the property into another use that is permitted within the L-3 zoning. If Alternative 7R or 8 is chosen, the Laurelon Terrace units would be demolished and the land redeveloped for hospital use. This would result in less available housing in the area near Children's unless the required comparable housing were proposed to be located within the same CRA. This could cause prospective buyers and renters to move to other areas in greater Seattle.

The conversion of the Laurelon Terrace property from multi-family to Medical Major Institution would cause the remaining multi-family zoned land across 40th Avenue NE to become a half block wide zone of multi-family, between commercial property on the west and Medical Major Institution on the west. The effect on the continued availability of these multi-family units is unclear. While there are no known plans to redevelop this property for anything other than the existing multi-family use, the removal of the Laurelon Terrace condominiums could create potential secondary and cumulative impacts by increasing the demand to convert this remaining area of multi-family property to medical or commercial use. If the land were to be rezoned, this could result in the further loss of affordable multi-family housing in this part of Seattle unless future development were to include apartment units.