

FINDINGS AND RECOMMENDATION
OF THE HEARING EXAMINER FOR THE CITY OF SEATTLE

In the Matter of the Application of

THE WASHINGTON STATE CONVENTION AND
TRADE CENTER

FILE NO. CC-84-010
C.F. NO. 293257

for a council conditional use
pursuant to the provisions of
Titles 23 and 24 of the Seattle
Municipal Code, as amended

Recommendation: The application should be conditionally
GRANTED.

Introduction

Applicant proposes to establish a public convention center on a site generally bounded by Pike Street, Freeway Park, Hubbell Place and the alley between 7th and 8th Avenues. The street address is 800 Union Street.

For purposes of this recommendation, all section numbers refer to the Seattle Municipal Code as amended, unless otherwise indicated.

The Director's report, submitted by the Department of Construction and Land Use (DCLU), recommended that the application be conditionally granted.

This matter was hearing before the Hearing Examiner on :
July 16, 17 and 18, 1984.

Project applicant was represented at the hearing by Jerome Hillis, assisted by T. Ryan Durkan of Hillis, Phillips, Cairncross, Clark and Martin; and the property owner CHG by Tom Walsh, of Roberts and Shefelman. The Washington State Convention Center Coalition, organized opponent to the application, was represented by Lisa Jankanish and John Fox, pro se. The DCLU Director was represented by Cliff Portman, senior land use specialist.

After due consideration of the evidence presented by the applicant, opponents and other witnesses, and the information provided by the Director's report, the following shall constitute the findings of fact, conclusions and recommendation of the Hearing Examiner on this application.

Findings of Fact

1. The Washington State Convention and Trade Center Corporation (WSCTC) proposes construction of a convention and trade center facility within air rights spanning a portion of Interstate 5. The WSCTC Board proposes to lease air rights above I-5 from the Washington State Department of Transportation (DOT).

2. Generally, the southern boundary of the subject site follows the north edge of Freeway Park. The northern boundary is the south edge of Pike Street. The western boundary is an alley dividing the block that is bordered on the east by 8th Avenue and on the west by 7th Avenue. The subject site's east boundary follows the west edge of the Freeway Park garage and proceeds across Hubbell Place at 9th Avenue, and continues along the west edge of Hubbell Place to Pike Street. See p.2-7, Figure 2-2, Final Environmental Impact Statement (FEIS).

3. The State of Washington controls air rights near I-5 and Union Place. The City of Seattle has a state deed to

Hubbell Place; and owns 8th Avenue, Union Street and either end of the 8th Avenue overpass outside the freeway right-of-way. CHG/Herfin Associates Seventh Avenue ("CHG") owns the property generally bounded by Pike Street, Union Place, Union Street and 7th Avenue. FEIS p. 2-4. Surface street vacations are requested for 8th Avenue, Hubbell Place and for two alleys west of the freeway, while aerial vacations are requested for the 8th Avenue overpass, Union Street and Hubbell Place.

4. Existing uses within the subject site boundaries include the 55-unit Charleston Hotel located near the northeast corner of 8th Avenue and Pike Street; the Mountaineer's Building, near the western boundary of the site; and the 2nd Stage Theater building, south adjacent to the Mountaineer building. There is also one acre of surface parking within the site boundaries. These properties fall within the general commercial (CG) zone west of I-5. The Charleston Hotel units have been vacant since the early 1970's, when the owner was cited for extensive (uncorrected) violations. Draft Environmental Impact Statement (DEIS) p.3-70. Mountaineer and 2nd Stage Theater building tenants, however, include the Golden Nuggett Tavern, Intiman Theatre offices, and the Quality Food Market. All of these uses would be displaced by the proposed development. According to p. 3-51 of the DEIS, the 2nd Stage Theater's resident group, Intiman, will relocate to Third and Union. The Golden Nuggett Tavern would be removed and the Mountaineer functions continued at a different site.

5. Immediately adjacent to the site's western boundary are the 73-unit McKay Apartments at 7th and Pike (estimated 5% vacancy) and the Eagles Building, at 7th and Union. Within the Eagles are the Senator Apartment's 88 units. The Senator has been closed and vacated since early 1983, although a DCD witness recalled that some 12 units were occupied as late as January 1983. The McKay units are low-income unsubsidized units as were the Senator units.

6. The subject site is in and of a mixed zoning pattern. Part of the site west of the Freeway is in the Metropolitan Commercial (CM) zone. North of that CM zone is a General Commercial (CG) zoned segment. Beginning south of a point in Olive Way are Multi-family Midrise (MR), Multi-family Highrise (HR), and RMV 150, highest density, multiple residence, variable height zone. Some Community Business (BC)/and Institutional zoning completes the pattern of the defined primary area. See Figure 3-4 DEIS.

7. One of the uses directly west of the freeway site is the recently developed Sheraton Hotel, located between 6th and 7th Avenue and Pike and Union Streets. That hotel begins on grade and consumes roughly .75 of its "block". It offers approximately 875 rooms.

8. Near the southwest border of the Freeway site at 7th and University is the One Union Square Office Building, approximately 456 ft. in height. The Hilton Hotel is located at 6th and University and the designated "Park Hilton" at 6th and Seneca. Continuing westerly the Rainier Tower development is between 4th and 5th Avenues between Union and University Streets. Its tower height is given as 514 ft. The Olympic (Four Seasons) Hotel structure is roughly 2 blocks south of the subject freeway site, between 4th and 5th Avenues and Seneca and University Streets. There are, as testified by the Seattle King County Visitors and Convention Bureau witness, some 4,200 hotel rooms within five blocks of the proposed Convention Center site. Some other identified uses, DEIS Figure 3-2, p. 3-43, include the IBM Building, the Plymouth Church and the Park Place.

9. Development north of Pike Street from the proposed freeway site includes the Nordstrom and Frederick and Nelson stores. The Waldorf Towers are at 7th and Pike, directly across from the McKay Apartments. The Waldorf is a HUD "221 (d)(3)" subsidized low-income housing project considered vulnerable to elimination by development; the HUD program locks in rent subsidies for periods of five years.

10. The Paramount Theater is at 9th Avenue at Pine and the 51 unit Seattle Apartment Hotel is also at Pike and 9th. The "upper income" Tower 301 is at the southeast corner of 8th Avenue and Pine Street. Interspersed are surface parking, commercial, office, retail, services and other vacant and occupied housing uses. DEIS Figure 3-5, p.3-49.

11. The Convention Center project itself would be composed of nine levels of uses, generally with retail space and circulation at street level (Level 150); a galleria level (167, 172); middle parking level (180); upper parking level (192); main exhibition hall level (205); and meeting room level (242). According to the EIS, the level number designation refers to elevation above sea level.

12. The project would offer square footage in the approximate amounts of 100,400, exhibition hall; exhibition/meeting rooms, 29,600; meeting rooms, 21,100; lobbies and circulation 42,900; food service, 14,700; and mechanical, storage, restroom support functions, 160,700; for a total of approximately 370,000 sq. ft. of enclosed convention-related space. FEIS p.2-8.

13. The main entrance to the Convention Center would be at street level (150). The major vehicular drop point, e.g. for buses, would be located on Union Place beneath the 8th Avenue overpass. Although some loading would occur along Union Place, any bus queuing would be on Pike Street, via 7th Avenue. The buses should therefore affect the Union Street exit to downtown only when pulling out from the curb. Secondary (Auto-Taxi) drop-off would be on Pike between 7th and 8th Avenues. Elevators and escalators would be accessible from Union Street, Union Place, and Pike Street to take pedestrians up to the Convention Center facility. Stairs and elevators would be available for Union Street pedestrians to ascend to the newly terraced, landscaped Freeway Park extension to the south; or to the galleria to the north. The galleria, north of Union Street but west of the 8th Avenue overpass, is expected to be lined with retail shops and to serve as a Union to Pike pedestrian passageway. Pedestrian access from Pike Street to the galleria is also proposed. Centrally located escalators would be available to connect with the Convention Center activities.

14. The galleria (shopping arcade) would be open to the public 24 hours daily. Additional retail uses are planned at the Pike Street level on the block east of 8th Avenue and west of Union Place.

15. The total potential retail space is given at 15,700 sq. ft. at level 140 (probably storage or other use); 30,868 sq. ft. at level 150; and 20,605 sq. ft. at Level 172. FEIS p.2-9.

16. The main floor or exhibition level of the Convention Center is Level 205. This would offer 100,000 sq. ft. of exhibition hall space. Truck ramp access to this hall would be from the north (Pike Street side) via east border Hubbell Place. The truck ramp would be west of the Town House apartments, and enclosed. An acoustical wall is proposed along the Freeway side of the ramp. The service access is restricted to this portion of Hubbell Place. Also at the northeast section of Level 205 is the area for loading docks, freight elevators and the

security office. New park extensions would be at this level across the 8th Avenue overpass, east and west of 8th Avenue. The east park extension would connect the existing Freeway Park garage roof with the main lobby. North of the west park extension would be the 205 level of the galleria. The south end of the galleria would be enclosed by tiered, faceted glass, allowing some Union Street and Elliott Bay views.

17. The Freeway Park land area would be increased by some 40%. Also, included in the Convention Center budget is \$250,000 toward construction of the Pigott Corridor extension, now in construction, which will provide handicap and other access from 9th Avenue along to Freeway Park. Horizon House is immediately north of the Pigott Corridor and the Freeway Park garage directly west. According to the design, it would be possible for a pedestrian to enter the galleria at Pike Street and continue at grade to Union Street or to ascend by escalator to the Convention Center lobby and exit south to Freeway Park. Handicapped persons would be able to move from street level at Pike or Union Street to any of the other levels by galleria public elevators. The Pigott Corridor would connect to downtown with barrier-free walkways. The DCLU Analysis and Recommendation was specific in stating that public pedestrian circulation from Freeway Park and garage areas to the public galleria and stairs to Union Street should be always unimpeded; and that the new park access should be fully available to the public when not in use by WSCTC. Applicant further proposes an elevated (30 ft. above street grade) pedestrian pathway to connect the new park access (south) to the Pike Street/Hubbell Place corner sidewalk. DCLU recommended against this pedestrian route principally for safety reasons. The only exits would be at the end and of distant view from security. It also is somewhat duplicative of another more attractive south to north path. Proponent offered to experiment with the pathway to see if safety issues were presented, and then restrict the hours or prohibit use of it.

18. The uppermost level (242) is designated principally for meeting rooms, the largest of which would be a combined exhibition hall/meeting room of 29,600 sq. ft. Escalators, elevators and a grand stair from the main lobby would provide access to this level.

19. A mezzanine level (222), to be located between the main floor and upper level, would provide space for a "VIP" lounge; administration; mechanical space at the perimeters; and maintenance shops.

20. Three levels of parking would be located beneath the Convention Center facility, above grade, over the 7th-8th Avenues' alley and over the freeway. The parking garage owner-operator is CHG. A total of approximately 1075 parking spaces would be provided, with 100 permanently reserved for Convention Center activity. An additional 500 spaces would be available to the Convention Center on a priority basis during weekdays. The numerical limitation would not apply during weekends. The remaining spaces would serve adjoining retail uses, potential hotel development and other short term parking needs in the area. FEIS p.2-10. An average day parking demand is 400 spaces. J. Ellis, WSCTC Board witness, projected that during the December Convention Center "down-time," "600 spaces" would be available within walking distance of the downtown retail core during the stores' peak demand period. Roughly 205 event days are projected. Approximately 12-16 event days per year the Convention Center generated parking demand is expected to exceed supply. The Seattle Engineering Department's calculations of net parking provided at the freeway site is 773, i.e. 1075 spaces less 154 existing off-street and 13 on-street parking spaces to be removed by the project, and by deduction of contingent parking.

21. The major garage entrance would be from the 8th Avenue overpass which would emerge on to Pike Street from beneath the building. Parking Levels 167 and 180 also have entry/exit onto Pike Street, between Hubbell Place and Union Place.

22. East of the 8th Avenue overpass, at the galleria level (167,172), is room for approximately 150 parking spaces. Proposed for these is single entry/exit to Pike Street.

23. Access to the upper level parking (192) would be directly off the 8th Avenue overpass. Currently proposed are two in-lanes and one out-lane although the middle lane could be reversible. This would be the major entrance-to-exit from the Convention Center parking garage. An internal ramp would connect this level to lower parking levels. An "E" level of service could occur at the 8th and Pike intersection during the evening peak hour on a peak event day. Because of several ticket machines and an area within the garage for waiting vehicles, applicant projects no queuing for either 8th Avenue or Pike Street. (The machines can issue six tickets per minute.)

24. A Level 140 is proposed also for some future sub-garage parking. These 160 spaces would not be finished until they would be needed for a potential (CHG) hotel.

25. The DCLU analysis and Recommendation, p.22, reported that with the Convention Center project, the Union/6th Avenue intersection and the Pike Street/ 9th Avenue intersection would drop to LOS D (average to long delays) and the 5th and Union intersection to LOS E (long delays). LOS refers to level of service.

26. The FEIS states that "Convention Center traffic would not cause any intersection to drop below an acceptable level of service...D..." FEIS p.1-21. Figure 3-14 shows 6th and 5th and Union LOS as C for the year 1990 with a peak Convention Center evening event. FEIS p.3-33.

27. The period within which to appeal the Environmental Impact Statement ended July 3, 1984, without a challenge to the EIS.

28. The Convention Center peak time would generally be after 9:00 a.m., after the ordinary downtown rush hour, although some breakfast meetings could be scheduled. DCLU recommended specific inclusion in the Transportation Management Plan of measures to avoid the scheduling of events before 9:00 a.m. on weekdays.

29. The Convention Center facility would be designed to attract national and international conventions and conferences whose delegates would largely come from out of state. A typical event is expected to attract approximately 4600 attendees (delegates spouses and exhibitors). A peak attendance of 10,500 is projected to occur 17 days annually. FEIS pp.2-10, 2-11. Market projections are that an additional 208,700 visitors would be attracted to Seattle annually, once the Convention Center reaches full operation, spending in the neighborhood of \$175.5 million per year.

30. Applicant expected an average event to generate 289 peak hour auto trips (opponent witness estimated 556), 14 shuttle bus trips, and 50 taxi trips; for a peak attendance, 623 auto trips, 61 shuttle bus trips and 145 taxi trips. With an average attendance the level of service is expected to drop at 11 or 13 of the 27 evaluated intersections in the evening peak hour depending on average or peak attendance. FEIS p.1-21.

31. The existing I-5 pattern will be used for vehicular traffic to and from the Convention Center.

32. Applicant currently proposes a taxi loading zone on Union Place which would accommodate 5-6 taxis simultaneously. DCLU recommended that the Transportation Management Plan include a remote queuing area for taxis as well as a remote staging area for tour and charter buses, this in response to the projected range of 50-145 taxi trips. DCLU Analysis and Recommendation, p. 25. Applicant expressed that with the rate of loading and exits, the curb space was adequate.

33. Consonant with another DCLU TMP recommended element, applicant has investigated Kingdome and other sites for remote parking. Applicant related that a garage stacking plan, also recommended by DCLU for TMP inclusion, was not favored by the garage operator. Applicant also resisted an initial DCLU recommendation of subsidized monthly transit passes for employees of this state project as potentially violative of state law.

34. DCLU also recommended that the Center provide a "secure VIP room" close to a motorcade parking area. DCLU report, p. 45. The "local governmental services and operations" recommendation continues with a requirement that applicant provide a law enforcement operations facility with adequate prisoner holding space and for emergency vehicle and routine police parking close to the space reserved for "law" facility. J. Lowery, Convention Center President, testified that Convention Center staff security was already planned; and that the condition was unnecessary.

35. Concerning Pike Street, west of Union Place, the DCLU Analysis and Recommendation, proposed conditions, p. 42, included location of a food market store along the west side of Union Place; and secondly that an elevator be located near the north-east corner walkway stairs. DCLU, applicant and CHG have essentially stipulated that a clearly signed elevator within this triangular retail block, for reasons of enhanced security, would be appropriate; and that a food market could be located on the east side of Union Place.

36. The present Convention Center building design calls for a solid band of concrete to extend from the west to east boundaries, roughly 300 ft., facing Pike Street, Exhibit 24. The concrete band would be roughly 37 ft. high, and above the street level. Facing Pike Street would be the Convention Center's galleria entrance, an entry to Union Place and west of that an entry to 5th Avenue. Other vicinity development responds more to the existing street grid. DCLU determined that band undesirable "from an urban design standpoint." Although willing to talk to the Task Force about the design applicant responded that the wall would not be seen by the pedestrians below; that the proposal is to leave the wall as single and straightforward as possible; and that as an alternative the wall could be marked by visually noticeable incisions, softened by "enlivened texture" and/or it could be heavily landscaped.

37. Applicant agrees with the DCLU recommended condition that Union Place, essentially to be made a tunnel by the development, should be an attractive environment for pedestrians and drivers. Since the 8th Avenue overpass connects First Hill and downtown and is considered as a well-used pedestrian route, DCLU recommended that blank walls of more than 10 ft. in length should be prohibited, since windows, etc., are not structurally prohibitive. Applicant resisted this recommendation. Also regarding the Pike Streetscape east of Union Place, DCLU recommended that the (east facing) wall should, by windows, seating, etc., be comfortably scaled and interesting for pedestrians.

38. DCLU recommended that all sidewalks surrounding the block (bounded by Union Place, Union Street, 7th Avenue and Pike Street) should be improved as part of the Phase 1 Convention Center project. Applicant questioned whether the 7th Avenue sidewalk, outside the project area, should be improved "at this time." Applicant agreed to work with the Task Force in planning aesthetic uses of the roof area, with recommendations to go to Council prior to approval.

39. For safety, and other impacts on governmental services and operations, DCLU recommended incorporation in the design of energy-serving features as well as security features. One disputed condition requires a

...manned exit booth in the parking garage to negate auto theft. A Closed circuit television system shall be provided to enable an attendant to monitor the garage activity.

The CHG witness testified that specifically the closed circuit TV was expensive and would not be particularly helpful without a person to manage and respond to visualized mishaps. The DCLU representative responded that general safety was the concern.

40. In terms of marketing applicant proposes a compatible, cooperative approach with the Seattle Center. In 1991, for example, the American Dental Association could be using the Seattle Center and the Convention Center. Exhibit 10, Resolution No. 63 of the WSCTC Board of Directors, directs location of the Convention Center at the freeway site and also states:

The WSCTC will work with the City of Seattle in an effort to jointly market the Seattle Center and the State Convention Center to maximize use of both facilities.

Regarding consumer show use and local events, the document continues with language indicating WSCTC interest in attracting "dollars from outside the state into the Washington State economy." The document further states:

... The Washington State Convention and Trade Center should not compete directly with the Seattle Center or Kingdome for local and regional consumer shows...

Also, certain designated trade shows which have regularly used the Seattle Center or Kingdome would not be solicited to use the Convention and Trade Center.

41. The Convention project is designed with footings and other structural support that will accommodate possible future development of other uses by CHG, including a hotel to be financed by CHG. A DCLU recommended condition required that:

... Future private development, Convention Center development and existing development on the westerly block reflect the transition in scale from the downtown office area to the Convention Center itself and the access to the north and east. Height should not exceed 400 ft...

DCLU Analysis and Recommendation, p.45. The hotel is not a part of the WSCTC project, and application therefor is not a part of this Convention Center conditional use application. The recommended height would not impact the proposed Convention Center development itself which will be similar to the height of a 10 story department store or building and have a massing scale roughly equivalent of three or four city blocks. DCLU's

height limit condition could impact future hotel development.

42. The Mayor's 1984 Recommended Land Use and Transportation Plan calls for the creation of several office zones, including Office Core - 2 with a 400 ft. height restriction. Office Core 1 property would have no height limits. Testimony of James Braman.

43. As of the date of the Examiner's public hearing, the hotel was in a "pre-schematic" stage with varying design concepts under review. One principal design is for twin towers (office and hotel) to be located in part above the galleria, west of 8th Avenue, but east of the Eagles building, starting 140-150 ft. above grade. The office tower would be north of the proposed hotel. The galleria "pocket" would restrict the base footprint. The evidence of record shows that the height limit would affect the amount of available upper floor hotel rooms in the approximate amount of 40%. This translates to a potential hotel loss of approximately \$72 million between 1987-1991.

45. The WSCTC and CHG have struck an agreement for CHG to rehabilitate 50 of the vacant housing units on the top floor of the Eagles Building to provide "affordable housing," by 1988. The Eagles has 88 units. This agreement is not contingent on CHG's hotel project. The Department of Community Development Director opined that the Eagles units should be specified as low-income. The Eagles Building is not within the Convention Center site area.

44. A second hotel plan currently discussed could mean, with imposition of a 400 ft. height limit, elimination of the McKay Apartments, and of the Eagles 38 remaining units. DEIS p. 3-80. Housing preservation and environmental requirements would need to be met.

46. The EIS methodology used an "area of primary impact" approach in discussing housing impacts. The primary impact area, 70.8 acres, extends roughly 3 blocks on either side of the subject Convention Center site. Generally the impact area extends north to Stewart Street, east to Minor Avenue, south to Madison Street and west to 6th Avenue with an extensive jog between 5th and 6th Avenues. The downtown "subarea" is west of the Freeway site and the First Hill "subarea" east of the freeway site.

47. First Hill subarea predominant land use is multi-family residential and institutional. Adjacent to the east boundary of the site, for example, are the Townhouse Apartments (200 middle income units); the Cambridge (160 low-middle income units) near 9th Avenue and Hubbell Place; and the Horizon House, a retirement residence of some 320 middle - income units, including those resulting from building expansion. The Townhouse has west frontage on Hubbell Place and is in a block that is bounded to the east by Terry Avenue. The Horizon House, between Terry Avenue on the east and the Freeway Garage on the west, is the most southerly of these three buildings, and the Townhouse is the most northerly. The expansion of Horizon House required demolition of a 15 unit apartment building for 101 additional units, DEIS p.3-76, representative of a subarea trend of demolishing older housing to construct new "high-rise luxury housing."

48. The Virginia Mason Institutional zone limit begins roughly south of the Horizon House and extends some two blocks south to Spring Street.

49. According to the DEIS, there is a potential for increases in land values in the commercially zoned area, e.g. along Pike Street, and for rents to be raised for CG located units, which would adversely affect low-income tenants. However, since the Convention Center is not expected to significantly affect the desirability of the First Hill neighborhood for new residential development, speculation and related impacts on low-income housing

"are not expected in the HR zone." at 3-81. The bulk of the property directly east of the Freeway site is zoned Highrise (HR) multi-family residential.

50. DCD comments to the DEIS were designed to "amplify" remarks on speculation. The DCD section noted that in 1979 CHG International purchased the McKay Apartments for 159% more than the 1977 selling price; that during 1978-79 Carma purchased all but one parcel of the block immediately east of the freeway site, with purchase prices "two to three times greater" than the total 1983 assessed value. FEIS p.4-46. However, increases in land value have occurred generally throughout the City. One witness opposed to the Freeway location suggested that speculation was the cause of much of the immediate vicinity's vacancy rate.

51. The identified primary impact area generally corresponds with adjacent Census Tracts 82 and 83. Some of the more noticeable distinctions are that while the primary impact area's south boundary is generally Madison Street, Tracts 82 and 83 extend one block further south to Marion. The Census Tracts' northern boundary is Olive Way while the impact study area extended roughly one block further north to Stewart Street. The Census data, 1980 U. S. Census, shows the following information for Tracts 82 and 83:

Total population	5638
Number of households	3777
Average household size	1.3
White	84%
Minority	16%
Age 65 and older	40%
One person Households	77%
Households with income below \$10,000	52%
Retired heads of households	55
Median household income	\$9502

See Table 3-30, DEIS, p.74.

52. The greatest sources of downtown population income is social security, SSI and similar income. A Pike Place Clinic social worker testified that some of the clinic patients have monthly incomes of \$350, and may pay more than 50% of that income for rent. The witness continued that a number of the clients from the Waldorf, McKay, Eagles and other buildings are elderly, disabled, disenfranchised citizens unlikely to get entry-level or other jobs.

53. The DEIS notes that the downtown subarea has roughly 23 buildings that offer 227 vacant, i.e. unavailable for rental, units and 1063 occupied units. Of the 1063 occupied units, 771 (72%) are low income, 100 middle-income and 192 upper-income. All are rental units. The "income" categories are defined in terms of the percent of the fair market rent as determined by the U.S Department of Housing and Urban Development: Less than 80% - low income; 80-120%, middle; and over 120% upper. DEIS p.3-72.

54. Roughly 30-40% of the downtown residential populace is unemployed.

55. There is an average of 343 housing units per acre in the downtown subarea; there are 672 housing units on the 1.9 acres (10%) of high susceptibility residential land. DEIS p.3-79. The Land Use Transportation Project estimate is that 7.4 acres of new development, under existing zoning, would displace two buildings containing 164 units. FEIS p.3-79. Considering other new development, there could be a loss of approximately 240 housing units by 1995 - 2000, Convention Center project notwithstanding. DEIS p. 3-79 and testimony of J. Smith, DCD.

56. As noted by DCD comments on the DEIS 672 housing units are located on "high susceptibility land west of the Freeway... (where)...there is a (relatively) high concentration of housing." Many of the units are in older hotel and other structures. The comment continued that "at the worst, all unsubsidized housing in the vicinity could be lost, about 650 units of occupied low-income housing and 227 vacant units." FEIS pp. 4-45, 4-46. One deteriorated structure, the 14 unit Best, is considered as only "moderately" susceptible to redevelopment. Located near 9th and Pine Streets, the site is under consideration by METRO as a transportation center. See Figure 3-6, DEIS p. 3-52.

57. It is expected that Convention Center delegate spending would result in increased demands for goods and services, and a concomitant demand for 4.5 acres (worst case) for the new uses, DEIS p. 3-58. Delegate expenditures are expected to account for approximately 1,470 new hotel rooms (929, 100 sq. ft.), 156,200 sq. ft. of retail and additional restaurant-bar, catering as well as office development.

58. Relating to housing DCLU specifically recommended that applicant contribute \$11,000 per unit for the 137 units "expected to be displaced" to the City or other public nonprofit agency for use in developing low income housing...(with) all projects...(to) be approved by the City." DCLU report p. 31. This total amount, \$1,507,000, was branded by some project opponents witnesses as woefully inadequate; by supporters as burdensome and utterly without precedent.

59. The DCD Director testified that the 50 units of Eagles housing to be removed by CHG could be included in mitigation of the 137 units. He also indicated that WSCTC's contribution (\$250,000), to be applied to the Olive Tower would mean that the Tower's total 87 units would be counted for WSCTC mitigation only if WSCTC provided 100% financing; otherwise, the Director continued, the number of credits for units should be proportionate to the total rehabilitation costs. The Olive Tower is a mixed funding project involving purchase as well as rehabilitation. The \$250,000 is a fraction of the total costs.

60. The \$11,000 figure used by DCD-DCLU to "offset" the 137 displaced units is the average of city expenditures on a variety of subsidized programs in the downtown area. Actual replacement costs range from \$40-60,000 per unit, with land costs a major variable. A Coalition spokesperson urged that an appropriate amount would be that of replacing and maintaining lost units for 15 years. (The 15 year schedule is in tandem with Block Grant schedules.)

61. Much testimony of record reflected concern with the human consequences of low-income persons' loss of housing. University of Washington Sociology Professor Guest testified that although "urban renewed" persons wind up in better housing, they also pay a larger percentage of their income for it; have increased emotional problems and decreased satisfaction with their lives. Guest also criticized as too low the 137 low income units figure (considered attributable to Convention Center development), as well as the \$11,000 per unit "replacement" figure utilized in the DCLU recommendation. Guest proposed additionally that a relocation service and system be established. The witness acknowledged in cross-examination that hotel, office buildings, Metro and similar development can also affect displacement, and that 137 was in fact the base, minimum number of units expected to be lost. Guest did not dispute the validity of the \$11,000 per unit as rehabilitative costs.

62. Further DCD comments to the DEIS were that 215 units of low income housing would be "directly" affected by Convention Center development: 55 in the Charleston, 88 in the Eagles, and 72 in the McKay. The WSCTC figure for "direct" housing loss is 55, utilizing a definition deemed consistent with National Environmental Policy Act (NEPA) regulations. The proponent's response at FEIS p.4-79 acknowledges the likelihood that the rehabilitated Eagles unit may be unaffordable for theretofore Eagles' occupants and, as noted above, the McKay Apartment could be removed depending on CHG development.

63. The Eagles, Charleston and McKay buildings are part of the mixed use prevalent in the downtown subarea. Land on the west side of the freeway from the proposed Convention site is principally zoned CG and is in a state of transition. Formally considered a functional part of the First Hill residential community, the land's housing uses have now, subsequent to the Interstate 5 swath, declined. The trend includes a net loss of land dedicated to housing with an increase in the land used for office, hotel and parking uses. DEIS pp.3-44, 3-46. See Table, DEIS p.3-48.

64. Table 3-22, supra, shows for commercial/retail, a negative 4.7 acres demolished and +0.8 constructed for a net change of -3.9. One proponent witness specifically pointed to the loss of the downtown Phodes, Ernst Hardware and J.C. Penney stores.

65. Some of the most pointed opposing testimony related to financial impacts. The DEIS financial impacts Table 7-7 showed (in 1992 thousands of dollars) for the freeway site direct tax revenues of \$1,807; revenue impact on the Seattle Center, - 739; and the cost of City services to support the Convention Center, - 711, for a net impact of \$357.

66. The Table 7-7, DEIS, erroneously included property taxes calculated for the freeway site at all three sites, so that direct tax revenues and net impacts are as follows:

Table 7-7

Net Annual Financial Impacts of the Convention Center
on the City of Seattle in 1992
(stated in 1992 thousands of dollars)

	Freeway Site
Direct tax revenues ^a	\$1,592
Revenue impacts on Seattle Center	-739
Cost of City services to support the Convention Center	-747
NET IMPACTS	<u>\$ 106</u>

Source: Touche Ross & Co., August 1983; John Sanger Associates, August 1983; TRA, 1983

FEIS p. 5-20.

67. According to a Coalition spokesperson, the true assessment of Convention Center fiscal impacts can be arrived at by deducting from the (DEIS Table 7-7) \$357,000, the lost hotel-motel tax loss of approximately \$1.9 million, legislated as part of the State Convention Center package, leaving an approximate \$1.6 million net loss. This loss does not include the \$681,000 in electrical energy costs that will be passed on to other, nonConvention Center rate payers. That representative also derided the thought of the Convention Center as a job-producing endeavor since dollar for dollar, other job-bills are more efficient at producing more jobs with greater variety and mobility potential.

68. Regarding the hotel-motel tax, the FEIS noted that while the Convention Center enabling legislation restricts Seattle's business and occupation (B&O) taxing authority:

... The City's hotel/motel tax increase was scheduled to expire January 1, 1983. ...The City's ... taxing authority expired pursuant to the provisions of a sunset clause which was drafted into the initial legislation adopted by the City... Also, Senate Bill 4972, ... passed in the same legislative session as the Convention Center bill, also restricted the City's hotel/motel tax by eliminating all city B&O tax surcharge after December 31, 1982...

at p.4-69, 4-70. (Note: (The Convention Center is to be financed by \$92.75 million in general obligation bonds, with an "effective interest rate of 9.14 percent." The debt service is to be funded from among other items a room tax on hotels and motels within King County with 60 or more units, to remain in effect until interest and principal on the Convention Center bonds are fully paid. FEIS 4-70, comment 37.)

69. The Seattle Office of Management and Budget suggested that the discussion of net financial impacts should include the loss to the City of approximately one (million) 1983 dollars as a result of the state's pre-emption of City hotel-motel taxing authority. FEIS p. 4-38, comment 2. (A third tax loss estimate is \$1.6 million.) According to DCD comment, Seattle's 1982 revenue from the hotel-motel tax was \$1.2 million. FEIS p.4-49. The OMB financial economist testified that the Table should reflect another change, i.e. induced revenue amounts.

70. Table 7-3, p.7-4 DEIS, is substantially reproduced below. It projects in significant part that in terms of direct impacts 2810 jobs would be generated within each unit, the City of Seattle, the State of Washington and King County; for indirect impacts that the State would gain 4950 jobs, King County 3570 and the City 2480. A total of \$1.6 million in indirect tax revenue is projected for the City. This figure does not include the "property tax revenues to the Seattle School District (\$0.3 million), the Port of Seattle (\$0.04 million) and the local emergency medical service (\$0.2 million)." Many of the jobs produced will be part-time, most with an average annual income of \$17,600 (1992 dollars) or \$11,000 in 1983 dollars.

Table 7-3

Projected Economic Impacts of the Convention Center on the State of Washington, King County, Seattle, and Metro in 1992

(stated in 1992 millions of dollars)

	State	King County	City of Seattle	Metro
Direct Impacts:				
Number of jobs	\$2,810	2,810	2,810	--
Labor income	\$49.7	\$49.7	\$49.7	--
Tax revenues ^a	\$10.9	\$ 0.3 ^b	\$ 1.8	\$ 0.9
Indirect Impacts:				
Number of jobs	4,950	3,570	2,480	--
Labor income	\$181.3	\$137.0	\$88.6	--
Tax revenues ^a	\$25.2	\$.5 ^b	\$ 1.6	\$0.6
Total Impacts:				
Number of jobs	7,760	6,380	5,290	--
Labor income	\$231.0	\$175.7	\$138.3	--
Tax revenues ^a	\$36.1	\$0.8 ^b	\$ 3.4	\$1.5

Source: Touche Ross & Co, August 1983; John Sanger Associates, August 1983; TRA, 1983...

71. Thus, assuming opponents figure of a \$1.9 million B&O tax loss, a reasonable projection of the net fiscal benefit to the City would be the amount achieved by adding \$357,000 (from, DEIS Table 7-7) to the \$1,600,000 (from Table 7-4) indirect tax amount (= \$1,957,000) and deducting therefrom the tax loss of \$1,900,000, yielding a positive cash flow. Opponent would have deducted from this figure additional energy costs to commercial rate payers. An alternative methodology, used by the OMB witness, was to allow for \$1.6 million tax loss (considering inflation to 1992) to offset the \$1.6 indirect tax gain. This would leave the net fiscal impact in a positive cash flow of roughly \$357,000 or using the FEIS Table, \$106,000. He assessed that this fails to show the Convention Center as a "financial winner to the City as an institution," but he thought that the jobs and additional income should be considered. He further projected that with the national exposure generated by the completed project, the Seattle Center would ultimately benefit, so that the net loss should be viewed as temporary.

72. The major opposition to the proposal site can be categorized as follows:

- (a) concern with the loss of low-income housing and related human impacts
- (b) increase in traffic congestion
- (c) preference for another (Seattle Center) site
- (d) concerns that the freeway site would exacerbate the dire finances of the Seattle Center.

(The Coalition took pointed exception to the Examiner's ruling which prohibited testimony on the relative merits of another site.)

Noise and air pollution were also mentioned as was the claim that in the totaling of Convention Center induced jobs, racism was omnipresent since the new employment opportunities are (merely) unskilled positions and will probably go to "Blacks, Asians and others." Undue benefit to the bankers and investors was another opponent's concern. Relatively few remarks were directly critical of the project design or amenities, the more salient details of which have been described above. See pp. 2-1 through 2-50 of the FEIS, for more description of the project. Post construction noise levels would be somewhat increased by trucks using the loading dock, and by the Union Place tunnel reverberation noise (acoustical insulation inside the tunnel is proposed). The Eagles, McKay, Waldorf Tower, Seattle Apartment Hotel and Townhouse Apartments buildings would receive the greatest construction noise impact, projected for a 26 month period. Increased vehicular traffic will probably add to air pollution levels, but stricter emission controls should assist in addressing this concern. Ventilation will be required in Union Place. Many witnesses favoring the proposal viewed the "lidding" of the freeway as conducive to reduced noise and pollution.

73. A key coalition witness pointed to the FEIS errata to the DEIS, noting that the:

annual cost to Seattle City Light to provide this new service is estimated to be approximately \$1,067,000... Seattle City Light would receive approximately \$386,000 in rates from the Convention Center... while the remaining \$681,000 would be borne by other commercial rate payers, based on their electrical consumption...

FEIS errata p.5-9. The conclusions reached by the witness included that the number, based on 1984 rates, were low and secondly that other rate payers would of necessity subsidize the Convention Center. Projected energy demands, he testified, would have to be paid for whether used or not due to contractual projection.

74. Some of the key or contested DCLU recommendations have been stated above. All are summarized at pp. 41-45 of their report.

Conclusions

1. On May 21, 1984, the Seattle City Council passed Ordinance 111702. It was approved by the Mayor June 4, 1984. The Ordinance amended the City Land Use and Zoning Codes (Titles 23 and 24, respectively) "to authorize the construction of public convention centers in certain zones as a council conditional use."

2. In substance, the Ordinance lists several criteria for consideration, such as whether the facility serves the public interest based on an evaluation of the facility's public benefits and adverse impacts. The Council, it states

shall approve the facility only if it finds that public benefits outweigh the adverse impacts of the facility which cannot otherwise be mitigated...

3. Sub-criteria to be considered in evaluating public benefits and adverse impacts include economic impacts; public amenities; the relationship of the project to its physical surroundings, impacts on traffic, parking, street systems, transit and pedestrian circulation; impacts on existing vicinity residential development "including... direct and indirect housing

loss; impacts on local governmental services and operations; noise and air quality; and:

Cumulative impacts of the project on governmental services and facilities, natural systems, or the surrounding area, considering the project's impacts in aggregate with the impacts of prior development and the impacts of future development which may be induced by the project.

Ordinance 111702 (1984). The Ordinance empowers the Council to attach conditions "as necessary to protect the public interest or to mitigate adverse impacts."

4. The criteria do not include consideration of another, non-proposed site.

5. As conditioned herein, the proposed Convention Center will serve the public interest and offer benefits that outweigh the adverse impacts which cannot be mitigated.

6. In terms of economic impacts, the proposed center is not a financial bonanza to the City. However, it will offer 2810 jobs for the City as well as 2810 jobs for the State of Washington. Including the jobs indirectly flowing from the project, the Convention Center could be responsible for 5,290 City jobs; 6380 for King County; and 7760 for the State of Washington, although many of the jobs will be entry level jobs.

7. In 1992 term millions of dollars direct and indirect tax revenues to the State should approximate \$36.1 (million) dollars. The City of Seattle is projected to realize direct tax revenues of \$1.6 (million) (FEIS, p.5-20), and \$1.6 (million) in indirect tax revenues (DEIS p.7-4 Table 7-3).

8. The Examiner is not fully persuaded that the local hotel-motel B&O tax restriction included in Convention Center legislation would not have occurred absent the legislation. Nevertheless, applying the loss to the calculations, it appears that the tax loss is offset by the indirect tax gain. Since neither is computed in the Table 7-7, FEIS p.5-20, the \$106 thousand positive (annual) impact for the freeway site is a reasonable estimate. Convention Center energy costs of approximately \$681,000 will be borne by (other) commercial tax payers and should be considered as indirectly diminishing the financial gain to the City.

9. Of further consideration is the reasonable view that the 208,700 visitors expected to visit annually, with expenditures of \$175.5 million per year, will in the long run benefit the Seattle Center and other City components. Delegate expenditures are expected to account for 1470 new hotel rooms; 156,200 sq. ft. of general retail space (the Convention Center project will provide a substantial portion) and additional office, restaurant-bar development. This new development will appear at some costs to the downtown low-income housing supply; however, reasonable housing mitigation measures are indicated below.

10. In terms of public amenities, the proposed project will offer functional connections and extensions of approximately 40% to the existing Freeway Park. It is undisputed that the proposal greatly improves pedestrian routes to and through Freeway Park to retail uses on Pike Street and beyond. Conditions should be imposed guaranteeing maximum potential availability of the new park areas, unimpeded pedestrian circulation, and effective signage for handicapped and other users. Handicap access would be available

throughout, specifically from 9th Avenue via the Pigott Corridor, to which the WSCTC is a financial contributor. The galleria will be accessible to the public 24 hours daily. Provisions will be made for non-commercial public seating and use of the galleria.

11. The Examiner tends to agree with the DCLU recommendation against the proposed 30 ft. elevated pedestrian path that would be a route to Pike Street from Freeway Park, and which would not require passing through a building. The Examiner considers it inappropriate to create a situation that could well invite pedestrian risks to safety, only to discontinue it after its worst has been realized. On the other hand, there could be an advantage to the developer in having a straight, sans buildings, route. As proposed the elevated path should not be considered as a public amenity. The Examiner recommends that the Council disallow the path and requiring landscaping substitution; or in the alternative, restrict the path use for WSCTC employee + maintenance use.

12. With respect to height, bulk, scale and other physical surroundings, the proposed Convention Center is, to borrow the DCLU phrase, "unremarkable." Located in the vicinity of the one Union Square Building (approximately 456 ft. in height) and the 514 ft. Rainier Tower, the project would approximate the height of 10-story building department store or office building. The visual impact of the massing is reduced by extensive landscaping, recessed terraces, and glazed enclosures. The Examiner generally adopts as Hearing Examiner recommendations the DCLU recommendations, pp. 14-15, which are designed to enhance the pedestrian environment along Pike Street and east and west of Union Place. As noted in the Findings, however, the retail food market may be placed east of Union Place; and adequate signage near the northeast stairs directing users to the more centrally located elevator.

13. The three story high solid concrete band facing Pike Street was also a subject of some discord. While DCLU termed the band unacceptable from an urban design standpoint, applicant wished to retain the design as straightforward as possible. DCLU recommended that the applicant provide two alternatives for Task Force Design Commission which would recognize the block pattern as does other vicinity development. Although recognizing the concrete band's elevation above (Pike) street level, the Examiner is of the opinion that additional Task Force review is necessary regarding this element. Applicant should promptly submit design alternatives to articulate the band per the street grid pattern to the Task Force. In turn, the Task Force should be prepared to evaluate the proffered alternative as against the existing proposals and recommend options to the Council.

14. The 8th Avenue overpass will be enhanced by signing, lighting, variation and color. It is not unreasonable, nor has it been shown to be infeasible, for applicant to avoid blank wall spaces more than 10 ft. in length. That DCLU recommended condition is accordingly adopted. Similarly, any sidewalk or other edge of the project should be improved to create a presence of Phase I completion, i.e., project sidewalks and edges should be completed without regard to potential future development. However, if applicant provides the Council with a reasonable Phase II (CHG Hotel) construction schedule which shows the condition as infeasible, the condition should be modified accordingly.

15. The Convention Center project will increase downtown noise and pollution levels. Although differences appear between the DCLU and the proponent's (EIS) estimates, the Examiner would conclude that a mass evening exit from the garage would adversely impact street circulation and could seriously hamper the 5th and Union intersection level of service. The record does not show that the Convention Center primary and secondary drop-off plans would prove obstructive to traffic exiting to Union Street or to Pike Street traffic.

16. A Seattle Engineering Department Transportation Management Plan (TMP) should be required prior to approval. The Plan should include elements as specified in DCLU report p. 24-29, except as here modified. The monthly transit subsidy for Convention Center employees should be included unless applicant provides a State Attorney General written opinion that the same would be contrary to state law. The stacking of garage vehicles should be evaluated by the TMP committee, and should only be required if deemed appropriate and feasible by the committee after input from proponent.

17. The Examiner would also note that the TMP should include provisions for (a) means for calling remotely queued taxis; (b) designation of remote staging areas for tour and charter buses; (c) eliminating or addressing significant on-street queuing from the garage; (d) joint operation of Convention Center and Freeway Park garages; (e) employment of a Transportation Coordinator; (f) avoiding scheduling of pre-9:00 a.m. weekday events; (g) commitment not to oppose a First Hill Residential Parking Zone.

18. The record reflects a dwindling downtown supply of low income housing, with or without the Convention Center project. For example, a 240 housing unit loss is projected by 1995-2000. Several factors have affected this trend, not the least of which are inflation in land value, and speculation related and unrelated to the proposed development. Approximately 4.5 acres of Convention Center related development is expected, supportive of the trend.

19. The only housing specifically within the project boundary site is the 55 unit Charleston Hotel which has been vacant for over 10 years. Although one estimate was that 215 units (considering the McKay, Eagles and Charleston Hotel buildings) would be "directly" affected by Convention Center development, the WSCTC figure is 55, the number of Charleston units. Opponent projects that over 600 units would be displaced and that mitigation should be designed with that figure in view.

20. Other than the 55 Charleston units, the Examiner cannot predict the precise number of units to be displaced by the Convention Center development. While it is clear that Convention Center related development will impact surrounding land use, including residential, the degree of that impact is less clear, as is the impact of other, intervening forces, such as Metro development, other speculation and similar variables. The Eagles units may be totally displaced, and the McKay units may be displaced, depending greatly on Phase II (primarily CHG) development. Thus, to ascribe the total lost or displaced units to the WSCTC project does not appear appropriate. The Examiner concludes that the methodology using a proportion of the 4.5 acres is acceptable for purposes of this recommendation to arrive at a reasonable estimate of housing units to be displaced. There may be more than 137 units impacted; and indeed there may be fewer.

21. Similarly, it would not seem appropriate to require the developer to pay replacement costs for units, since their number and identity are yet insufficiently particularized. The \$11,000 per unit rehabilitation figure per unit is concluded as reasonable for proponents to pay as mitigation as recommended by the DCLU report. The Examiner would note that the absence of precedent for the \$1.5 million contribution neither prohibits nor proscribes this moderate mitigation measure, particularly since no project of this (public) nature and magnitude has heretofore been recently addressed. As an additional condition, WSCTC should initiate and coordinate with DCD and DCLU a program providing centralized assistance for relocation of low-income downtown residents. The program should be approved in policy, duration and geographical boundary by the Council before approval of the Convention Center project. Further, if the 50 renovated Eagles units will be reserved for low-income units, they should be allowed as credit toward satisfaction of the 137 units mitigation.

22. As the First Hill community will not be significantly impacted, no additional conditions specific to housing, other than relating to a Residential Parking Zone, are recommended.

23. The DCLU recommendations, related to local governmental services and operations appear at pp. 31-34 of their report and are adopted except that the garage "manned exit booth"; closed circuit television; and the special Law Enforcement Operations Facility with "adequate prisoner holding space" requirements are not recommended since the record shows them as not required.

24. Much testimony and correspondence of record heralded the prospect of fiddling the freeway and reducing its noise impacts on adjacent properties. The Hubbell ramp to the Center will be enclosed and acoustical insulation installed in the Union Place Tunnel. Construction noise will be of a temporary duration.

25. Finally, CHG proposes a hotel office complex that could be functionally connected to the Convention Center. DCLU recommended that (the private) development on the westerly block of the Convention Center should not exceed 400 ft. in height.

26. Ordinance 111702 provides that the Council may consider future development which may be induced by the project "in evaluating the public benefits and adverse impacts of a proposed convention center." As noted above, the adverse impacts are to be weighed against the benefit in arriving at the decision on the conditional use application. The Ordinance language does not suggest to the Examiner that conditions should be necessarily imposed on induced development; but rather that the development should be considered in the balancing process. The legislation also notes that if the Council approves a convention center, it may attach conditions "to its approval as necessary to protect the public interest..." This language suggests that the project subject to conditional use conditioning is the convention center, not the development induced thereby.

27. It can also be argued that development directly induced should be subject to limitations simultaneously with the Convention Center conditions.

28. Based on the language of the Ordinance, however, and from a policy standpoint, the Examiner does not recommend development (height) limits on adjacent development in consideration of this application. To the degree that the 400 ft. height limit is responsive to the Mayors proposed Office core-2 limit, the limit should be considered as premature since boundaries and attendant height limits are currently proposals only.


29. Except as noted in the above conclusions, the Examiner recommends approval of the Convention Center with conditions as recommended by DCLU in the department report, pp. 41 -45.

Recommendation

For each of the above reasons, the recommendation of the Hearing Examiner to the City Council is as follows:

The application should be Conditionally Granted.

Entered this 1st day of August, 1984.


Leroy McCullough
Hearing Examiner

NOTICE OF RIGHT TO PETITION
FOR FURTHER CONSIDERATION

Pursuant to Section 23.80.10.E, Seattle Municipal Code, any person substantially affected by or interested in the Hearing Examiner's recommendation on a Council Conditional Use application may submit a petition in writing to the City Council requesting further consideration. The petition must be filed with the Council within fourteen days of the date of the recommendation and should be addressed to the City Council, Urban Redevelopment Committee, Municipal Building, Seattle, Washington 98104.

The petition should clearly identify specific objections to this recommendation and the relief sought. The petitioner should not include any additional evidence or exhibits as the Council's consideration will be based upon the record of the Hearing Examiner's hearing. If the Council determines that a factual error exists in the record or that important information is missing, the Council may have the record supplemented pursuant to Section 23.80.10.E.3 or 23.80.10.E.4. At its public meeting the Council may allow oral or written arguments based on the record.