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My name is Carol Eychaner. My address is 2348 Franklin Avenue East. I have a bachelor's degree in architecture from the University of Washington, and have worked in the design and development field since 1976. I have worked for consulting engineering firms, a development company, and law firms, and as legislative staff for Seattle City Council. I have had my own land use and community planning consulting business since 1994. It is in that capacity that I was retained by the Laurelhurst Community Club to evaluate Children's Hospital Master Plan, and have participated in the master planning process since EIS scoping was initiated in September 2007.

In the course of my work, I have prepared land use and environmental impact evaluations of proposed development projects and legislation, evaluated projects for consistency with applicable development standards, and prepared draft legislation related to development regulations. The projects I have evaluated are diverse and involve the full range of zones in Seattle: commercial office buildings, mixed use residential/commercial developments, multifamily and single family projects, and institutions, including the University of Washington, Swedish Hospital, public and nonprofit community centers, churches, and schools.

Having spent three years on the Steering Committee and Community Design Committee responsible for developing the Eastlake urban village boundaries and neighborhood plan, I am also very familiar with the urban village strategy that guides development in Seattle.

See curriculum vitae and project list in Attachment A.

Description of Master Plan and Neighborhood. Children's has asked the public, the Citizens Advisory Committee and City decision-makers to support and approve an unprecedented rezone and development expansion in the Laurelhurst neighborhood – a low density, single family area that is outside of any urban village or center. By adding approximately 1.5 million square feet (for a total of 2.4 million square feet), the rezone and master plan would nearly triple the size of Children's existing 850,000 square-foot (+/-) hospital facility. The so-called "expansion" is bigger than the current hospital, and is akin to locating a new hospital in Laurelhurst.

Children's master plan would significantly expand its major institution overlay (MIO) boundary to include the 6.75-acre Laurelon Terrace garden townhouse community, which would be demolished for institutional development. The 1.78-acre Hartmann site, which is across Sand Point Way and the privately owned Wells Fargo property, would also be added to Children's MIO. Although not openly targeted for development in this proposed master plan, additional properties around and near Children's existing campus have been acquired by the institution.

Children's proposes to increase its height districts to a maximum of 160 feet. MIO 160 heights are currently found only in the city's most intensely developed urban centers, First Hill and the University Community (higher MIO heights of 240 feet are similarly located only in urban centers). Children's requested MIO 160 is more than five and six times the 25-foot and 30-foot heights allowed in the single family and lowrise multifamily zones that underlie Children's development sites and surrounding residential properties.

The magnitude of Children's proposed expansion – in a low scale, low density area outside of any urban village – is wholly in conflict with the urban village growth strategy that is the foundation of the City's Comprehensive Plan. As described in more detail later by me and others at the hearing, the impacts of the master plan on the character, scale, land use, transportation systems, viability, vitality and livability of the surrounding community are significant and unmitigatable. Children's has also made it clear in its master plan that its plans will not stop with this master plan proposal, but that it is the building block for more to come in "the next 100 years" (Master Plan, p. 13).

In order to be approved, the Land Use Code requires that Children's proposal represents "a reasonable balance of the public benefits of development and change with the need to maintain [the] livability and vitality of adjacent neighborhoods" (SMC 23.69.032.E.2). Even if all of Children's development provided true, essential public benefit, the magnitude of the expansion and its impacts are too extreme and unprecedented for a residential neighborhood that is outside of any urban village. However, in this case, the justification for Children's immense development proposal is not credible, and much of it has the appearance of empire building for the purpose of increasing Children's self-described market share. The "reasonable balance" test mandated by the Code is not met.

Public Benefit / Need. According to Children's, the amount of development in its master plan is based on the number of beds it would like to have in 20 years. Children's wants 600 beds and applied a design ratio of 4,000 square feet per bed (for hospital rooms, hallways and supporting facilities), the result being 2.4 million total square feet, not including parking garages.

In order to determine whether the public benefits of development and Children's need to change are reasonably balanced with the need to maintain the livability and vitality of adjacent neighborhoods, it is essential that City decision-makers have accurate, relevant information about the claimed public benefit (including in terms of claimed public need) for the additional 350 beds and 1.5 million square feet of expansion at the Laurelhurst site.

In this case, Children's justification for its growth and resulting development proposals is not credible, and the extent of true public benefit is overstated. Much of Children's proposed development is not acknowledged in its own stated objectives and need information.

Because the magnitude of Children's proposed expansion is so unprecedented for a low density residential neighborhood, and its impacts so significant and unmitigatable, it is especially important that Children's claimed need and public benefit be closely scrutinized, and that the actual need and public benefit be accurately determined and understood by City decision-makers.

This has not yet happened, either in the environmental impact statement (November 10, 2008; "EIS"), the CAC Final Report and Recommendations (February 3, 2009; "CAC Report"), or the DPD Analysis, Recommendation and Determination (January 20, 2009; "DPD Report").

The EIS contained only the need information that was generated by Children's for its master plan, and it was determined that this information was not subject to challenge through the SEPA process.

As evidenced by its report, CAC members struggled with Children's bed projections but ultimately accepted them, citing Land Use Code provisions that "directs that the CAC may comment on the need and mission of the institution but that need not be used to delay the master planning process." CAC Final Report, p. 17. In its report, CAC recommended phasing conditions that were "key to CAC acceptance of the projected development" (which will be addressed later in my comments), but nonetheless completed its work without being able to satisfactorily resolve the actual need for Children's beds.

The Land Use Code explicitly charges DPD (along with the Hearing Examiner and City Council) with analyzing the public benefits of the master plan and "the reasons for institutional growth and change, the public benefits resulting from the planned new facilities and services, and the way in which the proposed development will serve the public purpose mission of the major institution." SMC 23.69.032.E.2.a. However, unlike CAC members who at least attempted to find objectivity with respect to this issue, the DPD Report simply reiterates the same public benefit and need information that Children's used for its master plan, even though DPD had substantial public comment disputing the information.

For example, throughout the DPD Report, Children's and its master plan are identified as the sources of need information. DPD Report, Sections II.C and IV, pp. 7-9 and 16. Based on this information, and apparently without any actual analysis or independent research, the DPD Report concludes that "Children's has presented a valid case to support its projected need for additional beds, and has explained assumptions about gross floor area represented by each new bed unit. Over the course of decades, DPD considers the scale of development represented by the Master Plan to be appropriate and reasonable in response to Children's growth program." DPD Report, Section IV, p. 17.

However, substantial information has been submitted to DPD that credibly questions Children's stated need of 600 beds—information that does not appear to have been considered by DPD. And even the most basic checking of growth rates cited in the DPD Report would cast doubt on Children's projections. Some of this information is summarized below:

- <u>DOH Bed Projection Methodology Does Not Support 600 Beds</u>: As many of us have learned during this master planning process, the number of beds that Children's "needs" is determined by applying the State Department of Health's 12-step method for projecting bed need, as administered through the Department's Certificate of Need program.

  One such 12-step forecast analysis was prepared by Field Associates, and it shows that the number of beds requested by Children's is double the number of beds Ms. Field forecasted using the DOH methodology. (The Field analysis is being submitted to the

Hearing Examiner separately by Nancy Field, and will be discussed in more detail by her.) It also explains the reasons why Children's projections are inflated.

- 3.1% National Growth Trend Does Not Support 600 Beds. The DPD Report (p. 7) states that "Children's describes health care needs based on national trends . . ." and then cites a national study (prepared in 2007 by a pediatric hospital organization, of which Children's is a member) that estimates that the inpatient demand for pediatric hospitals will grow 3.1% per year, through 2010. The usefulness of this information, which is also referenced in the master plan (p. 8, paragraph 3), is limited, considering that the year 2010 is nearly here. Nonetheless, if one applies the 3.1% growth rate to Children's existing 250 beds through 2024 (17 years from the time of the study and the final phase of development in the master plan), the result is 420 beds and does not even approach or support Children's purported need of 600 beds. The same growth rate applied for five years through 2012, which is the end of Phase 1 development, is 291 beds—far fewer than the 336 beds stated in the DPD Report (p. 16).

- "Baby Boom Echo" Does Not Support 600 Beds. The DPD Report refers to additional need information in Children's master plan, including the "baby boom echo." According to the plan, during the next 20 years, the population 21 years of age and younger in Washington is projected to increase by 21 percent. According to DOH, the population served by Children's, and used for the 12-step bed projections, is 0 to 14 years of age, not 0 to 21. Nonetheless, if one applies the 21% increase to Children's current 250 beds, the result is 303 beds – not 600 – in 20 years.

- Children's Growth Claims Not Supported by DOH Quarterly Reports. The DPD Report (p. 8) states that "Children's reports that it is experiencing the effects of local and regional population growth. Since the Washington State Department of Health issued Children's last Certificate of Need in 2001 and determined the number of permissible inpatient beds, the hospital has been directly affected by increasing patient volumes and intensified levels of care." However, according to the quarterly reports Children's has submitted to DOH, inpatient demand at Children's has slightly declined since adding beds in late 2004 through 2007.[1] Children's reported to DOH that its total annual inpatient days (generally, the unit of measurement used to determine hospital use and bed occupancy) decreased from 2005 to 2007 by 913 inpatient days (-1.33%). There was a similar decrease from 2005 to 2006 of 1766 inpatient days (-2.6%). While the number of individual patients who were admitted went up during the period of 2005 to 2007, the length of stay decreased, resulting in the declining number of inpatient days.

  Children's has not yet submitted all of its quarterly reports for 2008, including its third quarter report which usually has the lowest number of inpatient days. The inpatient days for the first two quarters of 2008 show an increase of 974 inpatient days over the same two quarters in 2005, reflecting an increase of only 2.73% over the three year period (not an annual rate of growth). The actual rate of growth cannot be calculated through 2008 until Children's submits in third (usually lower) and fourth quarter reports.

[1] The quarterly reports can be found on the Washington State Department of Health web site at: http://www.doh.wa.gov/EHSPHL/hospdata/Quarterly/Default.htm

- Children's Cites Flat and Declining Inpatient Demand in Opposition to **Eight** Beds at Swedish Hospital/Issaquah. The DPD Report does not critically examine, and instead transmits with little effort, Children's message that there will be a huge local and regional need for the 350 additional pediatric beds proposed by Children's. However, this message is not consistent with statements made by Children's at a 2005 public hearing, where it opposed Swedish Hospital's proposal for just eight pediatric beds in a new hospital on the east side (Issaquah). See Attachment B.

  In its 29-page letter opposing a facility that would allow at least some Eastside families to avoid the trip to Laurelhurst, Children's urged DOH to deny a Certificate of Need for Swedish's proposed eight pediatric beds because there was no need for the beds:

  > "All available data suggests that the demand does not exist for such a unit, and that use rates for inpatient pediatric care continue to decline with the service area." (p. 3)
  >
  > "While the planning area population has been growing rapidly (the number of pediatric residents ages 0-14 increased 11% between 1995 and 2003), the number of pediatric (non-newborn) discharges has been flat. *As a result, pediatric use rates (discharges per 1,000 pediatric resident) declined by 15%*. The pediatric inpatient market has shifted dramatically in the past 10-15 years." (p. 4; italics emphasis by Children's)

  Children's also repeatedly objected to the eight pediatric beds out of concern for its market share of patients (pp. 4 and 5).

  Children's appealed DOH's Certificate of Need for the Swedish/Issaquah hospital, and its opposition continued through at least the summer of 2008.

- Prior Children's Bed Projections by DOH. In its 2002 Certificate of Need approval for 42 beds at Children's, DOH applied its 12-step methodology and projected Children's beds through the year 2020. DOH projected a total of 315 beds for 2020, consisting of 295 acute care plus 20 psychiatric care beds. See Attachment C.[2] DOH's 315-bed projection for 2020 is nearly half the number of beds now sought by Children's. While such long-term projections are usually made only for new hospitals, this is nonetheless indicative of the very large discrepancy between Children's calculations and claimed need, and those done by the State agency.

- Psychiatric Beds. One of the primary reasons for Children's inflated bed need is the seemingly late-in-the-game dramatic increase in its proposed number of psychiatric beds. Twenty of Children's 250 beds (8% of its total beds) are currently used for inpatient psychiatric care. This allocation is exactly consistent with DOH's 2002 bed projections.

[2] In Attachment C, the spread sheet for Children's psychiatric bed projections is inaccurately entitled "Clark County Acute Care Bed Need." Department of Health staff have confirmed this is the correct spread sheet and the figures match the Department's Certificate of Need decision.

Children's now proposes up to 195 psych beds.[3] This is nearly ten times the current number of psych beds, and is almost one-third of the total 600 beds proposed by Children's. Such a significant increase in the number of psych beds (and corresponding shift in allocation between acute care and psych beds) is far outside the psych bed projections and allocations made by DOH and Field Associates.

It is perhaps not irrelevant to note that Children's "need" for so many psych beds did not arise until after the public and CAC members requested 12-step bed projections from Children's. These projections (even with their flawed assumptions) yielded only 437 acute care beds in the year 2026 – far fewer than the number needed to justify Children's 600-bed, 2.4 million square foot expansion. 195 psych beds – equivalent to a new hospital dedicated wholly to psychiatric care – filled the gap. See Attachment D, Children's Bed Projections from November 13, 2007 CAC Meeting

The large increase in psych beds is also puzzling because psychiatry is not identified as one of the "six service areas"[4] that the master plan "emphasizes . . as the major areas in which new facilities will advance the quality and accessibility of the services Children's patients will need in the future." According to the Master Plan, these service areas are: "cardiovascular, general surgery, hematology/oncology, neonatology, orthopedics, and transplantation" – not psychiatric care. Master Plan, p. 15. Psych beds are similarly not mentioned in the 2006 Overview of Children's Strategic Plan, which provides the basis for Children's future space needs and master plan development. Master Plan, p. 13 and Attachment E, 2006 Strategic Plan Overview.[5]. Psych beds were also not identified in Children's initial, November 13, 2007 CAC presentation on its "Need to Grow." Children's Need to Grow Power Point Presentation (in the Hearing Examiner's records from the Department of Neighborhoods).. Not one of these documents identified psychiatric services as a growth area—in fact, psychiatry is not even mentioned – yet according to Children's projections, the most dramatic growth is for psych beds. What is the basis for a ten-fold increase in psych beds when psych services are not even identified in key "need" documents?

The issue of psych beds is important because they represent such a large percentage of Children's projected bed need, and translate into a correspondingly large percentage of Children's proposed 2.4 million square feet. The square-feet-per-bed design ratio used by Children's to develop its 2.4 million square foot campus is, as verified by Field Associates, excessive for psych beds. Children's based its total square footage of proposed development on 4000 square feet per bed for 600 beds, but psych beds don't require the same level of support facilities as acute care beds and don't require 4000 square feet per bed. Assuming Children's really intends to use nearly 200, or even 100, beds for psychiatric care (a number that is not supported by DOH or Field Associates projections, nor by Children's Strategic Plan), there is substantial unnecessary, excess square footage in the master plan expansion that can be attributed solely to this inflated design ratio.

[3] Children's 12-step projections show 195 psych beds but Children's has stated at CAC meetings that, once approved, it would like not use all the psych beds for psychiatric care.

[4] In the draft master plan, these six "service areas" were identified as "growth areas".

[5] http://www.seattlechildrens.org/home/about_childrens/strategic_plan

It is very unclear whether Children's actually intends to use the full 195 psych beds for psychiatric care, or whether the projections were generated in an after-the-fact effort to justify, under DOH's 12-step methodology, the drastic expansion Children's had already decided upon. Assuming DOH would even approve the large increase in psych beds, Children's representatives have stated at CAC meetings that it plans to use "only" about 100 of the 195-projected psych beds for psychiatric care – the rest would be used for acute care. If true, such a bait-and-switch would increase the number of acute care beds well beyond the number supported by the 12-step bed projections, whether performed by DOH (such as in its 2002 Certificate of Need), Field Associates, or even Children's own consultant.

- Prior Children's Need Claims Unfounded. During the process for Children's 1994 master plan, the community, CAC and the Department of Construction and Land Use (DCLU; DPD's predecessor) expressed concern about increasing the size of the hospital facility in the single family neighborhood, even though the increase sought by Children's at that time pales in comparison to its current proposal. Children's proposed a total of 263,000 new square feet, 74,000 of which was for research facilities, which many people thought could and should be located outside of Laurelhurst. DCLU recommended a condition requiring that Children's

  > "shall produce decentralization studies before pursuing City approval on each of the projects proposed in the Master Plan, and/or any existing facilities that might be decentralization candidates. The results of the studies should be shared with the Master Plan Standing Committee, DCLU and DON, who will offer their response for CHMC [Children's] consideration."

  Another DCLU condition required Children's to produce annual reports regarding its decentralization studies and resultant findings or actions.

  At the time, Children's argued that it "needed" to have its clinical and research space in close proximity on the same campus, and was persuasive enough that the decentralization studies recommended by DCLU were not adopted as a condition:

  > . . . the hospital claims that its ability to attract and/or retain the most highly qualified clinical and research physicians is directly related to its ability to provide both clinical and research space with the same campus. Due to the growing numbers of physicians who perform both these functions, in addition to the growing interdependence between clinicians and researchers, Children's believes that it must accommodate these needs on campus in order to remain a preeminent pediatric medical center.

  See Attachment F, Excerpts from Analysis and Recommendation of the Director of the Department of Construction and Land use, 10/21/93; pp. 9 and 60.)

  Now it is 2009, and apparently the emphatic need to co-locate was not so essential after all, because all of Children's research is now located off campus at or near a large 2-block site in the Denny Triangle neighborhood (downtown).

> The lesson learned from this is that, although it is commendable that Children's decentralized its research facilities after the fact, its assertions during the master plan process that research had to be located on the main campus were believed by the decision-makers but ultimately not borne out. The proposal that motivated DCLU in 1994 to recommend decentralization studies was but a fraction of the expansion Children's proposes today, making the requirement for critical scrutiny of Children's claimed need all the more essential.

Perhaps the need issue would not be so important if Children's was located in a neighborhood like First Hill or Capitol Hill, which host many of the city's major institutions, are designated urban centers under the Comprehensive Plan, are well served with transportation choices and are intended to accommodate intense development. But it's not. Children's is located in a single family neighborhood, outside of any urban village. The impacts of its unprecedented proposal are significant, and would permanently and adversely alter the residential character and use of the neighborhood.

There are at least two examples in the DPD Report that demonstrate how the lack of critical scrutiny of Children's claimed need and public benefit significantly affected decision-making on pivotal issues, to the detriment of the neighborhood.

Hartmann Property. The first is DPD's recommendation to approve expansion of the MIO boundary to the Hartmann property. The Comprehensive Plan and major institutions code strongly discourage the expansion of major institution boundaries. SMC 23.69.002.C and .E; Comprehensive Plan LU186. The Land Use Code rezone criteria is even more explicit in stating that any boundary expansion must be contiguous with the main major institution campus:

> 2. Boundaries for an MIO district shall correspond with the main, contiguous major institution campus. Properties separated by only a street, alley or other public right-of-way shall be considered contiguous.
>
> 3. Boundaries shall provide for contiguous areas which are as compact as possible within the constraints of existing development and property ownership. (SMC 23.34.124.B.2 and .3; underlined emphasis added)

Boundary expansions are discouraged by the Comprehensive Plan and Land Use Code, and non-contiguous expansions prohibited by the Code, for many reasons, including to prevent institutional sprawl, the isolation of private properties and uses from others in the neighborhood, and the elimination of housing and independent neighborhood businesses and services. These impacts can undermine or destroy the viability and livability of the affected community.

As shown on the maps in Attachment G, the Hartmann property is separated from Children's campus by two streets and two private properties. Even if Children's boundary were expanded to include Laurelon Terrace, the vast majority of the Hartmann property would still be separated from the expanded campus by two intervening streets and one private property, the Wells Fargo site. If the MIO were expanded to both the Hartmann property and Laurelon Terrace, the Wells Fargo site would be sandwiched between Children's development – a

condition that the Code's contiguous requirement is intended to prevent, and one that is made even worse by Children's partnership interest in the Springbrook buildings. See Attachment G, Children's Hospital Laurelhurst Properties (1994 and February 2009).

Expanding major institution development to the Hartmann property is not consistent with rationale planning principles. The site is developed with a comparatively modest, nonconforming one-story medical office building, one that could be redeveloped consistent with its Lowrise 3 residential zoning. Properties to the north and west of the Hartmann property are zoned and developed for Lowrise 3 and single family residential use. Property to the south is developed with a nonconforming but nonetheless permanent multistory condominium. Expanding the MIO boundary would intensify nonresidential use in an area that is otherwise well established for residential use, making it an anomaly and potentially precipitating land use instability and changes away from residential use. For example, during the master planning process – and before any construction under the proposed master plan had even begun – residents living to the north of the Hartmann property, concerned about the effects of Children's development on their homes, contacted DON staff and a local realtor suggesting that Children's buy their condominiums (like Laurelon Terrace).

Given these factors, there should be no boundary expansion to the Hartmann property. DPD even acknowledges in its Report that "in general, the Code does not prefer to expand an MIO boundary across an arterial to include an additional discreet development site." But instead of denying the boundary expansion and the square footage that would have been built on the site, DPD recommended approval of the boundary expansion as the lesser of two evils. In doing so, DPD stated:

> "As stated previously, DPD contends that concentration of Major Institution development on the existing campus would foster additional height, bulk, and scale impacts on the vicinity of the existing site, and would compel new vehicle accesses toward the north and south, adjacent to existing residential neighborhoods."

Despite the clear policy and code provisions against boundary expansions, DPD chose the significant impact of a boundary expansion across an arterial to a discreet site surrounded on three sides by a well established residential area over the significant impact of locating more development on the main campus. This was done in large part because DPD accepted, without question, Children's nonnegotiable and unsubstantiated "need" to have 2.4 million square feet, and gave it higher priority over neighborhood protection and city polices and codes. But DPD had a third choice, one that should be recommended by the Hearing Examiner: That is, to deny the boundary expansion and associated square footage. This would avoid significant impacts to all parts of the residential community, achieve the Code-required balance between Children's and the neighborhood (and Children's would still have a more than enough square footage to pursue its planned projects).

Height, Bulk and Scale. The issue of height, bulk and scale is the second example of how DPD's unquestioning acceptance of Children's need resulted in false choices and a favoring of Children's unsubstantiated need over neighborhood protection.

Children's proposes a 160-foot MIO height district on most of the Laurelon Terrace site and on a portion of the existing campus. The existing zoning of these properties is

Lowrise 3 and Single Family 5000, respectively, both of which have a 30-foot base height limit. Properties to the west and south of Laurelon Terrace are also zoned and developed Lowrise 3 and Single Family 5000. The proposed building height, even if conditioned to 140 or 125 feet (as proposed by CAC), is many times higher than the underlying and surrounding residential zones. The height of Children's structures as well as the large bulky facades will have significant impacts on the neighboring houses and properties.

In its Report (pp. 24-25), DPD acknowledges that the development in Children's master plan will have significant height, bulk and scale impacts on single family and multifamily properties to the west and south of the Laurelon Terrace site:

> The EIS characterizes the Master Plans' height, bulk and scale impacts as significant, particularly along the new western frontage . . . properties to the west along 40th Ave NE are particularly challenged by the Master Plan's proposed transition in scale.

The significance of the impact is also evident from the photos in the EIS, and from walking along the streetscape along 40th Avenue NE and NE 45th Street adjacent to Laurelon Terrace, which is not shown in the EIS but which I would encourage the Examiner to do. See EIS Appendix C, Viewpoints 8 and 13, for existing conditions (Alternative 1) and master plan development (Alternative 7R).

When looking at the photos and streetscape, I imagine what it would be like, to live in a house or condo along these seemingly stable residential blocks, across from the almost bucolic – for the City of Seattle – Laurelon Terrace garden townhouses, only to learn that your new neighbors will not be residences consistent with the zoning or the character of the single family neighborhood, but 125- or 140- (or 160-) foot tall, concrete institutional buildings that span the entire block.

Rather than deal meaningfully with the challenge of this architectural and zoning assault, DPD rationalizes the impact in the same manner that it did for the Hartmann property boundary expansion. It subjects residential properties to the southwest and west of the campus to significant impacts, in order to protect residential properties toward the east.

> In the creation of the preferred alternative, appropriate transition and scale have been primary considerations. Alternative 7R locates most new development further downhill and away from most of the residential neighborhood adjacent to the existing campus. DPD Report, p. 23.

DPD gives no consideration to questioning Children's claimed need or reducing its proposed square footage, so that no part of the residential neighborhood is subjected to significant impacts. Instead, it recommends a 40-foot setback for structures over 50 feet in height along the northern two-thirds of the west edge of the Laurelon Terrace site. The effectiveness of this mitigation in reducing significant impacts is negligible, as can be readily seen by viewing the before-and-after photos of the buildings (Viewpoints 8 and 13), which reflect facades that already conform with the recommended setbacks.

But just like with the Hartmann boundary expansion, the mitigation options are not limited to those that meet Children's claimed need, unsubstantiated or otherwise, and the City is required by Code to find a balance that protects the livability of the neighborhood. In this case, lowering and tailoring the MIO districts for the Laurelon Terrace property and

a portion of the existing campus, so that the maximum height is 105 feet, is necessary if Children's is allowed to expand on the Laurelon Terrace site.

Additional Considerations

1. Single Family Provisions in Code and Comp Plan. The following Code and Comprehensive Plan provisions describe the intended scale and character of single family areas, and support modifications to Children's proposed master plan to reduce or avoid significant impacts.

    - The function of single family areas, as described in the rezone section of the Land Use Code, is to provide "predominantly detached single-family structures on lot sizes compatible with the existing pattern of development and the character of single-family neighborhoods." (SMC 23.34.011.A)

    - "In order to *support the existing character of areas outside of urban villages*, and to encourage continued investment in all of Seattle's neighborhoods, permit areas outside of urban villages to accommodate some growth *in a less dense development pattern consisting primarily of single family-neighborhoods*, and limited multifamily, commercial and industrial areas." (Comprehensive Plan, Urban Village Element, UV7; italics emphasis added)

    - "*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*." (Comprehensive Plan, Urban Village Element, UV36; italics emphasis added)

    - "*Preserve the character of single-family residential areas* and discourage the demolition of single-family residences and displacement of residents, in a ways that encourages rehabilitation and provides housing opportunities throughout the city. *The character of single family areas includes use, development and density characteristics*." (Comprehensive Plan, Land Use Element, LUG9; italics emphasis added).

2. MIO Heights for Other Major Institutions. It is instructive to review the MIO heights that the City has permitted for its thirteen major institutions, because it provides height, bulk and scale context for decision-makers, and discloses the unprecedented nature of Children's requested heights and their incongruity with single family residential neighborhoods and even lowrise multifamily neighborhoods. The maximum MIO height of the five major institutions that are located outside of any urban village is 105 feet. Two major institutions have a maximum MIO height of 160 feet, and both are located in urban centers (not in single family neighborhoods), and both have underlying zones that are much higher and more intense than single-family:

    - University of Washington, MIO 160 over Midrise zone (60-foot height limit)

    - Seattle University, MIO 160 over Neighborhood Commercial 3/85 (85-foot height limit)

Three institutions have maximum MIO heights of 240 feet, including Swedish Hospital. During the master planning process, comparisons have been made between Children's and Swedish Hospital, sometimes as justification for Children's proposals, but Swedish Hospital is located in the First Hill urban center, one of the most dense and intensely developed communities in the city and is not analogous to Children's context:

- Swedish Medical Center/First Hill, MIO 160 over Highrise (160-foot height limit, can be increased to 240 feet) and Neighborhood Commercial 3/160 (160-foot height limit)

This and other contextual information is provided in the Major Institution Overlay (MIO) Maximum Height Comparison (Attachment H) and the Seattle Major Institutions – Zoning Comparison Table (Attachment I)

3. Rezone Objective. The rezone criteria state that one objective of major institution rezones "shall be to achieve a better relationship between residential or commercial uses and the Major Institution uses, and to reduce or eliminate major land use conflicts in the area" (SMC 23.34.124.A). This is especially important with respect to the single family, townhouse and duplex residences that are most affected by Children's proposal. However, as demonstrated by EIS before-and-after photos, the height, bulk and scale relationship between the institution and its surrounding residential properties significantly deteriorates under Children's proposal, even as modified by DPD and CAC, as well as the other EIS growth alternatives. Significant impacts are shifted from one part of the neighborhood to another, and new significant land use conflicts are created (such as at the Hartmann site and immediately west and south of Laurelon Terrace) but no EIS alternative actually achieves a "better relationship" with its surroundings.

4. Architectural Character/Aesthetic Compatibility. Children's proposed buildings are described in the EIS as being "composed of materials that aesthetically blend in with the existing buildings on campus, e.g. precast/ceramic wall cladding system or glazed aluminum curtainwall system, among others" (p. 3.9-3), and that the "surfaces, façade articulation, and fenestration would all make the buildings look more consistent with the existing architectural character" (p.3.9-3). Aesthetic compatibility with Children's own buildings is not the issue. In its Report, DPD recommends the development of detailed design guidelines, to be reviewed by the Seattle Design Commission and approved by DPD. DPD Report, pp. 39, 74-75, Conditions 8-10. Any such condition should be revised to include review by the Standing Advisory Committee as well as the community at large, before approval by DPD.

   When considering structures of the bulk and height proposed by Children's, in the neighborhood proposed by Children's, such guidelines cannot sufficiently mitigate the massive bulk and height of the structures, and are no substitute for significant physical alterations consisting of reduced height, reduced square footage, and increased setbacks.

5. Setbacks/Landscaped Buffers. Children's proposes "garden edges" around much of the campus. Landscaping cannot effectively hide all portions of the hospital's massive facades, as is especially evident in the winter, and dense, tall landscaping may not be desirable in

some places. Nonetheless, landscaped buffers are an essential tool for impact mitigation along with actual physical reductions in height, façade modulation and increased setbacks. In its proposed master plan, Children's has appropriately increased its landscaped setbacks/buffers along some portions of its boundary to 75 feet, but, inexplicably, areas most impacted by proposed development – the single family area opposite the south side of Laurelon Terrace and the duplex area north of the new MIO 65 along NE 50th Street – have reduced buffers.

Even at 75 feet, Children's setbacks are less than other institutions in similar settings (of which there are few). They should be considered the minimum acceptable setback, necessary for supplemental mitigation and for sufficient light, air, growing area and pedestrian safety. All the property frontage along NE 45th and 50th Streets should have 75-foot setbacks/landscaped buffers.

6. Urban Village/Center Growth Strategy. The boundary expansion to the Hartmann property, the near tripling of major institution development in the Laurelhurst residential neighborhood, and the related, ongoing changes in land use character of the area, would result in significant land use impacts. The EIS and DPD Report ignore the significant extent to which intense out-of-scale development, large-scale employment and traffic arising from Children's proposed master plan would be located in an area that is outside of any urban village/center and away from a transportation hub. While the Comprehensive Plan recognizes that institutions exist outside of urban villages/centers, it does not give major institutions a blank check for unprecedented expansion that is contrary to the urban village strategy:

> "Areas outside urban villages will accommodate some growth in less dense development patterns consisting primarily of single-family neighborhoods, limited multifamily and commercial areas and scattered industrial areas. *The strategy of focusing future development in urban villages continues to direct new development away from Seattle's single-family areas*." (Comprehensive Plan, Urban Village strategy discussion p.1.4; italics emphasis added.)

With 1200 FTE employees on 21.7 acres, Children's jobs/acre ratio is already more than twice that of a hub urban village. When completed, the proposed expansion would be nearly three times the size of the current campus, and Children's would likely have a commensurate number of additional jobs/employees. Such intense development and job growth outside of an urban village and a transportation hub is not supported by the Comprehensive Plan's urban village strategy.

7. Property Sales/Land Use Impacts. The Director's Report and EIS ignore the land use significance of rampant property sales to Children's that have been triggered by the master plan proposal and alternatives. The intensity, bulk and height of institutional development, and the prospect of decades of construction, have led the owners of no fewer than nine single family houses and 65 Laurelon Terrace condominiums (a total of 74 residential units, many of them affordable) to sell to Children's since it went public with its master plan proposal in 2007.[6] See Attachment G, Children's Hospital Laurelhurst Properties. Such

massive sales are a solid indicator that the proposal significantly and adversely affects the viability and livability of nearby non-Children's uses and properties.

8. Expansion/Sprawl of Children's Outside of Urban Village. The amount of residential, commercial, park and other property that is owned, controlled or used by Children's for its Laurelhurst facility is expanding and sprawling around the campus perimeter and along the Sand Point Way NE corridor. These properties include: the main campus, Hartmann property, Springbrook Building, satellite administrative and parking facilities, and single family and condominium residences. Such residential acquisitions and arterial sprawl outside of urban villages and centers, and outside of a transportation hub, is the antithesis of the urban village growth strategy. Expanding the MIO boundary to the Hartmann property would make this sprawl more permanent and be the catalyst for more.

9. "Company Town" Effect. The EIS and DPD Report says that Children's expansion may precipitate more retail and customer service businesses to serve the institution's increased staff, patients and visitors, the implication being that Children's proposed development would indirectly lead to businesses and services that would be useful for the residential community. While this might occur to a limited degree, it is much more likely that the nearby Laurelhurst business and residential community will take on the characteristics of a "company town" – as is happening already – where the properties are increasingly owned, controlled and used by Children's (or in partnership with other institutions in the area). Such institutional ownership, control and/or use does not increase the vitality, livability, diversity or viability of the neighborhood or the independent characteristics and voices of its residents and businesses.

10. Future Rezone or Text Amendments. While Children's may maintain the residential use of its acquired properties in the near term, such acquisitions could result in a critical mass of properties that would precipitate Children's-requested rezones or Code text amendments for more intense uses and MIO (or even urban village) boundary expansions.

11. Boundary Expansions. Children's proposes to expand its MIO boundary to the non-contiguous Hartmann site and Laurelon Terrace. Both expansions are controversial, and both would result in significant, adverse land use impacts without providing meaningful relief from the other impacts of Children's proposal. The Hartmann boundary expansion was addressed in detail earlier in my comments, and should be denied.

    Expansion of the boundary to the Laurelon Terrace property should be approved only if the resulting development substantially benefits the community and surrounding properties, or at least has modest impacts. For example, when Seattle Pacific University, which is located in a single family neighborhood outside of any urban village, requested several comparatively small contiguous boundary expansions, many were approved on the condition that structures complied with the existing underlying density or heights standards to protect the neighborhood and preserve its scale. So, what was the height that triggered the concern and adherence to underlying zoning? MIO 37 – a fraction of that requested by Children's.

[6] Sales of single family homes and Laurelon Terrace units are from the King County Recorder's Office, as of February 2009.

12. Lot Coverage and FAR. Lot coverage and floor area ratio are development standards that indicate the intensity of development on a site. The lot coverage of the proposed master plan and EIS growth alternatives ranges from 51% to 59%, compared with 33% approved in the current master plan and 35% allowed in the underlying single family zoning of the main campus.

    Similarly, the FARs of the proposed master plan and growth alternatives range from 1.82 to 2.35, and are more than double the maximum permitted .9 FAR of the current master plan (note that some documents state that Children's current allowable FAR is .95, but City master plan records indicate that it is .9).

    The lot coverage and FAR of the master plan and growth alternatives also exceed those in recently adopted master plans of other institutions that are outside of urban villages/centers in a residential neighborhood context similar to, although still more intense than, Children's:

    - South Seattle Community College (2007): .3 FAR; 25% maximum lot coverage
    - Seattle Pacific University (2000): .9 FAR; lot coverage unknown

    that structures complied with the existing underlying density or heights standards to protect the neighborhood and preserve its scale. So, what was the height that triggered the concern and adherence to underlying zoning? MIO 37 – a fraction of that requested by Children's.

13. Comparable Replacement Housing. The Code requires that Children's replace any housing that is demolished as a result of its master plan, which in this case would be 136 multifamily units. Children's housing replacement proposal, which appears to consist primarily of a $5 million contribution, does not appear to provide sufficient funds to replace 136 units. For example, Children's purchase price for about one-half of the Laurelon Terrace units has so far cost about $ 17.5 million – much more than the $5 million commitment. Nor is Children's proposal consistent with other master plan decision regarding large housing demolition. For example, Condition 14 of Harborview's master plan approval required Harborview to do the following:

    > 14. Demolition of the 64 housing units for the Planned Projects is subject to the following conditions. Harborview shall:
    >
    > a. Provide one-for-one replacement housing of all units prior to demolition of the existing units;
    >
    > b. Provide the replacement housing units within the First Hill/Capitol Hill Urban Center boundary, with a preference for locations within the First Hill Urban Center Village boundary;
    >
    > c. Replace the units with substantially the same sizes of units and affordability levels, as measured at the time of MIMP approval;
    >
    > d. Ensure that the replacement units are available for a period of ten years;

e. Develop the replacement housing units without City funds, with the exception of possible short-term City financing which must be reimbursed by Harborview/King County;

f. Provide the replacement units through rehabilitation of a vacant building, construction of a new building, or preservation of existing federally-assisted units that are losing federal funding, but not through any other means of displacement of existing housing units; and

g. Provide relocation assistance as required by City regulations, but if tenant relocation costs exceed the amount provided under the City's Tenant Relocation Assistance Ordinance, Harborview will provide relocation assistance of up to 50% above the private contribution required by the City through the Tenant Relocation Assistance Ordinance.

14. Additional Policy Support. The Comprehensive Plan has many goals and policies, in addition to those already cited, that state the importance of protecting the livability and character of single family and other low density areas that are outside of urban villages/centers. Such goals and policies are applicable to Children's master plan proposal, support the modifications suggested herein and are listed in Attachment L.

Proposed Conditions of Approval

Children's proposed master plan, and all the EIS growth alternatives have MIO heights of 160 feet and approximately 1.5 million square feet of new development – an "expansion" that is more than 1½ times the size of the current hospital. All have significant impacts that cannot be effectively mitigated. The magnitude of development and its resulting significant, adverse environmental impacts is inconsistent with the Comprehensive Plan and the direction it provides for growth in areas outside of urban villages.

The exploration of alternatives through the EIS process has conclusively demonstrated that the amount of development desired by Children's, when located as proposed in the Laurelhurst neighborhood, will have significant, unmitigatable impacts no matter how it is packaged – whether it be on the current campus, on the Laurelon Terrace property and/or on the Hartmann site. Some of the impacts may be shifted from one part of the neighborhood to another, or from one street to another, but they are not mitigated to levels that are acceptable for a low density residential neighborhood that is not a designated urban village.

It is thus essential that, as a condition of any approval, changes be made to the proposal to reduce its significant impacts and to make it more consistent with the level of development anticipated in the Comprehensive Plan for areas outside of urban villages. This is particularly important in light of the fact that significant rezones are required for the type and amount of development that Children's desires. Neither the current master plan nor the underlying zoning

of the proposed development sites convey any "right" for Children's to develop in the manner and magnitude it now proposes.

Changes to Children's proposed master plan that are necessary to achieve the neighborhood protection intended by the balancing provisions in the Land Use Code include the following, and are described in more detail in LCC's Proposed Master Plan Conditions:

- Remove Hartmann property from the MIO boundary.

- Limit new development to 704,000 square feet, with an overall development limit for the MIO of 1,554,000 square feet (including all circulation and above- and below-grade square footage, but not including parking). Projects that would be developed are Children's Phase 1 – Bed Unit North (592,000 square feet) – the only phase that is identified as "planned" development, and the Ancillary/Ambulatory facility in Phase 2 (112,000 net square feet, after demolition). See Attachment J, Reduced Development Concept Plan

- Garage options would be either 1) the Southwest Garage (1100 spaces), currently proposed by Children's for Phase 2, or 2) the North Garage, currently proposed by Children's for Phase 4. The Southwest Garage must be wholly located below grade, making it available for potential above grade development in the future. The North Garage must be at or below grade at the east façade (as currently proposed by Children's) and must step down the site toward the west to be below grade as much as possible. See Attachment J, Reduced Development Concept Plan

- MIO heights should be as recommended by CAC except that the MIO 160 should be MIO 105, and the depth of the MIO 37 along the southern part of Laurelon Terrace should be increased from 40 feet to 75 feet. See Attachment K, LCC Proposed Height Districts.

- Adopt a condition providing façade design guidance for tower sculpting, façade modulation and terraced heights should be adopted.

- FAR 1.25 for the 28.45 acre site (21.7 acre current campus plus 6.75-acre Laurelon Terrace), which is more than the current .9.

- Vehicle access to campus and the parking garages (except service access off NE 45th and 50th Streets) shall be limited to Sand Point Way.

- Increase the 40-foot setbacks that are proposed along NE 45th and 50th Streets to 75 feet, consistent with the rest of the block.

- Adopt conditions that ensure Certificate of Need approval prior to MUP application, and that link development to Children's 4,000 square-feet-per-bed design ratio.

- Adopt conditions that ensure the NE 50th Street emergency/service access is used only as intended and represented by Children's, and to remove it from the landscaped buffer.

- Adopt a condition that ensures development proceeds only upon compliance with the 30% SOV goal (as represented by Children's; similar to current master plan condition).

- Adopt housing conditions similar to Harborview to ensure units are replaced on a one-to-one basis in the vicinity of the Laurelhurst neighborhood.

Respectfully submitted by:

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Land Use and Community Planner

Attachment A: Curriculum Vitae and Project List
Attachment B: Children's Letter Opposing 8-Bed Pediatric Unit in Swedish Hospital/Issaquah
Attachment C: DOH Bed Projections for Children's 2002 Certificate of Need
Attachment D: Children's Bed Projections from November 13, 2007 CAC Meeting
Attachment E: Children's 2007 Strategic Plan Overview
Attachment F: 10/21/93 Analysis and Recommendation of the Director of DCLU
Attachment G: Children's Hospital Laurelhurst Properties (1994 and February 2009)
Attachment H: Major Institution Overlay (MIO) Maximum Height Comparison
Attachment I: Seattle Major Institutions – Zoning Comparison Table
Attachment J: Reduced Development Concept Plan
Attachment K: LCC Proposed Height Districts
Attachment L: Comprehensive Plan Policies

UVG5 "Direct the greatest share of future development to centers and urban villages and reduce the potential for dispersed growth along arterials and in other areas not conducive to walking, transit use, and cohesive community development."

UV7 "In order to support the existing character of areas outside of urban villages, and to encourage continued investment in all of Seattle's neighborhoods, permit areas outside of urban villages to accommodate some growth in a less dense development pattern consisting primarily of single-family neighborhoods and limited multifamily, commercial, and industrial uses."

UVG32 "Plan for urban centers to receive the most substantial share of Seattle's growth consistent with their role in shaping the regional growth pattern."

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."

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."

LU62 "Limit the number and type of non-residential uses permitted in single-family residential areas to protect those areas from the negative impacts of incompatible uses."

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."

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."

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."

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

LU6 "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 an 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."