



Major Conditional Use Permit (CUP) Staff Report

File Number(s): CUP22-0002, SEP22-0004

Project Name: Candlewood Suites

Project Address: 14831 Military Road South

Parcel Number: 004100-0030

Project Summary: Major conditional use permit (CUP) for the construction of a five-level hotel with 99 rooms and 75 parking spaces.

Property Owner: DAMAC, LLC; 26220 116th Avenue SE, Kent, WA 98030

Applicant: David White; IHB Architects; 21620 84th Avenue South, Suite 200; Kent, WA 98032

I. Background

A. Proposal

The proposal is to build five-story hotel with 99 rooms and 75 parking spaces provided inside a parking structure. The hotel is designed for extended stays and offers guests larger suites, laundry facilities, a 24-hour gym, and outdoor open space including a gazebo and a rooftop terrace. See Exhibits 3a – c.

Due to the major conditional use permit application, the City does not require the separate submittal of a preliminary site plan review application and instead reviews the development proposal for compliance with the zoning code as part of the CUP application (Exhibit 10).

B. Site and Neighborhood

1. Site Description

The 39,140-square foot parcel is located on Military Road South in between South 148th Street and South 150th Street and is approximately 1,000 feet west of International Boulevard (Exhibit 4a and 4b). The site slopes from the western property line down to the eastern property line approximately 50 feet. The western half of the parcel is steeper and more heavily treed than the eastern side, which is developed with a single-family house.

2. Land Use

The land use for the site and adjacent properties are as follows:

- a. Site: Single-family residential
- b. North: Multi-family residential
- c. South: Vacant; Multi-family
- d. East: Multi-family; community garden
- e. West: Multi-family

3. Zoning (Exhibit 4c)
 - a. Site: UH-900 (Urban High Density Residential)
 - b. North: UH-900
 - c. South: UL-7,200 (Urban Low Density Residential); UH-900
 - d. East: RC (Regional Commercial) [City of Tukwila]
 - e. West: UM-2,400 (Urban Medium Density Residential)
4. Comprehensive Plan Designations (Exhibit 4d)
 - a. Site: RH (Residential High Density)
 - b. North: RH
 - c. South: RM (Residential Medium Density); RH
 - d. East: RC (City of Tukwila)
 - e. West: RM
5. Utilities, Services
The utilities and services for the site are as follows:
 - a. Water District: King County Water District #125
 - b. Sewer District: Valley View Sewer District
 - c. School District: Highline School District
 - d. Fire District: Puget Sound Regional Fire Authority

C. Project Timeline

1. Mandatory Pre-application Meeting: November 30, 2021
2. CUP Application (Exhibit 2a – 2d) submitted: May 13, 2022
3. Determination of Completeness (DOC) (Exhibit 5) issued: May 17, 2022
4. Notice of Application (NOA) (Exhibit 8b) issued: May 31, 2022
5. SEPA determination (Exhibits 6 and 8c) issued: May 25, 2023
6. Public Hearing Notice (Exhibit 8d): August 2, 2023

D. SEPA Review

The City served as SEPA Lead Agency for this proposal and issued a Determination of Nonsignificance (DNS) on May 25, 2023 (Exhibits 6 and 8c). The comment period for the SEPA action expired on June 8, 2023. See Section II.C for public comments.

II. Staff Findings

A. Compliance with Zoning Standards

As part of the Conditional Use Permit review, City staff analyzed the proposal for compliance with the applicable development standards of the zoning code. As the tables below illustrate, the proposal complies with the applicable zoning code regulations.

Dimensional Standards (SMC 15.400.200 for the UH-900 Zone)

Standard	Requirement	Proposal	Complies?
Lot area, minimum	7,200 square feet	39,140 square feet	Yes
Development site area, minimum	N/A	N/A	N/A

Setbacks			
Front, minimum	10 feet	10 feet	Yes
Front, maximum	N/A	N/A	N/A
Rear, minimum	5 feet	30.5 feet	Yes
Side, minimum	5 feet	10 feet	Yes
Building lot coverage, maximum	75%	44%	Yes
Lot width, minimum	N/A	N/A	N/A
Structure height, minimum	N/A	N/A	N/A
Structure height, maximum	55 feet	54.25 feet	Yes

Landscaping Standards (SMC.15.445.210 for Hotel/Motel and Associated Uses)

Standard	Requirement	Proposal	Complies?
Street frontage	10 feet, Type III	10 feet, Type III	Yes
Building façade	5 feet, Type V	5 feet, Type V	Yes
Side/rear yards	5 feet, Type III	5 feet, Type III	Yes
Side/rear yards for non-compatible uses	20 feet, Type I	20 feet, Type I	Yes
Parking lot	N/A	N/A	N/A

Parking Standards (SMC 15.455 for Hotel/Motel and Associated Uses)

Standard	Requirement	Proposal	Complies?
Off-street parking spaces, minimum	75	75	Yes
Off-street parking spaces, maximum	N/A	N/A	N/A
Parking space dimension	8.5 feet by 18 feet	8.5 feet by 18 feet	Yes
Loading space dimension	10 feet by 30 feet	10 feet by 30 feet	Yes

B. Conditional Use Permit Criteria

Decision criteria for conditional use permits are found under SMC 15.115.020(D). The Applicant's and Staff's responses to the criteria are provided below.

1. The proposed use is listed as a conditional use under SMC 15.205.040, Use Chart.
 - a. *Applicant Comment:* Yes.
 - b. *Staff Findings:* Hotel/Motel and Associated Uses is a conditional use in the UH zone per SMC 15.205.040.

2. The site is adequate in size and shape for the proposed project and the use conforms to the general character of the neighborhood.
 - a. *Applicant Comment:* Urban High Density zones expressly allow a hotel with a CUP, *see* SMC 15.205.040, meaning that Council has determined, with appropriate conditions, that such a use is not per se incompatible with other uses in the UH zone.

The size and shape of this property is very typical for such projects, being long and rectangular, having the ability to accommodate several small buildings or one large building, and the topography of the site lends itself to excavation of a large underground garage without going below the lowest grade of the site or creating risk to adjacent properties. The shape of the property, along with the topography, also minimizes any visual impact of the project on neighborhoods to the west.

It is important to recognize that this property fronts a street, and will send traffic towards, much higher intensity uses across the right-of-way in the City of Tukwila. When considering the “character” of this neighborhood, it should be noted that this property is more “a part of” the neighborhood across that street than it is the more residential areas further inside of the City of SeaTac’s boundaries.

The properties to the north and south are also designated UH-900. Permitted uses in the UH Zone, even without a CUP, include Professional Offices, Medical Offices/Outpatient Clinics, Nonprofits, Religious Uses, and more. As for the current use of the properties to the north and south (and west), they appear to be largely multi-family. The traffic associated with these large, multi-family buildings, should not be any greater or less than the proposed hotel use. Family members who cannot stay with their relatives to the north and south in apartments will be able to stay nearby in the proposed hotel.

A hotel use is also more consistent with the general character of a residential zone than would be strictly commercial, retail, or industrial uses. A hotel is the quintessential residential use with the overlay of a commercial business application, such as short term rentals. The abutting right of way is already a busy street, and the noise associated with a hotel use is not likely to increase the intensity of the already-busy business-oriented neighborhood the property is oriented towards. The proposed hotel will also be marketed, though not exclusively, as an “extended stay” hotel, further aligning with the residential properties to the north and south. The extended stay model is quasi-residential in nature and allows guests to orient themselves with the community and surrounding neighborhood during their stays of longer duration. The extended stay model also often provides people a more cost-effective alternative than renting a traditional apartment, especially in King County where rent has continued to increase at a rate that exceeds wage growth.

The sites across the street, which are in the jurisdiction of Tukwila, have a “Regional Commercial” (RC) designation. This district implements the Regional Commercial Comprehensive Plan designation. It is intended to provide for areas characterized by commercial services, offices, lodging, entertainment, and retail activities with associated warehousing, and accessory light industrial uses, along a transportation corridor and intended for high-intensity regional uses. *See* Tukwila Municipal Code 18.24.010. The proposed hotel use is directly compatible with the character of the uses across the street, which by their stated purpose, can benefit from and include similar uses.

- b. *Staff Findings:* Staff concurs that the proposed use is compatible with the site and neighborhood. With a 39,140-square foot parcel, the building lot coverage for the hotel will be approximately 42%, well under the maximum permitted of 75% in the UH zone.

The building will have generous landscape buffers of 20 feet along the western and southern property lines to buffer the lower density residential zones. Parcels on the west side of Military Road South (SeaTac) in the surrounding area have a comprehensive plan designation of Residential High Density and a height limit of 55 feet. On the east side of Military Road South (Tukwila), although the height limit is 35 feet, the comprehensive plan designation for the parcels is Regional Commercial, which allows for commercial services, offices, entertainment, and retail activities.

3. The unique character of topography, arterial streets and adjacent land use complement the proposed conditional use.
 - a. *Applicant Comment:* As discussed above, the unique topography of the site contributes significantly to the proposed use, hiding the less aesthetic aspects of the project underground while utilizing the entire site, as opposed to simply excavating downward. Comparatively, purely residential uses, including multi-family, may not have sufficient means for such uses to justify the expense that such excavation will require. Thus, other proposed land uses may not be able to take full advantage of the topography of this site, or would have to layer multiple buildings in a manner that would have a more detrimental effect on surrounding uses, especially those to the west, because of more/taller above-ground structures higher up the slope.

The street that the proposed hotel fronts on is large and can certainly accommodate the additional traffic flow. The general character of the neighborhood is already trending commercial because of the higher intensity uses directly across the street, which will support and be compatible with the hotel. The proposed maximum building height at the rear of the property will be below the maximum elevation of the ground at the rear boundary line, meaning that upsloper properties will not have their views, if any, impeded, and will not be required to look out into a building mass that overtakes their panorama.

The hotel use will clearly complement the higher intensity uses to the east. Given the availability of amenities and resources that can be accessed by hotel goers to the east, guests will likely travel away from the residential neighborhoods on the property's west side, using the abutting right-of-way to travel north, south, or east, where the nearest amenities are located.
 - b. *Staff Findings:* Staff agrees that the hotel is compatible and complements the surrounding area. The parcel's sloping topography allows for the majority of the hotel's garage to be built into the hillside, thus reducing the visual impact of the use. The property fronts on a minor arterial street, is 1,000 feet from International Boulevard, and approximately 2,000 feet from the SR-518 interchange. The surrounding land uses of multi-family, retail, offices, and lodging complement the proposed hotel.
4. The conditional use would not be detrimental to surrounding land use.
 - a. *Applicant Comment:* There is no reason to conclude that the hotel use will be detrimental to properties north, south, or west, and the hotel use will directly benefit other uses to the east. Additionally, the proposed use as a hotel will directly support and provide a transition to the lower density residential zones further west. As discussed in more detail

above, the proposed use is also for an extended-stay hotel, though not exclusively. This means that many guests are more likely to treat the hotel as one would an apartment building.

Also as discussed above, the topography of the site limits any visual disturbance to surrounding land uses, especially those to the west.

Consistency with Comprehensive Plan Policies and Goals. While not explicitly mentioned in the CUP criteria, the proposed use is also consistent with several Comprehensive Plan Goals and Policies, as that use is described above, including, but not limited to:

Economic Goal 8.8: Enhance the visitor experience and foster the local travel and tourism ecosystem to maximize the benefits of the City of SeaTac's geographic position regionally and globally.

Policy 8.8C

Promote programming, open spaces and physical connections that enhance the visitor experience. Providing activities and amenities like shuttle service, connected sidewalks, bike paths and open space, can simplify access for hotel guests and other visitors to amenities in SeaTac. This expanded access enables visitors to contribute to local tax revenue and job creation.

Policy 8.8E

Engage in regional destination promotion to attract overnight visitors to SeaTac
SeaTac should engage with regional cities and partners to maximize regional destination promotion to a national and international audience. This regional collaboration* on tourism promotion and destination development should also elevate SeaTac within the region as part of an amenity-rich sub-region within Puget Sound and further the goals and policies stated in 8.8A-D.

It's interesting that bed and breakfast and short-term rental properties are allowed outright in this zone, but Hotels / Motels are considered a Conditional Use. We would argue that the hotel project is not only a short-term use, but is also a medium or high density use, which is more compatible with the High Density and Medium Density designations for this area in the comp plan. Additionally, the project is an extended stay model, which is less transient than a bed and breakfast or short-term rental. .

As for the small area of Urban Low residential area to the south and west corner of our property, even that is designated as Medium Density residential in the comp plan. Lastly, it's interesting to note that Office and Retail uses are also allowed outright in a residential zone, where they are definitely not a medium or high density residential occupancy, and yet a hotel is a conditional use. A hotel is as much or more compatible with residential zoning than an office or retail activity, especially a hotel of the extended stay model.

- b. *Staff Findings:* Staff agrees with the Applicant that the proposed use will not be detrimental to surrounding land uses. As stated above, a hotel is compatible with the surrounding land uses and the size of the hotel is comparable to that of a multi-family building.

5. Modifications to standards are limited to those which will mitigate impacts in a manner equal to or greater than the standards of this code.
 - a. *Applicant Comment:* None requested.
 - b. *Staff Findings:* No modifications to the standards are proposed.

6. The conditional use is such that pedestrian and vehicular traffic associated with the use will not be hazardous or conflict with existing and anticipated traffic in the neighborhood.
 - a. *Applicant Comment:* The hotel will provide a shuttle service, which reduces the number of required parking spaces, and in turn reduces the amount of traffic to the site. A traffic study will be part of our permit submittal application materials. Frontage improvements to include curb, gutter and sidewalk will improve the current pedestrian safety. Therefore, the proposed use will not conflict with the existing neighborhood.
 - a. *Staff Findings:* Staff concurs that the proposed use will not create a hazard to the existing and anticipated pedestrian and vehicle traffic in the neighborhood. As stated by the Applicant, shuttle service will be provided, which will reduce the amount of vehicle trips to and from the hotel. Military Road South is an arterial street that is designed to accommodate traffic associated with medium- to high-density residential and commercial developments. The proposed project will improve pedestrian and vehicle traffic by adding a sidewalk, landscaping zone, bicycle lane, and widening the southbound travel lane to 11 feet.

7. The conditional use will be supported by adequate public facilities or services and will not adversely affect public services to the surrounding area unless conditions can be established to mitigate adverse impacts.
 - a. *Applicant Comment:* There is a bus stop located less than a quarter mile from the project site which will provide access both to and from the property by public transportation. Additionally, the hotel will provide complimentary shuttle service to guests. Utilities in the street are adequate for this size use, as evidenced through the pre-application process. Therefore, the proposed project will have no adverse effects on the existing public services in the surrounding area.
 - b. *Staff Findings:* Staff concurs that adequate public facilities and services are available to the site. Water utilities are provided by the King County Water District #125, sewer utilities are provided by the Valley View Sewer District, and emergency services are provided by the Puget Sound Regional Fire Authority. Vehicle and pedestrian access to the site is via Military Road South, which is a minor arterial. The property is approximately 2,000 feet from the Tukwila light rail station.

C. Compliance with Engineering Standard

The City of SeaTac Engineering Review Division is recommending preliminary conceptual approval of the project subject to the conditions of approval included in this staff report.

Frontage Improvement – Military Road South

The Engineering Review Division has reviewed the required frontage for this project and cannot provide a specific half-street cross section requirement at this time. The Candlewood Hotel site fronts a future capital improvement project that is scheduled for construction start in 2028. The

scope and design of this particular corridor is still being determined and may not be final at the time this project is ready to seek development permits. For this reason, it is more likely than not that Public Works will seek to acquire the necessary ROW via dedication and accept fee in-lieu for frontage improvement.

Dedication of ROW – Military Road South

The Engineering Review Division has requested 12' of ROW dedication from the subject property, which will allow Public Works the necessary width to provide future capital improvement in line with current standards for a Minor Arterial.

Traffic Concurrency

The engineering review division has reviewed and confirmed the project's compliance with the city's Traffic Concurrency Program. A temporary concurrency certificate was issued on 05/23/2023. The project is proposing a net increase of 51 PM Peak Hour trips, as confirmed by the Traffic Impact Analysis performed by Heath and Associates, Inc. The existing roadway network has the capacity to absorb the increase in trips, and no further mitigation is required.

D. Public Comments

The NOA was published in the Seattle Times on May 31, 2022 (Exhibit 8b). The NOA was also posted on the site and mailed to property owners within 500 feet of the site. Public comments (Exhibit 9a) were received from the following individuals/organizations:

The Department of Ecology recommended that the City of SeaTac include conditions of approval for soil sampling and cleanup related to the Tacoma Smelter Plume.

Staff response: The City notified the Applicant of the concerns related to the Tacoma Smelter Plume.

III. Staff Conclusions and Recommendation

Staff concludes that the proposed major conditional use permit and development proposal complies with the applicable development standards and criteria for approval if conditions below are met.

Staff recommends approval of the major conditional use permit subject to the following conditions:

A. Planning Division

1. The Conditional Use Permit approval shall be valid for a period of two (2) years. If a building permit application is not made before the expiration of that period, a new Conditional Use Permit application will be required.
2. Site and building development shall substantially conform to the submitted site plan and building elevations.
3. Shuttle service must be provided.
4. The landscaping details (e.g. species, location, number, size, spacing, legend, notes) and irrigation have not been reviewed with the CUP and will be reviewed at the time of building permit. Only the landscaping widths and types were reviewed.
5. A landscaping maintenance bond will be required before the issuance of a certificate of occupancy.

B. Engineering Division

1. ROW dedication of 12' shall be made at time of development permits to accommodate future capital improvement.
2. Temporary Traffic Concurrency will expire at the time the associated Conditional Use Permit expires. If building permits are not made prior to expiration, a new traffic concurrency application will need to be submitted and approved.

Prepared by: Dennis Hartwick, *Senior Planner*

Prepared on: 07/14/2023

Exhibits

1. Staff Report, dated July 14, 2023
2. Application Materials
 - a. Master Land Use Application, submitted May 13, 2022
 - b. Conditional Use Permit Checklist, submitted May 13, 2022
 - c. CUP Criteria Responses, submitted May 13, 2022, updated February 13, 2023
 - d. Multimodal Transportation Concurrency, submitted May 12, 2022
 - e. SEPA checklist, submitted May 13, 2022, updated February 13, 2023
3. Plans, submitted
 - a. Site and floor plans, dated January 30, 2023
 - b. Landscaping plan, dated February 10, 2023
 - c. Building elevations, dated April 21, 2022
4. Maps
 - a. Vicinity map
 - b. Aerial photo
 - c. Zoning map
 - d. Comprehensive Plan map
5. Determination of Completeness (DOC), issued May 17, 2022
6. Final Staff Evaluation (FSE) for Environmental Checklist, dated May 24, 2023
7. Traffic Impact Analysis (TIA), dated May 12, 2022
8. Public Notices
 - a. Certification form, dated July 19, 2023
 - b. Notice of Application (NOA), issued May 31, 2022
 - c. SEPA determination, issued May 25, 2023
 - d. Public hearing notice, issued August 2, 2023
9. Public Comments
 - a. Department of Ecology, Comments on the NOA, dated June 14, 2022
10. Policy CED-503, effective March 23, 2018