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7 BEFORE THE HEARING EXAMINER  
8 FOR THE CITY OF SEATTLE

9 In the Matter of the Appeal of:

10 **SEATTLE MOBILITY COALITION**

11 From a Decision by the Seattle City Council  
12 Central Staff

**Hearing Examiner No. W-23-001**

**DECLARATION OF MEREDITH  
13 HOLZEMER**

14 I, Meredith Holzemer, declare as follows:

- 15 1. I competent to testify and make this declaration based on my personal knowledge.
- 16 2. I am the Managing Director of Development for the Seattle area market for Mill  
17 Creek Residential (“Mill Creek”). Mill Creek has developed approximately 1,650 multifamily  
18 residential units in the City of Seattle (“City”). I am responsible for overseeing all aspects of the  
19 development process, including site acquisition, design, entitlements, financing, due diligence,  
20 construction, property management, and eventual disposition for Mill Creek projects. I have  
21 over 15 years of multifamily development experience in the Seattle region. Prior to joining Mill  
22 Creek, I was a Project Manager at Lorig Associates, a real estate firm in Seattle, where I  
23 managed multifamily and mixed-use projects. I have a Bachelor of Arts from Duke University  
24 and a Master of Urban Planning from the University of Washington.  
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1           3.       I am familiar with the City’s proposal to adopt Comprehensive Plan amendments  
2 requiring the adoption of a transportation impact fee program in Seattle (“Proposal”). The  
3 Proposal will impose additional costs on development that will render some projects  
4 economically infeasible. As an example, Mill Creek currently has a project located on South  
5 Jackson Street in Seattle that includes 397 multifamily units and ground floor restaurant and  
6 commercial. The project will pay approximately \$9.8 million dollars in Mandatory Housing  
7 Affordability (“MHA”) fees to the City to be used to fund the development of affordable  
8 housing. The Master Use Permit (“MUP”) for the project is currently under review. If  
9 transportation impact fees are imposed on the project at the rates shown in the Transportation  
10 Impact Fee Rate Study (January 2023), the transportation impact fee will be approximately \$1.9  
11 million dollars for the residential units. Additional transportation impact fees will be required  
12 for the ground floor commercial space. These fees will render the project economically  
13 infeasible and it will not be constructed. The \$9.8 million dollars in MHA fees will not be paid  
14 to the City.

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17           4.       The infeasibility of the project would largely be due to changed conditions since  
18 transportation impact fees were last proposed in 2018 and, specifically, since the DNS for the  
19 prior proposal was issued in October 2018. Many factors that drive whether projects are feasible  
20 or infeasible have changed. These changes include the City-wide adoption of MHA fees and  
21 increases in those fees. These fees add substantially to the cost of development. Another change  
22 is the adoption of the 2018 Seattle Energy Code, which became effective in 2021. The  
23 requirements of this code update also add to the cost of development. Further, construction costs  
24 have increased since 2018. Finally, interest rates have increased steadily since 2018. These and  
25 other factors combine to make it more difficult to produce housing. While these costs are rising,  
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1 the amount of rent that can be charged has a ceiling. New housing product is competing with  
2 existing housing that was produced at a time when costs were lower and therefore can charge  
3 lower rents. Housing developers cannot balance all the increased costs with increased rents. For  
4 our South Jackson project, the addition of traffic impact fees would be the proverbial “straw that  
5 broke the camel’s back” and would render the project infeasible.  
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7 5. I have reviewed the Determination of Nonsignificance (“DNS”) for the Proposal.  
8 The DNS does not include analysis of the impacts of the Proposal on housing production or the  
9 reduction in affordable housing funding in the form of MHA fees. This analysis should be  
10 provided so that decision makers are fully informed about the consequences of the Proposal. The  
11 analysis should be based on the regulatory and economic realities that exist today.  
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13 I declare under penalty of perjury that the foregoing is true and correct. Executed this  
14 27th day of April, 2023, at Seattle, Washington.  
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19 Meredith Holzemer  
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