

**CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON**

<p>AGENDA TITLE: Ordinance No. 478, Amendments to the Development Code, Section 20.50.020; Residential Density in CB zones, affecting properties located in the Town Center Study Area and along Ballinger Way</p> <p>DEPARTMENT: Planning and Development Services</p> <p>PRESENTED BY: Joseph W. Tovar, FAICP, Director</p>
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SUMMARY:

This amendment, in earlier forms, was studied by the Commission in two Commission meetings (March 15, April 19, 2007) and a joint meeting with the City Council on October 8, 2007. The City Council did not make a decision on the amendment on October 8 and referred it back to the Commission for additional deliberation.

The Council asked the Commission to consider the following when discussing this proposal:

- Identify short and long term problems
- Identify quickly implemental ideas and longer term strategies

The Planning Commission held two more meetings (January 17 and February 21) after the joint meeting with Council to focus the discussion more narrowly on issues defined by the Council.

BACKGROUND

The original amendment to regulate housing density in Community Business (CB) districts received a great deal of scrutiny last year. The impetus behind the code revision was the realization that high density residential development will not occur in CB areas because the current density limitation of 48 du/acre is too low a threshold to encourage residential redevelopment there.

Staff believes that this situation still exists, and if the development code isn't modified, it is unlikely that CB-zoned areas near Aurora and Ballinger Way are unlikely to redevelop with residential uses, even though these are sites that are a) logical areas to redevelop and b) sites where housing should be encouraged because they are close to retail stores and good transit service.

Staff's original proposal would regulate density through height and bulk, setback, and parking requirements rather than by an arbitrary density number. The proposed

amendment affected all Community Business properties within 1200 feet of the Aurora or Ballinger Way.

When this proposal was discussed, the Commission and Council heard many comments about the proposal's impact, largely centered on the adjacency of CB properties to single-family neighborhoods. The questions included:

- What will the density look like?
- What is the transition buffer between the higher density development and lower density single family homes that might be adjacent to or across the street from the new development?
- Will adequate parking be provided?

With the benefit of hindsight, these are the same questions that were raised in the recent Ridgecrest discussion.

In the Ridgecrest discussion, in addition to the three questions posed above, staff concluded that there were two concerns associated with the question "what does the density look like?"

- Is the building height appropriate for this area in Shoreline?
- Is there a reasonable transition buffer between the proposed building and nearby single family homes?

SHORT TERM SOLUTIONS

To respond to the Council's request for a short-term solution, the Planning Commission proposes to scale back its original proposal to affect a much more limited area. The proposal would:

1. Modify the development standards in CB zones to allow unit count to be governed by a structure's height, bulk, parking and setback requirements, but only if a site meets specific criteria.
2. The criteria are:
 - a. Properties are located in the Town Center subarea study area or along Ballinger Way.
 - b. The properties are located more than 90 feet from single-family zoned (R-4, R-6, or R-8) properties.
 - c. The properties are within 1200 feet (a 10-15 minute walk) of Aurora or directly adjacent to Ballinger Way, which have major transit routes.
 - d. Properties shall have ground floor commercial.

These conditions would effectively eliminate the potential issue of transition between taller buildings and single family areas because lower-intensity development as a buffer would act as a buffer between the two uses. In addition, parcels zoned for commercial uses will have to include commercial uses if a property owner decides to develop a residential project.

LONG TERM ISSUES

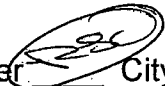

Staff believes that the modified proposal addresses short-term needs. However, there are two long-term issues to address:

- The issue of transition between commercial properties and their adjacent single-family neighbors. This will be addressed in March when staff presents its ideas to the Commission and public. The Commission will develop a recommendation on this issue to be forwarded to the Council. The Council will consider the Commission's recommendation concurrently with its decision on whether or not to extend the current partial development moratorium on Aurora.
- Staff's proposal does not address height and bulk requirements, i.e., what the development looks like. That question is more properly a focus of upcoming subarea studies.

Staff believes that, by adding the four criteria above (significantly reducing the number of properties affected by the proposal and creating an additional buffer for single family neighborhoods), the modified proposal addresses some economic marketplace issues that are inhibiting residential development and will encourage development in two areas in Shoreline that can handle additional growth without impacting single family neighborhoods.

RECOMMENDATION

The Planning Commission recommends that Council adopt Ordinance No. 478, amending the development code, Section 20.50.020; Residential Density in CB Zones; affecting properties in the Town Center Study Area and adjacent to Ballinger Way.

Approved By: City Manager  City Attorney 

ATTACHMENTS

Attachment A: Ordinance No. 499

Exhibit A to Attachment A: Proposed 20.50.020(2) Code Language

Attachment B: Map of Existing and Potential CB Parcels

Attachment C: Zoning Map

Attachment D: Planning Commission Minutes From January 17

Attachment E: Planning Commission Minutes From February 21

ORDINANCE NO. 478

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING THE MUNICIPAL CODE TITLE 20.50.020(2) DENSITIES AND DIMENSIONS FOR RESIDENTIAL DEVELOPMENT IN NONRESIDENTIAL ZONES.

WHEREAS, the City adopted Shoreline Municipal Code Title 20, the Development Code, on June 12, 2000; and

WHEREAS, the Shoreline Municipal Code Chapter 20.30.100 states "Any person may request that the City Council, Planning Commission, or Director initiate amendments to the text of the Development Code"; and

WHEREAS, City staff drafted several amendments to the Development Code; and

WHEREAS, the Planning Commission held a Public Hearing, and developed a recommendation on the proposed amendments; and

WHEREAS, a public participation process was conducted to develop and review amendments to the Development Code including:

- A public comment period on the proposed amendments was advertised from February 16, 2007 to March 1, 2007;
- The Planning Commission held a Public Hearing and formulated its recommendation to Council on the proposed amendments on March 15 and April 17, 2007;
- The City Council discussed these amendments on June 11, 2007 and August 20, 2007;
- The Planning Commission and City Council held a joint public hearing on October 8, 2007; and
- Additional consideration by the Planning Commission at public hearings on January 17, 2008 and February 21, 2008; and

WHEREAS, a SEPA Determination of Nonsignificance was issued on March 8, 2007, in reference to the proposed amendments to the Development Code; and

WHEREAS, the proposed amendments were submitted to the State Department of Community Development for comment pursuant WAC 365-195-820; and

WHEREAS, the Council finds that the amendments adopted by this ordinance are consistent with and implement the Shoreline Comprehensive Plan and comply with the adoption requirements of the Growth Management Act, Chapter 36.70A. RCW; and

WHEREAS, the Council finds that the amendments adopted by this ordinance meet the criteria in Title 20 for adoption of amendments to the Development Code;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Shoreline Municipal Code Chapter 20.50.020(2) is amended as set forth in Exhibit A, which is attached hereto and incorporated herein.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date and Publication. A summary of this ordinance consisting of the title shall be published in the official newspaper and the ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON APRIL 14, 2008.

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

January 17, 2008 proposal before the Planning Commission

Table 20.50.020(2) – Densities and Dimensions for Residential Development in Nonresidential Zones

STANDARDS	Neighborhood Business (NB) and Office (O) Zones	Community Business (CB) Zone	Regional Business (RB) and Industrial (I) Zones
Maximum Density: Dwelling Units/Acre	24 du/ac	48 du/ac (1)	No maximum
Minimum Front Yard Setback	10 ft	10 ft	10 ft
Minimum Side Yard Setback from Nonresidential Zones	5 ft	5 ft	5 ft
Minimum Rear Yard Setback from Nonresidential Zones	15 ft	15 ft	15 ft
Minimum Side and Rear Yard (Interior) Setback from R-4 and R-6	20 ft	20 ft	20 ft
Minimum Side and Rear Yard Setback from R-8 through R-48	10 ft	10 ft	15 ft
Base Height (1)-(2)	35 ft	60 ft	65 ft (2)(3)
Maximum Impervious Surface	85%	85%	95%

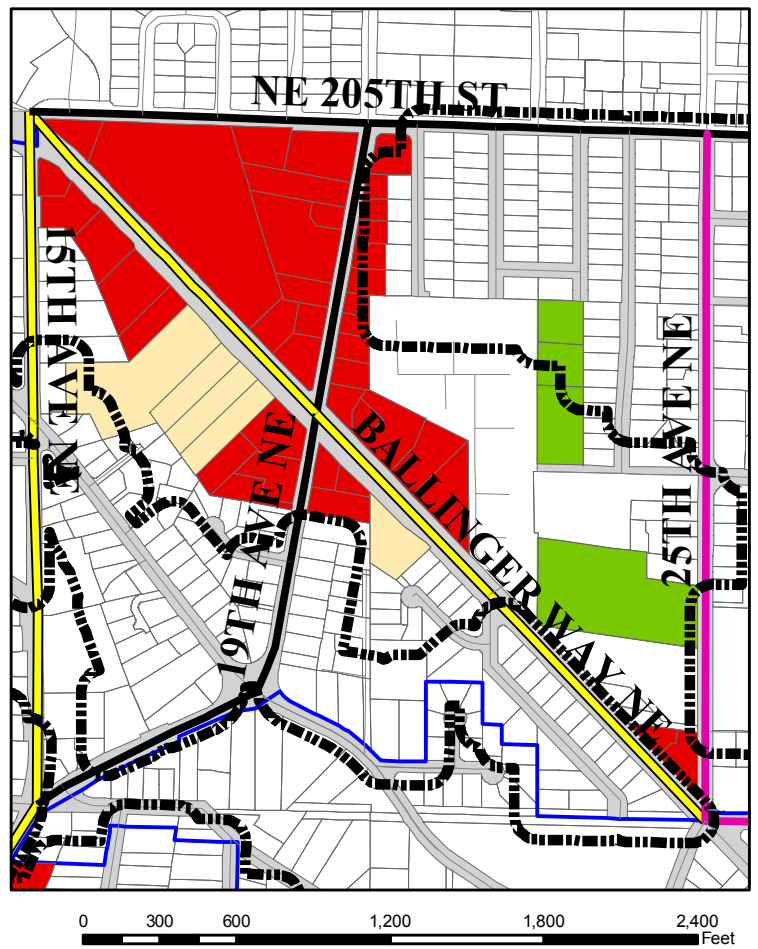
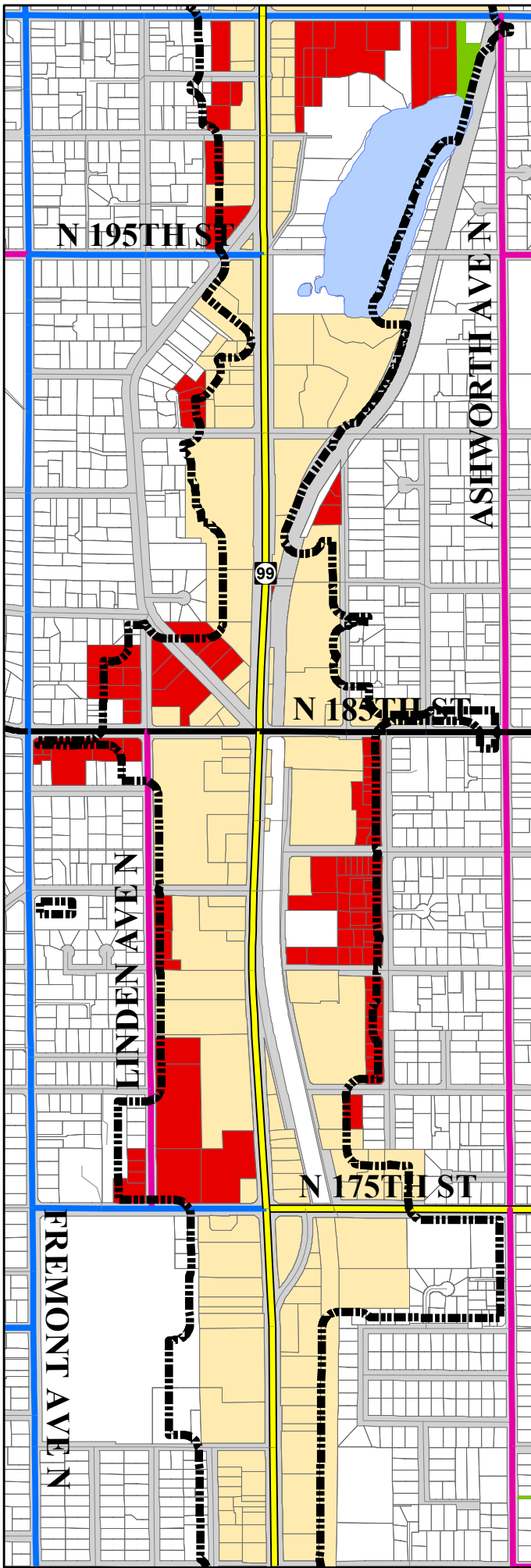
Exceptions to Table 20.50.020(2):

(1) No density maximum will apply in CB zones if the following criteria are met:

- Properties are located in the Town Center subarea study area or adjacent to Ballinger Way.
- Properties are located more than 90 feet from single-family zoned properties (R-4, R-6, and R-8).
- Properties are within 1,200 feet of Auroara Ave N or directly adjacent to Ballinger Way.
- Properties shall include ground floor commercial uses.

(1) (2) See Exception 20.50.230(3) for an explanation of height bonus for mixed-use development in NB and O zones.

~~(2)~~(3) For all portions of a building in the I zone abutting R-4 and R-6 zones, the maximum height allowed at the yard setback line shall be 35 feet, 50-foot height allowed with additional upper floor setback (transition line setback) of 10 feet. To 65 feet with additional upper floor setback (transition line setback) of 10 feet after 50-foot height limit. Unenclosed balconies on the building are above the 35-foot transition line setback shall be permitted to encroach into the 10-foot setback.



SHORELINE

Geographic Information System

Potential Community Business

Representation of Official Zoning Map Adopted By City Ordinance No. 292.

Shows amendments through April 3, 2007.

Map Features

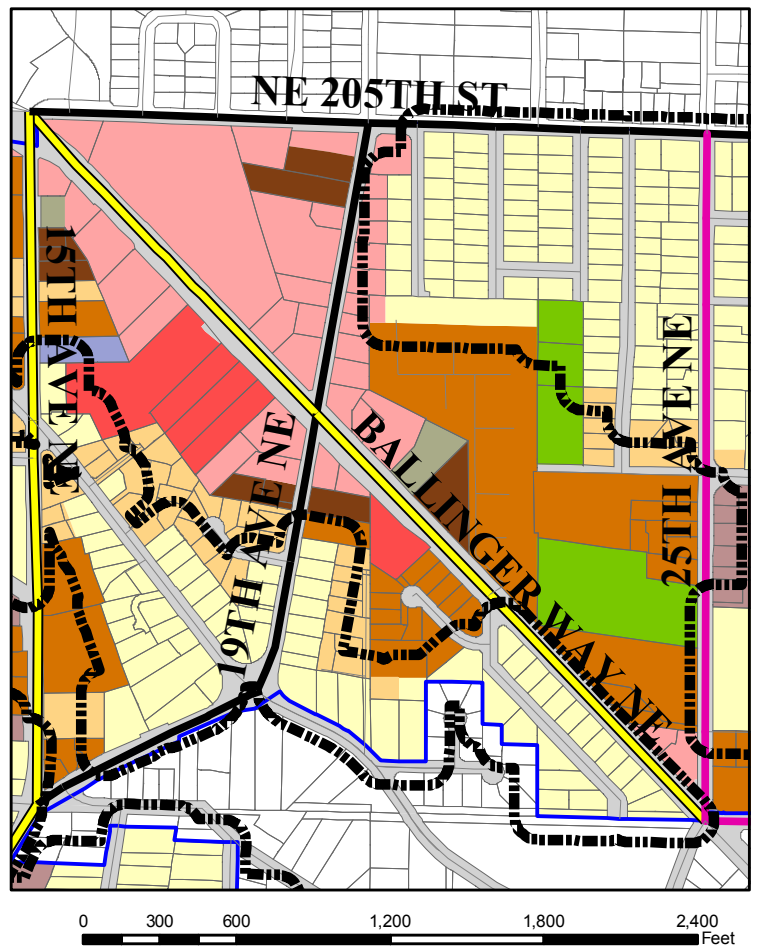
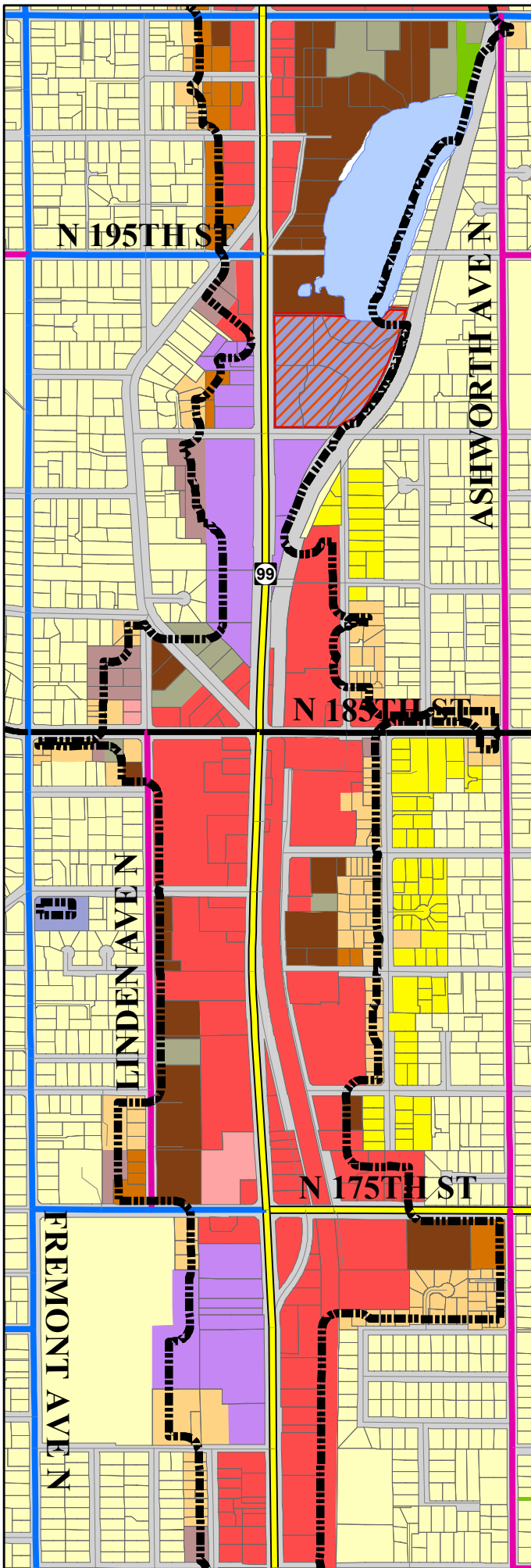
- Parcels Zoned CB or the Potential for CB Zoning
- Parcels Zoned RB or I and Not Affected by Ord. 478
- Within 90' of LDR
- Park
- Tax Parcel Boundary
- Unclassified Right of Way



No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.

Updated: 1/17/2008

Filename: j:\gis\maps\pads\ZoningPotentialCB_Aurora.mxd



SHORELINE



Geographic Information System

Current Zoning

Representation of Official Zoning Map Adopted By City Ordinance No. 292.

Shows amendments through April 3, 2007.

Updated: 1/17/2008
 Filename: j:\gis\maps\pads\Zoning_Aurora_Ball.mxd

No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.

Map Features

Legend	
 R-4; Residential, 4 units/acre	 Park
 R-6; Residential, 6 units/acre	 Open Water
 R-8; Residential, 8 units/acre	 Outside Shoreline
 R-12; Residential, 12 units/acre	 Interstate
 R-18; Residential, 18 units/acre	 Principal Arterial
 R-24; Residential, 24 units/acre	 Minor Arterial
 R-48; Residential, 48 units/acre	 Collector Arterial
 O; Office	 Neighborhood Collector
 NB; Neighborhood Business	 Local Street
 CB; Community Business	 Tax Parcel Boundary
 NCBD: North City Business District	 Interurban Right of Way
 RB; Regional Business	 Unclassified Right of Way
 I; Industrial	
 CZ; Contract Zone	
 Regional Business-Contract Zone	
 Within 90' of LDR	



Memorandum

DATE: February 12, 2008

TO: Planning Commission

FROM: Joseph W. Tovar, FAICP, Director
Steve Cohn, Senior Planner
Steve Szafran, Associate Planner

RE: Revised CB housing density continued public hearing/discussion

Tonight's hearing is a continuation of the January 17 public hearing and discussion on the revisions to the development code dealing with housing density in some of Shoreline's Community Business (CB) zoning districts. The Commission will take comment from people who attended the January 17 meeting but did not have a chance to testify due to time constraints. After public comment is completed, the Commission will begin its deliberations on the revised proposal and develop a recommendation to forward to the City Council.

Staff Proposal

The proposal to be considered by the Commission would:

1. Modify the development standards in CB zones to allow unit count to be governed by a structure's height, bulk, parking and setback requirements, but only if a site meets specific criteria.
2. Only apply if:
 - a. Properties are located in the Town Center Subarea study area or along Ballinger Way.
 - b. The properties are located more than 90 feet from single-family zoned (R-4, R-6, or R-8) properties.
 - c. The properties are within 1200 feet (a 10-15 minute walk) of Aurora or are directly adjacent to Ballinger Way, both of which contain major transit routes.

Staff analysis of the proposal was included in the January 17 public hearing staff report, which is attached.

If you have questions or comments, please call Steve Cohn at 206-546-1418 (scohn@ci.shoreline.wa.us) or Steve Szafran, 546-0786 (szafran@ci.shoreline.wa.us).

Attachment: January 17 public hearing staff report

PUBLIC HEARING ON REVISED PROPOSAL FOR HOUSING DENSITY IN COMMUNITY BUSINESS (CB) ZONES

Chair Piro reviewed the rules and procedures for the Type L Legislative Public Hearing, then opened the hearing.

Staff Overview and Presentation of Preliminary Staff Recommendation

Mr. Cohn recalled that a proposal to allow additional housing density in CB zones was previously studied by the Commission in March and April of 2007. After a joint City Council/Planning Commission discussion on October 8, 2007, the City Council decided to send the item back to the Commission for additional review.

Mr. Cohn explained that the impetus behind the code revision was the realization that high-density residential development would not occur in CB zones because the current density limitation of 48 units per acre is too low a threshold to encourage residential development there. Staff believes the situation still exists. If the Development Code isn't modified, it is unlikely that CB zoned areas near Aurora Avenue and Ballinger Way would redevelop with residential uses even though they are logical areas for this type of use because they are close to retail stores and good transit service.

Mr. Cohn said the revised proposal would regulate density through height, bulk, setback and parking requirements rather than by an arbitrary density number. The proposed amendment would affect all CB zoned properties that are located:

- Within the Town Center Area or along Ballinger Way.
- At least 90 feet from single-family zoned properties.
- Within a 10 to 15-minute walk from Aurora Avenue North or Ballinger Way.

Mr. Cohn provided a map to illustrate the areas that would be affected by the proposal. Because the proposed changes would only apply to two specific areas, Mr. Cohn said staff believes they meet the intent of focusing increased residential densities in those areas with infrastructure to serve it. In addition, single-family zoned properties would be protected.

Questions by the Commission to Staff

Commissioner Pyle questioned how the areas would be measured. Mr. Cohn said his understanding is the areas would be measured the same way as the moratorium was measured: from the edge of the legal tax parcel boundary. Commissioner Pyle asked if the City's right-of-way is actually zoned. Mr. Cohn answered that, in most cases, the City's right-of-way is not zoned, but some pieces of the trail are zoned. Commissioner Pyle referred to Bellevue's transition areas, which are measured from the edge of the zone rather than the edge of the property boundary. Mr. Cohn said in most cases, the zone only goes to the property boundary, and not to the middle of the right-of-way. Commissioner Pyle asked if a property would have to be located entirely within the green

boundary in order to be eligible for the modified zoning. Mr. Cohn answered affirmatively.

Commissioner McClelland requested a map to identify the properties on Ballinger Way that would be eligible for the modified zoning. Mr. Cohn clarified that all properties that are adjacent to Ballinger Way would be eligible, and maps of Ballinger Way were included in the packet.

Public Testimony or Comment

Michelle Moyes, Shoreline, said she owns residential property in the area known as the Westminster Triangle, which would be very much impacted by the proposed new density. She asked the Commission to consider changing the eligibility criteria to be more than 90 feet away from the residential homes. Perhaps a better number would be 120 feet. She encouraged them to walk through the areas in question.

Mr. Cohn responded that the proposal would not apply to properties in or near the Westminster Triangle; it would only apply to the area on Aurora Avenue North that is located north of 170th Street. It would not apply to properties south of 170th Street.

LaNita Wacker, Shoreline, indicated her support for the proposal with some modifications. She emphasized that the proposal does not constitute a rezone. It is related to CB zoning that currently exists in the Comprehensive Plan. Utilization of the cubic space of the building would be up to the developer. She suggested that to avoid losing valuable commercial space to residential uses, it would be appropriate to require the first floor to be built to the commercial standards of the CB zone. This would create the potential for a mixture of retail and residential uses. Ms. Wacker disagreed with Ms. Moyes and suggested that 90 feet is too excessive. She pointed out that commercial properties are very expensive, and a 90-foot setback requirement would deny property owners the full use of their property and could constitute a taking situation. She expressed her belief that a 20-foot setback would be adequate. There are many good reasons to allow more residential development in the CB zone. Allowing density to be located near transportation service is good. Allowing the density to be controlled by development standards would also be appropriate.

Chair Piro asked if staff considered the option of requiring commercial development on the first floor in the CB zone. Mr. Cohn answered that staff did not consider this type of requirement.

Commissioner McClelland pointed out that the CB zone allows for development right up to the property line, with no setback. The 90-foot requirement means that the modified zoning would not be allowed within 90 feet of a single-family residential zone. Mr. Cohn agreed, noting that if a property is closer than 90 feet of a single-family residential zone, the modified zoning could not be applied.

Ms. Wacker expressed her concern that the bulk of a building in a CB zone would be the same whether it is next to a single-family home or Aurora Avenue North. The proposed code amendment would not change the outward appearance of development in the CB zone so it would have absolutely no visual impact to any of the surrounding residential property owners. However, the amendment would positively impact the City by creating the opportunity for more affordable housing.

Commissioner Pyle agreed that the visual impacts of the change would be negligible, but the community has indicated they are not comfortable with the number of parking spaces required and the opportunity for increased density. The community has expressed a desire for more control over these concerns. Ms. Wacker expressed her belief that the controls are already in the Development Code and would be triggered by the traffic impacts. She said one misconception is that the proposal would result in a significant change, but that is not the case.

John Behrens, Shoreline, suggested the map be made clearer by identifying which properties would be eligible for the proposed new zoning. He agreed that the City could easily prepare a map that would identify all of the parcels that are entirely within the green polygon identified on the map. Again, Mr. Behrens suggested the City clearly identify those properties that would be impacted by the change. He expressed his belief that the City would change as a result of the proposed amendment to the CB zone. He said he is not comfortable the City has done enough study to identify all of the impacts associated with the change. He noted that the properties lie within two very sensitive drainage areas, and there are already problems with flooding and stormwater runoff. Mr. Szafran clarified that the proposal is a change to the City's Development Code, not a rezoning application.

Jim Abbott, Shoreline, said he supports the proposed amendment to the Development Code. He particularly agreed with the remarks provided by Ms. Wacker. He provided a site plan and concept that was prepared by his architect, Marlin Gabbert, for a project located within the area that would be affected by the code amendment. Regarding the parking concern, Mr. Abbot pointed out that if there is more housing and less commercial space, developments would require less parking and not more. He expressed his belief that the proposed code amendment would benefit the few properties that are close to Aurora Avenue North and Ballinger Way, and it would also provide an opportunity for more housing in an area that is close to businesses and transit service.

Les Nelson, Shoreline, expressed his belief that changing the definition of a zone is the same as changing the zoning. It requires a Comprehensive Plan amendment that would be more properly addressed from a comprehensive standpoint. He questioned why they should change the CB zone to be the same as the Regional Business (RB) zone just to meet the needs of a few developers. He voiced concern that this could set a precedent for the same action to occur elsewhere in the City. If they want to apply the RB zoning standards to properties along Aurora Avenue North and Ballinger Way, they should just change the zoning to RB rather than modify the CB zoning standards. He suggested the

Commission wait to make their recommendation until after issues surrounding the current moratorium have been resolved.

Mr. Cohn explained that the Growth Management Act makes it clear that cities have the right to change the Development Code without changing the Comprehensive Plan. The intent of the CB zone is to allow residential, commercial, and office development. The Comprehensive Plan envisions that this area be a place for commercial and residential uses, which is consistent with CB zoning.

Mr. Nelson pointed out that the Comprehensive Plan does not address any residential density above R-48, so allowing unlimited density in the CB zone would be inconsistent with the Comprehensive Plan. The only way to make this change is through a Comprehensive Plan amendment to bring the code into conformance with the Comprehensive Plan.

Commissioner Pyle suggested that Mr. Nelson may be confusing the Comprehensive Plan's reference to R-12, R-18 and R-48 zones, which are specific zones in the City's Development Code, as a limit on density, but that is not the case. The Comprehensive Plan actually calls out a specific set of zoning controls, one of which is CB. The proposed action would amend the CB zoning controls to eliminate the cap on density.

Mr. Cohn suggested the Commission continue the public hearing to allow those who have not had an opportunity to address the Commission to do so at a later date. However, they should make it clear that those who have already had an opportunity to speak would not have another opportunity to speak.

COMMISSIONER BROILI MOVED THAT THE LEGISLATIVE PUBLIC HEARING FOR HOUSING DENSITY IN THE COMMUNITY BUSINESS (CB) ZONE BE CONTINUED TO THURSDAY, FEBRUARY 21, 2008. COMMISSIONER MCCLELLAND SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**CONTINUED PUBLIC HEARING ON HOUSING DENSITY IN CB ZONES –
HEARING/DISCUSSION/RECOMMENDATION**

Chair Piro reviewed the rules and procedures for the continued legislative public hearing. Commissioner Wagner advised that while she was not present at the last meeting, she read the minutes from the previous hearing and was ready to participate.

Staff Overview

Ms. Simulcik Smith announced that the Commission received three additional comment letters regarding the subject of the hearing, and each Commissioner had a copy of the letters in front of them.

Mr. Szafran reviewed that this item was previously studied by the Commission on March 15th and April 19, 2007. The issue was considered by the City Council on October 8, 2007 and remanded back to the Planning Commission for additional consideration. The Planning Commission began the public hearing for this item on January 17, 2008.

Mr. Szafran said staff believes the amendment is necessary since Commercial Business (CB) areas are not being redeveloped at this time, and many of them are appropriate for higher density housing. The current density limit of 48 units per acre has discouraged residential development. Staff believes it is appropriate to direct these types of residential developments into places where adequate infrastructure and walkability exist.

Mr. Szafran reviewed that the revised proposal would modify the standards to permit the unit count to be governed by a structure's height, bulk, parking and setback requirements, but only if the following conditions could be met.

- The properties must be located within the Town Center Study Area or along Ballinger Way.
- The properties must be located more than 90 feet from single-family zoned properties.
- The properties must be located within 1200 feet (a 10 to 15-minute walk) of Aurora Avenue or are directly adjacent to Ballinger Way.

Mr. Szafran displayed a map to illustrate the properties along Aurora that would meet the above criteria.

Continued Public Testimony or Comment

Dennis Lee, Shoreline, suggested the Commission table the proposal for now, since it has the appearance of being a rezone, which requires a quasi-judicial hearing. He also expressed concern about down zoning properties, which is not bad unless there would not be sufficient commercial zoning to support the allowed residential density. Again, he reminded the Commission that the Comprehensive Plan talks about high-density residential being R-48 and that is what the majority of the citizens want to maintain. If

unlimited density is allowed, it must be carefully planned for so that surrounding community and neighborhood businesses are preserved.

Michelle Cable, Shoreline, said she supports the proposed amendment that would increase the number of housing units allowed in the CB zones. She suggested that many people have included the Aurora Triangle Project as part of the subject amendment in error, and this has created anxiety throughout the community. She emphasized that the proposed code amendment would only apply to commercial zones. Ms. Cable said she owns property on Ballinger Way that would be impacted by the proposed amendment. She said she believes the amendment would provide an opportunity to develop affordable senior housing in the corridor, and the City Council has noted there is a shortage in the number of senior housing in Shoreline. The proposed amendment, as modified, would also implement the City's Comprehensive Plan, the City Council's 2007-2008 Goals, and the Comprehensive Housing Strategy's Committee Recommendations. She noted that Shoreline is mostly built out, which means the expected growth would have to occur as infill or as redevelopment. Shoreline must take steps to allow increased density in areas of the City that can reasonably accept it.

Matthew Fairfax, Shoreline, said he owns the James Alan Salon, which currently employs 23 people. He said he is also part owner of one of the properties impacted by the proposal. He said he purchased the property on 185th with the intention of expanding his business so he could employ more people, but also to provide more housing opportunities in the area. He expressed concern that if the proposed amendment is not approved, their ability to construct a financially sustainable building would be very limited. Expanding the number of residential units allowed on the property would improve their ability to finance redevelopment. He noted the proposal would only impact a few properties. Although the Comprehensive Plan identifies other potential CB zones, it is important to remember that any changes would have to be reviewed by the Commission and approved by the City Council. This offers the City sufficient safeguards to manage growth in the future. Again, he said he supports the proposed amendment and believes it would be very good for the community.

Marlin Gabbert, Shoreline, said he is the architect for the project on Linden Avenue and 185th Street. He expressed his belief that the proposed project would be consistent with the concepts outlined in the Comprehensive Housing Strategy that was prepared by the Citizen Advisory Committee. The project is located in the CB zone, and they would provide commercial uses in the lower level, with residential units above. This mixed-use type project would be ideal because of its close proximity to needed services. In addition, the project would provide adequate housing opportunities to support the commercial uses in the area. He noted that office buildings would not provide the same commercial support that high-density housing would. Mr. Gabbert recalled that the Comprehensive Housing Strategy also indicated a desire for green building features. He provided a handout outlining how the building would be designed and noted that the buildings step up to provide a good transition from the R-12 zone. The design would include green roofs, etc.

John Behrens, Shoreline, noted that the proposal would involve very few properties. He questioned why this proposal is not being considered as a rezone request. He said he would not be opposed to the type of development proposed by those present. However, a rezone proposal would offer the neighboring property owners an opportunity to work with the developers to address their concerns. He expressed his belief that 95% of the City's residents have no concept about the difference between Regional Business (RB) and Commercial Business (CB). He suggested that if the City were to tell the neighboring property owners what the buildings would look like, they would be able to engage the community in the process of designing their own neighborhoods and they would likely support the developers.

Commissioner McClelland asked staff to share the notification requirements for the legislative hearing process. Mr. Tovar advised that a legislative hearing notification includes a notice in the newspaper and a posting on the City's website. In this case, staff also placed information in the "It's Happening in Shoreline" flyer and "Currents" and it was also mentioned on the cable channel and during the City Manager's Report. They also provide notice to those individuals on an email list who have expressed an interest in these sorts of issues. He emphasized that the City is not required to mail notices for legislative hearings. Mailed notices are only required for quasi-judicial hearings.

Presentation of Final Staff Recommendation

Mr. Szafran said staff recommends the Commission forward a recommendation of approval to the City Council, including the three additional criteria identified by staff. He suggested a fourth criterion could be added to allow only commercial development on the ground floor, if the Commission desires.

Final Questions by the Commission

Commissioner Pyle pointed out that the green boundary line on the map crosses numerous properties. He questioned if a property must be located completely within the green line in order to be eligible for the change in zoning control. Mr. Szafran answered affirmatively. Mr. Cohn referred to the colored map that was provided to the Commission at their last meeting. He noted that the cross hatched areas are already zoned regional business and would not be impacted by the change. Only properties within the striped areas would be affected by the proposal.

Commissioner Pyle asked if there are any properties outside of the striped areas that are CB that would not be eligible for the amended zoning. Mr. Szafran answered there are properties outside of the area that have land use designations of community business or mixed use that could potentially be rezoned to CB. These properties would not be eligible for the unlimited density provision. Commissioner Pyle summarized that the proposal would actually create a sub zone of the CB zone, and properties within the green boundaries would be eligible for the change. Mr. Szafran agreed, as long as the properties meet all of the requirements discussed earlier. Mr. Szafran reminded the

Commission that the boundaries of the area impacted by the proposed change were reduced since the first time the proposal came before the Commission.

Vice Chair Kuboi recalled that a previous staff report indicated one of the underlying reasons for the proposal was that, collectively, the City was losing out on development opportunities because of the arbitrary constraint on the allowed number of residential units per acre. He questioned if the City has examples to illustrate what they have lost out on that would lend support to making a change at this time. Mr. Tovar reminded the Commission that the proposal was first introduced to them nearly one year ago. The Commission recommended approval, but the City Council remanded the proposal back to the Commission for further review. He said that while staff does not perceive an urgency to make a decision on the proposal, it is important to keep in mind that developers are interested in moving forward. He cautioned, however, that no project has been proposed for the subject properties at this time. He noted that within the next year, the Commission would review the entire area again, from a broader context as part of the Town Center Subarea Plan.

Commissioner Hall recalled that when the proposal was presented previously, the Commission recommended approval. His vote was the only dissenting one. Based on testimony, he felt creating a new zone would be a clearer, easier way to make the change. Second, he felt there was inadequate public involvement in the process. He noted that the public did become more engaged in the issue after the proposal was forwarded to the City Council for consideration. Over the past year, they have heard from a number of people, so he is no longer concerned about inadequate public input. He said he also previously expressed concern that the proposal only deals with a small number of parcels. He agreed with Mr. Behrens that a quasi-judicial rezone would be a better way to address uses on these properties. At the same time, the Commission has heard testimony that the proposal could provide support to small businesses in the area, affordable housing opportunities, and buffer protection for residential neighborhoods.

Commissioner Broili said he understands that one of the goals of the proposal is to increase flexibility for developers to do more creative design within the framework of the design guidelines. However, he questioned how the projects would be evaluated and reviewed to be sure they meet the intent of the amendment. Mr. Cohn explained that staff is not suggesting a change in review criteria, so no design review would be required. He suggested the Commission could adopt an additional criterion, such as requiring only commercial uses on the ground floor. This would ensure the projects would be mixed-use. However, issues such as traffic impacts, etc. would be evaluated using the City's standard process. Mr. Szafran added that the development regulations would still apply to all proposals submitted for the subject parcels.

Commissioner Broili expressed concern that increased density could result in increased impacts to neighboring properties. He said he is not confident the City has all of the tools necessary to review and evaluate these projects to make sure the impacts associated with increased density could be mitigated. Mr. Tovar explained that the SEPA review process would still apply to the subject properties. He emphasized that the City's current tools

are not as good as those they hope to have in place as other legislative amendments come forward in the near future.

Commissioner McClelland recalled that when the proposal was initially presented to the Commission, they discussed that the current code allows no flexibility. She said she supported the proposal in order to update the code to respond to newer concepts with regard to zoning and uses. The Commission was told that if they let the market determine the composition within with the building, most of the citizens of Shoreline would not be impacted in any way. She said she still supports the concept, and she is baffled as to why some citizens are still resistant and alarmed by the change given the City's ability to control the impacts associated with this type of development.

Commissioner Wagner questioned what the City has done to date in this particular area to address the cumulative traffic impacts associated with redevelopment. Although the proposed change would not result in a significant increase in the amount of traffic associated with redevelopment of each property, it is important to consider the cumulative impacts on the traffic flow. She said the citizens have also expressed concern in the past about inadequate on-site parking and the impact this has to on-street parking. Staff earlier described the Planning Director's administrative ability to reduce the number of required on-site parking spaces. She suggested the Commission consider whether it would be appropriate to include a criterion that prohibits a reduction in the number of required parking spaces. However, she said she is not totally in support of this additional criterion because there are other transportation options such as car sharing, transit, etc.

Commissioner Hall agreed that it is important to consider traffic and parking impacts. He recalled that parking was a major issue during the cottage housing debates. However, he noted that his neighborhood has homes with two and three-car garages, yet three or four cars are parked in the driveway or on the street. When discussing cottage housing, it was noted that smaller homes cater to a different demographic: single people, young couples with no children, and senior citizens. They have heard from experts that the demographics in the region and in the City are shifting. He said he is not concerned that having higher density with smaller apartments leads to greater parking and transportation problems. In fact, he suggested the smaller apartments might be occupied by more singles or starter families with one car. He said he feels comfortable that the proposal is likely to be okay from traffic and parking perspective. He suggested that, in the long run, the more they locate people close to transit, the better off the overall traffic would be.

Chair Piro concurred with Commissioner Hall's analysis of the parking issue. He added that this is the City's richest opportunity to really grow the transit oriented type of development. The best transit service in the entire City is located between 170th and 195th Streets, which is an area that would function even better in the future in terms of transit. He agreed that because of the type of demographic population served by the new units and the proximity to transit services, there would not be the same type of traffic and parking issues associated with intense development in other locations.

Vice Chair Kuboi recalled the Commission previously discussed that two identical buildings on the outside could be divided into different unit counts on the inside. He said Mr. Nelson suggested that, based on development economics, the R-48 scenario would result in a smaller overall structure because it wouldn't be profitable to build to a more maximum-sized structure. He invited staff to share their opinion about the validity of this perspective. Mr. Tovar said no one knows for sure what the market will do in the future. Many factors could impact a developer's decision regarding the size and number of units. He emphasized that staff believes it is more important to pay close attention to the building envelope and its associated design standards; then they can step back and let the market fill in the envelope. Envelope size could be addressed via building heights, setbacks, step backs, floor area ratios, etc.; but these are separate issues from unit count.

Commissioner Pyle recalled it was mentioned earlier that there are certain financial constraints with regards to building out commercial space along Aurora Avenue. It has also been suggested that controlling the number of units by the actual building envelope or dimensional standards would provide some incentive for redevelopment to occur by making it more financially feasible. He pointed out that the Gateway Center along Aurora Avenue would have been a prime location for a mixed-use development, but they were able to construct a financially feasible building without providing any residential units. In addition, while initial concern was raised about the Monty Nikon Building near Costco (a five to six-story residential building), no one appears to be impacted by its size. He suggested these examples show that both residential and commercial developments are feasible, so he doesn't see support for the argument that there are current financial constraints in the market that result in the City missing out on opportunities along Aurora Avenue.

Mr. Tovar said staff does not believe there is a desperate, pressing need in the community to make the CB zone as viable as the RB using the unit count issue. However, they believe there is no good reason to restrict what happens in the CB zone if they don't do the same for the RB zone. If the proposed change were approved by the City Council, the CB zone would function as a less intense RB zone, with certain limitations on height, building coverage, etc.

Commissioner Pyle said the Commission has heard a lot recently about the need to protect single-family neighborhoods. He questioned if it would be possible to incorporate criteria into the Comprehensive Plan such as prohibiting access to multi-family developments through single-family neighborhoods, since this would push in the direction of orienting development towards the core of intensity as opposed to allowing free-flow access through the single-family neighborhoods. Mr. Tovar said that is exactly the type of criteria they should consider when reviewing subarea plans along Aurora Avenue.

Commissioner Pyle questioned why staff is recommending the proposed amendment only apply to properties that are more than 90 feet from single-family zones. Mr. Tovar answered that there was some discussion during the moratorium hearings before the City Council that 90 feet was a standard distance beyond which there was some protection

provided for the single-family residential zones. Commissioner Pyle noted the green boundary line falls right behind one of the properties eligible for the proposed amendment. He asked if this had anything to do with the number that was chosen for separation between the single-family and commercial zones. Again, Mr. Tovar advised that the number came from the moratorium as the number identified by the City Council. Commissioner Pyle asked if the Comprehensive Plan designation would allow other property owners to request a rezone to RB. Mr. Tovar clarified that any property owner could apply for a rezone to RB, but that doesn't mean the City would grant approval. Mr. Szafran recalled that rezoning the James Alan Salon property to RB was an application that was previously considered and denied.

Commissioner Hall said his preference would have been to address zoning for this area on a much larger scale. However, the community expressed concern about the proposal that would have accomplished that goal. The current proposal would allow the City to try the form-based zoning concept in an area that is adequately separated from single-family zones. He urged the Commission to consider the proposal from a policy perspective, and then let staff determine what the correct number should be.

Commissioner Pyle said that approval of the proposed amendment would essentially accomplish the same thing as the Ridgcrest Commercial Planned Area 2, which creates certain controls that apply to specific properties. He expressed concern that they are working piecemeal throughout the City to create a transition, while protecting the single-family neighborhoods. He suggested they should really look at the larger picture and retool zoning in the entire City.

Commissioner Broili recalled that the moratorium provided a buffer between single-family residential and commercial zones along the entire corridor, and a certain distance was determined adequate for the buffer. He suggested that is how the boundary line for the proposed amendment was established. Commissioner Pyle expressed his belief that more space would be necessary in order to achieve an adequate transition. He suggested 200 to 300 feet would be needed to obtain solar access and make sure the intensity of development is stepped down as it reaches the residential neighborhoods. The greater distance would also allow an opportunity to close streets off and add roundabouts, etc. to limit access to the single-family neighborhoods from the more intense cores and lessen the perceived impact. Commissioner Broili agreed.

Mr. Szafran noted that currently there are only four properties zoned CB within the green area, but there are a number of other properties within the striped area that could potentially be rezoned to CB to take advantage of the unlimited density provision.

Chair Piro expressed his belief that adequate transitioning could be accomplished to protect the existing single-family neighborhoods, and they should not be required to take on any burden of the transition. He referred to the City of Seattle, where figures indicate that the single-family neighborhoods that existed in the 1980's and 1990's continue to be viable single-family neighborhoods even though the City has taken on more intense

mixed-use developments to accommodate their growth. He suggested the City of Shoreline could do the same.

Closure of the Public Hearing and Commission Deliberation

COMMISSIONER HARRIS MOVED TO CLOSE THE PUBLIC HEARING. COMMISSIONER BROILI SECONDED THE MOTION.

Chair Piro noted that the City Attorney has advised the Commission would still be allowed to ask questions of clarification from staff and legal counsel even after the hearing has been closed. Ms. Collins concurred, as long as no new information is brought forward.

THE MOTION CARRIED UNANIMOUSLY.

Given the relatively few properties that would be affected by the proposed amendment, Vice Chair Kuboi questioned why the public still has the perception that the flood gates would be open for large buildings to be constructed all over the City. Mr. Tovar recalled that when the proposal was first initiated, it included a much larger area. While he doesn't know exactly why members of the public are so concerned about the impacts of the proposed amendment, it is important for the Commission to remember that if there are problems in the future, they would have an opportunity to address them when they review the area again as part of the Town Center Subarea Plan. The subarea plan process would allow the Commission to consider the cumulative impacts and the various tools that could be used to mitigate those impacts. However, he said staff does not anticipate any significant problems.

Chair Piro observed that a lot has transpired since the Commission first reviewed the proposed amendment. There have been many opportunities for public discourse on the matter, and some valid issues and points have been raised. He particularly noted the concerns raised about the importance of protecting the integrity of the single-family neighborhoods, as well as the commercial opportunities that currently exist on Aurora Avenue. However, after continued discussion on the matter, he said he would continue to support the Commission's initial recommendation. There are enough oversight tools in place to allow the City to implement the form-based zoning concept in this area.

Vote by Commission to Recommend Approval or Denial or Modification

COMMISSIONER HARRIS MOVED TO APPROVE STAFF'S RECOMMENDATION TO MODIFY THE DEVELOPMENT STANDARDS IN CB ZONES TO ALLOW UNIT COUNT TO BE GOVERNED BY A STRUCTURE'S HEIGHT, BULK, PARKING AND SETBACK REQUIREMENTS, BUT ONLY IF A SITE MEETS SPECIFIC REQUIREMENTS:

- A. PROPERTIES ARE LOCATED IN THE TOWN CENTER SUBAREA STUDY AREA OR ALONG BALLINGER WAY.**
- B. PROPERTIES ARE LOCATED MORE THAN 90 FEET FROM SINGLE-FAMILY ZONED (R-4, R-6, AND R-8) PROPERTIES.**
- C. PROPERTIES ARE WITHIN 1,200 FEET (A 10-15 MINUTE WALK) OF AURORA AVENUE OR ARE DIRECTLY ADJACENT TO BALLINGER WAY, BOTH OF WHICH CONTAIN MAJOR TRANSIT ROUTES.**

COMMISSIONER BROILI SECONDED THE MOTION.

Commissioner Harris recalled one of the Commission's initial discussions that a structure's bulk, size and setback would be the same. The proposal would only modify the way the building is divided within. Therefore, he does not believe the impacts would be increased, and the parking standards, the floor ratio requirement, etc. would sufficiently govern the density of each development.

Commissioner Broili reiterated that he would like to see increased density along Aurora Avenue, since this would protect the need to redevelop the residential areas to a greater density. Increasing the density along Aurora Avenue would also support the viability of mass transit and increase the bus lines and other transit opportunities along Aurora Avenue. He said he does not believe the amendment would result in more massive buildings. When the Commission considers the area again later in the year as part of the Town Center Subarea Plan, they could consider additional tools to control design issues associated with greater density. He said he feels comfortable recommending approval of the proposed amendment.

Commissioner Harris pointed out that the James Alan Salon has been located in Shoreline for more than 20 years, and they have indicated their desire to greatly increase the size of their business. Increasing jobs and the tax base is one of the City's sustainability goals.

Commissioner Hall clarified that when reviewing the Ridgecrest Commercial Planned Area 2, the Commission discussed whether the City could require retail or commercial space on the ground floor. Mr. Tovar said it would not be possible to construct a building in the CB zone with density regulated the same as in the RB zone unless there is a retail component. If a development cannot produce retail space, it would have to operate at the traditional CB zoning density limitation. Mr. Tovar said a property owner would not be allowed to construct a building with density greater than R-48 unless there is retail space on the ground floor.

Commissioner Wagner said her interpretation of the proposed amendment is that developments in the CB zone must be retail capable, but not that retail space would be required. She noted that there is no way to guarantee the uses during the permitting process. Commissioner Harris said he envisions adding an additional criterion that would require ground floor commercial, but not necessarily retail uses.

Vice Chair Kuboi noted Commissioner Broili's previous comments related to design review and noted the proposed motion does not make any reference to design review. Commissioner Broili noted that design review may be added during the next year as part of their review of the Town Center Subarea Plan.

Commissioner McClelland said she would not support the proposed amendment if it would allow a residential-only development in the CB zone. She said she would be in favor of adding an additional criterion to require commercial space on the ground floor.

COMMISSIONER HARRIS MOVED TO AMEND THE MAIN MOTION TO ADD ONE ADDITIONAL CRITERION, "D. PROPERTIES SHALL HAVE GROUND FLOOR COMMERCIAL." COMMISSIONER MCCLELLAND SECONDED THE MOTION TO AMEND THE MAIN MOTION.

Commissioner Wagner questioned how staff would enforce this requirement at the permitting stage. Mr. Tovar said the City would only issue tenant improvement permits for uses that are allowed on the ground floor. The space would have to be used as commercial space or remain vacant. A property owner would not be allowed to convert the space to residential at a later date.

COMMISSIONER HARRIS' MOTION TO AMEND THE MAIN MOTION TO INCLUDE CRITERION D WAS UNANIMOUSLY APPROVED.

COMMISSIONER PYLE MOVED TO AMEND THE MAIN MOTION TO ADD ANOTHER CRITERION, "E. PROPERTIES THAT REDEVELOP IN THE CB ZONE ARE NOT ELIGIBLE TO TAKE ADVANTAGE OF SMC 20.50.400(B) THAT ALLOWS THE DIRECTOR TO APPROVE A 50% PARKING REDUCTION. VICE CHAIR KUBOI SECONDED THE MOTION.

Since the zoning controls are intended to limit the amount of development on the site, Commissioner Pyle expressed concern about the Planning Director's ability to reduce the requirements. This could result in a developer's ability to construct more residential units, but provide less parking than what is typically required. He noted public concerns about parking and traffic.

Vice Chair Kuboi noted the number of concerns raised by the citizens about spill over parking. The proposed criterion would acknowledge the need to pay attention to impacts to surrounding neighborhoods when considering the implementation of new concepts.

Chair Piro pointed out that this is an area where the City is trying to advance transit oriented development. Therefore, it is important to recognize that the travel behaviors of the residents in the redeveloped buildings may not be the traditional type of automobile users they are accustomed to. He said he would be willing to consider an alternative resolution that would allow a developer to negotiate a parking reduction. Commissioner Pyle said his motion to amend was related to Section B, but Section A also allows for a reduction of up to 20%. He said he doesn't feel comfortable allowing a 50% reduction,

but allowing some flexibility would be appropriate. Chair Piro said he supports the concept of allowing some flexibility for the City to reduce the parking requirement on a case-by-case basis.

Commissioner Harris emphasized that the parking requirement should not be reduced for the commercial portions of a development. However, he would not be opposed to allowing the Planning Director to approve a reduction in the parking requirement for senior housing. Mr. Szafran pointed out that a recent code interpretation already allows for a significant reduction in the amount of parking required for senior housing.

Commissioner McClelland agreed with Commissioner Pyle that there should be some limitation to the amount of parking reduction allowed. However, she said she would support a criterion that allows the Planning Director some flexibility to grant a limited parking reduction. She pointed out there is very little street parking available near the subject properties.

Commissioner Pyle recalled that the Commission and staff have repeatedly emphasized the proposed amendment would not result in a difference in the bulk and scale of the buildings, and the number of units would be controlled by the actual zoning regulations. He suggested the code already allows enough flexibility that he is not confident it would adequately limit the number of units that could be constructed, particularly if the code allows up to a 50% reduction in the parking requirement. If the Commission wants parking requirement to limit the number of units, they cannot allow other parts of the code to grant a significant reduction.

Commissioner Hall said he would not support this proposed amendment to the main motion. He explained that regardless of the zone, parking would always be an issue. The Planning Director's discretion to approve parking reductions should be handled equally. He said he does not believe the proposed amendment would grant a density bonus. The proposal merely modifies the zoning district to change the allowed density within the constraints that exist elsewhere in the building code, including the parking constraints. The City is serious about promoting transit opportunities, and reducing the amount of parking would create an incentive for people to get out of their cars. He noted the Commission has not heard a large concern from the public about parking as it relates to this proposal. He would like to leave the parking issue to the Planning Director's discretion.

COMMISSIONER PYLE'S MOTION TO AMEND THE MAIN MOTION BY ADDING AN ADDITIONAL CRITERION RELATED TO PARKING FAILED 2-6, WITH COMMISSIONER PYLE AND VICE CHAIR KUBOI VOTING IN FAVOR AND CHAIR PIRO AND COMMISSIONERS BROILI, HALL, HARRIS, MCCLELLAND AND WAGNER VOTING IN OPPOSITION.

THE MAIN MOTION TO APPROVE THE STAFF'S RECOMMENDATION TO MODIFY THE DEVELOPMENT STANDARDS IN THE CB ZONE WAS UNANIMOUSLY APPROVED AS AMENDED.

Commissioner Hall said he would still have preferred to define a new zoning district and rezone all of the properties. He recommended that, as the Commission reviews subarea plans in the future, they avoid creating zoning exceptions throughout the City. He would much rather accomplish the City Council's goals in the most straightforward way possible so the community knows exactly what's happening. Mr. Tovar agreed with Commissioner Hall. He explained that part of the rationale for subarea planning and implementing zoning is to provide the public with a clear understanding of what each zoning designation means.

Exhibit B

