

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

**AGENDA TITLE:** Southeast Neighborhoods Subarea Plan  
**DEPARTMENT:** Planning and Development Services  
**PRESENTED BY:** Joseph W. Tovar, FAICP, Director of Planning and Development Services  
Steve Cohn, Project Manager, Senior Planner  
Miranda Redinger, Project Manager, Associate Planner

**PROBLEM / ISSUE STATEMENT:**

When the official City Comprehensive Plan Map was adopted by Ordinance 292 on January 7, 2002, some parts of Shoreline were classified as "Special Study Areas" (SSA). This designation was intended to be a place-holder until the areas could be analyzed in further detail to determine a long-range vision.

In June 2008, Council appointed a Citizen's Advisory Committee (CAC) to create a subarea plan to address long-range planning for those study areas. The CAC met from July 2008 until November 2009. They adopted their Subarea Plan Report, complete with background narrative, vision and goals for the subarea, proposed zoning and Comprehensive Plan designations, and policy recommendations on November 17, 2009. It was presented to the Planning Commission on November 19, 2009.

Staff condensed the CAC report into a format appropriate for adoption in the Comprehensive Plan, and a public hearing was held on February 4, 2010. The Commission continued their deliberations on March 4, considered additional comment, made some edits to the document and unanimously recommended adoption by the City Council.

**FINANCIAL IMPACT:**

None.

**RECOMMENDATION**

This memo and presentation are informational only. Council action on this item is scheduled for the May 24, 2010 Business Meeting.

Approved By: City Manager  City Attorney \_\_\_\_\_

## **BACKGROUND**

Over the course of 17 months, the CAC heard from pertinent staff about each element of the Comprehensive Plan, considered many issues affecting residents of the subarea, and drafted goals and policies with the intent of improving quality of life by preserving neighborhood character while encouraging economic development. On certain subjects, there was nearly automatic consensus, some discussions ended in compromise and certain topics remained polarizing. There was a large degree of agreement on the text of the final Subarea Plan Report (Attachment 2), with dissent about the zoning map that led several members of the CAC to create a Minority Report (Attachment 3). Some of the general issues about which the committee focused recommendations include:

- Creating areas of zoning transition between commercial areas and single-family areas to reduce the impacts of commercial and mixed-use developments on nearby single-family homes.
- Creating incentives for commercial and mixed-use redevelopment in appropriate areas by permitting greater housing density than the current zoning permits on some sites.
- Increasing opportunities for "appropriate infill" and innovative housing styles that would be compatible with existing neighborhood character, such as Accessory Dwelling Units and live/work lofts.
- Increasing opportunities for economic development that would bring more jobs to the area without increases in traffic, such as home-based and incubator businesses.
- Creating incentives to protect and conserve natural resources and existing housing stock through sustainable practices.

Because the attachments of this report contain extensive information about background documents, committee products, comments on the process and outcomes, etc., staff will not summarize that in detail here, with the exception of a brief discussion about the differences between the current and proposed Comprehensive Plan maps.

Most of this subarea was designated Special Study Area, which meant that it didn't have a Comprehensive Plan designation (i.e., long-range vision). In the two locations where the current Comp. Plan provides a designation (in the southeast corner between Bothell Way and 30<sup>th</sup> Ave and on the east side of 15<sup>th</sup> Ave. between 152<sup>nd</sup> and 155<sup>th</sup>) the committee recommended a designation for less intense development than in the existing Comprehensive Plan. Both areas are currently designated as Mixed Use (which would allow both commercial and residential uses), while the CAC recommended portions of the areas be limited to residential uses.

In its Land Use recommendation the committee advised maintaining areas for commercial and mixed use (while shifting some land currently designated for such back to residential), creating transition areas to the single family core of the neighborhoods, and retaining the identified neighborhood character of low-density housing. Though not assigned a Comp. Plan designation, the Special Study Areas do currently have *zoning* designations, and this is mainly where the committee took their guidance in

suggesting long-range vision. For the most part, the proposed Comp. Plan designations align with the current single family zoning of the area; the exceptions are a small number of single family homes that a) are immediately adjacent to commercial zoning when the CAC concluded that some transition zoning was appropriate, and b) some single family homes with direct access to 145<sup>th</sup> that the CAC concluded should be designated a higher density to promote redevelopment with a possibility of sharing curb cuts.

### **Planning Commission Recommendation**

Staff condensed the committee's subarea plan recommendation for the purposes of placing it into the Comprehensive Plan. In condensing it, nothing was re-written; the goals and policies remained intact, merely reformatted to conform to the standards of Shoreline's Comprehensive Plan. Much of the background narrative was removed for the same formatting purposes, but will be preserved in the CAC Report so that community members and other interested parties may gain insight into committee discussion and background that they used in decision-making. Staff did not modify the committee's recommended Comprehensive Plan and zoning maps; the former is included in the subarea plan recommendation and the latter is not under consideration at this point.

For the process of adoption, a distinction was made between the Comprehensive Plan Amendment and Map and the implementation of these products through Development Code Regulations and potential rezoning. Should Council adopt the current recommendation before them, staff will take the implementing regulations and zoning through another public process, complete with hearing and SEPA this summer. *If Council wants to provide direction to the Commission, it would be appropriate to do so at the May 24 meeting when the Council is scheduled to take action on the Subarea Plan.*

In editing the Subarea Plan, the Planning Commission noted that because the CAC had worked on the document for so long, they did not want to make too many changes, lest future citizen committees feel discouraged that their work would be overly altered. Most of the recommendations removed by the Commission were because they felt them better suited to city-wide implementation rather than applying strictly to the subarea. That list is included below:

- Modify the Development Code to encourage "right-sized homes"
- Increase access to locally-made products and locally grown foods
- Develop incentives for job creation in addition to current MUZ incentives/tradeoffs for higher residential densities
- Make greater use of volunteers for habitat restoration by using programs already in place through organizations and agencies such as the Washington State Department of Fish and Wildlife
- As part of the process of revising the City's tree code, create incentives to plan all remodel and new development around substantial trees and groves of trees to preserve tree canopy
- Support development of opportunities through innovative and creative technologies by permitting business uses for research and development, design

and environmental concepts to provide potential sites for family wage "green jobs."

**Background information:** The following is background information that staff researched in answer to questions posed by the Commission or the public. Council may find this information helpful in the discussion of the Subarea Plan.

*What is a realistic level of development likely to occur in the subarea over the next 20 years?*

Determining how many dwelling units and businesses are likely to develop within the subarea over the course of the next 20 years is not an exact science. For reference, it may be helpful to look at the example of North City. Ten years ago, the area was rezoned to accept 900 units over 20 years, so one might assume that at this point, roughly half of those would have been built. However, to date, less than 100 new units are on the ground.

Most of the residential and commercial capacity in the subarea is located in the two commercial areas along 15<sup>th</sup> and along Bothell Way. Staff estimates that if these areas are developed largely in mixed use buildings, build out capacity is about 900 units. (If the commercial areas develop mainly as office buildings, residential capacity would be considerably less, perhaps by as much as 80%.) However, even using the high-end number of 900 units capacity, using North City as a guide, development over the next 20 years is likely to be much less, perhaps in the neighborhood of 200-300 units. It is important to understand that even this lesser amount would not be concentrated in a single project on one property, but rather on several sites. On a rank order of magnitude this might equate to 3 or 4 new mixed use buildings over the 20 year period, split between 15<sup>th</sup> and Bothell Way. In the context of the 274 acres that constitute the Southeast Neighborhoods Subarea, this does not appear to the staff to be a dramatic or overwhelming amount of change. For a variety of economic and other reasons, we believe that most of the mixed use development in Shoreline in the coming decades will occur along Aurora.

New development that occurs in the commercial/mixed use areas of Ridgecrest and Briarcrest is dependent on many factors, including the economy, incentives, and market demand.

*What are the likely economic development outcomes that staff believes will occur in different Mixed Use categories?*

The two commercial areas have been zoned Neighborhood Business and Community Business for the last 20 years. With the exception of the development of a veterinary clinic and a small office building on 15<sup>th</sup> and the McDonald's on Bothell Way, there has been little redevelopment under the existing zoning, even during much of the previous decade which saw significant commercial and multifamily development in neighboring cities. The current zoning allows commercial (i.e.: office/retail) and mixed use development up to 4-6 stories. It also limits residential densities to 24 du/acre (in NB) and 48 du/acre (in CB). Staff believes that, due to the size of most properties in the commercial areas, the commercial market is not there to build new single story retail uses, there is a limited market to build one or two-story office buildings and the residential densities of 24 du/acre are not conducive to building a mixed use building.

If the zoning is unchanged over the next 20 years, staff believes that there will be little incentive for redevelopment, and therefore, little incentive for property owners to do more than minimal reinvestment in the properties.

If the existing MU Zone is adopted, which would raise the allowable residential density, there would be incentive for building a small number of mixed use buildings. These could provide ground floor retail space for new businesses, some of which will be neighborhood serving. The MU Zone also requires amenities –plazas etc., which could serve the community. However, even with the availability of properties for mixed use development at a density that is economically feasible, staff does not believe that there will be an extremely strong demand for development in these smaller commercial areas. Most of the demand will still be focused on areas like Town Center and Aurora Square where the scale of development can result in significantly more amenities and because there will be much better transit service.

*What are the likely impacts of additional development on the water table and drainage issues?*

According to the City's Surface Water and Environmental Services Program Manager, the current stormwater code is the most stringent code to date to regulate runoff and water quality. The implementation of this current code will not increase or exacerbate existing groundwater or surface water issues. In many cases of redevelopment, it will likely have a net benefit of reducing surface water drainage issues and improving water quality.

Aside from large-scale "green-street" redevelopment or Capital Improvement Projects focused on drainage or hydrology issues, site-by-site improvements provide a realistic approach to address existing problems.

*How do zoning changes impact the underlying tax assessment of properties and what effect does this have on business costs?*

Staff asked this question of the King County Assessor's office and received the following reply:

"First let me say zoning would only affect land value. When we talk about improved commercial property, the total value is typically determined using an income approach. The final value of improved parcels is total value less land equals improvement value. For improved commercial property the land value (including zoning) might have less of an impact on the total or taxable value.

We value all land at its 'highest and best use' as if vacant. This is required by Washington State Statute. Zoning has an influence on highest and best use as it determines legal uses to which the property could be put. Other characteristics also impact land value such as topography, location, etc.

As appraisers we observe the market and how the buyers and sellers of commercial land value zoning. The appraiser's model shows that land zoned R12 or R18 is valued at \$10-30 per square foot, with R24 and R48 properties valued at \$10-25 per square foot. However, land zoned NB and CB is valued from \$30-50 per square foot.

In neighborhood 10-40 (Shoreline) there is a different value depending on whether a parcel is zoned R12 or CB. But not as great a difference if the zoning goes from R12 to R18. So a zoning change could affect land value, and a zoning change might not affect land value, depending on what the change is and how the market interprets the change."

Mark Mayuga (in his February email to the Commission) addressed the question of "how does zoning affect rents?" His conclusion is that rents are set by the market, and while someone may be willing to pay somewhat higher rent to be in a newer building, in general the landlord will charge a market driven rate.

*What level of detail is appropriate for the SEPA analysis of the subarea plan?*

The SEPA DNS was based on a comparison of conditions permitted under the current Comprehensive Plan and those potentially allowed under the proposed Subarea Plan. From staff's reading of the two plans, there is not a significant increase in intensity or density as compared to the current plan.

### **Environmental Review**

Staff completed requisite environmental analysis of the subarea plan, completing a non-project SEPA checklist (projects will require individual SEPA documentation if they meet the threshold, as part of the review process), and issued a Threshold Determination of Non-Significance (DNS) on January 28, 2010. The comment period ended on February 11, staff received comments and amended the document on February 26 (Attachment 5). A separate SEPA checklist will be completed for the implementation phase.

### **RECOMMENDATION**

This memo and presentation are informational only. Council action on this item is scheduled for the May 24, 2010 Business Meeting.

#### **Attachments:**

**Attachment 1** - Planning Commission recommended SE Neighborhoods Subarea Plan (Public Hearing Exhibit 1)

**Attachment 2** - Citizen Advisory Committee's Subarea Plan Report, Land Use & Zoning Map (Public Hearing Exhibit 2)

**Attachment 3** - Minority Report, dated January 27, 2010 & Zoning Map (Public Hearing Exhibit 3)

**Attachment 4** - Feb. 4 Minutes (Planning Commission Public Hearing)

**Attachment 5** - SEPA Checklist and DNS (Public Hearing Exhibit 15)

**Attachment 6** - Mar. 4 Minutes (Planning Commission Public Hearing continued)

**Attachment 7** - Hearing Exhibits (list of Comment letters and Public Hearing testimony available on project web page at <http://shorelinewa.gov/index.aspx?page=178> and in binder in Council office)