

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Discussion of Commercial Design Standards and Zone Consolidation Amendments

DEPARTMENT: Planning and Community Development

PRESENTED BY: Rachael Markle, Director
Paul Cohen, Planning Manager

ACTION: ☐ Ordinance ☐ Resolution ☐ Motion
 ☒ Discussion ☐ Public Hearing

PROBLEM/ISSUE STATEMENT:

The purpose of tonight's meeting is to orient the Council to the proposed changes to the City's Development Code (Shoreline Municipal Code Chapter 20) and to the major issues raised and addressed by the amendment process at the Planning Commission. The recommended amendment language will not be presented tonight as the focus for this evening is to discuss the policy issues. The proposed language will be presented as part of the City Council discussion scheduled for March 25, 2013.

Over the last thirteen years the City created iterations of commercial design standards that staff has administered and navigated with developers. These include those adopted in year 2000 for Commercial/ Mixed Use, North City, Ridgecrest, and Mixed Use Zone design standards. These standards were adopted individually and in some cases as partial standards. The existing commercial design standards (i.e. layout and design of parking, landscaping, signs, entries, facades) are outdated and overwritten by design standards for particular land use districts.

In July 2011 the Council unanimously adopted the Town Center development code as the latest approach to commercial standards. The three year review and adoption process for the Town Center development code involved substantial city-wide participation and support. This resulted in improved and coordinated design standards to make commercial areas within the Town Center subarea more pedestrian-friendly and viable as places to shop and live. In November 2011, the Council, with the adoption of the Southeast Neighborhood Legislative Rezone, stated the need for improved and consolidated commercial design standards for applicable zoning designations throughout the City.

The Town Center development code includes the most recent commercial design and development standards for the City. Rather than having each geographical area with different, conflicting, or redundant standards, Council has made it a goal to consolidate and streamline the code for all commercial zones using the core design standards of Town Center. Additionally, the City has redundant commercial zones with identical land

use and dimensional standards. These zones can be consolidated without changing the existing dimensional or land use regulations.

On February 6, 2012 Council approved the workplan (Attachment A) to engage the public and property owners in the process to consolidate all commercial design standards toward the Town Center standards and to consolidate redundant zoning designations. Although originally scheduled for late 2012, on January 17, 2013, after almost a year of extensive public participation and internal review, the Planning Commission held a public hearing and made recommended code amendments for the Council's consideration and eventual adoption. With a few minor exceptions, the existing dimensional standards (i.e. height, setbacks and lot coverage) for each commercial zone are not proposed to change.

RESOURCE/FINANCIAL IMPACT:

No financial impacts are anticipated. Completing the analysis, stakeholder process, and required work with the Planning Commission has been done with existing staff resources.

RECOMMENDATION:

No action is required or recommended this evening as this item is for discussion. Council will review the proposed code amendment language on March 25 and then consider adoption of the development code amendments on April 22, 2013.

Approved By: City Manager **JU** City Attorney **IS**

BACKGROUND

Over the last thirteen years the City created iterations of commercial design standards that staff has administered and navigated with developers. These include the standards adopted in year 2000: Commercial/ Mixed Use, North City, Ridgecrest, and Mixed Use Zone design standards. These standards were adopted independently and in some cases as partial standards.

In July 2011 the Council unanimously adopted the Town Center development code as the latest approach to commercial standards. The three year review and adoption process for Town Center involved substantial city-wide participation and support. This resulted in improved and coordinated design standards to make commercial areas within the Town Center subarea more pedestrian-friendly and viable as places to shop and live. In November 2011, the Council, with the adoption of the Southeast Neighborhood Legislative Rezone, stated the need for improved and consolidated commercial design standards for applicable zoning designations throughout the City.

The Town Center development code includes the most recent commercial design and development standards for the City. Rather than having each geographical area with different, conflicting, or redundant standards Council has made it a goal to consolidate and streamline the code for all commercial zones using the core design standards of Town Center. In addition, the City has redundant commercial zoning designations with identical land use and dimensional standards. These zones can be consolidated without changing the existing dimensional or land use regulations.

On February 6, 2012 Council approved the workplan to engage the public and property owners in the process to consolidate all commercial design standards toward the Town Center standards and to consolidate redundant zoning designations. Although originally targeted for late 2012, on January 17, 2013, after almost a year of extensive public participation and internal review, the Planning Commission held a public hearing and made recommended code amendments for the Council's consideration and eventual adoption.

DISCUSSION

Code reform of the City's commercial design standards is important to complete now, while the City has the opportunity to make its code more clear and streamlined prior to the anticipated increase in development activity. As a result, the proposed changes will give greater emphasis to pedestrian amenities and neighborhood protections in addition to added development potential by improving the design standards that are used in the City's commercial areas. The consolidation of the commercial development code will reduce the City's Development Code by approximately 60 pages. The major changes in the proposed code amendments will be:

- Assimilate Town Center, North City, and Ridgecrest, which are currently independent chapters (SMC 20.90 through 20.92) and Mixed Use Zone (MUZ) standards into a single location in SMC Chapter 20.50 Subchapter 4, Mixed-Use, Commercial and Other Nonresidential Development Design Standards..

- Assign the topics of land uses, dimensional, parking, landscaping, and sign standards of the previously listed zones into their respective subchapters of SMC Chapter 20.50.
- Consolidate the four different transition area standards into SMC Chapter 20.50.020.
- Consolidate and update the site improvement threshold from the six subchapters of SMC Chapter 20.50 into a single location in SMC Chapter 20.50.

The existing commercial design standards (i.e. layout and design of parking, landscaping, signs, entries, facades) are outdated. Generally, when the standards were in conflict, staff would enforce the more stringent requirement (larger separation and buffer) where it affected residential neighborhoods or the less stringent requirement (less separation or smaller buffers) where it only affected other commercial property. This was to enhance development potential of commercial properties. With a few minor exceptions, the existing dimensional standards (i.e. height, setbacks and lot coverage) for each commercial zone are not proposed to change.

Zoning - Shoreline has eight commercial zoning categories of which three pairs of zones have identical permitted land uses and dimensional standards. Town Center remains unique and Ridgecrest Planned Area (PA2) has very similar standards to Community Business. The current commercial land use zoning map is included as Attachments B. There is no recommendation to change any of the land area of the existing commercial zones.

The proposal is to consolidate eight zones into four zones is described below:

- Office (O) into Neighborhood Business (NB) zones;
- North City Business District (NCBD) and Ridgecrest (PA2) into Community Business (CB) zones;
- Industrial (I) and Mixed Use Zone (MUZ) into a new “Arterial Business (AB)” zone; and
- Town Center (TC) zones (TC-1, 2, and 3) would remain unchanged. TC-4 is a residential zone within Town Center and is proposed to be moved in with the existing multifamily zones.

A map of the proposed consolidated commercial zoning is included as Attachment C.

Primary Issues

Housing Density – In commercial zones, other than TC and NCBD, density is determined by units per acre. Frequently, the maximum density allowed cannot be reached because it conflicts with the height limitations. Even with incentives (below), development has not been able to achieve greater height. TC and NCBD density is determined by building bulk limitations only.

Recommendation: This amendment proposes to extend the density limitation by building bulk as found in TC and NCBD to all commercial zones. Staff finds that some of the existing requirements in other zones are redundant and barriers to redevelopment. The SEPA review for this amendment has analyzed the potential

increase of 2,000 housing units, mostly in the Aurora Corridor. Perhaps more than design standards, a housing increase within the existing commercial zones is crucial to enhancing the residential population for the viability of increased retail and service industry development in Shoreline.

Development Incentives – Typically incentives are used to promote features or improvements that may be greater than the standard development market would dictate, such as affordable housing, green building, and public amenities in exchange for greater development potential. The City's current code has these incentives under MUZ and PA2 zones. To date none of the development incentives included in the City's Development Code have been used, except incentives for parking reductions. The use of a Floor Area Ratio (FAR) incentive to gain greater building height has not been used, does not increase density potential, and conflicts with height standards. Even the density incentive for including affordable housing has not been used.

Recommendation: This amendment will propose to allow full development potential without incentives because historically they have not been used or do not coincide with the current development market. The strongest incentive for increased development potential at this point is the shedding of unnecessary requirements.

Parking – TC, PA2 and NCBD zones along with the remainder of the City have their own parking standards. TC parking requirements were reduced from 1.2 to 1.5 spaces to .75 spaces per one-bedroom unit and from 1 space for 300 square feet of commercial to 400 square feet for retail and 500 square feet for office. TC also has up to 25% parking reduction criteria, which is the model for the proposed commercial standards amendments.

Recommendation: The amendment will propose using the reduced standard of TC for all commercial zones. This includes the 25% reduction with certain criteria. Staff also recommends that in addition to meeting these criteria a 50% reduction of parking spaces for low-income units that are 60% or less of Area Median Income (AMI) can be approved.

Affordable Housing - The City has recently adopted a number of Comprehensive Plan policies in support of affordable housing in Shoreline. The most extensive participation in the commercial design standard code amendment process were advocates for affordable housing. They requested a reduction of the parking standards for low-income housing units and the Planning Commission concurred. Advocates also requested that the Commission consider departures from the transition area standards through the Administrative Design Review (ADR) process. The Commission did not recommend any options to depart from the transition area standards.

Recommendation: Staff supports the Commission's recommendation because:

- Transition areas were a major concern with neighbors during the Town Center plan development and transition areas were not discussed during the public process for the commercial design standard amendments.*
- The Planning Director's discretion through the ADR process was meant for design standards that had little effect on development impacts – especially to the single family neighbors.*

- *Amending the code to fit one development proposal is not recommended when it will be applied to all commercial districts.*
- *The issue of affordable housing is an important one and should be addressed more comprehensively at a later date.*

Thresholds for Site and Frontage Improvements – The Development Code has articulated thresholds for when a development project triggers full site and street frontage improvements. It is based on the value of construction compared to the assessed value of the property. The Development Code has different site improvement thresholds for TC, NCBD, commercial development, and multifamily development. They use different terminology with three triggers to meet the threshold.

1. All new development, which is not defined and redundant of the third threshold;
2. 20% addition to a 4,000 square foot building, which translates into any addition over 800 square feet without regard or proportion to the size of the property; and
3. 50% of assessed value of property and structure or with some other thresholds assessed by structure only.

Recommendation: The amendment will propose two thresholds – one for site improvements and another for frontage improvements. Site improvements will be based on 50% of existing land and structure valuation. Frontage improvements will be based on 50% of the structure valuation only. They both will address when development involves more than one property and rolling five-year time frame where multiple construction permits may combine to meet these thresholds.

Administrative Design Review (ADR) – Currently the ADR process pertains to all development in MUZ, TC, PA2, and similarly in NCBD under planned action approval. The ADR criteria requires that the development demonstrates how it meets the City's design standards or if a request is made for departure from those standards how the departure still meets the intent of the applicable code section. Unchanged, departures cannot be requested for dimensional and transition area requirements.

Recommendation: This amendment proposes that all commercial zones require an ADR only if they request a departure from the design standards.

Transition Areas to Single Family - Transition Areas are added requirements to step down the bulk of development, provide landscape buffers, and control vehicle access and traffic impacts toward single family zoned neighborhoods. The Development Code currently has four different standards in four different code sections as they relate to CB and I, NCBD, MUZ, and TC zones.

Recommendation: The amendment will propose to raise all the standards for all commercial zones to the TC standards when they abut or are across the street from R-4, R-6, and add R-8 zones.

Zoning Map – The proposed zoning map has consolidated all the commercial zones without modification. There are some small, anomaly zoning that may not appear logical.

Recommendations: Staff recommends not changing these “anomalies” because that would be a site specific rezone without notifying the property owners and because the Comprehensive Plan designation allows rezones that could be initiated by the property owner.

Secondary Issues

Land Use Charts – Current land use charts do not include TC and PA2 zones. Also, there are a few problematic items on the chart that staff will propose to be improved.

Recommendation: The amendments will move the land use charts from TC and PA2 to the main land use chart with the other zones and suggest changes to a small variety of land uses.

Dimensional Charts – There are six different dimensional charts: residential zones, residential development in commercial zones, commercial development in commercial zones, TC, PA2, and NCBD districts.

Recommendation: The amendment will propose that only two dimensional charts are needed – one for residential zones and one for commercial zones.

Neighborhood Business (NB) Height Increase – The Development Code allows for a height increase from 35 feet to 50 feet if 25% of the building floor area has residential units. This is an example of an incentive that has not been used to date.

Recommendation: The amendments will propose 50 feet in height without incentive for all development in NB zones because commercial areas can have residential development and the impacts of upper floors in residential or commercial uses are negligible.

Special Overlay Districts – This zoning designation is listed in the Development Code but is not defined, regulated, or located on the zoning map.

Recommendation: This amendment proposes to remove this unused category. This district can always be returned if needed.

State Environmental Policy Act (SEPA) – TC and NCBD are the only two districts with Planned Action Approvals, which have SEPA determinations for the development potential of each district. That means they are exempt from project related SEPA review. The State of Washington recently enacted new SEPA thresholds. As a result, amendments to the general SEPA exemptions will be separate and coming to the Planning Commission and Council for consideration later this year.

Recommendation: The code amendment will have a separate section to explain Planned Areas Approvals with reference to the zoning map that will demarcate the two districts.

Comprehensive Plan

The Comprehensive Plan was adopted December 2012. In the review of the Plan, Policy LU9 was removed because, in anticipation, it directed implementation of this commercial design standard code amendment. Policies LU10 and LU11 and the Land

Use Map MU-1 and MU-2 designations were amended to support the code amendments to consolidate redundant zoning and commercial design standards.

Mixed Use and Commercial Land Use

LU10: The Mixed Use 1 (MU1) designation encourages the development of walkable places with architectural interest that integrate a wide variety of retail, office, and service uses, along with form-based maximum density residential uses. Transition to adjacent single-family neighborhoods may be accomplished through appropriate design solutions. Limited manufacturing uses may be permitted under certain conditions.

LU11: The Mixed Use 2 (MU2) designation is similar to the MU1 designation, except it is not intended to allow more intense uses, such as manufacturing and other uses that generate light, glare, noise or odor that may be incompatible with existing and proposed land uses. The Mixed Use 2 (MU2) designation applies to commercial areas not on the Aurora Avenue or Ballinger Way corridors, such as Ridgecrest, Briarcrest, Richmond Beach, and North City. This designation may provide retail, office, and service uses, and greater residential densities than are allowed in low density residential designations, and promotes pedestrian connections, transit, and amenities.

SEPA

The City issued a Determination of Non-significance for the Comprehensive Plan and specifically this proposal to consolidate commercial zoning categories and design standards on October 3, 2012. The existing North City (NCBD) and Town Center Planned Action SEPA were analyzed for adequacy for the proposed amendments that affect the North City Business District and Town Center so that these districts can remain exempt from SEPA review.

Required Process

This amendment proposal includes Type L actions to amend the city zoning map and to amend the development code.

Code Amendment Criteria – 20.30.350 (Type L action)

A. Purpose. An amendment to the Development Code (and where applicable amendment of the zoning map) is a mechanism by which the City may bring its land use and development regulations into conformity with the Comprehensive Plan or respond to changing conditions or needs of the City.

B. Decision Criteria. The City Council may approve or approve with modifications a proposal for the text of the Land Use Code if:

1. The amendment is in accordance with the Comprehensive Plan; and
2. The amendment will not adversely affect the public health, safety or general welfare; and

3. The amendment is not contrary to the best interest of the citizens and property owners of the City of Shoreline.

Next Meetings

The Council's next meeting is March 25 for study and discussion of the proposed amendment language. A third meeting on April 22 is schedule for deliberation and possible adoption.

STAKEHOLDER OUTREACH

- June 20, 2012: Open house - notification by mail to all commercial zoned properties and the surrounding 500 feet of residential properties in addition to Currents and the City webpage.
- June 21, 2012: SE Shoreline – follow-up to due to commercial development discussions in the subarea planning process.
- June 27, 2012: Presentation to the Chamber of Commerce Government Affairs Committee, representing Shoreline business interests
- September 5, 2012: Presentation to the Council of Neighborhoods – representing all neighborhood associations
- October 29, 2012: Presentation to a commercial developer focus group which was a sampling of area developers.
- Group email list updates to people participating in the above meetings.
- January 17, 2013: The Planning Commission held a public hearing on the proposed amendments.

COUNCIL GOAL(S) ADDRESSED

These code amendments support Council Goal 1: Strengthen Shoreline's economic base:

1. Improve and streamline the City's development regulations for commercial zones.

RESOURCE/FINANCIAL IMPACT:

No financial impacts are anticipated. Completing the analysis, stakeholder process, and required work with the Planning Commission has been done with existing staff resources.

RECOMMENDATION:

No action is required or recommended this evening as this item is for discussion. Council will review the proposed code amendment language on March 25 and then consider adoption of the development code amendments on April 22, 2013.

ATTACHMENTS:

Attachment A - Council Workplan

Attachment B - Existing Commercial Zoning Map

Attachment C - Consolidated Commercial Zoning Map

Attachment A

Work Plan for Improving Design, Neighborhood Transition, and Public Amenity Standards And Some Consolidation for all Commercial Zones (NB, O, NCBD, CB, MUZ, Ridgecrest (PA2) & I)

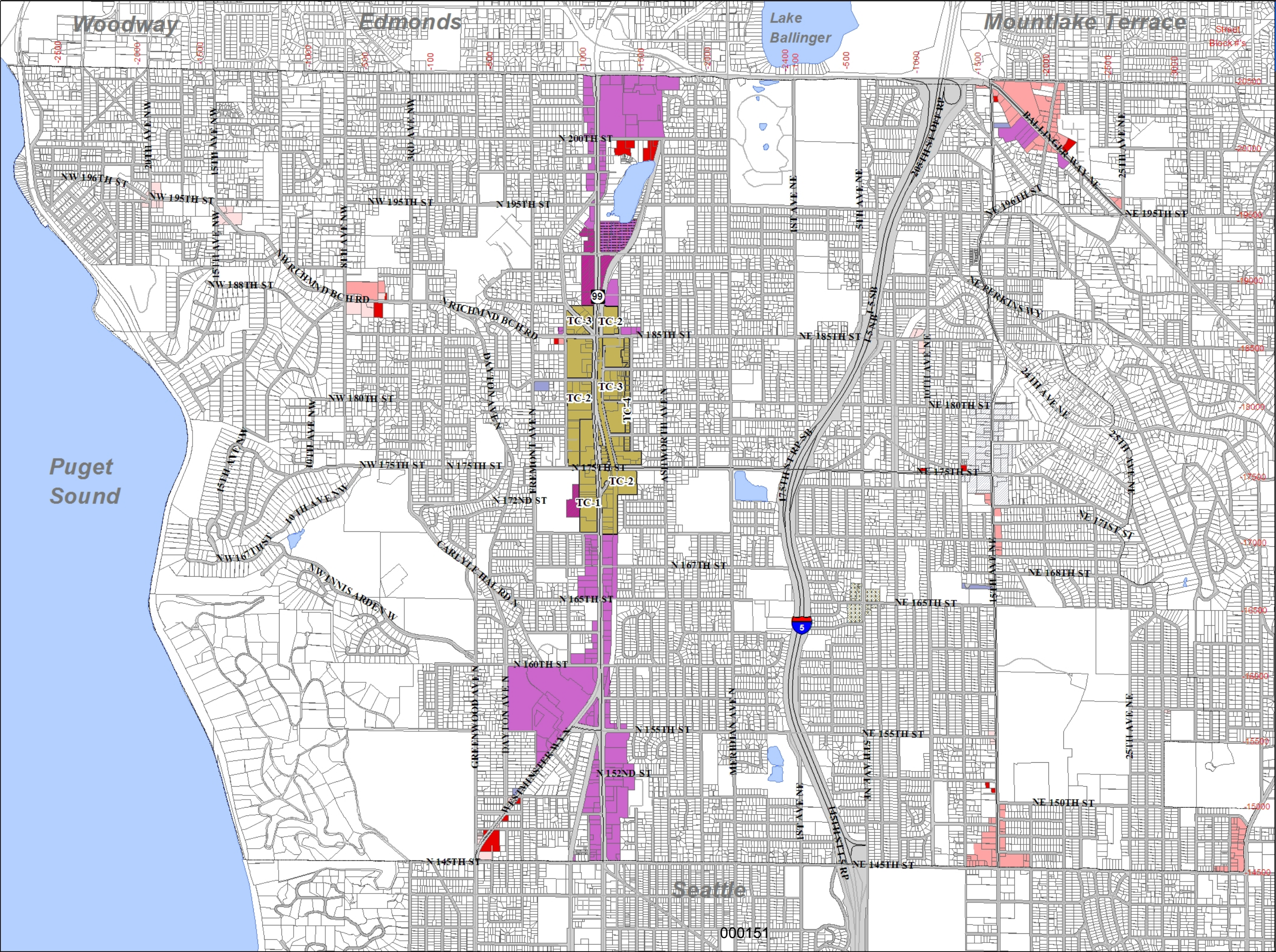
Task	Date	Description
Council Direction	January 2012	
Staff research & prepare draft amendments to update NB, O, NCBD, CB, MUZ, Ridgecrest (PA2)& I zones	January-March 2012	<ul style="list-style-type: none"> Identify potentially effected zones on a map. Adapt and adjust Town Center standards to be used in all commercial zones throughout the City. Determine appropriate form & transition for development in these zones based on geographic context.
City Webpage and Currents Article	March 2012	<ul style="list-style-type: none"> Announce Project: Amendment Purpose and Highlights
Notice Department of Commerce	March 2102	
Present at Council of Neighborhoods Meeting	March 2012	<ul style="list-style-type: none"> Draft Amendments
Present to Local Business Associations	April 2012	<ul style="list-style-type: none"> Draft Amendments
Target mailer to residential areas within a 5 minute walk of commercial zoned parcels, businesses, commercial property owners, & SE Shoreline Subarea Plan interested parties.	April 2012	<ul style="list-style-type: none"> Include summary of draft amendments. Describe purpose of the proposed amendments. Describe why they are receiving this information. Announce Open House. Include schedule of outreach/PC/CC meetings, hearings, etc.
Public Open House	May 2012	<ul style="list-style-type: none"> Present rationale and proposed amendments. Receive written and online feedback. Ask Planning Commission to attend. Describe next steps.
SEPA and Public Hearing Notice	May 2012	
SEPA Determination	May 2012	
Planning Commission Study Sessions (2)	June 2012	
Planning Commission Public Hearing (1)	July 2012	(Delayed at the Planning Commission Request)
City Council Study Meetings (2)	August – September 2012	
City Council Adoption (1)	October 2012	

Current Commercial Zones

Zoning Designations

- TC 1-4; Town Center 1 to 4
- I; Industrial
- MUZ; Mixed Use Zone
- MUCZ; Mixed Use Contract Zone
- PA 2; Planned Area 2
- NCBD; North City Business District
- O; Office
- CB; Community Business
- NB; Neighborhood Business
- CZ; Contract Zone

1 inch = 1,810 feet
0 460 920 1,840 2,760 3,680 Feet

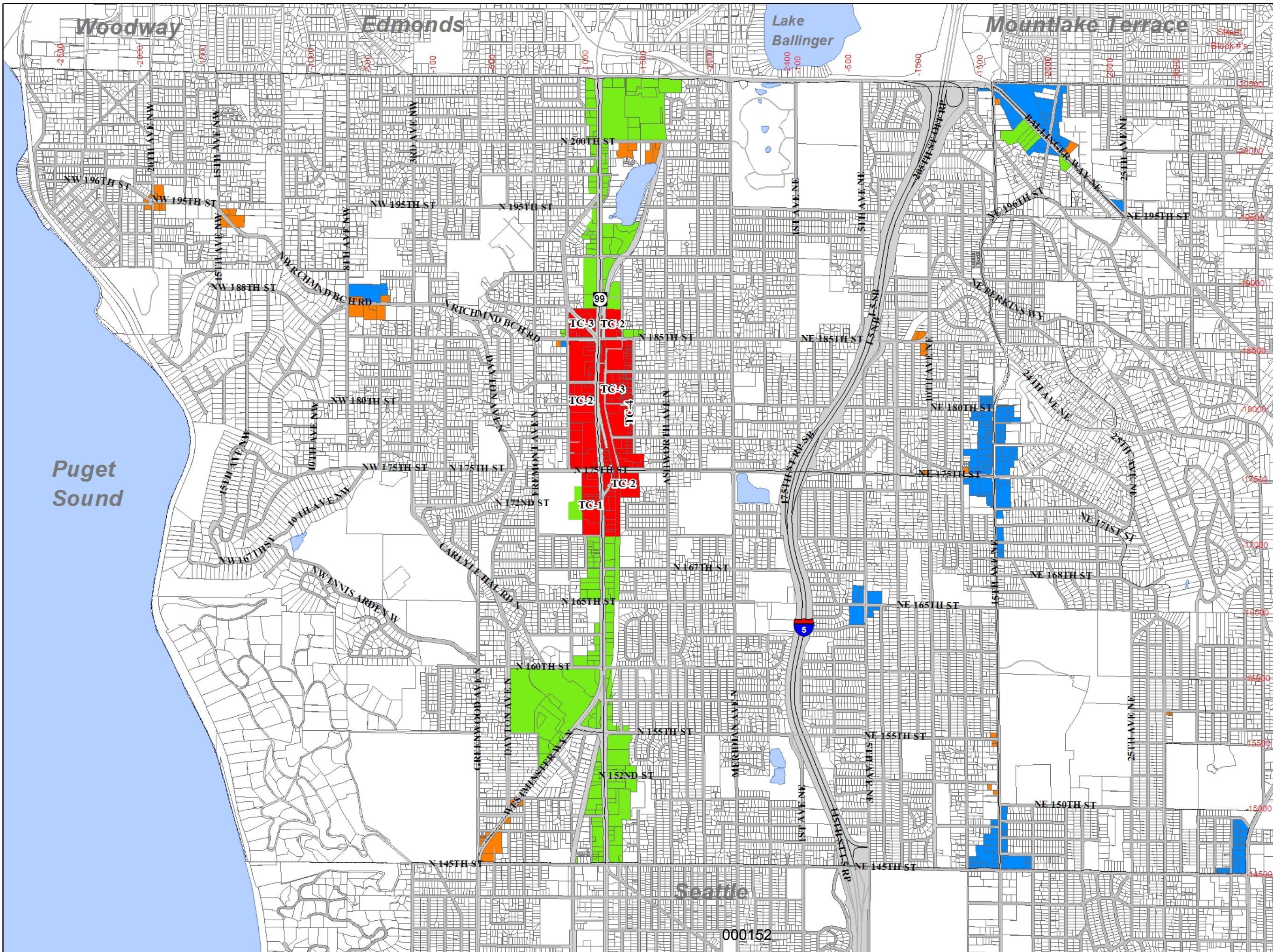


Proposed Consolidated Commercial Zones 5/1/2012

Zoning Designations

- TC 1-4; Town Center 1 to 4
- AB; Arterial Business (MUZ and Industrial)
- CB; Community Business (PA2,CB,and NCBD)
- NB; Neighborhood Business (NB and O)

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