Council Meeting Date:	August 3, 2020	Agenda Item: 8(a)

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Discussion of Ordinance No. 896 - Amending Certain Sections of

Shoreline Municipal Code Title 20 to Permit Professional Offices in

the R-8 and R-12 Zoning Districts

DEPARTMENT: Planning & Community Development **PRESENTED BY:** Steven Szafran, AICP, Senior Planner

Nora Gierloff, AICP, Planning Manager

ACTION: ____ Ordinance ____ Resolution ____ Motion

X_ Discussion ____ Public Hearing

PROBLEM/ISSUE STATEMENT:

On December 9, 2019, the City Council adopted Ordinance No. 881 which adopted two Comprehensive Plan Amendments. The amendment in question, amendment #3, added "professional offices" to Land Use Element Policy LU2 (LU2) which now states:

LU2: The Medium Density Residential land use designation allows single-family dwelling units, duplexes, triplexes, zero lot line houses, townhouses, and cottage housing. Apartments <u>and professional offices</u> may be allowed under certain conditions. The permitted base density for this designation may not exceed 12 dwelling units per acre.

To implement the policy adopted by Council, staff is proposing amendments to the Shoreline Municipal Code (SMC) Chapters 20.20 – Definitions, 20.30 – Procedures and Administration, and 20.40 – Uses. Staff prepared revised definitions for Professional Offices and Outdoor Storage to more narrowly define what uses qualify as a professional office. Staff is recommending that the newly defined uses be added to SMC Chapter 20.40 - Uses.

Staff is also proposing that the Conditional Use Permit (CUP) process in SMC 20.30.300 be used to determine if a professional office should be permitted, permitted with conditions or denied in the R-8 and R-12 zones on a case by case basis. While reviewing the CUP process to implement LU2, staff noted that the CUP process is silent on such provisions as permit expiration, transferability of permit, and permit revocation. The amendments in this staff report also address those issues.

Tonight, Council will be discussing proposed Ordinance No. 986 (Attachment A), which would amend the Development Code as mentioned above. The Planning Commission recommend approval of the proposed Development Code amendments shown in Attachment A, Exhibit A of the staff report. Proposed Ordinance No. 896 is currently scheduled to be brought back to Council for adoption on September 21, 2020.

RESOURCE/FINANCIAL IMPACT:

The amendments related to professional offices in the R-8 and R-12 zoning districts will be a minor impact to staff workload since the Department of Planning & Community Development averages eight CUP's a year. The financial impact will be borne by those seeking a CUP for a professional office. The fee for a CUP is currently \$7,617.

RECOMMENDATION

Staff recommends that Council review the Planning Commission-recommended Development Code amendments in Exhibit A to proposed Ordinance No. 896. Proposed Ordinance No. 896 is scheduled for adoption on September 21, 2020.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The final 2019 Comprehensive Plan Docket contained three (3) amendments, including a concurrent rezone related to Amendment No. 1:

- 1. Change the Land Use Designation from Medium Density Residential to Mixed-Use 2 and change the Zoning from Residential, 8 units/acre (R-8) to Community Business (CB) of Two Parcels at 1510 and 1517 NE 170th Street.
- 2. Update Natural Environment Goal V by limiting greenhouse gas emissions to 1.5° C of global warming above pre-industrial levels.
- 3. Amend Comprehensive Plan Policy LU2 to allow for professional offices in the R-8 and R-12 zones.

Initially, the applicants for Amendment No. 1 were given options that potentially could allow the existing office and showroom for a remodeling and construction business at their current location, in addition to an option to discontinue the use of their property for that business. One of those options included applying for a General Comprehensive Plan Amendment to change LU2 to allow for professional office uses.

On December 9, 2019, the City Council adopted Ordinance No. 881 which adopted two of the docketed Comprehensive Plan Amendments. The amendment in question, amendment #3, added "professional offices" to Land Use Element Policy LU2 (LU2) which now states:

LU2: The Medium Density Residential land use designation allows single-family dwelling units, duplexes, triplexes, zero lot line houses, townhouses, and cottage housing. Apartments <u>and professional offices</u> may be allowed under certain conditions. The permitted base density for this designation may not exceed 12 dwelling units per acre.

The staff report for the adoption of these Comprehensive Plan amendments can be found at the following link:

http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport120919-8a.pdf.

Changes to the Development Code are now required to implement the amendment to LU2 as the code currently does not allow professional offices in the R-8 and R-12 zones. These Development Code amendments will address restrictions on siting and conditions under which such uses may be permitted within the R-8 and R-12 zoning districts, including access, proximity to commercial zones, parking, setbacks, lighting, and signs.

Planning Commission Review

The Planning Commission held two study sessions on this topic on February 6 and March 5, 2020, and a Public Hearing was conducted on July 2, 2020. Staff reports for

these Planning Commission agenda items, along with the meeting minutes and public comments, can be found at the following links:

- February 6: https://www.shorelinewa.gov/Home/Components/Calendar/Event/15478/182?tog gle=allpast.
- March 5: https://www.shorelinewa.gov/Home/Components/Calendar/Event/15482/182?tog gle=allpast.
- July 2: https://www.shorelinewa.gov/Home/Components/Calendar/Event/15498/182?toggle=allpast.

On July 2, 2020, following the Public Hearing, the Planning Commission voted 7-0 to recommend the proposed Development Code amendments related to professional offices in the R-8 and R-12 zones as proposed in Attachment A, Exhibit A. A letter from the Planning Commission to the City Council regarding this recommendation is included with this staff report as Attachment B.

DISCUSSION

To implement the City Council's amendment to Policy LU2, staff is suggesting the following Development Code amendments which would address the siting of Professional Offices in the R-8 and R-12 zones through a CUP process. These amendments would:

- Clarify and revise the definition of Professional Office.
- Add a definition for Outdoor Storage.
- Add provisions to SMC 20.30.300 Conditional Use Permits regarding revocation, transferability, expiration, and extension.
- Add Professional Offices to the R-8 and R-12 column in Use Table 20.40.130.
- Add indexed criteria to SMC 20.50 Subchapter 3 for Professional Offices.

Staff has analyzed the proposed Development Code amendments in the following section. The amendments are organized as follows:

- Development Code section;
- Justification for the potential amendment;
- Amendment language; and
- Planning Commission discussion and recommendation.

SMC Chapter 20.20. – Definitions

Justification – Since professional offices will be allowed in the R-8 and R-12 zones, staff analyzed the existing definitions for professional office to ensure that other, more intense uses, could not be considered professional offices. For example, a contractor's office may be compatible in residential zones, but the accessory uses, and equipment associated with a contractor's office may not.

Staff is proposing amendments to the definition of professional office that clarify the type of uses that may occur as a part of the office and add a provision that professional

offices shall not include outdoor storage or onsite transfer of commodities. SMC 20.20.040 currently defines a "Professional Office" as:

An office used as a place of business by licensed professionals, or persons in other generally recognized professions, which use training or knowledge of a technical, scientific or other academic discipline as opposed to manual skills, and which does not involve outside storage or fabrication, or on-site sale or transfer of commodity.

Per the definition, a professional office is a place of business for licensed professionals such as attorneys and accountants and other office uses that will not cause a major disruption to the surrounding neighborhood. Additionally, if professional offices are to become allowed in these zones, there must be additional constraints placed on the definition to ensure the business will not cause undue impacts to adjacent residents and the surrounding neighborhood.

Because the term "outdoor storage" is being introduced into the definition of professional office, staff is proposing a definition for outdoor storage. Outdoor storage includes equipment, materials, machinery, or other goods associated with a business stored outside of a building for business purposes. The definition has been amended to state that materials used for maintenance of the home shall not be considered outdoor storage.

The proposed Code amendments are as follows:

<u>Outdoor</u> Storage

The storage of any products, materials, equipment, machinery, or scrap outside the confines of a fully enclosed building. Outdoor storage does not include items used for household maintenance such as hoses, ladders, wheelbarrows, and gardening equipment.

Professional Office

An office used as a place of business by licensed professionals, or persons in other generally recognized professions, which use training or knowledge of a technical, scientific or other academic discipline as opposed to manual skills, and which does not involve outside storage or fabrication, or on-site sale or transfer of commodity.

An office used as a place of business by licensed professionals, such as attorneys, accountants, architects, and engineers, or persons in other generally recognized professions, which use training or knowledge of a technical, scientific or other academic discipline as opposed to manual skills. Professional offices shall not involve outside storage, fabrication, or on-site transfer of commodity.

Planning Commission Discussion and Recommendation – The Planning Commission recommended approval of the changes to SMC 20.20 without any discussion.

SMC Chapter 20.30 – Procedures and Administration

Justification – At the December 2, 2019 City Council meeting, Council raised several questions about the administration of existing and proposed Conditional Use Permits (CUPs). Those questions included:

- 1. Can a CUP be revoked, and if yes, what criteria would be used for revocation?
- 2. Does a CUP run with the land or is it personal to the permittee?
- 3. Can a CUP be abandoned?

In addition to addressing Council concerns, staff has also proposed adding a provision for extending an approved CUP.

The first amendment to SMC 20.30.300 adds provisions for suspension, revocation or limitation of a CUP. This section allows the Director to revoke a CUP if:

- the permit holder has failed to comply with any terms or conditions of approval,
- the permit holder has committed a code violation or created a public nuisance in the course of performing activities subject to that permit,
- the permit was issued in error or issued on the basis of materially incorrect information supplied to the City, or
- permit fees or costs were paid to the City by check and returned from a financial institution marked nonsufficient funds (NSF) or cancelled.

Revocation is proposed to be carried out through the notice and order provisions of SMC 20.30.760.

Second, staff is proposing a transferability section that states a CUP shall run with the permittee unless the Director states in the conditions of approval of the CUP that the CUP is issued to a specific site. This provision allows the Director the flexibility to approve a CUP based on unique attributes of a business that may not be appropriate once a permittee has left the site and the approval of that use is still active. Also, tying the CUP to the applicant allows the City to review new CUP applicants to ensure future uses are still appropriate for the neighborhood.

Third, the City's CUP provisions did not include a section for expiration. The SMC currently has a two-year expiration for permits when there has been no initial activity to effectuate the permitted use based on the filing of a building permit. There is no SMC provision related to the expiration of a permit once the permitted activity has commenced. Once a CUP is granted, it will last as long as the conditions that were agreed upon continue to be followed. Within the City's nonconforming use provisions in SMC 20.30.280, a legal nonconforming use is considered abandoned when its use has been discontinued for 12 consecutive months. As other cities have done, such as the cities of Lynnwood and Puyallup, this same time period is recommended for CUPs.

Lastly, the City's CUP provisions do not include a section for extension. Staff is proposing a provision to allow the Director to grant a one 180-day extension of an approved CUP that has not commenced. Such extension of time shall be based upon findings that the proposed project is in substantial conformance as to use, size, and site layout, to the issued permit; and there has been no material change of circumstances applicable to the property since the granting of the permit which would be injurious to

the neighborhood or otherwise detrimental to the public health, safety and general welfare.

The proposed Code amendments are as follows:

20.30.300 Conditional use permit-CUP (Type B action).

- A. Purpose. The purpose of a conditional use permit is to locate a permitted use on a particular property, subject to conditions placed on the permitted use to ensure compatibility with nearby land uses.
- B. Decision Criteria. A conditional use permit <u>may</u> shall be granted by the City, only if the applicant demonstrates that:
 - 1. The conditional use is compatible with the Comprehensive Plan and designed in a manner which is compatible with the character and appearance with the existing or proposed development in the vicinity of the subject property;
 - 2. The location, size and height of buildings, structures, walls and fences, and screening vegetation for the conditional use shall not hinder neighborhood circulation or discourage the permitted development or use of neighboring properties;
 - 3. The conditional use is designed in a manner that is compatible with the physical characteristics of the subject property;
 - 4. Requested modifications to standards are limited to those which will mitigate impacts in a manner equal to or greater than the standards of this title;
 - 5. The conditional use is not in conflict with the health and safety of the community;
 - 6. The proposed location shall not result in either the detrimental overconcentration of a particular use within the City or within the immediate area of the proposed use, unless the proposed use is deemed a public necessity;
 - 7. The conditional use is such that pedestrian and vehicular traffic associated with the use will not be hazardous or conflict with existing and anticipated traffic in the neighborhood; and
 - 8. The conditional use will be supported by adequate public facilities or services and will not adversely affect public services to the surrounding area or conditions can be established to mitigate adverse impacts on such facilities.

C. Suspension or Revocation of Permit.

- 1. The Director may suspend or revoke any conditional use permit whenever:
 - a. The permit holder has failed to substantially comply with any terms or conditions of the permit's approval;
 - b. The permit holder has committed a violation of any applicable state or local law in the course of performing activities subject to the permit;
 - c. The use for which the permit was granted is being exercised as to be detrimental to the public health, safety, or general welfare, or so as to constitute a public nuisance;
 - <u>d. The permit was issued in error or on the basis of materially incorrect information supplied to the City; or</u>
 - e. Permit fees or costs were paid to the City by check and returned from a financial institution marked nonsufficient funds (NSF) or cancelled.
- 2. The Director shall issue a notice and order in the same manner as provided in SMC 20.30.760.
 - a. The notice and order shall clearly set forth the date that the conditional use permit shall be suspended or revoked.
 - b. The permit holder may appeal the notice and order to the Hearing Examiner as provided in SMC 20.30.790. The filing of such appeal shall stay the suspension or revocation date during the pendency of the appeal.
 - c. The Hearing Examiner shall issue a written decision to affirm, modify, or overrule the suspension or revocation, with or without additional conditions, such as allowing the permit holder a reasonable period to cure the violation(s).
- 3. Notwithstanding any other provision of this subchapter, the Director may immediately suspend operations under any permit by issuing a stop work order.
- 4. If a conditional use permit has been suspended or revoked, continuation of the use shall be considered an illegal occupancy and subject to every legal remedy available to the City, including civil penalties as provided for in SMC 20.30.770(D).

D. Transferability

<u>Unless otherwise restricted by the terms and conditions at issuance of the conditional use permit, the conditional use permit shall be assigned to the </u>

applicant and to a specific parcel. A new CUP shall be required if a permit holder desires to relocate the use permitted under a CUP to a new parcel. If a CUP is determined to run with the land and the Director finds it in the public interest, the Director may require that it be recorded in the form of a covenant with the King County Recorder's Office. Compliance with the terms and conditions of the conditional use permit are the responsibility of the current property owner, whether the applicant or a successor.

E. Expiration

- 1. Any conditional use permit which is issued and not utilized within the time specified in the permit or, if no time is specified, within two (2) years from the date of the City's final decision shall expire and become null and void.
- 2. A conditional use permit shall be considered utilized for the purpose of this section upon submittal of:
 - <u>a.</u> a complete application for all building permits required in the case of a conditional use permit for a use which would require new construction;
 - <u>b. an application for a certificate of occupancy and business</u> <u>license in the case of a conditional use permit which does not</u> <u>involve new construction; or</u>
 - c. in the case of an outdoor use, evidence that the subject parcel has been and is being utilized in accordance with the terms and conditions of the conditional use permit.
- 3. If after a conditional use has been established and maintained in accordance with the terms of the conditional use permit, the conditional use is discontinued for a period of 12 consecutive months, the permit shall expire and become null and void.

F. Extension

Upon written request by a property owner or their authorized representative prior to the date of conditional use permit expiration, the Director may grant an extension of time up to but not exceeding 180 days. Such extension of time shall be based upon findings that the proposed project is in substantial conformance, as to use, size, and site layout, to the issued permit; and there has been no material change of circumstances applicable to the property since the granting of said permit which would be injurious to the neighborhood or otherwise detrimental to the public health, safety and general welfare.

Planning Commission Discussion and Recommendation – The Planning Commission discussed the transferability provisions in section "D" and an amendment to the main motion was requested to change the CUP from being issued to the applicant

to the CUP running with the land. Staff advised the Commission that after research of jurisdictions around the region, about half of the jurisdiction grant the CUP to the applicant and the other half have the CUP run with the land. After discussion by the Commission, the amendment failed by a vote of 5-2 and the language was left as proposed with the CUP issued to the applicant for a specific parcel and not running with the land. The Commission believes that the CUP should be granted to the applicant at a specific site and if that applicant moves to another site, the CUP ceases to be valid. This way, all new business that locates at the site will have to apply for a new CUP to ensure compatibility with the neighborhood.

SMC Chapter 20.40 - Uses

Justification – The following amendments add uses to the nonresidential use table defined in the definitions section in SMC Chapter 20.20. The first amendment adds professional offices as a conditional use with indexed criteria in the R-8 and R-12 zones. This amendment implements the policy adopted by the City Council on December 9, 2019 that added professional offices to the Medium-Density Residential land use category in Policy LU2.

The proposed Code amendments are as follows:

NAICS #				R18- R48		NB	CB		TC- 1, 2 & 3
RETAIL/SERVICE									
	Professional Office		<u>C-i</u>	С	С	Р	Р	Р	Р

Justification – The following amendment adds criteria, or conditions, to the use described in the nonresidential use table above. The purpose of adding decision criteria is to ensure the proposed use does not cause a negative effect to surrounding neighbors and cause the least disruption throughout the city's neighborhoods.

The following eleven (11) indexed criteria applies to Professional Office when located in the R-8 and R-12 zones:

• Criterion #1 requires that professional offices either be located on an arterial street or abutting an R-18 through R-48 zone or abutting a Neighborhood Business, Community Business, Mixed Business, or TC 1,2, or 3 zone. This criterion ensures that proposed professional offices are located along busier, more travelled streets and away from more local, residential areas and will also provide transitions between higher intensity commercial uses and denser housing between lower-intensity residential uses in the R-6, R-8, and R-12 zones. By implementing Criterion #1, there may be 92 parcels eligible for a Professional Office. A map depicting the eligible parcels is included in this staff report as Attachment C.

- **Criterion #2** limits the hours of operation to citywide standards, which is Monday through Friday, 7am to 10pm, and Saturday and Sunday, 9am to 10pm. These are the same hours of operation for a home occupation.
- Criterion #3 limits onsite sales to appointment only. This limits the amount of
 onsite customer activity since all appointments are made in advance and limits
 the number of customer trips to and from the site.
- Criterion #4 restricts any outdoor storage related to the business. Outdoor storage does not count those items related to the home or residential units onsite. These items may include hoses, wheelbarrows, ladders, gardening equipment, and lawnmowers.
- Criterion #5 limits commercial vehicles to those allowed as part of a home-based business. Parking requirements are based on the use of the property. For example, a site with a Professional Office and apartments are required to provide one (1) parking space for every 500 square feet of office and parking for the residential units. It is also helpful to note that on property occupied by a single-family detached residence or duplex, the total number of vehicles wholly or partially parked or stored outside of a building or carport shall not exceed six (6), excluding a maximum combination of any two boats, recreational vehicles, or trailers.
- Criterion #6 says that parking must be on an approved surface and that no
 customer parking may be in the side or rear setbacks. The intent behind this
 requirement is to provide a buffer between customer parking and residential uses
 adjacent to the Professional Office. The setback is intended to provide a
 screened and/or landscaped area to protect neighbors from car lights and noise.
- **Criterion #7** restricts onsite transfer of merchandise. This requirement restricts the sales and storing of goods in the Professional Office which limits the amount of delivery trucks and moving activity that occurs within the office.
- **Criteria #8, #9, and #10** requires that the Professional Office comply with the zoning dimensional, sign, and lighting standards of the zone. For example, a Professional Office in an R-8 zone must meet R-8 setbacks, R-8 height, R-8 building coverage, and R-8 hardscape maximums.
- Criterion #11 requires that parking areas for Professional Offices must be screened from adjacent single-family residential uses by either a 6-foot opaque fence or Type-1 landscape buffer. This requirement will screen headlights that may shine onto adjacent single-family homes.

The following list of indexed criteria are required when any Professional Office locates within an R-8 or R-12 zone. In addition, when an applicant submits a CUP application, the Director has the authority to add additional conditions to mitigate the unique impacts of a specific business or a specific site.

The proposed Code amendment is as follows:

20.40.475 - Professional Offices

- A Professional Office is allowed in the R-8 and R-12 zones with the approval of a Conditional Use Permit and subject to the following conditions:
- 1. Located on an arterial street or abutting a R-18 through R-48 zone or abutting a Neighborhood Business, Community Business, Mixed Business, or TC 1,2, or 3 zone.
- 2. Hours of operation are limited to 7 a.m. to 10 p.m. Monday through Friday and 9 a.m. to 10 p.m. Saturday and Sunday.
- 3. Services provided shall be scheduled by appointment only.
- 4. No outdoor storage.
- 5. The office may use or store a vehicle for pickup of materials used by the office or the distribution of products from the site, provided such vehicles shall not exceed a gross weight of 14,000 pounds, a height of nine feet and a length of 22 feet.
- 6. Parking shall be on a paved surface, pervious concrete, or pavers. No customer/client parking is allowed in required side or rear setbacks.
- 7. No on-site transfer of merchandise.
- 8. Compliance with all dimensional requirements set forth in Table SMC 20.50.020(1), except density.
- 9. One sign complying with Table 20.50.540(G) is allowed but may not be internally illuminated.
- 10. Outdoor lighting shall comply with SMC 20.50.240(H).
- 11. Parking areas shall be screened from adjacent single-family residential uses by either a 6-foot opaque fence or Type-1 landscape buffer.

Planning Commission Discussion and Recommendation – The Commission discussed at length indexed criteria numbers 5, 7, and 8.

Criteria #5 – The Commission wanted to be clear that the number of vehicles for pickup of materials used by the office or the distribution of products from the site referenced in criteria #5 was limited to one. The intent of the regulation is that one such vehicle is allowed per business. There is no limitation on the number of passenger vehicles a business may have if the required parking spaces onsite are provided for. Also, the Commission debated changing the height of vehicle from nine feet to ten feet. That amendment to the main motion failed.

- Criteria #7 There was discussion about the transfer of merchandise and what that exactly meant. The Commission was concerned that tax returns prepared by an account or civil drawings prepared by an engineer would count as merchandise. It was determined by the City Attorney's Office that these "products" do not count as merchandise and the Commission was comfortable with the criteria moving forward.
- Criteria #8 It was stated in the public comment that the setback for a
 professional office adjacent to a commercial zone should not have to provide the
 required residential setback of five (5) feet since the use of the site is commercial
 and is adjacent to another commercial use. The Commission debated the merits
 of the comment but did not change the proposed language under criteria #8.

Development Code Amendment Decision Criteria

In accordance with SMC 20.30.350.A, an amendment to the Development Code 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.

The Planning Commission makes a recommendation to the City Council, which is the final decision-maker on whether to approve or deny an amendment to the Development Code. The following are the Decision Criteria used to analyze a proposed amendment:

1. The amendment is in accordance with the Comprehensive Plan

Staff has determined that the proposed amendments are consistent with the following Comprehensive Plan Goals and Policies:

Goal Land Use (LU)1 - Encourage development that creates a variety of housing, shopping, entertainment, recreation, gathering spaces, employment, and services that are accessible to neighborhoods.

Policy LU 2 - The Medium Density Residential land use designation allows single-family dwelling units, duplexes, triplexes, zero lot line houses, townhouses, and cottage housing. Apartments and professional offices may be allowed under certain conditions. The permitted base density for this designation may not exceed 12 dwelling units per acre.

Policy LU 7 - promote small-scale commercial activity areas within neighborhoods that encourage walkability, provide opportunities for employment and "third places";

Staff Analysis: The proposed amendments will encourage a variety of lower-intensity commercial uses in medium-density neighborhoods. In addition, offices in the R-8 and R-12 zoning districts promote small-scale commercial activity that provide for opportunities for employment.

Goal Economic Development (ED) VI: Support employers and new businesses that create more and better jobs.

Goal ED VIII: Promote and support vibrant activities and businesses that grow the local economy.

Policy ED13: Support and retain small businesses and create an environment where new businesses can flourish.

Staff Analysis: The proposed amendments will support existing and future employers by allowing businesses to grow in place and by allowing new businesses to locate within more neighborhoods throughout the City of Shoreline.

Policy Community Development Policy (CD) 4 – Buffer the visual impact on residential areas of commercial, office, industrial, and institutional development.

Staff Analysis: The proposed amendments will allow office uses throughout residential neighborhoods potentially increasing conflicts between single-family homes and commercial uses. The Development Code addresses transitional setbacks and landscape buffers when commercial development locates adjacent to single-family uses. These requirements will lessen the impact of new offices adjacent to single-family uses.

Policy LU 15: Reduce impacts to single-family neighborhoods adjacent to mixeduse and commercial land uses regarding traffic, noise, and glare through design standards and other development criteria.

Staff Analysis: Allowing offices in the R-8 and R-12 zones will increase commercial traffic, parking, noise, lighting, and general activity in single-family neighborhoods. Proposed indexed criteria for Professional Offices will reduce impacts to single-family neighborhoods by limiting hours of operation; requiring specific proximity to other commercial zones and arterial streets; prohibiting outdoor storage; regulating outdoor lighting; and regulating signage.

2. The amendment will not adversely affect the public health, safety or general welfare

The proposed amendment will not adversely affect the public health, safety, or general welfare of the residents of Shoreline. The proposed amendments will allow Professional Offices in a very limited area of the city. When considering the condition that Professional Offices must be on an Arterial Street and adjacent to high-density and commercial zones, the total number of parcels that may allow a Professional Office is 92 (Attachment C). In addition, staff has recommended indexed criteria, or conditions, that will further limit the impact of Professional Offices in the R-8 and R-12 zones.

The amendments to the CUP procedures and administration in SMC 20.30.300 will give the Director greater discretion and authority in approving, revoking, and transferring conditional uses. If a permittee has not met the conditions of approval or indexed criteria associated with a Professional Office, the Director may revoke an issued

Conditional Use Permit and start code enforcement procedures outlined in SMC 20.30.760.

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

The proposed amendments are not contrary to the best interest of the residents and property owners of the City of Shoreline. Currently, the City allows home-based businesses in all residential zones and allowing Professional Offices in the R-8 and R-12 zones may add a negligible impact over a home-based business. Allowing Professional Offices may cause additional traffic, parking, and general activity throughout a neighborhood, but those factors can be mitigated through the proposed indexed criteria for Professional Offices.

RESOURCE/FINANCIAL IMPACT

The amendments related to professional offices in the R-8 and R-12 zoning districts will be a minor impact to staff workload since the Department of Planning & Community Development averages eight CUP's a year. The financial impact will be borne by those seeking a CUP for a professional office. The fee for a CUP is currently \$7,617.

RECOMMENDATION

There is no formal recommendation at this time as this is a discussion item only. Staff recommends that Council review the Planning Commission-recommended Development Code amendments in Exhibit A to proposed Ordinance No. 896. Proposed Ordinance No. 896 is scheduled for adoption on September 21, 2020.

ATTACHMENTS

Attachment A – Ordinance No. 896

Attachment A, Exhibit A - Development Code Amendments

Attachment B – July 8, 2020 Planning Commission Recommendation Letter

Attachment C – Map of R-8 and R-12 Zoned Parcels Adjacent to Arterial Streets and Commercial Zones

ORDINANCE NO. 896

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING CERTAIN SECTIONS OF THE SHORELINE MUNICIPAL CODE TITLE 20, THE UNIFIED DEVELOPMENT CODE, TO PERMIT PROFESSIONAL OFFICES IN THE R-8 AND R-12 ZONING DISTRICTS.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington, and planning pursuant to the Growth Management Act, Title 36.70A RCW; and

WHEREAS, on December 9, 2019, the City Council adopted the 2019 Comprehensive Plan Docket via Ordinance 881; amending Comprehensive Plan Land Use Policy LU2 so as to allow professional offices within the Medium Density Residential land use designation; the R-8 and R-12 zoning districts, implement the Medium Density Residential designation; and

WHEREAS, amendments are needed for SMC Chapters 20.20, 20.30, and 20.40 to implement Policy LU2 so as to ensure consistency between the City's Comprehensive Plan and development regulations as required by RCW 36.70A.040; and

WHEREAS, on February 6, 2020 and March 5, 2020, the City of Shoreline Planning Commission reviewed the proposed Development Code amendments; and

WHEREAS, on July 2, 2020, the City of Shoreline Planning Commission held a public hearing on the proposed Development Code amendments virtually via Zoom so as to receive public testimony; and

WHEREAS, at the conclusion of public hearing, the City of Shoreline Planning Commission voted that the proposed Development Code amendments be approved by the City Council; and

WHEREAS, on August 3, 2020, the City Council held a study session on the proposed Development Code amendments virtually via Zoom; and

WHEREAS, the City Council has considered the entire public record, public comments, written and oral, and the Planning Commission's recommendation; and

WHEREAS, the City provided public notice of the proposed Development Code amendments and the public hearing as provided in SMC 20.30.070; and

WHEREAS, pursuant to RCW 36.70A.370, the City has utilized the process established by the Washington State Attorney General so as to assure the protection of private property rights; and

WHEREAS, pursuant to RCW 36.70A.106, the City has provided the Washington State Department of Commerce with a 60-day notice of its intent to adopt the proposed Development Code amendments; and

WHEREAS, the environmental impacts of the proposed Development Code amendments resulted in the issuance of a Determination of Non-Significance (DNS) on March 17, 2020; and

WHEREAS, the City Council has determined that the amendments are consistent with and implement the Shoreline Comprehensive Plan and serve the purpose of the Unified Development Code as set forth in SMC 20.10.020;

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

Section 1. Amendment. Title 20 of the Shoreline Municipal Code, Unified Development Code, is amended as set forth in Exhibit A to this Ordinance.

Section 2. Transmittal of Amendment to Washington State Department of Commerce. As required by RCW 36.70A.106, the Director of Planning and Community Development or designee shall transmit a complete and accurate copy of this Ordinance and Exhibit A to the Washington State Department of Commerce within ten (10) calendar days of the date of passage.

Section 3. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 5. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 21, 2020.

Mayor Will Hall	

Attachment A

ATTEST:	APPROVED AS TO FORM:
Jessica Simulcik Smith City Clerk	Julie Ainsworth-Taylor Assisant City Attorney
Date of Publication: , 2020 Effective Date: , 2020	

Ordinance No. 896, Exhibit A

20.20. - Definitions

Outdoor Storage The storage of any products, materials, equipment, machinery, or scrap outside the confines of a fully enclosed building. Outdoor storage does not include items used for household maintenance such as hoses, ladders, wheelbarrows, and gardening equipment.

Professional Office

An office used as a place of business by licensed professionals, or persons in other generally recognized professions, which use training or knowledge of a technical, scientific or other academic discipline as opposed to manual skills, and which does not involve outside storage or fabrication, or on-site sale or transfer of commodity.

An office used as a place of business by licensed professionals, such as attorneys, accountants, architects, and engineers, or persons in other generally recognized professions, which use training or knowledge of a technical, scientific or other academic discipline as opposed to manual skills. Professional offices shall not involve outside storage, fabrication, or on-site transfer of commodity.

20.30 - Procedures and Administration

20.30.300 Conditional use permit-CUP (Type B action).

- Purpose. The purpose of a conditional use permit is to locate a permitted use on a particular property, subject to conditions placed on the permitted use to ensure compatibility with nearby land uses.
- Decision Criteria. A conditional use permit may shall be granted by the City, only if the applicant demonstrates that:
 - 1. The conditional use is compatible with the Comprehensive Plan and designed in a manner which is compatible with the character and appearance with the existing or proposed development in the vicinity of the subject property;
 - The location, size and height of buildings, structures, walls and fences, and screening vegetation for the conditional use shall not hinder neighborhood circulation or discourage the permitted development or use of neighboring properties;

- 3. The conditional use is designed in a manner that is compatible with the physical characteristics of the subject property;
- 4. Requested modifications to standards are limited to those which will mitigate impacts in a manner equal to or greater than the standards of this title;
- 5. The conditional use is not in conflict with the health and safety of the community;
- 6. The proposed location shall not result in either the detrimental overconcentration of a particular use within the City or within the immediate area of the proposed use, unless the proposed use is deemed a public necessity;
- 7. The conditional use is such that pedestrian and vehicular traffic associated with the use will not be hazardous or conflict with existing and anticipated traffic in the neighborhood; and
- 8. The conditional use will be supported by adequate public facilities or services and will not adversely affect public services to the surrounding area or conditions can be established to mitigate adverse impacts on such facilities.
- C. Suspension or Revocation of Permit.
 - 1. The Director may suspend or revoke any conditional use permit whenever:
 - a. The permit holder has failed to substantially comply with any terms or conditions of the permit's approval;
 - b. The permit holder has committed a violation of any applicable state or local law in the course of performing activities subject to the permit;
 - c. The use for which the permit was granted is being exercised as to be detrimental to the public health, safety, or general welfare, or so as to constitute a public nuisance:
 - d. The permit was issued in error or on the basis of materially incorrect information supplied to the City; or
 - e. Permit fees or costs were paid to the City by check and returned from a financial institution marked nonsufficient funds (NSF) or cancelled.
 - 2. The Director shall issue a notice and order in the same manner as provided in SMC 20.30.760.
 - a. The notice and order shall clearly set forth the date that the conditional use permit shall be suspended or revoked.
 - b. The permit holder may appeal the notice and order to the Hearing Examiner as provided in SMC 20.30.790. The filing of such appeal shall stay the suspension or revocation date during the pendency of the appeal.

- c. The Hearing Examiner shall issue a written decision to affirm, modify, or overrule the suspension or revocation, with or without additional conditions, such as allowing the permit holder a reasonable period to cure the violation(s).
- 3. Notwithstanding any other provision of this subchapter, the Director may immediately suspend operations under any permit by issuing a stop work order.
- 4. If a conditional use permit has been suspended or revoked, continuation of the use shall be considered an illegal occupancy and subject to every legal remedy available to the City, including civil penalties as provided for in SMC 20.30.770(D).

D. Transferability

Unless otherwise restricted by the terms and conditions at issuance of the conditional use permit, the conditional use permit shall be assigned to the applicant and to a specific parcel. A new CUP shall be required if a permit holder desires to relocate the use permitted under a CUP to a new parcel. If a CUP is determined to run with the land and the Director finds it in the public interest, the Director may require that it be recorded in the form of a covenant with the King County Recorder's Office. Compliance with the terms and conditions of the conditional use permit are the responsibility of the current property owner, whether the applicant or a successor.

E. Expiration

- 1. Any conditional use permit which is issued and not utilized within the time specified in the permit or, if no time is specified, within two (2) years from the date of the City's final decision shall expire and become null and void.
- 2. A conditional use permit shall be considered utilized for the purpose of this section upon submittal of:
 - a. a complete application for all building permits required in the case of a conditional use permit for a use which would require new construction;
 - b. an application for a certificate of occupancy and business license in the case of a conditional use permit which does not involve new construction; or
 - c. in the case of an outdoor use, evidence that the subject parcel has been and is being utilized in accordance with the terms and conditions of the conditional use permit.
- 3. If after a conditional use has been established and maintained in accordance with the terms of the conditional use permit, the conditional use is discontinued for a period of 12 consecutive months, the permit shall expire and become null and void.

F. Extension

Upon written request by a property owner or their authorized representative prior to the date of conditional use permit expiration, the Director may grant an extension of time up to but not exceeding 180 days. Such extension of time shall be based upon findings that the proposed project is in substantial conformance, as to use, size, and site layout, to the issued permit; and there has been no material change of circumstances applicable to the property since the granting of said permit which would be injurious to the neighborhood or otherwise detrimental to the public health, safety and general welfare.

20.40 - Uses

NAICS #				R18- R48		NB	СВ		TC- 1, 2 & 3
RETAIL/SERVICE									
	Professional Office		<u>C-i</u>	С	С	Р	Р	Р	Р

20.40.475 - Professional Offices

A Professional Office is allowed in the R-8 and R-12 zones with the approval of a Conditional Use Permit and subject to the following conditions:

- 1. Located on an arterial street or abutting a R-18 through R-48 zone or abutting a Neighborhood Business, Community Business, Mixed Business, or TC 1,2, or 3 zone.
- 2. Hours of operation are limited to 7 a.m. to 10 p.m. Monday through Friday and 9 a.m. to 10 p.m. Saturday and Sunday.
- 3. Services provided shall be scheduled by appointment only.
- 4. No outdoor storage.
- 5. The office may use or store a vehicle for pickup of materials used by the office or the distribution of products from the site, provided such vehicles shall not exceed a gross weight of 14,000 pounds, a height of nine feet and a length of 22 feet.
- 6. Parking shall be on a paved surface, pervious concrete, or pavers. No customer/client parking is allowed in required side or rear setbacks.
- 7. No on-site transfer of merchandise.

- 8. Compliance with all dimensional requirements set forth in Table SMC 20.50.020(1), except density.
- 9. One sign complying with Table 20.50.540(G) is allowed but may not be internally illuminated.
- 10. Outdoor lighting shall comply with SMC 20.50.240(H).
- 11. Parking areas shall be screened from adjacent single-family residential uses by either a 6-foot opaque fence or Type-1 landscape buffer.



TO: Honorable Members of the Shoreline City Council

FROM: Laura Mork, Chair

Shoreline Planning Commission

DATE: July 8, 2020

RE: Professional Offices in R-8 and R-12 Zoning Districts

The Shoreline Planning Commission has completed its review of the proposed amendments to the Shoreline Municipal Code to allow for professional offices within two (2) of the City's medium residential zoning districts.

The proposed amendments are due to the City Council's adoption of a policy amendment to the Comprehensive Plan in 2019. The 2019 amendment was based on a privately-initiated amendment to concurrently change the land use designation and zoning for two (2) parcels of land on NE 170th Street so as to allow a nonconforming office and showroom for a remodeling and construction business. During the course of review in 2019, this privately-initiated amendment was modified with, ultimately, the Council amending Land Use Element Policy LU2 to include professional offices as a use that may be allowed in the medium residential land use designation under certain conditions.

To ensure compliance with the Growth Management Act, in 2020 Planning Staff began work on implementing development regulations to permit professional offices subject to a conditional use permit. The Planning Commission held two (2) study session on the proposed amendments and a public hearing on July 2, 2020.

In consideration of the Planning Staff's recommendations and written and oral public testimony, the Planning Commission, with a vote of 7-0, respectfully recommends that the City Council adopt the proposed amendments, as recommended by the Planning Staff and as set forth in the attachment to this recommendation.

