

## **CITY COUNCIL AGENDA ITEM**

### **CITY OF SHORELINE, WASHINGTON**

<b>AGENDA TITLE:</b> Public Hearing and Discussion of Ordinance No. 986 – Interim Regulations to Require Ground Floor Commercial Spaces and Uses in All New Multifamily Buildings Within Certain Zoning Districts for Six (6) Months
<b>DEPARTMENT:</b> Planning and Community Development
<b>PRESENTED BY:</b> Rachael Markle, PCD Director
<b>ACTION:</b> <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Public Hearing

#### **PROBLEM/ISSUE STATEMENT:**

In Shoreline, areas zoned for commercial uses also permit multifamily development. Since 2013, Shoreline has required that a portion of the ground floor in new multifamily buildings in certain zones be constructed to meet commercial Building Code standards with the goal of facilitating commercial occupancy in the future. However, very few of the new multifamily developments include ground floor spaces occupied by commercial uses. The City Council is concerned that commercially zoned areas are at risk of being consumed by multi-family development without enough services and retail to serve the growing population. Therefore, the Council directed staff to further explore the lack of commercial uses locating in new multifamily developments throughout the City.

Tonight, Council will hold a public hearing on and discuss proposed Ordinance No. 986 (Attachment A). Proposed Ordinance No. 986 would adopt interim regulations requiring ground floor commercial space and uses in new multifamily development within certain zoning districts for a duration of six months. Proposed Ordinance No. 986 is currently scheduled to be brought back to Council for potential action on June 5, 2023.

#### **RESOURCE/FINANCIAL IMPACT:**

There is minimal financial impact with the adoption of proposed Ordinance No. 986. The primary impact is the staff time needed to implement the interim ground floor commercial regulations and to draft permanent regulations for Planning Commission review and recommendation followed by Council action. Property owners, developers, and investors in projects subject to the interim and permanent regulations may be financially impacted by a requirement for ground floor commercial spaces to be occupied with commercial uses in certain zones. The interim and permanent regulations could result in significant redesign costs for developments that are already in the design stage of a project, although a vesting requirement has been added to the proposed interim regulations to help mitigate such possible impacts. Some projects may be delayed or abandoned as a result, which could have an impact on future City revenue.

### **RECOMMENDATION**

Staff recommends that the City Council conduct the required public hearing on proposed Ordinance No. 986. No further action is required tonight. Following the Council's discussion, staff will update proposed Ordinance No. 986, if necessary, with the Ordinance returning on June 5, 2023, for potential action. Staff recommends that the Council adopt proposed Ordinance No. 986 when it returns for Council action.

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

## **BACKGROUND**

In Shoreline, areas zoned for commercial uses also permit multifamily development. Since 2013, Shoreline has required that a portion of the ground floor in new multifamily buildings in certain zones be constructed to meet commercial Building Code standards with the goal of facilitating commercial occupancy in the future. However, very few of the new multifamily developments include ground floor spaces that are occupied by commercial uses and it is unlikely that they will convert to commercial in the future. The Council is concerned that commercially zoned areas are at risk of being consumed by multi-family development without enough services and retail to serve the growing population.

To address this concern, on October 19, 2020, the City Council adopted Ordinance No. 901, which requires ground floor commercial uses in multifamily development in the Community Business (CB) zone abutting the commercial corridors in the North City and Ridgecrest commercial areas. These areas are the only two locations in the City where ground floor commercial uses are mandated. The staff report for the adoption of Ordinance No. 901 can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport101920-8a.pdf>.

The North City and Ridgecrest commercial areas were selected as pilot areas as part of a two-phase approach to institute ground floor commercial requirements. Phase 1 of this approach instituted this in North City and Ridgecrest through Ordinance No. 901, and Phase 2 would include other commercial and mixed-use zones in Town Center, Shoreline Place, and the 145<sup>th</sup> and 185<sup>th</sup> Light Rail Station Subareas.

Since the adoption of Ordinance No. 901, Council has directed staff to monitor these two areas to determine if the regulations were having their intended effect. The City Council discussed these regulations at their annual Strategic Planning Workshop in both 2022 and 2023.

At the 2023 City Council Strategic Workshop, which was held on March 11, 2023, the Council directed staff to explore expanding the requirement for commercial uses to locate on the ground floors of new multifamily and mixed used developments in all commercial zones where these uses are permitted. This would expand these requirements beyond the North City and Ridgecrest commercial districts. The following is a link to the briefing memo from the 2023 City Council Strategic Planning Workshop discussion, which can be found on page 70 of this Workshop packet:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/Packets/2023/Packet20230310-11Workshop.pdf>.

### **North City and Ridgecrest Ground Floor Commercial Regulations**

The City's current Ground Floor Commercial requirements for North City and Ridgecrest include the following:

1. At least 75% of the public street frontage shall be commercial space, with the remaining 25% allowed for multifamily uses (lobbies, leasing office, fitness center and other amenities).

2. Amenities such as a fitness center that offers memberships to the public are considered commercial space for purposes of meeting the 75% frontage requirement.
3. Commercial space shall have a minimum average depth of 30 feet and no areas less than 20 feet.
4. Commercial space shall be constructed with a minimum floor-to-ceiling height of 18 feet, and a minimum clear height of 15 feet.
5. Commercial space may be used for any allowed use in the Community Business (CB) zone except for adult use facilities, marijuana operations, check-cashing services and payday lending, pawnshops, and tobacco/vape stores.
6. Parking is required at a rate of 1 stall per 400 net usable square feet (excludes corridors, lobbies, bathrooms).
7. An additional base height allowance of 8 feet to account for additional ceiling height.
8. A 10-foot height bonus and 5% increase in hardscape allowance for restaurant ready space (ADA bathrooms, central drain line, grease interceptor, and vent shaft for commercial kitchen hood/exhaust).

### **Other Ground Floor Commercial Regulations**

The commercial zones throughout the City allow for ground floor commercial uses, but do not mandate them. The following zones allow ground floor commercial uses:

- Neighborhood Business (NB)
- Community Business (CB)
- Mixed Business (MB)
- Town Center 1-3 (TC-1, 2, 3)
- Mixed Use Residential (MUR) 35' and 45', when adjacent to an arterial street
- MUR-70'

There are no incentives for ground floor commercial uses in the zones listed above. Developments in these zones located on an arterial street currently must provide a 12-foot ceiling height on the first floor and 20-foot depth to allow for potential future conversion of the ground floor to commercial uses.

### **Findings of Fact and Additional Considerations**

In considering whether to expand the requirement for commercial uses to locate on the ground floors of new multifamily and mixed used developments in all commercial zones beyond the Ridgecrest and North City commercial areas, staff recommends that the City Council consider these factors:

1. The current Comprehensive Plan adopted in 2012 identified Land Use (LU) and Economic Development goals to guide the city's growth and development into a mixed-use, walkable development pattern. Those goals are as follows:  
**Goal LU I:** Encourage development that creates a variety of housing, shopping, entertainment, recreation, gathering spaces, employment, and services that are accessible to neighborhoods.  
**Goal LU II:** Establish land use patterns that promote walking, biking, and using transit to access goods, services, education, employment, recreation that serve the community, are attractive, and have long-term economic vitality.

2. Shoreline's share of King County's growth is 13,330 more homes and 10,000 new jobs in the next 20 years.
3. There are more than 11,000 units of multifamily housing in process, each project is approximately 100 units or more, representing an increase in population of approximately 20,000, or about a one third increase over Shoreline's current population.
4. Of the 36 multifamily projects planned at the drafting of this staff report, only eight (8) will include ground floor commercial space. Two of these are required to do so by the Shoreline Municipal Code (SMC) as they are in the North City Community Business District (CB) area. A third is in the Shoreline Place Community Renewal Area and is subject to a Development Agreement which dictates a minimum quantity of ground floor commercial space. The remaining five projects providing ground floor commercial space voluntarily are doing so at a much smaller level, with spaces ranging in size from 1,500 to 2,500 square feet, averaging 2,030 square feet.
5. The SMC currently requires ground floor space on arterials to be built to commercial standards with no requirement to use the space for commercial uses. Interior uses very rarely change after design and construction. Therefore, initial redevelopment of urban land into 100% residential use often precludes future commercial for the life of a new building, which can be 80 years or more.
6. Due to the shortage of housing for all income levels, the demand for buildable land has led to pricing for potential 100% residential development that is beyond the budgets of potential small business owners as buyers.
7. With the addition of multifamily projects in the city, taxes and fees increase with the increased population, however these revenues are outstripped by the cost of responding to the increased demand for services. This is compounded when the new residential uses are constructed on land previously occupied by commercial uses.
8. Adding residential housing units can drive away certain commercial uses through either resident complaints or the perceived likelihood of such conflict. Examples of this include eating and drinking establishments, grocery stores, etc.
9. New construction commercial space is typically priced at a level beyond the budgets of local entrepreneurs and small business owners who provide the unique and distinct type of business frequently cited in preference surveys; however, as more Class-A commercial spaces are constructed, the larger, more established franchise-model businesses will be able to relocate within Shoreline and the older more affordable commercial properties will become available to other businesses.
10. According to Site Selection platform Placer.AI<sup>1</sup>, Shoreline has a total grocery market demand of \$640 million, yet a total grocery market supply within the city of \$285 million.
11. According to the GECurrent.com September 4, 2018 article entitled "[How is the Grocery Store Footprint Changing?](#)", the average size of a new grocery store is 20,000 square feet, with some such as Trader Joe's being on average 12,000 square feet.

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<sup>1</sup> Pacer.ai is a software, data and report [website](#) used to inform the selection of development sites.

12. According to Environmental Systems Research Institute (ESRI)<sup>2</sup> data, Shoreline has substantial “leakage” in 8 of 12 retail categories, including Food Services & Drinking Places which includes the subcategories of specialty food stores, Beer, Wine, and Liquor Stores, Special Food Services, Drinking Places (Alcoholic Beverages), Restaurants/Other Eating Places.
13. The City’s Council Adopted 2018-2023 Economic Development Strategic Plan calls for Increasing Inventory of Business Spaces to enrich the overall economic climate of the city and make Shoreline a more attractive place to live, to invest, and to conduct business.

## **DISCUSSION**

Given Council’s direction to explore expanding the requirement for commercial uses to locate on the ground floors of new multifamily and mixed used developments in all commercial zones, and given the findings of fact noted above, staff developed proposed Ordinance No. 986 (Attachment A) for Council’s consideration. Proposed Ordinance No. 986 would adopt interim regulations requiring ground floor commercial space in new multifamily development within certain zoning districts for a duration of six months.

Specifically, these interim regulations apply to new multifamily development on all properties zoned TC-1, TC-2, TC-3, NB, CB, MB, MUR-70’, and for properties zoned TC-4, MUR-35’, and MUR-45’ where adjacent to an arterial street. The interim regulations do not change the current regulations for ground floor commercial requirements in the North City or Ridgecrest commercial areas.

### **Interim Regulations**

The proposed interim regulations in Exhibit A and B to proposed Ordinance No. 986 also include the following provisions that mirror the current regulations applied in North City and Ridgecrest:

1. At least 75% of the public street frontage shall be commercial space, with the remaining 25% allowed for multifamily uses (lobbies, leasing office, fitness center and other amenities).
2. Amenities such as a fitness center that offers memberships to the public are considered commercial space for purposes of meeting the 75% frontage requirement.
3. Commercial space shall have a minimum average depth of 30 feet and no areas less than 20 feet.
4. Commercial space shall be constructed with a minimum floor-to-ceiling height of 18 feet, and a minimum clear height of 15 feet.
5. Commercial space may be used for any allowed use in the zoned TC-1, TC-2, TC-3, NB, CB, MB, MUR-70’, and for properties zoned TC-4, MUR-35’, and MUR-45’ where adjacent to an arterial street except for adult use facilities, marijuana operations, check-cashing services and payday lending, pawnshops, and tobacco/vape stores.
6. Parking is required at a rate of 1 stall per 400 net usable square feet (excludes corridors, lobbies, bathrooms).

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<sup>2</sup> ESRI is a global software company specializing in Geographic Information Systems (GIS) software, location intelligence and mapping.

7. An additional base height allowance of 8 feet to account for additional ceiling height.
8. A 10-foot height bonus and 5% increase in hardscape allowance for restaurant ready space (ADA bathrooms, central drain line, grease interceptor, and vent shaft for commercial kitchen hood/exhaust).

This approach is the most expedient path to requiring commercial uses to be located in required commercial spaces within new multi-family developments. Interim regulations do not require a recommendation from the Planning Commission prior to Council adoption allowing the regulations to go into effect sooner. Therefore, more required commercial spaces could be used or reserved for commercial uses.

While the use of interim regulations provides less opportunity for public information sharing and input prior to the interim regulations going into effect, as noted above, the interim regulations may only be in effect for six (6) months. However, if additional time is needed to complete the permanent regulations and is supported by new findings paired with a work plan describing the steps needed to complete the permanent regulations, the Council may extend the interim regulations for additional periods of up to six months.

#### **Interim Regulations Vesting Allowance**

To recognize the importance of predictability in the permitting process, a Vesting Section has been added to proposed Ordinance No. 986. This will allow projects to move forward that could conceivably be in design based on pre-application meetings conducted to date. The proposed vesting language in proposed Ordinance No. 986 is as follows:

*Except for properties located in the North City and Ridgecrest areas, development projects for which a complete building permit application has not yet been filed with the City but, have engaged in a pre-application after January 1, 2021 but before May 22, 2023, for a multifamily or mixed-use project that would be subject to these interim regulations, shall not be subject to these interim regulations if those development projects file a complete building permit application no later than December 31, 2023. Compliance is encouraged but optional for projects not subject to these interim regulations.*

#### **Required Public Hearing and Potential Council Action**

Interim regulations are authorized by state law (RCW 36.70A.390 and RCW 35A.63.220). In order to enact interim regulations, a public hearing must be held on the interim regulations. Staff have therefore scheduled a public hearing tonight on proposed Ordinance No. 986 to get public input on these interim regulations. Proposed Ordinance No. 986 is currently scheduled for potential Council action on June 5, 2023.

#### **STAKEHOLDER OUTREACH**

The Planning and Community Development (PCD) webpage was updated to provide notice to developers that Council will be considering the adoption of these interim regulations that would go into effect as early as June 5, 2023, requiring ground floor commercial uses in all new multi-family developments in certain zones. The following is

a link to the website notice:

<https://www.shorelinewa.gov/government/departments/planning-community-development/long-range-planning/ground-floor-commercial>.

PCD project management staff also emailed customers that have had a pre-application meeting for a multifamily development in the last two years to inform them about the potential for interim regulations requiring ground floor commercial uses in all new multifamily developments in certain zones.

### **COUNCIL GOAL ADDRESSED**

The item addresses Council Goal No. 1: Strengthen Shoreline's economic climate and opportunities, and specifically Action Step 10: Monitor the outcomes of the ground floor commercial requirements in the North City and Ridgecrest neighborhoods and use lessons learned from this early adoption area to model future development regulations.

### **RESOURCE/FINANCIAL IMPACT**

There is minimal financial impact with the adoption of proposed Ordinance No. 986. The primary impact is the staff time needed to implement the interim ground floor commercial regulations and to draft permanent regulations for Planning Commission review and recommendation followed by Council action. Property owners, developers, and investors in projects subject to the interim and permanent regulations may be financially impacted by a requirement for ground floor commercial spaces to be occupied with commercial uses in certain zones. The interim and permanent regulations could result in significant redesign costs for developments that are already in the design stage of a project, although a vesting requirement has been added to the proposed interim regulations to help mitigate such possible impacts. Some projects may be delayed or abandoned as a result, which could have an impact on future City revenue.

### **RECOMMENDATION**

Staff recommends that the City Council conduct the required public hearing on proposed Ordinance No. 986. No further action is required tonight. Following the Council's discussion, staff will update proposed Ordinance No. 986, if necessary, with the Ordinance returning on June 5, 2023, for potential action. Staff recommends that the Council adopt proposed Ordinance No. 986 when it returns for Council action.

### **ATTACHMENTS**

Attachment A: Proposed Ordinance No. 986  
Exhibit A – Amends SMC 20.40.465  
Exhibit B – Amends SMC Table 20.40.120; Table 20.40.160; Table 20.50.020(3); and Table 20.50.020(2)



**ORDINANCE NO. 986**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON  
ADOPTING INTERIM REGULATIONS REQUIRING GROUND FLOOR  
COMMERCIAL SPACE IN NEW MULTIFAMILY DEVELOPMENT  
WITHIN CERTAIN ZONING DISTRICTS AND SUPERCEDING  
CERTAIN EXISTING REGULATIONS FOR A DURATION OF SIX  
MONTHS.**

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, chapter 36.70A RCW; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the City of Shoreline to adopt interim regulations with a duration of no more than six (6) months without review and recommendation by the Shoreline Planning Commission, and without holding a public hearing; and

WHEREAS, the City Council established 2023-2025 City Council Goal No. 1, which seeks to strengthen Shoreline's economic climate and opportunities by enhancing the local economy, providing jobs, and supporting lifestyle amenities that the community desires and expects; and

WHEREAS, the City's 2018-2023 Economic Development Strategic Plan calls for increasing the inventory of business spaces to enrich the overall climate of Shoreline and to make Shoreline a more attractive place to live, invest, and conduct business; and

WHEREAS, the King County Urban Growth Capacity Report recommended that Shoreline take reasonable measures to increase employment capacity and set a 2044 job target for Shoreline of 10,000 jobs; and

WHEREAS, in 2020, the City Council adopted Ordinance No. 901, enacting SMC 20.40.465 which requires ground floor commercial space but only in certain areas of the North City and Ridgecrest neighborhoods; and

WHEREAS, Shoreline has seen a volume of multi-family developments being reviewed, permitted, and construction in the Mixed Use Residential, Town Center, and other commercial zoning districts over the past few years, however, despite the volume of residential units, Shoreline has not seen a correlating volume of commercial space in these areas that could provide retail services to the residents of those developments and also create a vibrant, walkable community; and

WHEREAS, currently there are approximately 36 multifamily projects planned within Shoreline, yet only eight (8) are intending to provide ground floor commercial – mainly because of the limited commercial mandate applicable only within the North City and Ridgecrest areas and the separate requirements of a development agreement. The projects providing commercial voluntarily are only providing a small square footage in their respective projects; and

WHEREAS, currently commercial development is not as lucrative as residential, due to the competition for developable land. Without development regulations mandating commercial

space, the City is losing a valuable opportunity to provide the services to residents of a growing city that will not be recovered during the life of the building; and

WHEREAS, the City Council considered the interim regulations at its properly noticed May 22, 2023, regular meetings with a public hearing also held at the May 22, 2023, meeting; all meetings were held in a hybrid format providing in-person and remote public participation; and

WHEREAS, pursuant to SEPA, the City issued a Determination of Non-Significance on May 5, 2023; subsequent SEPA review will occur if the City elects to replace these interim regulations with permanent regulations, and if required, based on any redevelopment proposals; and

WHEREAS, the City Council has determined that the use of the interim regulations to mandate commercial space on the ground floor of new multifamily development within the Neighborhood Business (NB), Commercial Business (CB), Mixed Business (MB), Town Center 1 (TC-1), Town Center 2 (TC-2), Town Center 3 (TC-3), Town Center 4 (TC-4), Mixed Use Residential 35' (MUR-35'), Mixed Use Residential 45' (MUR-45'), and Mixed Use Residential 70' (MUR-70') zoning districts is appropriate and necessary due to the need to preserve the opportunity for commercial uses to provide services to the City;

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

**Section 1. Findings of Fact.** The foregoing whereas provisions are incorporated in their entirety as findings of fact for the matter.

**Section 2. Enactment of Interim Regulations.**

- A. The Interim Regulations for Ground Floor Commercial as set forth in *Exhibit A* to this Ordinance are hereby enacted and supersede the codified regulations set forth in SMC 20.40.465 for the duration this Ordinance is in effect.
- B. The Interim Regulations as set forth in *Exhibit B* to this Ordinance are hereby enacted and supersede certain codified regulations set forth in Table SMC 20.40.120 Residential Uses, Table 20.40.160 Station Uses, and Table Exceptions for SMC 20.50.020.

**Section 3. Public Hearing.** Pursuant to RCW 35A.63.220 and RCW 36.70A.390, the City Council held a public hearing on May 22, 2023, to take public testimony concerning the interim regulations.

**Section 4. Directions to the City Clerk.**

- A. **Transmittal to the Department of Commerce.** The City Clerk is hereby directed to cause a certified copy of this Ordinance to be provided to the Director of Planning and Community Development who shall transmit the Ordinance to the Washington State Department of Commerce within ten (10) calendar days of passage as provided in RCW 36.70A.106.

**B. Corrections by the City Clerk.** Upon approval of the City Attorney, the City Clerk is authorized to make necessary corrections to this Ordinance, including the correction 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.

**C. Ordinance not to be Codified.** This Ordinance adopts interim regulations, therefore, the City Clerk shall not codify this Ordinance.

**Section 5. Vesting.** Except for properties located in the North City and Ridgecrest areas, development projects for which a complete building permit application has not yet been filed with the City but, have engaged in a pre-application after January 1, 2021 but before May 22, 2023, for a multifamily or mixed-use project that would be subject to these interim regulations, shall not be subject to these interim regulations if those development projects file a complete building permit application no later than December 31, 2023. Compliance is encouraged but optional for projects not subject to these interim regulations.

**Section 6. 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 7. Publication and Effective Date.** A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall become effective five (5) calendar days after publication.

**Section 8. Duration.** This Ordinance shall be in effect for a period of six (6) months from its effective date. After which, these interim regulations shall automatically expire unless extended as provided by statute or otherwise superseded by action of the City Council, whichever occurs first.

**ADOPTED BY THE CITY COUNCIL ON JUNE 5, 2023.**

\_\_\_\_\_  
Mayor Keith Scully

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Date of Publication: \_\_\_\_\_, 2023

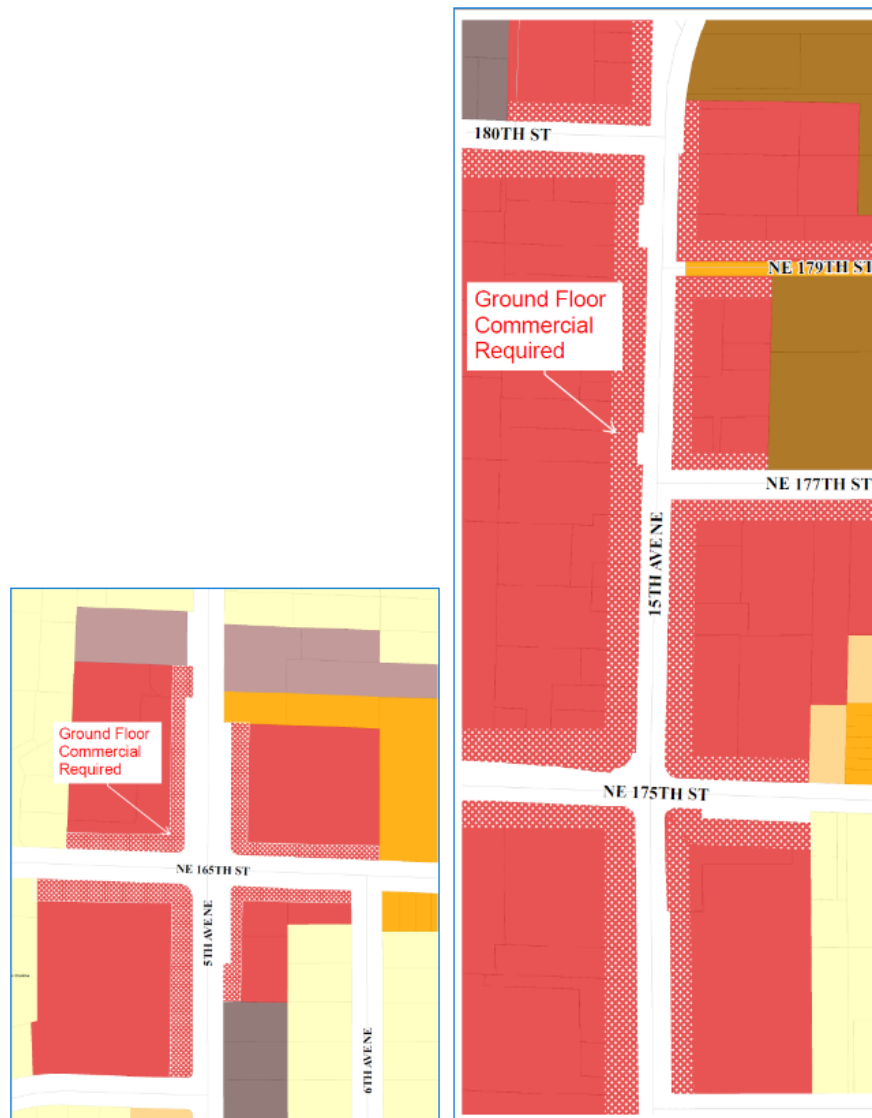
Effective Date: \_\_\_\_\_, 2023

**EXHIBIT A – Ordinance No. 986****20.40.465 Multifamily – Ground Floor Commercial.****A. Applicability.**

1. General applicability. With the exception of subsection A(2) below, this section applies to new multifamily development on all properties zoned TC-1, TC-2, TC-3, NB, CB, MB, MUR-70', and for properties zoned TC-4, MUR-35', and MUR-45' where adjacent to an arterial street.

2. Applicability in North City and Ridgecrest. For new multifamily development on properties zoned CB within the North City and Ridgecrest areas, this section applies only to those areas indicated and shown in Figure 20.40.465(A) "Ground Floor Commercial Required."

3. This section is in addition to and supplements the standards in Chapter 20.50 SMC, Subchapter 4, Commercial and Multifamily Zone Design.



**Figure 20.40.465(A) – Areas of Required Ground-Floor Commercial in North City and Ridgecrest**

**EXHIBIT A – Ordinance No. 986****B. Location and Uses.**

1. Commercial space shall be constructed, and commercial use required, in those portions of a building's ground floor abutting a public right-of-way (ROW) in all new multifamily buildings except as follows:

a. For properties zoned TC-4, MUR-35', and MUR-45', only the portion of a building's ground floor abutting an arterial ROW; and

b. For properties in North City and Ridgecrest, only the portion of a building's ground floor abutting a ROW as shown in Figure 20.40.465(A) is required to have commercial space.

2. Subject to an applicable permit type, required commercial space may be used for any use allowed in the applicable zone in Table 20.40.130 – Nonresidential uses; Table 20.40.140 – Other uses and Table 20.40.160 Station Area Uses – Commercial, except adult use facilities, marijuana operations – retail and the following general retail trade/services: check-cashing services and payday lending, pawnshop, and tobacco/vape store. Residential dwelling units are not allowed in required ground floor commercial spaces.

**C. Parking.**

1. New multifamily development subject to this section is eligible for the parking reductions available in SMC 20.50.400.

2. In order to accommodate a range of tenants, the required parking ratio for any ground floor commercial space shall be one (1) parking stall per 400 square feet of floor area. Square footage refers to net usable area and excludes walls, corridors, lobbies, bathrooms, etc.

**D. Height Incentive.**

New multifamily development subject to this section is eligible for an additional eight (8) feet in height. The eight (8) feet is considered base height and shall be measured in accordance with SMC 20.50.050.

**E. Preferred Commercial Use.** Eating and Drinking Establishment-ready is a preferred use in ground floor commercial spaces.

1. Eating and Drinking Establishment-ready spaces are to be constructed to accommodate these uses by including the following components:

a. ADA-compliant bathrooms (common facilities are acceptable);

b. A central plumbing drain line;

c. A grease interceptor; and

d. A ventilation shaft for a commercial kitchen hood/exhaust.

2. The following incentives are available when a preferred commercial use is constructed:

a. A ten (10) feet height bonus. The ten (10) feet is considered base height and shall be measured in accordance with SMC 20.50.050; and

b. An increase in the maximum hardscape allowed in the applicable zoning district by five (5) percent.

**EXHIBIT B – Ordinance No. 986****20.40.120 Residential uses.****Table 20.40.120 Residential Uses**

NAICS #	SPECIFIC LAND USE	R4-R6	R8-R12	R18-R48	TC-4	NB	CB	MB	TC-1, 2 & 3
<b>RESIDENTIAL GENERAL</b>									
	Accessory Dwelling Unit	P-i	P-i	P-i	P-i	P-i	P-i	P-i	P-i
	Affordable Housing	P-i	P-i	P-i	P-i	P-i	P-i	P-i	P-i
	Home Occupation	P-i	P-i	P-i	P-i	P-i	P-i	P-i	P-i
	Manufactured Home	P-i	P-i	P-i	P-i				
	Mobile Home Park	P-i	P-i	P-i	P-i				
	Multifamily		C	P	P-i	P-i	P-i	P-i	P-i
	Single-Family Attached	P-i	P	P	P	P			
	Single-Family Detached	P	P	P	P				
<b>GROUP RESIDENCES</b>									
	Adult Family Home	P	P	P	P				
	Assisted Living Facility		C	P	P	P	P	P	P
	Boarding House	C-i	C-i	P-i	P-i	P-i	P-i	P-i	P-i
	Residential Care Facility	C-i	C-i	P-i	P-i				
721310	Dormitory		C-i	P-i	P-i	P-i	P-i	P-i	P-i
<b>TEMPORARY LODGING</b>									
721191	Bed and Breakfasts	P-i	P-i	P-i	P-i	P-i	P-i	P-i	P-i
	Enhanced Shelter							P-i	
	Homeless Shelter						P-i	P-i	P-i
72111	Hotel/Motel						P	P	P
	Recreational Vehicle	P-i	P-i	P-i	P-i	P-i	P-i	P-i	
<b>MISCELLANEOUS</b>									
	Animals, Small, Keeping and Raising	P-i	P-i	P-i	P-i	P-i	P-i	P-i	P-i

**EXHIBIT B – Ordinance No. 986**

NAICS #	SPECIFIC LAND USE	R4-R6	R8-R12	R18-R48	TC-4	NB	CB	MB	TC-1, 2 & 3
P = Permitted Use					S = Special Use				
C = Conditional Use					-i = Indexed Supplemental Criteria				

**20.40.160 Station area uses.****Table 20.40.160 Station Area Uses**

NAICS #	SPECIFIC LAND USE	MUR-35'	MUR-45'	MUR-70'
<b>RESIDENTIAL</b>				
	Accessory Dwelling Unit	P-i	P-i	P-i
	Adult Family Home	P		
	Affordable Housing	P-i	P-i	P-i
	<u>Apartment Multifamily</u>	<u>P-i</u>	<u>P-i</u>	<u>P-i</u>
	Bed and Breakfast	P-i	P-i	P-i
	Boarding House	P-i	P-i	P-i
	Home Occupation	P-i	P-i	P-i
	Hotel/Motel			P
	Live/Work	P (Adjacent to Arterial Street)	P	P
	Microhousing			
	Residential Care Facility	C-i		
	Single-Family Attached	P-i	P-i	
	Single-Family Detached	P-i		
<b>COMMERCIAL</b>				
	Book and Video Stores/Rental (excludes Adult Use Facilities)	P (Adjacent to Arterial Street)	P (Adjacent to Arterial Street)	P
	Brewpub	P (Adjacent to Arterial Street)	P (Adjacent to Arterial Street)	P
	House of Worship	C	C	P
	Daycare I Facilities	P	P	P
	Daycare II Facilities	P	P	P

**EXHIBIT B – Ordinance No. 986**

NAICS #	SPECIFIC LAND USE	MUR-35'	MUR-45'	MUR-70'
	Eating and Drinking Establishment (excluding Gambling Uses)	<b>P-i (Adjacent to Arterial Street)</b>	<b>P-i (Adjacent to Arterial Street)</b>	<b>P-i</b>
	General Retail Trade/Services	<b>P-i (Adjacent to Arterial Street)</b>	<b>P-i (Adjacent to Arterial Street)</b>	<b>P-i</b>
	Individual Transportation and Taxi			<b>P -A</b>
	Kennel or Cattery			<b>C -A</b>
	Marijuana Operations – Medical Cooperative	<b>P</b>	<b>P</b>	<b>P</b>
	Marijuana Operations – Retail			
	Marijuana Operations – Processor			
	Marijuana Operations – Producer			
	Microbrewery		<b>P (Adjacent to Arterial Street, cannot abut R-6 zone)</b>	<b>P</b>
	Microdistillery		<b>P (Adjacent to Arterial Street, cannot abut R-6 zone)</b>	<b>P</b>
	Mini-Storage		<b>C -A</b>	<b>C -A</b>
	Professional Office	<b>P-i (Adjacent to Arterial Street)</b>	<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	Research, Development and Testing			<b>P-i</b>
	Veterinary Clinic and Hospital			<b>P-i</b>
	Wireless Telecommunication Facility	<b>P-i</b>	<b>P-i</b>	<b>P-i</b>
<b>EDUCATION, ENTERTAINMENT, CULTURE, AND RECREATION</b>				
	Amusement Arcade		<b>P -A</b>	<b>P -A</b>
	Bowling Center		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	College and University			<b>P</b>
	Conference Center		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	Elementary School, Middle/Junior High School	<b>C</b>	<b>C</b>	<b>P</b>
	Library		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	Museum		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>



**EXHIBIT B – Ordinance No. 986**

NAICS #	SPECIFIC LAND USE	MUR-35'	MUR-45'	MUR-70'
	Parks and Trails	<b>P</b>	<b>P</b>	<b>P</b>
	Performing Arts Companies/Theater (excludes Adult Use Facilities)		<b>P -A</b>	<b>P -A</b>
	School District Support Facility		<b>C</b>	<b>C</b>
	Secondary or High School	<b>C</b>	<b>C</b>	<b>P</b>
	Specialized Instruction School		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	Sports/Social Club		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	Vocational School		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
<b>GOVERNMENT</b>				
	Fire Facility	<b>C-i</b>	<b>C-i</b>	<b>C-i</b>
	Police Facility	<b>C-i</b>	<b>C-i</b>	<b>C-i</b>
	Public Agency Office/Yard or Public Utility Office/Yard	<b>S</b>	<b>S</b>	<b>S</b>
	Utility Facility	<b>C</b>	<b>C</b>	<b>C</b>
<b>HEALTH</b>				
	Hospital	<b>C</b>	<b>C</b>	<b>C</b>
	Medical Lab	<b>C</b>	<b>C</b>	<b>C</b>
	Medical Office/Outpatient Clinic		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
	Nursing Facilities		<b>P-i (Adjacent to Arterial Street)</b>	<b>P</b>
<b>OTHER</b>				
	Animals, Small, Keeping and Raising	<b>P-i</b>	<b>P-i</b>	<b>P-i</b>
	Light Rail Transit System/Facility	<b>S-i</b>	<b>S-i</b>	<b>S-i</b>
	Transit Park and Ride Lot		<b>S</b>	<b>P</b>
<b>P = Permitted Use</b> <b>S = Special Use</b> <b>A= Accessory = Thirty percent (30%) of the gross floor area of a building or the first level of a multi-level building.</b>				
<b>C = Conditional Use</b> <b>-i = Indexed Supplemental Criteria</b>				

**EXHIBIT B – Ordinance No. 986****Table 20.50.020(2) – Densities and Dimensions in Mixed-Use Residential Zones.**

(11) Developments that exceed the base height and do not qualify for a height bonus within the Deep Green Incentive Program in SMC [20.50.630](#), or the significant tree retention bonus in footnote 12, or the allowable exceptions to height in SMC [20.50.050](#), may develop to the maximum allowable height of 140 feet, subject to administrative design review approval and to the following:

- a. The affordable housing requirements for MUR-70'+ in SMC [20.40.235](#) are satisfied;
- b. ~~One of the following is provided:~~
  - ~~i. The development provides commercial space of at least 10,000 square feet; or~~
  - ~~ii. Commercial space is constructed on the portion of the building's ground floor abutting a public right of way. Commercial space may be used for any allowed use in the MUR 70' zone in Table 20.40.160—Station Area Uses, except the following general retail/trade/services: check-cashing services and payday lending. Residential dwellings are not allowed in commercial spaces. Ground floor commercial is subject to the standards in SMC [20.50.250\(C\)](#);~~
- c. At least 20 percent of the public places and multifamily open space required in SMC [20.50.240\(F\)](#) and (G) shall be open and accessible to the public. This requirement does not include any area required for a public access easement as described in SMC [20.70.340\(E\)](#);
- d. The development shall provide two percent of the building construction valuation to be paid by the applicant for contribution to fund public parks, open space, art, or other recreational opportunities open and accessible to the public within the station subarea as defined in the City's Parks, Recreation, and Open Space Plan. The applicant's contribution shall be paid to the City; and
- e. The development shall meet the requirements to achieve certification under one of the following sustainable development programs: (i) LEED Platinum; or (ii) 5-Star Built Green; or (iii) Passive House Institute US (PHIUS)+ combined with Salmon Safe; or (iv) Zero Energy combined with Salmon Safe.

**Table 20.50.020(3) – Dimensions for Development in Commercial Zones.**

Exceptions:

- (6) Base height may be exceeded by eight feet for properties that qualify for SMC [20.40.465\(D\)](#) or 18 feet for properties that qualify under SMC [20.40.465\(F\)\(1\)-\(E\)\(2\)](#).
- (7) Maximum hardscape may be exceeded by an additional five percent for properties that qualify under SMC [20.40.465\(F\)\(2\)-\(E\)\(2\)](#).