

# CITY OF SHORELINE

## SHORELINE PLANNING COMMISSION MINUTES OF REGULAR MEETING

May 16, 2019  
7:00 P.M.

Shoreline City Hall  
Council Chamber

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### **Commissioners Present**

Chair Montero  
Vice Chair Mork  
Commissioner Craft  
Commissioner Davis  
Commissioner Lin  
Commissioner Malek  
Commissioner Maul

### **Staff Present**

Rachael Markle, Director, Planning and Community Development  
Paul Cohen, Planning Manager, Planning and Community Development  
Terry Danysh, Outside Legal Counsel  
Julie Ainsworth-Taylor, Assistant City Attorney  
Kendra Dedinsky, Traffic Engineer  
Eric Friedli, Director, Parks, Recreation and Cultural Services  
Carla Hoekzema, Planning Commission Clerk

### **CALL TO ORDER**

Chair Montero called the regular meeting of the Shoreline Planning Commission to order at 7:00 p.m.

### **ROLL CALL**

Upon roll call by Ms. Hoekzema the following Commissioners were present: Chair Montero, Vice Chair Mork, and Commissioners Craft, Davis, Lin, Malek and Maul

### **APPROVAL OF AGENDA**

The agenda was accepted as presented.

### **APPROVAL OF MINUTES**

The minutes of May 2, 2019 were approved as submitted.

### **GENERAL PUBLIC COMMENT**

There were no general public comments.

## **STUDY ITEM: PROPOSED DEVELOPMENT AGREEMENT – SHORELINE PLACE**

Mr. Cohen advised this is a continuation of the presentation and study of the proposed Development Agreement for the Sears site at Shoreline Place. The key purpose of the study session is to respond to a number of questions and comments from the May 2<sup>nd</sup> meeting.

Mr. Cohen summarized that the proposal is to redevelop the 17-acre Sears site using a Development Agreement to develop nine buildings with a mix of 1,358 dwelling units, approximately 72,160 square feet of commercial space and a 3.26-acre public open space system in phases over 20 years. The phasing would be flexible, depending on market demand, and impacts will be mitigated with public improvements responsive to each phase.

Mr. Cohen briefly reviewed the work the City has done over the past ten years to lay the groundwork for redevelopment of the Community Renewal Area (CRA), starting in 2009 with Vision 2029. He explained that a Development Agreement is a legislative process (Type L) that requires a public hearing and recommendation by the Planning Commission followed by City Council discussion and action. The content of a Development Agreement identifies development standards that govern, vest and mitigate development over an agreed duration of time. Approval must provide public benefit and satisfy six criteria. The intent is the redevelopment of an economically blighted shopping center into a mixed-use center with long-term assurances and flexibility for both the proponent and the City.

Mr. Cohen reviewed the six criteria that must be satisfied in order for a Development Agreement to be approved:

1. Consistent with the Comprehensive and Subarea Plans.
2. Innovative and sustainable design.
3. Sufficient transportation infrastructure capacity.
4. Sufficient water, sewer and stormwater capacity.
5. Designed to minimize conflicts with surrounding R-4, R-6, R-8 and MUR-35' zones.
6. Consistent with Critical Areas Standards.

Mr. Cohen also reviewed some of the key public benefits associated with the proposal:

- Fulfills the CRA vision of a one-stop shopping and living community.
- Provides a series of walkable, connected public open spaces.
- Connects pedestrian, bike and transit facilities.
- Provides opportunities for housing, entertainment and retail.
- Creates activity both night and day.
- Upgrades internal infrastructure and external intersections.
- Creates economic development and tax revenue.

Mr. Cohen referred to the 17 questions that were raised at the May 2<sup>nd</sup> meeting and advised that staff would answer Questions 1, 2, 9 and 17 and the proponent, Merlone Geier Partners (MGP), would answer the rest.

- **Question 1 – Was the intersection of Greenwood Avenue N and N 145<sup>th</sup> Street included in the City’s analysis of impacted intersections for the Aurora Square CRA? Did MGP analyze this intersection as part of the proposed Development Agreement? If yes, what did the analysis reveal?**

Ms. Dedinsky said both the Environmental Impact Statement (EIS) and MGP’s analysis looked at the intersection of Greenwood Avenue N and N 145<sup>th</sup> Street. It showed a Level of Service (LOS) E, which is technically below the City’s standard. However, this intersection is owned and operated entirely by the City of Seattle, and the City of Shoreline does not have any jurisdiction to require improvement over what is there today in terms of capacity. Seattle’s LOS standard is much lower and accepts higher levels of delay than the City of Shoreline. Seattle also measures LOS differently using a volume to capacity ratio that is set at 1.2. The future year analysis shows that the additional trips associated with the proposal, as well as full build out of the Shoreline Place Plan, would not get anywhere near that amount.

Commissioner Craft recalled that questions were also raised about other intersections around the development. Ms. Dedinsky advised that MGP actually went a few intersections beyond the EIS analysis at the request of the City. Their study included the intersections at Greenwood Avenue N and N 160<sup>th</sup> Street, Dayton Avenue N and N 160<sup>th</sup> Street, Aurora Avenue N and 160<sup>th</sup> Street N, Aurora Avenue N and N 155<sup>th</sup> Street, Westminster Way N and N 155<sup>th</sup> Street, Westminster Way N and Dayton N Avenue, Westminster Way N and Greenwood Avenue N and Greenwood Avenue N and N 145<sup>th</sup> Streets. She summarized that the southern boundary was N 145<sup>th</sup> Street, the eastern boundary was Aurora Avenue N, and the northern boundary was N 160<sup>th</sup> Street. She explained that most trips tend to distribute more to the south, and with the light rail station coming on board, it is likely that most users would be projected to use the 145<sup>th</sup> Street Station.

Commissioner Mork asked if the other development taking place within the CRA was also considered as part of the traffic analysis. Ms. Dedinsky said the Alexan Project was included in the CRA and is deducted from the upper threshold of what the City studied. The consistency check in MGP’s analysis took into account the Alexon trips that will be added to the intersection areas, as well. In addition, the Alexon Project went through a separate environmental review. Shoreline Community College is currently preparing property for the Residence Hall Project, which also required a traffic analysis that showed some failures at the N 160<sup>th</sup> Street/Innis Arden/Greenwood Avenue N and Carlisle/Dayton Avenue N intersections. MGP studied the project’s impact to these intersections and will be contributing to their mitigation.

- **Question 2 – How was the proposed crosswalk on N 160<sup>th</sup> Street between Linden Avenue N and Aurora Avenue N determined? How will it function? Should there be additional crosswalks due to the current and anticipated traffic and speeds traveled on N 160<sup>th</sup> Street?**

Ms. Dedinsky clarified that the crosswalk location shown in MGP’s conceptual plan is actually west of Linden Avenue N and not east. As per MGP’s plan, some of the frontage improvements will occur on adjacent property and will dovetail nicely with a potential mid-block crossing between Fremont Avenue N and Dayton Avenue N. ROIC’s property is located further east on Fremont Avenue N, where future improvements will tie in nicely with the City’s planned right-of-way improvements.

However, there is not a clear tie that would justify the City requiring MGP to do additional improvements to the east. Another complicating factor is that there is not a lot of room between the unsignalized and signalized intersections at Linden Avenue N and Aurora Avenue N, and the City would prefer pedestrians to use the signalized intersection. There will be opportunities for additional improvements as part of future projects. MGP's proposal calls for reconfiguring the roadway from four to three lanes, which will result in some safety improvement benefits, but the transition from Aurora Avenue N to Linden Avenue N will be challenging where the roadway narrows from four to three lanes. Crossing four lanes without a pedestrian refuge space will pose another challenge or possible deterrent to using the space between the two streets for a future mid-block crossing.

Ms. Dedinsky said the conceptual crossing shown on MGP's proposed plan will be further vetted through the right-of-way permit process, which will check for things such as sight lines and where it best fits between the driveways. Because speed is an issue in this location, the crossing will include rapidly-flashing, rectangular beacons that are pedestrian activated to increase visibility. The three-lane configuration will further assist with pedestrian safety by providing a refuge space and keeping speeds more consistent with the speed limit. She noted there is an existing trail near where the crosswalk is shown that breaks through to the eastern neighborhood. The intent is to bring people from the neighborhoods to a consolidated location for crossing.

- **Question 9 – *Were impacts on surrounding City parks studied as part of the CRA Plan? What are the anticipated impacts from increased use by new residents and visitors from the proposed MGP development?***

Ms. Cohen said the Planned Action Ordinance (PAO) EIS only identified the park facilities of Boeing Creek and Shoreview Park, which are within a 1.5-mile radius. Larger parks have satisfied the LOS and Shoreview Park has planned improvements. Mitigating measures in the EIS included Development Code requirements for open space because no Park Impact Fees were required at that time. The EIS did not identify significant adverse impacts, except noting a general demand for parks and recreation needs in the community. Currently, Richmond Highlands and Shoreview Parks meet the City's LOS standards. Nationally, the standards are 1 acre of park per 1,000 residents but the City's Parks, Recreational and Open Space (PROS) Plan shows a standard of 7.3 acres per 1,000 residents. In staff's estimation, the requirement in the PROS Plan tends to be more focused on the light rail stations.

Mr. Cohen recalled that questions were raised about whether the additional open space on site would compensate for or increase demand. Mr. Friedli explained that Richmond Highlands is about three blocks north of the CRA and is designated as a community park, which typically focuses on a neighborhood level of service. The park includes a playground, grass ball field, restroom and is home to the Richmond Highlands Recreation Center, which houses the teen and special recreation programs. Boeing Creek and Shoreview Parks are adjacent to each other and also adjacent to Shoreline Community College. The two parks combined are about 80 acres and are designated as large, urban parks. They have sports fields, playgrounds, off-leash areas, tennis courts, and extensive trail networks. All of the parks receive daily maintenance with trash and litter pick up, routine safety inspections and vegetation management. The increased use associated with population growth will make the maintenance requirements more intense. However, the more important impacts are wear

and tear on the trails, playgrounds and off-leash area. He explained that the playgrounds are inspected monthly, worn out equipment is replaced regularly, and entire play structures are replaced every 15 years. Impacts on trails are more immediately noticeable with increased use, and the trails at Boeing Creek are a particularly challenge due to the natural sandy soils that make them more difficult to maintain. The off-leash area is also more sensitive to increased use, with more wear and tear on the surface and more maintenance may be required to clean up after unthoughtful dog owners. Trash cans will need to be emptied more frequently as the off-leash area gets more intense use. They haven't yet quantified what the impacts would be on these facilities.

Mr. Friedli pointed out that Park Impact Fees were not in place when the CRA was created, but they are now. However, they can only be used for building new facilities and not maintaining and/or upgrading existing facilities. Using Park Impact Fees for new facilities will be an important way to alleviate the pressure on existing parks but will not address the ongoing maintenance needs of the existing facilities. Commissioner Craft asked if it is possible to change Park Impact Fees so they can also be used to maintain existing facilities. Assistant City Attorney Ainsworth-Taylor answered that it would require a change in State Law. Currently, only new improvements can be funded by Park Impact Fees.

Commissioner Craft asked if any of the Park Impact Fee associated with the project could be allocated to the parks that would be used by the residents of the proposed new development. Mr. Friedli said there is currently a conceptual design for redevelopment of Richmond Highlands Park that calls for a community garden, which is a new element that could be funded by Park Impact Fees. Commissioner Craft asked what the total Park Impact Fee would be for the proposed project, and staff responded that it would be about \$3.6 million. Commissioner Craft commented that while the money could be used to create a community garden, it could not be used to maintain the eroding trails in Boeing Creek Park due to increased use of the area.

Commissioner Davis asked how park maintenance is funded, and Mr. Friedli answered that the maintenance funding comes from the General Fund (property tax, sales tax, etc.). Commissioner Craft pointed out that the Development Agreement could include a component that requires the applicant to provide some park maintenance funding.

**Terry Danysh, outside legal counsel**, said the City is currently in conversations with the proponent with regard to this very issue. Options are on the table, but they don't have anything specific to present at this point. Mr. Friedli said he has considered what types of extra support would be beneficial to help maintain the existing facilities, including funding for trail maintenance, volunteer coordinator, playground equipment replacement, upgrading the fence at the off-leash area, etc. Commissioner Craft acknowledged that a \$3.6 million Park Impact Fee is significant, but they should ensure there is also funding for on-going maintenance in parks within a proximity of use for future residents of the site.

Commissioner Malek asked how well the City is currently meeting park maintenance expectations, how the proposed project would impact current funding, and if staff is comfortable that future needs can be met. Mr. Friedli said maintenance funding is budgeted annually from the General Fund, and there is not a reserve. The budget is updated every two years based on existing historic resources. If

the General Fund revenues have increase, the City Manager and City Council look at needs across the City and identify the highest demand for funding. Park funding is not based on a percentage allocation.

Vice Chair Mork asked if the \$3.6 million Park Impact Fee is a one-time fee, and Mr. Friedli answered yes. Vice Chair Mork asked if State Law would allow the City to use the interest it collects on Park Impact Fees for maintenance. Assistant City Attorney Ainsworth-Taylor answered that once a Park Impact Fee is collected, it must be used for the system improvements the fee is calculated on.

Vice Chair Mork commented that Boeing Creek is a jewel of the City and she is very concerned about the environmental impact that significantly more people will have on fish and other resources. Mr. Friedli acknowledged that State Law would allow Park Impact Fees to be used to create new trails, but he is not sure he would be a proponent for adding new trails to Boeing Creek. It already has as many trails as it can sustain. Vice Chair Mork asked if old trails could be closed and new trails created using Park Impact Fees. Mr. Friedli said he is not sure if that would be allowed.

- **Question 17 – *What will be the light, glare and noise impacts from the proposed development on the adjoining neighborhoods?***

Mr. Cohen said the PAO EIS assessed light and glare. It looked at three alternatives: no change, phased development and complete redevelopment of the CRA. The proposed Development Agreement calls for a phased approach, and it is anticipated that light and glare will increase with additional phases of development (buildings, public spaces and vehicles). The phased redevelopment along N 160<sup>th</sup> Street is closest to the residential neighborhood and would have a 60-foot setback versus the allowed zero setback for that zone. The remaining phases are interior to the site, and the proposed public opens spaces are on the south side away from the existing residential development to the north.

Mr. Cohen said the EIS did not study noise. Instead, the City's noise regulations would apply. Any new development would have to comply with the new light standards in the Development Code. He specifically reviewed the current standards for publicly accessible areas on private property, pedestrian areas, building entries, etc. He summarized that the new standards are more stringent and were not in place when the property was previously developed.

Commissioner Davis asked if uplighting would be allowed. Mr. Cohen answered no and clarified that lights must be shielded from adjacent property lines. Commissioner Craft pointed out that the CRA allows for uses such as outdoor concerts, which can get quite noisy and run later into the night. He said he would prefer that these types of uses be prohibited rather than allowed within the CRA.

Commissioner Craft pointed out that the developer is asking to vest in the current standards for a 20-year horizon. He asked what staff estimates the value of this vesting to be. He asked if it would be possible to do segmented vesting periods such as 5- or 10-year increments. Mr. Danysh said the 20-year vesting period is not unusual for major projects of this type. He explained that a Development Agreement is a contract between the proponent and the City, and the City is working to obtain concessions with respect to open space and other aspects of the project. However, the primary benefit to the proponent is the vested time frame in which to operate within the agreement without the risk of changing development standards and other regulations that could adversely affect the project or its predictability going forward. A rolling

vesting approach (incremental) would be extremely challenging to administer. It has been tried by a variety of jurisdictions in his experience, but never successfully implemented. While the Commission could consider this option, it would be a nightmare for staff to keep track of the specific codes that are in place at every 5-year change of interval.

Mr. Danysh explained that the proposed Development Agreement sets up a pay-as-you-go system where all of the different impact fees move forward with the development of each phase over the 20-year period, so in a sense, the project would be tied to a timeframe. He summarized that the 20-year vesting period is the most valuable concession the City would make in the proposed Development Agreement.

**Jamas Gwilliam, Vice President of Development, MGP**, introduced the members of the design team: Glenn Goodman, Vice President of Design and Construction, MGP; Jeff Foster, Architect and Urban Planner, GGLO Design; Mitch Ptacek, Architect and Urban Planner, GGLO; Alison Moss, Land Use Counsel, MGP; Mike Read, Principal, Transportation Engineers Northwest; Jeff Chambers, Civil Engineer, PacLand; and Lynsey Burgess, Outreach Consultant, PRR.

Mr. Gwilliam said the design team felt it would be helpful to work through the remaining questions (3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15 and 16) in the context of the presentation rather than going point-by-point.

Mr. Gwilliam requested more clarity on Question 3 regarding how the proposed development would compare to other commercial centers such as University Village, Northgate, Lake Forest Park, Gateway Plaza, Alderwood Mall and Dockside Green. Commissioner Malek responded that the CRA was declared an economic blight for a reason, to invoke certain abilities for the City Council to facilitate and expedite its redevelopment. Part and parcel to that was the fact that the property is underperforming in terms of sales tax revenue, which means a lot of the tax burden falls on residential property owners. Although bonds and levies are issued every year, there isn't enough sales tax revenue for the City to continue to grow. These small commercial areas need to produce, and he is concerned about the proposed ratio of residential versus commercial. He asked if there are any established expectations for the CRA and what the proponent is doing to meet that need. He expressed his belief that mixed-use projects can be difficult to maintain good commercial anchors and grow tax revenue.

Mr. Gwilliam explained that each of the projects identified in Question 3 has its own set of challenges, whether it be competing retail nearby, light rail arriving nearby, changing demographics, etc. He recalled his response to Commissioner Davis' question at the last meeting regarding the market analysis that MGP went through to determine how best to revitalize this particular area. In this instance, there is a considerable amount of retail nearby that will significantly benefit from the removal of the obsolete improvements and the addition of households and open space that will attract people to the area and drive up sales volumes at the existing shopping center. He reminded them that MGP only owns a portion of the property within the CRA. As seen in other developments, investment into alternative uses, new uses and smaller-scale retail adjacent to a thriving grocery store can help expedite the turnaround of a blighted area.

Commissioner Malek summarized MGP's position that creating more places for people to live will help the City reach critical mass to support other commercial development. He understands that retail is threatened by online services, but office space is also an option. He referred to Redmond, which is similar in geography and makeup to Shoreline. They have about 55,000 occupants during the evening and

150,000 during the day. These additional daytime occupants support a lot of Redmond's tax base and commercial businesses. While he does not expect MGP to single-handedly do this same thing, an overarching plan that moves in this direction is critical. He likes what MGP did at University Village, but he is not sure that is the best approach for Shoreline Place. Again, he said the CRA was created because the properties were underperforming commercially, and addressing this issue needs to be part of the equation. He agreed they need more density, but it is not the solution in and of itself. Now that he better understands the question, Mr. Gwilliam said the design team can review more details related to the comparison projects and provide more information at the next meeting.

Commissioner Davis recalled when the Costco Plaza and University Village were blighted commercial areas. The City wants developers to create placemaking spaces that include commercial, office, mixed-use, and multi-generational housing, but she understands that the proponent is taking a huge risk being the first one in the CRA to bring a proposal forward. She pointed out that light rail will bring a lot of development into the City and no one really knows how quickly it will occur. Shoreline borders Seattle, where no one can afford to live, and she anticipates the City will develop quite quickly. She agreed with Commissioner Malek that the ratio of commercial versus residential is out of scale, and she understands that current market research does not support large commercial spaces. However, she reminded the proponent that the community has indicated a desire for more boutique retail, restaurants and indoors spaces for people to commune and be together.

Commissioner Malek recalled that one of the City's Economic Development Goals is low-impact, high-yield development. This is particularly needed in Shoreline due to the City's size and uniqueness. One opportunity would be a venue for the music and film industry, which would be low impact but high dollar. While he does not want to dictate the exact makeup, there is a demand for this type of space that could be accommodated within the CRA. Given the state of brick and mortar retail spaces, it may not be reasonable to add a significant amount of this type of development, but there must be some compromise that would better serve the community. Mr. Gwilliam agreed to expand more upon the market analysis that MGP completed and report back at the next meeting.

Chair Montero observed that Northgate is going through redevelopment, as well, adding a practice hockey facility. It seems that development is similar to what the applicant is proposing with smaller retail on the lower level with condominiums and apartments above. Mr. Gwilliam noted that Mr. Foster and Mr. Ptacek are the architects for the Northgate Project, as well.

**Jeff Foster, Architect and Urban Planner, GGLO Design,** said that, in addition to the National Hockey League practice rinks, there will be a dramatic reduction in the amount of retail from what is there currently. Almost all of the big box retail will be eliminated, and there are currently four Master Use Permit applications in for housing and mixed-use projects as part of the redevelopment. Chair Montero asked if the development is similar to MGP's proposal for Shoreline Place, and Mr. Foster said it would be larger, with over 1 million square feet of office space.

**Mitch Ptacek, Architect and Urban Planner, GGLO Design,** said the difference between the projects in Northgate and Shoreline is the office component. Light rail is driving the demand for additional office space at Northgate, being 12 minutes from downtown Seattle. It would be more challenging for Shoreline

Place to support office uses. He pointed out that the Northgate site has a 125-foot height limit closest to Interstate 5, which also allows for greater density in the office buildings.

Commissioner Craft asked the applicant to talk about the similarities that the proposed project might have with other developments they have done in terms of potential for significant economic improvement from both a residential and commercial standpoint. He specifically asked them to relay some of the practical aspects of what they have learned in the process of these projects coming to fruition. While Shoreline residents are generally excited about the prospect of some level of redevelopment, they are somewhat concerned about the impacts associated with a large number of additional residential units. While they support having a variety of housing choices, it can lead to a whole new level of congestion and problems with transportation. The new light rail system will be convenient, but it will pose its own challenges, particularly as the population increases.

Commissioner Craft commented that the concepts outlined in the Development Agreement will allow the developer to take a longer horizon look at what they want to achieve, and the City wants to help them do that. However, they also want to protect the City's assets, which have a limited ability for reallocation in the future. Mr. Gwilliam said the lessons learned from other projects, including the eight large-scale developments they are currently working on, were integrated into the current proposal before the Commission. He agreed to provide additional information and case studies. He summarized that each project must speak to the time and place and the market realities within which it sits. While many people like University Village for what it is today, it is important to keep in mind that change occurred over time. He suggested that the proposed project can be seen as a catalyst towards redevelopment of the entire CRA.

Commissioner Craft commented that a number of the new residents at the Northgate location would never need to go into Seattle because there are opportunities for work in the Northgate offices or on the eastside. However, in Shoreline the ability to get around the area by choice is limited, so resources need to be available closer to home. Mr. Gwilliam agreed and recalled that the City incentivized redevelopment as part of the PAO by anticipating and preparing for mitigation to address those things. MGP will be investing several million dollars into the improvements, as well.

Commissioner Lin asked if the Development Agreement allows flexibility for the proponent to increase the amount of retail space. Mr. Gwilliam pointed out that Central Market will be the anchor for the project. They want the existing retail within the CRA to thrive and for the project to be a catalyst for future redevelopment. He referred to the site plan and explained that the retail is laid based on proximity to parking, and the depth of the proposed retail spaces makes the most sense given that they will be located on the ground floor of a multi-family building. He summarized that, based on the market analysis and the amount of existing adjacent retail space, the proposal contains the appropriate amount of retail for this location.

**Alison Moss, Land Use Counsel, MGP**, explained how the CRA and PAO influenced MGP's process and reviewed how the proposal is consistent with the Development Agreement Criteria. She reviewed that, as discussed by staff at the May 2<sup>nd</sup> meeting, the City has been seeking revitalization of this area since incorporation. The CRA was adopted more than seven years ago, recognizing that the area was blighted, the buildings were obsolete, the street layout was defective and inadequate, and there is a diversity of ownership. When asked in 2014 if the City would master plan Aurora Square, the City

responded that it would partner with property owners to provide the connections and infrastructure necessary to serve the site, but it would not dictate to the owners how they develop the site. As an example, Westminster Way N is being redeveloped via a partnership to slow down traffic and make it more pedestrian friendly. As part of Phase 1 of the proposed project, MGP would contribute to the Westminster Way N frontage and intersection improvements.

Ms. Moss reviewed that subsequent to designating the CRA, the City prepared an EIS and adopted the PAO with the goal of doing the environmental work in advance to create the stage for redevelopment to occur. The PAO talks about the integration of environmental review with land use planning and project review to streamline the development process. It also talks about expediting the permit process for subsequent implementation of projects that have previously been addressed in the EIS and, thereby, encouraging growth and economic development. The PAO includes 11 findings, some of which are particularly pertinent to the Commission's consideration of MGP's project:

- The PAO is consistent with the CRA and the goals and policies in the Comprehensive Plan.
- The EIS identifies and adequately addresses the environmental impacts of the PAO.
- The mitigation measures outlined in the PAO, together with code requirements, adequately mitigate the impacts associated with the project.
- Projects that are developed consistent with the PAO will protect the environment while benefiting the public and enhancing economic development.

Ms. Moss said the City is being asked to make two decisions relative to the proposal. The first is whether or not the proposal is consistent with the PAO, and the City has issued a Determination of Consistency (Exhibit D in the May 2<sup>nd</sup> Staff Report). In order to make this determination, the City had to find that the proposed uses are consistent with the PAO, Comprehensive Plan and Development Code. It also had to find that all of the significant impacts have been mitigated by the measures identified in the EIS and PAO, that it complies with applicable regulations and that the State Environmental Policy Act (SEPA) responsible official has determined that the measure constitute adequate mitigation. Meeting the criteria took quite a lot of work, including a thorough traffic analysis where some reporting errors in the City's Final Environmental Impact Statement (FEIS) were discovered. The City issued an addendum to the FEIS, which corrected the errors but did not change the analysis.

Ms. Moss explained that the EIS started out by identifying the PM peak hour trips based on the current uses within the CRA. It was determined there are currently 1,047 PM peak hour trips, and Alternative 3 (250,000 square feet of retail, 250,000 square feet of office and 1,000 residential units) would add 808 PM peak hour trips for a total of 1,855. Based on the proposed shift of uses, an occupied Sears Building and development of Lots A, D, E and F, the proposed project would generate 160 PM peak hour trips or about 20% of the trips projected by the EIS. At full build out, the number of PM peak hour trips would drop to 99 or 12% of what was analyzed in the EIS. The proposed project, together with the Alexan project and the addition of 200 Washington State Department of Transportation (WSDOT) employees, will result in an estimated 264 PM peak hour trips or 33% of what was analyzed in the EIS. She summarized that 67% of the trips studied for Alternative 3 will remain available for redevelopment in the rest of the CRA without the need for further environmental analysis. Based on these numbers, MGP believes the proposed number of residential units would fall within the scope of the PAO.

Ms. Moss said the PAO also found that full build-out of the project would be less than the aggregate amount of development reviewed in the EIS. She reviewed that Alternative 3 contained 2,082,725 square feet and the proposed project at full build out would be a little over half that amount. In addition, staff has determined that the impacts of the project will be mitigated by the measures identified in Exhibit A to the PAO. All of this data supports the shift of uses to include more residential units.

Ms. Moss reminded the Commission of the six criteria that must be met in order to approve a Development Agreement:

1. **Consistent with the Comprehensive and Subarea Plans.** Staff has issued a Determination of Consistency and provided an extensive review showing how the project is consistent with the 2012 Comprehensive Plan (Attachment G of the Staff Report).
2. **Innovative, aesthetic, energy efficient and environmentally sustainable design.** The proposed project would replace acres of surface parking that has no treatment with a vibrant community gathering space and incorporating multi-family housing, retail and restaurants. The project will be subject to the commercial design standards in the Development Code, and supplemental site development guidelines that apply specifically to the project are included in the proposed Development Agreement and will become binding if approved. The project will be served by high-capacity transit on Aurora Avenue N, and bike lanes will be provided on N 160<sup>th</sup> Street and throughout the project. The stormwater system will be upgraded, as well.
3. **Road, sidewalk, and bike lane capacity and infrastructure is available.** As discussed above, this criterion would be met by the proposed project. Regarding timing, MGP's contribution to the Westminster Way N frontage and intersection improvements will come with Phase 1. The channelization of N 160<sup>th</sup> Street to provide bike lanes that will ultimately connect to Shoreline Community College and the pedestrian crossing will be provided with the first residential development. As requested by the Commission, they will provide examples of pedestrian-shared or "woonerf" type streets.
4. **Sufficient water, sewer and stormwater capacity.** They will provide a water-availability certificate with each building, and the Ronald Wastewater District has indicated there is adequate capacity planned or in place. In addition, stormwater collection and treatment will occur on site.
5. **Designed to minimize conflicts with surrounding R-4, R-6, R-8 and MUR-35' zones.** There is a small area of R-6 zoning across N 160<sup>th</sup> Street (3 single-family homes), and there is a requirement that the project be designed in such a way as to minimize conflicts and create a transition to that small stretch of R-6 zoning. To accomplish this, the densely-vegetated frontage will be retained, and regardless of whether or not the easement is moved, a pedestrian path would be provided adjacent to N 160<sup>th</sup> Street. The building setbacks will respect the existing rockery and the majority of the trees, and modulation and material changes will be required.
6. **Consistent with Critical Areas Standards.** There are no critical areas on site, as documented in an attached study.

Mr. Gwilliam referred the Commissioners to the detailed analysis that was provided in the May 2<sup>nd</sup> Staff Report (Pages 275 through 290), which outlines how the project meets all six of the decision criteria. MGP's analysis was also attached to the Staff Report.

Commissioner Craft reminded the Commission that the City would assume responsibility for operation, policy and governance of the Ronald Wastewater District later in 2019. He asked for more information about how the proposed project might impact the current and planned capacity of the system. **Jeff Chambers, Civil Engineer, PacLand**, said he has met with the Ronald Wastewater District and approval is in place to replace some sewer line along Westminster Way N. At this point, there appears to be plenty of capacity based upon their studies, and MGP has committed to work with them as the project moves on.

Commissioner Davis referred to Criteria 2 and said she loves that the site will be redeveloped into something other than a large parking lot. The Commission has spent a lot of time recently talking about green standards and incentives for developers to go above and beyond the minimum code requirements. She noted that the developer would not be held to these higher standards, and she asked them to share innovative elements of the project. As was mentioned earlier, **Jeff Foster, Architect and Urban Planner, GGLO Design**, said the project would comply with the current codes, which are light years ahead of where they were when the original center was developed. The project is not being designed to a superlative Leadership in Energy and Environmental Design (LEED) or International Living Future Institute (ILFI) standard, although future developers may choose to go that route. He said the density increase on the site is one of the most sustainable things you can do in a region to reduce vehicle miles traveled and decrease automobile use. The proximity of the site to Bus Rapid Transit (BRT), jobs and Shoreline Community College also lend to the project's success.

Mr. Foster advised that the project will have to comply with the Washington State Energy Code, which is one of the strictest in the country. The new construction will be at least 60% more efficient than what is there now, and the code-mandated requirements will result in a healthier and more sustainable environment. The site will provide a number of open spaces and a high level of walkability, and the compact development is a more efficient use of land.

Commissioner Davis said it appears that the innovation in the proposal is more about the site features and not the buildings. While the Washington State Energy Code is one of the highest in the country, she felt the proposal represents a missed opportunity.

Commissioner Craft pointed out that while future developers would be held to the standards outlined in the Development Agreement, there would be no opportunity for the City to ask for greater standards. Ms. Moss clarified that approval of the Development Agreement would not vest the project to the building code, impact fees or stormwater regulations that are currently in place. Commissioner Craft asked what opportunity a future developer would have to change the project. Mr. Daniels answered that the Development Agreement is drafted in such a way that successive owners/developers are obligated to comply with the terms of the agreement and all the regulations under which MGP would vest.

Mr. Gwilliam added that MGP has developed multi-family projects on their own and they have partnered with developers, as well. They have also sold land associated with other components of their project. They are not set on any one of those structures, just as they are not closing the door on potentially doing

condominiums on the site should the law change. They are also not closing the door on taking advantage of incentives for sustainability that the City has in place, but the sustainability gains are already in place based on current law. Many of their partners require certain levels of sustainability based on corporate standards. However, their experience is that the dollars are better spent improving the site rather than having a plaque that says you are certified to a certain level.

Commissioner Davis asked if certification could be used as a marketing strategy. Mr. Gwilliam answered that many corporate tenants will only lease space in buildings that are LEED gold or platinum, but that is not true for retail or multi-family development. While renters are concerned about whether there is waste on the property, all of the new construction meets these concerns. Commissioner Davis asked if passive strategies, such as solar on the roof to offset utility bills, could be a successful marketing strategy. She said it is hard to believe that innovative, sustainable strategies wouldn't help the bottom line for both the developer and the tenants. Mr. Gwilliam said he is not suggesting that MGP or a partner would not take advantage of sustainable components. But in the context of making a commitment as part of the Development Agreement, they see a greater desire for other types of improvements.

Vice Chair Mork asked if the Deep Green Incentive Program would apply to the CRA. Assistant City Attorney Ainsworth-Taylor answered that the program is optional in all commercial zones.

Commissioner Maul asked if the project would include an affordable housing component. Mr. Gwilliam answered that the CRA includes an incentive to develop affordable housing via the Multi-Family Tax Exemption (MFTE) Program, which is the most widely-used program in the region that is directly tied to affordable housing. He said that MGP would definitely utilize the program to the extent it is available. However, the program is not available for the current proposal because of the cap that exists in the CRA. Commissioner Davis said she would like the Commission to further consider whether the Development Agreement should be amended to include an affordable housing component. Assistant City Attorney Ainsworth-Taylor pointed out that, in terms of the MFTE, the City's current code includes a 500-unit cap for the CRA. The Council could amend or remove this cap so the Development Agreement could include an affordable housing component. Ms. Moss clarified that 500 is not the number of affordable units, but the total number of units in the project that will include some affordable units.

**Glen Goodman, Vice President of Design and Construction, MGP**, said there has been a lot of discussion about project phasing, the demolition of Sears, and connections from the lower level to the Central Market level. Two tenants in the upper level (Sears Building) have control of the space until the summer of 2023, which means MGP cannot demolish the two-story portion of the building for at least another four years. In addition, the transformer box that provides the main power for the entire shopping center, including Central Market, must be dealt with in advance. This will take four to six months and require that the underground electrical lines be rerouted down N 157<sup>th</sup> Street and Westminster Way N and back into the shopping center to connect with all the other retail spaces.

Mr. Goodman said that the Sears Building was constructed in the late 1960s and was the first on the site. Subsequently, the shopping center to the south was developed and the soil below the shop building that abuts the south end of Sears is being supported by the Sears Building foundation walls. There is a 17-foot drop off in that location, which means they will have to shore up the entire southern wall of the building. Once the electrical work and shoring is done, they can start the building demolition, which will take five

or six months. He summarized that building demolition will be held off for four years, and it will take about a year to complete demolition. That means it will be five years before redevelopment can occur in that area.

Mr. Goodman stated that once the Sears Building has been removed, there will be a 4.77 acre, 16-foot deep hole where the building once stood. Protective barricades will be required due to the significant grade drops. He summarized that it is not realistic to develop the entire project at one time and having a large hole in the ground for an extended period of time would be problematic. Commissioner Craft commented that it would be problematic only if the area is not redeveloped.

Mr. Goodman explained that demolition of the Sears Building would complicate both vehicular and pedestrian circulation patterns across the site. The removal of the building would bifurcate the property east/west and north/south. Currently, the primary vehicular circulation on the Central Market side comes around the front of Sears and then on to the upper level, but that connection will be permanently eliminated when the building is removed. People in the Central Market parking lot would then have two options: go around the back side of Central Market and through the WSDOT access and then back down by the Marshalls, or go out to Westminster Way N and come back up either N 157<sup>th</sup> Street or take the existing service road on the east side of the building.

Commissioner Craft asked Mr. Goodman to explain the abatement requirements associated with the building's demolition. Mr. Goodman said building abatement will be required because they know there is asbestos. The thought was that abatement would take place at the same time as the electrical work.

Mr. Goodman said the pedestrian issue has to do with people coming from Shoreline Community College. They currently cut through the WSDOT entrance, cross the upper level, and then drop down the stairs in the back corner and walk between the two buildings to access Central Market. This access would also be eliminated when the building is demolished. That means pedestrians would have to go along the backside of Central Market or go all the way down to Marshall's and Westminster Way N.

Mr. Goodman advised that MGP hired a local structural engineer to complete an analysis of the existing podium structure, which has a concrete roof and is extremely stout. They learned that they could conceivably build several levels of residential on top of the existing podium structure. Another thought is to convert the lower level into a parking garage. They are also exploring the idea of building a shop building on top of the podium and retaining the area as a central storm detention basin. This would eliminate the need to mitigate for the shoring system for the ROIC parking lot. However, if they are forced to demolish the building early, these other options would go away.

Mr. Goodman summarized that if the City required MGP to demolish the Sears Building prior to starting any development on the site, the property would remain in its pre-demolition condition until at least the summer of 2024 and construction could then begin with estimated completion of the two retail pads in 2027. Based on the assumed apartment absorption rates, the second of the four sets of residential buildings would probably not come to market until 2029 or 2030 and the other blocks would follow a few years later. He suggested the City needs to consider if the community is willing to not see any progress in their vision plan for at least another eight years.

Mr. Goodman said the phased approach presented in the application represents a systematic removal of the Sears Building, the greatest long-term site flexibility functionality, and a shorter timeframe for the residents of Shoreline to start realizing the vision of the CRA. If the phased demolition approach is allowed to go forward, MGP could potentially deliver the first retail buildings in late 2020 (Block E) and the first residential buildings (Block A and D) around 2023. He summarized that Phase 1 would include construction of the two buildings in Block E and the Westminster Plaza near the N 155<sup>th</sup> Street entry, parking lot improvements, relocation of electrical lines, demolition of the catalogue center and construction of the entire frontage on Westminster Way N and the beginning portion of C Street. Chair Montero asked if the existing pedestrian walkway would remain in its current location during Phase 1, and Mr. Goodman answered that all of the major accessways would be maintained.

Mr. Goodman said that once the catalogue center is removed as part of Phase 1, development of the residential units (Block A) can start. Access to the block can come in two forms: an agreement on the new entry point at the WSDOT area or maintaining the existing access drive behind Marshalls. In addition to the new access drive, Phase 2 would also build out the majority of the pedestrian promenade between Block A and the future Block D, as well as the pedestrian linkage along A Street and North 160<sup>th</sup> Street.

Mr. Goodman explained that the existing auto center building is a single-story building that can be eliminated earlier than the two-story building. This will allow them to complete the C Street connection to the lower level that ROIC has requested. Once C Street is operational, they can take out the existing access drive on the east side and complete construction of Block D in 2023. They will also deliver the east plaza, which is one of the premiere open spaces of the project. By 2025, there could be about 750 residential units. Once D and E Blocks are constructed, there will be a connection to the Alexan Project, providing synergy for the rest of the site. He provided an illustration to show what the circulation system would be like at that point and agreed to bring back information to show the timeline for constructing each of the residential buildings.

Vice Chair Mork asked if MGP has shown ROIC the plan for phasing, and Mr. Goodman said they have showed them the plan, but haven't yet shared the break down for phasing. Mr. Gwilliam said the hope is to meet with ROIC soon.

Commissioner Craft left the meeting at 9:02 p.m.

Chair Montero asked how the Central Market parking would be impacted by the project. Mr. Goodman said there would be no impact.

Chair Montero asked if the proposed pedestrian access would be a steep climb or gradual. Mr. Ptacek said both C Street and the proposed D Street are designed with a 5% to 8% grade (Item 6 on Page 4 of the Staff Report). He noted that all of the street grades are shown on Page 117 of the design submittal package. He also noted that the woonerf (shared pedestrian) street is designed as a flat street with a slope of less than 2%.

Vice Chair Mork asked how long the entrance to Central Market (near Block F) would be under construction. Mr. Gwilliam answered that is a City project. Ms. Dedinsky said the project includes three components. Alexan's work on their component, the Capital Improvement Project the City is managing,

and MGP's improvements. The City has received a grant for a portion of the work, and this will dictate the schedule somewhat. However, the schedule will not be finalized until they figure out the MGP piece. Funding for the City's portion is allocated for 2021, and Alexan is currently working on its component. Mr. Gwilliam said the intent is to get all of the work on Westminster Way N done at one time so the street doesn't have to be shut down multiple times. Chair Montero asked when the Alexan Project would be completed, and Mr. Gwilliam said the goal is for completion in 2021 or 2022.

Mr. Foster addressed the questions related to sustainable design, circulation and parking, building and massing and height, improvements along N 160<sup>th</sup> Street, and the shared streets (woonerfs) as follows:

- **Sustainable Design.** Increasing the density on site and complying with the current stormwater code represent the most dramatic improvement. The new stormwater system will address both flow and water quality, whereas water currently flows into a drain. The project will cut pollution-generating impervious surface area in half and more than double the landscaped and non-pollution-generating impervious surface areas on the site.
- **Circulation and Parking.** The circulation system will include A, B and C Streets, Westminster Way N, N 155<sup>th</sup> Street, N 156<sup>th</sup> Street and N 157<sup>th</sup> Street. These are all private access drives, with the exception of Westminster Way N. The entry and exit points to the site will be at N 160<sup>th</sup> Street and A Street, B Street and N 157<sup>th</sup> Street, N 157<sup>th</sup> Street and Westminster Way N and N 155<sup>th</sup> Street and Westminster Way N. The circulation plan maintains routes for trucks and loading at large retailers on the site and includes bike sharrows lanes on N 157<sup>th</sup> Street that connect to Shoreline Community College and the Interurban Trail. N 156<sup>th</sup> Street will be a shared route.

An illustration was provided to indicate the total number of units on the site and corresponding parking, both in garages for residents and surface parking areas for the retail businesses. The red areas on the plan show where residents would enter parking garages. Overall, there will be about 1.2 parking stalls per dwelling unit in garages and the code requirement is .75 stall for one-bedroom and studio units and 1.5 stalls for two-bedroom units. He provided a conceptual layout of the parking garages in each of the buildings, as well as their corresponding entrances. There is also a table showing the lower level surface stalls associated with the retail and the lower-level garage stalls associated with the residential units. Mr. Gwilliam pointed out that the retail would be clustered around the field of parking on both the upper and lower levels, and that is one of the factors for determining the appropriate amount of retail.

- **Building, Massing and Height.** A map was provided to illustrate where each of the residential and retail developments would be located. In addition to orienting the retail around the parking, it is also oriented towards Central Market, which is considered the anchor for the site. The seven-story buildings would be residential over retail and parking. There will be two section cuts through the site (AA and BB), and the illustration shows the scale and relationship of MGP's proposal to the existing development on the site, as well as trees, topography and the WSDOT Building in the background.

MGP is asking that the base height limit be increased from 70 feet to 80 feet. Both the Land Use and Building Codes address building height. The Land Use Code measures height from the average grade plane at the midpoint of each side. The Building Code height limit is intended to address fire

protection and 75 feet is the highest occupied floor you can have in a building of this type of construction (5 floors of wood construction over two floors of concrete construction). The point is to align the Land Use and Building Codes to create the most efficient mid-rise construction and optimize the density for the project.

- **Improvements along N 160<sup>th</sup> Street.** Earlier in the meeting, Ms. Moss talked about the mid-block crossing on N 160<sup>th</sup> Street, with the understanding that its location might be adjusted slightly based on traffic analysis, sight lines, etc. The plan shows new bike lanes and the rechannelization identified in the CRA. It also shows the public path and landscape area required by the City's frontage improvements that also respect the existing rockery along N 160<sup>th</sup> Street. He noted that the buildings would be located well away from N 160<sup>th</sup> Street (about 60 feet from the property line). In the upper level of Building A1, the conceptual parking layout is surrounded by residential uses to hide the parking.

The results of the shade and shadow studies that were done from different locations were shared, and it was noted that the 70-foot tall existing trees near Building A would create shadows at different times of year that are deeper than the shadows created by the buildings. Illustrations were provided to show the bike and travel lanes on N 160<sup>th</sup> Street, the entry points on the lower level of Building B and how the garage levels are screened by residential uses.

- **Shared streets (woonerfs).** The Engineering and Design Manual describes a woonerf as a street that facilitates pedestrian, bicycle and vehicular traffic within a shared space. The steps going down to Westminster Way N descend from the east plaza, and the shared street connects the east and west plazas. An illustration was provided to show the relationship of the mixed-use buildings to the plaza, travel lanes for vehicles, parallel parking and pedestrian pathways within the site. Examples of woonerfs include Bell Street and Pike Place Market in Downtown Seattle, with moveable seating, bicycle infrastructure, etc. Shared streets are very successful at traffic calming and creating a vibrant and dynamic place.

Vice Chair Mork asked why the proponent is recommending sharrows as opposed to protected bike lanes. Mr. Foster answered that the level of activity and speed of traffic within the site is conducive to the sharrows. Vice Chair Mork asked why sharrows are proposed on N 160<sup>th</sup> Street as opposed to bike lanes. Mr. Gwilliam said the proposed channelization is based on the City's current design, which calls for a bike lane adjacent to the sidewalk, a center turn lane, and one lane of traffic in each direction. Vice Chair Mork asked what changes the City would need to make to get protected bike lanes along N 160<sup>th</sup> Street. Ms. Dedinsky said the City's engineering team reviewed the concept of providing bike lanes along N 160<sup>th</sup> Street. However, given the slim sidewalks that are there already, adding a bike lane would require additional right-of-way and reconstruction of the entire rockery. The cost would be monumental and something that the City could not require MGP to duplicate beyond its property boundaries. However, there will be some safety benefit when the roadway is narrowed to three lanes. Ms. Dedinsky explained that if bike lanes are added, they would be needed on both sides of the street, and the City cannot require property owners on the north side of the street to dedicate right-of-way for this purpose. Cycle tracks are great in areas that have limited access points along one side to pull bicyclists away from the conflict points. But that is not an option in this case.

Mr. Foster noted that the Development Agreement includes a requirement for a protected path within the site plan. Mr. Gwilliam added that the path would be completed whether or not the easement remains.

Chair Montero asked if the rechannelization plan would include Dayton Avenue N to Greenwood Avenue N. Ms. Dedinsky answered that Shoreline Community College is currently working on improvements from Dayton Avenue N to Greenwood Avenue N. As part of their Phase I pedestrian improvements, they will be constructing a bike lane in the westbound (uphill) direction and a sharrow in the downhill direction. This section is even more constrained from a right-of-way perspective, and Shoreline Community College is squeezing everything it can out of that space to build the American's with Disabilities Act (ADA) accessible sidewalk along the north side and still maintain the existing vehicle and bike lanes. The curb line on the north side will shift south a little bit, which doesn't leave enough room for parking. The space will be reallocated for bikes, instead. The sharrow going eastbound provides a wide space, and the center lane will be a designated left turn lane at each intersection.

Chair Montero recalled that a question was raised at the last meeting about whether or not the project would provide any live/work units, and the answer is no.

Mr. Gwilliam reviewed that design team has reached out to the public online and met with adjacent property owners, and they recognize that MGP must reach consensus with the adjacent property owners before any construction can begin. The plans are conceptual at this time, and anything that is built will reflect the easements that are in place in agreement with adjacent property owners. They remain committed to focusing on Central Market as the anchor for Shoreline Place, as well as the connections between the upper and lower levels that MGP does not own. They also remain committed to delivering on the feedback they heard from the community throughout the outreach process, and they will continue to keep the community and adjacent neighbors apprised of the progress and future conversations with the Commission and City Council.

**Kathleen Russell, Shoreline**, voiced concern about the intersection of Greenwood Avenue N and N 145<sup>th</sup> Street, which she understands will operate at LOS E when the City's threshold is LOS D or better. She also understands that the intersection is in Seattle and outside of Shoreline's jurisdiction. She lives on N 148<sup>th</sup> Street and it is already hard to get out of her driveway in the morning. Increased traffic will be a problem for her. While she understands the proposed construction phases, she asked if the Development Agreement would include a timeline for the start and end construction dates of the various buildings.

**Richard Schoebel, Chief Operating Officer, ROIC**, said he watched the May 2<sup>nd</sup> study session on the recorded video and wanted to set the record straight on ROIC's involvement in the property that goes back to 2012. He explained that, since its first acquisition, ROIC has been committed to Shoreline Place and has focused on working with the City to achieve the vision set out more than six years ago in the CRA. He advised that when MGP purchased the property at Shoreline Place, ROIC began a series of meetings with them to discuss the vision for the Sears parcel, and they were disappointed to learn without notice that MGP was proceeding with the Development Agreement. They are now playing catch up to make sure that ROIC's concerns, as well as the concerns of their tenants, are heard. They are excited about redevelopment of the site, but they are concerned about the project's phasing, circulation within the property and how the property will look during the various stages of redevelopment. He also voiced

concern that the process is moving too fast. He suggested a pause in the process so that all stakeholders can spend the time needed to create a plan that everyone can be excited about.

**Robert Doran, Director of Construction and Development, ROIC, San Diego**, said he views the proposed project as a large apartment complex being built on the front and back parking lots, with a little retail sprinkled in to appease the City. If the massive apartment complex is built, Central Market would no longer be visible from Highway 99. He said they met with MGP over a period of nine months, and none of the illustrations that were provided tonight were presented to them for comment.

Mr. Doran reviewed that the CRA was established in 2012 to encourage the redevelopment of an economically blighted area with obsolete buildings, inadequate street layouts, diversity of ownership and connectivity problems. All of these issues need to be solved before the Development Agreement is approved. He asked that the agreement require that the Sears Building be taken down prior to development. He said he does not agree with all of MGP's reasons for leaving the building in place. These types of buildings are demolished throughout the country everyday as part of redevelopment. Redevelopment means taking out the old and replacing it with new, but the proposed project would simply build a lot of apartments in the front and back and allow a general contractor to continue to operate in the Sears Building for the next five years. It is very self-serving to use the current leases as a reason why the building cannot be demolished. When the site was purchased, the leases could have been converted to a 30-day notice to vacate, but MGP chose not to go that route. He questioned who would want to live in the apartments, looking at the Sears Building every day. He does not believe the CRA envisioned a lot of apartments with a little retail.

Mr. Doran once again requested that the Development Agreement require demolition of the Sears Building as part of Phase 1. He also requested that circulation throughout the site be further evaluated. The Development Agreement should also be revised to include details about each of the phases so that MGP can be held to specific milestones. He recommended that approval of the agreement be postponed to allow additional time for ROIC to work with MGP to iron out the details of a plan that is acceptable to all parties. There are too many uncertainties at this time.

**Mark Taylor, MG2 Architects, Seattle**, said he was brought on board to look at how the proposal would impact the parcels owned by ROIC. He said he is reassured by the good progress that has been made since the May 2<sup>nd</sup> meeting, but a lot more progress can be made if ROIC is given an opportunity to further collaborate with MGP. He specifically noted the portion of the project proposed for the front parking lot and the property near the easement and suggested that there are opportunities to find some common ground if given the opportunity to explore the options further. He commented that if the Sears Building were removed sooner, whether or not future development of the site happens now or later, there is an opportunity to set a tone. The community aspects of a dog run, playgrounds, plazas, etc. can start to happen in some form on the site by taking the box down. This would show a commitment to the community that the site is transforming. The longer the building remains, the more it will communicate to the community that it is status quo.

**Jeremy Ekert, Legal Counsel for ROIC, Seattle**, recalled that the May 2<sup>nd</sup> Staff Report identified that the Commission's Role is to ensure that a proper balance of the public and private interests is represented in the proposed Development Agreement when making its recommendation to the City Council. A lot of

this took place in the Commission's earlier discussion with the staff and proponent. He reminded them that a Development Agreement is a contract that requires give and take, and it needs to be fair. The Commission has seen a number of conceptual plans, and the applicant has made the argument that the proposed market flexibility is very common in Development Agreements. However, in reality, Development Agreements routinely contractually obligate developers to provide public benefits and to effectuate the plans. He referred to a letter ROIC submitted earlier in the day, which included a letter he prepared (Attachment C) that analyzes other development agreements in the Puget Sound Region. He found that Development Agreements are phased, with the developer providing the public benefits in the initial phases. The agreements often require open spaces that are conditioned with protections and easements so they provide a park-like setting. The agreements also include site-specific development regulations to effectuate the plan and help the City understand what it is getting.

Mr. Ekert reviewed that, in the proposed Development Agreement, the applicant would receive significantly more residential units than planned for in the Shoreline Place Plan, and there would not be flexibility for other uses like office. It rewrites the zoning code to allow taller buildings and more narrow parking stalls and provides public subsidies for private development through Park Impact Fees. It also allows for 20-year vesting. The Development Agreement does not provide the implementation of the Shoreline Place Plan as desired. It does not require internal circulation, amenities or the demolition of the Sears Building. It also does not include the adaptive reuse of the Sears Building that was mentioned by the applicant. It does not require that Shoreline Place be developed in a phased, predictable manner, either. What is shown in the conceptual plan might not actually be built. Section 33 of the Development Agreement authorizes the developer to work with City staff to modify the plans without additional Planning Commission or City Council review. The agreement does not require a bond for security for performance. Mr. Ekert expressed his belief that the actual text of the proposal represents a one-sided agreement. He encouraged the Commissioners to postpone their recommendation and continue the study sessions so that all of the issues and concerns can be adequately addressed.

**Krista Tenney, Shoreline**, said she lives on Greenwood Avenue N and enjoys walking around her neighborhood. The proposed plan does not seem very walkable, and there won't be any sidewalks or lights from the proposed development to Shoreview Park. Accessing the park from Shoreline Place would most likely require a vehicle. She appreciates all of the time and effort that has gone into the proposal, and she wants Shoreline Place to be a place where people are proud to come to. She suggested the Commission take the time to explore all of the options and issues before making a recommendation. She announced that the Highland Terrace Neighborhood Association would meet with Mr. Cohen on May 23<sup>rd</sup> to review the proposed plan and prepare feedback for the Planning Commission. She noted that there are quite a few new apartments being developed in her neighborhood, and this increased density will create a lot of impacts. The plan does not address transit, except for Sound Transit, and finding a place to park to board the train is a challenge. She said her hope is that the residential units on N 160<sup>th</sup> Street will be fabulous condominiums that people purchase because they want to live in Shoreline long term. Rather than boxy development, they should be gold standard.

**Joel Laraway, Lynnwood**, said he has worked at the Central Market for 15 years and ran the store for 12 years. He appreciates the plan, which is absolutely beautiful. He also appreciates ROIC looking out for the interest of the other property owners. He appreciates the Commission's questions, as well. He said he concerned about access to Central Market. If the road to N 160<sup>th</sup> Street is pushed through earlier in

construction it would help vehicles that service the market on a regular basis. There is some confusion in the different drawings, and it would be helpful for MGP and ROIC to work together to come to a parking agreement and then let Central Market know what the future will look like. He commented that a 20-year construction period seems like a long time. He understands the City has reviewed a sign package, and getting the names of the existing businesses earlier in the process will be important.

**Nikki Kim, Lynnwood**, said she runs a small business next to Central Market. Her main concern is the Sears Building, and she was hoping it would be removed as part of Phase 1. The building is located next to her store and it is unsightly and she finds needles in front sometimes. Cars hang out in the parking lot next to the Sears Building when it is dark. She questioned if the proposed parking spaces during and after construction would be sufficient for the existing retail as well as the new residential and retail uses. One of her clients told her that if it becomes too much hassle, she would no longer come to Central Market. The Commission should take this into consideration when making a recommendation on the proposed agreement. While future tenants are important, they must also think about the businesses that are already there.

**Carrie Simpson, Shoreline**, said she purchased a condominium across the street from the future redevelopment in 2017, and she appreciates the staff and proponent's presentation, as well as the Commission and public feedback. She and her daughter ride bikes. It is currently nerve-racking to get across N 160<sup>th</sup> Street, and she looks forward to having a destination. She frequently shops at Central Market, so connections throughout the entire development are important to her. She would like to see as many trees as possible preserved, particularly those along the retaining wall. It is also important to add new trees. She emphasized her desire for more connections between the local businesses and the neighborhood residents. This is a once-in-a-lifetime opportunity for Shoreline to have this development happen at the nexus of Aurora Avenue N, N 160<sup>th</sup> Street, Shoreline Community College, and light rail. She said she doesn't mind if the Sears Building remains for a longer period of time. While it is old and funky, she would prefer the catalogue center be removed first because the area is extremely dark and creepy.

Chair Montero said he needs more time to review and analyze the new information that was presented. He would like to spend more time discussing circulation and phasing and how it all will tie together. He would also like to see a correlation between number of indoor parking spaces allotted for the residential units as opposed to the surface parking for the retail spaces. The timeline for demolishing the Sears Building is a concern, and he would also like to provide more opportunity for ROIC and MGP to work together. There are a lot of unanswered questions, and more time is needed.

Mr. Gwilliam said that all of the parking for the residential units would be contained within the footprint of the buildings. The external parking would serve the retail spaces.

Commissioner Maul agreed that more time is needed. He said he is not convinced that the open space requirements would be met or that the spaces provided would qualify. He needs time to research this issue further.

Chair Montero said he would like to delve deeper into issues related to the tax base and how developing primarily residential units would impact it.

Vice Chair Mork said she is interested in hearing from the Parks, Recreation and Cultural Services Director regarding his review on the acres of open proposed versus the acres that will get park improvements. She is also concerned about the amount of open space. She appreciates the additional details that were provided by the applicant and staff, and she also appreciates the feedback provided by the public and ROIC. She is proud that Shoreline is the first Salmon Safe City in the State, and it is not clear to her that the stormwater from the subject site would not negatively impact Boeing Creek. She likes the innovative idea of potentially using the auto center podium as a vault, but she needs to better understand how that would all go together. She recalled that the Commission previously talked about district stormwater control, and she would like more information from staff regarding that concept. She agreed that more time is needed.

Chair Montero said he has questions about including Shoreview Park and Boeing Creek as a credit to the amount of required open space. He can't envision that people will walk or bike up the steep hill from Shoreline Place to access these two parks.

Commissioner Davis said she is interested in additional discussions about phasing and making the agreement more balanced as far as benefits to the developer versus benefits to the community and City. She suggested staff could propose some additional ideas that would result in a more balanced agreement.

Commissioner Malek said he also supports delaying their recommendation to allow more time to study the issues and concerns that have been raised.

Commissioner Davis asked how MGP could improve the current conditions around the Sears Building before and during construction to maintain the area as a safe place for shoppers. Mr. Gwilliam responded that MGP does security sweeps through its properties a few times a day and he could ask to increase the frequency. He said MGP wants to take down the catalogue center as soon as possible because it is dark during the winter and vandalism has occurred in the past. They could also temporarily lease the parking lots for car storage, school parking, etc. The problems are fewer when more people use the lots. However, the best way to get rid of the problems and clean up the area is to redevelop and bring people to the site. He agreed to work with the property manager to get the site cleaned up and secured as much as possible. However, he did not think it would be appropriate to secure the walkway between the two buildings since it would cut off the connection from Shoreline Community College to the Central Market.

Chair Montero announced that the study session would continue on June 6<sup>th</sup>. Mr. Cohen summarized that, at the continued study session, the Commission would like the following:

- More information about how the parking and circulation would work for the entire site.
- More information about the open space. How much is being provided, how much is being met, and how much is being offered?
- More information on how the proposal will impact the City's tax base and how it will meet the goals set forth in the CRA.
- More information about stormwater. Will the City create a district stormwater area? If so, how will it impact the project. What are the current code requirements and how will they be met by the

current proposal? Will there be any negative impacts to Boeing Creek and Shoreline's designation as a Salmon Safe City?

- An analysis by the Assistant City Attorney comparing development agreements from other jurisdictions.
- More information about how Central Market and other existing retail tenants can maintain visibility during and after construction of the entry way from Westminster Way N and the buildings in Block E.
- More information about the concepts the applicant is exploring that would utilize the existing auto center podium.
- A more specific schedule for construction of each of the phases.

Vice Chair Mork thanked all those who attended the meeting and provided feedback. The Commission learned a lot, and she appreciates the professionalism that each of them exhibited.

### **DIRECTOR'S REPORT**

Director Markle announced that Mr. Cohen will retire on June 3<sup>rd</sup>, and she will take over at the June 6<sup>th</sup> study session. Mr. Cohen said it has been a pleasure to work with the Commissioners over the years.

### **UNFINISHED BUSINESS**

There was no unfinished business.

### **NEW BUSINESS**

There was no new business.

### **REPORTS OF COMMITTEES AND COMMISSIONERS/ANNOUNCEMENTS**

Vice Chair Mork reported that the subcommittee met to discuss the Commission Bylaws and reached consensus on what the direction should be. Assistant City Attorney Ainsworth-Taylor will prepare the final draft that will be presented to the Commission for final approval. Assistant City Attorney Ainsworth-Taylor reviewed that the bylaws were adopted by the City Council via resolution, and she will ask them to remove this requirement and give the Commission more leeway to control its own bylaws.

Assistant City Attorney Ainsworth-Taylor reported that oral argument on the Point Wells application was conducted on May 10<sup>th</sup>, and the judge asked to have until June 7<sup>th</sup> to issue a decision.

### **AGENDA FOR NEXT MEETING**

The June 6<sup>th</sup> meeting will be a continued study session on the proposed Shoreline Place Development Agreement.

### **ADJOURNMENT**

The meeting was adjourned at 10:16 p.m.



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William Montero  
Chair, Planning Commission



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Carla Hoekzema  
Clerk, Planning Commission