

# CITY OF SHORELINE

## SHORELINE PLANNING COMMISSION MINUTES OF PUBLIC HEARING MEETING

June 6, 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  
Kendra Dedinsky, Traffic Engineer  
Tricia Juhnke, City Engineer  
Terry Danysh, Outside Legal Counsel  
Eric Friedli, Parks, Recreation and Cultural Services Director  
Nathan Daum, Economic Development Program Manager  
Julie Ainsworth-Taylor, Assistant City Attorney  
Steve Szafran, Senior Planner, Planning and Community Development  
Carla Hoekzema, Planning Commission Clerk

### **CALL TO ORDER**

Chair Montero called the Public Hearing 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 16, 2019 were approved as submitted.

### **GENERAL PUBLIC COMMENT**

There were no general public comments.

**PUBLIC HEARING: MINOR AMENDMENTS TO AURORA SQUARE PLANNED ACTION ORDINANCE (PAO)– ORDINANCE 863**

Chair Montero reviewed the purpose, rules and procedures for the public hearing and then opened the hearing.

Director Markle advised that the Commission is tasked with making a recommendation to the City Council on Ordinance 863, which is a minor amendment to Ordinance 705 (Shoreline Place Planned Action Ordinance). She explained that the trip generation numbers in Chapter 3.3 of the Environmental Impact Statement (EIS) for the Community Renewal Area (CRA) were reported incorrectly. The numbers were corrected on March 8, 2019 through a State Environmental Policy Act (SEPA) process called an addendum. The process matched the trip generation numbers from the analysis prepared by KPG, the City’s traffic engineering consultant so no changes are proposed to the analysis of alternatives, significant impacts, or mitigation measures. The amendment purely addresses a transcription error.

Director Markle explained that Table 3.13 and Appendix D from the CRA EIS showed the trip generation numbers without a reduction for trips occurring within the site that has multiple land uses (internal capture rate). The internal capture rate decreases the total vehicle trips external to the site. The Transportation Analysis in the EIS used trip generation numbers with a reduction for internal capture to evaluate the traffic operations for the alternatives. Again, she explained that the trip generation numbers were transcribed into Table 3.13 and Appendix D of the EIS without the internal capture reduction. She provided a slide to illustrate the actual changes to the EIS, and pointed out that it lowered the number of inbound, outbound and total trips for each of the alternatives.

Director Markle advised that the PAO for the CRA (Ordinance 705) includes a table that references the trip generation data for the phased and net trips for Alternative 3 derived from the Aurora Square EIS that was corrected in March. For consistency, the PAO (Ordinance 705) is proposed to be amended to correct the trip generation data errors that have already been fixed in the EIS.

Director Markle reported that some written public comments were received today, and the City’s Traffic Engineer was present to address the concerns brought up in the comments.

Ms. Dedinsky said the Retail Opportunity Investment Corporation (ROIC) raised questions about the traffic analysis. Regarding their request for additional data, it is possible they were referencing the December submittal, which lacked a lot of the background information. The newly submitted traffic analysis that supports the current Development Agreement (DA) is provided in the Staff Report and is available for public review. Staff will provide this information to ROIC and share additional data and context as needed.

Ms. Dedinsky said the ROIC’s memorandum appears to focus on the total trips to and from the CRA, as projected by MGP’s analysis for the 2039 build-out year. She explained that the PAO threshold actually measures to 2030, and MGP did additional consistency analysis for the additional background traffic growth, pipeline trips, etc. Other CRA projects have come along since the PAO was adopted, adding trips to the site, and other non-CRA related projects (Shoreline Community College redevelopment) have also added trips. All of these additional trips have been accounted for in MGP’s updated analysis that goes out

to 2039. In addition, the analysis packs on some conservative trip estimates for Washington State Department of Transportation's (WSDOT) building conversions to make sure they are looking at a conservative analysis into 2039. Given all of these factors, they would expect to see relatively high total trips and limited capacity for other development on the CRA site. That is not really surprising given that the analysis window in the PAO only went out to 2030 and other projects have already come in. What is shown in MGP's analysis is a fairly limited amount of the total that was originally anticipated. The net trips added by the proposed development is not a huge portion, but when you look at other factors going on in the City and in the area into 2039, you see a catch up.

Ms. Dedinsky commented that ROIC's memorandum somewhat misstates the fact that there is no capacity. The Figure 3 they referred to in the memorandum does not show that the threshold has been exceeded, so there is still some capacity. She added that the WSDOT project, which MGP accounted for in the analysis, has not come in for permit yet. If the ROIC submits a permit application prior to WSDOT, their project would account for the trips ahead of the WSDOT project. The intent is to error on the conservative side in terms of the traffic analysis.

Ms. Dedinsky summarized that staff is generally aware that the PAO is limited in scope and only goes out to 2030 and they are already in year 2019 and several projects are in motion. They recognize there isn't a lot of capacity left over given the growth happening in Shoreline in general. If they want to continue to incentivize development and see additional growth within the CRA, they will need to revisit the PAO in the near future.

Director Markle recommended the Commission recommend approval of Ordinance 863, amendments to Ordinance 705 (PAO for Aurora Square CRA).

**Robert Doran, ROIC, San Diego**, reiterated that ROIC is committed to the City and is a long-term holder of properties. ROIC will likely redevelop its holding in Shoreline within the coming years, and will soon submit plans. ROIC is excited to hear that the City desires to use the PAO to encourage additional redevelopment of Shoreline Place, and they have hired Hefron Transportation and their attorney to review the PAO. ROIC asks that the Commission consider the PAO amendment and the DA together so the PAO can be used for more than just Merlone Geier Partner's (MGP) project. ROIC also asks that the Commission not advance the proposed amendment until it understands the amount of capacity that remains in the PAO and to postpone approval of MGP's proposed DA.

**Jeremy Eckert, Counsel for ROIC**, pointed out that the Staff Report states there would be 67% capacity in the PAO after taking account for MGP's proposal. However, ROIC's Traffic Engineer, Marti Hefron, indicated she could not find the data needed to confirm this number. He said he appreciates the City Traffic Engineer's comments addressing the questions outlined in ROIC's memorandum, and he heard there is not a lot of capacity left within the PAO. He summarized that City wants to encourage development at Shoreline Place, but there is limited capacity. He asked that the Commission consider what the proposed DA means for future redevelopment efforts at Shoreline Place based on the approved PAO. Because there is limited capacity, granting a lot of trips to MGP over the next few years will result in fewer trips for other redevelopment projects.

**Bill Franklin, Resident and Small Business Owner in Shoreline**, said he attended the previous meeting when the DA was presented. He said he is pro development and the proposed project could be really great for Shoreline. However, he is concerned about the potential relief of Park Impact Fees, which were established to attempt to maintain the existing level of service (LOS). If a theoretical project has 1,200 residential units and asks for relief of 1/3 of the fees, it would be equivalent to about 400 units or 400 families. The idea that 400 families would only use the park space in the development and no other parks in Shoreline does not make sense. He pointed out that the City charges an impact fee of over \$4,000 if a property owner wants to build an accessory dwelling unit on his/her property. How do you explain why the single-family property owner has to pay a park impact fee when other developers get significant relief? Lastly, Mr. Franklin voiced concern that allowing MGP to reduce the size of its parking stalls and have a greater distance between pedestrian walkways will set a precedent for future redevelopment.

**Greg Spyridis, Shoreline**, said he lives right behind the property that is the subject of the proposed DA. He asked if traffic is anticipated to increase by 67%. Ms. Dedinsky answered no and explained that the 67% references a threshold set by the environmental analysis. Mr. Spyridis asked how much the City expects traffic will increase and what the parking requirement would be for the residential units. He asked who owns the road behind the subject properties. He expressed his belief that the road, as currently configured, cannot handle the increased traffic. He said he understands some parking will be lost in front of Central Market, and he asked if people would be allowed to park on the MGP property to patronize the Central Market.

Assistant City Attorney Ainsworth-Taylor observed that some of the comments are more related to the DA and not the proposed amendment to the PAO (Ordinance 863). She cautioned that the staff and commission responses should be limited to just the proposed amendment. The other questions can be addressed during the DA study session.

Ms. Dedinsky explained that the PAO studied a fairly significant increase in trips, and 808 is the new net threshold for the build out of the CRA. However, the total new trips generated around other projects that the PAO would not be responsible for (i.e. Shoreline Community College) is covered for context under the LOS standard. As environmental analysis is done, the LOS standard is used as a guide. Traffic volumes are expected to increase, and after a certain point, traffic mitigation would be necessary.

**Bergett Kaypoli, Shoreline**, said she lives in the Westminster Triangle. She voiced concern about the park space in Shoreline and the affect that the proposed project will have on parks. She is also very concerned that Central Market customers won't be able to find parking. She expressed her belief that the quality of life in Shoreline will be impacted by the multiple developments that are occurring on Aurora Avenue and elsewhere in Shoreline, and that concerns her. They need to add all of these projects together when making decisions. The proponent has presented some good plans, but there are issues related to all of the redevelopment that is occurring. She said she is not sure how long the residents in the Westminster Triangle will survive as redevelopment occurs around them. Right now, the triangle has a lot of trees with residential houses, and she is concerned that it will be significantly impacted. She concluded that the quality of life in Shoreline needs to be maintained, and that will require a look beyond just this one project.

**COMMISSIONER MALEK MOVED THAT THE COMMISSION RECOMMEND APPROVAL OF THE PROPOSED AMENDMENTS TO ORDINANCE 705 (PLANNED ACTION FOR THE**

**AURORA SQUARE COMMUNITY RENEWAL AREA) THROUGH ORDINANCE 863.  
COMMISSIONER MAUL SECONDED THE MOTION.**

Commissioner Malek said he appreciates hearing the work that has gone into the proposed amendment and that the change is in context of considering the bigger scheme. He said he believes there must be a direct connection between development at Shoreline Community College and the proposed new development, and care should be taken that the area does not become overwhelmed with traffic. Although they hope to encourage alternative methods of transportation, Shoreline is still a motorist community. It is important to consider the bigger context to make sure that one project does not preclude another or that a project does not overwhelm the community.

Director Dedinsky clarified that the amendment corrects a transcription error. The wrong numbers from the analysis were copied into what was adopted as the PAO. The underlying analysis did not change. She summarized that the PAO threshold looks at the total trips generated by the site (trips to and from) and the net new trips from redevelopment. The numbers were transcribed incorrectly into the ordinance because the internal trips (trips between different areas on site and trips that occur as a result of pass by) were not taken into account.

**THE MOTION CARRIED UNANIMOUSLY.**

Chair Montero closed the public hearing.

**STUDY ITEM: PROPOSED DEVELOPMENT AGREEMENT (DA) – SHORELINE PLACE**

Director Markle explained that this is Study Session #4 on the Shoreline Place Draft DA. She briefly reviewed the presentation format, noting that responses to the Commission's May 16<sup>th</sup> questions were grouped by topic. The presentation will be provided by both the staff and the applicant, and the Commission will have an opportunity to comment and ask questions following the presentation on each topic. The public will be invited to comment following the presentation of all topics, and the staff and applicant will respond to the public comments as directed by the chair.

**Topic 1. Redevelopment Case Studies**

- a. Is the City missing out on retail by allowing more residential? How will this impact the tax base?**

Mr. Daum advised said he started out as the City's point person on the DA, but as it transitioned to an actual permit, it moved to the Planning and Community Development Department. This is not his first time to work on or respond to questions related to the proposal. He explained that MGP offered to purchase the Sears Building with the intent to redevelop the property within the limits studied in the PAO and the City's zoning. The PAO and zoning allows retail, office and residential uses, and even without a DA, residential uses are allowed at a greater level than what the applicant is proposing. The proposed uses are similar to what they are seeing with other commercial properties in Shoreline. The applicant can pursue redevelopment outside of a DA, but they have invited the City to work collaboratively with them to arrive at a mutually-beneficial agreement.

Mr. Daum cautioned that it is important to consider that the old formulas for calculating population density to retail square footage are no longer applicable. The country is over retail, and Aurora Square and other commercial areas in Shoreline are great examples of the type of retail that is difficult to keep going. They are now finding that retail needs a lot more population density right on top or next to it. MGP's proposal identifies what they believe is the population density needed to support the proposed 75,000 square feet of retail space. It is difficult to characterize the proposal as "missing out on retail space" since they are operating largely within what the zoning and development capacity allows within the area.

Mr. Daum expressed his belief that the proposed project will become a catalyst for future development. The idea is to encourage developers to take advantage of the environmental study that was done, which provides certainty as to the specific mitigations that will be required. The PAO is not intended to be a limit, and the zoning allows even greater density. The DA will allow quite a lot of additional capacity to catalyze future redevelopment, which can also leverage the built-in customer base as the Sears parcel transforms into a walkable and vibrant urban environment. This is the type of development that is proving to be most successful. He expressed his belief that the tree-lined streets, row houses, and simpler, more attractive connections throughout and into and out of the destinations within the CRA will result in a vibrant urban environment.

Mr. Daum explained that some tax analysis was done when the CRA was established, and the numbers cannot be updated at this time because it requires the disclosure of private business information. They only have the 2012 numbers, which show that tax receipts from Aurora Square (now Shoreline Place) averaged only \$6,000 per acre compared to \$39,000 per acre for Aurora Village where Costco and Home Depot are located. While certain commercial uses may generate more tax revenue through a combination of taxes (property, business and occupation, sales, utility), other commercial uses like grocery stores may sell a significant number of non-taxable items. In addition, not all commercial uses have high property values. He summarized that, generally speaking, commercial uses have more tax categories. However, since retail and restaurant viability are improved through increased foot traffic, it is staff's estimation that the addition of new residential units within the CRA will strengthen its retail performance. Creating a more attractive environment should positively impact the City's sales tax revenue.

## **b. Review of Case Studies.**

**Jamas Gwilliam, Vice President of Development, MGP**, reviewed three case studies that MGP has worked on in repositioning retail. The intent is to provide some context about the way MGP makes decisions.

- K Mart in Goletta, California. The building is a 117,000 square foot box with a 18,000 square foot shops building out front. It is located one block from the freeway and less than one mile from UCC Santa Barbara where there are 24,000 students. This is in a very high barrier to entry market, and the Pacific Ocean is not far away. The desirability from a demographic's perspective, the high barrier to entry market, and the lack of available land to build new retail puts this location squarely in the cross hairs of where retailers, such as

Target, want to be located. They were able to quickly negotiate a lease with Target, and it fit exactly what the City was looking for. They weren't looking for housing on the site. Instead, they were looking to back fill an existing anchor with a viable retailer, and Target is a great option if you have a large box that you want to fill. They also contacted Target when they acquired the Sears site, but due to other stores already in the market, they weren't interested. The project resulted in a positive outcome for MGP, the City of Santa Barbara and Target.

- The Village at San Antonio Center, Mountain View, California. This was a 21-acre assemblage of a former Sears-anchored retail center that was built in the 1950s. It is located in the heart of Silicon Valley and within walking distance of the CalTrain rail service. It is nearby the corporate headquarters of Apple, Google and Facebook, as well as Stanford University. The demand far outweighs supply within this market, and many tech companies are acquiring space in the anticipation of future employment. The solution on this site was a 275,000 square foot retail component that included a Safeway, a cinema and 450,000 square feet of office space that was preleased. It also included 330 apartments with ground floor retail in a portion of the building, a large park, a 167-room hotel, and a large parking structure.

The project was started in 2011, and they will complete the third and last phase shortly. In the Silicon Valley market, preleasing occurs before a building is even constructed. In the Shoreline market, speculative building is usually what precedes any type of preleasing. A developer typically has to go at risk and start construction on an office building prior to the lease being executed. When MGP first acquired the property at Shoreline Place, we reached out to WSDOT, recognizing they were the existing occupier of office space. The intent was to work out a build-to-suit arrangement if WSDOT was interested in being part of the project. WSDOT was already planning the implementation of a State strategy to consolidate and utilize their existing office space to accommodate the Department of Ecology (DOE). Absent WSDOT's participation, they looked at the depth of the market that would allow them to prelease space, but were unable to identify any office tenants who had active requirements or were looking to lease space in Shoreline. Given the lack of market depth, a speculative new office space in this location was not something that MGP could secure financing or support for.

The City of Mountain View was focused on the project being a catalyst for future redevelopment. When the property was acquired in 2011, there was a lot of activity going on, but this particular pocket was predominantly retail with large surface parking lots. They were interested in seeing not only MGP's property redeveloped, but also the properties across the street in several directions. As soon as MGP started development, adjacent property owners also started construction on over 1,000 apartments in varying levels of density. MGP was able to accommodate a full range of programmatic uses on the site: hotel, multi-family, retail, cinema, and office.

- Noho West in North Hollywood. This project is currently under construction. It was a 480,000 square foot, freestanding Macy's that sits on 25 acres adjacent to the 170 Freeway.

It also included an 88,000 square foot office building. About 200,000 vehicles pass by on a daily basis, and there are about 660,000 residents within a 5-mile radius. The property is part of a 75 million square foot office market. MGP worked with the City on a plan that incorporated 640 multifamily units and repositioned the existing Macy's. They positioned an atrium in the middle of the building, created some very cool, creative office space and punched windows in the exterior. It was a great learning experience on how to reuse old structures when the market is there to support it.

Commissioner Craft said he appreciates Mr. Gwilliam sharing case studies that MGP has done, and he assumes they have worked in a similar model as what is proposed at Shoreline Place. He also appreciates that MGP considered potential tenants for the Sears space. He said he understands the risks and challenges associated with retail and office development. He asked if it is MGP's belief that the residential component associated with the proposed project will be a catalyst that begets an office-type product in the future. Mr. Gwilliam responded that the current office market is extremely unique. The City's attempt to incentivize office tenants is not unique to Shoreline and is a challenge that many municipalities look at. Northgate is planning just over 1 million square feet where the mall used to be. The plan is to start speculatively on just a quarter of the project because no one wants to lease space until the project has a shovel in the ground. They can justify starting speculatively because they are adjacent to both the freeway and future light rail. Lynnwood is another example of a location that is adjacent to the freeway and light rail, and MGP is proposing nearly a half million square feet as part of their project there. He emphasized that MGP's proposal would not preclude the ability to take advantage of office in the future should the market change. However, as they move through build out, the window will get smaller. He summarized that the cost constraints relative to existing lease rates within the market and the inability to start a project based on 10,000 to 15,000 square foot office tenants, which is what the current market in Shoreline is, makes it infeasible to carve out a specific portion of the site for office and the sit and wait.

Commissioner Malek asked what MGP can do to develop the overlap within the project. He asked about the proposed ceiling heights for the retail spaces that are located on the ground floor of the residential buildings. Mr. Gwilliam answered that the plan identifies 75,000 square feet of retail, including the existing bank pad (3,000 square feet). There will be 17,000 of new single-story retail space, and the balance will be ground floor retail. MGP believes the retail space will be viable because of its proximity to parking. He pointed out that all of the parking for the residential units will be contained within the footprint of the buildings, and the retail space will be parked at 5 spaces per 1,000 square feet, which is greater than the code requires and pursuant to agreements MGP has with adjacent property owners. They expect the adjacent property owners will keep the same requirements, as well. The ceiling heights for the ground floor retail will range between 16 and 20 feet, depending on the needs of the retailer. Commissioner Malek asked if that height is standard practice, and Mr. Gwilliam answered affirmatively. He said the depth of the retail would also inform the type of retailers, and most likely the space would be set up to respond to community feedback and market demand and support Central Market and the other adjacent retail uses.



Commissioner Malek commented that services (education, hospital, and social services) are the biggest need in Shoreline. Mr. Gwilliam agreed and said the project could accommodate a component of clinic-type space.

Commissioner Malek said he appreciates all of the energy that has gone into the project. He understands the proposal complies with the current code, with or without the DA. What they are talking about now is preferences and collaborating with the City to address community desires. He observed MGP's efforts to collaborate with the City. He summarized that the real desire is for retail space. He examined economic numbers on Redmond, which is similar in size and population with Shoreline. The big difference is that there are significantly more people in Redmond during the working day to support the commercial base. There is no reason why Shoreline could not do something similar without diminishing the quality of life. However, Shoreline is working to redevelop and the City of Redmond developed around Microsoft. Mr. Gwilliam said he does not know the type of planning that went into paving the way for Microsoft to grow and how it was met by the community.

Mr. Daum explained that when the state put in the floating bridge across the lake, the east side was opened up to development. There was no economic development initiative, tax incentives or recruitment going on when Microsoft decided to relocate from Albuquerque to Redmond. They wanted to be some place with great schools, affordable homes and a quality of life. At that time, the infrastructure was car-based and offices were located in office park developments. Now the most desirable place for office space is in vibrant, dense, urban, walkable environments where there are a mix of uses. One opportunity for Shoreline is to purchase land and install the roads and urban infrastructure to break up the grid and create walkable-scale blocks and then sell the properties back to the private sector for office and commercial uses. However, it is much easier and costs less to leverage the basically unlimited demand for residential. It takes time to bring a residential product to market in the current regulatory environment, and there is such a high demand for residential in this region that they can place the responsibility on the developer to provide the amenities (sidewalks, lights, trees, smaller-scale grid, etc.) to create a more urban streetscape environment. That is what MGP is proposing to do at Shoreline Place. He expressed his belief that the proposed project will be a great catalyst.

Commissioner Craft commented that MGP is asking for an additional 10 feet beyond the envelope currently allowed by code to accommodate the grade change. He asked about the concept of lifting the envelope from a height perspective instead, creating design criteria that results in a pedestrian-friendly, walkable infrastructure but allows for a different construction type. This would be one option for creating a central downtown corridor. He asked if the analysis required to build to a greater height is overly complicated for developers. Mr. Gwilliam answered that it is easy, but it is still expensive, and the rents will barely support the lowest-cost, mid-rise construction. Going to high rise would require an incremental increase in rents that aren't supported. High-rise condominiums are typically only seen in the most urban centers, and most are being developed by foreign developers that have different metrics and risk thresholds and are more comfortable with Washington law. However, the laws may change, and the DA would not preclude the ability to do condominiums at Shoreline Place. But the community has indicated that 70 to 80 feet is probably as high as they want to go.

Commissioner Craft commented that one of the City's goals is to have residents live in the community for longer periods of time, and rental projects often preclude this. If condominiums are available, people can live in them longer term. The Commission is looking for ways to make that a reality, recognizing that affordability comes in all different shapes and sizes, rental or for sale, etc. He summarized that it is less about lifting the height limit and more about State laws in place that preclude this opportunity. Mr. Gwilliam agreed and said the condominium market serves a major gap that is lacking, and this contributes to the housing problem. If the law changes, the DA would not preclude MGP from partnering with a condominium developer.

## **Topic 2. Flexibility/CRA/DA**

### **a. Is there flexibility in the DA to add more retail and office?**

Director Markle said it is the goal of the City, applicant and community. The DA was updated to explicitly say that adding square footage of commercial or office would be considered a minor amendment, which is a more streamlined administrative process.

### **b. How does the DA meet the CRA goals?**

Director Markle explained that it is important to remember that the MGP property represents 25% of the entire CRA. Rather than goals, the CRA identifies bold aspirational statements that are all addressed by the proposed DA. It calls for restaurants, places for people to gather and play, better stormwater management and creating a connected community. The proposed plan shows how the entire site can be connected north, south, east and west throughout the project. It includes improvements to Westminster Way and North 160<sup>th</sup> Street as part of Phase I.

### **c. What will be the effect of 1,000+ residential units versus more retail/office/entertainment on the tax base?**

Mr. Daum commented that more residential units will support the retail and pave the way for more development of the urban character that will attract office space in the future. He advised that MGP has been incredibly responsive to all of the potential uses and ideas that have been brought forward by the City throughout the process. The CRA is ready for implementation, and the City has established a great relationship with MGP in sourcing leads and lining up initial investors for future phases of the project. MGP is open to having an office or larger commercial use locate at Shoreline Place.

Commissioner Malek commented that one goal of the CRA is to take some of the burden off the taxpayers by improving this economically blighted area. The revised way that Shoreline can accommodate a Redmond type model would be through the new light rail station hubs. The proposed DA could start that density and the multimodal could bring in office development. He asked how likely is it that some of the residential space at Shoreline Place could be converted to something more accommodating and attractive if office space is developed near the light rail stations and the population increases. He asked if the proposed modulation of the buildings is

realistic. Mr. Gwilliam said his comment about maintaining flexibility to accommodate office space in the future would be on parcels that are not yet developed as multifamily. Because of the multi-phase buildout, MGP may be able to accommodate the requirements of an office use in blocks that have not yet been built out. Commissioner Malek summarized that the phased approach allows for interplay between the light rail stations, mixed-use residential and other types of development that might occur in the future.

Mr. Daum referred to the case studies that were presented earlier and pointed out that Los Angeles is much denser than the Seattle area, let alone Shoreline, which has a spread-out development pattern with lower density and population. MGP's proposal represents a density that is much more in line with the 2012 CRA vision. Commissioner Malek commented that the community is hoping to be more like Santa Barbara, where the quality of life is preserved. By sacrificing 8% of the total 12 square miles of land area to higher density, the City could meet its Growth Management Act commitments, create a reasonable tax base and provide affordable housing so that residents can continue to thrive.

**d. Examples of Development Agreements.**

Director Markle referred to Attachment B, which was provided by the Assistant City Attorney. It summarizes DAs for Mill Creek's Town Center, Redmond's Group Health, Seattle's Sound Transit and Issaquah's Talus project. She noted a common theme was that DAs were required for these projects, but DAs are not required in the CRA. MGP volunteered to do so.

**e. What community and applicant benefits are derived from the DA?**

Director Markle explained that this is the first mixed-use project in the CRA and will become a catalyst for future redevelopment. The City has been talking about having something different in the area for over 20 years, and the CRA and PAO were intended to attract redevelopment. Now they have an investor who wants to take that first step, and MGP's investment will pave the way for other redevelopment in the future. This is a huge benefit to the City. In addition, the proposal is consistent with the CRA's vision of urban park space and multimodal connections (sidewalks, woonerfs, interurban trail, etc.) The City will also benefit from the capital improvements on N 160<sup>th</sup> Street and Westminster Way, as well as \$100,000 to support the maintenance of Boeing Creek Park and Shoreview Park trails. In addition, the proposal includes a vision to show how all of the properties within the CRA can connect and develop together. The benefits to the applicant include 20-year vesting, which allows for consistency in the development regulations so that MGP can plan and design based on a known set of regulations. The developer will also receive the ability to modify some of the code standards such as a slight increase of height (10 feet), slightly different parking stall dimensions and changes in the façade offsets. She pointed out that changes to the façade offsets can be administratively approved and do not require a DA. Another developer benefit is to negotiate a Park Impact Fee credit for the urban park and open space that will be provided as part of the development.

**f. Development programming marketing analysis.**

Mr. Gwilliam said he has already covered the market analysis and what led to MGP's proposal, but the Staff Report provides some additional summaries.

### **Topic 3 – Sustainability and Leadership in Energy and Environmental Design (LEED).**

#### **a. Would the applicant be able to use the newest deep green incentives?**

Director Markle answered that deep green incentives are specifically allowed in Section 17 of the DA and allow for the implementation of new code provisions that are beneficial to the developer and the City. The deep green incentives were adopted after the applicant submitted the DA application, so the application vested to the development code prior to those changes. However, the applicant could still apply and receive those benefits.

#### **b. Development and incorporation of LEED Neighborhood Development (ND) Standards.**

**Jeff Foster, Architect and Urban Planner, GGLO Design,** said MGP is proposing to meet 15 of the 47 requirements that are in the LEED ND program (see list in Staff Report), but does not intend to make a formal application. He explained that there are certain requirements associated with LEED ND that aren't met until the full development is built. He reviewed that the project would meet the following requirements:

- Preferred locations.
- Housing and jobs in proximity to the project,
- Mixed-use neighborhood,
- Connected system of parks and outdoor space.
- Access to civic and public space. MGP has already started a process of community outreach and involvement, and that will continue as the project moves forward.
- Tree-lined and shaded streetscapes. There are landscape plans for the site, as well as around the perimeter of the site.
- Rainwater management. In past discussions, MGP's civil engineer spoke about how stormwater will be addressed on site, and there is a detailed explanation in the Staff Report about how stormwater will be treated and the improvements it will make to the larger watershed.
- Heat island reduction. There will be a dramatic reduction in the amount of impervious surface area over what is there now.
- Recycled and reused infrastructure.
- Light pollution reduction. This concern was raised by the public, and MGP will use cut-off fixtures and other methods to ensure there is no off-site light pollution.

### **Topic 4 – Stormwater Management/Salmon Safe**

#### **a. How will the proposed development impact Boeing Creek?**

Ms. Juhnke explained that the Surface Water Utility has done significant analysis on the basin through the Basin Plan, Surface Water Master Plan and Regional Stormwater Facility. In addition, the City has specifically considered the stormwater drainage on MGP's property, which they intend to move to Westminster Avenue. Currently, Boeing Creek is highly developed with very little stormwater control. The consistent finding in all of the analysis is that redevelopment will have a positive impact on Boeing Creek. Any new development or redevelopment will be required to meet the current standards, which are very stringent to the point that very little water, only in the highest storms, will actually be released. Currently, all stormwater flows quickly towards the stream, and that contributes to the erosion problems in the open channel portions of the creek. The new standard will require the developer to retain flows and only release the water consistent with what the predeveloped, fully-forested conditions are. Their modeling and analysis must be done based upon their entire site being forested.

Ms. Juhnke summarized that the standards are stringent and neither the Basin Plan or the Surface Water Master Plan recommended another significantly large detention facility. The recommendation was for redevelopment to utilize the current standards to make incremental changes to the overall basin. She said the City's standard for the basin actually exceeds the DOE's standard because the DOE's standard includes a provision that allows highly-built-out basins to use a different baseline. In addition, the applicant will eliminate a lot of the pollution-generating surfaces by putting their parking under the buildings and removing parking lots. Additional water-quality treatment will also be required to improve the water that comes off of the remaining pollution-generating surfaces.

Chair Montero asked for clarification about the term "significantly large event." Ms. Juhnke responded that the typical standard for conveyance is to control to the 25-year event, but the applicant will be required to control to higher events. At some point significant flow will exceed the capacity of the stormwater detention, but she doesn't know what level that is.

**b. Assessment of Regional Stormwater Facility.**

Ms. Juhnke said a regional stormwater facility was included as one of the elements of the CRA, but it was primarily looked at as a potential incentive for redevelopment. It was not intended to reduce impacts beyond the standards that MGP will be required to meet. Staff is not recommending a regional facility. If a regional facility is built, it may not meet future standards. In fact preliminary indications based on the 2019 draft DOE Manual is that it would not meet some of the standards for water quality. The developers were not interested in this incentive, and the reality is they can manage the stormwater on site more cost effectively and incrementally as the facility is built. She pointed out that the Storm Water Master Plan did not include any funding to construct a stormwater facility in this location, either.

Vice Chair Mork acknowledged that stormwater in that area is terrible now, and she appreciates the huge improvement that the project will make. While the project will meet all of the code requirements, she questioned if there is an opportunity for the City to negotiate with the developer to improve stormwater in the larger area without requiring a significant expense. She asked staff to share information about where the existing lines are located and what MGP is proposing to

change. Ms. Juhnke explained that an existing large stormwater line (48 inches in diameter) runs along the property identified as E-2 and D-2. The pipe carries a significant amount of the conveyance from the properties along Aurora Avenue N. It cuts across the parking lot at Pier 1 and Marshalls and connects out to N 160<sup>th</sup> Street. It goes down N 160<sup>th</sup> Street, crosses at Fremont Avenue N and then flows into the Boeing Creek Channel. The pipe is on private property, and if it were to remain in this location, it would require the buildings on property identified as E-2 and D-2 to be set back beyond the line. This would be inconsistent with the CRA vision, and the City doesn't like to have its stormwater infrastructure on private property. It makes sense to move the storm line out into Westminster Way, which is a public right-of-way. She was hoping that perhaps the line wouldn't have to be so large and so deep (20 feet), but the analysis shows there are other elements controlling the elevation and the flows warrant a 48-inch pipe. The City is working to partner with MGP and the Alexan Project to put the stormwater pipe in Westminster Way in conjunction with construction of the Alexan property. The idea is to relocate some sanitary lines onto Westminster Way at the same time.

Vice Chair Mork requested a drawing showing where all of the existing stormwater lines are located so she can fully understand their relationship to the proposed new buildings. Mr. Gwilliam provided the map as requested, and Mr. Chambers, Civil Engineer, Pacland explained that MGP's property is almost at the headwater of the basin. All of the water from Aurora Avenue N gathers up at N 160<sup>th</sup> Street into a dual pipe system, combines into a single pipe on Fremont and then flows into Boeing Creek. He advised that the map identifies the existing stormwater lines, the lines MGP is proposing to remove, and what they will recreate with the new lines. He summarized that the old, undersized pipe will be replaced with dual-walled, High-Density Polyethylene (HDPE) pipe. He also pointed out where detention facilities may be constructed under buildings, noting that the water flowing into these systems would be pre-treated. Currently during a 100-year storm, water from the MGP property alone would flow at almost 10 cubic feet per second. The proposal would reduce this flow to 1 cubic foot per second during a 100-year storm. The project would reduce the flow for a 2-year storm by almost 97%.

Vice Chair Mork said she understands how the project will provide a huge benefit to Boeing Creek, but she is looking for opportunities. The City is big into trees, daylighting creeks, etc. and she asked if there are other options to further improve the situation at Boeing Creek. Mr. Chambers commented that infiltration is probably the biggest low-impact design option, but there is not great infiltration at the subject site. Part of the City's regional system includes deep injection wells, which the DOE no longer allows. However, MGP will always look for opportunities for infiltration since it is the cheapest way to get rid of water from a site, allows a slow trickle into the creek and supplements wetlands and fish habitat.

**c. What are the additional requirements of Salmon Safe?**

Ms. Juhnke explained that the City's Salmon Safe Certification really applies to City projects, and it does not require the City to modify its standards to require private development to meet the standards. They are still trying to understand the requirements, most of which are similar to what is required by the DOE. The City has the option, in the future, to upgrade its standards, in which case the project would be required to meet the standards that are in place at the time. Vice Chair

Mork said she understands that Salmon Safe is a City certification and not a requirement, but it is nice to do. She wanted to give MGP a chance to talk about it.

## **Topic 5 – Open Space and Parks.**

### **a. How does the proposal compare to what the current Development Code requirements for open space and parks?**

Director Markle explained that the project proposed in the DA has approximately 2.75 to 3.47 acres of open space, whereas the code requirement is only .56 acres. This will be a significant benefit to the City to receive more park and open space.

### **b. What is the methodology for calculating Park Impact Fee credits?**

Mr. Friedli explained that when calculating Park Impact Fee credits, the spaces had to be places that would legitimately attract people from outside the development. These new urban plazas will be a new type of park for Shoreline. The woonerfs and pathways connecting the buildings do not lend themselves to the community gathering space concept. He sees them more as beautiful parts of the transportation system, but they will not necessarily attract people to come and enjoy them. To provide context for the proposed plazas and open spaces, he said the proposed .9-acre plaza/community space would be comparable in size to the 1-acre plaza around City Hall. The east and west plazas will largely be a front door to the retail space, but if the right amenities are included, they can become more of an attraction. He reminded the Commission that one goal of the Community Art Plan is more opportunities for freestanding sculpture, particularly a sculpture pathway along Aurora Avenue North. The property is close to Aurora Avenue N, and the opportunity to install a significant piece of public art at the Westminster Plaza would help further the goals of the City's Public Art Plan. Required amenities include off leash area, playground equipment, amphitheater, wide planting areas, an interactive water feature that allows access to the water for small children and people with disabilities, standalone public electrical service for events, accessible parking and pedestrian plazas that provide gathering places that are landscaped for events such as farmer's market, musical performances, arts festivals, etc.

Mr. Friedli said the idea behind the park impact fee credits is to take the funding and invest it elsewhere in another park facility. However, if the funding is used to purchase property, there wouldn't be money left to develop and maintain it. In his mind, the Park Impact Fee credits make sense as an alternative approach in this situation.

**Trevor Rainwater, Shoreline**, asked if the open space provided by the applicant would provide public restroom facilities. If so, would there be changing tables in both the men's and women's restrooms? Given there will be a water feature for children to play in, he would expect there will be somewhere for people to change, as well. Mr. Gwilliam said he would review the standards for distance to walk between the facilities, which will be built in phases, to determine the right locations for public facilities.

Chair Montero asked if workout rooms would be provided as part of the project, and Mr. Gwilliam said they would be primarily related to the multifamily space and be private to the residents who will live there. MGP can certainly provide restroom facilities to serve the public open spaces. Kiosks could be provided in the open spaces, as well.

**Krista Tenney, Shoreline**, asked if the parking area near the community open space and dog run could be made into a community garden. She noted that four community gardens have already been created in Shoreline, and they provide great places for people to gather. It would also be a good way to slow people down as they drive through the site. Mr. Friedli said community gardens are challenging because they require a lot of management and irrigation. Because the site in question is small, he would not recommend a community garden in that location. Perhaps some additional garden features could be added to allow for volunteer planting, etc.

**c. Indoor recreation/common space.**

Director Markle recalled there were some public comments about including indoor recreation and common spaces as part of the project. She reminded the Commission that the CRA does not talk about indoor recreation and common space. Instead, it talks about outdoor places to meet your neighbors, walk or sit and enjoy life. Generally, in urban areas, the indoor recreation and opportunities to congregate are found within coffee houses, restaurants and indoor establishments.

Director Markle reviewed that the Commission raised questions about how Boeing Creek and Shoreview Parks would fair with the additional 1,300 plus residents at Shoreline Place. There was concern about how the trails would be maintained with all of the new users. To address this concern, the DA was voluntarily updated by the applicant to include \$50,000 per park, for a total of \$100,000 for the maintenance of the trails. The funds would be paid with the issuance of certificates of occupancy for the first two residential structures.

**Topic 6 – Circulation and Access.**

**a. Share plans for north, south, east and west access throughout the CTA during and after construction.**

Director Markle advised that north, south, east and west access will be maintained in the CRA during and post construction. This was made more explicit in Seciton 8 of the DA. Concerns were raised about existing and future easements, and it is standard practice for the City to identify all recorded easements when reviewing a building permit. No development can occur within easements where construction is prohibited. All recorded easements are honored.

Chair Montero recalled Mr. Spyridis’s earlier question about who owns the road to the WSDOT property. He also asked about parking for Central Market. Mr. Gwilliam answered that the access is owned by both WSDOT and MGP, and there is an easement agreement between WSDOT, MGP and ROIC for the use of the road. As per the proposed concept plan, the connection at N 160<sup>th</sup> Street would shorten what is currently a duplicative road. The change is intended to advance the CRA vision, which contemplates the intersection there, as well. MGP is currently in conversations



with WSDOT about relocating the access, and they have had conversations with ROIC, as well, and he expects to continue these discussions. MGP has done traffic analysis related to the functionality of bringing the access off of N 160<sup>th</sup> Street. Should this access change not work out with adjacent property owners, MGP could still move forward with the plan based on the existing roadway.

Mr. Gwilliam said the proposed plan would provide an additional 12 parking stalls on ROIC's property in front of Central Market, should ROIC desire to implement the conceptual plan. If ROIC is not interested in participating, MGP's alternative plan would work around their property while still moving forward with C Street connecting into MGP's portion of the parking lot. He summarized that parking would be over 5 spaces per 1,000 square feet, and they expect the adjacent property owners to meet the requirements of the governing documents, as well.

To answer a question raised by Ms. Tenney, Mr. Gwilliam explained that all of the residential parking would be located under the residential buildings and would not spill out into the retail parking areas.

**Greg Spyridis, Shoreline**, requested clarification about the City's current requirements for parking and what the applicant is proposing. Mr. Gwilliam answered that the code requirement is less than what the applicant is proposing. Staff has determined that 181 parking stalls would be required for the proposal, and MGP is proposing 268 surface parking stalls plus 35 side-street stalls. These parking spaces would be exclusively for retail. All of the residential parking will be contained within the footprint of the residential buildings and will be consistent with the market demand and code requirement. There will be sufficient visitor parking for the residential units, as well, so overflow visitor parking won't spill onto adjacent properties. Mr. Daum pointed out that the code does not require the applicant to provide visitor parking for the residential units, but MGP has volunteered these additional spaces.

Commissioner Lin asked if parking for the open space is also included in the parking numbers. Mr. Gwilliam explained that, to the extent that MGP utilizes the Park Impact Fee credit, the parking behind the C-3 building would be dedicated specifically to serve the public open space. This parking would be in addition to the 5 parking spaces per 1,000 that is required by the City.

## **Topic 7 – Affordable Housing**

### **a. Does the proposed development include affordable housing and use the Multifamily Tax Exemption (MFTE) Program?**

Mr. Daum explained that the MTFE Program is the City's main vehicle for accomplishing its affordable housing goals. The type of residential units constructed on the site will be based on zoning and code requirements and market demand at the time of each phase. He recalled that when the CRA was created in 2012, the vision was retail, office, commercial and events. The MTFE Program overlays just about all of the areas where multifamily is allowed, but it places a cap on the ability to apply the program within the CRA. For multifamily projects where 20% of the units are available to people making no more than 80% of area median income (AMI), the improvement

on the land (the building) would be exempt from property taxes for 12 years. The land under the building would continue to be taxed. Within the CRA, only 500 of the units built can be tax exempt. The Alexan Project has applied for the MFTE and is first in line to take advantage of the option. Their 330 units would be tax exempt if 66 of them (20%) are affordable to people making no more than 80% of AMI. MGP would only be able to construct a 170-unit building with 34 affordable units unless the City Council agrees to expand the MFTE Program opportunity within the CRA.

## **Topic 8 – Parking**

Chair Montero noted that this topic was addressed as part of an earlier conversation.

## **Topic 9 – Signage, Visibility and Demolition.**

### **a. What are the impacts of an early demolition of Sears?**

**Glen Goodman, Vice President of Design and Construction, MGP**, recalled that he addressed this issue at the last meeting. He summarized that the biggest impacts of removing the Sears building early will be the lack of future flexibility and sustainability potential. In particular, it would result in a lack of circulation around the site. Creating a 5-acre void would disconnect the upper level from the lower level.

### **b. Should the City require the demolition of Sears as part of Phase I?**

Director Markle said staff does not recommend removing the Sears Building as part of Phase 1 for all the reasons pointed out by the applicant. The CRA does not talk about removal of the building. Instead, it talks about reinventing and reimagining Sears. There is no policy basis for requiring the building to be removed earlier.

### **c. How will the visibility of existing business signs be maintained during and after construction?**

Mr. Daum commented that signage on the existing buildings would be further obscured by development. The prime opportunities for redevelopment are between the existing buildings and Aurora Avenue N. The Alexan building will create a visual block, and even the construction fencing has blocked the view from Aurora Avenue N to the existing buildings. The proposed new buildings will go between the Alexan and the existing businesses. However, going north on Aurora there is a small view up N 155<sup>th</sup> Street to the Central Market. To address this concern, the CRA includes a special condition that allows larger signs than what is otherwise allowed in the City and for businesses to advertise on other properties within the CRA. He emphasized that the vision of the CRA is to create a downtown for the community and a unified site. Although the 70 acres are owned by multiple property owners, the goal is to have cohesive branding, wayfinding and environment. He pointed out that this is a great opportunity for Central Market to place a sign on Aurora Avenue N. The City threw out some design options for a unified sign package and hired BullsEye Creative to do some initial concepts for what a unified sign package could look like.

Some basic height limits were established, as well. The City would like the property owners to come up with a unified sign package to direct people to the businesses within the CRA.

Mr. Goodman said he took a few trips back and forth earlier in the week to consider the issue of signage. Coming southbound from N 160<sup>th</sup> Street, you can see the lower level retail space, and looking back to the upper level you see the Sears Building. There is a very slight peak at the very top of the silo of Central Market, too. As you travel south under the bridge, the Alexan project will block 100% of the view to the existing buildings. The only visual slot into the entire property from Aurora Avenue N is at NE 155<sup>th</sup>, and even that is limited by how the Alexan Building is canted close to Westminster Way. The opportunity is to locate more signage for the upper level tenants towards the corner of N 160<sup>th</sup> Street and Aurora Avenue N. The proposed plan responds to the CRA's request to consider the overall signage for the CRA. MGP analyzed the entire property six months ago that included an inventory of every sign. The intent was to identify the best locations for signage. He provided a schematic of what could be done, which was also shared with ROIC. He explained that the schematic takes into account the location and sizes of all of the existing signs, trying to make design work within the existing structures to be more economical.

Mr. Goodman agreed that visibility could be further limited as construction activity moves forward on the site. If the City agrees, the tenants could put temporary signage on the construction fences until the other signs can be established throughout the property.

Chair Montero asked if the pilon signs facing Westminster Way and a N 160<sup>th</sup> Street would be for multiple tenants. Mr. Goodman responded that there are currently four pilon signs along Westminster Way, as well as two low monument signs. A smaller version of these signs was created for the single users. In addition, MGP looked at locating pedestrian and vehicular wayfinding signs throughout the property. He concluded that MGP will continue to work with other property owners to solicit input.

**d. Innovative ways to potentially use the Sears Building.**

Mr. Goodman said MGP has talked about using a portion of the lower level of Sears adjacent to the ROIC property as a potential storm detention vault or even a detention/treatment center to serve more than the entire property. While there are challenges due to downhill grade changes, MGP thinks the proposal could serve most of the proposed residential product. MGP also believes that the existing Sears structure could be used as a foundation system for the new C-3 Building. The parking lot to the north would work with the structure as it currently exists. In addition, the lower level of the Sears Building is 16 to 17 feet tall, and there is an opportunity to fit two levels of parking in the structure.

**e. Update on coordination between the applicant, City, and ROIC.**

Director Markle reported that ROIC and a few of ROIC's tenants have provided the staff and Commission with a list of specific concerns and questions regarding the DA. The concerns focused on the following:

- Not having a time limit on the Sears Building. This concern was previously addressed.
- Internal circulation. It is important to maintain access during construction and post construction. The plan always showed access to and through the site, but the DA did not explicitly call for that to occur. The DA has since been updated to make that more explicit.
- How the project will be constructed in phases. Section 5 of the DA describes the phasing of each component in detail and a new exhibit was added to the DA (Exhibit N) that more clearly defines what on-site and on-site amenities go with which block, regardless of what phase they are developed in.
- How the project relates to the pedestrian experience. The DA includes a Parks, Recreation and Open Space (PROS) plan view, maps and photos with detailed information about the proposed non-motorized facilities that staff feels are sufficient.
- How the existing easements will be enforced. Whatever easements exist at the time of building permit must be shown on the site plan. Staff will review the plans per those easements. That's not to say other easements can't be negotiated between now and then. The DA has been updated to address this concern. The deviation for the N 160<sup>th</sup> Street amenity zone and pedestrian facility was one of the major areas of discussion. The new language states that *"if the developer constructs the North Promenade from A Street to N 157<sup>th</sup> Street generally as shown in the Conceptual Guide Plan (Exhibit D) or in a comparable manner while respecting the existing access easement.... The North Promenade shall be provided with the construction of Block A or block B, whichever occurs first and include a minimum eight-foot wide separated pedestrian and bicycle path that meets ADA standards. Developer shall grant an easement to the public for its use as a pedestrian and bicycle path."* Staff believes this new language responds adequately to this concern.
- More time was requested to allow all parties to work on the DA. This has occurred. The Commission is on its 4<sup>th</sup> study session, so more time has transpired. During that time, the City has met with Central Market and a neighborhood group to talk about the project. Mr. Daum said staff has also met with multiple other stakeholders and tenants throughout the process.

Commissioner Maul asked if Exhibit N is available online since it was not included in the Commission's packet. Director Markle responded that the updated DA was not available when the packet was sent out, but it can be accessed via the calendar page for the June 6<sup>th</sup> meeting. Both a clean version and a red-lined version of the agreement is available, as are all the exhibits, including Exhibit N.

Commissioner Davis asked if there were any comments to note from staff's conversations with Central Market and other stakeholders. Mr. Daum responded that the comments were similar to those the Commission has already heard, but the meetings provided an opportunity to review the plans in greater detail and have more conversation. The discussion included how the easements would work to allow for public access, particularly to the existing businesses. They discussed how the City's building permit process works and that developers must follow City code and give notice to and work with neighboring property owners, businesses and residents to address concerns and mitigate impacts. There were a lot of questions about parking and the easements and agreements amongst the

property owners within the CRA. There is interest in more commercial and office space as opposed to residential uses, and more public open space, too. He summarized that while not everyone is happy with the proposal, staff has been able to provide adequate information to keep the public and stakeholders informed throughout the process.

**f. What is the timing of the improvements at Westminster Way and N 155<sup>th</sup> Street?**

Ms. Juhnke said the improvements would be done in two phases, starting with the improvements at the intersection of N 155<sup>th</sup> Street and Westminster Way, which is a City capital improvement project. The project will go out for bid later in the fall (September) with construction anticipated in early 2020. The frontage improvements on Westminster Avenue will be constructed as part of the Alexan Project and will start in late 2020 and be wrapped up in early 2021. Both projects will be finished and cleaned up before the Alexan receives its Certificate of Occupancy.

**Topic 10 – Conceptual Timing/Phasing**

**a. The likely timeline for developing and leasing the proposed blocks.**

Director Markle said the Staff Report provides a description of what it takes to get permitting done, including the staff time required. Staff believes the 20-year timeline is realistic and appropriate. The Staff Report talks about the current staffing levels, noting that having more than two large projects come in at the same time can exceed staff's current capacity. The estimated timeline for permitting the proposed project is 28 weeks and 18 months to construct. The estimated timeline can accommodate two major projects every five years. An economic downturn can slow things down even more.

Chair Montero asked if MGP anticipates pre-leasing some of the space in the proposed project. Mr. Gwilliam said that MGP would be interested in pre-leasing an office building if the opportunity comes up. Typically, residential units are only pre-leased at a rate of 10% to 15% of the units, and usually pre-leasing doesn't start until a project is three months from completion.

**b. Paring onsite improvements, SEPA mitigation and additional amenities with the proposed blocks.**

Mr. Gwilliam provided an exhibit that was added to the DA. It spells out the sections within the DA that are tied to each of the blocks within the project, recognizing that MGP doesn't know which block will be developed first.

Mr. Foster reviewed the exhibit as follows:

- **Block A** – This includes some of the N 160<sup>th</sup> Street amenity zone and pedestrian facility, as well as the promenade.
- **Block B** – This includes the community open space if it precedes Block C. There are some constructability issues associated with the Sears Building that need to be addressed. It will also include more of the N 160<sup>th</sup> Street amenity zone and pedestrian facility.

- **Block C** – This includes the community open space if it precedes Block B. It also includes the pedestrian shared street, the N 157<sup>th</sup> Street and bike sharrow from N 160<sup>th</sup> Street to Westminster and B Street.
- **Block D** – This includes the east plaza, C Street that connects the upper and lower portions of the site and N 157<sup>th</sup> Street with the bike sharrow lane if it precedes C.
- **Block E** – This includes the Westminster Plaza and contribution to the Westminster Way frontage improvements along with the first building permit. It also includes the contribution to the Westminster Way and N 155<sup>th</sup> Street intersection improvements that would come with the first building permit.
- **First Building Permit (likely Block E)** – This will include the N 160<sup>th</sup> Street mid-block pedestrian crossing and N 160<sup>th</sup> Street re-channelization with three travel lanes and bike lanes on both sides.

Chair Montero asked if the main pedestrian access to transit for Aurora Avenue would still be at N 155<sup>th</sup> Street. Mr. Gwilliam answered that, with the new C Street and improved pedestrian scale along Westminster Way, it is anticipated that pedestrian traffic will access Westminster from a number of different areas on the site to connect to the new bus rapid transit (BRT) stop. The new stop will be developed as part of the pedestrian improvements on Westminster Way.

Mr. Goodman announced that, just this morning, MGP submitted a demolition application for the Sears Catalogue Building. They just had their third break-in in three months. Once the application is processed, the building will be demolished. Mr. Gwilliam added that, as per the discussion at the last meeting, MGP has ramped up security on the site.

Commissioner Maul referred to Plate 28 in the MGP presentation and said he is having trouble coming up with the 75,000 square feet of retail space. He suggested that Building D-3 is listed as 16,330 square feet, which may be a typo. Mr. Gwilliam clarified the numbers and agreed to correct the typo. He noted the table in the Conceptual Guide Plan clearly spells out all of the square footages for the blocks.

Mr. Gwilliam said changes were made to the Section 8 of the DA to be consistent with the information shared in the exhibit. These changes were made based on feedback from the community and the Commission.

**Trevor Rainwater, Shoreline**, said his understanding is that N 160<sup>th</sup> Street would be widened to three lanes, including a bicycle lane. Ms. Juhnke clarified that the street would not be widened, but it would be restriped from four lanes to three lanes, as well as bike lanes on both sides. If the Sears Building is going to stay empty for a long period of time, Mr. Rainwater suggested that perhaps it could accommodate the Rat City Roller Girls. Mr. Gwilliam said they already talked to them and the column spacing in the building won't work.

**Robert Doran, ROIC**, recalled that, at the last meeting, ROIC's COO emphasized ROIC's commitment to the center and its roots in the community. ROIC has worked diligently with MGP to work out a global vision for the center. They have an obligation to their tenants and shareholders to be present and bring up specific points. While he recognized that not all of ROIC's concerns and recommendations will be

addressed in the DA, he asked that the Commissioners respect and incorporate as many as possible. They want the DA to result in a beautiful development. While ROIC's goals conflict with MGP's goals in some ways, ROIC wants to continue the partnership to the extent possible, despite recently being served a cease and desist order by MGP. Their points are valid and their recommendations are good. They have hired architects, engineers and other consultants at substantial expense, with no expectation of reimbursement from MGP. Their goal has always been to get the property redeveloped in a manner that is beneficial to everyone. ROIC has worked with the City for many years and has met with City staff on a variety of occasions regarding this project. They have spent 100s of 1,000s of dollars to date trying to be good neighbors and an advocate for the center. They are not obstructionists, but they want to see something quality being built.

Mr. Doran said one of ROIC's major concerns is related to vehicular circulation. He referred to a handout he distributed previously. ROIC appreciates MGP's recent commitment to develop C Street as part of the early phase of development. It is important to connect the upper and lower portions of the shopping center. Again, he said ROIC is trying to advocate for its tenants to make sure what is ultimately built is consistent with the vision for the center and protects their tenant's and shareholder's rights. Again, he said ROIC is committed to continued work with MGP and the City to make the development great.

**Krista Tenney, Shoreline**, said she lives on Greenwood Avenue and N 160<sup>th</sup> Street and she looks forward to the completion of the improvements that are currently in progress. She thanked Mr. Cohen and Mr. Daum for meeting with three of the Highland Terrace Neighborhood Association Directors. It was a very informative meeting that included an overwhelming amount of information. She appreciates the City's efforts to make sure the community has a clear understanding of what is being proposed. She expressed her belief that open space is one of the most critical elements of the proposal. She noted the lovely plaza around City Hall where people can enjoy the views and open space that is so badly needed. She urged the Commission to carefully consider what open space means to people who are moving to Shoreline. There are fabulous opportunities to address this need at Shoreline Place. She recalled that she worked many years ago to have Shoreline become a Wildlife Habitat Community, and she wants to make sure all residents, and not just the salmon, are respected for their place in the interconnected world that we live in. She said she appreciates all of the time that has gone into the DA, and she plans to attend the public hearing on July 11<sup>th</sup>.

Ms. Tenney voiced concern that C Street may detract from the open space that is envisioned in the two plazas nearby. She asked the Commission to reconsider this element, recognizing there will be some flexibility as the plan is implemented over the next 20 years. It is important to make sure the adjacent neighborhoods are impacted in a positive way and that they have access to all of the existing retail businesses. They want to continue to support the existing buildings.

**Ian Coleman, Shoreline**, said he lives on a cul-de-sac on N 156<sup>th</sup> Street. He said he really appreciated the presentation by the staff and the applicant's representatives. He is excited to have the site redeveloped but is concerned about how the additional 1,300 additional residential units will impact his neighborhood, particularly from a traffic standpoint. We encouraged the Commission and City staff to continue to work with the applicant and community in a collaborative manner. They don't want to be part of a density experiment. He ended with the quote, "*Just because you can do something, doesn't mean that you should.*"

**Jeremy Eckert, Council for ROIC, Seattle**, stated that ROIC directed him to prepare amendments to get the DA to a point where ROIC could support it. He referred to the memorandum he submitted electronically earlier in the day and also provided paper copies. In addition, the amendments include provisions that address some of the issues raised by the Planning Commission at their last meeting. He explained that Items A through G of the memorandum address ROIC's core concerns and Items H through L address some of the Planning Commission's concerns. He highlighted the following key points:

- **Certainty.** The DA lacks certainty regarding the ultimate layout of the height, bulk and scale of the proposed developments. The DA has a conceptual guide plan, but the DA agreement specifically states that *“the conceptual guide plan is not intended to require specific uses, square footages, building massing, building design or specific buildings on specific parcels. Depictions of building footprints, bulk and scale drawings and numbers of stories in the Conceptual Guide Plan are conceptual only.”* There is nothing explicit in the DA, and ROIC proposes some solutions to provide additional certainty to the City so they know what they are getting if and when the DA moves forward. He has also proposed revisions to the modification provisions in Section 4 of the DA.
- **Phasing.** The DA does not provide certainty with regard to when development will occur. As a developer attorney, he understands that some flexibility is needed. He provided some potential amendments that would balance the equities where there's a required Phase 1 and Phase 2. Phase 1 would be precisely what the applicant has presented, which is the development of Buildings E-1 and E-2, along with internal circulation, which is a huge concern for the existing tenants at Shoreline Place. Phase 2 would be demolition of the Sears site and the construction of Block C and open space. It includes a timeline that requires Phases 1 and 2 to be accomplished within 7 years. This is an arbitrary number that could be increased or lowered. To recognize the potential for an economic downturn, he drafted language that would allow the 7-year period to be extended an additional two years if there is a technical recession (2 quarters of negative economic growth as measured by the Seattle Area Consumer Price Index (CPI)).

Mr. Eckert summarized that other items in his proposed amendments address bonding to make sure the City is not left with a vacant Sears. It also includes a provision about the balance of uses between residential and commercial and talks about getting a third-party consultant to verify some of the things the Commission has heard from the applicant. He encouraged the Commission to have one more study session before proceeding to a public hearing where they talk about the text of the DA. The details that are included in the text really matter. The Commission needs at least one more study session to review the text of the agreement to make sure the City will get what is being discussed.

**Greg Spyridis, Shoreline**, said it appears that the proposal will result in a pretty dense area in terms of people per square foot. He asked if the City has any plans for adding an additional police station to patrol the area. Chair Montero said this would be a separate issue from the proposed DA. Mr. Spyridis asked if the City has studied whether or not the existing wastewater infrastructure has the capacity to accommodate the large number of residential units being proposed. Ms. Juhnke replied that the Ronald Wastewater District Engineer has looked at the information provided by MGP and their development proposal and indicated there is adequate capacity to serve the development, as proposed.



The Commissioners discussed whether or not they were ready to move forward with a public hearing or if an additional study session is needed. Commissioner Malek emphasized that the subject site represents just 25% of the total 70 acres that make up the CRA. The DA agreement is an option and not mandatory. It is important to carefully review the proposal to gauge the proponent's commitment and what more can be done to mitigate impacts and provide additional benefit to the community.

Most Commissioners agreed they were ready to move forward to a public hearing. They agreed to cancel the July 4<sup>th</sup> meeting. They also agreed to move forward with a public hearing on the proposed Shoreline Place DA at a special meeting on July 11<sup>th</sup>.

### **DIRECTOR'S REPORT**

There was no Director's Report.

### **UNFINISHED BUSINESS**

There was no unfinished business.

### **NEW BUSINESS: UPDATE OF PLANNING COMMISSION BY-LAWS (RULES OF PROCEDURE)**

This item was deferred to the next meeting.

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

There were no reports or announcements from Commissioners.

### **AGENDA FOR NEXT MEETING**

Chair Montero reviewed that the June 20<sup>th</sup> meeting agenda would include an update of the Planning Commission By-laws. The July 4<sup>th</sup> meeting was cancelled and a special meeting was scheduled for July 11<sup>th</sup> as a public hearing for the proposed Shoreline Place DA.

**ADJOURNMENT**

The meeting was adjourned at 10:20 p.m.



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William Montero  
Chair, Planning Commission



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Carla Hoekzema  
Clerk, Planning Commission