

APPROVED MARCH 9TH

**CITY OF EDMONDS
PLANNING BOARD MINUTES**

February 9, 2011

Chair Lovell called the meeting of the Edmonds Planning Board to order at 7:00 p.m. in the Council Chambers, Public Safety Complex, 250 – 5th Avenue North.

BOARD MEMBERS PRESENT

Philip Lovell, Chair
John Reed, Vice Chair
Kevin Clarke
Todd Cloutier
Kristiana Johnson

STAFF PRESENT

Rob Chave, Planning Division Manager

BOARD MEMBERS ABSENT

Valerie Stewart (excused)

READING/APPROVAL OF MINUTES

VICE CHAIR REED MOVED THAT THE MINUTES OF JANUARY 12, 2011 BE APPROVED AS AMENDED. BOARD MEMBER CLOUTIER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

ANNOUNCEMENT OF AGENDA

No changes were made to the agenda.

AUDIENCE COMMENTS

Scott Boyer, Seattle, Haler Architects, said he was present to read the following statement into the record on behalf of local resident and developer, Doug Spee:

“I purchased the post office property in the BD2 zone on 2nd Avenue last April with every intention to redevelop the property as a mixed-use property into which the post office would relocate. The postal service was receptive to my proposal for a new, smaller facility, and have now made a long-term commitment to occupy the majority of commercial space on the ground floor. We saved the downtown post office for the benefit of everyone in Edmonds. So far so good. I hired architect Scott Boyer to design a mixed-use project that would fit the constraints of the site and would offer a nice mix of mid-priced apartments over commercial, using a similar formula as my mixed-use building at 3rd and Bell Streets. We were actually able to fit three levels of apartments over commercial, with a small stretch in the height limit. We offered to step back the top floor in this design.

Our first design was submitted for pre-application comments to the staff at the City. I also proudly showed it to former Mayor Haakenson before his departure. He loved it and expressed a desire to see it built. We passed all the pertinent reviews with minimal remarks until the planner review. The planner simply quoted chapter and verse of the code. I was disappointed with the rejection by the planner, but I understood the reasons. I asked the planner about alternatives and option, and I learned that a variance was impossible, a zoning change was pointless, and a developer agreement would never survive the process. I asked my architect instead to take the top floor off and redo the plans. We have done just that, but now are faced with a problem over the step back rule. The step back rule has good intentions, and might be ideal for

Main Street and 5th Avenue, but not in the rest of the BD zones. It ruins any chance to stack the floor plan of the two levels of residential unless all floors are held back from the podium edge. The problem here is that you simply don't have the height that would make a smaller footprint make sense.

The step back rule also is simplistic in that it encourages a clone of the same design, with many colors of the same wedding cake. The step back rule produces building designs that have no similarity whatsoever to the existing downtown core. The biggest proof that it is a poor choice for getting the extra five feet of height is the simple statistic of the number of new designs that have been proposed and constructed in the years since the rule was enacted; zero, nothing, not a single project. This three-year dead zone in Edmonds' history has had a ripple effect from an idle building department to pointless meetings by the functioning committees that are supposed to be considering design issues and making decisions. I ask the Board to start rethinking this rule, even tonight, and consider a tray of choices other than just the step back for developers to create projects in the BD zones that can include the critically needed five feet above the 25-foot limit. If you need a place to start, my project is ready now to be critiqued and discussed."

Ron Wambolt, Edmonds, thanked the Planning Board for the work they do. They do a lot of hard work, and sometimes not even the City Council appreciates their efforts. He referred his comments to the post office property, which he believes is an unprecedented opportunity to get attention focused on the entire area, particularly the south side of the block from 2nd to 3rd Avenues. He noted that the last development in this general area was in 1996, when the mixed-use building on the west side was constructed. Astonishingly, there has not been a single mixed-use project in any BD zones since they were created in 2006. The post office project needs to be done right in order to inspire other developers. The project would not have a sunken first floor, but would have a first floor with ceilings tall enough to accommodate people other than midgets. It would also be solidly constructed. However, the project would not be allowed sufficient height to accommodate three floors of apartments in the first phase of the project. This is a shame because that additional floor would only require four more feet of height allowance above code for a total of 34 feet. Four more feet would allow about 17 more apartments, and the sales tax from the construction would be at least \$200,000. Property taxes from the project would be about \$20,000 more each year.

Mr. Wambolt recalled that Mr. Spee has publicly stated that a third floor would allow him to fit the monthly rates for all apartments \$200 lower than what the rates would be without a third floor. He reminded the Board that one of the City's goals is to foster more affordable housing, and this would be a very tangible step in the right direction. He expressed his belief that the current City Council would like to see three floors of apartments on this site. He strongly urged the Board to collaborate with staff to quickly get the codes changed in order to allow the project to proceed with three floors of apartments. Everyone recognizes the City needs economic development, and he encouraged the Board to be proactive and maximize this great opportunity.

REVIEW AND DISCUSSION ON POTENTIAL UPDATES TO BD ZONING PROVISIONS

Mr. Chave advised that staff recently met with the City Council's Development Services/Community Services Committee to identify several potential amendments that would improve the BD zones, including:

1. **Designated Street Front.** The BD1 zone has a map associated with it that clearly identifies the "designated street front" for defining priority commercial street frontages within the BD1 zone. Given the irregular configuration of downtown commercial zones, it seems to make sense to provide further definition (via mapping) of "designated street fronts" in other BD zones. This would also provide additional consistency in terminology throughout the downtown area. For example the post office is on a site opposite a commercial area, so it makes sense to continue that, but multi-family and single-family development is located further down the block. It may not be appropriate to force commercial all along that block on the ground floor.
2. **Commercial Depth Requirement.** The commercial depth requirement in the BD1 zone is 30 feet on the ground floor. However, other BD zones have a 60-foot commercial depth requirement. This raises two questions: (1) what is the "right" number and should it be 30 feet?, and (2) shouldn't the requirement be consistent in, or possibly even higher, in the BD1 zone versus the other BD zones? For example, staff does not believe it makes sense to have a higher standard in the BD2 zone as opposed to the BD1 zone.

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3. **4th Avenue Cultural Corridor.** The BD5 zone was established to recognize the unique character of the 4th Avenue Cultural Corridor, linking downtown to the Edmonds Center for the Arts. The 4th Avenue Cultural Corridor Design Implementation and Funding Plan was adopted after the BD5 zone was created. If the City wants to get serious about implementing the study, they should review the zoning and make the appropriate changes to implement the plan. For example, they may want to consider adopting all or portions of the study into the code as design guidelines. This project may require more time than the first two items discussed above, so it may be reasonable to work on Items 1 and 2 before taking up the 4th Avenue Cultural Corridor review.
4. **Additional Items.** The issues raised earlier in the meeting by private citizens may be relevant issues to consider as they review the BD zones.

Board Member Reed noted that the City Council's Development Services/Cultural Services Committee also considered additional changes related to green building incentives, which were forwarded to the Citizen Economic Development Commission. Mr. Chave noted that this is a much broader topic that is not specific to the BD zones, and the Board will be part of the team that working on this issue.

Chair Lovell said that much of what is contained in the current zoning requirements is based on current development. It does not provide for a degree of flexibility or departure from the specific requirements such as first floor depth and building heights. He questioned if the Board should focus their discussion on the three items raised by staff and the issues raised earlier by the citizens and recommend "band aid" amendments, or should they review the entire BD zoning code to come up with something that makes more sense for the 21st Century.

Mr. Chave said that one goal of the University of Washington studies of Westgate and Five Corners is to come up with a new kind of template for form-based zoning. If it works in those areas, the City should logically be able to apply the same concept in other areas such as downtown. He explained that form-based zoning allows the City to address form, scale and appearance in a more holistic and less formulaic way. There would not be a specific height or setback requirement. Instead, the requirements would be tailored to a particular location or street. The City's current one-size-fits-all zoning does not accomplish this goal. However, he does not anticipate the Westgate and Five Corner Business studies would be completed until the end of the year. The Board could continue to study the options but hold off on their recommendation until the form-based zoning option is further along. The second option would be to review the proposed adjustments right now and forward a recommendation to the City Council and then continue their discussion regarding form-based zoning options next year. He suggested the Board seek feedback from the City Council at their upcoming joint meeting.

Mr. Chave again said he believes the form-based zoning that is created for Westgate and Five Corners could also be applicable to the downtown zones. He suggested that people are most concerned about design, street front, character and appearance. If these issues are adequately addressed, the specific height of a development is secondary.

Chair Lovell suggested staff provide an abbreviated narrative and a pictorial diagram to demonstrate the problems that have come up with the existing language and how staff is proposing to address the issues. Mr. Chave agreed that staff could provide more information regarding the three items outlined in the staff report. However, he emphasized that because of the down economy, there has been very little development in the BD zones since they were created. Therefore, staff does not know what works and what does not. He suggested the Board invite Mr. Spee to share his experience working with the existing code and the demands of perspective tenants. Chair Lovell noted that he and Board Members Johnson and Reed were present when Mr. Spee made his presentation to the Citizens Economic Development Commission.

Board Member Reed said he does not have a problem dealing with each of the three items referred to them by the Development Services/Community Services Committee. He suggested the Board form a subcommittee to review the 4th Avenue Cultural Corridor Design Implementation and Funding Plan and identify the types of changes that are needed for the BD5 zone. He expressed his belief that now is a good time to start this joint discussion with the City Council and Planning Board.

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Board Member Clarke stressed the importance of considering all aspects of zoning and land use issues related to the downtown. He emphasized that he does not have any pre-formed ideas about what building heights in the City should be, but he gets a little weary of individuals who acquire property for redevelopment without clearly understanding the laws of economics. They often create a project proposal that is financially non-feasible unless they obtain greater building heights. He reviewed that in the 1980's three new buildings were constructed on the Edmonds waterfront, and each were three stories in height with restaurants on the top floor. Two of the restaurants were converted to office space because the restaurants were not viable. The third still has an operative restaurant. Two-story office buildings have been built on 5th Avenue South between the fountain and Walnut Street, and all were economically viable when they were constructed. Building heights had nothing to do with financial viability. Office buildings were constructed throughout the 1990's on the west side of 2nd Avenue from Main Street to Dayton Street. They consist of two-story construction with condominiums on the second floor and office space on the first floor, with below grade parking. The building at 110 Main Street also has parking on grade, with one floor of office and one floor of condominiums. All these developments were accomplished with a 25-foot height limit, and all were economically viable. They all sold well as condominiums and leased well as office buildings. He summarized his belief that the need to go three to four stories is not a requirement for financial viability if the site is purchased for the right price and construction prices are low.

Board Member Clarke expressed his belief that they should review zoning code flexibility in relationship to depths, need and placement of commercial space. He noted that the character of the area on 2nd Avenue north of Main Street is different than Main Street, and it does not make sense to require commercial development in this area. He summarized that the real estate market ebbs and flows in cycles, and they cannot blame building heights on real estate cycles. They are experiencing the worst real estate cycle since the depression. They need to recognize that things are bad. There is no panacea of developing four, five or six-story buildings because they will all sit vacant. He suggested they drive through downtown Kirkland and note how the ground floor commercial space in the mixed-use projects is sitting vacant because tenants cannot afford to pay rent. He noted that none of the buildings in Mill Creek are greater than two stories except one mixed-use building that has condominiums at the top. Even the Swedish at Mill Creek building is not four stories in height. He said he does not believe that four-story buildings are necessary to be economically viable. He cautioned against the idea of increasing the City's tax base becoming the basis for doing real estate development. Instead, they should blend land-use economics, land-use laws and current zoning concepts to make something that works in the marketplace and that is attractive. He suggested they get past the issue of building height and look at what makes sense. He felt they should move forward with a discussion of the issues raised in the staff report.

Chair Lovell said he presented the Planning Board's report to the City Council at their retreat on February 4th. It was received without any specific comments. He suggested that Mayor Cooper reestablish the regular meetings he used to have with the Board Chair and Vice Chair. The Mayor agreed this would be helpful. He said he also addressed the matter of short circuited communication between the Planning Board and City Council. He pointed out to the City Council that all of the various plans and ideas that are currently being considered related to land use will eventually come before the Planning Board for a public hearing and a recommendation to the City Council. He suggested that the Board and City Council should meet jointly and perhaps establish a task force to help expedite the process by addressing some of the sore points so the plans can move forward.

Again, Mr. Chave suggested the Board start conversations related to form-based zoning and what they want to achieve so that when a template is in place later in the year the information can be translated into the template.

Board Member Reed questioned how the downtown zoning discussion originated. Mr. Chave said the BD zones were created to implement the updated Downtown Waterfront Plan Element of the Comprehensive Plan. He recalled that the step back requirement was intended as a compromise between those that wanted a 25-foot height limit and those who felt the height limit should be 30 feet. Because there has been very little development, staff does not have a clear understanding of whether the concept is workable or not. This would be a good time for the Board to review the concept again and determine if it is something they want to retain or if they want something a little different.

Board Member Cloutier expressed his belief that implementing form-based zoning and addressing the issues raised in the staff report are not mutually exclusive approaches. The decisions that are made related to the issues raised by staff could become part of whatever form-based zoning code is implemented in the future. He suggested the Board begin the process of

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addressing the issues outlined by staff, but also start conversations about the bigger approach for implementing form-based zoning that holistically addresses all the BD zones.

Board Member Clarke commented that real estate exists for human activity. Sometimes they forget about the elements they would like to have in the City. For example, a hotel on the post office site could be a great amenity for the City. This type of use could require a greater building height in order to make it a viable structure. They need to look at the various land uses as part of a global picture for the downtown and ask the question of what they are trying to create, and what kind of buildings would need to be designed to accommodate these human activities. He felt this would give the community a broader incentive to make changes so redevelopment could be more attractive, livable and sustainable in the future. For example, they need to look at how to reuse existing buildings, create parking that works, etc.

Chair Lovell questioned if a professional consultant would be required to help the Board through the process. Again, Mr. Chave suggested the Board have a discussion with Mr. Spee and his professionals to find out what they have been doing. He said he is not sure it would be necessary to hire a consultant to work with the Board at this stage.

Chair Lovell referred to the Downtown Waterfront Plan that was adopted in 1994 and is available via the City's website. Mr. Chave said this plan was updated in 2005. Chair Lovell pointed out that many of the recommendations in the plan have already been done. The document can be used as a reference and he recommended the Board Members all review it. Vice Chair Reed noted that much of the language in the Comprehensive Plan was taken from the Downtown Waterfront Plan.

The Board agreed to discuss potential updates to the BD zoning provisions at a joint meeting with the City Council. Chair Lovell agreed to contact the City Council President to schedule the joint meeting. Chair Lovell and Vice Chair Reed also agreed to meet with the City Council President to discuss the joint meeting agenda. Chair Lovell indicated he would contact Mr. Boyer to obtain additional information about the changes proposed by Mr. Spee.

Board Member Clarke pointed out that Leavenworth has specific design standards for their city. Mr. Chave said they have what is called a design theme. Board Member Clarke noted that other communities use design themes, as well. He asked if this concept could enter into the discussion about the BD zones. Mr. Chave expressed his belief that the community has never gotten past the height discussions to talk about actual design. He suggested they flip the discussion to talk about design first, and height should follow as a result. He acknowledged that this would not be an easy task.

VACANT PLANNING BOARD POSITIONS

Chair Lovell reported that Mayor Cooper has received four applications for the vacant Planning Board positions. He agreed to contact the Mayor to find out more about the process and timeline for candidate selection.

REVIEW OF EXTENDED AGENDA

There was no discussion related to the extended agenda.

PLANNING BOARD CHAIR COMMENTS

Chair Lovell said that in his presentation to the City Council he reminded them that the Board's charge is to work in concert with the Citizens Economic Development Commission to create a more sustainable Edmonds for the future, environmentally, economically and livability wise. As planners and participants in the process, they must get beyond the idea of just building LEED buildings. There are many other aspects of sustainability that can be implemented.

Chair Lovell agreed to contact the Chair of the Citizens Economic Development Commission and Mr. Clifton, Community Services/Economic Development Director to discuss how to proceed with their joint economic development report to the City Council.

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PLANNING BOARD MEMBER COMMENTS

Vice Chair Reed recalled that Board Member Stewart made a great presentation regarding green building at the Board's retreat. He expressed concern that she has volunteered to take on a large project and if anything happens that prevents her from continuing on the Board, the project may die. He suggested she also needs staff support to move her work forward. Mr. Chave said numerous activities related to green building are taking place at the staff level. He likes the idea of using Board Member Stewart as a resource to work with incentive groups, but there should not be the expectation that she must come up with the entire program herself. There is already a lot of momentum she can assist with. For example, the Mayor's Climate Action Committee is working to kick start the action plan, and staff is putting together a green team, as well. He suggested that Board Member Stewart contact him for additional information about how she can participate in the process.

Vice Chair Reed referred to the information put together by the Parks, Recreation and Cultural Services Department related to Real Estate Excise Tax funds. The funds are divided into capital projects and maintenance projects, but there appears to be a lot of overlap in the language. He suggested they consider how park projects can be segregated so it is not competing with other capital projects such as roads and facilities.

Board Member Johnson said she attended the afternoon sessions of the City Council's retreat on February 3rd and 4th. They indicated their plans to come up with a work program on Saturday. She noted that the handouts include all the presentations from the directors, but the Board still needs to know the results of the City Council's work program discussion. This information would be helpful for the Board to have prior to their joint meeting. Chair Lovell agreed to contact the City Council President to request a summary of the Council's discussion.

ADJOURNMENT

The Board meeting was adjourned at 8:25 p.m.

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