

City of Lynnwood
PLANNING COMMISSION MINUTES
June 28, 2007

Commissioners Present:

Patrick Decker, Chair
Elisa Elliott, First Vice-chair
Michael Wojack, Second Vice-chair
Maria Ambalada
Jeff Davies
Tia Peycheff
Richard Wright

Staff Present:

Planning Manager Garrett
Interim Comm. Devt Director Krauss
Shay Davidson, Admin. Assistant

Commissioners Absent:

None

Others Absent:

Ted Hikel, City Council Liaison

CALL TO ORDER

The meeting was called to order by Chair Decker at 7:00 p.m.

APPROVAL OF MINUTES

1. June 14, 2007 Planning Commission meeting

Continued to next meeting.

COUNCIL LIAISON REPORT

Councilmember Ted Hikel informed the Planning Commission that Council approved the 6-Year Transportation Improvement Plan and held a hearing on the Multi-unit Residential Property Tax Exemption for the City Center. Action has not been taken on this yet, but will be coming up shortly.

CITIZEN COMMENTS

None

PUBLIC HEARINGS

1. Comprehensive Plan Amendments [continued from June 14]

Chair Decker opened the hearing on the Comprehensive Plan Amendments. He explained the order of events and the procedures that would be followed for the hearing.

E. MUGA Amendments

Staff Presentation:

Paul Krauss, Community Development Director, discussed the City Council's consideration of the ultimate expansion and growth of the City. He discussed the implications of the Growth Management Act. Through that process cities established Municipal Urban Growth Area (MUGA) lines which indicated where they thought their ultimate boundary lines would be, but there were a series of overlaps and areas not claimed by anybody. There has been a growing emphasis on annexation over the last couple years because of Snohomish County's development regulations and Demonstration Urban Center program; Council's desire to get ahead of growth in terms of fire, police, utilities, traffic, parks, and other public services; and the State's annexation policy stating that annexations that are initiated before January 1, 2010 and that include at least 10,000 people are eligible for some financial benefits. Because of these reasons, Council has directed staff to move forward to realize annexations over the next three years. Clarification of MUGA lines is a step in this direction.

Proposals:

Perrinville – This is an “island” surrounded by Edmonds on three sides and Lynnwood on one side. Staff is proposing to designate the area Local Commercial (LC) on the Comprehensive Plan to support the neighborhood business that is found there. This area has a Pre-annexation Agreement as a result of receiving city utilities.

Maple Precinct – This is a large “donut hole” on the map that has approximately 100 single-family homes and one small business. The County is currently allowing LDMRs in that area. A group of residents approached the Council and were very upset about the proposed LDMRs. Staff is proposing application of the City's Low-density Single-family (SF-1) Comprehensive Plan designation to Maple Precinct. This designation will support RS-8 zoning upon annexation. Staff is also proposing the Local Commercial (LC) designation to the existing business. This designation will support either the “B-3” or “B-4” commercial zones.

North Meadowdale – This area lies north of Lund's Gulch up to 148th Street and is an area that neither Lynnwood nor Mukilteo recently claimed. However, both cities are now anticipating claiming the area and will have a conflict. Lynnwood believes that 148th Street, which is a straight line going across the map, is a “reasonable boundary” between the cities. Staff's recommendation is to include this area in the City of Lynnwood's MUGA.

North Road – This is an area of overlap, which was claimed by both Lynnwood and Mill Creek. Staff's recommendation is to extend Lynnwood's eastern MUGA boundary to North Road to include the new Lynnwood High School site. If the high school is included in our MUGA, it should be designated Public Facilities (PF) on the Comprehensive Plan.

Scriber Creek Area – This is the area on 44th down to 212th near Albertsons. Director Krauss reviewed issues between Mountlake Terrace and Lynnwood regarding this area. The developable area north of the Albertsons and up to the wetlands is being proposed for a Demonstration Urban Center project by a developer with over 1,000 residential units and up to 100,000 square feet of office and commercial space.

The City Council asked that this be included as an area of study. There are no changes being recommended at this time, but there are ongoing discussions with Mountlake Terrace on the disposition of that area.

Commissioner Questions:

Commissioner Peycheff asked if the Maple Precinct area is still on septic. Director Krauss said that much of it is. To avoid being in a situation where the property owners may be obligated to go on to city sewer before they were ready, there was an amendment to the City code in that area. Upon annexation, as long as they have a functioning on-site sewer city, they can continue to use it.

Commissioner Peycheff asked how the County can allow denser development there when many of those systems are failing. Director Krauss concurred and noted that the developer for the LDMR came to the City and asked for access to City sewer. He was given a Letter of Availability, which says the City commits to providing them sewer. The City Council later changed the Ordinance to say that no more utilities will be provided until this area is annexed.

Commissioner Ambalada commented that annexation is very exciting, but she wanted to know if the City has some kind of protection against the rapid growth imposed by Snohomish County. Director Krauss commented that under Washington State Law, any development that has handed in a completed application is vested. Even if we annexed it tomorrow there are many developments that have the ability to be developed under County standards. This is an unfortunate consequence of waiting as long as we did to annex. Bringing these areas into the City means it will be developing to Lynnwood standards. The goal is not to stop development, but to develop it to city standards. Commissioner Ambalada suggested a more proactive vision for the annexation areas. Director Krauss concurred and noted that they would be working on that with the Planning Commission over the next year. He discussed the possibility of shifting some of the density from the annexation areas to the City Center area in order to protect residential neighborhoods in a way that the county zoning is not doing right now. Commissioner Ambalada discussed well-managed growth and urged the City to continue with the annexations.

Commissioner Elliott commented that LDMR's are a very personal thing. People either like them or not. She cautioned against viewing them as a negative sort of development. These are nice, large homes, but on a small lot with no on-street parking. Director Krauss concurred. He noted that the issues are lack of parking, no open space requirements, and poor access drives. Commissioner Elliott said she trusts our fire department's judgment about whether those are or are not accessible. She urged the Planning Commission to keep an open mind about LDMR's and to realize that they could set the guidelines for them.

Public Testimony:

None

F. City Center Plan Amendments

Chair Decker asked how this amendment came about. He wanted to know what the impetus was behind it, who the stakeholders were and what the driving force was.

Staff Presentation:

Kevin Garrett, Planning Manager, explained that he was Planning Manager for the City Center planning project for a number of years and has been the project planner on this amendment. He responded to the Chair's questions by stating that this area was designated as a study area when the City Center Plan was approved by Council back in 2005. The existing zoning was left in place with the intent that the area be studied in more detail to determine what the future land use plan should be and then what the zoning and development regulations would be to implement that plan. There was concern at the time of adoption of the City Center Plan about the intensity of development in that area – building heights, setbacks, and traffic. This amendment is an attempt to get resolution at a concept level of the future of this area. It is on the docket at the initiative of staff to resolve this area in the City Center Plan. It is not the result of any application by property owners.

Chair Decker asked if it was correct that staff came up with a proposal they think might be acceptable to all by removing it from the City Center project. Mr. Garrett agreed and said that it might be a way of acknowledging some more recent thinking since the City Center Plan was approved as well as reflecting some of the conversations they've had with property owners.

Chair Decker referred to the three years of intensive study and \$500,000 spent to study this prior to the City Council action on this. The recommendation of that body was that the density proposed in the original plan was needed in order to make the entire City Center project viable. Mr. Garrett concurred, but noted that times have changed. In terms of the intensity of development of the City Center as a whole there have been a number of comments by consultants as well as property owners that the redevelopment potential had to be high enough to warrant redevelopment because the properties out there are already generating income to the current owners.

He noted that the study area boundaries came about through the prior working group on the City Center before the formal project got going and were never rethought. He discussed how development and growth have changed since then, especially with regard to office development. Staff is considering looking at this area as a transition area between the City Center and Alderwood Mall rather than as a full part of the City Center. There are opportunities in setting it up as a transition area that allows the City Center to go ahead on its course. This area could target a slightly different sector of the market and have more of a relationship to the mall and the retail hub that the mall has become. He also discussed the possibility of bridging over I-5 between Poplar Way and 33rd Avenue. Chair Decker thought that the north end was already designated as a transition area in that the building heights, setbacks, and they types of development was significantly different from the core. Mr. Garrett said the building heights were, but the setbacks were not. The mix of land use was tilted heavily toward office, with more of a residential and retail component in the core.

The concept now in the transition area is to maintain the mixed use (with buildings shorter than the north end of the City Center in respect to the single-family neighborhood to the west) and probably more of a retail component. He discussed the importance of retail sales tax and how this transitional area could really compliment the vibrant mall area.

Chair Decker then referred to the proposed mixed use across from the mall where the Lynnwood High School currently is. He suggested that this might cause a saturation of the mixed use. He noted that there is retail currently sitting empty in the area. Demand for office has been down, but the experts were stating that the cycle is turning and they believe there will be a demand for office space in Lynnwood. That space and the jobs that they bring were going to be a large part of the economic driver of this entire plan. Mr. Garrett said that staff's perspective is that the Cosmos Building is still sitting 50-60% empty. The old Fisher buildings are full with normal turnover. The Economic Development Department is doing an economic analysis of the real estate market. The initial numbers show that the office market still is away off. He commented that if they are going to see office development in Lynnwood, they would rather see it in the core than in the north end.

Chair Decker asked how long Mervyn's has been sitting empty. Mr. Garrett guessed about a year. Chair Decker said that his understanding is that the retail market at Kohl's isn't very strong either. Mr. Garrett explained that Kohl's owned the old Mervyn's building but recently sold it and the current owners are actively trying to get contracts.

Commissioner Elliott suggested that if the original zoning was maintained and it wasn't financially feasible for someone to come in and develop it that they would just leave it alone. The zoning would allow for the capacity if it becomes financially viable. Mr. Garrett agreed. He said that this new concept would allow this area to develop earlier and give it the flexibility for retail and more mixed use than what's envisioned currently in the north end. Staff thinks there are some other opportunities by recognizing the proximity to the mall.

Public Testimony:

Joe Vier, 19101 36th Avenue West, Lynnwood, WA 98036 (office) and 4700 176th Street, Apt. A302 (home), said he is a representative of a company that owns a portion of the Alderwood Business Campus in the north end. He commented that Cosmos is a bad example due to its bad configuration. His company is interested in moving forward with some sort of development on their site in order to achieve the highest and best use of the property. He encouraged the idea of hooking up the City Center with the mall through the north end, ensuring that heights would be kept away from 36th and trying to get a promenade. Over the past 6-8 months they have talked to the neighbors around them and to the tenants on their property and have come up with an conceptual plan for their area of the north side and have made that available to the planning department and would be happy to make it available to the Planning Commission. Chair Decker asked him to do so. Chair Decker asked if he got comments from the neighbors to the west of them. Mr. Vier replied that they did.

Mr. Garrett pointed out that the matter before the Planning Commission is the Comprehensive Plan Amendment, which is a conceptual idea.

It is appropriate to see the drawings to get an idea of how this concept might be made real, but he cautioned them not to get very far into the specifics of the proposal. Chair Decker clarified that what Mr. Vier was presenting was what he would like to see for the area as pertains to his particular property. Mr. Vier described their conceptual plan of a multi-use facility on the north side featuring retail, office, residential and a promenade. They believe their plan contains the density that would make it work. This plan was their attempt to follow the earlier plan. He was not familiar with the proposed plan for the area.

Mr. Vier concluded by stating that this plan showed a lower density than the City Center. The square footage of their plan recaptures what is on their site now (150,000 square feet) and adds a little bit to that. Their plan also tries to retain their existing tenancy by constructing the office tower. Because it is smaller in scale and because they do not believe the marketplace is here they believe they will have development occur here first because of the lower scale, slightly lower density, because of its proximity to the mall and it's a little cheaper to develop. These are intended to be higher-end residential. He does not believe that there is a market there for anything other than that. He stated that they have had informal informational meetings with neighbors over the last 4-6 months. He encouraged the Planning Commission to move in the direction of getting this approved.

Commissioner Peycheff wondered how this related to the approval of this particular amendment that they are looking at. Mr. Vier said he had not seen the proposal but he hopes that it would fit in. He encouraged them to move forward with the study in the north end so that those of us that are there can do something in accordance with whatever rules come out.

Mr. Garrett commented that the existing zoning would not allow anything like Mr. Vier's proposal. The study area designation would result in a long-term land use vision for the area. One choice would be to allow the full north end district of the City Center to go into effect as it is currently written. Another choice would be to endorse this sort of transition area. It could also be deleted from the City Center and left as business/technical park.

Commissioner Ambalada asked what the promenade would be. Mr. Vier said it would be a walking promenade with retail space associated with it so that you could walk from the City Center through their area and adjoining areas to the mall. Ms. Ambalada complimented his idea. Chair Decker added that the idea of the promenade was one that the stakeholders in the original oversight committee for the City Center project felt was extremely critical to provide in order to have the development of the City Center and is actually written into the Subarea Plan as a requirement.

Commissioner Wright thanked Mr. Vier for bringing this in. He asked how many units of residential they were considering. Mr. Vier estimated approximately 225 units of approximately 1,500 square feet.

Chair Decker asked for clarification about the study area. Mr. Garrett described the area. There was some discussion about possible building heights in the transition area, view corridors in the area, and existing single family homes. Mr. Garrett explained that they have not gotten down to the detail of view corridors in the area.

Ted Hikel, 3820 191st Place SW, Lynnwood, stated that the north end area was designed to be compatible with single-family residential directly across the street. People in the area expressed concern when the original plan stated that buildings up to 140-feet high would be allowed to be built right up to the sidewalk. In 1978 the neighbors at the meetings came to an agreement that there would be extensive setbacks from the street for the commercial property, that it would be limited to Business Park, and that there would be greenery and a planter in the middle of the street to help soften the blow. There is residential construction currently going on west of 36th. To the south of there is a fairly large wooded area and a home. He stated that the concern of residents on the west side of the street is not a territorial view, but what kind of intensity the Commission would recommend to the Council and whether that would be compatible with a single-family residential area.

Commissioner Elliott asked why whatever is added to the east would be of any more concern than what is added to the south. Councilmember Hikel stated that the area to the south does not immediately impact the residential area. He felt that high-rise buildings immediately across the street from the homes would be more of an impact as well as the extra traffic generated from approximately 225 residential units. Chair Decker asked if the traffic impact of redevelopment of that area considered by the consultant. He thought that the experts had indicated the traffic controls in the area were sufficient for that type of development. Councilmember Hikel did not think it was planned for 225 residential units. Chair Decker concurred since it was planned for office, which he felt was a much higher use than the mixed use that was conceptually presented this evening. Councilmember Hikel suggested looking at the studies to see if that would have any impact on the neighboring properties.

Chair Decker solicited further public testimony. Seeing none, he closed the hearing at 8:35 p.m.

Discussion:

Commissioner Elliott asked Chair Decker about his interpretation of the impact of the proposed new amendment versus the original City Center plan. Chair Decker discussed the design guidelines and the shadow studies that were done with the original City Center plan. He thinks it would be a very bad idea to have a ten-story building on 36th Avenue. His understanding was that there were already prohibitions against that built into the plan because of the design guidelines. He was in support of strengthening wording of the design guidelines so that this would not be a possibility. Mr. Garrett recalled that originally in the north end there was not a stair step coming up to the streets. This was done in other areas, but they felt that 36th was wide enough that it didn't need the transitional treatment on the east side. Now, however, with the north end study proposal there is an opportunity to resolve this issue. He again reviewed options available to the Planning Commission and the need to reach a consensus and move forward.

Commissioner Davies commented that it appears that a mixed-use in that area would be great. His recommendation would be to move forward with this, but to stress a height limit.

Commissioner Elliott thought that there was already a height limit (ten stories) within the original City Center plan so she wondered what the difference was. Chair Decker said that the question is where to put that height. Instead of everything on the area being allowed to be built to ten stories on 36th, one option staff could investigate would be a stair-stepped progression to avoid having those extremely tall buildings right on 36th. He deferred to Mr. Garrett's recollection of the design guidelines and noted that this apparently was not addressed in the earlier design guidelines. Commissioner Elliott thought that the promenade sounded like it would be somewhat of a buffer from the residential area. Chair Decker did not think so. Mr. Garrett said the promenade would run east to west to 33rd so it wouldn't create an additional buffer. There was discussion about the geographical limitations to the placement of the promenade. Mr. Garrett stated that the promenade is essentially a linear park. It is supposed to encourage pedestrian movement throughout the City Center from I-5 through Alderwood and north. It also serves as a development amenity. He referred to the Mill Creek Town Center configuration. Commissioner Elliott suggested extending the promenade along the street for a distance before turning east so that it could serve as a buffer for the residential neighborhood across the street. Chair Decker indicated that staff could look at this possibility.

Chair Decker encouraged staff to look at development regulations requiring more of a stair-step progression, setbacks for the taller buildings, and restrictions on towers over ten stories. He said he would not be opposed to limiting the height to seven or eight stories, in keeping with the height that is already in the area. Commissioner Davies concurred with this.

Commissioner Ambalada expressed appreciation for Mr. Vier's concepts and outreach efforts. She encouraged the staff to see how they could be incorporated in some ways. She felt that 11 or 12 stories would not be too high. She encouraged cooperation and collaboration with the community.

Commissioner Elliott asked if they could say that the maximum height could not exceed X-number of feet from the lowest point, given that there is such a steep grade. Mr. Garrett indicated that it could be written that way. He said they could measure height from the curb grade of 33rd, from the western right-of-way line or from the lowest point of the property being developed.

Director Krauss reminded the Planning Commission of the issue that was in front of them. He did not feel the level of specificity they were talking about was necessary for the Comprehensive Plan. The Comp Plan would set a general direction for the area. Chair Decker said he was not ready to dismiss all the work done by the oversight committee and the large amount of money spent without seeing what the alternative would be. He was not in favor of removing the study area at all until he saw what the alternative would be. Mr. Garrett noted that they could convey that message to the Council at their next Work Session, but this might mean that it would be put off until the 2008 docket since they can only take off the study area once a year since it requires a Comprehensive Plan amendment.

Chair Decker asked the difference between the City Center and the options proposed by staff. He felt that the existing Comp Plan could accomplish the same concept. Mr. Garrett said that on the concept level staff sees this area more as transitional between two major land use areas – the mall and the City Center, rather than being a part of City

Center. This would require a brand new Comprehensive Plan designation, which is part of staff's proposal. They are looking for alternatives to eliminate the study area designation which is currently in the area. One way would be to leave City Center North End in place, one way would be the transition area and one way would be City Center with some changes on the development standards. Chair Decker recommended City Center with some very strict design guidelines to mitigate impacts on those neighborhoods. He asked for a consensus of the Planning Commission:

Commissioners Elliott, Peycheff and Davies concurred with Chair Decker's recommendation. Commissioner Wojack was also interested in looking at this further. Commissioner Ambalada suggested including the bridge in staff's study. Mr. Garrett explained that there is still nearly \$10 million to be obtained. Chair Decker said he'd love to see the concept of how that bridge will impact the plan, but he thought that it was too far out to be included in this study.

Commissioner Wright noted that the design guidelines appear to be the only real issue here. He hoped that staff would take the recommendations that the Planning Commission has expressed into account. He remarked that having a single citizen affected by the plan is of great concern to him, however was in basic agreement with the concept of rolling this into the City Center project.

Mr. Garrett summarized that the Planning Commissioner is recommending:

1. That this area remain in the City Center area plan;
2. The character of development in the area would be redefined to continue to allow mixed use and maybe a greater proportion of retail and residential than is currently in the plan;
3. A treatment of building heights, possibly including stair stepping and view corridors be addressed.
4. Setbacks and transitional treatment on 36th Avenue.

Motion made by Commissioner Elliott, seconded by Commissioner Davies, to consider the third alternative. Motion passed unanimously (7-0).

Motion made by Commissioner Wojack, seconded by Councilmember Wright, to recommend to City Council that we adopt the MUGA plan as presented. Motion passed unanimously (7-0).

DIRECTOR'S REPORT & INFORMATION:

Director Paul Krauss discussed the reorganization of the Community Development department to support the permit center and to provide adequate staffing. Chair Decker asked how the online permit purchasing process is going. Director Krauss explained that it's not going as well as he hoped because of costs and technological problems. Options are still being considered and need to be discussed with Council.

1. Upcoming Commission Meetings

July 12 - cancelled.

July 26 – Signs in the right-of-way

August 23 – Joint-social with City Council, no business

ADJOURNMENT

Motion made by Chair Decker, seconded by Commissioner Elliott to adjourn the meeting. Motion passed unanimously (7-0). The meeting was adjourned at 9:18 p.m.

Patrick Decker, Chair