

AGENDA

Lynnwood Planning Commission

Special Meeting

Wednesday, March 2, 2011 — 7:00 pm

City Council Chambers, 19100 – 44th Ave. W., Lynnwood WA

A. CALL TO ORDER – ROLL CALL

**B. APPROVAL OF MINUTES:
February 10, 2011**

C. PUBLIC COMMENTS – on matters **not** on tonight's agenda for a public hearing.

D. PUBLIC HEARINGS

1. Project Highway 99 (2009CAM0001). Subarea Plan, Zoning Regulations and Maps and Design Guidelines, regarding redevelopment of the Highway 99 corridor, between 216th St. SW and 148th St. SW. If approved, these documents would allow and encourage development of higher density, mixed-use nodes at key intersections along the corridor. Existing land use designations and zoning at areas in between the nodes would not be changed. Recommendation to City Council required.

**E. WORK SESSIONS
None**

**F. OTHER BUSINESS
None**

G. COUNCIL LIAISON REPORT

H. DIRECTOR'S REPORT

I. COMMISSIONERS' COMMENTS

J. ADJOURNMENT

The public is invited to attend and participate in this public meeting. Parking and meeting rooms are accessible to persons with disabilities. Upon reasonable notice to the City Clerk's office (425) 670-5161, the City will make reasonable effort to accommodate those who need special assistance to attend this meeting.

Lynnwood Planning Commission
Meeting of March 2, 2011

Staff Report

Agenda Item: D-1
Project Highway 99 (2009CAM0001)

- Public Hearing
- Informal Public Meeting
- Other Business
- Work Session
- Information
- Miscellaneous

Lynnwood Depts. of Community Development and Economic Development

Action

Hold public hearing.

Following the public hearing, the Planning Commission will be asked to make a recommendation on the Final Draft project documents (Subarea Plan, Zoning Regulations and Zoning Maps, and Design Guidelines) to the City Council.

Background

On February 25, 2008, the City Council approved Revitalization Strategies for the Highway 99 corridor (Resolution 2008-02). Among the actions to support economic activity in the corridor, the Strategies call for the City to complete a subarea plan for the corridor (Goal VIII) and consider changes to land use planning and zoning. The following Strategies are most relevant to discussions of land uses in the corridor:

Create Gathering Places:

- Develop high density mixed use nodes at key locations
- Increase development capacity at key locations
- Introduce housing
- Create parks/plazas

Support a Broad Mix of Uses

- Create increased commercial and housing choices
- Make regulations current with desired development
- Recognize the needs of retail frontage

Support Transit Oriented Development

- Allow flexibility in zoning and increase density, particularly at Gathering Places
- Leverage capacity of transit by concentrating housing in walking distance to stations

Allow a wide variety of business types along the corridor

- Connect the Gathering Places with a mix of commercial uses
- Expand commercial zoning back from Highway 99 where appropriate to encourage higher quality developments
- Broaden allowed uses at key sites

Improve Identity and Image of the Corridor and Key Segments

- Address quality of life issues such as safety
- Create design standards that address aesthetics, safety and corridor character

As part of implementing these Strategies, the City Council authorized contracting with MAKERS Architecture to prepare a Subarea plan and new zoning regulations and design guidelines for the Highway 99 Corridor (on November 24, 2008). Following a series of public meetings and work sessions with the Planning Commission (serving as the project advisory committee), MAKERS and staff developed a land use concept for the corridor that provides for:

- Higher intensity mixed-use “nodes” at key intersections along the corridor, allowing combinations of office, retail, and multi-family residential development (e.g. mixed use development);
- New zoning and design guidelines for the nodes to guide/direct redevelopment of these areas; and
- Continuation of the existing commercial land uses and zoning in-between the nodes.

Creating the opportunity for new residential development in these nodes is consistent with the City’s approach to accommodating future growth while protecting single family neighborhoods. Protecting single family neighborhoods is one of the key goals for the City’s land use plans. At the same time, the state Growth Management Act requires cities to accommodate future growth in existing urban areas (in order to limit sprawl). Allowing new residential development in mixed-use nodes along the Highway 99 corridor allows the City to accommodate new growth while protecting and maintaining the existing single family neighborhoods.

Based on that land use concept, MAKERS and staff produced Draft project documents (Subarea Plan, Zoning Regulations and Maps, and Design Guidelines) for public review. Those documents were issued September 10, 2010, with a 30-day public review period (ending October 10). Following review and discussion of the public comments on those documents, and meetings with some property owners in the corridor, the project team produced Final Draft project documents. The Final Draft project documents were issued February 9, 2011; copies are available on the City’s web site and by contacting staff.

A Draft Supplemental Environmental Impact Statement (SEIS) was also issued for a 30-day public comment period on September 10, 2010. Following that comment period, staff prepared written responses to all substantive comments on the Draft SEIS. Those

comments and responses, together with the Draft SEIS, constitute the Final SEIS (in two separate volumes). The City's Environmental Review Committee approved the Final SEIS on February 16, 2011. Copies of the Final SEIS are also available on the City's web site and by contacting staff.

The Final Draft Documents are now ready for action by the Planning Commission (a recommendation for action by the City Council).

Relevant Legal Citations

The Land Use Element of the Comprehensive Plan describes the land use concept for the Highway 99 Corridor as follows:

Purpose: This plan category is intended to identify the area where the City will encourage redevelopment of properties, consistent with the strategies in the Highway 99 Corridor economic study, by allowing a wide range of commercial uses AND allowing mixed use, transit supportive development at major intersections ("nodes") in the corridor.

Principle Uses: Throughout the corridor, principle land uses will include retail, office (all types), service, and eating and entertainment uses. Existing light industrial uses will be allowed to remain, but no new uses of this type will be allowed. At major intersections (designated by zoning), mixed use development (including multiple family residential) will be strongly encouraged. At properties not designated for mixed use, auto dealerships and other retail uses that require large parking lots will be permitted.

Locational Criteria: The corridor crosses the City in the north-south direction, from 216th St. SW to 164th St. SW, and continues north in the City's MUGA to 148th St. SW. Except at major intersections, properties either with frontage on the highway or that can be accessed through properties-with-frontage (or directly from an intersecting street) will be designated to this land use category.

"Properties at major intersections along the corridor will be designated for mixed used development, with densities and design requirements that will support transit-supportive development. In select locations (particularly at major intersections), this land use category may extend east or west of properties with highway-frontage in order to create areas that will encourage redevelopment consistent with the intent on this designation and the economic development strategies.

Site Design: Development of "corridor" properties will often be at higher intensity and densities and greater lot coverage than is currently found along the Highway 99 Corridor. This will be particularly likely at major intersection "nodes" having high levels of transit service, where development could one day be dense enough to warrant structured parking. The appropriate relationship of buildings to Highway 99 will be defined.

Building Design: All new development will be required to comply with design guidelines specifically developed to support Corridor strategies.

Performance Standards: On site activities shall not significantly affect adjoining properties outside the corridor.”

Analysis and Comment

The Highway 99 corridor is the original commercial “core” of the City of Lynnwood, with a history going back long before Lynnwood was known by that name. Over the decades, land development and businesses have changed and evolved in response to changing economic opportunities and conditions. The 2008 Economic Revitalization Strategies identify a new opportunity for promoting economic activity in the corridor: creating mixed-use, high intensity transit-oriented development (“nodes”) at key intersections. The Final Draft Project Highway 99 documents provide the land use program to support realization of that vision.

Staff recommends that the Planning Commission recommend that the City Council approve these documents, summarized as follows:

The Subarea Plan for the corridor describes a vision for the corridor of mixed-use nodes around the new *Swift* Bus Rapid Transit (BRT) stations with commercial businesses at properties in between the nodes (continuing the existing land use program in these segments of the corridor). These nodes are intended to accommodate population growth in Lynnwood which will help to support businesses along the corridor) in a well-designed, pedestrian-oriented setting.

The Zoning Regulations for the new Highway 99 Mixed Use Zone provide the details for development of these nodes. They include a set of incentives to encourage inclusion of residential dwellings in all new development in the nodes, as well as development standards that will promote development of high-quality urban spaces. The Zoning Map amendments locate the nodes generally around the *Swift* BRT stations.

The Design Guidelines complete the direction for development of the nodes, stating the City’s expectations for the design details (site design and building architecture) for new development in the nodes. Over time, implementation of these Guidelines will improve the image and appearance of the corridor.

At the two work sessions in February, staff reviewed the major components of each of these documents with the Planning Commission; that material is not repeated in this report. Please refer to the staff reports and presentations for those meetings.

In addition to the Economic Revitalization Strategies, adopting the project documents will support achievement of other City goals and policies. First, it will help to preserve existing single family neighborhoods. Both the State Growth Management Act and Vision 2040 (Puget Sound Regional Council) call for existing cities, including Lynnwood, to accommodate additional population and employment growth. Creating the

mixed-use nodes along Highway 99 provides a location for that growth that will not impinge on or encroach into existing single family neighborhoods.

Second, approval of these documents will support the City's goals and policies for energy conservation and sustainability. Creating these mixed-use nodes will encourage living near transit and near work-places, shops and services. These connections (for every-day activities) will encourage using transit, walking, or biking rather than driving and thereby reduce energy use and emissions of greenhouse gases and other air pollutants.

Third, City housing policies call for providing a variety of housing opportunities in Lynnwood. At present, the type of housing planned for the nodes (mixed-use buildings/sites, pedestrian-oriented developments/areas) is not found in Lynnwood. Recent housing studies have argued that both aging "baby-boomers" and younger adults in their 20s prefer this type of housing over free-standing, suburban single family houses. Creating these nodes will respond to this part of the housing market in locations that are well served by transit and existing commercial services. And, as mentioned above, these nodes enable the City to accommodate population growth without encroaching on single family neighborhoods.

The Final Draft project documents were produced through an open, inclusive process. Public input was solicited at the beginning of the project, results were reviewed and discussed with the public, and a variety of people with interests in the corridor (property and business owners, nearby residents, and others) participated in the project. Copies of all project documents have been available throughout the project on the City's web site. Finally, staff has spent hours meeting with property owners and discussing all aspects of the plan.

An Environmental Impact Statement (EIS) was completed for the project documents, and that report showed that there would be no substantial adverse environmental impacts associated with approval of the documents and development of the nodes. The EIS did show, however, that traffic congestion will continue to be an issue for the corridor, whether or not the project documents are approved.

Public Comments:

Staff has received two letters regarding the Final Draft project documents; copies are attached. Staff will respond to these letters at the March 2, 2011 public hearing.

Attachments

- Letter from Sterling Realty Organization, dated February 23, 2011.
- Letter from Ed Trimakas, dated February 25, 2011.



STERLING REALTY ORGANIZATION

RECEIVED
FEB 24 2011
CITY OF LYNNWOOD
COMMUNITY DEVELOPMENT

February 23, 2011

Mr. Kevin Garrett
Planning Manager
Lynnwood Community Development
Lynnwood, WA 98036

Dear Mr. Garrett,

This letter concerns the draft of Highway 99 Mixed Use Zone and the draft Design Guidelines for Highway 99 Mixed-Use Zones 99 Mixed Use Zones. I write on behalf of Sterling Realty Organization Co., which owns approximately twelve acres on the southeast quadrant of Highway 99 and 196th. We have a few comments on each draft.

HIGHWAY 99 MIXED USE ZONE

1. 21.62.200(A). Please include Health or Fitness Club as a permitted use.
2. 21.62.200.10(a). After 'intervening building(s)', please add: ',or building screening of the drive through window in an architecturally compatible manner, as determined by the Planning Director,'
3. 21.62.200.10(b). After 'no more than two drive thru lanes', please add: ',plus one additional bypass lane'.
4. 21.62.200.10(A). After 'the street)', please add: ',however, a drive through may be permitted as determined by the Planning Director, if the drive through window is covered by a roof and at least partially screened from the street view in an architecturally compatible manner;'
5. 21.62.210(G). Please permit existing wireless communication towers to continue to be legal uses.
6. 21.62.400(A). In Table 21.62.01, please revise Development Level 2's Maximum Lot Coverage from 35% to 50%.
7. 21.62.400 D)(2)(b). Please revise requirement to '20 square feet per parking stall...' as in (a) since the # of trees/stall, maximum distance between parking lot landscaping and stalls, and curb overhang requirements will govern parking lot landscape areas.
8. 21.62.400 D)(6)(f). Please add to the end of the second sentence: ',unless the river rock or other non-living are a part of a storm drainage system'.

9. 21.62.400(H)(2). Please add clarifying sentence at end stating landscape screening shall allowed in lieu of external trash, recycling and storage area minimum height and roof requirements.
10. 21.62.210(G)(2). After 'security purposes' please add: 'or for screening of delivery areas.'
11. 21.16.340 (B). We request that monument signs for projects in excess of 50,000 square feet be permitted up to 12 feet high, 100 square feet per side, plus center identification, with a minimum setback of .5 feet per additional foot of height. We hope to be permitted monument signs on Highway 99, 196th and 64th.

DESIGN GUIDELINES

1. B.1.1(a)(6). Please add 'In areas where parking along Highway 99 and designated side streets cannot be avoided, perimeter landscaping shall be utilized for screening as approved by the Planning Director.'
2. B.1.2(a)(1). Please delete the first two sentences. We believe that parking should be permitted between buildings and 64th.
3. B.1.2(a)(7). Please add to the end: 'unless buildings attached to open spaces and all building entrances have pedestrian connection to said open space.'
4. B.5.2. At the end of the first sentence please add: 'or such other sight obscuring material, including landscaping, as may be approved by the Planning Director.'
5. B.7.1(a). Please add to the first sentence: 'unless the open space is at the corner and is integrated with the building.'
6. C.1.1. Please clarify how to count the amenities. We own approximately 1,300 lineal feet of frontage on 196th and on 99 and are unsure how to apply the required amenities.
7. C.3.1(c)(2) and D.2.2. Please reduce the required 10 feet of landscaping to five feet.

Thank you for the opportunity to comment on the drafts.

Regards,



David Schooler
President

SENT
FEB 25 2011
CITY OF LYNNWOOD
COMMUNITY DEVELOPMENT

Planning Commissioners
c/o Mr. Kevin Garrett, Planning Manager, City of Lynnwood
P.O. Box 5008
Lynnwood, WA 98046-5008

February 25, 2011

Re: Highway 99 Code Suggestions

Dear Planning Commissioners,

Thank you for this opportunity to speak my piece in this final testimony. We've traveled a ways together on Highway 99 issues. I'm grateful to have had a chance to participate and hope we can complete the journey soon. In September last year I was notified that I might never again be able to rent a commercial Highway 99 site for uses it took me 34 years to develop. My position wasn't much different than yours might have been had someone drafted a proposal to rezone your single-family residence as industrial, thus prohibiting you to live there.

Staff responded to this unintended consequence with a revised draft and major changes, allowing auto dealership uses, for which I am thankful. However, I also realize that staff is not expert in the auto industry and can only be as helpful as the citizen input they receive. With that in mind, I'm adding a few industry details.

According to an article in the Wall Street Journal this week, "the average dealer pumps in \$16 million a year into the surrounding area through wages, taxes and charitable contributions." Mercedes-Benz and Lexus, the companies my wife and I attracted to Lynnwood, are anything but average; they are two of the largest sales tax revenue producers on Highway 99, and their corresponding numbers are larger. Built in 1989, the building they required has a serviceable life of another 60 to 80 years. (The venerable Harris Ford buildings across the street, of wood construction, are approaching 70 years.)

They gave us only a twenty-year lease, but we figured that if we lived thriftily we could reduce the mortgage, reduce rents, and by searching among the wide range of tenants available under CG zoning, lease the building to companies who are looking for an upscale presence on Highway 99 to house vehicle service businesses. Frugally conservative with our finances, we relied on the CG zoning as an integral part of our financial planning to make sure this risky venture not only benefited Lynnwood but penciled-out to the end of our lives.

The three pictures attached show the nature of our risk. My wife and I had carved into a hillside formerly used as a dump for organic waste, and built a sprinklered, steel and concrete, three-story high, vehicle service building. As you can see from the pictures there is no remotely possible use for this building except as a vehicle service building. The highway 99 draft, though allowing auto dealership uses,

severely reduces the pool of tenants available to us. If I can use my single-family residence analogy again, it's as if you are now allowed to live in your industrially rezoned single-family residence on weekends, but not the weekdays.

To explain why this is so, I need to describe the market I face. The Wall Street Journal on Wednesday reported that nearly 4000 new car dealerships closed in the last six years, and if we extend the number of closed dealerships since the building was built in 1989, that number probably reaches 7000, a nearly 30% reduction. Given the scarcity of new car franchises and the fact that most of them are already represented in Lynnwood, our chances of attracting a new car franchise in the near term are almost non-existent. Big names, such as BMW, want costly buildings, and existing dealerships that could use upgraded facilities such as ours, typically have their own land and buildings and would rather rebuild on their own land than move.

We're not losing hope however, even if we might have to wait a long time to land an electric car dealership. In the meantime the only way we can survive is to (a) lease to vehicle service companies such as those I've mentioned in my previous letter; (b) lease to second-tier vehicle dealers such as a used car dealers specializing in used BMWs. The former is specifically prohibited and it's unclear if the latter is allowed. On top of that, there's the "use it or lose it" five year reversion clause that almost certainly would destroy the value of the building.

In all, if the intent of the changes is to do us no harm, this is still a very long way from CG uses granted our site since Lynnwood's incorporation in 1959. We would much prefer to remain CG as we have been these last 34 years, and have pointed out several times that our former tenant, now across the street (200 yards away) is allowed to remain CG while we are punished for bringing them to town.

It's not clear to us why this simple request to remain CG can't be granted, and we hope the Planning Commissioners or the City Council Members can explore that further. But if, as I believe, we're dealing with a sincere intention to rezone our site without harming us in the process then the code language has to be clarified.

On page 41, Policy and Implementation Recommendations, Chapter 1.2.2, the sentence "Redevelopment of auto dealership sites in this node should be encouraged only if a dealership relocates and is not replaced by another brand," should be altered to say, "Redevelopment of new or used auto dealership and/or vehicle service sites in this node, whether vacant or in use, should be encouraged only if a dealership and/or a vehicle service company is not replaced by another dealership and/or vehicle service company."

The above change would make clear that vehicle service companies are included along with new and used auto dealers, without prejudice as to whether the building is vacant or in use.

It follows then that on page 1, City of Lynnwood, Proposed Highway 99 Zoning, DRAFT Feb 9, 2011, Chapter 21.62.200, Permitted Land Uses, Section A, Principle Uses Permitted Outright, sub-section 9, the text starting with "Auto dealerships..." should be replaced with the following:

"9. Auto dealerships, both new and used, and/or vehicle service companies housed in structures with a history of housing auto dealerships and/or vehicle service companies, regardless of which, and whether vacant or in use at the time of adoption of this chapter. Such auto dealerships and vehicle service companies may expand the business to other parts of the property in existence at the time of this ordinance, but may not expand to adjoining parcels."

The allowable use change recognizes the integrated nature of a special purpose vehicle service building and allows leasing to vehicle service companies. The revised language recognizes that the survival of this Lynnwood asset, built on the basis of its CG zoning, has always looked not only on auto dealers but to the diversity of vehicle service tenants that would be available to us if the cyclical auto market collapsed.

We estimate that the February draft code grants us roughly a third of the uses that are available to us under CG. The above changes would push that closer to eighty percent. Not as good as CG, but acceptable in the long run.

Finally, the "use it or lose it" five year restriction should be deleted outright—it's a very cruel restriction. No landlord wants to be vacant, or lease to a tenant that's not considered the "highest and best" for the building. The fact that a landlord might have to do just that in a crushing market, should not be a pretext for the city to make economic survival even more difficult.

The above changes would require changes in chapter 21.62.210 Prohibited Uses, Section B, sub-section 2, "Auto repair, auto service shops, or the like;" should be changed to, "Auto repair, auto service shops, or the like, except as provided in LMC 21.62.200."

Thank you for considering the above.

Sincerely,

Ed Trimakas
20515 Highway 99
Lynnwood, WA 98036
(425) 355-9608