



# **AGENDA**

## **Lynnwood Planning Commission**

### **Meeting**

**Thursday, March 25, 2021 — 6:30 pm**  
Online via Zoom

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**A. CALL TO ORDER – ROLL CALL**

**B. APPROVAL OF MINUTES**

**C. PUBLIC COMMENTS** – (on matters not scheduled for discussion or public hearing on tonight's agenda) Note: Individuals wishing to offer a comment on a non-hearing agenda item, at the discretion of the Chair, may be invited to speak later in the agenda, during the Commission's discussion of the matter. Individuals wishing to comment on the record on matters scheduled for a public hearing will be invited to do so during the hearing.

**D. PUBLIC HEARINGS**

**E. WORK SESSION TOPICS**

1. Housing Action Plan Briefing
2. City Center Update Briefing

**F. OTHER BUSINESS**

**G. COUNCIL LIAISON REPORT**

**H. PLANNING MANAGER'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.*

## Joining Planning Commission via Zoom

### How the Meeting Will Work

Virtual Planning Commission Meetings will be held via Zoom Webinar. The Community Development Department is hosting the meeting, the Lynnwood Planning Commission are the Panelists, and Lynnwood residents and members of the public – as well as City staff or guest presenters – are attendees. Webinar attendees do not interact with one another; they join in listen-only mode, and the host can unmute one or more attendees as needed.

### Meeting Links and Numbers

- **Join from a PC, Mac, iPad, iPhone or Android device:**
  - Download the Zoom Client at: <https://zoom.us/download>.
  - Use Zoom Version 5.0.4 (25694.0524) or later.
  - Please click this URL to join: <https://lynnwoodwa.zoom.us/j/86845449811>
- **Or join by phone:** +1 253 215 8782  
Webinar ID: 868 4544 9811

### How to Provide Public Comments

The Community Development Department is accepting public comments on behalf of the Planning Commission via Email.

- **Email:** Please add the Planning Commission meeting date in the subject line or in body of the text message such as in the examples below.
  - Send Email to: [planning@LynnwoodWA.gov](mailto:planning@LynnwoodWA.gov)
  - Subject Line: Public Comment for the 6/25/20 Planning Commission Meeting
- **Live Public Comment:** If you are unable to provide a written comment, you may join the webinar as an attendee to comment during the public comment period. Public participation guidelines are provided at the bottom of this page.

### Participation Guidelines

Below are recommendations for attendees in meetings conducted via Zoom Webinar.

- **Identification:** Upon entering the webinar, please enter your name or other preferred identifier, so that the host can call on you during the public comment period.
- **Raise Hand (see link below for instructions):** You have the ability to virtually raise your hand for the duration of the webinar, but you will not be acknowledged and your mic will remain muted until you are called on during the public comment period.  
<https://www.lynnwoodwa.gov/files/sharedassets/public/city-council/business-meeting-agendas/raising-hand-in-zoom.pdf>
- **Public Comment Period:** Use “Raise Hand” to be called upon by the host. The host will unmute your mic and you will have the ability to share your comment. Each speaker is allowed up to five (5) minutes.
- **Use headphones/mic** for better sound quality and less background noise.

**Topic: Housing Action Plan****Agenda Item: E.1****Staff Report**

- |                                     |                |
|-------------------------------------|----------------|
| <input type="checkbox"/>            | Public Hearing |
| <input checked="" type="checkbox"/> | Work Session   |
| <input type="checkbox"/>            | Other Business |
| <input type="checkbox"/>            | Information    |
| <input type="checkbox"/>            | Miscellaneous  |

Staff Contact: Kristen Holdsworth, AICP, Senior Planner

**Summary**

At the upcoming meeting staff will provide a briefing on the Housing Action Plan. This briefing will be provided in anticipation of the Planning Commission's upcoming public hearing and action on April 8, 2021.

**Project Background**

In Fall 2019, the City of Lynnwood applied for and received a \$100,000 grant from the Department of Commerce (under ES2HB 1923) to develop a Housing Action Plan.

The Housing Action Plan forms Lynnwood's five-year goals and strategies to promote housing options that are safe and affordable for all community members. The plan was created by evaluating the City's ongoing efforts, analyzing Lynnwood's current and future housing needs, and collaborating with the community. It is the result of hundreds of conversations, survey responses, and other methods of public feedback.

**Environmental Review (SEPA)**

This is a non-project action subject to environmental review, also known as SEPA ([Chapter 197-11 WAC](#)). On February 22, 2021, the City issued a determination of nonsignificance (DNS) for this project. The SEPA comment period extended through March 8, 2021. No public comments specific to the SEPA analysis were provided. The city retained the DNS determination and the appeal period ends March 22, 2021.

**Draft Plan Release and Community Engagement**

The Draft Housing Action Plan was released February 22. In addition to announcements at the Planning Commission (February 11) and City Council (February 16), outreach for the draft plan included the following:

- **Inside Lynnwood newsletter full page announcement.** The Inside Lynnwood newsletter is mailed to every Lynnwood address.
- **Emails and social media posts.** Three emails were sent, along with social media posts, to over 6,000 email addresses to announce the release and comment period for the draft plan. One announcement was sent per week (February 23, March 3, and March 9).
- **Edmonds School District "Renters Rights and Eviction Panel" Community Meeting.** On February 25 staff presented an overview of the draft plan at a community meeting hosted by Edmonds School District.

- **Cops and Clergy presentation.** On March 4 staff presented an overview of the draft plan at the Cops and Clergy meeting.
- **Partner organizations.** Several partner organizations helped raise awareness of the draft plan through emails, newsletters, social media, and other announcements.
- **Flyer distribution at Sno-Isle Lynnwood Library.** Fact sheets were distributed in English, Spanish, and Korean at the Lynnwood library.

Comments on the draft plan were accepted through March 12 (however, the City will continue to add to the record any comments received after March 12).

Members of the public could provide comments through an online comment form, email, and mail. The City received 37 comments (27 comments through the online form and 10 via email). Staff will provide a supplemental staff report with a summary of public comments prior to your March 25 meeting.

The Draft Housing Action Plan (released February 2021) is included with this staff report. Public comments will be incorporated into the final Housing Action Plan, which will be available for Planning Commission review before the April 8, 2021 Public Hearing.

#### Next Steps

- **April 5** – City Council Update
- **April 8** – Planning Commission Hearing
- **April 19** – Council Briefing
- **May 10** – Council Hearing
- **May 24** – Council Action

*\*All legislative process dates are tentative and subject to change*

#### Attachments

- Draft Housing Action Plan
- March 25, 2021 Planning Commission Presentation Slides



# LYNNWOOD HOUSING ACTION PLAN

Planning Commission Briefing

March 25, 2021



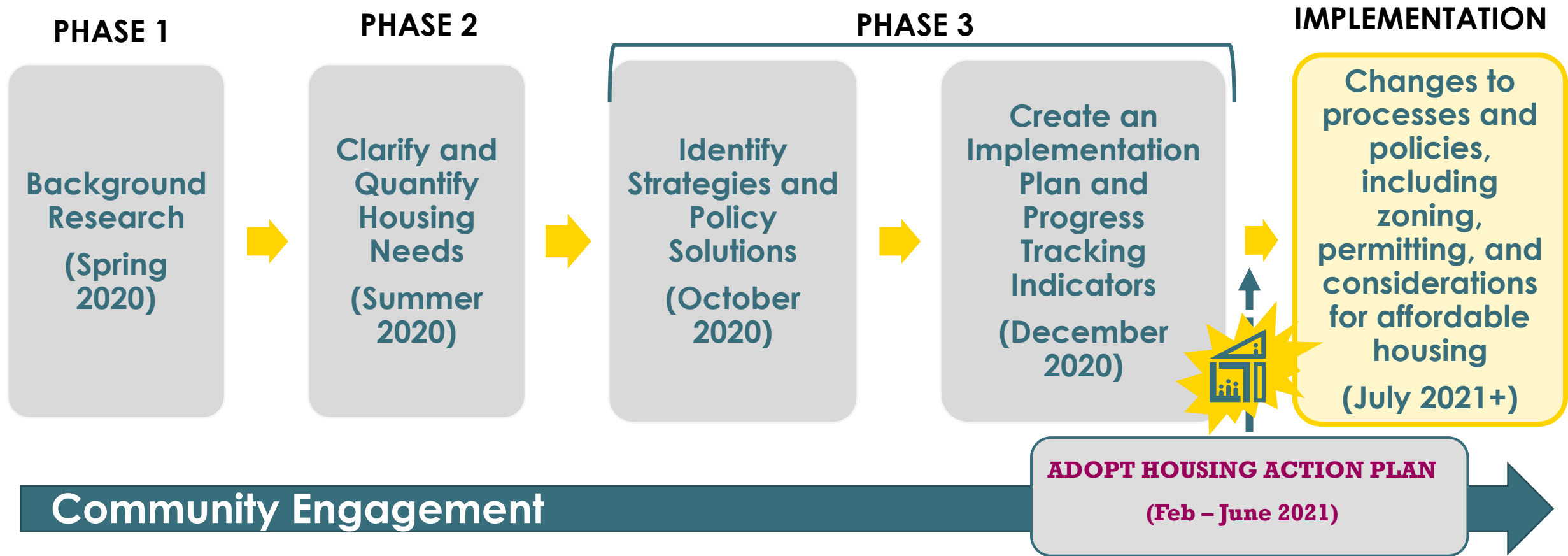


The **Housing Action Plan** forms Lynnwood's five-year goals and strategies to promote housing options that are safe and affordable for all community members.



Image Sources: Brighter Images Photography

# Developing a Housing Action Plan



# What is Housing Affordability?

Housing costs  
no more than  
**30%**  
of a household's income



*Housing affordability  
does not necessarily mean  
subsidized or public housing*

Image Source: Brighter Images Photography



# As of 2016, 2 in every 5 households in Lynnwood spend more than 30% of their income on housing\*



**Severely  
Cost Burdened**  
Households spends  
50% or more of  
income on housing



**Cost  
Burdened**  
Household spends  
30-49% of income on  
housing costs



**Not Cost  
Burdened**  
Household spends less than  
30% of income on  
housing costs



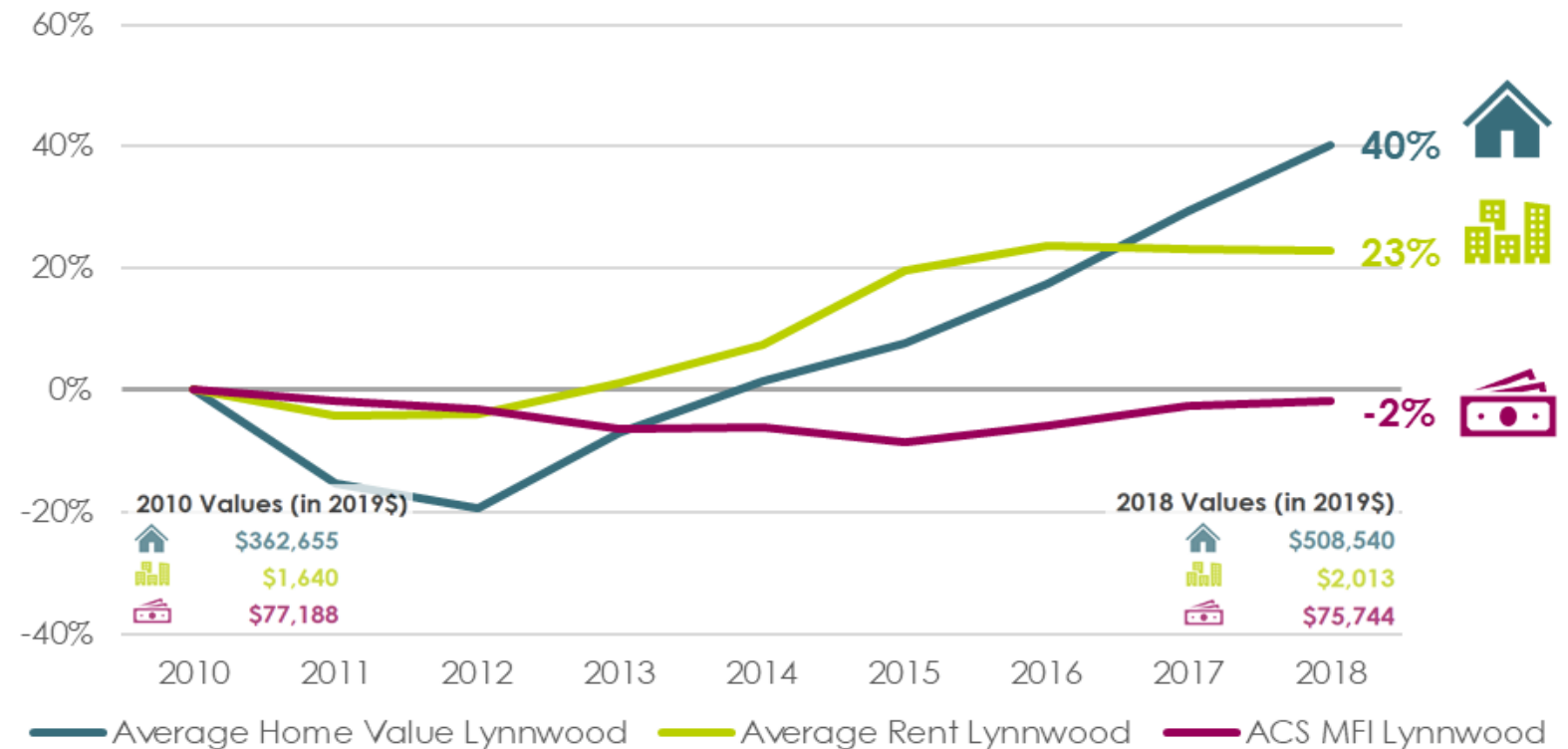
*\*This number is likely higher now due to increased housing costs and the impacts of Coronavirus*

Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates), BERK, 2020.

# Housing Costs are Rising Faster than Incomes

In the past decade, the central Puget Sound region has grown in jobs and population and continues to experience a housing affordability crisis.

**Since 2010 Lynnwood home values have increased by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation.**



Sources: Zillow, 2020; ACS Income 5-year estimates (Table S1901) 2010 - 2018; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 - 2019; BERK, 2020.

1. Almost 40% of Lynnwood's households are **cost-burdened**.
2. Housing **costs are rising faster than incomes**.
3. Many renters qualify for housing assistance but **lack access to subsidized housing**.
4. **Homeownership is out of reach** for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.
5. White and Black, Indigenous, and People of Color (BIPOC) residents typically live in **separate communities**.
6. Lynnwood's current housing **stock lacks housing type variety**.
7. The pace of housing unit **construction needs to accelerate** to meet expected future demand.



## Key Findings from Housing Needs Assessment

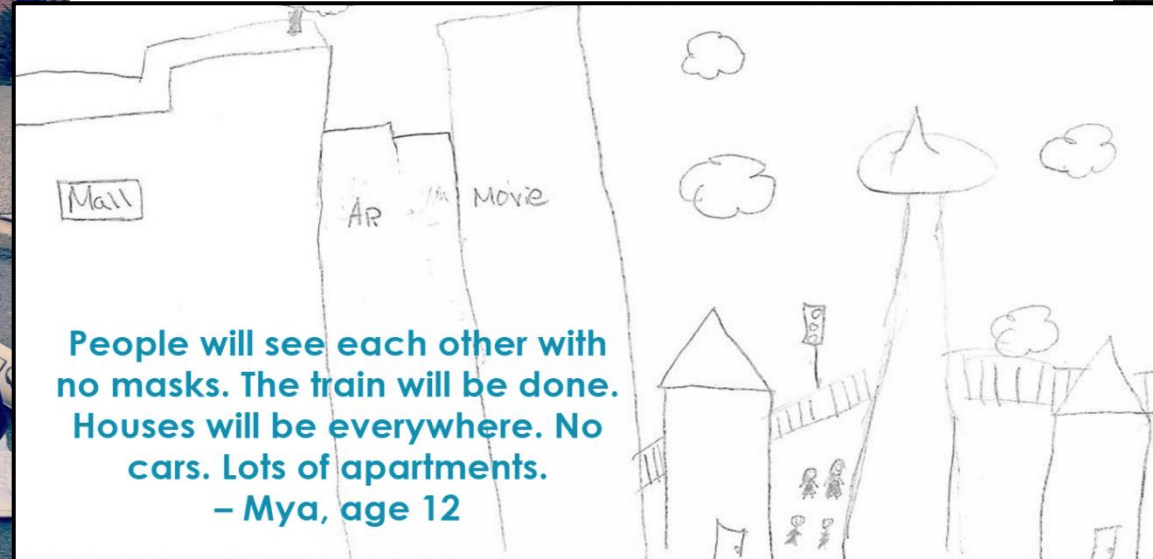
1. Overall, Lynnwood's existing policy and regulations support increasing housing supply.
2. The City's policy to promote housing in designated subareas is working, although some subareas have more new housing than others.
3. Lynnwood's land supply may be a restricting factor.
4. The City needs to increase the variety of housing types allowed to meet residents' housing needs.
5. The Lynnwood Municipal Code (LMC) may be limiting new development or rehabilitation of existing housing
6. Due to its size, Lynnwood has limited funds to directly support housing. The city's greatest resource at this time is through policies and regulations.
7. Lynnwood is a regional leader for implementing housing strategies.

A grayscale background image showing a group of people, likely volunteers, standing in front of a building. The word 'Volunteers' is visible on the building's facade. A dark teal rectangular box is overlaid on the image, containing the text 'POLICY AND CODE REVIEW' in white, bold, sans-serif capital letters.

## POLICY AND CODE REVIEW



# COMMUNITY ENGAGEMENT





Historically Lynnwood has been relatively affordable, but residents now fear being priced out. Not everyone who would like to live in Lynnwood can afford to do so (or continue to do so).



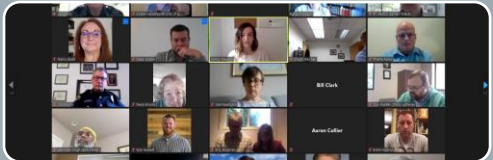
Housing supply is increasing, but more variety is needed.



A lack of affordability affects populations disproportionately.



There is broad support for policy and regulatory changes to increase housing supply and affordability.



Program and partnership opportunities are an important part of the overall strategy.



## Goal #1

**Produce** housing that meets the needs of the community.



## Goal #2

**Preserve** existing housing that is affordable and safe so that people can stay in Lynnwood.





## Goal #3

**Partner** with housing educators, providers, and other groups to find equitable housing solutions and remove systemic barriers.



*Image Source: Housing Hope*

## Goal #4

**Prepare** for continued growth and increase the quality of life in Lynnwood.

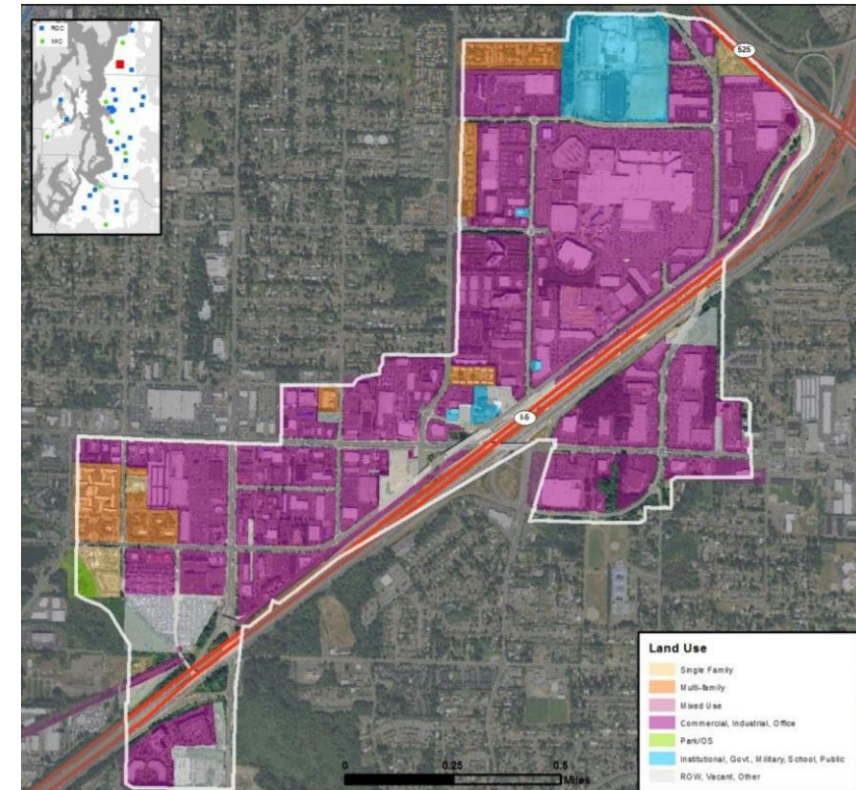




- |   |  |    |  |
|---|--|----|--|
| 1 | Continue promoting housing in the Regional Growth Center (Alderwood and City Center) and along major transportation corridors. | 6  | Support third-party purchases of existing affordable housing to keep units affordable. |
| 2 | Update regulations, design standards, and subarea plans to be more flexible and responsive to changing conditions.             | 7  | Work with faith-based and nonprofit organizations.                                     |
| 3 | Strategically rezone areas to increase and diversify Lynnwood's housing options.   | 8  | Develop a rental registry program.   |
| 4 | Revise the Multifamily Tax Exemption (MFTE) program.   | 9  | Encourage amenities that enhance quality of life.                                      |
| 5 | Partner with housing providers.  | 10 | Continue community conversations about housing.  |

## **1: Continue promoting housing in the Regional Growth Center (Alderwood and City Center) and along major transportation corridors.**

- Work with other departments to align capital facilities planning.
- Update Regional Growth Center development regulations and design guidelines to support transit-oriented development (TOD). Remove process barriers and provide flexibility to incentivize development.
- Adopt planned action ordinance to reflect anticipated growth and streamline development.

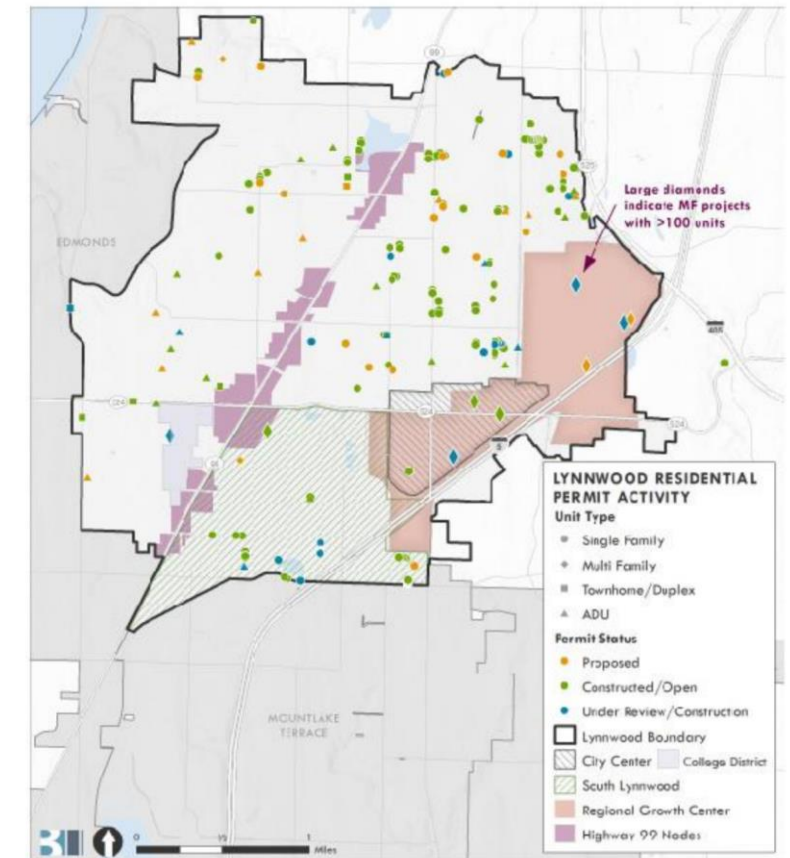




## 2: Update regulations, design standards, and subarea plans to be more flexible and responsive to changing conditions.

- Update Subarea Plans (Highway 99 and College District).
- Update Lynnwood Municipal Code to remove barriers and modernize code to build more housing.
- Evaluate and update design guidelines to respond to evolving development trends.

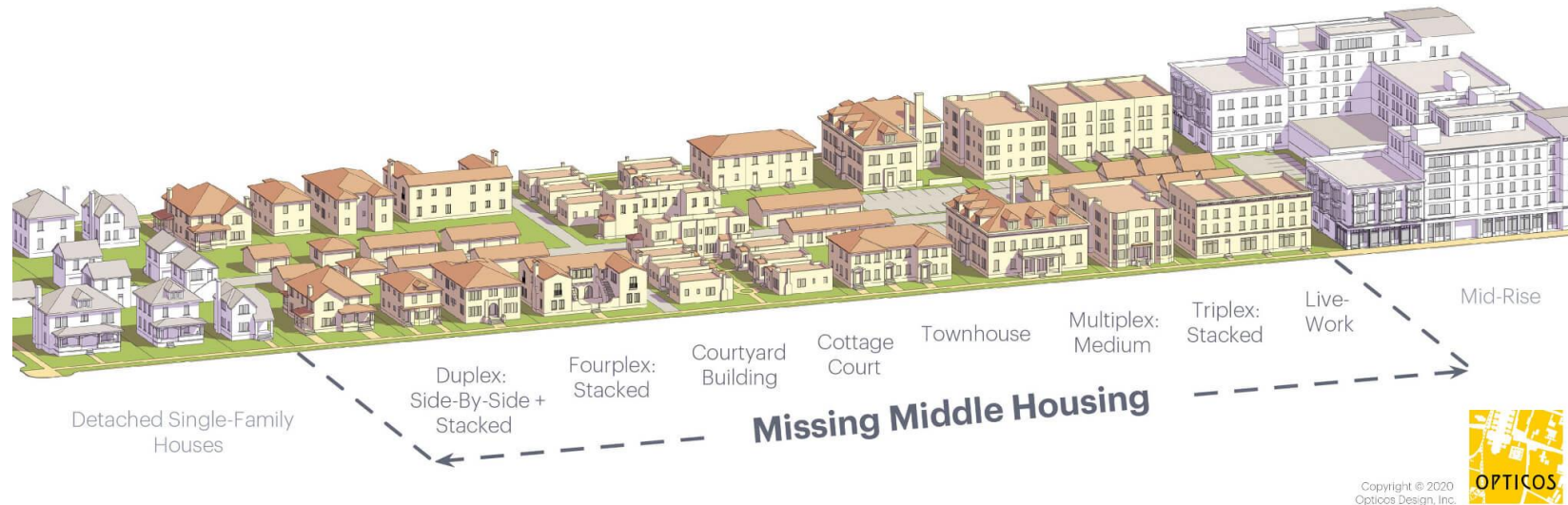
Exhibit 35: Residential Development in Lynnwood, January 2013- March 2020.



Sources: City of Lynnwood, 2020; BERK Consulting, 2020.

### 3: Strategically rezone areas to increase and diversity Lynnwood housing options.

- Analyze areas that can support redevelopment and where additional housing capacity can occur.
- Integrate proposed changes into Comprehensive Plan update and LMC.



## **4: Revise the Multifamily Tax Exemption (MFTE) program.**

- Evaluate potential MFTE scenarios to encourage more income-restricted units and analyze levels of affordability.
- Evaluate appropriate locations for MFTE program.
- Streamline process.



## 5: Partner with housing providers.

- Facilitate development conversations and identify opportunities for collaboration within the housing and social services community.
- Continue to be flexible and responsive to changing conditions (see Strategies 1, 4, and 6).





## **6: Support third-party purchases of existing affordable housing to keep units affordable.**

- Proactively engage with housing providers to identify opportunities for support.
- Update policies and regulations to be competitive for funding opportunities.



## **7: Work with faith-based and nonprofit organizations.**

- Convene and connect with these organizations to stay in touch with community issues.
- Explore opportunities for collaboration toward shared goals (see Strategies 3, 6, and 9).



## 8: Develop a rental registry program.

- Research and scoping process.
- Appropriately staff to support the program.
- Engage with community to increase awareness and education.
- Pilot testing and refinement.

**Rental Property  
Registration**





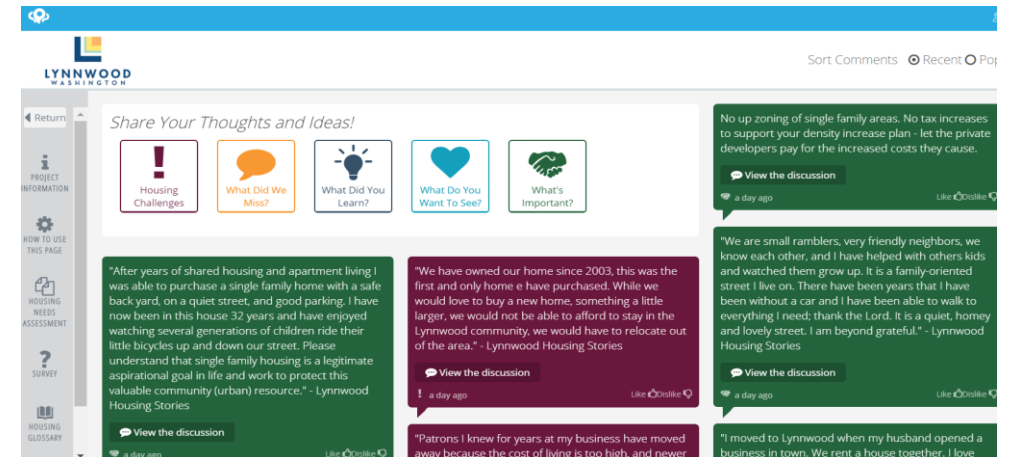
## 9: Encourage amenities that enhance quality of life.

- Conduct study for gaps in coverage and neighborhood-based evaluations.
- Coordinate with appropriate departments to address community needs. Update regulations and design guidelines as necessary (see Strategy 2).



## 10: Continue community conversations about housing.

- Use outlets such as social media and newsletters to regularly provide updates on action items and to raise awareness about new and evolving housing needs.
- Establish two-way communication channels with the community and incorporate concerns and ideas in planning efforts.
- Provide public spaces for events and education related to housing.



## NEXT STEPS

[www.lynnwoodwa.gov/housingactionplan](http://www.lynnwoodwa.gov/housingactionplan)

- **April 5** – City Council Update
- **April 8** – Planning Commission Hearing
- **April 19** – Council Briefing
- **May 10** – Council Hearing
- **May 24** – Council Action





[www.lynnwoodwa.gov/housingactionplan](http://www.lynnwoodwa.gov/housingactionplan)



## Contact Info

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📞 425-670-5409

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🌐 <https://www.lynnwoodwa.gov/HousingActionPlan>

**Topic: City Center Update &  
Development Standards****Agenda Item: E.2****Staff Report**

- ☐ Public Hearing
- ☐ Work Session
- ☐ Other Business
- ☒ Information
- ☐ Miscellaneous

**Staff Contact:** Karl Almgren, City Center Program Manager, Economic Development**Summary**

This presentation provides an overview on the current status of the City Center and the potential to achieve the City Center Vision and the goals of the City Center Plan. Attaining the vision and implementing the plan is based on the interrelated topics of environmental review, a development massing study, and development scenarios. The review includes analysis of references to the City Center Environmental Impact Statement (EIS), Planned Action Ordinance (PAO), and three-dimensional development visuals. These topics identify a gap between the Vision / City Center Plan, and the adopted maximum development capacity that is allowed.

**Action**

Receive a presentation and ask questions of City Staff.

**Background**

The City Center represents a significant component of the city's economic development strategy to create a diversified and vibrant center. The Community Vision and Strategic Plan prioritizes the implementation of the City Center with the Lynnwood Link Extension. The City has continued to make strategic efforts to support attractive investments and fulfill the Community Vision.

The City Center Program includes environmental documents and strategies. This allows projects to utilize an expedited permit process if the project is consistent with the adopted development scenario 'Alternative B'. The demand for development has exceeded that scenario. To update this, Staff has reviewed Alternative C and identified amendments that would conform to market demands and the City Center Vision. This new scenario is referred to as Alternative C – Amended.

Alternative C - Amended allocates additional development of housing, lodging, and institutional uses. These new allocations come from the increased development of office from Alternative B to Alternative C. Alternative C – Amended would be incorporated into a revised Planned Action Ordinance for all development opportunities. This update can will allow projects to utilize the expedited permit process.

## Alternative C - Amended

Land Use		Final SEIS		2044 Massing Study 'Alt. C – Amend.'
		'Preferred Scenario' Alternative B	Alternative C	
Non-Residential	Office	4.0M SF	6.0M SF	4.25M SF(1)
	Retail	1.5M SF	1.5M SF	1.5M SF
	Lodging(2)	NA	NA	850,000 SF
Residential	Housing	3,000 DU / 3.6M SF	4,000 DU / 4.8m SF	6,000 DU / 5.7M SF(3)
<b>Total:</b>		<b>9.1M SF</b>	<b>12.3M SF</b>	<b>12.3M SF</b>

SF – Square Feet; M SF – Million Square Feet; DU – Dwelling Unit

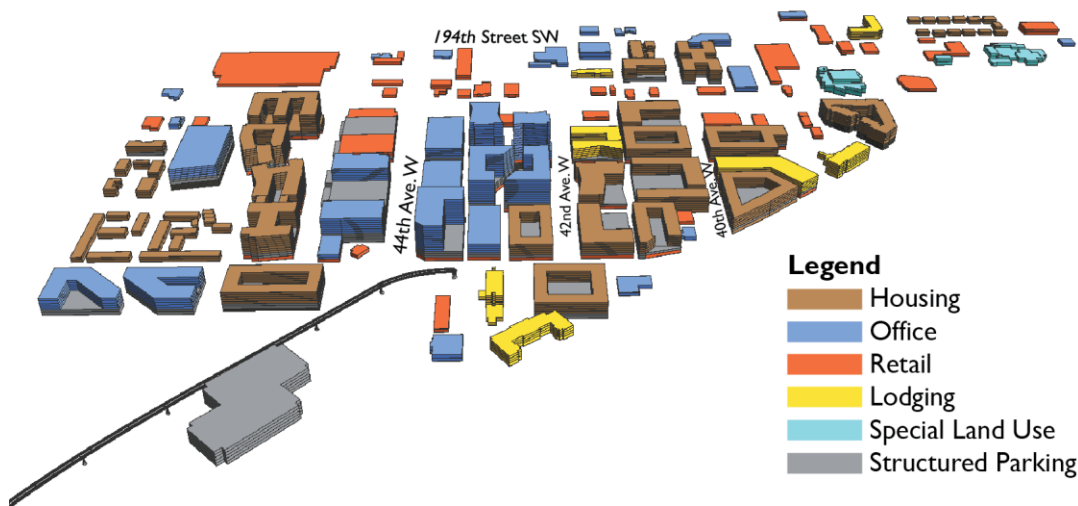
(1) Office use includes institutional uses.

(2) Lodging was added as a land use to distinguish from residential and non-residential uses.

(3) Dwelling units reduced from 1,200 SF per DU to 950 SF per DU based existing and currently planned construction of multifamily gross floor area.

The following is a conceptual visualization of the Alternative C – Amended.

### City Center - 2044 Massing Study



*Note: Conceptual Visualization Only. The above massing study does not propose development on private property, nor does it limit development on private property. Properties not identified for redevelopment are still eligible for redevelopment in compliance with the Lynnwood Municipal Code.*

### Previous Planning Commission / City Council Action

Staff has briefed the City Council on the item twice in the last two months. The staff reports from those briefings are attached. Exhibits from those reports can be found on the City's website here:



February 1, 2021 City Council Work Session, Item D:

[https://www.lynnwoodwa.gov/files/sharedassets/public/city-council/work-session-agendas/agenda\\_2021\\_2\\_1\\_meeting.pdf](https://www.lynnwoodwa.gov/files/sharedassets/public/city-council/work-session-agendas/agenda_2021_2_1_meeting.pdf)

March 15, 2021 City Council Work Session, Item D:

[https://www.lynnwoodwa.gov/files/sharedassets/public/city-council/work-session-agendas/3\\_15\\_2021-agenda.pdf](https://www.lynnwoodwa.gov/files/sharedassets/public/city-council/work-session-agendas/3_15_2021-agenda.pdf)

**Adm. Recommendation**

Provide staff with feedback and questions.

**Attachments**

1. Memo to Mayor and City Council dated January 27, 2021
2. Memo to Mayor and City Council dated March 3, 2021

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20210325\City Center Update and Development Standards.docx

## MEMORANDUM

**Date:** January 27, 2021

**To:** Mayor Smith and City Council

**From:** Karl Almgren, City Center Program Manager

**Subject:** City Center Update and Development Standards

The City Center represents a significant component of the city's economic development strategy to create a diversified and vibrant center. The Community Vision and Strategic Plan prioritizes the implementation of the City Center with the Lynnwood Link Extension. The City has continued to make strategic efforts to support attractive investments and fulfill the Community Vision.

This staff report will review the interrelated topics of:

- Environmental Review
- Mitigation Projects (including 194<sup>th</sup> Street SW)
- Massing Study
- Development Scenarios
- Urban Land Institute's National Study Visit

### **Environmental Review:**

The City is required by Washington State to conduct environmental review by the State Environmental Policy Act (SEPA). This occurs on most construction projects and policies related to development. When a proposed project or policy is likely to create unavoidable significant adverse environmental impacts, those impacts must be reviewed through an Environmental Impact Statement (EIS).

The City wrote the City Center EIS by reviewing impacts associated with three development scenarios. These scenarios are not 'new development' but based on 'total development'. These ranged from low to high with the medium alternative pre-selected as the 'Preferred Alternative':

- Alternative A – Low Intensity: 5.9 million square feet
- Alternative B "Preferred Alternative" – Medium Intensity: 9.1 million square feet
- Alternative C – High Intensity: 12.3 million square feet

These alternatives included allocations of land uses including residential, office, and retail uses. Residential uses included two measurements. The first was the number of dwelling units and the second was square footage. The EIS assumed an average dwelling unit would be 1,200 SF. The land use allocations are detailed here:

	Alt. A – Low Intensity	Alt. B “Preferred Alt.” - Medium Intensity	Alt. C - High Intensity
Residential DU	<b>2,000 DUs</b>	<b>3,000 DUs</b>	<b>4,000 DUs</b>
Residential SF	2,400,000 SF	3,600,000 SF	4,800,000 SF
Office SF	2,000,000 SF	4,000,000 SF	6,000,000 SF
Retail SF	1,500,000 SF	1,500,000 SF	1,500,000 SF
<b>Total SF</b>	<b>5,900,000 SF</b>	<b>9,100,000 SF</b>	<b>12,300,000 SF</b>

DUs – Dwelling Units

SF – Square Feet

The City identified Alternative B as the ‘Preferred Alternative’ and incorporated the alternative into planning documents. This scenario was chosen as the ‘preferred alternative’ as it was to strike a balance of growth while prioritizing jobs, replacing existing retail opportunities, and adding new housing. All scenarios included projects to mitigate impacts such as widening 196<sup>th</sup> Street SW and building a refined street grid pattern including 42<sup>nd</sup> Avenue West and 194<sup>th</sup> Street SW.

In 2012, the City strategically pursued and adopted a Planned Action Ordinance (PAO) to expedite development applications that comply with Alternative B. This ordinance enacted the City Center Environmental Impact Statement (EIS). The Planned Action Ordinance is a critical element of seeking development and investors to the City Center.

### Mitigation Projects:

As the City Center development occurs in stages, mitigation projects can be phased with the demand. Some projects have already occurred such as upsizing utilities, while others are scheduled to begin in the near term. Other projects may occur in later stages. Some of the near-term projects include:

- 196<sup>th</sup> Street SW Widening by City of Lynnwood
- 200<sup>th</sup> Street SW Widening by Sound Transit
- 200<sup>th</sup>/44<sup>th</sup> Street SW Intersection by Sound Transit

It is important to note that Preferred Alternative B and Alternative C had common mitigation projects including:

- Refined Street Grid (42<sup>nd</sup> Avenue West, 194<sup>th</sup> Street SW, 46<sup>th</sup> Avenue West, 198<sup>th</sup> Extension)
- Widening of 196<sup>th</sup> Street SW and 44<sup>th</sup> Avenue to 7 lane boulevard street
- Signal improvements at 44<sup>th</sup>/196<sup>th</sup> and 44<sup>th</sup>/200<sup>th</sup> intersections
- New signal at 40<sup>th</sup> and Alderwood Mall Blvd (completed)
- Transit improvements (*This review occurred prior to voter approval of ST2 in 2008. The notion of ‘transit improvements’ was only for bus service.*)
- Parking programs

Attached to this staff report is a map of mitigation projects in the City Center for Alternative B based on current work plans.



*194<sup>th</sup> Street SW – One of the mitigations projects that has been of special interest to the Council is 194<sup>th</sup> Street SW. The proposed project is to extending 194<sup>th</sup> from 40<sup>th</sup> Avenue West to 33<sup>rd</sup> Avenue West. This project will include a new street located on the Public Facilities District (PFD) property. The PFD had previously expressed concern that this new street would hinder long term development of the property. However, under new leadership the street is being considered possibly as an asset to attract new development opportunities. The PFD will be continuing their master planning process throughout 2021.*

The City pursued a review of 194<sup>th</sup> Street SW’s requirement for development of the City Center. This was reviewed by the City’s traffic consultant and concluded that:

“[t]he 194th St SW extension represents a significant piece of the planned City Center street network as identified in the City Center Sub-Area Plan. It is recommended that the 194th St SW extension be maintained as a long-range transportation improvement project and re-evaluated as the City Center area continues to develop.” – Transportation Solutions, Inc. (TSI) December 3, 2019.

*Key Finding #1:* The review by TSI did identify that 194<sup>th</sup> Street SW will not be required by 2035 based on development projections. Beyond 2035, it is likely that the street will be required to provide for better transportation circulation. Analysis of 194<sup>th</sup> Street SW is attached to this staff report.

### **Massing Study**

Following submittal of the Northline Village Concept Plan, the City hired a consultant to model the current Alternative B. This exercise was done for planning purposes only and does not dictate future use of a property nor does it limit the uses of a property beyond that of the existing zoning regulations.

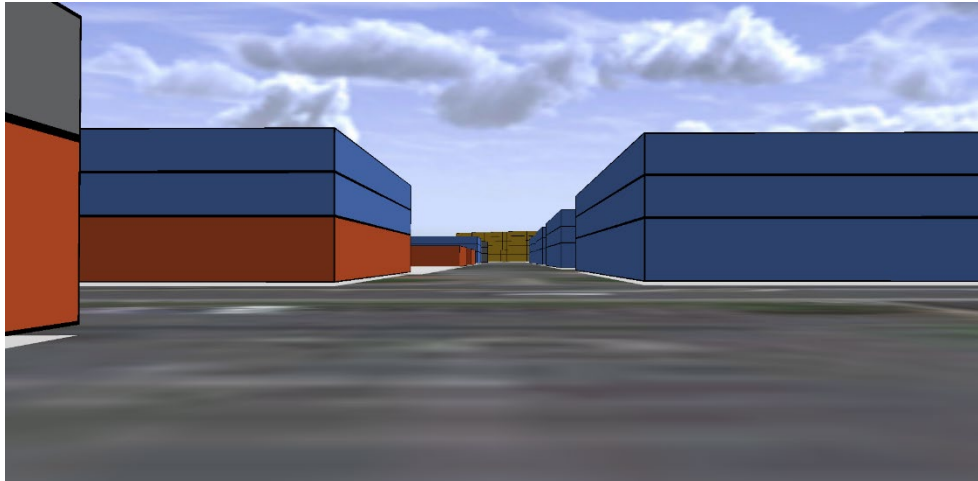
The consultant, Housel Lavigne (HL), carried forward some recent projects as future land uses and considered the rest of the land as a blank slate. Then HL used the remaining land use allocations from Alternative B and spread them throughout areas in the City Center. Some land uses were concentrated more than others near the Lynnwood Transit Center.

The result is a model of primarily low-rise buildings with some six and seven story buildings. Most of the taller structures are located within Northline Village, not within the future development capacity. The following images represent the model HL created demonstrating this low-rise character of the City Center under the current development capacity.

*Land Use Key:*



*City Center Promenade Modeling*



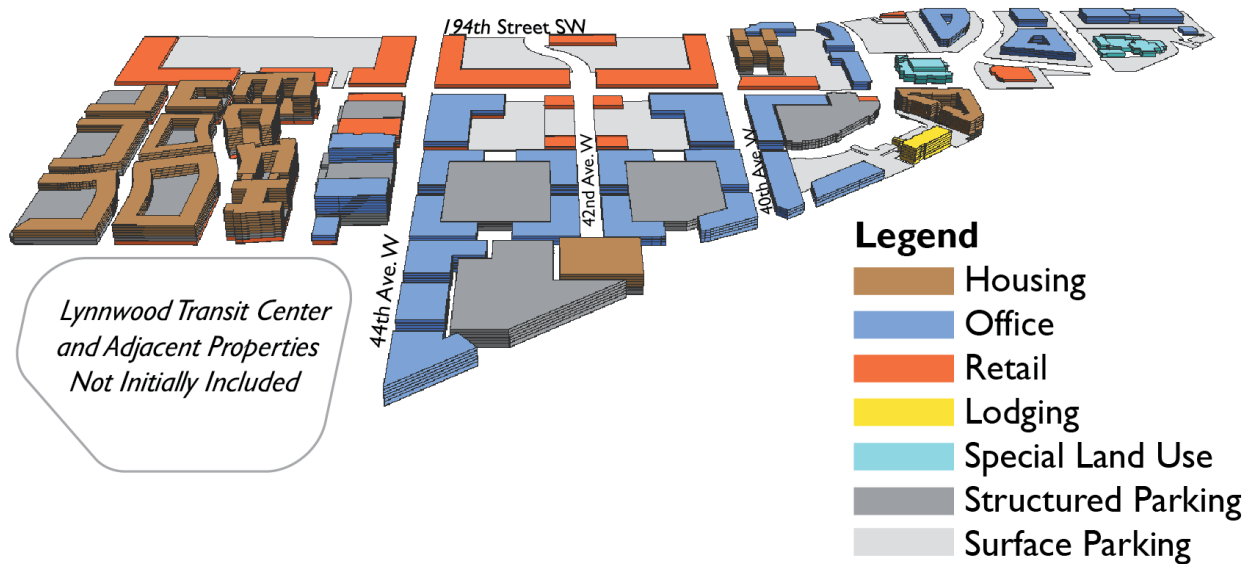
This rendering is looking east from the intersection of 44<sup>th</sup> Avenue West and 198<sup>th</sup> Street SW (Promenade). The development scenario identifies capacity for three story construction along a street that is supposed to be the central core of City Center.

*City Center 196<sup>th</sup> Corridor*

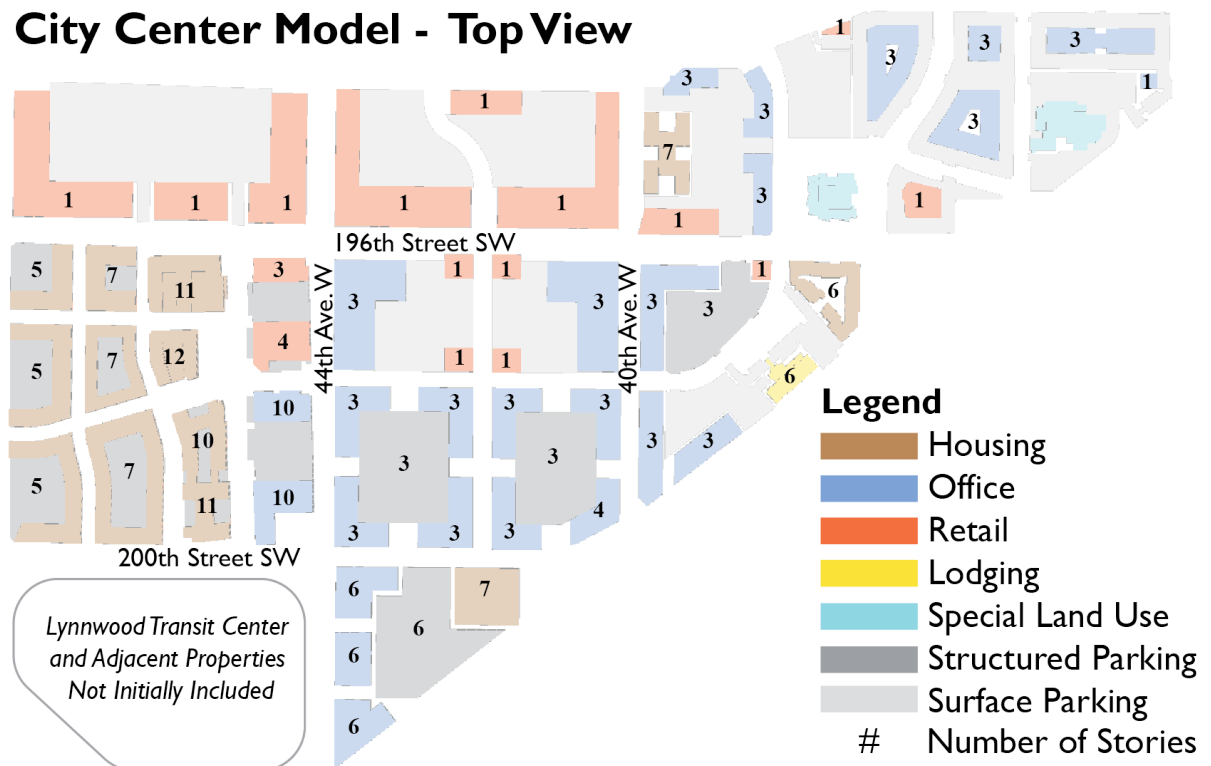


This rendering is looking west on 196<sup>th</sup> from the 3800 Block towards Northline Village (distant brown building). Under this model, the primary corridor of the city becomes lined with low-rise structures.

## City Center Model - 3D View



## City Center Model - Top View





*Key Finding #2:* The Massing Study identifies that the existing development capacity would likely lead to primarily low and mid-rise construction patterns if spread throughout City Center. If development was concentrated on fewer properties for mid- and high-rise construction, then the existing development regulations would prevent the remaining City Center area from redeveloping due to a cap of 9.1M SF total development (LMC 21.60.800). This is not consistent with the City Center Vision to promote mid- and high-rise construction throughout the sub-area.

### **Development Scenario**

The City's current Alternative B is limited. Alternative B allows for 9.1 million square feet of development in the City Center and the Massing Study identified that doesn't make a City Center of mid- and high-rise construction. Alternative B also does not allocate enough housing units to meet the market demand.

*Key Finding #3:* The Planned Action Ordinance for housing project is now obsolete. Currently, all housing units have been either constructed or under an approved project. This does not stop new housing from coming to the City Center, but any project would be required to be reviewed under SEPA and not the Planned Action Ordinance. The Planned Action Ordinance is a significant attractive element for developers as it provides higher predictability and certainty for project delivery. This is a cornerstone of conversations with investors and developers for City Center.

	<b>Alt. B "Preferred Alt." - Medium Intensity</b>	<b>Remaining Capacity</b>
Residential DU	<b>3,000 DUs</b>	<b>0 DUs</b>
Residential SF	3,600,000 SF	206,447 SF
Office SF	4,000,000 SF	2,330,280 SF
Retail SF	1,500,000 SF	157,456 SF
<b>Total SF</b>	<b>9,100,000 SF</b>	<b>2,694,183 SF</b>

City Staff is recommending revising the existing development scenario to align housing market demands and the Planned Action Ordinance with the Community Vision.

### **Urban Land Institute National Study Vision**

Within all the development scenarios for City Center, the vision included public spaces and amenities for people. This included transforming the City Center from an auto-centric environment to a community setting with vibrant activities and high-quality public spaces.

In February 2020, the Development & Business Services and Parks, Recreation & Cultural Arts Department partnered with Urban Land Institute (ULI) to host a 'National Study Visit'. This included a panel of experts from throughout the country visiting Lynnwood City Center to make recommendations on best practices to support the '10

Minute Walk’ campaign as well as urban design. The panel was asked to consider the following study questions when framing their recommendations:

1. What role would a City Center urban park play in catalyzing civic activity and promoting property investment in the neighborhood?
2. Which tools and partnership opportunities are available to leverage public and private investment in the area to build public amenities, like parks and plazas? How can more private development be incentivized? How can the city assist the development community with consolidation of small parcels?
3. Because arterials in City Center are barriers to nonmotorized movement, what streetscape interventions can remake City Center into a pedestrian-oriented, transit-oriented development, integrating existing infrastructure like the Interurban Trail, with active park-facade interfaces creating an integrated greenspace-to-urban fabric?

The panel was then led on a walking and van tour of the City Center. Following the tour, the panel of experts interviewed local stakeholders.

Interviewees:

<i>Mayor Smith</i>	Lynnwood Mayor	Elected Official
	Lynnwood City Council	Elected Official
<i>Chad Braithwaite</i>	Lynnwood Planning Commission	Board and Commission
<i>Kris Hildebrandt</i>	Lynnwood Parks Board	Board and Commission
<i>Mira Jeong</i>	SKS Trading	Local Partner
<i>William Kang</i>	SKS Trading	Local Partner
<i>Linda Jones</i>	Lynnwood Chamber of Commerce	Local Partner
<i>Phong Nguyen</i>	Lynnwood Business Consortium & Anna’s Furniture	Local Partner
<i>Matt Smith</i>	Sno. Co. Economic Alliance	Local Partner
<i>Jamas Gwilliam</i>	Merlone Geier Partners	Developer
<i>Trent Mummery</i>	Trent Development	Developer
<i>David Sinnet</i>	American Property Development	Developer
<i>Michael Delury</i>	Sno-Isle Library	Agency
<i>Wally Webster</i>	Lynnwood Public Facilities District	Agency
<i>Miranda Redinger</i>	Sound Transit	Agency

<i>Danielle Carnes</i>	Edmonds College	Agency
<i>William Franz</i>	City of Lynnwood	Public Works Director
<i>David Kleitsch</i>	City of Lynnwood	DBS Director
<i>David Mach</i>	City of Lynnwood	City Engineer
<i>Lynn Sordel</i>	City of Lynnwood	Parks Director
<i>Ashley Winchell</i>	City of Lynnwood	Planning Manager

After the information gather stage, the panel of experts broke into a work session to draft recommendations identifying themes. While some recommendations focused on physical design standards, an underlying theme was identified.

*Key Finding #4:* The panel recommended providing amenities residents want to support attracting residents and investors to City Center. This includes a focus on what residents will likely be attracted to including quality public spaces, coffee shops, restaurants, and entertainment venues. This also includes residents who are seeking ways to engage their immediate neighborhood through walking or biking.

The entire report is available from the City's website. To access use the search bar and enter 'City Center', select the first link, open the drop-down Implementation Strategies & Reports, and select the report. Hard copies being placing in the Councilmember's mailbox by Friday, January 29<sup>th</sup>.

### **Next Steps:**

#### *Development Scenario:*

City Staff is seeking concurrence from City Council to revise City Center development scenario. This revision will utilize the massing model software to analyze the reallocation of land uses as well as increase the development capacity. The SEPA thresholds and mitigations identified in the City Center EIS will not be exceeded. The following are considerations for the revised development scenario.

1. Maintain proposed 4 million square feet of Office.
2. Maintain proposed 1.5 million square feet of Retail.
3. Increase total capacity from 9.1 million square feet to 12.3millions square feet as established in EIS Alternative C.
4. Amend Alternative C to allocate additional housing capacity in the City Center.
5. Review total square feet per dwelling unit to align with market.
6. Allocate square footage for institutional, religious assembly, and lodging.
7. Model the development scenario for 2035- and 2044-time horizons.

On March 15<sup>th</sup>, Staff will brief the City Council on the findings prior to moving forward with analysis on impacts including transportation and utilities.

*ULI National Study Visit:*

City Staff will bring the item back to Council at a later meeting to identify recommendations to pursue and begin scheduling a work plan.

**Document Attachments:**

1. Alternative B Mitigation Projects Map
2. 194th St SW Extension Project Background and Context, December 3, 2019
3. Massing Visuals of EIS Compliant Lynnwood City Center, January 15, 2021
4. Urban Land Institute National Study Visit Report
  - <https://www.lynnwoodwa.gov/files/content/public/government/departments/economic-development/city-center/urban-land-institute-national-study-visit.pdf>
5. Staff Presentation



## MEMORANDUM

**Date:** March 3, 2021

**To:** Mayor Smith and City Council

**From:** Karl Almgren, City Center Program Manager

**Subject:** City Center and Development Standards Update

The City Center represents a significant component of the city's economic development strategy to create a diversified and vibrant center. The Community Vision and Strategic Plan prioritizes the implementation of the City Center with the Lynnwood Link Extension. The City has continued to make strategic efforts to support attractive investments and fulfill the Community Vision.

On February 1<sup>st</sup> staff introduced the City Center Update and Development Standards item. This staff report provides an update to that introduction on the topics of:

- 2044 Massing Study
- Revised Development Scenario "Alternative C – Amended"

Additional follow up from questions from Council and Lynnwood Residents is included.

### **Background:**

The City Center is a subarea of the designated Regional Growth Center. This designation structures growth strategies for housing and employment which implements the Lynnwood Comprehensive Plan. Work has begun on an update to the Lynnwood Comprehensive Plan for the planning horizon of 2044. The City Center and Development Standards Update is required to continue implementation of the Community Vision and align with the 2044 planning horizon.

On February 1<sup>st</sup> the Council was briefed on four key findings. This report will continue to add key findings.

*Key Finding #1:* The review by TSI [City's Transportation Consultant] identified that 194<sup>th</sup> Street SW will not be required by 2035 based on development projections. Beyond 2035, it is likely that the street will be required to provide for better transportation circulation.

*Key Finding #2:* The Massing Study identified that the existing development capacity would likely lead to primarily low and mid-rise construction patterns if spread throughout City Center. If development was concentrated on fewer properties for mid- and high-rise construction, then the existing development regulations would prevent the remaining City Center area from redeveloping due to a cap of 9.1M SF total development (LMC

21.60.800). This is not consistent with the City Center Vision to promote mid- and high-rise construction throughout the sub-area.

*Key Finding #3:* The Planned Action Ordinance for housing is now obsolete. Currently, all housing units have been either constructed or under an approved project. This does not stop new housing from coming to the City Center, but any project would be required to be reviewed under SEPA and not the Planned Action Ordinance. The Planned Action Ordinance is a significant attractive element for developers as it provides higher predictability and certainty for project delivery. This is a cornerstone of conversations with investors and developers for City Center.

*Key Finding #4:* The panel recommended providing amenities residents want to support attracting residents and investors to City Center. This includes a focus on what residents will likely be attracted to including quality public spaces, coffee shops, restaurants, and entertainment venues. This also includes residents who are seeking ways to engage their immediate neighborhood through walking or biking.

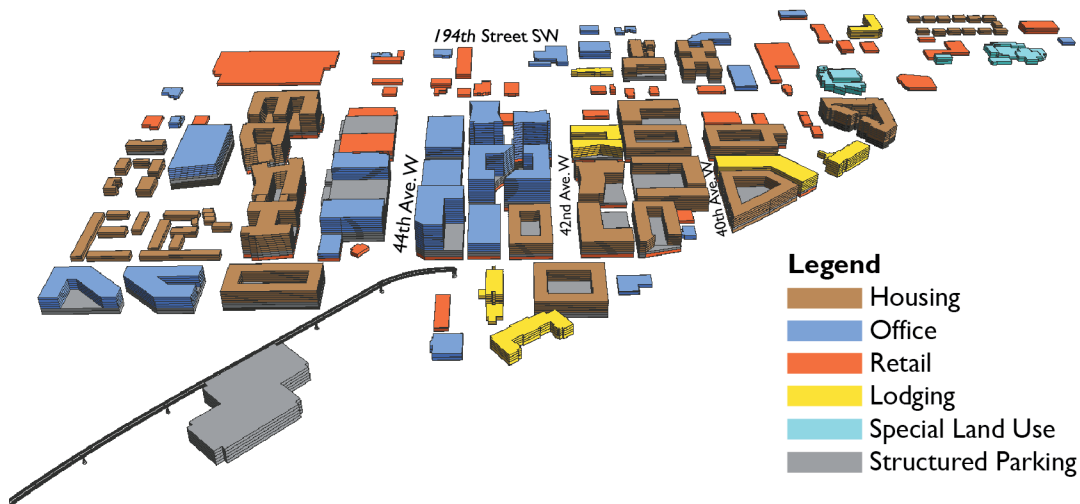
#### **2044 Massing Study:**

The Preferred Alternative massing study was a conceptual representation of 9.1 million square feet. This allocated development throughout the area regardless of existing uses with minor exceptions. A 2044 Massing Study revised the conceptual representation and applied development to specific locations based on intensities of current development.

The 2044 Massing Study was developed to redistribute the development capacity based on the following considerations:

1. 2044 is the planning horizon to coincide with the Comprehensive Plan update.
2. Regional housing demand will continue to drive investments and redevelopment.
3. Housing projects will develop as seven story buildings with structured parking.
4. Dwelling unit average sizes would be approximately 950 square feet, down from the City Center's assumption of 1,200 square feet per dwelling unit.
5. Office projects will develop at a variety of heights with structured parking.
6. Lodging is expanded as Lynnwood's central location and light rail service leverage more tourism opportunities.
7. Existing residential uses are not redeveloped.
8. Northline Village is fully developed.
9. Development projects were focused south of 196<sup>th</sup> Street SW for proximity to the Lynnwood Transit Center and Interurban Trail connectivity.
10. Retail tenant spaces average a depth of 70-feet at 60% the linear of the building frontage. Remainder of first floor would be for structured parking.
11. Alternative C's allowable development maximum of 12.3 million square feet was the development limit.

## City Center - 2044 Massing Study



*Note: Conceptual Visualization Only. The above massing study does not propose development on private property, nor does it limit development on private property. Properties not identified for redevelopment are still eligible for redevelopment in compliance with the Lynnwood Municipal Code.*

### Revised Development Scenario:

The 2044 Massing Study on the previous page allocates the land uses as follows:

		Final SEIS		2044
Land Use		'Preferred Scenario' Alternative B	Alternative C	Massing Study 'Alt. C – Amend.'
Non-Residential	Office	4.0M SF	6.0M SF	4.25M SF(1)
	Retail	1.5M SF	1.5M SF	1.5M SF
	Lodging(2)	NA	NA	850,000 SF
Residential	Housing	3,000 DU / 3.6M SF	4,000 DU / 4.8m SF	6,000 DU / 5.7M SF(3)
<b>Total:</b>		<b>9.1M SF</b>	<b>12.3M SF</b>	<b>12.3M SF</b>

SF – Square Feet; M SF – Million Square Feet; DU – Dwelling Unit

(1) Office use includes institutional uses.

(2) Lodging was added as a land use to distinguish from residential and non-residential uses.

(3) Dwelling units reduced from 1,200 SF per DU to 950 SF per DU based existing and currently planned construction of multifamily gross floor area.

The 2044 Massing Study amends Alternative C to allocate additional development of housing, lodging, and institutional uses. These new allocations come from the increased development of office from Alternative B to Alternative C. Alternative C – Amended would be incorporated into a revised Planned Action Ordinance for all development opportunities. This update can better position the City Center for investment.

*New - Key Finding #5:* Alternative C – Amended totaling 12.3 million square feet with can develop a City Center environment within the planning horizon of 2044. Additional development opportunities exist beyond 2044, though have not been evaluated.

To amend the Planned Action Ordinance, the City must verify the existing mitigation projects are adequate. This development scenario has been reviewed by the City’s transportation consultant, TSI. The attached memo identifies that the development scenario is within the City’s requirements for concurrency and level of service with the completion of the planned transportation mitigation projects. Additional review is still necessary to verify other impacts such as parks, utilities, and other topics are still adequate.

*New - Key Finding #6:* The existing planned transportation mitigation projects are adequate for Alternative C – Amended.

### **Additional Follow Up Since February 1<sup>st</sup>**

On February 1<sup>st</sup>, Councilmembers and Lynnwood residents provided some questions regarding office uses, and the future grid street network.

What is the future grid street network?

The City Center includes a future grid street network that will reduce block size, improve connectivity, and provide for pedestrian mobility. This includes opportunities for pedestrian links as proposed with Lynnwood 40<sup>th</sup>. Some of these grid streets will be capital projects (42<sup>nd</sup> Avenue West) and some will be done concurrent with private redevelopment.

How would Fred Meyer be impact by new streets?

Redevelopment of Fred Meyer will be a private project like Northline Village. The private project would likely require internal circulation complementing a grid street pattern.

Are there any alternatives to 194<sup>th</sup> Street SW?

194<sup>th</sup> Street SW provides a new street to facilitate east-west movement from City Center to 33<sup>rd</sup> Avenue West. Without this connection, east-west demand will shift to other areas and may impact the level of service of the existing roadways. The City’s transportation consultant recommends 194<sup>th</sup> Street SW as the preferred option, but identified the following alternatives:



- Widen 196<sup>th</sup> Street SW again following completion of the current project.
- Widen 188<sup>th</sup> Street SW and disrupt single-family homes in the area. 188<sup>th</sup> Street SW effectiveness may be less due to out of direction travel required.
- New east-west roadway between 194<sup>th</sup> Street and 188<sup>th</sup> Street in existing single-family residential neighborhoods.

*New - Key Finding #7:* Alternatives to 194<sup>th</sup> Street SW are limited without impacting other surrounding areas.

*New - Key Finding #8:* 194<sup>th</sup> Street SW is required for Alternative B or Alternative C – Amended with a 2044 planning horizon.

Should we consider going higher than 12.3 million square feet?

The Alternative C – Amended allocates development to approximately 50% of the developable City Center land area. This level of development and intensity is sufficient for the 2044 planning horizon. Should development become foreseeable to exceed 12.3 million square feet, the City could reconsider the development scenario at that time.

What is the strategy for office development?

For nearly 20 years, the development of new multi-story office space in Puget Sound has been concentrated in two areas, Bellevue and Seattle. This trend is a result of rent revenue sustaining the cost of development. Outside of these market locations, the rent revenue and costs of development are out of balance. This factor has limited speculative office development in suburban markets.

The costs to develop an office project in Bellevue, Seattle, or Lynnwood are similar. The project will use comparable architecture, engineering, and construction firms to deliver the project. However, the difference in land values of these areas is compensated by the significant increase in rent value. This supports development in Seattle or Bellevue, but not Lynnwood.

Lynnwood is limited on the ability to address regional market impacts and substantially drive down the cost of development. However, the City can better its investment position compared to other communities. By continuing to plan for and build infrastructure for office development, Lynnwood can become an attractive location for employers. One method is to leverage the existing and future investments to establish a critical mass of new development. This will better suit office investments as companies look to areas with high access, trained workforce, and available area for development.

*New - Key Finding #9:* Leveraging existing development demand will better define the City Center as a place and attract employers.

The following four point office development strategy is summarized from previous studies and reports on the City Center:

1. Attract the Millennial demographic and workforce.<sup>1</sup>
2. Solidify vision and planning fundamentals.<sup>2</sup>
3. Attract investors and developers through a setting that makes both the company and employee feel invited in a business/family friendly environment.<sup>1</sup>
4. Be a municipal leader in reducing regulations and create an even more expedited process for permitting.<sup>3</sup>

**Next Steps:**

City Staff is seeking input from City Council on the 2044 Massing Study and Alternative C – Amended.

On March 25, 2021, City Staff will provide a City Center update to the Planning Commission.

**Document Attachments:**

1. Massing Visuals of 2044 Massing Study
2. City Center Level of Service Update March 8, 2021
3. Staff Presentation

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<sup>1</sup> CBRE, Lynnwood Office Market Overview (informal report), 2019.

<sup>2</sup> Urban Land Institute, 10 Minute Walk National Study Visit, 2020.

<sup>3</sup> Smart Growth America, National Resources & Technical Assistance for Transit-Oriented Development, 2016.