

Memo

To: Rachael Markle, Planning Director
Planning Commission Members

From: Rodger Ricks, Cascade Investment Properties, LLC

Date: 11/2/16

RE: Comments regarding Agenda Item - 6a
draft Ordinance No. 765 to establish new regulations for Self-Storage Facilities

Cascade Investment Properties, LLC is proposing to develop a new self storage facility at 20029 19th Ave. NE in Shoreline, and have reviewed and commented on staff reports prior to the 10/6/16 Planning Commission Meeting, and provided testimony at said meeting. The purpose of this correspondence is to comment on the Self Storage Staff Report made available online 10/31/16 which is to supplement discussion regarding draft Ordinance No. 765 to establish new regulations for Self-Storage Facilities. I appreciate the process in which you are giving consideration of other perspectives to further the goals of Shoreline, and it's citizens. Specific comments about Amendments follow:

Amendment #1
supported as written

Amendment #2
supported as written

Amendment #3
supported as written

Amendment #4 SMC 20.40.505

A. Location of self-storage facilities

1. Self storage facilities shall not be permitted on property located on a corner on an arterial street. Corners include property within 100 feet from the center point of an intersection when two arterial streets connect.

supported as written

2. Self-storage facilities shall not be located within a ¼ mile measured from the property line of the proposed site to another existing or permitted self-storage facility.

Opposed as written. The undersigned understands the Council's concern about potentially having too many self storage facilities developed on limited commercially zoned parcels in Shoreline, and how the recent permit and pre-application activity associated with self storage uses prompted the moratorium process to review/modify zoning regulating such use. Further, the undersigned supports the concept that self storage facilities should be distributed throughout the community who require such services, and agrees with the Staff Report's comment that the radius requirement not be required in the Ballinger district:

The Commission could also consider a radius requirement on Aurora Avenue North and no radius requirement on Ballinger Way NE (a ¼ mile and the 500 ft. radius essentially would preclude new self-storage facilities in this area).

I support the position of having no radius requirement in the Ballinger district, for the following reasons:

- a) The Ballinger area is a very concentrated commercial district, which is approx. ¼ mile in length in the core area, and the mandate of a radius limitation such as ¼ mile will restrict any further self storage development in this area of Shoreline given that one existing facility (Public Storage at 20040 Ballinger Way NE) is central to the district on Ballinger Way NE. See Attachment D of Staff Report.
- b) The site proposed for self storage in the Ballinger district is in an area that is vastly underserved with self storage supply. The undersigned engaged a 3rd party consultant to calculate demand for self storage at the proposed Ballinger district location, and the conclusion was 161,513 s.f. of unmet demand, or in other words, this area is significantly underserved with self storage square feet.
- c) There are only two self storage facilities in the Ballinger district, both operated by Public Storage and consisting of small 30+ years old unheated single-story facility of 42,665 s.f. located at 20065 15th Ave. NE, and a small 10 year old heated multi-story facility of 47,650 s.f. located at 20040 Ballinger Way NE, for a total supply of self storage space of only 90,315 s.f. NRA. The “distance from” requirement only considers nearby self storage usage, but in order to meet community demand should consider square feet of self storage supply, and is it sufficient to address the community’s needs.
- d) When there is a shortage of self storage supply in a district, occupancy levels are very high (ie. 99% is typical in spring/summer) and operators like the two Public Storage facilities in the Ballinger district charge rents higher than surrounding areas where supply and demand are in balance.
- e) The site proposed for self storage in the Ballinger district has been vacant for 22 years, and was formerly the site of 2 older residences which were demolished to make way for commercial uses. Unfortunately, in 22 years there has not been a viable use for this vacant parcel with the market rejecting the parcel for retail uses, economics rejecting this parcel of suburban office and multifamily (parking costs).
- f) The proposed self storage in the Ballinger district would have frontage on 19th Avenue NE, which is considered a “Minor Arterial” by Shoreline, and given the type of arterial it is on and it’s vacant status for 22 years, it can be concluded that putting a self storage on this parcel would not diminish the supply of more choice commercial parcels in Shoreline located on “Major Arterials”.
- g) The proposed self storage in the Ballinger district is already segregated from Community Renewal Areas and Town Centers which the code Amendments seek to ensure self storage is not allowed.
- h) The mandate of a radius limitation for new self storages, effectively makes patrons of such facilities travel further distances to comparison shop for self storages services. This is in contract to zoning of many cities which allow self storage to concentrate in particular areas for the benefit of it’s citizens.

The staff report proposes on exception to this ¼ mile radius proposal, which I will refer to as Exception A:

Exception A: Self-storage facilities may be located within a ¼ mile of an existing or permitted self-storage facility when the minimum space dimension for the ground-level of the building is at least 12-feet in height and 20-feet deep and built to commercial building code. No more than 25% of this ground floor commercial space may be occupied by self-storage related uses including but not limited to storage units, storage supply sales, and office for support and rental of storage units. All other uses permitted in the zone may occupy the other 75% of the required ground floor commercial space.

Opposed. This exception would allow for the proposed self storage in the Ballinger district provided it had 75% of it's ground floor a commercial space, but such requirement is an idealistic goal, but impractical because of:

- 1) The site proposed for self storage in the Ballinger district has been vacant for 22 years for market reasons identified in (d) above. Dedicating 75% of the first floor for a commercial tenant (approx. 15,000 s.f.) would in all probability create a perpetual vacancy, and would make the project infeasible because of the need to dedicate a great amount of land area for parking associated with such commercial space.
- 2) Every self storage facility is designed to provide an assortment of unit sizes to address tenant needs with units typically ranging in size from 25 s.f. to 300 s.f. A prudent self storage design in Shoreline would include some of the larger storage units (ie. 10x30, 10x25, 10x20), and place these larger units to not be dependent on the elevators in a multi-story structure, which design multi-story design is desired by Shoreline. Elevators are an acceptable means to access smaller units, but the biggest units should be on the first level.
- 3) The undersigned is familiar with many of the existing self storage facilities in the region, and can think of no similar zoning mandate prescribing such a large percentage committed to commercial space. When a self storage is allowed in a town center environment which also has much higher population density and is more pedestrian oriented, dedicating a small portion of the ground floor to a commercial use (ie. up to 10%) could be feasible.
- 4) The list of commercial uses and tenancies that are compatible with self storage, which emphasizes a ground floor dedicated to loading and unloading of storage and a parking lot with a loading dock is extremely short, although sometimes a mailbox and packaging outlet can have a very small commercial presence within a self storage project.

The Staff Report generally suggests and that the purpose for these amendments is to address concerns about potentially having too many self storage facilities developed on limited commercially zoned parcels, and to have proper distribution of self storage facilities throughout Shoreline. Given those goals and staff's comment that "A ¼ mile radius is not scientific", perhaps other alternative Exceptions might better serve the community while addressing said goals such as:

Exception B: Self storage facilities may be located within a ¼ mile of an existing or permitted self storage facility when more than 5 years have passed since a new self storage facility was developed within ¼ mile of the proposed site. A certificate of occupancy from existing self storage facilities dated 5+ years before shall serve as evidence that sufficient time has passed before another self storage is allowed in such area.

This exception effectively meters the introduction of additional self storage facilities into the marketplace. This approach would aim to prevent overbuilding of this product type, and prevent existing self storage facilities from having a perpetual monopoly as the only game in town. As density increases and demand goes up, new facilities can be developed to meet such demand.

Exception C: Self storage facilities may be located within a ¼ mile of an existing or permitted self storage facility when a 3rd party market demand study substantiates the need for such a facility. Approval for such use shall be through an administrative variance.

As stated above, the Ballinger district is in an area that is vastly underserved with self storage supply, and such can be demonstrated.

Exception D: Self storage facilities may be located within a ¼ mile of an existing or permitted self storage facility when i) the total of net rentable area of self storage space within ¼ mile of the proposed site, and ii) the total net rentable area of the proposed self storage facility, is less than 200,000 s.f.

This exception would put a restriction on total self storage square feet in a radius, not just using a self storage address. In the Ballinger district, the two existing Public Storage facilities are very small and total only 90,315 s.f. NRA, and per above, do not adequately serve the market demand in this district.

The Staff Report also suggested Planning Commission consideration of self storage facility size. The undersigned strongly recommends that there be a maximum size of self storage facilities. Most multi-story self storage facilities built in a metro area are designed to serve the typical 2-3 mile or 10 minute drive (typical traffic) market area, and common industry guidance is to have buildings sized no more than 85,000 s.f. Net Rentable Area (115,000 – 120,000 sf gross), unless the facility will serve an extremely dense area such as Queen Anne or Capital Hill.

SMC 20.40.505

B. Restrictions on use of self storage facilities

supported as outlined with the exception of “Conducting estate and garage sales from storage units” which needs clarification to allow for the operator of a self storage facility to auction the contents of units which have been abandoned by its tenant, which practice is common in the self storage industry.

SMC 20.40.505

C. Additional Design Requirements

supported as outlined with the exception of the glazing requirement which states:

35% glazing on all floors above the ground floor; (Note: 50% of the ground floor is required to be glazing based on the Commercial Design standards) The October 6th version of this criterion was 50% glazing on all floors. Based on Planning Commission direction, staff reduced the required percentage. The Planning Commission and public commenters at the October 6th Planning Commission questioned the value of so much glazing for a use that does not have occupants.

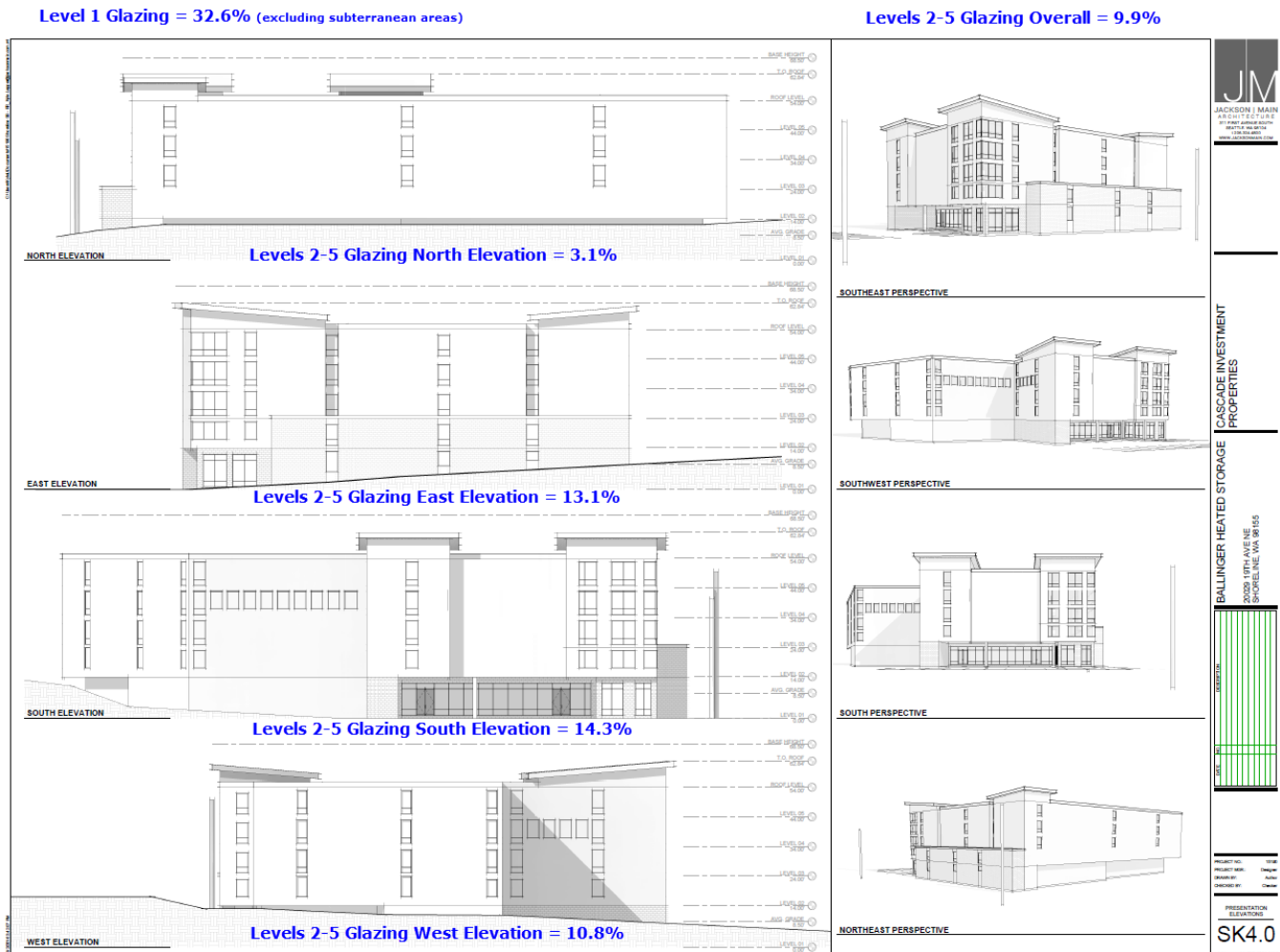
The undersigned does not understand the purpose for this requirement as the effects of such would:

- Greatly increase the cost to develop a self storage building
- Greatly reduce the efficiency of the building by creating perimeter hallways
- Increase the cost to maintain, heat and light building
- Violate State of WA energy code
- Hallway lights serving perimeter hallways would emit light, which in the percentage glazing suggested, likely would be detrimental to nearby residential units
- Contents of tenant storage units located on perimeter hallways would often be displayed via windows and not provide a favorable impression.

Should the purpose of glazing attempt to disguise a multi-story self storage project as an office building? I don't think so, as I believe the self storage consumer can recognize a self storage building for its use when there is an appropriate amount of glazing, modulation and use of appropriate colors and materials. A modern multi-storage self storage facility benefits by having a high percentage of glazing in the office

and loading area, a high percentage glazing near the entrance to showcase the storage units inside and convey to the public the purpose/cleanliness/security of building, and some small windows at the end of internal hallways to provide natural lighting to those storage tenants accessing their units.

The project proposed in the Ballinger district shown below has significantly more glazing than typically found in a new multi-story self storage facility, with percentages shown below:



The undersigned researched glazing requirements of other cities in the area and found the highest glazing requirement to be from the City of Issaquah which is:

18.07.527 Self-storage facility standards.

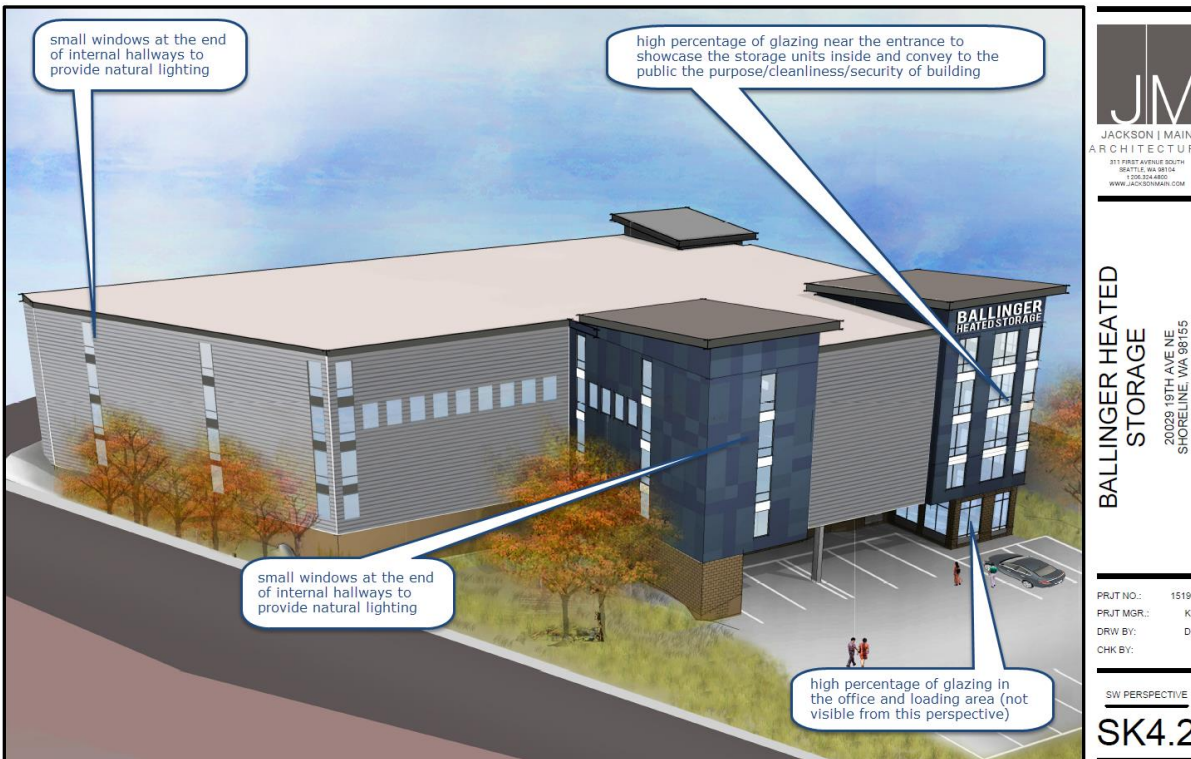
A. All Self-Storage Facilities Shall:

7. **Facade Variation:** Have exterior vertical surfaces with at least fifty (50) percent of the area covered by a material or combination of materials such as decorative brick veneer, stone, stucco, textured block or similar decorative materials with no one material exceeding fifty (50) percent of said area.

B. Multi-Story Self-Storage Facilities Shall:

2. **Windows:** Have at least forty (40) percent of each facade at each floor composed of exterior wall openings filled with actual windows or designed to have the external appearance of the same in a manner consistent with the International Building Code (IBC). Such treatment may be omitted from those portions of facades that face inward to a self-storage development and are not visible from any surrounding right-of-way or property.

Below is are two perspective drawing for what is planned for the Ballinger district by the undersigned, along with some glazing comments.



I support attractive multi-story self storage buildings, and appropriate glazing is a key component to make these buildings attractive. If painting on some windows like the Issaquah code is an alternative for Shoreline, I support such, but the percentages glazing suggested is excessive.

Thank you for your consideration of this matter. Rodger Ricks