

# CITY OF SHORELINE

## SHORELINE PLANNING COMMISSION MINUTES OF PUBLIC HEARING MEETING

March 7, 2019  
7:00 P.M.

Shoreline City Hall  
Council Chamber

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### **Commissioners Present**

Chair Montero  
Commissioner Davis  
Commissioner Lin  
Commissioner Malek

### **Staff Present**

Rachael Markle, Director, Planning and Community Development  
Paul Cohen, Planning Manager, Planning and Community Development  
Steve Szafran, Senior Planner, Planning and Community Development  
Julie Ainsworth-Taylor, Assistant City Attorney  
Carla Hoekzema, Planning Commission Clerk

### **Commissioners Absent**

Vice Chair Mork  
Commissioner Craft  
Commissioner Maul

### **CALL TO ORDER**

Chair Montero called the Public Hearing meeting of the Shoreline Planning Commission to order at 7:00 p.m.

### **ROLL CALL**

Upon roll call by Ms. Hoekzema the following Commissioners were present: Chair Montero and Commissioners Davis, Lin and Malek. Vice Chair Mork and Commissioners Craft and Maul were absent.

### **APPROVAL OF AGENDA**

The agenda was accepted as presented.

### **APPROVAL OF MINUTES**

The minutes of February 21, 2019 were approved as submitted.

### **GENERAL PUBLIC COMMENT**

There were no general public comments.

**PUBLIC HEARING: PLAT ALTERATION – PERMANENT REGULATIONS (SMC20.30.420)**

Assistant City Attorney Ainsworth-Taylor reviewed that the City Council adopted interim Plat Alternation Regulations on December 10, 2018, and the Planning Commission held a study session on permanent regulations on January 3, 2019. The City Council held a statutory-mandated public hearing for the interim regulations on February 4, 2019. The Commission is now charged with conducting its own public hearing on the permanent regulations, followed by a recommendation to the City Council. Following the Commission’s recommendation, the permanent regulations will move forward to the City Council for a study session, public hearing and final adoption of the ordinance.

Assistant City Attorney Ainsworth-Taylor referred to Revised Code of Washington (RCW) 58.17.170, which says a subdivision is supposed to be governed by its terms of approval, and the final recorded plat is the final recorded document with binding effect. The statute also establishes a process for alterations to a recorded plat. She cited court case Jones v. Town of Hunts Point (2011), that holds that those notes on the face of the plat are those obligations for the City. She provided several examples of current plat restrictions in Shoreline that are courtesy of King County.

Assistant City Attorney Ainsworth-Taylor advised that the proposed amendments primarily apply to Chapter 20.30 of the Shoreline Municipal Code (SMC), which outline the procedural aspects. She explained that the provisions apply when altering a subdivision or any part of a subdivision and require support of either a majority of the property owners within the subdivision or all of the property owners, depending on what is being changed. As per the State statute, notice must be sent to all property owners within the subdivision, and any of those people have the ability to request a public hearing within 14 days of notice. If there is no public hearing requested, then the Planning Director will make an administrative decision to approve or deny the plat alteration. If there is a request for a public hearing, the matter will go before the Hearing Examiner for a final decision. An appeal to the Planning Director’s decision will go to the Hearing Examiner, and appeals to the Hearing Examiner’s decision go to the court.

Assistant City Attorney Ainsworth-Taylor noted that there was some confusion in previous City Council and Planning Commission discussions on plat notes and private covenants. She explained that plat notes are conditions of approval that the authorizing governmental body puts on the plat at the time of approval, and the City must enforce them. Private covenants are usually privately enforced by homeowner associations. She reminded the Commission of a new provision put in the law last year that provides a non-judicial way to remove discriminatory notes on the plat or in a covenant via the King County Recorder’s Office.

Assistant City Attorney Ainsworth-Taylor said the next step is for the Commission to deliberate on the amendments and forward a recommendation to the City Council. The City Council is scheduled to conduct a study session on March 18<sup>th</sup>, with anticipated adoption on April 1<sup>st</sup>.

No one in the audience indicated a desire to give public testimony in the public hearing.

**COMMISSIONER DAVIS MOVED THAT THE COMMISSION FORWARD A RECOMMENDATION TO THE CITY COUNCIL TO APPROVE THE AMENDMENTS TO SMC 20.30.050, 20.30.060, 20.30.420 AND 20.30.425 AS SET FORTH IN EXHIBIT A. COMMISSIONER LIN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**STUDY ITEM: PROPOSED DEVELOPMENT AGREEMENT – SHORELINE PLACE**

Chair Montero disclosed that he was financially involved in a large sign company for many years that worked with tonight’s presenters. He also disclosed that he had seen the plans previously. He sold his interest in the company in 2017 and is no longer associated with it, and he feels that he has no prejudices at this time. Lastly, he disclosed that, 30 years ago, he was involved in writing a software program for sign companies in the northwest and the signs they used for examples were those at Aurora Square. He emphasized that he has no emotional attachment to the current signs.

Mr. Cohen emphasized that tonight’s study session is just an introduction of a proposal to redevelop Shoreline Place. It is anticipated that the information provided tonight will create a lot of discussion and questions from the Commission, and staff will come back within the next month or two with a more refined and detailed Development Agreement proposal, which is required because of requested changes to the development standards. He explained that Development Agreements are a Type L process, which is legislative. It goes to the Planning Commission for a public hearing and recommendation and then on to the City Council to take legislative action. Development Agreements outline the development standards and other provisions that will govern and vest a development for the agreed upon duration. He briefly reviewed the criteria for approving Development Agreements, which include consistency with the Comprehensive Plan, showing innovation and sustainable design, showing sufficient transportation and other infrastructure capacity, designed to minimized conflicts with surrounding residential zones and consistency with the Critical Areas Standards.

**Jamas Gwilliam, Vice President of Development, Merlone Geier Partners (MGP)**, said he was present to share plans for the former “Sears Site,” which moving forward will be known as “Shoreline Place.” He shared background information about Merlone Geier Partners, noting that it has established itself as one of the largest operators/developers/managers of retail and retail-driven, mixed-use projects on the West Coast. He provided a few examples and advised that the company’s Pacific Northwest portfolio consists of a lot of grocery and drug-anchored retail centers, including the Trader Joe’s in Shoreline, Town Center in Lake Forest Park and Thriftway on Ballinger Way. They have four regional offices in Puget Sound and 20 employees who live in the communities they serve. He briefly introduced the development team, which includes consultants from GGLO Design (urban planning and architecture), Hewitt (landscape architecture), PacLand (civil engineer), TENW (traffic engineer), Schwabe Williamson & Wyatt (land use attorney) and PPR (public outreach).

Mr. Gwilliam reviewed the history of the site, which was initially developed in 1967 as a Sears store. In July 2013, the City of Shoreline designated the area surrounding Sears and Aurora Square as a Community Renewal Area (CRA), and the final Environmental Impact Statement (EIS) and Planned Action Ordinance (PAO) for the property were adopted in August of 2015. This action allowed a density increase of an additional 150,000 square feet of retail, 250,000 square feet of office space, and 1,000 housing units.

Mr. Gwilliam explained that, although the PAO and EIS had already been approved and public outreach was not required, MGP felt that public feedback was vitally important to making the project relevant to the community. They launched [www.shorelineplace.com](http://www.shorelineplace.com) and began a survey that was well received (about 6,100 responses). The main theme of the comments was a desire for more housing options and more retail and restaurants. People were interested in gathering places that could become the heart of the community. In addition to the survey, MGP hosted a meet and greet and reached out to the public at various community events. Using the feedback received, the plans were refined and a Conceptual Plan and draft Development Agreement were submitted in December of 2018.

Mr. Gwilliam advised that three main property types were considered and evaluated as potential anchors for the project:

- **Retail** – Typically retailers will draw concentric 1, 3 and 5-mile circles around their existing locations to collect consumer data and determine where there are gaps in the market. Based on the property’s proximity to Northgate and Alderwood Malls, as well as the heavy retail corridor on Highway 99, they did not find any retailers of the size that would be considered to be an anchor that were sufficiently interested to enter into this location. They determined that, although Central Market is owned by someone else, it is already a good anchor for the project. In response to community feedback, about 75,000 square feet of space will be focused on retail restaurants and shops around the Central Market.
- **Office:** There is no real context for a large office market in this location, and rents are insufficient to justify the cost of new construction. From MGP’s perspective, it is difficult to plan for a use that would be of any significance on a speculative basis. The Washington State Department of Transportation (WSDOT) is planning to double its headcount in the next several months, which will be a benefit to the project.
- **Residential.** The PAO allows the uses and trips associated with both the retail (150,000 square feet) and office (250,000 square feet) space to be re-allocated, and it was determined that more than 1,000 residential units could be pursued. In the future, office or additional retail may be able to come into play, but not in the context of magnitude that it was initially considered. As proposed, the project would include 1,358 units of residential space over multiple phases. These residential units will be adjacent to the Central Market and transit.

Mr. Gwilliam shared the public engagement timeline to illustrate the entire public outreach program. He said the end goal is to complete the process this summer and start construction of the retail and multi-family components before the end of 2019.

Mr. Gwilliam commented that the proposed plan relies heavily upon the goals and elements outlined in the CRA, as well as other City planning documents. He provided an aerial view of the 70-acre CRA, noting the location of MGP’s property. He provided a map identifying the owners of the properties surrounding the subject parcel and said MGP has established a level of conversation with each one and they are all supportive of the project moving forward.

**Jeff Foster, GGLO Design**, said most of the activity over the course of the last year has been about placemaking. He commented that while this evening is focused on urban design at a high level and the vision for this project, it is important to point out that the objectives for the site are to implement the CRA vision, maintain consistency with the PAO, create a walkable, mixed-use neighborhood with interconnected open spaces, and provide a combination of retail and restaurants (about 75,000 square feet) and little more than 1,300 residential units. He emphasized that MGP is working in the context of a complex ownership of all the CRA parcels, and it is important to have an eye to how this project can contribute and connect to the potential of the neighboring properties in the future.

Mr. Foster explained that the existing circulation is disconnected from the surrounding neighborhood. The site was initially developed as a destination site, but it has since been bifurcated into an upper and lower portion. Westminster Way N is currently a thoroughfare, and MGP's proposal is consistent with the City's intent to change it into more of a neighborhood street. The proposal would establish a more logical street grid on the site, connect to the surrounding neighborhood streets, create pedestrian/vehicle/bicycle circulation within the site and set the stage for the adjacent properties to continue the network in the future. As an example, he explained that the vehicular/pedestrian path that runs to the northeast might reconnect with N 160<sup>th</sup> Street in the future.

Mr. Foster advised that an earlier version of the proposal had a more centralized approach to open space, but the current concept includes semi-public open spaces contained within the multi-family, mixed-use structures and public open spaces along the pedestrian-scaled spine of the property that connect from Westminster Way N up to N 160<sup>th</sup> Street. There would be gateways for vehicles, pedestrians and bicycles, and the site has evolved into a more elaborate network appropriate for the neighborhood.

Mr. Foster provided an illustration of the Upper Ground Level Plan, reminding the Commission of the approximately 18-foot grade change on the subject property. In keeping with the urban design approach, he advised that a number of new streets would be created (N 155<sup>th</sup> Street, N 156<sup>th</sup> Street, N 157<sup>th</sup> Street, A Street, A Street Promenade, B Street and C Street). Each would be designed as a street and serve as private access drives within the site, but Westminster Way N would remain in its current location between the subject parcels and the current Alexon Project across the street.

Mr. Foster also provided an illustration of the Lower Ground Level Plan, which includes structured parking primarily for the homes in the mixed-use buildings above. The future N 157<sup>th</sup> Street will be lined with retail uses. Townhomes will be located along some of the hill climbs and along Westminster. Although the property to the north is not owned by MGP, N 157<sup>th</sup> Street would be established as a true street with this new development along the south side of where the new drive would be.

Mr. Foster commented that because the site is large, the grade change appears subtle, but it is an incredible challenge from a site design standpoint to deal with the grade change in both directions. He provided overall site section drawings to illustrate how the buildings and circulation on the site have been designed to make the grade change much less obvious. He specifically drew the Commission's attention to the relative scale of the WSDOT building. He provided some 3-d views of the site, which provides a sense of the overall scale of the proposed 7-story mixed-use buildings and stand-alone retail, as well as the existing buildings on the adjacent site.

Mr. Foster concluded by stating that his company has spent decades working on redevelopments like this, including University Village where they worked with Chris Snyder from Hewitt who designed all of the landscape architecture there. It is one of the best places to go in the northwest, not just for shopping, but to be in the heart of a neighborhood.

**Chris Snyder, Hewitt**, emphasized that the diagrams are conceptual at this time, and the intent is to share early thoughts relative to landscaping and open spaces. He said he has found that the best projects are also the most porous projects that allow the most access from all angles for pedestrians, cars and bicycles. He said more detailed information would be provided in the future relative to the design and landscaping of these access areas. His comments tonight would focus on the open space area that is located in the central core of the project. This is a beautiful location with a lot of sun, and there is an opportunity and desire to provide a connection from Westminster Way N and all the way through the space and over to N 160<sup>th</sup> Street. Rather than placing all of the activity in one large area, the idea is to create a series of spaces. He briefly described each of the open spaces as follows:

- Westminster Way N is envisioned to be a green, lush corridor with residential connections via at-grade-level stoops. Features could include sidewalks, outdoor dining, porches, varied paving, etc.
- The retail entry plaza would be located at the corner of Westminster Way N and N 155<sup>th</sup> Street. The intent of the design is to allow you to look forward into the existing center, but also entice you to learn more about the new development. This is considered the arrival plaza and could include outdoor dining, with flanking restaurants on both sides, a stairway and American's with Disabilities Act (ADA) access.
- There is about an acre of space between the East and West Plazas, and the intent is to treat N 156<sup>th</sup> Street and a portion of C Street as a type of Woonerf, which is a living street that people feel comfortable crossing. The streets could be shut down to allow the entire zone all the way to the park to become its own private pedestrian zone for big events. But on a daily basis, the space would be broken into small areas of different spaces for people to enjoy. Amenities could include a water feature, outdoor dining, different types of seating and softscapes. The idea is to accommodate users of all ages.
- The Town Green Area would be the western terminus where the lower grade would connect to the upper grade. The idea is to have a dog run and some soft space that allows for informal play. The area would be available to tenants and the general public, and a small parking area would be provided close to the dog park.

Commissioner Davis asked the consultants to talk about the phasing of each of the parts and pieces of the plan. Mr. Gwilliam responded that the lease up of housing requires some time, and the start-to-finish of a 300-unit housing project is at least 3 to 4 years out. They envision multiple phases, starting with Buildings E1 and E2 as quickly as they can be designed and permitted. Some of the leases within the Sears Building will last a few more years, and phasing involves working around that building for a period of time before the whole building will be removed. He expressed his belief that tearing the building down right away would create more problems than it would create opportunities. The absorption of housing

would require a certain amount of time, and he could see a situation where Buildings A1 and A2 follow Buildings E1 and E2.

Commissioner Davis commented that the proposed community open spaces are amazing and beautiful, but she is concerned they won't be constructed until 20 years in the future. Mr. Gwilliam said the intent is that the Community Open Space and Dog Run would be part of the initial phase of construction of Buildings A1 and A2. The benefit of the proposed open space system is the ability to introduce components of open space throughout the phasing rather than waiting until the very last phase has been completed. There may be some gaps between the different blocks, but each phase would have its own component of open space.

Chair Montero noted the elevation changes coming up B and C Streets and the Block A Promenade. He asked if all of these would be open to vehicular traffic. Mr. Gwilliam answered that B and C Streets would accommodate vehicular traffic, but the Block A Promenade would be designated for pedestrians, bicycles and emergency vehicle access only. He pointed out that MGP is proposing a new connection from A Street directly onto N 160<sup>th</sup> Street, which will accommodate all of the traffic from the WSDOT buildings and other buildings that currently have to exit and enter behind Marshalls.

To provide further clarification, Mr. Gwilliam explained that A street would connect to a parking garage in the A building and to the WSDOT parking that currently circulates behind the Central Market. There would be pedestrian and bicycle connections through the Block A Promenade, but the rockery on N 160<sup>th</sup> Street that separates the grades would remain intact. Service vehicles for the Central Market and WSDOT would have access from A Street and service vehicles for the subject site would access via N 157<sup>th</sup> Street from either N 160<sup>th</sup> Street or Westminster Way N or from the main intersection at N 155<sup>th</sup> Street and Westminster Way N. Based on feedback from adjacent property owners, C Street would line up with the existing lane geometry throughout the existing parking lot, which sets up a grid system that can be incorporated into any new development at the lower level at some point in the future.

Commissioner Davis asked what type of retail tenants MGP is seeking out. Mr. Gwilliam said community feedback indicated a lack of restaurants, and they believe the market will respond in kind. They are already having conversations with a number of different retailers, and he imagines a mix of local and regional restaurants, along with service-based shops. As the project is developed further, it will allow them to bring in higher-quality retailers as the market responds.

Commissioner Davis asked for a breakdown of the types of residential units that are envisioned, as well as the type of architecture. She asked if affordable housing is a consideration. Mr. Gwilliam responded that the unit counts are based on generic assumptions of what they have heard in the market. However, what actually gets built will be decided incrementally as each phase moves forward. It is important to note that each phase will go through its own building permit and design review process. Commissioner Davis asked about the current vision for Phase 1 (Buildings A1 and A2), and Mr. Gwilliam said the current market is for 1 and 2-bedroom units, with some studios. However, they will likely engage a multi-family partner. There are also interesting conversations at the State level about potential changes to the condominium laws, and condominiums may become an option in some of the later phases. The current plan allows for flexibility to respond to the market and changing laws.

Commissioner Davis asked if a percentage of the residential units would be affordable housing. Mr. Gwilliam said there is currently no requirement and it has not been expressed as an interest, but the Multi-Family Tax Exemption (MFTE) Program, as an incentive, would be something they would want to take advantage of.

Chair Montero asked if Shoreline Community College has commented on the proposal. Mr. Gwilliam said he has had conversations with the college. They are currently a temporary tenant, leasing parking space for their employees and students. They have been advised that the parking will go away at some point, and their feedback has been primarily related to parking and encouraging them to move forward with the housing based on the demand they see from their students and the planned growth of their school.

Commissioner Davis asked if MGP would be open to considering office space in the future if the market demand changes. Mr. Gwilliam answered affirmatively, but said the office interest would have to be large enough to justify the change. He said MGP will continue conversations with adjacent property owners to discuss opportunities to acquire additional parcels. Currently, their property only occupies 25% of the CRA, and there will be an abundance of trips allocated in the PAO that MGP's project cannot currently take advantage of. These trips could be associated with another development within the CRA.

Commissioner Lin asked if MGP will remain the operator for the retail space. Mr. Gwilliam said that is the current plan. However, there may be situations where partners are brought into residential components of the project in some fashion.

Mr. Gwilliam summarized that it makes a huge difference for investors when the foundation has already been laid by a city via a CRA, PAO, EIS, etc. It tells them that the City has long-range plans in place and removes a lot of the uncertainty they face in other situations. He commended the City for recognizing this advantage and putting the plan in place.

Mr. Cohen explained that it took about 10 years of City actions to lay the groundwork for the current proposal. These actions include adoption of Vision 2029 in 2009, updates to the Comprehensive Plan in 2012, designating Aurora Square as a CRA and adopting the CRA Plan in 2013, designating the Aurora Square CRA as a Planned Action in 2015, adopting sign regulations specific to the Aurora Square CRA in 2015, rebranding the Aurora Square CRA to Shoreline Place in 2015, MGP's purchase of the Sears site in 2017, community-wide meetings to help the community understand MGP's plans for Shoreline Place in 2018, and MGP's application for a Development Agreement in December 2018.

Mr. Cohen advised that a more detailed Development Agreement will be presented to the Commission in March or April, along with a staff recommendation and an explanation on how it meets the criteria for approval. A public hearing and recommendation to the City Council will follow. The intent is to present the Commission's recommendation to the City Council in June.

Commissioner Malek asked if any outreach or presentation is planned to introduce the community to the proposal. Mr. Gwilliam said MGP plans to launch the site plan via an email database and social media. They will also update the site plan video. The video and renderings will be posted on their website and people will be allowed to engage with them that way, too. They do not have plans for another large-scale meeting, but they plan to meet with a number of community stakeholders again towards the end of March.



If the Commission sees value in additional meetings with the surrounding neighborhood, they would certainly consider that, as well.

### **DIRECTOR'S REPORT**

Director Markle referred to the Development Report she provided prior to the meeting, particularly noting the large number of townhome development applications. She announced that the Walgreens in North City has been sold and is being turned into a veterinary clinic and hospital. The Buddhist Temple on 175<sup>th</sup> is also being extensively remodeled.

Director Markle announced that the Volunteer Soiree will be on April 11<sup>th</sup>. Commissioners will receive their invitations soon.

### **UNFINISHED BUSINESS**

There was no unfinished business.

### **NEW BUSINESS**

There was no new business.

### **REPORTS OF COMMITTEES AND COMMISSIONERS/ANNOUNCEMENTS**

Chair Montero announced that the Commissioners attended a dinner meeting with the City Council and a lot was accomplished to advise the agenda for the remainder of 2019. Director Markle summarized that the 2019 Work Plan would remain intact, but they talked about the Commission pursuing the issue of walkability when they don't have other agenda items. Chair Montero added that they talked about having a joint meeting with the Parks Board, too.

### **AGENDA FOR NEXT MEETING**

The March 21<sup>st</sup> meeting will be a presentation on the Sound Transit Lynnwood Link Extension Project. The public hearing on the Shoreline Master Program (SMP) amendments will be on April 4, 2019.

### **ADJOURNMENT**

The meeting was adjourned at 8:05 p.m.



William Montero  
Chair, Planning Commission



Carla Hoekzema  
Clerk, Planning Commission