

# CITY OF SHORELINE

## SHORELINE PLANNING COMMISSION MINUTES OF PUBLIC HEARING/SPECIAL MEETING

July 11, 2019  
7:00 P.M.

Shoreline City Hall  
Council Chamber

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### **Commissioners Present**

Chair Montero  
Vice Chair Mork  
Commissioner Craft  
Commissioner Davis  
Commissioner Lin  
Commissioner Malek  
Commissioner Maul

### **Staff Present**

Rachael Markle, Director, Planning and Community Development  
Andrew Reeves, Hearing Examiner  
Margaret King, City Attorney  
Trisha Juhnke, City Engineer  
Terry Danysh, Outside Council  
Carla Hoekzema, Planning Commission Clerk

### **Commissioners Absent**

### **CALL TO ORDER**

Chair Montero called the Public Hearing 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, Vice Chair Mork, and Commissioners Craft, Davis, Lin, Malek and Maul.

### **APPROVAL OF AGENDA**

The agenda was accepted as presented.

### **APPROVAL OF MINUTES**

The June 6, 2019 Public Hearing Minutes and June 6, 2019 Special Meeting/Executive Session Minutes were approved as submitted.

### **GENERAL PUBLIC COMMENT**

There were no general public comments.

**PUBLIC HEARING: PROPOSED SHORELINE PLACE DEVELOPMENT AGREEMENT (DA)**

Chair Montero opened the hearing for the proposed Shoreline Place DA. He explained that the Commission is tasked with holding a public hearing and formulating a recommendation to the City Council, who will make the ultimate decision. The DA relates to the redevelopment of the 17-acre Sears property within Shoreline Place (formerly Aurora Square) into a mixed-use development. The City has decided to utilize the Hearing Examiner to facilitate the public hearing. Following public testimony, the Hearing Examiner will return the meeting back to the Commission Chair, and the Commissioners will deliberate and develop a recommendation for the City Council.

**Margaret King, City Attorney**, referred to an email to the Commission from the City Attorney's Office explaining that the site-specific nature of the project and development requires adherence to the principles of the Appearance of Fairness Doctrine, which states the proceedings must not only be fair, but they also should appear to be fair. Accordingly, she asked each of the Commissioners the following questions:

1. Have you engaged in exparte contact (contact outside of the meetings) with the applicant (Merlone Geier Partners) or any other person or entity regarding the project?
2. If communication has occurred, state on the record the substance of the communications so that all parties have an opportunity to know the substance of the communications and to rebut if they so choose.
3. Do you believe you can consider and be fair when deliberating on the proposed DA?
4. Do you have an interest in the subject property, property directly adjacent to the subject property, or the proposed DA?
5. Would you experience any financial gain or loss as a result from the DA?

Vice Chair Mork advised that she engaged in exparte conversations on two occasions with representatives from Merlone Geier Partners (MGP). At the 2018 Summer Farmers Market she asked a variety of questions to their representative as an individual. Her questions dealt primarily with energy efficiency and stormwater, and the representative did not know the answers. The representative took her contact information, but she was never contacted. The second contact occurred as a member of the Ronald Board of Commissioners when MGP requested for a developer's extension to connect to the sewer system. She expressed her belief that she could be fair and impartial when considering the application and no one in the audience indicated an objection to her participation. She also indicated she has no other interests in the property that would impact her ability to participate in the hearing.

Commissioner Malek, Commissioner Maul, Commissioner Lin, Chair Montero, Commissioner Davis and Commissioner Craft advised that they have had no exparte communications. They all felt they could be fair, objective and impartial when judging the application. None indicated financial interest in the property or the agreement, either.

**Andrew Reeves, Attorney, Sound Law Center**, advised that the City has selected him to serve as its Hearing Examiner for all land use related matters. He indicated that he has had no exparte communications and has no interest in the property. He explained that he has a background in environmental and land use law and has served as Hearing Examiner for approximately 40 cities and counties in Washington State. The municipal code does not require that he weigh in or make any kind of

decision on DAs. Instead, the Commission will make a recommendation to the City Council, who will ultimately make the final decision. The City asked, however, they be facilitate the hearing to ensure that the flow of information runs smoothly, that due process requirements are adhered to, and that the hearing proceeds in an orderly fashion. He will also address any evidentiary issues that may come up during the hearing and ensure that all testimony is relevant.

Hearing Examiner Reeves explained that MGP proposes to use the DA process to create a 17.3-acre mixed-use center in the middle of the 70-acre Community Renewal Area (CRA), now known as Shoreline Place, through redevelopment of the existing Sears site. The proposal includes developing 7 multifamily residential buildings providing 1,358 residential units, 2 commercial buildings, public and private outdoor space, and street, intersection and bike lane improvements.

Hearing Examiner Reeves reviewed that the Washington State Legislature adopted provisions in 2005 authorizing cities to use DAs as an alternative approach to traditional permitting. The City adopted Shoreline Municipal Code (SMC) 20.30.355 in 2009, setting forth the procedures and criteria under which DAs can be used in the City. A DA is a voluntary agreement that establishes a contractual relationship between the City and a property owner regarding the development uses and mitigation requirements for development of a specific piece of property. Once an agreement is executed, all permits issued by the City related to the property must be consistent with the agreement. Under state and local law, any such agreement must set forth the standards for the project addressing such matters as project elements, payment of impact fees, mitigation measures, dedications, design standards, phasing, permit review procedures, the appropriate buildout or vesting period, and any other requirements and/or procedures necessary for execution of the agreement.

Hearing Examiner Reeves emphasized that DAs must be consistent with the City's Comprehensive Plan goals and policies, but specific development standards may be modified under a DA. For example, the parties can change the specific development standard related to parking stall width or frontage improvement requirements, but the parties could not ignore or contravene the goals and policies of the City's Comprehensive Plan, which tend to be somewhat less specific and provide more of a vision for growth rather than details on any particular matter. Ultimately, any such agreement must promote the public health, safety and welfare, provide for orderly development on a comprehensive basis and eliminate uncertainty for the property owners and the City.

Hearing Examiner Reeves reminded the Commission that, as per state law, a public hearing is required in advance of the execution of a DA, and the City's code classifies them as Type L (Legislative) decisions. The Planning Commission holds the required public hearing and formulates a recommendation for the City Council. Ultimately, the Council will take the final action on adopting the agreement via ordinance or resolution.

Hearing Examiner Reeves advised that the ultimate purpose of the public hearing is to collect evidence in the form of exhibits and testimony so the Commissioners can determine whether the proposal is consistent with the City's Comprehensive Plan, Zoning Ordinance, Critical Areas Ordinance, and the six specific criteria for approval of a DA under SMC 20.30.355(C). He cautioned that the discussion and comments throughout the hearing should focus on the six criteria to ensure that the DA complies with the

Comprehensive Plan, the Aurora Square Community Renewal Area Plan, and the other requirements related to infrastructure, etc.

Hearing Examiner Reeves briefly described the public hearing process, which will start with a staff presentation, followed by an overview by the applicant. Retail Opportunity Investment Corporation (ROIC), the property owner who owns the balance of property at Shoreline Place will also be given 20 minutes to present testimony. Following ROIC's presentation, any members of the public interested in testifying will have an opportunity. All testimony will be under oath and affirmation, and duplicative or repeat testimony is not helpful. Rather than weighing public opinion one way or the other, the Planning Commission's role is to determine whether or not the agreement complies with the specific approval criteria (SMC 20.30.355(C)). Again, he requested that remarks be focused on the criteria and limited to about 3 minutes per person. He invited all those who wanted to testify to swear to tell the truth with the testimony they provide during the hearing.

Hearing Examiner Reeves advised that Commissioners may ask questions of those who testify to ensure they have a thorough understanding of the proposal so they can produce a recommendation to the Council that is clear, cogent, thorough and defensible. He entered exhibits provided in the Staff Report (Exhibits A through E) into the record. He advised that additional exhibits could be entered into the record as they are presented during the hearing. If anyone has objections to any of the exhibits, they may raise their concerns during their testimony.

Hearing Examiner Reeves summarized that the public hearing is a forum for civility. While there are certainly valid disagreements on how development and growth should occur, he firmly believes Shoreline is a community that prioritizes neighborly relationships and respect for all. He asked that everyone keep this in mind as they move forward.

**Rachael Markle, Director, Planning and Community Development**, explained that the proposed DA sets forth the required terms and conditions for the redevelopment. It sets forth definitions, project components, development standards, design requirements, phasing, reporting, infrastructure improvements, approval procedures, vesting, impact fees, Development Code modifications, and general contractual terms. She shared the following key elements of the proposed DA:

1. **Vesting.** The DA provides for vesting to the City's Development Regulations for a term of 20 years. Vesting is largely related to having confidence about what development regulations will apply to the development as it is designed and constructed. It provides continuity and assurance to the developer as to what to expect. However, stormwater requirements, fees, and building codes do not vest and will be based on whatever requirements are in the code at the time applications are made.
2. **Development Standards and Modifications.** The applicant has requested some modifications to the Development Standards that are typically approved for most developments in Shoreline. Rather than using the DA process, most developments use the Administrative Design Review Process, which is approved by staff. The applicant has requested to include the modifications as part of the DA, which is not a requirement but something the applicant has chosen to do to streamline the design.

3. **Public Amenities and Benefits.** The project will provide public benefits and amenities to advance the vision of the CRA. Public benefits/amenities include at least 3.14 acres of activated outdoor public space to be privately maintained and contributions to the transformation of Westminster Way N to a multimodal street that serves bicycles, pedestrians and cars but will be geared towards a more enhanced pedestrian experience. The applicant will also install bike and pedestrian connections to and through the site, and the project will generate tax revenue and provide more housing choices.
4. **Off-Site Transportation Mitigation and Impact Fees.** Mitigations are those projects needed to make sure the public infrastructure (roads, water, sewer, etc.) is able to support the project. The project will make improvements to the Westminster Way N intersection at N 155<sup>th</sup> Street, participate in improvements to N 160<sup>th</sup> Street, and provide a proportionate contribution to Greenwood Avenue/Innis Arden Way and Carlisle Road and Dayton Avenue N, and N 165<sup>th</sup> Street.
5. **On-Site Motorized and Non-Motorized Circulation.** The agreement includes new multimodal access with promenades and Streets A and B, including a pedestrian-shared street.
6. **Phasing.** The project will be phased by blocks A through F, and the timing and extent of the required on and off-site improvements will be linked to the development of each block. Blocks E and F are designated as being the first phase, consistent with the City's desire for the commercial development to come before or with the multifamily units that are also planned. The timing of the development for the remaining blocks will depend on the property owner's decisions based on market conditions.
7. **Outdoor Gathering Space/City Parks.** The DA commits to developing and maintaining a minimum of 3.14 acres of activated outdoor public space.
8. **Utilities.** The provision for code compliant water, sewer and stormwater facilities are ensured as part of the DA.
9. **Sustainability.** The proposed development, in and of itself, will greatly increase the sustainability of the site and the future buildings through the application of current building, storm and energy codes. Additionally, the proposed development will meet several of the LEED Neighborhood Development Standards.
10. **Transitions Between Land Uses.** The project would provide more transition between the single-family and mixed-uses than most other new projects in the City. The proposed project would be located 270 feet from the nearest R-6 homes located north of N 160<sup>th</sup> Street. No new buildings are proposed adjacent to Westminster Way N from the R-4 zoning, and the proposed height increase would be well away from the required transition area.

For clarification purposes, Hearing Examiner Reeves explained that Exhibit A is related to the Commission's March 7<sup>th</sup> meeting, Exhibit B to the May 2<sup>nd</sup> meeting, Exhibit C to the May 16<sup>th</sup> meeting, and Exhibit D to the June 6<sup>th</sup> meeting. Exhibit E (July 11<sup>th</sup> Staff Report) is the proposed DA and all of its

accompanying materials. Mr. Danysh explained that all of the documents can be accessed via the City's website. All have been discussed in prior Commission study sessions, with the exception of two or three exhibits that were added to the DA to clarify issues and questions that came up in previous meetings. Hearing Examiner Reeves entered the staff's PowerPoint presentation into the record as Exhibit F and the applicant's PowerPoint presentation as Exhibit G.

The applicant, Merlone Geier Partners (MGP), was represented by James Gwilliam, Vice President of Development, MGP; Alison Moss, Land Use Counsel for MGP; Glenn Goodman, Vice President of Design and Construction, MGP; Mitch Ptacek, Architect and Urban Planner, GGLO Design; Jeff Chambers, Civil Engineer, Packland; Jennifer Rash, Outreach Consultant, PRR; Michael Read, PE, Principal, TENW; and Kris Snider, Principal, Landscape Architect, Hewitt

Hearing Examiner Reeves commented that, with large hearings, it is often better to have the applicant's representative make a presentation first, but save testimony by additional experts representing the applicant until after the Commissioners' questions and public testimony. This allows the experts to address all of the issues that were raised during the hearing without having to come up multiple times.

**James Gwilliam, Vice President of Development, MGP,** reviewed that MGP representatives have been meeting with staff since August of 2018, starting with a pre-application session. MGP has also had a lot of conversations with members of the community. He pointed out that MGP's property represents about 25% of the total CRA and is sandwiched between a number of other property owners. They have heard from property owners and tenants throughout the process and have included a section in the DA that provides assurances that any existing easement with adjacent property owners will be respected. It is not MGP's intent to infringe on other owners' property rights.

Mr. Gwilliam explained that the project was crafted by not only the outreach that MGP conducted with the community, but through the visioning of the CRA. The Planned Action Ordinance (PAO) and the Determination of Consistency (DOC) of the project also shaped the project design and DA. The goal was to create a walkable, mixed-use neighborhood that could be developed in phases over a period of time. MGP believes they have created a grid system that will allow for phased development to occur in an orderly fashion and create an interconnected series of open spaces from N 160<sup>th</sup> Street to Westminster Way N. MGP's goal is to make the project friendly for pedestrians, bicycles and vehicles to get through the site.

Mr. Gwilliam said the project represents the addition of about 1,358 residential units over an extended period of time. Each of the phases could be developed with 300 to 350 units at a time throughout the lifecycle of the project, with about 75,000 square feet of ground floor and freestanding retail space. The DA clearly states that the residential units could be for rent or condominiums. The community has expressed a strong desire for condominiums, and MGP hopes the law changes and condominium development becomes a more favorable option. The DA also makes it clear that the commercial land uses may include office, professional office and other elements that are desired by the community.

Mr. Gwilliam advised that the detailed development plans will be approved through a site development permit and separate building permit processes. MGP has not yet submitted applications for building

permits. He noted that additional commercial and office square footage may be approved through a minor amendment, but increasing the number of housing units would require a major amendment to the DA.

Mr. Gwilliam explained that the additional traffic that was studied and approved via the PAO allowed for an additional 808 net new PM peak trips, based on an additional 250,000 square feet of office, 250,000 square feet of retail and 1,000 housing units. There is also a provision within the PAO that allows for flexibility within those uses so long as the associated traffic would not be greater than what was approved in the PAO. There are 1,855 net new PM peak hour trips within the CRA, and MGP's proposal would only account for 12% of those trips (99 new PM peak hour trips). In the interim before the entire Sears Building is torn down, 160 trips or 20% would be utilized. He summarized that Shoreline Place, the Alexan Apartments and the increased utilization of the Washington State Department of Transportation (WSDOT) Building represents 33% of what was approved under the PAO. That leaves 67% of the trips available for future redevelopment.

**Mitch Ptacek, Architect and Urban Planner, GGLO Design**, provided a brief overview of the site design. He referred to the existing site plan, which can be described as a car-dominant site that lacks a lot of connection to the broader neighborhood. In addition, the site is bifurcated by the existing Sears Building that separates the upper and lower portions of the existing site. Much of the on-site pedestrian circulation is relegated to the store frontages of existing businesses.

Mr. Ptacek said the goal of the proposed new plan is to reconnect the broad site into the existing context and subdivide the site into more approachable, walkable-scale blocks, with new street connections. The plan includes a new driveway at the northwest corner of the site, improved driveway at N 157<sup>th</sup> and N 160<sup>th</sup> Streets, and new pedestrian connections at the mid-block crossing of Westminster Way N and at the Westminster Gateway Plaza at the corner of N 155<sup>th</sup> Street and Westminster Way N. The new internal street grid include new A and B streets, a new C Street that connects from the lower to the upper portion of the site, and N 156<sup>th</sup> Street that acts as a pedestrian promenade and connects with the proposed pedestrian-only circulation path. He provided a map showing how the current connection between the upper and lower portions of the site would be replaced once C Street is constructed.

Mr. Gwilliam referred to the section in the proposed DA that references the coordination of any construction or design related to adjacent properties and their easements. Mr. Ptacek recalled previously-presented alternative site circulation plans that would allow MGP to construct the extent of the proposed concept site plan while still respecting existing site easements, specifically the easement that circulates parallel to N 160<sup>th</sup> Street at the north end of the site. All existing truck access would be maintained. Also shared previously are a number of different options MGP is studying to reuse the existing Sears Building. One item noted was how the Sears Auto Center essentially acts as a separate building from the larger Sears complex, and the ability to have a phased demolition of the Sears Building to allow for the construction of C Street. MGP also provided excerpts from a structural analysis, as well as plans showing how they may utilize the lower level of Sears for underground parking. In addition, MGP is considering options for using the lower level of Sears for a site-wide stormwater detention vault.

Mr. Ptacek referred to the lower ground-level plan, noting that there is about 18 feet of grade change from the Marshalls and Pier 1 portion of the site up to the portion where Central Market exists. He emphasized that all of the proposed residential buildings would self-park in structured parking. The parking garages

would generally be accessed from N 157<sup>th</sup> Street, and MGP has strived to provide active frontages where any of the parking garages are exposed and not underground. This includes the retail frontages, which create the new lower retail heart of the site, as well as the townhomes along B Street and Westminster Way N. He summarized that MGP will provide 5 parking stalls per 1,000 square feet of commercial space where only 2.5 stalls are required. MGP will also provide 1,594 parking stalls for the residential units where only 1,244 are required.

Mr. Ptacek provided a site plan for the upper portion of the site and described how the new buildings would frame the proposed open spaces. The intent is to connect the site to the existing Central Market, providing new pedestrian ways that are framed by active commercial, storefront uses. The Block E development is proposed to be the first phase of the project and includes the construction of a new Westminster Way Gateway Plaza at the corner of N 155<sup>th</sup> Street and Westminster Way N. Parking for all of the commercial space would be provided via surface and on-street parking at twice the number of spaces required by the code.

Mr. Gwilliam referred to a section in the DA regarding parking. MGP has heard from numerous members of the community the desire for clarity in terms of parking. As pointed out, MGP will provide an abundance of parking. In addition, MGP will be required to provide a parking management plan and demonstrate there is sufficient parking as building permit applications come forward.

Mr. Ptacek provided a graphic to illustrate the general massing of the proposed new buildings, emphasizing that the buildings have not yet been designed. The intent is to show how the buildings will start to enclose the new public spaces, the inside streetscapes, and the relationship to the existing structures adjacent to the proposed development. From the east looking west, the development will step up as it moves from the lower to the upper portion of the site. The graphic also shows how the massing of the proposed new buildings compares to the Alexan Apartment Project that is currently under construction. The graphic provides a good understanding of how lobbies, parking entrances and retail spaces will be tucked under the residential units, with parking structures behind that are tucked into the hillside.

Mr. Ptacek recalled that, at a previous meeting, the Commission asked MGP to better clarify how the project will respect the single-family residential zone across N 160<sup>th</sup> Street. He advised that the existing landscaping along N 160<sup>th</sup> Street will remain, including the existing rockery. The DA will require MGP to provide a new on-site pedestrian pathway that parallels N 160<sup>th</sup> Street. The development will also provide a new mid-block crossing, as well as bike lanes and re-channelization of N 160<sup>th</sup> Street per the CRA requirement. The setbacks for the new buildings are roughly 60 feet from the property line, whereas the SMC allows for a zero-foot setback. The existing conifer trees on N 160<sup>th</sup> Street will remain and the frontage will be the same in the proposed redevelopment condition.

Mr. Ptacek provided illustrations showing how the proposed development would affect sun shadows on adjacent properties across N 160<sup>th</sup> Street at various times of day and at various times of the year. He summarized that the shadows would mostly be dominated by the existing street trees that are located along the frontage.

**Glenn Goodman, Vice President of Design and Construction, MGP**, explained that, when the project was designed, MGP felt it was important to let the open space design guide the rest of the project. They



ultimately want the site to be a place where people want to live, shop, play and work. He recalled that, early in the process, MGP realized the need for the project to set up an extensive but clear circulation system (both vehicular and pedestrian). MGP believes the introduction of the various access points creates porosity where vehicles, pedestrian and bicycles can have access throughout the site. The more porous the spaces, the more bodies will lead through the site and create activity throughout the project. The North Promenade and Block A Promenade are essentially pedestrian streets with lush landscaping and paving. The central spine for the project is a series of open spaces of varying sizes and activities going east/west and culminating by the Block A Promenade or all the way out to the new N 160<sup>th</sup> Street walkway at the new entrance.

Mr. Goodman said the buildings were set back, with the plazas pulled towards the south side to take advantage of the sunlight. In addition, there are some open spaces that will act as transition zones for the residential units, and a retail edge was created with the C, D and E Buildings connecting to the Central Market.

Mr. Goodman advised that the Alexan Project on the other side of Westminster Way N is currently in progress, and the City's improvements along Westminster Way N will begin in 2020. He pointed out that the residential units in Buildings D-1 and D-2 will have stoops going down at grade, and there will be landscaping and wide pathways along the street frontage. There will be a crosswalk that provides a direct connection from the Alexan Project to the main open space, too. Towards the N 155<sup>th</sup> Street and Westminster Way N intersection, Buildings E-1 and E-2 will be single-story retail buildings with a plaza between that will house removable seating, etc. Stairs and handicap accessible ramps will be provided to make up the grade change.

Mr. Goodman provided an artist rendering of what the project could be. He explained that the proposal would create a view corridor from the main gateway into the project, providing a peek-a-boo of the residential and commercial uses behind. The idea is to encourage people to walk through the project site. He also provided a rendering of the central plaza, which is made up of smaller plazas and is about 1 acre in size. The plaza will be anchored by a jewel box retail building that could serve as a coffee shop, ice cream shop, etc. There will be some water features where children can play and some varied seating elements. There will be additional plaza space at the end of C Street, with retail fronting on both sides. He specifically pointed out the wide pedestrian walkway that connects from Westminster Way N all the way through the project.

Mr. Goodman described the woonerf (living street) street design that assigns equal importance to vehicles, pedestrians and bicycles through traffic calming. The street will be curbsless with enhanced paving and landscaping and will have the ability to close down to accommodate farmer's markets, festivals and other events. He provided examples of woonerf streets, and advised that is proposing a fairly large, terraced grass area with seating between the woonerf street and the top of the site by A Street where the grade change is about 20 feet. A community dog park would anchor this space and be a huge amenity for the new buildings on the site. A small satellite parking lot would be located adjacent to the dog park for community members who want to drive to the space. He provided a rendering of the proposed dog park and the adjacent proposed new buildings. He advised that the idea is for the lobbies and common areas in the residential buildings to empty out adjacent to the open space to further activate the area.

Mr. Gwilliam explained that the certainty that the described plans will happen is tied into the Supplemental Site Design Guidelines, which are an exhibit to the DA and require certain components of what MGP has depicted graphically, recognizing this is not a building permit process. MGP has provided that certainty and agreed to the required elements in exchange for the flexibility it asked for. There is also certainty related to the on and off-site infrastructure that will be completed with each particular phase of the project.

From a sustainability perspective, Mr. Gwilliam said the proposal incorporates components of the LEED Neighborhood Development Program. He provided a depiction of the open space, noting that the City requires about .86 acres of planted landscape area, and the applicant is proposing 3.59 acres. For commercial public spaces, the code requires .32 acres versus 3.47 acres identified in the proposal. He said it is important to recognize the open space as one of the key benefits of a DA. MGP could move its various phases of the project forward on an individual basis and execute the project without a DA, but it would not result in what MGP believes is the best outcome in terms of executing the vision of the CRA. Again, he said this coordinated plan and assurance that the open spaces will be developed are key benefits of the plan.

Mr. Gwilliam said a provision in the DA allows for Park Impact Fee credits if MGP goes above and beyond what would normally be done to dedicate the spaces for public use and to add additional layers of programmatic elements. The provision allows for those to be treated as park spaces for which MGP would receive a credit so long as the requirements are met. There is a cost associated with going to that additional level of design and programming. In addition, MGP recognizes a desire for contribution to parks outside of the project and has voluntarily added a provision to provide for maintenance of trails and parks at Boeing Creek and Shoreview Parks in the amount of \$100,000.

**Alison Moss, Land Use Counsel for MGP**, explained that MGP has put a lot of thought into the kinds of features that are most important in the proposed DA, and the DA has been updated to reflect these elements. As per the DA, modifications to the open space system and increasing the number of residential units by more than 10% would be considered major amendments that would require a new public process. Increasing the amount of retail/office space would be considered a minor amendment that could be approved by staff without a public process. Anything that would cause an exceedance of the 808 net new PM peak hour trips for the CRA as a whole would also be a major amendment that would have to be studied again under the State Environmental Policy Act (SEPA). Changes that were not analyzed in the Final Environmental Impact Statement (FEIS) that was done for the CRA would be considered major amendments, as well.

Mr. Moss referred to Section 33.c, which spells out how minor and major amendments would be processed. She explained that a DA is a contract that is recorded against the property. It runs with the land, which means that it will bind any future owner of the property for 20 years if there is a change in ownership.

Director Markle stated that one of the final procedural steps will be for the Planning Commission to make a recommendation to the City Council on the proposed DA application. The proposal must demonstrate that it complies with all six of the DA Approval Criteria. She said staff has analyzed the project and concluded that the project complies with all six of the criteria. She noted that staff's analysis is outlined in detail in Attachment F of the Staff Report. She provided the following highlights:

- **Criteria 1 – The project is consistent with the goals and policies of the Comprehensive and Subarea Plans.** The project implements the Comprehensive Plan goals and policies for land use, community design, housing, transportation, economic development, and parks, recreation and open space. The project also incorporates components from all of the focus areas in the Aurora Square CRA. A myriad of actual goals and policies are listed in Attachment F.
- **Criteria 2 – The proposed development uses innovative, aesthetic, energy-efficient and environmentally sustainable architecture and site design.** The project will be built to meet modern building development, stormwater and energy codes and will include LEED Neighborhood Development credit categories in design. The applicant described which categories the project will include in the presentation.
- **Criteria 3 – There is either sufficient capacity and infrastructure that meets the City’s adopted level of service standards in the transportation system to support the development proposed in all future phases or there will be adequate capacity and infrastructure by the time each phase of development is completed. If capacity or infrastructure must be increased to support the proposed Development Agreement, then the applicant must identify a plan for funding their proportionate share of the improvements.** The project passes concurrency and will pay transportation impact fees with development permits. The project will also contribute to the N 155<sup>th</sup> Street and Westminster Way N intersection and frontage improvements, as shown in the applicant’s presentation. Improvements will also be made at intersections at N 160<sup>th</sup> Street/Greenwood Avenue N, NW Innis Arden Way/Greenwood Avenue N and Carlyle Hall Road/Dayton Avenue N/N 165<sup>th</sup> Street. The project will provide bicycle facilities on N 160<sup>th</sup> Street and throughout Shoreline Place to connect to the Interurban Trail and it will create a pedestrian-shared street.
- **Criteria 4 – There is either sufficient capacity within public services such as water, sewer and stormwater to adequately serve the development proposal in all future phases, or there will be adequate capacity available by the time each phase of development is completed. If capacity must be increased to support the proposed Development Agreement, then the applicant must identify a plan for funding their proportionate share of the improvements.** The project has demonstrated the availability and feasibility to be served by water and sewer. Stormwater will be managed completely on site based on the most current code with each development permit.
- **Criteria 5 – The Development Agreement proposal contains architectural design and site design standards, landscaping, provisions for public space and/or recreation areas, retention of significant trees, parking/traffic management, multimodal transportation improvements and other features that minimize conflicts and create transitions between the proposal site and adjacent property zoned R-4, R-6, R-8 and MUR-35’.** The project is well set back from the three homes in the R-6 zone across the street from the project on N 160<sup>th</sup> Street. No new buildings are proposed to be adjacent to the R-4 zoning across Westminster Way N, and the proposed height increases are outside the transition area.

- **Criteria 6 – The project is consistent with the standards of the Critical Areas Regulations, Chapter 20.80.SMC, Critical Areas or Shoreline Master Program, SMC Title 20, Division II, and applicable permits/approvals are obtained.** There are no critical areas or shorelines on the site with the exception of a few regulated slopes.

**Robert Doran, Director of Construction and Development, ROIC**, explained that ROIC owns the balance of the shopping center in question and has a long history of working through the proposed project with the Planning Commission. He said ROIC supports the CRA Plan that includes revitalization, open space, less pavement, pedestrian friendly, internal connectivity, etc. However, he cautioned against the City rushing a project forward that is not fully developed or thought out. He expressed his belief that the goals in the CRA will not be realized unless the issues raised by ROIC in previous meetings are adequately addressed. To that end, ROIC has hired professionals to investigate the proposed DA and site plan.

**David Bricklin, Attorney, Bricklin & Newman, LLP**, entered Exhibit H into the record. He reiterated that ROIC is highly supportive of the efforts to pursue redevelopment plans for the property. However, one of their overriding concerns is that the DA, in the name of flexibility, does not provide enough specificity. He referred to a statement made earlier by the applicant's representative that the artist rendering represents what the project could be. He voiced concern that the Commission is being asked to make a recommendation on a contract that binds the City for 20 years, and they need to take more time to review the proposal to make sure it accomplishes what the Commission intends it to. Rather than renderings of what the project could be like, the applicant needs to provide specific plans showing what the project will be like.

Mr. Bricklin said ROIC's interests are identical to the City's interests; they both want the renewal plan to work. MGP, on the other hand, wants as much flexibility as possible because it doesn't know what is coming down the road and it wants to be able to change the plan as much as possible. MGP has spent top dollar and a lot of time preparing the proposal to their advantage, and the City needs to take care that the contract protects the City's interest.

Mr. Bricklin observed that the City of Shoreline has never entered into a DA before. None of the City's staff has experience in this effort, and they are going up against an experienced team of consultants who are working on behalf of the applicant. ROIC has hired his firm and other professionals, and when they say to slow down and take a greater look at the contract, the advice comes from experience. There is nothing in the agreement that assures that each of the phases will actually occur. The applicant could decide not to pursue the project and the property could lay fallow for 20 years.

Mr. Bricklin explained that developers need assurance that the rules will not shift on them, and a DA is a mechanism by which a developer gets to lock in the rules for 20 years. However, the City also needs assurance that the project will be constructed as proposed. There is nothing in the proposed DA that provides that quid pro quo. The agreement is all in favor of the developer. If the regulations get more friendly, they can opt into the newer regulations; but if they get less friendly, they are protected. Yet the City has no guarantee that any of the project will be built. The City doesn't even know who will build the development because the agreement includes an assignment clause that gives the applicant free will to assign the project to anyone without any concurrence by the City. The City apparently has developed some level of confidence in the development team, but they have no guarantee in the agreement that this

same development team will be working on the project six months from now, let alone 20 years from now. Any agreement he has seen provides a city with the ability to review who comes in next and to withhold consent for good reason, but that is not included in the proposed agreement.

Mr. Bricklin said the proposed agreement also includes provisions that are flatly impermissible. Most notably, state law provides that applicants can lock in the laws that are in effect right now, but they are not allowed to use a DA to change those laws. They have to use the laws in effect today. He referred to Page 6 of the letter he submitted as Exhibit H, which quotes State law, “*A Development Agreement shall be consistent with the applicable development regulations adopted by the local government.*” State law also says that “*Development Agreements must be consistent with applicable development regulations.*” Mr. Bricklin summarized that DAs do not provide a means of waiving or amending development regulations that would otherwise apply, yet the proposed DA provides for deviations from the City’s development regulations, including a deviation of the height allowed, parking requirements, etc. This is simply not allowed under State law.

Mr. Bricklin referred to the DA Approval Criteria, particularly whether the project is consistent with the Comprehensive Plan and CRA. If there is so much flexibility that the applicant can change things at will, he questioned how the Commissioners can determine if the proposal is consistent with the two plans or not.

**Doug Larson, Principal and Project Director, Heartland, LLC**, said Heartland is a land use and real estate economics firm based in Seattle. He shared that over the past 13 years, he has had the pleasure to advise both public and private entities on public/private partnerships, and he was present to address a few items that are lacking in the proposed agreement. He submitted a memorandum that was identified as Exhibit I and cautioned that the DA lacks certainty. While the applicant has put a lot of time and money into the conceptual guide plan, it is illustrative only in nature, which means there is no guarantee or provision that the community and the City will get something close to what has been shared by the applicant. There could be no development at all or development could be substantially less than what is being shown. The existing Sears Building, one of the key elements of the CRA, could be left indefinitely through the life of the agreement. He referred to Section 17 of the agreement, which states that the developer shall be entitled to develop the conceptual guide plan projects under the vested code provisions. It is unclear how that will happen if the guide plan is illustrative only in nature. He suggested that this concern could be solved by having a range. Assuming that what the applicant has shown is the upper end of that range, there is a lower end of the range that the City would also find acceptable. Anything outside of that minimum and maximum should be subject to a major amendment and additional public review.

Mr. Larson advised that the lack of certainty as to the development timing risks orphaning significant public investment into the project. The agreement discusses multiple phases for the project, but there is no performance timeline within that 20-year period that any of the phases need to commence or the sequence in which they should occur. There is a desire and a goal, but there are no actual teeth to mandate that be the case. There is no apparent consequence if the developer does not do anything, which would put all of the public benefits stated earlier by staff at risk. These public benefits include the off-site transportation improvements (Section 7), the on-site motorized circulation improvements (Section 8), the open space system (Section 9) and demolition and redevelopment of the Sears Building. In addition, trips

are being reserved to MGP associated with full buildout of the project, and this could frustrate potential for development on the rest of the CRA over the course of the next 20 years.

Mr. Larson pointed out that there is no certainty as to who the developer entity is. In DAs he has worked on previously, the cities maintain a reasonable approval right for any assignment to an unaffiliated party. This is something that could also be worked into the proposed agreement, especially considering that the applicant plans to be a master developer and sell off key components of the project to vertical builders. There are no default or remedy provisions in the agreement by which to govern disputes under Section 44, which is problematic in terms of how the City would work through any disagreements that may occur down the road. In addition, there are inadequate provisions in the agreement in ROIC's view to protect the anchor tenant. These provisions will be important to both the City and the community because of the illustrative nature of the conceptual guide plan. To mitigate this concern, he recommended a prohibition on competitive grocery uses during the period which the anchor tenant continues to operate. The signage provisions are key to ensuring that visibility for shoppers to the anchor tenant is preserved and enhanced, and the same would go for existing visibility in view corridors.

Lastly, Mr. Larson commented that the development needs to ensure that the existing parking and easement rights are respected. As to a parking mandate, the agreement should include cooperation to enforce those provisions down the road. As to access easements (primarily the loading access for Marshalls, as well as the access from the upper to lower bench), ROIC wants the agreement to ensure that equivalent benefit would be provided when Street C is put in.

Mr. Larson concluded that there are too many unknowns with the agreement to confirm that it complies with the CRA at this time, mostly because of the uncertainty as to phasing and to the plan, itself.

**Marni Heffron, President, Heffron Transportation**, submitted a letter that was identified in the record as Exhibit J. She shared that Heffron Transportation is a local traffic engineering and transportation planning firm, and she has worked in the field for over 33 years. She has helped plan and permit over 1,000 development projects, including some of the biggest in the region. She has helped draft DAs and helped implement projects pertaining to a DA for subsequent building permits. She reviewed the proposed agreement through the lens of how a traffic engineer would know what to recommend for mitigation attached to any specific building permit and how the City's planning and traffic engineering staff would review it. The proposal does not contain the specificity that is typical in a DA to be able to establish guiderails, and her letter lays out several very specific places where the agreement could be strengthened to make things clearer.

Ms. Heffron referred to graphics in the applicant's presentation that are very illustrative and should have been included in the DA package. She said her primary issue is related to the specificity of the internal street system. The applicant showed a cartoon that had some associated timing, but normally, she would want to see very specific information, including details a designer could use to design that type of improvement. She would also like to see more detail related to the off-site improvements. The applicant recommends proportionate shares, and some drawings were provided, but the DA does not provide a basis for cost. Does it include all of the widening, drainage, etc.?

Ms. Heffron referred to a mistake in the DA agreement involving a reference to a major amendment on the number of trips. The applicant's trip limit is the total trips for the entire CRA, and the amendment should be pinned to the trips shown by the applicant, which are only related to this specific DA because the mitigation they are proposing is tied to that number of trips.

**Greg Spyridis, Shoreline**, said it appears that neighboring property owners are fighting, and it is up to the City to negotiate between them. He asked if construction would occur over the entire 20-year period of the DA, or if there is a specific period wherein construction is planned to occur. He said lives on Dayton Avenue N and does not want to live in a construction zone for 20 years. He recalled that the applicant had originally proposed to use the road behind the WSDOT property for construction access, but it was later learned that part of the road was owned by WSDOT. He asked if MGP has received permission from WSDOT to use that road for access or if other roads, such as Dayton Avenue N and N 160<sup>th</sup> Street would be used instead. He asked if MGP would be responsible for repairing roads if potential damage occurs during construction. Lastly, he asked what remedy the City would have if the applicant chooses not to pursue development of the site.

**Jane O'Brien, Shoreline**, commented that some valid points were made about what guarantees are provided for in the DA. She was super excited when she initially saw the project last year, but she is not so excited about 9 buildings with over 1,300 residential units and 1,100 parking spaces. She is also concerned about the project's potential impact to traffic. With the current apartment development (Alexan), traffic in the Westminster Triangle is already a nightmare. She questioned the amount of parking that is allotted in the project, noting that there is already spillover parking from the church all the way up the street into the residential neighborhood. In all of the comments provided so far, there hasn't been a lot of concern expressed about making the project a great community spot. She loves the idea of redevelopment, but she is worried that, without some guarantees, they will end up with some things that are inconsistent with the picture the applicant has presented. She requested some guarantee on the number of residential units and parking spaces, as well as a guarantee that redevelopment would be consistent with the proposal presented by the applicant. She also requested that the anticipated traffic impacts be explained in a less jargony way.

**Tara Maxwell, Shoreline**, said she appreciates the visions presented by MGP for pedestrian and bicycle access, and she hopes they come to fruition. As a household that doesn't own a car, she is very concerned about pedestrian and bicycle access. She asked if there is a plan to provide a bicycle connection between the Interurban Trail and the project site. If not, she asked that this connection be added as a requirement in the DA. It doesn't make a lot of sense to not include a bicycle connection as part of a major infrastructure improvement.

**Nathan Hawkins, Shoreline**, said he also lives in the Westminster Triangle. He thanked the representatives from ROIC for calling into question the lack of specificity in the proposal. He is particularly concerned about the lack of quid pro quo benefits and the lack of guarantees regarding plans, timeline, and execution. He asked the Commission to incorporate the suggestions made by the ROIC representatives into the DA, specifically to require specificity and guarantees before agreeing to any proposal. He asked what provisions are included in the DA for revisions or modifications based on actual realized impacts as the applicant stages out construction. He also requested more specificity about potential traffic impacts on Westminster Way N to the south.

**Tim Quinn, Shoreline**, said he owns a condominium directly across N 160<sup>th</sup> Street from the subject site. He asked if the new housing units would be targeted for low, middle or high-income levels. He asked how the proposed project would tie into the new Sound Transit Stations that will be developed in Shoreline. He also asked for more specific information about how the project would make the site more sustainable and LEED friendly. He specifically asked if the project would provide solar panels for energy.

**Paul Goldberg, Shoreline**, said he lives in the Westminster Triangle. He said he is and is concerned after hearing about the looseness of the proposed DA. He asked who negotiated on the City's behalf and what expertise the negotiators had relative to DAs.

**Mary Halesen, Shoreline**, said she lives in the Westminster Triangle. She commented that there is already a lot of through traffic in the Westminster Triangle because people don't want to stop at a red light, and the proposed project will significantly impact traffic. She questioned what role the City would play in addressing future impacts and what recourse the residents would have if things don't work out as anticipated.

**Terry Danysh, Outside Council for the City**, said he has negotiated numerous development agreements over 35 years on behalf of municipalities, as well as developers, and has provided his expertise to assist the City staff and City Attorney in preparing the DA. He acknowledged that this is the City's first DA, and that is why measures have been taken to provide the appropriate level of expertise. The professionalism of the City's staff is as high as any he has encountered in the region in the various projects he has worked on. He has nothing but praise and satisfaction with the level of expertise and professionalism that each of the staff members brought to the project. The City engaged in a good-faith process in working with all concerned parties to put together a very extensive and comprehensive DA. The Commission's job is to make a recommendation to the City Council, who will make the ultimate decision. Some changes may come forward as a result of the testimony provided during the hearing, as well as information that goes forward to the City Council, but he feels quite comfortable with the document before them for review.

Commissioner Craft felt it would be helpful for Director Markle to describe the existing conditions on the site, what the developer has proposed and what is potentially possible without a DA. Director Markle explained that the proposed development could go forward without a DA, and a DA is not required. The site is currently zoned Mixed Business (MB), which allows for the highest and most intense use in the entire City, and no land use entitlements have to be obtained prior to development with the exception of compliance with the State Environmental Policy Act (SEPA). The current code would allow the applicant to construct all nine of the residential buildings and commercial areas. The applicant's proposal provides more open space and parking than what the current code requires. She summarized that, in some areas, the proposal well exceeds what the City would require outright without a DA.

Director Markle referred to stated concerns that the proposal is a conceptual plan that shows what could be developed. Staff picked up early on that concern and requested Supplemental Site Design Guidelines. MGP was very willing to commit to the items in the Supplemental Site Design Guidelines regardless of when the property is developed and by whom. While some concepts may not be guaranteed, the City tried to negotiate for those they thought were very important, including the plazas and open space system,



design of the promenades and internal road system, landscaping, etc. It is important to consider this document, which shows exactly what the City will get from the DA.

Commissioner Craft asked staff to clarify the vertical rendering of N 160<sup>th</sup> Street that was provided by MGP, which shows where the proposed development would be in terms of setbacks versus what the current code would allow without a DA. Director Markle responded that, under current code, the buildings could be at zero setback, but the height would be limited to 35 feet. With a 10-foot setback, the maximum building height allowed would be 70 feet.

Mr. Danysh complimented and thanked the ROIC team for all of their input over the last several meetings. Numerous changes were made to the DA as a result of their input, and numerous exhibits have been added to address a variety of issues that have come up during the hearing regarding circulation, tying amenities to the various phases, open space, etc. While he has no concern or issue with ROIC's desire to have more specificity and even greater predictability in terms of outcomes, City staff has explained why a balancing process is needed. They can only push so far before MGP decides to proceed without a DA at all.

The Commission took a 5-minute break at this point in the meeting.

Hearing Examiner Reeves reminded that the purpose of the hearing is for the Planning Commissioners to receive information that will help them make a recommendation to the City Council. Several questions were raised during the hearing, and quick answers will benefit the Planning Commission. However, brevity would be appreciated. He asked the applicant and staff to address the following questions:

- **Is there any specificity about construction over the 20-year period?** Mr. Gwilliam said there is no specificity in terms of MGP knowing exactly what the sequencing will be. It typically takes around 24 months from shovel in the ground to hard, visible construction on each of the phases. In terms of off-site impacts during construction, haul-outs and things of that nature are determined by City staff as the applicant submits building permits. Some overlap may occur with construction, but they do not anticipate that development will occur for 20 consecutive years. Hearing Examiner Reeves commented that MGP would be responsible for any damage that occurs to existing roadways during construction.
- **Is there any remedy if no construction occurs during the 20-year period and the site lays fallow or dormant?** Mr. Gwilliam said the DA is voluntary. MGP did not acquire the property and a vacant Sears Building to do nothing. Hearing Examiner Reeves observed that the applicant intends to do something with the property to make money.
- **Is there any specific target level or type of housing that is proposed?** Mr. Gwilliam answered that the City has a Multifamily Tax Exemption (MFTE) Program that allows for affordable housing to be constructed, and the proposed DA would not preclude MGP from participating in that program. With each phase of the project that moves forward, MGP will include an application to participate in the program. However, the current program would need to be expanded in order for MGP to take advantage of affordable housing that is offset by the MFTE program. Hearing Examiner Reeves summarized that the applicant may participate in the MFTE program if it becomes available, but generally speaking, the units will be market rate.

- **How would the proposal be tied into the two Sound Transit Stations?** Mr. Gwilliam explained that, due to the project's adjacency to Highway 99, ample public transit would be available. It is MGP's understanding that there may be some connections via the public transit system to the two stations, but that is outside of the scope of the proposed project. Hearing Examiner Reeves asked if the project would provide pedestrian and bicycle access to the transit stops on Highway 99, and Mr. Gwilliam answered affirmatively.
- **Will there be a bicycle connection from the subject site to the Interurban Trail?** Mr. Gwilliam explained that the work the City is doing along Westminster Way N is intended to create a more pedestrian and recreational bicycle friendly environment. It will also facilitate the crossing of Westminster Way N to the other side of the street, which is where the connector to the Interurban Trail exists. Participating in that project is how MGP proposes to contribute to bicycles and pedestrians connecting into the trail. In addition, the improvements along Westminster Way N will also facilitate pedestrians getting to and from the bus stops along Highway 99.
- **What does the LEED Certification entail, and will any solar be proposed as part of the project?** Mr. Gwilliam referred to the components of LEED Neighborhood Development certification, as well as the significant enhancements that come just by building to the current building code. MGP would not be exempt from any enhancements to the code from current provisions. MGP is not suggesting that solar would be included today, but it would not be precluded as an option in the future. Each building that is constructed will participate in the LEED Neighborhood Development Certification Program at the master development level, in addition to anything else that may be required at the time. Ms. Moss noted that all of the components associated with the LEED Neighborhood Development Certification Program are listed in Section 28 of the DA.
- **How would traffic impacts to the Westminster Triangle Neighborhood be addressed and what recourse would these property owners have if the impacts are greater than anticipated?** **Trisha Juhnke, City Engineer**, explained that development, in general, will create more trips and cause more congestion. Staff has analyzed all of the intersections along Westminster Way, and even with the increased development, the City's established Level of Service (LOS) Standards would be met relative to congestion and how long cars are waiting at intersections. Therefore, the City cannot require the developer to do additional mitigation. Where streets and intersections will fall below the City's established LOS Standards, the DA requires MGP to contribute to mitigation improvements at the intersections of N 160<sup>th</sup> Street/Greenwood Avenue N, NW Innis Arden Way/Greenwood Avenue N and Carlyle Hall Road/Dayton Avenue N/N 165<sup>th</sup> Street.

Commissioner Craft clarified that there is a continual effort to monitor traffic impacts in neighborhoods on specific streets, and that will be an ongoing process the City will do throughout development the proposed project and other projects. If the level rises above that threshold, mitigation will be required for those areas. Ms. Juhnke explained that, if the City's analysis is wrong and the intersections start to fail, the City will not have recourse to go back and require the developer to fix the situation. At this point, the City is agreeing with the analysis. However, the City continue to monitor and identify where intersections are starting to fail, and improvements

will be incorporated into the Capital Improvement Program (CIP), if necessary. City Attorney King added that, based on the studies as part of the proposed project, as well as the City's continuing monitoring, the City will update the background traffic analysis. When another development comes in, more mitigation may be required if triggered by the LOS Standards.

Vice Chair Mork noted that residents were concerned that people were cutting through the Westminster Triangle. It was felt that the City was not aware of the situation or would be unable to resolve the problem. **Ms. Juhnke** said the City monitors traffic flows via routine counts. She acknowledged that cut-through traffic does happen, particularly as congestion increases with development. Many of the roads in the area have very low traffic counts, so an increase in traffic will be more noticeable. However, the roads are designed to accommodate that traffic. The City will continue to monitor the situation. If there are safety concerns, the City can utilize the Traffic Safety Improvement Program to put in neighborhood-scale improvements (i.e. speed bumps, traffic circles, etc.) to address the problem.

- **What kind of guarantees will there be on the number of residential units and parking spaces? Will the project look anything like the plans that were presented by the applicant?** Mr. Gwilliam said the Supplemental Site Development Guidelines were requested by staff, and MGP agreed to the majority of provisions that were requested. The provisions provide teeth in the DA to ensure the elements presented in the proposal are incorporated into the final project. Regarding the number of residential units and associated parking, he pointed out that MGP is actually proposing more parking than what is required by code. MGP cannot build any more residential units than the 1,358 identified in the DA. Exceeding that number would require a major amendment to the DA.
- **Are there any provisions for modifying the DA if actual impacts show that there are problems?** Director Markle emphasized that stormwater would be regulated by whatever the current code is at the time of building permit. The same would be true for the sewer and water requirements. Even if the applicant chooses not to meet what is on the conceptual plan, they will have to meet the Development Code requirements, which include strong design guidelines for commercial buildings and site. Again, she said the proposal goes above and beyond what is required by the Development Code. At the very least, any redevelopment is guaranteed to meet the Development Standards. Ms. Moss recalled that the FEIS for redevelopment of the entire CRA assumes that all of the square footage that exists in the 70-acre area today will be completely redeveloped. In addition to that amount of square footage being removed and replaced, there will be 250,000 square feet of office, 250,000 square feet of retail, and 1,000 dwelling units. The FEIS looked at the cumulative impacts of redevelopment of what is there now plus an additional 1 million square feet. MGP's proposal for its 17.5 acres is significantly below what was analyzed in the FEIS. It stretches the imagination to think that the proposal will exceed the impacts studied in the FEIS.

Commissioner Maul asked if the route that delivery trucks to Central Market currently use will ever be impeded by the project. Mr. Gwilliam answered that there would be no impact. In fact, MGP's proposal would create a better situation for Central Market's loading activities. MGP will respect the existing easements and continue conversations with ROIC to see if they are open to enhancing the delivery drive.

Ms. Moss advised that Section 8.F was added to the DA in response to this question. With each building permit application for either construction or demolition, MGP will be required to demonstrate how vehicular and truck access from N 160<sup>th</sup> Street to Westminster Way N will be provided.

Commissioner Davis referred to ROIC's comment about the number of trips that will be tied into the agreement. She asked if the trips would be counted when each phase of the project gets permitted or if the DA will reserve a certain percentage of the available trips. Mr. Gwilliam answered that the DA will reserve 99 trips for the project now. At full build out, the proposed project will only result in 99 net new trips.

Chair Montero asked if WSDOT will be considered an anchor tenant in the CRA. Mr. Gwilliam said WSDOT could be considered the anchor tenant in the CRA given its size. However, in the context of the shopping center on the upper level, Central Market will be considered the anchor tenant. He said MGP wants to ensure that Central Market remains viable.

Vice Chair Mork recalled ROIC's concern about when the Sears Building will be demolished. The concern seems to be primarily centered on connectivity between the upper and lower portions. She asked the applicant to talk through the project's timing again. Mr. Gwilliam referred to Exhibit O of the DA and explained that, as per the DA, anything that gets built on Block D will require the construction of C Street, which is the connection that ROIC has asked for. C Street will allow for the connection that currently exists to be relocated and enhanced. Ms. Moss noted that Exhibit N requires that the existing access from the lower to upper area remains in place until C Street has been constructed. This was added specifically in response to ROIC's concern. Mr. Goodman recalled that ROIC raised this concern at the first study session, and MGP's response was to make sure that C Street is accounted for and the access between the upper and lower areas is taken care of at the first instance. Exhibits N and O were added to address the concerns.

Commissioner Lin asked if one or two access cuts on N 160<sup>th</sup> Street would be better for the community from a traffic standpoint. Ms. Juhnke answered that, from a traffic perspective, the additional connection near A Street is consistent with what was looked at in the CRA. The City desired this additional connection at that location, and the proposal is consistent with the vision in the CRA. **Michael Read, PE, Principal, TENW**, explained that, currently, all the trucks that serve ROIC's properties to the north and south of the Sears site enter from N 160<sup>th</sup> Street via that one driveway. The overall goal was to improve the performance and get the trucks out of the area if possible, since this is one of the gateways for pedestrians and bicycles entering the site. From a performance standpoint, a single driveway could still function and meet the City's LOS Standards, but at a slightly reduced level. No queuing was expected to happen. However, two access points compared to one will operate better because people will be able to use multiple access points out. He summarized that the difference would be slight and insignificant.

Vice Chair Mork asked Mr. Danysh to respond to the ROIC consultant's suggestion that it was very atypical for the City not to have the ability to have a voice in the sell of a property. Mr. Danysh answered that every DA is unique. It would perhaps be ideal if the City could successfully negotiate that kind of understanding, but it is important to keep in mind that the City's leverage has to do with what it can ask for and how far it can push in order to obtain the concessions already in the DA. The ability to control a private entity's right to sell the property to whom they wish, particularly considering that the DA will be

recorded against the property and binding on successors and assignees, the City must rely on the language in the document to hold whoever steps into their shoes feet to the fire.

Hearing Examiner Reeves reiterated that the focus was on Exhibit E (proposed DA), with the 9 attachments and 100 or so sub-attachments. Exhibits F through J were added during the hearing (City's PowerPoint Presentation, applicant's PowerPoint presentation, a letter from Mr. Bricklin, a memorandum from Heartland and a memorandum from Heffron Transportation). He reminded those present that the Commission would make a recommendation to the City Council, who would make the final decision. He turned the meeting back to Chair Montero to lead the Commission's deliberation and subsequent action.

**VICE CHAIR MORK MOVED THAT THE PLANNING COMMISSION FORWARD THE PROPOSED DEVELOPMENT AGREEMENT TO THE CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. COMMISSIONER MAUL SECONDED THE MOTION.**

Vice Chair Mork said she appreciates all of the hard work done by the City staff, MGP, ROIC and the community members who have provided comments. This is a big deal for the City and it is very important to get all of the input possible. The Commission is at a point, with information in hand, that the proposal should be presented to the City Council to make a decision.

Commissioner Maul commented on the thoughtful design of the project. A lot of good things can happen through the DA, and he appreciates the hard work that went into it.

Hearing Examiner Reeves asked if written findings would be prepared to represent the Commission's thought process and recommendation. If so, what is the next step? City Attorney King said she would provide written findings and recommendations based on the Commission's discussion and subsequent action. The Commission will review the findings and recommendations and have an opportunity to formally approve them at their next meeting on July 18<sup>th</sup>.

Chair Montero said he also appreciates all the hard work that has gone into revitalizing Shoreline Place.

Chair Montero closed the public hearing for the Shoreline Place Development Agreement.

**THE MOTION CARRIED UNANIMOUSLY.**

### **DIRECTOR'S REPORT**

Director Markle did not have any items to report.

### **UNFINISHED BUSINESS**

There was no unfinished business.

### **NEW BUSINESS: UPDATE OF PLANNING COMMISSION BY-LAWS (RULES OF PROCEDURE)**

This item was postponed to the July 18<sup>th</sup> meeting.

### **REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS**

Commissioner Malek provided a brief update on the Point Wells Project, which is still working its way through the court. The judge granted more extensions through December 18<sup>th</sup> for BSRE's appeal to the County. That means they have six more months to address the ingress/egress, steep slope/critical areas, and development within the median tide. Ronald Wastewater had been the sole provider of wastewater treatment to that area, but the state recently declined its right to maintain service. This is a concern because they are Ronald Wastewater pipes and the contract has been maintained by Ronald Wastewater up to this point.

### **AGENDA FOR NEXT MEETING**

There was no new information about the July 18<sup>th</sup> agenda.

### **ADJOURNMENT**

The meeting was adjourned at 9:43 p.m.

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William Montero  
Chair, Planning Commission

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Carla Hoekzema  
Clerk, Planning Commission