

DRAFT
CITY OF SHORELINE

SHORELINE PLANNING COMMISSION
MINUTES OF PUBLIC HEARING
(Via Zoom)

September 3, 2020
7:00 P.M.

Commissioners Present

Chair Mork
Vice Chair Malek
Commissioner Callahan
Commissioner Galuska
Commissioner Lin
Commissioner Rwamashongye
Commissioner Sager

Staff Present

Rachael Markle, Planning Director
Nora Gierloff, Planning Manager
Steve Szafran, Senior Planner
Cate Lee, Associate Planner
Julie Ainsworth-Taylor, Assistant City Attorney
Carla Hoekzema, Planning Commission Clerk

CALL TO ORDER

Chair Mork 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 Mork, Vice Chair Malek, and Commissioners Callahan, Galuska, Lin, Rwamashongye and Sager.

APPROVAL OF AGENDA

The agenda was accepted as presented.

GENERAL PUBLIC COMMENT

There were no general public comments.

PUBLIC HEARING: GROUND-FLOOR COMMERCIAL DEVELOPMENT CODE REGULATIONS FOR NORTH CITY AND RIDGECREST NEIGHBORHOODS

Chair Mork reviewed the rules and procedures for the public hearing and then opened the hearing.

Mr. Szafran reviewed that the Ground-Floor Commercial Development Code Amendments started from a Comprehensive Plan amendment request from a resident. The City Council rejected adding the commercial use requirement to the Comprehensive Plan but directed staff to draft Development Code amendments since there was already support in the Comprehensive Plan. Research was conducted by staff in early 2020 that looked at the zoning codes of 21 jurisdictions in the area that specifically related to the ground-floor commercial requirements. In addition, an on-line survey was conducted between April 17th and May 17th, and the results were presented in detail at the June 18th Commission meeting. Staff presented the proposal at the June 18th and August 6th Commission meetings and has responded to comments and questions from the Commissioners.

Mr. Szafran recalled that at the August 6th meeting, the Commissioners requested additional clarification from staff. He and Ms. Lee responded to each one as follows:

- ***Chair Mork asked if it is possible to create incentives with the Shoreline portion of the property taxes.*** Mr. Szafran explained that the City doesn't have the ability to place an exemption on the tax rolls for the County to administer as an incentive for new commercial space. A change to State law would be required. However, Shoreline could use a portion of its share of the property tax to provide an economic development incentive program, which could be structured as a grant program specifically for small businesses. The City's Economic Development Manager will explore this option further as the City works on updating the Economic Development Plan as part of the update to the general Comprehensive Plan.
- ***Commissioner Callahan was concerned with the potential for vacancy of commercial spaces and was interested in the idea of a Vacant Commercial Space Registry to formalize the process and provide further transparency.*** Mr. Szafran said staff believes having such a registry could help the City target outreach to landlords and potential tenants. However, tracking and promoting vacancies as opportunities to potential tenants would require additional budget. Staff has requested information from three real estate information service providers on the potential cost of creating this service. If the Commission wants to recommend the creation of such a registry to the City Council, staff recommends they include it in the transmittal letter to the City Council. Staff also recommends a review of potential code changes that could benefit vacancies in existing buildings, which are able to charge lower rents and are more appropriate for the smaller, local, unique businesses of the type Shoreline residents have expressed interest in.
- ***Commissioner Malek asked what height could be achieved with the different construction types.*** Ms. Lee recalled that, at the August 6th meeting, she stated that a builder could get 6 stories of wood-frame construction up to a height of 80 feet. However, it is actually 5 stories of wood-frame construction and up to 85 feet.

Ms. Lee reviewed the changes that have been made to the draft amendments since the August 6th meeting as follows:

- **SMC 20.20.048 – Definitions.** At the August 6th meeting, the Commission brought up a number of uses that don't activate the street level and are not family friendly. One was tobacco/vape stores, which is not currently listed as a separate use from just general retail and services. The proposed

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definition defines tobacco/vape stores to clearly differentiate them from stores that sell the products as an ancillary use.

- **SMC 20.40.465 – Multifamily.** This amendment clarifies that the ground-floor commercial space can be occupied by any of the uses listed in the two tables (non-residential or other uses), except for adult use facilities, marijuana operations and tobacco/vape stores.
- **SMC 20.40.465 – Multifamily.** This amendment clarifies that any buildings subject to the indexed criteria are eligible for an automatic height bonus of 8 feet. A typical residential floor is 10 feet tall, and the proposed amendment would require that ground-floor commercial spaces have an 18-foot ceiling height. The additional 8 feet would make up the difference between a typical residential floor and what the City would require for the commercial space.
- **SMC 20.40.465 – Multifamily.** This amendment states that, in addition to the 8-foot height bonus, developers that provide restaurant-ready space will receive an additional 10-foot height bonus. In the Community Business (CB) zone, this equates to going from the basic building height of 60 feet to a height of up to 78 feet.
- **SMC 20.50.020 – Dimensional Standards.** The additional height bonuses of 8 feet (ground-floor commercial) and 10 feet (restaurant-ready) were itemized separately. The last version of the code said 12 feet, which was the original proposal.
- **SMC 20.50.250 – Building Design.** Staff reviews applications when a builder requests a departure from a Commercial Zone Design Standard for either site-specific reasons or to accommodate a more interesting design. Before a departure can be approved, the developer must show that the project would still meet the purposes of the applicable code section. The proposed new purpose statement assists staff when reviewing these applications.
- **SMC 20.50.250 – Building Design.** The previous draft stated that the Ground-Floor Commercial Standards are not eligible for administrative design review. This was removed, as staff felt there should be some flexibility in case there are some specific site constraints or a creative design that a builder wants to pursue. The project would still have to meet the purposes of the code. Item 5 was also updated to reflect that all ground-floor commercial spaces must be constructed with a minimum floor-to-ceiling height of 18 feet and a minimum clear height of 15 feet.

Ms. Lee reported that two written public comments were received regarding the proposal. A community member in North City would like the City Council to consider an option to have bars or restaurants on the rooftop of buildings to take advantage of views. A community member in Ridgecrest would like to add pawn shops and check-cashing businesses to the list of uses not eligible to occupy the ground-floor commercial space.

Ms. Lee summarized that, following the public hearing, the Commission will be asked to deliberate and formulate a recommendation to the City Council. The Commission's recommendation will be presented to the City Council on September 21st as a discussion item. It is anticipated that the City Council will conduct a public hearing and take final action on October 19th.

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Commissioner Sager referred to SMC 20.50.250(C)(4) and asked the definition of “average” when it comes to average depth. Ms. Lee responded that you would look at the entire space to calculate the average depth. The calculation could get more complicated if there is a lot of variation. The depths would be added together and divided by the total number of different dimensions, but no dimension could be less than 20 feet.

Chair Mork referred to SMC 20.50.250(A)(4), which calls for creating an active and inviting space for pedestrians, with visually interesting storefronts and seamless transitions between public rights-of-way and private space. While she likes the concept, she questioned if it is meant to be very specific or more general. Mr. Szafran responded that the criteria are meant to be general in nature. When staff receives an application to depart from a design standard, they will review this section to see if the intent of the developer’s proposal meets the criteria.

Chair Mork briefly reviewed the rules and invited public testimony. No one indicated a desire to participate, and the public portion of the hearing was closed.

VICE CHAIR MALEK MOVED THAT THE COMMISSION ACCEPT THE STAFF’S RECOMMENDATION FOR THE GROUND-FLOOR COMMERCIAL DEVELOPMENT CODE REGULATIONS FOR THE NORTH CITY AND RIDGECREST NEIGHBORHOOD COMMERCIAL DISTRICTS AS WRITTEN AND FORWARD A RECOMMENDATION OF APPROVAL TO THE CITY COUNCIL. COMMISSIONER LIN SECONDED THE MOTION.

Vice Chair Malek said he assumed his motion would include Commissioner Callahan’s recommendation to create a registry for vacant commercial properties. Staff could determine the best way to accomplish this. Chair Mork agreed that the concept is worthy of discussion. However, it is her understanding that staff’s preferred course of action would be for the Commission to take action on the specific proposal before them, and then they could talk about other things they would like the City Council to consider. Mr. Szafran responded that, at this time, staff is not recommending that the registry be codified in the Development Code. Instead, the Commission could include in its transmittal letter to the City Council a request to create a registry in concert with the Economic Development Manager. Chair Mork said she supports the creation of a vacant property registry and agreed that it should be included in the transmittal letter.

Chair Mork recalled that Commissioner Rwamashongye raised a question at an earlier meeting about loading docks, and she is concerned about garbage enclosures. She asked if both of these topics are adequately covered in the existing code or proposed amendments. Mr. Szafran said these issues are adequately addressed in the Commercial Site Design Section of the Development Code, and no changes are proposed at this time.

Assistant City Attorney Ainsworth-Taylor clarified that the current motion on the table is just the Planning Department’s recommendations as attached in the Staff Report, without any of the other concepts discussed by the Commission.

VICE CHAIR MOVED TO AMEND THE MAIN MOTION TO CLARIFY THAT IT INCLUDES THE GROUND FLOOR COMMERCIAL DEVELOPMENT CODE AMENDMENTS (ATTACHMENT A) AND THE VACANT PROPERTY REGISTRY ORDINANCES (ATTACHMENT B). COMMISSIONER SAGER SECONDED THE MOTION.

Assistant City Attorney Ainsworth-Taylor asked if the intent of the motion is to codify the Vacant Property Registry Ordinances (Attachment B). Vice Chair Malek responded that rather than codifying Attachment B, he would like it to be included as part of the transmittal letter to the City Council.

Chair Mork clarified that the Commission has two options:

- **Option 1** – Send the amendments outlined in Attachment A to the City Council with a recommendation of approval as presented in the Staff Report and convey in the transmittal letter that the Commission strongly supports the Vacant Property Registry (Attachment B).
- **Option 2** – Send the amendments outlined in Attachment A to the City Council with a recommendation of approval as presented in the Staff Report and also recommend that the Vacant Property Registry Ordinance (Attachment B) be codified.

Assistant City Attorney Ainsworth-Taylor summarized that Option 2 would be consistent with the sub-motion that is currently on the table, but it appears that Vice Chair Malek’s intent is consistent with Option 2. She suggested that the Commission address the amendments outlined in Attachment A first, and then they could discuss the items they want to include in the recommendation cover letter that will go to the City Council.

VICE CHAIR MALEK AND COMMISSIONER SAGER AGREED TO WITHDRAW THEIR MOTION TO AMEND THE MAIN MOTION.

Commissioner Callahan said she supports the public comment that recommended adding pawn shops and check-cashing businesses to the list of uses not eligible to occupy the ground-floor commercial space.

COMMISSIONER CALLAHAN MOVED THAT THE MAIN MOTION BE AMENDED TO INCLUDE PAWN SHOPS AND CHECK-CASHING BUSINESSES TO THE LIST OF USES NOT ELIGIBLE TO OCCUPY THE GROUND FLOOR COMMERCIAL SPACE. VICE CHAIR MALEK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

Assistant City Attorney Ainsworth-Taylor commented that pawn shops and check-cashing uses are considered under the existing code to be retail service uses rather than as specific uses. Similar to the proposed amendments related to tobacco/vape shops, staff would need to develop definitions for pawn shops and check-cashing uses. After further discussion amongst the Commission and staff, Assistant City Attorney Ainsworth-Taylor suggested the following definitions:

“A check-cashing service is any individual, corporation or entity that is primarily engaged in the business of cashing checks, drafts or money orders for a fee service charge or other consideration.” (RCW 31.45)

“A pawn shop is every place at which the business of a pawn broker is being carried on. A pawn broker is every person who takes or receives by way of pledge, pawn or exchange of goods, wares or merchandise of any kind of personal property, whatever, for the repayment of security of any money loaned thereon or to loan money or deposit a personal property or who makes a public display of any sign indicating that they have money to loan on personal property on deposit or pledge.” (SMC 507.405)

Commissioner Sager suggested that the definition for check-cashing service should also include payday loans and money transfers.

VICE CHAIR MALEK MOVED THAT THE MAIN MOTION BE AMENDED TO ADD RESTRICTIONS FOR PAWN BROKERAGES, AS DEFINED IN SMC 507.405 (see above) OF THE REGULATORY LICENSING CODE, AND CHECK-CASHING SERVICE AND PAYDAY LENDING, DEFINED AS “ANY PERSON OR ENTITY ENGAGED IN THE BUSINESS OF HIGH-INTEREST, SHORT-TERM LENDING OR CASHING CHECKS, DRAFTS OR MONEY ORDERS FOR A FEE, SERVICE CHARGE, OR OTHER CONSIDERATION.” COMMISSIONER CALLAHAN SECONDED THE MOTION. THE MOTION CARRIED 6-1, WITH CHAIR MORK, VICE CHAIR MALEK AND COMMISSIONERS RWAMASHONGYE, LIN, CALLAHAN AND SAGER VOTING IN FAVOR AND COMMISSIONER GALUSKA VOTING IN OPPOSITION.

THE MAIN MOTION, AS AMENDED, CARRIED UNANIMOUSLY.

Chair Mork invited the Commissioners to share their thoughts on what additional items should be included in the transmittal letter to the City Council. They discussed the following:

- **Create a Citywide Vacant Commercial Space Registry.** The Commission agreed to include a strong recommendation that the City establish a Vacant Commercial Space Registry (Attachment B). Commissioner Sager wanted to make sure the registry is city-wide and not limited to just the ground-floor commercial spaces in the Ridgecrest and North City neighborhoods. Commissioner Lin asked if existing vacant properties would be required to register, and Chair Mork said the intent was that the registry would be citywide.
- **Revisit Ground-Floor Commercial Space Regulations for Other Commercial Areas in the City.** Chair Mork recalled the example shared at a previous meeting by the Economic Development Manager where the parking requirement is making it difficult for the owner to make changes that make the property more viable. Vice Chair Malek commented that a number of existing properties are lagging because of regulatory issues. The former Red Pony property is a good example of a product under new ownership, but the new owner is finding it difficult to get to its highest and best use because a substantial part of the parking is in the right-of-way. The property can no longer be grandfathered because the improvements needed for the building exceed 50% of its current value. He agreed that changes are needed to allow these properties to become more viable. While he isn't sure that applying the ground-floor commercial requirements for North City and Ridgecrest to the entire City would be appropriate, they should use them to revisit other

commercial areas that could become viable sources of sales income. The Commissioners agreed to include this recommendation in the transmittal letter.

- **Investigate Development of a Grant Program to Incentivize Restaurant Development.** Chair Mork recalled Mr. Szafran's earlier comment that the City could use a portion of its share of the property tax to provide an economic development incentive program, which could be structured as a grant program specifically for small businesses. She expressed her belief that the City should look into incentive grant programs to bring restaurants into the built areas. The Commissioners agreed to include this recommendation in the transmittal letter.
- **Investigate Amendments to the Development Code to Activate Rooftop Spaces for Commercial Use.** Commissioner Callahan recalled that there has been public interest in incentivizing a developer to provide public rooftop space. Chair Mork agreed that rooftops have value and there is a public desire to have access to them. The City may want to consider how that could be incentivized and made possible. Concurrent with that, they need to consider noise concerns that might result from these uses. Vice Chair Malek noted that rooftop decks on residential properties are addressed by the noise ordinance, and he asked if they would apply to commercial development, too. Mr. Szafran said rooftop uses are allowed in commercial zones, but there are no incentives to do them. However, he noted that with mixed-use buildings, developers often put the open space for the residential units on the rooftop.

Ms. Lee commented that there might be some overall height implications associated with rooftop spaces, depending on whether they are covered or not. If the space is open, it wouldn't count as part of the building height, but any covered space would factor into the height allowed for the building. That is why developers of mid-rise buildings that are 5 to 7 stories are reluctant to have covered rooftop amenities. Vice Chair Malek asked if the Commissioners were in favor of recommending the City investigate a height bonus for developers who are willing to provide covered entertainment space on the rooftop. Ms. Lee responded said it is a matter of construction type. Taller heights can be achieved with cross-laminated timber and other newer technologies. However, unless you use these newer technologies, going beyond 70 to 85 feet in height requires a steel structure, which is much more expensive. Vice Chair Malek asked if it would be possible to allow a height bonus so 5 over 2 structures could provide rooftop space, too. Ms. Lee said the Development Code can allow height bonuses, but development would still be limited by the building code, construction type and construction cost.

Commissioner Rwamashongye observed that the City already encourages LEED Platinum Construction, which includes green roofs. Chair Mork said Commissioner Callahan was primarily referring to potential incentives for rooftop amenities as opposed to green construction. Commissioner Callahan recognized that the current amendments focus on the ground-floor commercial regulations with the idea of making the spaces vibrant and useful to people. In conjunction with that, the public has expressed a strong interest in rooftop amenities, particularly spaces on top of commercial buildings for the general public to enjoy. She expressed her belief that the City should encourage rooftop uses. While she isn't sure where it belongs, she didn't want to leave the concept behind to be forgotten about.

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Commissioner Lin pointed out that open space on the rooftop of a commercial building is already allowed, and a certain portion of it can count as part of the developer's open space requirement. She didn't feel there was a need to further incentivize rooftop open space. Ms. Lee said that, oftentimes, developers of mixed-use buildings provide rooftop amenities to meet the outdoor space required for the residential use. The code would also allow a developer to designate a portion of the rooftop space for public use in conjunction with a commercial use such as a restaurant. However, a cover would be needed to make the use viable for more than a few months a year, and that's where you get into issues with it being counted as part of the overall building height. At this time, she doesn't know of any building in Shoreline that provides public open space on the rooftop. Staff could explore potential incentives to encourage this type of use, but the current toolbox is limited. One idea might be to include rooftop open space, such as seating for a restaurant, as one aspect of the grant program that was discussed earlier.

Commissioner Lin suggested that this concept needs further discussion, as there may be privacy issues associated with allowing a public use on the rooftop of a private building that has residential uses. Chair Mork agreed that a number of issues would need to be considered. However, including the concept in the transmittal letter would indicate to the City Council that the Commission has interest in further investigation of the idea.

Commissioner Galuska said there isn't any harm in asking the City Council to consider the idea of incentivizing rooftop uses, both private and public. However, he acknowledged that it would be a complicated process.

Commissioner Rwamashongye said he supports including the concept in the transmittal letter. In the process of investigating the concept, the City may find opportunities it didn't even know existed. If developers know the City has an interest, they will likely come up with a variety of ideas, too

All of the Commissioners indicated support for including the concept in the transmittal letter so it could be investigated further.

DIRECTOR'S REPORT

Director Markle announced that the Housing Action Plan Online Open House is still open and can be accessed via the City's homepage. She encouraged the Commissioners to participate.

Director Markle asked if there was anything the Commission wanted her to follow up on with regards to the permit status report. Chair Mork commented that the written report she provided was very interesting and helpful. Commissioner Lin noted that there are a number of applications for townhome development, and Director Markle responded that is the current trend, particularly in the station areas.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS

Vice Chair Malek emphasized that the September 17th Planning Commission meeting will be important with regard to Point Wells. Staff will review the Interlocal Agreement between the Town of Woodway and the City of Shoreline, which has been in draft form for quite some time. The Commission will be asked to review the document and forward a recommendation to the City Council. The agreement has gone through a number of drafts, and he felt the current draft is better than it ever has been. He noted the plans for significant public outreach prior to the meeting.

Vice Chair Malek suggested the need for an additional Commissioner to join the Point Wells Subcommittee. So far, the subcommittee consists of himself and Commissioner Sager, and they need one more member.

Chair Mork announced that she would attend the second part of the diversity training in September. If other Commissioners are interested in attending, they should contact Ms. Hoekzema.

AGENDA FOR NEXT MEETING

Mr. Szafran said the agenda for the September 17th meeting will include a discussion on the Comprehensive Plan Amendments, including the Point Wells Subarea Plan. In addition, staff will present the draft development regulations for the Point Wells Subarea.

ADJOURNMENT

The meeting was adjourned at 8:35 p.m.

Laura Mork
Chair, Planning Commission

Carla Hoekzema
Clerk, Planning Commission