

DRAFT
CITY OF SHORELINE

SHORELINE PLANNING COMMISSION
MINUTES OF REGULAR MEETING

October 20, 2022
7:00 P.M.

Commissioners Present

Chair Pam Sager
Vice Chair Julius Rwamashongye
Commissioner Leslie Brinson (on Zoom)
Commissioner Janelle Callahan
Commissioner Andy Galuska (on Zoom)
Commissioner Christopher Mosier

Staff Present

Steve Szafran, Senior Planner
Julie Ainsworth-Taylor, Assistant City Attorney
Carla Hoekzema, Planning Commission Clerk
Andrew Bauer, Planning Manager

Guest:

Nicholas Bratton, Forterra

Commissioner Absent:

Commissioner Mei-shiou Lin

CALL TO ORDER

Chair Sager called the regular meeting of the Shoreline Planning Commission to order at 7:00 p.m.

ROLL CALL

Ms. Hoekzema called the roll.

APPROVAL OF AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

The minutes of October 6, 2022 were accepted as presented.

GENERAL PUBLIC COMMENT

There were no general public comments.

STUDY ITEM: TRANSFER OF DEVELOPMENT RIGHTS (TDR) PROGRAM AND LANDSCAPE CONSERVATION AND LOCAL INFRASTRUCTURE PROGRAM (LCLIP) IMPLEMENTATION DISCUSSION

Senior Planner Szafran made the staff presentation. He introduced and gave some background on the TDR and LCLIP programs.

Senior Director of Policy Nicholas Bratton from Forterra reviewed what TDRs are and the background of LCLIP and how that can potentially be applied in the City of Shoreline. He highlighted TDR programs in the Puget Sound region. He explained that the purpose of LCLIP is to provide a financial incentive for cities to use TDR. He discussed eligibility, geography, and city flexibility in participation. Benefits for counties include market-based conservation, support of growth goals, and reduced cost of rural services. Benefits for cities are flexible money for capital facilities, support of growth goals, and more resilient communities.

Mr. Bratton reviewed the findings of the feasibility study:

- Geography: light rail station areas, Town Center, neighborhood business districts
- TDR credit commitment: 231 (100%)
- Conservation potential: 18,000 acres
- Revenue projection: \$19MM-\$25MM
- Investments: park acquisition, mobility, bridge over I-5
- Council support for concept
- King County supports adoption

He reviewed what scale of growth would support program success in Shoreline. This could look like approximately 8 midrise projects in the MUR-70' zone with parking reduction, or approximately 20 podium projects with bonus height, or approximately 4 midrise projects in the MUR-70' zone and 10 podium projects with a timeline of 20 years. Steps to getting to LCLIP are to complete the feasibility study (done), create a TDR program tailored to specific local market and city needs, adopt an ordinance, and enter into an interlocal agreement (ILA) with the County. He summarized that LCLIP provides a flexible revenue for infrastructure; is low risk; is a great marriage of growth, community investment, and conservation; and is highly customizable to individual city needs.

Mr. Szafran reviewed next steps which include:

- Give direction on incentive preferences
- Draft Development Code amendments to create TDR mechanism
- Draft LCLIP adoption ordinance and interlocal agreement with King County.

Incentives under consideration: adding height in commercial and mixed-use residential zones, parking reductions, permit fee reduction, multifamily tax exemption (MFTE) for a certain number of years, TDR for tree removal, TDR for tree replacement, and/or expedited permit review.

Discussion Questions:

1. Is Commission comfortable moving forward with TDR amendments or is more information needed?
2. Are there additional incentives staff should be considering?

Discussion:

Vice Chair Rwamashongye thanked staff and the consultant for the presentation. He stated he is really excited about this but wants to understand the revenue flow rates better. He referred to the projected revenue stream and asked how they can make sure that the incentives result in an overall benefit for the City. Mr. Bratton replied that there is a curve that the feasibility study projected which can be provided later. He clarified that there are two ways a city can realize revenue in this program. One is to collect it as it comes in. The second is to bond against the revenue now and make the investment to build infrastructure today.

Commissioner Callahan referred to the risk in designing incentives that could potentially misalign. The big pictures of how all the incentives fit together is unclear to her. She would like to see a table that shows what is required/allowed now and what they are thinking about incentivizing.

Commissioner Brinson asked for examples of the size, kinds, and scopes of incentives that might be offered to make this feel more tangible. Mr. Bratton explained that ECONW has done the economic analysis for this project. They have calculated the costs of development rights and what that translates into in each of these neighborhoods. He reviewed some examples of what these might be.

Commissioner Galuska asked if the Multifamily Tax Exemption (MFTE) might be at odds with the tax increment financing. Mr. Bratton replied that it does have an impact, and it is factored in. The revenues that the City earns through other streams of tax revenue will exceed the foregone revenue of MFTEs.

Commissioner Mosier expressed concern that some of these incentives could be at odds with each other.

Commissioner Brinson commented that knowing if the MFTE is one of the incentives they are talking about is really important because it is already a market-based incentive program for affordable housing. It feels like double-dipping for developers because they are adding additional incentives to an incentive program.

Commissioner Galuska commented that TDR is a disincentive for urban development because they are paying a fee to go up to higher density. He noted that there are already a lot of different incentives and wondered if they will be at odds with each other. It would be helpful to have them all laid out to see what they are and what the tradeoffs for those incentives are. Chair Sager concurred.

Vice Chair Rwamashongye asked if there is a way to write the code so that it removes some of the ambiguities. He also asked how they can safeguard against unintended consequences in the process of giving these tradeoffs. He wants to make sure they don't end up with another situation like Point Wells where the developer wants one thing and the community wants another. Mr. Szafran noted that the TDR Program and development code amendments can be very specific about which incentives apply where so that specific zones have different sets of incentives. The Commission can tailor this to meet the desired

outcome. Vice Chair Rwamashongye commented that if they can do that, he is comfortable with moving forward and with staff looking for more incentives.

Commissioner Mosier referred to the boundaries on the map, especially along 145th. There are a number of parcels that appear to be zoned R-4 or R-6 on either side of Aurora. Are there plans to change that zoning as part of this boundary? Mr. Szafran replied that they are not looking at that right now. The incentives would be zone-specific. Commissioner Mosier asked if they should they consider upzoning along that to maximize the potential in that area. Mr. Szafran replied there is no reason to do it as part of this program, but maybe as a separate item. Commissioner Mosier said it would be interesting to see what the incentives are for different zones.

Commissioner Callahan asked for more information about the “silo model,” on page 21 in which a development must include both TDR and affordable housing in fixed proportions. Mr. Bratton explained that the silo model is an approach recommended by Forterra for communities to contemplate implementing. He explained how this is implemented in other cities and how it creates an element of certainty as well as flexibility and direction.

Chair Sager stated she was not a fan of incentives in general. However, in terms of thinking of potential incentives, she recommended ground floor commercial or restaurant ready. Regarding the land use map showing properties with other zoning, she asked if it would be feasible to do TDR credits for going to short plats or long plats for those. Mr. Szafran replied that they didn’t explore doing TDR placement within low density single-family areas because it’s not typical, but they can talk about it. Mr. Bratton added that the direction received from Council was to focus the analysis on areas where multifamily development was more the norm. He stated, however, that TDR could be used in that kind of scenario.

Mr. Szafran summarized that staff would bring back a table of zones with base regulations and possible incentives.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

REPORTS OF COMMITTEES AND COMMISSIONER ANNOUNCEMENTS

Vice Chair Rwamashongye reported that the conference was extremely informative. He reported on various sessions he attended that helped him to gain a better understanding of the challenges of planning. Thanks to Carla Hoekzema for getting the Commission to the conference. He asked about getting copies of some of the slides to share with commissioners. Planning Manager Bauer indicated staff would look into that. Commissioner Mosier said he also enjoyed the classes and reported on what he experienced.

Planning Manager Bauer gave some development updates. He reported that the Fircrest Master Development Permit is making its way through intake process now with the City. It will include the future growth of the campus which has a behavioral health facility as well as a nursing facility. Staff has also received an application for a new mixed-use building in North City on 15th Avenue. This will be the first mixed-use development there under the relatively newly adopted ground floor commercial rules. Mr. Bauer also reported that the MUR70' amendments and the outdoor seating regulations were passed by Council on September 12.

Vice Chair Rwamashongye asked about the facilities at Fircrest that served the disabled population. Mr. Szafran replied that the Master Plan contains the current functions of the campus; they are just adding new uses. Vice Chair Rwamashongye asked if they would be doing trails to connect to Hamlin Park. Mr. Bauer replied that was staff's suggestion, and it is shown on the plans.

AGENDA FOR THE NEXT MEETING

The November 3 meeting was cancelled. Staff reviewed the agenda for the next meeting which is scheduled for November 17.

ADJOURNMENT

The meeting was adjourned at 8:19 p.m.

Pam Sager
Chair, Planning Commission

Carla Hoekzema
Clerk, Planning Commission