

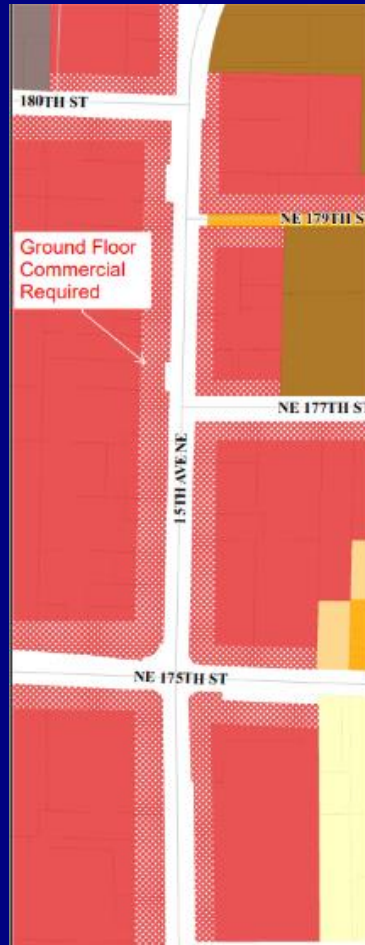
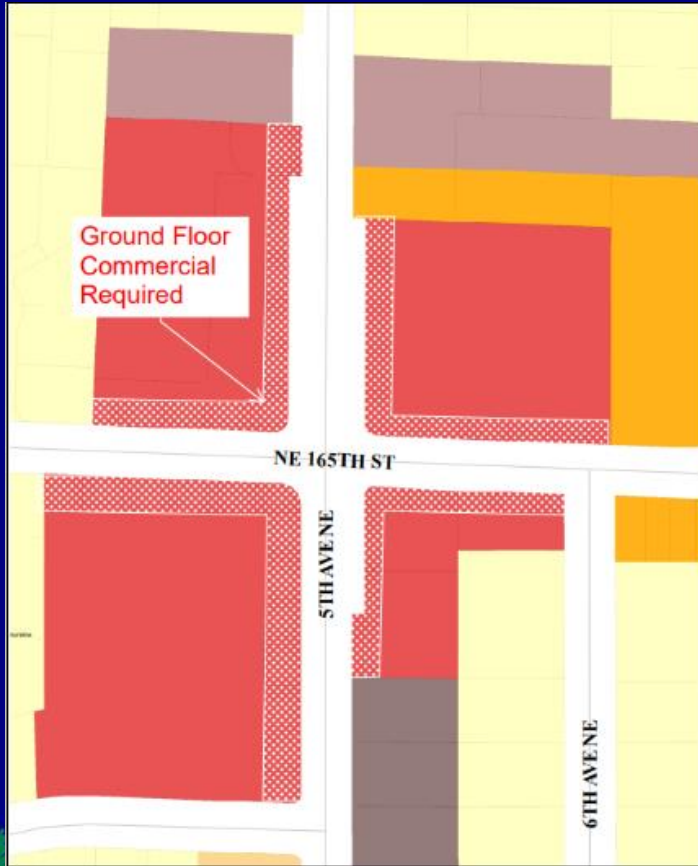
Ground-Floor Commercial Development Code Amendments

Planning Commission
September 21, 2023



Multifamily Buildings & Ground-Floor Commercial

- Multifamily allowed:
 - In all commercial zones (including NB, CB, MB, TC) and MUR zones
- 2020: Ground Floor Commercial “Pilot”
- Ord. 901: Ridgecrest & North City
 - Requires ground-floor commercial space in multifamily buildings
- 2020-2023 - Growing pipeline of multifamily projects
- 2023: Interim regulations
 - Ord. 968 - Citywide
 - Ground-floor commercial required in commercial zones and MUR-70’
 - Expire 12/13/23



Ridgecrest
and North
City areas
where GFC
required per
Ord. 901

Summary GFC Regs per Ord. 901

- All uses of CB zone, except adult use, marijuana, check-cashing, payday lending, pawn, & tobacco/vape shops.
- Ground floor commercial dimensional requirements:
 - Average depth: 30' (20' minimum)
 - Floor-to-ceiling height: 18' (15' clear)
 - Parking for 1 vehicle per 400 square feet commercial space
 - Minimum 75% façade at ground floor must be commercial
 - Fitness centers (open to public) allowed
- Height bonus of 8' for buildings subject to GFC requirement
- Restaurant Ready:
 - Height bonus: additional 10'
 - Hardscape bonus: additional 5%

Ground-floor commercial
in mixed-use buildings



Experience in North City & Ridgecrest

- One (1) building permit application subject to Ord. 901 ground floor commercial requirement
 - “Alta” North City
 - 228 Units
 - 4,300 SF Commercial
- Several MF bldgs. in other parts of city including ground floor commercial voluntarily



Lessons Learned

- Lessons learned from recent multifamily buildings with Ground Floor Commercial:
 - Height bonus for restaurant-ready space
 - Fitness center allowance
 - Off-street parking requirements

Height Bonus

- “Restaurant-ready” bonus = additional 18’
- Typical wood-over-concrete construction (“type V-A”) limited to 70’
 - Fee reduction/exemption considered a more effective incentive

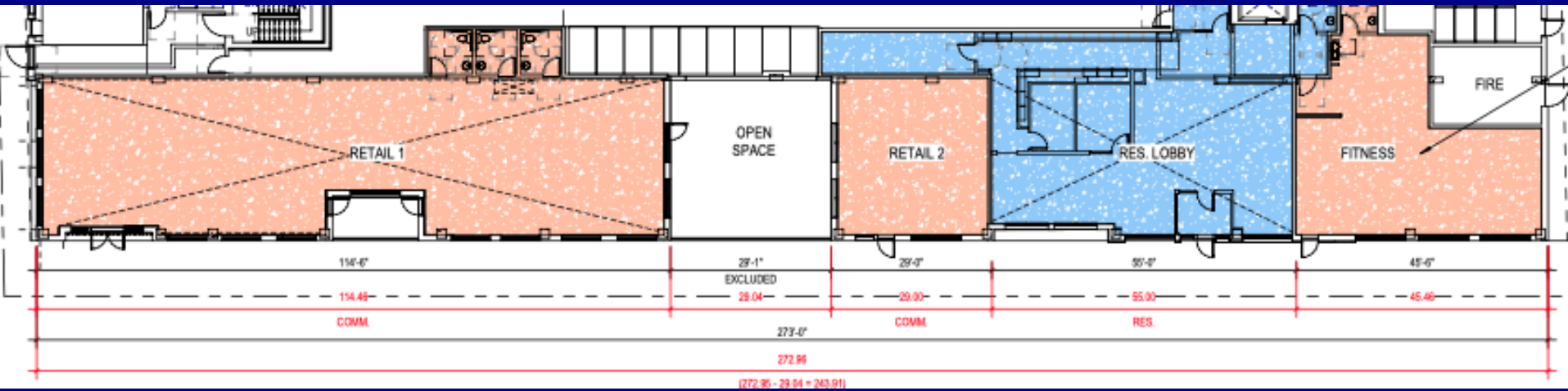
| Zone | Max height with bonus |
|-------------|-----------------------|
| NB | 68’ |
| CB | 78’ |
| MB | 88’ |
| TC 1, 2 & 3 | 88’ |
| MUR-70 | 88’ |

Fitness Center Allowance

- Ord. 901: fitness center allowed within ground floor commercial space
 - Must be “open to the general public”
- Implementation challenges:
 - Builder expectations (i.e. minimum interior height requirement)
 - Staff monitoring/enforcement

Fitness Center Allowance

North City MF bldg with fitness center



Parking Requirements

- Recent 185th St Station Area example



Parking Requirements

- Ord. 901: one (1) space per 400 SF commercial
- Recent 185th St Station Area example:
 - Initially included small coffee shop across from station
 - On-site parking considered unnecessary by the developer, but required by Code
- Design revised to a ground-floor residential unit instead

Phase 2 - GFC Citywide

- At 3/11/23 Strategic Planning Workshop City Council directed staff to prepare amendments requiring GFC in commercial zones citywide.
- On 6/5/23 City Council passed interim regulations by Ord. 968 (expiring 12/13/23) that require GFC in MF bldgs in NB, CB, MB, TC and MUR-70' zones.

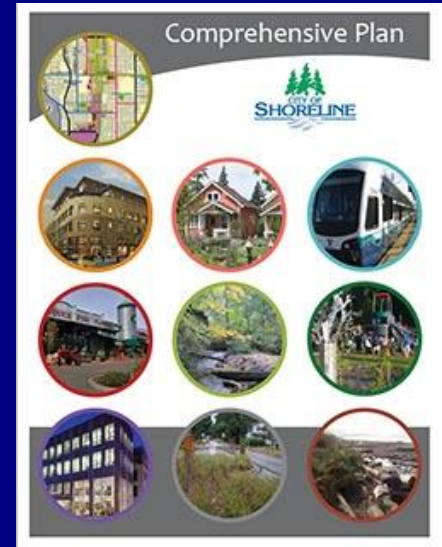
Summary Interim Regulations

- All uses of underlying zoning, except adult use, marijuana, check-cashing, payday lending, pawn, & tobacco/vape shops.
- Parking required at 1 space/400 SF
- Bldgs subject to GFC get 8' height bonus
- 10' height bonus and 5% hardscape increase for restaurant-ready space
- GFC average 30' depth, 20' minimum
- GFC minimum 12' floor-to-ceiling height

Comprehensive Plan Support

- Shoreline Comprehensive Plan provides extensive support for mixed-use buildings with ground-floor commercial.
- Land Use Goals and Policies
 - Goals I, III, VI, VII
 - Policies LU3, LU7, LU55
- Economic Development Goals and Policies
 - Goals VII & VIII
 - Policies ED7, ED9, ED12, ED14, ED20, ED27

(Details in Attachment B in Staff Report packet)



Discussion Items

"Commercial" vs. "Nonresidential"

- Some potential uses not technically "commercial"
 - Libraries, nonprofits, clubs, etc.
- Question: Should the required ground-floor space be referred to as "nonresidential"?

Discussion Items

Primary and Secondary Commercial Corridors

- There is concern about potential vacant GFC space
- Some streets may not be so conducive to commercial uses as others
- GFC regulations could differ between “primary” and “secondary” commercial corridors
- Principal and Minor Arterials versus all other streets, as designated in Transportation Master Plan
- Other specific streets/street segments could be identified for "primary"-level GFC requirements – requires a mapping exercise
- Should GFC regulations differ between Principal and Minor Arterials versus all other streets?

Discussion Items

Percentage Ground-Floor Façade as GFC

- Current requirement: 75%
- Some streets may be less conducive to so much commercial frontage
- Should secondary streets (not Principal and Minor Arterials) have lesser requirement, say 60%?

Discussion Items

Depth of GFC Space

- Current requirement: 30' average depth, 20' minimum
- 30' average depth seems reasonable
- Site-specific design constraints may yield lower minimum depth, while maintaining average 30'.
- Should minimum depth be allowed to be less, say 15'?

Discussion Items

Height of GFC Space

- Ord. 901 requires 18' floor-to-ceiling with 15' min. clear height
- Ord. 968 requires 12' floor-to-floor
- Other cities' regulations vary, but many range between 12' to 15' (We found no city requiring 18')
- Experience shows more generous ground-floor height allows for wider range of uses over life of bldg.
- 15' floor-to-floor would yield internal height 13' to 14'
- Should minimum height be measured floor-to-ceiling or floor-to-floor AND should minimum height be set at 15'?

Illustration of 15' Ground Floor Height



Discussion Items

Percentage of Ground-Floor Façade Transparency

- SMC requires 50% transparency to encourage open and inviting streetscape, engaging pedestrians and creating “eyes on the street”
- Previous TC-zone requirement was 60% transparency between 30” and 8’
- Should requirement be increased to 60% on primary commercial corridors (Principal and Minor Arterials and potentially other specific streets) measured between 30” and 8’ above sidewalk level?
- Should secondary commercial corridors have lesser requirement (at approx. same ratio of 60% requirement to 75% GFC width) - 45%?

Discussion Items

Live-Work Residential

- It is important to balance GFC requirement and market viability of specific locations to support commercial
- One way to balance is to allow Live-Work Residential as interim use in GFC space for an initial, transitional period, say 5 years
- Staff can review after initial period and report to PC and Council - either end Live-Work exception or extend

Discussion Items

Live-Work Residential

Live-Work Residential is defined as a single unit consisting of both commercial/nonresidential space, on the ground floor and usually abutting the street, and a residential component, either behind or above on a mezzanine or second level, occupied by the same resident.

Illustration of Live-Work

LIVE/WORK

Shop frontages to
live/work units -
create commercial
street



Live-Work Residential Pros-Cons

| PROS | CONS |
|--|---|
| <p>Secondary commercial streets may not in every instance be conducive to commercial uses in the near term. Allowing live-work residential could be an intermediate step. Residents would have business use of the storefront area (personal service, professional service, trades, etc.).</p> | <p>While a building may stand for upwards of 75 years, there could be several to many years during which initial live-work occupancies may continue - before transitioning to purely commercial once the neighborhood/street become more commercial-supportive.</p> |
| <p>Live-work units may help activate the street during more than typical business hours.</p> | <p>Live-work units may simply be occupied and utilized as a typical apartment and it would be difficult to monitor and enforce whether tenants are actually "working" in their live-work space.</p> |
| <p>Permitting developers to allow initial occupancy of ground-floor space by live-work residents can facilitate financing and lead to more buy-in by the development community of the ground-floor requirement.</p> | |

Discussion Items

Live-Work Residential

- Should Live-Work Residential be a permitted uses in ground-floor space along secondary streets (not Principal or Minor Arterials)?
- Should an interim, or transitional period, be explored further where Live-Work Residential is permitted for an initial five-year period, for example?

Discussion Items

Parking for GFC

- SMC requires 1 space/400 SF GFC
- Typical mixed-use bldg includes 3,000 to 4,000 SF GFC, requiring 8-10 spaces
- Parking requirements increase development costs and rent/lease costs to residents and commercial tenants,
- Can result in over-building parking, especially by the time it is built and/or during the life of the building, especially in areas where goal is transition to mixed-use neighborhoods focused around transit and other transportation choices.

Discussion Items

Parking for GFC - Factors to Consider

- Many bldgs - parking is shared among users (residents leave during day, parking opens up)
- As neighborhoods develop, more residents nearby to walk, cycle, transit
- On-street parking is often sufficient
- And in some cases developers provide more parking for specific users or perceived demand

Shared Parking

Daytime



Unshared: Business as Usual

Daytime



Shared: Right-sized Parking

On-Site Parking Pros-Cons

| PROS | CONS |
|---|---|
| Providing on-site parking is costly, and often results in more expensive rent for residents and commercial tenants | If a developer chose to provide no on-site parking, it could limit customers and employees to only those who live nearby or are able to travel without the use of a personal automobile |
| As more mixed-use development occurs, requiring on-site parking at today's rate may result in an over-built condition, with excess parking adding to the induced demand for automobile-based transportation choices | If a developer chose to provide no off-street parking, it could limit uses only to those for which on-street parking, walking, biking, and transit are adequate for their customer base and employees |
| Developers that provide open parking, where spaces are available to both residents and retail customers, maximize the efficiency of the parking resource with spaces left vacant during the day available for daytime visitors to the commercial spaces | Co-mingling parking spaces in some buildings can be challenging due to design constraints of structured parking and security of resident parking vs. general customer parking. Many times resident parking is locked behind a gate. |

Discussion Items

Parking for GFC

- Should ground-floor commercial space be exempt from minimum parking requirement?

Discussion Items

Height Bonus for GFC

- SMC provides 8' bonus for complying with GFC requirements
- “Additional 10-foot” bonus provided for restaurant-ready space
- Code not clear if restaurant-ready space gets 10' bonus or 18' bonus
- 8' bonus is tied to SMC requirement in North City and Ridgecrest of 18' GFC height.
- If 15' GFC height is instituted, additional 5' height bonus seems appropriate, rather than 8'.
- Grocery store-ready space may require higher ground-floor height and could get additional height bonus, based on case-specific analysis

Discussion Items

Height Bonus for GFC

- Should SMC 20.40.465.D be amended to reduce the height bonus for providing ground-floor nonresidential space from 8 feet to 5 feet?
- Should an additional height bonus be explored for grocery-ready ground-floor space, as determined on a case-specific basis?

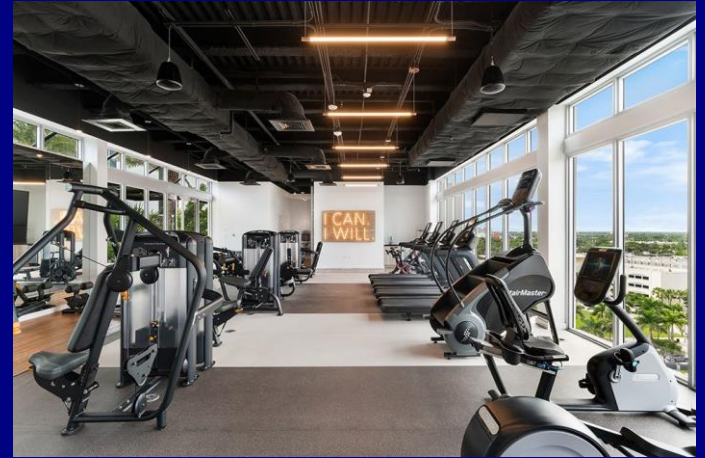


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Discussion Items

Fitness Center Allowance

- SMC 20.50.250.C.3 allows fitness center accessory to MF, if open to public, to count towards 75% ground-floor commercial
- Creates difficulties in long term with enforcement of public accessibility
- Reduces amount of space available for other nonresidential uses
- Should this allowance be eliminated?



Public Outreach & Engagement

- Public survey is currently available and running until October 5th.
- Visit: <https://engage.shorelinewa.gov/groundfloor>
- Developer Stakeholders meeting to be held soon.



Topics for Future Discussion

Over-development of residential in commercial zones

- Continued, steady demand for MF units outcompetes commercial demand
- Could result in insufficient land available for future commercial development
- Comp Plan 2024 update calls for 10,000 jobs by 2044
- More analysis needed to develop potential regulatory response(s) to this issue

Topics for Future Discussion

Mixed-Use/Commercial Design Standards

- Staff have identified other design standards that may need revision
- Including: building modulation and ground-floor public place requirements

Topics for Future Discussion

Vacancy Ordinance

- September 2020 Planning Commission recommendation to Council offered potential strategy to consider Vacancy Ordinance
- Could regard both existing buildings and new GFC space
- Staff have begun to research what other jurisdictions have done regarding vacant building registration and regulations
- Complexity of the topic is beyond scope of this current work program for ground-floor nonresidential

Topics for Future Discussion

Conversion of Existing Residential to Commercial

- One way to encourage commercial space, esp. for small business, is to convert existing residential to commercial
- While generally permissible in commercial zones, there are some barriers, including potential requirement for additional parking as well as Building-Fire Code requirements.
- Complexity of the topic is beyond scope of this current work program for ground-floor nonresidential

Next Steps

With direction received this evening, staff will prepare draft ground-floor commercial code amendments and bring them back for review by Planning Commission at the October 5th meeting, or as otherwise directed

Tentative Schedule

- 10/5: Planning Commission meeting: Present first draft of code amendments
- 10/19: Planning Commission meeting (if necessary) to respond to questions or requests for info prior to hearing
- 11/2: Planning Commission Public Hearing and recommendation
- 11/20: City Council discussion and review of Planning Commission recommendation
- 12/11: City Council meeting, potential action
- 12/13: Interim Regulations Expire (if not extended or permanent regulations not adopted on 12/11)

Recommendations

- Change ground-floor “commercial” to “nonresidential”
- Differentiate Primary/Secondary Commercial Streets:
 - Principal/Minor Arterials: 75% of frontage, 60% transparency
 - Secondary streets (not Principal or Minor Arterials): 60% of frontage, 45% transparency
 - Allow live-work residential on secondary commercial streets for interim
- 30’ average depth, 15’ minimum GFC
- Set minimum height at 15’, measured floor-to-floor, with 5’ height bonus (grocery store on case-specific basis)
- Exempt GFC uses from required parking
- Eliminate fitness center allowance in 75% GFC

Purpose of tonight’s meeting is to introduce issues to Commission and seek direction for staff to return with draft code amendments at future meeting