TECHNICAL COMMITTEE REPORT

To: Planning Commission

From: Technical Committee

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File Number: L090185, L100142 (SEPA)

Recommended Action: Deny the requested land-use designation and zoning change for

2.58 acres of land in Southeast Redmond from Manufacturing

Park (MP) to General Commercial (GC).

Approve the staff recommendation to allow additional MP uses in a defined area of approximately 8.5 acres including applicant's site. Additional uses proposed are in three use categories: 1) Heavy Consumer Goods Sales, Rental and Service; 2) Durable Consumer Goods, Retail, Sales and Service and, 3) Consumer

Goods, Other.

Reasons the Proposal Should be Denied:

- The requested change to GC zoning allows a wide range of uses including retail, services, recreation and residential, some of which would be out of character or conflict with existing and intended land uses immediately surrounding the site;
- The request conflicts with adopted policies supporting the retention and attraction of Manufacturing Park uses for MP zones locations:
- General Commercial uses on this site would conflict with adopted policies describing the appropriate design and location of such uses; and,
- The requested land use designation has the potential to generate an excessive amount of vehicular trips and parking.

Reasons the Staff Recommendation Should be Approved:

- Maintaining the existing Manufacturing Park (MP) land use designation and zoning would not remove land from that classification and thereby retains opportunities for future MP uses;
- The staff recommendation minimizes conflicts with land use policies for the Urban Centers, e.g. retail sales of heavy consumer goods and a number of durable goods do not detract from retail and other activities anticipated for Urban Center areas;
- In comparison to the applicant's request, the staff recommendation would reduce the opportunities for incompatibilities with existing land uses and future MP uses in the area; and
- The location of the staff recommended area is on a high volume principal arterial; as an MP area so located it experiences the highest volume of traffic within the City, where additional uses would be appropriate.

I. APPLICANT PROPOSAL

A. APPLICANT

Nelson Real Estate Management.

B. BACKGROUND AND REASON FOR PROPOSAL

1. The applicant owns 2.58 acres in Southeast Redmond, located on the northeast side of Redmond Way at 18014 Redmond Way. The property contains five one-story buildings totally 27,111 square feet. Existing businesses on site include a Firestone tire center and other car repair and service businesses. The land-use designation and zoning for the property is Manufacturing Park (MP) (see Exhibit A). The applicant desires to change the land use designation and zoning for the 2.58 acres to General Commercial (GC). (See Exhibit B, Comprehensive Plan application)

The applicant identified three principal reasons for pursuing this request:

- o To provide more choice in stores and services;
- To provide commercial services that are compatible with adjacent and nearby uses in an appropriate location; and
- To help provide a business climate that retains and attracts locally owned companies.

The applicant describes the site as suitable for the requested land-use designation change in the following ways:

- The property is located such that it can provide retail and commercial services for nearby residential and employment areas;
- o The current uses on the site would be allowed within the General Commercial designation; and
- The site would provide a transition to potentially greater impact producing Manufacturing Park land uses that surround the site.

The applicant does not envision any potential incompatibilities, significant environmental impacts, or lack of public facilities.

The pre-existing land use designation and zoning on the parcel was Light Industrial (LI), which was primarily a manufacturing and industrial designation but allowed the sale of farm implements. In the mid-1990s, the City changed the land use designation to Manufacturing Park. The purpose of the Manufacturing Park designation is to provide areas for the location of manufacturing, assembly, warehousing, as well as uses which involve high-technology research and development and corporate headquarters and regional offices when associated with other MP uses. In Southeast Redmond, which is the neighborhood in which this property is located, membership wholesale/retail warehouses are also permitted. In the Manufacturing Park designation and zoning in general, sales are limited to goods manufactured or distributed on site. Exhibit C provides the Comprehensive Land Use Plan Map and Exhibit D provides the allowed uses in the MP zone.

The applicant's stated rationale for pursuing this Comprehensive Plan amendment and Zoning Code amendment is to enable the lease of existing building/tenant spaces on the subject property to tenants interested in conducting GC uses, and thus provide more flexibility. The applicant contends that the General Commercial uses are more economically viable as several of the tenant spaces have become vacant and the property owner is no longer able to find replacement tenants whose intended uses are allowed in the Manufacturing Park (MP) zone. Further, the applicant states that the property cannot be economically redeveloped to serve other permitted MP uses because MP use/type tenants cannot typically afford to pay the amount of rent that would be required to finance demolition of the existing buildings on site and construction of new buildings for other MP uses on the property.

The applicant's proposed amendment would change the existing Comprehensive Plan land use designation and zoning from MP to GC. Policy LU-42 describes the purpose of the GC designation, which is to provide for retail and service businesses that serve community needs and are better suited for locations outside of the Downtown or Neighborhood Commercial zones. Examples of these businesses include retail uses that may have some adverse impacts if located close to primarily residential neighborhoods or other commercial uses, uses that are land extensive, uses that tend to attract vehicle trips from larger market areas, and activities that involve wholesale commercial uses.

The GC zone permits a variety of retail uses, personal and professional uses, medical clinics, multi-family residences (stand alone or in mixed use structures), and recreation, arts and entertainment uses. Exhibit E provides the allowed uses in the GC zone.

- 2. The staff recommendation would maintain the existing Comprehensive Plan land use designation and zoning and would allow limited additional uses in the MP zone in a specified area of 8.5 acres, which includes the applicant's site. The additional uses proposed are within three categories of the Zoning Code:
- 1) Heavy Consumer Goods Sales, Rental or Service.

"The retail sale, rental or lease of large consumer goods or a combination of the retail sale, rental or lease of such goods with repair and maintenance service and the sale of replacement parts and accessories. Heavy Consumer Goods Sales or Service includes sale of items such as furniture, hardware, lawn and garden supplies, building materials, electronics and appliances, and heating and plumbing equipment."

2) <u>Durable Consumer Goods Sales, Rental or Service</u>. These uses are identified in the Redmond Zoning Code as follows:

"The retail sale, rental or lease of durable consumer goods, or in the retail sale, rental or lease of such goods in combination with repair and maintenance services and the sale of replacement parts and accessories. This definition includes apparel, appliances, home furnishings, paint, hardware, toiletries, jewelry, sporting goods, books, magazines, music, videos, computer hardware and software, toys, and similar items."

3) Consumer Goods, Other.

"The retail sale, rental or lease of merchandise not covered by other definitions in this Code, or the retail sale of such merchandise in combination with repair and maintenance service and the sale of replacement parts and accessories. This definition includes florists, art dealers and art supply stores, and sales of similar goods."

The staff recommendation to allow additional uses would not require a change in land use designation and zoning, therefore no land would be removed from the Manufacturing Park land use designation. An area of 8.5 acres would in effect become an "overlay zone" and would permit the addition of land uses which are appropriate to this area and compatible with existing adjacent uses. (See Exhibits F and G).

II. RECOMMENDATION

The Technical Committee recommends denial of the applicant's requested land use and zoning change from Manufacturing Park (MP) to General Commercial (GC) due to:

- o Removal of land from the MP designation, which is in conflict with City Council's previous direction on this topic;
- o Conflicts with adopted policies supporting concentration of commercial uses in the Downtown;

- Potential for incompatibilities between the requested zoning and existing and intended future land uses immediately surrounding the site as well as within a much larger area; and
- Potential for excessive trip generation resulting from the requested zoning (General Commercial).

The Technical Committee recommends maintaining the existing land use designation and zoning on the applicant's property and permitting additional land uses in three categories of uses in the Redmond Zoning Code, within a defined area of 8.5 acres. The staff recommended area is a Manufacturing Park area which is uniquely located on a segment of Redmond Way, a principal arterial, which experiences some of the highest volumes of daily traffic within the City. Further, the additional uses proposed in the staff recommendation would reduce the conflicts with policies encouraging additional retail and professional services to locate in Downtown and Overlake.

III. ALTERNATIVES

- 1. Do Not Change Manufacturing Park Land Use Designation but allow additional land uses within a designated area. The Planning Commission could elect to support the staff recommendation, which is to maintain the existing MP land use designation and allow additional uses. Additional land uses proposed to be permitted are within three zoning/use categories: 1) Heavy Consumer Goods Sales, Rental or Service; 2) Durable Consumer Goods Sales, Rental or Service; and, 3) Consumer Goods, Other. This alternative would maintain the existing land use designation and zoning but would allow additional flexibility to existing businesses or those desiring to locate in the defined area.
- 2. <u>Change Land-Use Designation to General Commercial.</u> The Planning Commission could elect to recommend approval of the applicant's request to change the land use designation and zoning to General Commercial (GC).
- 3. <u>Maintain Existing Manufacturing Park Land-Use Designation</u>. The Planning Commission could choose to recommend maintaining the existing Manufacturing Park designation and Manufacturing Park (MP) zoning as it is today.
- 4. <u>Change Land Use Designation and Zoning to General Commercial (GC) with limited uses.</u> This alternative is similar to the applicant's request, but would limit the allowed uses in the GC zone.
- 5. <u>Do Not Change the Manufacturing Park Land Use Designation but further expand</u> the uses allowed within the area than those described in alternative #1 above.

IV. SUPPORTING ANALYSIS: FACTS AND CONCLUSIONS

A. EXISTING CONDITIONS

The 2.58 acre area that the applicant proposes for rezone is currently designated Manufacturing Park and zoned Manufacturing Park (MP). Existing uses on the property are described in section I.B of this report and permitted uses for the MP zone are provided in Exhibit D.

The 8.5 acre area staff recommends for additional land uses is also currently designated Manufacturing Park and zoned Manufacturing Park (MP). In addition to the existing uses described by the applicant, other businesses include two catering companies (one with an associated restaurant), a climbing facility, yoga studio and printing center, among other uses.

The site inclusive of the larger 8.5 acre area recommended by staff is adjacent to Redmond Way. The 8.5 acre area also fronts on 180th Avenue NE and NE 68th Street. Redmond Way in this location is a principal arterial which experiences a high volume of traffic; the segment adjacent to the subject area has a daily traffic count of over 39,000 AWDT (Average Weekday Trips). This area is one of three areas in the City which has Manufacturing Park (MP) zoning adjacent to a principal arterial; the other locations are 148th Avenue NE, westbound, (Willows Road to Redmond Way – 15,700 AWDT), and NE 90th Street between Willows Road and the Sammamish River – 27,600 AWDT). Of the three areas with MP zoning adjacent to a principal arterial, the subject area experiences significantly more daily traffic volume than the other two locations.

B. COMPLIANCE WITH CRITERIA FOR AMENDMENTS

1. Consistency with Growth Management Act (GMA), State of Washington Department of Commerce Economic Development Procedural Criteria, VISION 2040 or its successor, and the King County Countywide Planning Policies.

The staff recommendation is consistent with the GMA, Washington State Department of Commerce procedural criteria, VISION 2040, and King County Countywide Planning Policies. The recommendation addresses:

o Goal 5 of the GMA: Economic Development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

- o Policy MPP-Ec-3: Support established and emerging industry clusters that export goods and services, import capital, and have growth potential.
- o Policy ED-6 of the Countywide Planning Policies: *Local jurisdictions' plans* shall include policies that actively support the retention and expansion of the economic base of the multi-county region....
- O Washington State Department of Commerce procedural criteria: the City has complied with state law governing adoption of development regulations.

2. Consistency with Redmond's Comprehensive Plan, including the following sections as applicable:

a. Consistency with the goals contained in the Goals, Vision and Framework Policy Element.

FW-10 speaks to encouraging research and development, high technology and manufacturing uses in portions of Overlake, Downtown, Willows and Southeast Redmond. By maintaining the Manufacturing Park (MP) designation and zoning, these uses would continue to be allowed.

The applicant's request conflicts with Comprehensive Plan Policy FW-10 which describes Redmond's preferred land-use pattern. It directs the City to focus office, housing and retail development in the Downtown and Overlake Urban Centers. Although the site is near the Downtown Urban Center, it is not part of that urban center. The site is small (2.58 acres) and therefore could accommodate only a relatively small amount of commercial development; however, such development would contribute to diluting the concentration of retail activity envisioned for the Urban Centers.

The staff recommendation is consistent with the third goal listed in the Goals, Vision and Framework Policy Element: to emphasize choices in housing, transportation, stores and services. Further, the staff recommendation supports the goal of encouraging vibrant concentrations of retail, office, service, residential and recreational activity in Downtown and Overlake. The staff recommendation to maintain the Manufacturing Park land use and zoning designation but allow additional uses would make the properties available for a wider variety of potential business tenants.

The City of Redmond has completed several economic studies to assist in providing information for making decisions regarding the current industrial zoning policies. Conclusions of a study by Urban Advisors, Ltd., in 2003 suggest that traditional MP uses will continue to experience challenges with locating in Redmond. Specifically,

• Leasing industrial space in Redmond can cost more than other locations such as the Kent Valley;

- Traditional manufacturing employment is expected to decrease in actual numbers of people employed and as a percentage of total employment, both in the central Puget Sound region as well as within the City of Redmond; and
- Most recent and projected employment growth in the region and in Redmond is in other sectors, particularly services.

Recent actions by the City have allowed additional flexibility in the MP and BP zoned areas to address some of these challenges. The City Council has taken actions to permit additional land uses in MP and BP as well as to remove or alter some site requirements, while maintaining the integrity of these areas. However, Manufacturing Park and Business Park designated areas represent approximately 10% of the City's total land area; the removal of land from these areas to another land use category is very carefully considered by the City Council and has been approved only in limited circumstances. The overall flexibility recently allowed in the Manufacturing Park (MP) zone is consistent with the staff recommendation and will allow additional uses in Southeast Redmond and the City as a whole.

b. Consistency with the preferred land-use pattern as described in the Land Use Element.

The City's land-use pattern identifies the site as part of a Manufacturing Park zone. Land Use policy LU-48 describes that manufacturing zones are intended for research and development, advanced technology, warehouse, distribution, manufacturing, industrial, and similar uses; are to be located near an arterial or freeway; need to be served or capable of being served by transit; provide freight and goods movement; and, complement the Downtown and Overlake and do not attract uses that are more appropriate in or near a center. The applicant's property as well as the larger staff recommended area is adjacent to Redmond Way which experiences a high volume of daily traffic.

The applicant's proposal to allow General Commercial zoning would allow professional services, grocery and convenience stores, banking and other financial services and medical clinics, and residential uses. The additional uses recommended by staff for the MP zone in this area are Durable Consumer Goods, Heavy Consumer Goods and other Consumer Goods. This approach would minimize attraction of uses that are more appropriate in Downtown or Overlake.

Land Use policy LU-38 states that commercial areas of all types should be located, designed, and developed with a variety of considerations, including the following:

 Maintain high visual quality, especially for commercial areas located at gateways to the City; Avoid impacts on adjacent non-commercial uses that could pressure these adjacent uses to convert to commercial uses.

The issues identified above are relevant to this analysis, as the subject site is located on Redmond Way in a gateway area. A General Commercial designation on one parcel located within a much larger area designated for Manufacturing Park may result in land uses that are incompatible with existing uses and could result in pressure for other properties to change to GC.

The staff recommendation to retain the existing Manufacturing Park (MP) zoning and allow additional uses would minimize the opportunity for incompatibilities with existing and future Manufacturing Park land uses in this area along Redmond Way.

c. Consistency with Redmond's community character objectives as described in the Community Character/Historic Preservation Element or elsewhere in the Comprehensive Plan.

The request and the staff recommendation do not conflict with any goals or policies in the Community Character/Historic Preservation Element.

d. Redmond Zoning Code Section 21.76.070 (J) specifies that amendments to the Redmond Zoning Code (RZC) that are subject to a Type VI process, be reviewed subject to criteria. For a Type VI process, an amendment to the RZC must conform to the Redmond Comprehensive Plan. The following is an analysis of how this proposal conforms to relevant Comprehensive Plan policies.

FW-16: Maintain a strong and diverse economy and tax base that provide a variety of job opportunities, support the provision of excellent local services and public education, and keep pace with economic and demographic change.

FW-17: Maintain and enhance a broad variety of retail and service business choices that meet the needs of the greater Redmond community.

FW-10: Ensure that the land use pattern in Redmond meets the following objectives:

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Focuses and promotes office, housing and retail development in the Downtown and Overlake Urban Centers:

Retains and encourages research and development, high technology and manufacturing uses in portions of Overlake, Downtown, Willows and SE Redmond;

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As noted, both the applicant's request and the staff recommendation broaden the potential tenant base of the subject properties, helping to achieve the first two

policy objectives. The staff recommendation is also consistent with policy FW-10 by not reducing the size of the MP zone in SE Redmond.

LU-3: Allow new development only where adequate public facilities and services can be provided

Urban services provided by the City and by franchise utilities are available within the subject area. The property is located on and near Redmond Way, Redmond's principal east-west arterial. The staff recommendation would likely result in less transportation impact since it would limit the additional commercial uses permitted.

LU-5: Encourage infill development on suitable vacant parcels that may have been passed over and redevelopment of underutilized parcels. Ensure that the height, bulk, and design of infill and redevelopment projects are compatible with their surroundings

Both the applicant's request and the staff recommendation would encourage infill development on underutilized land. While the subject area is not adjacent to any residential development, General Commercial zone standards require landscaping between incompatible uses.

LU-10: Promote compatibility between land uses by minimizing adverse impacts on the lower intensity or more sensitive uses.

A change in land use designation and zoning from MP to GC could result in adverse impacts to lower intensity MP uses. Further, it may result in added pressure for nearby businesses to convert to more intense GC uses.

3. Potential general impacts to the natural environment, such as impacts to critical areas and other natural resources.

The site is fully developed and does not contain any critical areas. However, both the applicant's request as well as the staff recommendation allow additional uses, which may generate more trips than other manufacturing uses. The additional vehicular trips may result in impacts to off-site natural resources.

4. Potential general impacts to the capacity of public facilities and services. For land-use related amendments, whether public facilities and services can be provided cost-effectively and adequately at the proposed density/intensity.

The subject properties are located in an area that is currently served by all public utilities and by the City's transportation network. The site is currently designated as Manufacturing Park, which allows corporate headquarters and regional offices associated with manufacturing uses, research and development, warehouse and distribution, and other industrial uses. As such, the potential impacts of these allowed uses have been considered in the planning for adequate public facilities and services. The potential impacts from permitting additional uses could be additional parking and congestion on site, and the possibility of generating additional trips to and from the site and/or defined area. The staff recommendation would likely result in fewer traffic and

parking impacts, as the allowed uses are more limited than would be the case with the applicant's proposed change to General Commercial (GC).

5. Potential general economic impacts, such as impacts for business, residents, property owners, or City Government.

Economic impacts to business. The proposal is within a much larger area that is designated Manufacturing Park. The applicant's site as well as the larger staff designated area is adjacent to Redmond Way, a high traffic volume principal arterial. The area across Redmond Way is designated General Commercial. Under the applicant proposal, the allowed uses are more varied and include other services such as professional services, banking, grocery and convenience stores, clinics and multifamily residences. Under the staff recommendation, more retail business would be allowed than what is currently allowed in MP zoning, but would be limited to the uses identified in the Heavy Consumer Goods, Durable Consumer Goods and Consumer Good, Other categories. This would allow a variety of commercial uses to locate within the specified area, although with an emphasis on larger and durable goods. Therefore, general economic impacts of both the applicant request and the staff recommendation are favorable in allowing additional flexibility to business. The staff recommendation would limit allowed uses to the identified categories in order to minimize potential adverse impacts to existing and future businesses that require and are intended for the MP zone, including incompatibility of adjacent uses, and additional traffic and congestion.

Economic impacts to residents. There are no residences in the immediate vicinity of the site/defined area, however residents who live nearby may find greater convenience in being able to purchase the goods or services that would be permitted with both the applicant request and also the staff recommendation which includes uses within the three additional zoning categories of Heavy Consumer Goods, Durable Consumer Goods and Consumer Goods, Other.

<u>Economic impacts to property owners.</u> The economic impacts to property owners would be the additional flexibility in marketing the properties as a result of either the General Commercial designation or the three additional zoning categories of the staff recommendation.

The General Commercial designation offers more variety in land use options, for example, housing is allowed in GC, and not within MP. In addition, General Commercial allows additional professional and financial services. General Commercial also allows drive-through uses, grocery and convenience stores. Some of the additional General Commercial uses that would be allowed would be incompatible with existing Manufacturing Park uses.

Economic impacts to City government. Impacts to the City of Redmond with the applicant proposal and the staff proposal would likely be similar to the existing land use designation of Manufacturing Park.

6. For issues that have been considered within the last four annual updates, whether there has been a change in circumstances that makes the proposed amendment appropriate or whether the amendment is needed to remedy a mistake.

N/A – this has not been considered in the past four years.

V. AUTHORITY AND ENVIRONMENTAL, PUBLIC AND

AGENCY REVIEW

A. Process to Amend the Zoning Code

The Redmond Zoning Code (RZC) requires that amendments to the Comprehensive Plan and text amendments to the Zoning Code be reviewed under the Type VI process. Under this process, the Planning Commission conducts a study session(s), an open record hearing(s) on the proposed amendment, and makes a recommendation to the City Council. The City Council is the decision-making body for this process.

B. Subject Matter Jurisdiction

The Redmond Planning Commission and the Redmond City Council have subject matter jurisdiction to hear and decide whether to adopt the proposed map amendment to the Redmond Comprehensive Plan and Redmond Zoning Code.

C. Washington State Environmental Policy Act (SEPA)

A SEPA determination of non-significance was issued on June 22, 2011. The SEPA DNS will be re-issued on June 29, 2011, due to an incorrect site address listed on the DNS.

D. 60-Day State Agency Review

State agencies were sent 60-day notice of this proposed amendment on June 16, 2011.

E. Public Involvement

A Planning Commission public hearing is scheduled for July 13, 2011. A public notice will be published in the Seattle Times on June 22, 2011. In addition, notice was sent to property owners within 500 feet of the larger staff recommended area. A Major Land Use Action sign was posted on Redmond Way on June 22, 2011, which is 21 days prior to the scheduled public hearing.

F. Appeals

The Council shall consider and take action on all Planning Commission recommendations on Type VI reviews (RZC 21.76.060(L)). Final action is held by the City Council. The action of the City Council on a Type VI proposal may be appealed by filing a petition with the Growth Management Hearing Board pursuant to the board's requirements.

VI. LIST OF EXHIBITS

Exhibit A: Subject Site with area zoning Exhibit B: Comprehensive Plan Amendment Application Exhibit C: Comprehensive Land Use Plan Map Exhibit D: Permitted uses in the Manufacturing Park zone Exhibit E: Permitted uses in the General Commercial zone Exhibit F: Staff recommended amendments to the MP zone summary Exhibit G: Staff recommended area for additional MP uses **Exhibit H: SEPA Threshold Determination and Checklist** Robert G. Odle, Planning Director Date William J. Campbell, Public Works Director Date