

April 27, 2015

## **CITY COUNCIL STUDY SESSION ITEM**

### **SUBJECT**

Draft Land Use Code Amendment and Draft Development Agreement implementing Crossroads Policy S-CR-79, to enable a mixed use multifamily development in the Crossroads Subarea, subject to public benefits. The City Council initiated the Land Use Code amendment on February 17, 2015; work on the related Development Agreement is occurring concurrently.

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### **POLICY ISSUES**

The draft Land Use Code amendment would eliminate the prohibition against additional multifamily units in Crossroads, through a Council-approved development agreement. The draft Development Agreement is proposed to apply to a property in the Crossroads Subarea currently zoned Commercial Business (CB). This was the former site of Top Foods and has been vacant for approximately two years. Existing Comprehensive Plan policies have bearing on the proposal:

#### **Comprehensive Plan**

***Policy LU-27.** Encourage mixed residential/commercial development in all Neighborhood Business and Community Business land use districts where compatibility with nearby uses can be demonstrated.*

#### **Crossroads Subarea Plan**

***POLICY S-CR-79.** Multifamily uses are not appropriate north of NE 8th Street within District E, except that mixed use multifamily developments may be appropriate when they: 1) are high quality; 2) are designed to avoid conflicts with commercial uses; 3) include measures that ensure residential and commercial uses complement each other, including outdoor gathering areas, public open space, park connectivity where appropriate, and pedestrian connections and activity areas; and 4) are generally consistent with Figure S-CR. 2. (Note: Figure S-CR.2 is entitled Crossroads Center Plan Long-Range Organizing Principles.)*

**POLICY S-CR-81.** *Require development to include pedestrian connections, open space, and activity areas to support site residents and users.*

*Discussion: Locations appropriate for pedestrian connections and activity areas are shown on Figure S-CR. 2 and include:*

- a. Major activity nodes that allow for community gatherings and activities.*
- b. Activated retail streets that provide pedestrian amenities such as wider sidewalks, street trees, and increased pedestrian safety and comfort. Generally, buildings should front these streets and provide entrances, retail uses, canopies, windows, and wall treatments that provide visual interest.*
- c. A network of pedestrian connections.*
- d. An urban trail linking adjacent areas, the shopping center and the park while providing opportunity for healthful activity.*

*New development should incorporate these pedestrian features into their site designs, where appropriate.*

#### **DIRECTION NEEDED FROM COUNCIL**

<u>      </u>	Action
<u>  X  </u>	Discussion
<u>      </u>	Information

Tonight’s Study Session is intended to gather Council feedback on the terms of the draft Land Use Code amendment, as well as the draft Development Agreement that is being negotiated between Intracorp, owner of the subject site, and City staff. These items are scheduled for a public hearing by Council on May 18.

#### **BACKGROUND/ANALYSIS**

Intracorp LLC proposes a mixed-use development with multifamily housing at the former Top Foods site, which is now vacant. The property is zoned Commercial Business (CB), which generally allows the mix of uses and density envisioned by the developer. Existing Comprehensive Plan policies allow the development as well. However, a Land Use Code prohibition against additional multifamily units in certain parts of the Crossroads area presents a barrier for the development envisioned.

This Land Use Code prohibition is a hold-over from prior Crossroads Subarea Plan policies that for many years prohibited new multifamily development north of NE 8<sup>th</sup> Street in Crossroads. Historically this prohibition had been in response to concerns that Crossroads had a disproportionately high concentration of multifamily units, with the objectives to lessen perceived impacts on the surrounding single family neighborhoods and to help maintain the commercial focus of the Crossroads shopping center. Following a significant public engagement process, in April 2007 the Council adopted amendments to the Crossroads Subarea Plan that would allow for a limited number of new multifamily units, subject to the provisions of Policy CR-79 (see Policy Issues section, above).

On February 7, 2015, the Council initiated a Land Use Code amendment that would allow multifamily development in Crossroads, subject to a development agreement. This amendment draft is (Attachment 1) is being processed according to Process IV of the Land Use Code, which requires public notice of the amendment, analysis by staff for consistency of the proposal against decision criteria, including consistency with the Comprehensive Plan. Following the staff analysis, a public hearing with the City Council is held prior to any final action on the proposed amendment.

Similarly, additional public process surrounds the requested development agreement. The development agreement is subject to review under the State Environmental Policy Act (SEPA) with an opportunity for public comment. Following negotiation of terms of the development agreement, a public hearing is required prior to Council action on the development agreement. Staff has been working with Intracorp to develop this draft development agreement for Council consideration, and is seeking Council feedback tonight on the current draft (Attachment 2).

Should these land use actions ultimately be approved, the project would be required to pursue all necessary land use and technical permits for the project.

### **Public Benefits in the Draft Development Agreement**

Intracorp proposes a mixed use development on the former Top Foods site, consisting of 233 dwelling units of townhouses and stacked flats, along with small-scale, “boutique” commercial spaces. A site plan for the development, tentatively named Crossroads Village, is provided in the development agreement as (Attachment C). Major elements of public benefit involve creating a long-envisioned pedestrian connection between the Crossroads Park and the adjacent Crossroads center; developing an improved transition between the Park and the adjacent commercial development; creating an active, pedestrian-oriented retail street within the development; and improving NE 15<sup>th</sup> Street to provide a park-like character. These are further described in Attachment B of the draft development agreement and summarized as follows:

- 1) **Park Connection.** The draft calls for a wide pedestrian promenade along the southern boundary of the Crossroads Village project, leading to a stair and a prominent focal point within Crossroads Park. While privately owned, this pedestrian connection will be open to the public during all hours the Park is open. It will be at least 16 feet in width, and will provide benches, other site furnishings, pedestrian scale lighting, and landscaping to soften the urban environment and enhance visual interest.
- 2) **Urban Trail.** The draft agreement includes a pedestrian-oriented commercial corridor that serves as a “Main Street” through Crossroads Village and connects with the rest of the Center. This streetscape is activated by small retail tenancies, and includes wide sidewalks, landscaping, street trees, and outdoor seating.
- 3) **Park Interface.** Where the eastern boundary of Crossroads Village meets Crossroads Park, the draft includes a Park interface that transitions the grade (up to 20 feet elevation change) between the two properties, and landscaping with visual access to enhance Park safety. The Interface also includes space for an ADA accessible pathway to ensure the

Park Connection is available for mobility-impaired users, and also provide a focal point in the Park that serves as the visual terminus to the Park Connection. The Interface will be designed to ensure a clear delineation between public and private spaces, with its final design subject to approval by the Parks Director.

- 4) **NE 15<sup>th</sup> Street.** The draft calls for NE 15<sup>th</sup> Street, at the northern boundary of the site, to be improved with a park-like character. This includes a generous sidewalk, landscaping and street trees.

The draft agreement acknowledges that Crossroads Village includes 27 buildings with an anticipated construction timeframe of 2-3 years. Provisions in the draft address the timing and delivery of public benefits. This has been an item of extensive discussion between staff and the applicant, to balance the applicant's need to manage a complex construction process that will be staged over time, and the City's need to ensure that the public benefits are delivered in a timely manner. The development agreement includes provisions to ensure the public benefits are delivered in a timely manner, including the requirement that the developer provide a parks restoration bond and public access easement indemnifying the City. The City's issuance of temporary occupancy permits (TCOs) on various buildings in the project are conditioned upon completion of components of the public benefits. This scheme and the sequencing of the development of the public benefits are covered in detail in Attachment D to the draft agreement.

### **NEXT STEPS**

At tonight's Study Session, staff is seeking Council feedback on the draft development agreement, specifically any concerns or changes that should be incorporated, and/or any changes to the draft Land Use Code amendment. A public hearing before the Council on these two related items is scheduled for May 18.

Intracorp has indicated that, due to its project timeline and other considerations, it is seeking final Council action on both the requested LUCA and development agreement by June 2015; they are tentatively scheduled for final Council action on June 1.

### **ATTACHMENTS**

1. Draft Land Use Code Amendment
2. Draft Development Agreement