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#### MEMORANDUM

| То:      | Kurt Triplett, City Manager  |
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| From:    | Adam Weinstein, AICP, Planning & Building Director<br>Allison Zike, AICP, Deputy Planning & Building Director<br>Scott Guter, AICP, Senior Planner |
| Date:    | November 3, 2022   |
| Subject: | NE $85^{\text{TH}}$ ST STATION AREA PLAN – PHASE 2 BRIEFING - FILE NO. CAM20-00153   |

## STAFF RECOMMENDATION

Council receives an update on the remaining Station Area Plan planning process, focusing on an overview of Phase 2 deliverables including completion of the Station Area Form-based Code, and an update on the 120<sup>th</sup> Ave NE corridor study.

# **BACKGROUND & PHASE 1 ADOPTION REVIEW**

The City began the planning process on the Station Area Plan in 2019. With input from the community, and elected and appointed officials, several planning phases of the project have been completed. The City completed work in the first half of 2022 that focused on the legislative process to adopt the first phase Station Area Plan deliverables (Phase 1). This legislative work was originally scheduled to occur in 2021, with adoption projected by June 2021. That planned adoption was extended by over a year to allow for additional due diligence requested by Council, including supplemental transportation analysis, a Fiscal Impacts and Community Benefits Analysis, and more community feedback. Legislative work in 2022 has been divided into two phases to ensure adequate time for the community and appointed/elected officials to consider important community benefits and urban design components for each phase.

#### Phase 1 Adoption

Following a June 9, 2022 Planning Commission public hearing, City Council considered community input and the Planning Commission recommendation, deliberated, and adopted a plan for the NE 85th Street Station Area at a special meeting on June 28, 2022. The adoption of the plan, along with related Comprehensive Plan and Municipal Code amendments, paves the way for a thriving, transit-oriented, new walkable district with high tech and family wage jobs, plentiful affordable housing, sustainable buildings, park amenities, and commercial and retail services. At the June 28 meeting, Council also adopted the first phase of Station Area Zoning Code amendments which implement a Form-based Code (FBC) for the Commercial Mixed-use District: the district within the Station Area that is nearest to the future Sound Transit Stride

Bus Rapid Transit (BRT) station in the I-405 interchange and will allow for the most dense commercial and/or institutional development.

A list of the resolution and ordinances that adopted Phase 1 deliverables and legislative amendments, and catalyst project implementation, are shown below. The final versions of the adopted documents are available on the <u>Station Area Plan project webpage</u>, and the adopted ordinances are hyperlinked.

- <u>Resolution R-5547</u>: Station Area Plan
- <u>Ordinance O-4800</u>: Comprehensive Plan Amendments to adopt a new chapter for the Station Area Plan
- Ordinance O-4801: Zoning Map Amendments to rezone Phase 1 district parcels
- <u>Ordinance O-4802</u>: Kirkland Zoning Code (KZC) Amendments to adopt a new chapter (KZC 57) for the Station Area FBC
- Ordinance O-4803: Kirkland Municipal Code (KMC) Amendments to adopt new Station Area design guidelines
- Catalyst Development Implementation

Council adopted a development agreement with Google through <u>Ordinance O-4807</u> on July 19, 2022. The development agreement process, as established by RCW 36.70B.170, required a public hearing before the agreement was approved by ordinance. The agreement contains terms negotiated by the City and Google that gave Google the certainty it needed to make a purchase decision while ensuring that development of a catalyst project by Google would meet or exceed the outcomes intended by the requirements in the adopted FBC for the Station Area. Additionally, Council adopted a Planned Action Ordinance for the Google campus development through <u>Ordinance O-4809</u> on September 6, 2022.

The decisions made for the Station Area Plan, and the Comprehensive Plan and Municipal Code amendments, encompassed the policy direction necessary to guide both phases of Zoning Code and Map amendments in the Station Area. As these policy decisions (encompassing everything from maximum building height to the planned open space and transportation network) were already considered and discussed in context of the entire Station Area Plan, they are not a direct subject of discussions with the community, nor the Planning Commission and Council, in Phase 2; this phase will not include any amendments to the adopted Station Area Plan, Comprehensive Plan, or Municipal Code.

# PHASE 2 FBC DEVELOPMENT

Phase 2 of the Station Area adoption process will include specific parcel rezones and Zoning Code amendments to implement the FBC for the Neighborhood Mixed-use, Civic Mixed-use, and Urban Flex districts (see Figure 1). The project team has been developing the Phase 2 FBC with the direction of the Planning Commission over the course of three study sessions held on <u>October 13</u>, <u>October 27</u>, and <u>November 10, 2022</u>. Input was also received from the community at an Open House (in-person at City Hall) and Question & Answer session (hybrid format via Zoom and in-person at City Hall) held on <u>October 24, 2022</u>.



Figure 1: Station Area Districts

# Neighborhood Residential District Update

As the formation of the Phase 2 FBC has progressed, staff has continued to evaluate the overall efficacy of the Zoning Code amendments relative to the vision and goals for the Station Area. As a result, staff is recommending removing specific standards for the Neighborhood Residential district from the FBC at this time, meaning that properties in that district will retain their existing zoning - comprising primarily low-density residential zones. The Station Area Plan and associated Comprehensive Plan goals and policies do not include provisions to meaningfully increase the allowed development capacity in these areas, and instead, assume continued infill that can build to the City's existing missing middle housing allowances for ADUs, Cottages, and Two/Three Unit Homes. As such, the development of FBC standards for this district would not expressly increase capacity for these properties. While this adjustment results in a slightly more limited application of the FBC in the Station Area, staff has determined it will not hinder progress towards the broader vision and goals for the Station Area Plan.

Staff has begun to explore how a FBC could encourage utilization of the allowed missing middle housing types, but has concluded that the application of this strategy is best considered on a larger scale than the limited properties within the Station Area Neighborhood Residential district. Planning Commission and Council could consider directing staff to explore changes to low-density residential zones in future Planning Work Programs and/or the 2044 Comprehensive Plan Update project.

### Phase 2: Adopted FBC Standards Applicable to Phase 2 Districts (adopted in Phase 1)

Portions of the Station Area FBC that apply to all regulating districts were adopted with Phase 1 in order to fully implement zoning for the Commercial Mixed-use district. The following is an outline of FBC sections that were already adopted in Phase 1, and will also apply to the Phase 2 regulating districts. Note that Phase 2 legislative amendments are likely to include minor amendments to adopted district-wide standards for clarity and ease of use.

#### Street Types and Standards

Street types in the FBC are informed by the specific transportation network improvement concepts developed through the transportation analysis for the district.

## Frontage Types and Standards

The frontage types establish a foundation for how the FBC regulates how building types interact with the public realm (i.e., streets, pedestrian ways, plazas, and other public spaces).

## Transitions

The Form-based Code establishes required transitions that are intended to ensure that new development is consistent with the vision of the NE 85th Street Station Area Plan to provide appropriate transitions in development intensity, height, and bulk across zones of varying height. These transition standards are being evaluated with the Phase 2 work to ensure they apply appropriately to the Phase 2 regulating districts.

## Phase 2: New FBC Standards for Neighborhood Mixed Use, Civic Mixed Use, and Urban Flex Districts

An in-progress draft of the complete FBC includes the standards adopted with Phase 1, the addition of Phase 2 district standards, and minor amendments throughout the adopted standards to improve the function and clarity of the full chapter. The Phase 2 Zoning Code amendments add the following FBC sections to the adopted Station Area chapter (KZC 57) for each individual regulating district:

# Regulating Plan

The regulating plan shows the application of the zone to specific parcels, and the allowed base height and maximum bonus height (where applicable) that can be achieved by providing community benefits.

#### Permitted Uses

The FBC employs general use categories to regulate permitted uses in the district. These use categories are intended to be more flexible than in conventional zoning districts.

# Regulating District Standards

The regulating district (i.e., Station Area zones, see Figure 1) will set forth standards for the following:

- Lot coverage
- Required yards
- Base maximum allowed height
- Bonus maximum allowed height
- Maximum floor plate(s) per building
- Upper story street setbacks
- Tower separation
- Maximum façade widths and modulation minimums



Figure 2: FBC exhibit, prepared by Mithun

# Parking

The FBC will establish vehicle and bike parking standards for the uses that were not included in Phase 1 amendments.

# Planning Commission Direction and Staff Responses

The following is a brief summary of the FBC topic areas where Planning Commission has focused their feedback to staff in their October Phase 2 study sessions, along with staff responses that explain the reasoning behind recommendations or that indicate where specific standards are still being developed.

#### Active Street-Level Frontages

Planning Commissioners have emphasized the need to proactively regulate to promote the Station Area vision to create a walkable neighborhood that has neighborhood-oriented businesses and services that will benefit the community, and that goods and services should be supportive of the City's 10-minute neighborhood goals. Commissioners directed staff to consider a requirement for a minimum percentage of street-level building frontage to be retail/services.

Staff recognizes Planning Commission's desire to ensure active street-level uses, within the Neighborhood Mixed Use and Urban Flex Districts in particular. The desire for active uses at the street level must be balanced with key objectives of the FBC – including appropriate levels of regulation and a focus on design (and not land use). Instead of proposing additional use requirements in addition to the allowed frontage types, staff is recommending adjusting the allowed frontage types to those that will support a diverse mix of commercial uses that will contribute to a vibrant pedestrian experience. Although this approach would not dictate retail use on the ground floor, we believe that the high employee and residential densities of the Station Area Plan would be very likely to result in retail tenants occupying ground floor spaces. Most of the Neighborhood Mixed Use District is adjacent to Major Thoroughfare, Main Street, and Neighborhood Mixed Use Street Types. Staff recommends adjusting the allowed frontage types of the Neighborhood Mixed Use Street Type to only allow for Retail & Active Uses, and Plaza/Public Space frontage types.

#### Transition Strategies Between Parcels with Differing Height Allowances

Planning Commission has spent a considerable amount of time on this topic, with a general concern that the transition standard in the FBC is not adequate to account for the differences in height to create compatible, context-sensitive development. Specifically, Commission has focused on how the transition standards would apply across properties with significant differences in grades, and on large sites where elevation varies across the property line. The Commission is interested in adjusting the Transition Standard to yield more massing relief where height difference is large (e.g., 150' next to 30'), or locations with substantial slope, where the perceived height difference between properties can be much greater. The Commission has asked staff to bring back transition options with greater sky plane exposure or landscape buffer standards in areas with greater height differences between zones.

Staff and the consultant team from Mithun have explored various transition strategies through the process of developing the FBC. Staff believes that the combination of requiring landscape buffers and utilizing a sky exposure plan based on an elevation point along a common property line is the best balance of techniques to mitigate building massing and form, while enabling a consistent and straightforward application by staff in the future and providing predictability for applicants/community members. The project team is preparing additional visual aids for the November 10 Planning Commission study session to facilitate a further discussion of transitions with the Commission and is preparing a recommendation that establishes a more aggressive sky exposure plane in areas where there is a greater change in maximum allowed heights across properties. At the study session, staff will seek final direction from the Commission on required transitions.

## Incentive Zoning Program

Phase 1 adoption of KZC 57 created an incentive zoning program that was specific to the Commercial Mixed-use District – unique in the Station Area as the only district anticipated to prohibit residential uses. The incentive zoning program, which will also be applied in Phase 2, allows additional development capacity above an established base height (allowed by right), up to the maximum allowed heights identified for the regulating district, if development provides additional community benefits. The benefits required to utilize the incentivized development capacity are beyond the new established baseline development requirements in the FBC.

The incentive zoning section in the FBC includes a table of the available amenity categories an applicant may choose to provide to access incentive capacity, organized by key community benefit topics. The section also sets forth an "exchange rate" for each amenity that will regulate how much incentive capacity may be awarded to the applicant for each unit of community benefit amenity provided. An initial incentive program and exchange rates were adopted in Phase 1 for the Commercial Mixed Use district; the adopted program includes an exchange rate for commercial development to make an affordable housing payment to achieve height above the allowed base, but did not establish how much development capacity would be awarded for provision of affordable housing units (beyond the existing 10% inclusionary requirement). Staff is continuing to develop that performance-based exchange rate for the Phase 2 incentive program and anticipates providing an update to Planning Commission at the November 10 study session, and Council at their November 15 meeting.

# 120TH AVE NE ("MAIN STREET") CORRIDOR STUDY UPDATE

In development of the NE 85th St Station Area Plan, 120th Ave NE has been identified as a key corridor connecting Forbes Lake, Lake Washington High School, and future high-density development to the future Stride bus rapid transit station. The Station Area Plan and accompanying form-based code envision 120th Ave NE as a walkable "Main Street" with widened sidewalks, tree canopy, and adjacent development with active ground floors: a vibrant public realm at the heart of the district. At the May 12 Special Joint Meeting of City Council and Planning Commission, some Council and Planning Commission members raised questions about whether the design of this critical corridor would be sufficient, particularly considering the large numbers of pedestrians and cyclists expected to use it.

In a subsequent meeting, Council agreed to a staff recommendation to conduct a focused study of the 120th Ave NE corridor, including parcel-level analysis to develop alternative cross sections to ensure the design would fulfill the vision of a pedestrian focused "Main Street" within the station area. Staff hired a consultant, Fehr & Peers, to conduct this study. The results of this study were reviewed by the Transportation Commission at their <u>October 27</u> meeting.

Transportation Commissioners expressed appreciation for the detailed study of the corridor and spoke in favor of the alternative design for 120th Ave NE (see Figure below) as it provides a more consistent design concept for the corridor and a comfortable bicycle connection to safely travel throughout the Station Area.



## **STATION AREA NAME**

Council still has the option to replace the generic denotation of "Station Area" with a more distinguishing name for the plan and district. In Spring 2022, many community members participated in a survey to provide input on what an appropriate name for the district might be, and the below results were provided to Council. Councilmembers briefly discussed the survey results at the time but declined to choose a name. Another name that has been suggested by Council is the "Cedar District," in recognition of the importance of the iconic western red cedar (*Thuja plicata*) tree to the Coast Salish people, the tree's unique natural characteristics, and its role in the long history of the Puget Sound region. The City Manager's Office is continuing outreach to tribal representatives to explore a name informed by Native cultural heritage (including one associated with the cedar tree), and staff will report on any updates at the November 15 meeting. If Council desires to choose a distinguishing name for the district, it is suggested they give staff direction to bring forward an option for adoption along with the Phase 2 deliverables.



# **NEXT STEPS**

Staff is currently completing a final draft of the Phase 2 FBC, which will incorporate any Council direction received regarding the preferred alternative for 120<sup>th</sup> Ave NE. Planning Commission is scheduled to hold a public hearing on the Phase 2 FBC code amendments on December 8, 2022.

As a separate item at their November 15 meeting, Council will hold a public hearing on the Station Area Planned Action Ordinance (PAO). Staff anticipates bringing the PAO and Planning Commission's recommendation on the Phase 2 FBC for Council to consider adopting concurrently in January 2023.