



**DEPARTMENT OF COMMUNITY  
&  
ECONOMIC DEVELOPMENT  
M E M O R A N D U M**

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**DATE:** June 20, 2008  
**TO:** Ray Giometti, Planning Commission Chair  
Members of the Planning Commission  
**FROM:** Kris Sorensen, Assistant Planner  
**SUBJECT:** **CPA# 2008-M-02: Business Overlays**

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**ISSUES:**

- Should stand alone residential projects be allowed in Business Districts?
- What development standards need to be consolidated?
- What are the options for consolidating development standards for Business Districts?
- What standards from the Overlay should be reviewed and what standards not in the code should be considered as part of this process?

**RECOMMENDATION SUMMARY**

- Eliminate stand alone residential uses
- Streamline current regulations into a more effective and efficient format
- Keep existing standards from the Business District Overlay
  - Public Plazas
  - Parking stall clusters of six are to be broken up by landscaping
  - Pedestrian connection to each parking field
  - Hammerheads must accommodate future connections
  - Commercial space should be reserved on the ground floor
  - Parking for residential units should be placed within an enclosed structure
  - Design standards for internal pedestrian connections
- Add additional standards
  - Height bonus for structured parking
  - Floor Area Ratio
  - Blank walls and transparency for ground floor uses
  - Height requirements for street level space
  - Landscaping standards for planting strips and sidewalks

**SHOULD STAND ALONE RESIDENTIAL PROJECTS CONTINUE TO BE ALLOWED IN BUSINESS DISTRICTS?**

Stand alone residential projects like townhouses are currently only allowed in three of the four business districts and restricted to where they can be built. The Rainier District does not allow these projects. For the other three districts, townhouse units are allowed without ground floor retail within a building if located more than one hundred fifty feet (150') from an arterial. This creates a buffer along arterials where projects must have a commercial use.

The purpose of these Overlay regulations are to guide the redevelopment of strip commercial urban forms into more concentrated urban forms, provide for design guidelines for residential development within the district, enhance the pedestrian environment, make the commercial environment more attractive, improve the City's tax base, and result in a more successful business district.

Further the Comprehensive Plan does not have specific policy or objectives for stand alone residential in the Commercial Element. Objectives and policies speak to the increasing demand of commercial needs being met through redevelopment and intensification of existing business area designations rather than expansion of those areas. The policies also talk about including residential as part of mixed-use development. There are pros and cons to stand alone residential as referenced below.

*Table: Allowing Stand Alone Townhouse Type Residential in Business Districts*

| <b>Pros</b>  | <b>Cons</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>• Townhouses can be put anywhere and provide residential capacity</li> <li>• Creates a buffer between commercial uses and residential areas</li> <li>• Back areas of deep parcels are at times deemed not economically viable for commercial use</li> </ul> | <ul style="list-style-type: none"> <li>• Reinforces strip commercial development</li> <li>• There is a limited amount of commercial capacity in the city</li> <li>• Potential commercial tax base and employment areas go away</li> <li>• Current development of properties in the districts shows the need for commercial space</li> <li>• Projected population growth in the city will need to be supported by more commercial space</li> <li>• There are multiple zones in the city for stand alone residential, but not as many zones for commercial</li> </ul> |

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|  | <ul style="list-style-type: none"><li>• Accessibility to commercial areas has decreased with recent residential only projects in the districts</li></ul> |
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These style of projects do not contribute to creating a better road grid which is an important component of successful commercial areas where vehicle and pedestrian circulation is enhanced. In most cases, townhouses rely on private internal circulation. The more recent stand alone residential development along Northeast 4<sup>th</sup> are examples of projects that have not provided vehicular connections to commercial businesses.

Considering the current Commercial Arterial and other commercially zoned areas in the around the City, there is a limited space capacity for future commercial needs. By continuing to allow stand alone residential projects in Business Districts that limited capacity becomes even more limited. Also, the current strip commercial form of development is reinforced which is contrary to the Comprehensive Plan and purpose of Business Districts. Residential units can be provided through mixed-use projects.

Staff recommends that stand alone residential projects not be allowed in Business Districts. It is also recommended that the City add policy to take the stand alone residential uses out of allowed uses Business Districts.

#### **WHAT DEVELOPMENT STANDARDS NEED TO BE CONSOLIDATED?**

There are three main sections in the city code that provide development standards specifically for Business Districts. These areas are the underlying conventional zone, the Business District Overlay development standards, and the Urban Design Regulations District 'B' minimum standards and guidelines. Currently, the Design District standards only apply when there is a residential element of a project, being a stand alone townhouse or dwellings part of a mixed use development. Each section provides standards for implementing the type of development pattern envisioned by the Comprehensive Plan for these commercial districts.

A secondary section that adds an additional layer of standards is the Conditional Use Permit section where criteria for allowing stand alone residential uses is referenced. Each of these four sections provides various elements for Business District development:

- **Commercial Arterial Zone – RMC 4-2-120A:** This section provides the basic zoning standards, i.e. lot dimension, lot coverage, density, setbacks, building limitations, landscaping, height, parking, etc.
- **Business District Overlay – RMC 4-3-040:** This section provides additional development standards for all development within districts. This section also provides the maps with Business District boundaries for each area.
- **Urban Design Regulations District 'B' – RMC 4-3-100:** This section provides design regulations for projects in Business Districts with residential uses, i.e. site design and building location, parking and vehicular access, pedestrian environment, landscaping and common open spaces, building architectural design, etc.

- **Conditional Use Permit for Stand Alone Residential Uses – RMC 4-9-030K:**  
 This section provides the special decision criteria for allowing stand alone residential structures. Conditions include a specific distance from an arterial where commercial uses are not feasible, a pedestrian connection is provided to commercial uses, the residential use will augment the purpose of the commercial arterial zone, etc.

Also, as part of this consolidation effort, it is important that all applicable Business District standards from the underlying zone and Overlay be reviewed. This is important because there are unique standards for different districts and part of this streamlining effort is to create a similar set of standards outside of the underlying zoning standards so there are two basic sections of the municipal code that apply to Business Districts. The rationale is that each of these elements has been created specifically for Business Districts over the years and the City does not want to lose the regulatory content that has been created to this point.

Standards from the underlying Commercial Arterial zone and the Overlay are provided in the table below alongside a chart that shows whether the standard is use related or design related. Determining each elements relation will provide direction on where these elements, if they are kept, would be placed in the code.

| Current Section         | Element  | Use Related | Design Related |
|-------------------------|--|-------------|----------------|
| <b>CA Zone 4-2-120A</b> | <b>Minimum Lot Size:</b> 1,200 sq. ft. in the Sunset, NE Fourth, and Puget Business Districts. See maps in RMC <a href="#">4-3-040</a> .   | X           |                |
|                         | <b>Minimum Net Residential Density:</b> except in the NE Fourth, Puget, Rainier, and Sunset Business Districts (see maps in RMC <a href="#">4-3-040</a> ): 10 dwelling units per net acre.   | X           |                |
|                         | <b>Maximum Net Residential Density:</b> 60 dwelling units per acre within the NE Fourth, Puget, Rainier, and Sunset Business Districts for buildings with mixed commercial and residential use in the same building. The 60 dwelling units per acre only applies to the parcel and/or parcels that contain the mixed use building. | X           |                |
|                         | <b>Maximum Front Yard:</b> 15 ft. in the Rainier Avenue, Sunset, NE Fourth and Puget Business Districts.   | X           |                |
|                         | <b>Maximum Gross Floor Area of Any Single Commercial Use on a Site:</b><br>a. In NE Fourth Business District: 65,000 gross sq. ft.<br>b. In Puget & Sunset Business Districts: 35,000 sq. ft.<br>Restrictions do not apply to uses subject to net density limitations and grocery stores.  | X           |                |
|                         | <b>Maximum Gross Floor Area of Any Single Office Use on a Site:</b><br>a. In NE Fourth Business District: 65,000 gross sq. ft.<br>b. In Puget & Sunset Business Districts: 35,000 sq. ft.<br>The total gross square footage of these uses shall not exceed   | X           |                |

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|                        | 50% of the gross square footage of the site. <sup>2,9</sup><br>These restrictions do not apply to residential uses, which are subject to net density limitations.   |   |   |
|                        | <b>Maximum Building Height:</b> 50 ft., except 35 ft. for residential use only buildings in the Sunset and NE Fourth Business Districts.  | X |   |
| <b>Overlay 4-3-040</b> | <b>Maximum Front Yard Setback:</b> Maximum front setback of fifteen feet (15') from the property line. In the NE Fourth Business District, the fifteen-foot (15') setback may be modified to accommodate the Boulevard Improvement Plan. When the fifteen-foot (15') setback is modified, a fifteen-foot (15') landscaped buffer shall be required within the enlarged setback. Required parking shall not be located within a modified setback.  | X |   |
|                        | <b>Public Plazas:</b> There shall be provision of a public plaza of no less than one thousand (1,000) square feet with a minimum dimension of twenty feet (20') on one side abutting the sidewalk. The public plaza must be landscaped consistent with RMC <a href="#">4-4-070</a> , including at minimum street trees, decorative paving, pedestrian-scaled lighting, and seating. These public plazas are to be provided at all intersections in the business districts at the intersections identified:<br><br>i. In the NE 4th Business District, any intersection with NE 4th Street.<br><br>ii. In the Sunset Business District, any intersection with Sunset Boulevard.<br><br>iii. In the Puget Business District, at the intersection of Benson Road and Puget Drive.<br><br>iv. In the Rainier Avenue Business District, at the intersections of Rainier Avenue and South 3rd, as well as Rainier Avenue and Airport Way. |   | X |
|                        | <b>Future Commercial Development Pads:</b> For parcels that are not fully developed, designate appropriate areas for future pad development to occur in later phases.   |   | X |
|                        | <b>Parking:</b> The maximum number of parking spaces provided for uses within the corridor designation is limited to the minimum requirement in RMC <a href="#">4-4-080</a> F10, Number of Required Parking Spaces.   |   | X |
|                        | <b>Parking:</b> Garage structures shall not open directly onto a principal arterial or street.  |   | X |
|                        | <b>Parking:</b> No more than six (6) stalls may be consecutively clustered without an intervening landscaped area a minimum of five feet (5') in width and the length of the stall.   |   | X |
|                        | <b>Location of Pedestrian Connections:</b>  |   | X |

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|   | (a) A minimum of one pedestrian connection shall be provided to connect the entry or entries of each detached building to the street in addition to sidewalks required in RMC <a href="#">4-6-060F</a> .   |  |   |
|   | <b>Location of Pedestrian Connections:</b><br>(b) A minimum of one pedestrian connection shall be provided from each parking field located on the back and/or side of a building to the entry or entries.  |  | X |
|   | <b>Location of Pedestrian Connections:</b><br>(c) A minimum of one pedestrian connection shall be provided from each side of a property or development abutting or adjacent to commercial and/or residential uses.   |  | X |
|   | <b>Location of Pedestrian Connections:</b><br>(d) Space for the minimum required pedestrian connections above shall be reserved for future pad development and when the proposed development is abutting or adjacent to an unused parcel.  |  | X |
|   | <b>Design Standard for Internal Pedestrian Connections:</b><br>(a) Pedestrian connections shall be ADA accessible and a minimum of five feet (5') in width.  |  |   |
|   | <b>Design Standard for Internal Pedestrian Connections:</b><br>(b) At least one of the following materials shall be used to define the walkway: pavers, changes in texture, or changes in the composition of the paving.   |  | X |
|   | <b>Design Standard for Internal Pedestrian Connections:</b><br>(c) The entry and exit of the walkway shall be defined with a trellis, special railing, bollards, or other architectural features, as approved by the Reviewing Official.   |  | X |
|   | <b>Design Standard for Internal Pedestrian Connections:</b><br>(d) Planting strips required in RMC <a href="#">4-6-060F</a> shall be located between the road and the required sidewalk. Trees, shrubs, ground covers, and perennial planting are required components of landscaping. Landscaping is subject to the requirements of RMC <a href="#">4-4-070</a> .  |  | X |
|   | <b>Design Standard for Internal Pedestrian Connections:</b><br>(e) Bollards or other decorative features may be provided at the pedestrian access points between commercial and residential uses. Chains across vehicular or pedestrian access points are prohibited.  |  | X |
| Additional Standards for Stand Alone Residential Uses | <b>Street Grid:</b> The project shall use a modified street grid system where residential buildings are oriented to a street. A public street grid system within the project shall be provided. No cul-de sacs allowed. Hammerhead turnarounds may only be used if the ends are able to accommodate future connection as part of the modified street grid system. Emergency fire access shall be provided through public streets or private easements connecting to the adjacent |  | X |

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|   | commercial or residential area.   |   |   |
|   | <b>Site Design:</b> Each unit shall address the public street, private street, or court with a private residential entry on the front facade of the structure designed to provide individual ground floor connection to the outside.  |   | X |
|   | <b>Residential Building Size:</b> A maximum of four (4) consecutively attached units shall be allowed.  | X |   |
|   | <b>Minimum Land Area:</b> A minimum of one thousand two hundred (1,200) square feet of land area per dwelling unit is required. Each dwelling shall have a ground-related private useable outdoor space of at least two hundred (200) square feet with a minimum dimension of ten feet (10').   | X |   |
|   | <b>Walling and Fencing:</b> Any walling or fencing shall use materials used in the architectural treatment of the dwellings. In addition, where fencing occurs between residential and commercial uses, a minimum of one pedestrian access point shall be required consistent with the standards above.   |   | X |
|   | <b>Additional Residential Parking Standards:</b> Parking must be within an enclosed structure located to the rear of the primary structure or in a detached garage with rear access. If this absolutely cannot be accomplished due to physical constraints of the site, then garages shall be designed to have minimum impact on streetscape appearance and function through the use of shared drives, architectural detailing, or facade design. The required guest spaces for attached residential uses may be surface parking. |   | X |
| Additional Standards for Mixed Use (Within the Same Building) Commercial and Residential Uses | <b>Access:</b> Hammerhead turnarounds may only be used if the ends are able to accommodate future connection as part of a modified street grid system. Emergency fire access shall be provided through public streets or private easements connecting to the adjacent commercial or residential area.   |   | X |
|   | <b>Site Design:</b> Commercial space must be reserved on the ground floor of all mixed use buildings, at a minimum depth of thirty feet (30') along the street frontage on the ground floor in the NE 4th, Sunset, Rainier, and Puget Business District Overlay. Residential uses shall not be located in the ground floor commercial space, except for a residential entry feature linking the residential portion of the development to the street.   | X |   |
|   | <b>Additional Mixed Use Parking Standards:</b> Parking for the residential units must be within an enclosed structure   |   | X |

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|                                  | located under the residential portion of the building. The required guest spaces for residential uses may be surface parking.  |   |   |
| Rainier Avenue Business District | Access points are to be consolidated to properties.  |   | X |
|                                  | New billboards prohibited.   | X |   |
|                                  | Freestanding signs are restricted to monument signs.   | X |   |
|                                  | Sidewalk width at the intersections of Rainier Avenue and SW Sunset Boulevard/South Third Street, Rainier Avenue and South Third Place, and Rainier Avenue and South Fourth Place shall be ten feet (10'), minimum.                                  |   | X |
|                                  | Maximum setback of fifteen feet (15'). Building setback for a primary use may exceed the maximum; provided, that a designated area for a future pad development that will conform to the maximum setback is established through a recorded document. |   | X |

### OPTIONS FOR STREAMLINING DEVELOPMENT STANDARDS

The City is interested in getting rid of one of the regulatory layers that currently applies to development in Business Districts. Currently, commercial only projects use two of three development standards applicable to Business Districts for project review: the underlying Commercial Arterial zone regulations and the Business District Overlay regulations. For projects with a residential component, the Urban Design Regulations created for District 'B' apply in addition to the underlying zone and overlay standards as with commercial projects. There are a number of options for getting rid of one of these three layers, including:

#### Review of each option

1. *Creating a new zoning category:* At this time, City is not interested in forming additional zoning designations like a mixed-use zoning designation that could provide an underlying zone standard for parcels within Business District boundaries.
2. *Reviewing other Design Districts that could more effectively match the type of development anticipated in Business District:* It would be more effective to use an alternative Design District created specifically for higher density commercial core areas. District 'B' regulations were created for the residential South Renton area and its expected housing growth. The alternative Design District that best reflects the type of commercial and mixed used development that is occurring and expected to occur in Business Districts is design District 'D' which was created for the Center Village commercial area of the Highlands along Sunset Boulevard.
3. *Consolidating Overlay standards with Design standards:* As mentioned above, it would be more effective to use design standards as part of the review that relate

to the commercial and mixed-use types of projects expected in Business Districts. At the same time, if overlay standards were to be merged with a set of design standards, it would be important to review the standards for the overlay that do not fit in with a current set of Design Districts standards. These Overlay standards that would need to be reconciled are described in the following section.

### **Development Standards to Resolve and/or Review**

Although District 'D' regulations capture most of the development standards from the currently applicable overlay and design district, some standards are not covered and need to be added and/or reviewed. Additionally, there are new standards that should be considered as part of this process that can assist in the implementation of the City's Vision for Business Districts.

#### **Standards to Resolve**

The elements listed below are development standards now in Overlay regulations for Business District area redevelopment. It should be decided whether each of these standards should be kept or modified. All of these standards conform to Comprehensive Plan objectives and policies for Business Districts. The staff recommendation is to keep these standards.

- Public Plazas: At all intersections along the main arterial in Business Districts, a project must create a minimum 1,000 square foot landscaped plaza. These plazas are to enhance visual interest at key nodes in the Business Districts as well as provide common space for pedestrians. They are a distinctive characteristic of Business Districts that can help create cohesiveness and pedestrian friendly atmosphere as districts continue to development and redevelop. This requirement implements Policy LU-357.
- Parking stall clusters of six are to be broken up: *"No more than six stalls may be consecutively clustered without an intervening landscaped area a minimum of five feet in width and the length of the stall"* to reduce the visual impacts of surface parking areas. This requirement implements Policy LU-358. The underlying zone requires surface parking lots with more than fourteen stalls provide a specific square footage of landscaped area. This requirement specifies where some of the required landscaping is to occur.
- Pedestrian connection to each parking field: The standard calls for a minimum of one pedestrian connection to be provided from each parking field located on the back and/or side of a building to the entry or entries to help pedestrian circulation through parking areas.
- Hammerheads to accommodate future connections: This Overlay standard says that "hammerhead turnarounds may only be used if the ends are able to accommodate future connection as part of a modified street grid system." This standard helps implement Policy LU-349 which encourages

circulation among adjacent parcels and Policy CD-26 which discourages dead-end streets and cul-de-sacs.

- Commercial space reserved on ground floor: For mixed-use commercial and residential buildings there is a requirement that at a minimum, commercial space must be reserved at a minimum depth of thirty feet along street frontages. “Residential uses shall not be located in the ground floor commercial space, except for a residential entry feature linking the residential portion of the development to the street.” A policy that reflects this standard should be recommended for addition to the Comprehensive Plan.
- Parking for residential units: “Parking for residential units must be within an enclosed structure located under the residential portion of the building. The required guest spaces for residential uses may be surface parking.”
- Design standards for internal pedestrian connections: These additional design standards are similar to the requirement in the Design District standards. Part of this requirement is established in the underlying zone also where connections to adjacent retail uses are required. This standard implements Policy LU-349 and Policy CD-32.

#### **Additional Standards to Review**

The list below is comprised of development standards that are not currently part of Business District regulations that should be considered as part of this process as the City looks to more effectively implement its Vision for Business Districts. Staff recommends that these additional standards be adopted.

- Height bonus for structured parking: A height bonus for projects with structured parking needs to be analyzed due to high construction costs for such parking and required parking spaces for commercial and residential uses. Considering the allowed maximum density of 60 dwelling units per net acre, mixed-use projects would have difficulty meeting this allowed density with surface parking only. To meet parking requirements in a mixed-use project, stalls must be provided for customers of the commercial uses and for the residents and guests of dwelling units. Policy LU-356 would implement this standard.

Currently, a proposed development can ask for additional height through a conditional use. The discussion for additional height for Business District projects should focus on the criteria of when height should be allowed.

- Floor Area Ratio: The City should consider implementing a minimum Floor Area Ratio (FAR) for future development if it wants to realize more efficient use of properties. This ratio signifies the square footage of a structure compared to the square footage of the related lot. Currently,

much of the Business District buildings yield low an FAR around 0.30:1 or lower. This low yield reflects what is generally found in Business Districts now, being parcels dominated by parking space with single story structures that use little lot coverage. By requiring a minimum FAR, new development can be guided to provide more space and potentially development in a multi-story manner as compared with the current development pattern.

Newcastle has implemented a minimum FAR of 0.75:1 in a core business area to assist in creating a more dense, commercial and mixed-use environment. Because more commercial space and/or residential space could be required of new projects with a minimum FAR, in the short term there may be less development due to market need, but in the longer term the types of projects that would develop would help create the type of Business District development pattern sought by the City. If the current development pattern continues, parcels being developed and redeveloped can continue creating low density projects.

- Blank walls: The design regulations that would apply if District 'D' standards were to be used, prohibit untreated blank walls for the ground floor wall, where any portion of the wall greater than 15 feet in length or any portion of the ground floor wall has a surface area of 400 square feet would be considered blank if there is no window, door, building modulation or other architectural detailing. A discussion of whether these standards or a similar set of standards should be established for business districts as part of this review.
- Height requirement for street level space: Other jurisdictions are establishing standards for street level commercial space from floor to the next floor. As commercial uses change over time, it is important that the various uses commercial uses allowed in Business Districts have the opportunity to use established commercial space. This also is part of the height bonus discussion.
- Landscaping: Staff met with the Parks Department about street trees and landscaping standards for new development. These points will be part of the discussion.