



## Planning Commission Report

**To:** City Council

**From:** Planning Commission

**Staff Contacts:** Rob Odle, Planning Director, 425-556-2417  
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**Date:** November 18, 2015

**File Numbers:** LAND-2015-01711, SEPA-2015-01723

**Title:** Amendment to Comprehensive Plan Economic Vitality Element  
Regarding Economic Competitiveness and Fees

**Planning  
Commission  
Recommendation:** Approval

**Recommended  
Action:** Adopt amendments to the Redmond Comprehensive Plan as shown in  
Attachment A.

**Summary:** The applicant proposes to amend the Economic Vitality Element to add a policy to ensure that the impact to Redmond's competitiveness to attract new investment and job creation is considered when developing and discussing new or revised impact fees or other fees.

**Reasons the Proposal should be Adopted:**

The recommended amendments to the Redmond Comprehensive Plan should be adopted because:

- The proposal will reinforce existing policies, which support economic vitality as a key component of Redmond’s vision, by providing policy direction to take into account the potential impact to Redmond’s competitiveness when considering fees and when developing capital facilities plans as part of functional plans; and
- The proposal will provide policy direction to consider factors not presently identified by existing Comprehensive Plan policies that address the factors to consider when setting and updating impact fees.

**Recommended Findings of Fact**

**1. Public Hearing and Notice**

**a. Public Hearing Date**

The Planning Commission held a public hearing on October 21, 2015.

**b. Notice**

The public hearing was published in the Seattle Times. Public notices were posted in City Hall and at the Redmond Library. Notice was also provided by including the hearing in Planning Commission agendas and extended agendas that are distributed to various members of the public and various agencies, and posted on the City’s web site.

**2. Public Comments**

One person testified at the public hearing. Comments are summarized below. The meeting minutes for the October 21, 2015, Planning Commission meeting including public testimony are shown in Attachment B.

Cost of Development

The overall cost of development and permitting in Redmond is of concern. A 2013 presentation by Burke Consulting Group to the Association of Washington Cities highlighted the difference in costs within the region, with Redmond being at or near the top for several types of development.

Consideration of Competitiveness

While Redmond should not necessarily reduce costs, attention to the costs should occur in the future to ensure Redmond remains a desirable area for business.

## Recommended Conclusions

### 1. *Key Issues Discussed by the Planning Commission*

The Planning Commission considered implementation of the proposed amendment, current fee levels in comparison to other area cities, the statutory basis for impact fees, and the process for setting impact fees. Key issues discussed by the Planning Commission are summarized below.

#### Implementation

Planning Commissioners discussed the implementation of the proposed amendment. One Commissioner noted that the Business Fee and Tax Advisory Committee could provide useful information to the City Council, but the City Council would ultimately retain responsibility for balancing various considerations, including the consideration called for by the proposed amendment. The Commission was satisfied that this issue has been adequately addressed.

#### Current Fee Levels

Commissioners discussed the current impact fee rates, specifically focusing on transportation impact fees. One Commissioner noted that Redmond has neither the highest nor the lowest transportation impact fees. One Commissioner noted that the current fees are set by a specific quantitative process and are fair. The Commission was satisfied that this issue has been adequately addressed.

#### Statutory Basis for Impact Fees

Commissioners discussed the statutory basis for impact fees including the relationship of impact fees to the Growth Management Act. Staff clarified for the Commission that the Growth Management Act specifically requires concurrency, and that a separate part of state law authorizes impact fees subject to certain conditions. The Commission was satisfied that this issue has been adequately addressed.

#### Process for Setting Impact Fees

Commissioners discussed the process for setting impact fees. One Commissioner noted the method for setting specific impact fees is very technical in nature and does not have a subjective component. One Commissioner stated the functional planning process involves a more direct relationship with Comprehensive Plan policies and more discretion on the part of the staff and City Council to determine capital facility needs. The Commission was satisfied that this issue has been adequately addressed.

### 2. *Recommended Conclusions of the Technical Committee*

The recommended conclusions in the Technical Committee Report (Attachment D) should be adopted as conclusions.

### **3. *Planning Commission Recommendation***

The Planning Commission voted 3-1, with one abstention, at its November 4, 2015, meeting to recommend approval of the Amendment to Comprehensive Plan Economic Vitality Element Regarding Economic Competitiveness and Fees as shown in Attachment A.

### **4. *Planning Commission Minority Report***

Commissioner Miller's minority report is shown in Attachment C.

**List of Attachments**

**Attachment A: Recommended Amendment to the Comprehensive Plan Economic Vitality Element**

**Attachment B: Planning Commission Meeting Minutes for October 21, 2015**

**Attachment C: Minority Report of Commissioner Miller**

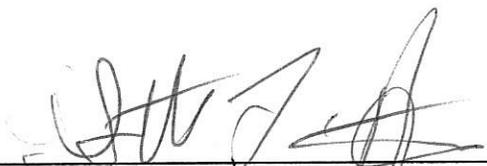
**Attachment D: Technical Committee Report with Exhibits**

Exhibit A: Recommended Amendment to Economic Vitality Element

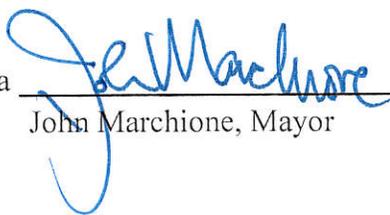
Exhibit B: Key Related Comprehensive Plan Policies

  
\_\_\_\_\_  
Robert G. Odle, Planning Director

11/13/15  
Date

  
\_\_\_\_\_  
Robert O'Hara, Planning Commission Chairperson  
Scott Biethan, Vice Chair

11-18-15  
Date

Approved for Council Agenda   
\_\_\_\_\_  
John Marchione, Mayor

11/19/15  
Date

## ATTACHMENT A

*Add a new Comprehensive Plan policy EV-23 in the Economic Vitality Element. Also, add an explanatory statement prior to EV-22 to link EV-22 and EV-23 together. Revise existing policy EV-22 to lead with an active verb.*

Economic growth is important to the livability and vibrancy of Redmond. Redmond must be mindful of the effects of policies, programs, regulations, and fees on the business community and Redmond's comparative advantages in attracting new expansions and development.

At the same time, the City must ensure that its economic needs are balanced with its social and environmental needs to maintain community character and livability.

Maintaining Redmond's livability today and in the future depends in part on having adequate infrastructure in place at the time it is needed to serve growth. The City's policies for capital facilities, including CF-14, generally state that growth shall pay for growth.

There are various business-related fees that help to support growth in Redmond. In particular, impact fees provide a portion of the funding for growth-related infrastructure. When developing functional plans and setting impact fee or other business related fee rates, included among the factors for consideration should be economic vitality, competitiveness of the business community inclusive of taxes and fees, and provision of adequate housing as these and other factors that affect the livability, character and economy of Redmond. This consideration should be given through review of updates to functional plans and fee rates by the Business Fee and Tax Advisory Committee or successor group.

EV-22 ~~As part of the City's decision making, consider~~ Consider the economic impacts of new policies, regulations or programs as part of the City's decision making process.

EV-23 Consider the effect and competitiveness of impact and other fees on development and the health and growth of the business community when new fees, fee adjustments, or other decisions, such as the adoption of new or updated functional plans, are proposed..

**REDMOND PLANNING COMMISSION  
MINUTES**

October 21, 2015

**COMMISSIONERS PRESENT:** Vice Chairman Biethan, Commissioners Captain, Miller, Murray

**COMMISSIONERS EXECUSED:** Chairman O'Hara, Commissioner Haverkamp

**STAFF PRESENT:** Jason Rogers, Long Range Planning; Kim Dietz, Long Range Planning; Judy Fani, Long Range Planning; Don Cairns, Transportation Planning and Engineering; Patrick McGrath, Transportation Planning and Engineering; Lori Peckol, Long Range Planning

**RECORDING SECRETARY:** Lady of Letters, Inc.

**CALL TO ORDER:**

The meeting was called to order at 7:00 p.m. by Vice Chairman Biethan.

**APPROVAL OF THE AGENDA:**

Ms. Fani stated that there is a change to the agenda. Commission leadership suggested that the Transportation Master Plan Appendix F presentation be removed from the Old Town Historic Core-Leary Way discussion. This will instead be discussed in a separate item and both topics will remain on the agenda. The order of the discussion is the only change.

MOTION by Commissioner Captain to approve the agenda for the October 21, 2015 meeting as amended. MOTION seconded by Commissioner Miller. MOTION approved unanimously (4-0).

Vice Chairman Biethan reminded listeners of the meeting broadcast that the public is invited to come and comment on agenda topics.

**APPROVAL OF MEETING -SUMMARY:**

MOTION by Commissioner Miller to approve the summary of the October 14, 2015 meeting. MOTION seconded by Commissioner Murray. MOTION approved (4-0).

**Public Hearing and Study Session, Amendment to Comprehensive Plan Economic Vitality Element Regarding Economic Competitiveness and Fees, presented by Jason Rogers, Long Range Planning.**

Mr. Rogers briefly recapped the background and staff recommendation for this proposed amendment. A comparison of transportation impact fees for Redmond, Kirkland, Bellevue,

Issaquah and Sammamish was shown at the last meeting; it shows that Redmond is neither the highest nor lowest in the area with these particular fees which are single family, multi-family, office or retail. A further study session if desired would occur on November 4, 2015, with report approval on November 4 or November 18. The recommendation would then go to the City Council in November or December 2015.

Vice Chairman Biethan opened the Public Hearing. Bart Phillips, CEO of OneRedmond, addressed the Commission and provided a document for Commissioners' review. OneRedmond is the proponent of the amendment to the Comprehensive Plan. OneRedmond is a public-private partnership and a coalition of approximately 65 businesses along with Education and City of Redmond. The main mission is to promote the economic vitality of the community, and a goal is to expand and attract other businesses into the community.

Through the Government Affairs Committee one of the first issues addressed was around competitiveness and the inefficiencies within the existing permitting process. Mr. Phillips said that with collaboration with the City of Redmond, the City now has one of the most efficient permitting systems on the Eastside. Another area of interest is the overall cost of development and cost of permitting. A presentation by Burke Consulting Group in 2013 to the Washington Association of Cities showed that for the types of developments that support job creation, expansion and recruitment, the City of Redmond has some of the highest costs within the region, particularly for small and medium sized offices as they are the facilities that accommodate primary jobs. Big box retail and strip retail do not have the highest rents. While those facilities are important to the community, they are not the main focus of OneRedmond's proposed amendment at this time.

The drive for the amendment is not necessarily to reduce the costs down today, but to draw the attention of the City of Redmond in the future that these costs should be examined in relation to the impacts to competitive development. Commissioner Miller asked Mr. Phillips if he believes the City of Redmond is considered a prime area for business in general and if that comes at a premium. Mr. Phillips replied that it is a prime area, but that does not necessarily have to come at a premium. The cost structure here does present a barrier in particular to small and medium sized businesses. There is also a shortage of office space. Development of office space should be made attractive, in Mr. Phillips' opinion.

Commissioner Miller referred to statistics presented at the last meeting as part of a briefing regarding Community Indicators that indicated that the City of Redmond is unique in that there is a large difference in the number of employees that occupy the City during the day as opposed to the night time population, and asked if Mr. Phillips believes this is an indication of a very vital business environment. Mr. Phillips replied yes. Vice Chairman Biethan asked Mr. Rogers if providing a high level overview of how an impact fee is calculated in the City of Redmond would be difficult. Mr. Rogers replied that this would not be difficult and a high level overview of the impact fee process can be provided. The Committee agreed to hold this item over to the next meeting when Mr. Rogers will present the impact fee process overview. A break was taken while waiting for all presenters of the next Study Session overview to arrive.

**Study Session, Old Town Historic Core - Leary Way**, presented by Lori Peckol, Manager, Long Range Planning; Patrick McGrath, Transportation Planning and Engineering, Kimberly Dietz, Senior Planner, Long Range Planning, and Don Cairns, Manager for Transportation Planning and Engineering.

Ms. Peckol explained that the purpose of the study session was to follow up on a number of questions that the Planning Commission had asked around the sidewalk standard for Leary Way. Planning Commission input is sought specifically on alternatives to consider in a continued Public Hearing. Two alternatives have been examined so far; reduction in the sidewalk standard to 12 feet, the existing sidewalk standard which is 14 feet, and there is an additional concept for consideration to be presented later in this discussion. Ms. Peckol stated that staff are seeking input from the Commission as to whether any other alternatives should be considered.

The proposed topic was to start with context following feedback received from the Planning Commission. Then, key issues related to the on-street parking and parcel conditions would be summarized followed by Commission observations and discussion. An update will be given around recent activity and future work and a summary of staff's proposed alternatives for consideration and Commission's discussion and feedback. The last item to discuss would be next steps.

Ms. Peckol started with a slide of a vision of future Downtown Redmond that showed a thriving, urban neighborhood that is a great place to live, work, shop and recreate. It is a highly desirable location with parks and visual and performing arts opportunities nearby. People can comfortably walk or bicycle between work, home and other destinations, and is a location with convenient and easy access to transit and light rail. Old Town is one of several zones or districts within Downtown, and the next slide showed a vision for Old Town specifically that is included in the Comprehensive Plan. This area would be a focus for pedestrian oriented retail activity, vibrant and diverse, as well as opportunities to live. The character has been maintained over time because new development blends with the existing landmark and other historic structures.

The Zoning Code further describes that vision and provides the context for the code that is there. Old Town has an urban village pattern, meaning the narrower ground floor storefronts, small blocks, local streets with curbside parking to support the businesses, and a lower onsite parking standard supported in part by central parking nearby.

With this vision in mind, the staff thought about desired outcomes in so far as staff recommendations. Along Leary Way, there is an existing sidewalk width of eight to 10 feet, a number of landmark and historic buildings unlikely to redevelop, and some properties that are likely to redevelop. There are also businesses with high customer turnover. The overall goal of staff's recommendation for Leary Way was to balance the key elements of the vision dealing with character, pedestrian environment and support for businesses and development. Ms. Peckol said that maintaining the 12 foot sidewalk width would achieve that balance by helping to retain the unique character, the feeling of a local street with landmark structures, support a comfortable walking environment, and also support the businesses by maintaining on- street parking for customers. It would also reduce the amount of land property owners would need to dedicate at

the time of redevelopment. Again, staff's goal was not to achieve any of those outcomes to the utmost extent, but rather to balance.

Vice Chairman Biethan asked Ms. Peckol to restate the three aspects of the vision to be sure they are clear. Ms. Peckol stated that they are retaining the character in the Old Town Historic Core, having a comfortable walk environment, and facilitating and supporting business and development.

Patrick McGrath took over the presentation and addressed the subject of on-street parking. The transportation consulting firm, Fehr and Peers, was asked to perform a study around the pros and cons of on-street parking and if empirical research was not available, there was a focus on what the best practices were nationally. Benefits of on-street parking include the effect of physically buffering pedestrians from traffic, convenient access to businesses, street level vitality via depositing people onto the street who then walk to businesses, and a traffic calming effect both visually and with traffic entry and exit. Downsides of on-street parking include reducing through-put of streets, creating door hazards for cyclists depending on the design of the street, establishing crosswalks that could create the possibility for collisions, and adding impervious surface.

Weighing these points without talking about specific projects, Mr. McGrath said the positives align strongly with the vision for Old Town and Downtown, both in terms of benefits to the pedestrians and to supporting the retail environment. The negatives are also legitimate. Through-put should not be reduced as a matter of course but this is a by-product of traffic calming. Commissioner Murray stated that Mr. McGrath's last statement was subjective, because there could be alternatives to buffers other than on-street parking, such as trees, that would accomplish the same goal and contribute to the vision. Mr. McGrath agreed and stated that this is a general discussion.

Mr. McGrath continued, acknowledging that the door hazard is a known issue with on-street parking, and Leary Way does not have a dedicated bike lane and will not be developed as a high capacity bicycle corridor. Parking is not positioned in turn areas where it would be an issue. Business access could be debatable on the point of on-street parking being an alternative, but trade-offs can be made. If the curb were moved, the street utilities would require re-location, triggering a full reconstruction of the street, a significant and expensive City capital project and not able to be undertaken in portions of development. Furthermore, if this option moves forward, the project would need to out-compete other identified high-priority projects.

Staff recommends that alternatives to consider going forward would include the assumption that the curb would remain where it currently is and parking would be retained. Mr. McGrath invited Commission discussion. Vice Chairman Biethan asked if the parking issue should be considered in relation to the width of the sidewalks and Commissioner Murray also asked for clarification. Vice Chairman Biethan asked why utilities would need to move if the curb is moved, and asked about right-of-way concerns versus private property if the curb is moved.

Mr. Cairns addressed this question, and stated that if the entire street is under consideration for change and not just a few stalls, storm drainage needs to be considered. An example would be

the current Downtown Couplet Conversion on Redmond Way. Other utilities are defined by the curb location as well and when a curb is moved it becomes a significant issue if done for the entire length of the street. Mr. Cairns suggested that creative alternatives around a few stalls could be entertained, but moving the curb for the entire street would be a very expensive and extensive project.

Commissioner Miller asked what the current lane width on Leary Way is and if 10 feet width would be unusual. Mr. Cairns replied that the Leary Way lane width is 12 feet and the parking lane is eight feet. Commissioner Miller confirmed that ten foot lane widths and seven foot parking lanes have been accomplished in other locations. Commissioner Miller stated that if these changes were made, this would give the street six feet in width, conceptually.

Commissioner Miller noted that the grid and bypasses have been developed by the City so Downtown can develop at a slower, pedestrian accommodating pace. Mr. Cairns replied that Leary Way is critical for allowing the one way couplet conversion to occur. Commissioner Miller asked if that required Leary Way to function at 30 m.p.h. Mr. Cairns replied that the intention is in fact to have lower speeds. Commissioner Murray stated that this is an argument actually in favor of retaining on-street parking as it slows traffic down.

Commissioner Miller noted that the parking study has not been adopted by the Council as yet so the conversation may be ahead of procedure. He agreed with the conclusion cited in the study that there is a need for more on-street parking, to provide for ADA, for a short turn over in front of businesses, and for load and unload. This, in his opinion, will yield less than 19 parking spots. Whatever comes from the process must show not just status quo for pedestrians but improvement, in Commissioner Miller's opinion. He noted that the City of Seattle has put in place Parklets and Streeteries. He said that Seattle has the policies, guidelines and the ability for a business to voluntarily pay to essentially put an obstruction into the street. Those options are part of a solution that improves the environment for walking.

Commissioner Murray stated to Commissioner Miller that the tone of the conversation above, while with very good points, could be perceived as adversarial and this is not how the Planning Commission meeting should proceed. The staff is making a good faith effort to provide pros and cons and the Commission will make a recommendation regardless of staff recommendation, but an adversarial situation should be avoided. Commissioner Murray asked how the desired sidewalk width could be retained while also retaining the parking spaces. Mr. Cairns replied that this would be discussed shortly. Vice Chairman Biethan and Commissioner Murray both complimented staff on their passion and efforts.

Commissioner Miller related that the Commission should be sure they are working off of correct assumptions. Commissioner Murray replied that there can be a difference between content and presentation of content. Commissioner Miller stated that he wants the best result possible, because it matters so much, and that a transportation topic is being shoehorned into land use and design review. Pedestrian mobility is about how people move through the urban environment. How buildings are structured and oriented, while important to the topic of pedestrian mobility, are not primary.

Commissioner Captain stated that he works and walks the corridor in question, and wondered if parking is even needed on Leary Way. There is only one dry cleaning business that would support quick-stop parking. The other businesses are generally restaurants and bars that do not need quick parking. At rush hours when coming in from Redmond Town Center on Leary, the backup is past Cleveland at this time. The recommendations of Commissioner Miller for ADA compliance and allowing for loading and unloading areas could solve the problem of pedestrian safety with a bike lane as a sidewalk buffer.

Vice Chairman Biethan stated that the actual businesses are the constituents most impacted. Ms. Dietz replied that any amendments from tonight will be discussed with those stakeholders. Commissioner Miller would like to know what feedback has been given by the Pedestrian Bicycle Advisory Committee. Commissioner Murray would like the east-west pathway concept to be discussed with stakeholders as well. Ms. Peckol was interested in the Commission perspective on the aspect of moving the curb and costs associated. Commissioner Murray acknowledged this idea but wants to be sure creative thinking has been used to explore all alternatives including modifications to keep the curb but eliminate parking.

Commissioner Miller said that to him, the issue has not been so much the curb and there are certainly other ways to obtain space. Parklets and streeteries, for example, are creative ways to use existing space to eliminate through obstructions on the north side of Leary in particular. If this is done, eight feet should be perfectly acceptable as a parking lane. Then the high need parking functions would be retained. Commissioner Miller did not believe that going from 14 to 12 feet is a net plus for pedestrians. There are other reasons for that change that might encourage development, however.

Commissioner Murray asked if Commissioner Miller was saying that the proposals in the report do not seem to improve pedestrian mobility. Commissioner Miller replied yes. Commissioner Murray agreed but had a different perspective. On Cleveland Street there are two lanes, parking and wide sidewalks but that may not be able to be accomplished on Leary Way. Something may need to be sacrificed, and this could be the parking to make it more pedestrian friendly, but also improve the ability to pass through the two blocks. Commissioner Murray asked for other perspectives around why parking should be sacrificed.

Commissioner Captain stated that the positive outcome in reducing parking for him would be improving the current congestion. A more abstract outcome of reducing parking would be that people would be forced to park a block away and walk past the businesses, exposing them in a different way than driving by. The City parking lot is four hours free. Some of the Downtown businesses have suggested that they would contribute to City parking lot fees to get their employees to park there, but the issue of parking in front of businesses does not appear to be an issue for them. At Leary between Redmond Way and Cleveland, there are approximately nine parking spots, and they are the businesses that benefit from quick and load/unload spaces. The other side between 85<sup>th</sup> and Redmond Way are restaurants and bars with the one exception of the dry cleaning business.

Vice Chairman Biethan stated that he does not have an opinion. Staff has given pros and cons but there must be a way to have something creative and unique past the curb. Removing parking may

not have a clear benefit other than possibly a bike lane or planters. Vice Chairman Biethan said there is not a clear vision for him in terms of what the benefits are of moving the curb. Business owners need to give their input even if it is self-serving. Commissioner Miller stated that there is a difference between moving a curb and retaining parking. Moving a curb can incur big costs, as much as \$350,000 per block and utility issues are there, as well. But if there is a public need to be met, it should compete for priority with everything else.

Vice Chairman Biethan asked what would be done with the extra space if the curb is not moved and parking is removed. Commissioner Miller stated that this is where creativity can enter. The ability to set aside some parking spaces could be a cost taken on by a business. A business could be willing to compensate the City to make this use exclusive or semi-exclusive for seating for dining. Or, the City could talk with the Downtown Association to create a parklet. All of these options provide a buffer for pedestrians and eliminate some friction that causes congestion in a way that does not incur big costs. Downtown would become more festive, functional, and the City would be able to engage the businesses in something that benefits them. Tearing up sewer and gas lines is not needed to make this project work. There is a webinar called Tactical Urbanism that suggests that experimentation be embraced around this ultimate public resource of streets and sidewalks.

Vice Chairman Biethan asked if the question coming back to staff is whether there are t-other things that can be done if there is no parking and a reason to not have parking. Commissioner Miller replied yes and stated that if the cost is so great to remove parking, staff should consider what should be done with the function of that space in order to meet the vision of the Old Town district. Commissioner Murray believes everyone agrees on the vision but this one point has multiple ways in which it could be addressed.

Commissioner Miller stated that the relationship between pedestrians and vehicles would work very well if current obstructions can be removed. The Commission was not able to definitively decide on the parking or no parking issue at this time and another discussion may need to occur. Ms. Peckol stated that the goal is to seek Commission feedback and direction on the alternatives to include in this discussion, as part of a continued Public Hearing. In preparation for that, those alternatives can be developed such as use of the on-street parking space. After the process of determining the pros and cons, this issue would be brought again to the Commission at the time of the Public Hearing. This is what is proposed in terms of next steps.

Vice Chairman Biethan believed that the Commission has added an alternative. Commissioner Murray stated that one is to engage the stakeholders, and the other is the possibility to avoid huge costs to retain the vision. Staff will bring back a presentation around this. Mr. Cairns agreed and stated that the process is step by step. Public testimony is also needed but initially a realm of alternatives is needed. Vice Chairman Biethan asked if parking could continue to be discussed.

Ms. Dietz continued with the presentation. She noted that a side by side series of maps had been distributed to the Commission, one being a very early plat of Downtown in the area proposed to be called the Old Town Historic Core. There are many similarities in the map and current parcels because many of the parcels have not changed. Lot depth ranges from 40 feet to 120 feet, traditional depths the City was platted with. Newer development building footprint depths range

from 135 feet to 255 feet. Lot depth becomes one of the factors when standards for redevelopment and sidewalk width come into play.

Ms. Dietz stated that ultimately what the code in regard to sidewalk width tells the developer is how much is needed to be dedicated beyond what is already provided for in the sidewalk today. Commissioner Murray asked if measurement is from the sidewalk inside edge or curb. Ms. Dietz replied that measurement is from the outside of the curb into and toward the parcel.

Commissioner Murray asked about a six foot sidewalk in front of an entire 40 foot parcel and a 12 foot sidewalk in front of an entire 40 foot parcel. Mr. McGrath stated that parcels often extend into the public thoroughway and it is technically private property but becomes an easement or right-of-way, given to the public realm.

Ms. Dietz stated that in the majority of cases on Leary, the sidewalk as measured from the curb to the parcel is 10 feet. As an example, a new development would need to dedicate two additional feet if the sidewalk is to be 12 feet, or four additional feet if the sidewalk is to be 14 feet, which is the distance under the current guidelines. Lot size examples were presented. The likelihood of redevelopment of landmark buildings that bookend new business is low, but the lot size of the businesses in between the landmark buildings could come into play in the case of a redevelopment project.

Commissioner Miller asked if the historic building containing a sandwich shop recently remodeled. Ms. Dietz replied yes, and said that remodeling work involved interior improvements only. Commissioner Miller pointed out the 12 feet of sidewalk at the gas station that comes to 10 feet, and asked if two feet of that 12 foot sidewalk is currently private even though it was developed by the City. Ms. Dietz replied that it is. Commissioner Miller asked for clarification about when the street was redeveloped in the 1990s and asked if the businesses were given two feet of sidewalk. Mr. Cairns stated that the sidewalk was a City project and there may have been an easement. Some sidewalk is also in right-of-way. It cannot be assumed that newer sidewalk is automatically on public right-of-way.

Vice Chairman Biethan stated that taking two feet away from a narrow-width lot would create a greater impact than taking it away from a large lot with more depth. Ms. Dietz replied that it is correct and that the presentation is to show the relativity between the different lot sizes. Vice Chairman Biethan stated that action or feedback is not being requested, only a discussion. Ms. Peckol clarified in response to an earlier comment that there is more than one location along Leary that can redevelop. Ms. Dietz identified the landmark structures. Chairman Murray asked for the width of the sidewalk between the two landmark buildings in the presentation. Ms. Dietz replied that those widths range from eight to 10 feet. Chairman Murray asked for clarification if hypothetically, where 120 feet is shown on the presentation, if all the buildings could be leveled and rebuilt. If 14-foot wide sidewalks were decided on and developers are told to push back four more feet, an inlet between the landmark buildings would be created.

Commissioner Miller asked if the Makers study of this topic addressed this inlet possibility, in that this was a possibility and also might add to the variety and interest of the street. Ms. Dietz replied that there is a dynamic of having an alcove treatment. Vice Chairman Biethan stated that if that route was taken, property rights would be taken away. Commissioner Miller replied that if

the City has designated a standard, it would not be a taking. Vice Chairman Biethan stated that when the amount of developable capacity on a site is reduced, that impacts the business. Commissioner Murray gave an example of the Palmer's bar. If it were leveled, replaced and now moved four feet back, the buildable space is reduced. Vice Chairman Biethan reiterated that he was talking about developable capacity and actually that property rights was a bad choice of words. Ms. Peckol added that redevelopment takes into account property area but also the configuration of the building, because parking circulation, and drive aisles must be factored in. There are ramifications not only to the building floor area but also to building design.

Mr. Cairns continued with the status of ongoing projects. Along the Leary Way sidewalk there are some tables, sandwich boards and other clutter. There is an effort to regulate and improve this, and one effort would be to create a sidewalk café permit, modeled after a similar program in Portland, Oregon. How to enforce this going forward would be a significant internal issue. If a business wants a sidewalk café they would get a permit from the City with certain requirements. The City would monitor this and the permit would need renewal annually. Work on a pedestrian strategic plan has begun.

Mr. Cairns continued that Redmond's urban design standards are out of date for an urbanizing city. The standards were written in the 1970s for a more suburban environment. This will be a major effort to create true urban design standards and the biggest issues being examined include sight distances out of structured parking areas affecting pedestrians. The strategic plan for pedestrians has been paused while the City-wide direction is determined and these efforts will be coming up in the future.

Commissioner Miller asked if the strategic plan should be addressed before the element of the project in discussion here, not around building structure and design but strictly around the pedestrian design. Mr. Cairns clarified that the strategic plan is being created to establish funding and a way to complete sidewalks throughout the City. There are still miles of arterial streets in Redmond with no sidewalk and school zone sidewalks need completing as well. He did not recommend deferring a decision on Leary Way until the Pedestrian Strategic Plan is completed.

Commissioner Miller stated that the description of the strategic plan summarizes the entire issue: the City is transitioning from a suburban to an urban place and the standards have not kept up. Regarding Leary, Commissioner Miller stated that possibly the strategic plan should be allowed to catch up. Ms. Peckol replied that the reason Leary Way is important now is that the City wants to be clear about what the standards will be, as there is some development interest in the area. This is an important issue to clarify now. Mr. Cairns added that there is more interest than only one development and the key is to decide where building fronts would be.

Vice Chairman Biethan stated that if there is an opportunity for private investment into the community, the planning process should not be delayed. If the City can control what Downtown will look like, that opportunity should be taken advantage of. He noted that a developer is not being reacted to at this meeting.

Mr. Cairns continued that Sound Transit 3 will be voted on in November 2016 to bring major light rail expansion into Downtown Redmond. Some planning has been done for the station, and

a big issue is bus-rail integration and planning. The new transit station would be near Leary where the former rail line had been, which could present a difficult connection to make in the future. A study will be started during the first part of 2016 around bus-rail integration in front of the Sound Transit project, and the result should be an ability to direct some of what Sound Transit does for a superior integration into the future of transit in Redmond. An example of where the integration is not working due to lack of planning is at the University of Washington. The urban center parking report has been finished by the consultant and there are a number of questions from Council. That report has not been adopted yet.

Mr. Cairns presented alternatives for the Leary Way cross section. The challenge is that with the existing historic buildings the amount of sidewalk is limited. The initial Technical Committee recommendation to the Planning Commission was to reduce the standard from 14 feet to 12 feet. The key historic Downtown street, Leary Way, should not be done in a piecemeal, parcel by parcel fashion, and so the concept for an additional proposal called the Performance Based Approach has been created. A consultant may be hired shortly to develop this. As development is proposed, standards can be put in place so that sidewalks with proper parking can be created. Commissioner Murray used the building game, Minecraft, as an example. He said the visual imagery of the two blocks would be very important. Commissioner Murray said outlining half of a block by half of a block in extreme detail, where every piece will lie via crow's eye or a virtual 3D visual, would make the benefits of change clear.

Commissioner Miller explained that his feeling is that the number 14 in the discussion of 14 foot sidewalk widths distracts from the real issue of mobility. Mobility can be achieved with 12 foot sidewalk widths if the existing infrastructure is managed adequately. Having a performance based standard would move the City in this direction but more needs to be presented before any approval. Safely and conveniently moving people is of significantly higher value than any other element of the topic. In the late 1990s, values and standards were in transition. Vice Chairman Biethan asked if the staff were asking the Commission for a specific number of feet on sidewalk width. Ms. Peckol stated that staff is not seeking a firm number of feet from the Commission at this time, but rather asking if what has been presented is a reasonable range of alternatives to consider further. Staff proposes coming back to the Commission for further discussion and consideration in February 2016 as part of continued discussion of the proposed amendments for the Historic Core.

Commissioner Murray very much appreciated the ideas from staff, and reiterated that more visual imagery when the presentation returns would help in understanding what eight to 14 feet means in relationship to a curb, a patio, a building. Tape could potentially be placed on the floor of the meeting room to demonstrate this, also. Mr. Cairns continued that mobility and identifying the modulation of future building faces in relation to sidewalks and streets will be key. Mr. Cairns explained examples around specific businesses and the challenges the businesses face in creating outdoor seating or additional parking. Getting a vision in place now will assist with future development decisions.

Commissioner Miller appreciates this approach as it allows the 14 feet in sidewalk width to be held for negotiating and he would consider dropping to 12 feet if mobility is improved as in a performance based accommodation such as a gathering space on a corner, a transit stop, a

covered area or something that improves the environment. Mr. Cairns clarified that there is limited budget available at this time for consultant assistance. The first phase is developing basic performance standards with illustrations to condition new development when it comes in, but within budget constraints. Next year, a 2017-18 budget proposal for Leary Way will be developed.

Vice Chairman Biethan spoke to the conversation around two feet used in negotiation and that this is taking two feet of development rights the property currently has. Commissioner Miller disagreed as the assumption of 14 feet sidewalk widths is there. Ms. Peckol restated the four alternatives that the Commission agreed to consider further next year, which included: existing 14 foot sidewalk standard, proposed 12 foot sidewalk standard, performance based standard, all with keeping the curb in place, and also using the space where the parking is now for other uses such as café seating or parklets. Mr. McGrath stated that rather than having a distinct fourth option, there could be an adjunct that could be applied to specific situations. Commissioner Murray asked for clarification. Mr. McGrath restated that there are three alternatives as discussed, and on the concept to use one or more of the parking spaces in creative ways, the consideration would be any of the original three or any of the three could have this additional element along with it. The Commission concurred with this summary.

Mr. McGrath next spoke about Transportation Master Plan Appendix F and reported that if the Zoning Code were to be amended, this would be out of alignment with the Transportation Master Plan (TMP) unless the TMP is amended also. The City Attorney has mentioned that it is uncommon to have design standards that amount to the level of construction specification, and upon looking at peer cities, there is not that level of dimension. The staff proposal is to provide a more clear distinction between policy and regulation. Construction and design standards could be moved from Appendix F to the Zoning Code. The next step is to look for content in Appendix F that should be relocated in the Transportation Master Plan and rolled into the next update. When Appendix F has been redistributed within the Transportation Master Plan, it would become redundant and could be removed. Mr. McGrath explained that the proposal in terms of procedure would be in lockstep with the historic core proposals and be considered at the same time, in order to maintain consistency.

Commissioner Miller asked what the implications are on amendment and change when something goes to the Zoning Code as opposed to the Transportation Master Plan. In Commissioner Miller's opinion, design standards are relatively long term and unchanging and guide the development of new projects, while the Zoning Code tends to have more of a project focus. When the two terms are used interchangeably, it raises the possibility of disjointed processes. He appreciated that the glitch has been identified, but wants to be sure that construction standards being placed in the Zoning Code will allow the City to retain the more permanent, planning oriented structure in the Transportation Master Plan, which has a very different set of implications on review, modification and amendment. Mr. McGrath said he would come back with a complete response.

Ms. Peckol asked for clarification around Commissioner Miller's question, and what would remain in the Transportation Master Plan with this approach. Commissioner Miller explained that design standards in the context of road profiles have different purposes. The Transportation

Master Plan sets out expectations in profiles and design standards to be used for the development of new projects at a planning level. That belongs in the Transportation Master Plan, but when the standards are used on a parcel by parcel basis, there is a different product and a different review process that bypasses the Planning Commission. Commissioner Miller would like to know more around the implications of separating the standards. Mr. McGrath replied that documents such as the Transportation Master Plan speak to the desired outcome and standards to achieve versus physical dimensions. Commissioner Miller clarified that his confusion was around one specific graphic, and the concern is not to lose a procedural review element. Mr. McGrath said he would come back with a complete response.

Ms. Dietz clarified, on the previous item, that alternatives for further consideration include sidewalk width at 12 feet, the current 14 feet and the performance standard, then also the parklets and streeteries or what could be called alternative uses to be explored where parking is today, and the Transportation Master Plan work. There will be a continuation of the Public Hearing for the Historic Core Amendment with these new alternatives. The Public Hearing would be re-advertised as there are changes of substance, and stakeholder input will be asked for as well. Vice Chairman Biethan asked if the Commission needs to provide more direction, or if what has been accomplished at this meeting is what was needed for now. Staff responded that it was sufficient for now. Mr. Cairns noted that a lot of consultant work on this topic would be happening soon. Commissioner Murray asked if there are more topics to cover regarding Old Town, and Ms. Dietz replied yes, and refinements will be brought back in addition to items discussed tonight.

#### **REPORTS/SCHEDULING/TOPICS FOR NEXT MEETING(S):**

Ms. Fani reported that there will be no meeting for the Planning Commission next week. The next meeting will be November 4, 2015 with a Study Session on the Economic Vitality Element and Jason Rogers will present. A Study Session on Landslide Hazard Areas Map Update and Streams Classification, Map Update is also on the agenda. There is no meeting on November 11, 2015. The next meeting after that will be November 18, 2015. An extended agenda will be distributed.

#### **ADJOURNMENT:**

MOTION by Commissioner Murray to adjourn. MOTION seconded by Commissioner Miller. The meeting adjourned at approximately 8:50 p.m.

Minutes Approved On:

11-18-15

Planning Commission Chair

  
Scott Biethan  
Vice-Chair

## **Dissent on Economic Vitality Comp Plan Proposed Amendment**

I am not opposed to the One Redmond initiative because of any belief I have that discussion of competitiveness and vitality will do anything bad.

Discussion and input is not a bad thing, if that's the net product of this initiative. I do have a strong concern that the intent of the policy would undermine central elements of the Comprehensive Plan and the manner in which that Plan guides our implementation of the Countywide Planning Policies and the Washington State Growth Management Act, and which promises the residents of this community that they won't be stuck with the tab of mitigating new growth and its impacts.

Redmond is perhaps the most economically vital community of its size in the United States, a community whose resident population TRIPLES every morning due to our most conducive (and dare I say **vital**) economic environment. While this causes those of us who sleep here some angst over the cost of resulting traffic growth, stormwater infrastructure demands, housing costs, and environmental impact – I can appreciate how those who benefit from growth are still concerned that their share of the mitigation cost is too high. Impact fees may change, but mitigation costs associated with growth are fixed costs. If the burden of paying these fixed costs goes down for a few, then they must go up for others. That aspect of the proposed policy change has not yet been examined to my particular comfort level.

A cursory glance at the Comprehensive Plan reveals at least 30 references to Economic Vitality throughout the document, and dedicates no less than 26 separate policies to its preservation. Eighteen of those policies are in a chapter dedicated wholly to the preservation of Economic Vitality. These existing policies very clearly informs the City - its Council, staff and Commissions alike - that the preservation and encouragement of a strong economic climate demands our constant attention. It is far easier to say currently that this attention is being paid than to argue the opposite.

- **This is not how the Redmond Comprehensive Plan was intended to be modified.** We are generating policy that clearly benefits a single group. The Technical Committee report cited instances where the One Redmond proposal could be considered as consistent with specific Comp Plan Policies, but failed to provide parallel assessment in the Supporting Analysis of how an insertion of qualitative analysis also undermines many of these same policies, specifically EV-17, TR-31, and CF-14 **most decidedly**. This amendment should have been reviewed in a more comprehensive context, and not as a stand-alone gesture to a private organization.
- **The proposal adds nothing to the many policies already in place** to ensure that the business community will always be heard over the din of the people. If we don't pay the fixed cost of mitigating the impacts of growth, for example, 156th Ave NE and NE 40th St will stay in perpetual gridlock, other needed drainage and infrastructure projects will be deferred, and the LWSD will fight to keep its facilities in line with increased demand. That, or we just have to have everyone else pay a proportionately greater share of that cost.

**Why should those who benefit from growth pay their fair share of the costs of that growth when we can have compliant resident taxpayers do that for them?** While the policy calls for "consideration" of impacts the intent could not be more clear - or divisive. CF-14 demands that growth pay for growth. The proponents should not be allowed to parse around this fundamental

tenet - this promise - of our Comprehensive Plan. Or the Countywide Planning Policies. Or the Washington State Growth Management Act.

- **The measure targets concurrency, mitigation, and impact fees** - these are the very tools intended to ensure that growth in our community pays its way, and does not unfairly burden individual taxpayers nor overextend the finances of the City. Unlike other city taxes which specifically impact business (and for which dedicated business input has justifiably been established), the impacts of financing growth extend far beyond the private sector boardroom, and indeed affects every taxpayer in the City.
- **The proposed EV-22/23 introductory language appears to give the Business Fee and Tax Advisory Committee new powers** to comment on Functional Plans as opposed to a limited scope of review on taxes and fees directly impacting local business. Is there a corollary that gives the Arts Commission authority to review business taxes and fees? Perhaps the Trails Committee? This language needs to be severely dialed back if the intent is merely "consideration of impact". Better yet, it should in my opinion be edited out.
- **Ultimately, this proposal contravenes and undermines the policies and intent of the Redmond Comprehensive Plan, the Countywide Planning Policies, and the Washington State Growth Management Act, all of which clearly direct the City to have growth pay for the external impacts associated with that growth.**

The fair assessment of paying the costs of growth is the most fundamental concept of our Comprehensive Plan. We may well decide that it is important to integrate concepts of competitiveness and economic vitality throughout the Comp Plan (indeed, we do now) but merely shifting the costs to "others" is not the right way to do this and still maintain an economically vibrant community.

Competitiveness is more than low development fees. A competitive community has great schools, superb public safety, efficient and well maintained transportation systems and utilities adequate to deal with the growth we desire. If we all don't share fairly in the payment of the costs necessary to maintain this level of community, then the impact of reducing fees on competitiveness and vitality simply won't matter. We need a great community in which to live if we are even going to have a discussion about competitiveness. Undermining policies which are intended to assign a fair share of the costs and benefits of growth is a guaranteed method to degrade that community.

Phil Miller  
Redmond Planning Commission



**TECHNICAL COMMITTEE REPORT  
TO THE PLANNING COMMISSION**

**To:** Planning Commission

**From:** Technical Committee

**Staff Contacts:** Rob Odle, Planning Director, 425-556-2417  
Lori Peckol, AICP, Policy Planning Manager, 425-556-2411  
Jason Rogers, Senior Planner, 425-556-2414

**Date:** September 30, 2015

**Project File Number:** LAND-2015-01711

**Project Name:** Amendment to Comprehensive Plan Economic Vitality Element  
Regarding Economic Competitiveness and Fees

**Related File Numbers:** SEPA-2015-01723

**Applicant:** OneRedmond

**Applicant's Contact:** Bart Phillips, OneRedmond CEO

**Reason the Proposal  
Should be Adopted:** The Technical Committee recommends approving the amendment to the Redmond Comprehensive Plan because:

- The proposal is consistent with the Redmond Comprehensive Plan, because it will reinforce existing policies which support economic vitality as a key component of Redmond's vision by providing policy direction to take into account the potential impact to Redmond's competitiveness when considering fees and when developing capital facilities plans as part of functional plans; and
- The proposal will provide policy direction to consider factors not presently identified by existing Comprehensive Plan policies that address the factors to consider when setting and updating impact fees.

## I. APPLICANT PROPOSAL

The applicant proposes to amend the Economic Vitality Element to add a policy to ensure that the impact to Redmond's competitiveness to attract new investment and job creation is considered when developing and discussing new or revised impact fees or other fees.

## II. RECOMMENDATION

The Technical Committee recommends that the Economic Vitality Element of the Comprehensive Plan be amended to include:

- A. New introductory text before existing policy EV-22 which discusses various elements of economic health and competitiveness along with Redmond's comparative advantages;
- B. A new policy EV-23 which calls for consideration of the effect and competitiveness of impact and other fees on development and the business community as part of decisions on functional plan updates and fees; and
- C. A revision to existing policy EV-22 to lead with an active verb similar to how other policies in the Comprehensive Plan are phrased.

Exhibit A shows the Technical Committee recommended amendments.

## III. BACKGROUND, FACTORS CONSIDERED, AND ALTERNATIVES

### A. BACKGROUND AND REASON FOR THE PROPOSAL

Impact fees are part of the Redmond's funding strategy to pay for the capital facilities associated with growth. The Growth Management Act provides direction regarding collection of impact fees and Comprehensive Plan policy CF-14 carries out this direction (see Exhibit B). In summary, this policy calls for the City to follow a principle that growth pay for the growth-related portion of capital facilities and it provides direction regarding the overall approach and methodology for the impact fee system.

The Comprehensive Plan also has other policies that address impact fees and other fees, including: EV-17 and EV-22 in the Economic Vitality Element; CF-16 in the Capital Facilities Element; and TR-31 in the Transportation Element. (see Exhibit B) These policies are discussed below under Factors Considered – B2.

Redmond collects impact fees for City capital facilities for fire, park and transportation. Redmond also collects school impact fees on behalf of the Lake Washington School District. The Redmond Municipal Code (RMC) includes the City's impact fee code. On an annual basis, City Council considers whether to adjust the impact fee rates based on capital cost and other indices or due to updates to capital facility plans.

OneRedmond has stated they have concerns regarding Redmond's overall level of impact fees in particular and business fees in general, particularly when compared

to other communities. Further, they have stated that to attract and retain new companies Redmond needs to be cost competitive for jobs and investment.

OneRedmond has also expressed concern that during discussions regarding fees, often the only consideration is the adequacy of the fee(s) to cover the capital program or to ensure that growth pays for growth. They believe that this could potentially risk the City's and businesses' competitiveness. For these reasons, they request that the City add a policy to call for consideration of the impact to Redmond's competitiveness to attract new investment and job creation when discussing new or revised impact fees or other fees.

## B. FACTORS CONSIDERED

Staff considered several factors in the process of developing the recommended amendments as summarized below.

1. What influences the rate of impact fees and how would that be affected by the proposed amendment?

Current impact fee rates are set in the Redmond Municipal Code (RMC), and the current annual indexing for inflation is also provided for by this code. Impact fee rates are based on the capital facilities plans, City policy concerning how to pay for capital facilities associated with growth, and City Council decisions regarding updates to impact fee rates. As such, the proposed policy would not directly affect specific impact fee rates immediately, but can affect impact fee rates and other fees indirectly in an iterative manner. It can do so by informing the policy considerations taken into account when the City updates capital facilities plans, determines the appropriate overall share of impact fees as part of the funding for a capital facilities plan, and updates impact fees.

2. Do current Comprehensive Plan policies appropriately address the issue?

The City has an existing policy EV-17 which speaks to having fair, equitable and stable tax and fee systems and EV-22 which is generally focused on the impact of regulatory actions on economic vitality. There are also policies in the Capital Facilities Element which address impact fees and policy TR-31 in the Transportation Element that relates to this topic (see Attachment B). In part, these policies call for the City to follow a principle that growth pay for the growth-related portion of capital facilities and that new development contribute its fair share of the cost of transportation facilities and services. As a whole, the policies do not speak specifically to the idea of considering the impact of updates to functional plans, fees and similar decisions on business health and development in Redmond. In addition, policy CF-14 is more focused on the technical aspects of setting impact fees and not on qualitative factors.

3. Is a focus on functional plans more appropriate?

Functional plans analyze and describe needed capital facilities to address existing deficiencies and needs associated with planned growth to implement the Comprehensive Plan. A focus on functional plans is perhaps the best and most direct method to affect impact fees over a longer period of time since these plans provide the basis for impact fees. However, since functional plans are themselves informed by policies in the Comprehensive Plan, it makes sense to provide policy direction to take into account the potential impact to Redmond's competitiveness when developing functional plans.

4. What affects a community's competitiveness for investment and how can that be considered?

Many factors influence a community's competitiveness for investment relative to other locations and the degree to which any factor is meaningful to a location decision varies with the characteristics of the community and the type of investment decision. Planning staff reviewed the results of a quantitative competitiveness analysis completed by a consultant for a nearby city. One of the observations from the analysis is the importance of considering comparisons between communities in a broader market context. This is because a wide range of factors can affect the comparison including differing policies, differing attractiveness, variable land values, different tax and revenue approaches, and differing capital programs.

A similar quantitative analysis for Redmond to assess the effect of fees on business health is possible however it would require the City to retain a consultant for the purpose. Alternatively, the City could use a more qualitative approach which allows consideration of factors including the potential impact of updates to fees and functional plans to Redmond's competitiveness for investment without performing quantitative analysis on an annual basis. This is not to say that a quantitative analysis is not valuable or potentially desirable, however such a quantitative analysis would incur some cost to the City and, as noted above, may not provide an apples-to-apples comparison due to the wide range of factors that affect a potential comparison. The intent of the staff recommended amendment is a qualitative approach for this consideration.

The City Council has approved the formation of a new Business Fee and Tax Advisory Committee which will have their first meeting in the fall of 2015. The Committee includes 11 people who either work or live in Redmond. The intent of the staff recommended policy amendment is to recognize the important role the Committee can have in providing a policy level perspective on business taxes and fees and by offering advice to the City Council. The applicant also supported this approach.

### C. ALTERNATIVES

1. No change. Not amending the Comprehensive Plan and maintaining the current policies concerning impact fees and other fees would keep the policy direction focused on growth paying for the growth-related portion of capital costs and having a fair and stable system. Under this alternative, policy direction would not call for considering impacts to Redmond's competitiveness. The Technical Committee does not recommend this alternative because the Comprehensive Plan and City practice when considering updates to fees and functional plans would not be responsive to OneRedmond's concerns and may not appropriately address business competitiveness.

## IV. ADDITIONAL SUPPORTING ANALYSIS

### A. COMPLIANCE WITH CRITERIA FOR AMENDMENTS

Redmond Comprehensive Plan Policy PI-16 directs the City to take several considerations, as applicable, into account as part of decisions on proposed amendments to the Comprehensive Plan.

The following is an analysis of how this proposal complies with the requirements for amendments.

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

The proposed amendments take into account direction by the GMA, including encouraging economic development. The proposed amendment would ensure that appropriate consideration for Redmond's competitiveness and business health is given when updating functional plans and setting fee rates. GMA, the State of Washington Department of Commerce, VISION 2040, and King County Countywide Planning Policies also emphasize economic growth and job creation. The King County Countywide Planning Policies policy EC-7 states: "Promote an economic climate that is supportive of business formation, expansion, and retention and emphasizes the important of small businesses in creating jobs."

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.**

One of the eight goals for Redmond contained in the Goals, Vision and Framework Policy Element is "To maintain a strong and diverse economy and to provide a business climate that retains and attracts locally owned companies, as well as internationally recognizes corporations." The

proposed amendment supports this goal and is consistent with other goals within this Element.

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

The proposed amendment is consistent with the preferred land use pattern by calling for consideration of impacts to Redmond's competitiveness for investment when considering updates to functional plans and fees.

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

The proposed amendment is consistent with policy CC-2, which reads "Recognize and encourage Redmond as a center for intellectual and technological innovation."

**d. Consistency with other sections including the Transportation Element as applicable.**

TR-31 reads "Maintain and regularly update a sustainable financial strategy that: ...Ensures new development contributes its fair share of the cost of transportation facilities, programs and services needed to mitigate growth-related transportation impacts...." The proposed amendment would provide additional factors for consideration when updating functional plans and fees, namely the effect and competitiveness of updates to functional plans and fees on the business community.

**3. Potential general impacts to the natural environment, such as impacts to critical areas and other natural resources, including whether development will be directed away from environmentally critical areas and other natural resources.**

The proposed amendment is not likely to impact the natural environment including impacts to critical areas and other 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 proposed amendment could impact the capacity of public facilities and services depending on how it is implemented. Reduction of impact fee rates without corresponding adjustments to the capital program or identification of other funding could result in a gap in capacity of public facilities and services.

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

The proposed amendment is intended to address potential economic impacts related to the setting of impact fees and other fees and to updates to functional plans by explicitly directing that these economic impacts be considered.

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.**

The amendment has not been considered within the last four annual updates, nor has there been a change in circumstances.

## **V. AUTHORITY AND ENVIRONMENTAL, PUBLIC AND AGENCY REVIEW**

### **A. AMENDMENT PROCESS**

RZC Sections 21.76.070.AI and 21.76.050.K require that amendments to the Comprehensive Plan or Zoning Code (except zoning map amendments consistent with the Comprehensive Plan) 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 amendment.

### **C. WASHINGTON STATE ENVIRONMENTAL POLICY ACT (SEPA)**

A Determination of Non-Significance and SEPA Checklist was issued for this non-project action on September 9, 2015.

### **D. 60-DAY STATE AGENCY REVIEW**

State agencies will be sent 60-day notice of this proposed amendment no later than September 30, 2015.

### **E. PUBLIC INVOLVEMENT**

The public has opportunities to comment on the proposed amendment through the Planning Commission review process and public hearing which will be held on October 21, 2015. Public notice of the public hearing was published in the Seattle Times on September 30, 2015.

### **F. APPEALS**

RZC 21.76.070.J identifies Comprehensive Plan Amendments as a Type VI permit. Final action is 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 applicable requirements.

VI. LIST OF EXHIBITS

- Exhibit A: Recommended Amendment to the Economic Vitality Element
- Exhibit B: Key Related Comprehensive Plan Policies

**Conclusion in Support of Recommendation:** The Technical Committee has found the proposal to be in compliance with the Redmond Zoning Code, Redmond Comprehensive Plan, Redmond Municipal Code, and State Environmental Policy Act (SEPA).

  
ROBERT G. ODLE,  
Planning Director  
Planning and Community Development  
Department

  
LINDA DE BOLDT,  
Director of Public Works  
Public Works Department

*Add a new Comprehensive Plan policy EV-23 in the Economic Vitality Element. Also, add an explanatory statement prior to EV-22 to link EV-22 and EV-23 together. Revise existing policy EV-22 to lead with an active verb.*

Economic growth is important to the livability and vibrancy of Redmond. Redmond must be mindful of the effects of policies, programs, regulations, and fees on the business community and Redmond's comparative advantages in attracting new expansions and development.

At the same time, the City must ensure that its economic needs are balanced with its social and environmental needs to maintain community character and livability.

Maintaining Redmond's livability today and in the future depends in part on having adequate infrastructure in place at the time it is needed to serve growth. The City's policies for capital facilities, including CF-14, generally state that growth shall pay for growth.

There are various business-related fees that help to support growth in Redmond. In particular, impact fees provide a portion of the funding for growth-related infrastructure. When developing functional plans and setting impact fee or other business related fee rates, included among the factors for consideration should be economic vitality, competitiveness of the business community inclusive of taxes and fees, and provision of adequate housing as these and other factors that affect the livability, character and economy of Redmond. This consideration should be given through review of updates to functional plans and fee rates by the Business Fee and Tax Advisory Committee or successor group.

EV-22 ~~As part of the City's decision making, consider~~ Consider the economic impacts of new policies, regulations or programs as part of the City's decision making process.

EV-23 Consider the effect and competitiveness of impact and other fees on development and the health and growth of the business community when new fees, fee adjustments, or other decisions, such as the adoption of new or updated functional plans, are proposed.

**Exhibit B – Key Related Comprehensive Plan Policies**

CC-1 Maintain Redmond’s vision for its size and character while balancing its regional role in meeting transportation needs, caring for the environment, and meeting the demands for growth.

EV-15 Identify, construct and maintain infrastructure and utility systems and facilities that support economic vitality.

EV-16 Use innovative finance methods and seek regional investments in Redmond’s infrastructure to support the city’s continued economic vitality.

EV-17 Utilize tax and fee systems that are fair, equitable, and stable and that provide sufficiently predictable funds to provide for local services to protect and enhance the community.

EV-22 As part of the City’s decision making, consider the economic impacts of new policies, regulations or programs.

TR-31 Maintain and regularly update a sustainable financial strategy that:

- Includes a detailed revenue forecast to fund the ongoing maintenance, operation and delivery of the transportation system;
- Ensures that new development contributes its fair share of the cost of transportation facilities, programs and services needed to mitigate growth related transportation impacts; and
- Identifies potential revenue sources, including general fund contributions, impact fees, local improvement districts, transportation benefit districts, street maintenance utility, grants, developer and other contributions, business taxes, bonds and debt financing. Ensures that new development contributes its fair share of the cost of transportation facilities, programs and services needed to mitigate growth related transportation impacts

CF-1 Develop and regularly update functional plans that assess capital facility needs and strategies for addressing such needs. Provide opportunities for public involvement appropriate to the nature of the update. Use functional plans to guide the development of capital priorities and investment decisions within each of the following functional areas:

- Fire protection and emergency management response, including the city and Fire District #34;
- Police protection;
- Stormwater and surface water management;
- Water and sewer systems;
- Parks, arts, recreation, culture and conservation;
- Transportation;
- General government facilities; and
- Other functional areas as identified.

CF-5 Require that properties, when they develop or redevelop, construct or contribute to improvements as identified in adopted plans.

CF-14 Follow the principle that growth shall pay for the growth-related portion of capital facilities.

When imposing impact fees on new development, the City will:

- Impose fees only for system improvements that are reasonably related to growth;
- Structure the impact fee system so that impact fees do not exceed the proportionate share of the costs of system improvements attributable to growth and are reasonably related to the new development;
- Balance impact fee revenues with other public revenue sources to finance system improvements that serve new development;
- Use fee proceeds for system improvements that will reasonably benefit the new development;
- Prohibit the use of impact fee proceeds for correcting existing capital facility deficiencies;
- Maintain an annual adjustment to impact fees based on an appropriate capital cost index and other relevant local construction data, subject to annual City Council approval;
- Review the impact fees and the indices used periodically to ensure that the fees reflect the cost of planned system improvements related to growth; and
- Pool fees to more efficiently fund capital facilities resulting from new growth.