

Planning Commission
Auke Bay Implementation Ad Hoc Committee

Tuesday, November 6, 2018, 12:00 PM

Marine View Building, 4th Floor

Call to order 12:04 pm.

I. Roll Call

Planning Commission Present:

Dan Miller (Chair)
Paul Voelckers
Dan Hickok
Ben Haight

Commissioners Absent:

Nathaniel Dye

Staff Present:

Jill Maclean, Director, CDD
Beth McKibben, Senior Planner, CDD
Allison Eddins, Planner II, CDD
Marjorie Hamburger, Administrative Assistant, CDD

Public Present:

Mark Schwan
Linda Blefgen
Dave Klein
Rick Haida

II. Approval of Agenda

Hearing no objection the agenda was approved.

III. Approval of Minutes

A. October 2, 2018 Draft Minutes

MOTION: by Mr. Voelckers to approve the minutes with no edits.

The motion passed with no objection.

IV. Agenda Topics

I. Zoning District and Overlay District Draft Regulations

Ms. Eddins presented an overview of the drafted regulations and bonuses (see Powerpoint).

Ms. Eddins reminded the committee about the boundaries under consideration (slide 2); red outline = Community Mixed Use (CMU) district, yellow outline = overlay district. The zoning on the ground includes General Commercial, Light Commercial, and D10 and D5 residential. The overlay includes Waterfront Commercial. Slide 3 listed what is called for in the area plan. The density proposed in the CMU calls for higher density to create a village-like feel (slide 4). Ms. Eddins said that a jump from 18 units per acre to up to 50 units per acre would increase density by 177%. On reconsideration, she suggested looking at an ARS density increase maxed at 25% and 50%. She proposed starting density at 30 units per acre in CMU (See chart in slide 4.)

Mr. Voelckers said he was okay with the notion of a base density increasing but had no heartburn if it was doubled to 60. The charts do not use Mixed Use (MU) or Mixed Use 2 (MU2) zoning but he thought they should. Mr. Miller said he thought 30 was a good starting point and getting to 50 would be a spread. Go with that for now, he suggested, if not higher as Mr. Voelckers suggested.

Slide 6 – CMU Dimensional Standards

Ms. Eddins said that these have been tweaked since the last meeting, the minimum lot size in particular. A question before the commission is to keep 2,000 sq. ft. or allow 2 units per lot. Mr. Voelckers said he was happy with 3,000 sq. ft. and a 40 ft. width, however he felt undecided because it is not the intent to make a series of bungalow-sized lots. Getting 1 or 2 units is not central to the goal; 2,000 sq. ft. is probably too small. Mr. Miller asked when doing the math, do we round up? Yes, to the nearest whole number, said Ms. Eddins. Mr. Miller said he liked 2,000 sq. ft. so as to include oddball lots. He is fine with 3,000, he said. Mr. Voelckers suggested 25 as the default. Mr. Hickok asked if there are lots that are that small. Downtown there are tons with good development, said Mr. Voelckers. He wondered if an asterisk was needed regarding the permissible use maximum height. Mr. Hickok said he was struggling with height allowances particularly for builders on behind waterfront lots where the developer did not anticipate that the height allowance in front might go higher. Mr. Voelckers agreed that view plains needed to be fleshed out. A developer should not get height carte blanche but if it can be proven to not have a negative impact on neighbors, there could be room for an increase. Mr. Hickok suggested this be determined on a case by case basis and Mr. Voelckers agreed. Mr. Miller said that for most of the existing zoning, the proposed standards are lower but there is room to allow for it to go back up after careful consideration. This is correct, said Ms. Eddins. Ms. McKibben pointed out that this is a key point to get across to the public and the Assembly.

Slide 7 – CMU Front Yard Setback

Ms. Eddins said there was a change from last time when there was discussion that a maximum of 10 feet might be too limiting. Now she has proposed a 15 foot maximum which will allow buildings oriented towards the street to have outdoor seating/decking as called for in the plan. She requested commissioner's thoughts. She felt this would require parking to be in the rear or on the side and this is what the plan calls for. This could be a regulation that is required or could be built into a setback maximum. If the committee wants it to be more explicit, it can be. Mr. Miller said that with an 8½ foot setback there could be parallel parking or a drive through. He wondered about making it a bonus; if the developer provided a cool outdoor setting they could

get a deeper set back. Ms. McKibben asked if he was suggesting a developer could have a building further back if they give the public something. Mr. Voelckers said he did not think someone should get a bonus for a drive through teller. Mr. Miller suggested putting language in to take to the neighborhood meeting for feedback. Mr. Voelckers said that the section of the draft ordinance regarding façade continuity needs an incentive. Ms. Maclean said there has to be a break between buildings in order to get to the back. Mr. Voelckers said there could be an alley behind but there also could be some driveways. Ms. Eddins proposed to incentivize developers to plat rights of way (ROW). There could be different variations depending on traffic. She would not want to pigeonhole into one specific travel way width but instead use language like “as determined by the director” to determine how wide the ROW needs to be with the intent that CBJ will develop it. Mr. Haight said installing sidewalks in front of storefronts plays into the question of setbacks. Ms. Eddins said this would be the front edge of the sidewalk. A ROW would be constructed by CBJ. Mr. Haight said if a developer wanted a wider sidewalk, they could do that, and the issue of a courtyard setting would be determined by sidewalk widths. Mr. Voelckers said he liked Mr. Miller’s suggestion of 8 feet as the default but would not want to automatically say the option was wide open for a sidewalk plus 15 feet.

Slide 8 - CMU Lot Coverage

Ms. Eddins said that to implement the area plan there needs to be multi-use, multi-story buildings. Perhaps this can be implemented without making it required by offering a lot coverage incentive. There is no maximum lot coverage in the underlying zoning district. But if a single use building is constructed, lot coverage is cut in half. Ms. Maclean said she agreed with all of this except for multiple uses because it would be difficult to enforce. Someone could remodel the space by breaking down walls for a single use, and CBJ is not able to enforce based on the original use. Mr. Voelckers said that if this stays in the language there will need to be definitions of what constitutes multiple use. It may be that people game the system slightly. Mr. Miller said that for a single story building there should also be a size limit on the Table of Dimensional Standards.

Slide 9: Auke Bay Overlay District Bonuses

Ms. Maclean said she thought all bonuses were going to need approval from the commission. Mr. Voelckers also questioned the statement that the director is authorized to approve. This may be defined when the full commission sees this draft. Maybe minor bonuses could be approved by the director but he would want the opportunity to consider view planes, for example. Ms. Eddins said she thought there was intent to make this simple for developers. Going before the Planning Commission might put a bad taste in people’s mouths. Ms. Maclean said that as the director, she would not want to approve a bonus without a public hearing and the opportunity for public comment. Mr. Haight and Mr. Hickok said that they agreed. Ms. Eddins asked if the Alternative Residential Subdivision (ARS) ordinance was written this way. Ms. Maclean recalled that all of the ARS goes before the Planning Commission. Mr. Voelckers recalled agreeing this step is a burden and developers don’t like to do it, but there is an incentive to take this extra step with the Planning Commission in order to obtain “the icing on the carrot cake”. Something simple like a bonus due to mixed use only does not need Planning

Commission input, he felt, but anything affecting viewsheds needs a public process. Mr. Hickok asked if bonuses were going to be treated like a variance. Ms. Eddins suggested there could be a point threshold i.e. 5 points or fewer is a director decision and 6 or more requires Planning Commission approval. Could that work, she asked? Mr. Voelckers said he has not thought about this question but thinks some minimum housekeeping is necessary. Mr. Miller suggested not getting hung up on this point at this time.

Mr. Voelckers had a point on the last sentence in the paragraph (line 72) and suggested replacing “exceeds” with “creates a dense, well-functioning community center”.

Slide 13: Bonuses: How They Work

Ms. Eddins said the last sentence needs wordsmithing but is in here to avoid double dipping – “Once a point has been used for a bonus, it cannot be used again for another bonus.”

Slide 14: Connected Street Grid

Ms. Eddins said this encourages the creation of a nice, connected street grid. Instead of the burden being placed solely on the developer, they just need to plat a ROW for future development by CBJ, who will own the ROW. Mr. Voelckers said the first step is to incentivize blocks being broken down to smaller units. He liked the bonuses traveling with lots that have been created. Maybe there should be a subdivision bonus in this section, he said. He thought points should not be awarded based on how many random ROWs a person makes but based on how they connect, but he is not sure of the words to use. An example is 8-acre lots broken into 10 lots; each of those lots should get some points. Maybe every lot gets a number of points – some work here is needed. Ms. Eddins said that every proposed subdivision has a pre-application conference and is reviewed in-house. Therefore, planners would weigh in regarding where the ROW goes. CDD plays an active role in designing these future ROWs.

Mr. Miller said if a developer with a large lot decides this is way to go and puts in several ROWs and gets 12 points in return, do those points travel with the lot when it is sold or can the developer use the points for a parking reduction? Then the lots might be sold with a 30% reduction in parking. What if a buyer does not need that parking reduction? If points travel with the lot, then the buyer has a portion of those 12 points and as the buyer develops his/her project more points might be obtained. Mr. Voelckers agreed points should travel with the lot and be bankable. This is the only way a major property owner sees it in his interest to develop multiple mixed-use lots. The lots will have development value. Mr. Hickok asked questions about how these points would work. Mr. Voelckers said the way this is structured incentivizes developers to put in lots of ROWs, which is not the intent if they are just random. What is wanted is a grid that makes sense and creates community. Mr. Miller said that land is so expensive, he does not think dedicating lots of ROW would make sense for a developer. It makes sense only if makes the lots more valuable AND gets the developer some points.

Mr. Haight had a question regarding a subdivision – how can they use the points just for development? Mr. Miller said they could use points as soon as the land is subdivided to get

more density. Mr. Voelckers said the density could go from 30 to 50 units per acre. Mr. Haight wondered about parking – what if we allow off-site parking and allow construction without parking? Ms. McKibben said that a subdivision could include a parking pocket.

Ms. McKibben wondered if a lot is subdivided into 6 lots and earns 12 points how would these points be allocated, percentage based on lot size, or frontage, or what? Mr. Voelckers said the committee has not yet gamed through where the points go. Examples have not yet been considered. Mr. Hickok said that if developers put all their points into zoning, the points would then be used up. Mr. Voelckers thought the purchaser would decide about density. Ms. Maclean said they would not be able to rezone – this will be the new zoning, CMU as the base, etc. Mr. Miller said if a developer uses the points, they will need to realize the value when they sell the property. The buyer needs to know that the points have value. He said he was not sure if a developer would need to spend the points before selling or if it is clear that the potential of the points raises the value of the property. Mr. Hickok asked if this point allocation will follow the title or be tracked by CDD. Ms. Eddins said that in the land database system a parcel tag can pop up; this happens for the historic district's design standards. Ms. Eddins said regarding how to split up the points, she envisioned if the large parent lot is awarded 16 points, then each lot created would have 16 points to use.

Mr. Miller said that one thing the Assembly may not like is having the city owning all these rights-of-way that are not developed. When the lots are sold and built on, the new owners are likely to come to the city demanding that their streets be constructed. A street with a 22 ft. ROW including sidewalks costs about \$1,200 per foot to build. This will need to be addressed before the ordinance goes to the Assembly. Mr. Voelckers agreed. The CBJ will have to hazard something to get something. There are also issues of sewer and water, not just paving and surface. There should be language that the city is on the hook to be a co-developer so that these things happen at the same time. There has to be a working street by the time the development is completed otherwise the community will not get the village setting that is desired. Mr. Miller said that it takes a tremendous amount of bonding capacity and capital in order to pull this off. CBJ may need to be a partner in the development, similar to a pre-existing LID when the lot is sold, to help out the developers and so it will not just be the big developers with deep pockets who will be able to do this. Mr. Voelckers said he thought much of the draft language is close to being ready but this key piece that had just been discovered will take an additional page or two to discuss.

Ms. Eddins said she will have to speak with Engineering before going out to the public.

Slide 15: Mixed Use (MU)

A different version of this was in the draft regulations, said Ms. Eddins, but it got complicated. The current version is simpler and is a way of promoting MU buildings. Mr. Voelckers said he was not in favor of aiming for a higher and higher ratio of commercial to residential. The plan encouraged having a lot of both, not, for example, an 18-plex with just one laundromat on the ground floor. Some ideas include obtaining points based on size, setting some threshold,

instituting a rising scale based on a bigger final product. He said he did not want to over dictate the ratio but encourage robust mixed use. Ms. Eddins said her research indicated that the 4 to 1 ratio is the sweet spot to keep ground floor commercial thriving. The hope is that the market and the folks living on the top of the building dictate what is on the ground floor. In the Table of Permissible Uses the laundromat could be allowed, but would it thrive in that location? Mr. Voelckers asked about Auke Bay's role in the larger surrounding area which is primarily residential? Ms. Eddins said she did not look at that. The focus has been on how to create a self-sustained village.

Mr. Miller asked if Mr. Voelckers had a different list in mind. Mr. Voelckers said it comes back to the commission having a collective sense not to dictate to developers. There might not be a need to drive as hard. Mr. Haight said that if a two-story building has a bottom story with commercial use, a 1-1 ratio makes sense, but a 4 to 1 ratio in 2 story building does not. Mr. Miller said he felt this area needed more time to work out and that likely there would be no conclusion at today's meeting. On a small building maybe this works, he said. A bigger lot might dictate a different set of ratios. But he still thought it was okay to take this to the public soon and asked if others agreed. Mr. Voelckers said that he did not want to incentivize putting apartments on the street level on an otherwise vertical building as apartments at street level are not compatible with a town center concept. Ms. Maclean said a building could have commercial use on two floors and that could be a different ratio, which would not be a bad thing. Ms. Eddins wondered if the ratio should be tied to the number of stories. Mr. Voelckers said he thought this was a good enough start for a public conversation but that the devil was in the details. Mr. Hickok asked if there was anything to prevent office space being located above commercial, as some offices might appreciate having the view. Mr. Miller pointed out that accessibility is an issue too; if the developer does not want the expense of putting in an elevator could there be office space above? He also did not think having a residence on the first floor is completely out of whack. Office space on a second floor would go along with a town center. There would be people to shop and eat, etc. Mr. Voelckers said that the easiest solution to him is a healthy, mixed ratio but beyond that he would want density and scale of development. Retail commercial on the ground, stylish office space above, and a penthouse on top of the building could work. Ms. Eddins said she has examples from other communities but will need to do more research.

Everyone was comfortable with taking the draft as it stands to the public. Mr. Miller thought someone might have a good suggestion when these issues are discussed publically.

Building Design Standards & Site Features (see draft ordinance beginning on line 102)

Ms. Eddins said the language here has not changed but points have been assigned. Mr. Voelckers said he promotes design standards, but these seem tricky because people will not spend a lot of money without thinking about how to pull people in, especially regarding a ground floor entrance. He felt this will already be met and is uncomfortable going too far with a certain look and style. Mr. Hickok said he agreed that a developer will want to make their building appealing. Mr. Voelckers said it might be okay to incentivize glass fronts, but too far

beyond gets into design standards that are not needed. Ms. Maclean recommended that the language needs to be specific enough to make it through the Assembly approval process. Ms. Eddins said from her staff perspective, whenever subjectivity can be taken out of the code, interpretation is easier.

Ms. Eddins reviewed street-facing building facades and ground level entrances as per the Auke Bay Plan. She said that Ms. McKibben suggested changing canopy covering or facing public ROW instead of lining up, if they bump back. Mr. Voelckers felt the language should say that if there are adjoining canopies they have to be linked. Mr. Miller felt they would not have to match though, for example in terms of height. Mr. Voelckers felt some words pertaining to keeping people from getting wet could work; words like “continuity” or “weather-proof” are not subjective terms. Mr. Miller said the idea is that it is interesting, although that is subjective. If there is a change in the plane of the entryway, he said, he is interested in bumping these points up to 6 points with 12 points max. He said he felt that canopies are worth a lot, like 10 or 12 points, because they are a huge benefit to the public.

Ms. Eddins said she was fine with messing with numbers but that they do flow with other bonus points. There is a need for balance i.e. if canopies increase in points then platting a ROW should increase. Mr. Miller said he was not so sure. Building the canopy is more expensive than contracting for the survey to do the plat. Mr. Voelckers said he agreed with Ms. Eddins in this case, not Mr. Miller. Platting a ROW is where a whole neighborhood starts to work, he said. Mr. Miller thanked Mr. Voelckers for pulling him back in. Ms. Maclean said the department will be working on the canopy ordinance soon, so she suggested not being too specific and instead refer to the canopy ordinance so that when it changes, this ordinance will follow.

Ms. Eddins asked if the points for site features should be increased. These walkway points will go through the Planning Commission process so there will be the chance weigh in on allocating them. Bike racks and outdoor seating are some other things to consider. What is missing in the language is outdoor seating areas like a nook. Maybe developers should get points for the real estate as well for a courtyard, not just the seats. If real estate is dedicated for that amenity, points should be awarded in addition to the points for street furniture. Mr. Hickok felt it may be important to not make outdoor seating so permanently fixed. Being able to create an attractive setting depending on the business is the goal, not just a fixed bench. Ms. Maclean asked about bus shelters. Mr. Miller said he felt shelters ought to be in the bonuses, because if the area is developed then bus service will arrive. Mr. Voelckers said if the canopies are in place, then a bus stop will have what is needed.

Slide 17 - Screening

All of the committee members were okay with this section.

Slide 18 - Preserving Views

An error was found: 50% lot coverage should earn 6 points.

Mr. Voelckers said he had concerns. We want to have it go up so as not to obstruct a view plane, he said. Ms. Eddins said that this is the first attempt at the preservation of views from private property and only is address at buildings 35 ft. or taller. Mr. Miller asked if it might work if buildings above 35 feet shrunk their next story to 75% of the footprint. Mr. Voelckers said that yes, this kind of thing could be the subtlety desired. There are ordinances in cities that work with skyscrapers and such. Sometimes extra height is good, others times it is bad depending on what is behind. He suggested that it would be helpful if staff could find other examples as this section is the hardest one. Mr. Hickok pointed out that views are very subjective and in the eye of the beholder. Ms. Eddins said this is the trickiest when it comes to simplicity with getting it right. Austin, Texas has a standard which is very complicated. Mr. Voelckers suggested thinking about words that reference abutting or the backside of buildings or view access to the water. Some intent language from the Auke Bay Plan could be inserted. The work on this may need to be a little closer to a finished product before it is shared with the public especially regarding private and public viewsheds. Ms. McKibben said perhaps there could be a separation in the overlay so one section is about protected views from the Plan and another section could incentivize protecting views on private property. Ms. Eddins said the Auke Bay Plan talks about views from public spaces and also says it would be nice if everyone's property could have their views of Auke Bay preserved. However would that come to mean one property owner can have their view if the city takes away someone else's opportunity for a view. She said she feels uncomfortable about taking property value away from some of these lots without law's input. Mr. Voelckers said this step is already being taken for future development; buildings currently in place are grandfathered in. We are not "taking" if we start at 35 feet. Ms. Eddins said she does not want to play with property values and picking one property over another. Mr. Hickok pointed out that the reason the Auke Bay Implementation Committee was formed was to put zoning in place first before buildings went up and blocked views.

Ms. Eddins said there were some tools that can be played with to get ideas of things like floor ratios. Ms. McKibben said she also heard ideas about a footprint being reduced if you could stack ratios. Mr. Miller said that if there was a line of condos behind a waterfront developer who has bonuses that allow the building to go to 55 feet on half of the building, some of the condos behind have their views blocked, while others do not.

Mr. Voelckers had some comments. He felt the most important item is parking reductions, and he favored extending the chart up to a 60% reduction. Also he felt it should take a lot of points to get to build to 55 feet.

Slides 19 & 20 - Using bonuses

Mr. Miller said these tables looked good to him but should use 50 percent.

Public Outreach

It would be good to have all commissioners in attendance at the public meeting, if possible. Ms. Eddins said she will call to see about available space and needs at least two weeks for noticing the public. It was suggested that this occur in the first week of December, on the 4th or the 6th.

V. Committee Member Comments and Questions

The next committee meeting will take place after the public meeting. December 17, 2018, was proposed.

VI. Adjournment

The meeting was adjourned at 1:45 pm.