

**CITY OF COVINGTON**  
**Planning Commission Minutes**

**July 19, 2012**

**City Hall Council Chambers**

**CALL TO ORDER**

Chair Key called the regular meeting of the Planning Commission to order at 6:30 p.m.

**MEMBERS PRESENT**

Chair Daniel Key, Vice Chair Paul Max, Sonia Foss, Ed Holmes, Sean Smith and Alex White.

**MEMBERS ABSENT**

Bill Judd

**STAFF PRESENT**

Richard Hart, Community Development Director  
Salina Lyons, Senior Planner  
Ann Mueller, Senior Planner  
Kelly Thompson, Planning Commission Secretary

**APPROVAL OF CONSENT AGENDA**

- **1. Commissioner Smith moved and Vice Chair Max seconded to approve the consent agenda and the minutes for June 7, 2012. Motion carried 6-0.**

**CITIZEN COMMENTS – NONE**

**PUBLIC HEARING – 2012 Comprehensive Plan & Development Regulation Amendment Docket**

Chair Key opened the Public Hearing.

Senior Planner, Ann Mueller, briefly outlined the three items listed on the final docket as shown on the agenda.

Don Ramsey, Ashton Development: On March 1, 2012 he mailed a letter to the City outlining his concerns about requiring retail on multi-family in the Town Center zone. He asks that the verbiage encourage, but not require ground floor retail.

Chair Key closed the Public Hearing as there were no other offers of public testimony.

## **PLANNING COMMISSION DISCUSSION**

Commissioner Smith asked for clarification about the 60% retail requirement and wanted to know what the remaining 40% could be.

Ms. Mueller stated that it could be lobby space, garage entrance, residential, etc. Mr. Hart said the reason we allowed 40% was to allow some flexibility for public space and open areas.

Commissioner Smith asked about annexation impacts on residents currently outside the city limits. He asked about the benefits to those citizens by being within the city limits.

Ms. Mueller responded that the citizens would have the benefit of city maintained streets. They would also have more direct access to permits and code enforcement and the residents would pay resident rates at the Aquatic Center. Mr. Hart stated that following an annexation, those residents would have the ability to more easily and directly participate in local government.

Commissioner White asked if the 60% ground floor retail requirement was based on researching other communities. Mr. Hart stated that we did research other cities, and also considered that the number could not reasonably be 100% ground floor retail.

Commissioner Foss has been driving around town centers, and found that in Burien all of the ground floor retail is empty. It appears that they may have converted some of the retail to housing. One development was built approximately 4 years ago and approximately 8 months later the economy began to decline. Commissioner Foss shared an article from the Seattle Times. She also went to Renton Town Center and found there were a couple of professional offices, but no retail. In Tacoma, she also found retail in a mixed-use building across from the theater, near the convention center, all sitting empty. She does not agree with the 60%. She has not been up to Mill Creek yet.

Chair Key asked how we can achieve the vision. He sees these other cities as different because they built prior to the demand. By adopting the 60% ground floor retail requirement, we will potentially delay the development. There is a cost to achieving the vision and we have to consider the long and short term benefits.

Commissioner Smith asked about the vacancy rate of retail in the City. Mr. Hart stated that Mr. Ramsey could probably respond to the vacancy rate in their properties. Mr. Hart stated that vacant spaces are not specific to ground floor retail. You can go almost anywhere and see more vacant store fronts than we saw a few years ago. This is not unique to mixed use-ground floor retail.

Commissioner Smith asked if multi-family could be located near a school. He asked if a half-way house could be placed near a school. Mr. Hart explained that there are certain types of adult homes which must be permitted by state law.

Commissioner White asked about the vacancy rate in apartment housing. He thinks that we should keep the long term vision. Staff could not provide specific vacancy rates.

Commissioner Holmes thinks there is a "zone-it-and-they-will-come" philosophy. The vision doesn't get achieved without an implementation plan. He would have more confidence if there was a plan identifying the obstacles.

Chair Key agrees, and feels there are things the city can do to help move this along. The past few years are part of the worst recession most of us have seen.

Vice Chair Max shared that in his experience as a real estate developer, a mixed use retail/storage property, soon became storage. He wanted to know about safeguards in place or restrictions. Staff said if a use is allowed owners can change their use.

Commissioner Holmes asks if the City Council adopts 60%, are there exceptions that can be made. Mr. Hart answered that no, those kinds of exceptions cannot be made without changing the code. A code amendment could change the 60% to 50% or 70%. That does not change the basic policy.

Vice Chair Max does not see ground floor retail as being a bad thing for a developer down the road. Retail space will generate more tax revenue per square foot than residential space.

Mr. Hart explained that the Covington Economic Development Committee is the body that carries forward the vision of economic development. The most recent effort was Destination Covington which was acknowledged as a Best Local Government Program. The City used to have an Economic Development Director who would go out and recruit developers to sell and market Covington, but the position was eliminated during the recession.

Mr. Hart said that no one can debate the facts that Commissioner Foss presented. The Landing development in Renton isn't a good comparison as it

combines the concept of multi-story mixed use development with big box retail. Mr. Hart encourages Commissioner Foss to check out Mill Creek and Kirkland as successful projects. Mercer Island has weathered the storm and been very successful. The ground floor may have only one or two tenants, but in a few years it will fill in. Mountlake Terrace, Bellevue, Seattle, University Place and Auburn have all had some successes.

Ms. Lyons gave an example of senior housing to demonstrate the tax benefit of a mixed-use development. After a couple years, senior housing would pay very little property taxes. Having ground floor retail will provide a longer term rate of return. The cost of the infrastructure spread out over 20 years is greater than the single use apartment complex. If that same development added ground floor retail it generates on-going tax revenue.

- **Commissioner Smith moved to recommend the Adoption of the 2012 Comprehensive Plan and Development Regulation Amendment Docket to the City Council. The motion was seconded by Commissioner White. The motion carried with a vote of 5-1 with Commissioner Foss dissenting.**

**NEW BUSINESS - NONE**

**UNFINISHED BUSINESS - NONE**

**ATTENDANCE VOTE –**

- **Commissioner White moved and Vice Chair Max seconded to excuse the absence of Commissioner Judd. Carried 6-0.**

**PUBLIC COMMENT- NONE**

**COMMENTS AND COMMUNICATIONS FROM STAFF**

Ms. Lyons shared that Multi-Care submitted the Pre-Application Meeting for the hospital today and anticipates the formal submittal of their Commercial Site Development Application in August. Soos Creek Lift station has begun construction.

Mr. Hart shared that the volunteer appreciation dinner is July 31<sup>st</sup>. Staff has received a report from the consultant and City has responded with comments regarding the Northern Gateway study. We plan to make the presentation to City Council on the final report with policy options. As soon as the final document is available, we will provide that to the Planning Commission. After the Northern Gateway study, the Planning Commission will be working on the Shoreline

Regulations. The multi-family tax exemption on condominiums, and moratorium extension on medical marijuana is going before the City Council soon.

Commissioner Smith indicated BPAC is reaching a critical point and they have heard from the City departments. The next couple of meetings will be reviewing budgets, and the third meeting looking at revenues. There is not a lot to cut, and not a lot of opportunity for revenues either.

**ADJOURN**

The July 19, 2012 Planning Commission Meeting adjourned at 7:55 p.m.

Respectfully submitted,

---

Kelly Thompson, Planning Commission Secretary