

Board Member Pence suggested there is a way to get the public engagement program right from the beginning of a project so that the situation doesn't escalate later in the process. However, that is a topic for a different meeting.

Board Member Monroe asked why the additional language related to existing, developed sites was added to Subsection C instead of another subsection. For example, the language might fit better in Subsection B. Mr. Clugston responded that Subsection C is application related, and staff felt that a little bit more explanation was warranted.

**BOARD MEMBER MONROE MOVED THAT THE PROPOSED AMENDMENTS (AMD20190005) BE FORWARDED TO THE CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. BOARD MEMBER PENCE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**PUBLIC HEARING ON CODE AMENDMENT ALLOWING LODGING USES IN THE CW ZONE (FILE NO. AMD20190006)**

Mr. Chave recalled that this item was also introduced to the Planning Board on November 13<sup>th</sup> by Patrick Doherty, the City's Economic Development Director. He reviewed that the Economic Development Commission (EDC) has requested an amendment TO the City's zoning code to allow lodging-type uses in the Commercial Waterfront (CW) zone. As noted by the EDC, there are very limited areas for hotels to locate in the downtown waterfront area at this time. The amendment is intended to promote the economic well-being of the City by expanding these opportunities.

Mr. Chave advised that the EDC's request could be addressed by adding "hotels" to the list of "Permitted Primary Uses" in ECDC 16.55.010. At this time, staff is not recommending adding "motel" as a permitted use since the purposes of the CW zone are focused on public access and pedestrian use in the waterfront area and the definition of a "motel" is more focused on supporting vehicle use and access.

Chair Cheung opened the hearing, but no members of the public were present.

Board Member Monroe asked if the amendment would change the height or parking requirements, and Mr. Chave answered no. The amendment would simply allow a "hotel" as a permitted use. He pointed out that the Shoreline Master Program (SMP) already envisions hotel uses on the waterfront, so the amendment would actually bring the zoning code into compliance with what the SMP envisions. Board Member Monroe voiced support for the proposed amendment.

Student Representative Bryan said he also supports the proposed amendment and likes the idea of having more hotel accommodations on the waterfront. He noted that the hotels would be within walking distance of downtown Edmonds, as well. Expanding opportunities for hotel uses could bring more people to Edmonds, adding to the local economy.

Board Member Pence said he supports the idea behind the proposed amendment. However, his recollection is that the SMP requires water-related uses within 200 feet of the shoreline, and a hotel would not be considered a water-related use. Mr. Chave explained that the CW zone is located within an area that is designated as Urban Mixed Use in the SMP, and lodging-type uses are allowed even if they are not water-related.

Chair Cheung asked staff to share any arguments against the proposed amendment. Mr. Chave pointed out that it is pretty common for waterfront towns to have lodging in and around the waterfront area. At this point, Edmonds is unusual in that the use is not currently allowed.

Vice Chair Robles said he supports the concept, but it might end up being too good of an idea. There are at least five existing buildings along the waterfront that would be fantastic locations for hotels. Once the use is allowed, it would be difficult to stop if it proliferates. He voiced concern that the proposed amendment is a haphazard approach, and he would rather look at the entire CW zone as a whole and come up with an overall plan similar to what was done with the Westgate and Highway 99 areas. The waterfront property is unique and there is limited land on the west side of the railroad tracks. It is possibly the most coveted piece of real estate in the State of Washington. Property owners could benefit tremendously from the amendment, which could dramatically increase property values based on the higher use allowed. Perhaps there should be some limits placed on the use, or at least a filter so they can get the good ideas and have an opportunity to reject bad ideas. He summarized that the waterfront area is a public amenity (a park) that belongs to the citizens of Edmonds.

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Mr. Chave emphasized that the proposed amendment would not allow a park area to be redeveloped into a hotel. The park spaces are zoned Open Space (OS). The amendment would be limited to the properties zoned CW, and there aren't very many. A lot of the properties that Vice Chair Robles is concerned about are not zoned in a way that allows hotel development, and they are publicly owned. Therefore, the danger is extremely limited.

Board Member Monroe asked if Vice Chair Robles is concerned that existing apartment buildings would be replaced with hotels. Vice Chair Robles said he is more concerned about properties where single-family homes are currently located. Board Member Monroe agreed that these homes are great places for people to live, but they are currently underutilized properties. He said he would love to have a place for friends and family to stay in hotels close by.

Chair Cheung said he can understand that people might be concerned that allowing hotel uses in the CW zone might result in additional traffic impacts, less public access to the waterfront, etc. However, providing additional lodging opportunities would be a nice addition that benefits the local businesses. It is a great location in that employees would be able to get to work via the Sounder Train. Mr. Chave pointed out that the existing office buildings in the CW zone do not provide public amenities. He would argue that a hotel use would encourage more public access and amenities.

**BOARD MEMBER MONROE MOVED THAT THE BOARD FORWARD THE PROPOSED AMENDMENT (FILE NO. AMD20190006) TO THE CITY COUNCIL WITH A RECOMMENDATION OF APPROVAL. BOARD MEMBER CRANK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.**

**REVIEW OF EXTENDED AGENDA**

Chair Cheung reminded the Board that the December 25<sup>th</sup> meeting was cancelled. The next meeting will be January 8<sup>th</sup>, and the agenda will include an update on the Housing Commission's work. The January 22<sup>nd</sup> meeting agenda will include a quarterly report from the Parks, Recreation and Cultural Services Department, the February 12<sup>th</sup> meeting agenda will include an update on the Climate Goals Project, and the February 26<sup>th</sup> meeting agenda will include updates on the Puget Sound Regional Council (PSRC) Vision 2050 and Buildable Lands processes. He noted there are a number of items on the list of "pending projects," as well.

Board Member Pence asked if the Board holds an annual retreat, and if so, when will it be added to the extended agenda. Chair Cheung answered that the 2020 Chair and Vice Chair will be responsible for scheduling and establishing an agenda for the Board's annual retreat. In the past, the retreat has been held earlier in the year, rather than later. Board Member Pence said that would be his hope, given that there will be a new Mayor and several new City Council Members.

Chair Robles said he will be meeting with the Development Services Director soon to discuss the Board's extended agenda, including a possible date for a retreat. He invited the Board Members to provide feedback regarding the items they see as priorities for 2020.

**PLANNING BOARD CHAIR COMMENTS**

Chair Cheung thanked the Board Members for their hard work and participation as he chaired the meetings throughout 2019.

**PLANNING BOARD MEMBER COMMENTS**

Board Member Monroe thanked Chair Cheung for doing such a great job of setting the Board's agendas and leading the meetings. He made the meetings fun to attend, and the Board got a lot of business done, as well.

Student Representative Bryan referred to Vice Chair Robles earlier comment that allowing lodging uses in the CW zone might be too good. He recalled the Board's earlier discussions with the Architectural Design Board (ADB) about their desire to be involved earlier in the permit process. He suggested that perhaps it would be possible for the ADB to provide feedback to help weed out the bad ideas, like too many hotels ruining the waterfront. Vice Chair Robles emphasized that the Board doesn't have that power. The Board's job is to make recommendations, and it is up to the City Council to make the final

decision. The optimum approach is for the Board to populate the record to the maximum extent possible so the City Council has adequate information to fully understand the public's wishes.

Student Representative Bryan asked if it would be possible for the ADB to have the power to review projects and deny those that do not fit in with the City's vision. Mr. Chave explained that, depending on where a project is located, the ADB can make recommendations or approve design, but it cannot say whether or not a use is appropriate. The uses allowed are set by the zoning code. Adding "hotels" as an allowed use in the CW zone is essentially saying that type of use is fine in the zone, period. The ADB can rule on whether the design is adequate for the location, but it cannot rule on whether or not the use is appropriate.

### **ADJOURNMENT**

The Board meeting was adjourned at 7:36 p.m.

**APPROVED**

**POTENTIAL CODE AMENDMENTS ALLOWING LODGING USES IN THE COMMERCIAL WATERFRONT (CW) ZONE (File No. AMD20190006)**

Mr. Doherty advised that the Economic Development Commission (EDC) is interested in ways to enhance the economic vitality of the City, and one potential option is to encourage greater lodging opportunities in the City center to be adjunct to the attractions (events, activities, restaurants, performance venues, etc.) that already exist. He explained that, over the years, they have tried to entice hotel developers to the downtown and even paid for a hotel demand report a few years ago that quantified the demand for hotels. The report pointed out there are few opportunities to develop hotels in the downtown given the small site size and height limit. While there is potential for small, boutique hotels that are run by independent operators, the name brand hotels usually won't invest in a market for anything less than 75 rooms, and there are no properties in the main downtown that could accommodate a hotel of that size.

Mr. Doherty pointed out that the waterfront is another part of the greater downtown where there are opportunities to adaptively reuse existing office and residential buildings for hotel uses. In fact, he was approached a few years ago by a person who was interested in converting a waterfront office building to a lodging use, but he had to advise him that it was not allowed by code. The building was later purchased by someone else and is currently used as office space.

Mr. Doherty said the EDC became excited about the notion of a waterfront hotel, and it was discovered that if a waterfront office building were converted to a hotel use, it would be the only beach front hotel in the Puget Sound area. It could become an attraction for Edmonds and improve the economic vitality of the entire downtown core. He explained that the EDC is requesting that the zoning code be amended to allow lodging as a permitted primary use in the Commercial Waterfront (CW) zone (ECDC 16.55.010).

Mr. Chave pointed out that the proposed amendment is consistent with the Shoreline Master Program (SMP), which already allows lodging uses in the Urban Mixed Use shoreline environment. He also pointed out that the City's code typically addresses hotels and motels together; but in this case, the amendment would apply to properties along the waterfront that are in close proximity to public walkways, parks, etc. Staff believes it would be more appropriate to limit lodging uses in the CW zone to hotels only.

Mr. Chave suggested that, in addition to the proposed amendment to add "hotels" as a permitted primary use in the CW zone, it would also be appropriate to do minor updates to the definition of "hotel." If the Board is willing to move the proposed amendment forward, it could be scheduled for a public hearing in December.

Mr. Doherty explained that the overarching concept for the SMP is to have either marine-related or marine-dependent uses on the waterfront. If that is not possible, then there is a hierarchy of uses that can be considered, and hotels are higher on the list than offices. Office uses typically serve the same crowd every day, whereas a hotel would serve different people every day and would likely provide some public space, as well. In many cases, a hotel use would provide more opportunities for public enjoyment of the shoreline than an office use would.

Board Member Monroe said he believes the proposed amendment is a great idea. He asked about the boundaries of the CW zone, and Mr. Chave said it includes all of the property along the waterfront except the ferry property, the port property east of the railroad tracks, and the parks. The Port property east of the railroad tracks is zoned General Commercial (CG) and the park and ferry properties are zoned Public (P). He summarized that it is a fairly narrow strip, but there are some significant properties that could be repurposed or redeveloped for lodging uses. Board Member Cloutier provided a zoning map to illustrate the extent of the CW zone, which includes part of the Port property, but not Harbor Square.

Board Member Monroe asked about the parking requirement for hotel uses. He suggested this will be important information to provide at the hearing where it will likely be raised as a concern. Mr. Chave answered that the parking requirement is one space per room or unit. Board Member Monroe asked if employee parking is also required, and Mr. Chave answered no. Mr. Doherty observed that the average occupancy for a hotel is between 60% and 70%, and typically, 100% occupancy only occurs during special events. During these times, employees would end up parking on the street.

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Board Member Rubenkönig asked how creative an applicant could be in meeting the parking requirement. Mr. Chave responded that not all parking must be provided on site. Development in the downtown is allowed to take advantage of parking elsewhere within the area to meet the parking requirement. Board Member Rubenkönig asked if other methods of transportation, such as Uber or Lyft, could be used by an applicant to meet at least part of the parking requirement. Mr. Chave reminded the Board that all new uses in existing buildings are considered to comply with the parking requirement. If an applicant is renovating an existing building on the waterfront for a hotel use, whatever parking is there would satisfy the parking requirement.

Vice Chair Robles pointed out that there is no emergency access solution for properties on the west side if a train is blocking the track. He asked if there is something in the hotel laws that would prohibit a hotel from being placed on the west side of the tracks for safety reasons. Mr. Doherty said he does not know of any restrictions. He said he has spoken to a few hotel developers, as well as a hotel development broker, who were conceptually interested in property on the waterfront, and they didn't seem to find a problem. In general, there is concern about noise and vibration from the trains going by, and he occasionally hears from the Harbor Inn that guests complain about it. This is something a developer would need to address as part of a project design.

Vice Chair Robles asked if the proposed amendment would increase the value of properties in the CW zone. Mr. Doherty explained that, typically, the appraised value is based on the highest and best use of a property. There are no hotels in the area and office development is currently considered the highest and best use. He does not believe that the properties would be appraised higher because there are no large under-developed or undeveloped properties that would impact the value.

Vice Chair Robles said he understand that the amendment is being proposed to attract and accommodate tourists to the downtown and waterfront. He asked if a waterfront hotel is considered the only way to accomplish this goal or if there are other options available such as short-term rentals that can absorb a lot of occupancy but do not require development. This would give local residents an opportunity to enjoy the economic benefits, too. Mr. Doherty said the Airbnb phenomenon is growing in Edmonds, as evidenced by the surge in business licenses and lodging taxes. This is largely because they do not have a lot of other options. However, short-term rentals are not always to everyone's taste, and a hotel scenario is preferred by some. The proposed amendment would widen a very narrow door that a potential developer could walk through to provide more lodging in the downtown area.

Vice Chair Robles suggested they open the scope of the discussion so that it is not based solely on the premise of bringing more people to the waterfront and downtown to take advantage of the fairs and events. Mr. Doherty responded that a lot of people use lodging in neighboring cities, and the goal is to recapture some of this market to improve the City's economic vitality.

**PRESENTATION ON POTENTIAL REVISIONS TO UNIT LOT SUBDIVISION APPLICATION PROCEDURE**  
**(File No. AMD20190005)**

Mr. Clugston reviewed that the unit lot subdivision process was adopted in 2017 and has been well received. Since that time, three projects have been approved and several others are in the works. Based on experience, staff has identified the need for a minor change to the application timing within the unit lot subdivision process to make the associated building permit review more efficient. He explained that the current code allows an applicant to apply for a unit lot subdivision concurrent with design review, concurrent with a building permit application, or after a building permit application is received. However, applying for the unit lot subdivision after the building permit application leads to inefficiencies. It requires additional staff time to create, change, update and re-review applications, and it also requires applicants to prepare new documents and pay additional fees.

In order to streamline the process, Mr. Clugston said staff is recommending that unit lot subdivision applications no longer be accepted after building permits are submitted. As proposed, staff will know to process buildings permits as single-family residential developments rather than having to start the process as a commercial development and change further down the road when a unit lot subdivision application is submitted. The proposed amendment to ECDC 20.75.045 would alter just a few words to implement the change in process (See Exhibit 2).

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