



**DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT**

M E M O R A N D U M

DATE: May 23, 2008
TO: Ray Giometti, Planning Commission Chair
Members of the Planning Commission
FROM: Kris Sorensen, Assistant Planner
SUBJECT: **CPA# 2008-M-02: Business Overlays**

DESCRIPTION

The City is reviewing Business Districts along Commercial Corridors as part of the 2008 Comprehensive Plan amendment process. Business Districts are boundaries around a specific set of parcels in a commercial area where development standards and allowed uses are different from the underlying zoning. A Business District is created to meet the City's long term vision for specific commercial areas. This amendment focuses on whether the City should expand boundaries of established districts and whether the City should create new Business Districts. Currently, there are four districts which are located along the Northeast Fourth Street, Puget Drive, Northeast Sunset Boulevard, and Rainier Avenue commercial corridors.

SUMMARY OF TOPICS

1. What are characteristics of current and potential Business District areas?
2. What is the City's vision for Business Districts?
3. What is the regulatory framework for Business Districts?
4. Should Business Districts be expanded?
5. Should new Business Districts be created?

CHARACTERISTICS OF BUSINESS DISTRICT AREAS

As an initial step in the City review of Business District areas, staff has been conducting an inventory of approximately 550 parcels where districts are located and in the Benson Hill and Bronson commercial areas. The inventory has focused on collecting pertinent information related to the development goals and standards of these district areas. Both County assessor data and data from field work are available for use in analyzing what is happening in the areas. Further, this is the first time the City has conducted such an inventory after the creation of Business Districts which can serve as a baseline of information for future evaluations.

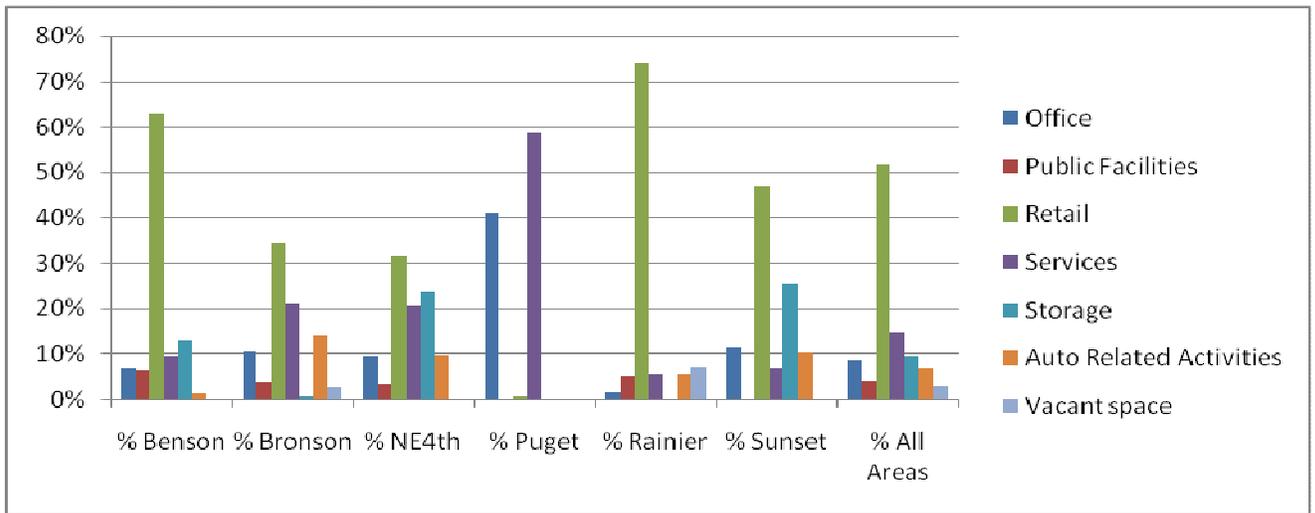
Preliminary Analysis: The table below shows the commercial land use categories of all inventoried properties broken up between employment and non-employment uses to provide an idea of properties that provide jobs in these commercial areas. The table also shows opportunities for infill development on undeveloped vacant land and properties only used for parking at about 12% of all properties in the commercial areas. Residential related parcels make up about 40% of the properties and are a majority of currently used attached and semi-attached dwellings with a smaller percentage of single-family homes.

Number of Properties According to Land Use Category

Commercial Land Use Category	Number of Tax Parcels	Percent of Total Uses
Employment Uses		
Entertainment and Recreation	4	1%
Office	29	5%
Community and Public Facilities	11	2%
Retail	101	18%
Services	47	9%
Storage	5	1%
Vehicle Related Activities	36	7%
Warehouse	1	0%
Parks	3	1%
Industrial	2	0%
Other - towing	1	0%
<i>Total Employment Uses</i>	<i>240</i>	<i>44%</i>
Non-employment uses		
Residential	201	37%
Residential construction phase	20	4%
Vacant Building	8	1%
Undeveloped Vacant Land	36	7%
Parking lot	31	6%
Other - PSE Power Lines	5	1%
Other - Railroad	6	1%
<i>Total Non-employment uses</i>	<i>307</i>	<i>56%</i>
Total Uses	547	100%

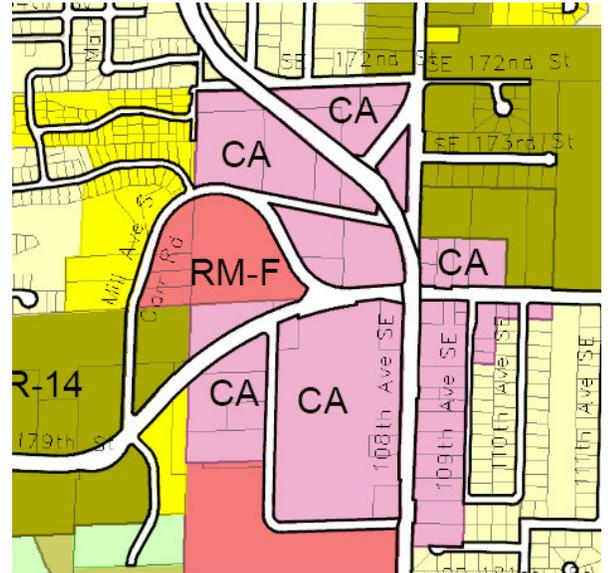
The chart below shows a preliminary analysis of the largest commercial uses in the business district areas inventoried to this point. It also shows the percentage for all of the inventoried areas combined, revealing that retail is the largest use at over half of all commercial building space followed by services at about fifteen percent. Storage, storage, and office follow at under 10% each for all areas combined. This analysis is based on square footage of buildings in which services are located. Industrial, warehouse, and entertainment and recreational services were not added to this table, as there is a small portion of space used for these uses. The chart is based on the predominant use in a structure with multiple services, for instance a grocery store with smaller uses like a bank and barber shop would be considered retail although there are services.

% of Building Square Footage based on Commercial Use



Benson Hill Commercial Area

This commercial area is part of the recently annexed communities toward the south boundary of the city. There are two highly used arterials that intersect, Petrovisky/South 178th Street and Benson Drive South/108th Avenue Southeast, which generate high daily traffic counts and areas of intersection for transit. Residential zones R-8, R-10, R-14, and RM-F surround the area.

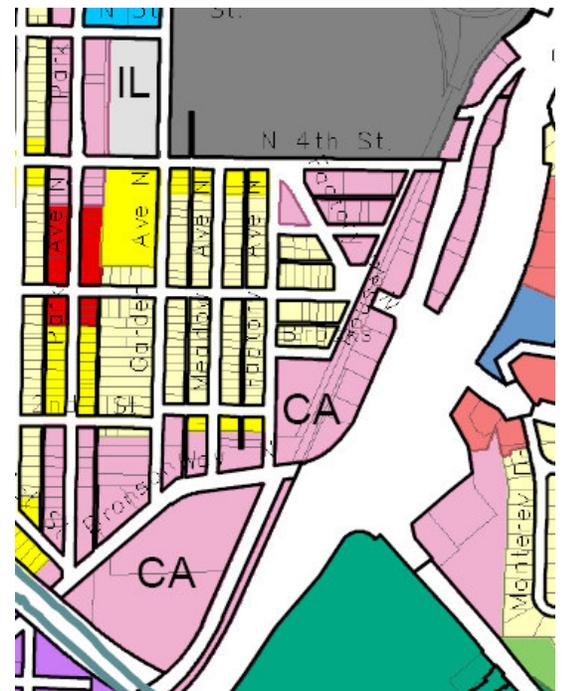


There are a few distinctive areas including the Fred Meyer shopping areas, the row of fast food restaurants along the eastside of 108th Avenue SE, and the lesser developed areas to the northwest. The top four commercial uses are retail, general services, self-storage, and office. New projects include the Fire Station in the southeast area.

The area has a few vacant commercial spaces, larger undeveloped properties, and a few multi- and single family residences. A challenge is pedestrian mobility throughout the area due to topography, lack of guidance through parking lots, and fencing between parcels.

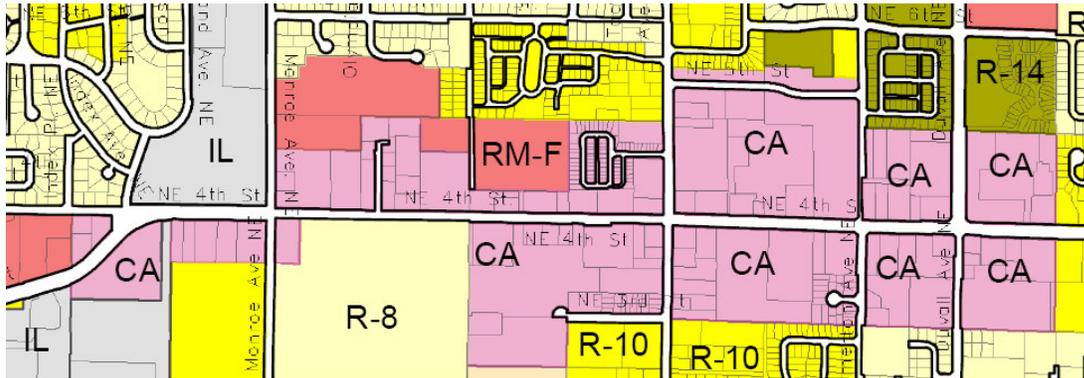
Bronson Commercial Area

The majority of CA zoned parcels north of the Cedar River in North Renton bounded by Interstate 405 to the east are part of the inventory. Liberty Park is a focal point in the southern area. There four sub-areas within this concentration of commercial CA parcels: properties along Sunset Boulevard North, parcels bounded by Bronson at the south and North 2nd Street at the North, parcels around Park and North 5th and North 4th, and around Factory Avenue North and North 4th Street. These areas are separated due to residential uses and railroad tracks. A mix of R-8 and R-10 and industrial zoned properties bound the parcels.



The area has smaller blocks compared with the more suburban lots in the other commercial zones due to the urban street grid, allowing for greater pedestrian and vehicle movement. The top four commercial uses are retail, services, office, and vehicle related activities which encompasses automotive rental, sales, and repair shops.

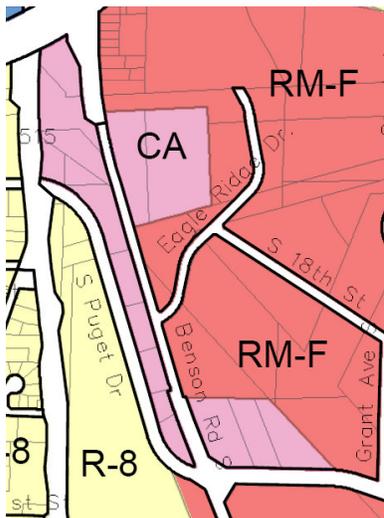
NE 4th Commercial Area and Business District



The Northeast Fourth Corridor is an active commercial area located at a gateway to the City. It features a wide variety of retail and service uses and several different structural forms from small professional offices to large-scale strip malls with major grocery anchors. Annexations of land into the City to the east of this commercial area and subsequent development of large single family housing projects has increased the market area for the Northeast Fourth Corridor considerably in recent years (Comprehensive Plan IX-64).

In addition, this area has a number of strip mall type buildings, where a building has multiple internal divisions for different businesses and services.. Also, there is the Hilands’s Mobile Home Manor near Queen Ave NE. Other residential uses in the area are apartments, condos, and duplexes, in addition to some single-family parcels that have been declining due to redevelopment of these parcels. The top four commercial uses are retail, services, storage, and vehicle related activities.

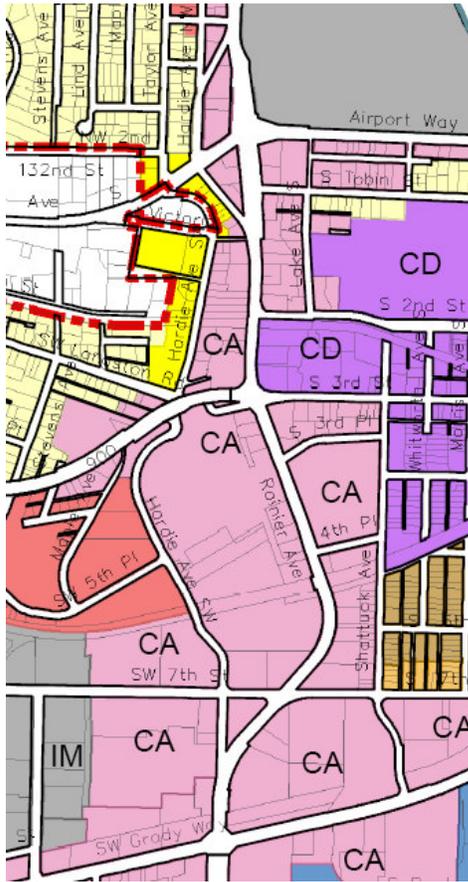
Puget Drive Commercial Area and Business District



The top two commercial uses are office and services, dominated by four professional office towers and buildings and Enterprise Plaza on the corner of South Puget Drive and Benson Road South. There are also regular and retirement apartments.

Power lines run through the area which does not allow buildings to occur below. There are some undeveloped parcels without power lines. The area is not well connected to surrounding residential with the lengthy PSE property to the east and the topography to the west as barriers to connections.

Rainier Avenue Commercial Area and Business District

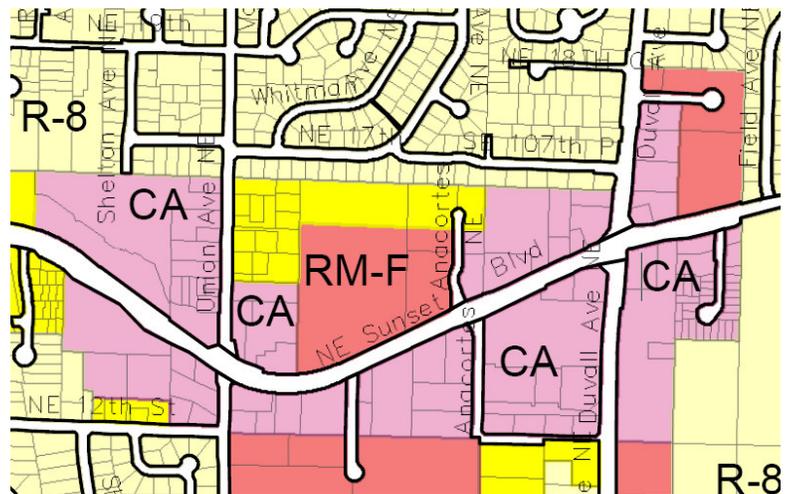


The Rainier Avenue Corridor is one of the most commercially viable areas of the City. Redevelopment of infrastructure and businesses in the Rainier Corridor would present the opportunity to strengthen the transition between the Corridor, a major transportation route through the west part of the City, and the Urban Center. Changes of this nature could increase the economic vitality of Renton's Downtown (Comprehensive Plan, page IX-65).

Retail is the largest commercial use in the Rainier commercial area. There are a number of vacant buildings.

NE Sunset Boulevard Corridor and Business District

The NE Sunset Boulevard Corridor is unique in the City due to the highly eclectic mix of commercial and residential uses along its length. These integrated uses, located at a "gateway" to the City, are an appropriate signal to those entering Renton that the community is diverse in many ways. Height limitations in the Development Standards have kept buildings along the NE Sunset Boulevard Corridor at two stories or below, a scale that is generally consistent with the various forms of residential along the corridor (Comprehensive Plan, page IX-63).



The largest commercial uses in the area are retail, storage, and office.

CITY POLICY AND THE VISION FOR BUSINESS DISTRICTS

Through the Comprehensive Plan, the City has set policies to direct future business and residential growth to Centers and Corridors. This growth will be focused on the Urban Center and to mixed-use areas like Business Districts created outside of the downtown. These policies:

- *Encourage maximum land efficiency, even outside the Urban Center, and strive for development that is more intense than typical 'suburban' prototypes* (page II-1),
- *Foster the balance of urban rather than suburban development patterns* (page II-3), and
- *Encourage higher density mixed-use development in selected areas of the Commercial Corridor designation* (page II-3).

These “*selected areas are to function as living / working / entertainment nodes for the smaller community areas of the City they are within*” (page II-3). The idea for these selected areas, or Business Districts, is that more dense areas of population near services will create more vital, vibrant, and sustainable commercial areas that serves surrounding neighborhoods and sub-regional markets due to an increase of consumers. Business Districts areas are mainly located in Commercial Corridor land use designation. The Northeast Sunset Boulevard and Northeast 4th Street Business Districts do have some Multi-family Residential designations.

The Commercial Corridor Land Use designation is implemented with different commercial zones including Commercial Arterial. The CA zone is the underlying zone in Business Districts and is “*characterized by concentrated pre-existing commercial activity, primarily in linear form, that provides necessary goods and services for daily living, accessible to near-by neighborhoods, serving a sub-regional market and accommodating large volumes of traffic*” (p. IX-56). Further, it is the intention of City objectives and policies that Commercial Arterial zoned areas “*evolve from 'strip commercial' linear business districts to business areas characterized by enhanced site planning incorporating efficient parking lot design, coordinated access, amenities, and boulevard treatment*” (p. IX-56). The areas may also include features such as transit stops and a combination of businesses creating a focal point of pedestrian activity and visual interest. Medium intensity to high levels of activity also characterizes these areas.

REGULATORY FRAMEWORK

Zoning

Commercial Arterial zones typically have high volumes of pass-through traffic. Commercial Arterial zoning allows uses that are large in scale and have large volumes of business and or provide significant employment. Typically, CA businesses are expected to generate vehicular traffic and require on-site parking. Buildings in the CA zone are allowed to build to a height of fifty-feet (50') in height.

The other zone in Business Districts is the Business District Overlay zone. This overlay zone signifies additional regulations for projects as described in the next section on development standards. It is anticipated that over time these areas will increase as development of vacant space occurs, increased land values make redevelopment feasible, and land is more efficiently used. In these districts, provision of pedestrian amenities is encouraged, as are opportunities to link adjacent uses and neighborhoods.

In addition, the few parcels with Residential Multi-family Comprehensive Plan Land Use designation in the Sunset and NE 4th districts are implemented with Residential Multi-family zoning. This type of zoning encourages a range of multi-family living environments for all income levels and allows for higher density dwellings. Access to these residences is mainly from the commercial corridor rather than through adjacent residential neighborhoods.

Development Standards

The purpose of Business District and related development standards, as stated in the Renton Municipal Code 4-3-040, are to “*guide the redevelopment of strip commercial urban forms into more concentrated urban forms, provide for design guidelines for residential development within the district, enhance the pedestrian environment, make the commercial environment more attractive, improve the City’s tax base, and result in a more successful business district.*” Development standards assist in forming the look and feel of an area. In contrast to the typical suburban development form in these Business Districts where single use one-story buildings are set back on lots, future development and redevelopment of properties in these districts will be closer to streets, multi-story with residential above ground floor uses, and allow for greater pedestrian mobility.

Development Standards in Business Districts are implemented through CA regulations and Business District Overlay regulations. Commercial Arterial development standards in RMC 4-2-120A speak to project elements like lot dimensions and coverage, residential densities, setbacks, landscaping, heights, parking and pedestrian access. For parcels developed inside a Business District, the project has to meet the underlying CA zone standards and the Business District Overlay zoning standards in RMC 4-3-040F. In general, these additional overlay standards include providing public plazas at intersections, more extensive parking stall landscaping, more extensive pedestrian connections, and maximum setbacks for buildings from the street.

Part of the trade off for providing these amenities and meeting added standards in the overlay is the incentive of building structures with a density of 60 dwelling units per acre, much higher than the maximum of 20 units per acre under CA regulations. Additionally, if a project is a stand alone residential structure or mixed use structure with residential in the Business District, there are additional design guidelines a project must meet. The table below depicts the different sets of regulations a project must meet depending on whether or not it is located in a Business District and depending on the type of project it is. Applicable standards also vary depending on which district a project is being built in. For example the Rainier district has six unique requirements for intersections and sidewalks, signs, billboards, and vehicular access points.

Type of Project and Related City Code Regulations

	<i>Type of Project and Location</i>			
Municipal Code Development Standards	<i>Any project in the CA, not in Overlay</i>	<i>Any project in the Overlay</i>	<i>Stand Alone Residential in Overlay</i>	<i>Mixed-use in Overlay</i>
CA – Commercial Arterial	X	X	X	X
Business District Overlay		X	X	X
Urban Design Regulations			X	X

Part of this amendment process will be to review these multiple sets of regulations shown in the table and for each specific district and decide if there is a better way of administering development standards for projects in Business District Overlays. The goal would be to facilitate a more streamlined development process by possibly creating a singular set of standards for projects in Business Districts rather than having applicable standards spread out among different chapters of the Municipal Code.

Allowed and Restricted Uses in the CA and Business Districts

It is important to consider the various uses allowed and restricted in Business Districts and the CA zone. Examples of uses allowed in the CA zone are: medical and dental offices, drinking and eating establishments, retail sales, surface and structured parking, smaller vehicle services, gas stations, smaller utility facilities, and residential part of a mixed-use structure. Many uses that are allowed in the CA zone are not allowed in certain Districts as shown in the table below. Attachment A provides a list of allowed uses from the City code for the CA zone as well as the conditions on certain uses, like conditions that do not allow certain uses in Business Districts.

District	<i>Barber / Beauty Shops</i>	<i>Laundry / Dry-cleaning</i>	<i>Movie Theaters</i>	<i>Hotels / Motels</i>	<i>Parking lots & Structures</i>	<i>Industrial Uses</i>	<i>Big-box Retail</i>	<i>Taverns</i>
NE 4th	X	X						
Puget								
Sunset								
Rainier	X	X	X	X	X	X	X	X

Attached and semi-attached dwelling units are the only allowed residential use in the CA zone. Across the CA zone and Rainier Business District, these residential types are only allowed as part of mixed-use structures, where there is a commercial use like retail or an on-site service at the ground floor. This is different for the other three Business Districts. In NE 4th, Puget and Rainier, townhouses are the only type of dwellings not required to be part of a mixed-use structure if they meet the requirement of being located more than one hundred fifty feet (150') from an arterial.

SHOULD THE BUSINESS DISTRICT OVERLAY BE ADDED TO NEW AREAS

The City is looking to add new Business District to areas around the Bronson Way and Benson Hill commercial areas. There is currently interest among property owners in these

areas to develop and redevelop parcels. These two areas are designated as Commercial Corridors with concentrations of Commercial Arterial zoned properties, similar to the other Business Districts. Although all Business Districts have differences in the types of market and demographics they serve and the types of commercial services they provide, the Bronson and Benson Hill commercial areas may be great opportunities for creating new Business Districts as they have similar characteristics as the other district areas. Some of these characteristics include:

- Increasing land values where redevelopment is feasible
- Vacant parcels ready for development
- Areas served by transit and by high traffic counts
- Services that support surrounding neighborhoods and sub-regional markets

Part of this amendment process will be to review these commercial areas and evaluate the benefits of Business Districts and how the City's vision would be further enhanced through the creation of additional Business Districts.

SHOULD CURRENT BUSINESS DISTRICTS BE EXPANDED?

As part of this amendment process, it is important that the City evaluate current boundaries of Business District and discuss whether current districts should be expanded to better serve the City's vision for future growth. This is true for the Rainier commercial area where there are large vacated properties that were previously auto sales businesses that are now potential areas for creating higher density mixed-use locations.

CONCLUSION

This Comprehensive Plan amendment is multi-dimensional as it looks at the different Business Districts and the opportunities to expand them and create new Business Districts in important commercial areas of the City as well as reviewing the administration of development standards for these areas and possibilities of creating a more streamlined process. Continued analysis of the topics presented in this memo by the Planning Commission and staff will help focus the discussion and establish the basis for recommendations.