Item		Discussion Notes	Issue Status
1.	Impacts to housing goals Prakriya	<u>Council discussion</u> CM Prakriya asked how this proposal could support the City's housing goals. <u>Staff comments</u> This proposal is for land use/zoning map amendment and is not tied to any specific development proposal. Although the property owner indicated in public comments and letters a desire to build housing, they have the option to develop the property in any way as allowed under the current or amended zoning or as vested in the Development Agreement/Master Plan. The count of housing units shown in the analysis in issue 8 of the Planning Commission issues matrix is based only on parcel size and Floor Area Ratio (FAR) and an assumption of an average unit size of 800 square feet. Market dynamics, setbacks, open space, impervious surface area, and other requirements could reduce hypothetical unit count. If multi-family housing is developed, it would be subject to affordable housing requirements.	Opened 3.3.26
2.	Impacts to the current Development Agreement Stuart	<u>Council discussion</u> Councilmember Stuart asked what impact the rezone would have on the current Development Agreement controlling the site. <u>Staff comments</u> Development agreements (DA) are allowed per RZC 21.76.070.L. The subject parcel is referred to as Lot 7, which was created in 2012, subject to the 2007 Union Hill Corporate Campus Development Agreement (UHCC-DA), adopted as Resolution 1265, and subsequently amended 3 times.	Opened 3.3.26

Item	Discussion Notes	Issue Status
	The current development agreement can be found in this report, as Exhibit 6, starting on pdf page 153 - Redmond Flex - Technical Committee Report - Nov. 2023. It was adopted by Council in Nov. 2023. The purpose of the 2023 DA for Lot 7 was to have a development agreement that only applies to Lot 7, rather than seek a fourth amendment to the Amended UHCC DA, which would have required authorization by the owners of the other six (6) developed lots. Previous amendments reflect development of lots 1-6 and confirm the completion of all mitigation required in the original UHCC-DA. The 2023 agreement confirms a transportation impact fee credit for 544 PM peak hour vehicle trips for future development of Lot 7. The scope of the new Development Agreement is only to confirm and clarify those provisions from the Amended UHCC DA that remain applicable to Lot 7 and is supplemental to the Amended UHCC DA, which remains in full force and effect. If there is a conflict between the UHCC DA and the new Development Agreement, the 2023 Development Agreement will control as to Lot 7 exclusively. After review of the original UHCC DA, subsequent amendments, and the 2023 DA, staff concluded that any modified or new projects on the parcel would not impact this DA. Section 5 Development Approvals of the 2023 DA states: 5.3 Flexibility. The Project is intended to accommodate a number of different uses allowed under applicable zoning. This Agreement is not intended to require specific uses for the Project or limit the allowable uses to those listed in *Paragraph 2* of this Agreement. Any use permitted by the zoning may be permitted on the Property so long as the combined uses in the Project do not create more than 544 PM peak hour trips, and the remainder of this Agreement shall remain in full force and effect. The Agreement may be administratively amended pursuant to Section 3.2 to reflect changes to the Project permitted under this section. Paragraph 2 refers to the Redmond Flex project and also states "Any proposed changes to the Project, including proposed uses, will be governed by Section 5.3 of this Agreement."	

Item		Discussion Notes	Issue Status
		Master Planned Development. This site has a master plan in conjunction with a development agreement. It is in effect for 10 years, or to 2033, and the property owner is vested even if the zoning is changed during this period. RZC 21.76.070.P defines Master Planned Developments (MPD). For this site, an MPD is allowed as it above 3 acres, but is not required. The previous land use designation, NE Design District, required an MPD for all sites above 3 acres and was negotiated as part of the development agreement. It would be up to the property owner to decide if they wish to submit a new or revised MPD for the site if the zoning changes.	
3.	Impacts of SB 6026 Stuart	Council discussion Council President Stuart asked what impacts SB 6026 has on this proposal, and how it would impact Council's decision on this request. Staff comments SB 6026 was recently signed into law and concerns residential development in commercial and mixed-use zones. At a high level, the bill prevents cities from excluding residential uses in areas zoned for commercial or mixed-use development, with some exceptions. Cities are required to amend their codes in accordance with SB 6026 by December 2027. Impact on current zoning As noted, this proposal is located on a large parcel with mixed land use/zoning designations. • Corridor Mixed Use (CMU) – one acre of the property is zoned Corridor Mixed Use. Although it is designated as a Mixed-Use Zone, this zone does not have a minimum requirement for commercial uses. Thus, SB 6026 has no impact for the portion of the property zoned CMU. • Business Park (BP) – the remaining 4.82 acres is zoned BP, which the owner wants to rezone to CMU. BP allows a range of uses including some retail and restaurants, manufacturing	Opened 3.3.26

Item		Discussion Notes	Issue Status
		(including R&D and software), construction, day cares, parks, government facilities, and schools, as well as offices supporting such uses. SB 6026 would require the City to allow residential development in the Business Park zone. If the City desires to maintain the BP zone for nonresidential uses, it would need to redesignate the zone as Industrial or pursue another pathway in SB 6026 that would authorize an exemption. <u>Impact of future zoning</u> If the whole parcel is designated CMU, SB 6026 would not have an impact as CMU currently does not have a minimum commercial requirement. The property owner would have the option of developing housing (excluding detached single family), commercial, or mixed-use.	
4.	Cost/benefits of both paths. Unintended consequences. Kritzer	<u>Council discussion</u> CM Kritzer requested further discussion of the costs/benefits of each choice, and unintended consequences. <u>Staff comments</u> Staff and the Planning Commission review all proposed Comprehensive Plan amendments for consistency with the Comprehensive Plan amendment criteria found in RZC 21.76.070.J., and the Zoning Map amendment criteria found in RZC 21.76.070.AF. These analyses can be found in the Planning Commission Report for this item. Planning Commission discussion revolved around the tension between advancing housing and economic development goals, ultimately recommending that, on this site at this time, the policies of the Comprehensive Plan are best addressed by maintaining the potential for jobs associated with Business Park zoning. Staff offers the following based on a review of the amendment criteria, public comments, and Commission discussion:	Opened 3.3.26

Item	Discussion Notes	Issue Status
	<u>If amendment is adopted</u> Benefits • Consistent land use designation. • Potential for housing. • Potential for mixed-use development. • Supports goals around Complete Neighborhoods. • Residential or mixed-use development would be more compatible with surrounding uses, including SE Redmond Park, single and multifamily housing, and a potential new school on property to the north. • Less of an environmental impact, including to the CARA. As noted in the Technical Committee Report, the types of businesses/uses allowed in the BP zone have the potential to use materials and processes in manufacturing that could contaminate the CARA. Businesses/uses associated with mixed use/residential are retail and service industry based and pose a low risk to the environment. Costs • Loss of land zoned for Business Park and associated uses and jobs • Potential loss of jobs associated with BP-zoned lands, especially if not redeveloped as mixed-use. • Potential loss of tax revenue associated with BP-zoned land, including business taxes. • Potential loss of sites for advanced manufacturing type businesses that the City is trying to attract. <u>If amendment is not adopted</u> Benefits • Would retain about 4.5 acres for BP associated uses. • Could contribute to the City's job growth goals. Although the actual number of potential jobs it could generate cannot be known at this time, analysis based on the assumption of 10 jobs/acre conducted for the Planning Commission estimated about 58 jobs for this site.	

Item		Discussion Notes	Issue Status
		Another proxy for estimated employment is the amount of parking provided. The Master Plan for Redmond Flex proposes 240 stalls. • Would create more supply for advance manufacturing businesses so they don't compete for spaces against local artisan manufacturing, arts and creative businesses, breweries, and small scale food manufacturing. • Provides an available site for Redmond to promote to site selectors globally through business attraction efforts and Greater Seattle Partners participation. Costs • The property remains undeveloped and does not produce any additional tax revenue. Property owner noted the difficulty of attracting tenants for their currently vested project, and the economic challenges of building a speculative project in a market with elevated industrial and commercial vacancies rates. • May have a higher environment risk, especially to the CARA. As noted in the Technical Committee Report, the types of businesses/uses allowed in the BP zone have the potential to use materials and processes in manufacturing that could contaminate the CARA. Businesses/uses associated with mixed use/residential are retail and service industry based and pose a low risk to the environment. • May be a less compatible land use in the future. With the potential for a future Lake Washington School District high school adjacent to the north, as well as the recent completion of the Woodside Townhomes to the east, and the start of development of SE Redmond Park to the south, a large manufacturing/office type facility may be less compatible with surrounding uses, especially as it relates to goals supporting complete neighborhoods, as well as other impacts, such as noise from large vehicles.	
5.	Future Map amendments Parsi	<u>Council discussion</u> CM Parsi asked if this proposal is approved, could this lead to similar map amendment proposals?	Opened 3.3.26

<table>
<tr><th>Item</th><th></th><th>Discussion Notes</th><th>Issue Status</th></tr>
<tr><td></td><td></td><td><u>Staff comments</u>

Per the WA Growth Management Act, Cities may amend their Comprehensive Plans once per year. Community members, staff, the Planning Commission, and Council may propose changes. The process is codified in RZC 21.76.070.J and is known as the annual comprehensive plan amendment docket. This proposal is part of the current 2025-26 Annual Docket.

Zoning Map amendments can be proposed at any time by community members, staff, the Planning Commission, or the Council and is subject to the process shown in RZC 21.76.070.AF (unless tied to a Comprehensive Plan land use amendment, then it would be part of an annual docket process).

Recently approved Land Use/Zoning Map amendments include:
• Redmond 2050 Zoning consolidation (2024, 2025)
• Rose Hill annexation (2024)
• Evans Creek Relocation (2022)
• Proctor-Willows Development (2019)
• Marymoor/SE Redmond Neighborhood Plan (2017)

Other proposals that were not docketed (and thus not approved) include:
• CIM Group – SE Redmond – multifamily to Design District (2021)
• Onyx Redevelopment – Overlake (2018-21) NOTE – this proposal was incorporated as part of Redmond 2050 Rezone
• Avondale Area – single-family urban to multifamily (2018-21)</td><td></td></tr>
<tr><td>6.</td><td>Supports economic diversification goals

Nuevacamina</td><td><u>Council discussion</u>

Council Vice President Nuevacamina noted the Planning Commission discussion on local comparisons to other cities in regards to lands zoned for Business Parks, but wanted a better understanding of how it compares to other non-local cities and the City's long-term economic diversification goals.</td><td>Opened 3.3.26</td></tr>
</table>

Item	Discussion Notes	Issue Status
	<u>Staff comments</u> Redmond's Business Park zone is unusual in the region. Its purpose historically has been to serve as a transition zone between more urban areas and traditional industrial uses. The Appendix to the Redmond Economic Development Strategic Plan contains a landscape assessment comparing Redmond to other similar tech-orientated suburban cities, including Bellevue and Bothell in Washington state, Mountain View, CA (Silicon Valley), Hillsboro, Oregon, and Raleigh, North Carolina (part of the Research Triangle). The section on the Real Estate Market (starting pdf page 50) contains comparisons on inventory and vacancies. This study has data through 2023 and does not reflect recent data on the market, which has seen increases in the regional and Eastside submarket vacancy rates for the industrial and office segments. The report notes that from 2007-2023: • Industrial inventory has declined slightly to moderately in most benchmark cities, but Redmond has more inventory except for Raleigh and Hillsboro (which experienced inventory growth). • Industrial vacancy rates trend with other benchmark communities. • At 17 million square feet, Redmond's inventory of office space was second only to Raleigh • and Bellevue among benchmark cities in Q4 of 2023. • Office vacancy in Redmond has historically trended lower than all peer cities. The Puget Sound-Eastside Industrial MarketBeat Q4 2025 report also contains information on the industrial market.	