



**MEMO TO:** Members of the City Council

**FROM:** Mayor John Marchione

**DATE:** January 22, 2019

**SUBJECT:** Nelson Development Agreement, LAND-2018-01067

**I. RECOMMENDED ACTION**

Review, discuss and provide input on the Nelson Development Agreement, including desired next steps.

**II. DEPARTMENT CONTACTS**

Erika Vandenbrande, Director, Planning and Community Development	425-556-2457
Steve Fischer, Manager, Development Review	425-556-2432
Amy Tarce, Senior Planner, Development Review	425-556-2938

**III. DESCRIPTION/BACKGROUND**

The City of Redmond and the owners of Redmond Center (Redmond Center Owners) wish to enter into a Development Agreement to define the improvements to (1) extend 158<sup>th</sup> Avenue NE from NE 83<sup>rd</sup> Street to the intersection of Redmond Way, and (2) clarify the obligations and requirements for utility services for future development of the multiple parcels at Redmond Center. This Development Agreement covers 14 developed parcels on 22 acres of land in downtown Redmond (Exhibit A of the Development Agreement).

This Development Agreement does not approve any construction of site improvements or buildings. For redevelopment to occur on the site, an approved master plan may be required, and site plan entitlement obtained.

**A. Background**

In August 2013, the City Council adopted the 2013 Transportation Master Plan which included completing the downtown street grid (see Attachment B, Ordinance No. 2703, p.5 of 6, first paragraph). Currently, 158<sup>th</sup> Avenue NE terminates at the existing parking lot of the Redmond Center shopping center. Acquiring the land to extend 158<sup>th</sup> Avenue NE would benefit the City because while the project is included in the Redmond Transportation Master Plan, it is not yet funded.

As part of this Development Agreement, the property owners of Redmond Center have agreed to dedicate the future extension of 158th Avenue NE at no cost to the City; this Agreement does not waive the Redmond Center Owner's obligations to comply with current or future City regulations or standards.

Redmond Center plans to develop a master plan to redevelop the 22-acre site as part of a separate development agreement. A conceptual and nonbinding site plan is included (Exhibit C of the Development Agreement) to illustrate how the 158<sup>th</sup> Ave. NE extension fits into the overall Downtown street grid and internal street system based on alignments prepared as part of the 2007 Bear Creek Parkway Extension study

#### **Design Standards for 158<sup>th</sup> Ave. NE**

The current 60-foot right-of-way for the 158<sup>th</sup> Avenue extension turns east then stops where an existing building is occupied by a Yoga studio and a pet care center (Attachment E). The Transportation Master Plan describes the project improvements to include: one through lane in each direction; parking; sidewalks, street lights; pedestrian amenities; transit stop amenities; storm drainage; right-of-way and easements.

The alignment and configuration of the 158<sup>th</sup> Ave. NE Extension, as shown in Exhibit D of the Development Agreement, is an approximation of the location and road geometry and the parcels shown to be impacted are not finalized at this time.

#### **Pedestrian System Elements Required**

In addition to 158<sup>th</sup> Ave. NE, there are three types of pedestrian system elements that are required in Redmond Center. Two of these are addressed in the Development Agreement:

Type I - applies to 158<sup>th</sup> Ave. NE Extension, and includes a 14-foot urban walkway with 4 feet for tree grates and pedestrian amenities, an 8-foot sidewalk, and a 2-foot setback area for planters and building modulation. While the Development Agreement does not identify the specific elements required for the 158<sup>th</sup> Ave. NE Extension, staff has determined that this Type I pedestrian facility can be accommodated within the 60-foot width that will be dedicated by the Redmond Center Owners to the City.

Type VII – an east-west midblock connection for 158<sup>th</sup> Ave. NE, 160<sup>th</sup> Ave. NE and 161<sup>st</sup> Ave. NE, between NE 83<sup>rd</sup> Street and Redmond Way. Map 3.10 designates this midblock connection as a 30-foot wide shared vehicular and pedestrian facility. The Development Agreement gives the Redmond Center Owners the right to designate this connection as a private street, however, it does not preclude the City from requiring public access easements for public utilities and pedestrians, consistent with the Comprehensive Plan and Map 10.3 of the Redmond Zoning Code. The City also retains the right to determine the specific design, alignment, timing and phasing of the construction of this private street through site plan entitlement or other applicable permit review.

Type IX – a north-south Type IX pedestrian path is shown on Map 3.10 to bisect the large block bounded by NE 83<sup>rd</sup>, 160<sup>th</sup> Ave. NE, Redmond Way and 158<sup>th</sup> Ave. NE. A second Type IX connection is required from 158<sup>th</sup> Ave. NE to the Sammamish River Trail (east-

west connection). The Development Agreement does not include terms for these two Type IX pedestrian paths. The final location and design of these Type IX required pedestrian paths will be determined at the time of Master Planned Development, Site Plan Entitlement or other applicable permit review.

### **B. Public Notice and Comments**

This Development Agreement is a Type V Permit and the decision-making authority is the City Council. The Notice of Application was sent to property owners within 500 feet of the property on November 13, 2018. The draft Development Agreement has been reviewed by designated staff of all departments and the City Attorney, Jim Haney.

A Notice of Application (Attachment F) was mailed to property owners and parties of record within 500 feet of the Redmond Center on November 6, 2018. In addition, four project signs were posted on the site, at each of the street frontages on 158<sup>th</sup> Ave. NE, Redmond Way and 160<sup>th</sup> Ave. NE on the same day.

The SEPA Determination of Non-Significance (Attachment G) was issued on December 7, 2018, for public comments. The statutory 14-day public comment period ended on December 21, 2018. SEPA appeal period ended on January 4, 2019.

The public comments (Attachment H, Public Comments) and staff responses are as follows:

1. Noise impacts – no construction involved in this DA; to be addressed during Site Plan Review
2. Congestion at the intersection of Bear Creek Parkway and Redmond Way will worsen – additional traffic analysis will be required at time of redevelopment
3. Loss of street parking – forwarded to Downtown Strategic Parking Study staff
4. Concern about loss of existing local businesses, including Ben Franklin – no construction involved in this DA; the Redmond Center Owners have lease agreements with local businesses and the future of these businesses subject to lease agreements
5. Archaeological resources nearby must be considered with SEPA for development review – taken in advisement

### **C. Summary of Development Agreement**

1. The term of this Development Agreement is 20 years. The Redmond Center Owners may request extensions, subject to City Council approval.
2. Dedication of the 158<sup>th</sup> Ave. NE Extension from the existing 158<sup>th</sup> Ave. NE in the Redmond Center parking lot up to the intersection of Bear Creek Parkway and Redmond Way, with a dedicate right-of-way width of 60 feet. The agreement also contains provisions for design standard compliance and Traffic Impact Fee Credits.
3. Redmond Center Owners may install any private utility crossings under the existing 158<sup>th</sup> Ave. NE and 160<sup>th</sup> Ave. NE rights-of-way, so long as these will not interfere

with public utilities or cause conflicts or additional costs to the City's operations and maintenance of public infrastructure.

4. The Central East-West Private Road from 158<sup>th</sup> Ave. NE to 161<sup>st</sup> Ave. NE will be a private street.
5. The Redmond Center Owners may opt-out of the regional stormwater system and downtown sub-basin stormwater capital facilities charges by electing to use a private system directly connecting to the Sammamish River, provided that temporal and performance conditions are met.
6. At the time of redevelopment, the Redmond Center Owners may elect to connect to the existing King County NE Sammamish Interceptor instead of the City's system, provided conditions are met.
7. There are no special terms for water connection or charges in this Development Agreement.
8. Amendments to this Development Agreement require City Council approval except: Should the Redmond Center Owners acquire the parcels shown on Exhibit A of the Development Agreement, and request those parcels to be added into this Development Agreement, the amendment will be approved administratively by the Director of Public Works and Director of Planning and Development.
9. This Development Agreement will be binding to all present and future owners of the parcels identified in this Development Agreement, Exhibit A.

## **STAFF ANALYSIS**

### **A. Development Agreement Decision Criteria (RZC 21.76.070.L.3)**

The Redmond Center Development Agreement meets the criteria for Development Agreement, as follows:

1. ***Consistent with the applicable development regulations:*** This Development Agreement is consistent with RZC 21.17 (Adequate Public Facilities), RMC 3.10.130 (Impact Fees Credit), and RMC 13.20.045 (Downtown sub-basin stormwater capital facilities charge).

RZC 21.17 of the Redmond Zoning Code governs the provision of adequate and timely on-site and off-site facilities for future development or redevelopment, consistent with the Washington State Growth Management Act. Among the facilities and services required of a development are sewer, water, and stormwater systems; streets, sidewalks, trails and access; and fire protection. This Development Agreement includes terms for Redmond Center Owners' options for stormwater and sanitary sewer connections with consideration of existing private and regional facilities, and conditions for payment of utility fees and charges. The dedication

and timing for the construction of 158<sup>th</sup> Ave. NE is addressed in this Development Agreement.

RMC 13.20.045.D provides the option for properties adjacent to the Sammamish River to opt out of the city's regional stormwater system and the downtown sub-basin stormwater capital facilities charge *or* seek a reduced downtown sub-basin stormwater capital facility charge, provided there is a private discharge system to serve the properties. The Redmond Center is one several properties that meet this criterion, and the terms of the Development Agreement include the options provided by the RMC:

- a. Opt-out option, use of private sewer, and the connection through the Non-Activated Redmond Center Outfalls
- b. A 50 percent discount on the downtown sub-basin stormwater capital facilities charge if one or all parcels in the Redmond Center DA choose to connect to the city's regional facility.

In addition, the Development Agreement limits the window for Redmond Center Owners to opt out until December 31, 2022.

2. ***Provides a mechanism for analyzing and mitigating development impacts:*** This Development Agreement uses established and adopted mechanisms in the Redmond Municipal Code and Redmond Zoning Code, as discussed above.
3. ***Reserves the City's Authority to impose new or different regulations to the extent required by a serious threat to public health and safety:*** This criterion is found in Section 6.3 of the Development Agreement.
4. ***Reasonable duration for Agreement:*** The terms of this Development Agreement shall be valid for 20 years, as stated in Section 8 of the Development Agreement
5. ***Agreement must provide a public benefit:*** Dedication of land for the construction of the 158<sup>th</sup> Ave. NE Extension at no cost to the City is a public benefit.

#### **IV. PREVIOUS DISCUSSIONS HELD**

Planning and Public Works-Committee of the Whole                      November 12, 2018

#### **V. IMPACT**

##### **A. Service/Delivery:**

The terms of this Development Agreement do not require any service delivery or cause any detriment to the City's ability to deliver services.

**B. Fiscal Note:**

The dedication of land for the 158<sup>th</sup> Ave. NE will decrease the total cost for the City to construct what is currently an unfunded transportation facility, as identified in the 2013 Transportation Master Plan. The opt-out options reduce City revenues for system improvements and reduce the area that needs to be served by the City's regional stormwater system. The options for sanitary sewer connection does not waive any fees required of future development. Therefore, the Development Agreement will have a net positive fiscal impact.

**VI. ALTERNATIVES TO STAFF RECOMMENDATION**

None

**VII. TIME CONSTRAINTS**

The Nelson Development Agreement shall expire after 20 years. The opt-out provision for stormwater charges will expire on December 31, 2022.

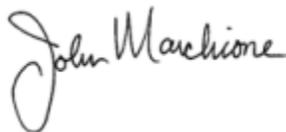
**VIII. LIST OF ATTACHMENTS**

- Attachment A: Draft Redmond Center Development Agreement
- Attachment B: Ordinance No. 2703
- Attachment C: Transportation Master Plan Roadway Functional Classification map
- Attachment D: 158<sup>TH</sup> Ave. NE Extension Alignment
- Attachment E: 158<sup>th</sup> Ave. NE Existing E-W section
- Attachment F: Notice of Application
- Attachment G: SEPA Determination of Non-Significance and SEPA Checklist
- Attachment H: Public Comments and City Staff Responses
- Attachment I: City Council Questions and Staff Responses
- Attachment J: Detailed Summary of Development Agreement
- Attachment K: Council PowerPoint Presentation



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**Erika Vandenbrande, Director of Planning and Community Development**



Approved for Agenda \_\_\_\_\_  
**John Marchione, Mayor**