

Attachment E

Seritage Master Plan LEED ND Analysis

1. Does the proposed development meet the minimum prerequisites for LEED ND? If not, why not? (For example, located in a flood plain).

Staff reviewed the 103 pages of detailed prerequisites and credit qualifications. After completing a thorough review of the guidelines staff concluded that while the proposed Seritage project comes very close to meeting base LEED Neighborhood standards, it falls short by approximately 7 credits. The options relevant and available to the site to obtain the additional credits would require significant cost and redesign at this point in the project.

There are limited applicable credit options remaining that are relevant to the site or met locational and use requirements.

The project proposal meets credit requirements or comes extremely close to them as designed in the following areas identified as aligning with City Council topics from this year are:

- ✓ Affordable housing. The applicant is also considering exercising MFTE.
- ✓ First tier option to proximity to uses and jobs.
- ✓ Walkable streets
- ✓ Proximity to high speed rail and other transportation options.
- ✓ Bicycle facilities
- ✓ Public Open Space and Recreation Space.

Staff also requested the applicant review the LEED Neighborhood Certification requirements with their design team. The applicant team communicated the same outcome as stated above.

Staff spoke with the applicant regarding the implications of redesign to meet the few applicable credit options remaining and feasibility on the project. Per the above, the level of resign and cost required makes obtaining the remaining credits not a viable option. The applicant conveyed that sustainable design as discussed in the current master plan proposal is a priority and in addition to proposing a project that is very close to meeting LEED ND Certification they are planning the following:

- ☐ To gain LEED certification on the seven-story office tower
- ☐ To look into obtaining LEED certification or Green Building Certification on the Residential Mixed-use building. (Phase 1)
- ☐ Site will be designed using sustainable landscaping elements and with drought tolerant and native/ adaptive plantings.

The City is not able to require an applicant of any permit type to obtain LEED ND Certification under current adopted code or as part of a development agreement.

After reviewing a significant amount of information on LEED ND Plan and Buildout staff also can share that many of the site design elements needed to obtain many credits and higher credits need to be determined for a project early in the Master Planning process. This can be kept in consideration for future developments that bring forward Pre-applications for Master Planned developments.

Credits required to meet LEED certification of individual structures allow applicants more time to designs and determine structural and materials choices to meet both their needs and those of certification.

2. **What, if anything, would need to change in the MP to meet at LEED ND Certified Rating? What about a Silver Rating?**

Please see response to questions #1.

3. **Would any of the credits of LEED ND be able to be used as a proxy/option/replacement for terms in the DA? For example, the Housing Types and Affordability for the DA term for affordable housing thresholds.**

Had the certification been feasible option to the applicant, commitment to LEED certification and memorialization of specific credits proposed to achieve it could have been included within the DA in replacement of “like” items or in-lieu of other public benefit proposed.

4. **What kinds of financial incentives or levers are available in the DA or at the City, such as priority permitting for the SPEs, or reduced impact fees (in the amount of the hard cost to certify for example?) This is a broad question, perhaps not for your department or specific to this project only. Let me know if I should speak directly with Ms. Files about this.**

The City currently has a Green Building Incentive Program within the Development Regulations (RZC). As part of the program different levels of LEED are included as techniques to gain additional density, floors, reduce average lots size and other flexibilities to design elements. During and following the implementation of the NPDES permit and LID requirements last year planning staff began an assessment and review of how effective the current Green Building Incentive program is and what techniques should be removed and what Techniques should be included going forward. The most appropriate place to incentivize and encourage LEED programs is within the adopted Development regulations (RZC), such as the Green Building or Sustainable Development incentives. As the City looks to the future and begins the next cycle with the community in updating the Comprehensive Plan Vision and Policies, as well as, the accompanying Zoning Code, it would be the perfect time and vehicle to discuss incentivizing LEED ND for urban center developments or within the Green Building Program.

The adopted impact fee policies do not permit the City to waive or reduce any impact fees unless a development is constructing infrastructure or improvements currently adopted within our CIP and TFPs. Examples would be rights-away, parks, trails and utility upgrades that are included within adopted Capital Projects lists.

The DA cannot make financial commitments not explicitly allowed within adopted state or local codes. DAs can only include elements already permitted by adopted regulations. Currently, the City does not have adopted a process or option to include financial incentives to encourage LEED ND that could be exercised within a DA.

Due to application volume and staff capacity the City cannot currently commit to prioritized or expedited SPE permit processing. A typical commercial or mixed use SPE involves review by eight technical review groups across planning, development engineering, fire and public works. We are committed to providing intensive high-quality technical review for all applications and to ensure all stakeholders have adequate time to weigh-in, for these reasons and in-addition to application volume and staffing we are not able to make a promise on priority processing.

5. **For a DA, would a financial incentive be necessary or could the City just require a specific rating as a DA term for a development of this size and character?**

Please see the response to question 4. for the first part of question 5.

The City cannot require a specific rating unless that authority is an adopted regulation. A Development Agreement cannot be used to depart or exceed adopted code regulations. It is a tool to help provide certainty that both the applicant and City can use for assurance of what is to be developed and allowed over a certain span of time.

A DA memorializes land use entitlement elements that are already allowed by adopted code. In exchange for the applicant gaining vesting and memorialization of things such as phasing, requirements, uses etc... for a specific period of time the City receives public benefit. Public Benefit can only be required to a certain extent that is strictly and legally proportionate to what is being requested under the code by the applicant. Applicants may voluntarily provide ore public benefit, but that would not be considered as part of decision criteria for approval. Public Benefit comes in both tangible (parks, roads, dedications, public art, etc...) and in-tangible (expanding housing, growing job base and bringing to life the comp plan for an area) items.

LEED ND can be negotiated with applicants to be included within a DA as a public benefit, but due to many of the required elements it is likely to be considered a significant sized Public Benefit and could limit other priority items being received.

Staff recommends that LEED ND be explored for inclusion in one of the City's incentive programs for sustainable development or urban centers during the next cycle of code amendments.