

Project Narrative Lynnwood Place

Summary

The Edmonds School District (Applicant) is planning to lease the former Lynnwood High School site to a private developer (Cypress Equities) to allow for redevelopment as a mixed-use project. The District has entered into an agreement with the developer wherein Cypress Equities would develop a mixed-use project, including a Costco Wholesale, under a ground lease with the District. The name of the proposed development is Lynnwood Place.

Request

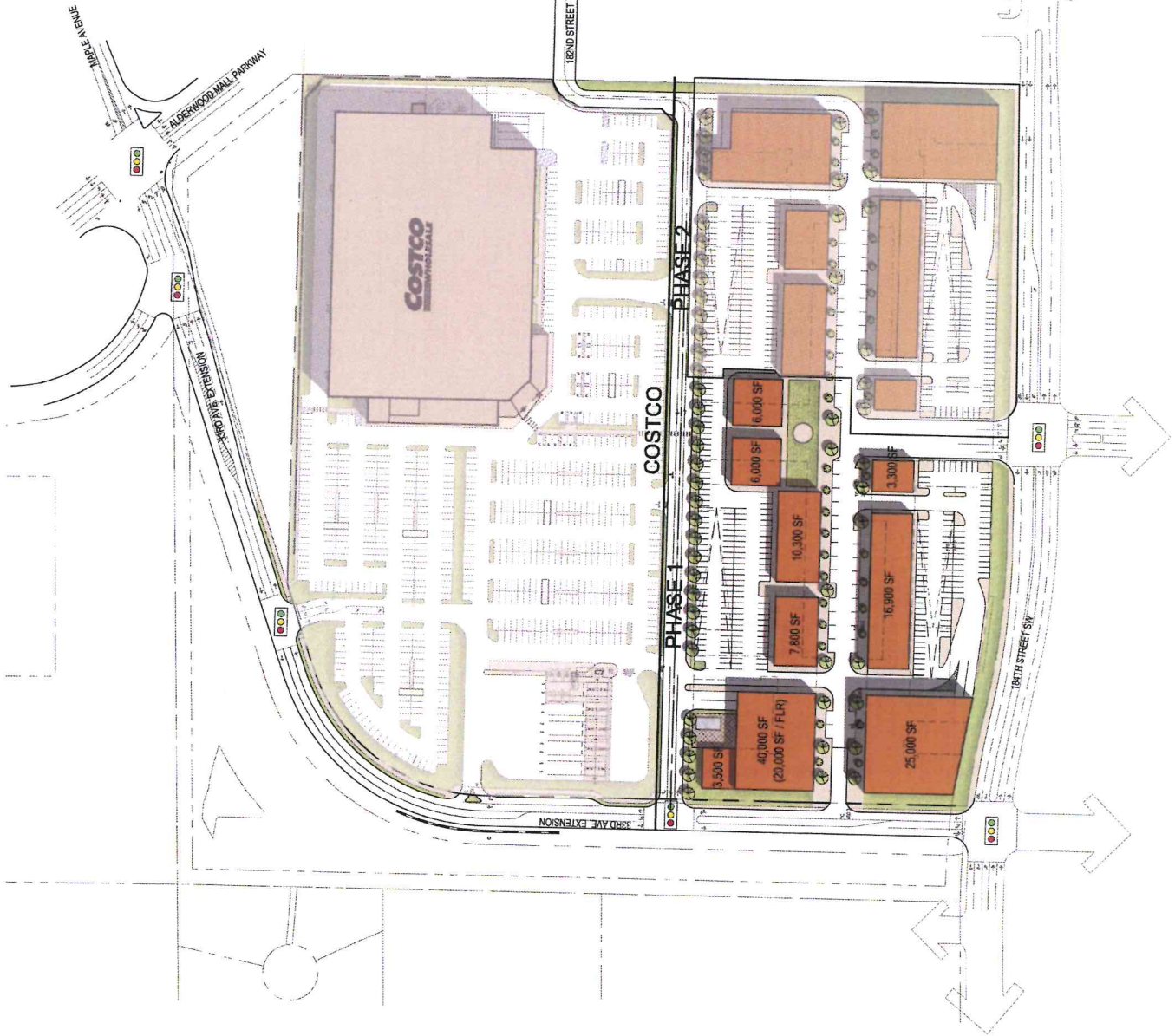
The Applicant's requests to the City consist of the following related actions:

- Amendments to the Comprehensive Plan to change the Land Use designation of the site from Public Facilities (PF) to Mixed Use (MU).
- Amendment of the Parks Element of the City's Comprehensive Plan and the Parks, Recreation Facilities, Open Space and Trails Map to remove references to the Lynnwood Athletic Complex and to adjust level of service.
- A rezone of the site from Public and Semi-Public (P-1) to Commercial Residential (C-R).
- Zoning Code text amendments to allow development of a fueling facility as an accessory use to the Costco Wholesale store.
- Adoption of a planned action ordinance designating the site and approved uses as a planned action for purposes of SEPA compliance.
- Development agreement to be executed that would guide the development and the responsibilities of the parties.
- Binding Site Plan for subdividing the project site.
- Project development permits and design review approvals.

An environmental impact statement was prepared for this proposal. Alternatives were described and analyzed. The current Proposal by Cypress Equities most closely approximates Alternative 2. The Proposal, as discussed in the Final EIS, is a mixed-use development consisting of a Costco Wholesale facility, retail commercial uses, multifamily residential units, restaurants; amusement/recreation uses, and associated parking facilities.

Detailed Project Description

The gross building area of the development proposal excluding surface parking would be about 990,000 square feet. The Costco Wholesale portion of the project would include a 160,000-square-foot warehouse with a tire center and fueling facility. The southern half of the site would be developed in two phases. Phase I would include approximately 95,300 square feet of retail space, 20,000 square



Phase 1

Building Area
 Retail/Restaurant = 115,300 SF (Retail 95,300SF, Restaurant 20,000 SF)
 Apartments = 290 UNITS

Parking

Retail/Restaurant = 677 SPACES (Retail @ 1:200 = 477 Spaces
 Restaurant @ 1:100 = 200 Spaces)
 Apartments = 435 SPACES (1.5 Spaces/Unit)

TOTAL PARKING = 1,112 SPACES

Phase 2

Building Area
 Retail/Restaurant = 214,700 SF (Retail 201,700SF, Restaurant 13,000 SF)
 Apartments = 210 UNITS

Parking

Retail/Restaurant = 1,139 SPACES (Retail @ 1:200 = 1009 Spaces
 Restaurant @ 1:100 = 130 Spaces)
 Apartments = 315 SPACES (1.5 Spaces/Unit)

TOTAL PARKING = 1,454 SPACES

feet of restaurant space and 290 multifamily units. Phase II would include approximately 201,700 square feet of retail space, 13,000 square feet of restaurant space and up to 210 multifamily units.

TABLE 1

	Lynnwood Place	Alternative 2 EIS
Site size (acres)	40.22	40.22
Developed area (including roads)	~35 acres	~35 acres
Gross building area	990,000 sf	990,000 sf
Uses: Multifamily Residential	500 units (500,000 sf)	500 units (500,000 sf)
Retail anchor (Costco)	160,000 sf	160,000 sf
Retail shops	297,000 sf	192,000 sf
Amusement/Recreation	None	105,000 sf
Restaurant	33,000 sf	33,000 sf
Parking spaces	2,566	3,548
New bypass roadway	Yes	Yes

Surface parking is proposed for the north portion of the site associated with Costco Wholesale. Parking for the southern portion of the site would be provided through a combination of surface parking, parking along internal private roads and in parking structures.

In conjunction with the proposed development, a new three-lane roadway (bypass) would extend northward from 184th Street SW along the western side of the site, then east along the northern portion of the site where it would intersect with Alderwood Mall Parkway at Maple Road. The City is reserving the option to expand the road to five lanes should traffic require this in the future. The Final EIS states that construction of the three-lane bypass roadway, which is needed to mitigate transportation impacts, is a component of the Lynnwood Place proposal. The funding of the roadway is currently under discussion.

Internal private roads and driveways would serve the balance of the site with access from 184th Street SW (one location) and the new bypass road (four locations). Access from Alderwood Mall Parkway via 182nd Street SW would also be provided. The layout of the southern part of the site would emphasize pedestrian connections. Landscaping would be provided along pedestrian and vehicular routes throughout the entire site.

The total site area is approximately 40 acres. Costco Wholesale, together with the mixed-use development, would occupy approximately 35 acres, including roads. The buffer along the west and northwest site perimeters would occupy the remaining area.

Consistency with Comprehensive Plan

The Applicant's request includes amendments to the Comprehensive Plan to change the Land Use designation of the site from Public Facilities (PF) to Mixed Use (MU); and a rezone of the site from Public and Semi-Public (P-1) to Commercial-Residential (C-R) to allow development of a mixed-use center.

The Comprehensive Plan establishes a Subregional Center designation which calls for increased development and diversification of land uses to include office, retail commercial, housing, transit facilities, in a mixed use design. The intent is to provide for a mix of uses that would provide economic development and redevelopment opportunities. The Subregional Center encompasses the Alderwood Mall/44th Avenue West/I-5 area, including the Lynnwood Place site.

The Comprehensive Plan also provides for a Mixed Use (MU) land use category. The Land Use Element of the Plan describes the Mixed Use category as follows:

Purpose: This Plan category is intended to provide the opportunity for a high intensity development of mixed uses that will result in a pedestrian friendly environment and support transit development and usage.

Principal Uses: Residential, office, or retail uses will be permitted within the same building or on the same site(s).

Location Criteria: This category of use is suitable for locations only within the Subregional Center and college district.

Site Design: A combination of surface and structured on-site parking is anticipated. On-site open space, landscaping, and recreational amenities should be emphasized when residential use is included in the mix of uses.

Building Design: Most buildings will be multi-story. Residential uses will typically be located on upper floors above commercial uses.

The Lynnwood Place proposal meets these criteria.

In general, the Proposal supports the Plan Vision, Plan Concept (Land Use), Land Use Description: Mixed Use, Policy Description: Mixed Use, and relevant Goals and Policies of Lynnwood's Comprehensive Plan, and is consistent with the goals for the Subregional Center. The existing level of service in the Parks, Recreation, and Open Space Element of the Comprehensive Plan would need to be revised, and the Parks Facilities Map would need to be amended to remove this site.

Lynnwood Place specifically supports the following elements of the City of Lynnwood Comprehensive Plan:

Land Use Element

Subgoal: Density - Assure that the density of development is consistent with the local and regional development patterns, with available and planned infrastructure, with Growth Management Act requirements, and with surrounding land uses.

Vision 2040 is the regional policy for proposed development patterns in centers around Puget Sound. Lynnwood is a designated "core city" in the plan. It is assumed that these and other core cities will accommodate significant commercial and residential density. Lynnwood's location along the Interstate 5 corridor, mid-way between Seattle and Everett, has greatly influenced its development as a commercial and retail center of Snohomish County. The City's land use pattern is a suburban residential setting surrounding more concentrated urban commercial areas, with commercial developments along the arterial roadways and medium density multiple-family residential development adjacent to commercial areas. High-density multiple-family development is permitted in the Subregional Center. The proposed development supports local and regional development patterns by accommodating medium to high-density development adjacent to a commercial area on a site which is currently vacant and underutilized. This hierarchy of uses supports GMA and Vision 2040 principles.

Subgoal: Urban Design - Establish and administer plans, policies, and regulations to improve the function and appearance of existing and new development and thereby enhance the livability and image of Lynnwood.

The focus of the development is on high quality design that increases the livability, workability and economic viability of an unused, vacant site. The proposed development would be consistent with the Lynnwood Design Review requirements, would enhance the appearance and function of the site and would ensure compatibility with surrounding development.

This site is currently vacant and underutilized. Formerly it was an institutional (school) use in a commercial area and adjacent residential neighborhood. The redevelopment of the site would enhance the appearance of the site by creating a complementary commercial/residential environment. It would emphasize pedestrian connections with sidewalks, crosswalks and bicycle lanes and by providing landscaping along pedestrian and vehicle routes. Building modulation would incorporate a variety of materials to create architectural interest. In addition, the existing vegetative buffer along the western boundary of the site would be retained to provide a natural separation between the site and the existing neighborhood to the northwest. Wetland A, which is located in the northwest corner of the site, would be enhanced by 6,524 SF to mitigate wetland impacts to Wetland C by the construction of the 33rd Avenue extension. The

creation of additional wetland area would improve the functionality of Wetland A by the removal of invasive species and the addition of increased habitat.

The site would be vegetated by a five acre buffer between the northwest portion of the site and the existing residential development to the northwest. The site layout incorporates sidewalks and bicycle lanes which are consistent with the City's pedestrian and bicycle route maps.

Housing Element

Subgoal: Housing Opportunities - Provide for diverse, safe, and decent housing opportunities that meet local housing needs without encroachment into established single-family neighborhoods.

The proposed development borders an existing single-family neighborhood to the northwest corner of the site. Lynnwood Place would include 500 multi-family residential units which would provide a diverse mix of housing to meet the local housing needs. The proximity of housing in an area predominately established with commercial uses would allow residents to live in an area serviced by public transportation, provided with employment opportunities and retail and entertainment choices. The separation between the existing single-family neighborhood and the proposed housing opportunities would protect the established neighborhood without encroachment.

Economic Development Action Plan

On November 22, 2004, the Lynnwood City Council adopted an economic development action plan (EDAP) that identifies economic development goals, strategies and activities. The guiding themes of the EDAP are as follows:

1. *Economic Development is a Citywide Priority.*
Economic development is a priority for Lynnwood. City officials and staff are working to encourage a culture that values economic development and operates in accordance with those values. Economic development in Lynnwood is a citywide effort, extending beyond the Economic Development Department to include all staff and all City departments.

The proposal would support economic development and employment opportunities in the City. Alternative 2 would include Costco Wholesale as well as other mixed-use development including recreational/entertainment opportunities provided throughout the site. The proposal would support the economic development priorities in Lynnwood by redeveloping an underutilized parcel within the Subregional Center.

2. *A Positive Business Climate is Essential.*

The City will ensure that Lynnwood is a positive and attractive place to do business. A supportive business climate will help ensure that the City continues to attract and retain healthy businesses. Through excellent customer service, the City will improve its competitiveness regarding economic development.

The redevelopment of the former Lynnwood High School site into an attractive mixed-use development would support a positive business climate in Lynnwood. Costco Wholesale is a local business with a reputation for competitiveness and the ability to attract other complementary anchor tenants. The Proposal would be most supportive of Lynnwood's EDAP.

The mixed-use portion of the site would include retail, restaurant, recreational and residential living space. These uses will support Lynnwood's desire to remain competitive in attracting healthy businesses that support a positive business climate.

3. *Improving and Diversifying Employment Opportunities is an Underlying, Fundamental Goal.*

Creating a diversity of employment opportunities in the City is critical to strengthening Lynnwood's economic vitality and creating a livable city with opportunities for a wide range of people to both live and work in the community. By concentrating on higher wage professional and technical jobs, the City will continue to expand its economic base beyond its strong retail core and to support its diverse residential population.

The Proposal would support a diverse range of employment opportunities. It includes Costco Wholesale and other retail and entertainment/recreational uses that would provide many employment opportunities.

4. *Strategic and Effective Partnerships are Important to the City's Success. The City recognizes that many partners are necessary to foster economic development. The City is working to develop effective partnerships with agencies. To be a good partner, the City pledges to:*

- *Champion economic development policies adopted in the City's Municipal Code – LMC 2.45.010 and Ordinance No. 2320;*
- *Identify resources that support activities to achieve economic development;*
- *Clearly communicate the City's economic development goals and priorities, as well as the City's roles and responsibilities;*
- *Work constructively towards shared economic development goals; and*

- *Convey to residents the importance of a strong employment and revenue base.*

The City along with the Edmonds School District, Cypress Equities and Costco Wholesale issued the Final EIS on March 30, 2012 to support economic development goals adopted in Lynnwood's Municipal Code 2.45.040 and Ordinance No. 2320.

5. *The City Values Measurable Results.*

Furthering the City's commitment to evaluating organizational performance, qualitative and quantitative indicators of economic development performance and customer satisfaction have been established in this Plan. Tracking these indicators during the life of the Plan will help ensure that the City's economic development efforts are as effective as possible.

The Proposal would further the economic viability of the City by providing additional tax base. The City would track these indicators along with others within the City to ensure that its economic development efforts are effective.

Relationship to Other Plans and Policies

Growth Management Act (GMA)

The Growth Management Act (GMA) includes thirteen goals that must be considered when updating a Comprehensive Plan. The proposed development is consistent with the following goals:

Goal 1: Urban Growth – Encourage development in urban areas where adequate public facilities/services exist or can be provided in an efficient manner.

The proposed development is located within the City's Subregional Center which encourages high density development. Public transportation service is available to the site and water/sewer services are adequate for the proposed development.

Goal 2: Reduce sprawl- Reduce the inappropriate conversion of undeveloped sprawling low-density development.

The Proposal would locate housing and employment opportunities adjacent to Alderwood Mall which is an established commercial area.

Goal 3: Transportation – Encourage efficient multimodal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans.

The Subregional Center is part of the Puget Sound Regional Council's (PSRC) Vision 2040 which encourages the majority of the region's future employment

and housing growth to be concentrated into major cities. As previously mentioned, the site is served by public transportation. The site layout incorporates bicycle lanes and sidewalks consistent with the City's pedestrian and bike route maps. These multimodal transportation options support regional priorities and are coordinated with county and city comprehensive plans.

Goal 4: Housing – Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

The 500 multi-family residential units proposed in Lynnwood Place encourage affordable housing options and promote a variety of housing types.

Goal 5: Economic Development – Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

The Proposal would support the growth of the City's economic and employment base. It would attract a diverse employment base and increase economic viability within the City. The City's tax base would increase with the addition of Costco Wholesale, multiple retail businesses, restaurants, office space and entertainment and recreational opportunities. These new businesses would also provide increased employment opportunities for residents in and around the Lynnwood area.

Goal 6 – Not applicable

Goal 7: Ensure predictability and timeliness in permit review process.

The City of Lynnwood has a Lynnwood High School Redevelopment webpage that outlines the permit process. The link can be found here: <http://www.ci.lynnwood.wa.us/Content/CityHall.aspx?id=938>

Goal 8 – Not applicable

Goal 9: Open space and recreation – Retain open space, enhance recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities.

All facilities at the Lynnwood Athletic Complex (LAC) would be displaced. The Edmonds School District has built replacement athletic facilities at the new high school site, albeit outside existing City limits.

The Proposal would include a central gathering space with landscaping to provide onsite open space.

Goal 10: Environment – *Protect the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.*

The bypass roadway would be constructed through Wetland C. In accordance with City of Lynnwood requirements, a new wetland area would be created adjacent to Wetland A at a 2:1 replacement ratio. The project proposes to restore onsite portions of Tunnel Creek with native plantings and habitat features, as appropriate. The goal is for the project to have no net loss of water quality and habitat functions associated with Tunnel Creek.

Goal 11: Provide opportunities for citizen participation in the planning process.

The DEIS was issued on October 7, 2011, with a 45-day public comment period which concluded November 21, 2011. A Public Open House on the DEIS was held on October 25, 2011, at Spruce Elementary School. The public is invited to attend the city council meetings to participate in the planning process.

Goal 12: Public facilities and services. *Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.*

The functionality of the site would be improved through the proposed three-lane roadway which would extend northward from 184th Street SW along the western side of the site, and then east along the northern portion of the site where it would intersect with Alderwood Mall Parkway at Maple Road. This road is designated on the City's Arterial Street Plan.

Goal 13: Preserve historic and archaeological resources.

Goal 13 would not be in conflict with the Proposal. According to DAHP the site does not include any historic or archaeological resources.

The Lynnwood Place Proposal is generally supportive of GMA's planning goals. The mixed-use component would reinforce Lynnwood's role as a regional growth center under the Puget Sound Regional Council's Vision 2040.

The Proposal is consistent with Snohomish County's Countywide Planning Policies which encourage orderly and efficient development patterns with higher density development in urban areas. The mixed use design is consistent with the policies of encouraging pedestrian-friendly and transit-compatible development, co-location of jobs and housing, infill and redevelopment of suitable areas.

In summary, the Proposal is consistent with these planning goals.

Zoning

Lynnwood Municipal Code LMC 21.22.600 contains the decision criteria for zoning reclassifications. The Proposal is to rezone the site from Public and Semi-Public (P-1) to Commercial Residential (C-R). The city may approve or approve with modifications an application for a reclassification of property based on the following decision criteria:

A. The reclassification is substantially related to the public health, safety, or welfare.

The reclassification of the site would support public welfare through the redevelopment of an underutilized, vacant parcel in a prime location of the City in accordance with the Comprehensive Plan. The Proposal would support a diverse range of employment opportunities through Costco Wholesale and other retail and entertainment uses planned for the site which would improve the economic welfare of the City and its residents. A major arterial would be constructed assisting in the mitigation of traffic in the Alderwood Mall area. Environmental cleanup of some minor soil contamination would occur. Wetland areas and buffers would be enhanced.

B. The reclassification is warranted because of changed circumstances or because of a need for additional property in the proposed land use zone classification or because the proposed zoning classification is appropriate for reasonable development of the subject property.

The reclassification of the parcel from a land use designation of Public Facilities to Mixed Use and a rezone from Public and Semi-Public to Commercial-Residential is appropriate because the property is no longer used as Lynnwood High School. A non-public replacement use that is consistent with planned development on adjacent parcels is also appropriate. The parcel is adjacent to the Alderwood Mall which is a dense commercial development. The reclassification is warranted because the subject property would support the existing uses in the surrounding area by changing the designation to Mixed Use and zone to Commercial-Residential to allow residents to live and work in close proximity to a thriving commercial center. Non-commercial adjacent uses are comprised of single family residences or apartments, which would not be a logical or desirable use, except in a mixed-use setting.

C. The subject property is suitable for development in general conformance with zoning standards under the proposed zoning classification.

The subject property is approximately 40 acres in size, is currently vacant, and is located adjacent to Alderwood Mall which is a concentrated commercial area. The proximity of the site to a large commercial/retail center supports the proposed rezone classification from Public and Semi-Public to Commercial-Residential.

The purpose of the Commercial-Residential zone is to allow a mix of commercial and residential land uses in close proximity to transit facilities. A key concept is to locate complementary land uses within convenient walking distance of each other, connected by safe and direct walkways. The subject property is served by public transit and the layout of the southern portion of the site would emphasize pedestrian connections. The Commercial-Residential zone would compliment the surrounding uses in the area by providing residential opportunities in close proximity to retail, entertainment and employment opportunities.

D. The reclassification will not be materially detrimental to uses or property in the immediate vicinity of the subject property.

Overall the reclassification of the property would have few land use impacts in the surrounding area. On balance with the economic, transportation and other goals of the City, these impacts are acceptable. The EIS did not find these impacts to be significant and mitigation measures were identified for consideration as possible conditions of project approval. Compatibility would be an issue for the residential uses adjacent to the north/northwest part of the site. The proposed Costco Warehouse parking lot and fueling facility are adjacent to this area. The greater levels of activity onsite, especially in this area, would lead to proximity impacts associated with the Proposal (e.g., noise, light/glare). Again, noise and air quality impacts were found to be non-significant; light and glare issues can be addressed with types of illumination and shielding.

The single-family residence just north of the site and two single-family residences abutting the northwest edge of the site would experience the greatest impacts, including those from the proposed bypass roadway and the extension of 179th Place SW to 30th Place W (planned in conjunction with an adjacent approved residential development, not the current Proposal). In these individual cases, the impacts may be considered significant in view of Lynnwood's goals to protect and enhance single-family neighborhoods through protection from conflict with or encroachment of incompatible land uses or activities. Overall impacts on residential use, however, are likely to be minor.

E. The reclassification has merit and value for the community as a whole.

The Proposal would be compatible with commercial uses near or adjacent to most of the site. It would supplement or bolster retail and other commercial activities in the surrounding area. It would reinforce the objectives of the Subregional Center by adding employment and population growth and contribute to a more robust subregional activity center. Residential uses provided as part of the Proposal could lessen the short-term demand for residential use in the City Center area.

Altogether, indirect and cumulative land use impacts would be compatible with City objectives.

F. The reclassification is in accord with the comprehensive plan; and

The reclassification of the subject property from Public and Semi-Public to Commercial-Residential to allow development of a mixed-use center is supported by the comprehensive plan. Additional employment and housing opportunities would be provided, and retail space and additional multi-family units would be provided. This mix of uses would support the purpose of the Subregional Center.

The mixed-use component of The Proposal would reinforce Lynnwood's role as a regional growth center under the Puget Sound Regional Council's Vision 2040. The Costco Warehouse component would be more auto-oriented vs. pedestrian-oriented and would provide less reinforcement.

The Proposal would be consistent with Snohomish County's Countywide Planning Policies which encourage orderly and efficient development patterns with higher density development in urban areas. The mixed use component of Lynnwood Place is consistent with the policies of encouraging pedestrian-friendly and transit-compatible development, co-location of jobs and housing, infill and redevelopment of suitable areas.

In general, the Proposal supports the Plan Vision, Plan Concept (Land Use), Land Use Description: Mixed Use, Policy Description: Mixed Use, and relevant Goals and Policies of Lynnwood's Comprehensive Plan, and is consistent with the goals for the Subregional Center.

The existing level of service in the Parks, Recreation, and Open Space Element of the Comprehensive Plan would need to be revised, and the Parks Facilities Map would need to be amended to remove this site.

G. The reclassification complies with all other applicable criteria and standards of the Lynnwood Municipal Code.

The reclassification is compatible with standards of Lynnwood Municipal Code. Area and dimensional development standards are consistent with LMC 21.54.200. Zoning Code text amendments would be necessary to allow development of a mixed-use center and fueling facility as an accessory use to the Costco Wholesale store. In addition, amendment of the Parks Element of the City's Comprehensive Plan and the Parks, Recreation Facilities, Open Space and Trails Map would be required to remove references to the Lynnwood Athletic Complex and to adjust level of service. These amendments would occur subsequent to approval of Alternative 2, if approved.

A Development Agreement and Planned Action Ordinance will be adopted as part of project approval. Each phase of construction will be preceded by review by the Design Review Committee.

Lynnwood Place Illustrations

The attached graphics provide examples of what Lynnwood Place would look like once constructed. These examples show a mixed use development focused on building modulation, landscape amenities, and a pedestrian friendly design. These examples are provided by Cypress Equities from previous projects it has developed. Actual designs will be presented during the design review process that precedes issuance of building permits.