

EXHIBIT 4

Log#	Question/Comment	Staff Response(s)
001	What NAICS codes does the pro forma model use to project future demand? Does this model take into account online sales tax revenue vs. brick & mortar or geographical differences (TC vs. South End, etc.)?	<p>The pro forma model used to estimate supportable retail growth was revised following the April 20 City Council presentation. The revised estimate uses only taxable retail sales receipts from NAICS 44-45 (Retail Trade) and NAICS 71-72 (Arts, Entertainment and Recreation; Accommodation and Food Services). This subset of NAICS sectors better represents the types of commercial uses that are the subject of this study.</p> <p>According to the Finance department, the City only receives tax revenue data from DOR based on NAICS codes. The codes convey the business sector and category for tax revenues, but they do not provide the level of detail necessary to distinguish between brick & mortar and online sales. At this time, we cannot determine to what extent the sales from a given category are strictly online or further determine the vendor of those online sales (i.e. cannot distinguish Amazon sales tax revenue vs. on-premise retail sales revenue in Town Center, etc.). However, those NAICS codes that could include online sales (e.g. NAICS 44 and 45) are the fastest growing categories in terms of overall dollar growth compared to 2020 numbers.</p> <p>Finally, the estimated supportable retail growth reflects Island-wide conditions and is not segmented by geography (Town Center, South End, etc.). However, you can reasonably assume that any major retail growth will take place in the Town Center as the designated retail core.</p>
002	What do we mean by "commercial"? Does this imply only retail and restaurant, or other commercial uses such as commercial office space? We need to clarify the terminology.	<p>To date, discussion regarding eligible commercial uses has been framed in three categories as restaurant, retail, and personal service uses. These categories are defined in MICC 19.16 - Definitions as follows:</p> <p><u>Restaurant</u>: An establishment where food and drink are prepared and consumed. Such establishment may also provide catering services.</p> <p><u>Retail</u>: An establishment engaged in selling goods or merchandise and rendering services incidental to the sale of such goods.</p> <p><u>Personal Services</u>: A business that provides services relating to personal grooming and health. Uses include barber shops, hair stylists, spas, fitness centers and nail salons.</p> <p>Throughout this process, questions have arisen about whether some businesses, such as banks, car washes and medical providers, would be eligible commercial uses under the Commercial FAR requirement. To provide the City Council guidance, it is recommended the Planning Commission discuss whether amendments to the definition of personal services are appropriate. Options may include adding another specific category to the definition such as "personal affairs" or making the definition more generic by removing references to personal grooming and health.</p>
003	What is the net loss or net gain of retail space per parcel when we apply the commercial FAR? Please provide those comparisons at the next meeting.	Using King County Assessor data only, staff reviewed the proposed parcels subject to the proposed commercial FAR requirement and found results similar to those suggested by at least two members of the Planning Commission: upon redevelopment, some parcels (20) would experience a net increase in total commercial space while other parcels (8) would experience a net decrease. The Walgreens parcel produced the largest net decrease. The sum produced a net increase and was generally consistent with the analysis completed by CAI.
004	Per the current code requirements, what is the minimum of retail space required in the Town Center zone?	<p>MICC 19.11.020(B) stipulates the following for retail space requirements:</p> <p>Retail, restaurant or personal service uses are required along retail street frontages as shown on Figure 2.</p> <p>1.If public parking is provided pursuant to MICC 19.11.130(B)(5), then the following applies:</p> <p>a.A minimum of 40 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.</p> <p>b.A maximum of 60 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.</p> <p>c.Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.</p> <p>2.If public parking is not provided pursuant to MICC 19.11.130(B)(5), then the following applies:</p> <p>a.A minimum of 60 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.</p> <p>b.A maximum of 40 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.</p> <p>c.Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.</p> <p>Additionally, the minimum required depth of storefronts along retail street frontages is 16 feet. The Planning Commission can request that staff apply these code requirements on a parcel-by-parcel basis and compare to current conditions and commercial FAR conditions if desired.</p>
005	Does the comprehensive plan include applicable policies or references that need to be updated?	Staff reviewed the 2015 Comprehensive Plan and did not find specific goals or policies requiring immediate updates. However, MICC 19.11.020(B) Figure 2 is duplicated in the plan and will need to be removed regardless of the outcome of these proposed code amendments. This will be completed as part of the next periodic update to the Comprehensive Plan, scheduled to commence in 2022 and required to be completed by 2024.
006	Did staff consider a variable FAR?	No. For a balanced effect, a consistent commercial FAR is proposed to be applied to the parcels identified for such.
007	Do the pink lines only identify which properties have to have retail or do they also identify on which side of the property the retail has to be located?	Yes, retail space must be provided along the street frontages indicated by the pink lines, per the requirements in MICC 19.11.020(B).
008	Is it correct that, in addition to adding retail space, one goal of the proposed changes will be to concentrate the retail in certain areas for the benefits related to consumer enthusiasm for the patronizing clustered retail businesses.	An original intent (in 2016) of the "pink lines map" was to concentrate retail within a portion of the Town Center. The changes proposed to this map are intended to adjust the area where retail is required. While the retail requirement is proposed to be removed from a few parcels, in general the proposed changes will substantially expand the area where retail is required, reflecting the Council's expressed desire to maintain and expand the current amount of retail space in the Town Center.
009	Memorandum re: Proposed Town Center Code Revisions submitted by Commissioner Mike Murphy, 10.18.21	Memo distributed to the full commission as part of the 10.20.21 packet.

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010	Could we apply the commercial FAR across all properties instead of instituting the No Net Loss provision on post-2005 developments?	If the commercial FAR were identified across post-2005 developments, you could end up with more commercial retail space than CAI projected demand for in the analysis. However, the Planning Commission could choose to amend the proposed code amendments to remove the limited "no net loss" provision and instead apply the commercial FAR across post-2005 developments as well.
011	Will there be a process for exceptions/exemptions?	The legislative intent to provide relief from the proposed retail requirements has not been discussed to-date.
012	Say an owner has a property with two or three sides facing blue line. The amount of retail is no different than if they faced one pink line. The minimum of 0.26 percent of the parcel size could result in really teeny retail efforts on multiple sides if they have to have on all sides. It might be better to keep the 60% of ground floor frontage in addition to the 0.26 FAR.	The Planning Commission may choose to deliberate this and amend the code proposal as they see fit.
013	If we want a lot of retail space, why are we limiting to 60' if frontage?	The 60' frontage limitation in the current code applies to a single business frontage, not total retail street frontage for an entire development.
014	What does the term "transparency" mean in the draft code?	This refers to MICC 19.11.100(B)(1)(a), which says the following about Fenestration development and design standards: <u>Transparent facades:</u> Articulated, transparent facades should be created along pedestrian rights-of-way. Highly tinted or mirrored glass windows shall not be allowed. Shades, blinds or screens that prevent pedestrian view into building spaces shall not be allowed, except where required or desired for privacy in dwelling units, hotel rooms and similar residential uses.
015	I see in the current code and Council proposed amendments specific parameters regarding the shape of these commercial (and performing art) spaces. Both minimum depth and maximum length are prescribed. We have draft code that would overlay that with a size (floor area) requirement. As it stands, we would prescribe both dimensions and size. How does the commercial leasing community see this? Do we have their input on what we are doing? What size and dimensions of space are in demand over a significant number of years, assuming that what we adopt will be create enduring spaces?	Responses to the outreach to commercial property owners/managers has been included as Exhibit 3 in the 02.16.22 packet.
016	Do property owners often reconfigure their space for a valuable client, knocking down walls as needed?	Responses to the outreach to commercial property owners/managers has been included as Exhibit 3 in the 02.16.22 packet.
017	Are there compelling reasons to prescribe the dimensions of the space? Property owners have to include the space. Would they not create spaces that they would likely be able to lease? Or not, for some reason?	Responses to the outreach to commercial property owners/managers has been included as Exhibit 3 in the 02.16.22 packet.
018	Why do we have the maximum 60 foot restriction at all in our existing code? What is the purpose of the minimum depth?	Staff have not reviewed the entire legislative history of this provision. However, it is likely that the goal of the minimum and maximum requirements was to ensure that Town Center would feature a variety of usable space and not have a sole use take up the entirety of a street frontage. Regarding the minimums, staff presented research related to this to City Council on December 7, 2021, and attached the information to the e-mail sent to the Planning Commission on 01.26.22.
019	I'm assuming that Bio thinks we can legally require percentages from one property owner and numerical amounts (varying with what ever is there now) from other property owners. Am I correct in that assumption? Are we getting any feedback or push back from current property owners on what the Council has proposed?	Legal counsel has been involved in the drafting of the proposed amendments throughout the process and will continue to conduct thorough review of the recommendation the Planning Commission transmits to the City Council. Regarding feedback/push back from current property owners, we are still soliciting feedback on this and will share pertinent information if it arises.
020	Can staff provide a review of performing arts/theater spaces in the region and their associated square footage and commercial space (if applicable)?	Staff have reviewed 18 performing arts and visual arts venues in the region and provided relevant square footage data (pulled from publicly available sources) in a PDF sent 01.26.22.
021	Have you run a quantitative analysis to determine if the new "greater than" requirement results in an over-build of commercial space?	Staff provided an updated parcel-by-parcel comparison Exhibit 4, Attachment A, in the 02.16.22 packet. The updated exhibit includes disclaimer notes related to the data source used to complete this exercise, which was originally requested by the Planning Commission in fall 2021.
022	How do Recreational Facilities factor into this proposal?	Recreation in the Town Center is defined separately in MICC 19.16.010 as the following: <u>Recreation:</u> In the Town Center, recreation includes a place designed and equipped for the conduct of leisure-time activities or sports. If the Planning Commission wishes to include this use as an eligible use in the amended code, they should include this in the discussion of clarifying the definition of current eligible uses.
023	Can you forward me the Excel version of the PDF from the November meeting that has the TC parcels and the SF of existing retail vs what would be required under the .26 FAR?	Staff provided an updated parcel-by-parcel comparison as Exhibit 4, Attachment A, in the 02.16.22 packet. The updated exhibit includes disclaimer notes related to the data source used to complete this exercise, which was originally requested by the Planning Commission in fall 2021.
024	At Wednesday's meeting you and/or Alison referenced several other code definitions for various types of uses. Can you please circulate those code cites?	The use table that some Commissioners referenced is found in MICC 19.11.020(A). Definitions for Title 19 are listed in MICC 19.16.010. Staff also provided the specific terms and corresponding definitions that have come up in discussion to the entire Commission on 01.31.22.

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025	<p>Regarding the updated parcel-by-parcel comparison data included in the 02.16.22 packet:</p> <ul style="list-style-type: none"> •The Draft CAI report says that the TC "retail" inventory is 339,446 SF. But the report toggles between "commercial" space and "retail" space, seemingly using those terms interchangeably. That SF number, however, was a critical component of the original FAR creation, which was tied to retail/restaurant uses. The spreadsheets you sent do not correlate with the CAI data in terms of totals. The variance is substantial. Does the City have the CAI spreadsheets that its 339,446 SF number is based on? If not, can you get those from CAI ASAP? •My analysis of the spreadsheets you sent me suggests that the CAI data includes more than "retail," and may include a whole range of commercial uses, i.e., banks, medical, etc. Without their actual data, however, it's hard to tell. Your spreadsheet excludes a lot of "commercial" space. For example, stand-alone RE offices and banks are not included as existing commercial space. The White building has recreation, med & dental offices, but shows "0" commercial on spreadsheet. When that space is added back, the totals approach the CAI number. •Consistency is also lacking. It appears that bank and med space inside the footprint of other buildings (e.g., Island Square, etc.) is include on your spreadsheet. Because the King County Assessor data does not distinguish types of commercial uses, that may be why. •Understanding this data is very important to deal with our assigned task from the Council re the permitted uses. 	<p>A detailed response to these questions/requests was e-mailed directly to the individual Commissioner and attached as Exhibit 4, Attachment B, in the 02.16.22 packet.</p>
026	<p>Regarding the updated parcel-by-parcel comparison data included in the 02.16.22 packet:</p> <p>I don't understand the table. Referring back to the original table, let's take Wells Fargo for example. The property square foot is 42,175. Approx 0.26 of the property square foot is 11,062. I get it that far. Why is commercial square foot 0? Is a bank not commercial? What is the source of the last figure 4,935? What is Net FAR Sq Ft?</p> <p>I understood it in the lines in which commercial sq foot was not zero. It seemed to be the additional FAR that would be needed upon redevelopment OR the excess FAR that already exists and would have to be maintained at redevelopment under the proposed ordinance. But I can't figure out where 4,935 comes from given the other two known figures on this line for Wells Fargo.</p> <p>There are other properties listed with 0 commercial. Why are they listed if they are not commercial? Is it because they are not they type of commercial that we are talking about?</p> <p>I'm assuming the zero figure for commercial space for banks, etc is because the current space does not meet our definition of the uses we are prescribing. If that is true, if we change our definition of the prescribed uses to include banks, insurance, and financial services, would that change those zeros to existing square footage? I would seem that it should.</p>	<p><i>What does that data in each column represent?</i></p> <ul style="list-style-type: none"> •Column 1: Represents the existing property square footage (as defined by King County Assessor's data) •Column 2: Represents the required square footage if the identified property redeveloped under the FAR; i.e., Column 1 * .2623 = Column 2 •Column 3: Represents the existing commercial square footage (as defined by King County assessor's data) •Column 4: Represents the difference between the existing commercial square footage and the required square footage under the FAR; i.e. Column 3 - Column 2 = Column 4 <p><i>Why are some properties listed as having 0 existing commercial square feet?</i></p> <p>For the existing commercial square footage listed in the table, staff used King County Assessor's data. This data source uses many categories to describe commercial space. In this exercise, staff included square footage for categories that best align with the assumed "eligible uses" of retail, restaurant, and personal services. Properties with no existing commercial square footage have no square footage of categories that align most with the assumed "eligible uses" of retail, restaurant, and personal services. Example: For the Wells Fargo property, the King County Assessor records 6,128 square footage of "Bank" use. At the time this data was compiled, staff assumed banks were not considered an eligible use. The Planning Commission will deliberate and recommend the final list of eligible uses at the meeting on February 16.</p> <p><i>A response to these questions/requests were also e-mailed directly to the individual Commissioner.</i></p>
027	<p>Regarding the updated parcel-by-parcel comparison data included in the 02.16.22 packet:</p> <p>I have gone through everything you sent and done some work on the spreadsheets. One thing that I could not find is the source document or data for the CAI estimate of 309,560 SF of commercial space. Attached is the current draft of my work. I wanted to get it to you before Friday. Please look over my work and let me know if you see any errors or anything that I missed. If my analysis is correct, there may be a significant error in the FAR calculation. Regardless of that issue, and more importantly, it appears that the current plan would greatly expand the amount of commercial space. It is not clear to me that this is intended or even recognized. Please share with the other commissioners.</p>	<p>Vice-Chair Murphy's analysis and comments have been included in the 02.16.22 packet as Exhibit 4, Attachment C. Additionally, the following response was e-mailed to the Vice-Chair on 02.11.22.</p> <p>The CAI number of 309,560 SF is based on Co-Star data. I specifically recall when Victor made his request in October for the table of the FAR blue map properties to be assembled showing the delta analysis of existing SF v. FAR requirement, staff was clear it could only assemble with KC assessor data and the two would unlikely match.</p> <p>Regarding your question buried in the spreadsheet about the legislative intent of City Council, yes it was their original intent to legislate a 0.2623 FAR requirement for the blue map properties and a no net loss for the orange map properties based on the CAI report using Co-Star data. After receiving the Planning Commission recommendation in November, City Council modified their intent to at least in part to address the Planning Commission recommendation with a "great than" approach for both the blue map and orange map properties, resulting in the remand back to Planning Commission and the combined red map provided to the Planning Commission in January (note: for better distinguishment and to eliminate any confusion, this red map will be updated to green for next week's meeting as the red and orange colors appeared a little too close visually in January). In the December deliberation leading to the City Council remand, there was discussion and acknowledgement that a greater than approach would result in excess commercial SF construction over the long term. Therefore, the 5 year or 75,000 SF clause was added to provide a check point in the future.</p> <p>With the City Council remand, the Planning Commission is being asked to provide a recommendation on this and the other questions / matters identified by City Council. The City Council will be receiving the Planning Commission recommendation on March 15 during a third reading of the ordinance.</p>