



Community Development Department

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STAFF MEMO

To: Planning Commission
From: Andrew Levins, Land Use Planning Consultant
Date: September 3, 2024
Subject: SRI Retail Development Standards and SMC 17.37 Retail District Overlay Code Amendments

BACKGROUND:

In December of 2023 the Chair of the Economic Development Commission (“EDC”) sent a letter to the Community Development Council Committee regarding recommended draft amendments to the Snoqualmie Municipal Code Chapter 17.37, Downtown Historic District Retail Overlay Zone and 17.37.040 Waiver of special use regulations. The recommendations included:

1. 100 Percent of the storefronts on Railroad Avenue S.E. occupied by retail uses, increased from the current 75% requirement; and
2. 180-day allowance on good faith efforts to lease the premises for a retail use, increased from the current 120-day requirement.

Currently, 75% of the ground floor tenant spaces along Railroad Avenue are required to be occupied by a qualifying retail use. If total retail storefront occupancy drops below 75% on Railroad Ave, a ground floor tenant space must be vacant for 120 days before the landlord can apply to the City for a “retail waiver,” allowing a non-retail commercial use to occupy the space.

On February 5, 2023, the Council CD Committee remanded the draft amendments back to the commission for further discussion because the Economic Development Commission did not have the opportunity to make a formal recommendation. The Community Development Committee provided general feedback to the EDC stating that 100 percent of the storefronts on Railroad Avenue S.E. is too high of a percentage requirement for retail occupation and that the EDC should consider a percentage range within 70 to 100 percentage for retail occupation. Furthermore, the CD Committee stated 180 days is too low for the time allowance to demonstrate a good faith effort to find a retail tenant. Additionally, the definition of what constitutes a retail use should be evaluated and clarified, if necessary.

The City conducted public outreach with both the Downtown Business Association and the Ridge Merchants Association on May 2, 2024 and May 8, 2024, respectively. On May 15, 2024, the Economic Development Commission met and, in light of the findings from outreach with merchant associations,

considered appropriate threshold requirements for ground-floor retail uses, appropriate measures and timelines to demonstrate good faith efforts to lease qualifying tenant spaces to retail uses, and how the definition of retail uses could be clarified.

On May 20, 2024, the Planning Commission met and discussed the recommendations of the EDC, which were as follows:

- Expand the minimum threshold for ground floor retail uses to also apply to Falls Avenue.
- Increase the minimum retail use requirement from 75% to 90%.
- Increase the minimum time allowance to demonstrate a good-faith effort from 120 days to 180 days.
- Require that a vacant tenant space to which the retail use requirement applies be advertised online in order to demonstrate a good-faith effort, in addition to the other methods listed in SMC 17.37.040(B)(1).

On June 19, 2024, the Community Development department mailed an informational flyer and virtual meeting invitation to the owners, as identified by King County Assessor records, of all commercial property affected by proposed changes to retail use waiver requirements in both the Downtown Historic District Retail Overlay Zone and along Center Boulevard S.E. in Snoqualmie Ridge. Staff held two virtual open-houses on June 25, 2024 to give an opportunity for property owner feedback; however, neither session was attended by any member of the public. Additionally, no comments on the proposed changes were submitted based on the information provided.

On July 1, 2024, the Planning Commission met to discuss the strikethrough and underline versions of the draft amendments and the proposed revisions to the extents of the Overlay Zone. The Planning Commission indicated it would like to review further analysis regarding the waiver approval process and consider expanding the Overlay Zone to all parcels zoned BR-1 and BR-2 in Downtown Snoqualmie.

Based on the recommendation of the EDC and public outreach, the Planning Commission directed Staff to study amendments to the SMC, as described below.

ANALYSIS:

Both the existing retail occupancy requirement of 75% and the time allowance of 120 days apply to the ground floor of buildings facing Railroad Avenue only in the Downtown Retail Overlay Zone. Because of the way the Snoqualmie Ridge 1 Development Standards incorporate and apply to the Municipal Code, only the time allowance applies to retail tenant spaces facing specific intersections including Center Boulevard SE and SE Ridge Street, SE Mayrand Lane, and SE Kinsey Street. All uses at these intersections are required to be a retail use, as defined by SMC Section 17.37.020 (See Attachment 1). Please note: any future amendment to the Municipal code regarding the 120-Day limit or the percentage of retail will not be applicable to the businesses on the Ridge without a Mixed Use Final Plan Amendment. Table 1 further illustrates how these requirements currently apply to Snoqualmie's two primary walkable retail districts:

Table 1: Existing Retail Use Requirements		
	Snoqualmie Ridge I Neighborhood Center, corner tenant spaces facing select intersections	Downtown Retail Overlay Zone along Railroad Avenue
Ground Floor Minimum Retail Use Ratio	N/A	75%
Minimum time allowance to demonstrate good-faith effort to find retail tenant	120 days	120 days

Public outreach was conducted on May 2 and May 8, 2024, with both the Downtown Business Association and the Ridge Merchants Association, respectively. Each group strongly favored increasing the retail occupancy percentage requirement in the Downtown Retail Overlay Zone along Railroad Avenue to between 90-100%. The Downtown Merchants proposed that this requirement also be expanded to Falls Avenue. Both the Downtown and Ridge Merchants expressed favor toward a 180-day minimum vacancy period, and suggested that some additional requirements, such as demonstrating online rental listings and site-postings, should be required as a part of demonstrating a good-faith effort to find a retail-use tenant consistent with the requirement. One Ridge Merchant Association landlord expressed that 180-days is an appropriate amount of time, but that the requirement should not exceed 180 days. No additional input was provided from either group with regards to the definition of retail. The EDC concurred with the sentiment that online advertising of the retail lease opportunity should be required.

The EDC considered this stakeholder feedback at its May 15, 2024 meeting. Members of the EDC agreed with the recommendations of the two merchants associations, although they recommended additional outreach that specifically includes the owners and landlords that would be affected by this change. Concurring with the suggestions of the Downtown Merchants Association, the EDC also recommends that the ground floor retail use requirement be expanded to also include buildings facing Falls Avenue.

The Planning Commission discussed the EDC's recommendations on May 20, 2024. The Planning Commission's directed Staff to study amendments proposing modifications to the minimum requirements to obtain a waiver from retail use requirements, which are presented in Table 2: Proposed Retail Use Requirements.

Table 2: Proposed Retail Use Requirements		
	Snoqualmie Ridge I Neighborhood Center, corner all storefronts facing select intersections <u>Center Boulevard SE</u> (see Attachment 5)	<u>Parcels located in the BR- 1 or BR-2 zone in Downtown Snoqualmie</u> (see attachment 4)
Ground Floor Minimum Retail Use Ratio	<u>90%</u>	<u>90%</u>

Minimum time allowance to demonstrate good-faith effort to find retail tenant	<u>365</u> days	<u>365</u> days
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The Planning Commission directed Staff to study the expansion of the Historic District Retail Overlay to encompass all Business Retail 1 (“BR-1”) and Business Retail 2 (“BR-2”) zoned property in Downtown Snoqualmie. To accommodate this change, Staff proposes the Planning Commission consider recommending modifications to the [City’s Zoning Map](#) that depict the revised extent of the Overlay District in place of verbally describing the precise extent of the Overlay Zone. This change will increase clarity as to the overall extent of the Overlay Zone, compared to the current verbose description found in the SMC. Language is proposed to be added to the SMC exempting supportive housing uses required by state law as well as City-occupied properties from calculations when determining the retail use ratio.

Currently, the purpose statement of the BR-1 zone states that the zone was created to contain all properties located within the Downtown Historic Retail Overlay zone, and to provide a shopping and dining district in a pedestrian-oriented environment (SMC 17.20.020.C). Staff proposes to modify the purpose statement of the BR-1 and BR-2 zones in SMC 17.20.020.C to reflect the modification of the extent of the Downtown Historic District Retail Overlay Zone proposed by the Planning Commission.

As directed by the Planning Commission, Staff has also included amendments requiring vacancies be advertised online as a condition of a retail waiver application.

Originally, the Planning Commission suggested a procedure in which all retail use waivers would be decided by the Community Development department with that decision appealable to the City Council. The City Attorney has identified a personal liability risk to individual City Council members that would result they were the decisionmakers for retail waivers, and continues to advise that this risk exceeds the acceptable level of risk tolerance for City of Snoqualmie officials. As such, Staff has provided for a process that requires Planning Commission approval for any retail waiver application with any administrative appeal heard by the Hearing Examiner.

In the Snoqualmie Ridge Neighborhood Center, the development standards are proposed to be modified to require that at least 50% of ground-floor windows remain uncovered by signs or other window coverings during normal business hours, ensuring visibility into the tenant space and enhancing the pedestrian experience.

Summarized, the attachments to this memo propose the following changes:

- Expand the extents of the Downtown Historic District Retail Overlay Zone to include all parcels zoned BR-1 and BR-2 in Downtown Snoqualmie as depicted on Attachment 4 and depict this change on the official zoning map. The minimum threshold for ground floor retail uses will apply to these parcels.
- Remove parcels that are currently zoned OS-2 from the Overlay Zone and are being incorporated into the Snoqualmie River Trail project.
- Increase the minimum ground-floor retail use requirement from 75% to 90%.

- Increase the minimum time allowance to demonstrate a good-faith effort from 120 days to 365 days.
- Require that a vacant tenant space to which the retail use requirement applies be advertised online in order to demonstrate a good-faith effort, in addition to the other methods listed in SMC 17.37.040(B)(1).
- Apply the 90% ground-floor retail use requirement to storefronts facing Center Boulevard S.E. (see Attachment 5).¹
- Require that no more than 50% of the ground-floor windows of a tenant space be covered for storefronts facing Center Boulevard S.E. in the Snoqualmie Ridge Neighborhood Center, in order to facilitate pedestrian interest.¹
- Modify the retail waiver approval process to require decision by the Planning Commission, with all appeals to the Hearing Examiner.

NEXT STEPS:

- Discuss the contents and form of the proposed amendments.
- Staff will finalize the proposed amendments to the Snoqualmie Municipal Code prior to a future public hearing with the Planning Commission.

ATTACHMENTS:

- 1. Planning Commission Resolution to Study Retail Waiver Amendments**
- 2. SMC Chapter 17.37, Strikethrough and Underline Changes**
- 3. Chapter 12 Snoqualmie Ridge Development Standards, Strikethrough and Underline Changes**
- 4. Current and Proposed Downtown Historic District Retail Overlay Zone extent**
- 5. Current and Proposed Snoqualmie Ridge retail use requirement extent**
- 6. SMC 17.55.010, Table 1, BR-1 and BR-2 zone use comparison table**

¹ This proposed change will only be enforceable if amendments to the Snoqualmie Ridge Mixed Use Final Plan Conditions are approved.