



## Planning Commission

### Commercial Design Review Expansion - Public Hearing and Recommendation

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#### **Title**

Commercial Design Review Expansion - Public Hearing and Recommendation

#### **Recommended Action**

Hold public hearing; following public hearing move to recommend that City Council approve amendment of development code as set forth in attached "Proposed Design Code Amendment."

#### **Report**

##### **Issue:**

In December the City of Olympia adopted a major update of its Comprehensive Plan. Among the many changes was a revision of the policy describing the scope of 'design review' -- the City's process that regulates the architecture and complementary landscaping of development. In response, City staff proposes that the development code be amended to require that at minimum all commercial buildings and substantial commercial remodels adjacent to public streets meet the City's "Basic Commercial Design Criteria." The Planning Commission will hold a public hearing before making a recommendation to the City Council regarding this proposal. The staff anticipates presenting a short summary of the proposal at the hearing. (File 13-0114)

#### **Staff Contact:**

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#### **Presenter:**

Todd Stamm, Principal Planner

#### **Background and Analysis:**

In 1988 Olympia adopted new regulations requiring that certain development projects conform to 'design' requirements. These architectural and landscaping requirements were initially focused on establishing minimum standards for the exteriors of commercial buildings downtown and along 'exit and entrance' corridors. Over the years these design regulations have been expanded to encompass more areas of the City and more types of development.

Olympia's new Comprehensive Plan includes a revised policy regarding the scope of the design review process. That policy, adopted in December of 2014, reads:

*Land Use and Urban Design Policy 6.1 -- Establish a design review process for:*

- *Commercial and mixed use development adjacent to freeways and public streets*
- *Other highly-visible, non-residential development, such as the Port of Olympia, campus developments, and master planned developments*
- *Multifamily residential development and manufactured housing parks*
- *Detached homes on smaller lots (less than 5,000 square feet) and in older neighborhoods (pre-1940)*
- *Properties listed on a Historic Register or located within a designated historic district*

In substance, except for putting an increased emphasis on commercial and mixed use projects along public streets, this new policy reflects the current regulatory structure. Specifically, Olympia currently requires that commercial developments in a variety of districts, along freeways and most major streets, and adjacent to residentially-zoned property must meet the City's "Basic Commercial Design Criteria." These projects are often also subject to area-specific design criteria.

However, scattered commercially-zoned areas of the community are not subject to design review. There are about a dozen such areas, including the vicinity of both hospitals, and the light industrial areas along Fones Road in southeast Olympia and 25<sup>th</sup> Avenue in southwest Olympia. Other examples include Black Lake Boulevard south of Highway 101, the vicinity of the county courthouse, and small pockets of commercial development on 'side streets,' including a portion of the Olympia Auto Mall. (See attached map of examples.)

A new auto-parts store (now vacant) constructed in 2006 along Fones Road with a blank concrete-block wall facing the street led some members of the public to question why a better design wasn't required. This project brought these 'gap-areas' in design review to the public's attention, which led to the updated Comprehensive Plan adopted in 2014 including the phrase "and public streets" in the first bullet in the policy above.

### The Proposal

On May 4, 2015, the Planning Commission was provided with a pre-hearing briefing on this topic. As described in the attached "Proposed Design Code Amendment," the staff now proposes that the development code be amended to reflect this revised policy. In particular, the substantive aspects of the proposed amendment would require that:

- In areas not otherwise subject to design requirements, any new commercial building or building intended in part for commercial use must meet the City's "Basic Commercial Design Criteria." (Chapter 18.110 of the Olympia Municipal Code; see attached full chapter and excerpt of 'requirements from that chapter.)
- Review to ensure compliance would be administrative, i.e., conducted by the City staff. These types of developments would usually not be reviewed by the Design Review Board nor subject

to special public meeting processes.

- Further, the staff proposes that the Evergreen Park Planned Unit Development (PUD), which included private design standards when approved by the City, would continue to be exempt from the City's public design review criteria.

The City's administrative design review process is conducted in conjunction with the standard 'Land Use' and 'Building Permit' development review steps. This type of 'staff-level' design review does not add any substantial public review process. For projects meeting the design requirements, it generally does not add to the time needed for the development review process. However, it does require payment of up to \$500 in additional review fees, and in some cases will add substantially to the cost of the development.

"Commercial" uses for purposes of this amendment would not include industrial uses, institutional uses such as schools and hospitals, nor commercial uses conducted within a residence, also known as "home occupations."

### Comments Received

Since December, the City staff has been exploring options for an expansion of design requirements. Notice of consideration of this issue was mailed directly to owners of potentially affected properties in early March. Written comments received prior to the public hearing will be distributed at the hearing. In addition, the staff presented this general topic to the Design Review Board for discussion on March 12 and March 26 of 2015.

The Design Review Board recommended that:

- All commercial projects adjacent to public streets should be subject to the Basic Commercial Design Criteria
- All mixed use projects should be subject to either the commercial or multi-family design criteria; when inconsistent the commercial criteria should apply
- Such projects adding 5,000 or more square feet of floor area should be subject to review by the Design Review Board
- Generally Evergreen Park PUD should not be exempt from design review, and at minimum that part of the Evergreen Park PUD adjacent to Cooper Point Road - Automall Drive should NOT be exempt

### Related Code Revisions included in the Proposed Amendment

Concurrently with this proposed substantive amendment of code, the City staff proposes a number of clarifying editorial amendments of aspects of the design review chapters of the development code. These amendments flow from either a complete reorganization of the design code in 2004, or from subsequent interpretations by the City staff, Design Review Board or Hearing Examiner. Some these

issues have previously been discussed by the Planning Commission during this ten-year period.

Specifically, these various amendments would:

1. Clarify that all projects subject to design review are potentially subject to review for impacts to scenic vistas as identified on official maps
2. Clarify that bus shelters and other free-standing structures with the public right-of-way are not subject to design review
3. Delete the design review map included in the development code but retain the comparable more detailed 'Official Design Review Map' adopted by City Council
4. Revise map references to be consistent with the Official Design Review Map
5. Clarify that the same 'staff-level' and 'Board-level' thresholds are applicable within Villages and Centers as are adopted for other design districts
6. Clarify that the 'conditional use in residential area' threshold of 5,000 square feet is based on the size of each building and not the total project floor area
7. Clarify that the Port district is only subject to the 'Port district' design criteria and unlike other commercial districts 'Basic Commercial' criteria are not applicable
8. Clarify that mixed use projects including both commercial and multi-family residential uses may be subject to both commercial and multi-family design criteria
9. Clarify that the downtown pedestrian-overlay district regulations are within the scope of the Design Review Board's advisory role
10. Clarify that neither the Design Review Board nor the Heritage Commission have decision-making authority with regard to signs
11. Clarify that the 'small lot' provision of the Villages and Centers is identical to that of the remainder of the City
12. Provide that the strict 30-foot modulation requirement for multi-family buildings may be waived to the extent not applicable to projects in the surrounding commercial district.
13. Add and correct cross-references within and related to the design review chapters of the code

All of these amendments are proposed concurrently to provide for efficient and consolidated review by the Commission, the public, and ultimately the City Council.

**Neighborhood/Community Interests (if known):**

On or before May 8, 2015, notice of this public hearing was published in the Olympian and mailed to potentially interested parties including about 100 owners of land zoned for commercial uses in areas not already subject to design review requirements, and to all Recognized Neighborhood Associations. In addition, City staff met with representatives of the Olympia Master Builders and the

Thurston County Chamber of Commerce to discuss the general issue.

**Options:**

1. Following close of public hearing, recommend that City Council adopt code amendment as proposed.
2. Recommend that City Council adopt a specific alternative amendment.
3. Recommend that the development code not be amended with regard to this issue.

**Financial Impact:**

No direct impact. Proposed regulatory change may increase the cost of some developments and have other secondary impacts.