



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER:

DATE: February 22, 2024

SUBJECT: **Resolution 2024-03
Cedarside Commons Development Agreement**

CONTACT PERSON: Tansy Schroeder, City Planner

ATTACHMENTS: A – Resolution 2024-03 Development Agreement
B – Site Plan
C – Hearing Examiner Recommendation
D – Development Agreement
E – Resolution 2024-04 Street Vacation

PURPOSE

The City Council is being asked to approve Resolution 2024-03 for the Development Agreement of the Cedarside Commons Mixed Use Development. The Development Agreement is to facilitate development of the site due to the large encumbrance of critical areas including proposed density, percentage of commercial uses, parking, height, and traffic mitigation.

City Council is also being asked to approve Resolution 2024-04 to set a public hearing on the proposed street vacation of a portion of 268th Street NW between 72nd Avenue NW and 68th Avenue NW.

BACKGROUND

The City received a development agreement and binding site plan for development of 21.8 acres of Traditional Neighborhood (TN) zoned land within the eastern portion of city limits. The subject property is located northeast of the 72nd Avenue NW / SR 532 intersection and was previously referred to as the “Vine Street” property.

A public hearing was held before the Hearing Examiner on October 20, 2023. The Hearing Examiner issued a final recommendation after reconsideration on December 15, 2023, which made a recommendation for the city council to approve the development agreement subject to minor revisions, which have been made accordingly.

The development agreement sets forth the following development standards for the lots and tract: maximum residential density, maximum height, parking, mix of uses, and traffic mitigation. Other provisions set forth in the agreement include access, roadway standards, right-of-way dedication, terms of the agreement, and vested studies.

DISCUSSION

City staff worked with the city attorney and the applicant to review, revise, and recommend approval of the development agreement. The Hearing Examiner has recommended approval of the development agreement. Staff has provided a summary of the terms in the development agreement including general terms, mitigation, and specific deviations requested from the municipal code.

Project Compliance and General Terms of Agreement

The following is a summary of the proposed development’s compliance with the Stanwood Municipal Code and general terms of the development agreement including proposed frontage improvements:

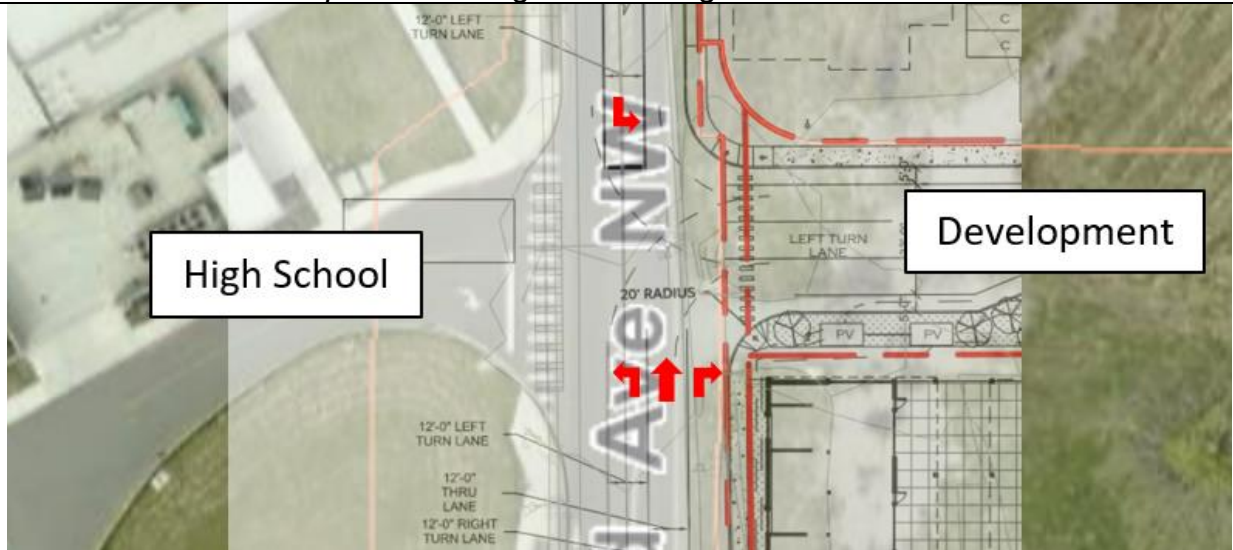
Item	Discussion
Term of Agreement	The applicant is anticipating a phased buildout of the project lasting a total of 6 years. The proposed 15-year term will allow additional time in case of unexpected construction delays. It is common for developments, especially phased projects, to take a longer time period for full buildout and the proposed 15-year term is consistent with other development agreements.
Project Phasing	The buildout of the project will be constructed in three consecutive distinct phases each taking approximately two years to construct. Phases 1 and 2 each contain mixed use and multifamily buildings. Phase 3 consists only of Townhomes. The first phase of the project which will commence shortly after Land Use and Phase 1 building permits are issued. Phases may be started out of order and may have delays in between phases.

Proposed Project Phasing Plan



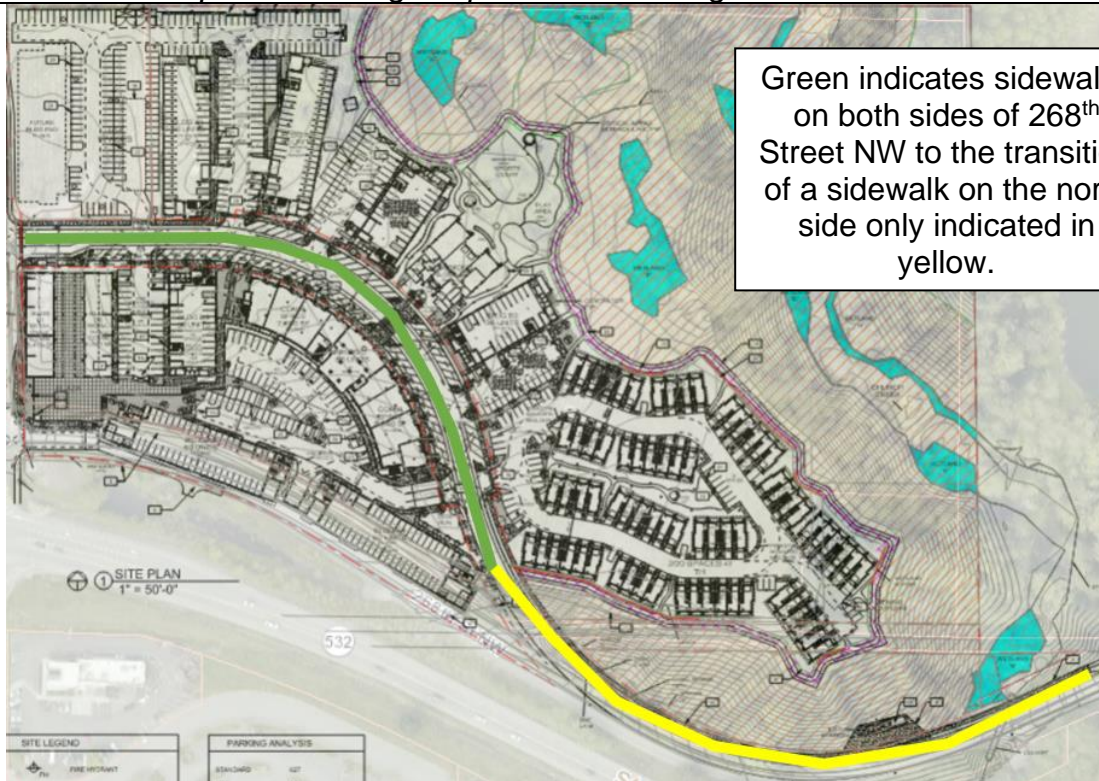
Trails	The proposal includes approximately 1,900 linear feet of new recreational pedestrian trails along the exterior of the NGPA. City staff discussed with the applicant connecting the proposed trail system to the existing Church Creek Park trail system and allowing public use of the trails. The public use easement will facilitate this. The new trails will help contribute to the City's level of service standards for trails.
Frontage Improvements	As part of the project, the developer is proposing to widen the eastern side of 72 nd Avenue NW in order to accommodate a northbound left turn lane, a northbound right turn lane, and a center through lane. Furthermore, the developer will also install a southbound left turn lane going into the development.

Proposed Turning Lanes Along 72nd Avenue NW



	<p>New sidewalks will be installed along the eastern side of 72nd Avenue NW. The relocated portion of 268th Street NW will have full sidewalks and landscaping on both sides of the road. 268th Street NW bends towards the south end of the property and curves along an existing slope and stream as the road leaves the developed area. This section of 268th Street NW is narrow and runs roughly parallel to SR 532.</p> <p>The developed portion of the property essentially ends at the transition point of 268th Street NW with no additional development on the south side of this portion of 268th Street NW. WSDOT right-of-way encroaches into this portion of 268th Street NW and a slope up to SR 532's guardrail is the only structure present south of the street.</p> <p>Due to these factors, there is no need for pedestrians to be crossing to the south side of 268th Street NW in this section of road. A sidewalk and landscape strip are proposed on the north side only to improve pedestrian safety and reduce impacts to the on-site critical areas.</p>
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Proposed Frontage Improvements Along 268th Street NW



Critical Areas

The subject property is significantly encumbered with critical areas covering the entire eastern half of the site. Critical areas consist of wetlands, steep slopes, an unnamed stream, and Church Creek. The development includes 10.6 acres of land, or approximately 49% of the entire property, to be dedicated as a Native Growth Protection Area (NGPA) for environmental protection of the area in perpetuity. Mitigation for all permanent impacts has been provided in compliance with SMC 17.114 – 135 and either meets or exceeds the minimum requirements.

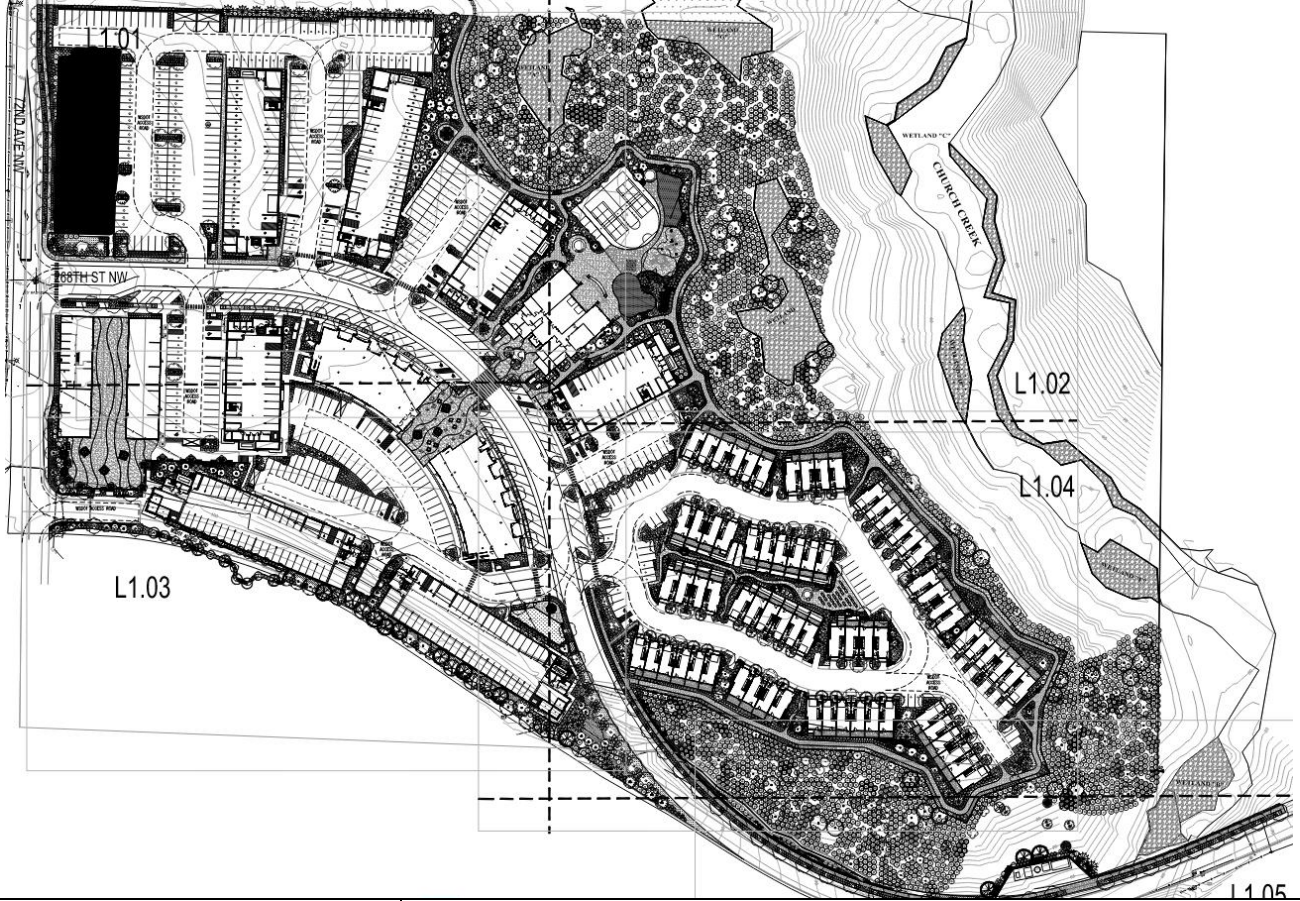
Landscaping

The development includes landscaping along street frontages, parking areas, property lines, and throughout the development as required by code. A tree buffer south of buildings A3 and A4 is also included to reduce visual impacts. Landscaping has been provided throughout the project in accordance with SMC 17.145 and either meets or exceeds the minimum requirements.

Recreation and Open Space

The subject property is 21.8 acres which requires a minimum of 1.09 acres of common open space. The proposed development includes approximately 2.85 acres of usable common open space, more than doubling the minimum requirement. Open space amenities include fire pits, play areas, a dog run, a sports court, BBQ's, and a commons building with additional recreational facilities including a fitness center. Recreational amenities and open space have been provided throughout the project in accordance with SMC 17.47 and exceeds the minimum requirements.

Landscaping, Wetland Mitigation, and Open Space Plan



Schools

City staff worked extensively with the applicant and the school district to review the proposal. In order to require mitigation or impact fees, a capacity deficiency needs to be demonstrated in accordance with state law. At this time, the Stanwood Camano School District is not collecting impact fees.

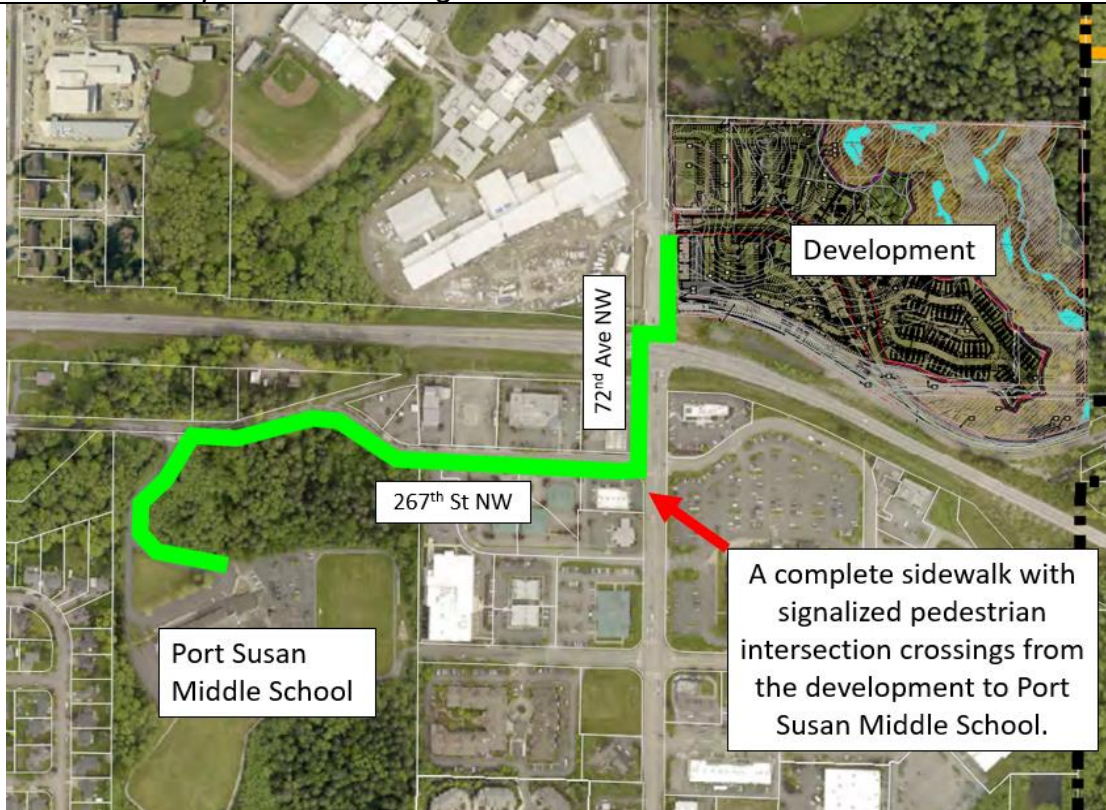
The proposal's 516-units consists of a variety of housing sizes including 264 studio or one-bedroom apartments which are less likely to have school-aged occupants than other housing types.

The proposed development is providing safe walking paths to schools and meets all legal requirements to provide for school students. See below maps of complete walking routes to schools.

Map of Safe Walking Route to Cedarhome Elementary School



Map of Safe Walking Route to Port Susan Middle School



Map of Safe Walking Route to Stanwood High School



Street Vacation Request

The following is a summary of the requested street vacation associated with the proposed development:

Item	Discussion
Dedication and Vacation of 268th Street NW	The developer is requesting a street vacation to relocate 268th Street NW from its existing location northward. 268 th Street NW is a local minor collector road traversing in an east-west direction parallel to SR 532. The western terminus of 268 th Street NW intersects with 72 nd Avenue NW. For the purposes of this project, the eastern terminus of 268 th Street NW is considered to be the intersection with 64 th Avenue NW.

Vicinity Map of Proposed Street Vacation



Because the proposal exchanges right-of-way no appraisal is needed. SMC 14.48.060.(3)(c) does not require compensation for street vacations when the vacation is traded for property of equal or greater value. In this case, the deeded ROW amount exceeds the vacated ROW amount.

Site Plan of Proposed Vacation and Dedication of 268th Street NW



(a) That the vacation will provide a public benefit, and/or will be for a public purpose, which public benefit may consist of economic and business support derived by the community from the petitioners;

The following criteria are required to be addressed for deciding upon all street vacation petitions pursuant to SMC 14.48.100.(2):

268th Street NW is a local minor collector road currently built out with two paved vehicular travel lanes and a soft shoulder surrounded by slopes associated with the SR 532 guardrail to the south and associated with on-site streams to the north.

The reconstructed 268th Street NW will include new sidewalks, bike lanes, and public parking while improving the overall circulation of 268th Street NW in relation to 72nd Avenue NW and SR 532, providing a public benefit to the community.

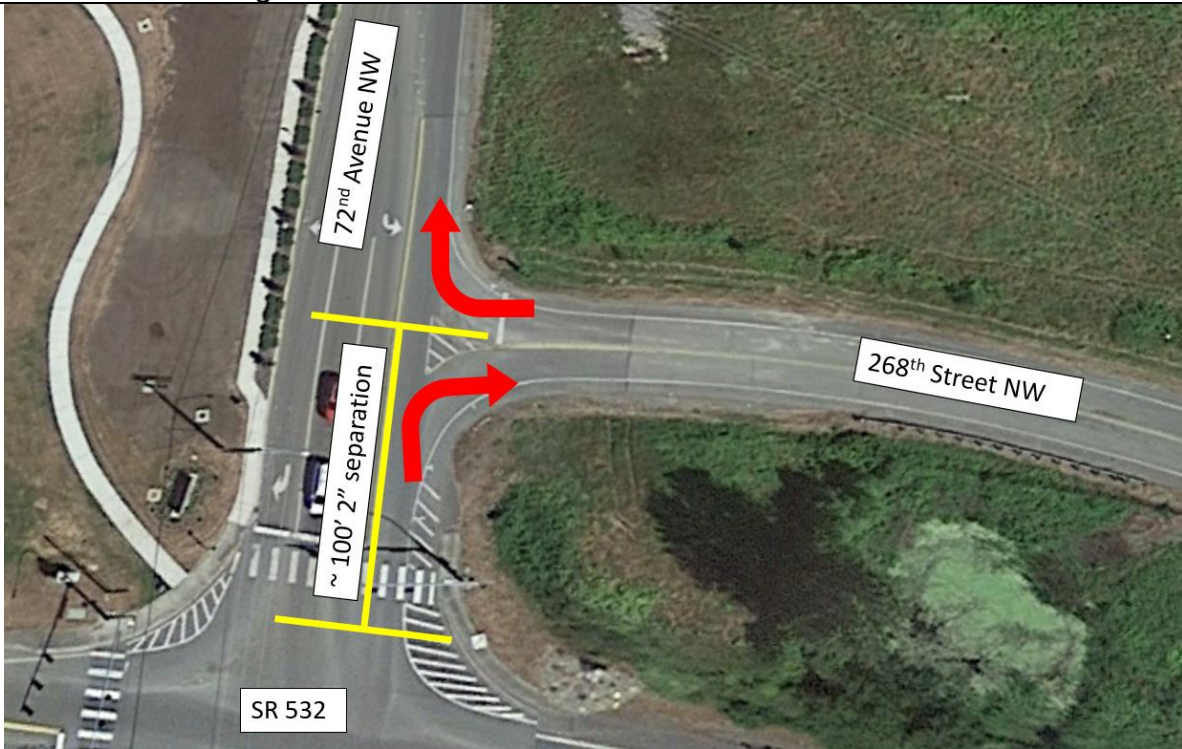
(b) That the right-of-way vacation shall not adversely affect the street pattern or circulation of the immediate area or the

The proposed street vacation will not alter the eastern portion of 268th Street NW or its terminus at 64th Avenue NW.

The western terminus of 268th Street NW at 72nd Avenue NW is currently a right-turn in / right-turn out only intersection located approximately 100' north of the SR 532 and 72nd Avenue

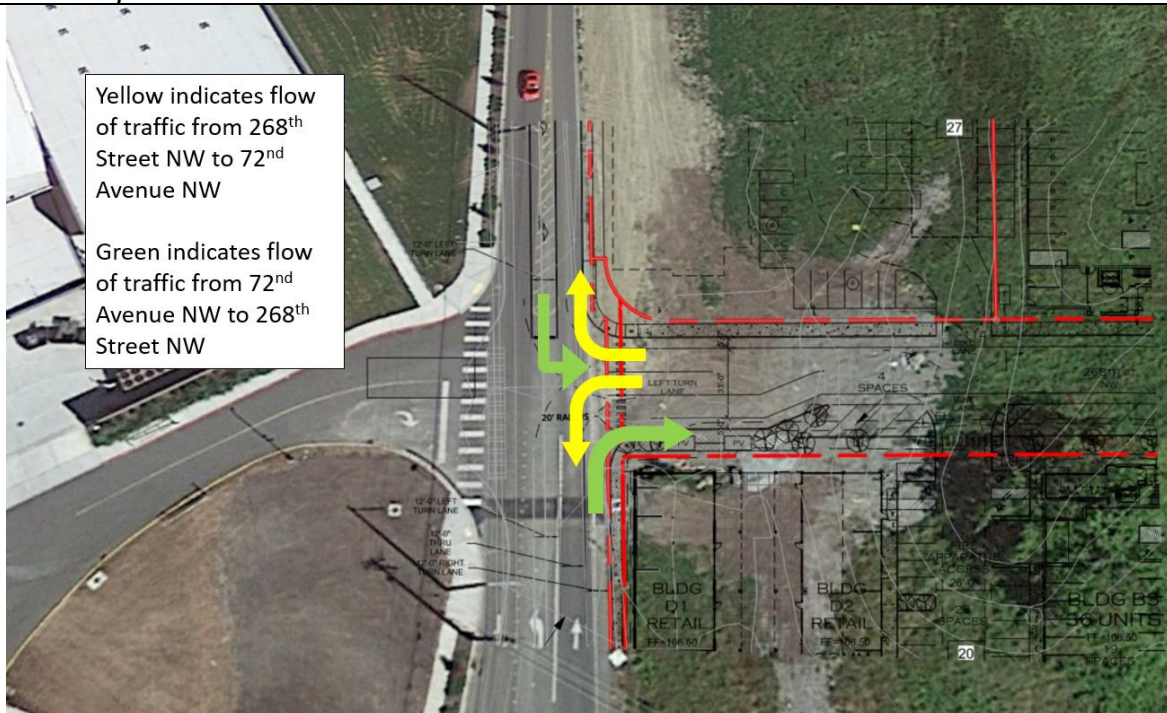
community as a whole; intersection.

Existing Intersection of 268th Street NW and 72nd Avenue NW



The proposed street vacation will relocate the western terminus of 268th Street NW over 250' northward to line up the new intersection with the Stanwood High School driveway access. This will increase the intersection separation between SR 532 and 268th Street NW from 100' to approximately 369'. The new alignment will also allow flow of traffic in all directions from 268th Street NW.

Proposed Relocated Intersection of 268th Street NW and 72nd Avenue NW



(c) That the public need shall not be adversely affected;	The proposed vacation and relocation will improve intersection separation, circulation, and flow of traffic. The public need will not be adversely impacted by the proposed street relocation.
(d) That the right-of-way is not contemplated or needed for future public use;	There are no pending or future city projects slated for 268 th Street NW in the City's capital improvement project list. The street vacation will not eliminate 268 th Street NW but will instead relocate the western portion more northward. The relocated street will include sidewalks, bike lanes, and parking. The improved 268 th Street NW will be able to better serve the public needs over the future.
(e) That no abutting owner becomes landlocked or its access will not be substantially impaired; i.e., there must be an alternative motive ingress and egress, even if less convenient; and	The proposed street vacation will not eliminate any access, but will instead relocate access along the western portion of 268 th Street NW. The proposed street vacation will not result in any landlocked properties.
(f) That provision has been made for utility easements, when needed for the right to construct, repair, and maintain public utility facilities.	All utilities will be relocated and improved with the construction of the relocated 268 th Street NW.
Public Works Committee Review	The Public Works Committee reviewed the proposal on December 5, 2022. The Committee is supportive of the street vacation. They also requested that a portion of the commercial development is constructed in the first phase of the development to ensure that the developer does not walk away from the project once all of the residential units are built. The central building, C, is a mixed use building that will be included in the first phase of the development.

Mitigation

The following is a summary of the proposed and required mitigation measures associated with the development agreement:

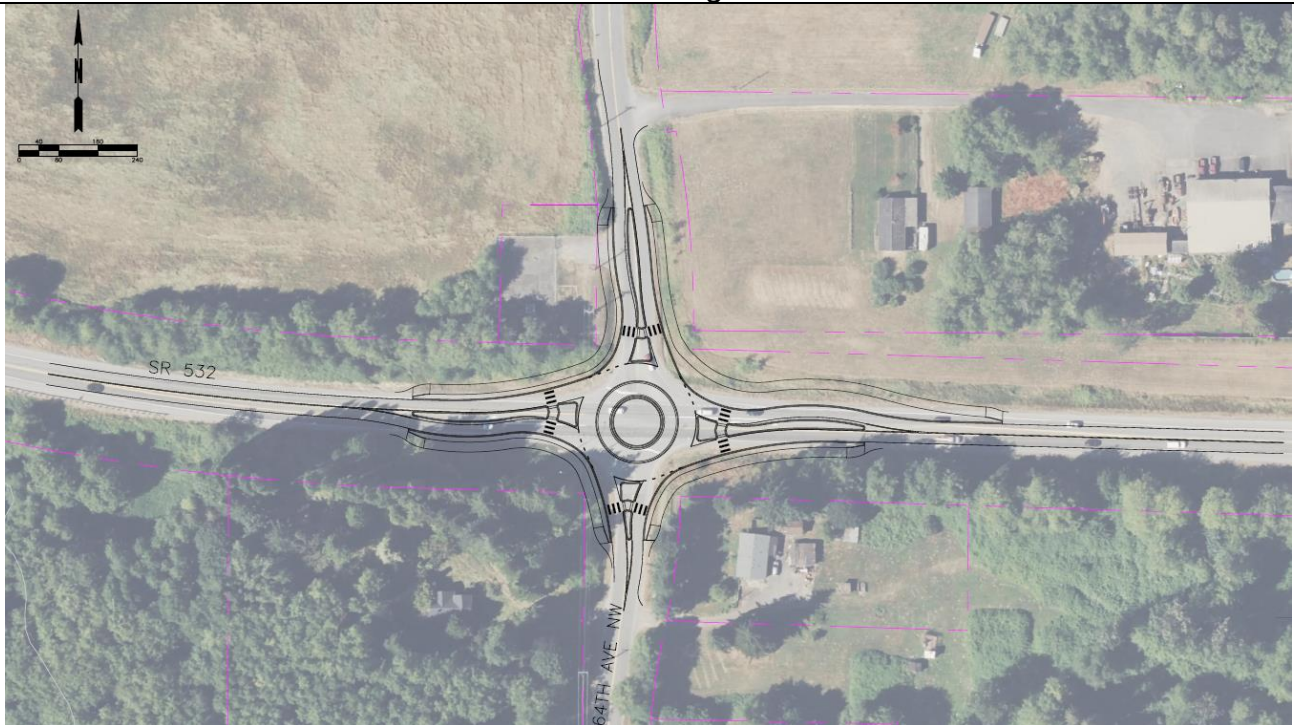
Term	Proposed Mitigation	Discussion
Traffic Mitigation	Construction of a roundabout at the intersection of SR 532 and 64 th Avenue NW	<p>City staff worked extensively with the applicant, the city's transportation consultants, Snohomish County, and WSDOT to review traffic impacts and come up with a traffic mitigation plan agreeable to all parties.</p> <p>The City has adopted acceptable levels of service standards for intersections which</p>

		<p>determines whether or not traffic mitigation can legally be required. If a project does not degrade an intersection below Stanwood's adopted standards, then the developer is not required to provide additional mitigation.</p> <p>The only intersection which will be degraded below adopted standards from the development is the intersection of SR 532 and 64th Avenue NW. This intersection is located along a state highway, and as such, is required to go through an Intersection Control Evaluation (ICE) process with WSDOT and future right-of-way permitting.</p> <p>WSDOT permit processes can be lengthy with uncertain time frames. To provide certainty of the traffic mitigation in advance of WSDOT permits being obtained, a number of sequential mitigation measures have been conditioned as a requirement for the project and are listed below.</p> <ol style="list-style-type: none">1. A roundabout shall be installed as a traffic-management measure at the intersection of 64th Avenue NW and SR 532 to meet the level of service standards at the intersection from the approximately 516 new residential units that will utilize this intersection.2. The applicant will provide a performance bond in the amount of 150% the cost of the roundabout within 60 days after completion of the Intersection Control Evaluation (ICE) with WSDOT.3. The City will prepare and submit the WSDOT permit for construction of the roundabout.4. The applicant will begin construction of the roundabout within thirty days after the issuance of the right-of-way permit from WSDOT.5. If another development unrelated to this project impacts the design of the roundabout prior to construction of the roundabout beginning, then the applicant shall enter into an agreement with the City and the other
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development proponent to facilitate final design and construction of the roundabout.

Based on the project background and needs identified through the Intersection Control Evaluation, the analysis supports the installation of a single lane roundabout with a potential future eastbound right turn lane needed in 2047. Without improvement, the SR 532/64th Avenue NW intersection will continue to operate at LOS F with significant vehicular delay for vehicles traveling from 64th Avenue NW. The proposed roundabout would improve the SR 532/64th Ave NW intersection's level of service significantly meeting the requirements for traffic concurrency.

SR 532 / 64th Avenue NW Single-Lane Roundabout



Traffic Impact Fees

The proposed development is responsible for \$1,899,524 in traffic impact fees. The cost of the traffic mitigation described above may be credited towards the traffic impact fees.

Based on the 2024 Fee Schedule adopted by Council on December 14, 2023, the following traffic impact fees are applicable to the project:

Unit Type	Fee	Units	Total
Attached SFR (Townhomes)	\$2,809	72	\$202,248
Multi-Family	\$2,513	444	\$1,115,772
Commercial	\$4,928	118 PM peak hour trips	\$581,504
Total Traffic Impact Fees			\$1,899,524

The developer may be granted credits towards

		the total traffic impact fees for the cost of the SR 532 / 64 th Avenue NW Roundabout. Credit will not be granted in excess of the total sum for traffic impact fees. The above fees are based on the current adopted fee schedule in place. Actual fees collected will be those in affect at the time of building permit.																				
Park Impact Fees	The proposed development is responsible for \$771,972 in park impact fees. These fees will be collected at the time of building permit issuance.	<p>Based on the 2024 Fee Schedule adopted by Council on December 14, 2023, the following park impact fees are applicable to the project:</p> <table border="1"> <thead> <tr> <th>Unit Type</th> <th>Fee</th> <th>Units</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>3 to 4 Unit Townhomes</td> <td>\$1,805</td> <td>24</td> <td>\$43,320</td> </tr> <tr> <td>5+ Unit Multi-Family</td> <td>\$1,481</td> <td>492</td> <td>\$728,652</td> </tr> <tr> <td>Commercial</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td colspan="3">Total Park Impact Fees</td> <td>\$771,972</td> </tr> </tbody> </table> <p>The above fees are based on the current adopted fee schedule in place. Actual fees collected will be those in affect at the time of building permit.</p>	Unit Type	Fee	Units	Total	3 to 4 Unit Townhomes	\$1,805	24	\$43,320	5+ Unit Multi-Family	\$1,481	492	\$728,652	Commercial	n/a	n/a	n/a	Total Park Impact Fees			\$771,972
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Commercial	n/a	n/a	n/a																			
Total Park Impact Fees			\$771,972																			

Deviation Requests

The following is a summary of the specific deviations from the municipal code requested in the development agreement:

Term	Request	Discussion
Density	23.77 dwelling units per acre	The TN zone has a maximum allowed residential density of 20 dwelling units per acre. SMC 17.10.020.(6) states that the TN zone district includes areas with large parcels of a minimum of 10 acres that can be developed at medium to high residential densities and encourages mixed-use developments. Other mixed use zoning districts in the City, such as the Main Street Business II zone, allow densities ranging from 10 to 30 dwelling units per acre with additional allowances to increase to 60 dwelling units per acre. This project is also located across SR 532 from the Haggens development complex which allows mixed use developments with no maximum density. The proposed density of 23.77 dwelling units per acre is consistent with patterns of development throughout the area and would be allowed under similar zoning districts.

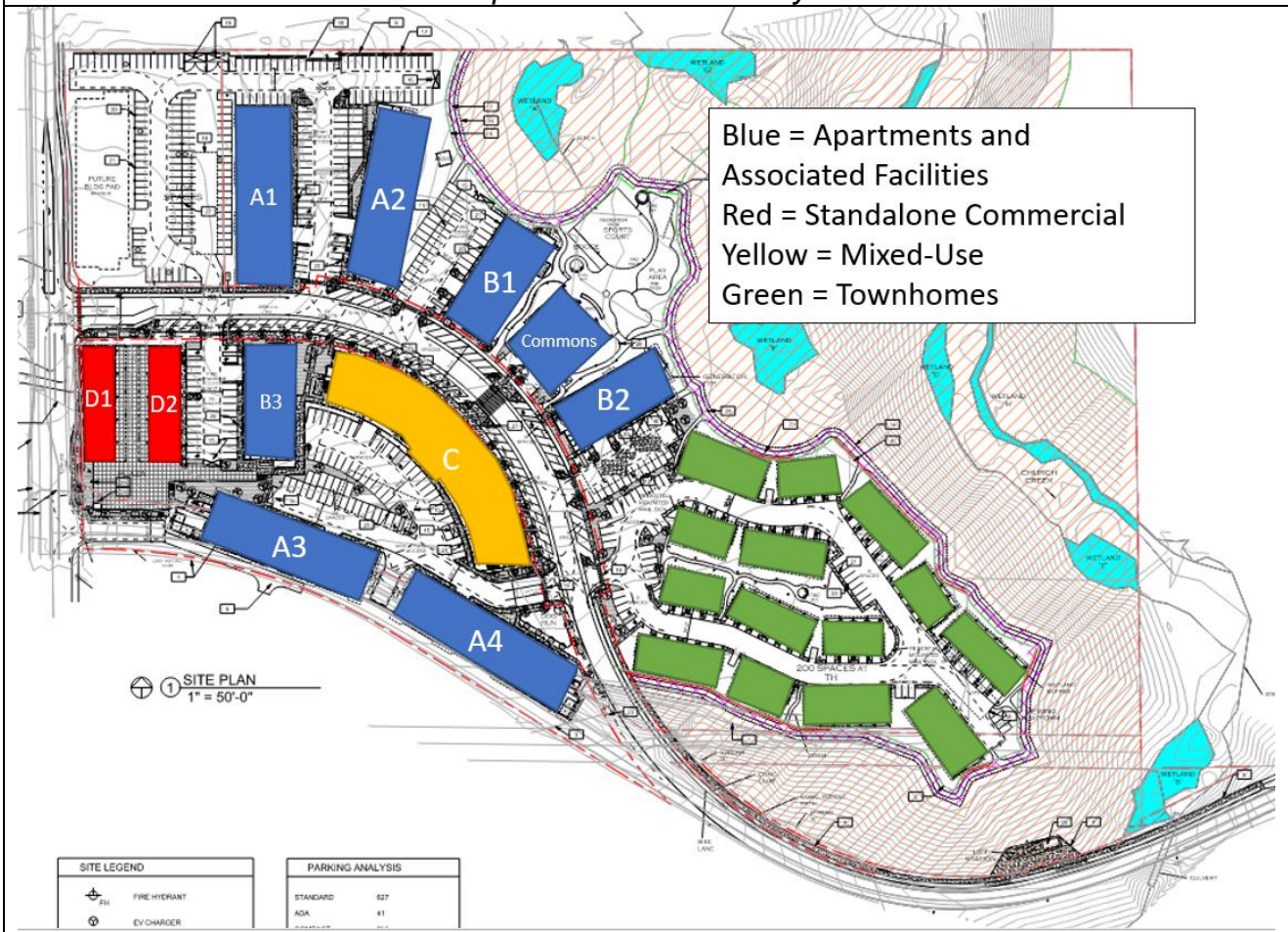
Mix of Uses

Two types of residential units (apartments and townhomes) and 3% commercial acreage

The TN zone requires a mix of three residential unit types. When a project provides greater than 10% commercial acreage, then it shall be allowed to provide two residential unit types.

The subject property is significantly encumbered with critical areas covering the entire eastern half of the site. The applicant is proposing 10.6 acres of land to be dedicated as a Native Growth Protection Area (NGPA) for environmental protection of the area in perpetuity. Approximately 26,000 square feet, or 5% of the developable area outside of the NGPA, is dedicated to commercial uses. When the Planning Commission reviewed the proposal, they were supportive of this request due to the high commercial storefront vacancies that Stanwood is currently experiencing.

Proposed Mix of Uses Layout



Parking	1,039 parking stalls proposed	Pursuant to SMC 17.105.140, a total of 1,137 parking stalls are required to serve the proposed mixed-use development. However, the municipal code also has provisions allowing for an administrative variance reduction in parking. There are conflicting code provisions regarding how much of a reduction may be allowed administratively. SMC 17.35 allows for a 20% reduction in parking and SMC 17.105 allows for a reduction in parking to Institute of Transportation Engineers (ITE) standards. Below is a comparison of the different code standards and resulting parking totals.
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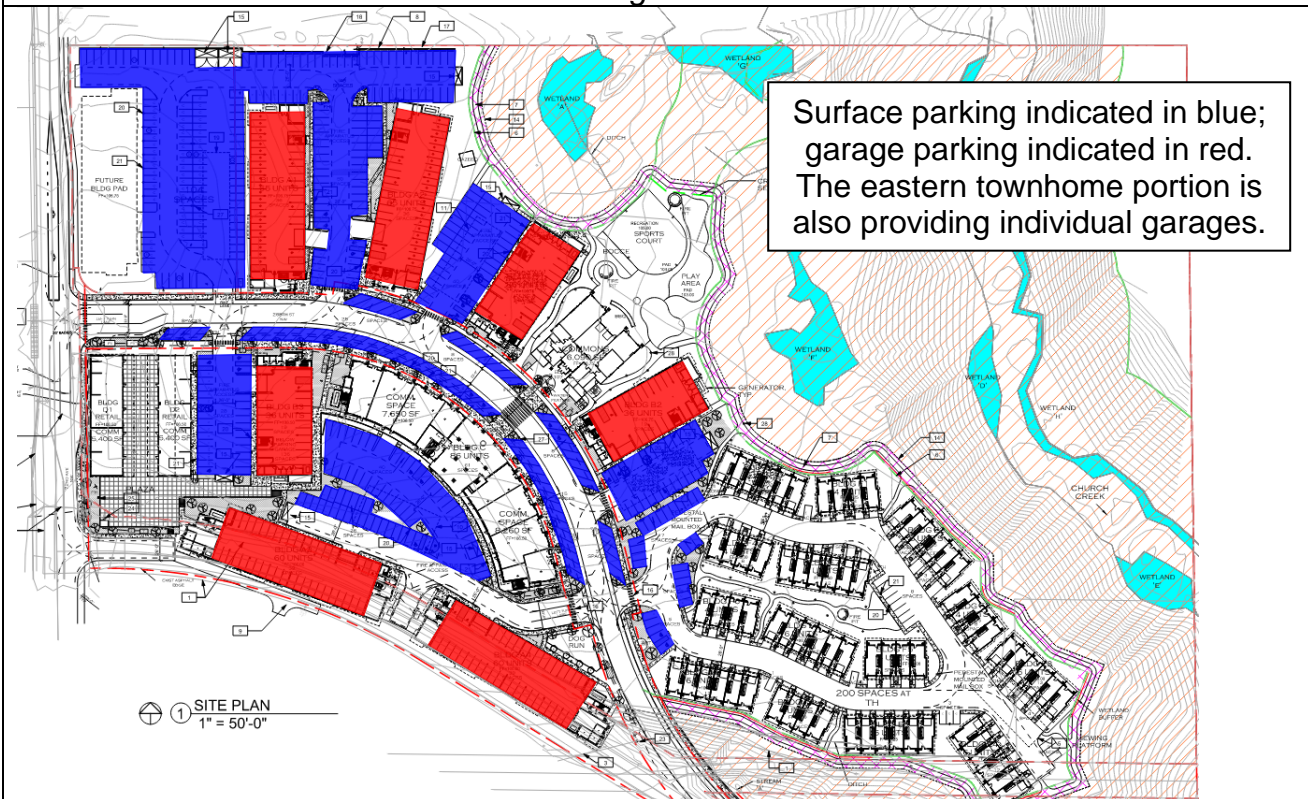
Comparison of Parking Requirements		
Development Standard	Total Required Parking Stalls	Percent Reduction from Base Standard
Stanwood Municipal Code - Base Standard	1,137	N/A
Stanwood Municipal Code - Administrative Variance	910	20%
Stanwood Municipal Code - ITE Manual	842	29%
<i>Total Number of Proposed Parking Stalls</i>	<i>1,039</i>	<i>9%</i>

		<p>The proposed 1,039 parking stalls exceeds both minimum parking standards which would be allowed through an administrative variance. The requested reduction consists of 98 parking stalls or a 9% reduction.</p> <p>The applicant also prepared a parking management plan. The parking management plan was drafted to address the following; management of commercial versus residential parking stalls, management of 115 tandem parking stalls, management of parking enforcement, analysis of shared parking demands, and inclusion of parking stalls proposed on the 1.25-acre lot previously owned by the City and purchased by the applicant. Below is a summary of the parking management plan:</p> <ul style="list-style-type: none"> • The tandem parking stalls will be exclusively rented to the 2-bedroom and 3-bedroom units. • There are 70 street parking stalls along the relocated 268th Street NW
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which will be signed and regulated as 2-hour parking from 8 AM to 6 PM.

- Residential uses and commercial uses have peak parking demands at different times of the day
- Peak commercial parking demand is during the day, peak residential parking demand is at night
- The overall peak parking demand for the development is 858 parking stalls from Midnight to 4 AM.
- The peak demand for the whole development during the day is 549 to 634 parking stalls from 7:00AM to 7:00PM.
- The 1,039 parking stalls proposed are sufficient to accommodate peak parking demand for the development

Parking Site Plan



Surface parking indicated in blue; garage parking indicated in red. The eastern townhome portion is also providing individual garages.

Building Heights

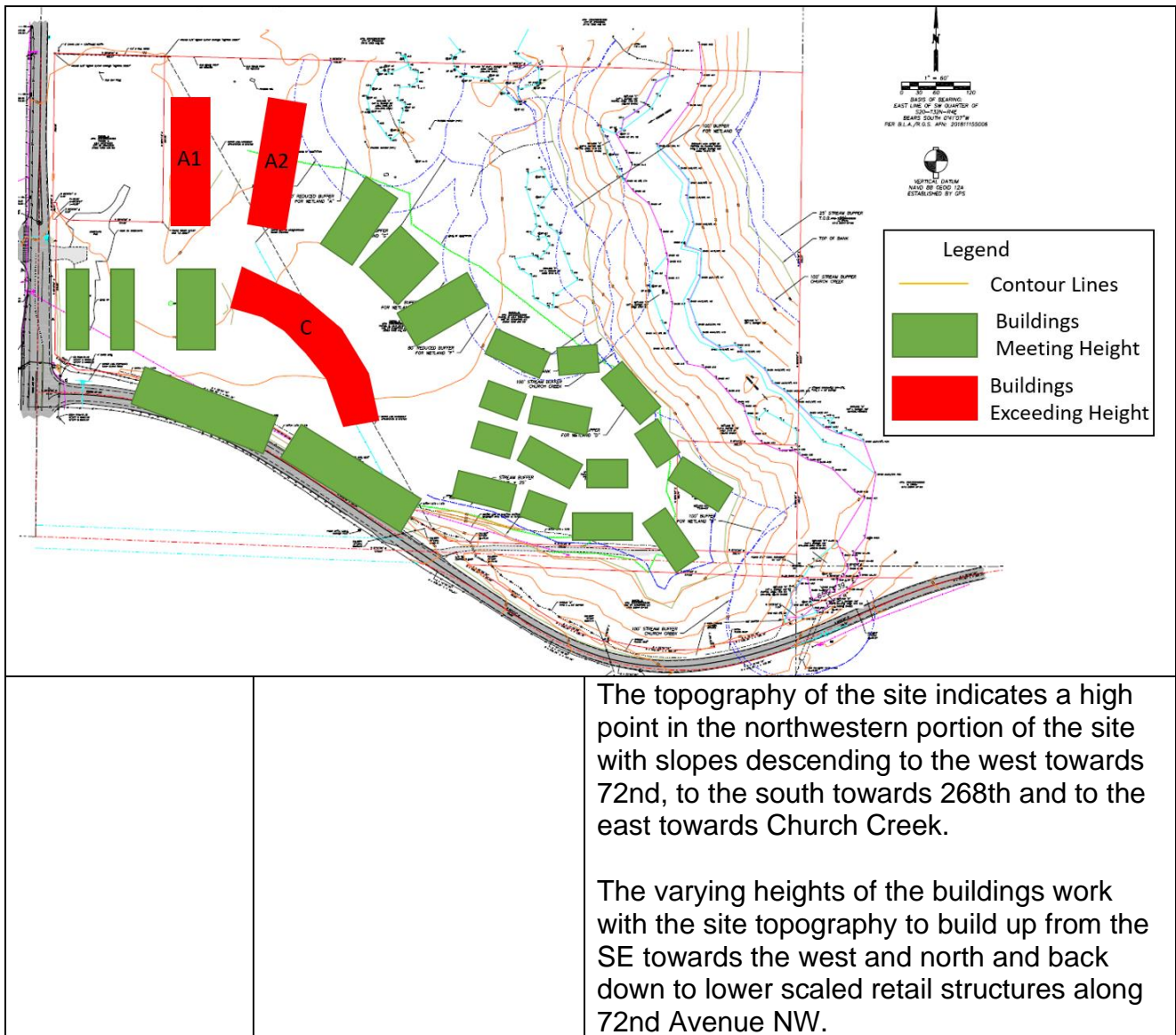
Deviations from maximum height standards for three of the proposed buildings

The TN zone has a variety of allowed maximum heights based on the location and uses proposed. For properties located within 200 feet from SR 532, heights of 55' are allowed for flat-roofed multifamily, townhouse, hotel/motels, and mixed-use structures. Those same structures may be increased to 65' in height when designed

		<p>with a pitched roof and no additional floors added.</p> <p>Building height is defined as the vertical distance from the average finished grade elevation to the highest point of the roof surface of a flat roof or to the mean height level between the eaves and ridge for a sloped roof.</p> <p>The applicant is proposing sloped roofs on the townhome units, the retail buildings, and the commons building. The mixed-use buildings and apartment buildings are proposed with both a flat roof and sloped roof bump-outs.</p> <p>The applicant is requesting, as part of the development agreement, to exceed the maximum allowed height on three buildings due to the underlying topography. See below a breakdown of the requested building height deviations and a map of the proposed buildings in relation to the site topography.</p>
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Proposed Building Height Breakdown

Building	Deviation Requested?	Deviation Amount	Reason for Request
A1	Yes	3'-9" to 10'-2"	Buildings are located on a high point, or noll, in the northwestern corner of the property. Buildings are proposed partly below grade to minimize impacts. The proposed buildings are the same scale and height as the other buildings meeting the height requirements. Due to the definition of how building height is calculated, a deviation from height is needed due to the slopes.
A2	Yes	3'-9" to 10'-2"	
C	Yes	0'-6"	Building is located in the center of the property as the slopes descend from the noll towards Church Creek. A small height deviation is requested to due to the changing topography.



Upon approval by the City Council, the Mayor will sign the development agreement which shall be recorded along with the final binding site plan.

CONCLUSION

The Cedarside Commons Mixed Use development has been reviewed extensively by staff and city consultants. The proposed development will contribute to the City’s 2044 growth targets by providing new residential units and new employment opportunities. The new public trail system associated with the development will also contribute towards the City’s level of service standards for parks and trails.

The subject property has seen multiple different types of development proposals over the years. In 2005, the City received an application to rezone the site for a new Wal-Mart or other large retailer. In 2017, a mixed-use development was discussed with staff that included significantly more commercial square footage than the current proposal. Both previous proposals raised significant concerns over environmental protection of Church Creek and traffic impacts. The current proposal reduces the amount of commercial square

footage from both previous proposals. Commercial uses generate more traffic, impacts to intersections, and parking needs than residential uses. With residential uses vehicles are typically making two trips a day, one in the morning and one in the evening. With commercial uses, vehicles are making repeated trips in and out of the business during daytime hours.

Below is a table comparison of the mix of uses included in each proposal.

	<i>2005 Proposal</i>	<i>2017 Proposal</i>	<i>Current Proposal</i>
Residential Units	0 units	148 units	516 units
Commercial SF	187,000 SF*	65,000 SF	26,000 SF
*Commercial SF estimated based on average size of Wal-Marts			

In addition to the current proposal reducing the commercial square footage, the amount of critical area protection and mitigation has been increased. The current proposal provides an additional acre of Native Growth Protection Area than the 2017 proposal and is providing double the amount of wetland mitigation required by code.

In conclusion, the proposed Cedarside Commons Mixed Use Development demonstrates consistency with the Stanwood Comprehensive Plan, despite the requested deviations from the Stanwood Municipal Code. The requested density is consistent with other mixed use zones throughout the City and the Comprehensive Plan. The project has been revised to address concerns that have been raised throughout the process including providing additional landscaping and parking.

FINANCIAL IMPACT

No immediate financial impact. When the property is developed, the new residences will contribute property taxes and the new commercial units will contribute sales tax to the city.

COMMITTEE RECOMMENDATIONS

Discussed at the April 10, 2023 Planning Commission Meeting. The Commissioners support the majority of deviations being requested by the developer including a reduction in commercial density since Stanwood currently has many vacant businesses. However, they had significant concerns about the requested parking deviation. To address concerns from the Planning Commission regarding the proposed parking reduction, the permittee prepared a parking management plan. The parking management plan was drafted to address the following; management of commercial versus residential parking stalls, management of tandem parking stalls, management of parking enforcement, analysis of shared parking demands, and analysis of an additional 137 parking stalls.

CITY COUNCIL OPTIONS

1. Approve Resolution 2024-03 Cedarside Commons Development Agreement and Resolution 2024-04 Street Vacation as presented.
2. Send back to the applicant and staff to address specific Council issues or concerns prior to reconsidering the development agreement.

3. Deny Resolution 2024-03 Cedarside Commons Development Agreement and Resolution 2024-04 Street Vacation.

PROPOSED MOTION #1

I MOVE TO APPROVE RESOLUTION 2024-03 FOR THE CEDARSIDE COMMONS DEVELOPMENT AGREEMENT AND TO AUTHORIZE THE MAYOR TO SIGN THE DEVELOPMENT AGREEMENT IN ACCORDANCE WITH SMC 17.60.060, DEVELOPMENT AGREEMENTS.

OR

I MOVE TO REQUEST THAT STAFF ADDRESS SPECIFIC CHANGES TO RESOLUTION 2024-03 FOR THE CEDARSIDE COMMONS DEVELOPMENT AGREEMENT AND CONTINUE THE DISCUSSION.

OR

I MOVE TO DENY RESOLUTION 2024-03 FOR THE CEDARSIDE COMMONS DEVELOPMENT AGREEMENT.

PROPOSED MOTION #2

I MOVE TO ADOPT RESOLUTION 2024-04 SETTING A PUBLIC HEARING DATE OF MARCH 28, 2024 TO CONSIDER VACATION OF RIGHT-OF-WAY ON A PORTION OF 268TH STREET NW BETWEEN 72ND AVENUE NW AND 68TH AVENUE NW.