

June 3, 2019

Mr. Steve Bennett, Planning and Building Director  
City of Lake Forest Park  
17425 Ballinger Way NE  
Lake Forest Park, WA 98155

Dear Steve:

I am writing on behalf of Merlone Geier Partners (“Merlone Geier”) to communicate our disappointment regarding the direction the City Council appears to be taking in regard to the Preferred Alternative in the Town Center Environmental Impact Statement (“EIS”) and the Town Center Plan itself.

Merlone Geier previously submitted extensive comments on draft Design Guidelines (letters dated November 9, 2018 and December 6, 2018) and proposed Code amendments (letter dated October 19, 2018). We also submitted comments (letter dated October 22, 2018) during the Draft EIS Scoping Comment Period. Merlone Geier representatives have also been in regular attendance at Planning Commission meetings and at Committee of the Whole (“COW”) meetings on these topics.

In the past, I have communicated our frustration with what appears to be the City’s lack of attention to, and public discussion of, a range of critical development considerations. These include our concern with limits on the number of housing units, building heights, overly prescriptive design guidelines, mandatory affordable housing standards and significant open space requirements. I am particularly concerned when I hear councilmembers endorse a process whereby the City seeks to begin a “negotiation” regarding potential permitted densities beginning at intervals as low as 150-300 units of housing as leverage for achieving desired amenities on our property.

An example of additional topics that the City has chosen to focus its time and attention on that have unintended consequences of discouraging redevelopment are the following:

- Zoning District: Using a zoning district approach to distribute uses across the site is contrary to mixed-use planning principles and not something that can or should be focused on in the context of this subarea plan. The only flexibility considered is for civic uses and community gathering spaces to be able to relocate to various locations on the site. The decision makers

continually say that they do not want to plan our site but a zoning district approach to a 17 acre property owned by a single property owner is just that – planning our site.

- Height Limits – Residential: 3 over 1 building heights with incentives to get to 4 over 1 (65’ height) may be applicable if this were a poorly functioning, blighted shopping center with vacancy but it is not. Without a market standard to allow for 5 over 2 buildings (75’ height) the economics will not allow for the ground floor amenities and redevelopment described and desired by the community as articulated in the Vision document. Referring to number of stories is also not a standard planning description. Building height is the more commonly used metric.
- Height Limits – Parking Structure: The discussion of parking structure height prioritizes civic uses over the need to replace displaced retail parking stalls in addition to the required transit parking. Additionally, if surface parking is being discouraged, a joint use parking facility would need to provide adequate flexibility to allow the Developer to appropriately size and configure the parking structure to sufficiently meet retail demand. There have been comments made that assume the parking structure being a joint use facility is a foregone conclusion. Without the Developers participation and sufficient incentive, it will not occur and Sound Transit may be inclined to pursue their original basic structure adjacent to the 522 on the site of the Bank of America branch.
- Density – Residential: The limit on housing units takes a near-term view of what could be an opportunity to provide more ground floor amenities and better retail. Given the list of desired amenities desired by the community along with the prescriptive code requirement changes, 700 units may be an insufficient amount to justify any change to the existing improvements. If the intent of the non-project EIS is to incentivize redevelopment, placing such a limit on the preferred alternative combined with all of the other restraints, creates a set of code requirements that lack sufficient economic incentive to justify a redevelopment. Why place an artificial limit at this point in time? As one of the Planning Commissioners aptly pointed out at a recent meeting, “We should be more focused on creating an environment rather than prescribing a maximum number of units.”
- Setbacks: No buildings or roadway areas within increased setback areas results in a further decrease in building footprint area while, according to the open space language, that set back area would not be able to count toward the 2 acre open space requirement. If the current setback is increased above the current 20’ it will result in an effective taking of our property decreasing the site area to less buildable area.
- Open Space: Again, the district approach and arbitrary requirements for 0.5 acres of open space in each district with required open space of two acres (not including perimeter setbacks or creek related buffers) places further limitations on a Developers ability to create the

appropriate environment that balances the needs of all stakeholders. While we agree that open space is critical to the success of a mixed-use environment, arbitrarily determining the amount of open space is not the correct approach.

- **Building Step Backs:** In addition to height limitations, open space requirements, building setbacks from exterior property lines, and over-standard parking requirements, the contemplated code looks at increased building step backs on the upper levels thereby resulting in further decreased building area envelope. This is not a balanced approach considering all of the stakeholder needs but rather an urban planners attempt to design a project – despite the misleading statements that the intent of this process was not to design the project.
- **Parking – Residential:** 1.5 parking stalls per unit is too high, is not based in fact or market realities and fails to take into consideration all of the data available from other transit oriented mixed-use projects in the region. Such a parking requirement would render any multifamily project that requires structured parking infeasible. This could easily be vetted through actual market analysis and study.
- **Incentives for Redevelopment:** Since a 3 over 1 project is not feasible (which is why it is not constructed elsewhere in the market) incentives to get to 4 over 1 (highly unlikely to be feasible given the high threshold of replacing existing, leasable retail space) are not reasonable. Such “incentives” essentially become requirements to even achieve a 4 over 1 / 65’ building. Perhaps this is why the topic of incentives is continually punted from meeting to meeting with no concrete ideas. As stated in our comments dating back to August, 2018, a base height of 65’ with incentives focused on providing certain elements discussed and desired through the Vision document to allow for 75’ buildings, is a more balanced approach and one that we would support.

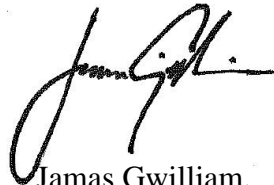
It is unlikely that we will elect to participate in a process that fails to recognize the adverse impacts of over-regulation and the reasonable investment expectations of a commercial property owner. Simply put, unless the dialogue shifts, Merlone Geier will simply manage the Town Center “as is” for the foreseeable future.

The City’s Comprehensive Plan policies directly support a subarea plan that accommodates population density at the Town Center property in the form of transit-oriented development serving City residents and the SR 522 corridor. Overly restrictive limits on density and building heights are also directly contrary to Growth Management Act (“GMA”) goals and policies which recognize the utility of accommodating population growth as close as possible to available transit opportunities, including Sound Transit. It is a fallacy to think that we can deliver many of the amenities sought by the community in the face of significant constraints on development capacity.

---

I am open to continuing to work with you, City management and the City Council to the extent that our viewpoint can be given fair and adequate attention.

Respectfully,



James Gwilliam,  
Vice President, Development  
Merlone Geier Partners

cc: Jeff Johnson, Mayor  
Philip Hill, City Manager  
Catherine Stanford, Deputy Mayor  
Tom French, Councilmember  
Phillippa Kassover, Councilmember  
Mark Phillips, Councilmember  
Semra Riddle, Councilmember  
John Wright, Councilmember  
John Resha, Councilmember  
Mandi Roberts, Otak