

## Staff Report

**REZONING BOUNDARY OPTIONS FOR NEW DOWNTOWN GATEWAY  
COMMERCIAL ZONING**

April 24, 2018

**BACKGROUND:**

The area generally described as properties along Lincoln Way and between Grand Avenue and Duff Avenue as well as south of the railroad are identified as part of the Downtown Gateway Focus Area within the Lincoln Way Corridor Plan. The first step of implementation of the Corridor Plan is to create a new commercial zoning district with standards that encourage redevelopment for targeted commercial uses and to allow for mixed use residential development. The City has prepared draft Downtown Gateway Commercial (DGC) zoning district standards to implement the vision of the Lincoln Way Corridor Plan for the Downtown Gateway Focus Area. The draft standards are under review as a separate action item from this report.

**The second step in the implementation process is to initiate a rezoning of properties to the new Downtown Gateway Commercial zoning from the current Highway Oriented Commercial (HOC) and Downtown Service Center (DSC) zoning districts. City Council is asked at this time to identify the preferred area of rezoning within the Focus Area. Staff will then initiate property owner notice for public hearings with the Planning and Zoning Commission and for the City Council to adopt a rezoning map amendment for the new Downtown Gateway Commercial.**

As part of the discussion of new standards for the DGC zoning, there has been feedback from a variety of property owners concerned about changes in zoning due to either existing nonconformities or new nonconformities that would occur with the rezoning. The degree of nonconformities related to DGC rezoning is part of the separate report for the draft DGC standards. The primary concerns were changes to allowed uses for the area that would make uses such as gas stations, car washes, automotive repair, warehouses, and funeral homes nonconforming uses in the new zoning. Additionally, some property owners were concerned about changes to parking standards that require parking for uses along Kellogg that are currently zoned DSC and require no parking. Some property owners with HOC zoned property were concerned about nonconformities related to the configuration of parking between the building and the street as well. New drive through uses would also be limited in the proposed DGC zoning, but the current drive through establishments in the area were found to conform to the proposed standards. In general, the concerns for nonconformities under existing conditions and proposed standards apply throughout the Focus Area and are not concentrated in any one area.

## **OPTIONS:**

Part of the consideration of the rezoning boundaries is the vision for change to the area and the considerations of how specific property owners and related businesses could be impacted in the future. **Staff has prepared four rezoning boundary options to help differentiate a rezoning approach that addresses priorities for either long term vision or a more concentrated immediate opportunities approach. Maps for each option are included as an attachment.**

### **Option #1. Full Extent of the Downtown Gateway Focus Area (Grand to Duff and North and south of LW)-**

**This option would include all seventy properties in the area and extend from Grand Avenue to Duff and include properties both north and south of Lincoln Way. This is the broadest approach to rezoning for implementation of the Corridor Plan.** This option would have the most nonconformities in regards to uses and site development conditions due to the greatest number of properties included in the rezoning. The broad rezoning approach would establish a long term view of evolution and redevelopment of the area. Not all of this area would be expected to redevelop in the short term as there are many viable highway oriented commercial businesses throughout the area.

### **Option #2. Central Core Area (Centered upon Kellogg/LW intersection blocks, North and South)**

**This option focuses the rezoning on the area between Clark Avenue and Duff Avenue for properties north and south of Lincoln Way focused on the four primary blocks that meet at the intersection of Kellogg and Lincoln Way.** The Kellogg intersection is viewed as the heart of the Focus Area due to its primary connection to Downtown. This approach concentrates the rezoning on the four most critical blocks for the area and establishes a vision for redevelopment along both sides of Lincoln Way. Development on the north side would be expected to be at larger scale than redevelopment on the south side due to lot sizes and configurations.

This option would leave the periphery areas out of the immediate rezoning actions, which would reduce the number of new nonconformities related to use and site development standards. Many of the periphery areas are not available for redevelopment at this time and could be reconsidered at a later time after the initial redevelopment occurs in the core blocks of the Focus Area.

### **Option #3. Central Core Area, North Only**

**This option would limit the rezoning to the blocks along Lincoln Way between Clark and Duff, but only on the north side.** This approach maintains the two most

critical areas for rezoning at this time and does not change HOC zoning for the periphery area or the properties along the south side of Lincoln Way. The properties on the north side of Lincoln Way are seen as the primary redevelopment opportunities due to potential property aggregation and overall size of the development areas. Properties along the south side are shallower in depth than the north and could be redeveloped with mixed use or commercial uses at a less intense scale than is probable on the north side of Lincoln Way.

Limiting rezoning to the north side of Lincoln Way would reduce many potential conflicts about nonconforming uses, with the exception of the car wash and warehouse uses that exist north of Lincoln Way. Continuing HOC zoning along the periphery and south side of Lincoln Way would allow for the current mix of uses that already exist and for the establishment of new highway oriented commercial uses.

#### **Options #4 Limited Downtown Gateway Zoning North of Lincoln Way with DSC Zoning on Kellogg**

The proposed DGC zoning identifies unique development standards for Kellogg recognizing its context as a connection to Main Street. The current development in the area is also similar to Main Street with buildings up to the street and limited parking on site. However, the proposed zoning has new parking requirements that are not currently the requirement for DSC zoned properties along Kellogg.

This rezoning option allows for the Kellogg block to maintain its current DSC zoning, principally due to no requirement for commercial parking, and establish the DGC zoning to the east and west of Kellogg on the north side of Lincoln Way. DSC zoning is similar to the proposed DGC zoning and compatible in its basic zoning regulations and could be an accommodation for current property owners along Kellogg and create areas for redevelopment adjacent to Kellogg.

#### **STAFF COMMENTS:**

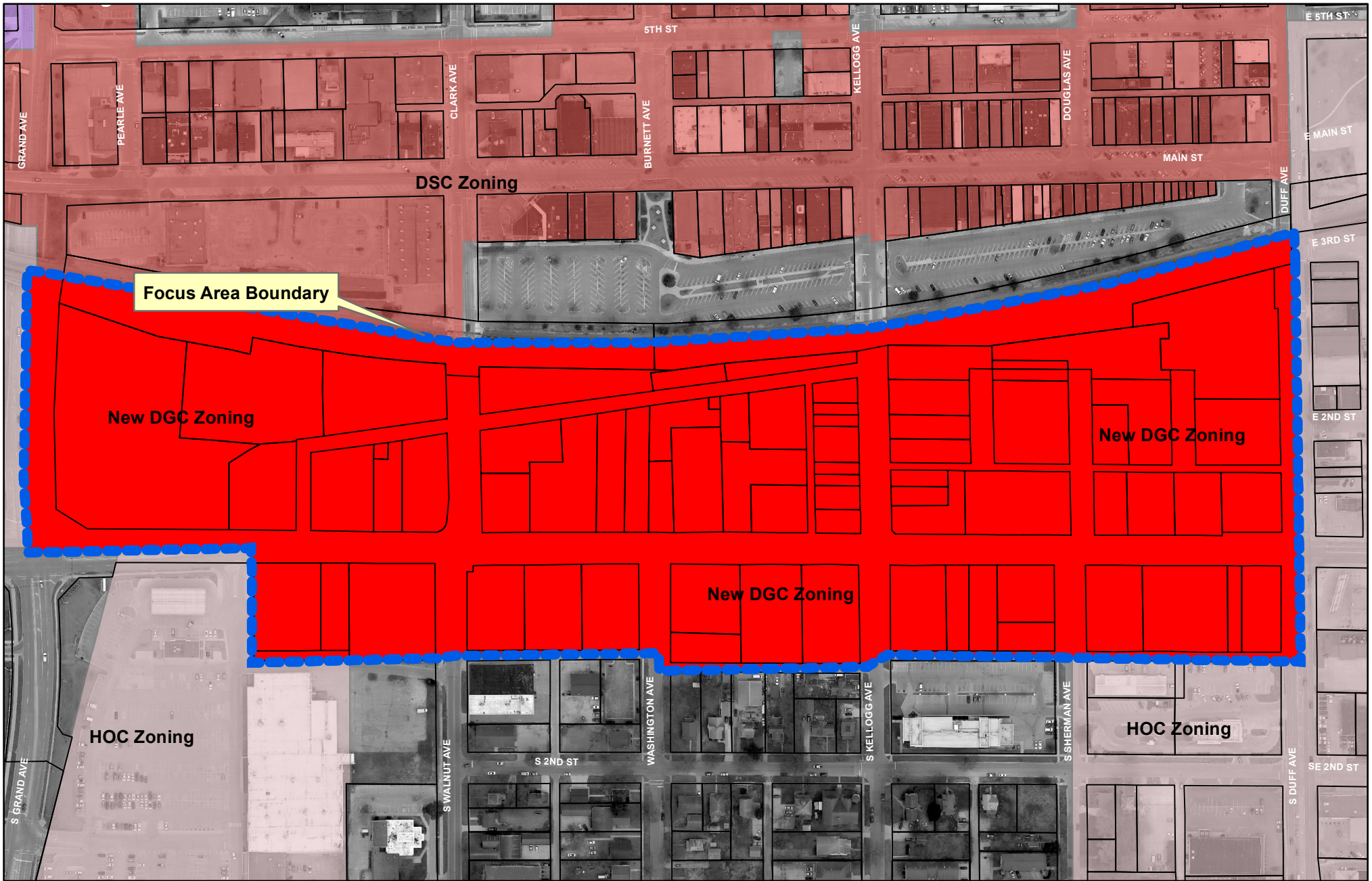
The extent of the rezoning boundaries is coupled with the City Council's related decisions on the proposed standards for the new DGC zoning district. Some of the concerns about nonconformities could be addressed by limiting extent of the rezoning compared to establishing more permissive DGC zoning standards to accommodate a wider range of uses and development situations. Options 1 and 2 of the rezoning boundaries fulfill the most objectives of the Corridor Plan while Options 3 and 4 are moderated approaches to implementing the Corridor Plan.

While there is a strong argument to set a broad area for DGC zoning (Option 1) with clear development expectations, the periphery properties are not critical to the Plan at this time and are unlikely to have redevelopment potential in the short term. If property owners in the periphery are interested in redevelopment they could apply for a rezoning from HOC to DGC at the time of redevelopment. However, the blocks in the Central Core of the focus area (Options 2) are more critical in establishing both redevelopment

opportunities now and ensuring that adjacent development is also compatible with the desired redevelopment in the area. **Therefore, staff supports Option 2 because it fulfills the most immediate needs for implementing the Corridor Plan.**

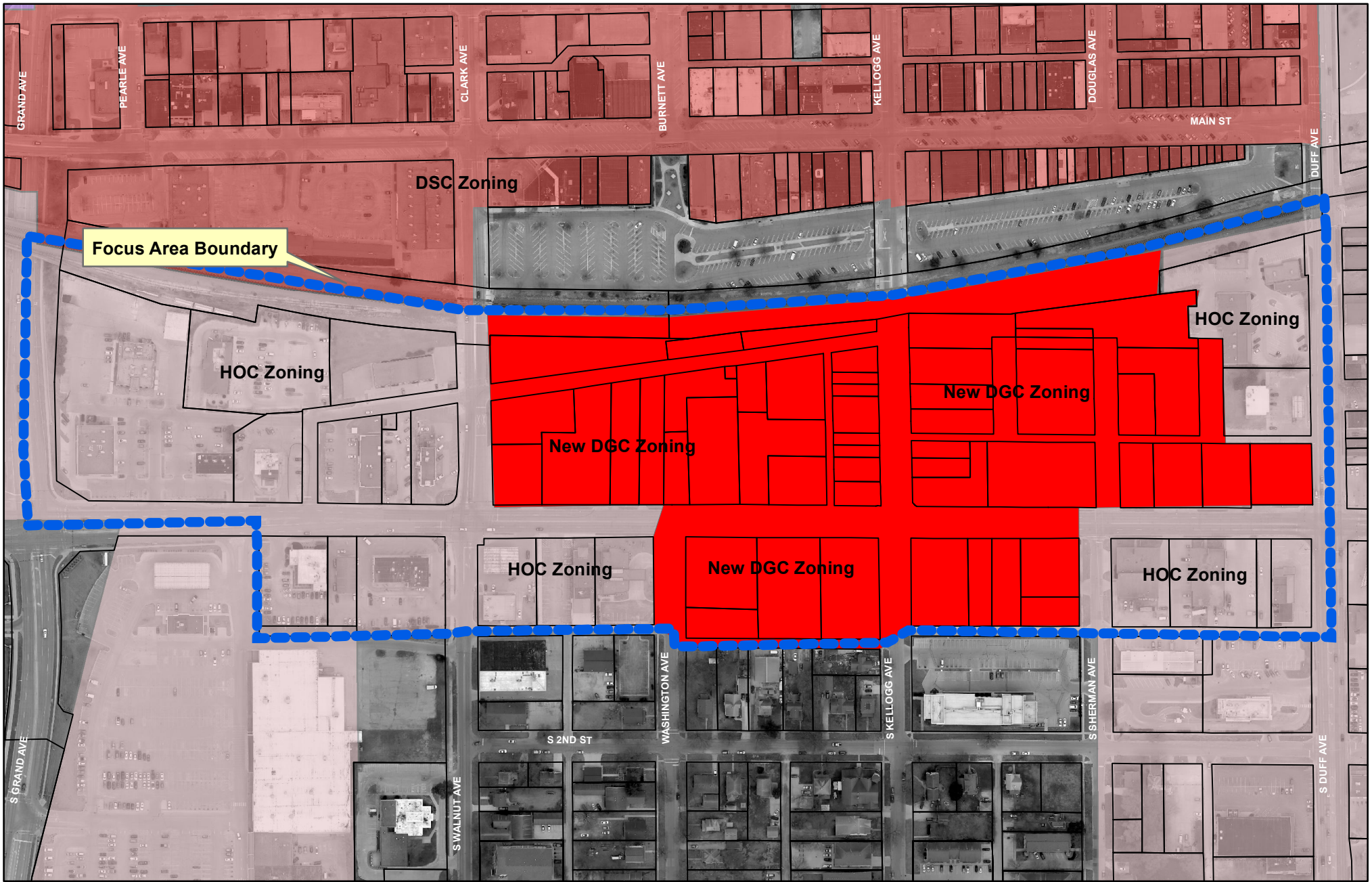
**However, if the City Council elects to allow for some of the Vehicle Service Facility uses to continue as pre-existing, then applying the DGC zoning to the broad area of Option 1 would be appropriate since the primary use concerns would be resolved.**

**At this time staff needs direction on the proposed boundaries of the rezoning to initiate the rezoning process within the timeline described at the time the moratorium was adopted on March 27<sup>th</sup>.** With City Council's direction on a preferred area staff would initiate the rezoning public hearing process. Staff would coordinate the first public hearing with the Planning and Zoning Commission on May 16<sup>th</sup> reflecting the Council's action of adopting the new DGC zoning standards on May 8<sup>th</sup>. Upon receiving a recommendation from the Planning and Zoning Commission, the Council would need to hold a public hearing for first reading of the rezoning ordinance on either May 23<sup>rd</sup> or June 12<sup>th</sup>. City Council may need to consider combining second and third readings of the rezoning ordinance to complete the rezoning process prior to the expiration of the moratorium on July 2<sup>nd</sup>.



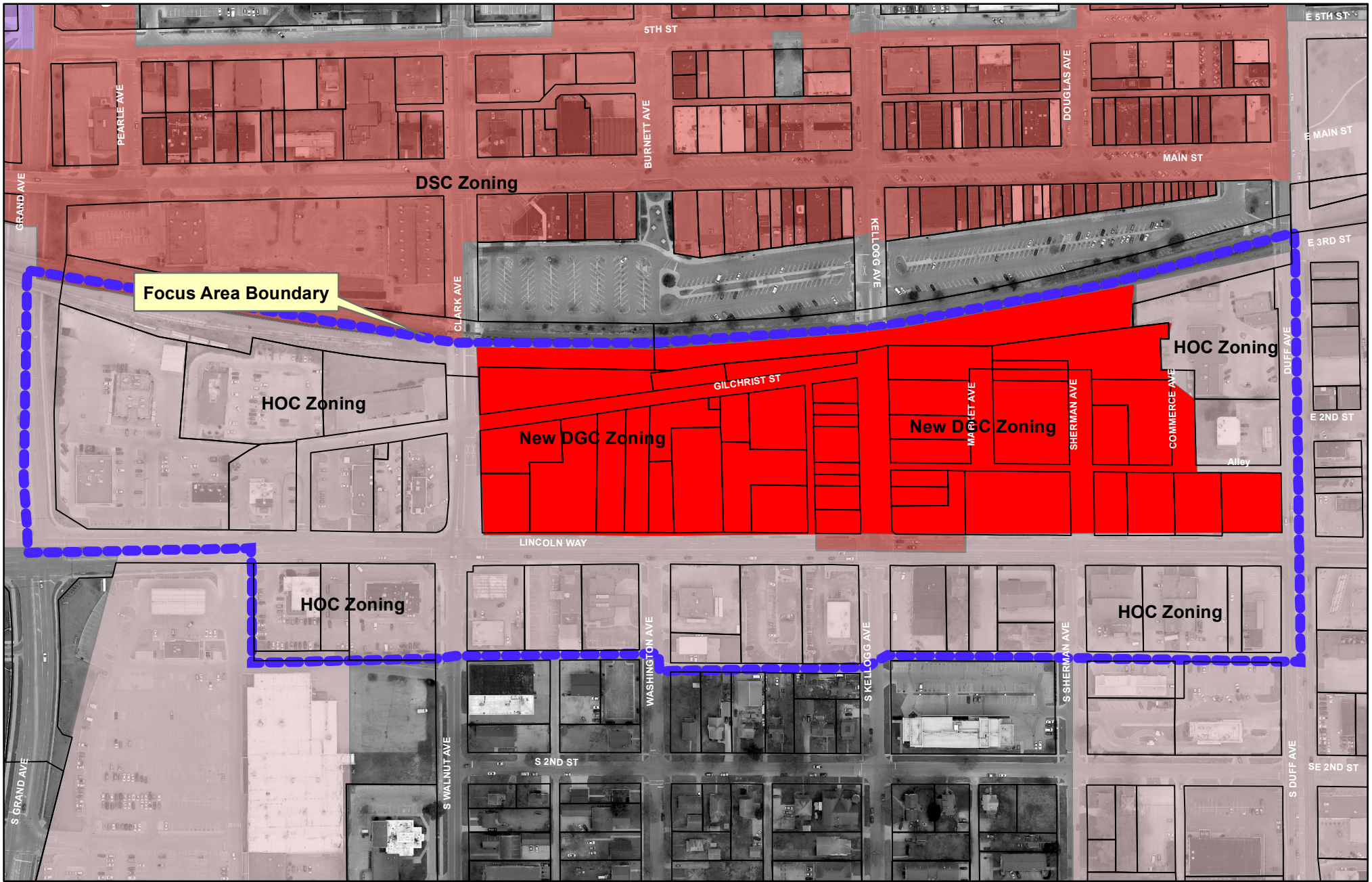
**Option #1**  
**Downtown Gateway Rezoning both sides of Lincoln Way**





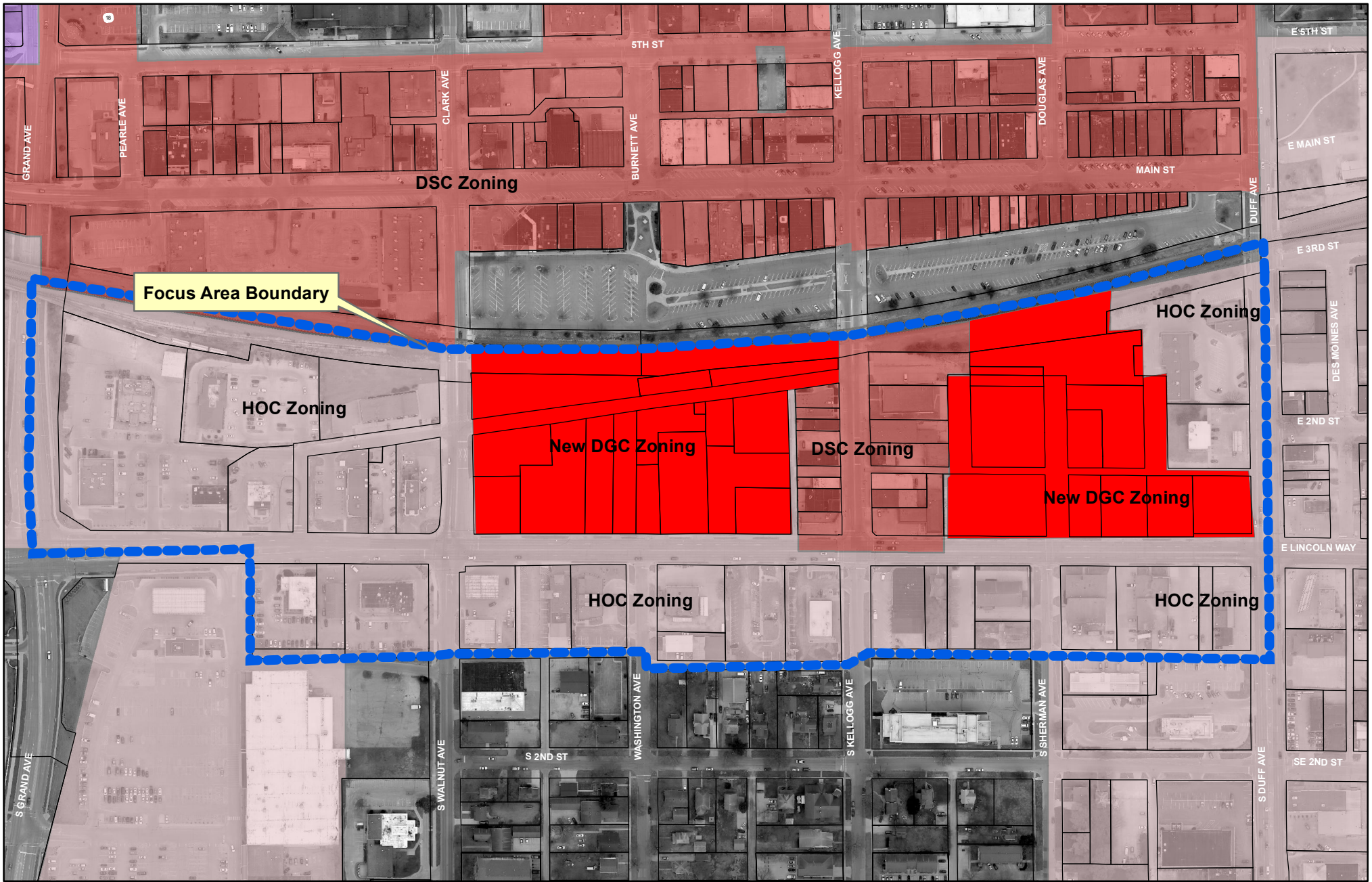
## Option #2 Central Core North and South





### Option #3 -Central Core North Only





Focus Area Boundary

DSC Zoning

HOC Zoning

New DGC Zoning

DSC Zoning

HOC Zoning

New DGC Zoning

HOC Zoning

HOC Zoning

### Option #4 Central Core North with DSC on Kellogg

