

July 15, 2014

Redmond Planning Commission

Kimberly Dietz, Senior Planner

Jeff Churchill, Senior Planner

15670 NE 85th Street Redmond, WA 98052

RE: SE Redmond Neighborhood Plan Update

Ladies and Gentlemen:

At your meeting of July 9, 2014 further input was suggested from business and building owners in the MDD. Per our previous testimony, our building is at 17617 NE 65th Street and is part of a Binding Site Plan configuration along with 5 other buildings, all in the proposed MDD1 area. We have a common storm water filtration system and common parking. If one owner had to tear down a building it would leave the others in a predicament. It would be necessary to convert all of the buildings at once, which may not be economically feasible in the short term. We need a long transition time to allow for a consensus to occur between the building owners and for economic forces to make transitioning to residential usage cost effective.

Some of the challenges we would have to deal with if we were forced to tear down our building because we could no longer use it for the current MP zoning purposes for which it was built (in compliance with City regulations):

Since the current parking lot is dedicated to commercial parking and is owned in common with the other 5 building owners, we would have to make room for residential parking within the building footprint. And due to the high water table it would probably not be cost effective to build underground parking. Because of likely parking requirements for multifamily residential use, we might have to dedicate 2 stories above ground for parking, which would severely limit the number of units we could build. It would be difficult to cover costs if we had to abide by the proposed limitation of a 4 story building. Considering the cost of demolition of the old building, development and construction expenses (including updated storm water management requirements) and loss of income during that time, the project to create multifamily housing may not make economic sense. And in the end, what kind of rent would we be able to get for a residential building sitting in the middle of an industrial park?

We would like the MP zoning to remain in place. Earlier this year we invested millions of dollars in Redmond for our building. We are spending another \$200,000 for seismic repairs and a new roof this summer. We first heard of this rezone after the sale had closed but were told the change would likely be 20-25 years in the future. Then we read in the Technical report that the target date is January 1, 2018. We need at least 25 years of economic viability to amortize our costs.

Any zoning change that results in a nonconforming status of the space reduces the building's ability to compete with other areas such as Woodinville, Bothell or the Kent valley. Tenants will go to the area with the least difficulties to do business. The jobs that these buildings create are good jobs, which pay well. Many of the people live in the Redmond area and contribute to the tax base. They want to stay in Redmond and not commute. But if the businesses move the people might eventually move too. A healthy community offers job opportunities, business services and quality of life to its citizens. That

exists in Redmond right now. The proposed change however could diminish that by forcing out properties that house the businesses that provide needed community services and many jobs. In the MDD1 area there are five gyms, Kiddy Care, dance studios, furniture repair, a brewery and various other businesses that serve residential needs. The SE Redmond neighborhood plan proposes to add job opportunities, but at the expense of eliminating the businesses already providing jobs in the MDD areas.

The loss of nonconforming use rights is another concern. At the meeting it was stated that currently allowed use is “narrowly defined”. What happens if our building has multiple tenants and one of them vacates? If we cannot find another tenant within the allotted time period or with exactly the same usage as the previous tenant, does the whole building forfeit the non-conforming right? What if several tenants with different uses vacate and we find a new tenant to take over the entire vacant space? Would there be limitations on changes in square footage based on the former tenants’ square footage? There are just too many road blocks. Issues that impact our livelihood and the value of our property have not been well thought out. I suggest that until they are and a fair policy is in place, no change should be made to the zoning code.

If we are zoned as suggested for MDD1 and the lending institutions see this, we will not be able to sell or refinance. Further, the City may be creating regulations which lead to a loss of nonconforming rights. We could be left with a building that we cannot use for industrial purposes and yet it is not economically feasible to build multifamily housing. In other words we will be financially ruined.

In conclusion

1. For us the best outcome would be to leave our zoning as MP
2. Next best would be to leave as MP and allow a residential overlay. This would allow the transition to take place as market demand occurs and as it becomes economically feasible. In that case we ask that you give incentive zoning for housing more than 4-5 stories, especially for buildings in a BSP with common area parking and common storm water infiltration systems like ours.
3. If there is no other alternative, broaden instead of maintaining the existing “narrowly defined” uses allowed with the MP Nonconforming status. Add to the current MP allowed uses such that the building owners would be able to transition by evolution rather than revolution. And allow a 3 year window for re-renting spaces before the property loses non-conforming rights. And finally, do not place internal square footage limitations on how a building can be reconfigured and released after the loss of a tenant.

Thank you for listening to these concerns and suggestions.

Sincerely,

James J Hill
jamesjhill@aol.com
425-210-3275

