

TO: Mayor Marchione and City Council

FROM: Rob Odle, Planning Director, 425-556-2417
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DATE: November 16, 2010

SUBJECT: STAFF REPORT: PLANNING COMMISSION RECOMMENDED DEVELOPMENT GUIDE AMENDMENT – SEATING CAPACITY FOR WINERIES AND BREWERIES IN THE MANUFACTURING PARK ZONE (L100307, L100308 SEPA)

This memo is follow-up to the staff report on November 1, 2010, AM No. 10-225, regarding the Planning Commission's recommended amendment. The attached issue table summarizes the issues Council identified for discussion and staff responses.

OVERVIEW

On September 29, 2010, the Planning Commission recommended approval of a proposed Development Guide Amendment regarding wineries and breweries in the Manufacturing Park zone. The proposal would eliminate the 100-person seating cap for eating and drinking areas within wineries and breweries operating in the Manufacturing Park zone. The proposal would leave in place remaining size limitations, which restrict operations to that which could be accommodated within 25 percent of the building's combined gross floor area. Seating would then be limited by the International Fire Code, which would allow one occupant per every 15 feet of net floor area.

In summary, the Planning Commission's recommended amendment would:

- Improve land use flexibility by providing more tenant improvement options within existing footprint;
- Simplify and clarify development regulations by removing the 100-person seating cap and using only the International Fire Code (IFC) building occupancy limits;
- Promote economic opportunity by allowing more seating within designated maximum floor area (25 percent of building's gross floor area);
- Continue to balance functional and aesthetic character toward manufacturing and industrial-based land uses in the MP zone, and avoid drawing food and beverage service away from Downtown and Overlake.
- This proposal does not change regulations on hours of operation.

Mayor Marchione and City Council

RE: STAFF REPORT: PLANNING COMMISSION RECOMMENDED DEVELOPMENT GUIDE AMENDMENT – SEATING CAPACITY
FOR WINERIES AND BREWERIES IN THE MANUFACTURING PARK ZONE (L100307, L100308 SEPA)

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- This proposal does not change the current square footage that could be in use as seating, only the number of seats.

SCHEDULE AND REQUESTED DIRECTION

This topic is included under staff reports on the Council's November 16, 2010, meeting agenda for Council discussion and direction; Council action is scheduled for December 7, 2010. If you have any questions as you review the recommended amendment, please contact Pete Sullivan at (425) 556-2406, psullivan@redmond.gov.

ATTACHMENT: Council Issue Table

Issue/Commissioner	Discussion Notes	Issue Status
<p>1. Explain how the proposal increases economic opportunity and is compatible with Manufacturing Park land uses. (Vache)</p>	<p><u>Staff Comment/Recommendation:</u></p> <p>The proposal continues two key code provisions that maintain compatibility with the Manufacturing Park zone: 1) limiting the eating and drinking establishment portion of an establishment to a maximum of 25 percent of the gross floor area of the structure, and 2) applying the change to only eating and drinking establishments that are secondary operations to a winery or brewery, one type of food and kindred product manufacturer that can require a larger footprint. This change is consistent with one of the purposes of the MP zone, which is to allow uses that require large sites or significant space for equipment and materials.</p> <p>The proposal increases economic opportunity by providing more tenant improvement options for the eating and drinking establishment portion of the structure as a result of removing the seating cap and allowing the 25 percent gross floor area limit and occupancy requirements per fire code to dictate seating capacity.</p> <p>The Downtown zones allow businesses that involve processing of products when it is minor part of the use, such as art studios or a small-scale brew-pub. Businesses that need significant floor area for processing a product, such as larger breweries and wineries, can find it difficult to locate in the Downtown due to the lack of available spaces that are large enough.</p> <p><u>Council Comments:</u></p> <p>Councilmember Vache commented that he believes the proposal would not support Manufacturing Park land uses and would compete with the City’s goals for the Downtown. He asked staff to provide further rationale for these conclusions.</p>	<p>Opened 11/1</p>
<p>2. How many acres of land in the City are zoned Manufacturing Park? (Cole)</p>	<p><u>Staff Comment/Recommendation:</u></p> <p>Redmond includes 737 acres zoned Manufacturing Park.</p> <p><u>Council Comments:</u></p> <p>Councilmember Cole asked how much land is zoned Manufacturing Park in the City.</p>	<p>Opened 11/1</p>

<p>3. Public safety implications of increased patronage (Cole)</p>	<p><u>Staff Comment/Recommendation:</u></p> <p>Staff has consulted with the Redmond Police Department (RPD) regarding this proposed amendment. State laws are in place to prevent over-consumption and drunk driving, and business owners can face repercussions for facilitating bad behavior. The RPD enforces and operates in concert with applicable state statute. The Police Department enforces a zero tolerance policy for driving under the influence. In addition, the RPD participates in Washington’s Target Zero program, resulting in increased patrols around special events and holidays.</p> <p><u>Council Comments:</u></p> <p>Councilmember Cole asked about the public safety implications of increased patronage.</p>	<p>Opened 11/1</p>
<p>4. Vacancy rate in Manufacturing Park zone (Carson)</p>	<p><u>Staff Comment/Recommendation:</u></p> <p>Grubb & Ellis’s most recent Industrial Trends Report is for the Third Quarter 2010 and covers the Seattle region and several submarkets, including Redmond. The report indicates that while the areas’ industrial properties are considerably less healthy than prior to the Great Recession, the industrial property market is stabilizing. After climbing steadily during the past two years, the industrial vacancy across the region remained flat, closing at 9.8 percent in the third quarter 2010. The vacancy rate for the Redmond sub-market for this period is also 9.8%, matching the region’s rate. Vacancy rates for surrounding cities are as follows: Bellevue close-in: 3.7%, Bothell/Canyon Park: 15.3%, Kirkland: 18.3%, Woodinville: 9.1%.</p> <p><u>Council Comments:</u></p> <p>Councilmember Carson asked about the current vacancy rate in the Manufacturing Park zone.</p>	<p>Opened 11/1</p>