

**STAFF
REPORT**

**Town of La Conner
Department of Planning
ENVIRONMENTAL REVIEW**

A. BACKGROUND

Project Name: The Galleria, Grupa Fiducia LLC
Applicant: Mike Underwood, Architect/Mike Girdner, Owner
File Number: LU16-46SH, 16-47CU, 16-48V, 19-49HDR
Project Manager: Mike Underwood
Project Description: Redevelopment of an existing restaurant and parking facility

Project Location: 512 South First Street, La Conner, WA 98257
Exist. Bldg. Area gsf: 7,325 sq ft *Proposed New Bldg. Area:* 7,230 sq ft
Site Area: 18,727 sq ft *Total Building Area gsf:* 14,555 sq ft

PROJECT DESCRIPTION

The applicant is proposing to redevelop the former Palmer’s Restaurant property to accommodate mixed commercial retail, office and residential uses. The existing 7,325 footprint will be expanded to 9,447 square feet. The project includes 6,075 square feet of retail space and parking on the ground floor (5 spaces on the south side and 13 spaces on the north side), with 3 residential units totaling 3,267 square feet and four office units totaling 1,841 square feet on the upper floor.

The overall project requires a Shoreline Master Program Substantial Development Permit. A Conditional Use application for Shoreline and LCMC has been submitted for the second floor residential units.

The applicant is also requesting a variance for building height to accommodate the retention and relocation of a historic feature of the building. The historic lighthouse feature will be relocated close to the original location but elevated to be prominent.

B. RECOMMENDATION

Based on analysis of probable impacts from the proposal, staff recommends that the Responsible Officials make the following Environmental Determination:

DETERMINATION OF NON-SIGNIFICANCE	DETERMINATION OF NON - SIGNIFICANCE - MITIGATED.
Issue DNS with 10 day Appeal Period.	Issue DNS-M with 10 day Appeal Period.
Issue DNS with 14 day Comment Period Followed by a 10 day Appeal Period.	X Issue DNS-M with 14 day Comment Period Followed by a 10 day Appeal Period.

C. MITIGATION MEASURES

- Fire SEPA Mitigation Fee - As per Appendix A - Mitigation Fee Formulas By Land Use, of Resolution No. 293 – Fire Mitigation Fee Policy, this proposed development will be assessed \$156 per unit for the residential development and \$0.30 per square foot for added commercial development.
- School Impact Fee – Per Ordinance 694 and subsequent capital cost adjustments, the multifamily Impact Fee is \$252 per unit.
- Construction Work Hours - Weekdays 8am to 5pm, No weekend work.

Advisory Notes to Applicant:

The following notes are supplemental information provided in conjunction with the environmental determination. Because these notes are provided as information only, they are not subject to the appeal process for environmental determinations.

From previous submittal:

Planning

The project must comply with the historic district provisions of §15.50.120 and §15.35. Historic neighborhood standards prevail if in conflict with §15.35

Fire Prevention

Fire Marshall

- Require an assessment of water flow to the proposed complete building
- Attic spaces shall be protected with fire sprinklers
- Both north and south portions of the structure shall incorporate internal roof access for fire fighters
- Smoke and heat dampers shall be provided in the attic areas
- The entire building, including any attic spaces, shall be protected by a monitored alarm system
- Ensure that a fire hydrant is located within 300 feet of all portions of the structure

Public Works

- There are fire hydrants located at the Benton Street and Washington Avenue intersections of South First Street. The densities, use, height and materials proposed will require a sprinkler system. The developer may be responsible for upsizing a portion of the 6”AC main if necessary to provide flows higher than currently available. An Infrastructure Improvement Agreement will be necessary.

Plan Review – Water

The site is served by a 1¼” water service fed from a 6” AC water main located on the east side of South First Street. The existing service will not be adequate for the proposed redevelopment. At a minimum, a new, larger service line and water meter will be required. Water RCE capital fees will be applicable. If the developers plan to incorporate individual unit ownership (condominiums), then a metering manifold will be required. An Infrastructure Improvement Agreement will be required.

Plan Review – Sanitary Sewer

Existing side sewer connections are typically 4” piping. A new 6” side sewer connection may be required with a clean-out on the property line. If food service businesses are planned for any retail spaces a grease trap will be required. Sewer RCE’s will be applicable. An Infrastructure Improvement Agreement will be necessary.

Storm Water

The northerly parking lot is paved and drains into the Town's storm water system (Washington Avenue). The majority of the site will be impervious surfaces from roofs and decks. Non-leaching materials will be allowed to drain directly into the Swinomish Channel. The parking garage will need a floor drain and connection to the Town's storm water system.

D. ENVIRONMENTAL IMPACTS

In compliance with RCW 43.21 C. 240, the following project environmental review addresses only those project impacts that are not adequately addressed under existing development standards and environmental regulations.

1. Earth

Impacts:

The existing site is mostly impervious surfaces (either building or paving). There is a small landscaped area on the south side of the property. No major earth works are proposed (e.g. excavation or fill). The earth work involved will include foundation work for structure and building additions. Some additional landscaping is proposed for the north side parking area.

Mitigation Measures: *None*

2. Air

Impacts:

None of the proposed uses (commercial/retail/office/residential) will create air emissions that differ from existing conditions. The proposed covered parking must comply with International Building Code standards regarding structural types.

Mitigation Measures: *None*

3. Water

Impacts:

The project site is adjacent to the Swinomish Channel and the Inner Harbor Line comes ashore at this site and bisects the building. DNR is the land owner for the western half of the site. Water quality implications are addressed in LCMC 15.100 Storm Water Management. All permit activity must comply with the Department of Ecology's Technical Manual regarding water quality and storm water management. All subsequent building permits will require compliance with these provisions.

Mitigation Measures: *None*

4. Plants

Impacts:

There are no native plants within the upland construction area. There is some tidal native vegetation that will remain undisturbed. The landscaped area will be replaced and distributed around the northern parking area and street frontage.

Mitigation Measures: *None*

5. Animals

Impacts:

On the upland site, there is no known presence of animals or habitat. In the intertidal area, river otters and harbor seals occasionally frequent the area. None of the construction activities should impact this area. The adjacent waters of the Swinomish Channel are frequented by some listed Endangered and Threatened Species (such as Chinook salmon, Puget Sound Steelhead, and Bull Trout). None of the activities of this redevelopment should impact the environment or habitat relating to these species.

Mitigation Measures: *None*

6. Energy and Natural Resources

Impacts:

The energy issues and impacts due to redevelopment are addressed in the International Building Code and Washington State Energy Code. No additional energy issues are raised by redevelopment. The natural resources impacts are addressed by the Shoreline Master Program and DNR programmatic policies regarding environmental stewardship.

Mitigation Measures: *None*

7. Environmental Health

Impacts:

From the SMP perspective, “Environmental Impact Avoidance and Mitigation” is viewed in the context of maintaining and not degrading ecological functions of shoreline environments. The ecological functions on this property are focused on or near the Ordinary High Water Mark. The proposed development activities should not impact this area. The level of development being proposed is within the limits of the use and development standards for the property. They appear to be within the development standards and guidelines for the district and zone. The variance will be reviewed by the Hearing Examiner to determine if it meets the variance criteria consistent with those standards.

Mitigation Measures: *None*

8. Land and Shoreline Use

Impacts:

The two primary proposed uses of the property will be commercial (retail/office) and residential. Within the shoreline in general, priority is given to “water dependent, water related and water enjoyment” uses. Within the Historic Commercial and Commercial Environments, “non-water-oriented” are permitted in mixed use buildings. In La Conner, the Historic District’s proximity to the shoreline is an important context. The proposed redevelopment uses are permitted in the shoreline and governed by the Shoreline Master Program. The use regulations are intended to address visual and aesthetic impacts.

Mitigation Measures: *None*

9. Housing

Impacts:

The proposed redevelopment proposes to add three residential units to the Town’s Historic Commercial Environment. With regard to the shoreline, residential use is allowed as a conditional use and the residential development provisions of Chapter 6 apply. With regard to the Commercial Zone, residential use is allowed as a conditional use and must comply with LCMC 15.35 for residential conditional use. Mixed use development is consistent the historic pattern of development.

Currently, fourteen businesses in the First Street Historic Neighborhood district have residences, and there are seventeen residences in total on South First Street. The primary impact restricting residential

development on South First Street is parking. This proposal provides for dedicated parking for the residential units.

All residential development in the Town has a potential school district impact which is addressed through an impact fee imposed by Ordinance #694.

Mitigation Measures:

School Impact fee of \$252 per unit toward to the school capital facilities.

Nexus: Ordinance #694

10. Aesthetics

Impacts:

Aesthetics are covered in a variety of ordinances and regulations. Regarding the shoreline, aesthetics are addressed in Chapter 6 regulations of View Protection, Residential Development, Historic and Cultural, and Public Access.

The primary aesthetic concern raised by this proposal is scale and proportion to the historic structures in the district. The Historic Preservation District code §15.50.120 District/Neighborhood specifically specifies the approach for this issue and will be addressed in Section 13 of this report.

Mitigation Measures: None

11. Light and Glare

Impacts:

The potential impacts of light and glare are in regards to the material used on the exterior of the building. In particular, roofing materials must be non-reflective per SMP regulations.

Mitigation Measures: None

12. Recreation

Impacts:

This project is not a recreational facility, but it does adjoin two street park areas, boardwalk and a Town moorage facility, all of which are recreational facilities. The proposal does provide connectivity to the boardwalk.

Mitigation Measures: None

13. Historic and Cultural Preservation

Impacts:

Built in the early 1900's, the building was originally from Bellingham. It was known originally as the Bloedel-Donovan Commissary. Later, it was used by the Coast Guard during WWII. The Bellingham Yacht Club purchased it in the late 1940's and renovated it for their use. In the early 1960's, the Yacht Club relocated, and the building was sold to a La Conner restaurateur. It was again renovated to add a water view area and a bar to become the Lighthouse restaurant. The building has been repurposed and renovated several times in the last 100 years.

In 1972, the Town established the La Conner Historic Preservation District (HPD) with an inventory of properties that were designated as Historic Landmarks. It also established criteria and a pathway for additional properties to become Historic Landmarks. While the "Lighthouse" is located within the HPD, it was not listed in the original inventory nor added to the inventory by subsequent owners at a later date. While the Lighthouse is not listed, it does have historic content and context to the Town.

The decision authority regarding Historic Design Review usually resides with the Planning Commission. Since there is a higher permit application concurrent to the Historic Design Review, the final decision is relegated to the higher permit (i.e. the Hearing Examiner). The Planning Commission will provide a recommendation to the Hearing Examiner regarding the Historic Design and the project in general. The land and shoreline areas are within the Historic Preservation District of La Conner, and must follow the historic code guidelines for additions and remodels (Article II).

The scale and proportion of the proposed addition is specifically addressed in Section 15.50.120(3) First Street Commercial District. “(b) Buildings over 3,000 square feet gross floor area shall be designed to have the appearance of multiple buildings typically found in the district, including separate entrances, storefronts, and variation in height.”

The planning staff has consulted with the Washington State Department of Archeology and Historic Preservation (DAHP) regarding the scale, proportion and potential impact to the historic context of the La Conner HPD. Nicholas Vann, architect with DAHP, reviewed the proposed redevelopment and provided the following comment:

...“Overall, I believe the project is successful in employing many of the character defining features found in downtown La Conner. The project as proposed, in my opinion, meets the Secretary of the Interior’s Standards for the Treatment of Historic Properties although there are no specific Standards for infill development in a Historic District. The proposed redevelopment includes extensive façade rehabilitation of the existing structure as well as second floor addition and small additions that fill in the space fronting the sidewalk where the building currently recedes into the site. By filling in these recesses, the building allows for better pedestrian access and sidewalk presence. The upper floor is kept in scale with other two story buildings in town. The proposed shiplap and bevel siding appears to match many downtown buildings. The simple belly bands separating first from second floor, and simple cornices appear to interpret La Conner’s fantastic cornice lines without mimicking them or competing with the historic. The scale, massing, and size of the proposed redevelopment clearly represent the architectural language found in the Historic District and appears to be sensitive to its context and appropriately designed for downtown La Conner.”...

Mitigation Measures: None

14. Transportation

Impacts:

The primary impact of this project on transportation is parking and street access. The developer must ensure pedestrian safety drive apron access to the parking. The current facility has 5 parking spaces that are accessed through the Benton Street End, and 13 spaces in the north side parking lot. The use intensity and parking demands are different than past uses. The new parking load calculation for the building is 23 spaces (20 commercial and 3 residential). Per the parking ordinance §15.90, property owners may pay an “in-lieu” fee for commercial spaces for up to 50% of the parking requirement. The owner may pay “in-lieu” fees for 5 spaces.

Mitigation Measures: None

15. Public Services

Impacts:

The two public services that are being addressed regarding this development are public schools and fire services. The public schools impact fees were addressed in the Housing section of this report. The

fire service is addressed through a SEPA Mitigation Fee that was established by resolution to address increased demands on the volunteer fire department due to new development.

Mitigation Measures:

Fire Mitigation Fee Policy, this proposed development will be assessed \$156 per unit for the residential development and \$0.30 per square foot for added commercial development.

Nexus: *Fire SEPA Mitigation Fee - As per Appendix A - Mitigation Fee Formulas By Land Use, of Resolution No. 293*

16. Utilities

Impacts:

Refer to the staff reports above regarding utilities. An Infrastructure Improvement Agreement will be required of the applicant with regard to street and utility improvements to serve the facility.

Mitigation Measures: *None*

E. COMMENTS OF REVIEWING DEPARTMENTS

The proposal has been circulated to Town Departmental / Divisional Reviewers for their review. Where applicable, these comments have been incorporated into the text of this report as Mitigation Measures and/or Notes to Applicant.

Copies of all Review Comments are contained in the Official File.

Copies of all Review Comments are attached to this report.