

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

May 25, 2016
4:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Hilhorst, Commissioners Barksdale, deVadoss, Morisseau, Walter

COMMISSIONERS ABSENT: Commissioners Carlson, Laing

STAFF PRESENT: Terry Cullen, Department of Planning and Community Development; Catherine Drews, City Attorney's Office; Paul Bucich, Department of Utilities; Patricia Byers, Carol Helland, Liz Stead, Toni Pratt, Department of Development Services

COUNCIL LIAISON: Not Present

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

(4:35 p.m.)

The meeting was called to order at 4:35 p.m. by Chair Hilhorst who presided.

2. ROLL CALL

(4:35 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Carlson, who was excused, and Commissioner Laing.

3. APPROVAL OF AGENDA

(4:35 p.m.)

A motion to approve the agenda was made by Commissioner deVadoss. The motion was seconded by Commissioner Barksdale and the motion carried unanimously.

4. STUDY SESSION

(4:36 p.m.)

A. Low-Impact Development Principles Project

Assistant City Attorney Catherine Drews explained that the Council approved further exploring ways to integrate low-impact development (LID) principles into the city's code and standards.

She briefly reviewed the materials provided to the Commissioners, and explained that the goal of the LID principles is to minimize impervious surfaces and reducing the loss of vegetation to reduce the amount of storm water runoff.

Wayne Carlson with the consulting firm AHBL explained that integrating LID principles into the city's codes and enforceable standards is a requirement of the Clean Water Act under the city's NPDES municipal storm water permit, and the December 31 deadline is hard and fast. He said the city's codes and the standards in the Comprehensive Plan are very supportive of LID. An opportunity analysis was conducted to find areas in which the codes and standards are providing loopholes or challenges to the implementation of LID, specifically with respect to the permit goals of minimizing impervious surfaces and minimizing vegetation loss. He said the proposed amendments are consistent with the permit requirements as well as many other city initiatives, including the city's reputation as a city in a park, the Environmental Stewardship Initiative, the Downtown Livability Initiative, and the recent planning efforts involving Eastgate and the grand connection.

Mr. Carlson said the Council issued an interest statement as part of the project that said the city supports the objective of maintaining the region's quality of life by making LID the preferred and commonly used approach to site development. The term "preferred and commonly used" was pulled directly from the NPDES permit. The Council also approved principles to guide the work of identifying solutions that are Bellevue appropriate. There is no one-size-fits all approach with respect to impervious surface cover or vegetation given that each zone in the city has a different character; the proposals are intended to reflect that.

The proposals also recognize and seek to balance competing needs, including the needs of the permit with the needs under the Growth Management Act. There is a natural tension between minimizing impervious surfaces and vegetation loss and encouraging loss in urban areas. The permit is not intended to supplant the city's good planning work to date, rather it is intended to harmonize with it. The approach builds on existing information and programs, engaging stakeholders, and maintaining the city's compliance record under the permit.

Mr. Carlson said the opportunity analysis included reviewing a variety of development-related codes, rules, standards and development bulletins, as well as codes, for opportunities and impediments to the use of LID principles. The opportunities involved evaluating LID early in the process, reducing impervious surface coverage, preserving and enhancing tree canopy, and improving options for clustering. Some of the same options presented themselves in the transportation code.

In addition to providing briefings to the Council, the Commission and other groups, several community workshops and outreach efforts have been undertaken to solicit opinions and ideas about various options. There have also been meetings with the Master Builders Association. In all, just shy of 100 comments have been received to date. More recently, meetings have been held with the public to unveil the proposals.

Mr. Carlson said the process is coordinating with other city initiatives. From the start one of the key opportunities identified was to make sure that bioretention facilities are allowed and integrated within parking areas. That code update has already occurred as part of the Downtown Livability Initiative. The impervious hard surface standards are being evaluated for the new zones that will be created in the Eastgate corridor, and any proposed amendments will be consistent with the city's goals and vision for the grand connection.

According to the NPDES permit, low-impact development is a storm water and land use

management strategy that strives to mimic pre-disturbance hydrologic processes through the use of natural on-site features, site planning, and distributed management practices that are integrated into design. The concept is based on managing storm water in small distributed practices throughout sites, addressing storm water as close as possible to where it falls in ways that mimic natural hydrologic processes and functions. Directing everything to a large vault or pond is not really mirroring natural hydrologic processes. In the urban environment, there is some level of evaporation from rooftops and pavement, but there is far more surface runoff that contains associated pollutants.

The land use management strategies are essentially the LID principles. The LID best management practices, however, are engineered practices that most people commonly think of when they think of low-impact development, such as bioretention facilities, rain gardens and permeable pavement. The LID project focuses on the principles, though the best management practices are also being addressed by the city through updates to the storm water management manual that are being handled by the utilities department and which will also need to be completed by December 31.

With respect to land use management practices, the focus is on reducing impervious surfaces, reducing vegetation loss and reducing storm water runoff. The engineering practices of bioretention, permeable paving and dispersion are going to be required unless deemed to be infeasible. There will be included in the manual a lot of detail related to the technical infeasibility for various practices for the benefit of the engineering design community. Conventional practices such as ponds and vaults will still be seen under the new approach because there will be instances where LID practices are not feasible due to the underlying soils and so forth.

Mr. Carlson said a new standard for hard surfaces is being proposed to supplement the city's existing impervious surface standard. An analysis has been done of impervious surface coverage by zone in the city and the proposal is to realign the maximum amount of impervious surface allowed to be consistent with development patterns. By definition, hard surfaces in the proposal includes traditional things like pavement and rooftops, but will also include things like pavers, permeable concrete or asphalt, and vegetative roofs. The goal will be to move in the direction of looking for opportunities to reduce impervious surface coverage. The new standard for hard surfaces includes the existing standard for impervious surface as well as the newer permeable surfaces of pavers and porous concrete. The impervious surface limit is reduced in the proposal. The proposal allows property owners the same amount of coverage currently allowed, but it pushes folks toward using permeable surfaces where feasible.

The city currently has maximum lot coverage by structures requirements. In the R-1 zone, the maximum is 35 percent, while the maximum impervious surface allowed is 50 percent. The proposal recognizes maximum hard surfaces as a new standard; it combines permeable and impervious surfaces and set the maximum at 50 percent.

Ms. Drews commented that if a project is going to use impervious surface construction, the maximum coverage is 40 percent, whereas under the proposal, the hard surface approach, which mixes impervious surface and permeable surfaces, allows for increasing to 50 percent the coverage allowed.

Mr. Carlson added that where the application of permeable paving is infeasible, the proposed Footnote 48 allows the maximum impervious surface to be equal to the maximum hard surface. Where technically feasible, reaching the higher coverage limit will be achievable only through the use of permeable surfaces.

Commissioner deVadoss asked if an research has been done to see what other cities have done with respect to uncovering opportunities. Mr. Carlson said he is working with Bothell, Newcastle, Mukilteo and several other jurisdictions. The opportunities identified in those communities are very similar to the ones identified in Bellevue. One of the differences lies in the way significant trees are inventoried.

Commissioner Morisseau asked if the slope of a site is a factor. Mr. Carlson said it definitely is in that it makes permeable surfaces less feasible. In such cases the maximum impervious surface will become the maximum hard surface so that no development authority will be lost.

Mr. Carlson amendments are also being proposed to the transportation code to explicitly allow and encourage permeable surfaces for sidewalks and bioretention within landscaped areas along streets.

One of the goals will be to retain trees and vegetation for new and redevelopment projects. One thing found in the existing code that precludes that from happening is in the clearing and grading code. The current code has an exemption for up to a thousand square feet of clearing, and under the current approach a property owner could take down 20 trees and still fall under the threshold for a clearing permit. The proposal will remove the proxy of 50 square feet on average and allow for removing up to five trees without a clearing permit.

Chair Hilhorst said she has been raising the issue with staff for the past couple of years and expressed concerns that the city has not been following even the restrictions of the current code. Properties throughout the city are being overdeveloped without regard to retaining trees. Property owners should not be precluded from making decisions about removing trees because they are diseased or dangerous or because they are overshadowing a site. There should be a differentiation made between what a private property owner is allowed to do and what a developer is allowed to do; the developers need to be held to a higher standard. Mr. Carlson said diseased and dangerous trees can be removed by right, and in fact property owners will under the proposed approach be allowed to remove up to five trees without a clearing permit, provided they are not in a critical area, a native growth protection area, or an easement.

Ms. Drews said the city has in place tree retention requirements that apply when properties are developed or redeveloped. Chair Hilhorst said the problem is the loophole that current exists under which developers are asking the property owners to clear their properties as part of the purchase of the site. Ms. Drews said closing that loophole is in fact the purpose behind reducing the number of trees allowed to be removed without a clearing permit from 20 to six. Chair Hilhorst reiterated that she did not want a private property owner who does not intend to sell their property to be limited in what they can do relative to removing trees from their properties.

Mr. Carlson noted that under the current code, developers are required to retain 30 percent of the significant trees. The diameter of trees at chest height must be measured to determine if a tree is classified as significant. The proposed amendment seeks to assure that the trees that are retained in the development process will survive and thrive. All too often trees that are proposed for retention are in side yards or other places that make them susceptible to damage during construction. The proposal is to include some prioritization of the types of trees that are most apt to survive and thrive, including landmark trees and significant trees over 60 feet in height, and trees in rear yards where damage from construction excavation is likely to affect them. The proposal recommends removing from consideration trees that provide winter wind protection, summer shade, distinctive skyline features, and which are located adjacent to steep slopes or watercourses and wetlands, the latter of which is covered by the critical areas code. The proposal

also include that the director may require an assurance device to make sure trees live after construction. Additionally, where significant trees are required to be retained to meet the requirements of the chapter and as a condition of a project approval, they should be recorded as part of an instrument that will remain with the site as components of the project.

With regard to clustering, Mr. Carlson said the proposal includes management of on-site soils and minimization of impervious surfaces as required criteria, and allowing zero lot lines so long as the combined sideline setbacks meet the minimum requirement.

Commissioner deVadoss asked what the rationale is behind allowing zero lot lines. Mr. Carlson explained that clustering is sometimes a way to maintain significant trees by allowing for more flexibility in designing around natural topography and reducing site disturbance. Zero lot lines have nothing to do with the types of structures allowed, only their placement on sites. All setbacks when combined would still need to meet the minimums, and zero lot lines would only apply within a clustered planned unit development (PUD) project.

Commissioner Walter asked if a detached accessory dwelling unit could under the zero lot lines approach actually touch the lot line on one side of a site where the main house touches the lot line on the other side of the property. Ms. Drews said detached accessory dwelling units are not currently allowed in Bellevue. They are being discussed, but it would be appropriate as part of that discussion to determine whether or not attached accessory dwelling units should be allowed in a PUD. PUDs are allowed in Bellevue and often they include open spaces and play areas.

Mr. Carlson said the proposal also seeks to assure that some of the elements important to making determinations for the feasibility of the practices be submitted at the early phases of site design. Soils and hydrology information that supports the use of LID practices should be provided at the submittal requirement stage; information regarding the significant trees to be retained should also be part of that submittal.

Commissioner deVadoss said it seemed commonsense that such information would be submitted early in a project. Mr. Carlson said heretofore such submittals have not been made early on and specific requirements have been learned about later, sometimes requiring changes to site plans. It will be particularly important relative to landscape-based practices and decentralizing storm drainage in smaller facilities given the need to understand the soils and hydrology of the site. Commissioner deVadoss asked if the approach could be framed in the guise of guidance rather than being made a principle.

Commissioner Morisseau said a soils analysis will need to be done in any case. It is to the advantage of all to do it early on in the process. However, designers and architects who are not familiar with the local codes may not know they need to do it. Having it as a principle lets them know right from the start that it will need to be done.

Mr. Carlson briefly reviewed the next steps in the process leading to adoption of the work by the end of the year.

Chair Hilhorst asked what impact the proposed approach will have on the Shoreline Management Plan (SMP). Ms. Drews said it will apply to the general citywide requirements but will not reopen issues with the SMP, which has its own set of requirements.

5. PUBLIC COMMENT

(5:40 p.m.)

Ms. Pamela Johnston, 3741 122nd Avenue NE, said she serves as president of the Bridle Trails Community Club. She pointed out that the tree retention requirements that apply specifically to the Bridle Trails area are applicable only to R-1 properties. She voiced specific concerns pertaining to the proposed LID changes: how the city will reach the 40 percent tree canopy, who is driving the issue, why the LID is doing the easy thing in lieu of doing the right thing, who will pay for the LID, are the rules clear and do people know about them, and will it work. Development paying for development has been said to be a city practice, but there needs to be a balance and the impact on fees should be submitted as part of the LID changes analysis. The downtown is a done deal and it is impervious, but the tree retention provisions do not apply to the hospital or medical office areas. Bel-Red is not a done deal and there are many opportunities to do LID right there; Bel-Red should not be exempted from reducing the maximum impervious surface and including a hard surface limit/LID pervious surface requirement. LID should not just be for the neighborhoods. A permit should be required for every significant tree removed; there should be a requirement to maintain 20 percent of the significant trees on sites at a 1:1 or 3:1 ratio depending on the size of the tree; no permit costs; and no exceptions for unhealthy or hazardous trees. Redmond requires a no-cost permit for every tree removed. Every tree has an impact on the storm and surface water environment. The loophole for homeowners cutting down trees over time should be closed. The fees are a minimum of \$250 and can cost more. Tracking five trees at a time is not effective for tracking tree removal. More information is needed on the tree hierarchy mentioned. In the ordinance, "The director may require assurance devices to ensure the continual healthy life of retained trees..." should be changed to read "The director shall require...." One device would be to require mitigation for every tree removed under 40 percent of the canopy; mitigation could be in the form of storm water friendly vegetation. Another idea would be to have a tree coverage requirement similar to the hard surface requirement. Tree retention should be for every property. There should be incentives for homeowners to keep more trees. Planting should not be restricted to native plant species rather than native being preferred. Many non-native species have the same characteristics as native.

6. BREAK

(5:45 p.m.)

7. CALL TO ORDER

The meeting was called to order at 6:31 p.m. by Chair Hilhorst who presided.

(6:31 p.m.)

8. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Carlson, who was excused, and Commissioner Laing.

(6:32 p.m.)

9. PUBLIC COMMENT

Mr. Todd Woosley, PO Box 3325, spoke representing the Kramer family, owners of the Trailers Inn RV park in Eastgate. He noted that the *Seattle Times* recently printed an article about millennials staying home longer and in greater numbers than ever before. Folks aged 18 to 34 are staying home longer and for a variety of reasons. He said one solution is to create new housing units in the Eastgate area. He agreed with the recommendation of the staff to go to an FAR of 2.0 in the Neighborhood Mixed Use (NMU) zone, and to include an incentive for affordable

housing. The code provisions still need to be modified to meet some real world economic realities. The report that comprises Appendix 1 in the Commission packet makes it clear that unless enough density is allowed, nothing will happen. No uses that are already allowed in the area should be taken away, and that includes auto sales and service. If for whatever reason it is not feasible to redevelopment with multifamily, auto sales and service is the second best option for redeveloping the RV site. The market demand for the type of multifamily residential the Kramer family would like to see developed continues to outpace the ability of the market to supply it. The first incentive to go above a viable base FAR should be affordable housing, but a higher base FAR is needed along with a higher total FAR of 2.5 is needed to ensure a successful project. The city has an opportunity to obtain additional public amenities through an improved incentive system and the Commission was encouraged to add to and improve on the incentive system.

Ms. Helland asked if the Kramer family wants additional height to go along with additional FAR. Mr. Woosley said the recommendation of the CAC to allow height up to 75 feet is acceptable.

Mr. Clark Kramer, 1610 North 1st Street, Suite 1, Yakima, urged the Commission not to take away auto sales and repair as a use in the NMU district. He said in the last year and a half three major auto dealerships have approached him interested in purchasing the RV site property. Multifamily is a better fit for the site, but under the staff recommendation to allow only 40 percent lot coverage, it may not be possible to get full value from a Chair Hilhorst development with a height limit of 75 feet. The height limit would be fine if the 40 percent coverage were to be increased.

Mr. Ross Klinger with Kidder Matthews, 500 108th Avenue NE, Suite 2400, spoke representing the Kramer family. He said in the Eastgate neighborhood there are four or five sites that have improvement values that are less than the land values. Of those sites, only a couple are potential development sites; the others have long-term leases. Currently Bellevue has a 3.6 percent vacancy factor, which is razor thin and which is triggering great demand. The developer of the new development on the KFC site on Bellevue Way is seeing an absorption rate of 60 units per month, which is far more than the normal 20 units per month. While Seattle and Bellevue are different markets, there are similar rental categories and similar prices per square foot. In Seattle, the most common zones are NC and C. There is a base FAR of 4.25 and building height of 65 feet; the FAR can increase to 4.75 by adding ground floor retail. The proposed base FAR of 1.0 for the NMU in Eastgate is an outdated approach. The vision for the Kramer site is a six-story wood frame construction building with a fair number of multifamily units serving the community.

Mr. John Shaw with American Classic Homes, 9675 SE 36th St #105, Mercer Island, a local multifamily and single family developer, said the company has been talking with Mr. Kramer about the Eastgate RV site. With regard to incentive-based zoning, he said in order to produce more affordable units, there needs to be a collaborative win-win between the developer and the city. The staff proposal is for a base FAR of 1.0 and allowance of an additional 1.0 through the provision of affordable housing. The LIV project in Bel-Red also had a base FAR of 1.0, with an additional 1.25 allowed through the bonus amenity system. Within that 1.25, however, 4.6 of the bonus square feet was to market rate for every one square foot of affordable. In other words, about 22 percent of the additional bonus square footage went to affordable. The MU-R zone in Issaquah has a base FAR of 1.25 and allows through the bonus program up to 2.0. Within the first third of the bonus square footage, 20 percent is required to be affordable. For the remaining two-thirds, the developer is given the choice of paying a fee in-lieu, doing an additional 20 percent affordable, or providing public open space. The MU zone in Issaquah has a base FAR of

1.7 and through bonuses can achieve an additional 1.8 for a total of 3.5, and the same bonus criteria apply. Providing affordable housing is the right thing to do, but it really boils down to economics and finding the right balance.

Commissioner Walter asked if the LIV project includes affordable housing units. Mr. Shaw allowed that it does.

Mr. Brian Palidar with Group Architect, 1735 Westlake Avenue North, Seattle, said his office was the architect for the LIV project in Bel-Red. He said the economics worked with an FAR of about 2.25 in conjunction with the tiered amenity system. Getting more FAR on the site would have been possible but not easily accomplished. The LIV project is doing well and is 90 percent leased. Staff have indicated their expectations and hopes that the Bel-Red zoning would achieve more using the tiered amenity system. The tiering is structured in a specific order, with more things at the top of the order at the highest FAR tier, but the LIV project did not get to the second tier because it was not possible to get through the first tier. He proposed adding to the amenity system child care, live/work units, and senior housing. He proposed setting the base FAR at 1.5 and allowing it to increase through the incentive amenity system. The limit of 40 percent building structure coverage is a challenge architecturally. In the Bel-Red code, lot coverage by structure does not exist, and parking garages and some other uses are exempted from counting toward FAR. The part of the LIV project that counts toward coverage is at about 40 percent, but if the entire structure were to be counted it would come to 65 percent.

Mr. Dave Elliott, a resident of the Eastgate area, said he served on the 2003 Eastgate CAC as well as the 2012 Eastgate/I-90 CAC. The most recent CAC process highlighted the fact that there is no inexpensive housing left anywhere close to the Eastgate corridor. What is needed is additional workforce housing to accommodate many of those who work in the area, including at Bellevue College. Projects with an FAR of 1.0, a lot coverage of 40 percent, combined with a 50 percent affordable housing ratio, have never been built. The land costs too much, the building costs are too high and the process is too long to make such projects financially sustainable over time. There has to be a bottom line return for the developers. Eastgate is an office and business and an approach that includes sufficient FAR and allows for the provision of housing will take the pressure off of single family homes being used as de facto rooming houses, will help Bellevue College retain its instructors, will increase support for area businesses, will allow workforce workers to live close to the job centers, and will allow for housing adjacent to the future Mountains to Sound Greenway.

Ms. Michelle Wannamaker, 4045 149th Avenue SE, said many who live in the Northwest do so because of all the outdoor activities. To get to the activities requires having a vehicle. It is not safe to say that new housing units in the Eastgate corridor will be filled mostly by Bellevue College students. Ample and free parking should be provided in the transit-oriented development. She said she learned from transportation staff that the data they have been along with the transportation data used by the CAC in preparing the 2012 report, was from 2010, before the new round of growth started. Current data could change the CAC's recommendations. The CAC members included several from nearby neighborhood who come to Eastgate on a regular basis; one from Bellevue College; one from Hopelink; and four who had jobs in commercial real estate. More than a quarter of the group could benefit financially from growth in the area. A number of Comprehensive Plan policies will fail if the city moves forward without having the necessary transportation improvements completed ahead of the growth. That could put the onus on the residents of Eastgate to watch for every permit and property owners asking for exceptions, which would not be fair to the residents. The city has for many years been ignoring the need for transportation improvements in the corridor.

10. STAFF REPORTS

(7:02 p.m.)

Mr. Cullen allowed that there had been some issues in getting the Commission packets delivered on time and noted that he is working on correcting the problem.

The Commissioners were reminded that a public hearing is scheduled for June 1 on the threshold determination for the five proposed Comprehensive Plan amendments. They were also reminded that an open house on the Eastgate Land Use Code amendment is scheduled for June 8 from 5:00 p.m. to 7:30 p.m. in the Concourse of City Hall. The event will overlap the start of the Commission meeting that evening, and that a public hearing is scheduled for June 22 at Bellevue College.

11. DRAFT MINUTES REVIEW – None

(7:08 p.m.)

12. STUDY SESSION

(7:08 p.m.)

A. Proposed Eastgate Land Use Amendments

Code Development Manager Patricia Byers said three new zones are proposed for the Eastgate corridor: Eastgate Transit-Oriented Development (EG-TOD), Office Limited Business 2 (OLB 2), and Neighborhood Mixed Use (NMU). The Commission has already discussed uses for each of districts. The dimensional requirements involve details such as building height, setbacks and stepbacks. Development standards are directives that must be met, and design guidelines are more suggestive.

Land Use Director Carol Helland took a moment to introduce the Commissioners to the materials, some of which had been included in the binders and some of which she handed out. With regard to the dimensional requirements for the EG-TOD, she noted that many of them were drawn from the Bel-Red subarea, which was used as a model for the Eastgate area, so many of the setbacks are the same. In Bel-Red a stepback is required above 40 feet but it has been found difficult to implement in practice because of the ground floor retail or lobby space and because of site characteristics. The conclusion reached was that it would be better to have a separation requirement from the back of the sidewalk but not to dictate where the separation should occur. The approach is accommodated in Footnote 5. The maximum building height is 160 feet, which is consistent with the recommendation of the CAC for 12 floors, and the height limit for parking garages is identified as 45 feet.

Ms. Byers said the FAR for the EG-TOD is 2.0. Up to 1.0 can be excepted for affordable housing, open space, public restrooms, and special dedications and transfers.

Mr. Cullen referenced the economic analysis in Appendix 1 that was done by a consultant and completed in May 2015 based on information from the fall of 2014. The information was intended to help inform whether or not an incentive zoning system makes sense for the Eastgate corridor. The bottom line is that a traditional incentive zoning system does not make sense for the area. Many of the prototypes used were for infill development that does not involve scraping the site and fully rebuilding. There are also questions about how the report addresses parking; the

fact is structured parking is very expensive. The report does not include enough information to conclusively determine that it makes sense to include an incentive zoning system.

Mr. Cullen said the original CAC recommendation included starting off with a base FAR of 0.5 and going up to 2.0. One of the key findings identified in the report talks about the base FARs encouraging a continuation of the current auto-oriented development patterns. The new zoning districts NMU and OLB 2 both have a proposed base FAR of 1.0 rather than a 0.5 specifically to begin moving away from an auto-oriented development pattern. Accordingly, it was necessary to go back into the EG-TOD and increase the base FAR from 0.5 to 1.0. In conversations with the consultants and with property owners in the EG-TOD area, the conclusion reached was that there is not enough lift to go from an FAR of 1.0 to 2.0 to be able to buy one's way up. The only way it would make sense to have an incentive zoning system would be to dramatically increase the FAR. An incentive zoning system like the one in place in Bel-Red is a transaction between the city and the developer. The developer must have enough of an incentive to want to buy into the system, but the city must also be able to get enough out of the lift to make it worthwhile. For example, the base FAR in NMU is 1.0 and the proposal is to except up to another 1.0 for affordable housing; all the units would have to be affordable and provided on site as there would be no fee in-lieu. The exchange rate was calculated to be as low as \$11 per square foot for affordable housing which if paid as a fee in-lieu would yield very little affordable housing.

Mr. Cullen said it will be a requirement in the EG-TOD for the developer to provide the street and the streetscape. The infrastructure boost will benefit the city and will pretty much take up the 2.0 FAR. It would make no sense to put in an incentive zoning system on top, especially one that would work for all three new zones. With regard to just the infill opportunities, an incentive zoning system would yield a mixed bag of goods, with positive economic surpluses in some instances but not in others. The conclusion reached was that staff would not be recommending an incentive zoning system. Incentive zoning systems only work under certain conditions, and the values attached can quickly become outdated. It is already necessary to go back to the Bel-Red corridor with an eye on recalculating the values; the work will require an economic study that the city will have to pay for.

Very simply put, the proposal for the EG-TOD is an FAR of up to 2.0, a requirement to provide the street and the streetscape, and an allowance for an additional FAR of 1.0 to accommodate primarily affordable housing. Much of what came out of the Eastgate/I-90 CAC plan was adopted into the Comprehensive Plan, and the transportation improvements that were adopted into a transportation plan were calibrated for the different areas based on what had been proposed. For the EG-TOD, the proposal was for an FAR of up to 2.0, and that in the NMU the FAR would be up to about 1.0. Staff believes the recommendation strikes a good balance in lieu of the economics working in ways that make sense for both the city and the development community.

Ms. Helland noted that the work done by the transportation group was calibrated to the anticipated FAR, as was the environmental review. For instance, the CAC recommended a maximum FAR of between 0.7 and 1.0 for the Eastgate Plaza area, and that is consistent with what was analyzed for the environmental review and the transportation review. The only deviation was that the CAC also recommended an incentive zoning system, but because of the economics of the area, the incentive zoning piece does not work. However, the approach represents a way to achieve the FARs recommended by the CAC.

Mr. Cullen shared with the Commissioners photos of various office buildings and indicated their FARs for comparison purposes: T-Mobile, 1.26; Sunset Office campus; 0.85; Advanta building, 0.5; Group Health, 1.04; Bellevue Corporate Plaza, 1.5; Plaza Center West, 1.75; 112th @ 12th,

2.7. He also showed several housing developments for comparison purposes: 1200 Bellevue Way, 0.72; Palazzo Two, 3.5; Washington Square, 4.9. He stressed that the greatest intensity will be in the downtown and in the centers of Bel-Red, Factoria and Eastgate, though the areas outside of the downtown should not eclipse the downtown in terms of FAR. Transit-oriented development can be nicely accommodated with an FAR of 2.0, even going up an additional 1.0 for affordable housing. It would not make sense to allow for a high FAR in the NMU, which is a neighborhood district.

Ms. Helland noted that staff added the FAR exception for affordable housing in the NMU and EG-TOD sections after the Commission's conversation on Aegis. Additionally, no fee in-lieu is allowed in those locations so that the units will be built on site. There is less parking generally associated with affordable housing so the impact that might otherwise be associated with increasing the FAR is essentially ameliorated.

Mr. Cullen said an FAR of 1.0 in the EG-TOD area would yield an estimated 1.1 million square feet of office space. At 2.0, which is what is recommended, the yield would be 2.2 million square feet. For every additional 0.5 FAR increase, there would be roughly 552,000 square feet of office, which also equates to 823 extra trips during the evening peak period based on 1.49 trips per thousand square feet of office, or 6300 extra trips per day. He explained that 552,000 is the equivalent of 38 Walgreens stores, five super Walmarts, 1.7 Ikea stores, one Lincoln office tower, or one tower of the Bellevue Towers complex. Small incremental changes in FAR can add up very quickly.

Chair Hilhorst asked staff to comment on the issue of building site coverage, suggesting that the coverage limit would affect how much can be developed. Mr. Cullen said a FAR of 1.0 on 100,000 square feet of land with not coverage limits would yield a single story building of 100,000 square feet. If the site allows only 50 percent building coverage, it would take two stories to get the same 100,000 square feet of office. At 40 percent, it would be necessary to go a little higher in order to achieve the maximum FAR. Staff's initial conclusion was that the proposed FARs can be reached given the proposed dimensional, height and lot coverage requirements. To be sure, however, a consultant has been brought on board to do the acid test.

Ms. Helland added that the maximum lot coverage by structure approach is aligned with the low-impact development proposal. It is possible that some adjustments will be needed going forward. Forty percent limit is the maximum lot coverage by structure in the EG-TOD, while the maximum impervious surface limit is 80 percent, which is similar to Bel-Red. In the NMU the maximum impervious surface coverage will likely be 60 percent.

Ms. Byers addressed next the EG-TOD development standards. She noted that many of the general landscaping requirements will apply, including types of landscaping, species selection and maintenance. Street trees and landscaping are proposed for the area, and interior property lines are to be softened with landscaping. There are provisions regarding significant tree retention, and there is a provision relative to fencing that disallows barbed wire, electric or chain link fencing, and no site obstructions can be created by fencing. There will also be street standards. The idea with regard to parking is that in a transit-oriented development there is a less of a need for it. Using the Bel-Red nodes as the model, the requirements for parking are reduced from the general requirements for other districts. There is flexibility built in to allow for adjusting the amount of parking to fit the needs of an applicant through the provision of a parking demand analysis. Bicycle parking is addressed in the standards as well; the provisions indicate that half of the bicycle parking must be covered.

The transit-oriented development "main street" Ms. Byers noted that the roadway runs east and

west. There is a provision in the development standards that allows for the submittal of a master development plan that has a vision for the street. As envisioned, it will be possible to walk from the park and ride to the eastern end of the street past ground floor retail shops. The north-south street intersections will involve some kind of open space/placemaking gathering spaces. A hillclimb will connect Bellevue College to the heart of the TOD area.

With regard to the general use charts and the dimensional requirements, Ms. Byers said the reason OLB 2 and NMU have their dimensions in the general dimensional chart is because they can be applied citywide. With the FAR exception of affordable housing in NMU, the requirements for the two districts are much the same with zero setbacks and an FAR of 1.0.

Ms. Byers said the design guidelines include many similarities given a backdrop of green forested hills and an urban skyline. They include connections to the Mountains to Sound Greenway and walking trails. The green theme is intended to promote environmental sustainability and will fit nicely with the LID project. In the EG-TOD, the design guideline relative to integrating the natural environment is about ensuring that the green hill between Bellevue College and the TOD will be honored. Additionally, the CAC called for connectivity with the Mountains to Sound Greenway along with some wayfinding, so that element has been included in the guidelines. The guidelines call for development generally to be in harmony with the surrounding natural environment. Green walls, green roofs, rain gardens and other approaches that fit in with environment sustainability and energy efficiency are also called out. Enhancing the pedestrian system is called out in all three new districts and will also be included in the street standards. The pedestrian hillclimb is intended to connect the transit-oriented development with Bellevue College, all pedestrian routes are to be safely integrated with the streets, and pedestrian access connections are called for to link the public right-of-way, Eastgate park and ride and all areas of the TOD. All walkways should be wide, unobstructed, offer visibility, paved and lit with pedestrian-scale lighting.

The gateways are listed in the design guidelines. The guidelines call for buildings located at a gateway to include appropriate architectural treatments such as freestanding elements that celebrate the gateway, signage, landscaping, lighting that identifies the gateways, and markers or artistic inlays in the sidewalks. The guidelines also call for a creative variety of activated outdoor spaces, including courtyards and plazas, that can be defined with materials such as furniture, pavers or colored concrete, and landscaping. The pedestrian emphasis guidelines talk about building entrances being accessible from the street level, transparent windows at the street level, walls with visual interest through form and materials, the selection and coordination of streetscape furnishings, and pedestrian-scale signs and lighting.

The guidelines also call for the provision of continuous weather protection for pedestrians in the form of canopies, marquees and awnings. The incorporation of art that relates to TOD characteristics is also called for; works should utilize durable materials, should be designed for the site, and should be functional or interactive.

Ms. Byers said the architectural guidelines are similar for each district. They focus on the use of high-quality and durable materials; articulation with windows and storefront trim; compatibility with adjacent buildings and the surrounding natural environment; and being to scale. The guidelines also cover interesting building massing; having a base, middle and top for buildings over five stories; vertical articulation of windows, columns and bays; and building massing that maximizes solar access to publicly accessible open spaces.

Eastgate is an entrance into Bellevue from the east. The guidelines call for buildings visible from I-90 to have a distinctive silhouette to announce entry into the city. Any parking garages visible

from the freeway should have some kind of screening or green wall. Green roofs and rooftop terraces should be provided to reduce and treat storm water runoff and provide habitat. Rooftop mechanical equipment should not be visible and should be enclosed in a mechanical room that is architecturally integrated into the building.

Residential entries should have weather protection; transparent doors, windows and glazing; double or multiple doors; visibility and security; and high-quality door hardware. Windows should be operable, recessed from the building façade, and broken into multipane segments. The guidelines call for entries on the street frontage to each tenant space; doors with 50 percent window area or more; lighting that emphasizes the entry; large café or restaurant doors that open to the street; activated and emphasized corners; weather projection; special paving; architectural detailing; ground floor retail; and commercial windows with clear glazing providing visual access. Surface parking is suggested to be located behind buildings, and the first floor of parking structures should have habitable spaces, green walls or other screening, and be designed from the exterior to look like any other building.

The lighting guidelines call for lighting to be directed toward the interior of sites and designed to accommodate both pedestrians and vehicles. Lighting should be integrated into the design of the building; footlights for walkways and stairs are preferred; and the use of energy efficient lighting it also preferred. Decorative wall sconces, screened uplight fixtures, lighting with natural color, and adjustable brightness are also encouraged.

All signs must conform with the sign code; must be scaled and oriented to pedestrian movement; should be architecturally integrated with building design; and should be durable.

Ms. Byers turned next to the OLB 2 district and noted that many of the same provisions apply. She said the district is intended to have offices and businesses that provide amenities for office workers within walking distance. The design guidelines call for integrating the natural environment; maximizing the retention of existing vegetation; promoting the environmental sustainability using LID principles, green walls and green roofs; and promoting architectural compatibility. Multi-site developments should have a unity of design. Fences, walls and refuse receptacles should be consistent with the scale and architectural design of the primary structure. Rooftop equipment is to be fully screened, and no at-grade mechanical equipment will be permitted. Parking areas are to be landscaped, and parking structures are to be designed such that they will not be obvious or overwhelming.

The CAC wanted to ensure there would be a good pedestrian system through the office park. The outcome of enhancing the pedestrian system will be direct routes to places; safe integration with street systems; and convenient and safe connections with transit. All internal streets are to have street trees and sidewalks, weather protection, and building walkway entrances.

Ms. Byers said OLB will have its own chapter as a design district, and OLB 2 will be included in that chapter. NMU, however, is very similar to the community retail design district which already has building design guidelines, site design guidelines and design standards, all of which would apply to the new NMU. However, an NMU-specific area has been created for design guidelines in which integration of the natural environment is called for along with providing access points to local and regional trails; promoting environmental sustainability; community gathering spaces; incorporating public art; and compatible parking spaces. The guidelines are similar to the other areas with regard to the pedestrian system, street trees and sidewalks, and weather protection. They are also similar to the other areas with regard to interesting building massing; vertical articulation; tripartite façades; vertical articulation of windows; and creating an attractive silhouette and rooflines where visible from I-90.

Promoting welcoming residential entries is a little bit different. With ground-related individual entries, there should be a clear transition from the public realm in the form of porches, private open spaces, low-rail fences, landscaping or other transition design measures. Multifamily lobby entries should include weather protection, transparent doors and windows, double or multiple doors, visibility and security.

As in the EG-TOD, the portion of buildings that front on the street should include public entrances. High-use pedestrian entrances should be provided every 50 feet to generate pedestrian activities. Doors should have 50 percent or more window area. The lighting should emphasize the entries and there should be café or restaurant doors that open to the street, and the windows should be clear.

Ms. Byers said the transition area design district applies to the OLB 2 and the NMU where office uses abut single family zones. Ms. Helland said within the transition area height is to be limited, and some additional design criteria are imposed in the areas closest to the residential areas. Because of the topography of the area, there can be taller buildings closer to the freeway that actually do not block the views. The height limitation in the areas to the south of the freeway in NMU and OLB 2 essentially limits building height to the height of buildings allowed in the adjacent district.

Ms. Byers explained that there will need to be a number of conformance amendments needed to make sure that all parts of the code are in sync. The actual legislative rezones will essentially be really long legal descriptions of the areas to be rezoned. Ms. Helland said there is a small property at the very west end of the district that is shown to be rezoned from GC to CB and noted that that rezone has already occurred.

Mr. Cullen took a moment to thank the staff for the countless hours put into weaving together a package of amendments that honors the recommendations of the CAC. While there are still tweaks to be made, the package is essentially what will be taken to the public in an open house and eventually a public hearing.

Chair Hilhorst noted that earlier it had been stated that the OLB 2 provisions would apply citywide and she asked if that includes the OLB 2 in the downtown and if the two districts are consistent with each other. Ms. Helland explained that the downtown livability work is focused only on the downtown districts which exist solely in the subarea. The OLB in Eastgate is EG-OLB, while the OLB in the downtown is DT-OLB.

Chair Hilhorst asked for clarification regarding the requirement to locate refuse recycling inside the buildings. Ms. Helland explained that they are generally located in the loading areas, which are considered to be part of the building along with parking areas.

Commissioner deVadoss asked if it was the complexity of the model or the lack of economic value added that made the staff recommend against implementing incentive zoning in Eastgate. Mr. Cullen said it was actually both. The economic incentive is questionable, and the complexity involved is not fully addressed in terms of infill development versus scrape and build comparisons. The study also used different lifts between base and bonus which creates even more confusion. Incentive zoning works very well in high-value added areas of the city. With an FAR of 2.0 there is a basis to provide parking options. Whether or not they will be able to provide the street and the streetscape right away is debatable. Information from the consultant based on changes in land values, leasing rates and construction costs indicates that it will be expensive to provide the street and the streetscape, but the lift allows for increasing the area from

1.1 million square feet to 2.2 million square feet, and provides the opportunity to create a unique office product.

Commissioner deVadoss asked about the provision allowing developers to make the case for a different level of parking. Ms. Byers said the idea is to allow developers to provide more parking or less parking depending on a parking analysis. Ms. Helland said development in the downtown is able to assign a parking demand based on a special study that takes into account comparable uses in comparable jurisdictions, engineering literature, and other factors, including their own operation and how it either differs or is similar to the standardized characteristics.

Commissioner deVadoss asked if the design guidelines are mandates or recommendations. Ms. Helland explained that the code is set up with both standards and design guidelines. In putting together the package, staff was not able to go back and look through the guidelines with as much specificity as hoped, and some of the standards may have gotten inadvertently placed in the guidelines section. By definition, a standard is required to be met, and guidelines are more focused on design and style and are characterized by “should” rather than “shall.” Even so, while there is variability in the way guidelines are met, they must be met.

Commissioner Morisseau asked if economics from the developers perspective was taken into account in working with the consultant on allowing additional FAR in exchange for affordable housing. Mr. Cullen said the consultant was not asked that question but staff did talk with the owner of a large property in the TOD who was intrigued by the idea in light of a conceptual master plan that had been drawn up. Commissioner Morisseau suggested that going forward economics from the perspective of the developers should be considered.

Commissioner Morisseau said it was her understanding that a comprehensive parking plan for the entire city will be undertaken at a later date. Ms. Helland said the same standardized approach to parking that was used in Bel-Red was applied to the EG-TOD, along with a provision allowing for deviation from the standard with a parking study. The citywide parking study has been put on the back burner to allow for addressing all of the other issues assigned to the Commission by the Council. She stressed that Bel-Red is the model for how parking is to be addressed citywide, and the EG-TOD parking requirements are based on that model. Ms. Byers added that the minimum and maximum amount of parking that must be provided is based on the use.

Ms. Helland explained for the benefit of Commissioner Morisseau that in OLB 2 and NMU where increased height will be allowed, the mechanical equipment will need to be integrated into the architecture of the building. Oftentimes there is a disconnect in regard to the installation of mechanical equipment and it gets added later almost as an afterthought, along with screening. The desire is to have the equipment fully contained in a mechanical equipment room and not allow for mechanical equipment to be put on top of buildings and screened in exchange for increased building height.

Commissioner Walter commented that in the downtown there is a high demand by developers leading to more economic growth. The same is not true to the same extent in Eastgate. She asked what the driver is for developing the Eastgate area if there is no real demand on the part of developers, and suggested that it might be better to slow things down for the corridor until there is an actual demand. Mr. Cullen said the Eastgate area is an older suburban office district, a style that is very much outdated. The fact that the economics do not support an incentive zoning system does not mean the market demand is not there. In fact, market demand in the corridor is significant. Downtown office space is very expensive and cannot be afforded by all businesses. The city needs a variety of spaces affordable and with different types of amenities to appeal to a

broad range of users in order to stay competitive. The proposed approach increases the FAR and will yield an activated mix of office workers, commuters and college students.

Chair Hilhorst voiced concern about the apparent mixed signals relative to the incentive zoning system approach. On the one hand statements have been made that incentive zoning is a good thing, while on the other statements have been made about the approach not working in the EG-TOD. She said she hoped that at the open house developers would be encouraged to offer their feedback. Mr. Cullen said the EG-TOD property owner staff talked with included their economic consultant who made it clear the incentive zoning system would not work with a lift of only 1.0 FAR.

Chair Hilhorst also questioned why an increase in FAR would be offered for affordable housing in NMU but not in OLB 2. Ms. Helland said that goes back to the underlying purpose for each of the zones. OLB 2 is an office and business district, whereas NMU is a neighborhood and mixed use district.

Chair Hilhorst asked if the city has data on the amenity system in place in the downtown relative to what has worked, what has not worked, and who took advantage of what.

Mr. Cullen reiterated that there were issues with the economic study design in that it only looked at one type of development: infill. Given that limited information, it can be concluded that infill might generate some economic surplus in some areas, but not in others. The information is all well intentioned, but there are confusions and wide variables involved. Such studies are not typically done in conjunction with rezone actions. The reason the study was done was because the CAC suggested considering it.

A motion to set a public hearing date of June 22 was made by Commissioner deVadoss. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

13. PUBLIC COMMENT

(9:06 p.m.)

Mr. Todd Woosley, PO Box 3325, said he appreciates how complicated it is to create a new zoning category. He pointed out that as soon as the city gives the green light, the area he is looking to redevelopment is ready to go, which is evidence that the market is there. He suggested the Eastgate RV site should really be looked at as a transit-oriented development as well. The Mountains to Sound Greenway is adjacent, and just nearby at Crossroads Bible Church their 300-stall parking lot is used as a private park and ride for T-Mobile contract employees. Of the 12 park and rides in Bellevue, it is the third largest. The area is truly transit oriented. The economic study missed the mark completely with regard to scraping and rebuilding, which is what is usually looked at first. The Commission was asked to keep an open mind moving forward. With regard to the amenity incentive system, he said he was involved in the development of the Bel-Red corridor approach that is working to create new housing with an affordable incentive component. It is not a perfect plan, however, and some tweaks are needed. The Urban Land Institute was hired to do a technical report and their finding was that the incentives were too expensive and did not create enough economic value to provide the public benefits envisioned. The economic study for the Eastgate corridor encourages looking at catalyst provisions, and the RV site would be a perfect site to focus on in that regard.

Commissioner deVadoss said he would like to see a simple economic model built in conjunction with other property owners in the Eastgate area for the Commission to review. Commissioner

Woosley said he welcomed the opportunity and would be happy to comply.

Ms. Michelle Wannamaker, 4045 149th Avenue SE, said her objection to redevelopment of the RV park site is focused primarily on the transportation impacts. If there would be no transportation impacts, the site would be perfect for multifamily housing. Once WSDOT completes the extra lane on I-90, and once the city completes the three transportation projects in the corridor, her objections would be mostly addressed. She said she has been supplied with some of the plans for the site and was pleased to see the green buffer would be retained and that other green elements would be included. She asked at what point future residents and workers became more important than the existing residents and workers.

Mr. John Shaw, with American Classic Homes, 9675 SE 36th St #105, Mercer Island, said he was disappointed to hear that the incentive zoning system is a fad sweeping the region. He said all of his projects include affordable units by taking advantage of the programs offered. With a base FAR of 1.0, the extra 1.0 offered for affordable housing just does not pencil out. A lot of time has been spent in analyzing the RV site and there is a desire to include affordable housing units as part of the redevelopment, but it will need to make economic sense for the developer. A consultant was hired to peer review the 2010 transportation report that was predicated on an FAR of 1.0 for the site. The report was used along with some assumptions to extrapolate what the impacts would be with an FAR of 2.5. The result was that the intersection coming up the hill from T-Mobile by the Toyota dealership would experience an additional half-second delay.


Mr. Brian Palidar with Group Architect, 1735 Westlake Avenue North, Seattle, noted that a comment had been made about getting too specific with zoning and amenities in developing the NMU zoning and the need to make sure it is implementable across the city. The fact is, however, Bel-Red uses a variety of footnotes that are specific to specific areas. The same approach could be used in Eastgate. He said there is a clear demand for market-rate and affordable housing development in the Eastgate corridor. So long as there is a profit gap between construction costs and rents, for-profit development will occur; volatility occurs when the two numbers get too close together. With regard to the LIV project in Bel-Red, he said there are some 55 affordable units included, which is evidence of the fact that the incentive zoning system works. At one point before the fourth LIV tower went up, which is where the affordable units are, the site was on the slate to be sold to a non-profit developer that did affordable housing exclusively, but the project was never able to come together. In most instances, it would be better to have market-rate developers produce the affordable units and then turn them over to ARCH to administer.

14. ADJOURNMENT

(9:21 p.m.)

A motion to adjourn was made by Commissioner deVadoss. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

Chair Hilhorst adjourned the meeting at 9:21 p.m.



Terry Cullen
Staff to the Planning Commission

7/14/16
Date



~~Michelle Hilhorst~~ Stephanie Walker
Chair of the Planning Commission

7/13/16
Date

Chair Pro-Tem