

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

October 6, 2008  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Degginger and Councilmembers Bonincontri, Chelminiak, Davidson, Lee and Noble

ABSENT: Deputy Mayor Balducci

1. Executive Session

The meeting was called to order at 6:04 p.m., with Mayor Degginger presiding. There was no Executive Session.

2. Study Session

(a) Introduction of Sister City Kladno Delegate Libuse Bouskova

Bob Derrick, Economic Development Director, introduced Sister City delegate Libuse Bouskova from Kladno in the Czech Republic. Ms. Bouskova provided an overview of her professional experience. She thanked the Council for the opportunity to participate in the staff exchange program and presented a gift to the Mayor.

Mayor Degginger thanked Ms. Bouskova for the gift and presented a gift for her to take back to Kladno.

(b) Pedestrian and Bicycle Transportation Facility Plan Update – Transportation Commission Recommendations

City Manager Steve Sarkozy opened discussion regarding the Pedestrian and Bicycle Transportation Facility Plan Update. The Transportation Commission has completed its review and prepared recommendations for Council consideration.

Kevin O'Neill, Assistant Director of Transportation, reviewed the purpose of the presentation to present the Transportation Commission's recommendations. He recalled a related policy discussion with the Council on March 24.

Francois Larrivee, Transportation Commission, noted the 18 months of technical review and public input involved in the Transportation Commission's discussions regarding the Pedestrian and Bicycle Plan. He reported on comments from citizens that a number of bike trails have been implemented in a piecemeal fashion, resulting in a network that could be more easily navigable.

The plan update includes a strong commitment to a multi-modal transportation vision for the City, aimed at improving public health, transportation efficiency, air quality, accessibility, economic development, safety, and overall quality of life. The Transportation Commission recommends hundreds of projects that together would result in 90 miles of sidewalk, 147 miles of bicycle, and 20 miles of trail facility improvements. Mr. Larrivee acknowledged that this is an ambitious goal.

Franz Loewenherz, Senior Planner, described ongoing policy work related to the Comprehensive Plan and Transportation Facility Plan as they relate to the Pedestrian and Bicycle Plan. The updated Pedestrian and Bicycle Plan contains a newly drafted Goal Statement as well as specific implementation targets. The project list responds to input from the community. The plan update process involves three phases: 1) Project identification and location, 2) Policy guidance and project scoping, and 3) Project prioritization and plan recommendation.

More than 600 comments were received on projects contained within the plan update. Mr. Loewenherz briefly highlighted some projects in the plan. Staff is requesting Council direction to the Planning Commission to proceed with the Comprehensive Plan amendment process revisions outlined in the Pedestrian and Bicycle Transportation Facility Plan Update policy framework, network maps, project lists, and project maps. A public hearing before the Planning Commission is tentatively scheduled for November 12. Council action on the Comprehensive Plan amendments and Pedestrian and Bicycle Plan is anticipated in January 2009.

Councilmember Noble described the concerns of Bridle Trails residents regarding proposed projects along 140<sup>th</sup>. Residents oppose a proposed six-foot sidewalk and five-foot bicycle lane on the east side.

Mr. O'Neill said that staff has been working with Bridle Trails residents, who have opposed the vast majority of trail projects presented by the City. The trails have been retained in the network plan but removed from the project list, which is supported by the neighborhoods. Similarly, most of the proposed bicycle lane projects through the area have been removed from the plan. However, the Transportation Commission feels it is important to have some connection into Redmond.

Mr. Larrivee acknowledged the concerns as well and commended the Bridle Trails community for their participation in the planning process. The Commission encourages addressing these concerns during the design phase for the 140<sup>th</sup> corridor.

Councilmember Noble described previous concerns regarding the placement of a trail along the east side of 140<sup>th</sup> due to slope and drainage issues. He questioned the feasibility of expanding the roadway as proposed to accommodate pedestrian and bike trails. Responding to Mr. Noble, Mr. Larrivee said he has walked the route. Mr. Noble said that one Transportation Commissioner met with the Bridle Trails Community Club, and he encourages more to do the same.

Transportation Director Goran Sparrman explained that the concept for 140<sup>th</sup>, if funded by the City Council, is to use the existing shoulders of the road to accommodate bicycles in order to minimize the widening of the roadway.

Councilmember Bonincontri commended the addition of implementation targets into the plan, and thanked the Commission for its work.

Responding to Councilmember Davidson, Mr. O'Neill said a portion of the Pedestrian and Bicycle Plan exists within Volume 2 of the Comprehensive Plan, which contains all of the Subarea Plans and a number of Transportation Facility Plans. Council will be asked to approve the Comprehensive Plan revisions, as well as the Pedestrian and Bicycle Plan that contains expanded information.

Councilmember Lee shares Ms. Bonincontri's concern that a number of projects from the previous plan have not been implemented. Mr. O'Neill said the plan is to be updated every five years. The proposed update addresses changed conditions in the Bridle Trails area as well as in the Wilburton area and Bel-Red corridor. Mr. O'Neill said the current update focuses more on prioritizing projects than did the previous 1998/1999 plan.

Mr. Larrivee said that the Transportation Commission considered projects from the previous plan that had not been implemented in setting priorities for the current update.

Councilmember Chelminiak expressed concern about specifying the timing of projects in the Comprehensive Plan, and wondered if there could be unintended adverse impacts if the projects are not implemented as scheduled. Mr. Larrivee said the Commission's intent was to set bold targets to encourage implementation. Mr. O'Neill acknowledged Mr. Chelminiak's concern and said that staff will address it.

Mr. Noble is also concerned that such statements in the Comprehensive Plan will be interpreted as commitments rather than goals.

Mayor Degginger commended the establishment of goals and implementation targets, noting that the projects will be competing for resources in the mid-biennium Budget and Capital Investment

Program (CIP) Plan. Responding to Mr. Degginger, Mr. O'Neill addressed brief questions of clarification.

Mayor Degginger noted Council consensus to proceed with review by the Planning Commission.

(c) Bel-Red Subarea Plan – Continued Discussion of Plan and Code Revisions and of Proposed Incentive System

Dan Stroh, Planning Director, reviewed the schedule for ongoing discussions of the Bel-Red Subarea Plan. Staff is seeking adoption this fall of the long-range capital finance plan, which will fund needed infrastructure investments in the Bel-Red corridor. Action on amendments to the Subarea Plan and Land Use Code, as well as on the BROTS (Bel-Red Overlake Transportation Study) Interlocal Agreement, is anticipated in January.

Mr. Stroh explained that the proposed zoning incentive system is one component of the financing strategy, which also relies on general revenues and other forms of developer participation including impact fees, right-of-way dedication, and local investment districts (LIDs). The intent of the zoning incentive system is to provide additional development rights in the form of FAR (floor-area ratio) and building height provisions in exchange for contributions to the cost of providing public amenities and infrastructure. Mr. Stroh described the concept of FAR, which is a measurement of the floor area in a building compared to the site area, and reviewed photos of buildings with varying FARs.

The incentive system contains Tier 1 incentives for parks, open space, streams and affordable housing. Tier 2 incentives encompass a wide range of amenities including art uses, child care, nonprofit space, and public art. Mr. Stroh provided additional details on how the incentive system would function for commercial and residential development. He recalled public feedback last spring that the incentive system potentially threatened the feasibility of development. At that time, the City Council endorsed the use of an Urban Land Institute (ULI) panel to offer unbiased expert advice about complex land use and development issues. The panel was asked to review and comment on the Bel-Red economic modeling, identify and apply other technical and analytical methodologies to the question of the ability of development to pay for needed infrastructure, and to make recommendations regarding the draft incentive zoning system.

Patrick Callahan, Chair of the ULI Panel and Founder/CEO of the Urban Renaissance Group, provided the names of the panelists and noted that they work as volunteers for the Urban Land Institute. The panel focused on the feasibility of a financial model that will encourage and support development. Mr. Callahan reported the economic modeling conducted by Property Counselors is an accurate methodology. The ULI panel questioned and highlighted some of the assumptions of that report, but not the methodology.

Mr. Callahan said the panel found that values assigned to property within the Bel-Red corridor by the consultant were too low, resulting in an incentive-based lift in land value that was overstated. He reviewed additional findings and technical recommendations by the panel,

including that the base FAR of 1.0 is appropriate throughout the corridor and that total incentive fees should not exceed \$15 per square foot of additional FAR. He recommended that capitalization rates be reviewed periodically to assure the pace of development and incentive fee collection is appropriate.

Mr. Callahan noted that the Bel-Red corridor is a large area in which some properties are ready for development and others are not. If a developer were providing a small investment, such as a stream enhancement, he could afford additional fees. However, a developer providing a significant amount of road infrastructure would be less capable of absorbing higher fees. Mr. Callahan envisions the use of development agreements to accomplish redevelopment of the area.

Mr. Callahan responded to additional questions of clarification.

Mr. Stroh introduced Greg Easton of Property Counselors, which conducted the initial economic modeling for the Bel-Red area.

Mr. Easton briefly described the original analysis of 10 development scenarios, and reviewed revisions to their model in response to the ULI panel's comments. The report by Property Counselors concluded that the \$15 per square foot fee for additional development rights has been tested and is supportable given the results of the revised feasibility analysis. The bonus rates for each amenity were generally higher in the revised analysis than those derived from the earlier economic modeling. Mr. Stroh indicated that this means more bonus FAR is being provided for the same investment in the public amenity infrastructure.

Mr. Easton responded to questions of clarification.

Mr. Stroh reviewed staff's response to the non-technical recommendations by the ULI panel. He reviewed the areas of agreement including appropriate FAR levels, encouraging Transferable Development Rights (TDRs), recognizing privately financed public amenities and the conveyance of land to public use, and the framework for building bulk and scale.

Responding to the Council, Mr. Stroh said residential development will be more favorable initially in some areas within the Bel-Red corridor than in others. In some instances commercial development and infrastructure investments will occur first, making residential development more feasible.

Mayor Degginger noted the need to recess to the Regular Session. He thanked the ULI panel for its work and suggested that the Council direct staff as to what additional information it would like to receive.

Mr. Degginger said he would like more discussion regarding modifications to the economic models and how they work with the tiered incentives. He noted past discussions regarding development within the designated nodes, and he would like more information and conversation regarding development, both commercial and residential, to occur outside of the nodes.

Mr. Lee requested a briefing on the analysis by Property Counselors.

Mr. Noble would like more information about City staff's response to the ULI panel's recommendations.

3. Discussion

- (a) Consideration of the application of West Pacific Development (Zheng Rezone) to rezone a .57-acre parcel at 16226 Northup Way from Single Family-High Density (R-5) to Single Family-Urban Residential (R-7.5). The site is located in the Crossroads Subarea. File No. 08-122538-LQ. *[Council action on this quasi-judicial matter is scheduled for October 20, 2008.]*

[Moved to Regular Session, Agenda Item 5(a)]

At 8:03 p.m., Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

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