

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
STUDY SESSION MINUTES

May 11, 2016  
6:30 p.m.

Bellevue City Hall  
City Council Conference Room 1E-113

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

COMMISSIONERS ABSENT: None

STAFF PRESENT: Terry Cullen, Dan Stroh, Emil King, Department of Planning and Community Development; Carol Helland, Betty Cruz, Development Services Department; Lacy Hatch, City Attorney's Office; Arthur Sullivan, ARCH

COUNCIL LIAISON: Mayor Stokes

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Chair Hilhorst who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Morisseau, who arrived at 7:08 p.m., and Commissioner Laing, who arrived at 8:09 p.m.

3. APPROVAL OF AGENDA

(6:31 p.m.)

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

4. PUBLIC COMMENT

(6:32 p.m.)

Mr. Dave Meisner, 888 108th Avenue NE, said he reached out to the Commission via email on April 8 and in person on April 13 as the owner of one of the few remaining undeveloped parcels in the R zone. Permits are currently being sought for a 200-foot 19-story tower with 158 units, a little retail, and 211 parking stalls. He asked to have the Conner building included in the O-2 zone to be consistent with the efforts of the CAC, the Commission, and the city's current vision for the future of the downtown. The site in question is across the street from DT-MU, and to the south is DT-O2. The Commission was applauded for its efforts to enhance downtown livability and vibrancy with the Downtown Livability Initiative. The Conner building is one of the few remaining undeveloped parcels and it is one inch away from the O2 zone in the heart of the

downtown. It is within walking distance of employment centers, the transit center, and freeway access is only two blocks away on NE 10th Street and NE 8th Street. Support from the community for the idea has been received. Including the site in the O2 zone will allow for participation in the future vision of the downtown core, and the additional density will aid in creating a better product for residents and the community at large. The CAC's final report recommended that additional height and density for the DT-OLB zone to take advantage of the district's freeway access and proximity to the future light rail stations. To leave the site out of the future vision of Bellevue will be to miss a great opportunity.

Mr. David Sharon, 12522 NE 4th Place, said the Conner building is located next to the US Bank building on NE 8th Street. The specific request is to change the zoning on the site from DNTN-R to DNTN-O2. The action would create an additional 20 units on the site. He noted that large suburban homes tend to consume more energy than rural homes. About 20 percent of the United States' carbon dioxide emissions are related to residential energy use, and another 20 percent are associated with motor vehicles. The average family in the United States buys about a thousand gallons of gasoline per year, which produces some ten tons of carbon dioxide. Those who live in suburban areas use double the amount of gasoline annually that urban dwellers use. Mass transit is not the only way to lower energy use. When people live in denser areas, they travel less and use much less gasoline. Urban density is also good for the downtown economy.

Mr. Andrew Miller, 11100 Main Street, with BDR Capital addressed the concept for a transit-oriented development on the northeast corner of Main Street and 112th Avenue NE, including an activated mix of retail, commercial, office space, a grand staircase leading to an interior retail street, and residential units. The massing of the project is such that it stairsteps down to Main Street to ease the transition from the new park and train tunnel. Staff has recommended building height up to 200 feet at the gateway intersection, and the East Main Station Area Plan CAC is entertaining up to 300 feet. He agreed with the proposed FAR for both residential and non-residential. The staff recommendation for height in this portion of the A perimeter design district is 70 feet for residential and 40 feet for non-residential, but a non-residential building at 70 feet would feel right.

Mr. Matt Roewe, 11100 Main Street, said John L. Scott Realty building and the BDR building where Windemere is located have existing large floor plates of 15,000 to 19,000 square feet. The proposal is for two smaller, more boutique scale office buildings of 9000 to 11,000 square feet per floor. It seems appropriate to have a form-based code rather than a use-based code. The code should allow for smaller buildings in the district along Main Street and a resulting nice scale and buffer. The result could be boutique office space in which the current tenant would like to remain. There is a 40,000 square foot floor plate building on the same block, but that is the wrong scale for Main Street. Building height to 70 feet should be allowed for both non-residential and residential in the A perimeter in this area. If the decision is made to limit floor plate size regardless of the use, it would be better to go with 15,000 square feet. Additionally, structure width should be limited to about 175 feet.

Mr. Miller summarized that staff has proposed building height to 70 feet for residential along Main Street, and that height limit should apply to either residential or non-residential.

Mr. Andy Lakha with Fortress Development, focused on the development project at NE 8th Street and Bellevue Way. He said he has for many years been looking to create a signature project in downtown Bellevue and the site in question offers the opportunity. To do the project properly, however, the Land Use Code will need to be in sync with the opportunity.

Mr. Jack McCullough, 701 5th Avenue, Suite 6600, Seattle, said NE 8th Street is the single most

important street in the downtown. It serves as the gateway into the downtown and it feeds everything. Over the years, NE 8th Street has significantly densified. The concept of the Grand Connection, which will be worked on over the next couple of years, will help to frame the area. The grand shopping street on Bellevue Way is also a major influence. All of those forces and patterns coalesce at NE 8th Street and Bellevue Way. Three of the intersection corners are effectively built out, leaving only the site Mr. Lakha would like to develop. The single ownership site, however, has split zoning, making it necessary to deal with two sets of rules. The District B boundary should be moved to the west, allowing DNTN-MU to exist for the entire site. The site is also situated in the middle of a superblock, giving it both the burden and the benefit of having to deal with two through-block connectors. While that will yield improved circulation and public activity, the burden is that the requirement takes up a lot of the site. If there were a single zoning that allows buildings up to 300 feet, the need to deal with the circulation patterns could be compensated for. In order to build a compliant project that honors tower spacing and the new dimensional standards, FAR of about 5.5 will be needed. The Commission was asked to allow an increase in the FAR for the site to 5.5. The Commission previously considered building height of 250 feet for the site, but the problem is that once a building goes above 240 feet it is necessary to get into structural peer review, a process that adds months to the project and millions of dollars of additional steel and concrete. Accordingly, 250 feet is not a height developers will use. Going up to 300 feet can allow for amortizing the additional structural costs. Building to 300 feet would yield about 99 additional units, triggering about 41 additional trips during the evening peak. The city's transportation forecasts say by the year 2030 there will be about 116,000 evening peak trips in the downtown, of which 80 percent will be going to the east and south. Traffic will not be significantly impacted by adding 41 trips to the grid. Some early design concepts were shared with the Commission, including ways to complete the intersection of NE 8th Street and Bellevue Way, and how a building height of 300 feet fits into the wedding cake pattern. He noted that shadows from two 300-foot towers would not reach the residential neighborhoods to the west or to the north at the summer solstice.

Ms. Nicole Deleon, 524 2nd Avenue, Seattle, a land use attorney with Cairncross and Hempleman, spoke on behalf of Aegis Living. She thanked the Commission for its continued effort to take advantage of the opportunity presented by Aegis by recommending the proposed Land Use Code amendment that addresses the need for affordable housing and assisted living. The proposed amendment makes bonus FAR available for assisted living uses in the BR-MO and the BR-OR zones in exchange for an affordable housing contribution. As envisioned, the contribution can either be in the form of a fee in-lieu or the provision of on-site affordable housing units. She called attention to a letter previously submitted to the Commission in which Aegis addressed the feasibility of providing the affordable units on site and concluded that it is not feasible for various reasons. The fee in-lieu payment in fact provides a greater incentive for developers of assisted living facilities. The affordable housing issue is very complex and the Commission was encouraged not to let that fact overshadow the important amendment and the success that could be achieved by it. The proposed amendment will take advantage of the opportunity provided by Aegis and will result in immediate gains. It will result in a number of assisted living units and will fund nearly a million dollars in fees to be applied toward affordable housing. The Commission was encouraged to recommend the amendment as proposed by city staff.

Ms. Margo Blacker, 200 99th Avenue NE, Apt 24, thanked the Commissioners for their hard work on behalf of the city. She noted that the Fortress Development site is partly in the Deep B section of the northwest corner, which currently allows buildings up to 90 feet. The request is to be allowed to go up to 300 feet. She said she is very much in favor of the downtown and the Growth Management Act. While increased density in urban areas is the right approach, the Downtown Livability Initiative needs to also be about downtown neighborhood livability. The

downtown has always been planned to service the surrounding neighborhoods. One of the major components of the downtown plan involves keeping in mind the impact on the neighborhoods. There should be no increase in the allowed height and FAR anywhere in the downtown without requiring affordable housing. She noted that with a few exceptions she was opposed to increased height in the downtown. The downtown concepts that were adopted initially continue to be valid. They were designed to scale down the high sides of the wedding cake to the residential areas to avoid Seattle- and New York-type buildings. When the current provisions were adopted, all the same arguments were made about buildings not penciling out and developers not making enough money in downtown Bellevue, but in fact the downtown has built out just fine. The bottom line is there can be good looking buildings that are short and good looking buildings that are tall; it all depends on the developer's ethics. Allowing buildings up to 600 feet in the core of the downtown will not guarantee great designs. Allowing for more height and density could in fact kill the golden goose through increased congestion and higher prices. Many already cannot afford to live in Bellevue. More building height and FAR makes sense for the OLB adjacent to the freeway, but not on the west side of the downtown. When Sumiyoshi is torn down at the entrance to Vuecrest and a five-story wall is constructed, the Commission will learn how the folks in Vuecrest and Northtowne feel about building on the edges of the downtown. Driving 100th Avenue NE after school or during the evening peak shows how the area has already been impacted. Bellevue Square is in the DT-MU district but it is not fully built out; under the proposal, buildings on the back side of the mall could rise to 300 feet. The folks in West Bellevue are not going to want to see that. The fact that the Fortin site in the Deep B area is under a single ownership offers a unique opportunity and a compromise for that site should be sought. Allowing several towers up to 240 feet in height would not be acceptable, however. The purpose of the perimeter areas is to provide stability both to the downtown and the surrounding residential areas through the promotion of residential, institution and convenient service retail for the neighborhoods.

Commissioner Carlson asked if affordable housing units that are the result of legislation should be located in the downtown or elsewhere in the city. Ms. Blacker said affordable units are needed everywhere in the city. She urged the Commissioners to drive through Northtowne. What is needed there is a little upzoning to allow for cottage housing rather than huge mansions that someday may become boarding houses. The city had inclusionary housing policies in place at one time and they worked, but it was voted away.

Ms. Kat Hughes, 10203 NE 31st Place, spoke representing the steering committee of 12 people that make up the Northtowne neighborhood. She said the group is strongly opposed to the Fortress idea of building up to 300 feet in the Deep B area. In 1993, the Northwest Village area, which is mostly owned by the Fortin Group, was allowed building height of between 75 and 90 feet and an FAR of 5.0, an approach that represented a compromise to which the neighborhood agreed. When the Downtown Livability CAC did its work, it was supposed to either recommend retaining the current standards or make recommendations for change; they recommended allowing building height to 300 feet in the Deep B area for residential, and 200 feet for non-residential, but no increase in the FAR. After staff analysis and recommendation, it was agreed that open space should be required along with diminishing floor plates. At its last meeting, the Commission concluded the maximum height for the area should be scaled back to a maximum of 200 feet, not counting mechanical equipment. With up to five towers a possibility, the neighborhoods will not feel protected.

Mr. Mike Nielson, 10650 NE 9th Place spoke representing West 77 Partners, said if no increase and height or FAR is allowed, the result will not be a project built to a lesser standard. With regard to the northern portion of the O2 district, he stressed that NE 8th Street serves as a gateway to the downtown, and that the O2 north area is considered to be the downtown core and

is an appropriate place for increased density and height. What is being proposed is an FAR of 10.0 in the O1 district, stepping down to 6.0 in the O2 district across NE 8th Street, and then 5.0 in the MU district. He proposed stepping down more gradually to the O2 district by allowing an FAR of about 8.0. To properly increase building height of up to 400 feet, some increase in the FAR will be appropriate. The opportunity exists to make something great in the O2 zone, with robust landscaping, sidewalks and gathering places.

Ms. Jean Magladry, 11512 NE 19th Street, spoke representing the 1920 group, a group of property owners in the BR-MO that controls about two acres. She said the group was delighted when Aegis stepped up with a project for the zone. Everyone in the group believes the elderly are not being well serviced in Bellevue. There is, however, a pallet of other needs for the elderly that cannot be addressed in the BR-MO should the FAR continue to be limited to only 1.0. There are no family neighborhoods in the BR-MO; all the uses are medical. Facilities for the elderly in the zone makes sense given that the hospital is there.

Mr. Carl Vander Hoek, 9 103rd Avenue NE, spoke representing the Vander Hoek Corporation. He asked the Commission to not feel rushed but to take the time needed to make sound decisions everyone can be comfortable with. With regard to the information in the Commission's packet relative to the amenity incentive system framework, he cited his recent project on the corner of Main Street and Bellevue Way in the Perimeter B district of Old Bellevue. The base FAR is 3.0 and the max is 5.0. The project provided about 625 parking stalls in a four-level underground garage, as well as pedestrian-oriented frontage and weather protection around the majority of the project. By providing those incentivized amenities, the project was able to achieve an FAR of about 4.5. The value of providing the amenities equated to an FAR of about 1.5. What is being proposed is lifting the base FAR while not adjusting the max FAR for most areas of the downtown. That will essentially mean lifting the base to adjust for the amenities that are currently required. He said for his recent project, that would have equated to lifting the base to an FAR of 4.5 while maintaining the current max of 5.0. That would mean that only 0.5 would be available through the provision of incentivized amenities. The Commission should seek to understand if an FAR of 0.5 is enough to achieve the exceptional amenities desired by the public, especially in areas like the Perimeter B where no height increase is being considered and the cost of construction for providing the amenities is unknown. No economic analysis has been conducted, so the question really cannot be answered yet. He said it is likely that the provision of amenities such as open space, artwork and skybridges will not be economically feasible in exchange for only 0.5 FAR. An economic analysis is needed and should be done with public oversight, open disclosure and transparency. The Bellevue Downtown Association should be included in the meetings to work alongside the city and the consultant. It will be important for the community to know how any conclusions were arrived at.

Mr. Patrick Bannon, 400 108th Avenue NE, Suite 110, spoke representing the Bellevue Downtown Association. He reinforced the organization's strong support for the posture of flexibility that has been voiced by the Commission and in the materials to date. Design guidelines, incentives and departures will hopefully create opportunities that will lead to better outcomes. The flexibility can be translated as recommended through FAR and height. He also voiced the support of the Bellevue Downtown Association for the off-ramp opportunity that is detailed in the staff materials. The opportunity should be investigated, whether through a development agreement or some other process yet to be defined, where at the developer's option equal or greater than value can be yielded in exchange for certain bonus requirements. He allowed that it will be difficult to consider the merits of the incentive system direction outlined in the packet without understanding the values behind them. There are percentages assigned to certain categories of amenities, but that approach should be avoided early in the process to refrain from locking in predetermined outcomes relative to values. Consistent with the Council's

principles, any unintended economic downzoning should be avoided through recalibration of the incentive system. The design review processes of other cities should be reviewed, though the Bellevue Downtown Association is not recommending establishment of a design review board.

5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS

(7:25 p.m.)

Mayor Stokes noted his appreciation for the Commission taking on the Aegis issue and said he looks forward to seeing the Commission's final recommendation. He said he was particularly happy to see the Commission look at the issue of affordable housing for seniors throughout the city. The Commission's feedback and concern about the downtown livability piece and how to address affordable housing relative to assisted living was helpful. The Council is seeking action by the Commission on the specific Aegis request; the balance of the issues will be addressed in due time. The issue of how and where collected fees in-lieu are used is a policy matter the Council will need to look at. Going forward with the affordable housing action plan, the emphasis will be broad based.

Mayor Stokes said he looked forward to hearing suggestions for how the work of the Commission can be made more effective. Getting the right information at the right time, and making sure Council direction is clear, will be important. The ideas will be focused on by the Council at its upcoming retreat.

Mayor Stokes left the meeting to attend another event.

6. STAFF REPORTS

(7:30 p.m.)

Comprehensive Planning Manager Terry Cullen briefly reviewed with the Commission the schedule of meetings and agenda items through the end of July.

7. DRAFT MINUTES REVIEW

(7:33 p.m.)

A. April 13, 2016

A motion to approve the minutes as submitted was made by Commissioner deVadoss. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

B. April 27, 2016

A motion to approve the minutes as submitted was made by Commissioner Walter. The motion was seconded by Commissioner Morisseau and the motion carried without dissent; Commissioners deVadoss and Carlson abstained from voting as they were not present for the meeting.

8. STUDY SESSION

(7:35 p.m.)

## A. Single Family Room Rental Update on Enforcement

Code Compliance Officer Betty Cruz said she has been meeting regularly with the City Attorney's Office since the single family room rental ordinance was adopted. The focus has been on interpretation of the ordinance and on reviewing example cases. A conclusion has been reached under which complaints about instances of four adults or fewer living in a house, whether they are related or unrelated, will be determined not to involve a code violation. Where complaints of four or more unrelated individuals living in house are received, a code compliance office will contact the complainant and ask specific questions aimed at identifying whether the site fits the definition of family or not. The investigation could involve having the officers talk with the tenants and/or the homeowner. Generally, three site visits will be involved. Observations will be made at different times of the day and different days of the week

Ms. Cruz shared two cases with the Commission. In the first, a phone call reported nine adults living in a home. An investigation was launched and the conclusion reached was that the lower half of the home was an approved accessory dwelling unit that had been rented by the homeowner for almost ten years to the same couple. The homeowners lived in the home along with their children and their elderly parents. It was discovered the homeowners also rented out to a couple of foreign exchange students who were required to be 18 years old or older, and that there was a disabled unrelated adult also living in the home. That made a total of nine adults living in the home.

The code allows up to four unrelated individuals to live in a home. To exceed that number, the residents must be related either by blood or marriage. If everyone living in the home were in fact related to each other, the finding would be that there was no code violation. However, the introduction of a single unrelated person triggered the restriction to no more than four unrelated persons living in the home. The homeowners were informed that either everyone living on the first floor could stay, or they would have to ask all four of the unrelated adults, the two foreign exchange students and the couple in the accessory dwelling unit, to leave. It was explained to the homeowners that the total number of related individuals is not counted as one but rather as the actual number.

The other half of the definition of family in the code requires a determination of the functional equivalent of family. Ms. Cruz said that entails looking to see if all persons living in the house are sharing the entire house together and living as a family, including minor dependent children, and sharing expenses. She said it is also necessary to determine if situations are temporary or permanent, a sorority or fraternity, and any other factors that should be taken into consideration.

Ms. Cruz said a report was filed by a complainant that five to eight people were living in a house. The investigation included a meeting with the homeowners where it was discovered that they lived in the house together along with their two children and two high school kids who stayed for the duration of a school year, with different students every year. The students were under the age of 18 but over the age of 16, and the homeowners would lend them cars to use. The homeowner also found out about a foreign exchange worker program in which people would come in from outside the country and stay with the couple for six months to a year at a time. The investigation concluded that all who were living in the house worked closely as a unit and very much resembled the functional equivalent of a family. No code violation was found to exist. Even if everyone living in the house had been over the age of 18, it is possible that they would have been determined to be the functional equivalent of a family because of the way they were living together.

Chair Hilhorst commented that the complaints that generated the drafting of the ordinance initially was less focused on families that take in foreign exchange students and more focused on situations in which single family homes were effectively used as dormitories inhabited by unrelated individuals. She asked how many of those cases have been reported and/or investigated. Ms. Cruz said she could get back to the Commission with an exact number. She noted, however, that code compliance officers have met with success in working with some of the homeowners they interacted with, and changes were made to comply with the code. Chair Hilhorst said those are the cases the Commission was most interested in hearing about, along with whether or not the ordinance is in fact working.

Commissioner Carlson asked if the problem that was first identified has gotten better, has gotten worse, or is much the same since the ordinance went into effect. Ms. Cruz said the process kicked off with about 130 cases that were questionable and which required research. In 71 of the cases, the homes were brought into compliance, and 63 are still pending. She said she would get back to the Commission with regard to whether or not complaints have increased or decreased.

Commissioner deVadoss suggested the data should be published on a regular basis for the benefit of all citizens. Assistant City Attorney Lacy Hatch said she would need to look into the feasibility of doing that given the restrictions and restraints in place regarding publishing information on cases that are pending. Commissioner deVadoss said he was really more interested in the aggregate data regarding the number of incidents, how many have been resolved successfully, and how many are pending.

Ms. Hatch reminded the Commissioners that the ordinance includes an amortization period of one year that applied to those residences that were conforming to the previous ordinance in terms of occupancy. That period of time expired in April, so any circumstances that are now prohibited by the new definition of family have the potential for investigation and enforcement. To date, it has been found that education as a compliance measure is working very well. There are, however, a host of other properties that are being investigated, some of which are very challenging. A variety of enforcement tools are being used to determine what is working and what is not working. There have been meetings between code compliance officers and the police department to determine if there are any underlying criminal activities that are driving the need for the occupancies, and the building department is on board with making sure that anyone coming with seeking permits for new development is made aware of the regulations.

Commissioner Walter read aloud part of a letter she wrote to the East Bellevue Community Council in which she stated that given the challenges of enforcing an ordinance that was created to protect the quality of livability and character of single family neighborhoods, it seems clear that due to a few unscrupulous landlords, the city needs to develop a more objective mechanism to assure that single family neighborhoods stay single family neighborhoods. The cities of Pullman and Seattle both have rental registration regulations under which properties are periodically inspected to ensure that they are safe and following city codes. The approach is one Bellevue should pursue. Having a system in place that requires rental properties to undergo inspections would be an equitable process that would uncover individual room rentals along with other infractions. Bellevue renters deserve quality rentals, and Bellevue neighborhoods deserve a good quality of life, and rental registration would go a long way toward providing both.

Commissioner Barksdale asked about providing the data by neighborhood. Ms. Hatch said the data will most likely be given by subarea, though a mechanism for reporting the data will need to be worked out.

Chair Hilhorst stressed the importance of knowing whether or not the ordinance as it was

adopted is working. If it is not, it should be revisited. Ms. Hatch suggested it is too soon to tell.

Commissioner Walter commented that because enforcement is carried out on a complaint basis, it is not necessarily equitably applied. The issue is one that is impacting many neighborhoods in ways that will continue until there is an adequate supply of affordable housing. She said she would not let the issue drop until she sees the degradation of single family neighborhoods caused by the need for affordable housing fully addressed.

Chair Hilhorst asked for the Commission to be updated again in about six months.

(8:01 p.m.)

B. Expansion of Floor Area Exception for Assisted Living Uses Through Provisions of Affordable Housing Land Use Code Amendment

Chair Hilhorst voiced concern about the fact that the draft transmittal memo on the issue included in the Commission packet made it look like the issue was a done deal. Land Use Director Carol Helland said the draft was prepared following the last meeting in light of the Council's urgency to get the topic back to them. Chair Hilhorst said she did not want to see the draft guide the Commission's decisions or devalue the discussion in any way. Ms. Helland said she appreciated that information, and added that staff has been getting a considerable amount of pressure from the Council to bring back innovative techniques for moving code amendments forward, especially in response to emerging economic development and other opportunities. The Council is concerned that opportunities lost are opportunities the community does not get to take advantage of. Staff will continue to experiment with ways to advance discussions and make them more effective. The fact that there are limited staff hours available to support the Commission's conversations highlights the need to balance the amount of information staff produces and the value it adds.

Ms. Helland explained that the information asked for by the Commission at the last meeting was contained in the letter submitted by Aegis Living. She noted that Aegis is permitted to build 72 units that will address the demand in the city for the demographic that needs assisted living care. Should the amendment go through, the permits will be revised to pursue 110 units, and a contribution of approximately a million dollars will flow into the Housing Trust Fund.

Ms. Helland clarified that the objective has always been to gain an early win on the housing strategy that will include an infusion of almost a million dollars. If required to provide affordable units on-site, Aegis has been clear that it will not pursue revising the permit to exceed 72 units, and as such will not contribute any fees in-lieu to the Housing Trust Fund.

Planning Director Dan Stroh explained that back in the early 1990s, 15 Eastside jurisdictions got together to form a regional approach to affordable housing on the Eastside. The result was A Regional Coalition for Housing (ARCH) that has proven to be a very successful model. No foregone conclusion has been made, however, that any fees in-lieu from the Aegis project will go through ARCH; the determination will be up to the Council to decide.

Given that information, Chair Hilhorst allowed that the Commission's questions about where the money goes and how it is administered cannot yet be answered. Ms. Helland said if the funds flow into the Housing Trust Fund, it will be administered by ARCH, which has the mission of creating affordable housing on the Eastside. The funds are generally not earmarked for expenditure in specific jurisdictions.

Mr. Stroh explained that ARCH works to address the targets for different types of housing that are set by the consortium. Each city's funds are pooled. Bellevue makes a general fund and a federal Community Development Block Grant (CDBG) contribution annually to the Housing Trust Fund. Any expenditure of those funds must be approved both by the ARCH executive board and the City Council. The idea behind ARCH is to share the resources and burdens regionally, and the model has been held up nationally. He suggested the Commission was free to provide suggestions to the Council in the transmittal memo relative to how the fees in-lieu should be used.

Commissioner Walter asked if there is an affordable housing trust fund within the city, separate from ARCH, and if so how the funds got there, how long they have been there, what projects did they come from, and what projects did they fund. Mr. Stroh reiterated that the Council will take up as a policy issue whether the fees in-lieu from the Aegis project will be funneled through ARCH or not. ARCH receives funding from a variety of sources, including the city's general fund and CDBG funds. There are other sources of funding that flow into the city's trust fund, which is administered through ARCH, including loan repayments from prior projects, and developer funds that came in during the years when the city had inclusionary housing provisions. The Housing Trust Fund dollars are kept in a designated pool. The trust fund is administered by ARCH but the city retains full control over every dollar in it. A citizen advisory board manages the thorough application process for use of the funds on the Eastside, and their recommendations are reviewed by the ARCH executive board. Each city council that has funds recommended for a project must approve the specific use of the funds. There is money in the Housing Trust Fund currently, and over the years quite a number of affordable housing units have been constructed using the funds.

Commissioner Walter commented that in affordable housing is a bonusable amenity in the BR-MO and BR-OR zones, and the design criteria allows for integrating the units into the same buildings as market-rate housing, or in standalone buildings on-site. When viewed in a vacuum, the Aegis project does not sound objectionable; it is just one project on one property. However, work has already been done and is on the books for the BR-MO and BR-OR zones. She asked if the Commission's recommendation will in fact set precedence for a larger area. Mr. Stroh said the proposal is focused on the specific BR-MO district only. At the time the study was initiated, the discussion with the Council was the issue was bigger than a single property and that it would make sense to take the same approach in a variety of districts, particularly the districts that are controlled by FAR as opposed to density per acre. Assisted living is a very specific use and is targeted at only a small segment of the housing market. Because of the specific population addressed, the use does not tend to generate many traffic impacts.

Ms. Helland outlined on a map the BR-MO district. She clarified that residential is not an allowed use in the district; residential is restricted to assisted living, nursing homes and congregate care facilities. The proposal would allow an FAR increase for a use that would be in the vicinity of synergistic uses in the medical institution district.

Chair Hilhorst asked why the BR-OR district was also included. Ms. Helland explained that the focus is on all the areas that are covered by FAR as opposed to a unit count, and where there is a limitation in the application of the existing code that would allow essentially opportunities to use affordable housing as an amenity.

Chair Hilhorst asked if the Commission could in the transmittal memo propose focusing the amendment on the BR-MO only for the initial phase. Ms. Helland said there is no current opportunity in any district other than the BR-MO. There are general affordability provisions and incentives across the Bel-Red corridor that are in existence. The Commission could suggest

limiting the amendment to BR-MO only.

Commissioner Morisseau said the need for affordable housing is obvious, and no opportunity should be missed to get funds that will help build it. She noted, however, that she was somewhat uncomfortable moving forward without knowing what the technical advisory group and the City Council will come up with in terms of policy to create a district-wide solution. Since Aegis says it cannot provide affordable units on site, it makes sense to go with the fee in-lieu approach, but that may not be the right approach for the entire district. She said she would prefer to see the amendment apply to the Aegis site only until more is done to fully understand the implications for the entire district.

Commissioner Carlson said he could agree to limit the approach to BR-MO only.

Commissioner Barksdale agreed that the fee in-lieu approach makes sense. He said his primary desire was to see affordable housing developed generally but also specifically for the aging generation. He said his preference was to see the fees in-lieu spent in Bellevue for affordable housing for seniors. He said he also would prefer to see the amendment apply only to the Aegis site.

Ms. Helland said the draft transmittal memo talks about forwarding to the technical advisory group for further consideration the issue of techniques to assure the city is pursuing affordable housing opportunities for seniors in Bellevue that include assisted living. She said the draft did not, however, specify that any fees in-lieu that are collected should be spent in Bellevue for seniors.

Ms. Helland said limiting the code amendment to the Aegis site only would fall under the definition of a spot zone. Code amendments must apply to zones generally, and in the case of Aegis the smallest increment that can be addressed is the BR-MO district.

Commissioner deVadoss asked what is known about the market interest and demand for assisted living facilities across the BR-MO and BR-OR zones. Ms. Helland said there are several assisted living facilities in Bellevue. Information was presented to the Council by Aegis at the time they asked for the amendment that suggested the demographic in Bellevue is underserved in terms of assisted living uses. She added, however, that to her knowledge the city has not received additional proposals or requests for changes to develop in the area or in the downtown or Eastgate.

Commissioner Walter asked what would happen if the Commission chose to recommend approval of the proposed amendment, only to later have the technical advisory group come up with a completely different recommendation that the Council decides to adopt. Ms. Helland said depending on the context of the new code amendment, anything built under the first approach could be deemed nonconforming. The Bel-Red corridor has an existing uses provision that allows uses to continue so long as they are maintained over time.

Commissioner Walter said the BR-MO district is perfect for assisted care facilities given the proximity to medical offices and the hospital. That makes for an even stronger argument that affordable assisted care facilities be located in the district. For the interim, however, whatever can be done should be done to limit the approach to the Aegis property only, even if that means opening up to the district and waiting for the other work to be done by the technical advisory group. The desire of the Commission should be fervently stated to the technical advisory group.

There was consensus to limit the amendment to the BR-MO district by removing all references

to the BR-OR district. There was also consensus to recommend that the technical advisory group explore available techniques for pursuing affordable housing opportunities for seniors in Bellevue, including assisted living facilities, and to recommend to the Council that fees in-lieu be earmarked for the purpose of developing affordable assisted living units.

Commissioner Laing commented that as the city collects impact fees under its regulatory authority, the city must expend the fees for planned infrastructure within the city. However, because school districts can overlap city boundaries, school impact fees can be allocated to areas outside of the city boundary in which the fees were collected. He asked what legal authority the city has to essentially use its land use regulatory authority to collect a voluntary impact fee and then expend it for something that may have nothing to do with the impact or for something that may be located outside the city limits. The fees in-lieu are essentially impact fees. The city would be on solid legal ground to collect the fees for allocation to projects in the city, but less so if the funds simply are allowed to flow into a pot for later allocation. The issue is going to come up going forward every time the affordable housing discussion is on the table. ARCH director Arthur Sullivan said there is legislation on the books that is specifically related to fees collected for affordable housing. The legislation is separate from legislation addressing impact fees in 82.02.020.

Chair Hilhorst suggested it would be helpful to cite the legal authority in the recommendation.

Chair Hilhorst asked for a show of hands of those supporting moving the issue forward as discussed and all hands were raised. (Note: A voice vote was not taken with this action. The vote was recorded in notes 7-0 in favor of the code amendment. The City Legal Department was consulted, and it was found that a vote by show of hands only is consistent with Roberts Rules of Order, Article VIII, Section 46.)

(8:46 p.m.)

**\*\*BREAK\*\***

(8:58 p.m.)

### C. Downtown Livability

Strategic Planning Manager Emil King reminded the Commissioners that the schedule going forward is predicated on the Council's priority to finish the Downtown Livability Initiative during this calendar year.

Chair Hilhorst commented that because so much work has been done since the beginning of the year, to not have a public hearing until October will represent a significant stretch. She asked if a way could be found to fit in an additional public hearing to address the pieces already addressed ahead of the final public hearing that will include the entire document. Mr. Stroh noted that Chair Hilhorst had made the request in a meeting with staff. He said staff carefully considered the proposal but was unable to determine how it could be done. That would mean taking the time for the public hearing, which will be extensive, and trying to get things to a wrap point for the public hearing before moving ahead with the balance of issues. It would add a couple of months to the process. Making the December deadline as outlined will be tight but is doable; adding more time to the schedule will result in not meeting the December deadline.

Mr. King noted the interest expressed by the Commission earlier in the year to increase the level of interaction with the public. To that end the well-attended March 9 open house was scheduled.

In addition, considerable public comment is being received at each Commission meeting where the topic is on the agenda. Staff is continuing to meet with stakeholders as well on a weekly basis. There may be other more formal ways to gain detailed feedback from stakeholders as the process moves forward, the result of which will be sound community engagement and no surprises in the document that will be the focus of the public hearing in the fall.

Mr. King turned to the issue of building height and form and briefly reviewed with the Commissioners the principles from the Downtown Livability Initiative CAC and the relationship to livability. He also recapped the direction received from the Commission at the April 13 meeting regarding the downtown-wide height and form provisions related to tower spacing, façade articulation, podium height, connected floor plates, and wind/shade/shadow. With regard to the DT-MU district, the Commission revised downward to 250 feet the staff recommendation to allow residential towers up to 300 feet, and agreed with the CAC and staff recommendation to equalize the maximum residential and non-residential FAR to 5.0 and to remove the C overlay. The Commission also discussed the Deep B area and agreed that where a development exceeds 90 feet in height, a more substantial process, such as a development agreement, should be required. In the district, residential towers would be allowed between 160 and 240 feet in height, with an average of 200 feet.

Mr. King noted that staff did not have specific analysis or recommendations regarding some of the issues raised by the public earlier in the meeting. He said with Commission direction, staff would be happy to conduct analysis and discuss the pros and cons at a future meeting regarding the Fortress Development site referenced by Mr. Lakha, which spans the border between the DT-MU and the Deep B district; the Conner building site, which is primarily tied to the O-2 North discussion; and the modification for non-residential building height in the East Main A area addressed by Mr. Miller.

Commissioner Barksdale said he would be interested in seeing materials showing what the downtown might look like should all of the requests be approved.

With regard to the Civic Center portion of the DT-MU district, Mr. King said the only underdeveloped parcels in the area are the convention center expansion site and the vacant lot outside of City Hall referred to as the Metro site. He said staff agreed with the recommendation from the CAC for an FAR of 6.0 and height up to 350 feet tall for both for residential and non-residential. As discussed previously by the Commission, any projects exceeding the current maximums would need to provide additional tower spacing, diminished floor plates, and special open space requirements. The area will also need to accommodate the Grand Connection vision currently being developed..

The Commissioners had no comments or questions.

Mr. King turned next to the Perimeter A overlay which generally involves the first 150 linear feet from the north, west and south edges of the downtown. He noted that the district is fairly uniform on the north and west sides, but is more jagged on the south side based on the historic commercial development patterns in Old Bellevue. The CAC recommended increasing the current height limit of 55 feet to 70 feet for residential projects, primarily to better accommodate floor-to-ceiling dimensions. He said the staff recommendation, however, was to maintain the 55-foot height limit in those downtown areas that abut single family zoning, to impose a stepback requirement above 55 feet, and not to allow a departure for mechanical equipment.

Commissioner Walter called attention to the A overlay adjacent to the DT-MU district in the northeast corner and asked what the discussion was that yielded the recommendation to jump

from 70 feet to 200 feet. Mr. King pointed out that the B overlay is generally the next 150 linear feet beyond the A overlay. The B overlay limits height in the area next to Vucrest to 90 feet. Commissioner Walter commented that even so, the increase seems pretty steep. Mr. King said the CAC did not recommend changing the 90-foot limit in the B overlay district.

Commissioner Barksdale asked if there are any setback requirements around the perimeter. Mr. King said there is an existing 20-foot landscape setback on the north, west and south edges of the downtown.

Chair Hilhorst called attention to the area of the A overlay that lies to the south of NE 12th Street near 100th Avenue NE that lines up with R-10 and R-30 and said she would like to see height there held to 55 feet. There was agreement to recommend that.

Shifting to the Perimeter A and B districts in the East Main area, Mr. King said the area was referenced by Mr. Roewe and Mr. Miller. The recommendation of the staff is to increase the FAR in this portion of the A district to 5.0 and to allow residential buildings up to 70 feet. The CAC did not recommend any changes in the B district, but the Commission directed staff to look at it in relation to where the property sits vis a vis the East Main light rail station. He said the recommendation of staff for this portion of the B district was to allow residential up to 200 feet tall but to maintain the current FAR of 5.0.

Mr. King said the recommendation of staff was also to allow for the transfer of FAR within the A and B districts in this area.

Chair Hilhorst said she could support the request made by Mr. Roewe and Mr. Miller. Commissioner Walter said she agreed with the case made by the two relative to establishing a form-based approach rather than a use-based approach.

Commissioner Barksdale asked what the motivation was for the CAC in developing its recommendation for the area. Mr. King said the A and B districts have a long-standing difference relative to use rather than form. He said there may be merit to revising that approach for the area down the hill closer to the light rail station and freeway access. He pointed out that there are marked functional differences between residential and non-residential structures even if they are the same FAR and the same height, and the smaller floor plates typical of residential development.

There was consensus to support the staff recommendation for the B overlay district in this area, and to revise the A overlay recommendation to allow non-residential buildings up to 70 feet but with parameters to yield the floor plate of a residential structure as depicted in the presentation of Mr. Roewe and Mr. Miller.

With regard to the DT-O1 core between Bellevue Way, NE 4th Street, NE 8th Street and 110th Avenue NE, Mr. King commented that currently the code allows buildings in the zone to be up to 450 feet. Three buildings are currently built to that limit, and the Lincoln Square expansion under construction will also have towers reach that height. The recommendation of the CAC was to study height up to 600 feet and to retain the current FAR limit of 8.0 for non-residential. Currently residential has no limit on FAR, but a developer constructing a residential structure at 450 feet would typically max out at an FAR of about 10.0. The recommendation of staff was to retain the unlimited FAR for residential buildings under 450 feet, and to limit FAR to 10.0 for residential buildings that exceed 450 feet. Staff also recommended setting 600 feet as the absolute limit and not allowing the 15 percent/15-foot rule for mechanical equipment, and requiring tower spacing, diminished floor plates, and special open space requirements in

exchange for exceeding the current maximum height.

Chair Hilhorst referred to the suggestion made during the public comment period that increases in FAR be tied to the provision of affordable housing units and asked how that might work. Mr. King said later in the meeting staff would be reviewing with the Commission a proposed structure for the incentive zoning system. Based on the direction of the CAC, any height and FAR changes are to be linked to the incentive zoning system, and direction was also given from Council to incorporate things like walkability, open space and affordable housing. He said one way to address the issue would be to exempt FAR for affordable housing.

Mr. Stroh added that the principle from the CAC is that additional height or FAR above and beyond the current maximums would need to be earned through the incentive system. The discussion about what exactly will be bought through the incentive system will follow in due course.

Mr. King said there are a significant number of redevelopable parcels in the O-1 district. Commissioner deVadoss said that fact has implications for parking and transportation issues. Mr. King said downtown transportation modeling done to date has been based on the maximum densities allowed and scenarios that incorporate CAC recommendations. The recommendation of the CAC for the O-1 district is for no increase in FAR but to allow taller and more slender buildings up to 600 feet. The recommendation does not involve an upzone from a density standpoint.

Mr. King explained for the benefit of Commissioner Barksdale that the current zoning reaches back to the early 1980s. The original vision for the O-1 zone was that it would contain primarily office buildings. The unlimited FAR approach was intended in part to encourage residential development. The zone also contains no minimum parking ratio for residential, making it more flexible for that use.

Chair Hilhorst said it was her understanding that the site just south of NE 8th Street near 108th Avenue that currently has a church on it has been sold. Five towers are planned there as part of a larger development project, all of which could reach to 600 feet. Mr. King said the current height limit is 450 feet. A development scenario from the site owner was shared at the March 9 open house was predicated in part on what could happen under the proposed approach.

Mr. Stroh reiterated that the FAR limit of 10.0 for residential would apply only to buildings that exceed the current height limit of 450 feet. The proposed approach does not take away any potential development opportunities that exist under the current zoning. Buildings 450 feet tall or less would continue to be allowed unlimited FAR.

Commissioner Walter said it was her understanding that by allowing taller buildings without increasing the allowed FAR will yield taller and more slender buildings, with more open space on the ground. She commented that the current open space areas are not being fully utilized and questioned whether or not the proposed approach will actually improve anything. It might be better to trade open space for more community type areas having some structure to them.

Commissioner Laing pointed out that the Commission was being asked to deal with two separate issues. The first is whether or not additional height and in some instances FAR over what is currently allowed in some zones. He stressed that any increases will be tied to the amenity system. How the amenity system will get plugged in is the second issue. If the Commission concludes that the status quo should be retained in some portion of the downtown, the Commission will also be saying the new amenity system will not come into play for that zone.

The big things like ground level open space is not going to be achieved under the current amenity system or it would already be in place.

Commissioner deVadoss suggested there is more involved than just balancing FAR and height; there is an economic dimension that directly impacts the developers.

Commissioner Walter commented that Bellevue is a growing city, and as much as anyone would like to prevent it, growth is going to occur. She said buildings in the O-1 should be allowed to go to 600 feet.

Commissioner Carlson said the case can be made that view obstruction would be lessened with thinner 600-foot buildings. There is a clear need for open space, which would be a byproduct of taller buildings, in what is a rapidly densifying downtown.

All hands were raised when Chair Hilhorst asked who favored allowed building height to 600 feet.

Commissioner Laing said his concern with the proposed approach was that it may not in reality yield anything different from what is currently allowed.

Chair Hilhorst asked if there would be an impact associated with allowing the FAR for both residential and non-residential to be the same in 600-foot buildings. Mr. Stroh said the impact would potentially be significant. With regard to whether or not additional height would be used if the FAR were not increased from what is currently allowed, he said there have been ongoing conversations over the past couple of years. The focus has consistently been on maintaining a workable transportation system in the downtown and on making sure the proposed changes are about urban form. In the conversations staff has had with the development community, it has been clear that not every project would choose to go higher, but it has also been clear that some would. More height without more FAR will change the floor plates. If for non-residential office towers the city were to attempt to force floor plates into dimensions that do not work for commercial purposes, there would be feasibility issues.

There was consensus to move forward with a recommendation for non-residential buildings to be allowed an FAR of 8.0 and residential buildings to be allowed an FAR of 10.0.

Commissioner deVadoss said he would like the BDA to weigh in on whether or not the proposed approach would be valued by the development community.

With regard to the O-2 zone in the area between NE 8th Street and the midblock of where NE 9th Street would generally be, and between Bellevue Way and 110th Avenue NE, Mr. King noted that the area is the focus of the West 77 Partners request. He said the CAC had recommended keeping the FAR the same at up to 6.0 for both residential and non-residential, and a building height of 300 feet for both. Staff subsequently recommended 400 feet based on the proximity to the core, the alignment along NE 8th Street, and the size and scale of the redevelopable properties in the area. West 77 Partners would like height up to 450 feet and additional FAR on the order of between 6.0 and 8.0.

Commissioner Morisseau suggested that if building height is increased for the area, the FAR should be increased as well, though not necessarily to 8.0. Mr. King noted that during its deliberations, the CAC contemplated an increase in FAR for the zone but ultimately elected not to recommend it. Commissioner Morisseau said she could support increasing height to 400 feet and allowing an increase in the FAR to 7.0.

Commissioner Walter pointed out that increasing height but not the FAR will result in taller but narrower buildings, thus improving the flow of light and air. Any increase in density to the north of NE 8th Street would also increase pressures on the transportation system. Commissioner Morisseau countered that developers would likely not build to 400 feet if they will not be getting anything out of it, and that would mean the status quo would continue.

Commissioner Barksdale asked if there is a way to track generally the relationship between height and FAR in terms of economic value. He suggested knowing that would help to inform the Commission's decision. If it is true developers will not build up to a certain height if they cannot recover the additional costs, the Commission should know what the actual risk is. Commissioner deVadoss agreed the information would be helpful and noted it would take a model or a set of models to know for sure. He said that is why he proposed having the BDA involved in modeling various scenarios.

Mr. Stroh pointed out that there is tremendous variability in building design. Much depends on the size of the lot, how much is put into the podium of a building, and the size of the floor plates. He said staff intends to conduct some economic modeling around the value of additional height as part of the economic calibration of the incentive system. Direction from the Commission is needed relative to structure in order to inform the modeling work.

Chair Hilhorst commented that with the recommendation to increase height in the O-1 district to 600 feet, increasing height in the O-2 may make sense from the point of retaining the form of the wedding cake. She also pointed out that NE 8th Street is a gateway into the downtown and it should not be allowed to become a canyon.

No hands were raised in support of the recommendation of the CAC to limit building height in the O-2 district to 300 feet, or to allow height up to 350 feet.

Commissioner Carlson said the Commission heard from people making the case for 600 feet in the O-1, but few have stepped up to make the case for additional height in the O-2. He stated, however, that for him it was less a case of why and more a case of why not.

Commissioner deVadoss suggested the issue is the relationship between height and FAR.

Chair Hilhorst said her primary concern was in creating a canyon effect along NE 8th Street.

Commissioner Laing said he would be abstaining from discussing the O-2 district for a variety of reasons. He did, however, point out that the OLB district along the freeway was the only area in downtown Bellevue for which the CAC voted to increase both height and FAR. The CAC repeatedly stated concerns about increasing density and the resulting traffic impacts, which have not yet been studied. He clarified that the CAC did not recommend going to precisely 600 feet in the O-1, but rather to study up to 600 feet. The CAC recommended going to 70 feet in the perimeter district, and the Commission pared back that recommendation. The effective recommendation of the CAC was for the Planning Commission to take a close look at the issues of height in the various districts. Mr. King added that the recommendation of the CAC was for the Commission to consider "up to" heights for the various districts, and that is what the staff have been doing in its analysis. For the O-2 district, the CAC recommended considering height up to 300 feet, and increase of 50 feet over what is currently allowed.

Commissioner Laing left the room while discussion of the O-2 district continued and returned after the discussion was completed.

Commissioner deVadoss proposed going forward with the staff recommendation and looking at the economic modeling to ultimately decide what height in the O-2 should be. Mr. King said the modeling will look at the relationship between the allowable FAR and building height to determine what is achievable.

Commissioner Walter said she was amenable to allowing more height in the district, but the FAR should remain constant to avoid creating traffic impacts. She said she would oppose allowing any increase in the FAR.

Mr. Stroh clarified that the economic modeling will be focused on determining the economic value of additional height for purposes of calibrating the incentive zoning model. If the modeling finds that the assigned FAR does not work, that information will be shared with the Commission.

There was consensus to move forward with allowing building height up to 400 feet without any increase in the allowed FAR.

Mr. King said the O-2 area to the south of NE 4th Street was analyzed as part of the CAC process for maintaining the current FAR of 6.0 for both residential and non-residential, and increasing height by 50 feet to 300 feet for both residential and non-residential. He said the recommendation of staff was to allow height up to 300 feet.

Mr. King allowed that there has been significant comment from residents of Bellevue Towers about the proposal to increase height. Their concern has primarily been focused on views being blocked. He said the current height limit is 250 feet and several buildings are constructed close to that, though others are built well below that limit.

Chair Hilhorst said her hesitancy for allowing more height was focused on concerns regarding shadowing of the park. Mr. King said a shadow analysis will be conducted as part of the SEPA review after exact heights and FARs are recommended.

There was consensus to recommend allowing building height up to 300 feet in the area without allowing additional FAR.

A motion to extend the meeting to 11:15 p.m. was made by Commissioner deVadoss. The motion was seconded by Commissioner Walter and the motion carried unanimously.

Mr. King said staff was not recommending any changes to the status quo height or FAR for the O-2 zone to the east of 110th Avenue NE. Currently the FAR 6.0 and the building height is 350 feet for both residential and non-residential. There was consensus to go with the staff recommendation.

Mr. King called attention to the northern part of the OLB district between NE 4th Street and NE 8th Street. He said the CAC held the area up as appropriate for additional height and density given its proximity to the freeway and light rail station. The current zoning allows an FAR of 3.0 and height of 75 feet for office and 90 for residential. The CAC recommended exploring up to 6.0 FAR and up to 350 feet in height, and the staff concurred. There is also a need to accommodate the Grand Connection that is being considered to come across the freeway in the area.

Mr. King added that the OLB area between NE 4th Street and Main Street will be discussed by the Commission after the Council provides input regarding the Mount Rainer view corridor.

Chair Hilhorst said she fully agreed with the recommendation of the CAC and the staff. The area is adjacent to a freeway rather than a residential neighborhood. There are also benefits for the area given its proximity to Meydenbauer Center and given the fact that it will interact with the Grand Connection.

Commissioner deVadoss asked if the CAC made a recommendation relative to the view corridor. Mr. King allowed that it did not. Staff is currently working to analyze the policy implications of the view corridor and has not yet developed a recommendation one way or the other.

Chair Hilhorst pointed out that the view corridor issue had been on the Commission's plate but it was removed. She said she would like to have had the opportunity to seek input from the public on the issue.

Commissioner Laing said he was puzzled by the reference to the public view corridors of mountains as necessary. He said it was his understanding that the issue is one affecting the properties to the south of NE 4th Street. The corridor has no impact on the OLB district north of NE 4th Street.

Commissioner Walter pointed out that in fact the Commission did discuss the issue of mountain views both in terms of the Olympics and the Cascades. Views toward the mountains are important for many residential areas and should be identified as something having aesthetic value.

Mr. King said the reference to developing accommodations for the protection of public view corridors was included in the materials because of the Council's interest in the Mount Rainier view corridor. While the OLB area in question does not impact the Mount Rainier under discussion, it does relate to other mountain ranges, so the issue was left open to allow room for what the Council might weigh in with.

Commissioner Walter asked if the transportation department has studied whether or not people existing from the area toward I-405 will back up into the city's streets. Mr. King said the transportation information was shared with the Commission earlier in the year and will also be part of the SEPA documentation.

Commissioner Laing pointed out that it will be at the project level that a specific analysis of what adding density will do to the transportation system. If the modeling shows traffic will back up, the project may not be approved.

There was agreement to move forward with the staff recommendation, except the Commission offered no recommendation relative to the view corridor and Grand Connection issues.

Mr. King noted that there were details regarding departures and code flexibility on pages 37 and 38 of the Commission packet. He encouraged the Commissioners to read through the materials and seek to understand the different topical areas. The stakeholders and the community will be asked to weigh in on them and to suggest additional options.

Commissioner deVadoss asked if the notion of including something like the harbor steps to the BDR building site would be a variable of one of the dimensional standards, circulation and landscaping categories. Mr. King said the earlier work had envisioned Main Street as a true main street in the area of that building. There is some topography involved, and Mr. Miller has come up with the harbor steps concept that would place retail uses more internal to the corner. That

would be an opportunity to apply a departure in acknowledgement of an approach that would be of equal or greater value to what the code would require.

Chair Hilhorst asked about the statement relative to closer tower spacing to yield fluid, slender and unique building forms. Mr. King said the code currently allows towers to be spaced as close as 40 feet apart, and the proposed new standard is 80 feet. However, flexibility should be allowed in the standard to accommodate unique building forms.

Mr. Stroh allowed that the hour was too late to take up a discussion on the incentive zoning system. He said it would be put on a future agenda.

## 12. PUBLIC COMMENT

(11:04 p.m.)

Mr. Alex Smith, 700 112th Avenue NE, spoke in regard to the property to the east of Meydenbauer Center. He said he was not asking for more than the FAR of 6.0 recommended for the site by the CAC, or for height in excess of 350 feet. He stressed that the opportunities for the site are rather unique given its proximity to light rail and access to transportation corridors. The site offers the opportunity to construct two towers. Of course much relies on the feasibility of expanding Meydenbauer Center. If that happens, a 400-key hotel would be justified rather than a 240-key hotel with residential. An FAR of 8.0 may be appropriate through a development agreement involving bonus amenities.

Chair Hilhorst asked what height would be needed to accommodate an FAR of 8.0. Mr. Smith said of the two towers, the hotel/residential tower would need to be at or slightly below 350 feet, while the office tower along the Grand Connection could be perhaps 150 feet. The key will be flexibility given the unique shape and size of the site.

## 13. ADJOURN

(11:11 p.m.)

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

Chair Hilhorst adjourned the meeting at 11:11 p.m.