



Bellevue Planning Commission

AGENDA

Regular Meeting

June 8, 2016
6:30 PM

City Hall, Room 1E-113, 450 110th Avenue NE, Bellevue WA

6:30 PM – 6:35 PM	Call to Order	
6:35 PM – 6:40 PM	Roll Call	
6:40 PM – 6:45 PM	Approval of Agenda	
6:45 PM – 7:15 PM	Public Comment	
7:15 PM – 7:20 PM	Communications from City Council, Community Council, Boards and Commissions <i>Planning Commission Officer Elections June 22, 2016</i>	
7:20 PM – 7:25 PM	Staff Reports	
7:25 PM – 7:30 PM	Draft Minutes Review <i>May 11, 2016</i>	
7:30 PM – 10:00 PM	Study Session Downtown Livability Land Use Code Update <i>Commission discussion of a proposed structure and approach for the updated incentive zoning system, draft definitions for bonusable amenities, and proposed framework for a Downtown Bellevue “Green Factor.”</i> Category: Land Use Code Amendments Staff: Emil King, Strategic Planning Manager, Planning & Community Development	1
10:00 PM – 10:30 PM	Public Comment	



Bellevue Planning Commission

10:30 PM

Adjourn

Please note:

- Agenda times are approximate only.
- Generally, public comment is limited to 5 minutes per person or 3 minutes if a public hearing has been held on your topic. The last public comment session of the meeting is limited to 3 minutes per person. The Chair has the discretion at the beginning of the comment period to change this.

Planning Commission Members

Michelle Hilhorst, Chair

John deVadoss, Vice Chair

Jeremy Barksdale

John Carlson

Aaron Laing

Anne Morisseau

Stephanie Walter

John Stokes, Council Liaison

Staff Contacts

Terry Cullen, Comprehensive Planning Manager 425-452-4070

Emil King, Strategic Planning Manager 425-452-7223

Janna Steedman, Administrative Services Supervisor 425-452-6868

Kristin Gullledge, Administrative Assistant 425-452-4174

** Unless there is a Public Hearing scheduled, "Public Comment" is the only opportunity for public participation. Wheelchair accessible. American Sign Language (ASL) interpretation available upon request. Please call at least 48 hours in advance: 425-452-5262 (TDD) or 425-452-4162 (Voice). Assistance for the hearing impaired: dial 711 (TR).*



June 8, 2016

SUBJECT

Downtown Livability Initiative – Proposed Structure and Approach for Updated Incentive Zoning System; Draft Definitions and Design Criteria for Bonusable Amenities; and Proposed Framework for a Downtown “Green and Sustainability Factor”

STAFF CONTACT

Emil A. King AICP, Strategic Planning Manager 452-7223 eaking@bellevuewa.gov
Planning and Community Development

DIRECTION NEEDED FROM PLANNING COMMISSION

- Action
- Discussion
- Information

DISCUSSION

Recommendations from the Citizen Advisory Committee

The Planning Commission is working through the Downtown Livability Citizen Advisory Committee’s (CAC) recommendations for a targeted set of Land Use Code topics including public open space, landscaping, walkability and the Pedestrian Corridor, design guidelines, incentive zoning, and building height and form. Direction for the CAC’s recommendations drew heavily from a set of Land Use Code audits and focus groups that analyzed what was working regarding each topic, what wasn’t working, and areas for improvement. The current Commission work on updating the Downtown Land Use Code through the Livability Initiative is part of a broader agenda to make Downtown more people-friendly, vibrant and memorable, and add to the amenities that make for a great city center.

Focus of Study Session

The Planning Commission’s June 8 Study Session will focus on the following three topics:

1. Proposed structure and approach for updated incentive zoning system
2. Draft definitions and design criteria for bonusable amenities
3. Proposed framework for a downtown “green and sustainability factor”

While the Commission made significant progress on preliminary building height and form recommendations on April 13 and May 11, there are still a few remaining geographic areas where staff is conducting additional analysis based on either Council or Commission direction (DT-OLB District between Main Street and NE 4th, Lakha/Fortress Development, Connor

Building, Old Bellevue “B” District, height/FAR feasibility in DT-O2 North). These are planned to be brought back to the Commission on July 27 for further discussion.

1. Proposed Structure and Approach for Updated Incentive Zoning System

On June 8, the Commission will review a proposed structure and approach for updating the Amenity Incentive System (see Attachment A). This was originally included in the May 11 Commission packet, but was not covered due to time constraints. Two points of clarification are shown in the staff material from May 11 to June 8: (1) that the proposed new 1.0 FAR exemption will likely need to include an affordable housing component and market housing component to act as a true incentive; and (2) the adjustment to base FAR to account for new requirements would be offset by eliminating the existing mandatory “basic FAR amenity requirements.” All the remaining material in Attachment A is the same as the May 11 packet.

The Downtown Livability CAC concluded in their Final Report that the amenity incentive system should be updated to focus on factors that will make Downtown more livable, and that the update should ensure that the system is feasible and acts as a real incentive (see Attachment B for excerpt from Final CAC Report).

To help develop a common understanding and align the update with Council input, a joint Council-Planning Commission workshop occurred on November 9, 2015. This resulted in a set of Council Principles to guide the update (see Attachment C). The staff-proposed approach to update the incentive system is grounded both in the CAC findings and the guidance provided by the Council Principles. The City Council has also requested a briefing on the proposed Downtown incentive zoning structure, and this is anticipated to occur in June. Once there is clear direction on the structure of the updated system, economic modeling would be performed to identify the market value of the incentives and how they translate into increments of bonus FAR and height.

Tonight, staff is seeking Commission direction on the structure and approach for updating the incentive zoning system.

2. Draft Definitions and Design Criteria for Bonusable Amenities

The proposed structure and approach of the updated incentive zoning system attempts to streamline and focus the incentives on those most important to promoting Downtown livability. It differentiates incentives from basic Code requirements, and seeks to ensure that the resulting system acts as a real market incentive. Staff is now presenting draft definitions and design criteria for the bonusable amenities (see Attachment D). It is important to note that a process “off-ramp” would be part of the incentive system. It would allow developers to suggest bonusable amenities not on the formal list through a City Development Agreement. The criteria for the departure would be that the amenity provides an equal or greater contribution to meeting the intent of the incentive system, and results in a significant public benefit or amenity that would not otherwise be provided absent the departure.

Tonight staff is seeking general Commission concurrence on the formal list of bonusable amenities and the proposed design criteria. These will be incorporated into the incentive system economic modeling, and ultimately included in the consolidated code package to go to public hearing with Commission direction.

3. Proposed Framework for a Downtown “Green and Sustainability Factor”

At the beginning of the Downtown Livability Initiative, City Council provided the Downtown Livability CAC with a list of principles that helped guide their work. Two of these principles directly relate to the proposed creation of a Green and Sustainability Factor. These include:

Principle 5: “Encourage sustainability and green building innovation in Downtown development. Enable design that promotes water, resource, and energy conservation, and that advances ecological function and integrity.”

Principle 12: “Advance the theme of “City in a Park” for Downtown, creating more green features, public open space, trees and landscaping; and promoting connections to the rest of the park and open space system.”

Using Council’s principles, the Downtown Livability CAC recommended a “green and sustainable character” to promote the memorability and livability of Downtown. Other recommendations by the CAC sought to increase the “greening” of Downtown by promoting additional landscaping and green elements in the Pedestrian Corridor, the development of green roofs, green walls, and other green elements throughout Downtown, and the use of rooftop solar panels. The CAC also proposed adding elements to code to promote the use of Green Streets concepts, preservation of landmarks trees, the planting of significant trees, and activated rooftops.

Tonight staff is seeking general Commission concurrence on the proposed framework for a downtown “Green and Sustainability Factor.” These provisions will ultimately be included in the consolidated code package to go to public hearing with Commission direction.

NEXT STEPS

The Planning Commission will continue its work on the remaining code topics per the proposed Council/Commission schedule below. It is a Council priority to complete the work on Downtown Livability in 2016. The status of the Commission’s recommendations are still *preliminary* and are not final at this time. A complete Draft Land Use Code Amendment package will be completed this fall. An open house is tentatively planned for September 21 to allow for interaction with the Commission and staff prior to the formal public hearing on the Code package (targeted for October 12, 2016). The Commission will ultimately form a recommended Code and design guideline package to transmit to Council for final action.

Commission and Council Downtown Livability Milestones for Remainder of 2016

City Council Milestones	Planning Commission Milestones
June 2016 <i>Continued Council discussion of Public View Corridor of Mount Rainier; Council check-in on Incentive Zoning</i>	June 8 <i>Commission Review: Incentive Zoning Structure; Code Standards and Design Guidelines (Draft Definitions and Design Criteria for Bonusable Amenities, Proposed Framework for Downtown “Green and Sustainability Factor”</i>
Early August 2016 <i>Council check-in on Incentive Zoning Economic Modeling</i>	July 27 <i>Commission Review: Incentive Zoning Calibration; Subarea Plan</i>
	Sept. 14 & 21 <i>Commission Review: Consolidated Code Packet and SEPA documentation; Open House</i>
	Oct. 12 & 19 <i>Target for Public Hearing, Commission Deliberations</i>
	Nov. 9 & 16 <i>Finalize Commission Recommendations on Land Use Code Amendments</i>
December 2016 <i>Target for Commission transmittal of Code Recommendations to City Council</i>	

ATTACHMENTS

- A. Proposed Structure of Updated Incentive Zoning System
- B. CAC Recommendations for Incentive Zoning System – Chapter 2 of Final Report
- C. Council Principles for Incentive Zoning
- D. Draft Definitions and Design Criteria for Bonusable Amenities
- E. Proposed Framework for a Downtown “Green and Sustainability Factor”

Proposed Structure for Downtown Incentive Zoning System

EXECUTIVE SUMMARY

As noted in the Downtown Livability CAC's Final Report, the Amenity Incentive System has been a key tool for achieving the Downtown vision. The system allows for buildings to earn "bonus" intensity (FAR) and height in return for providing public amenities that mitigate building in a dense urban environment. However, over time the system no longer is grounded in current market economics and has not been modified to fit Downtown's evolving state. The CAC concluded that the system should be updated to focus on factors that will make Downtown more livable, and that the update should ensure that the system is feasible and acts as a real incentive.

To help focus the update and align with Council thinking, a joint workshop between the City Council and the Planning Commission took place in November 2015. This resulted in a set of Council Principles to guide the update. The staff-proposed approach to updating the incentive system is grounded both in the CAC findings and the guidance provided by the Council Principles. The update will be presented in two parts:

- Part 1, the focus of the current proposal, is the proposed **structure** of the new incentive system. This includes identifying what should be incentivized vs. required, the "stacking" of various bonus features, and factoring in elements such as an option for fee-in-lieu payments and periodic review of the system.
- Part 2 is **market calibration of the proposed incentive system**. Once there is clear direction on the structure of the updated system, economic modeling is performed to identify the market value of the incentives and how they translate into increments of bonus FAR and height. A calibration proposal is set to be presented in July, and will be guided by the direction on the structure of the new system.

Following are the key points proposed for the structure of the updated system. Each point is associated with the relevant Council Principles that provide guidance for the update. Further details about the complete system follow this Executive Summary.

The overall approach attempts to update, streamline, and focus the incentives on those most important to promoting Downtown livability. It differentiates incentives from basic Code requirements, and seeks to ensure that the resulting system acts as a real market incentive.

Proposed Approach to Downtown Incentive Zoning Structure	Relevant Incentive Zoning Council Principles
<p>1. Update and clarify what is a Code requirement vs. an incentive, adjusting the basic FAR accordingly.</p>	<p><i>Council Principle #4. Recognize that incentive zoning is one part of the broader Downtown land use code, and will work together with development standards, design guidelines and other code elements to collectively address impacts of development and ensure Downtown is a great place for people.</i></p> <p><i>Council Principle #5. Simplify and streamline the incentive system with a clear structure and desired outcomes. This includes narrowing the list of incentives by mandating appropriate elements, incentivizing what would not otherwise happen, and increasing the base FAR to account for any current incentive that is converted to a mandate.</i></p>
<p>2. Remove features that are no longer real incentives (structured parking, residential) and adjust the basic FAR accordingly.</p>	<p><i>Council Principle #5. Simplify and streamline the incentive system with a clear structure and desired outcomes. This includes narrowing the list of incentives by mandating appropriate elements, incentivizing what would not otherwise happen, and increasing the base FAR to account for any current incentive that is converted to a mandate.</i></p> <p><i>Council Principle #7. Design the amenity incentive system to act as a real incentive for developers, and ensure that modifications to the incentive system don't effectively result in a downzoning of land, in particular for current incentives converted to mandates.</i></p>
<p>3. Create additional lift/value for the incentive system by incorporating proposed increases in FAR/height into the system. This will create an additional value for public amenities.</p>	<p><i>Council Principle #8. Ensure that participation in the updated incentive system is required for any increases to currently permitted maximum density (FAR) and/or height.</i></p>
<p>4. Adjust the FAR exemption to include up to 1.0 exempt FAR for an affordable housing <u>incentive program</u>, as a major incentive for achieving such.</p>	<p><i>Council Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City's broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.</i></p> <p><i>Council Principle #7. Design the amenity incentive system to act as a real incentive for developers, and ensure that modifications to the incentive system don't effectively result in a downzoning of land, in particular for current incentives converted to mandates.</i></p>

Proposed Approach to Downtown Incentive Zoning Structure	Relevant Incentive Zoning Council Principles
5. Focus remaining bonus FAR on key placemaking and public open space features, walkability, and cultural/community features.	<p><i>Council Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City’s broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.</i></p> <p><i>Council Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.</i></p>
6. Utilize the system to promote neighborhood identity, principally by tailoring the nature/type of bonus open space by neighborhood.	<p><i>Council Principle #3. Design the incentive system to help reinforce Downtown neighborhood identity.</i></p>
7. Allow for fee payments in lieu of on-site performance.	<p><i>Council Principle #10. Provide for a reasonable “fee-in-lieu” alternative to ensure that the amenity incentive system does not unduly hinder development or result in building designs that lack market viability.</i></p>
8. Provide a Development Agreement option as an “off-ramp” for the bonus system, where a development can show equal or greater value.	<p><i>Council Principle #11. Consider an “off-ramp” option, with an approval process, providing flexibility for incentivizing elements that were not identified in this update but add equal or greater value.</i></p>
9. Build in a regular CPI adjustment factor to ensure the system remains current with the market; also conduct periodic (5-7 year) reviews of the system.	<p><i>Council Principle #12. Include a mechanism for future periodic updates of the incentive system to address Downtown needs as they change.</i></p>
10. Promote green/sustainable building through other City mechanisms (e.g. remove barriers, provide technical assistance, marketing and recognition, etc.)	<p><i>Council Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.</i></p>

The above chart presents the conceptual approach to the proposed incentive zoning system update. Staff has attempted to embed the Council Principles in this proposal, as summarized above. Two Council Principles not included above have also been considered in the proposal and analysis of the proposed structure; they are critically important and apply to the entire system as opposed to a single point of the structure. *Council Principle #6 is to ensure the system is consistent with state and federal law, including requirements of nexus and rough proportionality. Council Principle #9 is to consider (and seek to avoid) potential unintended consequences of the update.*

Further details of the proposal follow in the body of this report.

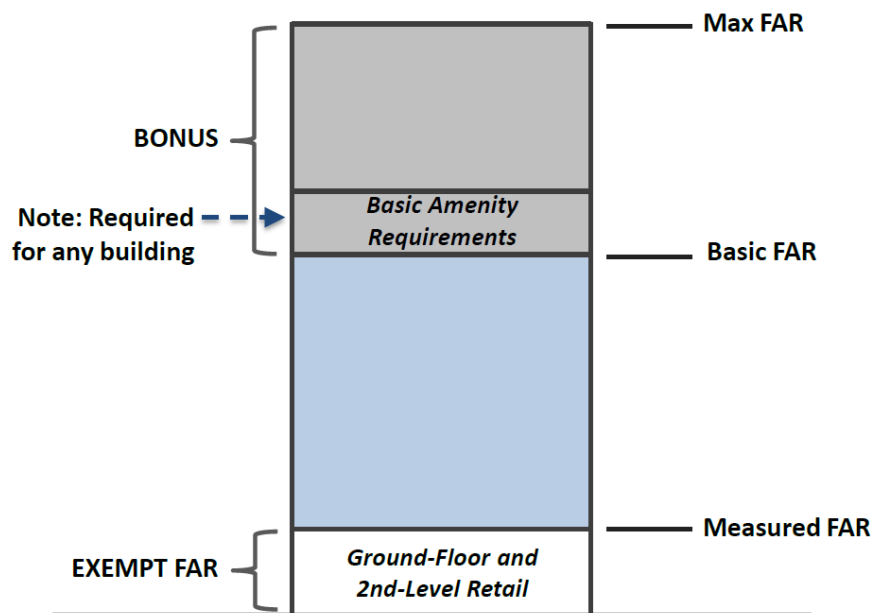
PROPOSED INCENTIVE SYSTEM STRUCTURE

Current Incentive Zoning System

As is shown in the graphic below, the current incentive zoning system is structured as follows:

- The current incentive system includes a *basic* FAR & height and *maximum* FAR & height that vary by Downtown zoning district, but all follow this general structure.
- A development project's measured FAR provides exemption for ground-floor and 2nd-level retail space meeting specific Code requirements.
- Basic Amenity Requirements are mandatory and ensure that all Downtown development meets at least a minimum threshold. Qualifying basic amenities include: pedestrian-oriented frontage; landscape features; arcades; marquees; awnings; sculpture; water features; active recreation areas; retail food; child care services; plazas; and residential entry courtyards. These "basic" amenities also qualify for bonusable FAR.
- On top of the Basic Amenity Requirements, developments may select from the full list of 23 current amenities to reach maximum FAR and height.

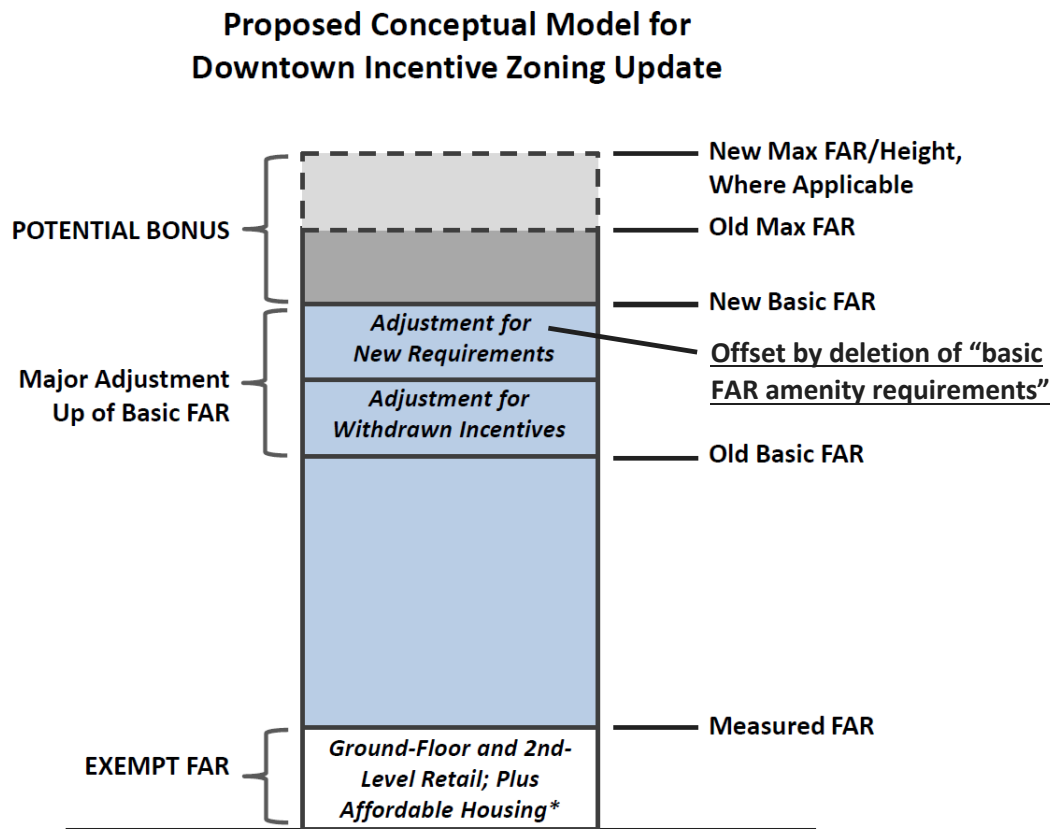
Current Incentive Zoning System



**Ground-Floor and 2nd-Level Retail only exempt under certain conditions.*

Proposed Conceptual Model for Incentive System Update

The full proposal for the structure of the Downtown incentive zoning system is presented below. As noted in the Executive Summary, it was heavily guided by the Incentive Zoning Principles adopted by the City Council in January 2016. The graphic below depicts the proposed approach, described in detail in the following sections.



**Ground-Floor and 2nd-Level Retail only exempt under certain conditions. Up to 1.0 FAR exemption proposed for Affordable Housing meeting specific criteria.*

1. Update and Clarify Code Requirements vs. Incentives, Adjust Basic FAR Accordingly

Incentive zoning is one part of the broader land use code framework that guides development. That broader framework includes permitted uses, dimensional standards such as lot coverage and setbacks, development standards such as required parking ratios, and design guidelines that address the quality of development. Separate from the land use code are building code requirements that address building safety, such as structural integrity.

The Downtown Livability Code amendments include updates to development standards and guidelines, so the Code is more forward-looking and people oriented. The “early wins” adopted earlier this year included a shift for weather protection to be a requirement vs. an incentive. Another proposed shift is to create a “green factor” to mitigate some of the environmental impacts associated with dense urban development and add to the sense that Downtown Bellevue is part of Bellevue’s “city in a park” identity. Development would select from a menu of items, some of which are currently in the amenity system. These would include landscape features, green roofs, vegetated walls, enhanced tree canopy, food production, “green streets” concepts, bicycle parking, and electric vehicle charging stations. Note: calibration of this “green factor” will be conducted in Part 2 of this proposal (anticipated July 2016). The other proposed shift is to address pedestrian-oriented frontage as a requirement and remove it from the incentive system. Today it is both a requirement and an incentive on certain Downtown streets; it would be simpler to address it solely as a requirement on those streets where it is necessary for pedestrian activation. Note: The FAR adjustment for new requirements would be offset by eliminating the existing mandatory “basic FAR amenity requirements” (see LUC 20.25A.020.C).

Table A. Existing and Proposed Features for Amenity Incentive System

Existing Amenity System	Proposed Shift to Requirement w/ Basic FAR Adjusted Accordingly	Proposed New Amenity System Features	Proposed to be Withdrawn w/ Basic FAR Adjusted Accordingly
Placemaking Major Pedestrian Corridor Pedestrian Oriented Frontage	X	Major Pedestrian Corridor/Grand Connection	
Neighborhood Serving Uses Public Meeting Rooms; Child Care Services; Retail Food; Space for Non-profit Social Services			X Note: No adjustment to basic FAR needed; Code audit showed 3 of 4 amenities never used and public meeting rooms used once.
Parks and Open Space Outdoor Plaza; Donation of Park Property; Residential Entry Courtyard; Active Recreation Area; Enclosed Plaza		Outdoor Plaza; Donation or Improvement of Park Property; Residential Entry Courtyard; Active Recreation Area; Enclosed Plaza; Add Pocket Parks; Farmers Markets; “alleys with addresses;” and “third places” as part of Neighborhood-Specific Publicly Usable Open Space	

Existing Amenity System	Proposed Shift to Requirement w/ Basic FAR Adjusted Accordingly	Proposed New Amenity System Features	Proposed to be Withdrawn w/ Basic FAR Adjusted Accordingly
Landscape Feature; Landscape Area	X Note: Landscape Feature; Landscape Area included as part of “green factor” menu. This menu also includes green space/open space, tree preservation and planting.		
Parking Underground Parking; Above-Grade Structured Parking			X
Housing Residential Uses			X
Arts and Culture Performing Arts Space; Sculpture; Water Feature		Performing Arts Space; Sculpture; Water Feature; Art Space; Historic Preservation and Cultural Resources	
Walkability		Free-standing canopies at street corners (non-building weather protection) Pedestrian bridges meeting specific location and design criteria	

Note: Several Items in the Downtown’s CAC List of Potential New Amenities are not included here. This is to avoid diluting the system, in light of Council guidance to streamline the system and narrow it to the items that are most important to achieving Downtown Livability. The proposed approach focuses on affordable housing, usable public open space, walkability/connectivity and cultural/community resources. Not included are: iconic buildings, increased setbacks, small lot architecture, sustainable buildings, signature streets, upper level plazas and activated rooftops (the latter two constituting private rather than public open spaces). Potentially some of these items, if they provide equal or greater public benefit, could be considered in the “off-ramp” Development Agreement option presented in the proposed framework.

Relevant Incentive Zoning Council Principles

Principle #4. Recognize that incentive zoning is one part of the broader Downtown land use code, and will work together with development standards, design guidelines and other code elements to collectively address impacts of development and ensure Downtown is a great place for people.

Principle #5. Simplify and streamline the incentive system with a clear structure and desired outcomes. This includes narrowing the list of incentives by mandating appropriate elements, incentivizing what would not otherwise happen, and increasing the base FAR to account for any current incentive that is converted to a mandate.

2. Remove Features that are No Longer Real Incentives and Adjust Basic FAR Accordingly

The purpose of updating the Amenity Incentive System is to promote those amenities most important to achieving livability and the desired future for Downtown. The current incentive zoning provisions in Downtown Bellevue are largely unchanged from the system adopted in 1981. At that time, incentives for new development to put in place underground parking, above-grade structured parking and residential units were important policy goals. Surface parking lots abounded in 1981, consuming scarce urban land and detracting from the pedestrian environment, and land prices at that time encouraged more of the same. In recent decades this has radically changed. Today's densities and land values virtually ensure that new parking is in structured garages as opposed to surface lots. Likewise, the Downtown Bellevue residential market has been entirely transformed in recent years, to the point that 12,000 people today call Downtown home. Indeed, a concern for the Downtown Livability update has been to "level the playing field" so that residential uses do not out-compete office uses for so many sites.

As was shown in the Land Use Code Audit, the amount of bonus earned through the parking and residential amenities has been the vast majority of all bonuses earned. Since the market is already strongly providing for these outcomes, the amenity system is no longer acting as a real incentive for private development to produce them. To keep them in the amenity incentive system is not consistent with Council direction to "incentivize what would otherwise not happen." To compensate for withdrawing these amenities, there will be an adjustment of the basic FAR accordingly.

Relevant Incentive Zoning Council Principles

Principle #5. Simplify and streamline the incentive system with a clear structure and desired outcomes. This includes narrowing the list of incentives by mandating appropriate elements, incentivizing what would not otherwise happen, and increasing the base FAR to account for any current incentive that is converted to a mandate.

Principle #7. Design the amenity incentive system to act as a real incentive for developers, and ensure that modifications to the incentive system don't effectively result in a downzoning of land, in particular for current incentives converted to mandates.

3. Create Additional Lift/Value for the Incentive System by Incorporating Proposed Increases to FAR and Height

The Downtown Livability CAC provided a set of height and form recommendations that are currently being reviewed by the Planning Commission. A key tenet of this work is that any increases to maximum floor area ratio and/or building height are earned through the updated incentive system.

The Commission's current discussion has included a number of areas (such as the O-1 district) where potential additional height could be earned (without additional FAR) and areas where both additional FAR and height could be earned (such as the DT-OLB district). This creates added value that can be included in the amenity incentive system.

Bellevue’s Downtown Incentive System has historically used height and FAR in tandem. Since a number of districts are being recommended for just additional height, a mechanism will be established that focuses on this increment. When height is offered independent of FAR, the key issue is how different types of development marginally value the additional height, particularly as buildings move up code/construction type and/or cost breakpoints (i.e. wood to concrete/steel construction). This will be an important consideration in the economic calibration work that follows.

Relevant Incentive Zoning Council Principle

Principle #8. Ensure that participation in the updated incentive system is required for any increases to currently permitted maximum density (FAR) and/or height.

4. Adjust the FAR Exemption to Include Affordable Housing

One type of FAR incentive is to exempt certain items from the FAR count, as the Code currently does for ground-floor and second-level retail meeting certain design requirements. See LUC 20.25A.020.B.3.a: “Up to a maximum of 1.0 of the floor area in a project limit that is devoted to retail activities will not be counted for the purpose of calculating FAR in the proportions set forth in LUC 20.25A.115, so long as the retail activities are designed and located in compliance with...”

This proposal is to add up to 1.0 FAR **for an** affordable housing **incentive** to the list of FAR exemptions. In effect, this would be a strong incentive for affordable housing, and would free up the rest of the Amenity Incentive System for other desired amenities like public open space. There is **additional** logic to exempting FAR for affordable housing, from the perspective of trip generation, in that closer-in affordable living options allow people to live closer to work, resulting in shorter trips with a higher share of walking, biking, and transit. For the most part, this opportunity is not available today for the sizable Downtown workforce employed in service and retail jobs.

Relevant Incentive Zoning Council Principles

Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City’s broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.

Principle #7. Design the amenity incentive system to act as a real incentive for developers, and ensure that modifications to the incentive system don’t effectively result in a downzoning of land, in particular for current incentives converted to mandates.

5. Focus Remaining Bonus FAR on Placemaking & Public Open Space Features, Walkability, and Cultural/Community Amenities

Once the basic FAR is adjusted upwards to account for amenities converted to requirements, as well as former amenities to be withdrawn from the list, there will be limited “lift” left in the system to support new amenities. It will be critical to focus that bonus lift on the features most important to achieving Downtown livability. This is a strong theme from both the Council Principles and the CAC report. If the

Amenity Incentive system tries to promote every conceivable desired outcome, it will be too diluted to accomplish anything meaningful.

The Council principles and CAC direction together provide the overall guidance for the proposed amenities list as shown below in Table B; this is in conjunction with the proposed FAR exemption for affordable housing (#4 above). As a whole, the system will promote the following as the most important items to achieve:

- Affordable housing
- Public open space
- Walkability/connectivity
- Cultural/community features

Affordable housing is strongly promoted through the FAR exemption. The bonusable FAR is then divided among the other key amenities. Since public open space is so important to livability, the proposal assigns 75% of the bonusable value to it and 25% of the remainder to the other features.

Table B. Proposed Features for Updated Amenity Incentive System

Amenity Category	Amenity Features	Focus
Placemaking and Public Open Space Features	<ul style="list-style-type: none"> • Major Pedestrian Corridor/Grand Connection • Outdoor Plaza; Donation or Improvement of Park Property; Residential Entry Courtyard; Active Recreation Area; Enclosed Plaza; Add Pocket Parks; Farmers Markets; “alleys with addresses;” and “third places” as part of Neighborhood-Specific Publicly Usable Open Space 	<ul style="list-style-type: none"> • Target 75% of a Project’s Earned Bonus
Walkability/Connectivity Features	<ul style="list-style-type: none"> • Free-standing canopies at street corners (non-building weather protection) • Pedestrian bridges meeting specific location and design criteria 	<ul style="list-style-type: none"> • Target 25% of a Project’s Earned Bonus
Cultural/Community Features	<ul style="list-style-type: none"> • Performing Arts Space; Sculpture; Water Feature; Art Space; Historic Preservation and Cultural Resources 	

Relevant Incentive Zoning Council Principles

Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City’s broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.

Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.

6. Use the Incentive System to Promote Neighborhood Identity

The incentive system will be used to promote neighborhood identity within Downtown Bellevue, principally through tailoring the nature/type of bonus open space to each Downtown neighborhood. This is consistent with the Downtown CAC report, which included specific open space needs and expressions for each of the seven Downtown neighborhoods. For example, a new neighborhood park was identified as a strong need for the Northwest Village and East Main neighborhoods and not for others. Community gardens/pea patches were shown as desirable in most neighborhoods but not in the Downtown Core or Old Bellevue.

Relevant Incentive Zoning Council Principles

Principle #3. Design the incentive system to help reinforce Downtown neighborhood identity.

7. Allow for Fee-in-Lieu Payments

The preference for the Downtown incentive system will be for on-site performance. This means that amenities are delivered on the same site as the development. The system will also include provisions for fee-in-lieu payments to allow flexibility to pay for producing the amenity off-site. The cost of the fee-in-lieu payment will be determined during the pricing and calibration phase.

Relevant Incentive Zoning Council Principle

Principle #10. Provide for a reasonable “fee-in-lieu” alternative to ensure that the amenity incentive system does not unduly hinder development or result in building designs that lack market viability.

8. Provide Process “Off-Ramp” for Incentive System

The Downtown Livability CAC and City Council both provided direction to include a process for developers to suggest amenities that are not on the formal list. It is proposed that developers are able to suggest bonusable amenities through a City Development Agreement. The criteria for the departure would be that the amenity provides an equal or greater contribution to meeting the intent of the incentive system, and results in a significant public benefit or amenity that would not otherwise be provided absent the departure.

Relevant Incentive Zoning Council Principle

Principle #11. Consider an “off-ramp” option, with an approval process, providing flexibility for incentivizing elements that were not identified in this update but add equal or greater value.

9. Market Adjustment and Periodic Review

A best practice is to incorporate a regular adjustment to the incentive price (proposed as annual CPI adjustment) to ensure the system remains current with the market. It is also recommended to incorporate a periodic review (every 5-7 years) to review and modify the incentive system as needed.

Relevant Incentive Zoning Council Principle

Principle #12. Include a mechanism for future periodic updates of the incentive system to address Downtown needs as they change.

10. Promote Green/Sustainable Building Through Other City Mechanisms

One of the items that is desired but not included in the simpler, more focused amenity list is green/sustainable building design and performance. While not included in the proposed bonus amenity system, staff looked for other ways to promote this desirable outcome. It is proposed that outside of the incentive system, the City will promote green building Downtown through a variety of other means, such as:

- Training and technical assistance by City staff and partners.
- Partnering with third parties for promoting and recognizing green buildings.
- Removing Code barriers for innovative and high performing buildings.
- Considering a Living Building pilot ordinance, which would allow departures from the building code for a certain number of pilot projects.

While not part of the amenity incentive system, it is hoped that these will be other means of encouraging green buildings that significantly out-perform the current standard product in Downtown. A number of jurisdictions also provide expedited permit review for green/sustainable certified buildings.

Relevant Incentive Zoning Council Principle

Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.

NEXT STEPS

Once there is agreement on the overall structure of the incentive system, calibration (pricing) is the next step. This requires valuing both the cost of providing the amenity (or public benefit) and the value of the incentive (additional floor area and/or height) so that the bonus value exceeds the amenity value. This is a technical exercise that involves pro forma modeling of development. This work will be performed by the City's technical consultant (Berk) and is anticipated to be available in July 2016.

Chapter 2 from Downtown Livability CAC Final Report

AMENITY INCENTIVE SYSTEM

Background

A key tool for achieving the Downtown vision has been the Amenity Incentive System, which provides for buildings to earn “bonus” intensity (increased floor area ratio (FAR)) and height in return for providing public amenities. The Downtown Subarea Plan, adopted in 2004, and consistent with the Plan in place since 1979, promotes this bonus system as a way to accomplish the public objectives set forth in the Plan. It directly calls out incentives for certain features, such as residential uses, development of themed streets, and reinforcing the unique characteristics of Downtown neighborhoods.

The current list of amenities eligible for bonus FAR and height is quite extensive. It includes 23 amenities, each with specific design criteria and a bonus rate used to calculate the amount of added floor area earned. When first adopted in the early 1980s, the bonus rates were based on the developer’s cost to deliver a given amenity, converted to the value of extra development rights (FAR) received. These rates have not been recalibrated for many years

Floor area ratio is the ratio of the total square feet of a building to the total square feet of the property on which it is located.

Several incentives have been identified as noteworthy:

- Development of the Major Pedestrian Corridor and its related Major Public Open Spaces receives a “super-bonus” of height in the Core Design District above what can be earned for any other amenity.

How does the amenity incentive system relate to livability?

- » Opportunities for amenities to help reinforce Downtown neighborhood identity
- » Potential to focus bonuses on the most important amenities
- » Addition of new amenities that focus on livability and the future of Downtown
- » Opportunities to encourage creative design
- » Potential for added “lift” to incentive system through additional height and FAR

-
- First and second levels of retail are highly incentivized by being “free” FAR; i.e. they are not counted against the FAR maximums and can allow a building to include significantly more floor area than the stated code maximums.
 - “Basic Floor Area Requirements” ensure that all developments meet a minimum threshold of amenities, typically at the ground level and oriented to a public right of way. Qualifying basic amenities are a subset of the larger whole, and include pedestrian-oriented frontage, weather protection (arcades, marquees and awnings), some open space features and others.
 - Pedestrian-oriented frontage is required in many cases, and is also eligible for incentive.

Changes to the Amenity Incentive System should consider such factors as:

- The amenities most important to achieving livability and desired future for Downtown.

- What features need to be incentivized versus what development will do without incentives.
- The economics of development, to ensure that the modified incentive system is feasible and acts as a real incentive.

Downtown needs as they change; creative, new concepts may arise that make sense to bonus in some way.

- Fee-in-lieu collection through an amenity system should relate to the area where the project occurs.

CAC Discussion

CAC discussion of the Amenity Incentive System focused on the following key points:

- Focus on the factors that would ultimately make Downtown more livable; should be tangible and give back to the community.
- Strong interest in how the incentive system and design guidelines can be used to help reinforce Downtown neighborhood identity (i.e. a district by district approach).
- Potentially modify some of the existing amenity definitions and more clearly direct where they happen within Downtown.
- Some amenities could potentially shift to be requirements (such as weather protection) rather than a bonused amenity.
- The structure of the bonus rates should clearly reflect the most desired amenities.
- A “superbonus” might apply to extraordinary or iconic design features; special design review would be needed.
- The incentive system should be efficient, predictable, not overly complex, and encourage creative design.
- The incentive system should be economically viable; it should act as a real incentive and not deter development. Changes to the current incentive system may necessitate an increase in base density/height.
- The system should be updated more frequently and have the ability to address

Recommendations

Amenity Incentive System Strategy 1: Update amenities to be included in the Amenity Incentive System.

The CAC has identified the following overarching themes regarding amenities:

- Focus on amenities most important to achieving livability and desired future for Downtown.
- Consider what needs to be incentivized vs. what market will do without incentives.
- Provide flexibility to encourage creative design.
- Amenities should help reinforce Downtown neighborhood identity.
- Modified incentive system must be feasible and act as a real incentive.

In the table on the following page, the CAC identified current and potential additional amenities that should be considered for the Amenity Incentive System. The CAC has specific direction on a few items as follows:

- The current amenities list includes underground and above-ground parking as well as residential uses. CAC discussion focused on whether these are still uses that are considered an amenity that a development should get bonus area for or whether they are uses that will be provided regardless of incentives.
- The CAC discussed the potential inclusion of affordable housing as a new item to add to the amenity system. The CAC provided direction

→
List of
existing and
potential new
amenities

Existing Amenities	Potential New Amenities
Public Gathering Spaces/Placemaking	
Major Pedestrian Corridor	Signature Streets
Pedestrian Oriented Frontage	Third Places, gathering places Farmers Market Space
Neighborhood-Serving Uses	
Public Meeting Rooms	None
Child Care Services	
Retail Food	
Space for Non-profit Social Services	
Parks/Green/Open Space	
Outdoor Plaza	Upper Level Plaza
Landscape Feature	Green Space/Open Space
Landscape Area	Pocket Parks & Urban Courtyards
Donation of Park Property	Green Streets Concepts
Residential Entry Courtyard	Landmark Tree Preservation
Active Recreation Area	Significant Tree Planting
Enclosed Plaza	Activated Rooftops
Parking	
Underground Parking	None
Above Grade Parking	
Above Grade Parking in Residential Bldg	
Housing	
Residential Uses	Affordable Housing
Arts and Culture	
Performing Arts Space	Art Space
Sculpture	Historic Preservation and Cultural Resources
Water Feature	
Design	
None	Iconic Features (i.e. rooftop, tower, etc.) Increased Setbacks for Light/Air Small Lot Interesting Architecture Sustainable Features/Practices Freestanding Canopies at Corners Pedestrian Bridges

“Existing List” means from the current list of 23 bonusable amenities in the Land Use Code.
“New Idea” means a potential new amenity to be bonused through the incentive system.



↑ Through-block connections can be intimate and designed to protect residents' privacy.

for additional evaluation of affordable housing regarding the nature of bonus, relationship to what market is delivering, and how it might tie in with multifamily tax exemption program being considered by Council.

Amenity Incentive System Strategy 2: Make weather protection a development requirement.

Shift “weather protection” from the amenity system to be a development requirement, implemented in appropriate locations through the updated design guidelines.

Amenity Incentive System Strategy 3: Consider neighborhood-specific weighting.

Recognizing that a common theme is to reinforce and promote the unique identify of each neighborhood in Downtown, the CAC discussed the potential to weight incentives differently depending on where the development is located and the unique character and needs of each neighborhood.



↑ People enjoying the amenities of 106th Avenue NE, the entertainment street.

Amenity Incentive System Strategy 4: Develop method to consider alternative amenities.

The CAC was interested in having a method for developers to suggest amenities that were not on the formal list. There would be a process developed to review them and provide an appropriate bonus.

Amenity Incentive System Strategy 5: Recalibrate economics of amenity incentive system.

Conduct an economic analysis to consider how recommended changes to the amenity incentive system may affect development economics and ensure a good balance of public benefit and economic return. The economic analysis will include:

- Identification of the lift to the amenity system provided by any height and/or density increases.
- Evaluation if there is sufficient market demand in the near- and long-term to develop properties at various height and

density levels. The anticipated demand in excess of the base zoning will help inform the revisions to the incentive valuation.

- Analysis of how the base densities should be modified to take into account added development requirements or other changes to the current incentive system.
- Pro-forma analysis of development scenarios (office, residential, mixed-use) to determine project feasibility and ability to contribute to the incentive system.
- Develop incentive pricing and calibration (with fee-in-lieu provisions) based on the most desired amenities, cost to produce, and value derived from height and density increases.

**Council Guidance for Updating Downtown Incentive Zoning
Adopted by Council 1-19-16**

For many years incentive zoning has been part of Bellevue's strategy for implementing the Downtown Plan. Through the Amenity Incentive System, development is offered additional density (FAR) in exchange for providing certain public amenities. The Downtown Livability CAC report calls for a number of revisions to the system. The Council is providing the following direction to staff and the Planning Commission as they consider the CAC recommendations and move forward to develop the specific Land Use Code amendments to update the incentive zoning system.

1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City's broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.
2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.
3. Design the incentive system to help reinforce Downtown neighborhood identity.
4. Recognize that incentive zoning is one part of the broader Downtown land use code, and will work together with development standards, design guidelines and other code elements to collectively address impacts of development and ensure Downtown is a great place for people.
5. Simplify and streamline the incentive system with a clear structure and desired outcomes. This includes narrowing the list of incentives by mandating appropriate elements, incentivizing what would not otherwise happen, and increasing the base FAR to account for any current incentive that is converted to a mandate.
6. Ensure that the amenity incentive system is consistent with state and federal law. In particular, the process should be sensitive to the requirements of RCW 82.02.020, and to nexus and rough proportionality.
7. Design the amenity incentive system to act as a real incentive for developers, and ensure that modifications to the incentive system don't effectively result in a downzoning of land, in particular for current incentives converted to mandates.
8. Ensure that participation in the updated incentive system is required for any increases to currently permitted maximum density (FAR) and/or height.
9. Consider potential unintended consequences of the update, specifically: a) the effect of incentive zoning changes on the ability to continue to provide transit-oriented, workforce housing in Downtown, including the anticipated effect of the MFTE on producing such housing; b) the effect of incentive zoning changes on small lots, to ensure that their redevelopment remains viable and not contingent upon becoming part of an assemblage with other properties; and c) special sensitivity to Perimeter neighborhoods.

10. Provide for a reasonable “fee-in-lieu” alternative to ensure that the amenity incentive system does not unduly hinder development or result in building designs that lack market viability.
11. Consider an “off-ramp” option, with an approval process, providing flexibility for incentivizing elements that were not identified in this update but add equal or greater value.
12. Include a mechanism for future periodic updates of the incentive system to address Downtown needs as they change.

Proposed Amenity Features - Draft Definitions and Design Criteria

PROPOSED FEATURES FOR UPDATED AMENITY INCENTIVE SYSTEM

Proposed Amenity Features	Draft Design Criteria
Category: Placemaking and Public Open Space Features	
<p>Major Pedestrian Corridor: The Major Pedestrian Corridor located on or in the immediate vicinity of NE 6th Street between Bellevue Way and 112th Avenue NE.</p> <p>Grand Connection: The major corridor beginning at Meydenbauer Bay Park at the waterfront of Lake Washington, extending through downtown and the Major Pedestrian Corridor, and connecting to the Wilburton commercial area and Eastside Rail Corridor to the East. Providing placemaking and identity is a major element of the Grand Connection.</p>	<p>Pedestrian Corridor improvements must comply with the requirements of LUC 20.25A.100.E.1. Note: The Grand Connection project will update the guidelines for the Pedestrian Corridor.</p> <p><i>Grand Connection:</i> Development shall be in accordance with the Grand Connection Design Development Plan adopted by the City Council (anticipated 2017-18).</p>
<p>Outdoor Plaza: A continuous open space, predominantly open from above, and designed to relate to the surrounding urban context. Outdoor plazas prioritize pedestrian use and serve as opportunities to activate the downtown and enliven a place.</p>	<ol style="list-style-type: none"> 1. Orientation. Preferable pedestrian plaza locations are to the south or west of building development, and the location should consider solar access as well as wind direction and protection through design. 2. Dimensions. Design as adequate for heavy volumes of pedestrian movement through the space. Provide a primary space within the urban plaza to accommodate much of the plaza activity; this space should be inviting and should serve as the focus of the plaza. Minimum plaza size is 4,000 square feet with a maximum bonusable of 20% of the gross lot area. Plazas larger than 10,000 square feet may earn additional bonus points if they are designed in a manner to provide for activities such as a farmer's market, live events, or general public assembly. 3. Seating. Seating should provide an opportunity for people to gather, socialize, relax, and contribute to the overall livability of the downtown. The minimum sitting space shall be 1 linear foot of seating per 30 square feet of plaza space. A portion of the seating should be informal seating, in the form of steps, planters, retaining walls, or mounds of turf. Wide backless benches, seating suitable for all ages and abilities, and movable chairs are encouraged.

Proposed Amenity Features	Draft Design Criteria
	<p>4. Pavement. Use nonglare, nonslip, and safe surface materials which are compatible with surroundings and which provides visual interest.</p> <p>5. Landscaping. Select plant types which are appropriate for sunny and shady sites. Use to create space and define human scale. Provide protection from wind. A minimum 20 percent of the bonusable plaza must be landscaped. A mix of evergreen and seasonal plantings should be included to ensure year round vegetation and color.</p> <p>6. Plaza amenities. Use pedestrian-scaled lighting, art, water features, recycling and litter receptacles, public restrooms, public wireless internet, and bicycle lockers/racks. Consider any built elements such as paving patterns, railings, manhole covers, pavement, exhaust vents, etc. as an opportunity for art. Include water features as a visual attraction, to screen traffic and city noise, and to cool a space. Art and water features should encourage people to interact by means of touch, movement, and play.</p> <p>7. Provision of space for activities that add vitality, promote security, and attract people. Design to permit vendors, outdoor cafes, rotating art displays, or abutting retail activity. Space for vendors should be highly visible and accessible, additionally the space must not impede pedestrian traffic. Such areas should include electrical outlets and potable water for convenient use of the space.</p> <p>8. Physical access. Provide good physical and visual access to the sidewalk so that the space is perceived as an extension of the sidewalk. Promote the maximum amount of pedestrian use by providing direct and visible paths across the lot logically aligned to link with the local pedestrian network or through-block connection points. Emphasize entries with special planting in conjunction with decorative planting and or lighting. Accommodate the needs of all users in compliance with ADA requirements. Multiple entry and exit points should be provided and the elevation of the perimeter sidewalk or pedestrian connection shall be no greater than 30 inches above or below the plaza.</p> <p>9. Enclosure. Use landscaping and structure to provide a sense of enclosure. The enclosure should provide a sense of protection and the scale of structures should vary so as to not intimidate. Where possible, frame views out of the plaza to visually link the plaza to the rest of the city. An enclosure shall be no more than 3 sides of the urban plaza with the street frontage side</p>

Proposed Amenity Features	Draft Design Criteria
	<p>open and visibly identifiable as an inviting space for the public. Avoid blank and windowless walls.</p> <p>10. Safety and Comfort. A plaza will be unsuccessful if it is perceived as unsafe. Clear sightlines, good lighting, and additional pedestrian paths should be provided. Tivoli Lighting and other forms of pedestrian scaled lighting which provide safety and charm are strongly encouraged.</p> <p>11. Signage. Highlight entry points with public access signage and be open to the public 24 hours a day and 7 days a week. Additionally, public access signage may be embedded in the pavement or building walls. Provide directional signs within the plaza to link users to transit, restaurants, or shopping where appropriate.</p> <p>12. Vehicular Presence. While vehicle usage within a plaza is discouraged, it may be allowed as modified by the director.</p>
<p>Donation of Park Property: Property which is donated to the City, with no restriction, for park purposes.</p>	<ol style="list-style-type: none"> 1. The need for such property in the location proposed must be consistent with City-adopted policies and plans. 2. The minimum size of a donated park parcel is 4,000 square feet. 3. Donated park parcels must be located within the Downtown, but need not be contiguous with the site for which development is proposed.
<p>Improvement of Public Park Property: Improvements made to City-owned community, neighborhood, and mini-parks within the Downtown Subarea.</p>	<ol style="list-style-type: none"> 1. Improvements made to a City-owned community, neighborhood, and mini-park must be consistent with the Downtown Subarea Plan. 2. Improvements made to City-owned parks must be constructed by the developer consistent with applicable City plans.
<p>Enhanced Streetscape: A continuous space between the back of the curb and the building face which allows internal activities to be externalized or brought out to the sidewalk. This space is provided along the building front and activated by residential patios or stoops, small retail, restaurant, and other commercial entries.</p>	<ol style="list-style-type: none"> 1. Provide greater space between the back of the curb and the building face. Space shall meet the minimum sidewalk and landscape dimensions and provide an additional 6-8-foot frontage zone. 2. Frontage zone contains tables, chairs, outdoor dining, and may also be used for retail and food vendor space. 3. Weather protection required. 4. Visual access into the abutting commercial space. For residential use this may be provided through a private patio or stoop. 5. Multiple doors which provide meaningful entries are required along a building front.
<p>Active Recreation Area: An area which provides active recreational facilities for tenants of the development of which it is a part and for the general public. Does not include health or athletic clubs.</p>	<ol style="list-style-type: none"> 1. May not be used for parking or storage. 2. May be located indoors or outdoors. 3. Recreational facilities include, but are not limited to, sport courts, child play areas, climbing wall, open space for play, and exercise areas.

Proposed Amenity Features	Draft Design Criteria
	<p>4. May be fee-for-use but not exclusively by membership.</p> <p>5. The maximum bonusable area is 1,500 square feet.</p>
<p>Enclosed Plaza: A publicly accessible, continuous open space located within a building and covered to provide overhead weather protection while admitting substantial amounts of natural daylight (atrium or galleria). Enclosed Plazas function as a “Third Place”, and are “anchors” of community life and facilitate and foster broader, more creative interaction.</p>	<ol style="list-style-type: none"> 1. Must be accessible to the public at least during normal business hours. 2. Must be visually and physically accessible from a public sidewalk. 3. At least 5% of the area must be landscaped. Landscape requirements may be modified if an equal or better result is provided through the use of interesting building materials, art, and architectural features which soften and enhance the enclosed plaza area. 4. The minimum sitting space shall be 1 linear foot of seating per 30 square feet of enclosed plaza space. More than 50 percent of the seating shall be provided in the form of movable chairs and furniture. 5. Must be coordinated with pedestrian-oriented frontage to the maximum extent possible to provide activated uses along the edges of the enclosed plaza. 6. Minimum horizontal dimension is 20 feet. 7. Minimum area is 750 square feet.
<p>Alleys with Addresses: Pedestrian ways off the main vehicular street grid that provide an intimate pedestrian experience through small retail, restaurant, and other commercial entries with meaningful transparency along the frontage building walls. This area does not have a “back of house” feel.</p>	<ol style="list-style-type: none"> 1. Must be open to the public 24 hours a day and 7 days a week. 2. May not be enclosed. 3. Must provide a finer scaled building design at the street level to emphasize the pedestrian realm and to provide scale relief from the primary massing. 4. Pedestrian oriented frontage required along the entire Alleyway. 5. Residential use must provide a strong connection to the alleyway through the use of patios or stoops. 6. Must provide pedestrian scaled lighting.
<p>Category: Walkability/ Connectivity Features</p>	
<p>Free-standing canopies at street corners and transit stops (non-building weather protection)</p>	<p>Freestanding weather protection would need to meet City plan for location of weather protection and select from one of the district-specific design options.</p>
<p>Pedestrian bridges: Pedestrian bridges over the public right-of-way at previously designated mid-block locations meeting specific design criteria.</p>	<p>Pedestrian bridges meeting the location and design criteria of 20.25A.130.</p>
<p>Category: Cultural/ Community Features</p>	
<p>Performing Arts Space: Space containing fixed seating for public assembly for the purpose of entertainment or cultural events (live performances only).</p>	<p>This bonus shall apply only to performing arts spaces that are less than 10,000 square feet.</p>

Proposed Amenity Features	Draft Design Criteria
<p>Public Art: Any form of permanent artwork that is outdoors and publicly accessible or visible from a public place.</p>	<ol style="list-style-type: none"> 1. Must be located outside in areas open to the general public and/or visible from adjacent public right-of-way, perimeter sidewalk or pedestrian way. 2. May be an object or integrated feature of the building's exterior or other visible infrastructure such as paving, hand railings, walls, seating or other elements visible to the public or in publicly accessible areas. 3. Public art can include murals, sculptures, art elements integrated with infrastructure, and special artist designed lighting. 4. Public art must be designed or created by artists. 5. Value of art to be determined through appraisal accepted by Bellevue Arts Program. 7. Maintenance of the art is the obligation of the owner of that portion of the site where the public art is located for the life of the project. <p>*Measured in units of \$100.00 of appraised value.</p>
<p>Water Feature: A fountain, cascade, stream water, sculpture or reflection pond. The purpose is to serve as a focal point for pedestrian activity.</p>	<ol style="list-style-type: none"> 1. Must be located outside of the building, and be publicly visible and accessible at the main pedestrian entrance to a building, or along a perimeter sidewalk or pedestrian connection. 2. Water must be maintained in a clean and noncontaminated condition. 3. Water must be in motion during daylight hours. <p>*Measured in units of \$100.00 of appraised value, or actual construction cost, whichever is greater.</p>
<p>Historic Preservation and Cultural Resources: Historic and cultural resources are those identified in the City's resource inventory, or identified by supplemental study submitted to the City.</p>	<ol style="list-style-type: none"> 1. Voluntary replication or protection of historic façades or other significant design features when redevelopment occurs. 2. Space dedicated to collect, preserve, interpret, and exhibit items that document the history of Downtown Bellevue. 3. Use plaques and interpretive markers to identify existing and past sites of historic and cultural importance.

AFFORDABLE HOUSING	
Separate incentive to encourage affordable housing through 1.0 FAR exemption – does not compete with amenities listed above.	
<p>Affordable Housing: Use up to 1.0 exempt FAR for an affordable housing incentive program. Affordability levels (based on Area Median Income) to be informed through the broader work on the City's Affordable Housing Strategy currently underway.</p>	<p>Affordable units to be developed on-site. Measured in square feet of affordable housing produced and square feet of market rate square footage earned.</p>

Proposed Framework for Downtown “Green and Sustainability Factor”

Based on Council’s principles for Downtown Livability and the CAC’s recommendations, staff is proposing the following framework for a Downtown Bellevue “Green and Sustainability Factor.” With Commission direction, this structure would be included in the Downtown Land Use Code as it is further fleshed out. The Green and Sustainability Factor shown below includes a menu of elements for developers to choose from, to provide flexibility in balancing the unique goals of a specific project with the broader goals of the City.

This development standard replaces some of the “basic FAR amenity requirements” (LUC 20.25A.020.C) that are a mandatory requirement in the current code. The Factor’s purpose is to mitigate some of the environmental effects of developing in a dense urban environment, creating softer, greener places for people, and enhancing environmental sustainability.

How the Green Factor Would Work: Each development would have a specified level of green space or sustainability elements to include in their project. Flexibility in how to achieve this requirement would be provided through a menu of elements to choose from, such as green walls, tree canopies, green roofs and other elements as set forth below.

The system would allow features to be layered. An example of flexibility would be seen in a location with required street trees and planting strips. The development would be able to include the square footage of the street frontage landscaping as one calculation, the number and size of the plants in that same space as another, and the mature canopy size of the street tree as a third element. Since the green factor considers the positive impact that plants and trees have in urban environments beyond square footage allocated to green space, a better outcome is provided that helps to achieve multiple goals for livability. Each element listed below is ultimately assigned a multiplier, or factor, that prioritizes and promotes the incorporation of such features.

On June 8, staff is seeking general Commission concurrence on the proposed framework for a Downtown “Green and Sustainability Factor.” These provisions will ultimately be included in the consolidated code package to go to public hearing with Commission direction.

Continued on back

PROPOSED FEATURES FOR DOWNTOWN GREEN AND SUSTAINABILITY FACTOR

Feature	Measure
1. Landscape Elements	
A. Bioretention facilities (must comply with Bellevue Storm and Surface Water Engineering Standards)	Total square feet
B. Structural soil Systems	Total square feet
C. Landscaped areas with soil depth less than 24 inches	Total square feet
D. Landscaped areas with soil depth of 24 inches or more	Total square feet
E. Preservation of landmark trees (trees must meet City's definition of Landmark Trees)	Calculated at 20 square feet per inch of tree diameter at height of 4.5 feet
F. Ground covers or other low plants (less than or equal to 2 feet tall at maturity)	Total square feet
G. Shrubs (greater than 2 feet tall at maturity)	Calculated at 12 square feet per plant
H. Small trees (canopy spread 10 feet to 17 feet at maturity)	Calculated at 100 square feet per tree
I. Medium trees (canopy spread 18 feet to 25 feet at maturity)	Calculated at 260 square feet per tree
J. Large trees (canopy spread 26 feet and greater at maturity)	Calculated at 370 square feet per tree
2. Green Roofs	
A. Area planted with at least 2 inches of growth medium but less than 4 inches of growth medium	Total square feet
B. Area planted with at least 4 inches of growth medium	Total square feet
3. Green Walls	
A. Façade or wall surface obstructed with vines (calculate at 3 years of growth, excludes mechanical equipment screening)	Total square feet
B. Façade or wall surface planted with a green wall system + irrigation	Total square feet
4. Food Production	
A. Landscaped areas in food cultivation	Total square feet
5. Permeable Paving	
A. Permeable paving over a minimum 6 inches and less than 24 inches of soil or gravel	Total square feet
B. Permeable paving over at least 24 inches of soil or gravel	Total square feet
6. Bicycle Parking	
A. Bicycle racks in publically accessible locations (must be visible from sidewalk or public areas)	Calculated at 9 square feet per bike locking space
B. Bicycle lockers in publically accessible locations (must be visible from public areas and open for public use)	Calculated at 12 square feet per bike locker
7. Electric Vehicle Charging Stations	
A. DC Fast Charger (associated parking stalls must be fully dedicated to electric vehicles)	Calculated at 162 square feet per dedicated parking stall
B. Level 2 Charger (associated parking stalls must be fully dedicated to electric vehicles)	Calculated at 162 square feet per dedicated parking stall
8. Rooftop Solar Installations	
A. Solar Photovoltaic Array	Total square feet of solar panel faces



DATE: June 2, 2016
SUBJECT: BelRed Look Back
CONTACT: Emil A. King AICP, Strategic Planning Manager,
425-452-7223, eaking@bellevuewa.gov

What is the BelRed Look back?

The “BelRed Look Back” is a review of what has been implemented in the BelRed Subarea since adoption of the Subarea Plan/Code. In 2009, after four years of public outreach and study, the City Council adopted the BelRed Subarea plan along with land use code regulations to facilitate the area’s transformation from an underutilized light industrial area to a collection of mixed-use neighborhoods with thriving businesses, residences and green spaces clustered around East Link’s light rail stations.

Today, with the BelRed Look Back, the city is inventorying what has happened since 2009 to identify implementation strategies that are working well and those that may need adjustment to more effectively achieve the city’s vision for BelRed.

Project Scope and Schedule

May – During the first phase the city inventoried public and private investments that occurred in BelRed since adoption of the plan, including development of commercial and residential space, transportation facilities, parks and open space, environmental enhancements, and arts and culture.

June – In the second phase the city will gather feedback from stakeholders including property owners, businesses, residents and developers on areas that have presented challenges. City boards and commissions will be informed of the BelRed Look back and stakeholders will be invited to join a focus group to discuss progress and challenges they have had to date. **Focus groups meetings will be held on the following dates at Bellevue City Hall. They will all cover the same information. Please RSVP to Emil King at eaking@bellevuewa.gov if you’d like to participate in one of them.**

Focus Group Dates

- **Wednesday, June 15, 12:00 noon to 1:30 pm**
- **Thursday, June 16, 6:00 pm to 7:30 pm**
- **Friday, June 17, 8:00 am to 9:30 am**

Late July/August – Combining knowledge gained from the initial phases, staff will recommend a scope of work to the City Council by the end of summer, identifying key strategies that need adjusting. Some modifications may be quick and easy, while others will require further study. The recommended scope of work will identify both, and lay out next steps for the city to take.

How to Stay Engaged

If you would like to be added to the interested parties list, submit comments or have any questions, please contact Emil King, strategic planning manager (eaking@bellevuewa.gov or 425-452-7223). The project website is: www.bellevuewa.gov/belred-look-back.htm

From: Carl Vander Hoek <carl@vanderhoek.us>
Sent: Friday, May 13, 2016 10:28 AM
To: King, Emil A.
Cc: Cullen, Terry; Stu Vander Hoek
Subject: FW: Planning Commission Comment Letter - Vander Hoek
Attachments: 20160413 DTL Planning Commission Comments - Vander Hoek.pdf

Hello Emil,

Here is the request for consideration of increased height and FAR in Old Bellevue (From our 4/13/16 Letter to the Planning Commission) that we would like to be included along with the other requests you have received. Also, Vander Hoek Corporation would like to volunteer our properties and services to assist in the site specific Economic Analysis work to be conducted by Berk.

It is for these reasons that we recommend that the Planning Commission and Staff consider increasing the current height and FAR limits in Perimeter A & B where it does not abut single family homes across the street. **In Perimeter B, increases should be considered from the current 90' limit to 160' (similar to the "Deep B") and the current minimum and maximum FAR should increase by 1.0 to min. 4.0 and max. 6.0. In Perimeter A, increases should be considered from 55' to 75' and the current minimum and maximum FAR should increase by 1.0 to min. 4.0 and max. 6.0.** These increase should be considered for the following reasons:

1. The Perimeter A height limit that abuts Perimeter B is recommended to increase to 70'. To allow 160' in Perimeter B would maintain the wedding cake tier structure. Otherwise the south side of Main Street will only differ in height from the north side by 20' (70' on south and 90' on north.) To maintain the wedding cake tiers additional height in Perimeter B is necessary.
2. Currently the 90' height limit in Perimeter B requires that concrete-steel frame construction be utilized to build up to 90'. This construction type comes at a higher cost than traditional 5 over 1 wood frame construction. The increased cost of concrete construction makes it so building to 90' is not financially feasible, especially if underground parking and pedestrian weather protection are no longer incentivized.
3. Increased height and FAR in Perimeter B would provide the incentive needed to deliver a variety of amenities desired by the public. Without increased height and FAR there is no incentive for the desired amenities to be provided. i.e. Open Space, Art work, Plazas, Affordable Housing, etc.
4. Due to the proposed changes of no longer incentivizing underground parking and pedestrian weather protection, allowing additional FAR and height is the only way to avoid an effective down-zone of properties in Perimeter A & B.
5. The additional FAR and Height would allow for future development to be able to afford the higher cost of concrete/steel frame construction with out sacrificing things like parking supply or other amenities.
6. It would also make possible the exceptional urban design and form that is sought by downtown residents and workers. Allowing for projects to increase revenue through increased rentable area is the only way to afford extraordinary amenities such as Open Space, Affordable Housing, Art work, Fire Stations, Swimming Pools, Schools, Daycares, etc. Increased height alone does not provide the incentive (or increased revenue) needed to offset the cost of amenities.
7. Current cost of wood frame construction is \$120-\$170/psf. The increased cost of concrete construction adds \$20-\$30/psf of cost.

8. Currently 2 projects One Main Condominiums and Bellevue Park II (Park 88 Apartments) have built to the max height in Perimeter B of 90'. There are a few reasons for this. The One Main building is a condominium project that has different economics that make concrete construction more feasible. Both projects were able to afford the higher cost of concrete construction by making sacrifices such as decreasing the available supply of parking. This negatively impacts neighboring properties because lack of parking for customers, employees and residents, creates less than ideal commercial tenants and forces visitors to park off-site impacting the viability of neighboring uses.
9. To address transportation impacts from increased density, exceptional amenities to off-set density should be provided. Transportation amenities could include:
 - a. On-street parking
 - b. Validated parking
 - c. Bus stops/services
 - d. Car sharing
 - e. Uber/Taxi pick-up/drop-off
 - f. Residential guest parking
 - g. Delivery and Truck loading zones and areas
 - h. 15 or 30-minute loading zones
 - i. Pedestrian Bridges and Crosswalks.

Thank you for your consideration of this request.

| **Carl Vander Hoek** | Project Manager |
| P 425-453-1655 |
| F 425-453-4037 |
| carl@vanderhoek.us |
| *Vander Hoek Corporation* |
| 9 - 103rd Ave NE | Bellevue, WA 98004 |
| www.vanderhoek.us |

From: Carl Vander Hoek
Date: Wednesday, April 13, 2016 at 3:22 PM
To: Emil King, Terry Cullen
Subject: Planning Commission Comment Letter - Vander Hoek

Emil and Terry,

Here is the Vander Hoek Corporation Comment Letter for tonight's Planning Commission meeting. Please include in their desk packets. Thanks.

Carl Vander Hoek	Project Manager		
P 425-453-1655	C: 425-681-6842	F 425-453-4037	carl@vanderhoek.us
Vander Hoek Corporation	9 - 103rd Ave NE	Bellevue, WA 98004	
www.vanderhoek.us			



VANDER HOEK CORPORATION

“Property Management & Development”

April 13th, 2016

City of Bellevue
Planning Commission
450 110th Ave. NE
P.O. Box 90012
Bellevue, WA 98009

RE: Comments on Planning Commission Preliminary Downtown Height & Form Recommendation

Dear Chair Hilhorst, Planning Commissioners and Staff,

Thank you for your continued input and follow through on such an important topic to the future of Bellevue that is the Downtown Livability Initiative. The most important leg of work is what lies ahead and your perseverance and diligence is admired. We hope that you find the following observations and questions helpful in your decision making.

The city has yet to perform the analysis desired by City Council and the CAC to determine what incentives are achievable through a cost-benefit analysis. Our opinion is that 15' of additional height in Perimeter A is not enough benefit to off-set the cost of providing open space/and or other amenities. In order to make the cost-benefit financially feasible additional height and FAR should be considered in Perimeter A & B. In areas like Perimeter B in Old Bellevue, since no additional height or FAR is currently being considered, that would mean that no amenities or open space will be provided for development in those areas. For many reasons, including the proposed down-zone established by no longer incentivizing underground parking, it is necessary to conduct financial feasibility analysis to determine if the proposed changes to height/FAR are enough to achieve the desired amenities.

It is for these reasons that we recommend that the Planning Commission and Staff consider increasing the current height and FAR limits in Perimeter A & B where it does not abut single family homes across the street. **In Perimeter B, increases should be considered from the current 90' limit to 160' (similar to the “Deep B”) and the current minimum and maximum FAR should increase by 1.0 to min. 4.0 and max. 6.0. In Perimeter A, increases should be considered from 55' to 75' and the current minimum and maximum FAR should increase by 1.0 to min. 4.0 and max. 6.0.** These increase should be considered for the following reasons:

1. The Perimeter A height limit that abuts Perimeter B is recommended to increase to 70'. To allow 150' in Perimeter B would maintain the wedding cake tier structure. Otherwise the south side of Main Street will only differ in height from the north side by 20' (70' on

south and 90' on north.) To maintain the wedding cake tiers additional height in Perimeter B is necessary.

2. Currently the 90' height limit in Perimeter B requires that concrete-steel frame construction be utilized to build up to 90'. This construction type comes at a higher cost than traditional 5 over 1 wood frame construction. The increased cost of concrete construction makes it so building to 90' is not financially feasible, especially if underground parking and pedestrian weather protection are no longer incentivized.
3. Increased height and FAR in Perimeter B would provide the incentive needed to deliver a variety of amenities desired by the public. Without increased height and FAR there is no incentive for the desired amenities to be provided. i.e. Open Space, Art work, Plazas, Affordable Housing, etc.
4. Due to the proposed changes of no longer incentivizing underground parking and pedestrian weather protection, allowing additional FAR and height is the only way to avoid an effective down-zone of properties in Perimeter A & B.
5. The additional FAR and Height would allow for future development to be able to afford the higher cost of concrete/steel frame construction with out sacrificing things like parking supply or other amenities.
6. It would also make possible the exceptional urban design and form that is sought by downtown residents and workers. Allowing for projects to increase revenue through increased rentable area is the only way to afford extraordinary amenities such as Open Space, Affordable Housing, Art work, Fire Stations, Swimming Pools, Schools, Daycares, etc.
7. Current cost of wood frame construction is \$120-\$170/psf. The increased cost of concrete construction adds \$20-\$30/psf of cost.
8. Currently 2 projects One Main Condominiums and Bellevue Park II (Park 88 Apartments) have built to the max height in Perimeter B of 90'. There are a few reasons for this. The One Main building is a condominium project that has different economics that make concrete construction more feasible. Both projects were able to afford the higher cost of concrete construction by making sacrifices such as decreasing the available supply of parking. This negatively impacts neighboring properties because lack of parking for customers, employees and residents, creates less than ideal commercial tenants and forces visitors to park off-site impacting the viability of neighboring uses.
9. To address transportation impacts from increased density, exceptional amenities to off-set density should be provided. Transportation amenities could include:
 - a. On-street parking
 - b. Validated parking
 - c. Bus stops/services
 - d. Car sharing
 - e. Uber/Taxi pick-up/drop-off
 - f. Residential guest parking
 - g. Delivery and Truck loading zones
 - h. 15 or 30-minute loading zones
 - i. Pedestrian Bridges and Crosswalks

Sincerely,


Carl Vander Hoek

Vander Hoek Corporation
9 – 103rd Ave NE
Bellevue, WA 98004

From: David Meissner <davem@paragonrea.com>
Sent: Thursday, May 12, 2016 1:23 PM
To: PlanningCommission
Subject: 888 108th Ave NE Conner Building

Follow Up Flag: Follow up
Flag Status: Completed

Hello, at the meeting last night, possible Stake Holder meetings were discussed. How do I make sure I am not the list for these meetings?

Respectfully,

David Meissner, Jr., FOUNDER
D 206.623.8587 | DaveM@paragonrea.com

PARAGON
REAL ESTATE ADVISORS

600 University Street Suite 2018 Seattle, WA 98101
P 206.623.8880 | ParagonREA.com

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Upcoming Meeting Schedule

Wednesday, June 08, 2016

5:00 PM – 7:30 PM Concourse-City Hall	OPEN HOUSE – EASTGATE LAND USE & TRANSPORTATION PLAN PROPOSED LAND USE CODE AMENDMENTS
6:30 PM Room 113E-City Hall	STUDY SESSION - DOWNTOWN LIVABILITY

Wednesday, June 22, 2016

4:30 PM – 6:00 PM	STUDY SESSION - LOW IMPACT DEVELOPMENT PRINCIPLES STUDY SESSION
6:30 PM	PLANNING COMMISSION OFFICER ELECTIONS PUBLIC HEARING – EASTGATE LAND USE & TRANSPORTATION PLAN PROPOSED LAND USE CODE AMENDMENTS
Both meetings will be held at Bellevue Community College, Room N201, Computer Lab, South Entrance, Coal Creek Rd.	

Wednesday, July 13, 2016

6:30 PM Room 113E-City Hall	PUBLIC HEARING - LOW IMPACT DEVELOPMENT PRINCIPLES STUDY SESSION
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Wednesday, July 27, 2016

6:30 PM Room 113E, City Hall	STUDY SESSION - DOWNTOWN LIVABILITY LAND USE CODE UPDATE
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Monday, August 01, 2016

NO MEETINGS DURING THE MONTH OF AUGUST. NEXT REGULAR
MEETING IS SEPTEMBER 14, 2016.

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 uses 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.