

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

January 27, 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: Mike Kattermann, Terry Cullen, Erika Rhett, Planning and Community Development Department; Patricia Byers, Development Services Department

COUNCIL LIAISON: Not Present

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:36 p.m. by Chair Hilhorst who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

3. APPROVAL OF AGENDA

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

4. PUBLIC COMMENT

Mr. Todd Woosley with Hal Woosley Properties spoke representing the owner of the RV Park in Eastgate. He reiterated his support for allowing the construction of multifamily housing on the site in the new Neighborhood Mixed Use district, with an FAR of up to 2.5 rather than the FAR of 1.0 recommended by the staff. The fact is making a recommendation for any FAR is premature because the Planning Commission has not yet had the opportunity to look at the development economics for the zoning district. He shared with the Commissioners a map showing the urban areas in King, Pierce and Snohomish counties and pointed out that the Eastgate neighborhood between downtown Bellevue, Issaquah and Renton is in the middle of an urban area. The proposed FAR of 1.0 is nowhere close to an urban density. It is appropriate for Bellevue to focus its highest density uses in the central business district, but an FAR of 1.0 will cause the market to skip over Eastgate and build in Totem Lake, Issaquah, Renton and so forth. Eastgate should have the opportunity to accommodate growth in an economically feasible fashion. If the existing value of a single family home on a lot zoned to allow a four-plex is \$500,000, each lot would only be worth \$100,000, and no one would sell their \$500,000 house for \$400,000, even with a fourfold increase in density. With a six-plex, the lot values would go

down a bit each, and the overall value would be \$540,000, still not enough to warrant selling the home. At the eight-plex level, the lot values come down even more and the overall price reaches the point where someone might seriously consider selling their home. Of course, there is about a 15 percent owner sales cost and that amount has to be accounted for, so even with an eightfold increase in density, the seller would only net about \$44,000. The point is there has to be a significant increase in the zone density for selling to make any economic sense. When the Eastgate/I-90 study was adopted, no one anticipated that the housing market would be what it is currently with its current demand for more housing and affordability. An FAR of 2.5 will help make that possible.

Commissioner Carlson asked if the residential real estate market in Bellevue is back to where it was prior to the recession. Mr. Woosley said it appears to be stronger now than it was then. Low interest rates and strong job growth are both partially responsible, but it is largely due to the regulatory restrictions that are limiting the zoning capacity.

Mr. Clark Kramer, 1610 North First Street, Yakima, said he learned during a recent meeting with staff that removing the zoning qualifications for an auto dealership is being considered for the RV site in Eastgate. He asked that that not be done. The desire is to be given an FAR of 2.5, but should that not come about eliminating a use that is already allowed would equate to a downzoning of the site. The need for housing is clear and would be a far better fit for the area.

Mr. Brian Paladar, principal with Group Architect, said he has been working with property owner Clark Kramer and American Family Homes, the developer hoping to construct multifamily homes on the site. Group Architect has very recent direct experience in working with the Bel-Red codes. The Eastgate/I-90 study report outlined recommendations for what should happen in the area, but much has changed since the report was adopted. The report also sets forth a number of goals for the area, including the provision of affordable housing to accommodate the workforce and to serve the needs of Bellevue College students. Any project that provides affordable housing will need to be financially viable and will need to provide enough units to make a difference. The zoning proposed by staff with an FAR of 1.0 applies to more than just the RV site. With an FAR that low, any building on the site would be very small in terms of what could be done on the site given the amount of land left over. Architecturally, there are many things that could be done in line with reinforcing the city in a park character referenced in the report, particularly with a higher FAR. Sufficient density is needed in order to allow for putting revenues from the project back into the project in the form of quality. A lower FAR will result in surface parking, less open space, and far less quality. How to deal with recreational trails and adjacency to residential properties are issues dealt with for every project, especially in transitional zones. There are ample opportunities to do something really innovative with the site. Given the grade differential between the site and surrounding single family developments, it would be possible to mix and match and step the massing in ways that will respect the existing single family residences

Mr. John Shaw, Director of Multifamily Acquisitions for American Family Homes, said his firm is currently doing due diligence on the RV site. He said his firm is currently designing and building close to 500 units in Renton, Sammamish, Issaquah and Seattle. He said when an FAR goes above 2.5, the opportunity to achieve a win-win situation is enhanced by yielding more units along with incentives such as affordable housing and open space. For a project under way in Issaquah, the base FAR is 1.25, but through their incentive-based program an FAR of 2.0 can be achieved. The site is adjacent to a bike trail and is close to the main park and ride. In most instances, an FAR of 1.0 is considered the base and going above it requires working with the incentive system.

5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None

6. STAFF REPORTS

Senior Planner Mike Kattermann reminded the Commissioners about the planning commissioner short course coming up on March 2. He said that will be from 6:00 p.m. to 9:00 p.m. at City Hall. Invitations will be sent to all area cities.

Mr. Kattermann introduced Terry Cullen, new comprehensive planning manager, and noted that he would be transitioning into staffing the Commission in the next month or so.

Mr. Cullen said he has had the good fortune to have served both as staff for planning commissions and chair of a planning commission. He noted that accordingly he has a lot of respect for the work of the Commission and appreciation for the work provided on behalf of the community. He said his work experience includes more than 25 years in long-range planning as well as in critical infrastructure and state law enforcement planning. He explained that most recently he worked for the Columbia River Gorge National Scenic Area and lived in Hood River.

7. DRAFT MINUTES REVIEW

A. January 13, 2016

Commissioner Walter called attention to the first paragraph on page 8 and suggested revising the last sentence to read “She questioned whether protecting views from City Hall but nowhere else was preferential treatment.”

A motion to approve the minutes as amended was made by Commissioner deVadoss. The motion was seconded by Commissioner Walter and the motion carried without dissent; Commissioners Laing and Morisseau abstained from voting because they had not attended the meeting.

8. STUDY SESSION

A. Eastgate/I-90 Corridor Implementing Regulations

Noting that he was not feeling well and needed to excuse himself, Commissioner Laing took a moment to offer a few comments. He noted that he had posed a question to Mr. Kattermann regarding references to some of the actual downtown zones in some of the tables in the footnotes. With regard to allowing building height of up to 70 feet, he said the maximum building height could never be achieved with an FAR of 1.0. The current RV Park is not a permitted use going forward, which means the property owner will not be permitted to continue doing what they are already doing, except as a nonconforming use, and at the same time the proposed height and FAR limits will not allow for a viable redevelopment. An FAR of 1.0 is quite low for an area where mixed use is desired. Essentially the entire Eastgate/I-90 area is a transit-oriented development node. There are existing provisions in the code that are aimed at mitigating impacts irrespective of what height and density are allowed, including the transition area requirements. The Commission should be provided with an economic analysis before making a final recommendation. The Eastgate plan was developed in light of the approach taken in the Bel-Red corridor and in the downtown under which there is a base height and base FAR that can be exceeded up to the maximum through the provision of amenities. If the maximum FAR ends up being 1.0, there will be nothing to incentivize new development or redevelopment. The better approach would be to allow a higher FAR but require clustering or other approaches

that will yield more open space. An FAR of 1.0 will yield nothing more than low-rise units with a lot of surface parking.

Commissioner Laing left the meeting.

Senior Planner Erika Rhett informed the Commissioners that implementing the vision for the Eastgate/I-90 corridor will require the creation of new codes. Three new zones are proposed to be created, and amendments are needed to the existing Light Industrial (LI) zone.

Code Development Manager Patricia Byers explained that because the use chart has numerous columns, it is a bit unwieldy. To address that issue, the form of the code may be revised to better consolidate the Eastgate portion of the code.

Ms. Rhett reminded the Commissioners that the LI area of Eastgate is primarily in Richards Valley. The CAC recommendations included loosening up the allowed uses to include research and development and flex-tech, both of which could benefit Bellevue College and the tech industry generally. The Commission in July gave direction to follow the CAC recommendations. The Commission also talked about other types of restrictions based on the industrial lands analysis that was done as part of the Comprehensive Plan update. There was agreement that existing businesses in the Richards Valley should not be made nonconforming, and that size restrictions or other limitations were unnecessary. She noted that the resulting changes to the land use charts could be found in Attachment 1 in the form of removing the footnote that requires computer programming, data processing and other computer-related services, research and development and testing services to be located in a multiple function building.

Commissioner Walter commented that there is very little light industrial land left in Bellevue. The fact is computer uses can locate anywhere, but light industrial uses can only be located in the LI zone. She voiced concern that opening another area for computer uses will further hamper opportunities for siting LI uses. She said her preference would be to not change the footnote, allowing computer uses in LI only if they have a manufacturing component. Ms. Rhett said the Commission discussed that issue in a larger conversation and concluded that the biggest threat to the gobbling up of LI properties is recreational uses. The Richards Valley is dominated with recreational uses that need large, inexpensive spaces. The proposed limitation on research and development and computer uses was specifically outlined by the CAC. If the desire is to limit LI areas to manufacturing uses, it will be necessary to consider whether or not recreational uses should be limited.

Commissioner Walter asked if a reduced demand for manufacturing uses precipitated allowing recreational uses to locate in LI areas. Ms. Rhett said the industrial lands report found that Bellevue has not had the type and quality of industrial land that would command a regional presence. Absent a regional presence, the uses in the LI areas are locally oriented. Traditionally, LI zoning has allowed lots of different types of uses that would be difficult to fit into other zones. Some recreational uses may be allowed in the General Commercial (GC) zone, but finding a building in that zone large enough to accommodate an indoor shooting range is much more difficult; additionally, there is more competition for GC sites, so the price is higher. Over time, the LI zone in Bellevue has become a zone where almost anything goes; the same is true of many cities across the nation.

Chair Hilhorst said it was her understanding that even if the list of allowed uses in the zone is expanded, the uses that are currently allowed will not go away. Over time, it is possible the zone could see a flip back to true manufacturing uses. Ms. Rhett suggested that the modest changes to the zone that are proposed are not enough to affect the economics of land prices in Richards

Valley, but they do allow the potential for different types of development. Manufacturing in general has changed significantly to where one is more likely to see a research and development facility manufacture prototypes, or have everything from design to implementation in a single space.

Commissioner Carlson asked if the proposed changes will make it easier or harder for the businesses already located in LI to remain there. Mr. Rhett said the changes should have no effect of that sort at all. It could in fact help get some of the vacant spaces leased.

Commissioner Walter commented that the Pacific Northwest Ballet is having to move out of its current location as a result of light rail coming through. They are looking for a home and there may be similar businesses also looking for a site. If too many changes are made to the LI zone before uses located in the Bel-Red corridor have the opportunity to redistribute themselves, the true demand for the zone may not be fully realized. Ms. Rhett said the proposed changes will not eliminate the LI zone for those uses. Commissioner Walter pointed out that while that may be the case, the uses will have to compete for the available spaces. Ms. Rhett agreed that over the long run that could be the case, but there are sufficient vacancies currently to accommodate the demand.

Commissioner Morisseau asked how the types of research and development uses will be specified in order to minimize the impacts on the surrounding neighborhoods. Ms. Rhett said any time someone comes in for any type of permitting, be it building or land use, the city reviews the use to determine if they adhere to all local, state and federal rules, particularly with regard to environmental issues. Most of the time, if a use is permitted and the effects of the use are completely contained within the building, the use will not be denied or required to provide any mitigation. If there are vibration, noise or other impacts, however, mitigation can be required. Currently, computer programming, data processing and other computer-related services, research and development and testing services are permitted outright, but they must be clustered in a building that has other industrial uses in it. By removing the note, those types of uses could be allowed without having to be associated with other industrial uses.

Commissioner deVadoss commented that it would be in the best interest of the community to be less restrictive rather than overly restrictive.

Commissioner Carlson asked if the staff recommendations are in line with the recommendations of the Eastgate/I-90 CAC. Ms. Rhett said they are the same.

Commissioner Morisseau said she was not comfortable with having research and development permitted outright in the LI zone. She proposed allowing the use through a conditional use permit instead. Ms. Rhett said the conditional use permit process would certainly be a more restrictive approach and would not be consistent with the recommendation of the CAC. Commissioner Morisseau said her concern relates to not knowing what type of research and development facilities will want to locate in the LI zone. There could be a use that could impact the surrounding residential areas should there be a leak of some sort.

Commissioner Walter pointed out that research and development is a permitted use in several zones and asked if the concern regarding the use in the LI zone is tied to the proximity of residential uses. Commissioner Morisseau said her concern is based on being close to where people live.

Ms. Byers said Footnote 3 under manufacturing on the land use chart excludes the manufacture of flammable, dangerous or explosive materials from LI district. Ms. Rhett said the majority of

research and development that would locate in the LI is the type of occurs on computers and which involves nothing flammable, dangerous or explosive for which there would be no need to impose limits. Commissioner Morisseau said that may be the case for the short term but no one knows what type of uses there will be in the future. Ms. Rhett said one approach would be to look into how research and development is defined, seeking to exclude uses that would not be compatible with nearby residential uses.

Ms. Byers said staff would give the issue some thought and come back with a suggestion.

Turning to the Eastgate Plaza area, which was termed the neighborhood mixed use area by the CAC, Ms. Rhett reminded the Commissioners that the CAC saw the area as the place for neighborhood-oriented goods and services. As such, they highlighted the need for safe and convenient pedestrian access, convenient auto access, and additional density with upper story offices and residences. Their report specifically recommended allowing hotels and prohibiting auto sales. The idea behind the prohibition against auto sales stemmed from the perceived loss of neighborhood commercial development with the Safeway at Sunset Plaza on the north side of I-90, and the CAC did not want to see a further erosion of the availability of neighborhood services. In the recent Comprehensive Plan update, the Commission recommended and the Council adopted a number of policies that apply to the Neighborhood Mixed Use district, including policy EG-3 which encourages office and retail land uses in places where there is freeway access, transit service, and transportation alternatives without adversely impacting residential neighborhoods. Policy EG-10 focuses on the availability of multifamily housing as appropriate to separate office and retail uses from single family neighborhoods or in mixed use developments where there is close proximity to transit or neighborhood-serving commercial uses, with a special emphasis on meeting the needs of Bellevue College. Policy EG-43 calls for retaining neighborhood-serving commercial uses through flexible zoning that allows a rich combination of neighborhood retail and services.

Commissioner deVadoss commented that the Commission should be somewhat aspirational. He noted that in some cities there are auto sales occurring inside malls, so caution should be taken in simply prohibiting auto sales.

Ms. Rhett noted that when the topic was discussed previously by the Commission, there was strong consensus that manufacturing uses should not be allowed in the Neighborhood Mixed Use, with the exception of food and beverage products and handcrafted products provided there is a neighborhood component. Subordinate uses normally come in at 25 percent of the principal use.

Commissioner Walter said it appeared to her that a line was being drawn between manufacturing by hand and by equipment. She suggested that some manufacturing uses would fit into both categories, including sewing and furniture making. Ms. Rhett said a person making things on a sewing machine, even a commercial sewing machine, is much different from a sewing manufacturing facility that has a room full of machines creating products. The difference is not so much the use of machines but mass production manufacturing.

Mr. Kattermann pointed out that a person sewing a few things in their garage is not classified a manufacturing use but rather a home occupation use. Commissioner Walter asked if that is defined somewhere. Ms. Byers said codes are written to be somewhat general and it is often necessary to make decisions on a case-by-case basis. The land use director has the authority to put unclassified uses into categories.

Commissioner Walter said her concern was centered on the vague way in which the code is

written. She said she has seen people take what is vague and turn it into whatever they want it to be, and once things get away it is very difficult to bring them back in line.

Commissioner Carlson asked if a use like Bellevue Brewing Company would have difficulty locating in Eastgate. Ms. Rhett said if the intent was to brew a product and ship it out wholesale, the use would not be allowed. However, if the intent was to brew and serve the product at their restaurant, it would because the restaurant is a neighborhood use.

Commissioner Walter commented that a use such as tool and die manufacturer, or someone making parts for vintage cars, can be very noisy and require large machinery. It could be argued, however, that the use produces handcrafted products. Commissioner Carlson pointed out that economically such a use would be far better off locating somewhere in the Valley. Commissioner Walter said her concern is that people will be very creative in seeking out loopholes, and the result could be a small manufacturing use that impacts the surrounding residential uses. Ms. Rhett stressed that codes cannot be written to address every circumstance. Accordingly, they are drafted to focus on those things that are most likely to happen and that could potentially happen within categories. Beyond that, safety nets are put in place in the form of noise and nuisance ordinances that are enforced through code compliance.

Ms. Byers clarified that the NMU zone is primarily where Albertsons is located just down the hill from a residential area. In between the two is transition area zoning that provides certain protections.

Ms. Rhett observed that when the Commission discussed recreational uses, careful consideration was given to what is allowed there now and what neighborhood-scale would be appropriate in the NMU. Based on the direction given, uses with more of a regional draw were prohibited on the use chart, including horse stables, BMX tracks, zoos and outdoor public assemblies. Uses with more of a neighborhood orientation were shown as allowed, including parks, bowling, health clubs, art galleries, libraries and theaters. Some uses that fall in between are listed as requiring a conditional use permit, including indoor public assembly and recreation centers.

Commissioner Morisseau asked why indoor public assembly uses are allowed but not outdoor public assembly uses, such as miniature golf. Ms. Rhett said uses in the public assembly category can only be picked and chosen if a note is included allowing for that. To allow things like miniature golf, the use could be shown on the chart as a conditional use along with a note excluding the use of a certain size. Public assembly uses generally are quite large and tend to be out of scale as a neighborhood use, and they tend to draw people in from around the region and not just the neighborhood.

Commissioner Morisseau said she was trying to understand why some uses were allowed but not others. As drafted, sports arenas are allowed, which is generally a large use that also has a regional draw. Ms. Byers said size is certainly a consideration, even for indoor public assembly uses. However, with an indoor use, light and noise occur indoors, whereas with outdoor public assembly uses light and noise occurs outdoors and has more of an impact on surrounding properties.

Chair Hilhorst said she could see allowing indoor soccer or an indoor ice rink but not a large sports arena like Key Arena. She asked if those use types could be separated. Ms. Byers golf courses, tennis courts, community clubs, athletic fields, play fields, recreation centers swimming beaches and pools are shown as allowed through conditional use, which is consistent with how they are regulated currently. Recreation activities that tend to occur more indoors, such as skating, bowling, gymnasiums, athletic clubs, health clubs and recreation instruction, are shown

as permitted, essentially drawing a line between public recreation uses and public assembly uses. She agreed that miniature golf as a use fits better as a recreational use.

Commissioner Morisseau pointed out that athletic fields and driving ranges, which are allowed, will have outdoor lighting, while miniature golf, which probably also would have outdoor lighting is not permitted. Ms. Byers said that is the conditional use approach is used. She pointed out that the various use classifications come from a very old book that will not be done away with any time soon. In the meantime, the addition of notes and improved definitions will help to provide clarifications. Commissioner Morisseau said at the very least public assembly outdoor should be treated exactly the same as public assembly indoor and allowed through conditional use.

Ms. Rhett noted that public assembly indoor is allowed outright in the Community Business (CB) zone, which includes the Eastgate Plaza site. The thinking was that the use should not be done away with altogether, but that additional controls should be put on it through conditional use. Public assembly outdoor is allowed in the CB zone through conditional use. Commissioner Morisseau said her preference would be to make public assembly indoor, public assembly outdoor, recreation activities golf courses, tennis courts etc., and recreation activities skating, bowling etc., the same and require a conditional use permit for each.

Ms. Byers explained that the difference between a conditional use permit and an administrative conditional use permit is that the former goes before the hearing examiner and the latter is decided by the land use director. Developers generally prefer the administrative conditional use process primarily because it takes less time. Commissioner Morisseau said in that case she would recommend each be subject to the administrative conditional use process.

Mr. Rhett pointed out that public assembly outdoor and recreation activities are currently both required to go through the conditional use process. Chair Hilhorst asked what the difference between the two approaches relative to public notice and the ability of the public to comment. Ms. Rhett said there is public notification and the ability to comment for both. However, with the conditional use process, the public can not only submit a written comment, they can appear before the hearing examiner to make their case.

Chair Hilhorst said she favored flexibility but also wanted to see the maximum protections for the adjacent neighborhood. Ms. Byers said both approaches give the public opportunity to respond and comment. The staff analysis under both is fairly similar; the only difference with the conditional use process is that everything is checked out by the hearing examiner who hears both sides, if there are sides. The hearing examiner writes a report, as does the land use director in the case of an administrative conditional use, and in both cases the public has the ability to appeal the decision to a higher level of authority.

Commissioner Morisseau said she would support all four categories being permitted, either as a conditional use or administrative conditional use. She said her preference would be for administrative conditional use.

Chair Hilhorst said she would be willing to accept either approach given that both allow for public input.

There was consensus to change all four to administrative conditional use.

Ms. Rhett drew attention to the concern voiced by Commissioner Laing about the current RV park use becoming nonconforming. She agreed the concern should be addressed and proposed

having staff do some research as to where the use should fall on the use chart. She said it definitely would be in the recreation category. If the old definitions work, the use should be allowed through conditional use, but if not and it falls under private leisure and open space areas excluding recreation activities, the use already is permitted outright. Chair Hilhorst asked staff to give the Commission an update at the next meeting.

A motion to extend the meeting to 9:00 p.m. was made by Commissioner Carlson. The motion was seconded by Commissioner deVadoss and the motion carried unanimously.

Ms. Rhett pointed out that the use chart permits most types of residential uses, though group quarters and hotels are allowed through conditional use. Single family homes and accessory dwelling units are not allowed and there currently are none in the area. In a meeting on January 22 with members of the public, there was agreement to give more consideration to affordable housing; that issue will be raised with the Commission at a later date.

Ms. Byers commented that transient lodging had been added along with hotels and motels. She said while the use has always been allowed, the words “transient lodging” were not previously included in the use chart. Transient lodging can include uses such as hostels and homeless shelters that do not fall fully into the hotel or motel category. She said she would need to do a little more research to determine if something like “Airbnb” would be included as a transient lodging use.

Ms. Byers pointed out that the use profile, with the exception of excluding single family housing, mirrors the CB zone, which underlies the Eastgate Plaza property. The zoning the RV Park is subject to is GC, so including the RV park area would be to open up a number of residential uses there that would not be allowed under the current zoning.

Commissioner Carlson commented that the Salvation Army facility in Crossroads is used as a gym, it has a computer lab, and it has a multipurpose room. At night the building is opened to serve as a homeless shelter. He asked how something like that would be categorized in the Eastgate corridor. Ms. Rhett said organizations like the Salvation Army do from time to time operate homeless shelters on a temporary basis. As a government, the city is limited in how it can regulate churches, which the Salvation Army is. Ms. Byers said the use would probably fall on the services chart under religious activities. In facilities that house several different uses, the classification is usually made on the basis of the primary use.

Turning to the resources use chart, Ms. Rhett said only uses proposed to be allowed in the NMU were agriculture, production of food and fiber crops, dairies, livestock and fowl, excluding hogs; and veterinary clinic and hospital. She noted that the footnote attached to the agriculture use limits the use to food and fiber crops, such as community gardens.

With regard to the veterinary clinic and hospital use, Ms. Byers reminded the Commissioners that in the downtown, grooming and boarding had been added as a subordinate use. She asked if the same should be done for the NMU. There was agreement to do so.

Chair Hilhorst asked what the difference is between grooming and boarding and boarding and commercial kennels. Ms. Byers said the latter is a use whose only purpose is to board animals. Many veterinary clinics include kennels in which animals can be kept, but boarding is not their primary use. Chair Hilhorst commented that in her neighborhood someone converted a disused 7-Eleven to a boarding facility, including spaces outside. They sell some products, but their primary use is doggy daycare. She suggested that residents in and around the NMU would like having that option. Ms. Byers added that such places are subject to specific regulations regarding