

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

March 9, 2016
7:30 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, Nicholas Matz, Patti Wilma, Emil King, Department of Planning and Community Development

COUNCIL LIAISON: Not Present

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 7:08 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 deVadoss. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

4. PUBLIC COMMENT

Dr. Jeff Johnson, 5611 119th Avenue SE, said he is the owner of Newport Hills Professional Center directly across the street from the Newport Hills Shopping Center. He said his practice has been there for 30 years. It is exciting to see changes coming to the area. The Commission was asked to include his property in the scope of the proposed Newport Hills Comprehensive Plan amendment so it can have complementary height, form and structure.

Ms. Mary Smith, 1632 109th Avenue SE, addressed her proposed Comprehensive Plan amendment dealing with park lands preservation and protection. She said she served as one of the original members of the Save Mercer Slough committee that was instrumental in saving the land to become part of the Mercer Slough Nature Park. Land for more parks is becoming scarce and the city should treasure the parks it has. No one can see into the future and changes in use may be considered, but it should be required that the public who paid for park lands must be involved in any decision to change them. Park lands acquired through bond measures should remain park land unless the public votes to change the usage. Any park lands used for six months or longer should be considered permanent, consistent with state law. Park lands should be designated with their own zoning code so citizens are aware that the zoning is for parks only.

Under extreme conditions when parks are to be used for non-park uses, the Comprehensive Plan should be amended appropriately.

Mr. Geoff Bidwell, 1600 109th Avenue SE, said he has for many years been involved in protecting the Mercer Slough Nature Park. With regard to the proposed park lands Comprehensive Plan amendment, he concurred and fully supported Ms. Smith's comments. The amendments are necessary to protect taxpayer investments in park lands from non-park uses, including the sale of any park lands. The Commission was asked to consider a property that was purchased in 1988 through a Bellevue park bond measure supported by Bellevue taxpayers. The land was acquired by City Council resolution which states that the site, known as the Balitico property, was selected as having the highest priority for land acquisition, and it was necessary to retain view of the Slough from Bellevue Way and to provide an appropriate entrance to the park. Reference was made to an article from the *Seattle Times* written in 1988 dealing with the acquisition of the Balitico property and the citizens that worked to achieve the goal. He provided the Commission with a drawing of the trailhead of the Mercer Slough Nature Park and its improvements as authorized by the City Council. He also submitted a copy of the assessor's report of the Balitico property that was completed in 2011 showing that the property is unimproved and has a zoning of R-1 to protect the wetlands from high-intensity use. That is completely false and is contrary to the reason the City Council and taxpayers approved the purchase of the park land in 1988. It is clear that stronger language is needed to protect the city's unique and irreplaceable park lands for the present and into the future.

Mr. Jonathan Kagel, president of the Vuecrest Community Association, PO Box 312, thanked the Commission and the planning department for considering the concerns previously addressed about the areas immediately adjacent to Vuecrest along the 100th Avenue NE corridor. The Association favors restoring the originally defined building heights for the immediately adjacent to the neighborhood. There remain concerns about the Deep B area which is very close to the Vuecrest and Northtowne neighborhoods. The area was designated for lower heights during previous planning efforts. The current height limit is 90 feet and the CAC proposed allowing height of up to between 180 and 240 feet. Reaching the full proposed height would require a development plan, but nothing has been said about when such a plan would be required. The default height of 90 feet should be retained, and anyone wanting to build a taller tower should be required to go through the process of putting together a development plan and have it fully reviewed by planning, the Council and the adjacent neighbors. The process would take time, but extraordinary increases in height should require extraordinary planning and coordination. In the downtown area, there have been a lot of different bonuses earned. The Association would like to know more about the economics of those bonuses and what the exchange rate might be. Having a large backlog of bonuses that could be transferred could undermine many of the goals of the Downtown Livability Initiative.

Ms. Heather Trescases, executive director of Eastside Heritage Center, 11660 Main Street, said she attended many of the meetings of the Downtown Livability Initiative CAC. The Eastside Heritage Center sees the initiative as an opportunity to tell the Bellevue story. In going through the process, the Commission should take the same view. Downtown Bellevue is a destination for businesses and residents of the greater Eastside and also for tourists. Providing a sense of place will be critical to the character and vibrancy of the downtown, just as it is for any major metropolitan area. As Bellevue's mid-century modern suburban roots transform into 21st Century urban living and experiences, architects and developers should be inspired to honor the past. The city should provide a framework for them to do so through a variety of means, including interpretive signage, preservation of historic structures, preservation of significant historic features, and the utilization of historic images in new buildings. The amenity incentive system also provides opportunity to build community and connect people with their heritage

through the inclusion of space for non-profits, cultural uses and experiences. Challenges have been incurred with some of the use-related amenities in the past, but allowing for flexibility in the code can provide for opportunities and encourage partnerships for public benefit. The Commissioners were asked to keep in mind the role history can play in providing a sense of place and community identity.

Mr. Todd Bennett, 11100 Main Street, said his company BDR has been headquartered in Bellevue for over 30 years. He said the property at the northwest corner of Main Street and 112th Avenue NE on which is situated the old Lexus building is directly across the street from the planned East Main light rail station and the lid park. The site, along with the property to the west occupied by John L. Scott, represents a unique opportunity to create a signature gateway project at one of the few key gateway entry points into Bellevue. The properties are perfectly situated to provide a world-class transit-oriented development adjacent to a transit station. Under the current zoning and height restrictions, the most likely development scenario for the properties is four- or five-story mixed use over retail, an approach that certainly does not take full advantage of the key gateway location and adjacency to the light rail station. The property could be developed with a far more interesting mix of retail, office and residential uses under the proposed zoning and height changes, and could yield opportunity for open spaces and gathering spaces. Taller and skinnier buildings are more pleasing to the eye and offer a number of other benefits relative to light and air. He said he has been working with John L. Scott and other neighbors in the area to create a vision for what is being called the East Main district. The focus is on a plan that will respond to and take advantage of the light rail station while creating a gateway and character for the area. The staff recommendations for zoning and height are supported in general, but the FAR and height increase in Perimeter A should not be limited to residential uses only.

Mr. Phil McBride, Chief Operating Officer for John L. Scott, owner of the building at 11040 Main Street, said the property is only 200 feet from the East Main light rail station. He said John L. Scott worked with BDR to create the vision that was on display during the open house. The vision is for a development with office uses in the buildings in the front and residential uses in the buildings behind. He said he is excited to see what is happening in the area and to be part of charting a course forward for the evolution of the city.

Ms. Christy Becker, 10116 SE 6th Street, spoke as the associate director for housing and case management at Hopelink. She said everyone deserves the opportunity to have a safe, healthy and affordable home. A recent article published in the *Journal of Urban Affairs* found that for every additional \$100 in median rent, there is a 15 percent increase in homelessness in urban areas, and a 39 percent increase in suburban and rural areas. There is a clear need to prioritize affordable housing. Hopelink has seen an increase in the number of families struggling to locate affordable housing in Bellevue and east King County. Families are often paying a high percentage of their incomes for rent, leaving little for basic needs. Many working families are exiting homeless housing and are unable to locate affordable housing in Bellevue, forcing them to move out of the area even though they work in the city. The city has been a partner in serving the needs of low-income families and residents over the years. Hopelink provides Bellevue community members with food, housing, emergency financial assistance, heating assistance, employment services, and education. The package of services offered is designed to help people stabilize and to give them the tools and skills they need to exit poverty. Affordable housing in the community is a key factor needed for success. The Commission was asked to prioritize affordable housing for very low income, low income and moderate income housing units and to commit to implementing a development incentive for affordable housing.

Mr. Mike Nielson, 6557 127th Place SE, spoke as the former executive director of Imagine Housing. He said he spent the better part of his 40-year career developing and operating

affordable housing. He expressed concern about housing affordability in Bellevue. Over the years, many citizen surveys and focus groups have listed affordable housing as a priority. Approximately 50 percent of the new housing units to be developed in Bellevue over the next 20 years are going to be in the downtown area. If that is the case, the only way the city will be able to impact affordability will be to take aggressive steps to assure that a percentage of the new downtown units will be affordable. Bellevue will not be able to meet its affordability goals unless that is done. Additionally, much of the new development in the downtown will include wage earner retail jobs. Already those who hold such jobs cannot afford to live in Bellevue. That means they must seek housing outside of the city and travel to and from their jobs, impacting the transportation system. Developers are not going to develop affordable housing unless there are incentives to do so. In fact, it often takes mandatory inclusionary zoning to get affordable units included in the mix. The Commission was urged to take an aggressive look at creating incentive bonuses for affordable housing in the downtown.

Mr. Bill Herman, a resident of Bellevue Towers at NE 4th Street and 106th Avenue NE, stressed that when all the updates are considered and voted on, there should be a full understanding of the complete package. Parts of the package are currently missing, including a transportation plan that takes into account the additional FAR in the MU district, as well as the diminished capacity resulting from midblock crosswalks and having more pedestrians, bike lanes and narrower lanes to slow traffic. Traffic volumes on I-405 actually diminished by half a percent between 2012 and 2014, but trip times increased 46 percent during that same period. Where gridlock exists, traffic volume decreases. With regard to the bonus amenity system, the staff have recommended fixing the fact that developers earn maximum incentives by providing underground parking by making it a requirement. The proposed approach, however, would give the additional height anyway, thus institutionalizing the broken system. A different approach should be tried, one that does not require underground parking or give any bonus for it; it will still happen and the de facto backdoor downzoning will go away. The Commissioners were urged to clarify what is really meant by height limits. In the O-1 district, the limit is 450 feet and nothing is allowed to exceed that limit. In other downtown districts, however, the limit is actually allowed to be exceeded for various reasons.

Ms. Margo Blacker, 200 99th Avenue NE, thanked the Commission for its hard work. She said she participated in the 1981 rezone of the downtown, and the controversial 1992-1993 work that established scaled down height limits that has proven over time to serve the downtown well. All the arguments being made now about slender tall towers and plenty of amenities were made back then as well. The Vuecrest and Northtowne neighborhoods live next to a giant. With increased height and density consideration must be given to what the impacts will be on the surrounding neighborhoods. The Northtowne Community Club is opposed to any increased heights on the west and north side of the downtown. If increased heights are allowed, certain amenities should be required, including affordable housing. At one time in the past Bellevue had inclusionary housing requirements, but they were voted away. Northtowne wants to see McCormick Park extended to 112th Avenue NE. She agreed with Ms. Trescases that Bellevue needs to preserve and express its history.

Dr. Russ Paravecchio, 2495 158th Place NE, spoke against the proposed Naficy Comprehensive Plan amendment. He said the Sherwood Forest residents do not want to be at odds with city government, or viewed as obstructionists. The neighborhood supports controlled growth but not irresponsible growth that is willing to expend things that should be considered inviolate. Those who live in residential areas that have been specifically set aside for that use should be able to believe their properties will not come to a bad end because of poor planning that results in decreased property values. Bad planning results in traffic that makes it very difficult to access residential areas and reduces overall safety. It is not responsible, ethical or right to make

planning changes that will negatively impact established residential areas. The Sherwood Forest residents should not be asked to suffer the impacts that would result from approving the Naficy Comprehensive Plan amendment. Protective mechanisms in place should stand and should not be skirted around. Infrastructure should be built ahead of time to accommodate future growth.

Ms. Karen Campbell, 2447 160th Avenue NE, said she is a Sherwood Forest resident and taxpayer. She asked the Commission not to approve the proposed Naficy Comprehensive Plan amendment. The area should be kept in the Crossroads subarea and not be allowed to be transferred to the Bel-Red subarea. The Bel-Red subarea was previously allowed to encroach on the Crossroads area, something that should not have been allowed to happen. Notice of that action was not provided in a timely manner, and the result is the Live apartments and more apartments going up on the corner of NE 20th Street and 156th Avenue NE, as well further down on 156th Avenue NE. Traffic is terrible and it takes several cycles to get through an intersection. Even emergency vehicles are unable to get through. The Naficy structure is a one-story school and dental office. There are tall fir trees on the site that should not be cut down. The property is a little over half an acre in size, which is only twice the size of many properties in Sherwood Forest. Taller buildings in the area are not needed in the area given that taller buildings are already going up in the Overlake Park area that will allow the residents to look down into the Sherwood Forest neighborhood. Property values in Sherwood Forest are not increasing, largely due to the increased traffic and development. Neighborhood values should be kept and respected, and the neighborhood should remain safe. Increased development will bring in more crime. The environmental checklist filed with the city is incomplete and inconsistent; it says in one place there will be between 60 and 120 residents and workers, and in other place that there will be between 200 and 400 residents and workers. All of that will add tremendously to the existing traffic, and there are no plans in place to fully address the traffic. The proposed light rail alignment has been moved further away from the neighborhood, making it more difficult to access, and there are no plans to increase bus services. The city was supposed to keep a gateway to the neighborhoods, but that has failed. No more rezones are needed, and the open space in the area needs to be kept open. The Overlake Village master plan will house between 30,000 and 40,000 people once it is completed, and that is about half the size of Seattle's South Lake Union neighborhood.

Ms. Valerie Barber, 4644 122st Avenue SE, said there are inaccuracies in the Newport Hills Comprehensive Plan amendment request. The suggestion is made that traffic might decline as a result of going from Neighborhood Business (NB) to Multifamily-High (MF-H), but it makes no sense at all. Where there are 180 homes, there are 180 times two or more cars. The current retail center does not have that much traffic during peak times. The proposal also states that the current retail center is fairly vacant, which is incorrect. A number of services are offered that are vital to the neighborhood that not only improve the quality of life but also the walkability of the neighborhood. Some of the businesses in the center that were mentioned include: a mail center, restaurant, dry cleaning, dance studio, tailor, martial arts, nail bar, hair salon, sports bar and tutoring center. Reference was also made to the Mustard Seed, a sports bar that attracts many different sports teams of all ages to meet and celebrate. Additional references to existing businesses were made including Stod's Batting Cage, a burger restaurant and a gas station. The walkability of these business was emphasized. There are only two of the 15 storefronts that are vacant. This doesn't suggest this is a retail service center that is largely empty. The businesses have succeeded in spite of attempts on the part of the landlord to limit their ability to have a modern building and to have long leases that would encourage building improvements. They are hindered by the landlord to make it more attractive for even more businesses to succeed there. In spite of the current owners, they are successful which suggests how important those services are. The parking lot will have only a few cars during the morning hours, but during one Friday and Saturday evening at 7 PM, there was over a hundred and eighty cars in the parking lot. That

does not speak to an empty retail center. Additionally, that corresponds to the traffic going through the neighborhood and these are non-peak times. There are only 2 roads and both have a school with school drop-offs and there can be up to a 2 mile traffic back-up to get out of the neighborhood during peak hours. Does not understand why we need more high density housing in this neighborhood.

Mr. Sam Chung with Baylis Architects, 10801 Main Street, spoke representing Dr. Naficy in support of the proposed Naficy mixed use Comprehensive Plan amendment. He pointed out that changed conditions make the proposed amendment both timely and appropriate. Since the Comprehensive Plan was adopted for the site, the adjacent Bellevue zoning and land use has been substantially modified by the Bel-Red corridor plan, and the Bellevue Transit Master Plan which includes the East Link extension. The Bel-Red subarea plan increased the allowed FAR from 2.0 to 4.0, and increased heights from 45 feet to 75 feet. Additionally, Redmond has increased the zoning capacity on lands around the subject property. Dr. Naficy's property is surrounded by much higher density and allowed building height. Sound Transit's East Link Overlake Village station will be within a half mile/ten-minute walk of Dr. Naficy's property, and King County Metro already provides two service routes on 156th Avenue NE. The subject property is located within the 300-foot planning gap between Bellevue and Redmond, and good planning makes the proposed amendment very rational. He voiced support for expanding the geographic scope as suggested by the staff, and agreed that it should not extend south of Bel-Red Road. The concerns of the public in nearby residential areas are understandable. However, because of the FAR cap limit placed on Dr. Naficy's property, all that can be seen fronted on the street is a parking lot and an underutilized building. If the amendment is approved, the site will have an FAR base of 1.0 and the opportunity to increase that by including things like affordable housing through the bonus incentive system.

Mr. Steven Roberts, 620 West Lake Sammamish Parkway, said he works with Congregations for the Homeless whose mission is to help single men on the Eastside move from homelessness to independent living. The national initiative to end homelessness focuses on the lack of affordable housing as the major cause of homelessness. There are quite a few affordable housing units in Bellevue, though the waiting list for them averages four years and stretches out to six years. Congregations for the Homeless does a really good job of working with homeless men. It can help them get off the street into shelters; it can help them get a job; it can help them deal with their issues and addictions and health issues; and it can help get them into subsidized housing. There is, however, no place for the men to go once they achieve stability and are ready to pay rent. Affordable housing is desperately needed, especially in association with transit-oriented development. The only other option for the men is to find housing in some other city.

Mr. Alex Smith, 700 112th Avenue NE, spoke on behalf of 700 112th LLC. He said the property is currently zoned DT-OLB. He thanked the Commission for being allowed to participate in the stakeholder forum earlier in the evening. The event prompted a good exchange of ideas and helped to illustrate what is possible. The design team from CollinsWoerman along with land use attorney Larry Martin has given thought to what downtown livability means and has identified some exciting opportunities for the community, as well as some constraints. The constraints demonstrate how important it is to include flexibility in the Land Use Code. Sites that serve important public purposes should not be underdeveloped. Limiting FAR on the subject property to a maximum of 6.0 will result in buildings that are significantly smaller than what the site and the neighborhood needs. The model demonstrated at the forum utilized an FAR of 8.0. The site is one block from the downtown light rail station and Bellevue transit center, and is also adjacent to I-405 HOV access and the NE 8th Street ramp. Given the opportunity, a convention-serving hotel could be constructed on the site, increasing the viability of Meydenbauer Center. Depending on the design, the site could contribute to the Grand Connection as well as future

development in the Civic Center neighborhood. The property is highly visible from the north, south and east. It could become a civic landmark giving a sense of arrival and creating a sense of place. The Commissioners were encouraged to think in terms of flexibility where warranted rather than in terms of absolutes.

Mr. David MacDuff, 419 Occidental Avenue South, Suite 300, Seattle, spoke representing the applicant for the Newport Hills Shopping Center Comprehensive Plan amendment. He said the proposed amendment is based on a number of reports that have been compiled for the Newport Hills area over the years. The neighborhood has a wonderful character and much effort has been put in by the neighborhood and the city to come up with a plan that will work. No such plan has been put together to date that works for all involved. The proposed amendment seeks to continue combining a mix of retail and commercial uses with residential uses in the form of townhomes. The vision is for something far different from what exists in the neighborhood currently, something that will offer many things that matter to the community. There is not sufficient demand to rebuild the center with new retail of the type that are currently there, but that does not preclude existing users from coming into the new retail spaces if their business model accommodates it. The proposed approach does result in a reduction in the amount of commercial space currently on the site. A design concept is being prepared and will be shared with the public when it is ready, and the intent is to work with the neighbors and the neighborhood as well as with the city.

Mr. Jack McCullough, 701 Fifth Avenue, Suite 6600, Seattle, commented that there has been some suggestions that for some zones in the downtown there may be an interest in providing additional height without allowing for additional FAR. He suggested that would be a useless venture. Developers will not readily take advantage of additional height in the absence of additional FAR because as buildings get taller and floor plates get smaller, buildings become more expensive and less efficient. The amenity bonus system is a delicate creature. It was crafted in 1981 and it has served its purpose, not the least of which is getting developers to put parking underground, and getting developers to construct residential projects in the downtown. The amenity schedule does not impose significant cost on projects and the city should be careful in seeking to fine-tune it. If changed radically to an approach that will impose high costs, the result will be a de facto economic downzone, and developers will not develop new projects. One way to mitigate that is to provide additional FAR. Many people have worked for many years to make light rail in Bellevue a reality and construction is getting under way. No new plans for the downtown should be adopted if they do not include substantial increases in density to take advantage of light rail.

Mr. Mike Nielsen, 10650 NE 9th Place, Unit 2524, said he was part of the development team that originally developed the two Washington Square condominium towers but now is a principal with West 77 Partners which is currently developing the Hilton Hotel adjacent to the condominiums at the corner of NE 10th Street and 108th Avenue NE. He said he is also part of the ownership group that owns the balance of the Washington Square superblock. The Commission previously recommended that staff evaluate a potential height and FAR increase in the DT-O2 North zone, or the three half blocks that sit between Bellevue Way and 110th Avenue NE on the north side of NE 8th Street. Each of the O2 zones impact the city in different ways, and a continuity relative to them may be inconsistent with the zoning objectives of the downtown. NE 8th Street serves as a gateway to downtown Bellevue; that is certainly evident in the fact that most of the traffic coming into the downtown uses NE 8th Street. The West 77 Partners site is unique in that it has a maximum height of 250 feet and an FAR of 6.0 and sits directly across the street to the O1 zone for which a proposal has been made to increase the height limit to 600 feet and the FAR to 8.0. The model shared during the forum compared what could be created under the existing zoning and what would be there with an increase in height

and FAR. The Commissioners were thanked for at least asking staff to look at increasing height and density for the site. There appears to be some support for increasing the height, though increasing density is a more sensitive issue. The opportunity exists to allow for flexibility in how the FAR is allocated. The number of persons living in the downtown is steadily increasing, but there remains a dearth of places for children to safely enjoy. The desire is that the Washington Square site will be designed to include open spaces and areas for kids to play and adults to gather. Increased height and density can help to bring that about at the street level.

Ms. Heidi Dean, 11661 SE 56th Street, said she currently serves as the merchant liaison and shopping center revitalization chair for the Newport Hills Shopping Center for the community club, but stressed that she was not speaking for the club. She said the community has for many years been asking for help in revitalizing the shopping center. The concern is that what has been proposed will not revitalize the shopping center; rather it will simply create infill housing and a strip of retail left to appease the residents, which is not what the residents have asked for. It is not what was envisioned during the Heartland study in 2010. Including a certain amount of housing on the site has always been understood as a way of helping to support the retail, but what is being proposed does not fit the vision. The application is misleading in representing the center as currently being fairly empty. In fact, it is evident that whoever filled out the application knows little to nothing about it, including the fact that a bus line serving Bellevue and Seattle runs through Newport Hills. The lack of notification regarding the Commission meeting and the fact that the topic would be introduced is disconcerting; in fact she said she had been told the issue would not be introduced until the April 13 Commission meeting. The lack of communication between the city and the Newport Hills community is troubling. It has been rumored that the property owner has been shopping the property around since June, a fact that was only verified at the forum prior to the Commission meeting. The community has been clear about wanting to be part of the planning conversation. Changing the zoning from NB is not what the community wants; it wants the local businesses. There is no reason for the shopping center having empty spaces, except that it has been made impossible to rent them out because they have been made un-tenantable. The Heartland study is really no longer applicable given how much change that has occurred in the area and a new study should be done.

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

Commissioner Morisseau said she met with the Fortin Group a week ago and learned their vision for their property on 100th Avenue NE across from the Vuecrest neighborhood.

6. STAFF REPORTS

Chair Hilhorst said she has been meeting regularly with Comprehensive Planning Manager Terry Cullen to discuss the Commission's full schedule. She noted that there is much that must be done in the coming five months or so and suggested the need for additional meetings or to start meetings earlier in the day. She asked the Commissioners to share with her their thoughts about how to proceed.

7. DRAFT MINUTES REVIEW - None

8. STUDY SESSION

A. 2016 Annual Comprehensive Plan Amendment Applications

Senior Planner Nicholas Matz said introduction of the Comprehensive Plan amendment