

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

March 8, 2017
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

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

COMMISSIONERS ABSENT: Commissioner Morisseau

STAFF PRESENT: Terry Cullen, Dan Stroh, Emil King, Department of Planning and Community Development; Carol Helland, Patricia Byers, Mike Brennan, Department of Development Services,

COUNCIL LIAISON: Mayor Stokes

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER
(6:39)

The meeting was called to order at 6:39 p.m. by Chair deVadoss who presided.

ROLL CALL
(6:39 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Morisseau who was excused.

Chair deVadoss took a moment to acknowledge the time, energy and hard work by members of the community, the Commissioners, Mayor Stokes and the staff team that went into the downtown livability Land Use Code amendment.

APPROVAL OF AGENDA
(6:39 p.m.)

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

PUBLIC COMMENT
(6:40 p.m.)

Mr. CourtOlsen, 15817 SE 26th Street, suggested strongly and recommended that the city consider designating if not all at least a part of the Spring District as a special net zero energy district. If not net zero, the area should at least be designated a high-energy efficiency district. Now is the time to take such an action given that most of the area has not yet been built. Other

parts of the country are taking the initiative, which is consistent with the goal of keeping energy usage down and help save the planet.

Ms. Laura Goodwin Hurdelbrink spoke on behalf of the Bellemeade Homeowners Association. She thanked the city and the maintenance staff for their work on the streets during the difficult winter months.

Ms. Betsi Hummer, 14541 SE 26th Street, noted that quite a while ago there was a joint City Council/Planning Commission meeting at the fire training facility. At the meeting one of the Councilmembers mentioned that Bellevue is a very desirable place in which to build and that amenities are wanted for the various neighborhoods, things like public places and affordable housing. In some places developers can just pay a fee in-lieu so they do not have to develop affordable housing, and that is a real disservice to the city. There should be a greater diversity of all different types of people throughout the city, so there should be affordable housing in any kind of residential situation, especially in high rises. She said in her neighborhood Bellevue College is building market-rate student housing, new homes in higher-end developments are being built, there is affordable housing at Hidden Village, and there are apartments that are market rate for the most part but which also take Section 8 vouchers. Imagine Housing is next to that, which is near the Fir Terrace development. Many of the older homes in the area are affordable. The same pattern of mixing housing affordability should be repeated throughout the city.

INTRODUCTORY COMMENTS BY STAFF (6:46 p.m.)

Department of Development Services director Mike Brennan explained that ahead of the public hearing staff would take a few minutes to provide background and context for the Downtown Livability Initiative, a journey that started in 2013 and has involved a lot of people, time and energy.

Planning Director Dan Stroh explained that the downtown subarea is the subject of the proposed code update. He said the area boundaries are NE 12th Street to the north, 100th Avenue NE to the west, I-405 to the east, and Main Street with a few exceptions to the south. The area encompasses some 410 acres, which is only about two percent of the city's overall land area but which is the area in which the majority of continued residential and non-residential growth is expected to occur. The public hearing is a milestone date for the draft code package. Once a final recommendation is formulated by the Commission, it will be forwarded to the City Council for review and final adoption.

Mr. Stroh said the Council launched the work by establishing a scope and project principles to guide the effort. A Land Use Code audit was conducted to look at what has been achieved so far, how the code has been working since its adoption in 1981, and determining where there is room for improvement. The Downtown Livability Initiative CAC worked with the audit and developed fairly broad level recommendations that were handed to the Council which in turn formally initiated the code amendment process.

The Planning Commission provided some initial direction. Some items were gleaned and detailed and became a set of early wins. The package of early wins included a requirement for every building to provide weather protection. One of the more complicated pieces of the update involves the amenity incentive system. It was subjected to quite a bit of economic analysis that was peer reviewed by the Urban Land Institute. All of the work to date has been incorporated

into the draft Land Use Code amendments package that is the subject of the public hearing. Following the public hearing, the Commission will continue its work of refining its recommendation.

Public engagement has been key throughout the process. There are close to 1400 persons on the email interest list and information is continually shared with them proactively. There have been focus groups, walking tours, open houses throughout the process, as well as small groups and one-on-one meetings with various stakeholders and interested parties. There were a large number of CAC meetings and there have been a large number of Planning Commission meetings at which the public has been allowed to offer comments.

Mr. Stroh said the current code was for the most part developed in 1981. From time to time it is a good thing to step back and make detailed reviews to make sure the code, which has a huge impact on leveraging billions of dollars of private investment, is up to date. The theme of the work to update the code has been building on success. Downtown Bellevue is the envy of many cities and the focus has been on working from that base in taking things to the next level going forward in creating a competitive and livable environment for the 21st Century. Much attention has been paid to the need for a stronger and more vibrant pedestrian environment that is convenient and attractive. The residential community in the downtown is the fastest residential neighborhood in the city, and a code is needed that will work well in supporting those residents. As the downtown has matured, it has developed distinctive neighborhoods, so one objective of the update work has been to enhance the character of the different neighborhoods. There was a parallel effort undertaken that involved transportation planning, and the code update is intended to incorporate the outcome of that work, called the Downtown Transportation Plan.

Mr. Stroh said the code update is just one part of a broader livability agenda for the downtown. A series of other work items is under way, including a focus on enhancing pedestrian crossings, completing Downtown Park, and developing a vision for the Grand Connection stretching from the Meydenbauer Bay waterfront through the heart of the downtown and across I-405 to Wilburton.

Land Use Director Carol Helland explained that the details of the code are intended to fulfill the reality of the vision. She said staff have worked hard with the Commission to receive direction and translate it into code language that can be applied over time to achieve the vision of the CAC, the Commission and the Council for the downtown.

Code Development Manager Patricia Byers said the zoning map serves as the foundation for the code. She said the perimeter overlay districts are intended to create a gentle transition into abutting residential districts, thus the zoning in those areas is a bit more restrictive.

With regard to how the code relates to livability, Ms. Byers said the first factor is walkability. The proposed code makes improvements to the through-block connections, increases sidewalk widths for multiple streets, and seeks to make all downtown streets more pedestrian oriented. Neighborhood character is a livability factor and a map in the code shows how the downtown is divided into distinct neighborhoods. In neighborhoods where an outdoor plaza is needed, the value of the amenity bonus system points are bumped up in the proposal.

How urban form is addressed plays into livability as well. Urban form dictates such things as the amount of light and air between the towers, variability in the built environment, and memorability in the skyline.

With regard to urban form, Ms. Helland noted that the proposed code touches on things like tower setbacks, tower separation, diminished maximum floor plates as buildings get taller, outdoor plaza requirements, and a range of sections that address urban form characteristics aimed at ensuring implementation of the vision of the CAC, the Commission and the Council.

Ms. Byers reiterated that the perimeter zoning districts serve the purpose of creating graceful transitions between the urban forms of the downtown and the adjacent residential neighborhoods. There is a requirement for a linear 20-foot landscape buffer from the downtown boundary. Buildings within the perimeter districts are required by the proposed code to step back above a certain height, the intent of which is to avoid creating a wall of buildings overshadowing the adjacent neighborhoods.

Strategic Planning Manager Emil King explained that the amenity incentive system is a discrete section of the code. The proposed code makes a number of significant changes to the existing amenity system. Through the process, the stakeholders, the Commission and the staff have all learned a lot about the details that go into successfully examining an incentive system that is more than 30 years old and updating it. The joint Commission/Council workshop in November 2015 was guided by a set of Council principles that were specific to the incentive system. The amenities have been subjected to a great deal of analysis by the consulting firm BERK, the staff, and by a third-party review conducted by a panel from the Urban Land Institute. The desired outcomes include having amenities that make sense for the downtown, and having a list of things that will be true incentives for development.

Mr. King explained that the code is structured to outline overall development standards for things like floor plates, weather protection, landscaping, and a full set of design guidelines. Under the proposed code, development wanting to go above and beyond the base heights and FARs will be required to participate in the incentive system. The Commission spent considerable time looking at the areas in which additional height and FAR may be warranted. The draft code includes a list of 18 amenities, some of which are in the current code, and others of which came out of the CAC process and were vetted by the Commission. In the latter category are things like enhanced streetscapes, alleys with addresses and freestanding canopies. The flexible amenity was a key part of the discussion and allows developers to propose something that is not on the amenity list and have it taken through a process aimed at establishing an appropriate bonus. The code is structured to focus heavily on the open space and public realm; 75 percent of all points are to be earned in that category. A fee in-lieu provision has been added that allows developers an option to on-site performance.

Mr. King noted that the Downtown Livability Initiative CAC and the Commission have served in the role of station area planning, unlike South Bellevue and East Main where there were separate station area planning efforts. All of Bellevue has transit-supported densities and uses, but the CAC and the Commission focused in specifically on the things that can be done in and around the downtown station as well as the portion of the downtown that is adjacent to the East Main station, which lies just outside the downtown boundary. The groups looked at things like upgrading sidewalks and the pedestrian realm around those areas. Substantial density and height increases are proposed for the DT-OLB, Civic Center and A-3 and B-3 overlay districts. The proposal also looks at ways to better connect the pedestrian corridor and the existing bus transit center to the downtown station.

Ms. Helland said one area that is new in the proposed code is the green and sustainability features. The city has historically had land use features and as part of the early wins they were bumped up. The green and sustainability factors enhance the city's focus on sustainability and

ecological performance, seek to soften the urban environment and increase green features in the public realm.

With regard to the mixed use downtown provisions, Ms. Helland noted that the code update accommodates a broader range of uses and seeks to be more flexible. The Land Use Code tends to peg uses very specifically. Urban uses may essentially trend in different directions and the intent was to make sure the code is flexible to capture those trends. The provisions also seek to level the playing field between residential and non-residential uses in the DT-MU.

Ms. Helland stated that the affordable housing provisions are reserved in the Land Use Code. The city is currently looking at opportunities to promote affordable housing for a broad range of populations. The list of ideas that have surfaced include allowing an FAR exemption of up to 1.0 for affordable housing. That provision is not in the proposed code but would be added based on the recommendations of the citywide affordable housing strategy effort.

The need for flexibility and departures was heard throughout the CAC and Commission processes. Specifically, it was noted that the code needs to be nimble in able to incorporate architectural designs and departures that are not contemplated by the code. The code should not be a barrier, rather it should foster unique and high-quality designs while at the same time being transparent enough to understand what the outcomes will be. The proposed code includes a range of departures, some of which are administrative and some of which require development agreements and Council action.

The proposed code seeks to incent more slender buildings in the downtown to promote and facilitate light and air. The proposal also seeks to foster distinct architecture and memorable skylines. The amenities to achieve taller buildings have a livability premise in that the taller and more slender buildings will be spaced further apart and will accommodate more plaza space at the ground level.

Ms. Helland said the Commission at its March 1 meeting identified several key topics to be resolved, including the calculation of base FARs and base building heights; the scope of administrative approvals; consideration of a downtown-wide super bonus; the timing for inclusion of the affordable housing FAR exemption; consideration of additional height flexibility in perimeter areas not adjacent to single family districts; tower separation and tower setbacks; the exchange rate for paying a fee in-lieu of providing amenities; and administrative modification of the parking ratios. The list of site-specific topics included the maximum height limits in the DT-O2; increases in the FAR above the maximum in the DT-OLB through a Council-approved departure; height increases above the maximum in the DT-MU and B-2 perimeter overlay districts through a Council-approved departure; appropriate code provisions for the A-3/B-3 perimeter overlay districts; and ownership of 101st Avenue NE.

Mr. Stroh said the public hearing is a key step in the ongoing public involvement process. Following the public hearing the Commission will continue its deliberations in follow-up study sessions. The target date for the Commission to conclude its efforts is the end of April. Once the Commission hands its recommendation off to the Council, the Council will begin its review and adoption process.

Commissioner Hilhorst said at the joint Council/Commission session and again in 2016 she had called for an amenity to provide a function such as a fire station or other official city function. She asked why it was not included on the list of amenities. Ms. Helland said the flexible amenity was intended to capture that idea and other notable ideas that might be brought forward. No

particular examples were included so as not to limit anyone's creativity.

PUBLIC HEARING

(7:23 p.m.)

Comprehensive Planning Manager Terry Cullen welcomed the public and briefly explained the rules governing public hearings. He said the testimony and information presented would be deliberated by the Commission in future study sessions.

A motion to open the public hearing was made by Commissioner Carlson. The motion was seconded by Commissioner Hilhorst and the motion carried unanimously.

Mr. Brian Brand spoke representing the Bellevue Downtown Association (BDA). He said he serves as co-chair of the Land Use and Livability Committee, and is a partner with Baylis Architects which is currently celebrating its 45th year in Bellevue. During that time, the firm has worked on many projects in Bellevue, including in the downtown. He acknowledged the excellent progress made by the CAC, the Commission, the Council and the staff in getting the proposed amendment to where it is. It has been 35 years since the current code was written and the update work is critical to shaping a strong, healthy and livable city. BDA members have been engaged throughout the process, and the organization has over the years served as a partner in creating a vibrant downtown. The draft code is almost there; it is certainly headed in the right direction. Consensus has been reached by the Committee members in regard to several key issues that should be added to the code. The Commission was urged to adopt the recommendations. The BDA favors the targeted increase in building heights to encourage thinner towers, distinctive and memorable architecture, less bulky buildings and more light and air. Additional flexibility, improved guidelines and updated code tools will help create a better code. Except for a few targeted areas where additional density is encouraged, the maximum FAR or density in the downtown districts will remain unchanged. The result will be better designs that will respond to the market and anticipate the needs of the community. Ultimately, the new code will help guide where and how growth will occur. The Commissioners were thanked for their time, leadership and commitment to the process.

Mr. Patrick Bannon, president of the BDA. He said the organization has been working in the community for the past 43 years and has as its mission strengthening the economic and cultural vitality of the downtown. He presented to the Commission an updated version of the core recommendations from the BDA that he presented to the Commission on March 1 and stressed that there was Committee consensus for each item. He asked the Commission to set the base FAR and building height in the code at 90 percent of the new maximum FAR and building height to provide a uniform and predictable standard across the districts. He encouraged administrative approval of the flexible amenity within the maximum height and FAR. An option for projects to apply for a super bonus of additional FAR and height beyond the maximum through a Council departure development agreement should be included in the code; the super bonus should not exceed 1.0 FAR. With regard to affordable housing, the Commission was strongly encouraged to recommend or seek Council direction to advance the affordable housing exemption into the Land Use Code package for consideration. Considerable thought has been given to the A perimeter district in proximity to the single family residential neighborhoods and the BDA believes there is additional opportunity around height flexibility, specifically allowing up to 70 feet within the A-1 perimeter to achieve housing. The 40-foot setback from internal property lines requirement for towers should be eliminated in favor of retaining the current 20-foot setback. The fee in-lieu exchange rate should be reduced from the proposed \$28 per square foot to \$25 per square foot, and the rate should be benchmarked and adjusted over time as the

market evolves. The Commission should call for a thorough transportation study to determine how the proposed Land Use Code amendment will affect the transportation network in the downtown. The code should memorialize the expectation to come back to the code within a five-year timeframe. Additional process flexibility should be incorporated around the 80-foot tower separation requirement, and the city's design review process should include digital street views. Concepts brought forward by the Committee for further review include looking at density around light rail stations, and looking at possibly reducing parking around light rail stations for residential uses. Two pages of additional comments, critiques and clarifications identified by the Committee were presented to the Commission for review.

Commissioner Carlson commented that according to the BDA, the justification for setting the base FAR and heights at 90 percent of the new maximums was to establish a clear, consistent and predictable standard. However, the call for including an option for projects to get a super bonus of additional FAR through a Council departure process appears to be just the opposite. He asked for an example of what might qualify for a super bonus. Mr. Bannon answered that if an applicant wants to be encumbered with a Council departure process and work through a development agreement in consideration for an extraordinary amenity, whatever it might be, they should not be precluded from doing so. Those wanting to stick to the predictable path should have a predictable path to follow. In other markets, super bonuses have been allowed for things like affordable housing. One potential super bonus in the downtown could be related to the Grand Connection.

Chair deVadoss asked if the call for a transportation study can be inferred as a belief that the BDA believes the city has not yet done such a study. Mr. Bannon said the BDA and the community will want additional confidence to know the full and potential impacts associated with incorporating the proposed changes into the Land Use Code. The existing study may show a similar result, but the study should be done so that whatever land use changes are made in the next iteration of the Downtown Transportation Plan are fully understood and planned for.

Mr. Robert Wallace, PO Box 4184, said he is the managing partner of entities that own ten parcels in the downtown, primarily in the DT-MU and DT-OLB districts. He commended the Commission for the volume of work accomplished to date. He presented the Commission with a letter summarizing a few concerns that in some instances could preclude the kind of development the city and the property owners envision. He said he looked forward to seeing the Land Use Code amendment process reaching a conclusion, and agreed that the code should be reviewed every five years.

Mr. Jim Hill spoke representing Kemper Development Company, 575 Bellevue Square. He said he serves as a member of the BDA livability committee and that he supported the comments made by Mr. Bannon. He added his appreciation for the work done to date by the Commission and the staff. Setting the base FARs and heights at 90 percent of the new maximum FARs and heights is an important step and a good way to go. The proposed 40-foot setback requirements should be removed in favor of the current setback requirement. More flexibility for the tower spacing requirements should be included. The proposed 80-foot spacing will severely limit feasibility for many sites. A thorough transportation study should be conducted to determine what is needed to support the planned growth of the downtown. A parking study should also be conducted before there is any action to reduce the parking ratios in the downtown. The pedestrian corridor standards should not create arbitrary or unnecessary burdens to development. The current standard says the pedestrian corridor should average 60 feet wide and in no case be less than 40 feet. Sixty feet is the equivalent of five highway lanes and seems a bit ambitious. The standards for the corridor should not create uncertainty or be subject arbitrary decision

making. Artwork is something that could fall into that category. Outdoor dining and café spaces should be encouraged along the pedestrian corridor.

In response to Mr. Hill's comment about artwork being subject to arbitrary decision making, Commissioner Barksdale asked what the alternative should be. Mr. Hill said everyone can live with certainty and predictability. Where there are open-ended ideas about what constitutes significant art, there can be problems. He allowed that while on one hand it is nice to have flexibility, getting to predictability is always important.

Mr. Todd Woosley, 10633 SE 20th Street, said he serves on the Transportation Commission but was present representing only himself. He thanked the Commission for the tremendous amount of work done to date on something that is critically important to the city. The downtown is a remarkable place. It is about halfway built out, has gotten nicer in every development cycle, and has become a far more livable place. The Commission was encouraged to adopt everything having to do with livability other than increases in densities. He said he was concerned about the lack of understanding about the impacts on the transportation system from any increases in density, let alone from the currently zoned densities. The city simply does not know how the system will function at the build buildout under either the current densities or the proposed densities. He supported the BDA's call for a complete traffic study. The traffic study that has been done shows only a snapshot of what the downtown might be like in 2030 and it shows it will take twice as long as it currently takes during the evening peak period to get through the downtown. Adequate capacity is needed to accommodate those who live and work in the downtown. The city is looking at investing in a new fire station, and one criteria being looked at is response times. The impacts on the response times for all emergency service providers should be included in the traffic analysis needed prior to making any changes in density. The downtown represents less than three percent of the city's land mass and there are many other single family neighborhood areas in Bellevue that are perfectly capable of accommodating growth.

Commissioner Carlson asked if the Commission would be better served by holding off making a recommendation relative to building heights until a traffic analysis, possibly with a parking component, is completed. Commissioner Woosley said his concern was not with building height rather with building densities. A building that is taller but has the same FAR will generate the same number of trips. Where additional FAR is allowed, additional trips will be generated. The information a traffic study would offer should be part of making a more informed decision.

Commissioner Carlson asked where in Bellevue more growth should be allowed to happen. Commissioner Woosley said there is room for growth in the neighborhoods. In the Spring District and in Eastgate there is room to handle growth graciously. A thorough analysis on the economic viability of the code provisions should be done for those areas.

Mr. Dave Meissner, 16541 Redmond Way, Redmond, expressed his support for leaving the tower setback at 20 feet. He reminded the Commission that he had previously shared his plans for a revised project for the Conner building under the proposed new downtown code. Given the uncertainty and timing of the new code, the decision was made to move forward under the current code. Issues of light and air are addressed through the International Building Code. Mandating a setback greater than what is currently required will significantly compromise future development. Tweaks and changes that result in making FAR more expensive will ultimately make things less affordable, not more affordable.

Mr. Andrew Miller with BDR Homes, BDR Capital Partner, 11100 Main Street, thanked the Commissioners for their time and perseverance. He said it was with great disappointment that he

was not able to offer his support for the proposed code. In the southeast corner of the downtown, there are a lot of changes going on. He said his property is located on one leg of a gateway/front door site. Of the four corners of the intersection, heights in the DT-MU are set to be increased, height and density increases are planned for the Wig property, and a park will be constructed on the property across the street, leaving only one corner not addressed in the proposal. The code as presented will breed mediocre design solutions adjacent to a light rail station. Bellevue should not settle for it and deserves better. The Downtown Livability Initiative CAC recommendation includes three entire pages dedicated to the light rail station to be located at City Hall; there is only one passing reference to the other light rail station that will affect the downtown. There is much wrong with the proposal, including the 40-foot tower setback, the 20-foot buffers applied to his property for reasons that no longer exist, specific uses and heights with rationale that no longer exist, a code and incentive system that assumes everything is flat, and a new incentive system that will make projects harder. The BDR and John L. Scott property representatives believe they have put in extraordinary effort to demonstrate a vision for the future. What was proposed was a stepped project, a welcoming grand stairway and a grand concourse, in short a project that really fits the context. The code as currently written points toward squatty, wood frame structures that will serve as unwelcoming buttresses against the street. It is shocking that the code as proposed will not allow for bringing forward a great responsive vision. The Commission can still save the day, however, by changing the code to include the changes recommended by the group. The proposal represents the first code rewrite in 30 years but it is still hamstrung by precedent in the East Main area, the very shackles that should be thrown off. The code certainly does not represent a leap into the future, which makes the work of the last few years meaningless. The East Main area deserves to be part of the future of Bellevue.

Mr. Phil McBride spoke representing the owners of Bellevue Main LLC, the property at 11040 Main Street that houses John L. Scott, a company that just celebrated its 85th year. He said the building houses 200 employees and there is a need for more room, which the proposed building would provide. There is a \$3.7 billion taxpayer investment that is going to stop right in front of the building, and if that fact is not addressed, something will be missed. Most of the recommended code changes reference the areas within a quarter mile of a light rail station. There is a clear need for transit-oriented developments near the light rail stations to boost ridership. The vision provided for the properties along Main Street will not be cheap to build, but it is inspirational and something to be excited about. There are restrictions on the property because of elevation changes, but the proposed project offers a lot of amenities, including a through-block connection, a walk corridor, and amenities for the neighborhood. There have been many visits with the Commission and many public and private conversations, but in none of those conversations has the answer been no; in fact, all that has been heard is encouragement to keep going. It is disappointing that the code as written will not allow the project as outlined. As written, the code as drafted supports a five-over-two building, which is not what Bellevue needs. The Commission was asked to instruct the staff to include the requested code changes.

Mr. Alex Smith, 700 112th Avenue NE, spoke representing 700 112th LLC. He thanked the Commission and the staff for diligence that has gone into the proposed amendment. He voiced support for the recommendations made by the BDA, and echoed the comments of Mr. Stroh about what the code objectives are trying to achieve. It is not density for the sake of density. The desire is to build a better and more livable downtown. Density is a very important component of making the downtown more livable. The super bonus, while possibly not well named, should be supported as a departure process for adding more density or height where appropriate. The super bonus does not necessarily contradict the need for other properties, especially in the DT-OLB, that need predictability to support their business models.