

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

April 19, 2017
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

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

COMMISSIONERS ABSENT: None

STAFF PRESENT: Terry Cullen, Emil King, Department of Planning and Community Development; Carol Helland, Patricia Byers, Bradley Calvert, Department of Development Services; Camron Parker, Department of Parks and Community Services

COUNCIL LIAISON: Mayor Stokes

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER
(6:41 p.m.)

The meeting was called to order at 6:41 p.m. by Chair deVadoss who presided.

ROLL CALL
(6:41 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Hilhorst, who arrived at 6:42 p.m., and Commissioner Laing, who arrived at 7:11 p.m.

APPROVAL OF AGENDA
(6:42 p.m.)

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

COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS
(6:42 p.m.)

Mr. Steward Heath, chair of the Parks and Community Services Board, said the Board would like to work with the Commission as partners in a proactive way to address the issues that face the city. With respect to the Downtown Livability Initiative, he said the Board understands that the process has been ongoing for a number of years and there is no desire to be seen as obstructionists. At the same time, however, the Board wants to have meaningful involvement in the process. With regard to the question of why the Board was seeking to be involved three years

into the process, he said the Board received an informational briefing in March 2014, and that proved to be the last time the issue was before the Board. The 20-minute presentation talked about the expected demographics and FAR, and the Board was given nothing to deliberate or decide. A member of the Board was appointed by the Council to the Downtown Livability Initiative CAC. In the presentation, the need for two parks was discussed along with the notion of open space plazas being active spaces. He said in the fall of 2016 when he was elected chair of the Board, he asked staff and the Council what the Board should be working on. The Downtown Livability Initiative was not mentioned, and indeed the issue was never put on the Board's radar. The Board held a retreat in February 2017 where attention was given to trust, transparency and communication, as well as the desire of the Board members to advocate for parks. Two weeks later a memo was received in which the planning department wanted time on the Board's March agenda, which would have replaced an item previously prioritized. It was made clear that the Board was not being asked to interact with the Commission, only with the staff, and that while there were four areas of substance to be addressed, there were no options for the Board to consider. The parks director finally indicated the Board was being asked to decide if the Downtown Livability Initiative meets the needs of Parks and Community Services, and whether the right mechanisms to meet those needs were in place. Accordingly, at the March meeting there was a presentation from parks and planning staff. Information was shared about demographics, the early wins, and the conceptual plan that calls for more parks in the downtown. Questions were asked about how many parks the existing incentive system has brought about, and the answer given was zero. The question was then asked if the proposal for new incentives would yield new park facilities, and the answer given was that no studies had been done to determine that. A motion was unanimously passed stating that the Board does not believe the Downtown Livability Initiative meets the needs of Parks and Community Services. A follow-up session in April resulted in the development of four or five recommendations to be carried forward to the Commission.

Mr. Eric Synn, a member of the Parks and Community Services Board, reiterated the desire of the Board to work in partnership with the Commission. He noted that he had attended the last Commission meeting to frame the recommendations of the Board. Downtown Bellevue is about 400 acres in size. There are two primary parks, Downtown Park at about 20 acres, and Ashwood Park at about 2.5 acres. Accordingly, park land represents about five percent of the total downtown area. Including Meydenbauer Bay Park would bring the percentage up to only six. The population and growth estimates show 17,000 residents per square mile currently, a number that is projected to double in the next 20 years. There has been no discussion about adding park land to support that rate of growth. The Board developed four specific recommendations: 1) The Parks and Community Services Board recommends that the Downtown Livability Initiative results in achieving the Parks and Open Space Plan's goals, specifically including new parks in the Northwest Village neighborhood and the East Main neighborhood; 2) The Parks and Community Services Board recommends that there is sufficient evidence that the Parks and Open Space Plan's goals will be met; 3) The Parks and Community Services Board recommends that there be further discussion by the Parks and Community Services Board regarding whether plazas are parks; and 4) The Parks and Community Services Board recommends that additional levers and controls, including Park Impact Fees, be identified to incent developers to meet the Parks and Open Space Plan's goals. He said it was the intent of the Board to take on itself in partnership with the Commission the discussion called for in item 3. Nothing that is commercially or privately owned should be considered to be park land.

Commissioner Barksdale asked what percentage of park land the Board was seeking to achieve in the downtown. Mr. Synn said determining that figure will require a great deal of community involvement. He said parks has a comprehensive parks and open space plan that includes a

blueprint for having within each city block open space sufficient to support the community. There are no current plans for park facilities in either the Northwest Village and East Main neighborhood.

Mr. Synn allowed that implementation of a park impact fee would need City Council approval. Bellevue calls itself a city in a park, a slogan that cannot be sustained unless more facilities are created.

Commissioner Hilhorst noted that McCormick Park was not mentioned and asked if that is because NE 12th Street serves as the downtown boundary. She also asked if the Board was looking to replace McCormick Park somewhere in the downtown corridor given that the site has been mentioned as a potential location for the downtown fire station. Mr. Synn confirmed that the boundary of the downtown is NE 12th Street, which means McCormick Park is not considered to be in the downtown. The intent of the Board is to address how the Land Use Code will be used to build and sustain parks. Mr. Heath added that the McCormick Park issue was not specifically discussed by the Board. The parks and open space plan includes a call for additional parks in the downtown, and that was put in the plan before anyone knew McCormick Park might be going away.

Commissioner Barksdale asked how the Grand Connection ties into the amount of Downtown Park space calculations. Mr. Synn said the Grand Connection is still only a vision and does not fall under the parks department. Mr. Heath added that the Board has not reached any resolution to date on the issue. As it has been described, the Grand Connection is a corridor and not a park. Sidewalks with landscaping and plazas are corridors, not parks.

Commissioner Carlson asked what the Board would like to see in the downtown that is not already there. Mr. Synn said the Board strives to fulfill what is contained in the parks and open space comprehensive plan. That plan calls for having park facilities in each of the nine sectors into which the downtown has been divided. Mr. Heath added that the plan calls for a new park in the northwest quadrant where the QFC used to be, and a park in the southeast neighborhood. The Downtown Livability Initiative should also fulfill the comprehensive plan that has already been approved.

Chair deVadoss noted that he and Commissioner Walter attended the last session of the Parks and Community Services Board and took the time to discuss the Downtown Livability Initiative and receive feedback.

Mr. Heath reiterated the desire of the Board to be seen as a partner with the Commission and to work proactively to solve issues.

Mayor Stokes reminded the Commission of the deadline that has been established for completing the work on downtown livability. To some extent, the issues raised by the Parks and Community Services Board are policy issues that will need fuller conversations but at a later date.

Chair deVadoss agreed that the park issues are of critical importance to the community. He said he would find a way to continue the discussion.

Mayor Stokes said the Arts Commission, Transportation Commission and Human Services Commission all are relevant to downtown livability. The question is how to function as discrete boards and commissions and also work as a committee of the whole to any extent. That certainly occurs when working on the Comprehensive Plan. There will be time to address the parks issues

after the downtown livability is completed.

Mayor Stokes praised the Commission for the work it has been doing. He said the April 7 quarterly check-in with the Commission and staff was helpful in laying out a game plan for wrapping up on time, and for addressing the issues that will follow.

Comprehensive Planning Manager Terry Cullen reminded the Commissioners that during the Commission's work on downtown livability staff was holding open office hours on Friday mornings from 9:00 a.m. to 11:30 a.m. through the end of May. He said staff was willing to meet in person or by telephone to discuss the issues.

Mr. Cullen reminded the Commission that beyond downtown livability the Commission will continue to be busy. A threshold review public hearing on the Bellevue Technology Center plan amendment is slated for June 14 and it is expected to draw a large crowd. The issue will serve as the dominant part of the Commission's agenda in June.

Mr. Cullen called attention to a status memo included in the packet summarizing the quarterly check-in meeting on April 7 with Mayor Stokes. He noted that the work of the Commission during the first quarter of the year was dominated by the downtown livability topic.

Mr. Cullen referred to the minutes from the March 22 Commission meeting and pointed out that most of the motions made included language directing staff to take certain actions. Two of the motions, however, did not include such language and thus a reasonable person looking at those motions could conclude the Commission had in fact made a final decision. He said during the study session he would ask the Commission to reaffirm that the intent was in fact to direct staff.

The Commissioners were asked to save the date for a potential Commission retreat on November 15.

PUBLIC COMMENT (7:17 p.m.)

Mr. Ian Morrison, 701 5th Avenue, Suite 6600, voiced appreciation for the analysis done by staff relative to how other jurisdictions address tower spacing. He noted that while Bellevue is its own unique jurisdiction, it is important to look at best practices in other jurisdictions. Los Angeles has a requirement for an 80-foot separation, but it kicks in at 150 feet. Los Angeles also allows towers in the downtown up to 1000 feet with very large floor plates, which allows for mitigating tower spacing issues. In the Denny Triangle in Seattle, towers must be separated by 60 feet, and in Belltown the separation requirement is 80 feet, but in both cases the trigger is 160 feet. The result in the Denny Triangle has been some elegant slender towers, while in Belltown there has been no significant new development in the last decade, something that can be tied to the required 80-foot tower separation requirement. The staff also mentioned Vancouver, B.C., but the Canadian land use system relies on a collaborative negotiation as opposed to a prescriptive standard relative to tower separation. Portland with its 200-foot blocks does not have tower separation requirements. Having a tower separation requirement of 60 feet rather than 80 feet will be key to supporting development and density in the downtown, and the height at which the separation requirement kicks in will be critical. In the draft, the trigger is too low. There are concerns with regard to how the tower separation standards will impact irregularly shaped lots. The internal setback of 40 feet between internal property lines is not a component of other jurisdictions, primarily because they focus on the separation between existing structures as opposed to preserving the potential development rights for a site that may or may not be

developed in the future. The current 20-foot separation works and should be retained. The way the modification process exists in the draft ordinance is counterintuitive to good development. It sets incredibly restrictive standards and calls on developers to make convincing arguments otherwise. The better approach would be to set reasonable standards and to allow for an administrative review process on a case-by-case basis where there may be some issue that deserves individual consideration. The Commission was encouraged to review the materials he distributed to them and to carefully consider the recommendations made on behalf of the Fortress development to retain the 60-foot tower separation between existing towers, to set the trigger height at 150 feet, and to provide for an exception process that is based on a more expansive standard that allows for a case-by-case evaluation. The internal setback requirement is a concept that is not necessary in the downtown code. In Seattle, only two of the 19 zones have tower separation standards.

Mr. Andy Lakha, 500 108th Avenue NE, Suite 2050, said his planned Elan development is for the site at the intersection of Bellevue Way and NE 8th Street. He said he has spent his entire career working towards the wherewithal to develop such a property. However, the midblock and odd-shaped site presents challenges that his team has had to overcome. The site has not one but two required midblock connections, a requirement that will eliminate much of the site needed to accommodate a building. Because the site is odd-shaped, even the existing 20-foot setback presents a challenge, but the design team worked hard at finding a way to make it work while providing the necessary open space amenities and a very pedestrian-friendly development. The proposed 40-foot property line setback shatters the well thought out design, making most of the site undevelopable for a tower project. Other sites in the downtown would face the same challenge. Under the proposed requirements, only 31.8 percent of the site would be developable, and the result would effectively be a downzone. No other city in the Northwest has a 40-foot property line setback requirement. The final report of the Downtown Livability Initiative CAC includes no reference to 80-foot tower spacing, or to 40-foot property setbacks. The currently required 20-foot property setback should be retained.

Commissioner Carlson asked how far apart are the towers as envisioned for the Elan project. Mr. Lakha said as drawn they are 80 feet apart. The big problem is the 40-foot property setback.

Mr. Patrick Bannon, president of the Bellevue Downtown Association (BDA), 400 108th Avenue NE, Suite 110, pointed out that the Downtown Livability Initiative CAC process included considerable conversation about the value of and need for parks in the downtown. That is why the list of bonusable amenities includes both the donation of park property and improvement of public park property, with specific references made to Northwest Village and East Main. He disagreed that the proposed plan does not advance the parks plan. The Commission has throughout the process been very responsive to community and stakeholder feedback, and on behalf of the BDA he thanked the Commission for that. The BDA members have expressed strong support for setting the base FARs and base heights at 90 percent of the maximums, but they continue to express concerns about the proposed 40-foot property setback and tower spacing provisions, the trigger height requirement, and the incremental amenity chart for additional height. The issue is that the provisions, if imposed altogether, could severely constrain future development along with Bellevue's capacity to shape improvements for overall livability. The community, the BDA and the city all agreed that the goal should be to strengthen Bellevue's economic base and to promote new opportunities for a healthy and thriving downtown core. The updated Land Use Code, if balanced with the right guidelines and strong incentives, will further stimulate new housing, both affordable and market rate, add public open space, and generate a significant fiscal benefit for city services and infrastructure from transportation impact fees and incremental tax revenues from new development.

Mr. Alex Smith, 700 112th Avenue NE, introduced the 700 112th LLC team members Jeff Taylor with the Keldoon Group, and Larry Martin with Davis Wright Tremain.

Mr. Jeff Taylor said he was pleased with the recent staff recommendations relative to the base FAR of 90 percent of the new maximum. However, nothing has changed with regard to the trigger height and the amenities for going higher. He said if all of the square footage of the preferred amenities, which are the amenities proposed in the draft, were to be divided by the total square footage of the amenities provided under the existing system, it would be only about 2.84 percent. He also pointed out that the total FAR going from base to maximum under the current code was 44.5 on average. Divided by 2.84 yields a value of 1.26, meaning that 1.26 FAR was provided by the preferred amenities. Under the staff recommendation of 90 percent of the new maximum, the value is 10.9, all of which are the new amenities. That means 762 percent more amenities will be provided under the proposed concept, and that will be a success for everyone. With regard to height, under the new approach building any square footage above the new trigger height must be earned or paid for at \$12.50/square foot. Additionally, ten percent open space must be provided, and the floor plates will be reduced by ten percent. Throughout the different zones, that ranges from zero to 77 percent. That will completely disincentivize a developer to go tall. It will cost more per square foot for a development to build a 30-story building than it would cost to build two 15-story buildings. The return for the taller building is value from the increased views, but the approach effectively takes away the incentive. He recommended doing away with the proposed requirements for going taller. He also voiced support for retaining the current 20-foot property setback.

Mr. Larry Martin, 777 108th Avenue NE, spoke representing Alex Smith. He noted that a lot of time has been spent in talking about the trigger height issue and the bonus FAR, and how much bonus FAR has to be earned by buildings in different zones. All that goes to show that the purpose of requiring provisional amenities is not to regulate development but rather to gain revenue for the city. That is at the heart of what makes the approach illegal. The trigger height issue is the same and varies wildly from one zone to another. In order to have a proper exercise of the city's legal authority, the code must be based on the regulation of the impacts of development. The proposed approach does not do that, rather it relates to an analysis of how much the BERK consultants thought developers and property owners could afford to pay before their property values would fall below their current values. The disincentive relative to height should be eliminated. The base height should be set at 90 percent of the new maximum. One thing the city can do to shape the future going forward is pay attention to incentivizing development around transit-oriented development. ULI looked at nearly 10,000 apartment buildings and found that the residents of units close to transit centers used transit five times more.

Mr. Darrel Vange, 166 Lake Avenue, Freeland, said the latest draft of the code on the subject of tower separation deals with superblocks rather than single project limits. The definitional boundaries for superblocks excludes the area to the east of 112th Avenue NE, which is where the project he is working on is located. That is either a drafting oversight, or an intention to deal differently with the DT-OLB.

Mr. Arne Hall, 17227 SE 40th Place, agreed that if the buildings shaded in red on the Webber Thompson graphic were not in the downtown given the tax revenue base they contribute to. Under the proposed rules, several of those projects would have only half of the towers. With regard to the interior property line setback, the issue is not the parcel size but rather the parcel configuration. In the most recent draft, staff have gone from a 30,000 square foot threshold for

the 40-foot setback to a 40,000 square foot threshold. Additionally, the fee in-lieu assessment above the trigger height varies by zone, but in the Deep B zone it adds a lot. There is no incentive for developers to build taller and more slender towers under the formula, and in fact the approach violates Washington state code as a tax on development. The floor plate reduction requirement will have impacts on cost efficiencies, leading to higher costs. There is no quantifiable information that supports the added revenues that will be obtained through rental or commercial properties. With regard to tower spacing, the CAC was silent. The notion developed by Jack McCullough for a 60-foot tower separation is a reasonable solution. Bellevue is unique. The other cities studied have downtown geographic areas that are much larger. The Commission and the staff should work closely toward creating a city with strategic and controlled density while providing the open space everyone wants to see.

Mr. Doug Demers, 225 Terry Avenue North, Seattle, said he is managing partner of a firm that plans mixed use developments around the world. He said his firm has done a lot of work in the peer cities that have been referenced, including Vancouver and cities up and down the West Coast. He suggested there is a case to be made for moving away from the prescriptive zoning approach that most US cities have embraced for a long time and toward a more collaborative and vision-focused urban planning model, an approach that is used in Canada and in most of the United Kingdom. The approach leads to more flexibility, whereas the prescriptive approach produces rows of wedding cake buildings that struggle to create a vibrant urban fabric. Flexibility is needed in urban corridors that allow for higher density. In cities with superblocks, more planned developments are focusing on friendly blocks, smaller lanes and limited street parking. In order to do that, it is necessary to be more flexible in looking at setbacks that involve dialog and negotiation. The result is a win for everyone.

Commissioner Carlson asked what city does flexibility and negotiated development better than anyone else. Mr. Demers said the Canadians have a more collaborative system. In Vancouver, developers with another way in mind that will achieve the goals set down by the city, even if it might involve changing a prescriptive piece of a formula, they are allowed to make their case. The result is an evolving landscape. In Seattle, the approach is a development either fits in a box or does not get built, an approach that does not fit anyone.

Commissioner Walter asked if there were sufficient time to have the collaborative system vision drafted for review and consideration prior to the deadline the Council has set for the process. Mr. Demers said the approach is more about process and less about being prescriptive. He suggested there are ways to do both.

Chair deVadoss asked how cities that operate without prescriptive guidelines compensate for developers who come late to the table in terms of initiating their projects. Mr. Demers said he was not arguing against having some level of prescriptions and rules. The problem is not necessarily with the rules but rather with a process that holds the rules to be sacred. The rules should serve as a place to start in considering how to build out the vision for a particular property. Through negotiations, developers can still meet and even beat the rules. What is needed is more of a philosophical mindset that is focused on the end result.

Commissioner Barksdale said the philosophical approach appears to be akin to what CACs do in Bellevue. Mr. Demers said the CAC approach could be overwhelming if focused down to the per-property level. The CAC approach works better when focused on large areas, such as the DT-O1 district.

Mr. Blaine Webber, 225 Terry Avenue North, Seattle, said he is the founding partner and

director of the Highrise Design Studio at Webber Thompson Architects. He said the firm has over two dozen highrise residential and mixed use tower projects to its credit and has also done a significant amount of design work in Bellevue. He expressed concern over the recently proposed change to setbacks from the current 20 feet to an extreme and unheard of setback of 40 feet for any structure above 45 feet. The increased setback on top of FAR restrictions, 80-foot tower spacing and the midblock connection requirements will result in unintended consequences and an effective downzone. As proposed, the approach will be the most restrictive in the entire country. He referred to a study done by his firm reviewing all of the highrise tower projects completed in downtown Bellevue. A shocking number of completed projects would not be permitted under the 40-foot setback and 80-foot tower separation requirements. The diminution in jobs and tax revenues that would result would be significant. Only the two western towers of the Bravern would be possible, effectively cutting the project in half. Only one of the two Bellevue Towers would be possible; the same would be true of Avalon Towers. All three of the three Elements towers would be out of compliance, and only a single tower would be allowed. Lincoln Square would be allowed only two instead of three towers. Only one of the PSE towers could be constructed instead of two. A diagram of setbacks furnished by Department of Development Services purports to show conditions of major assemblages of parcels into tiny geometric shapes, but those conditions do not exist in reality. A slide of the actual city block at NE 2nd Street and 108th Avenue NE showed the cumulative impact of the 40-foot setback and 80-foot tower separation would result in a severe diminution of building area. Adding in the requirements for midblock connections could render some sites infeasible. Soma 2 would not comply and the Marriott AC would not be feasible. A review of the parcel map shows the real conditions in downtown Bellevue, with small and irregular parcels. The actual city block at NE 8th Street and Bellevue Way serves as a real world example in which the 40-foot setbacks result in a buildable area of only 52 percent of the site. The cumulative impacts, however, that combine the 40-foot setbacks, 80-foot tower spacing, 20-foot setbacks for landscaping and two midblock connectors result in an unbuildable building pads, one of which is only 35.4 feet wide, and the other of which is only 54.3 feet wide. Neither of the envelopes would support a highrise tower given the need for a pad of at least 75 feet, and more normally 100 to 110 feet in width. The cumulative impacts will quite literally kill the project at NE 8th Street and Bellevue Way by reducing the three-acre site to only 36,000 square feet of buildable area.

Commissioner Barksdale pointed out that the point of the 40-foot setback and 80-foot tower separation requirements is to preserve light and air. Mr. Webber said the Lakha project as designed actually has 115 feet between towers. However, the 40-foot setback would push in the towers to the point where that spacing could no longer be achieved; the building pads would no longer be feasible for a highrise tower. He proposed 60-foot tower spacing as a reasonable alternative. Spacing towers to preserve light and air is vital to urban areas. Sixty feet is the width of most city streets and that is a reasonable separation. The 20-foot setback should be maintained and additional spacing on sites that can accommodate it should be incentivized.

Commissioner Hilhorst observed that when the 80-foot tower separation restriction was determined a year ago, no one spoke up. She said it was only when the 40-foot setback was introduced that the community spoke up. She asked which is the real issue. Mr. Webber said it is the cumulative impact of the two. He said he could live with the 80-foot tower separation requirement if the 20-foot setback were to be retained. Most cities on the West Coast have some manner of administrative departure in place for unusual sites. That is what is needed in downtown Bellevue as well to benefit the entire community.

Mayor Stokes urged the Commission to cut short public comment and to move on to its discussion of the issues.