

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

January 22, 2013
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson and Councilmembers Chelminiak, Davidson, Stokes, and Wallace

ABSENT: Councilmember Balducci

1. Executive Session

The meeting was called to order at 6:04 p.m., with Mayor Lee presiding.

2. Study Session

(a) Retail Auto Sales in the Office/Limited Business District

City Manager Steve Sarkozy introduced discussion regarding a proposal to allow auto retail sales in the Eastgate area, specifically in the northeast quadrant of 148th Avenue SE and SE Eastgate Way. The potential for expanding auto sales to this Office/Limited Business (OLB) District was discussed during the Eastgate/I-90 Land Use and Transportation planning effort. Mr. Sarkozy said staff is seeking direction from the Council about whether to initiate this Land Use Code amendment.

Chris Salomone, Director of Planning and Community Development, said this is a somewhat atypical process resulting from an opportunity presented to the City and as part of the City's approach to economic development. The sales tax revenue obtained from auto retail sales is significant. The proposal involves moving an existing dealership to a larger site and potentially filling the original site with another dealership.

Mike Bergstrom, Senior Planner, explained that auto retail sales are permitted in the OLB district. However, they currently exist only in the Wilburton and Factoria areas. The proposed Land Use Code amendment identifies an additional area for retail sales west of 148th Avenue SE between SE Eastgate Way and Bellevue College. The project would be subject to design review and the associated vehicle inventory storage would predominantly occur within a building or buildings.

Mr. Bergstrom said the Land Use Code was amended in 1996 to allow auto sales along the west side of 116th Avenue NE between Main Street and NE 8th Street in the Wilburton district. In 2003, the area was extended to SE 8th Street. The Factoria area LUCA occurred in April 2009, although the existing dealership had already been in that area for a number of years as a conditional use.

Mr. Bergstrom said the five parcels involved in the Eastgate proposal have frontage on 148th Avenue SE. The Eastgate/I-90 Land Use and Transportation Steering Committee developed a long-term recommendation for development and redevelopment of the area, potentially including transit-oriented development (TOD). The committee's report did not anticipate an auto dealership at this particular site. However, it acknowledged that there are three existing dealerships along the corridor that are doing well financially.

Mr. Bergstrom said staff recommends that the Council initiate the Land Use Code amendment to allow retail auto sales in the described Eastgate OLB district. If Council chooses to do so, staff will take the proposal to the East Bellevue Community Council for discussion. Because the Land Use Code applies citywide, this LUCA is subject to the jurisdiction of the East Bellevue Community Council.

The proposed next steps are a courtesy hearing with the East Bellevue Community Council on February 5, Planning Commission review and public hearing through February, City Council review and action by April 1, and East Bellevue Community Council final action on May 7.

Responding to Mayor Lee, Mr. Bergstrom said a Park and Ride is located on the west edge of the proposed project, and office development exists to the west beyond the Park and Ride. Across 148th Avenue to the east are two auto dealerships.

Deputy Mayor Robertson observed that two pending work items are related to this proposal. One is a recently completed study on auto sales and the best places to locate them citywide. The other is that the Council funded in the last budget moving the Eastgate/I-90 Plan forward for review by the Planning Commission.

Mr. Salomone said the consultant just completed its report, and staff will work with the consultant to review the conclusions. The conclusions were not site-specific but were primarily based on conversations with existing auto dealerships and their plans for continued operations. The consultants identified three potential sites for auto retail sales: 1) International Paper site in the Bel-Red corridor, 2) A site between SR 520 and NE 20th Street, and 3) I-90 corridor. Mr. Salomone said staff would like to come back to the Council within the next couple of months to present those findings and obtain Council input.

In further response to Ms. Robertson, Mr. Bergstrom said that implementation of the Eastgate/I-90 plan is targeted to begin early next year.

Responding to Councilmember Stokes, Mr. Bergstrom said the Eastgate project covers approximately three acres. Mr. Stokes questioned the rationale for applying the LUCA over an

additional acre to the north. Mr. Bergstrom said that sliver of land shares similar characteristics with the other three acres.

Councilmember Chelminiak expressed concern about the proposal. He said the Eastgate/I-90 plan identified the area as an opportunity for transit oriented development. However, the auto sales proposal removes four acres from potential TOD use. Mr. Chelminiak said he does not want to make land use decisions based on economics.

Councilmember Wallace said he is approaching this from the perspective of understanding why the use is not allowed and mitigating it accordingly if the Land Use Code is amended. He observed that the portion of the property located under I-90 is not an ideal site for TOD. He questioned whether a landscape buffer could be provided between the freeway and TOD, and between TOD and the auto dealership. He looks at it as evaluating the City's interest in regulating the public health, safety and welfare of the community with respect to this particular use, and determining appropriate mitigation if permitted.

Councilmember Davidson said that retail sales tax collections are a significant revenue for the City and have allowed property taxes to remain low. He supports helping auto dealerships to locate in Bellevue, and he observed that the Eastgate site is a good location near the freeway. He noted that there are already other dealerships in the corridor, and he believes the proposal is consistent with the City's interest in economic development.

Deputy Mayor Robertson recalled when Michael's Toyota went into the shopping center on the east side of 148th Avenue and how controversial it was with the neighborhood losing a grocery store. At that time, the City indicated there were no plans to create a new auto row along the corridor. Ms. Robertson expressed concern about moving this item forward without first considering other redevelopment proposals for the Eastgate area. She said one developer engaged in the Eastgate/I-90 planning process has plans to build a mixed use (office and residential) project adjacent to the Park and Ride.

Ms. Robertson said she would like to allow time for a holistic look at how the proposed project site functions within the corridor. She believes it is a good site for office and housing development, especially with the growth of Bellevue College. She noted that while the Eastgate/I-90 Steering Committee acknowledged the benefits of the existing dealerships, it did not recommend expanding that use within the corridor. She believes it would be more appropriate to discuss the proposal within the context of citywide auto retail uses and as part of the Eastgate/I-90 planning discussion.

Ms. Robertson recalled that the Council heard a proposal last year requesting a change in permitted uses for a site in the Bel-Red corridor. However, the Council's response was that the item was not in its work program. She said this is a comparable situation and she would like to plan more holistically.

Mayor Lee expressed support for further consideration of the proposal, which has economic benefits for the proposed business and for the community. He said the site is fairly isolated and

he believes redevelopment can accommodate the project without adversely affecting surrounding properties.

Councilmember Stokes said he was a member of the Eastgate/I-90 Land Use and Transportation Plan Steering Committee. He has a number of concerns about the proposal and supports the plan developed for the area through the public process. He acknowledged that the site is somewhat of an eyesore, but is concerned about how the use would fit into the area. He is not opposed to further study of the proposal, but he will need to see a strong case for the LUCA before he could support it.

Responding to the Mayor, Mr. Sarkozy confirmed that the Council is being asked to indicate whether it would like to initiate the Land Use Code amendment. Next steps would involve vetting the proposal with the Eastgate/I-90 CAC, surrounding property owners, and Bellevue College.

Mayor Lee endorsed the recommended approach for addressing the proposal.

→ Councilmember Davidson moved to initiate the Land Use Code amendment regarding retail auto sales in the Office/Limited Business district in the Eastgate area, as described by staff. Councilmember Wallace seconded the motion.

Mayor Lee observed that this is an opportunity to consider adding another auto dealership within the community.

Councilmember Chelminiak noted that, although his perspective is similar to the Deputy Mayor's, he will vote to initiate the LUCA for consideration.

→ The motion carried by a vote of 5-1, with Deputy Mayor Robertson opposed.

Councilmember Wallace said he wants to hear Councilmember Balducci's position on this topic. He cautioned against unnecessary work on the proposal if it is not supported by a majority of the Council.

Mr. Wallace requested a legal analysis on whether this could be construed as spot zoning.

Councilmember Stokes asked staff to come back with a timeline for the Council's review.

- (b) Continued discussion regarding provisions contained in the Draft Light Rail Overlay that would govern permitting for the East Link Light Rail project. (Focus will be on consideration of a process to involve a Citizen Advisory Committee in light rail permit review.)

City Manager Sarkozy said the Council requested the involvement of a Citizen Advisory Committee in the Light Rail Overlay Land Use Code review. Tonight's discussion will focus on the consideration of the CAC process.

Mike Brennan, Director of Development Services, reviewed the schedule for ongoing discussions. The January 28 Study Session will focus on the Bel-Red light rail segment, including the maintenance and operations base. February 4 is slated for addressing process provisions of the draft code amendment and a wrap up of outstanding issues. The SEPA (State Environmental Policy Act) threshold determination on the code amendment is expected in early February. Comments will be accepted until the SEPA determination is made, which is required before the Council takes final action on the Light Rail Overlay. February 11 and 19 are potential dates for a public hearing.

Mr. Brennan said staff is seeking Council direction on whether a CAC involvement approach should be incorporated into the Land Use Code amendment. However, it is not necessary to define the makeup of the committee tonight.

Carol Helland, Land Use Division Director, said the resources consulted by staff in considering a CAC included the Comprehensive Plan, Bellevue Light Rail Best Practices Committee, East Link Memorandum of Understanding (MOU), Sound Transit public involvement program, Seattle Light Rail Review Panel Handbook, and the Bellevue Land Use Code. The Light Rail Best Practices report anticipated the role of a CAC, and the Council has discussed the importance of context sensitive design. The Seattle handbook describes the use of a Design Commission for public works projects which functions separately from the permitting process.

Ms. Helland described how the CAC review process would integrate with Sound Transit's design phases and the City's Overlay permit phases. This is similar to how the City works with School District projects. Ms. Helland showed drawings of Seattle's Beacon Hill light rail station at the 30 percent design level and at the 60 percent design level to demonstrate the community's influence on the design.

Responding to Councilmember Davidson, Ms. Helland said Sound Transit anticipates 30 percent design drawings for East Link during the second quarter of this year.

Deputy Mayor Robertson spoke in favor of utilizing a CAC or design review board. She would like to have different committees corresponding to four segments of the light rail alignment (i.e., South Bellevue, Downtown, Hospital District, Bel-Red). She would like the committees to include residents within each segment and relevant professionals (e.g., architects, planners, landscape architects). She would like the committees to have a formal role in a more public permitting process.

Ms. Robertson said that, whether or not there is a development agreement, she would like this process to go through the Hearing Examiner for a decision. If the City does an early development agreement, the Hearing Examiner would use that like a code. She would also like the CAC or design review board to be able to weigh in and give a recommendation, much like staff gives a recommendation, and to have that go to the Hearing Examiner for a conditional use permit that is applied for after 60 percent design. She said the purpose of the LUCA is to specify performance standards and to establish the permitting process.

Councilmember Stokes expressed general support for staff's recommendation. He prefers one CAC with community involvement to take a holistic look at the overall project.

Ms. Helland said the City of Seattle found there was value in having continuity throughout the alignment. One approach is to use one overall committee with additional participants for specific purposes. She reiterated that the City's past practice has been to not codify the makeup of the CAC within the terms of the code.

Responding to Councilmember Chelminiak, Mr. Brennan said the CAC has an advisory role. Ms. Helland said the CAC will review and advise regarding the conceptual design of items falling within the scope of Sound Transit's permits. The CAC plays an important role as steward of the process with the ability to represent the community and the Council and to influence decisions.

In further response, Mr. Brennan commented on the value of including a mix of residents and technical expertise on the CAC. He said that involvement of the CAC helps to provide certainty for Sound Transit in terms of the desired final outcomes.

Councilmember Chelminiak said he has envisioned citizen committees focused primarily on station area planning. However, he agrees they should have some influence over additional elements of the alignment. Speaking to the issue of ensuring continuity, he suggested a core group of professionals working along with a grassroots effort of residents.

Ms. Helland acknowledged that more discussion will be needed to determine the final composition of the CAC. In order to maintain the February schedule, staff is seeking a decision at tonight's meeting about whether to incorporate CAC involvement into the Land Use Code amendment.

Councilmember Wallace concurred with Deputy Mayor Robertson's suggestion that the CAC focus on the overall alignment and not just on the light rail stations. He likes the idea of committee representation by subarea/segment and he supports Councilmember Stokes' interest in achieving continuity throughout the alignment. He would like the CAC's review to evaluate design elements based on established standards (i.e., Comprehensive Plan, Light Rail Best Practices report, design guidelines to be developed, Land Use Code Overlay principles, mitigation compliance, and provisions of a potential development agreement).

Councilmember Davidson expressed support for the Deputy Mayor's approach of involving a CAC to look at all elements, including light rail stations, by segment.

Responding to Councilmember Chelminiak, Ms. Helland said the Light Rail Overlay will create light rail as a permitted use. If an Overlay is not established, the light rail facility would go through the conditional use permit process, which is addressed by a Hearing Examiner. Design and mitigation permitting results in an administrative decision by the Director of Development Services, which can be appealed to the Hearing Examiner if certain issues have not been adequately reconciled.

Responding to Councilmember Chelminiak, Deputy Mayor Robertson clarified that she would like to consider a change to the usual process and to forward the matter to the Hearing Examiner for a decision, whether there is a development agreement or not, because that is a more publicly engaged process. She envisions a conditional use permit process, whether there is a development agreement or not, in which the issues would go through the CAC for public input, staff would issue its recommendation, and the Hearing Examiner would make the decision. Any appeal would go directly to the courts. This would help allow the Council to focus on other issues.

In further response, Ms. Robertson said a Council discussion of her proposal is scheduled for February 4.

Councilmember Wallace reiterated that the City should outline the standards for reviewing submittals at each permitting stage.

Mr. Stokes reiterated his comments about ensuring continuity throughout the entire light rail alignment.

Ms. Robertson reiterated that she wants to be able to involve residents specific to each alignment segment as well.

(c) Continued Discussion of Council Principles to guide Downtown Livability Initiative and related Public Process

Dan Stroh, Planning Director, noted that this is a continuation of the previous week's discussion to refine the scope of the Downtown Livability Initiative and to consider the framework for the involvement of an advisory body.

Mr. Stroh referred the Council to page SS 2-53 of the meeting packet and highlighted the revisions in the updated version of the Initiative's Draft Council Principles.

Councilmember Stokes encouraged language in Principle 9 encompassing the multiple forms of residential development within the downtown. Councilmember Chelminiak said he would like a better understanding of "graceful transition" in the same statement.

Following additional Council comment, Mr. Stroh suggested using the word "residential," understanding that transitions will be different based on the type of residential development.

Deputy Mayor Robertson said she would like to adopt the principles tonight. She suggested that staff, following the discussion, update the draft and return to the Regular Session for final Council review and action.

Ms. Robertson suggested creating one document combining the Downtown Livability Initiative project scope and principles. She requested a clarification of Principle 1 regarding the incentive system.

Mr. Stroh said staff will return during the Regular Session with an updated draft.

The Council agreed to combining the elements of the scope of work with the project principles in one document.

Mayor Lee said it is important to articulate a clear scope of work. Responding to Mr. Lee, Mr. Stroh said the Downtown Transportation Plan is referenced in the Council Principles. He will add a reference within the scope of work about coordinating the Downtown Livability work with the Downtown Transportation Plan update. Mayor Lee requested adding a reference to sustainability in the list of items within the scope of work, as is reflected in the Council Principles.

Councilmember Stokes questioned the relationship between the Downtown Livability Initiative and the Comprehensive Plan update.

Mr. Stroh said staff anticipates adoption of the Downtown Livability Initiative in early 2014, in advance of the adoption of the broader Comprehensive Plan update targeted for the end of 2014. The Downtown Livability Initiative implements the Downtown Subarea Plan as updated in the 2004 Downtown Implementation Plan. Mr. Stroh said there might be items identified through this process that the Council would like to forward to the Comprehensive Plan update process.

Mr. Stokes requested language in the scope of work/principles to clarify the relationship between the work efforts.

Ms. Robertson noted the need to resolve the issue regarding an advisory body. She expressed support for the desk packet version of the proposed makeup of an advisory body which includes Board and Commission members, residents, and other community stakeholders.

→ Deputy Mayor Robertson moved to adopt the Downtown Livability Initiative Advisory Body as outlined in the desk packet. Councilmember Stokes seconded the motion.

Ms. Robertson said the mix of residential, professional, and other interests on the committee will be beneficial for the community.

Councilmembers Chelminiak and Stokes spoke in favor of adding a representative from the Human Services Commission.

Deputy Mayor Robertson agreed to amending the advisory body membership to include a representative of the Human Services Commission.

→ The motion to approve the proposed Downtown Livability Initiative Advisory Body as presented in the desk packet, amended to add a representative of the Human Services Commission, carried by a vote of 6-0.

Mayor Lee asked staff to brief Councilmember Balducci on tonight's discussion.

At 7:58 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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