



Date: October 25th, 2017
To: Wilburton Commercial Area Citizen Advisory Committee
From: Bradley Calvert (425-452-6930, bcalvert@bellevuewa.gov)
Project Manager for Wilburton - Grand Connection Planning Initiative
Department of Planning and Community Development
Subject: November 2, 2017 Citizen Advisory Committee Meeting

Committee Members,

Enclosed you will find your September meeting packet. The meeting is set for Thursday November 2, 2017. We will begin at 6:00 p.m. in Room 1E-120 at Bellevue City Hall. Please note that this is a different room than the two that we usually occupy. The meeting will be co-chaired by Jeremy Barksdale (Bellevue Planning Commission) and Lei Wu (Bellevue Transportation Commission).

As we approach the remainder of our meetings many of these will be action oriented. Prior to this date we have focused on providing information and better understanding the Committee's priorities and vision as they relate to density, design, transportation, affordable housing, and several other elements. Now that we have engaged in conversations from a comprehensive perspective and were able to narrow down many of those priorities we will begin refining and adopting specific recommendations as they relate to the overall goals and vision of the Wilburton Commercial Area.

This meeting will begin with an informational presentation from the City's Economic Development team. The presentation will be focused on the existing business climate, as well as the importance of many of the elements the Committee identified early as priorities such as creativity, community-oriented businesses and services, entrepreneurs, and start ups. The Committee will be presented unique case studies, relevant to the study area, and solicit the Committee's feedback as they relate to opportunities in the Wilburton Commercial Area. This is particularly important as it relates to the city-owned Lincoln Center parcel. The Committee has been presented with the concept of converting the parcel into a park, supportive of one of the Grand Connection alternatives, and at this meeting the Committee will consider other alternatives to the site that support another Grand Connection alternative. These options include how the site could be leveraged for unique uses that reflect the vision of the Committee (ex. startup space, artists housing lofts, community/cultural center, recreational center, etc.) In advance of the discussion the Economic Development team has provided articles relating to the impact of affordable housing on employment and business, what the recent Amazon RFP says about the future of cities, and a case study of how city owned assets can be leveraged to accomplish city goals and priorities. Please read this information prior to the meeting as it could be insightful to some of the questions and decisions the Committee will address during the meeting. The goal will be to leave the meeting with a recommended strategy for the city owned Lincoln Center parcel, as well as priorities for economic development (ex. community oriented businesses, start ups, artists, etc.)

Following this discussion the Committee will engage in team exercises as they relate to the building form and design that we discussed briefly at the prior meeting. The Committee will be separated into teams and will consider the topics we discussed such as buffers and transitions to the Wilburton Hill neighborhood and the Botanical Garden, and tower stepbacks along key corridors. Your packet includes an graphic representations of these concepts for review prior to the meeting. Additionally your packet includes the priority design statements as they relate to buildings, streets, and public space. Please review these prior to the meeting, and make any necessary edits, additions, or subtractions. Following discussion the goal is to adopt these priorities, as well as those developed from the exercise, as part of the Committee's vision for the study area.



As we look forward to future meetings, each meeting will be more action focused as we begin to adopt specific strategies and recommendations as they relate to the Committee's vision. As a preview, we will be returning to the Committee with recommended affordable housing strategies for the Committee to discuss, refine, and ultimately adopt. We will also be outlining how these strategies will be incorporated into the final vision and recommendation document. To ensure that each Committee member is confident in their decisions, and understanding of the information please do not hesitate to contact me to have a one on one discussion or meeting.

Lastly, please take a look at your calendar for December. Some schedule changes have become necessary as part of the EIS process, instrumental to the Committee's ultimate refinement and selection of a preferred alternative. As such, we are considering not hosting a December meeting until that portion of the work has been released to the public so that the Committee can begin making refinements and selection of a preferred alternative.

Included with this letter are the following meeting packet materials:

- Economic Development Article - *"Bay Area Hammered by Loss of 4,700"*
- Economic Development Article - *"What Amazon's HQ2 Wish List Signals About the Future of Cities"*
- ULI Case Study - Woodward's Vancouver, BC
- Design statements and priorities (*Action Item*)
- Stepback and buffer concepts
- Slides from the September Committee meeting
- Meeting Minutes from the September 7, 2017 meeting

If you have any questions or need clarification between now and the meeting, please do not hesitate to contact me.



Citizen Advisory Committee Meeting

Thursday, November 2, 2017

6:00 - 8:00 p.m. Room 1E-120

Bellevue City Hall - 450 110th Avenue NE

Agenda

6:00 p.m.

1. **Call to Order and Approval of Agenda**

Co-chairs Barksdale and Wu

(Motion to approve)

2. **Approval of minutes of October 5, 2017 meeting**

(Motion to approve)

3. **Communication with Boards, Commissions, Stakeholders, Public and Meeting Updates**

4. **Public Comment**

Limit to 3 minutes per person

6:15 p.m.

5. **Economic Development - Opportunities, Priorities, and Action**

Staff will provide information regarding priorities and opportunities for businesses and economic development as it relates to the Committee's priorities of community-oriented businesses, unique and defining character, and strategies related to city-owned parcels.

Presentation - 6:15 to 6:45 pm

Discussion and Recommendations - 6:45 to 7:15 pm

**Action Item - Determine preferred strategy for Lincoln Center Site, Identify priorities for Economic Development*

7:15 p.m.

6. **Development and Design Guidelines Exercise and Action**

Staff will provide the results of the Committee and stakeholder visioning exercise, highlighting key priorities and follow up discussion and questions with the Committee.

Team Exercise - 7:15 to 7:40 pm

Discussion and Recommendations - 7:40 to 8:00 pm

**Action Item - Determine appropriate building/public realm relationship strategies, refine and adopt design priorities.*

8:00 p.m.

7. **Adjourn**

Project website located at <https://planning.bellevuewa.gov/planning/planning-initiatives/wilburton-grand-connection/>. For additional information, please contact the Wilburton - Grand Connection project manager: Bradley Calvert (425-452-6930), bcalvert@bellevuewa.gov. Meeting room is wheelchair accessible. American Sign Language (ASL) interpretation available upon request. Please call at least 48 hours in advance. Assistance for the hearing impaired: dial 711 (TR).



Bay Area hammered by loss of 4,700 jobs

Lack of affordable housing strangles hiring efforts

By **GEORGE AVALOS** | gavalos@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: October 20, 2017 at 11:05 am | UPDATED: October 23, 2017 at 12:29 pm

For the second straight month, the Bay Area lost thousands of jobs in September, making it the worst month for employment locally since February 2010.

The setback for the local economy comes as the crucial holiday shopping and hiring season draws near, and contrasts with a strong hiring picture statewide.

The Bay Area's job losses stem from two distinct phenomena: Some employers are slashing positions, and others are unable to hire. Some economists attribute this second problem to structural barriers posed by skyrocketing housing costs. The lack of affordable places for workers to live appears to have hobbled the region's ability to fill jobs as briskly as in prior years.

"Housing is the chain on the dog that is chasing a squirrel," said Christopher Thornberg, principal economist and founding partner with Beacon Economics. "Once that chain runs out, it yanks the dog back."

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Overall, the Bay Area lost 4,700 jobs last month. While some smaller metropolitan areas in the region had job gains, employers shed 1,300 jobs in Santa Clara County, 1,700 in the San Francisco-San Mateo region and 2,600 in the East Bay, seasonally adjusted figures from the state's Employment Development Department show.

The September losses, combined with 2,400 job losses reported by the EDD for August, paint an unsettling picture and lend credence to the assessment from a growing number of experts that the Bay Area's job growth has begun to slow dramatically.

"The slowdown is real," said Stephen Levy, director of the Palo Alto-based Center for Continuing Study of the California Economy. "There were times this year we thought that job losses here and there were just temporary. But the slowdown is a fact. It's happening."

The lack of housing also makes it tough for employees to live near their workplaces, forcing many into lengthy commutes on roads choked with traffic. Some prospective employees decide they'd rather not bother.

"The economy in the Bay Area has pushed up against the physical limits of a lack of housing and a lack of places for workers to live," said Jeffrey Michael, director of the Stockton-based Center for Business and Policy Research at University of the Pacific.

Among smaller Bay Area urban centers, Marin County lost 200 jobs in September, while Solano County added 600 jobs, Napa County gained 300 positions and Sonoma County added 200, the EDD reported.

The EDD on Friday revised downward the number of Bay Area job losses that occurred in August from 4,700 to 2,400, but said the losses accelerated in September.

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The jobs picture for the technology sector also looked weak last month. Tech companies shed 100 jobs in Santa Clara County and 900 in the San Francisco-San Mateo area, although the East Bay eked out a gain of 500 tech jobs, a Beacon Economics analysis of EDD statistics showed.

Other areas of weakness: Santa Clara County lost 1,100 clerical and temp jobs, the East Bay lost 1,100 health care positions, and San Francisco-San Mateo lost 1,800 hotel and restaurant jobs, Beacon's assessment revealed.

Over the 12 months that ended in September, the Bay Area added 50,400 jobs, a 1.3 percent increase in total payroll jobs during the one-year period.

By comparison, that's less than half the growth of 2016. Bay Area job growth was 2.9 percent in 2016, 3.7 percent in 2015, 3.4 percent in 2014 and 3.5 percent in 2013, this news organization's analysis of the EDD figures shows.

The Bay Area's employment struggles contrasted sharply with statewide job trends.

California added 52,200 jobs in September, and the statewide unemployment rate remained unchanged at 5.1 percent, the EDD reported.

Despite the Bay Area's increasingly sluggish picture, experts said Friday that the region doesn't seem to be headed into a protracted downturn or outright contraction.

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"It's a dynamic economy in the Bay Area; it is fueled by a strong technology industry," Michael said. "While growth has definitely gotten choppy, a consistent pattern of job losses will not emerge in the Bay Area."

But some are finding the current job market tough. Steve Satariano, a San Jose resident and experienced worker in the information technology sector, said it appears tech employers frequently inquire about an applicant, but the interest doesn't always lead to a job interview and almost never results in a full-time job with benefits. Now, his jobs consist of contract work and temporary projects.

"Things were a lot better in the tech industry a few years ago," Satariano said, "and a lot of the job offers are for work in Sacramento or Los Angeles, but I don't want to relocate. I've lived my whole life here in the South Bay."

The vicious housing market has made it tough to find decent living circumstances, he said. Satariano is sharing housing with roommates.

"Growing up in Silicon Valley, I never pictured this for myself," Satariano said. "I always thought that if I went into the tech industry, I could create a prosperous future for myself. But who wants to commute six hours a day? You should be able to afford a place to live near where you have to work."



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George

George Avalos George Avalos is a business reporter for the Bay Area News Group.

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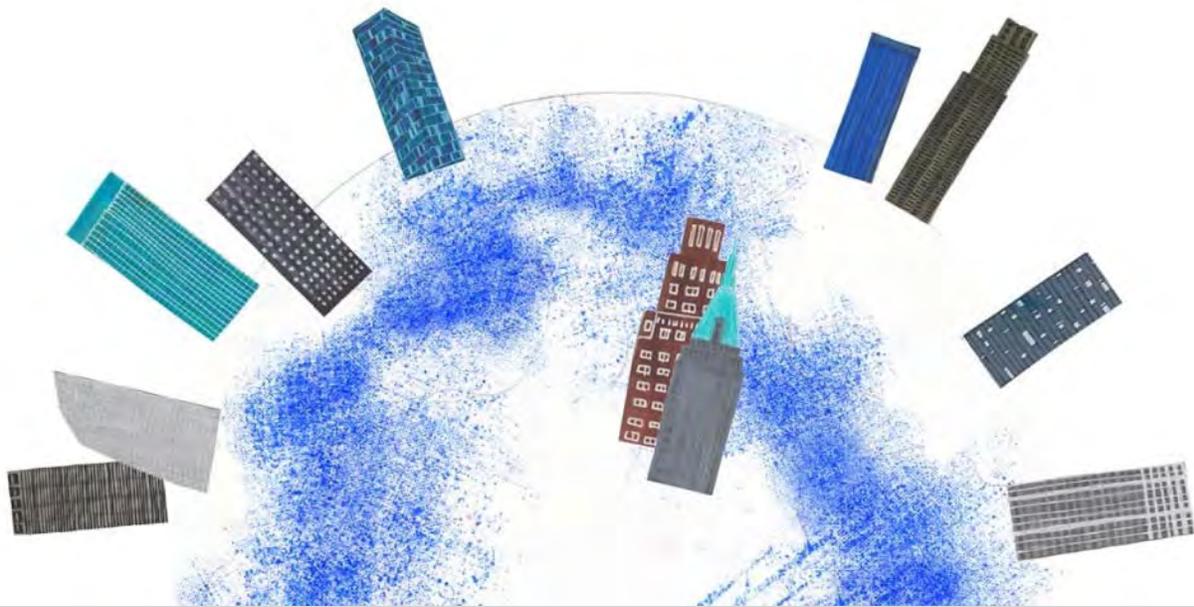
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What Amazon's HQ2 Wish List Signals About the Future of Cities

by Amy Liu and Mark Muro

SEPTEMBER 08, 2017



Jennifer Maravillas for HBR

Amazon's big announcement that it will build a second headquarters has caught the attention of local officials, economic development professionals, and pundits across the U.S. and Canada. And for good reason: "HQ2," as it's being called, would create upwards of 50,000 high-paying jobs and billions of dollars of new investment in whichever city it locates in. The city that lands this historic deal will see its economic and physical landscape transformed, albeit for a hefty price tag in the form of tax breaks.

Thus far, public attention has largely focused on two aspects of Amazon's announcement: Speculation about which of the 50 eligible North American metropolitan areas are most likely to be chosen for HQ2, and how much public subsidy the winning city will offer the world's 4th-largest corporation to seal the deal.

But this announcement carries far more profound implications for regional and local economic developers, Amazon HQ2 hopefuls or not. Amazon's selection criteria, as described in the company's request for proposal, sets out a compelling list of the attributes cities must have if they aspire to be a serious part of the America's growing digital economy.

As our research has shown, the vibrant metros of the future will be those that are home to high-tech advanced industries. That's because those industries spur the collision of digital technologies and cutting-edge business development, also brought about by tech-savvy workers and R&D investments, and generate jobs and good wages in a period of sluggish economic growth. Digital industries are a main driver of growth within these high-value industries. Yet for all their benefits and buzz, digital jobs continue to geographically concentrate in established high-tech meccas at a time when our nation needs more metro areas, especially in the heartland, to gain a competitive foothold in the digital future.

So how can cities garner a bigger share of high-tech growth? The answer is not to just polish up branding and marketing materials and wait for the next Amazon-scale business attraction opportunity. Nor is it to concentrate entirely on traditional economic development strategies of bundling available plots of land for prospective businesses and offering generous subsidies (though admittedly, Amazon seems to want a bit of that, too). Rather, cities need to look closely at the criteria in Amazon's RFP and ask whether they've done enough to build up the fundamental assets prized by innovative firms and industries.

Amazon's wish list is an unusually public confirmation from one of the most recognized corporations in the world of the factors that make a local ecosystem relevant in today's innovation economy. Among these factors are:

- **Capacity to produce skilled, technical talent.** The importance of talent pervades the Amazon RFP, with special mention of a "strong" university system, computer science programming in the K-12 education system, and opportunities for creative partnerships with community colleges and universities.
- **Access to domestic and global markets through modern infrastructure.** Amazon dwells extensively on the importance of proximity and connectivity to population centers. It seeks a strong infrastructure network of highways, international airports, and high-speed broadband to streamline logistics, conduct business, and access major employment pools.
- **Connected and sustainable placemaking.** The Amazon RFP reads like an urban planner's dream, brimming with calls for energy efficient buildings, recycling services, public plazas, green space, and access to multiple modes of transportation. While Amazon will apparently consider greenfield sites as well as existing developments for its new headquarters, it emphasizes its interest in promoting walkability and connectivity between densely clustered buildings through "sidewalks, bike lanes, trams, metro, bus, light rail, train, and additional creative options."

- **Culture and diversity.** Promoting an inclusive culture matters to Amazon. The RFP specifically calls for “the presence and support of a diverse population,” along with excellent higher education institutions and functioning local governance.

In sum, the Amazon RFP very clearly embodies a series of forward-thinking business values of global engagement, diversity, and environmental stewardship.

Amazon is also signaling very clearly and publicly what the market demands for modern, state-of-the-urban economic development going forward.

As each of us has written about extensively, regional economic development is about growing from within. It requires helping existing firms expand and innovate, supporting entrepreneurs, creating industry-relevant skills programs, and strengthening other local assets that improve the economic prospects of local industries and workers. These attributes, even more than incentives packages, will attract the attention of outside firms interested in being part of a region’s unique ecosystem.

So rather than get distracted by the city vs. city competition brought about by Amazon’s announcement, state and local economic development leaders need to bear down on reinventing the way they do business. Amazon’s HQ2 will only be located in one city, but the path to prosperity in a hyper-digital global economy is attainable for cities that invest in people, infrastructure, and quality places.

Amy Liu is Vice President and Director of the Metropolitan Policy Program at the Brookings Institution.

Mark Muro is a senior fellow and director of policy for the Metropolitan Policy Program at Brookings.

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Robert Flaming a month ago

This article misses the boom and bust exhaustion that plagued Seattle across fisheries, timber, shipping, regional banking, and air planes. South Lake Union was a business estuary for small businesses that would rise and fall across these industry wide business cycles. Before South Lake Union, headquarters was the many times vacated old Marine Hospital building in the shabby, yet vibrant and ethnically diverse Beacon Hill neighborhood. The hidden elegance in the first headquarters is how far down, even exhausted, were the city and it's neighborhoods when Amazon rolled in. Factor this in with Bezos buy of the Washington Post and a pattern emerges worthy of Jeff's wall street roots: buy low. From this, there is just one US city that is so exhausted after the collective bust of it's native industries that its prices will meet the shrewd Bezos bar. Detroit was a marvel of the age of innovation around the internal combustion engine but has been broadly hollowed out by the near death of the American automotive industry. Homes in Detroit are still near their historic lows which is stark contrast to the historic highs in the Puget Sound region, this Amazon can keep wages low while employees get much more buying power. Detroit's proximity to Canada will make HB1 visa workarounds easy and further keep wages low. Just as Amazon could pull from the Boeing, Microsoft, and University of Washington brain drain, so to could Amazon pull from GM, Ford,

Chrysler, EDS, and University of Michigan. If Bezos stays true to form, he does not buy show and shiny, he buys grit and gumption. Detroit is the lowest priced of American cities with all the other qualities too.

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Woodward's



BOB MATHESON

The Woodward's redevelopment includes high-rise condos (background), office space (foreground), Simon Fraser University cultural uses (lower left), social housing (upper left), and retail space along the street and within the atrium.

PROJECT SUMMARY

Woodward's is a mixed-use, urban redevelopment project in the Gastown area of Vancouver's east side, very close to downtown. Located on the site of the former Woodward's department store, the redevelopment involved the demolition of several of the department store buildings, the restoration and adaptive use of one historic structure for office space, and the construction of two new residential towers, nonmarket housing units for both singles and families, new educational and cultural space for Simon Fraser University, an atrium, a daycare center, and ground-level retail space—all within the confines of a 2.32-acre site in an area with a variety of social and poverty issues. The project includes a total of 1,073,715 square feet of space.

QUICK FACTS

Location

Vancouver, British Columbia, Canada

Project type

Mixed use

Site size

2.32 acres

Land uses

Multifamily housing, condominium housing, affordable housing, retail, offices, university space, cultural space, daycare, grocery store, atrium

Keywords/special features

Pedestrian-friendly, urban infill, revitalization, public/private development, social housing, mixed-income housing, healthy place features

Websites

<http://westbankcorp.com/woodwards>
<http://henriquezpartners.com/work/woodwards-redevelopment/>
<http://petersonbc.com/property/101-west-hastings-street-woodwards>

Project address

Woodward's
 128 West Cordova Street
 Vancouver, British Columbia V6B 1H7
 Canada

Developers

Westbank Projects Corp.
 Vancouver, British Columbia, Canada
 604-685-8986
<http://westbankcorp.com>

Peterson Investment Group Inc.
 Vancouver, British Columbia, Canada
 604-688-4885
<http://petersonbc.com>

Architect

Henriquez Partners Architects
 Vancouver, British Columbia, Canada
 604-687-5681
<http://henriquezpartners.com>

Public sector/university partners

City of Vancouver
 Province of British Columbia
 Simon Fraser University

The Woodward's redevelopment project is a residential-driven mixed-use project on a historic site that has transformed and revitalized an important but troubled neighborhood in downtown Vancouver. By providing a wide range of uses, including cultural and retail uses, market-rate condominiums, and social housing for low-income residents, the project has helped reestablish the area as an important destination and a desirable place to live while also serving the needs of the poor and disenfranchised.

To set this distressed neighborhood on a new course required a critical mass of many new uses that would activate the neighborhood day and night, and the Woodward's redevelopment provided that. With office users active by day,

residents active in the evening, new cultural uses and student traffic throughout the day and on weekends, and the restaurants and retail drawing patrons throughout the day and evening, the area was brought back to life, creating a more lively, safer, and healthier environment that had not existed there for many years.

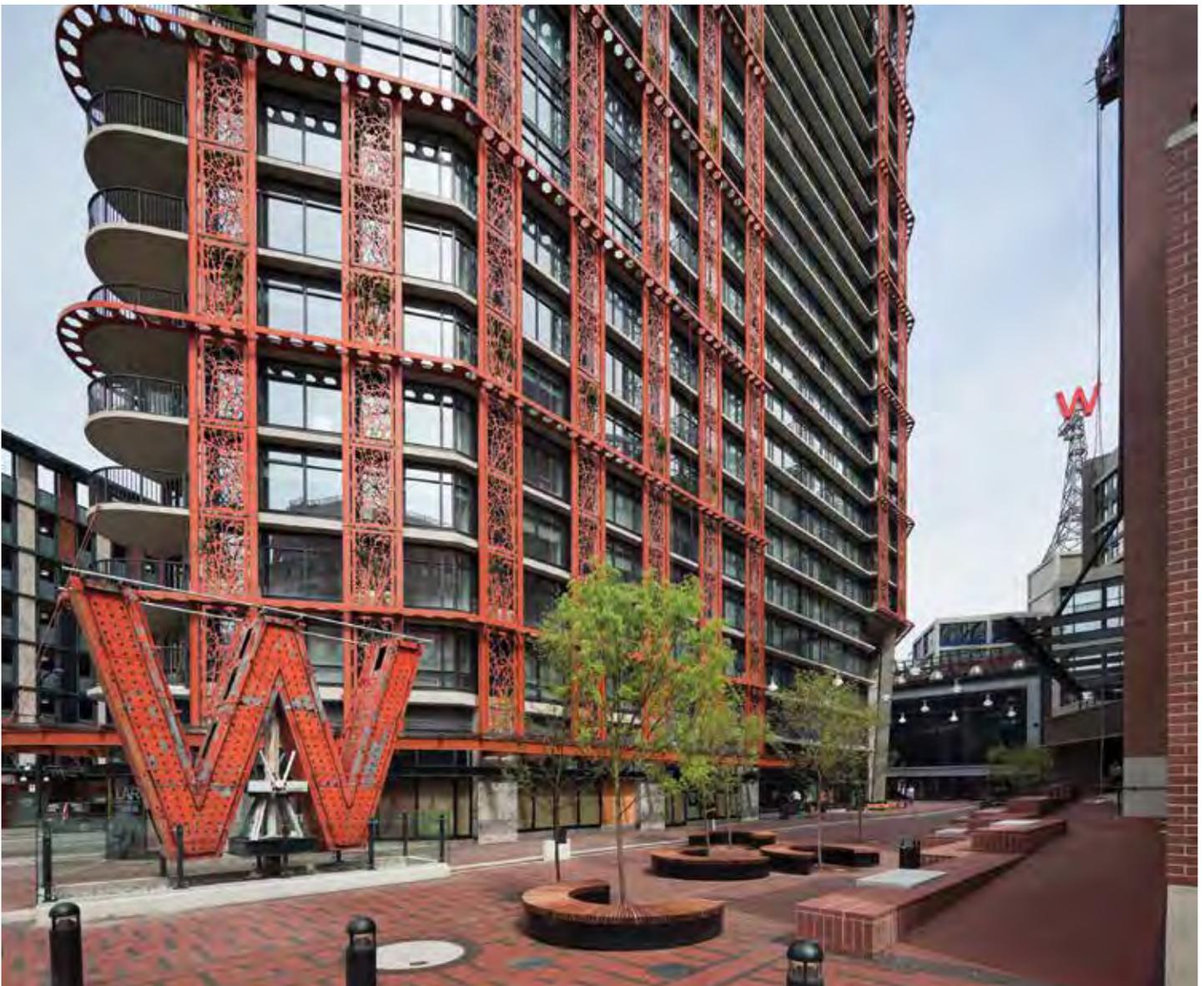
The Site

The site for the Woodward's project lies in the Gastown neighborhood on the east side of downtown Vancouver, on a block bounded by Cordova Street on the north, Hastings Street on the south, Cambie Street on the west, and Abbott Street on the east. The redevelopment site occupies the eastern three-quarters of the

block. The area was once the retail heart of Vancouver, and the site was formerly the home of the much-beloved Woodward's department store, first established on the site in 1903.

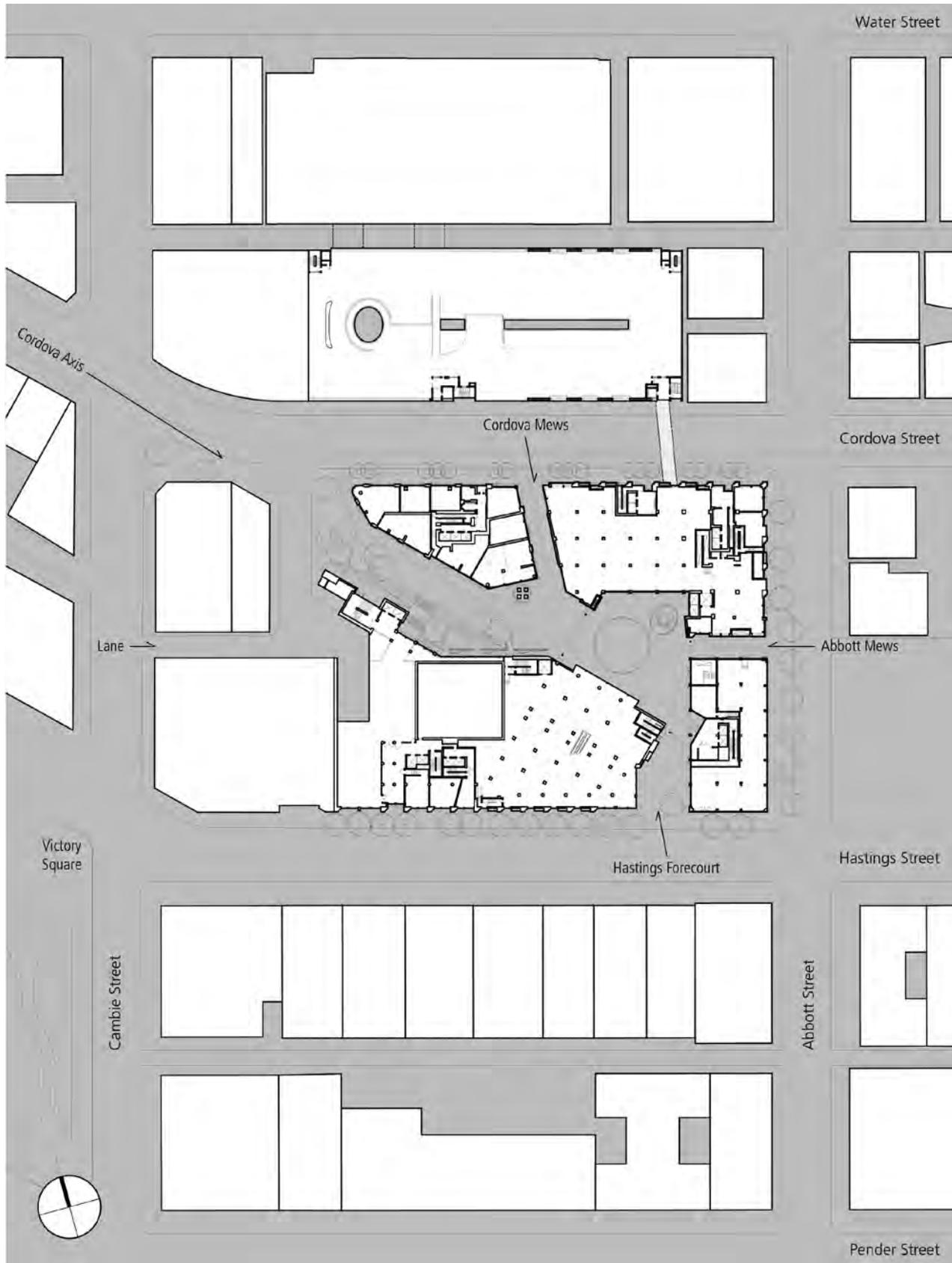
The site lies about three blocks from the Burrard Inlet waterfront and one block from Water Street, a popular retail street for tourists, especially convention visitors and cruise ship passengers; the cruise ship terminal and the convention center are each located six blocks to the west, near the center of downtown Vancouver. The site is also notable because it lies where three city street grids from different eras come together, resulting in the street angles shifting at the corner of Cambie and Cordova streets.

The courtyard next to the W43 condominium building, including the original historic W that once rotated atop the Woodward's department store, now replaced by a new W in the background.



PAUL WARCHOL

SITE PLAN



HENRIQUEZ PARTNERS

The ground-level plan for Woodward's.

The Woodward's department store played an important role in the social life of Vancouver for most of the 20th century. Like Macy's in New York City, it was famous for storefront Christmas displays during the holidays. It also offered a much-favored food floor that catered to rich and poor alike.

But like many other downtown department stores, it eventually failed as a result of suburban mall competition, other changes in shopping patterns, and a shifting center of gravity in downtown Vancouver. The store closed in 1993 and stood vacant for 11 years until redevelopment began. Once the store closed, the area deteriorated further. For many years, the neighborhood has been home to many low-income residents who suffer from a variety of social problems, including homelessness, mental illness, drug abuse, and unemployment.

Previous attempts to redevelop the property did not work out, and eventually the British Columbia provincial government acquired the site in 2001 for C\$22 million. In 2002, with social issues in the area worsening, the store became the location for the "Woodward's Squat," a protest where squatters took over the building to call attention to the plight of low-income residents and bring much-needed low-income social housing to the site and the neighborhood. This event was the impetus for the redevelopment process.

The Idea and the Development Process

The Woodward's Squat was a wake-up call for the city, and municipal officials began exploring ways to respond to the problems of the poor in the area. In 2003, the municipal government negotiated a deal whereby it would acquire the Woodward's building from the provincial government for only C\$5 million.

The municipal government was keen to acquire the site because it lay at the historic heart of the city in the east side area that was in need of attention and revitalization. After acquiring the site, the city undertook a request for qualifications (RFQ) and request for proposals (RFP) process that invited proposals for redeveloping the site that would bring it back to life. A variety of uses required for a healthy community were specified in the RFQ, including a grocery store, a drugstore, banks, employment, market-rate housing, and low-income social housing. There



The courtyard and entrance to the Simon Fraser University School for the Contemporary Arts.

were more than ten responses to the initial RFQ. The field was then narrowed to four finalists, and in the end proposals were received from three development teams. These three teams were then required to submit two proposals—one that included space for Simon Fraser University (SFU) cultural and arts space, and one that did not. The city was trying to attract SFU to the site, but was not certain that this could be accomplished.

One of the RFPs came from a team that included the developer Westbank Projects, the Peterson Investment Group, and the architecture firm Henriquez Partners Architects. Gregory Henriquez, a partner with the firm, approached Ian Gillespie, the CEO of Westbank, with the idea of submitting a proposal to redevelop the site. Henriquez had worked with Gillespie before and felt that Gillespie was in a unique position to undertake the project, in large part because he was a developer who had an interest in bringing about positive social change, in addition to running a profitable real estate business. Gillespie agreed to submit a proposal, and gave Henriquez C\$50,000 to put together a plan for submission.

Established in 1992, Westbank is a large Vancouver-based development firm that has over C\$12 billion of projects completed or under development, and is active across Canada (recently expanding into the United States) with

luxury residential, rental apartments, affordable housing, offices, retail, and hotels.

The developer was also able to bring in a second development partner—the Peterson Investment Group—to share the risk for this very large project. Founded in 1978, Peterson Investment Group is a Vancouver-based real estate development and investment firm with interests in a variety of properties in Vancouver, throughout Canada, and in the United States. The firm has had a strong track record of working with partners to bring about successful developments.

Another important development partner that was brought into the project was the Portland Hotel Society (PHS), a single-room-occupancy (SRO) housing operator in the neighborhood; PHS was tapped to manage and operate the SRO housing in the project. This housing operator was a critical partner in the deal, and brought credibility on the social housing front.

The final competition involved three proposals, each from a very reputable Vancouver developer and an architect partner. One proposal involved one very tall tower. Another saved a large part of the original buildings. The Westbank/Peterson proposal included restoring the 1903 building, adding a tall tower, and developing social housing, office space, retail space, and the university space. The Westbank/Peterson partnership was

awarded the project development rights in September 2004.

In 2005, Simon Fraser University committed to locate in the project. In addition, during the development process, the city was able to acquire an additional parcel on the block, which allowed the developer and architects to eventually reorganize the plan for the site to add an additional residential tower and more social housing units.

While the development of market-rate housing was essential to make the project viable, one very important objective was to integrate into the project a substantial amount of low-income social housing in a variety of forms for a range of demographic groups, including those with physical and mental disabilities, families, and singles. While redevelopment was the objective, gentrification is a sensitive issue in Vancouver,

and both the city and developers wanted to ensure that the project provided housing for both market-rate buyers and low-income renters. The social housing includes 125 units for the hard-to-house (SRO housing) and 75 units for family housing.

Zoning in Vancouver essentially gives the city discretion to add density in return for design and development concepts that it would like to see implemented. This results in a very collaborative process, and in the case of Woodward's this process was more collaborative than most, as all parties in the process seemed to be on the same page. The development benefited from having numerous leaders from both the public and private sectors who were committed to the same idea. Jim Green and Mike Flanagan with the city, Ian Gillespie with Westbank, Ben Yeung with Peterson,

and architect Gregory Henriquez all had similar visions of creating a mixed-use project that incorporated both market-rate and nonmarket housing with retail and office space. They wanted to develop a project that would bring the site back to life while also serving the needs of the neighborhood and the city as a whole.

Development Finance and Ownership

The deal that was struck with the city involved zero land costs for the developer, but in lieu of purchasing the land, the developer was required to deliver the city office building space, the atrium and public spaces, and demolition and remediation of the site, with costs for these efforts totaling C\$27.5 million.

Financing came from a wide variety of private and public sources. Westbank



The project is a complex puzzle with numerous uses distributed among four major buildings.



BOB MATHESON

The Hastings Street frontage, including the singles' nonmarket housing that sits atop the SFU facility on the right side; high-rise condos are in the background. The concept of mixed-income housing was untested in the Vancouver market, but proved to be viable at Woodward's.

and its partner, Peterson Investment Group, put in C\$54.3 million in equity. The British Columbia (B.C.) provincial government and SFU provided C\$62.5 million in funding for the SFU building; B.C. also provided C\$43.6 million for the social housing component. The federal government committed to 30,000 square feet of preleased space, and also provided the C\$205 million construction loan for the project via the Canadian Mortgage and Housing Corporation. The project has several owners, including Westbank, Peterson, SFU, the city, and the province of British Columbia.

Each use in the project had to have its own airspace and legal title for financing and management purposes, and the underground and lower levels had to be created before some of the upper-level airspaces could be developed. Notes Damon Chan of Westbank, “There were lots of layers involved in creating the separate ownerships within the structure.” For example, the SRO housing lies on top of the SFU building, and the family housing is on the lower levels of one of the condo buildings. Notes

Chan, “The Canadian Mortgage and Housing Corp. [the lender] had to fund the construction of C\$7 million of underground space to get to the point where airspace parcels could be created above ground.”

For the developer, the project involved deferred land costs, which lessened the upfront costs and risks in this long-term development process. In addition, parking costs for the retail uses and condos were reduced and the schedule was accelerated by leasing spaces across the street in a public parking garage rather than building them into the project. Also, the city government was able to offer property tax incentives for the retailers in order to incentivize them to commit to an unproven market.

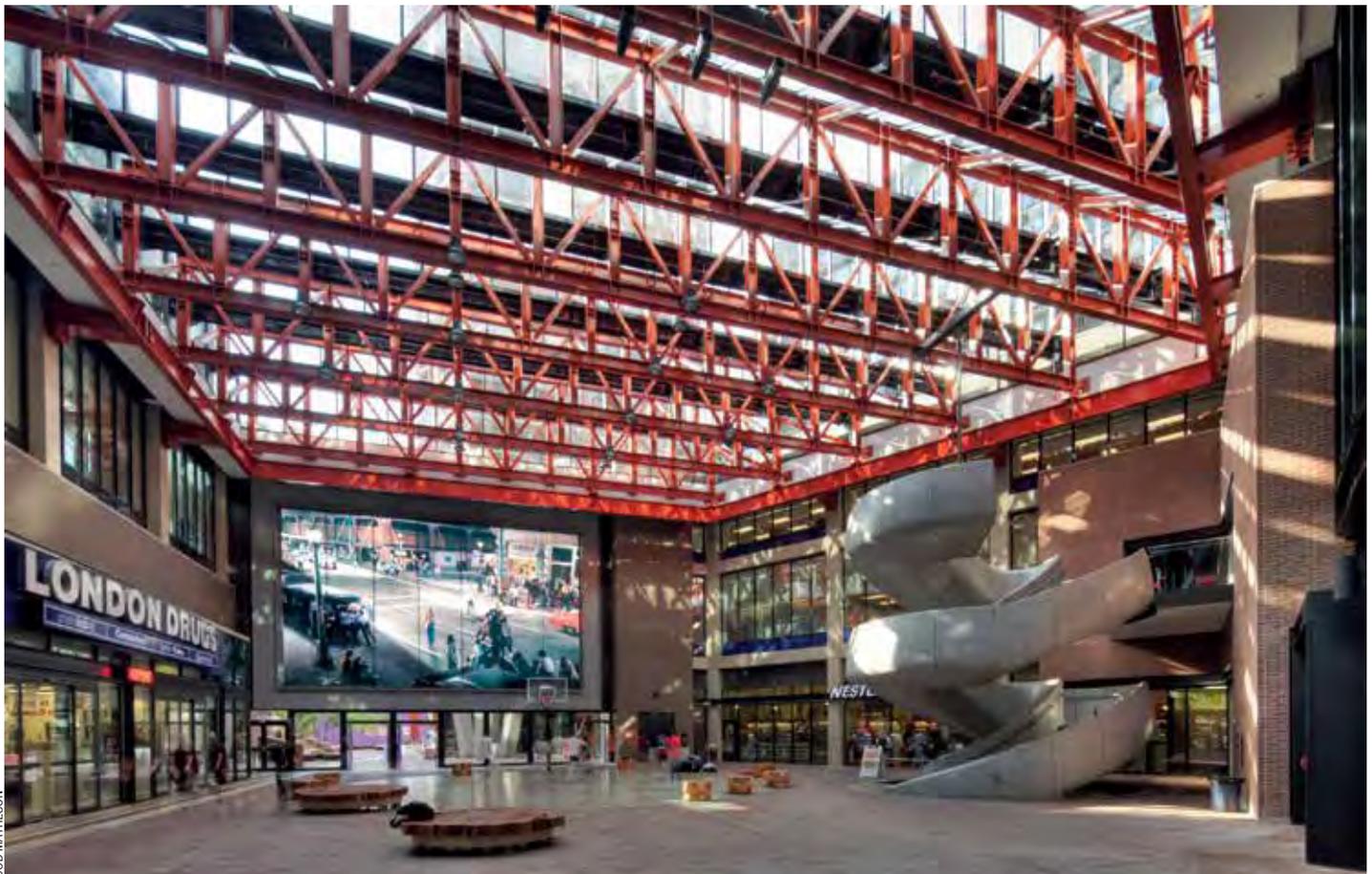
The condos and the market-rate housing represented 80 percent of the value of the project. All of the condo units were presold in 2006, before construction began, which reduced the risk for the developers and secured the construction loan for the project. Deposits amounted to 5 to 15 percent of the sales price, and presales were completed in April 2006.

Pricing was at the lower end of the new-condo market in downtown Vancouver, which was one reason the project sold out quickly.

The project was completed in January 2010, just before the winter Olympics began, with a total project cost of C\$352.5 million.

Planning and Design

When Greg Henriquez developed the initial plan, he included all of the uses and elements that had been outlined in the RFP, even though he did not believe they would all be included in the end. In fact, they did all get included—along with some others. When SFU committed to the project and additional land was acquired, this allowed the developer to expand the program, adding more market-rate and affordable housing to the program and considerably more density. The acquisition of the additional parcel was essential to allow for some breathing room between the numerous buildings on the densely developed site. Henriquez developed a new plan to accommodate these additions, resulting in a very dense and urban project.



BOB MATHESON

The atrium, which features a sculptural staircase, a large photographic re-creation of the Gastown riots, entrances to the food market and drugstore, and a basketball court.

The architecture and design for the project are both modern and a bit gritty, in keeping with the character of the neighborhood, with the intention of fitting in rather than rising above the surroundings. Much of the architecture features exposed concrete on the upper levels. The architect had a good deal of experience with designing other social housing projects in the neighborhood and thus had a good understanding of the context and the market. Another key idea was to interpret the heritage of the site in the design.

Atrium and pedestrian pathways. One of the objectives for the overall plan was to create attractive public spaces and to make the complex permeable, so that people could move through it, not simply around it. Thus, the project is designed around a central atrium and courtyard that can be entered via pathways from various directions, including entries from all three of the streets that immediately surround the project.

The main entry point for the project is the public plaza/courtyard space that is located between the W43 condominium building and the SFU building, just off Cordova Street near where it crosses Cambie Street. This courtyard and pathway are aligned with the northern part of Cordova Street, and are located near the point where the street grid and Cordova Street turn slightly. The designers chose to continue the line of Cordova Street through the project by creating a pedestrian corridor that aligns with the street before it turns. This pathway leads directly to the atrium. The original Woodward's W sign, in some disrepair, sits in a glass case in this courtyard next to the W43 building.

The 10,000-square-foot atrium is designed and operated to be a public space. It is covered with a glass roof and is completely enclosed during cold weather, but in warm weather the glass entry doors can be retracted to open the atrium to fresh air. To further emphasize the permeability and public nature of the atrium, a basketball court has been located near the center of the atrium that can be used throughout the day. In severe weather, the atrium is sometimes used as a shelter for homeless people.

Several video screens are also located in the atrium, featuring a variety of videos, including several about how the project was developed. The primary storefronts for the two major retailers in the project—Nesters Market and London Drugs—face into this atrium, and for the latter

the atrium is the only entrance to the store. Nesters also has an entry from Cordova Street.

The atrium also features a large, sculptural concrete staircase that connects the space to a second-level skywalk that leads to the adjacent public parking garage. Meant to be a symbol of the site's rebirth, the staircase has been referred to as a giant "umbilical cord" emerging from a shallow pool.

Surrounding the atrium and the courtyard are four major buildings, each with its own distinctive character and set of uses.

The W43 condominium building. The tallest building (W43) in the project is a 407-foot triangular condominium tower that includes 366 market-rate housing units. The building faces onto Cordova Street, in the northwest corner of the site, adjacent to the main entry courtyard. Cordova Street is the best address in the project, and the Cordova streetscape provides a relatively attractive and direct walking path to the center of the city. It also lies one block away from Water Street, a popular retail street in the neighborhood.

The most prominent building in the project, the W43 building has become a landmark for the area; the concrete edifice is clad in decorative metal framing of the same reddish-brown color as the original W that rotated above the original Woodward's department store. The building includes four retail tenants on the first floor, facing both the street and the internal courtyard. Market-rate housing is located on floors three through 42, and a shared amenity area for owners is located on the 43rd floor and on the roof. In addition, on the second floor the building includes ten accessible housing units for those with disabilities, managed by the Vancouver Resource Society (VRS).

The rooftop amenity area encompasses the top two levels of the building and includes a 4,600-square-foot clubhouse that features an indoor lounge with couches and pool tables, a media room, a library, a gym, and a hot tub. The amenity level also comprises 5,000 square feet of outdoor lounge space with a large barbecue and 360-degree views of the city and surrounding water and mountains. This amenity space was placed at the top of the building so that all condo residents could enjoy the premium views. The building also features one bicycle storage locker per suite and a car-sharing program.

The W32 condo/mixed-use building. The second-tallest and most complex building (W32) in the project is also located along Cordova Street, but at the western corner where it also faces onto Abbott Street. This building includes a diverse program of uses, with retail on the ground level (including Nesters Market), offices on levels two and three, family nonmarket housing on levels four through ten, and 170 condominium units on levels 11 through 32.

Separate entrances for the condominiums and the family nonmarket housing are located on Cordova Street. An entrance to Nesters Market is also located on this street.

Hastings Building. The third major building is the Hastings Building, located along Hastings Street, which includes first- and second-floor retail (primarily London Drugs), the Simon Fraser University School for the Contemporary Arts on levels one through four, and singles'/nonmarket housing on floors five through ten; the latter is in a separate structure on top of the SFU building, with a very different design and floor plate. One of the challenges with placing the singles' housing atop the SFU facility was running the plumbing down, through, and around the theaters and public spaces in that building. The London Drugs store includes two levels, and features electronics goods on the second level, which is accessed by an escalator. London Drugs has no external entrance from the street; it is accessible only from the atrium.

The main entrance for the SFU building is located off the main entry courtyard across from the W43 building, but it can also be entered from Hastings Street. The entry for the singles' housing is off Hastings Street, the grittiest street frontage in the project.

Heritage Building. The fourth major building is the Heritage Building, the historic department store building that was restored and is located at the corner of Hastings and Abbott streets. This building includes retail on the first level and office space on levels two through six, primarily for the city government and for nonprofit entities. The entrance to the office is from the atrium. A newly constructed daycare is located on a new level seven, covering around half of the rooftop space, with the remaining roof area open for outdoor play areas. At the top of this building, a new version of the historic W sits



PAUL WARCHOL

The large image in the atrium is a multipanel photograph of a staged re-creation of the Gastown riots of 1971, an important event in the history of the site.

atop a mini Eiffel Tower structure, with the W rotating and lit at night.

Art and heritage elements. The history of the site was an important consideration for the developers and designers, and they wanted to do more than simply preserve the historic Heritage Building. One way this was accomplished was by commissioning a major new artwork that highlighted the site's history. Over the entrance to the atrium from the main entry courtyard is located a 30-foot-by-50-foot photograph, printed on numerous glass panels, picturing the Gastown riots of 1971. The photo is of a re-created scene, taken by photographer/artist Stan Douglas, whose art is primarily about

social justice. Notes Gregory Henriquez, "This photo is all about tensions in the neighborhood. The photograph was a way to bring in the history of the site. It is more significant than the historic building on the site."

In addition, the street frontages of the buildings include numerous panels with photos and text that describe the history of the site and of the Woodward's department store—another way the project has sought to preserve the heritage of the neighborhood.

Parking. Parking and truck delivery service areas for the project, totaling 178,454 square feet, are located underground and are accessed off Cordova Street. Off-site parking is also

available in a public garage across the street on Cordova Street. A total of 854 parking spaces are provided for the project. Of these, 316 are provided on site for market-rate residential units, 243 are off site for market-rate residential units, 81 are off site for nonmarket residential units, and 214 spaces are provided for office, retail, and SFU user parking.

Marketing, Leasing, and Management

The financial success of the project hinged on the marketing of the condos—the primary revenue generator for the project. The problem was how to sell market-rate condos in a neighborhood with

a lot of social problems and in mixed-use buildings that included affordable housing. At the time, mixed nonmarket and market-rate housing had not been tested in the marketplace. The marketing campaign that was developed addressed this issue head on, using the following tag line: “Be bold or move to suburbia.” This marketing campaign, combined with a moderate price point and the iconic cultural identity of Woodward’s, resulted in a successful sales program, and all of the condos were sold in a matter of hours.

SFU as anchor. Perhaps the most important tenant in the project is the Simon Fraser University School for the Contemporary Arts. SFU was uncertain that it could commit to the project during the early planning stages, but it finally committed to it in 2005. SFU wanted to create an urban presence and a cultural interface with the Vancouver urban community. The SFU facility brings culture, students, and patrons of the arts to the project on a daily and nightly basis, adding buzz to the neighborhood and making it safer for all. The cultural activities include both visual and performing arts. There is a core group of around 800 students on the site regularly, with an additional 1,000 students who visit each week from other campuses. The facility holds roughly 150 events per year.

This cultural center, in turn, made the market-rate housing—the main financial driver of the project—a much easier sell. Notes Scot Hein, senior urban designer, city of Vancouver, “If SFU had not committed to the project, it might not have been built.”

Condominium sales. In addition to the location near the center of downtown Vancouver, the two key marketing features that helped sell the condos were the SFU center and the grocery and drug stores—all of which had committed to the project before the condo sales began.

The condos were sold out in one weekend—in a matter of hours—in 2006. One reason for this was the pricing, which was below that for many of the new condo projects coming on line at that time. The attractive price was an important feature for a project in a high-priced condo market like Vancouver. Even though the project was located in an area with gritty qualities, the location was very close to the central employment area, allowing many condo residents to easily walk to work or to access the transit system.

The recession that hit the United States and much of the world during the 2008-to-2010 period was not as severe in Canada, as the banks there were in much better shape; the Canadian recession lasted only about six months. These factors, together with the fact that the sales and financing were completed before the recession began (deposits of 10 to 20 percent were required), insulated the condo sales and the project as a whole from the financial crisis that was affecting real estate projects elsewhere. Very few of the condo presales failed to close, and prices remained firm during the construction phase.

The condo pricing was similar for the two market-rate buildings. While the W43 building has the more distinctive architectural profile, the W34 building has more attractive floor plans, as the triangle shape of the W43 building has resulted in less efficient floor and unit plans.

Pricing ranged from C\$200,000 to C\$1 million, with prices generally north of C\$500 per square foot initially. Resale prices as of 2014 were closer to C\$700 to C\$750 per square foot. The higher units are more expensive than the lower units, but the differences are less pronounced than those seen in other condos in downtown Vancouver.

Retail leasing. The original Woodward’s department store was famous for its aforementioned food floor, so securing a food store for the project was a priority and a real win for the project in terms of bringing back some of the heritage of the site. The food store was also an essential amenity and draw for marketing the market-rate housing, and an essential service for the nonmarket housing. Nesters Market brought in a 14,730-square-foot store featuring deli items, fresh fruit and vegetables, and a range of other groceries.

The Nesters store operators chose to lease space in the project in spite of the problems they expected to have with shoplifters. For them as for the developer, the store was a social and community commitment. Also, the city offered a ten-year tax abatement for the store, and the rent was very reasonable, too. The developers personally engaged in discussions with the Nesters executives to encourage them to bring that store to the project.

Once Nesters committed to the project, getting a commitment from the drugstore was easy, as drug and grocery stores often move in tandem. London Drugs leased 18,366 square

feet on two floors across the atrium from Nesters. Both of these stores brought new employment opportunities to the area as well. Another key tenant was Toronto-Dominion Bank, which took space in the Heritage office building as part of its urban renewal program and commitment to serve underserved communities. This was an important addition for the neighborhood, as there were few banks there and many low-income residents had limited access to banking services.

Other tenants include the Charles Bar, Hiro Japan Sushi, JJ Bean (coffee), and W Dental, all within the W43 building; Express News and Green Stems (flowers) in the W34 building facing Abbott Street; and Subway within the Hastings/SFU building, facing onto Hastings Street. A period of free rent and a tenant improvement allowance were offered to some of the early tenants. One retail space facing the atrium is vacant as of March 2014, and was formerly a media café operated by a nonprofit community group that has ceased operations.

For the initial retailers—especially the grocery store and the drugstore—the project was a leap of faith and a social commitment as well as a financial commitment. No one knew how the retail would perform, especially with the uncertain housing density, the affordable housing, and the underlying crime and drug problems in the area.

The construction process brought around 800 workers to the site daily, which helped incubate food service and restaurant businesses in the area that continued to flourish after the project opened and helped with the retail leasing.

Office leasing. Most of the office space is located in the original 1903 Heritage Building that was restored, and this space is now owned by the city of Vancouver and occupied primarily by the city and nonprofit organizations. Some of the nonprofit space was originally leased to a group that was unable to pay the rent and is vacant as of March 2014.

Additional office space in the W32 building, on the second and third levels, is leased to various Canadian government entities, including the National Film Board of Canada, Canadian Heritage, the Public Health Agency of Canada, and Public Works and Government Services of Canada. Rents for this space fall in the C\$25-per-square-foot range.

Public relations. At the grand opening of the project in January 2010, one of the more dramatic moments was the lighting of the new W sign atop the Heritage Building. This was a symbolic moment for the city and the community. Even though the Woodward's department store was gone, Woodward's was back in a new mixed-use form, including a new version of the W that had become such a recognizable symbol for the neighborhood.

One of the hallmarks of the Woodward's department store was that it was known for being open and respectful to everyone. This theme was carried through in the new project and in the public relations and management plan. For example, while many private atriums will evict people who are not there for a purpose, the atrium at Woodward's is designed to be a social space that is welcoming to all. The basketball court in the atrium is indicative of this, turning the space into both recreational and social space, not simply shopping center space.

Operations. A community use agreement has been established for the project that defines 12 uses/airspace parcels, and the legal rights and responsibilities of each, in the overall management plan. The 12 airspace parcels include the SFU facility, the singles' nonmarket residential, the family nonmarket residential, the second- and third-floor office spaces facing Abbott Street, the W32 condominium, the W43 condominium, the retail, two separate office spaces in the Heritage Building, and the child care center atop the Heritage Building. A good deal of time and legal expense was involved in crafting this document, one of the special considerations involved when a complex mixed-use development is undertaken. The various owners, entities, and operators of the various buildings and uses in the project are bound by this maintenance and management agreement.

A major actor in the ongoing operation is the SFU. SFU offers a range of free events as well as a mix of price points and programming for various cultural activities that appeal to a wide range of demographics. Most events are priced in the C\$25-to-C\$49 range, but some go as high as C\$80. The offerings within this facility include experimental theater, art galleries, multimedia areas, and a cinema. The building also includes classroom space and offices.

There is also synergy among the residential and nonresidential uses, as some of the residents in the project are employed within the nonresidential uses, including some of the SRO residents who serve as ushers for some of the events in the SFU facility.

Other key management entities within the project include the condo associations that manage the two condo buildings; the city, which manages the Heritage office building; and Westbank and Peterson, which manage the retail space, the office space in the W34 building, and the atrium. The daycare center is owned by the city and managed by a nonprofit organization.

Social housing management. The social nonmarket housing is managed by three nonprofit housing groups that specialize in managing low-income housing. The 125 units of singles' housing for the hard-to-house, many with mental illnesses and/or substance dependence problems, are managed by Portland Hotel Society (PHS) Community Services. PHS is a nonprofit organization that was created in 1993 to advocate for, develop, and implement social services for people living with mental and substance dependence disorders.

The 75 units of family nonmarket housing are managed by the Affordable Housing Society, a nonprofit organization that was established in 1982 to develop, own, and manage rental housing for low- and moderate-income families, seniors, and singles and couples. The Vancouver Resource Society manages the accessible housing in the W43 building.

Observations and Lessons Learned

The Woodward's project is a social experiment that has worked, and there were many drivers and entities that came together to make it happen. The commitment and cooperation of the city, the provincial government, the university, two private sector developers, a number of social housing groups, the grocery and drugstore anchors, and numerous community groups were exemplary. The fact that the condo buyers supported the project enthusiastically was also a sign of community support.

Critical to the success of the project was the developers', architect's, and city's ongoing dialogue with community groups to address the neighborhood's unique social needs. In the

end, the Woodward's project was about the Vancouver community coming together to bring about an important transformation of a historic site at the heart of the city. Notes Michael Boucher of SFU, "By and large there has been a lot of give-and-take in the development process, a good dance." Most of the participants have been on the same page in terms of achieving both social and economic objectives. Notes Hein, "This was a seminal project for the city, and has been a catalyst for the area."

Also critical to the project was getting all the uses to commit to it, as each component was vital to the success of the project. This was achieved through leasing momentum. Because the provincial government committed to the project, the federal government committed to rent space. Because Nesters committed to rent space, London Drugs also committed to the space. Because of the condominiums, the retail shop space leased for reasonable rents.

A project that respects the heritage of a site can do so in many ways that go beyond simply restoring historic buildings; sometimes, quality of restoration is more important than quantity, and cultural memories are as important as preserving architecture. The aforementioned large photograph that depicts the Gastown riots is one example of this; the re-creation of the large W atop the building is another. The videos in the atrium and panels around the building also highlight the history of the site. And bringing a grocery store and food back to the site was also an important heritage element. As a result, the project received a Vancouver Heritage Award.

One of the problems that the developers encountered during the development process was dealing with the Olympic deadline. The project was planned and scheduled to open before the Olympics; but to accomplish this, the developers and designers had to fast-track the design process. They also had to construct the project during the same time frame in which many other Olympics-related projects were proceeding, which meant that there was a shortage of subcontractors and workers to complete the work. Most of the subcontractors had labor problems and schedule problems on the project. As a result, construction costs came in 10 percent higher than expected, and the project was six months behind schedule when completed, but

nonetheless opened several weeks before the Olympics began.

Some aspects of the project still need attention. For instance, the community arts space on the second level of the office building failed and now is largely underused, as is one of the retail spaces facing the atrium. Community groups often need more help to succeed than initially expected. It is not enough to offer free space and hope the programming comes. Small cultural users and events also need equipment such as tables, chairs, and stages as well as event planning assistance to succeed.

Another occasional problem for the project is the fire alarm system. When the fire alarm goes off in one portion of the project, it can trigger the evacuation of the other portions of the project. This is especially a problem for the SFU theater, where events can be interrupted by fire alarms. A silent alarm and a delay have been installed to address this issue. The whole project has been coded as one building, which is part of the reason for this problem. Coding the project as one building was a deliberate choice, as it provided flexibility in the design and allowed for more optimal building adjacencies and better public spaces.

Cost sharing and operating expenses among uses are an ongoing challenge, as is the case with many mixed-use developments. Allocating the costs for maintaining common spaces and elements is always a sensitive matter. Each use had different concerns. Social housing operators want low expenses. Retail users want high standards for maintenance and security. Market-rate condo associations want low costs but also strong security. The atrium is a special issue, as it is open most of the day and night and requires 24-hour security. Complaints from the condominium owners regarding shared expenses are a consistent source of conflict.

Beyond these lessons, Woodward's has demonstrated that mixed-use density can have a transformative impact in troubled urban neighborhoods. Notes Chan of Westbank, "The project is successful in large part because it is so dense." Notes Boucher, "When the project began, the area was not one that many wanted to visit. Some would hesitate to come down here. That perception has been completely erased." The fact that Woodward's is very large and incorporates many uses

that activate it throughout the day was important to the success of the project and of the neighborhood.

Before the project began, the Vancouver east side neighborhood was the poorest postal code in Canada. Today, the neighborhood includes a much broader spectrum of people. Notes Henriquez, "Today, the project is a microcosm of the city." It has both affluent and poor residents, high culture and street culture, and a variety of employment opportunities. He further notes, "Everyone decided that it was important to come together."

The Woodward's redevelopment changed the neighborhood for the better in a number of ways. People who were homeless or living in substandard housing now have good housing. High-quality groceries are readily available now. The streets are safer. There is a diverse mix of people in the neighborhood. There is new culture and nightlife. Property values and the property tax base have increased, generating new revenue for the city. In addition, this was one of the first examples in Canada of mixing social housing and market-rate condominium housing, and the success of the project was an important landmark demonstrating that such a mix could work.

OTHER RESOURCES

Video

www.youtube.com/user/ULITV

Housing management partners

PHS Community Services Society
Affordable Housing Society
Vancouver Resource Society

PROJECT INFORMATION

Development timeline

Woodward's store closes	1993
Site purchased by province of British Columbia	2001
Woodward's Squat takes place	2002
Site purchased by city of Vancouver	2003
Redevelopment planning begins	2003
Westbank/Peterson selected as developers	2004
SFU commits to locating in the project	2005
Construction begins	2006
Sales/leasing begins and ends with sellout	2006
Residential opens	2009
Project completed	2010

Gross building area

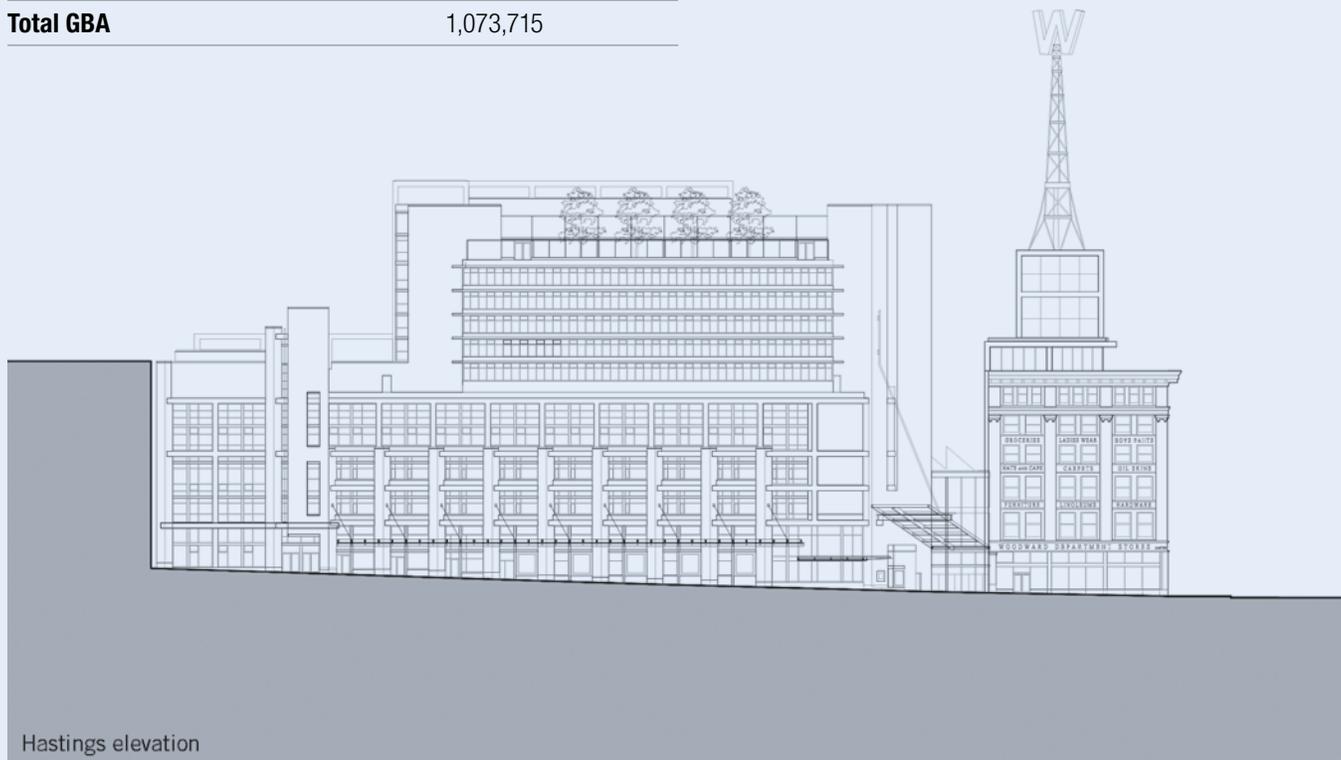
Use	Building area (sq. ft.)
Office	67,386
Retail	48,172
Simon Fraser University	118,940
Residential (market-rate)	451,298
Residential (nonmarket)	164,715
Parking	178,454
Other (city space/atrium/plaza)	44,750
Total GBA	1,073,715

Land use plan

Use	Area (acres)	Percentage of site
Buildings	1.59	68.5
Streets/surface parking	0.01	0.5
Landscaping/open space	0.51	22
Other (atrium)	0.21	9
Total	2.32	100%

Parking information

	Spaces
On site for market-rate residential	316
Off site for market-rate residential	243
Off site for nonmarket residential	81
Office, SFU, and retail	214
Total	854



PROJECT INFORMATION

Residential information

	Number of units	Unit size (sq. ft.)	Percentage sold	Typical rent or sales price
W43 Tower condos	366	500–2,500	100	C\$200,000–C\$1,000,000
W43 Tower accessible	10			
W32 Tower condos	170	500–2,500	100	C\$200,000–C\$1,000,000
W32 Tower family nonmarket	75			
Hastings Building singles' nonmarket	125			
Total	746			

Office information

Office net rentable area (NRA)	67,386 sq. ft.
Percentage of NRA occupied	100%
Number of tenants	5
Typical tenant size	15,000 sq. ft.
Annual rents	C\$25 per sq. ft.
Average length of lease	5 to 10 years

Major office tenants

	NRA (sq. ft.)
City of Vancouver	31,500
Federal government	33,390
National Film Board of Canada	
Canadian Heritage	
Public Health Agency of Canada	
Public Works and Government Services	

Retail information

Retail gross leasable area (GLA)	48,172 sq. ft.
Percentage of retail GLA occupied	100%
Annual rent range	C\$20–C\$60 per sq. ft.
Average length of lease	5 to 10 years

Key retail tenants

	Retail type	GLA (sq. ft.)
Nesters Market	Grocery store	14,730
London Drugs	Drugstore	18,366
TD Canada Trust	Bank	5,700
The Charles Bar	Restaurant	

PROJECT INFORMATION

Development cost information

	Amount in C\$	
Site acquisition/improvement cost		
Site acquisition cost	\$ —	
City office space	\$12,500,000	Transfer of 31,500 sq. ft. of completed space to city
Atrium and plaza costs	\$12,000,000	
Demolition costs	\$3,000,000	
Total	\$27,500,000	
Construction costs		
Office	\$13,500,000	
Tenant improvements and landlord work	\$4,000,000	
Retail	\$17,800,000	
Residential	\$140,000,000	
SFU	\$55,100,000	
Nonmarket housing	\$38,000,000	
Total	\$268,400,000	
Soft costs		
Architecture/engineering	\$29,500,000	10.99% of construction costs
Marketing	\$11,000,000	
Taxes/insurance	\$4,100,000	
Construction interest and fees	\$12,000,000	
Total	\$56,600,000	
Total development cost	\$352,500,000	

Financing sources

	Amount in C\$	
Equity capital sources		
Westbank and Peterson	\$41,400,000	
Public sector capital sources		
Province of British Columbia and SFU	\$62,500,000*	
Province of British Columbia and B.C. Housing	\$43,600,000**	
Debt capital sources		
Canadian Mortgage and Housing Corp.	\$205,000,000***	
Total	\$352,500,000	

* For the SFU facility.

** For the social housing.

*** Federal.



About the Urban Land Institute

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- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both the built and natural environment;
- Sharing knowledge through education, applied research, publishing, and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Patrick Phillips, Chief Executive Officer

The development of this case study was generously underwritten by the law firm Allen Matkins.



About Allen Matkins

Allen Matkins is a California-based law firm specializing in serving the real estate industry. The firm has more than 200 attorneys in four major metropolitan areas of California: Los Angeles, Orange County, San Diego, and San Francisco. Its core specialties include real estate, real estate and commercial finance, bankruptcy and creditors' rights, construction, land use, natural resources, environmental, corporate and securities, intellectual property, joint ventures, taxation, employment and labor law, and dispute resolution and litigation in all these matters.

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The ULI Case Studies program highlights and showcases innovative approaches and best practices in real estate and urban development. Each case study provides detailed information regarding the ideas, plans, process, performance, and lessons learned for the development project. Each also includes project facts, timelines, financial data, site plans, photos, location maps, and online videos. The new ULI Case Studies program is the revitalization of a program begun in 1971. ULI Case Studies are offered as a ULI member benefit and via subscription for nonmembers. For more information, visit the ULI Case Studies website at www.uli.org/casestudies.

Kathleen Carey

Executive Vice President and
Chief Content Officer

Dean Schwanke

Senior Vice President,
Case Studies and Publications

Adrienne Schmitz

Senior Director, Case Studies and Publications

James Mulligan

Senior Editor

David James Rose

Manuscript Editor/Managing Editor

Betsy VanBuskirk

Creative Director

Anne Morgan

Design and Production/Layout

Martin Schell

Manager, Online Communications

Danielle Bilotta

Online Communications

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City of Bellevue
ECONOMIC
DEVELOPMENT
PLAN



VISION:
Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.



CITY OF BELLEVUE ECONOMIC DEVELOPMENT PLAN

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City of Bellevue

ECONOMIC DEVELOPMENT PLAN



EXECUTIVE SUMMARY

Bellevue is truly fortunate. Fortunate in its location that places its residents and businesses in proximity to lakes, mountains, freeways, and a thriving regional economy, with easy access to overseas markets in Asia. Fortunate to have a diverse population and workforce that mirrors the world and attracts some of the best employers in the world. Fortunate to have a phenomenal public school system and enviable parks and recreation opportunities. Fortunate with a high quality of life and an attractive environment that attracts residents, employers, employees, and visitors from around the globe.

These many blessings are interlinked and intertwined, with cause and effect compounded. The Bellevue community benefits from a virtuous cycle in which a high-quality community supports a vibrant economy — and vice versa. But given regional and global competitiveness, the City, its partners, and its community cannot stand idle. Indeed, it never has. Other than its geographic location, all of the blessings that make Bellevue what it is today are the results of deliberate choices and hard work by many individuals and organizations, including entrepreneurs and immigrants, individuals and families, and governmental and community leaders.

The City is establishing this Economic Development Plan at this point in its evolution to guide its proactive efforts to strengthen and diversify the Bellevue economy for the good of existing and future residents and businesses. Success in the City's strategic thinking, hard work, and investment will contribute to achieving our **Vision** for the community:

Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.



Success will come from accomplishing the **Desired Outcomes** articulated below, as well as specific, measurable performance measures that align with these qualitative descriptions:

- **A strengthened and diversified economic base** that supports the City's ability to provide quality services to residents and business owners and enhances economic resiliency. Investment by businesses and individuals from many sectors and many countries will contribute to the health and vitality of the Bellevue economy.
- **A strong regional economy** that benefits residents and business in Bellevue and neighboring communities. As the economic engine of the Eastside, we will take a regional, collaborative approach to advancing areas of common interest among communities in the greater Seattle area.
- **Employment opportunities and paths to prosperity for a wide range of residents.** Bellevue is a diverse community, with prosperous residents employed by companies at the forefront of the Internet economy, and others who struggle to find service jobs that pay a living wage. The City's economic development strategy includes programs that benefit workers along the entire spectrum, and assists those seeking to develop the skills necessary to find a job or upgrade their employment.
- **An easy and attractive place to do business** by having a full range of attractive commercial building types, highly reliable and up-to-date power and technology infrastructure, and a positive business climate.
- **A sustainable city**, with a prosperous economy, a healthy environment, and an innovative, caring community. We will guide Bellevue's growth in a responsible manner, well-planned and in synch with our natural and built environments.

The following themes run through the City's Economic Development Plan, emphasized multiple times and in multiple ways throughout this document. They describe key aspects of how Bellevue will approach its economic development efforts.

- **Collaboration.** Through collaboration, Bellevue will leverage others' strengths and resources to achieve greater outcomes than could be accomplished individually.
- **Regionalism.** The City of Bellevue cannot be strong without a strong Eastside and Puget Sound region. The City will be both a leader and a collaborator, working with other communities in the region to address issues that require regional, state, or national solutions.
- **Internationalism.** Bellevue sees itself in a global context. City residents and businesses, as well as the owners, investors, employees, and customers of these businesses, come from all over the world. This is a tremendous advantage, giving our businesses access to worldwide markets and a global workforce.





Recognizing the interlinking connections between the city's economy and the community supports that serve as a foundation for both economic prosperity and high quality of life, this Economic Development Plan is centered on **Direct** and **Foundational** Strategies.

DIRECT STRATEGIES

The strategies below describe direct actions the City will take to strengthen targeted economic clusters. These clusters were carefully selected among the city's many areas of strength based on their potential for impact, the opportunity to diversify the city's economy, and the presence of interested partners.

1. CULTIVATE BELLEVUE'S NEXT GENERATION OF TECHNOLOGY ENTREPRENEURS

Information Technology (IT) — including software and systems development, interactive media (gaming), and mobile technology — is Bellevue's largest industry cluster. In addition, IT is where most business starts occur.

Our Next Generation strategy is to encourage a creative and entrepreneurial environment, where businesses, entrepreneurs, and knowledge workers are at the center of the mix. Our means of doing this include creating affordable and flexible workspaces for entrepreneurial companies, creating a Tech Zone with targeted amenities, and attracting technology firms to Bellevue. We will also seek to locate an expanded higher education presence in Bellevue that will enrich our workforce and energize the technology ecosystem with research and development, programming, and business spin-offs.

2. POSITION BELLEVUE AS A PACIFIC RIM GATEWAY

Bellevue is already an international business hub with a well-educated workforce, a diverse population (more than one-third of Bellevue's population is foreign born), and proximity to Asia. Bellevue's focus will continue to be on the Pacific Rim, particularly where specific opportunities and strong ties already exist.

Bellevue can maintain existing connections and build off of them to spur new business formation.

Supporting foreign investors and businesses choosing to locate in Bellevue will diversify the city's economy, increase its economic base, and continue to support Bellevue's ethnic diversity. Desirable firms are defined as those that increase access to overseas markets, establish a prime office for U.S. operations in Bellevue, and/or grow the regional marketplace and talent pool.

To advance this Strategy, we will work with our partners to strengthen our international relationships and knowledge base and seek to attract foreign investors, employers, and institutions.

3. STRENGTHEN BELLEVUE'S TOURISM AND VISITOR CLUSTER

Bellevue's tourism industry is an existing strength that has potential for additional growth. Currently there is strong demand for corporate meeting facilities of all sizes. However, while Bellevue hotels are typically booked during the week, frequently there is excess capacity on the weekends.

To address this gap, the City will work with partners to develop a coordinated tourism strategy encompassing business-related and leisure markets. This Strategy will increase the city's economic base, create job opportunities, and strengthen the city's economic resiliency.

4. DEVELOP A MULTI-PRONGED ECONOMIC DEVELOPMENT MARKETING CAMPAIGN

The City must clearly communicate its vision for the future of Bellevue's economy. The City will implement an economic development marketing campaign to raise awareness of its goals, the opportunities that exist in Bellevue, and the City's willingness to facilitate investment that is in line with the Vision and Desired Outcomes established in this Strategy.



FOUNDATIONAL STRATEGIES

The Foundational Strategies below are essential to a well-functioning community and will support a high quality of life for Bellevue residents and all of Bellevue's businesses and economic clusters.

One of the greatest ways that Bellevue supports its economy is by ensuring the City functions well as a place, including investments in business districts and infrastructure such as streets, sidewalks, and parks, as well as services such as public transit, recreation programming, and support for specific populations. We recognize that these City services affect businesses directly and indirectly, by making Bellevue an attractive place for employees, the lifeblood of every business. Similarly, the City will support partners to ensure city housing and education systems function well, providing options and opportunities for a diverse population.

- A. TAKE BOTH A LOCAL AND A REGIONAL APPROACH TO SOLVING TRANSPORTATION CHALLENGES
- B. PROVIDE A BUSINESS CLIMATE AND INFRASTRUCTURE THAT FACILITATES DESIRABLE BUSINESS INVESTMENT
- C. CULTIVATE ATTRACTIVE AND DIVERSE BUSINESS DISTRICTS
- D. SUPPORT THE DEVELOPMENT AND ATTRACTION OF WORLD-CLASS TALENT
- E. ENCOURAGE A VARIETY OF HOUSING CHOICES WITHIN THE CITY
- F. CONTINUE TO MAKE BELLEVUE A GREAT PLACE TO LIVE AND VISIT

Many of these Foundational Strategies are long-standing, ongoing efforts carried out by initiatives and programs throughout the City organization. It is important to recognize their connection to economic development, and to call attention to a short list of new initiatives among them that will require new energy and resources, including:

- Expanding access to high speed data options (Objective B.4)
- Establishing a clear vision and future for the Wilburton District (Objective C.5)
- Workforce housing (Strategy E)

Looking Forward

This Economic Development Plan has been developed to align the efforts and expectations of the City Council, staff, and partners, and clearly state the City of Bellevue's economic goals and priorities. The City intends to use this Plan as a guiding document in its work around advancing Bellevue's economy; this is designed to be a living strategy, frequently referred to, executed upon, and periodically updated.

During each biennial budgeting process, the City will evaluate its progress towards the Vision and Desired Outcomes stated in this document and identify areas of focus for the coming year. Short-term action items will be selected and energetically pursued as current year priorities.

The City is using an *Implementation Plan* that accompanies this Strategic Plan to capture implementation tactics, responsibility for leading and supporting individual tasks, resource requirements, and partnership opportunities. This internal document will support the City's budgeting and implementation processes, and will provide a mechanism for assessing progress and maintaining accountability.



Background



Planning Purpose and Process

Bellevue has a long history of success in both directly and indirectly affecting many elements of economic development and supporting businesses that choose to locate here. This new effort to develop Bellevue's economic development strategy for the coming five years will build upon this success through identifying clear and direct goals and strategies that link a strong economy with business opportunities, sustainability, and a high quality of life.

Bellevue's Economic Development Plan is intended to:

- **Align the efforts and expectations of the City Council, City staff, and partners.** Many individuals and organizations have direct or supporting roles to play in economic development. All of these actors need to be able to state simply and consistently Bellevue's long-term economic Vision and Desired Outcomes. They also need to be aware of actions and investments being made in the short term to move the City ahead.
- **Clearly state the City of Bellevue's economic goals and priorities.** Business owners and financial investors desire clear and predictable policy environments. With this plan, the City seeks to clearly state Bellevue's objectives and desire to partner to further the Vision.

Planning Process. The City began this planning process in mid-2013 by gathering and analyzing information to gain a clear understanding of Bellevue's current situation as summarized in the section that follows. By drawing on quantitative demographic, economic, and market data, as well as the qualitative perspectives of a wide range of stakeholders, this foundation was analytically rigorous and informed by a variety of perspectives on the shape of Bellevue's economy now and in the future.

A committee of City department leaders was formed to consider Bellevue's position and to design a thoughtful and effective strategy. This Economic Development Planning Committee met seven times over the course of the planning period to review the Situation Assessment and develop the Draft Plan.

This Draft Plan has been circulated in April 2014 to key stakeholders who participated in earlier Fall 2013 interviews, with comments incorporated into this document.

Economic Development Planning Committee

City Manager's Office

Mike Brennan, Acting Assistant City Manager, Director of the Development Services Department

Sheida Sahandy, Assistant to the City Manager

Planning & Community Development

Chris Salomone, Director

Dan Stroh, Planning Director

Emil King, Strategic Planning Manager

Gwen Rousseau, Associate Planner

Tom Boydell, Economic Development Manager (former)

Civic Services

Nora Johnson, Director

Max Jacobs, Real Property Manager

Communications

Emily Christensen, Chief Communications Officer

Finance

Jan Hawn, Director

Information Technology

Toni Cramer, Chief Information Officer

Parks & Community Services

Patrick Foran, Director

Key Findings from Bellevue's Situation Assessment

Quantitative Analysis

Key findings from the quantitative analysis gathered or conducted for this planning effort are presented below. *Attachment A* presents the analysis in full.

→ *Bellevue's employment has steadily grown over time*

Despite fluctuations that correlate with the ups and downs of economic cycles, including two significant downturns since 2000, the number of jobs in Bellevue has grown at an average annual growth rate of 1.6% over the last 17 years. The trend line in the exhibit below shows the direction of job growth over the long term.

BELLEVUE TOTAL EMPLOYMENT, 1995 – 2012



Source: City of Bellevue, 2013

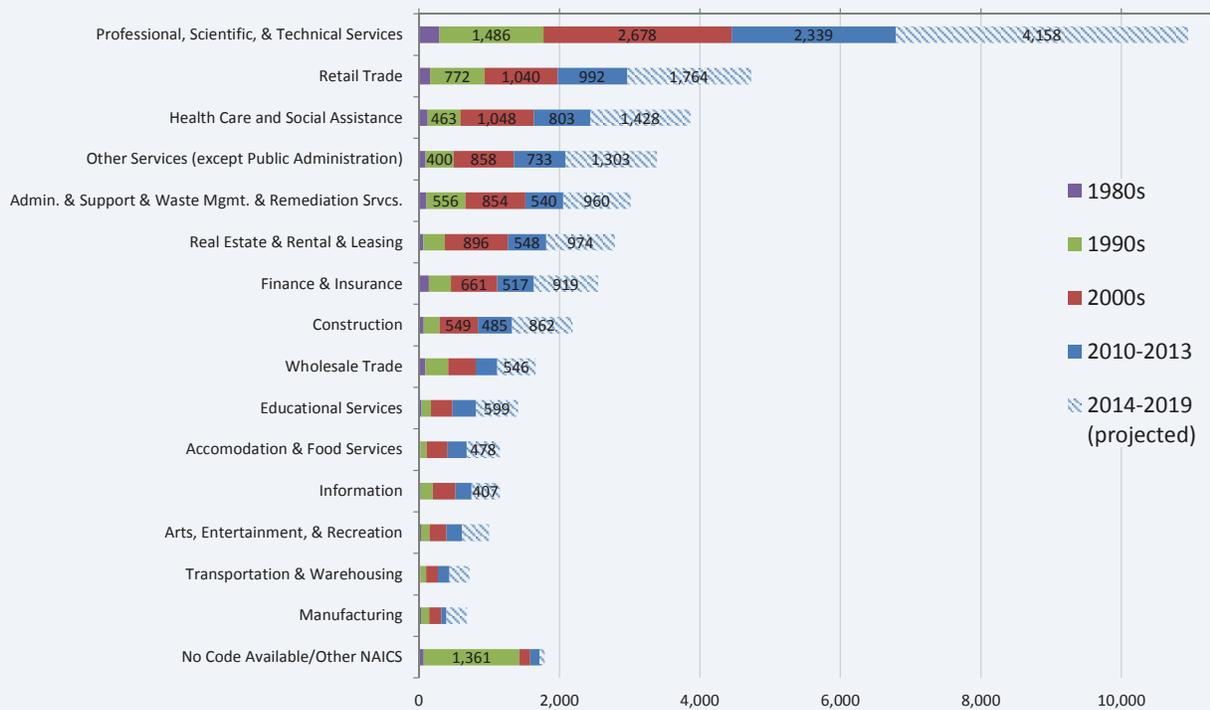
Note: Construction jobs are excluded from this exhibit as they are not often permanently located and tend to be volatile in reaction to economic cycles.



➔ **Bellevue is a strong, growing, and diverse regional economic center**

- Bellevue is a major regional employment center, with workers commuting to their jobs from throughout the Puget Sound region.
- Approximately 22% of Bellevue workers live in Bellevue and nearly 15% of workers live in Seattle. Other Bellevue workers are spread throughout the region, with relatively strong concentrations in other Eastside cities and South King County.
- Just over three-quarters of Bellevue’s employed residents work in Bellevue (40%), Seattle (21%), or Redmond (15%). Bellevue residents also work in other Eastside communities, South King County, and other cities across the region.
- As shown below, the Bellevue economy is quite dynamic, with a large number of business openings, particularly in the Professional, Scientific, and Technical Services sector.

PAST AND PROJECTED BUSINESS OPENINGS IN BELLEVUE BY DECADE, 1980 – 2019



Source: Washington State Department of Revenue, 2013; BERK, 2013

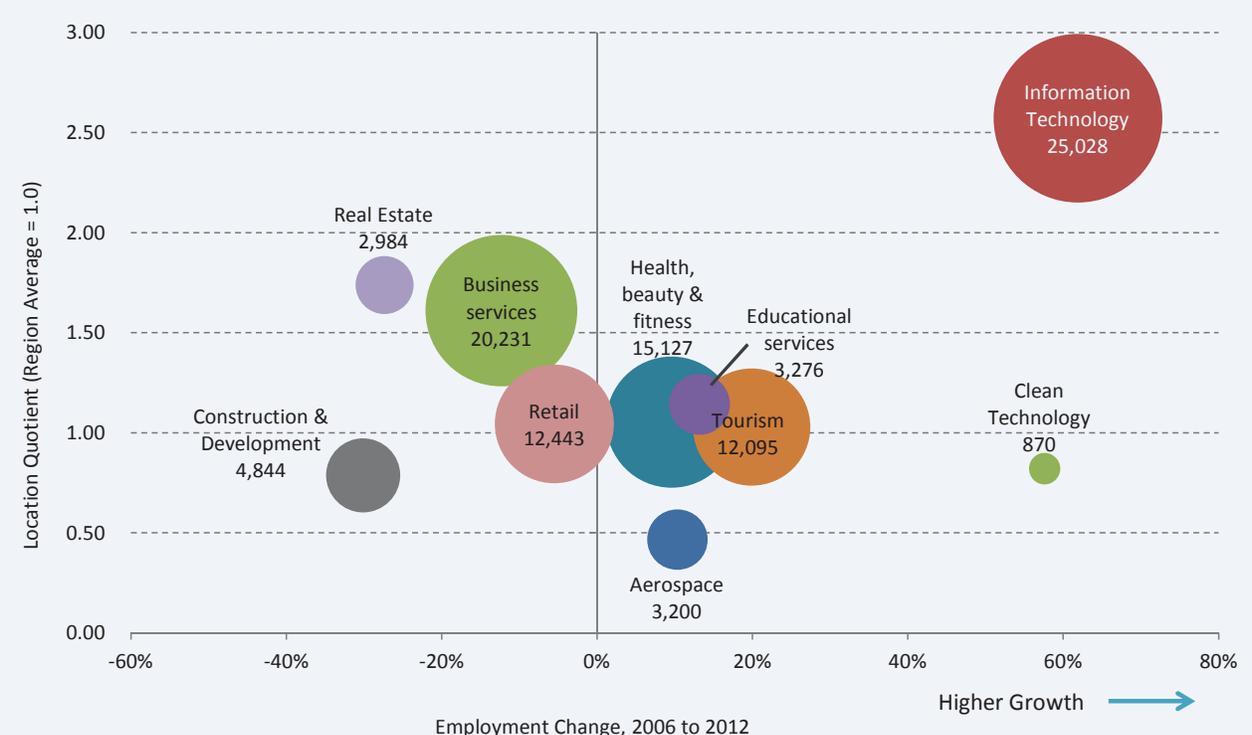
Note: The 1990s have a large number of records without valid North American Industry Classification System (NAICS) industry codes. This is likely due to the transition from the previous Standard Industrial Classification (SIC) industry classification system to NAICS during this period.

The chart below profiles Bellevue’s major industry clusters using three measures:

- **Total employment in 2012.** The size of each circle represents the number of Bellevue jobs within the individual industry cluster in 2012.
- **Employment Change 2006-2012.** The horizontal axis shows which industry clusters have grown or declined between 2006 and 2012. These two reference years were selected because of their similar placement on upward growth cycles (see earlier exhibit on job growth).
- **Location Quotient.** The vertical axis compares the concentration of each industry cluster in Bellevue to the concentration of the same industry cluster in the Puget Sound region. A circle with a location quotient of 1.0 (Retail is very close at 1.05) means Bellevue has the same concentration of jobs in that cluster as the regional average. A locational quotient of 2.6 (Information Technology is 2.57) means the cluster is 2.6 times more concentrated compared to the regional average, and 0.5 (such as Aerospace) means half the concentration.

The chart shows that Information Technology is the largest, fastest growing, and most concentrated industry cluster in Bellevue in terms of employment. Other notable clusters include Business Services; Health, Beauty and Fitness (which includes hospitals and health practitioners); Retail; and Tourism.

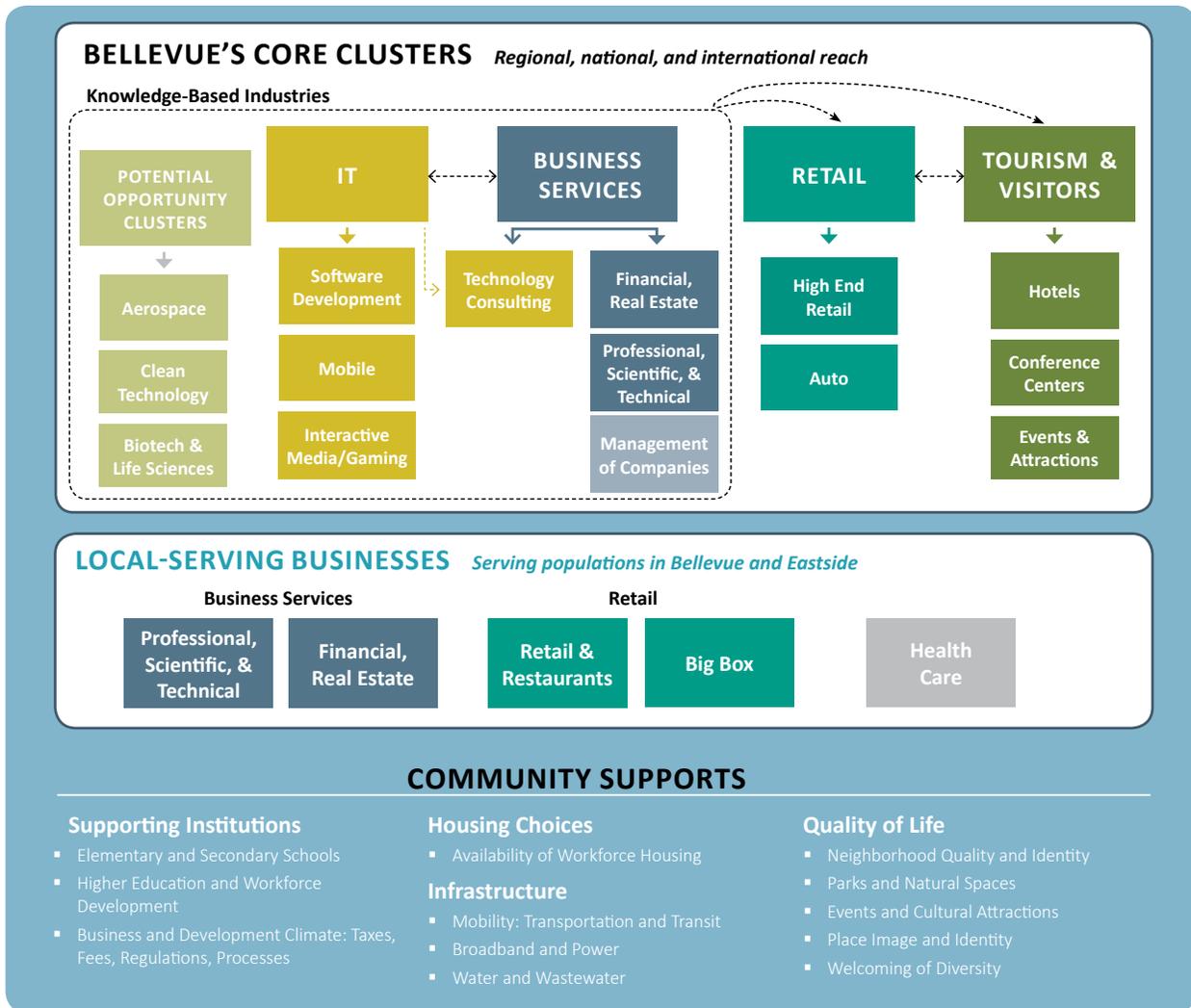
BELLEVUE MAJOR INDUSTRY CLUSTERS BY SIZE, EMPLOYMENT CHANGE, AND CONCENTRATION



Source: Puget Sound Regional Council, 2013; City of Bellevue, 2013; BERK, 2013.

➔ **Bellevue's economy is driven by four major industry sectors: Information Technology, Business Services, Retail, and Tourism and Visitors.**

The Information Technology, Business Services, Retail, and Tourism and Visitors industry clusters are the primary drivers of Bellevue's economy. The conceptual map below represents these clusters, their connection to each other and the larger economy, and their reliance on a strong foundation of community supports.



Key Findings Related to Bellevue's Four Primary Clusters

→ ***Bellevue's Information Technology (IT) sector has seen considerable growth and shows great potential going forward.***

- The City benefits from a well-educated workforce with significant professional expertise and cultural diversity.
- Employment in most IT sub-clusters is more than twice as concentrated as the regional average.
- The IT sector has had the most business openings of any sector in the last three decades, and is expected to continue this trend.

→ ***The Business Services sector is strong relative to the region.***

- Finance is the largest Business Services sub-cluster, followed by Management Services, and Architecture and Engineering.
- While Bellevue's Finance sub-cluster is strong relative to the region, the region (including Seattle) is not considered to be a large financial center relative to other metro areas, such as Chicago, San Francisco, and others.
- Most Business Services sub-clusters were fairly stable in the 2000s, with Management Services showing some growth.
- Management Services includes headquarters for companies such as Eddie Bauer, Esterline, Paccar, and Puget Sound Energy, as well as regional managing offices for companies such as QFC and Safeway.

→ ***Bellevue's retail sector is thriving and critical to the city's economy.***

- Bellevue is one of the Puget Sound region's premier high-end retail destinations, generating a substantial portion of retail sales from outside the community.
- Bellevue had the highest Taxable Retail Sales (TRS) per capita (\$25,438 per person) of any major city in King County in 2012. Bellevue's TRS per capita was nearly twice as high as Seattle's in 2012.
- Retail supports and is supported by Bellevue's Tourism and IT clusters.

→ ***Bellevue's Tourism and Visitors market has both strengths and opportunities for growth.***

- Bellevue has a strong corporate convention market, but there is not currently enough hotel and conference space in the city to host major national or international events.
- Bellevue's reputation as a safe, clean city with excellent high-end shopping, nightlife, and restaurants, as well as its central location within the Puget Sound region, has contributed to making the city more appealing to leisure travelers. However, some see Bellevue as lacking unique, memorable visitor experiences. Bellevue has little name recognition on its own outside of Washington State.

Summary Themes from Stakeholder Input

In Fall 2013, BERK Consulting conducted interviews with a wide range of stakeholders to inform the economic development planning process. BERK and the City jointly identified a list of key interviewees and developed a set of interview questions.

Stakeholders included local and regional partners, businesses, real estate representatives, community leaders, and others. Telephone interviews were conducted with more than 50 people, with each interview lasting between 20 and 60 minutes. Key themes from these interviews are presented below, with the full record of stakeholder input contained in *Attachment A*.

Bellevue's Primary Strengths

- **International Connections.** Benefits from the Bellevue's proximity to and connections with Asia (especially China) and Canada.
- **Diversity.** The makeup of the Bellevue's community and workforce mirrors the world. Draw of residents and visitors to the city for this diversity and business attraction to Bellevue because of the diverse workforce.
- **Talent.** Presence of executives, access to an educated workforce, diversity.
- **Business Climate.** Comparatively low taxes, a well-run municipal government, regulations commensurate with city objectives.
- **Quality of Life.** Excellent schools, a walkable downtown, beautiful parks and natural environment, safe streets.

Bellevue's Primary Challenges

- **Traffic.** Congestion, need for more mobility options.
- **Housing.** Lack of workforce housing for employees.
- **City Investment.** Additional public resources needed for investments in infrastructure, business climate improvements, and proactive economic development efforts.

Stakeholder Recommendations for Continued Economic Success

- **Retain existing businesses.** Be responsive to the needs of existing businesses.
- **Facilitate access to talent.** Support a strong educational pipeline from elementary to secondary educational institutions, as well as a high quality of life that attracts the best talent from around the world.
- **Invest in infrastructure.** Continue to seek solutions to solve infrastructure challenges, especially transportation.
- **Maintain a positive business climate.** Maintain competitive tax rates and fees, be proactive in streamlining permitting, and establish clear and timely expectations and codes/regulations to create predictable outcomes.
- **Focus on the built environment.** Foster a diverse range of attractive built environments throughout the city and increase Bellevue's character and sense of place. Encourage continued vitality of a thriving downtown.
- **Communicate.** Promote a vision for the city's future, raise awareness of opportunities in Bellevue, and communicate that Bellevue desires growth and is willing to work with business owners and investors with a shared vision.
- **Collaborate.** Avoid parochialism — take a leadership role in promoting and benefiting from a prosperous Eastside region.

Bellevue's Economic Development Vision



A Vision of Bellevue's Economic Future

Citywide economic development efforts are focused by a shared vision of Bellevue's future:

Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.

Desired Outcomes

Bellevue's economic development efforts are ultimately about improving the quality of life for residents through the creation of diverse and dynamic places and a variety of nearby shopping, recreation, entertainment, cultural, and employment opportunities. The City's ability to maintain its world-class park system, high-quality programming, and professional and responsive city government depends on the continuing health of Bellevue businesses. In addition to benefitting residents and drawing tourists, these assets help the City attract some of the best talent from around the world to live, work, and invest in Bellevue.

To achieve this vision and best serve Bellevue's residents, the City's economic development initiatives are designed to advance the following Desired Outcomes:

- **A strengthened and diversified economic base** that supports the City's ability to provide quality services to residents and business owners and enhances economic resiliency. Investment by businesses and individuals from many sectors and many countries will contribute to the health and vitality of the Bellevue economy.
- **A strong regional economy** that benefits residents and business in Bellevue and neighboring communities. As the economic engine of the Eastside, we will take a regional, collaborative approach to advancing areas of common interest among communities in the greater Seattle area.
- **Employment opportunities and paths to prosperity for a wide range of residents.** Bellevue is a diverse community, with prosperous residents employed by companies at the forefront of the Internet economy, and others who struggle to find service jobs that pay a living wage. The City's economic development strategy includes programs that benefit workers along the entire spectrum, and assists those seeking to develop the skills necessary to find a job or upgrade their employment.
- **An easy and attractive place to do business** by having a full range of attractive commercial building types, highly reliable and up-to-date power and technology infrastructure, and a positive business climate.
- **A sustainable city**, with a prosperous economy, a healthy environment, and an innovative, caring community. We will guide Bellevue's growth in a responsible manner, well-planned and in synch with our natural and built environments.

Performance Measures

Bellevue's progress towards each of these Desired Outcomes may be tracked using quantifiable performance measure as described below. The City will track and report on these measures on an annual basis, or more frequently as needed.

DESIRED OUTCOME	MEASURES
A strengthened and diversified economic base	<ul style="list-style-type: none"> • Taxable retail sales and Business and Occupation tax receipts • Job growth by sector • Business starts • Foreign direct investment • Sustainability of small businesses
A strong regional economy	<ul style="list-style-type: none"> • Same measures as above, but for greater Seattle region
Employment opportunities and paths to prosperity for a wide range of residents	<ul style="list-style-type: none"> • Family wage jobs • Employment rate of Bellevue residents as compared to the region
An easy and attractive place to do business	<ul style="list-style-type: none"> • Competitive taxes and fees relative to the quality of public infrastructure and services and to regional neighbors • Businesses agreeing the City is doing a good job helping create a positive business environment • Broadband access
A sustainable city	<ul style="list-style-type: none"> • Mobility and congestion • Workforce housing • Natural environment

Bellevue's Economic Development Approach



Continue Core Business Support Services

Bellevue will continue to serve businesses by providing core business support services and careful attention to the impact its decisions and investment priorities have on the private sector:

- We will continue to engage representatives of the private sector to understand the needs and interests of our business community, addressing issues of interest to **retain existing businesses and attract new businesses**. We will continue to support businesses seeking to locate in Bellevue, expand their existing operations, or navigate challenges in areas where we have influence.
- Bellevue will maintain a positive **business climate** that encourages investment by businesses. This includes competitive business taxes and fees, as well as the City's land use code and zoning decisions that affect the allowable uses for property throughout the city. Building inspections and permitting processes similarly will continue to balance public benefit and protections with the predictability and responsiveness that businesses need to be able to make plans and investments in the community.
- One of the greatest ways that Bellevue supports its economy is by **ensuring the city functions well as a place**, including investments in infrastructure such as streets, sidewalks, and parks, as well as services such as public transit, recreation programming, and support for specific populations. We recognize that these services affect businesses directly and indirectly, by making Bellevue an attractive place for employees, the lifeblood of every business.

Focus on Direct Economic Development Strategies and Foundational Strategies

Bellevue's economic development strategy is structured around a set of **DIRECT ECONOMIC DEVELOPMENT STRATEGIES** that describe specific actions the City will take to support targeted portions of its economy. These strategies are primarily the responsibility of the City's Economic Development staff, and will be acted upon in the short- and medium-term (defined as within the next five years). An accompanying **Implementation Plan** will be updated annually to provide more specificity about what will be done, by whom, with what resources, and in collaboration with which partners. This annual implementation planning process will ensure we advance aggressively towards the end points established in this plan while maintaining flexibility to respond to opportunities and challenges as they arise.

Additional investment and energy through the **FOUNDATIONAL STRATEGIES** will support the Direct Strategies and the broader Bellevue economy as a whole. These Foundational Strategies are the responsibility of departments across the City organization; actions on these will be informed by the direct and indirect impacts on Bellevue's economy. These strategies include some new, near-term actions, but are generally longer-term, reflecting the ongoing nature of the City's roles and responsibilities.

The full sets of Direct Economic Development Strategies and Foundational Strategies are listed below and described in greater detail on the following pages.

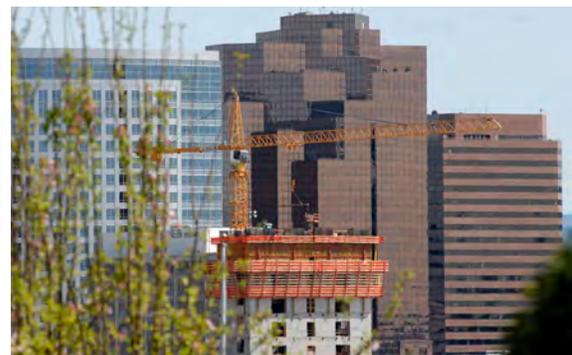
Summary of Strategies

DIRECT ECONOMIC DEVELOPMENT STRATEGIES

1. Cultivate Bellevue's next generation of technology entrepreneurs
2. Position Bellevue as a Pacific Rim gateway
3. Strengthen Bellevue's tourism and visitors cluster
4. Develop a multi-pronged economic development marketing campaign

FOUNDATIONAL STRATEGIES

- A. Take both a local and a regional approach to solving transportation challenges
- B. Provide a business climate and infrastructure that facilitates desirable business investment
- C. Cultivate attractive and diverse business districts
- D. Support the development and attraction of world-class talent
- E. Encourage a variety of housing choices within the city
- F. Continue to make Bellevue a great place to live and visit



Determination of Target Clusters

Bellevue's Direct Strategies maximize the use of limited resources by focusing on four key areas: **cultivating technology entrepreneurship; positioning Bellevue as a Pacific Rim gateway; strengthening our tourism and visitors market; and promoting Bellevue.**

Several criteria led to these choices:

- **Potential for impact.** The City's philosophy is that public investment in economic development makes sense only when that investment serves as an important stimulus, strengthening or shifting a market in significant ways that could not otherwise be achieved. To justify investment, an economic cluster must be an area of strength, but not have so much momentum that public investment is superfluous. Some clusters considered were determined to be too nascent to warrant public support; others too mature to require direct action.

These choices, while difficult, were made easier by the understanding that all business and economic clusters in the city, including aerospace, retail, and clean technology, will benefit from significant City investments and actions taken through the Foundational Strategies.

- **Opportunity to diversify.** Like its neighbors and other communities in the Puget Sound region, Bellevue benefits from the strength of its Information Technology cluster. This cluster not only generates tremendous wealth and jobs within itself, but also spurs comparable benefits in countless supporting sectors, from business services to restaurants, and from retail to construction. The Eastside presence of Microsoft, Google, Expedia, and other large technology firms is an asset that needs to be carefully protected. Dependency on these firms is also a weakness to be guarded against. The City's investments in newer, small-scale technology firms, international markets, and the tourism and visitors industry all seek to build on and diversify from this core strength.
- **Presence of interested partners.** With limited resources, the City is interested in working with partners to leverage its investments and energies, to secure the biggest impact possible. The presence of keen and engaged partners encouraged the City to focus energies on technology entrepreneurship, globalism, and tourism.

As with any strategy, the focus will change over time. While the priorities identified in this plan offer more than enough promise and challenge to absorb our energies over the coming five years, we will remain flexible and open to other possibilities that may arise.



Plan Themes

- **Collaboration.** The City recognizes that it cannot achieve the Desired Outcomes working alone. Bellevue can extend its reach by partnering with community-based entities, including our economic development partners, as well as private businesses that share our Vision and focus. Through this collaboration, Bellevue will leverage others' strengths and resources to achieve greater outcomes than could be accomplished individually.
- **Regionalism.** The City of Bellevue cannot be strong without a strong Eastside and Puget Sound region. Bellevue's economy and other neighboring communities are interlinked: businesses and residents alike choose to locate in a healthy and attractive region; which city they land in is almost incidental. Similarly, visitors do not pay attention to specific city boundaries when choosing their destinations. Bellevue will take a regional, collaborative approach to advancing areas of common interest among Eastside communities and in partnership with the greater Seattle area. The City will be both a leader and a collaborator, working with other communities in the region to address issues that require regional, state, or national solutions.
- **Internationalism.** Bellevue sees itself in a global context. City residents and businesses, as well as the owners, investors, employees, and customers of these businesses, come from all over the world. This is a tremendous advantage, giving our businesses access to worldwide markets and a global workforce.



Economic Development Strategy



DIRECT ECONOMIC DEVELOPMENT STRATEGIES

1. Cultivate Bellevue's next generation of technology entrepreneurs

Information Technology (IT) — including software and systems development, interactive media (gaming), and mobile technology — is Bellevue's largest industry cluster. In addition, analysis of business openings by industry shows that IT is where most business starts occur.

Our strategy is to encourage a creative and entrepreneurial environment, where businesses, entrepreneurs, and knowledge workers are at the center of the mix.

1.1 Create a collaborative environment supportive of entrepreneurship

- Establish an entrepreneur-focused advisory group to provide ongoing input on Bellevue's Next Generation strategy
- Create greater awareness of training and mentoring opportunities for new and growing businesses
- Host creative programs and competitions to spur innovation, drawing an international audience
- Explore means to support easier access to investment capital for local entrepreneurs

1.2 Create affordable and flexible workspaces for entrepreneurial companies

- Capitalize on immediately available space to launch a collaborative workspace endeavor in the short-term
- Plan for and open a shared workspace in a more permanent location
- Spur the creation of community-based gathering places for entrepreneurs that would serve as social places for meeting and working

1.3 Establish a "Tech Zone" or technology district with high connectivity, smart infrastructure, and other amenities to attract targeted firms and site them in close proximity to one another

1.4 Recruit technology firms to Bellevue, targeting mid-sized companies that are well-funded and poised for growth

1.5 Attract an expanded higher education presence to support talent development and enrich and energize the local technology environment with research and development, programming, and business spin-offs

This Direct Strategy will be supported by the following Foundational Strategies in particular:

- *Strategy C: Cultivate attractive and diverse business districts*
- *Strategy D: Support the development and attraction of world-class talent*
- *Strategy E: Encourage a variety of housing choices within the city*
- *Strategy F: Continue to make Bellevue a great place to live and visit*

This Strategy will inform the portions of *Strategy 4* that relate to promoting Bellevue as a hub for technology entrepreneurship and recruiting targeted firms.

2. Position Bellevue as a Pacific Rim gateway

Bellevue is already an international business hub with a well-educated workforce, a diverse population (more than one-third of Bellevue's population is foreign-born), and proximity to Asia. Bellevue's focus will continue to be on the Pacific Rim, particularly where specific opportunities and strong ties already exist. Bellevue can maintain existing connections and build off of them to spur new business formation.

Supporting foreign investors and businesses choosing to locate in Bellevue will diversify the city's economy, increase its economic base, and continue to support Bellevue's ethnic diversity. Desirable firms are defined as those that increase access to overseas markets, establish a prime office for U.S. operations in Bellevue, and/or grow the regional marketplace and talent pool.

2.1 Strengthen the city's international relationships and knowledge base

- Cultivate City staff and leadership's cultural fluency and ability to communicate with visiting diplomats, businesses, and entrepreneurs
- Build relationships with regional, state, and federal partners
- Continue to build a global network of relationships

2.2 Proactively link foreign investors and potential investment opportunities

2.3 Provide increased assistance for foreign businesses or foreign nationals seeking to open businesses in Bellevue

2.4 Recruit key institutions and governmental agencies to Bellevue, including consulates

2.5 Recruit overseas companies to locate operations in Bellevue

- Target financial services companies, particularly those that may serve as a conduit for foreign investment from the Pacific Rim and elsewhere, as well as firms that will help grow Bellevue's innovation economy

This Direct Strategy will be supported by *Foundational Strategy F, Objective 3: Cultivate community-driven events and festivals that add vibrancy to the city and reflect our diversity.*

This Strategy will inform the portions of *Strategy 4* that relate to promoting Bellevue internationally as a location for foreign capital and business investment.

3. Strengthen Bellevue's tourism and visitors cluster

Bellevue's tourism industry is an existing strength that has potential for additional growth. Currently there is strong demand for corporate meeting facilities of all sizes. However, while Bellevue hotels are typically booked during the week, frequently there is excess capacity on the weekends. To address this gap, the City will work with partners to develop a coordinated tourism strategy encompassing business-related and leisure markets. This Strategy will increase the city's economic base, create job opportunities, and strengthen the city's economic resiliency.



3.1 Establish a coordinated tourism and visitors strategy

Partner with Visit Bellevue Washington, Bellevue's official destination marketing organization to:

- Study Bellevue's hotel market and capacity to host business meetings and conventions, identifying and promoting gaps and market opportunities.
- Further develop and implement a tourism plan for Bellevue.
- Support the Visit Bellevue Washington partnership to develop and implement a targeted destination tourism campaign.
- Participate in the development of Bellevue as a destination for visitors. Evaluate the need and support the creation of new tourism draws including a new regional- or national-level arts and cultural attraction.

3.2 Participate in the preliminary efforts to grow Washington's film and other media businesses

- Provide specialized services and permitting processes that meet the unique needs and quick timelines of this industry
- Connect industry with local hotels, restaurants, and other businesses

This Strategy will inform the portions of *Strategy 4* that relate to promoting Bellevue as a destination for tourists and visitors.

4. Develop a multi-pronged economic development marketing campaign

The City must clearly communicate its vision for the future of Bellevue's economy. The City will implement an economic development marketing campaign to raise awareness of its goals, the opportunities that exist in Bellevue, and the City's willingness to facilitate investment that is in line with the Vision and Desired Outcomes established in this Strategy.

- 4.1 Establish a funded City of Bellevue economic development marketing campaign aligned with the City's brand and communications strategy
- 4.2 Redesign the City's economic development web pages or establish a dedicated economic development web site promoting Bellevue to prospective businesses and investors

In the short-term, focus on:

- General economic development: the city's strong and diverse economy, supportive business climate, and high quality of life
 - Next Generation Bellevue: the City's focus on cultivating technology entrepreneurship
- 4.3 Create additional marketing collateral to support specific aspects of the City's economic development strategy as they are activated
 - Develop additional economic development collateral, including a family of printed materials that overview the City's economic development strategy and the City's interest and opportunities in specific target markets
 - Promote Bellevue and the region as a tourism and visitor destination as established in the coordinated tourism and visitors strategy (supports *Strategy 3*)
 - Partner to promote the Eastside as a particularly attractive destination within the greater Seattle region for Pacific Rim tourists and visitors (supports *Strategies 2 and 3*)
 - 4.4 Proactively link investors and potential investment opportunities



FOUNDATIONAL STRATEGIES

The Foundational Strategies below are essential to a well-functioning community and will support high quality of life for Bellevue residents and all businesses and economic clusters. Many of these topics are long-standing, ongoing efforts carried out by initiatives and programs throughout the City organization. It is important to recognize their connection to economic development, and to call attention to a short list of new initiatives among them that will require **new** energy and resources:

- *Expanding access to high speed data options (Objective B.4)*
- *Establishing a clear vision and future for the Wilburton District (Objective C.5)*
- *Workforce housing (Strategy E)*

A. Take both a local and a regional approach to solving transportation challenges

Many stakeholders highlighted transportation as Bellevue's largest challenge. The City should provide leadership around transportation investments (at local and regional levels), including a multi-modal system that works together (roads, transit, rail, biking, and pedestrian corridors). To do this, Bellevue needs to leverage regional supports, as well as review available infrastructure funding mechanisms. By achieving needed improvements to the transportation infrastructure, the City will ensure smooth movement, with increased capacity, of people and goods, strengthening the local economy.

A.1 Provide leadership around transportation investments at the regional level

- Work in collaboration with other jurisdictions to pursue critical improvements to regional transportation infrastructure, including regional highway, transit, pedestrian, bike, and trail investments.

A.2 Leverage the planned East Link light rail corridor

- Promote community-driven transit-oriented development opportunities around light rail stations and other major transit facilities.
- In East Link station areas, address interim conditions between now and the start of light rail service.

A.3 Cultivate a multi-modal transportation system that will ease congestion by increasing capacity and enhancing connectivity (roads, transit, rail, biking, and pedestrian corridors)

- Continue to invest in smart infrastructure systems to enhance performance of the existing transportation network
- Establish a transportation capital plan for future growth and mobility of the city.



B. Provide a business climate and infrastructure that facilitates desirable business investment

Stakeholders suggested that the City needs to continue to improve business climate, further streamlining codes and regulations and ensuring development predictability. Doing this and facilitating access to high speed Internet will encourage business investment and attract new business.

- B.1 Create systems that will make it easier for businesses to navigate processes, facilitating the efficient navigation of City regulations and assisting small businesses in finding solutions that adhere to Bellevue's codes and requirements
- B.2 Continue to streamline permitting, inspections, and entitlement processes, with particular focus on assistance to small business start-ups and making inspections of new and existing buildings more efficient and consistent
- B.3 Integrate our infrastructure planning with an economic development strategies and consider using the full spectrum of infrastructure funding mechanisms available to support investments that will support businesses and residents
- B.4 Develop a "Smart City" strategy to include high speed data options for businesses and residents

C. Cultivate attractive and diverse business districts

Employers are looking for a diverse range of built environments, including unique options appealing to the younger, creative demographic typical at information technology companies. While the City needs to invest in the health and vitality of Downtown, we should focus not solely there, but seek to develop other areas with growth potential. Attaining these goals will improve the quality of life of Bellevue residents through the creation of diverse and dynamic places and will attract cutting edge, innovative companies.

A key focus in this Foundational Strategy is making the greatest use of the City's distinctive business districts, including Downtown, Factoria/Eastgate, the redeveloping Bel-Red Corridor, and the as-yet unplanned reinvention of the Wilburton and 116th Avenue NE area. Each of these areas presents unique potential to add to Bellevue's sense of place and diversity of built environments. Each is or will be grounded by a distinct vision and supporting strategies designed to cultivate a particular character in the buildings, businesses, and amenities and form the sub-area into a desirable place to be.

- C.1 Use land use code guidance and public infrastructure investments to promote dynamic urban neighborhoods with diverse shopping and eating options, healthy neighborhood retail centers, and "after hours activities"
- C.2 Continue to shape Downtown Bellevue into a dynamic, world-class urban environment by implementing the results of the Downtown Livability Study and using targeted public investment to make Downtown a walkable and energized environment with a strong sense of place
- C.3 Promote the Factoria/Eastgate area along the I-90 corridor, updating the area land use and amenities consistent with recommendations of the Eastgate Land Use and Transportation Project
- C.4 Cultivate the Bel-Red Corridor as a distinctive, well-defined place energized by transit-oriented development and supported by public investment
- C.5 Seek unique anchor uses to develop the Wilburton and 116th Avenue NE area into a distinct district that complements Downtown and the Spring District
- C.6 Continue to retain and attract auto dealerships, recognizing the increasing difficulties of finding appropriate land due to continued urbanization of Bellevue



D. Support the development and attraction of world-class talent

Bellevue School District is one of the community's greatest assets, consistently ranking at the top in the state and nationally – continuing the support of the school system is important to maintaining Bellevue as a desirable area to live. In addition, availability of a skilled talent pool is one of the major determinants in business location decisions. While Bellevue is one of the most highly educated areas at the moment, most employees received their degrees outside the region. There is a continuing need for higher education capacity across the board, and in Science, Technology, Engineering, and Math (STEM) fields in particular, providing an opportunity to leverage and partner with local education providers such as Bellevue College.

- D.1 Continue to support and leverage Bellevue's high-quality K-12 education system by supporting the work of the Bellevue School District and facilitating the collective impact of organizations working with the K-12 system to close achievement gaps
- D.2 Fully leverage relationships with Bellevue College
- D.3 Convene workforce development entities and businesses in the City's target clusters to coordinate and advance workforce development efforts

E. Encourage a variety of housing choices within the city

To support a thriving economy, there is a need for workers at all income levels; however, the limited range of housing options in Bellevue challenges the availability of a varied workforce. Bellevue needs a city-wide approach to housing options for different income levels – in different growth areas of the city.

- E.1 Develop a city-wide strategy to expand workforce housing options by exploring all manner of tools, including a multifamily tax exemption program, a revolving fund for transit-oriented development, zoning changes, and other options
- E.2 Create opportunities for workforce housing in the redevelopment of Bel-Red and other major employment centers



F. Continue to make Bellevue a great place to live and visit

A high quality of life is one of Bellevue's greatest economic development assets. Stakeholder interviews suggested that more can be done to improve quality of life and cultivate a strong sense of place with a true Bellevue character. Opportunities to advance these interests include further investments in parks, public spaces, community assets, and events, especially those celebrating diversity.

A vibrant community with strong cultural diversity, arts, and public events aligns both with the expectations of Bellevue residents and the desires of knowledge workers key to achieving Bellevue's aspirations to be a hub of technology entrepreneurship and a gateway to the Pacific Rim.

- F.1 Complete Meydenbauer Bay Park with a strong linkage to Downtown and the Wilburton District, including the Eastside Rail Corridor
- F.2 Create community assets and experiences that benefit local residents and draw regional tourists, including options such as destination parks, a youth center focused on science and technology, a performing arts center, and the development of the Eastside Rail Corridor as a pedestrian and bicycle amenity
- F.3 Cultivate community spaces and community-driven events and festivals that add vibrancy to the city and reflect our diversity
- F.4 Promote environmental sustainability at the municipal and city-wide levels, recognizing that the interface between the built environment and natural environment ("the City in a Park") is a major attractor for local talent



Implementation



With its first articulated economic development strategy in place, the City has established a framework for aligning efforts across the city, coordinating with partners, and measuring progress.

During each biennial budgeting process, the City will evaluate its progress towards the Vision and Desired Outcomes stated in this document and identify areas of focus for the coming year. Short-term action items will be selected and energetically pursued as current year priorities. These priorities will be communicated to stakeholders, including partners who will work together with the City to advance its strategy. In addition to announcing these ambitions, the City will review its progress, both on key priorities and additional work that is happening in the background.

The City is using an *Implementation Plan* that accompanies this Strategic Plan to capture implementation tactics, responsibilities for leading and supporting individual tasks, resource requirements, and partnership opportunities. This internal document will support the City's budgeting and implementation processes, and provide a mechanism for assessing progress and maintaining accountability.

Wilburton Commercial Area Citizen Advisory Committee

Design, Character, and Aesthetic Priorities

Buildings, Form, and Materials

1. High rise building design should pursue opportunities to create unique and iconic forms that develop a distinct skyline and unique aesthetic for the Wilburton Commercial Area.
2. Building design should pursue strategies to mitigate the scale of massing and bulk. Such strategies should include modulation and variation of facades through massing forms and materiality.
3. Podiums and their high rises should establish continuity in design, but also clear definition so that the podium relates to the pedestrian scaled environment. Podium designs should establish a scale and aesthetic relationship with the surrounding streetscapes, pedestrian realms, and from parcel to parcel.
4. Buildings should develop a complex palette of materials that provide layering and depth. Buildings should avoid a repetitive “stacking” of materials as it increases in height.
5. Street level facades should incorporate human scaled materials such as masonry, wood, or other materials that provide a scale that relates to the pedestrian environment.
6. High rises should provide adequate separation for the sunlight, shade and shadow mitigation, and to preserve opportunities for views from the Eastside Rail Corridor to Downtown, and future opportunities from other potential significant public spaces.
7. Buildings should provide urban amenities such as continuous weather protection, public plazas and open space, integrated art, outdoor seating and lighting, and references to Wilburton specific history and heritage.
8. All above grade parking must be screened with active uses along streets. Active uses include commercial and retail activity or residential.
9. Cohesion and transition between the study area and surrounding neighborhoods and amenities that respect the existing context should be incorporated.
10. Provide adequate separation in development that encourages sunlight, mitigation of shade and shadow, and creates opportunities for territorial views. Separation can be achieved through inspirational and unique forms and design.
11. Roof forms that are identifiable, unique, and create a visually dynamic skyline.
12. Consider the environmental implications of materiality and form, such as sunlight reflectivity to the public realm as well as the environmental performance of the development including daylighting.
13. Encourage transparency at the street level and visibility to active uses.
14. Create active and engaging facades that activate the pedestrian realm, including operable storefronts and engaging ground level configurations.
15. Building designs should welcome and express a diverse cross section of users, representative of Bellevue’s population as well as its desire to be a multi-cultural destination and inclusive community.

Design, Character, and Aesthetic Priorities

Parks, Open Space, and Public Space

1. Design of public space should be welcoming to all of Bellevue's diverse population. Designs should not reflect the specific interests or serve the specific needs of a limited demographic.
2. Public spaces, particularly plazas and connections through blocks, need to be designed in a manner that reflects their public use and accessibility, and avoid designs, configurations, and layouts that project a feeling of privatization.
3. The Wilburton Commercial Area should be provided a large central civic park space as part of the Grand Connection planning initiative.
4. Public spaces should encourage whimsy and fun that is applicable to users of all ages and demographics.
5. Public spaces, including parks, plazas, and portions of the Eastside Rail Corridor, should be framed by active uses such as markets, and retail or commercial activity.
6. The design of public spaces should include references to the history, heritage, and culture of the Wilburton area.
7. Natural assets, including Lake Bellevue, Sturtevant Creek, and the wetland at the intersection of 116th Avenue NE and Main Street should be improved to serve as public assets and amenities to the residents and businesses of the Wilburton Commercial Area and surrounding neighborhoods.
8. Designs of public spaces, supporting amenities, and artwork should pursue organic and fluid forms, relying less on rigid design and programming.
9. Between NE 4th Street and NE 8th Street the Eastside Rail Corridor should be framed by active uses that encourage permeability, activity, and connectivity to the Wilburton Commercial Area and its amenities and services.
10. Public spaces should incorporate art, lighting, and unique seating features as amenities to the public and to create dynamic and diverse public spaces.
11. Coordinate with property owners to create a dynamic and memorable intersection between the Grand Connection and Eastside Rail Corridor.

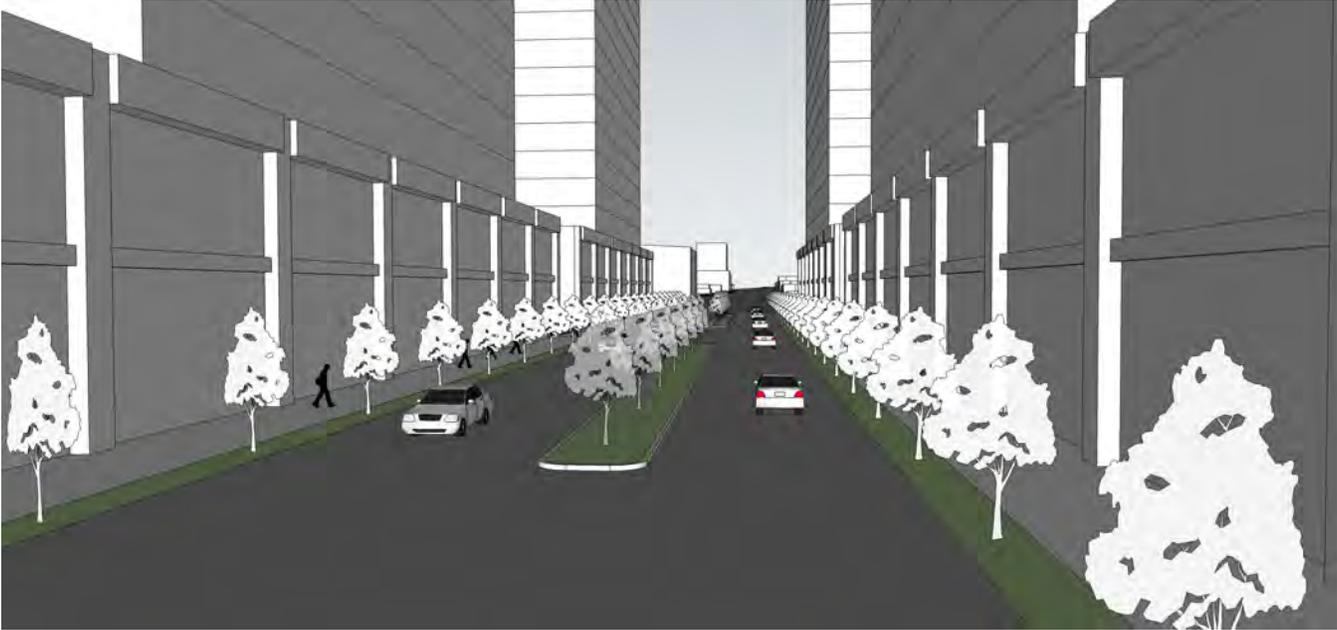
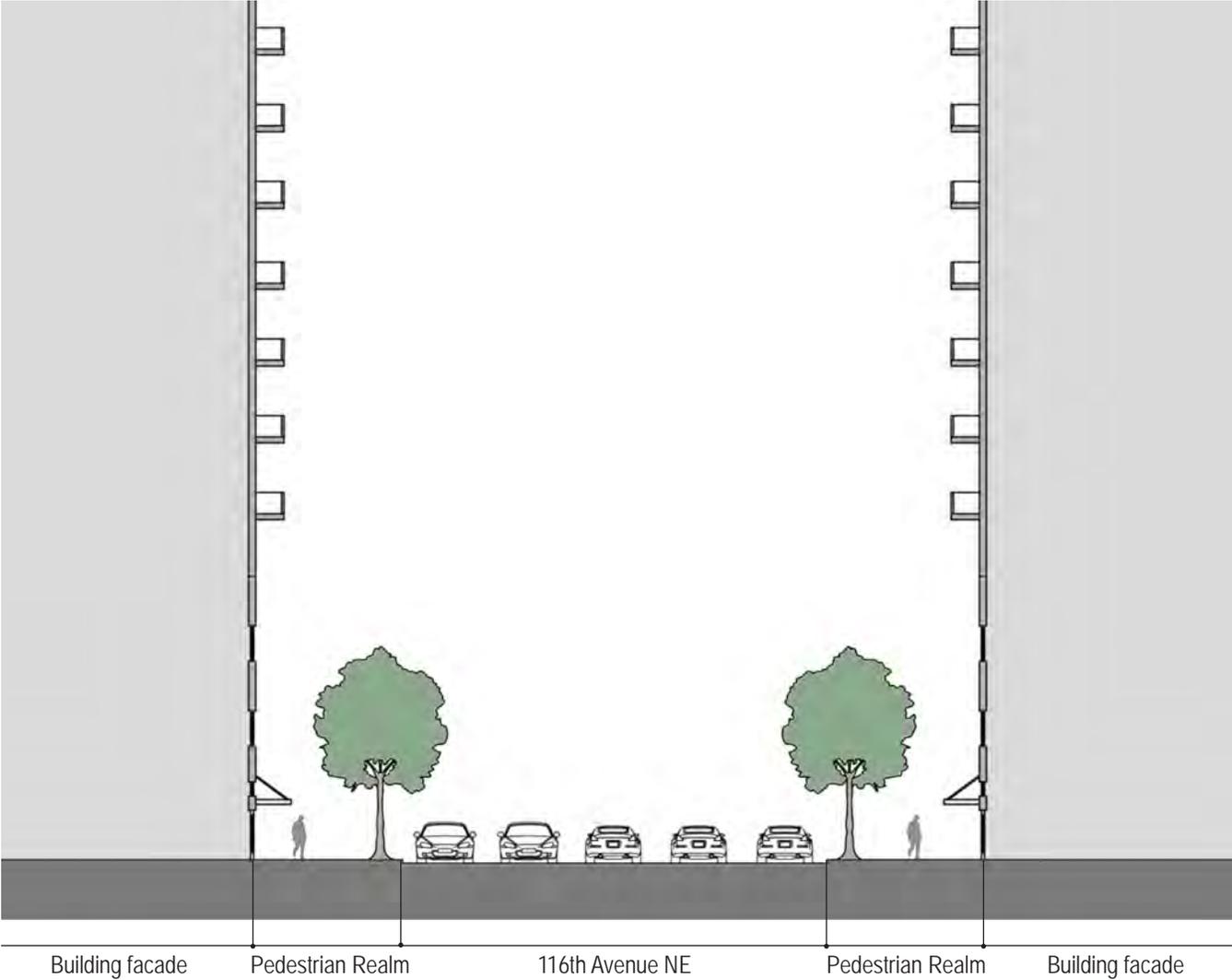
Design, Character, and Aesthetic Priorities

Streets, Streetscapes, and Pedestrian and Cyclist Environments

1. Physical separation of automobiles, pedestrians, and cyclists should be provided where possible. Safety should remain the most important consideration for all modes of connectivity.
2. Encourage pedestrian focused streets, such as activated alleys, that can serve as public and social gathering and third places.
3. Designs of streetscapes should be inspiring and engaging for residents of all ages. Generic streetscape design should be avoided, and encourage materials and designs that are well designed, reference history, and fun.
4. Encourage greener streets through vegetation, planter boxes, rain gardens, and softened edges between the hardscape and landscape.
5. Streetscape designs should encourage the inclusion of sustainable features such as rain gardens and bio swales.
6. Development around the Eastside Rail Corridor should be nuanced and considerate of its surrounding context.
7. The segment of the Eastside Rail Corridor between Lake Bellevue and NE 4th Street should prioritize creating a unique and permeable environment, embraced with active uses and engaging facades.
8. The segment of the Eastside Rail Corridor south of NE 4th Street should consider gentler uses and a less urban environment, respecting the transition to less dense neighborhoods.
9. Connections between buildings and development should be designed to focus on the human scale and to encourage movement between development for pedestrians and cyclists.
10. All connections between sites, buildings, and public spaces should be clearly designed to encourage public use and not depict the feel or appearance of a privatized space.
11. Include historical references in streetscape design that speak to the heritage, history, and culture of the Wilburton area.
12. Provide urban amenities that encourage public use and soften the hardscape including seating, planter boxes, vegetation, light, and art that create an engaging and visually interesting streetscape.
13. Encourage activated alleys that are multi-modal and serve as third places.
14. Consider the needs of all modes of transportation on all streets.
15. Create permeability and enhance connectivity to the Eastside Rail Corridor.

Building - Right of Way Relationship

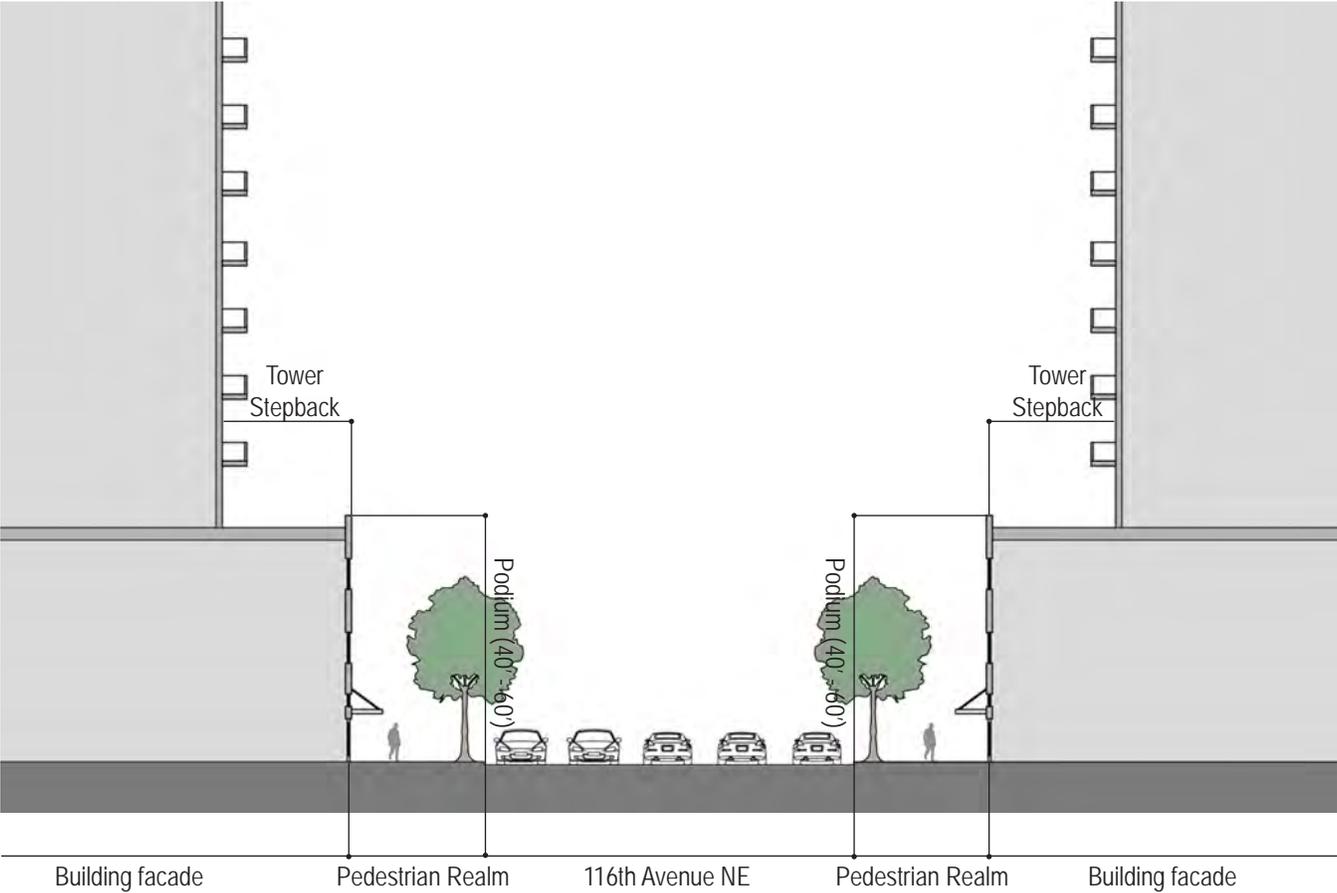
116th Avenue NE - No Stepback / No Setback



Looking north on 116th Avenue NE

Building - Right of Way Relationship

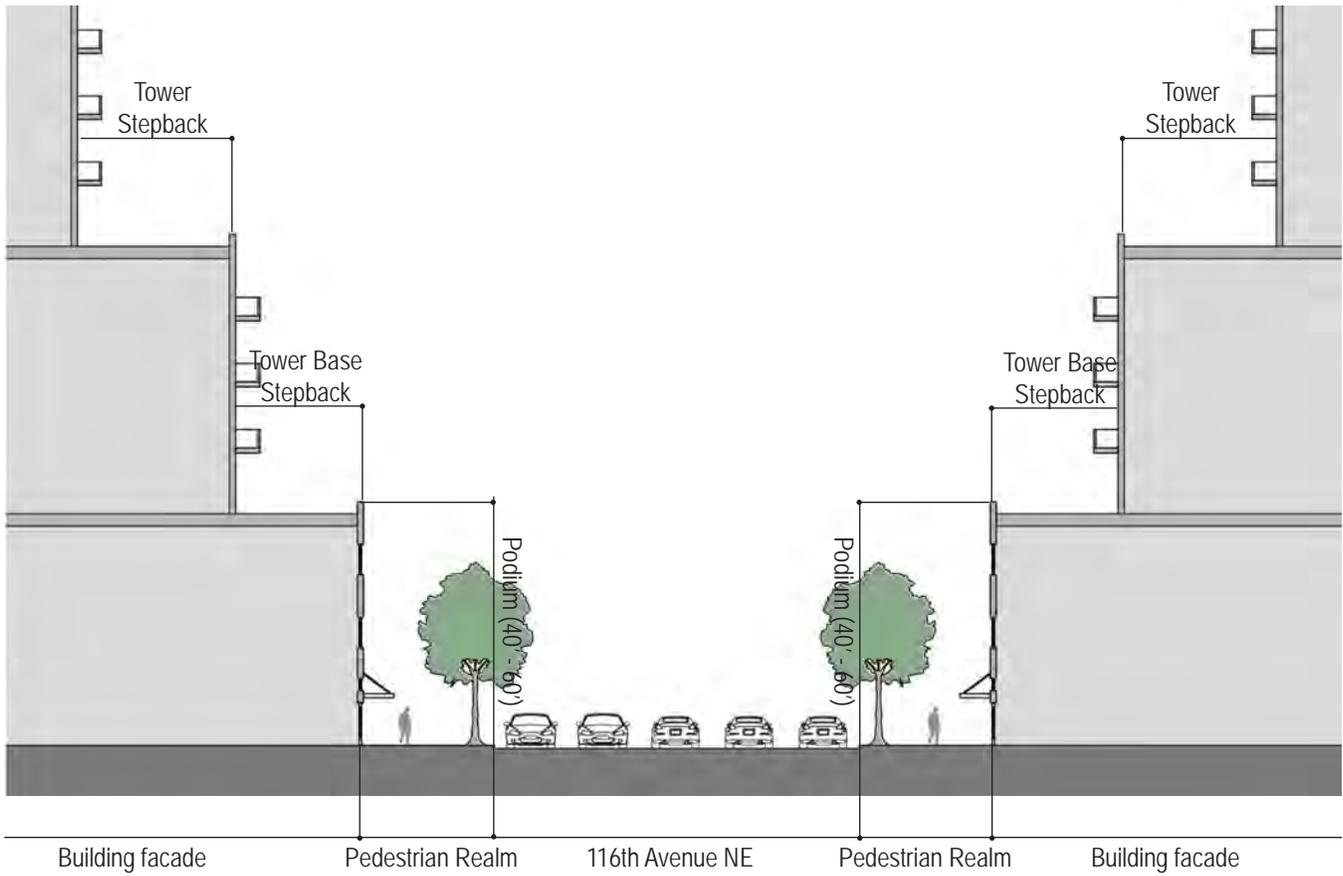
116th Avenue NE - Tower Stepback



Looking north on 116th Avenue NE

Building - Right of Way Relationship

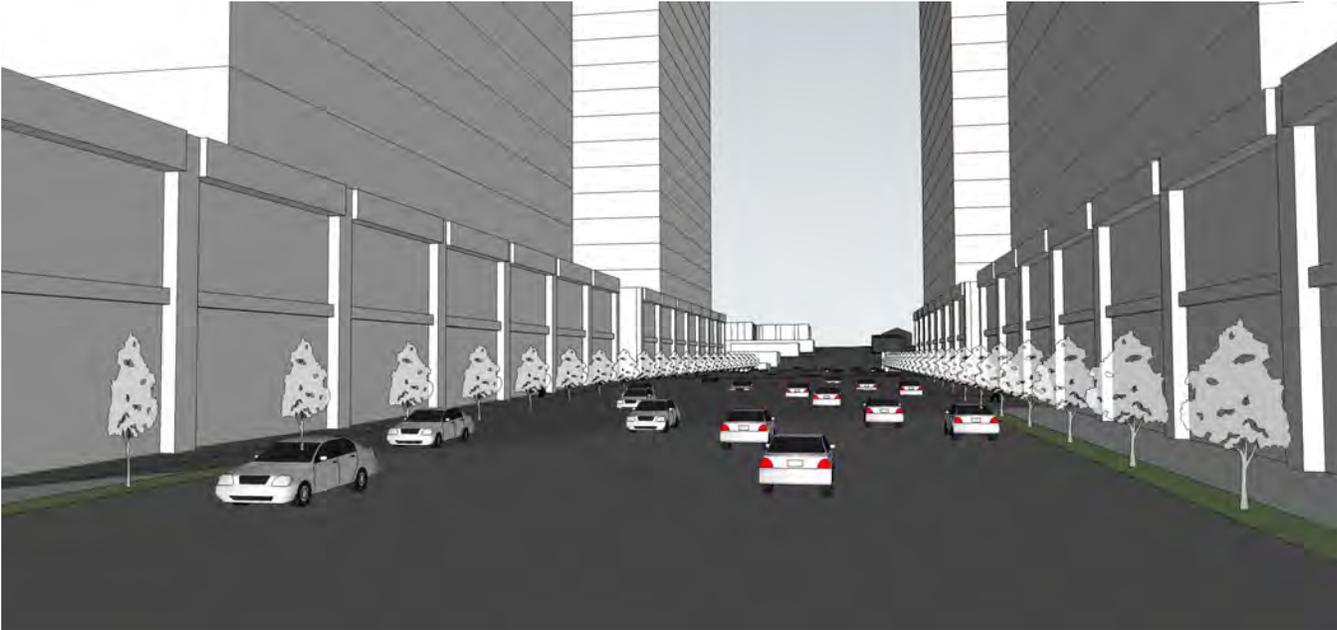
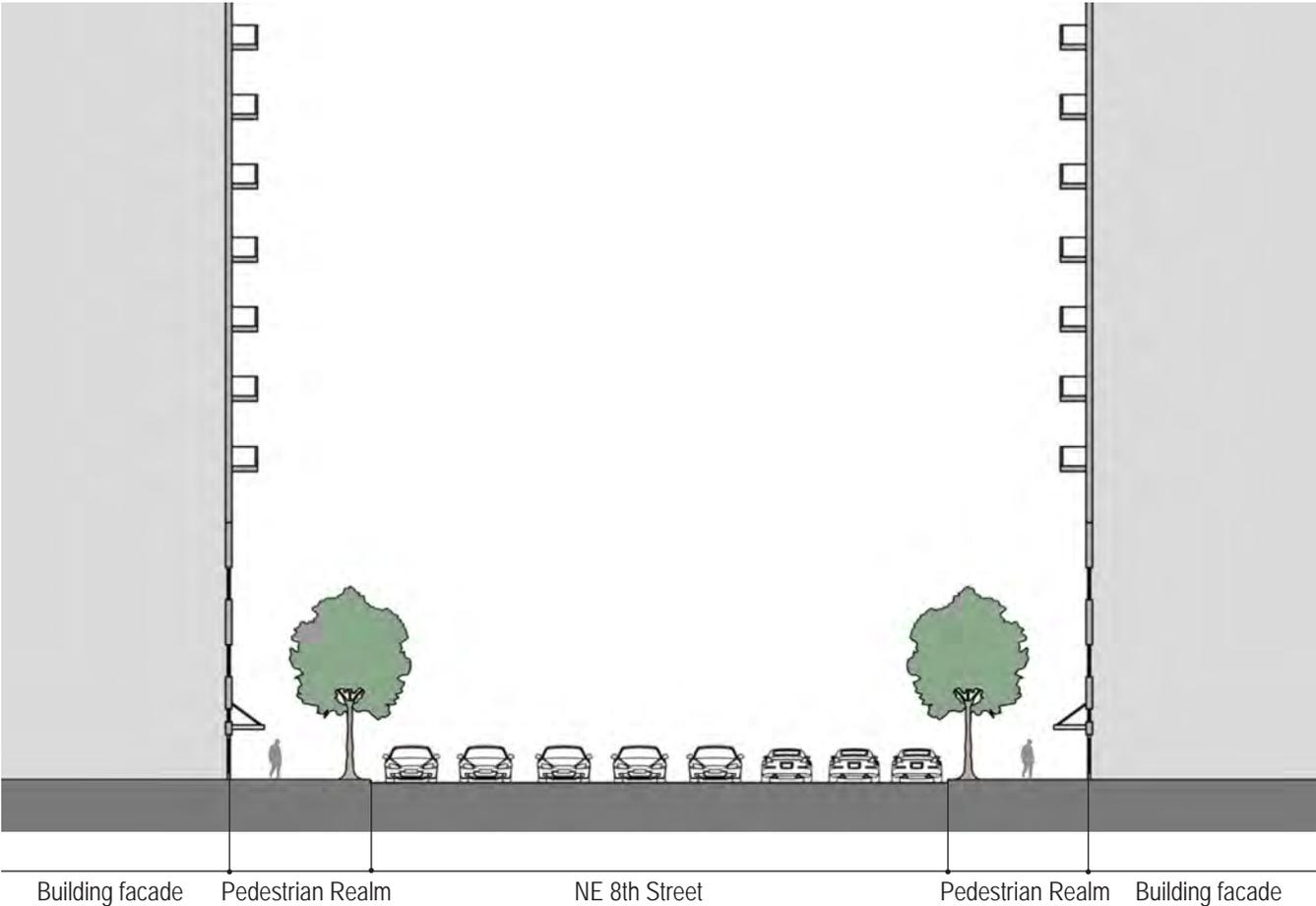
116th Avenue NE - Tower Base and Tower Stepback



Looking north on 116th Avenue NE

Building - Right of Way Relationship

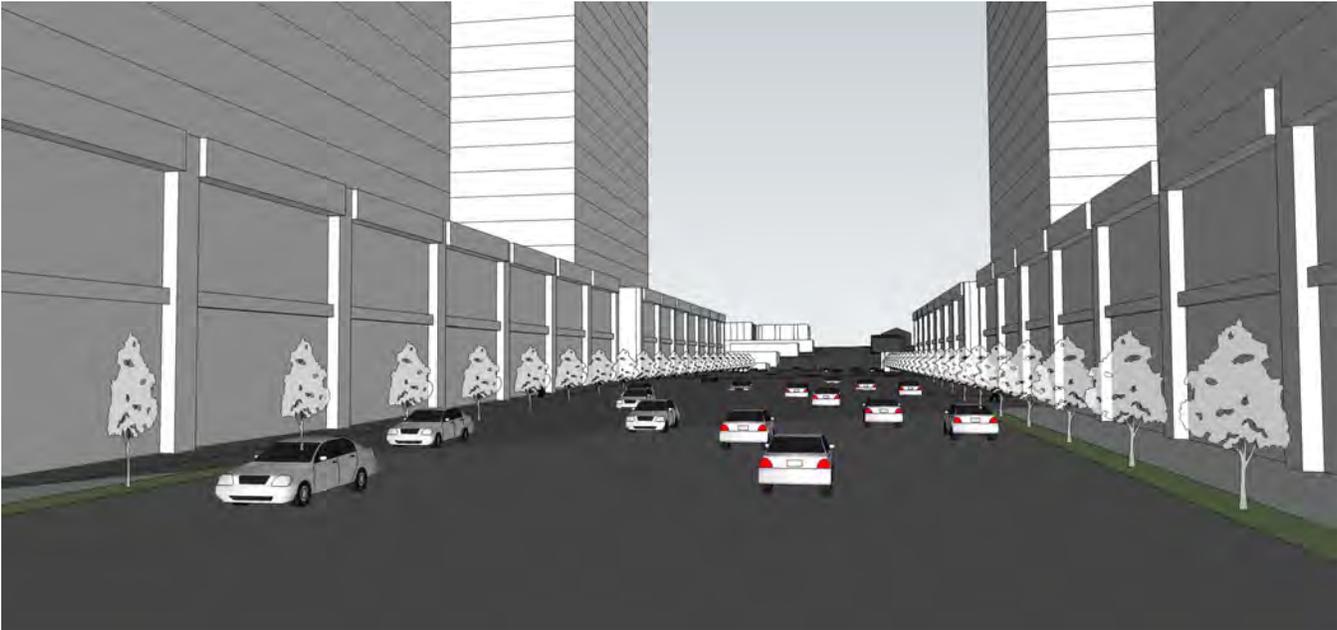
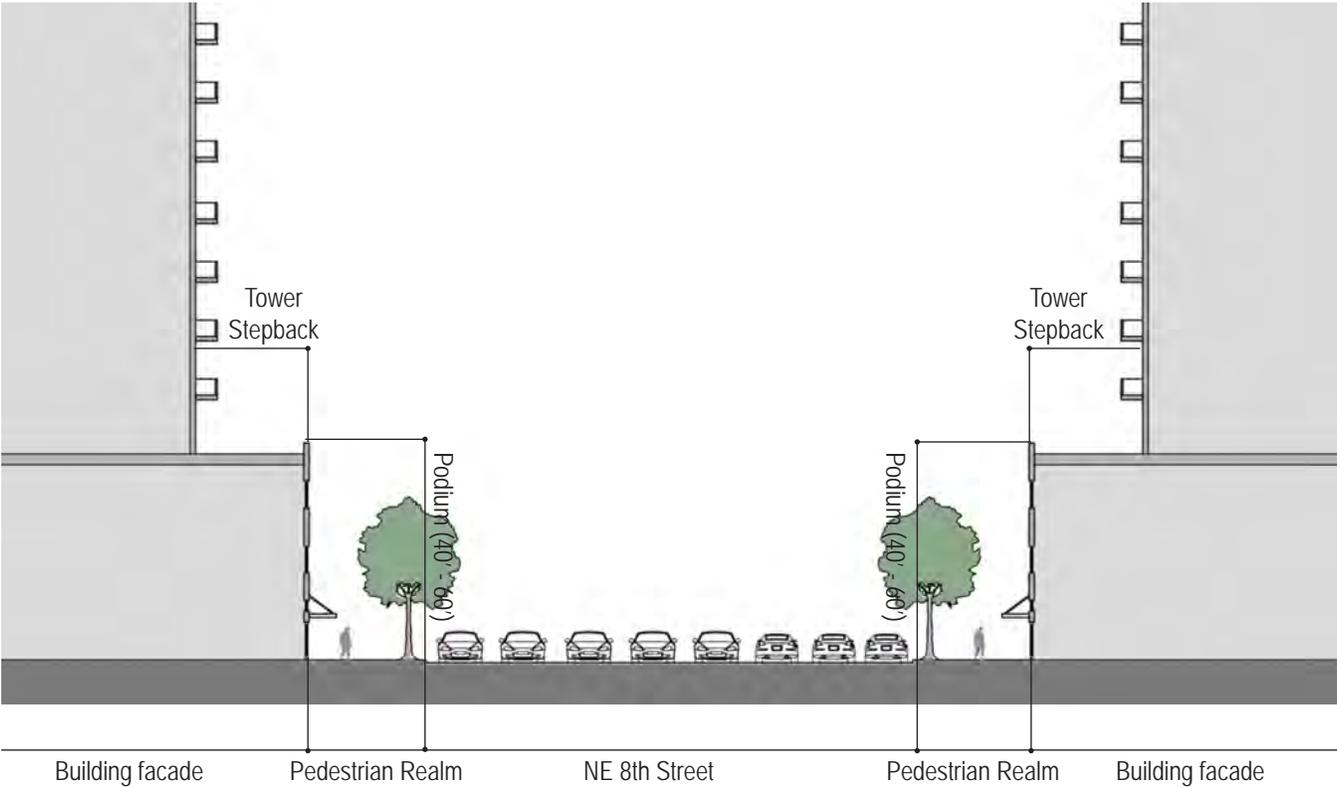
NE 8th Street - No Stepback / No Setback



Looking east on NE 8th Street

Building - Right of Way Relationship

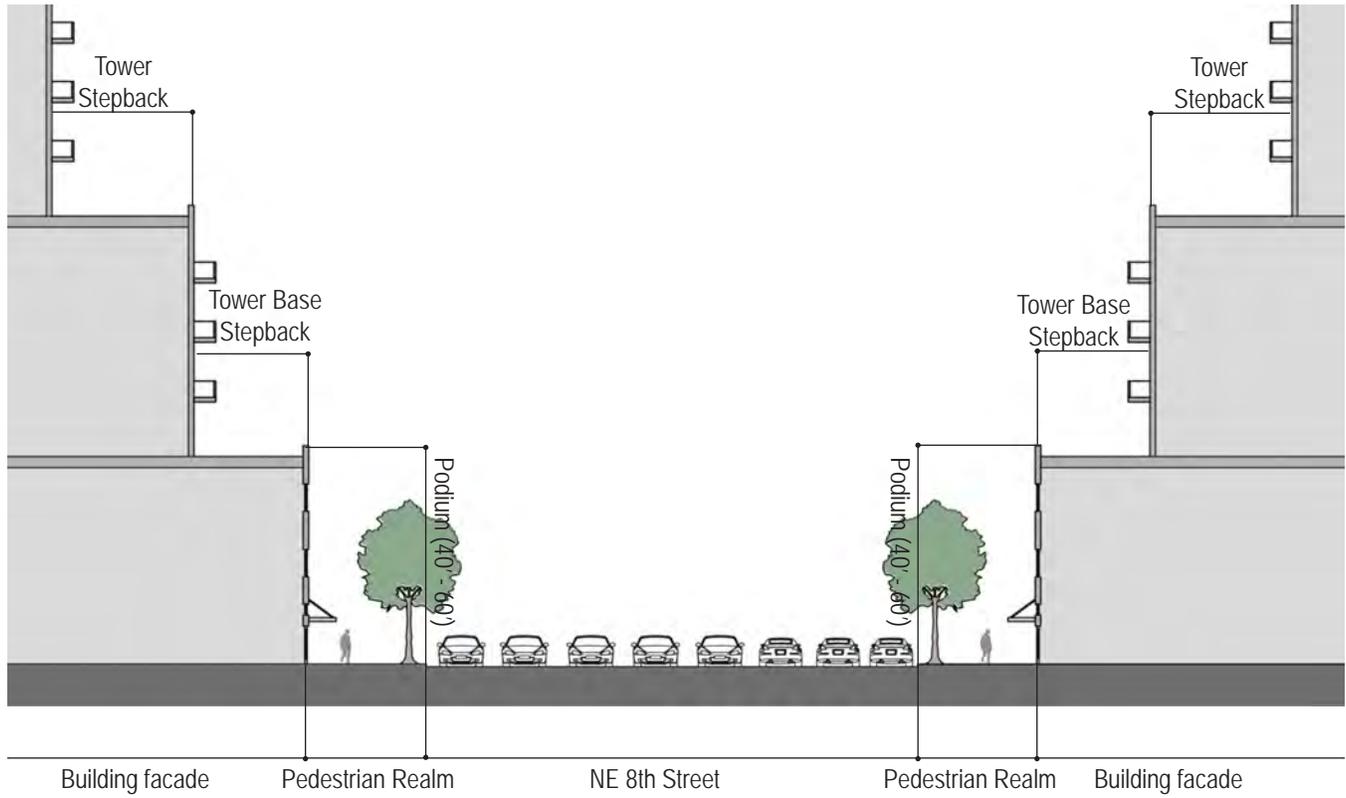
NE 8th Street - Tower Stepback



Looking east on NE 8th Street

Building - Right of Way Relationship

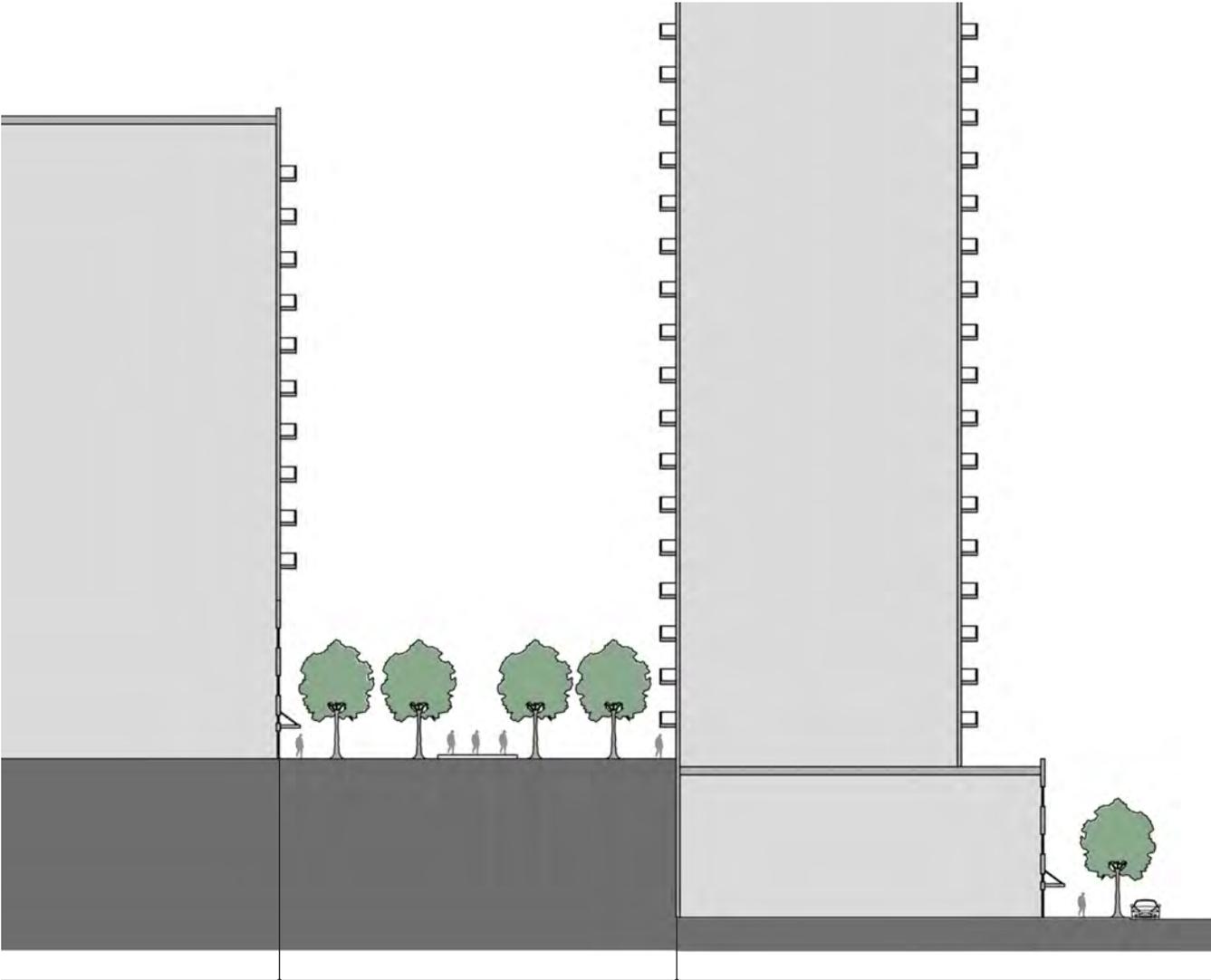
116th Avenue NE - Tower Base and Tower Stepback



Looking east on NE 8th Street

Building - Right of Way Relationship

Eastside Rail Corridor - No Stepback / No Setback



Building facade

Eastside Rail Corridor

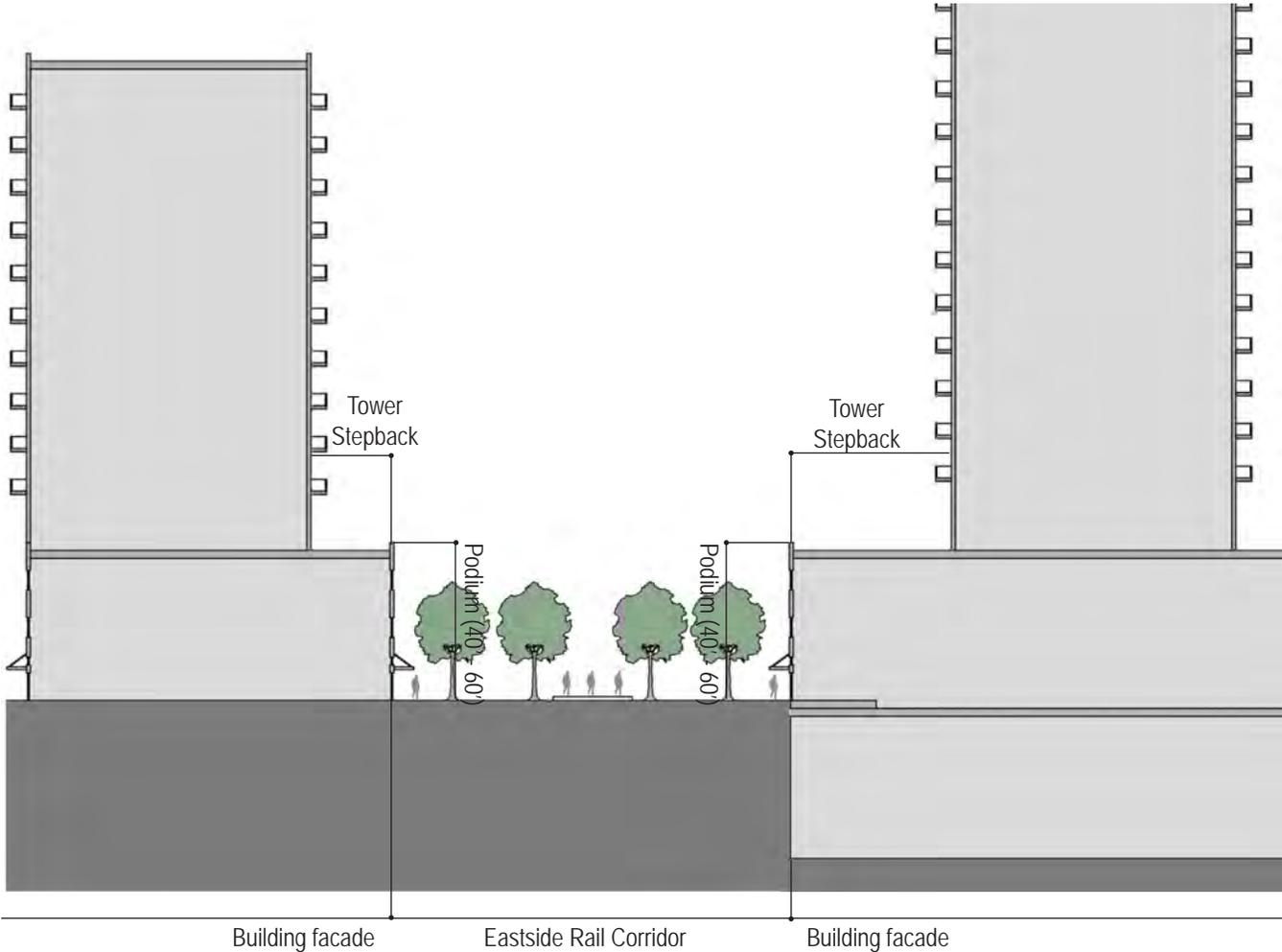
Building facade



Looking north on the Eastside Rail Corridor

Building - Right of Way Relationship

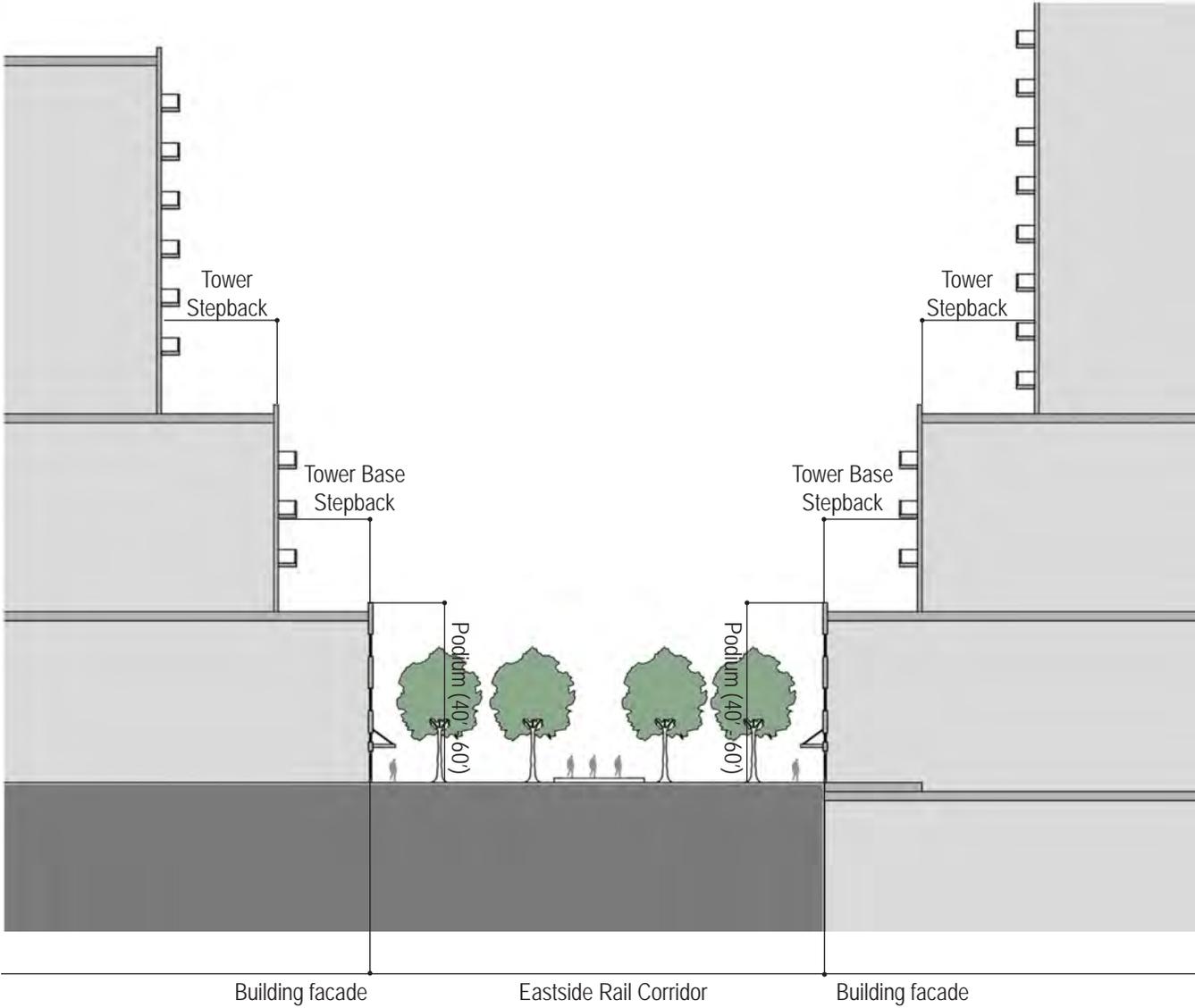
Eastside Rail Corridor - Tower Stepback



Looking north on the Eastside Rail Corridor

Building - Right of Way Relationship

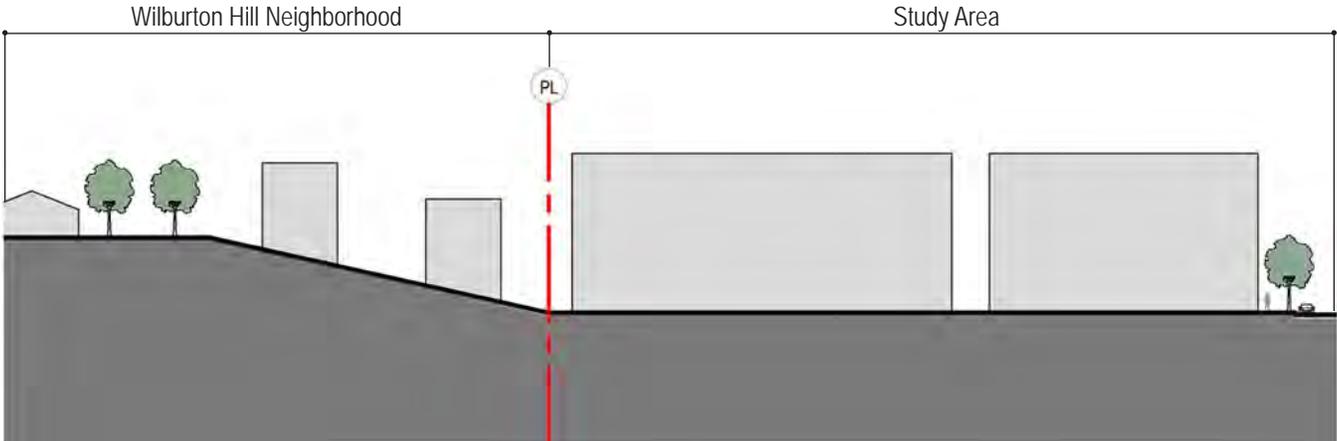
Eastside Rail Corridor - Tower Base and Tower Stepback



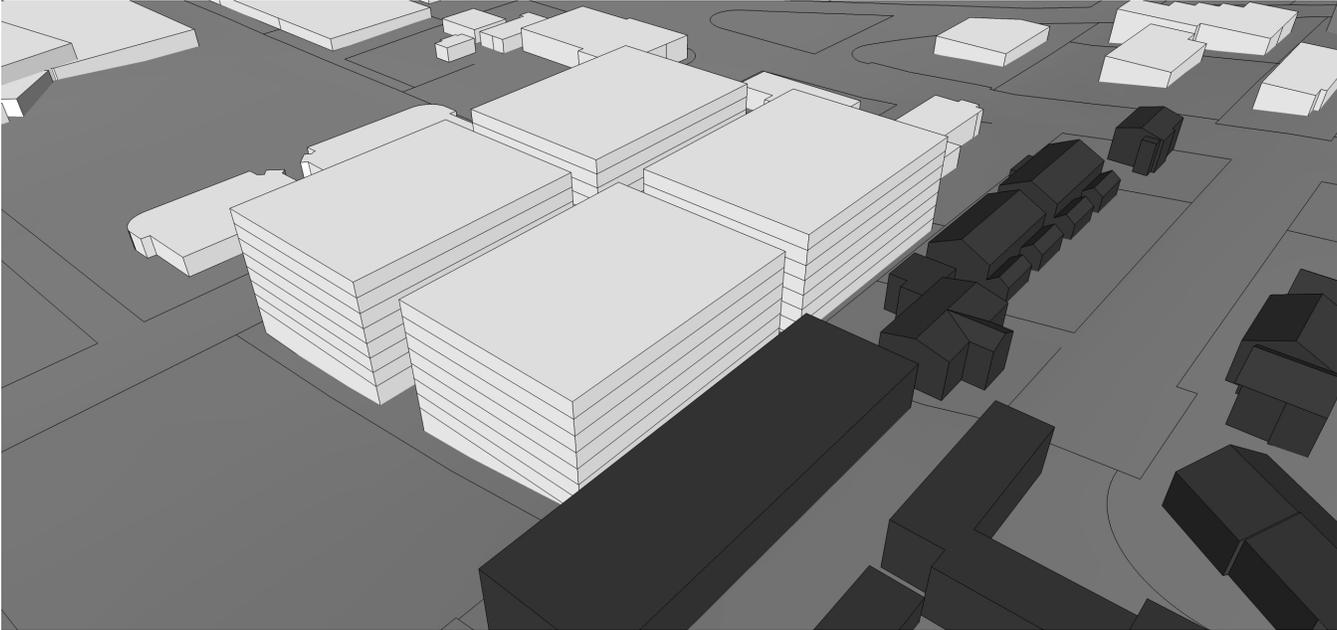
Looking north on the Eastside Rail Corridor

Buffers and Transitions

Study Area to Wilburton Hill Neighborhood



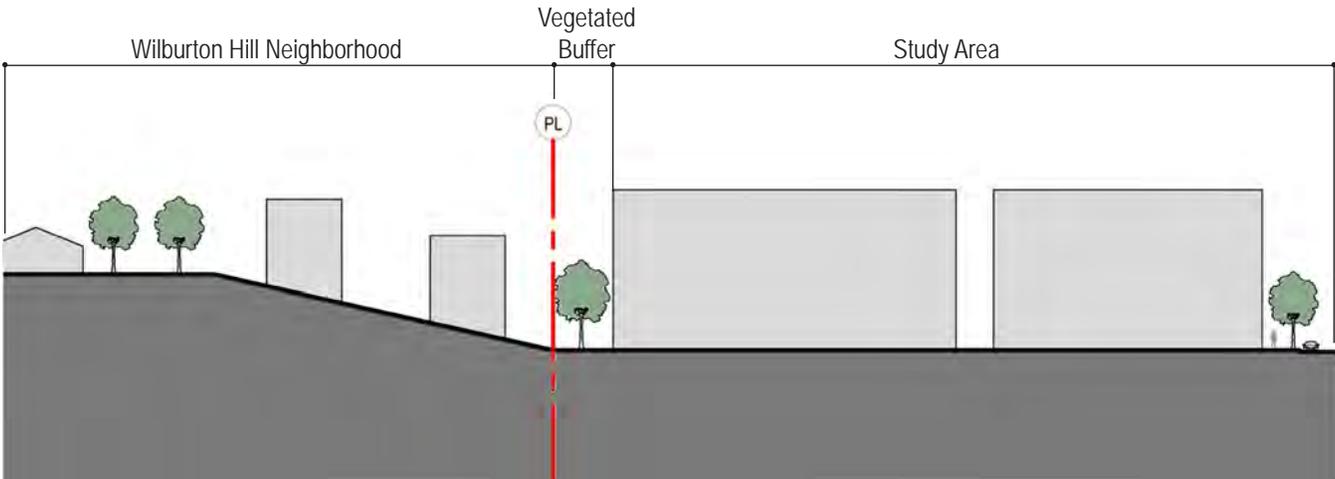
No Buffer



View looking northwest (Black - Wilburton Hill Neighborhood)

Buffers and Transitions

Study Area to Wilburton Hill Neighborhood



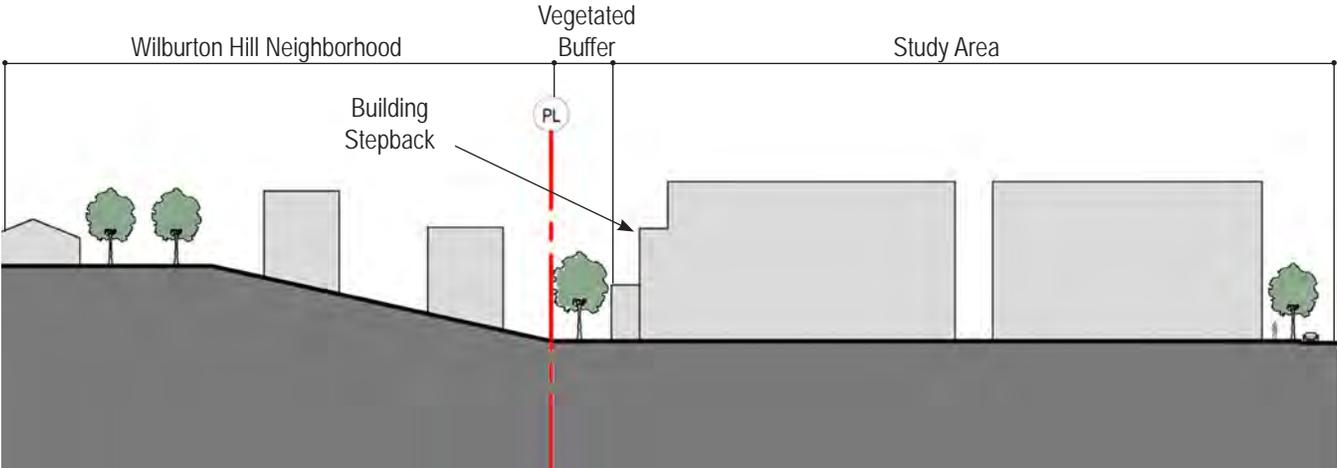
Vegetated Buffer



View looking northwest (Black - Wilburton Hill Neighborhood)

Buffers and Transitions

Study Area to Wilburton Hill Neighborhood



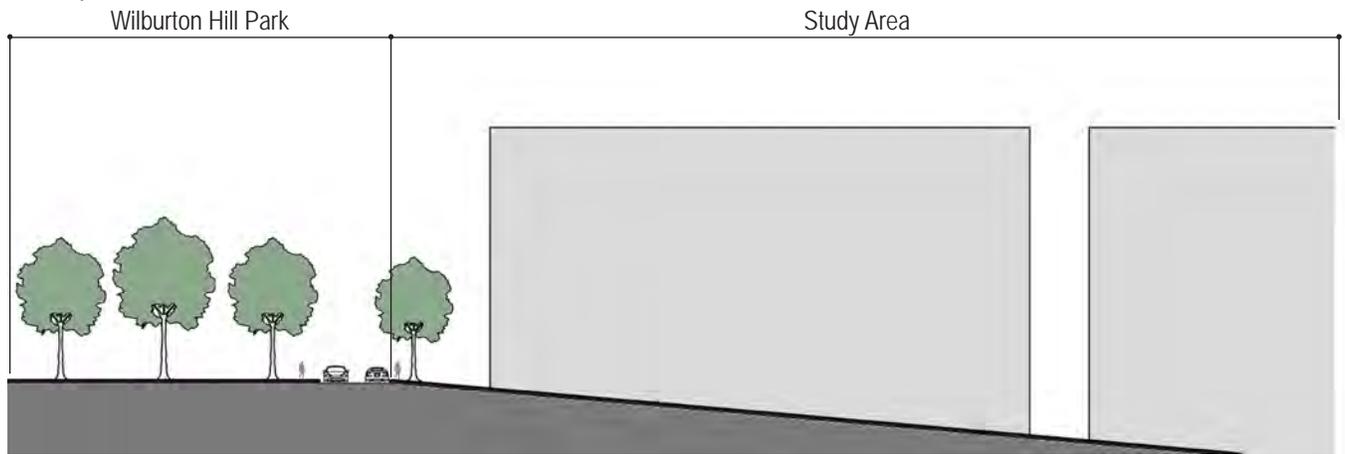
Vegetated Buffer with Building Stepback



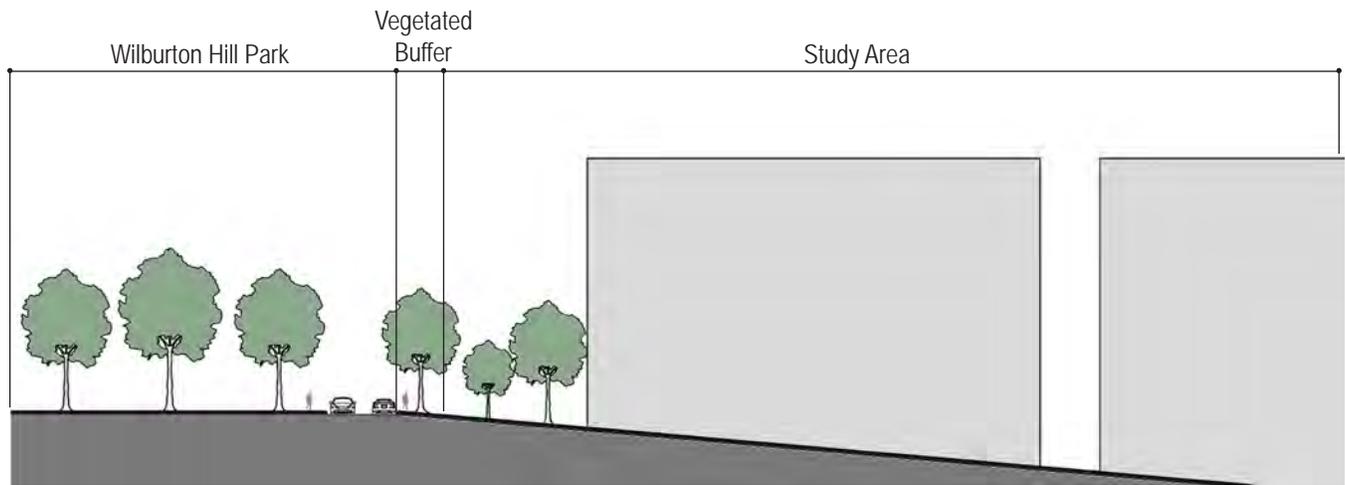
View looking northwest (Black - Wilburton Hill Neighborhood)

Buffers and Transitions

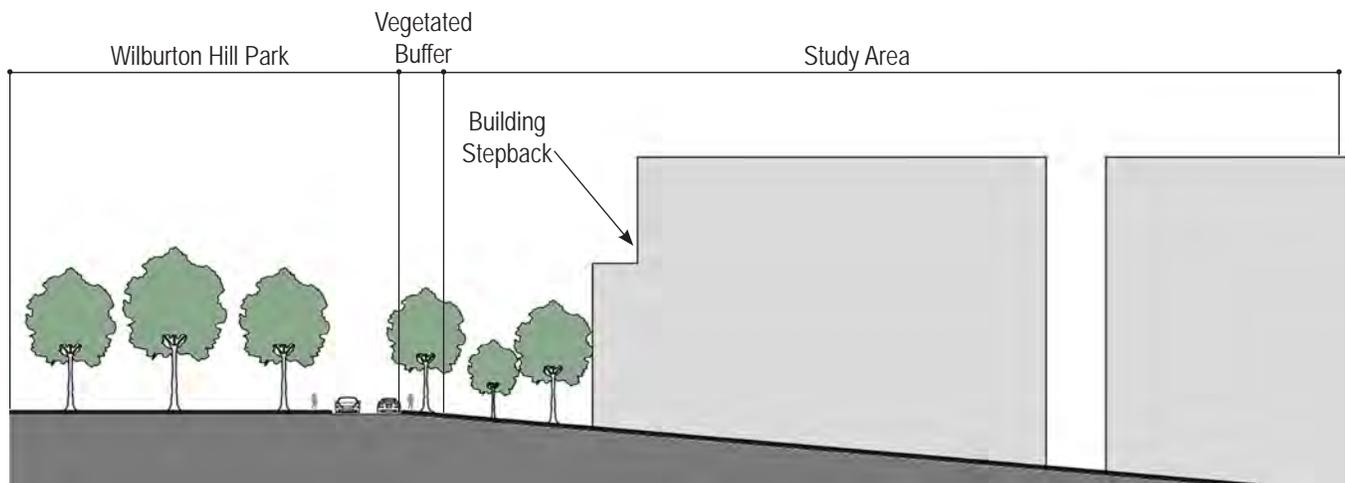
Study Area to Wilburton Hill Park and Botanical Garden



No Buffer



Vegetated Buffer



Vegetated Buffer with Building Stepback



WILBURTON COMMERCIAL AREA

CITIZEN ADVISORY COMMITTEE MEETING #9

October 5th, 2017
6:00 – 8:00 pm

TONIGHT'S MEETING

- Affordable Housing
 - Key considerations
 - Opportunities in the Wilburton Commercial Area
- Visioning Exercise Results
 - Key themes and ideas
 - Additional considerations
 - Districts?

VISIONING DISCUSSION

BUILDING MASSING



Unique and Iconic Forms



Modulation and variation in façade treatment



Strong definition between tower and podium

BUILDING FORM



Identifiable Roof Forms



Classic Forms



Forms That Create Separation

MATERIALITY



Contrast in Materials



Layering of Materials – Not Just Stacking



Masonry and Human Scaled Materials

BUILDING / SIDEWALK RELATIONSHIP



Transparency



Active and Engaging Facades



Rhythm and Modulation

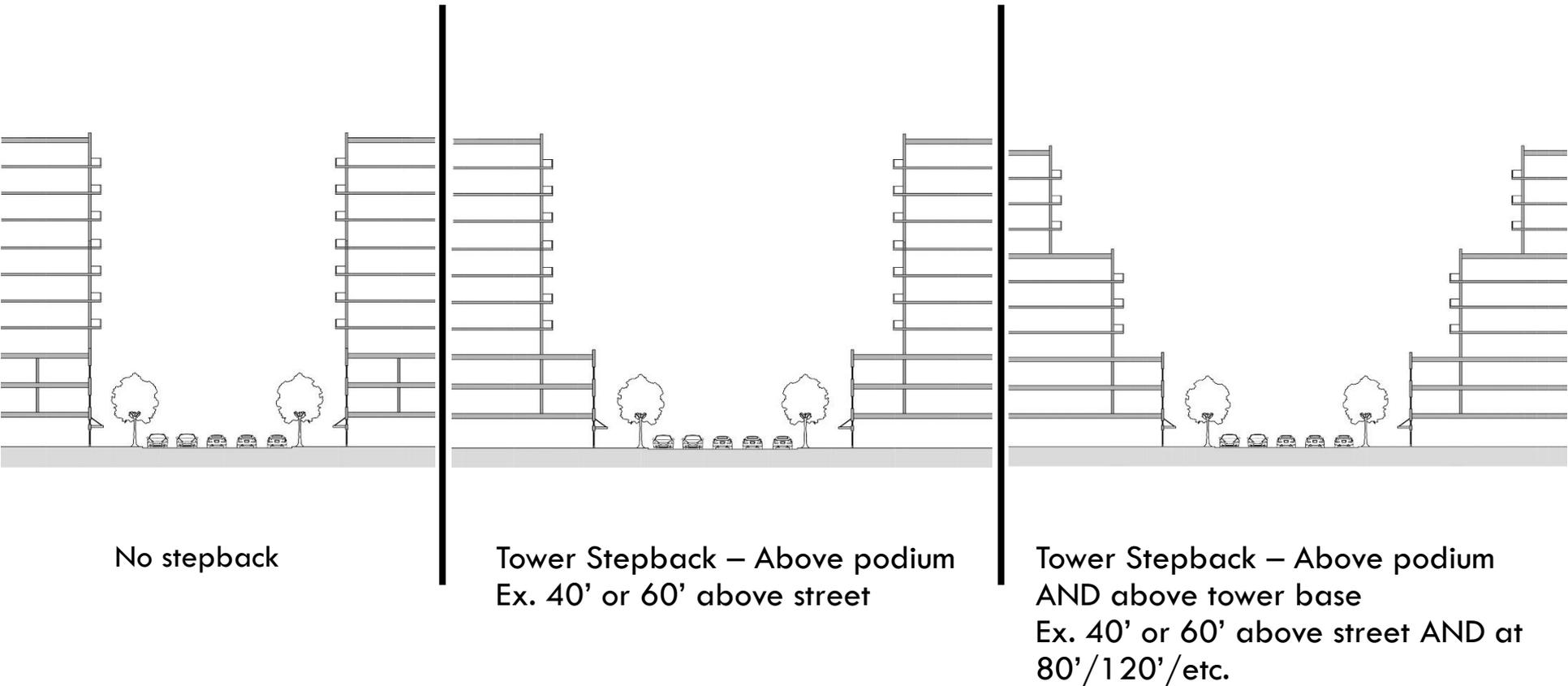
KEY TAKEAWAYS

- Reduce the scale of massings
 - Modulation
 - Separation
- Provide variation and complexity
 - Layering of materials
 - Depth in form and massing
- Human scaled and engaging
 - Active and engaging storefronts
 - Rhythm and modulation at the street level
 - Materials
- Quality design
 - Creates something iconic
 - Classic inspiration
 - Public space + green

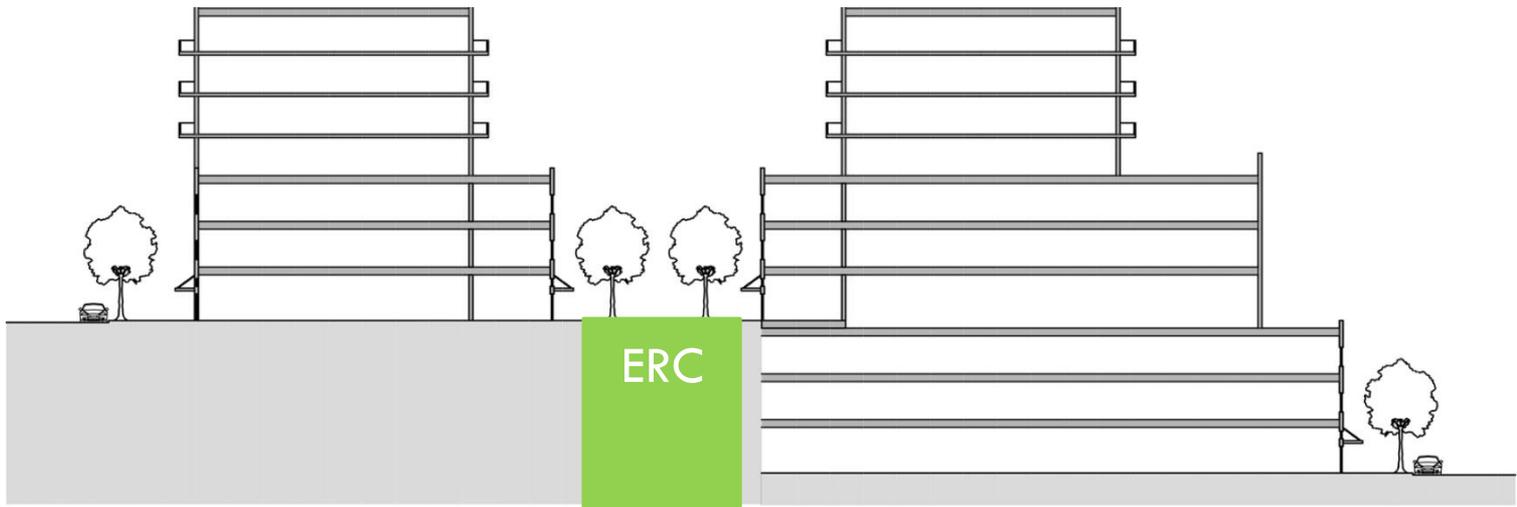
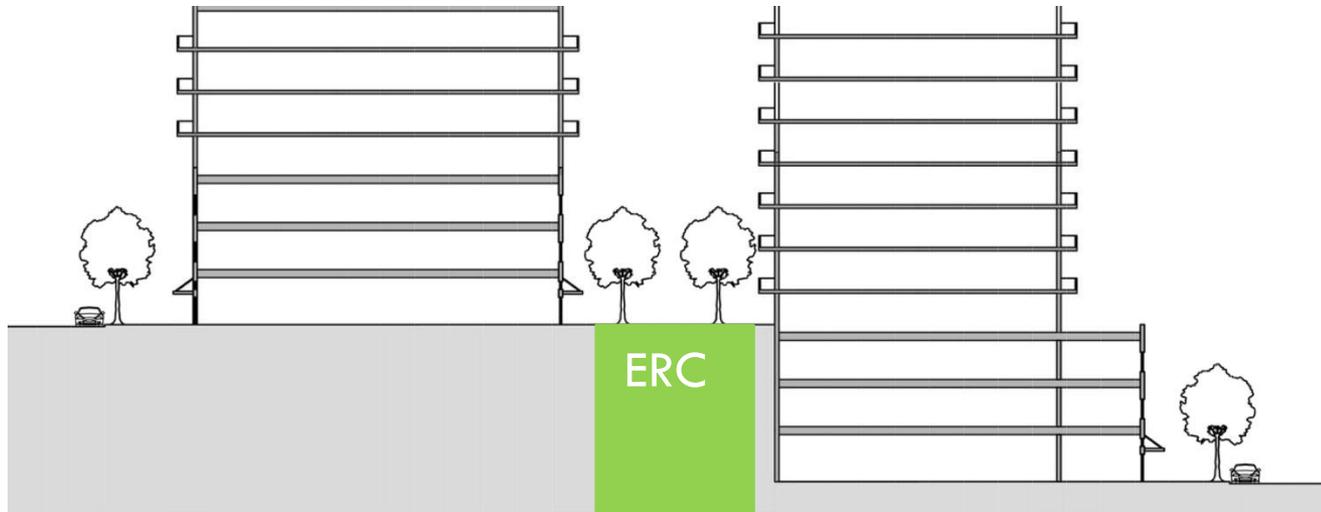
ADDITIONAL CONSIDERATIONS

- Should sustainability be a priority?
 - Buildings
 - Streets
 - District wide
- How does the physical environment support and promote the area as a multicultural destination?

TOWER STEPBACKS - STREET



TOWER STEPBACKS — EASTSIDE RAIL CORRIDOR



BUFFERS AND TRANSITIONS

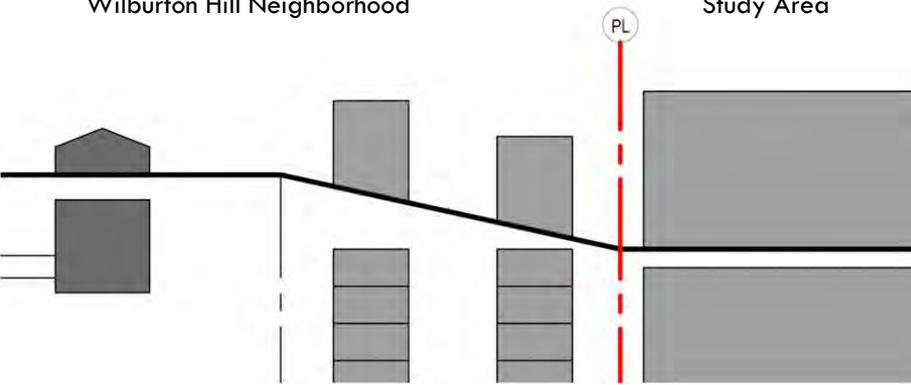


BUFFERS AND TRANSITIONS

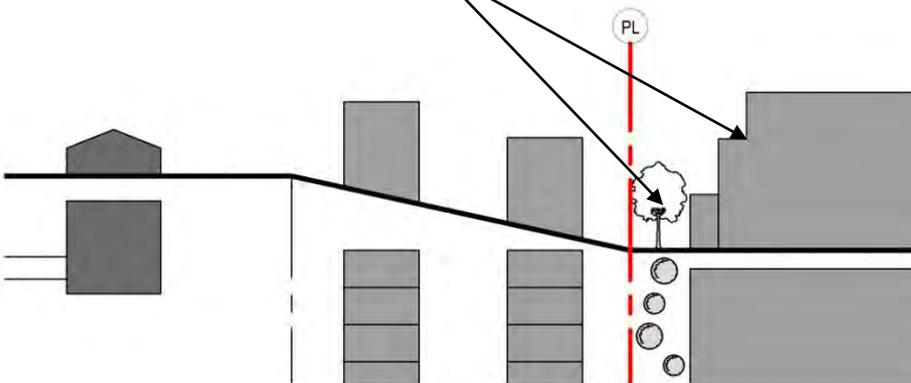
Transition to Neighborhood

Wilburton Hill Neighborhood

Study Area



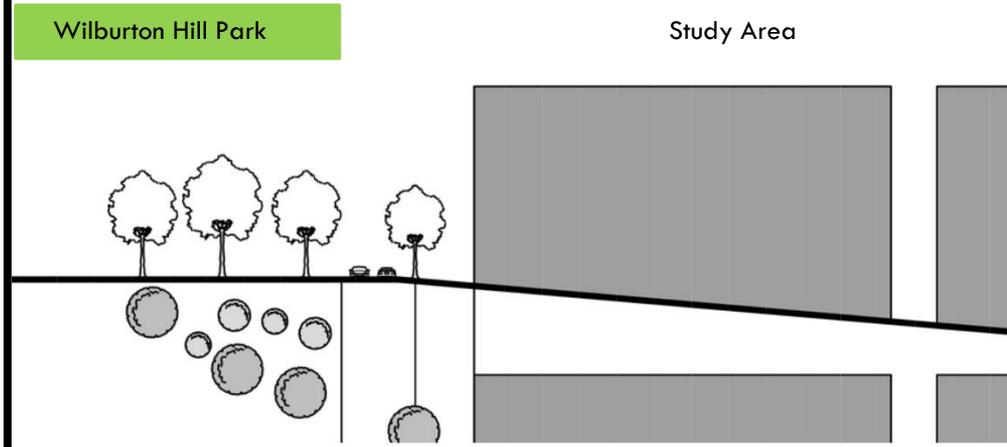
Vegetated setback
Tower setback



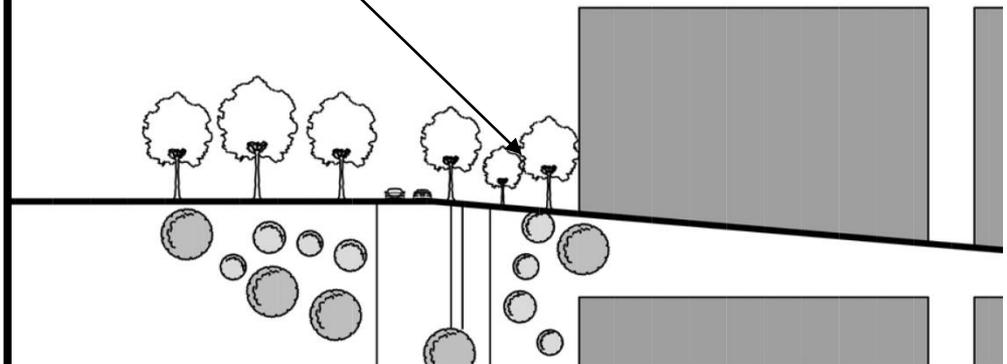
Transition to Park w/street

Wilburton Hill Park

Study Area

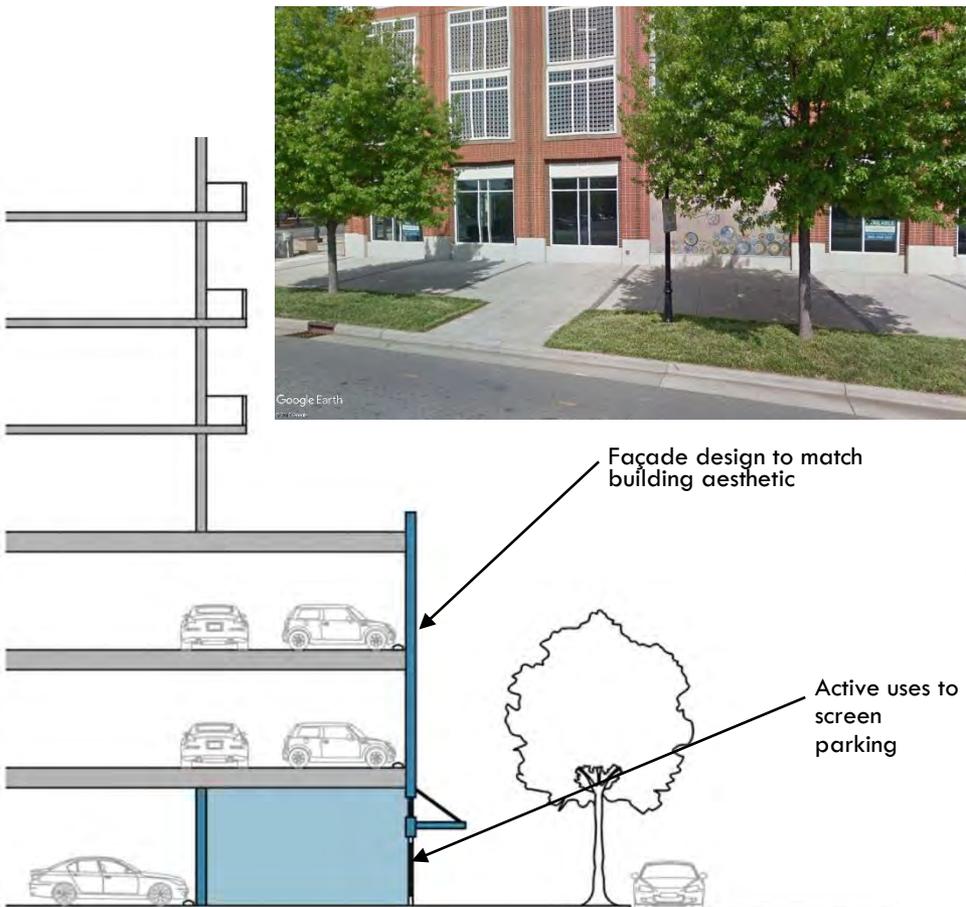


Vegetated setback

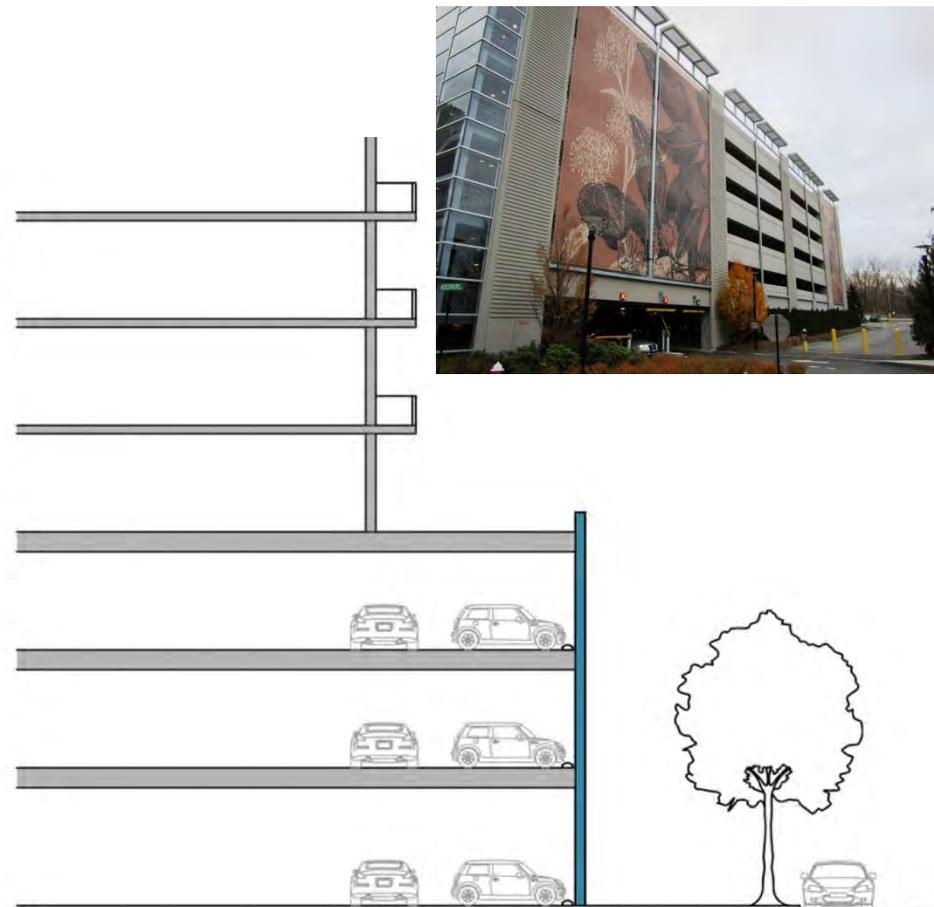


ABOVE GRADE PARKING

With active uses screening parking



Parking facing streetscape



STREETS AND STREETSCAPES



Multi-modal



Activated Alleys



Fun and Inspiring

STREETS AND STREETSAPES



Green and Sustainable



Active and Green ERC



Amenities

KEY TAKEAWAYS

- Inspired design
- Sustainability
- Separate car/peds/cyclists as much as possible
- Activated alleys
 - Places for people and activity
- Urban Amenities
 - Seating
 - Lighting
 - Vegetation

ADDITIONAL CONSIDERATIONS

- Should all streets be fitted with pedestrian facilities?
 - Sidewalks
 - Planter streets?
- Should all streets be fitted with cyclists facilities?
- Historical references in streetscape design?

PARKS AND OPEN SPACE



Large Civic Space



Fun and Playful



Active Public Spaces

PARKS AND OPEN SPACE



Heritage and Culture



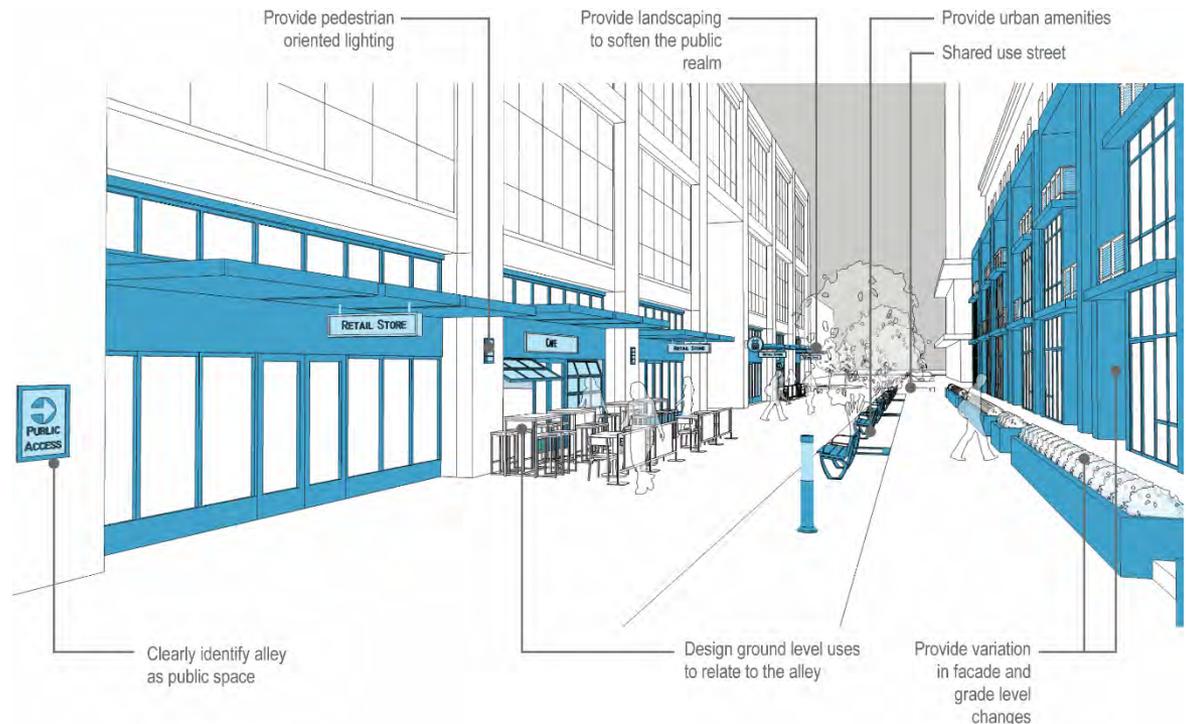
Natural Assets as Amenities



Amenities

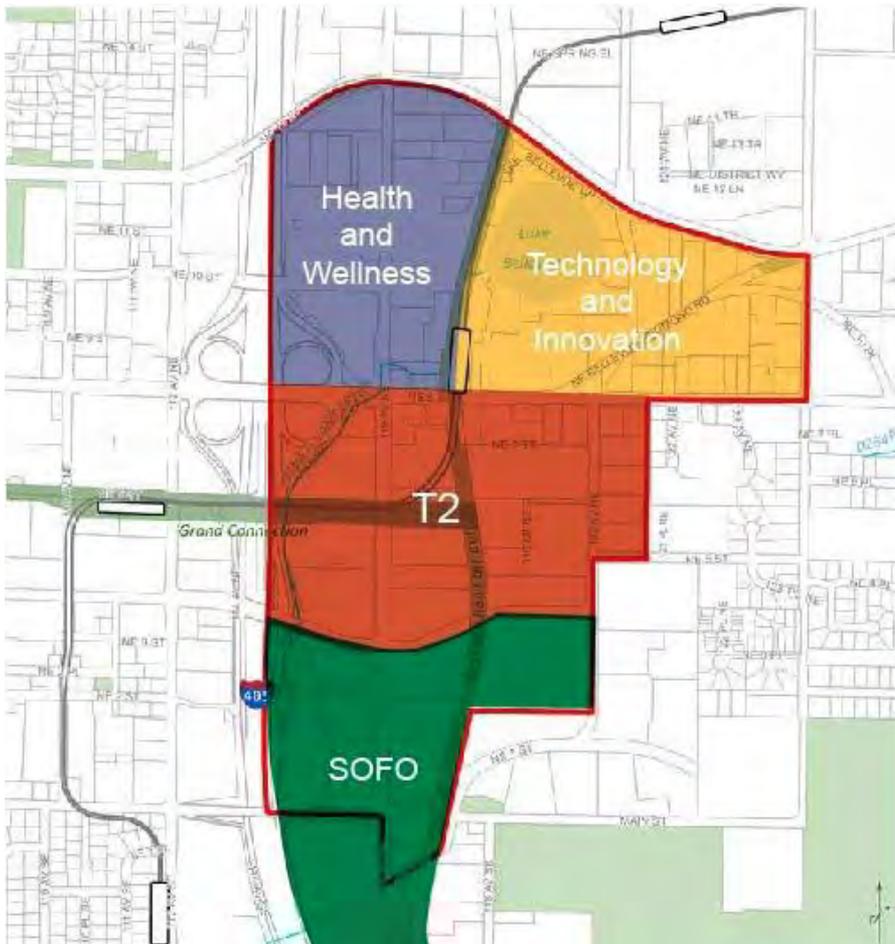
HOW WE WILL USE THIS INFORMATION

- Establish the baseline aesthetic quality of the study area
 - Making the area unique from other neighborhoods
- Development standards and guidelines
 - Stepbacks
 - Setbacks
 - Transitions
- Design guidelines
 - Materials
 - Public Space
- Incentives
 - Public Space
 - Sustainability

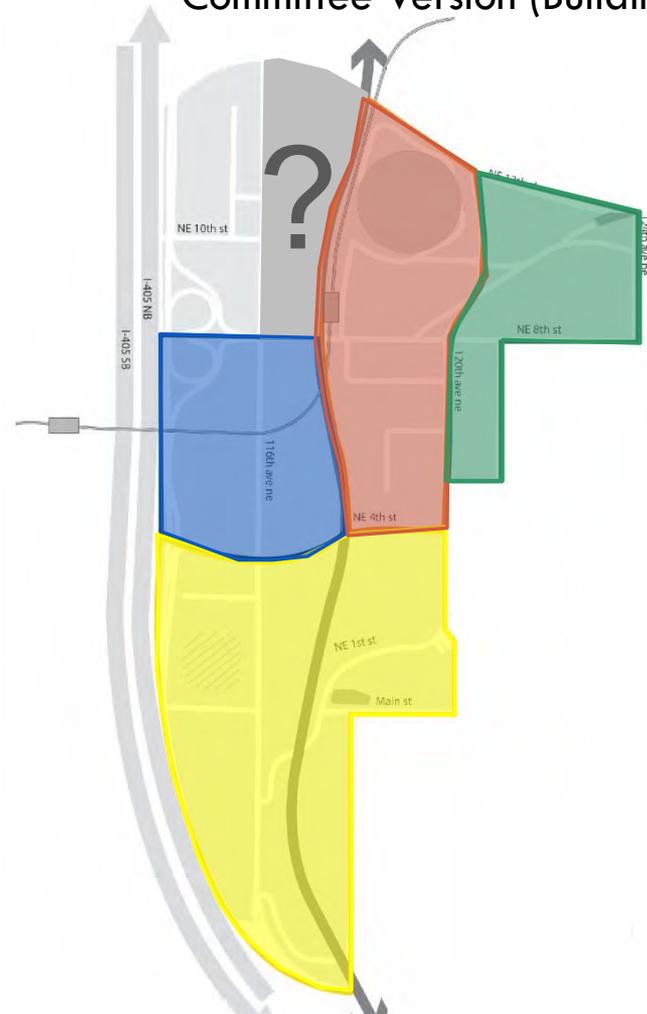


DISTRICTS

ULI Version



Committee Version (Buildings Team)



DISTRICTS

- What would define the difference in districts?
 - Aesthetics
 - Building design
 - Streetscape Design
 - Amenities
 - Historical references
 - Uses
 - Future
 - Legacy
 - Street level uses
- No SoFo!

Wilburton CAC

Affordable Housing & TOD

October 5, 2017

ARTHUR SULLIVAN, ARCH

MICHAEL KATTERMANN, PCD

PRESENTATION OVERVIEW

- Recap of Sept presentation
- Opportunities in Wilburton
- Next Steps for CAC

Bellevue's Affordable Housing Strategy



City Council Priority:

Develop an affordable housing plan for the needs of our diverse population.

Comprehensive Plan Policy HO-24:

Develop and implement an effective strategy to ensure affordable housing opportunities are available in Downtown and throughout the city at a range of affordability levels....

Economic Development Plan Strategy E.1:

Develop a city-wide strategy to expand workforce housing options by exploring all manner of tools....

Affordable Housing Strategies

- A. Help people stay in affordable housing
- B. Create a variety of housing choices**
- C. Create more affordable housing**
- D. Unlock housing supply by making it easier to build**
- E. Prioritize state, county & local funding for affordable housing



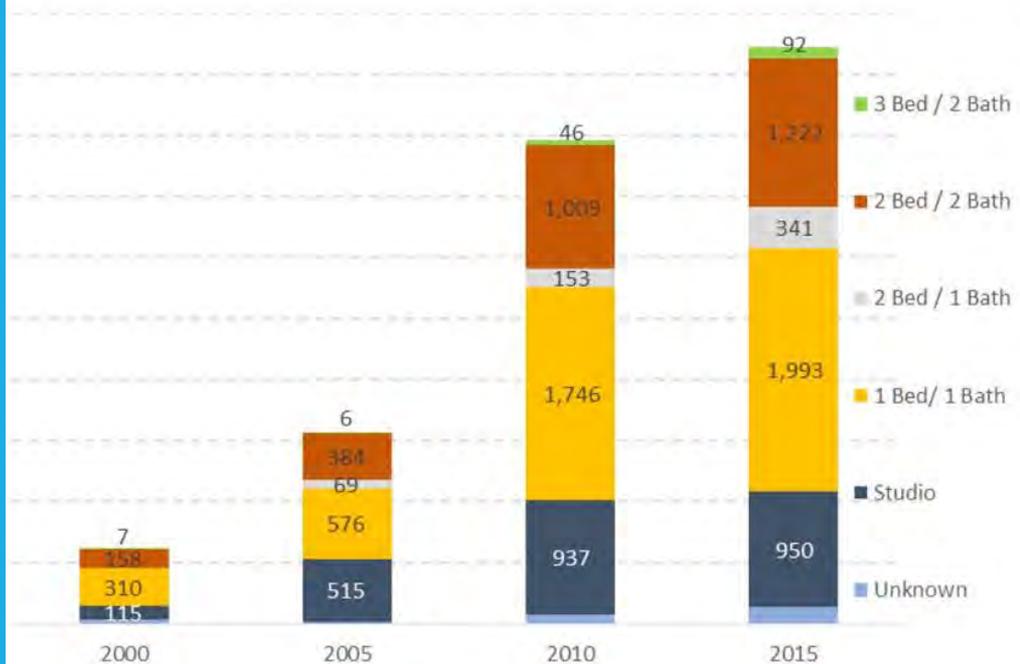
Housing Mix in Centers

Citywide, over 90% of future residential capacity is in mixed use areas such as Downtown & Bel-Red.

High proportion of smaller units in centers responsive to high proportion of smaller households.

Given high proportion of future growth, some demand for households with children.

Figure 3: Just over 4,000 units have been built in Downtown Bellevue over the last 15 years



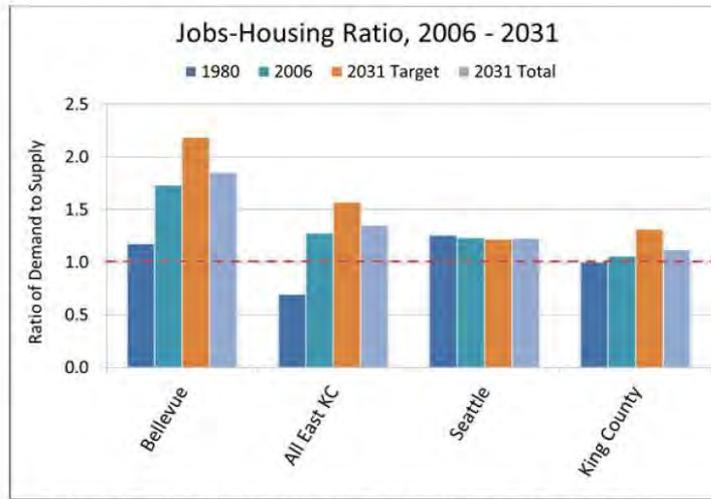
Note: Unit counts are for Downtown Bellevue only.
Source: Dupre + Scott Apartment Advisors, 2015.

Housing Need

Much of Housing Demand from local workforce.

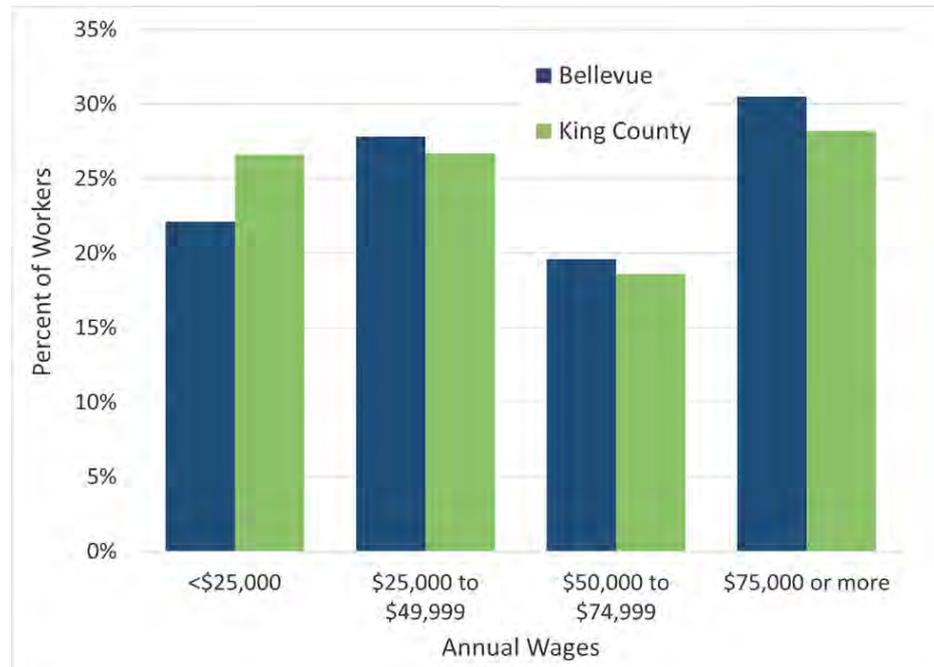
- ❖ Bellevue & East King County as a whole generate more demand for housing from its workforce than available housing.
- ❖ Range of salaries: over 45% of jobs pay less than \$50,000.

Figure 38: A primary demand for housing comes from a community's workforce



2031 Target based on GMPC Housing and Employment Growth Targets

	Bellevue	East King County
Employment	53,000	133,400
Demand for Housing	37,850 units	95,300
Housing	17,290 units	60,650



Local workers earning \$15 - \$20 hour



Barista
\$11.09 / hour



Grocery Clerk
\$13.95 / hour



Cook
\$13.37 / hour



Customer Service Representative
\$18.68 / hour



Bookkeeper
\$21.21 / hour



Medical Assistant
\$18.65 / hour

Workers earning less than \$15 hour or \$31,000 annually can only afford rents of less than \$800. mo.

Workers earning about \$20 hour or \$42,000 annually can afford rents of about \$1,000 mo.

Sample Salaries

Exhibit 1 -- 2016 Sample Salaries

Median Income (for family of four) \$90,300 = \$43.41/hour
 Median Income (for one-person household) \$63,210 = \$30.39/hour

	FAMILY OF FOUR	ONE PERSON
120% Median Income	\$108,400 = \$52.12/hour	\$75,900 = \$36.49/hour
100% Median Income	\$90,300 = \$43.41/hour	\$63,200 = \$30.38/hour
80% Median Income	\$72,200 = \$34.71/hour	\$50,600 = \$24.33/hour
50% Median Income	\$45,200 = \$21.73/hour	\$31,600 = \$15.19/hour
30% Median Income	\$27,100 = \$13.03/hour	\$19,000 = \$9.13/hour

80% Median Income	\$72,200 = \$34.71/hour	\$50,600 = \$24.33/hour
50% Median Income	\$45,200 = \$21.73/hour	\$31,600 = \$15.19/hour
30% Median Income	\$27,100 = \$13.03/hour	\$19,000 = \$9.13/hour

Job Category	Hourly Wages ¹	Annual Wages (rounded) ²
GENERAL		
Minimum Wage ⁶	\$9.47	\$19,700
SSDI Recipient ³ (disabled workers)	N/A	\$13,990
Social Security Recipient (retired workers)	N/A	\$16,100
SERVICES		
Teller	\$14.72	\$30,630
Butcher and Meat Cutter	\$17.14	\$35,640
Hairstylist	\$18.64	\$38,770
Barista (Counter Attendants, Cafeteria/Conc	\$11.09	\$23,060
Food Prep Worker	\$12.19	\$25,350
Maids and Housekeeping	\$12.33	\$25,660
RETAIL		
Retail Salesperson	\$15.04	\$31,290
Retail Supervisor	\$23.31	\$48,490
Cashier (Grocery Clerk)	\$13.95	\$29,000
EDUCATION⁴		
Teacher (entry level)	\$20.86	\$43,390
Teacher (top)	\$40.45	\$84,130
CITY⁵		
Firefighter (entry level)	\$32.97	\$68,580
Police (entry level)	\$28.62	\$59,540
Administrative Assist. (entry level)	\$17.62	\$36,660
TRADES		
Electrician	\$35.43	\$73,680
Carpenter	\$26.44	\$55,000
Equipment Operators	\$30.84	\$64,140
Mechanic (auto)	\$22.58	\$46,960
OFFICE		
Office Manager	\$28.94	\$60,200
Bookkeeping, Accounting	\$21.21	\$44,120
Accountant (advanced)	\$37.85	\$78,730
File Clerk	\$16.87	\$35,070
Customer Service Representative	\$18.68	\$38,850
Office Machine Repairer	\$19.61	\$40,790
HEALTH CARE		
Medical Assistant	\$18.65	\$38,790
RN	\$41.09	\$85,460
Physical Therapist	\$41.22	\$85,730
Dental Assistant	\$20.35	\$42,320

Job Category	Hourly Wages ¹	Annual Wages (rounded) ²
GENERAL		
Minimum Wage ⁶	\$9.47	\$19,700
SSDI Recipient ³ (disabled workers)	N/A	\$13,990
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EDUCATION⁴		

Potential Opportunities in Wilburton

C-2 Develop affordable housing on public lands near transit (city, ST, others)

B-1 Micro apartments around LRT (e.g. parking)

D-3 Expand use of floor-area-ratio (FAR) in multi-family zones

C-4 Inclusionary Zoning

C-3 Update Multi Family Tax Exemption (MFTE)

D-2 Legislation to resolve condo warranty issues



C-2 Affordable housing on public lands Integrating into the community: YWCA Issaquah Family Village

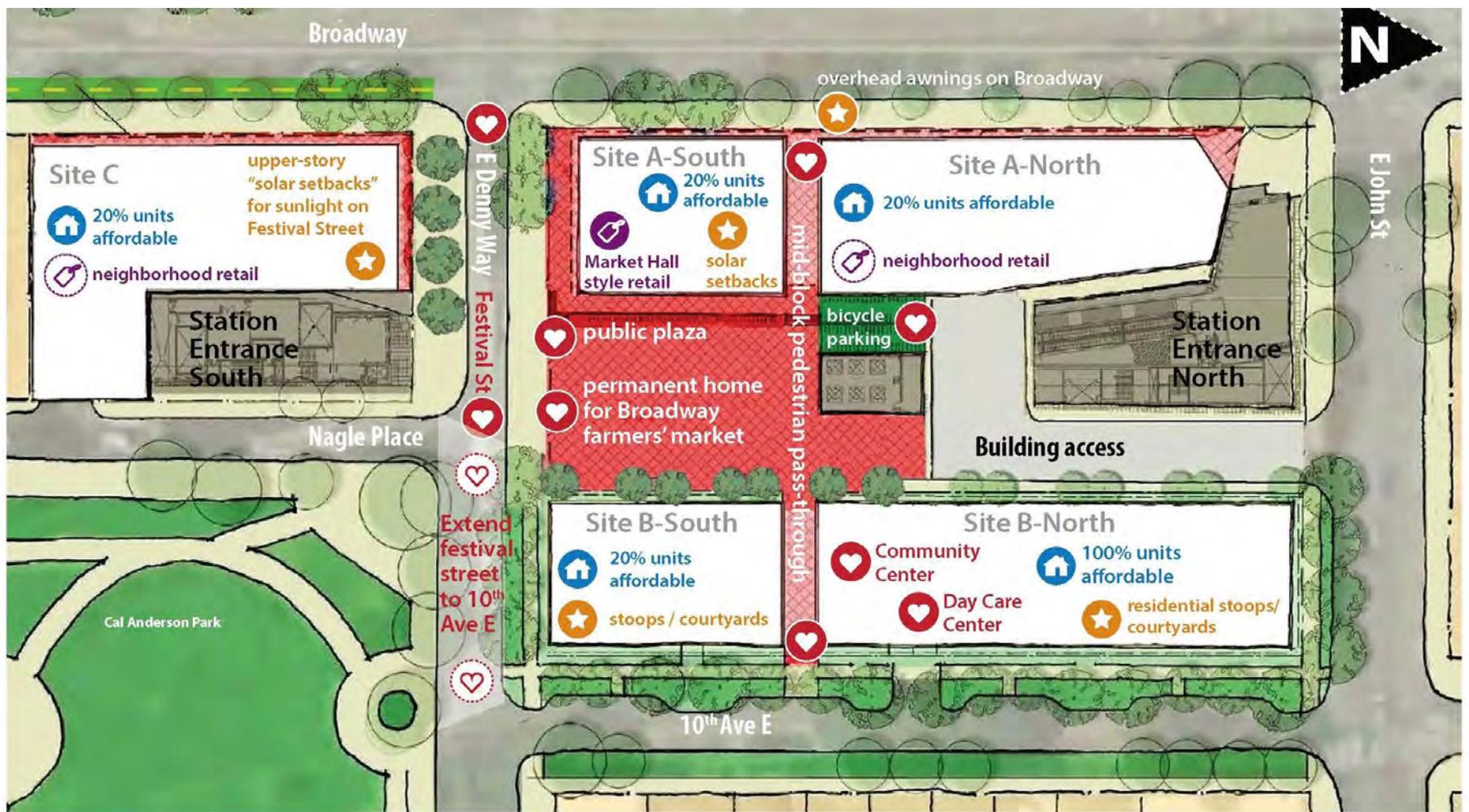


- Adjacent to Park n Ride, and retail center
- 150+ residential units
- Range of affordability: Formerly Homeless - \$60,000
- Day care center (100+)
- Community Room
- Pedestrian Sky Bridge / Public walkway/plaza





Capitol Hill Station TOD, Seattle



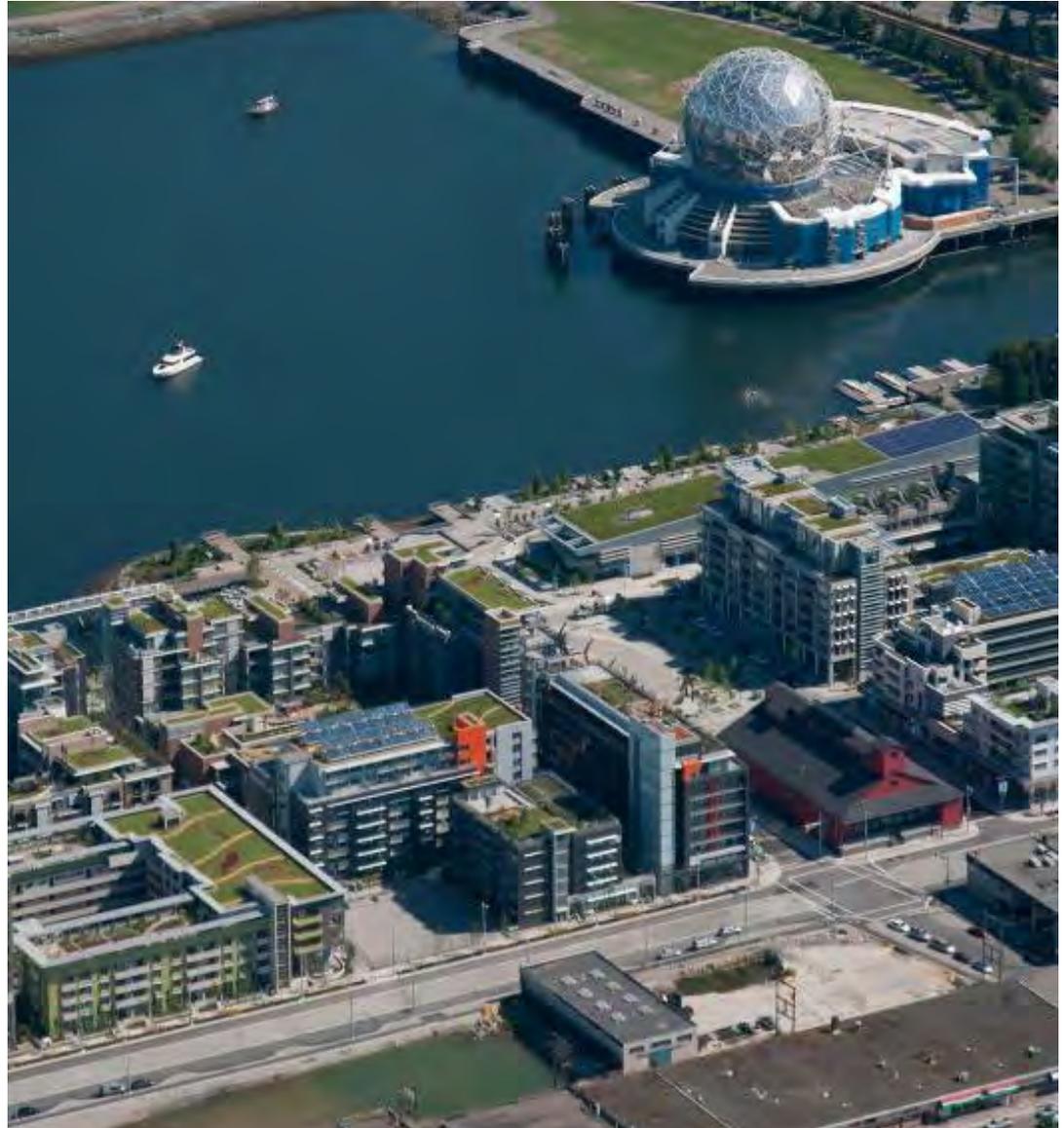
“Equitable transit communities are mixed-use, transit-served neighborhoods that provide housing and transportation choices, and greater social and economic opportunity for current and future residents.”

Olympic Village

Vancouver, BC

- ❖ 1,100 units
- ❖ 250+ affordable
- ❖ Range of unit sizes, including families

- ❖ 5,000 units by 2020
- ❖ Focus on affordability



C-2 Affordable housing on public lands

A story of Three approaches to affordability

- A. **Downtown Redmond:** 20% @ 80% AMI (up to \$70,000) Balance: market rate
- B. **Village at Overlake:** All at 60% AMI (Up to \$60,000)
- C. **South Kirkland Park and Ride:** 58 - Formerly homeless to 50% AMI (\$50,000) // 180 market rate



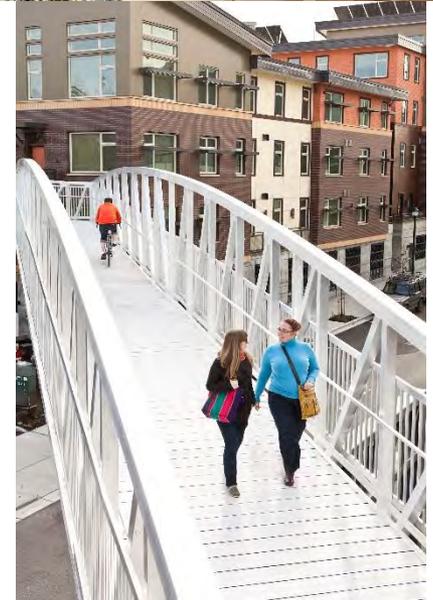
C-2 Develop affordable housing on public lands: Potential Opportunity

Process: More community control of design and components.

Program: Incorporate less traditional commercial uses that address community needs.

Time. Can provide developer time to seek financing.

Cost Saving: Discount land cost.



Potential Opportunities in Wilburton

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C-4 Inclusionary Zoning

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D-2 Legislation to resolve condo warranty issues





B-1 Micro apartments around LRT

What is a *micro unit*?

- ❖ 200-300 sq ft
- ❖ Independent units (living/bedroom, bathroom, kitchenette)
- ❖ Typically some common area (may include larger kitchen)
- ❖ Reduced parking

- ❖ May bundle costs (e.g. utilities)
- ❖ Walk to light rail
- ❖ Relatively affordable



B-1 Micro apartments

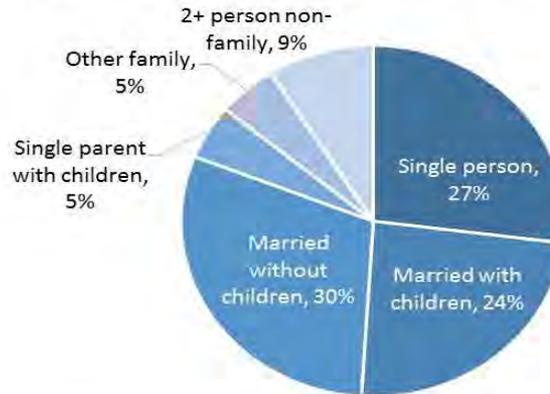
Is there a need micro units can address (i.e. who would live there)?

Issues to consider in planning (e.g. location, parking)?

Bedrooms	Bellevue
Studio	3%
1	17%
2	26%
3	24%
4	22%
5 or more	8%

The most common household types are married couples without children (30%), single person households (27%), and married couples with children (24%).

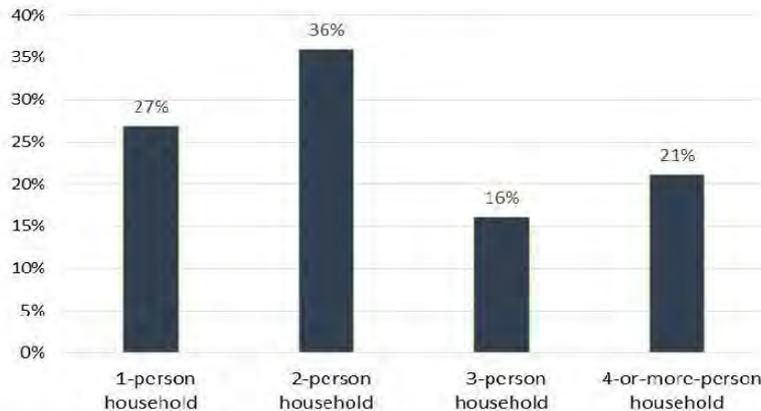
Figure 4: There are a diversity of household types



Source: U.S. Census Bureau, 2011-2013 ACS.

Bellevue's average household size is 2.4 persons, with 63% of households made up of only one or two people.

Figure 5: Most households have 1 or 2 people



Source: U.S. Census Bureau, 2010-2014 ACS.

Potential Opportunities in Wilburton

C-2 Develop affordable housing on public lands near transit (city, ST, others)

B-1 Micro apartments around LRT (e.g. parking)

D-3 Expand use of floor-area-ratio (FAR) in multi-family zones

C-4 Inclusionary Zoning

C-3 Update Multi Family Tax Exemption (MFTE)

D-2 Legislation to resolve condo warranty issues



C-4 Inclusionary Zoning

Basic Components:

- ❖ Exchange of capacity for affordability
- ❖ Covenant/duration
- ❖ Mix of units / same tenure
- ❖ Typically moderate income (50%-80% median income)
- ❖ Alternative compliance (In-lieu)
- ❖ Leverage with other program (e.g. MFTE)



C-4 Inclusionary Zoning Bellevue Experience

- ❖ Downtown
 - 1 FAR bonus for affordable
 - 2.5:1 market:affordable
- ❖ Eastgate
 - 1 FAR bonus for affordable
 - 2.5:1 market:affordable
- ❖ BelRed
 - 1.0 FAR base
 - 1st tier bonus 1.25 FAR for affordable housing
 - 4.6:1 sq ft market:affordable (rental)
 - 7.2:1 sq ft market:affordable (owner)
- ❖ Citywide 15% bonus
- ❖ Targeted 80% median income

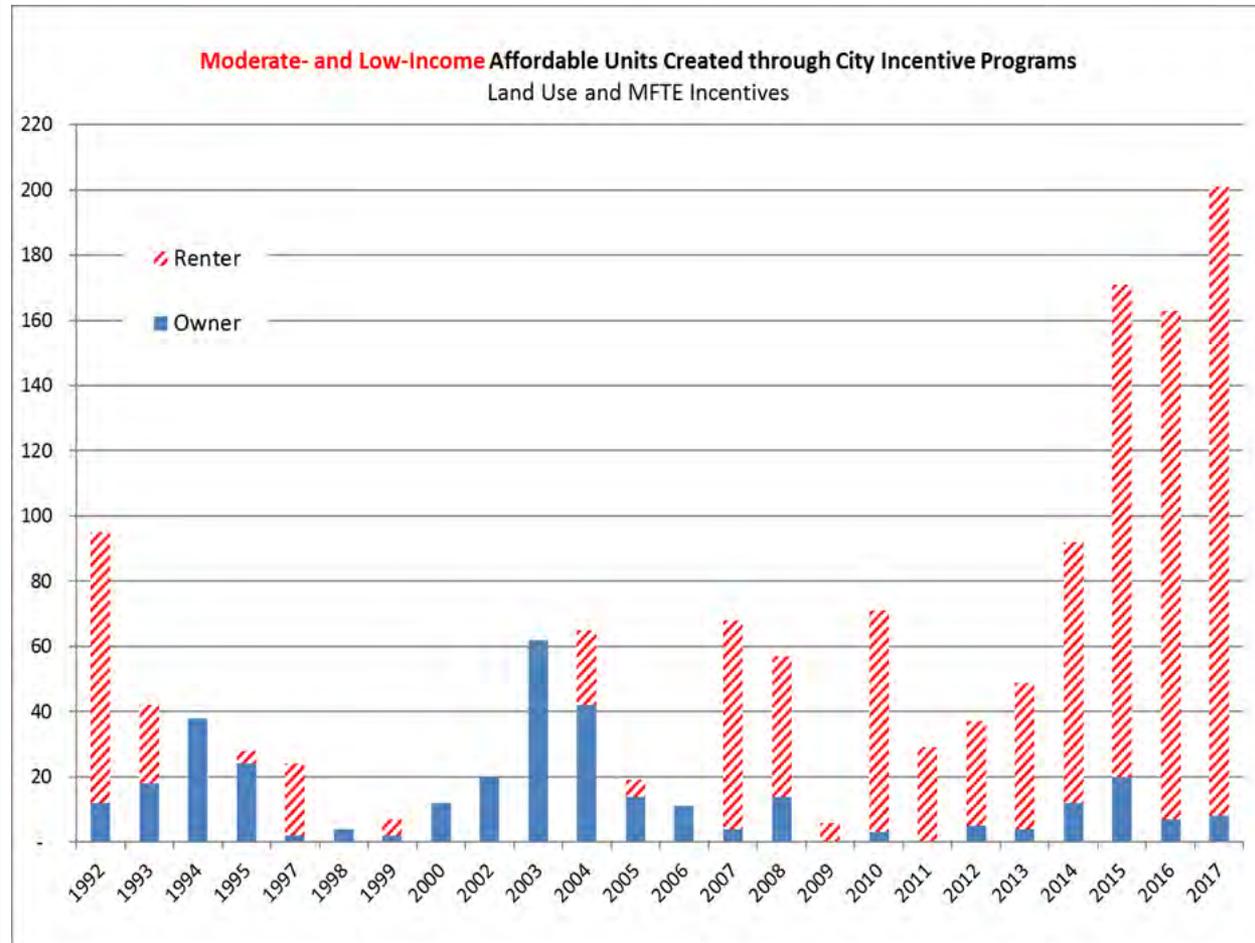


➤ Increased significantly in last few years

➤ Helps offset decrease of moderate priced market housing.

➤ Create broader mix of moderate priced housing: ownership / more 2+ bdrm

Land Use Incentives East King County



KING COUNTY INCOME AND HOUSING AFFORDABILITY GUIDELINES

LOCAL RENTS AND WAGES

2017

	Studio (1 Person)	1-Bedroom (2 People)	2-Bedroom (3 People)	3-Bedroom (4 People)
30% AMI [VERY LOW INCOME]				
Household Income	\$20,160	\$23,040	\$25,920	\$28,800
Max. Affordable Rent**	\$504	\$576	\$648	\$720
50% AMI [LOW INCOME]				
Household Income	\$33,600	\$38,400	\$43,200	\$48,000
Max. Affordable Rent**	\$840	\$960	\$1,080	\$1,200
Max. Affordable Purchase***	\$113,165	\$129,331	\$149,752	\$170,172
70% AMI				
Household Income	\$47,040	\$53,760	\$60,480	\$67,200
Max. Affordable Rent**	\$1,176	\$1,344	\$1,512	\$1,680
Max. Affordable Purchase***	\$170,340	\$194,680	\$223,270	\$251,860
80% AMI [MODERATE INCOME]				
Household Income	\$53,760	\$61,440	\$69,120	\$76,800
Max. Affordable Rent**	\$1,344	\$1,536	\$1,728	\$1,920
Max. Affordable Purchase***	\$198,930	\$227,350	\$260,020	\$292,700
100% AMI [MEDIAN INCOME]				
Household Income	\$67,200	\$76,800	\$86,400	\$96,000
Max. Affordable Rent**	\$1,680	\$1,920	\$2,160	\$2,400
Max. Affordable Purchase***	\$256,110	\$292,700	\$333,540	\$374,380

AVERAGE RENTS - March, 2017

	Studio	1-Bedroom	2-Bed/1-Bath	3-Bed/2-Bath
Bellevue				
All Units	\$1,321	\$1,595	\$1,690	\$2,433
Built 2010 or newer	\$1,537	\$1,854	\$2,292	\$2,951

Source: Dupre+Scott Apartment Advisors

JOBS - 2014

	Annual Wages			
	< \$25,000	\$25,000 to \$49,999	\$50,000 to \$74,999	\$75,000 or more
Jobs	27,995	29,543	21,562	39,907
Percent of total	24%	25%	18%	34%

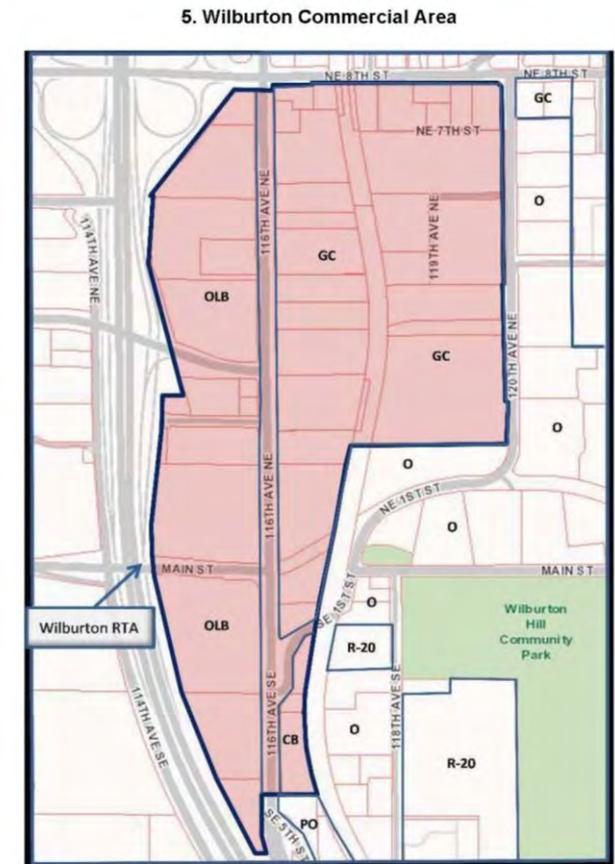
C-4 Inclusionary Zoning: Policy considerations

- ❖ Help address anticipated needs in Bellevue/Wilburton (i.e. types of households/employees/income level)
- ❖ Encourage on-site affordable housing versus In-lieu?
- ❖ Other Considerations related to land use incentives for affordable housing?



C-3 Update MFTE

- ❖ Expand existing eligible area within Wilburton?
- ❖ How to layer as land use incentive:
 - Separate incentive
 - Overlay to deepen affordability



Potential Opportunities in Wilburton

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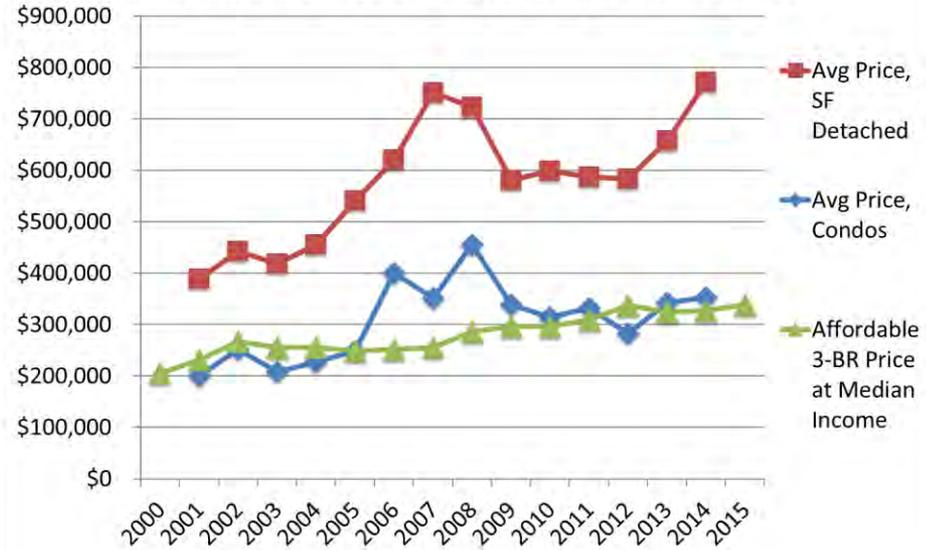


D-2 Condo Legislation

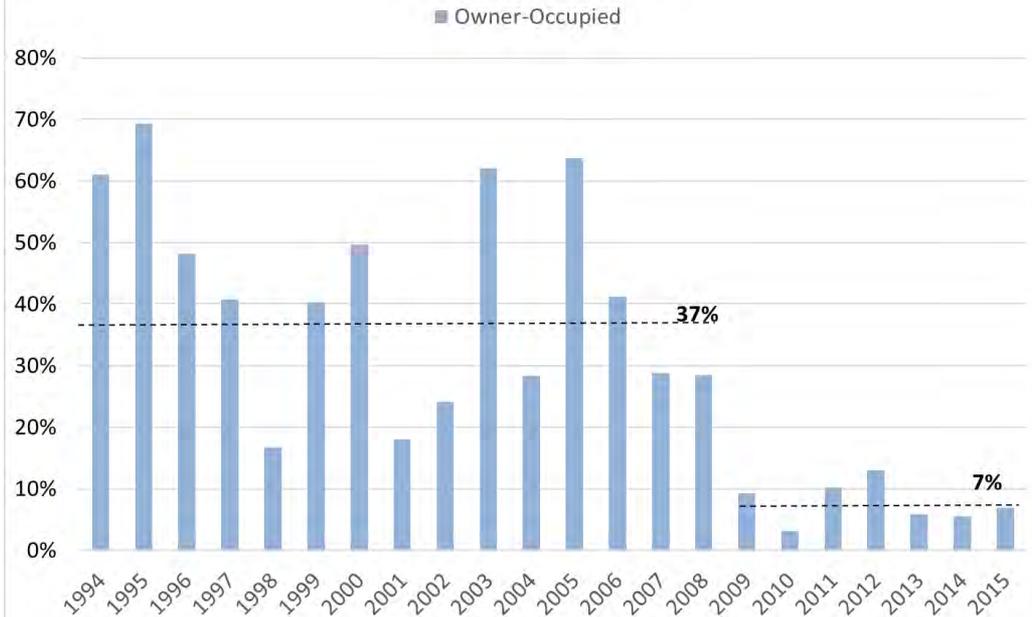
Any Policy Statement Regarding Housing Tenure (Rental/Owner) Mix?

- None
- One type
- Encourage a mix

Affordable and Actual Average Prices of Detached Homes and Condos, East King Co.



Tenure of New Multifamily Permitted Dwelling Units, East King Co. Cities



Next Steps for CAC

- Tour of local developments with affordable housing

- Discuss and develop potential policy guidance related to housing affordability

City of Bellevue
Wilburton Commercial Area
Citizen Advisory Committee
Meeting Minutes

October 5, 2017
6:00 p.m.

Bellevue City Hall
Room 1E-112

MEMBERS PRESENT: Jeremy Barksdale, Sarah Chong, Shari Einfalt, Chris Johnson, Jay Hamlin, Maria Lau Hui, Debra Kumar, James McEachran, Andrew Pardoe, Daniel Renn, Don Weintraub, Lei Wu

MEMBERS ABSENT: Glen Griswold, Matt Jack, Alison Washburn

OTHERS PRESENT: Bradley Calvert - *Department of Planning and Community Development*, Arthur Sullivan- *A Regional Coalition for Housing*, Michael Kattermann - *Department of Planning and Community Development*

RECORDING SECRETARY: Audio Recording, transcribed by Bradley Calvert

1. Call to Order and Approval of Agenda

The meeting was called to order at 6:01 p.m. by Co-chair Barksdale.

Co-chair Barksdale asked if there was a motion to approve the agenda.

❖ **Action Item:** *Mr. McEachran motioned to approve the agenda. The motion was seconded by Mr. Johnson. The agenda was unanimously approved.*

2. Approval of Meeting Minutes

Co-chair Barksdale asked if there were any comments regarding the meeting minutes from the September 7th, 2017 meeting. There were no comments.

❖ **Action Item:** *Mr. Hamlin motioned to approve the minutes. The motion was seconded by Ms. Kumar.*

3. Communication with Boards, Commissions, Stakeholders, Public, and Meeting Updates

Mr. Renn stated that several of the residents wanted to thank Mr. Calvert for attending the Wilburton Hill Neighborhood picnic on September 10th. He stated that Mr. Calvert had a table set up with handouts and boards depicting the progress of the project. Mr. Calvert stated that he spoke to approximately 70 residents at the picnic. Mr. Renn stated that there were over 150 in attendance at the picnic. He stated that several residents expressed interest in the project. Mr. Calvert stated there was a lot of positive feedback on the project thus far, in addition to questions and a few concerns. He stated that there

was also information available for the Grand Connection.

Mr. McEachran stated that the Human Services Commission has the first draft available of the needs update. He stated that it would go before Council in January and that housing continues to be an issue for Bellevue.

4. Public Comment

Todd Woosley stated that he was with Hal Woosley properties, representing Briarwood Center. He stated that he was also the vice-chair of the Transportation Commission. Mr. Woosley stated that he wanted to encourage the Committee to move forward with the City's affordable housing strategy. He stated that he has 25 years of housing experience, trying to improve the supply and affordability of all housing in the region. Mr. Woosley stated that the city's current approach of establishing a high enough base floor-area-ratio (FAR) to make redevelopment feasible and compelling was a good approach. He stated that the city was also focused on an incentive based program, rather than mandate. Mr. Woosley stated that if the base FAR is high enough and there is a 1.0 FAR exemption then the net number of affordable units would be 5 to 6%. He stated that was important because the market rate units essentially subsidize the affordable, and would make the economics work. Mr. Woosley stated that the multi-family tax exemption (MFTE) needs to be improved as it has been hardly used. He stated that the city was considering improvements to the program and that it should also assist in creating affordable units.

5. Affordable Housing – Opportunities and Case Studies

Mr. Calvert stated that at the previous meeting Michael Kattermann and Arthur Sullivan provided an overview of affordable housing. He stated that at this meeting they would speak to the Committee about case studies and opportunities that exist in the Wilburton Commercial Area.

Mr. Kattermann stated they were going to provide a recap from last month and then discuss some opportunities unique to the study area as well as next steps. He stated that there is a strong policy basis, and that the Affordable Housing Strategy is a Council priority. Mr. Kattermann stated that housing affordability also informs the economic health of the city and population. He stated that five overall strategies were developed as part of the process. Mr. Kattermann stated that they wanted to focus on three of the strategies and how they relate to the Wilburton Commercial Area.

Mr. Sullivan stated that the vast majority of housing growth in Bellevue is planned for areas such as Wilburton, Downtown, and BelRed. He stated that these areas should try to address a wide range of housing needs. Mr. Sullivan stated that there is a wide range of salaries and jobs, and that 45% of jobs in Bellevue are under \$50,000 per year. He stated that jobs of \$15 to \$20 per hour covered a range of employment types and could typically afford a rent of \$1,000 per month.

Mr. Sullivan asked if the Committee had any questions or comments that carried over from the last meeting. Ms. Kumar asked if the chart referenced rent and mortgage. Mr. Sullivan stated that the handout included a chart that illustrated the type of units and cost that are affordable to particular income ranges by rent. He stated that the chart included all rentals in Bellevue, new and old. He stated new units would require more. Mr. Kattermann stated that affordability included approximately 30% of a household's income being spent on housing. Mr. McEachran stated that he liked the data information,

but being able to see who is challenged in affording housing is even more important. He stated that the work to solve affordable housing should be bold and not nibble around the edges. Mr. Johnson asked for clarity on the handout graphics. Mr. Sullivan stated that the median income is the starting point for all references to affordability, and is based on a household of four. Mr. Johnson asked how the demographics of the Wilburton Commercial Area related to the numbers from the handout, and defining affordability. Mr. Renn stated that the study area has nearly no residents to define existing demographics.

Mr. Sullivan stated that the Committee should consider existing uses and employees such as medical workers, as well as future uses such as retail, and how the housing strategies for the study area could address their needs. He stated that the Committee should consider how broad the housing strategies should be to address these needs, and who the housing could attract and the demographics they will create. Mr. Sullivan stated that this also includes services and amenities that would service that population. He asked the Committee what types of services, needs, and amenities should be addressed. The Committee responded with retail, safety, walkability, parks, social connectivity, neighborhood character, diversity, and vibrancy. Mr. Sullivan stated that when talking about housing it is really talking about who lives there. Mr. Kattermann stated that these elements, combined with housing, can create diversity.

Mr. Sullivan stated that they wanted to explain the applicable strategies for affordable housing and allow the Committee to comment and ask questions. He stated that they would then return to the Committee with specific recommendations and policy language that would reflect the Committee's values and vision to include in their plan.

Mr. Sullivan stated that the first strategy is related to using existing public land near transit to develop affordable housing. He stated that they wanted to provide the Committee with examples of the strategies. Mr. Sullivan stated that the first example was the Family Village in Issaquah. He stated that the development was possible because of city owned land that was made available at no cost. Mr. Sullivan stated that the YMCA assembled the proposal for the site. He stated it was located near a park and ride and retail center. Mr. Sullivan stated that the 160 units ranged between recently homeless families up to incomes of \$60,000 per year. He stated that a day care center was also incorporated into the ground floor and serves up to 100 children. Mr. Sullivan stated that some of the openings are provided at a discount for those living in affordable housing. He stated that a community was also created that is not just for those living in the affordable housing, but for everyone that lives in Issaquah Highlands. Mr. Sullivan stated that the development also incorporates public walkways through the development so that those from surrounding neighborhoods could access the park and ride lot and to incorporate it into the broader community.

Co-chair Barksdale asked if there was demographic data available for those that live in the development. He stated that should include race. Mr. Sullivan stated that he could ask for that information. Mr. Hamlin asked if the YMCA was the developer. Mr. Sullivan stated that they were the developer and had hired a consultant to help assemble the project. He stated there was public and private financing. Mr. Sullivan stated that the day care provider receives a discounted rent in exchange for providing lower cost seats for students. Ms. Lau Hui asked what the percentage of affordable spaces in the YMCA were being used by residents of the development. Mr. Sullivan responded that he did not know the number offhand but could bring that information back. He stated that he believed it was approximately 25 of the slots were at a discounted rate. Mr. Weintraub asked if there were units for sale and owned by A Regional Coalition for Housing (ARC). Mr. Sullivan

responded that ARCH did not own any of the developments and that it would be a topic they would discuss a little later. He stated that a portion of the for sale units were made at a discount at Issaquah Highlands. Co-chair Barksdale stated that it would be interesting to consider the amenities provided. He referenced the concept of integrated segregation, in that the amenities that are provided are focused on one group or demographic of people, ultimately excluding others despite being public spaces. Co-chair Barksdale stated that comparing the demographic data and the amenities provided could be valuable information. Mr. Kattermann stated that would be part of the next case study.

Mr. Kattermann referenced the Capitol Hill station in Seattle and property owned by Sound Transit. He referenced a quote from the Puget Sound Regional Council and their goal of equitable transit-oriented development. Mr. Kattermann said the goal was to ensure that housing for all income levels. He referenced a graphic that shows the station entrance locations and the available property for development. Mr. Kattermann showed a plan that included residential, commercial, and retail development. He stated that the development was split up between multiple developers, all providing a different mix of units and affordability. Mr. Kattermann stated there was a strong focus on the public spaces and to ensure that they, and the developments, serve as community gathering places for the neighborhood. He stated that they were creating a day care center and community center. Mr. Kattermann spoke to the design of the buildings and their transition to the surrounding single family and residential community. He stated that design features such as stoops assisted in creating the transition. Mr. Kattermann stated that the public space would create a permanent home for a farmer's market and market style retail space, in addition to a festival street that connects to the public space.

Mr. Renn asked if the developments incorporated any shelters. Mr. Kattermann stated that they did not, but there were examples in Denver that did. He referenced Olympic Village in Vancouver, BC as the next example. Mr. Kattermann stated that the housing was intended for Olympic athletes during the games and were then converted to permanent housing. He stated that they focused strongly on a range of unit sizes to include smaller units, as well as units for families. Mr. Kattermann stated that 250 of the 1,100 units are affordable with a goal of increasing the total number of units to 5,000. He stated that each of the examples used public land, and that land is one of the largest costs in regards to development. Mr. Kattermann stated that if the cost of land could be eliminated or reduced then it creates improved opportunities for more affordable units.

Mr. Sullivan stated that he wanted to reference three local developments that were built as an extension of park and rides, and that took different approaches to affordability. He stated that the first example is in downtown Redmond. Mr. Sullivan stated that the project was a private development devoid of significant public resources. He stated that the developer created 20% of the units affordable to 80% AMI. Mr. Sullivan stated that the affordability will be in place for the life of the building, and represented a light approach to creating affordable units. He stated that the next example is the Village at Overlake. Mr. Sullivan stated that the project has interior courtyards. He stated that the development used public funding, such as a tax exempt loan, and that the land is a leased air right above the park and ride. Mr. Sullivan stated that all units are affordable at 60% AMI. He stated that it replicated the affordability of older buildings, and it represented a middle tier approach. Mr. Sullivan stated that the third example is the south Kirkland park and ride. He stated that the park and ride is located in Bellevue and the residential units are in Kirkland. Mr. Sullivan stated that the development has two buildings, one at market rate with a small number of units affordable per regulatory requirements, and the second building was developed by Imagine Housing that uses a mix of funding sources. He stated that the 58 units range from formerly homeless to 50% AMI. Mr. Sullivan

stated that 25% of the total development is affordable. He stated that the city also provided a property tax exemption for the development.

Co-chair Barksdale asked about the financial performance of the development. Mr. Sullivan responded that the tax credits have helped guarantee the financial performance of the development and that it was doing very well. Mr. Renn asked if the finishes were the same between the affordable and market rate units. Mr. Sullivan stated that generally the materials are comparable because it would cost more to order multiple types of materials. He stated that may not always be the case in for sale units. Mr. Renn asked if developers were allowed to change which units were affordable. Mr. Sullivan stated that they were allowed to move them around, provided they maintained the same quantity of affordable units. He stated that ARCH monitors that movement, but that is another reason why they do not choose to differentiate materials. Mr. Pardoe stated that he was familiar with the three properties and frequently goes by the Village at Overlake. He stated that from his opinion it felt like an isolated community and that it didn't mix the public. Mr. Pardoe stated that he also knew several people that lived there, and were likely cheating on the affordability element. Mr. Sullivan stated that at the time the project was built there was not much to tie into so the spaces were created internally. Co-chair Wu stated that the OMF site is relatively close to the study area, and that the study area could help make that project more successful with amenities and transportation connectivity. Mr. McEachran stated that the supporting services are very important to create a successful project and a bridge to human services. Mr. Sullivan stated that with ownership of public land it allowed the city to ask for specific things such as design, public space, and services as part of the development. He stated that it allows the city to get more from the development than just through regulations, including less traditional uses and elements.

Mr. Pardoe stated that his point about the Village at Overlake is that any developments in the Wilburton Commercial Area should have a benefit and accessibility to the entire population. He stated that retail uses or recreation services that bring residents of all incomes and demographic backgrounds to the development would be beneficial. Mr. Pardoe stated that anything around the Eastside Rail Corridor would provide opportunities to bring all kinds of people to and near the development to better integrate the neighborhood. Mr. Johnson stated that the Committee has discussed local connectivity at length, and that he was interested in creating opportunities for intra-parcel trips and to create human spaces between them. Co-chair Wu stated that she was interested in seeing affordable housing that would help alleviate the needs of those employed in the study area. Ms. Einfalt stated that she would like to have more information on the Issaquah development. She stated that there were many people in the study area that do not make the wages that most make in Bellevue and that services such as day care nearby would be highly beneficial. Mr. Sullivan stated that it is helpful that they discuss the types of employees the housing should address. Ms. Lau Hui stated that the examples demonstrate opportunities for everyone from homeless to 60% AMI, and that it is important to provide human services in the development to assist them in getting above the low income barrier. Mr. Hamlin stated that he really liked the Capitol Hill development for its activity and creating a destination. He stated one thing he didn't like about the Issaquah development is that it felt a little isolated as it is just residential, where the Capitol Hill development is incorporating everything including access and retail. Ms. Einfalt stated that there are a lot of employees at Overlake that make less than the 80% AMI and housing for them would be important. Ms. Kumar stated that the study area provides considerable views and that she would like to make sure that the units that are affordable also get similar opportunities for views that market rate rentals would achieve.

Mr. Kattermann stated that the next topic was about micro-apartments and floor-area-ratio (FAR). He stated that was the standard measure of density to create more flexibility than just unit counts and that it creates more variety as well, such as micro-apartments. Mr. Kattermann stated that micro units are very small independent units. He stated that they are between 200-300 square foot units and are similar to the show room installations in Ikea. Mr. Kattermann stated that it is similar to a standard hotel room with a kitchenette. He stated that there is usually a common kitchen area for the full building as well. Mr. Kattermann stated that the micro-units also bundle utility costs. He stated that reduced parking is really the key to the success of micro-units. Mr. Kattermann stated that current parking requirements make micro units less feasible. He stated that this was important around light rail stations, not throughout the study area.

Mr. Kattermann stated that there are growing percentages of younger and smaller households in Bellevue. He stated that it remained important that a diversity of housing types are considered, and to make room for families in an urban area in addition to younger and smaller households. Mr. Sullivan stated that there is a demand in Redmond and Kirkland for micro units.

Mr. Sullivan stated the next approach is inclusionary zoning and the multi-family tax exemption program. He stated that inclusionary zoning is a form of increased capacity of development or reduced cost in exchange for a level of affordability. Mr. Sullivan stated there is a covenant that ensures the affordability for the life of the building and to provide a similar mix as the overall property. He stated that there is also an option for a fee in lieu that a developer pays into or provides on another property to meet the needs of affordable housing. Mr. Sullivan stated that the multi-family tax exemption (MFTE) allows for forgiveness on the property taxes for a period of 12 years in exchange for providing affordable units during that time. He stated that the two programs can be layered to reduce the income levels. Mr. Sullivan stated that Bellevue does have these programs in place.

Mr. Sullivan stated there is a voluntary and a mandatory approach. He stated that Bellevue currently practices a voluntary approach and that in Downtown Bellevue an additional 1.0 FAR can be allowed for the provision of affordable units. Mr. Sullivan stated that Eastgate has taken a similar approach. He stated that in BelRed it is a different approach in that if the developer wants to move above the base of 1.0 FAR then the developer must provide a minimum amount of affordable housing to move to the next tier of density. Mr. Kattermann stated that the differences in systems exists because of the increases in density. He stated that the increase in Downtown and Eastgate was a small increase so there was only so much that could be asked for in regards to affordable housing. Mr. Kattermann stated that the increase in density was so great in BelRed that the ask for more affordable units could be greater which is similar to the Wilburton Commercial Area.

Mr. Sullivan stated that when he first started in the area there were zero affordable program. He stated that there are now eight or nine programs in place. Mr. Sullivan stated that there has been an increase in the number of affordable units being provided because of these programs in place. He stated that this year there may be nearly 300 units created, demonstrating that these strategies are becoming more common and successful.

Mr. Sullivan stated that there are a number of policy considerations such as linkages to employment in the community. He stated that the Committee should also consider if a fee in lieu is appropriate or if they would prefer that the units be created. Mr. Sullivan stated that the Committee also needs to keep in mind the economics, in that value needs to be

created for the developer in order to encourage the development. Mr. Kattermann stated that the lower the affordable units target, the more subsidy is needed. Mr. Sullivan stated that the MFTE program already exists in the study area, and that a consideration for the Committee is if the program should include the entire study area.

Mr. Kattermann stated that there is also consideration to change the legislation that regulates condominiums. He stated that most condominiums do not create a gateway to homeownership as they typically do because the cost is not as low as it should be because of warranty issues. Mr. Kattermann stated that the Committee would not be encouraging changes in state legislation, but could consider how much rental versus ownership housing they would like to see in the study area.

Mr. Kattermann stated that they could arrange a tour of a facility for the Committee. He stated that they would also return with policy guidelines and considerations for the Committee to adopt. Mr. Renn asked how for purchase housing remains affordable if someone purchases the unit at an affordable price and then attempts to sell the unit a number of years later. Mr. Sullivan responded that there are covenants that restrict the sales price per a set formula that relates to inflation. Mr. Renn asked how buildings with limited parking are managed. Mr. Sullivan stated that in projects completed previously, deals were created between developers and cities to test the demand for parking and creating flexibility to convert the parking if it was proven that reduced parking was feasible. Co-chair Wu stated that she felt flexible in the final recommendations provided that the best outcome can be achieved. Ms. Chong stated that the Committee has not discussed seniors, and that the Committee should consider properties or housing that are geared towards fixed income and low income seniors.

6. Visioning Exercise Results and Discussion

Mr. Calvert stated that he wanted to recap the visioning exercise from the previous meeting. He stated that in their packet there were initial design and character statements for the Committee to review based on the results of the exercise. Mr. Calvert provided a recap of the results from the exercise.

Building Typology Themes

- Unique and iconic forms related to high rise development.
- Façade modulation and variation in form and materials.
- Strong definition between the tower and podium.
- Identifiable and unique roof forms.
- Incorporation of classic forms such as rhythm and modulation.
- Separation of high rises by distance and unique form.
- Contrast in materiality, color, and type.
- Create a layering of materials, not just stacking.
- Human scaled materials.
- Transparency at the street level
- Active and engaging facades.
- Rhythm and modulation at the pedestrian level.

Co-chair Barksdale stated that he recalled statements of what members of the Committee did not want to see in the study area and if they would eventually be included. Mr. Calvert stated that they would be part of the final recommendation strategies that the Committee would review for the next meeting. Mr. Johnson stated that he was thinking about the Capitol Hill development and that it ties in well with the Committee's

considerations for the articulation of a building and its relationship to the surrounding context. Mr. Pardoe stated that there should be cohesion between transition boundaries. Mr. Johnson stated there should also be cohesion between parcels within the study area as well. Co-chair Wu stated that considerations to sun, shadow, and views should be made. Ms. Lau Hui stated that it felt as if there was a contrast between classical forms as well as unique forms. Mr. Pardoe stated that there should also be consideration of environmental impacts of design and materials, such as reflectivity of sunlight. Mr. Calvert stated that the unique forms and layering of materials could assist in mitigating. Co-chair Wu stated that the design and materials should also take advantage of sustainability features such as daylighting. Mr. Pardoe stated that there are a number of block connections and public spaces that he believe have failed at acting as public spaces in Downtown, and that they do not look or feel like public spaces. Co-chair Wu stated that she wanted to emphasize good access to and through the development. She stated it is contrary to the existing REI and Trader Joe's development.

Mr. Calvert summarized some of the key takeaways. He stated that included reducing the scale of massings as much as possible, creating variation and complexity in design and facades, human scaled and engaging street level, and design excellence which can include iconic, inspirational, and classically inspired design. Mr. Renn asked how the city can implement and achieve these goals. Mr. Calvert responded that the question would be covered towards the end of the presentation.

Mr. Calvert stated that additional considerations include sustainability goals for individual buildings and the study area as a whole. He explained how individual buildings can achieve sustainability certifications, and also how the study area can achieve sustainability certification. Mr. Calvert stated that diversity was also a priority for the Committee and to consider how creating a diverse and inclusive community through building design can be welcoming to all of Bellevue's population.

Additional Design Considerations

Mr. Calvert stated that the next few slides represent how towers, podiums, and the pedestrian realm can interact. He stated that there are stepback opportunities for tower bases, and towers to create opportunities for views, sunlight, and pedestrian scale. Mr. Calvert referenced examples as to how this can be achieved with one or more stepbacks. Mr. Renn stated that he liked the concept as it would create visual interest in the buildings, particularly how it relates to the change in topography in the study area. Mr. Hamlin stated he didn't see some of the concepts applicable to shorter buildings. Mr. Pardoe stated he saw the first stepback as a strategy to benefit the pedestrian and that the second was for sunlight. He stated that in some locations it may be nice to have an urban canyon. Mr. Calvert stated that it may be more beneficial to return to this discussion as an exercise so that they could make more refined decisions based on location specific streets. Mr. Pardoe stated that he would like to have resources to identify topography for the exercise. Mr. Calvert stated that this same exercise would apply to the Eastside Rail Corridor as well. Co-chair Wu stated that it would be nice to preserve a bit of an open feel. Mr. Pardoe stated that it would not be necessary for the entire Eastside Rail Corridor.

Mr. Calvert stated another consideration would be buffers and transitions. He stated that the study area abuts the Wilburton Hill Neighborhood and the Wilburton Hill Park. He reminded the Committee that one of the Council Principles is to respect the surrounding context. Mr. Calvert stated that when transitioning to a neighborhood the development could approach the property line, or a vegetated buffer, and upper level stepbacks could

offer mitigation and transition. He stated the area around the park could also pursue similar strategies. Mr. Johnson asked if Mr. Calvert was aware of the future development on 124th Avenue and Main Street. Mr. Renn responded that the development was the elementary school. Mr. Johnson asked if the Committee was aware of the setbacks. Mr. Calvert responded that the playfields buffered on the north side, and the school was well behind the streets due to parking and existing wetlands. Co-chair Wu stated she would like the outcomes to provide well designed buildings. Mr. Hamlin stated that the vegetated buffer speaks more to the study area, giving it a different character to the urban environment, and a step down from Downtown's intensity.

Mr. Calvert stated that there would likely be some forms of above grade parking in the study area. He stated that either the parking could face the pedestrian realm, or it could be screened by retail, commercial, or residential uses. Mr. Calvert stated that there can also be design guidelines that can encourage the design of above grade parking facilities to have more continuity with overall building design so that the parking use is not so apparent.

Streets and Connectivity

Mr. Calvert provided a recap of the results of the exercise.

- Activated alleys
- Fun and inspiring designs
- Sustainable design features
- The Eastside Rail Corridor as urban and active between NE 4th and NE 8th Streets, and more parklike in other areas.
- Urban amenities such as seating, lighting, and active facades.
- Design that is inspired by local heritage and culture.

Co-chair Wu stated that the street design also needs to feel safe and wasn't apparent in the comments.

Mr. Calvert stated that additional considerations included the relationship to the buildings, if each street should be treated with similar design strategies based on levels of activity, and what are the historical references that could be incorporated. He referenced the letter from the Eastside Heritage Center and encouraged the Committee members to read through the letter to discover inspiration as it relates to heritage and culture.

Parks and Open Space

Mr. Calvert provided a recap of the results of the exercise.

- A large civic space
- Fun and playful for all ages
- Activity that frames and engages all public spaces, including green and plazas.
- Incorporate heritage and culture in design
- Transforming the natural assets into amenities for the community
- Urban amenities such as seating, lighting
- Organic and fluid design

Mr. Calvert stated that he wanted to address Mr. Renn's earlier question of how the city can achieve the desired outcomes and goals. He stated that they can be achieved with design and development guidelines. Mr. Calvert stated that dimensional requirements are

part of the Land Use Code that shape and form development to provide respectful transitions and frame the pedestrian realm. He stated that the design guidelines outline opportunities and suggestions for the design of buildings and incorporating elements of the overall vision. Mr. Calvert stated that elements such as sustainability and public spaces can be incentivized.

Mr. Calvert posed the question of districts to the Committee. He stated that ULI had created districts and that one of the teams also created districts as part of their exercise. Mr. Calvert stated that elements such as aesthetics or transportation infrastructure could create distinct districts in the study area. Co-chair Wu stated that the idea of districts is one organization tool, but light rail stations could also be a means to create them. Mr. Calvert stated there is no requirement to create districts, but the Committee could consider it. Mr. Johnson stated that it is great to have a vision for design and public space, but was less enthusiastic about trying to determine or assume particular uses. He stated that he didn't want them to be over prescriptive in the uses in order to achieve the concept of districts. Mr. Pardoe stated that he agreed with Mr. Johnson. Mr. Calvert stated that streets and open space design could also inform districts.

7. Adjourn

Co-chair Barksdale adjourned the meeting at 8:00 p.m.