

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Bel-Red Finance Plan.

STAFF CONTACT

Matthew Terry, Director, Department of Planning & Community Development, 452-6191
Jan Hawn, Director, Finance Department, 452-6846

POLICY ISSUES

- Should the City utilize a broader range of financial tools than in use currently to fund needed infrastructure investment in the Bel-Red area? Should these new tools be used only in Bel-Red, or be applied more broadly in other parts of the City?
- Should the City require that new development fund a larger share of the cost of infrastructure necessary to mitigate the impacts of that new development than has historically been required? What is the proper allocation of costs between new development and general City tax sources?
- Use of City debt capacity will likely be necessary to finance investment in needed infrastructure. How should the City think about targeting debt capacity for investment in the Bel-Red area?
- Should the City allocate the same or larger percentage in the total growth in property tax, sales tax, and Business and Occupation tax that would be diverted to the CIP by current policy from the Bel-Red area to pay for needed infrastructure investment?
- Should Bel-Red capital investment compete for General CIP resources?
- What is the relative priority of capital investment directed at redevelopment in the Bel-Red area compared to other citywide needs?
- What is a reasonable timeframe for accomplishing the capital investment contemplated by the plan?

DIRECTION NEEDED FROM COUNCIL

Action
 Discussion
 Information

The Finance Plan will be one of the key building blocks for the Bel-Red implementation work. It should identify the timeframe over which needed capital improvements are funded and constructed, and outline a potential funding strategy for accomplishing the plan. This discussion is the second of several planned discussions of the Finance Plan. The purpose of this session is to present staff's current thinking about the timing of capital investment and a general financial strategy, and to engage the City Council in a discussion of key concepts. Feedback from the Council on the timing of capital investment and on the acceptability of the

revenue sources being considered for the Finance Plan would be extremely helpful, and will be used by staff to further develop the plan.

BACKGROUND/ANALYSIS

The City initiated work on the development of a long-term plan for the redevelopment of the Bel-Red area of the City several years ago in order to establish a solid and dynamic economic future for the Bel-Red area, and also to be proactive on planning for the potential of high capacity transit through the corridor (connecting Downtown Bellevue with Overlake). The Council adopted a number of planning principles to guide this work, and charged a Bel-Red citizens committee with development of the plan. The Committee completed its work in September 2007, and transmitted its recommendations to the Council.

Work to implement the plan is underway and is composed of several integrated parts. These include new Comprehensive Plan policies for the area, the development of new land use regulations (LUC), a legislative rezone of the area to implement the land use vision, a capital investment and financial strategy, and an update of the interlocal agreement between the cities of Bellevue and Redmond (BROTS Agreement).

Capital Investment and Financial Strategy

Council adopted principles for the Bel-Red plan that stress the importance of these concepts:

- That land use and transportation be closely integrated;
- That the plan provide for the long term growth and development of the area; and
- That an extensive package of new amenities be identified for the area that will support new investment in jobs and housing.

The Bel-Red Committee proposed many significant investments in transportation, parks, and environmental improvements. They concluded that new investment in infrastructure and amenities would be needed to transform the area, and that a significant share of the investment would need to come from properties undergoing redevelopment. The Committee stressed the importance of use of incentives to provide this investment, capitalizing on the additional intensity and height provided by the new zoning.

The Capital investment and financial strategy for Bel-Red is composed of several related parts, described below.

Finance Plan principles. On December 10, 2007 staff presented preliminary Finance Plan financing principles (Attachment 1). These principles emphasized that:

- The Finance Plan should take the long view, with the understanding that the basic infrastructure, livability investments, and amenities will occur as redevelopment takes place;
- The Finance Plan should maintain the city's long-term financial stability (thus preserving the city's Aaa bond rating);
- The cost for the public infrastructure should be shared based on the relative impacts and benefits of development within the corridor;
- The Finance Plan should enable the Bel-Red vision to be fully realized,
- The Finance Plan should be complementary to the long-term economic development goals for Bellevue; and

- Public investments should be made strategically in order to leverage them for the greatest public good.

The Council has not adopted these principles. Several Council members said that they wanted to see some of the funding ideas being considered for Bel-Red possibly applied citywide (impact fees).

Capital Facilities. The Plan is proposed to be supported by significant new investment in roads, transit, parks, and stream corridor improvements. These proposed investments are shown graphically in Attachment 2, and cost estimates are outlined in Attachment 3.

- New road improvements to support growth in the area include the development of NE 15th Street, a new arterial/transit street, and upgrades to other existing arterial streets in the area. These transportation improvements support the nodal development strategy for the Bel-Red area, respond to the impacts of the anticipated growth in Bel-Red, and are planned to be constructed as development occurs, with a deliberate phasing strategy linking growth to development of these facilities. NE15th Street is the centerpiece of the transportation strategy for Bel-Red. It provides for auto access to new development, accommodates new trips moving through the area from Downtown and elsewhere, provides a light rail corridor, establishes a major east-west pedestrian and bicycle connection between Downtown and Overlake, and is designed as a 'green' street, functioning as a visual and usable amenity for people living and working in the area.
- The park system for Bel-Red contains new community parks, neighborhood parks clustered in the mixed use residential area, and a system of trails, providing connections through the area. The park system is designed to capitalize on adjacencies to the stream system so that the benefits of the open space, stream restoration and trails system work together as an integrated system of green spaces. The park and stream restoration strategy are necessary components to the overall redevelopment strategy, making the area more livable. These open spaces will also serve the broader community by providing destination recreational opportunities, and by linking key destinations through development of the trail system.
- Bel-Red contains five potential salmonid streams. Restoration of these waterways will improve fish habitat, add urban amenities, and support the City's overall open stream strategy.

Capital facility costs. The cost of providing these facilities is significant. The financial strategy is based on the philosophy that these investments will occur over 40 to 50 years as this area matures, but that those facilities necessary to support growth will be programmed to occur as development takes place. Ideally, \$450 million in capital investment should occur by 2030 (see Attachment 3). The Finance Plan will identify a number of possible funding sources to accomplish this, but the size of the capital program, the timing for receipt of the funding revenues, and the timing of capital investment will ultimately depend on what funding strategy the Council elects to implement.

Finance Plan. The Finance Plan will attempt to align capital needs and funding sources. As described above, about \$450 million in capital investment would ideally be funded from a

variety of sources to accomplish construction of the needed facilities. Attachment 4 identifies the capital investment and possible sources of funding for them. The funding sources fall into several categories:

- Developer funded improvements. The finance principles propose that new development should pay for the cost of facilities reasonably related to the impacts and demands of that new development. The Bel-Red plan contemplates a significant increase in zoning intensity. The value created by this zoning change can be one significant source of funding for the capital improvements needed to support growth in this area. The Finance Plan could access this increase in value in several ways, including the following:
 - **Incentive system** - the basic zoning system will require developer participation in the amenity incentive system in order to achieve the maximum zoning intensity and maximum building height. The City has identified a short list of developer provided improvements which developers can choose from to increase development intensity/height. See Attachment 5. Some of the facilities on the list help achieve the capital investment necessary for the long term development of the area. The bonus system will be set up to give priority to affordable housing, park and stream corridor investment. Staff is considering use of a 'super bonus', that would allow additional development intensity above a maximum floor area ratio (FAR) of 2.5 to enable use of regional TDRs.
 - **ROW dedication** - the cost of acquiring right-of-way (ROW) represents about 60% of the cost of new transportation facilities. The City could require ROW dedication when new development occurs adjacent to and creates impacts related to new or improved roadways. To minimize the impact of dedication on the development potential of these properties, the City could offer FAR credit for all ROW dedication.
 - **Transportation and park impact fees** - The Finance Plan may contemplate significantly higher transportation impact fees and a new park impact fee to help pay for the cost of new facilities. A significant percentage of the cost of new transportation facilities can be attributed to new development in Bel-Red, and this cost could be recovered through transportation impact fees. Similarly, new residential development contributes to the demand for new parks and park impact fees could be an appropriate funding mechanism.
 - **Local Improvement Districts (LID), late comer fees, and other similar mechanisms** - LIDs are authorized by state law and are used by cities as a financing mechanism to pay for new facilities. This mechanism allocates costs of new facilities based on the special benefits provided by new transportation facilities, and can include property owner and City involvement in the LID. Although complicated to set up, LIDs may be an effective mechanism for funding facilities where property undergoing redevelopment directly benefits from the new transportation facilities.

The increase in value associated with the rezone of land in Bel-Red is unique to this area. It establishes a different competitive equation with respect to land in Bel-Red vs. elsewhere in the City, and in that way addresses the argument that higher development costs in Bel-Red create a 'competitive disadvantage' for development in Bel-Red as compared to elsewhere in the City.

The Finance Plan will allocate costs to new development through one or more of these mechanisms, taking into consideration the timing of receipt of the potential revenues and in a manner that ensures that private development pays only its fair share of the cost of this new infrastructure.

- Other funding sources. All of the capital facilities proposed for Bel-Red are necessary to support the growth allowed under the anticipated land use changes. However, the facilities also provide benefit to residents and businesses outside of the Bel-Red area. For that reason, it is appropriate to consider use of general revenue sources to fund part of the Bel-Red capital investment. General revenue sources being considered for use in funding Bel-Red facilities include:
 - **General CIP funds** - The General CIP is an appropriate funding source for a portion of the transportation, park, and stream corridor improvements. Many of the trips using the Bel-Red transportation improvements come from areas outside of Bel-Red. The General CIP is a traditional source of funding used by the City to pay for transportation, park and environmental improvements, and is appropriate in Bel-Red. Use of the General CIP to fund Bel-Red improvements means that Bel-Red capital improvements will have to compete with other capital needs throughout the City.
 - **Growth in tax revenue dedicated to capital from Bel-Red development** - Redevelopment of the Bel-Red area will generate significant growth in general tax revenues. Based on current laws and economic activity, we estimate that the development program for Bel-Red will generate about \$113 million in net new taxes (2009 dollars) through 2030. Approximately 40% of that tax revenue growth would be diverted to the CIP under current policy. If that amount were committed to capital investment in Bel-Red, significant progress could be made in acquiring land for parks or paying for transportation improvements. All or a portion of this growth in CIP revenue could be used for Bel-Red capital investment.
 - **Storm Drainage Fees** - 40 years ago the City established the storm drainage utility. Drainage fees funded capital, operations, and maintenance activities with the overall goal of preserving Bellevue's open streams as storm water conveyance. Over the years, these rate-based revenues have been used to further preserve and enhance the storm drainage system. Restoring stream segments in Bel-Red would be consistent with the mission of this utility. Storm drainage fee increases for Bel-Red stream restoration could be specific to Bel-Red or could be charged on a citywide basis. Alternatively, Bel-Red stream restoration could be part of a larger, citywide stream restoration initiative. The rate strategy would have to be augmented with General CIP revenue and developer participation to fully realize the vision of open, healthy streams in Bel-Red.
 - **Grant revenues** - The City will be successful in obtaining grants for transportation facilities, parks, and environmental enhancement in Bel-Red. These grant revenues will augment the other sources of funding for capital investment.
 - **ROW sellback** - When the City acquires ROW for transportation purposes, we sometimes have to buy more than we need for a project, because of the impact

that the project has on the property. Sell back of excess ROW will partially offset the costs of ROW acquisition.

- **Transportation Benefit District** - State law authorizes creation of new taxing districts to fund transportation investment. Staff thinks this funding tool can play an important part in the City's transportation funding strategy, but should be implemented on a citywide (or sub regional) basis. Transportation investments in the Bel-Red area may be appropriately funded by this mechanism.

Staff is currently working to estimate the potential revenue yield from each of the revenue sources, and on what combination of financial strategies might make sense.

- Timing of investment - The Bel-Red Committee concluded that development should be phased with construction of facilities needed to support growth. Yet growth can generate much of the revenue to support investment. This relationship between the funding sources and the timing of investment is fundamentally a function of how aggressive the City wants to be with its Bel-Red financing strategy. The timing of investment will be further developed in the Finance Plan, once staff has preliminary direction on funding sources from the Council.
- Other related Finance Plan issues - the Bel-Red Committee identified provision of affordable housing in Bel-Red as an important policy objective. The amenity incentive system is one way to encourage/require affordable housing. The Council may also want to consider use of the multifamily property tax exemption and permit and impact fee waivers to further encourage affordable housing (discussion of these tools will occur as part of the Bel-Red affordable housing presentation). Use of the multifamily property tax exemption would impact property tax receipts, and would need to be factored into the Finance Plan.

ALTERNATIVES

Feedback from the Council on the timing of capital investment and on the acceptability of the potential revenue sources being considered for the Finance Plan would be extremely helpful. Any feedback received from the Council will be used by staff to further develop the Finance Plan.

ATTACHMENTS

1. Finance Principles
2. Bel-Red Preferred Alternative Concept
3. Cost Estimates
4. 2008 Sources and Uses
5. Preliminary List of Bonusable Amenities

Preamble:

Redevelopment of the Bel Red area represents a unique, dramatic opportunity to shape the future of this corridor, strategically situated between Downtown Bellevue and the Microsoft campus, for the long term benefit of the community. The scale and scope of redevelopment potential in this area is significant for Bellevue and the region, and represents an opportunity for the City to respond to market demand for office, limited retail, and residential development. The area lacks critical infrastructure to support redevelopment, and current financing tools are inadequate to enable full potential for high value redevelopment and to leverage that value for public good. For the area to achieve its full potential, all financing alternatives must be evaluated.

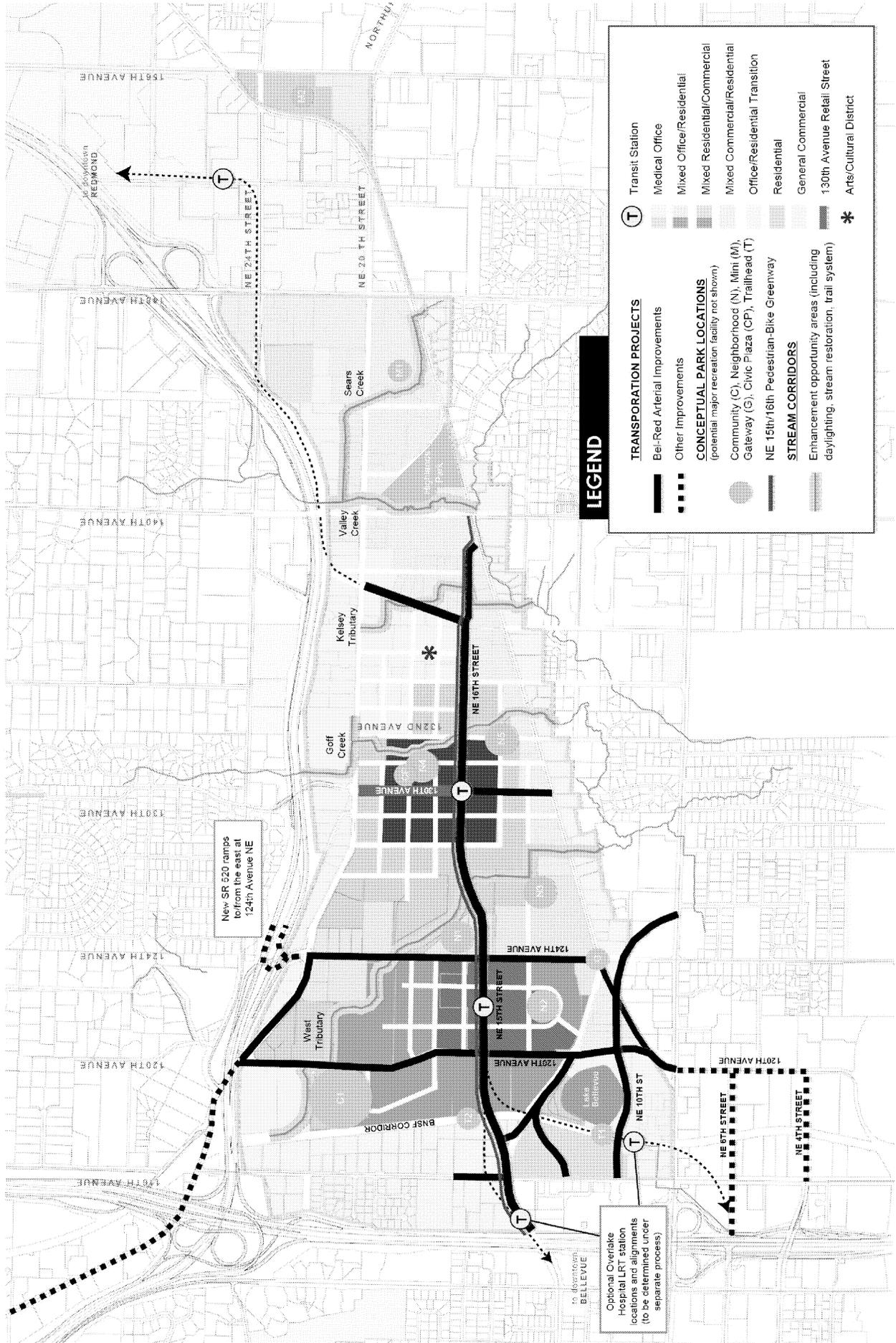
The current list of funding strategies used by the City for public infrastructure should be expanded to include a broader array of tools than currently used by the City, including but not limited to impact fees, transportation benefit districts, local improvement districts, density and other development incentives, dedicated general tax revenue from new development in the area, and state/federal grants. The consultant team is charged with developing a financial plan for the Bel red area utilizing legally and financially viable financing techniques.

Finance Plan principles:

1. The Finance Plan should take the long view, with the understanding that the basic infrastructure, livability investments, and amenities will occur as redevelopment takes place.
2. The Finance Plan should strengthen the cities long term financial stability.
 - a. *City councilmanic debt capacity is limited and must be available for emergencies and City-wide uses. Conservative revenue estimates should be built into revenue models developed for this purpose and any funding strategies should preserve the City's debt rating.*
3. Cost for the public infrastructure should be shared based on the relative impacts and benefits of development within the corridor.
 - a. *The planned development of the Bel Red Corridor is likely to result in significant long term economic benefit to property in the area as well as City-wide benefit in the form of an increased and diversified tax base and important through-traffic corridors within the area. New development in the Bel Red Corridor will be the primary beneficiary of public infrastructure improvements required to accommodate the development and, therefore, should be the primary source of revenue to pay for the improvements. A limited general City contribution may be required as a supplemental source of funding, directed to improvements with City-wide benefits, or as a means to bridge revenues from development to provide the infrastructure in a timely manner.*
4. The Finance Plan should enable the Bel Red vision to be fully realized

- a. *The financial plan should be realistic .*
 - b. *The financial strategy is likely to acknowledge that there is limited capacity for the new development to pay for all required improvements and furthermore that revenues derived from such development may not be available when needed to finance the infrastructure. For those reasons, strategies that spread the cost of facilities over time and supplement and bridge revenues projected to be derived from the development will be critically important. Late comer agreements or other developer-financing mechanisms should be considered.*
 - c. *This may mean that while new development will be the primary source of infrastructure funding, the practical limits of such revenue stream in the market place need to be understood.*
5. The Finance Plan should be complimentary to the long term economic development goals for Bellevue and the region.
- a. *The financial plan should be realistic and not inadvertently place new development and existing businesses at a competitive disadvantage to other areas in the City or in adjacent cities. This may mean that while new development will be the primary source of infrastructure funding, the practical limits of such revenue stream in the market place need to be understood. The overall strategy developed to fund Bel Red improvements should be designed to meet the particular challenges and opportunities of the Bel Red Corridor, though the City may elect to apply Bel Red funding mechanisms to other parts of the City.*
6. Public investments should be made strategically in order to leverage them for the greatest public good.
- a. *Any general City contribution to the infrastructure needs to be understood in the context of a return on the City investment and the extent to which the infrastructure provides material benefit to the City as a whole*

Bel-Red Subarea Improvements



Preliminary Bel-Red Cost Estimates (February 15, 2008)

CAPITAL INVESTMENT AREAS	Cost estimates in millions in 2008\$					Total	NOTES:
	2008-2014	2014-2020	2020-2030	Beyond 2030			
Transportation: Basic Required Infrastructure <i>(sub-set of fully developed system, below)</i>	\$134.5	\$32.3	\$124.0	\$0.0		\$290.8	Value engineering of \$22m reflected for 2008-2030 projects. Projects beyond 2030 to be pursued as needed. Opportunity for \$10m to \$15m for resale of ROW remnants, and \$2m/year thru grants funding. Does not include developer-funded grid streets within nodes and regional projects (i.e. 520 ramps)
Transportation: Fully Developed Infrastructure	\$139.5	\$34.3	\$139.0	\$149.1		\$461.9	Opportunity for \$15m to \$20m for resale of ROW remnants, and \$2m/year thru grants funding. Does not include developer-funded grid streets within nodes and regional projects (i.e. 520 ramps)
Right-of-way acquisition	\$87.8	\$8.3	\$66.7	\$89.7		\$252.5	
Engineering and construction	\$51.7	\$26.0	\$72.3	\$59.4		\$209.4	
Parks	\$78.1		\$36.6	\$10.0		\$124.7	
Land acquisition	\$63.1		\$0.0	\$4.0		\$67.1	Does not include potential \$98 million major recreational facility.
Development/improvement	\$15.0		\$36.6	\$6.0		\$57.6	
Stream Restoration	\$48.7		\$3.7	\$24.2		\$76.6	
<i>Bel-Red share of total cost</i>	<i>\$32.9</i>		<i>\$2.2</i>	<i>\$19.3</i>		<i>\$54.4</i>	Bel-Red share of total cost assumes 60% to 80% depending on stream reach and size/function of restoration area.
Land acquisition	\$29.9		\$2.6	\$15.0		\$47.5	
Restoration, trail development, culvert replacement	\$18.8		\$1.1	\$9.2		\$29.1	
BROTS	Projects ideas and general cost estimates being developed.						

Revenue Sources

	2008-2030	Beyond 2030	Impact fees (2030)	Grant revenue (2030)	Sellback ROW (2030)	Storm Drainage fees (2030)	Bel-Red Tax Increment growth (2030)	Developer ROW dedication	General CIP contribution	Developer Incentives	LID'S (latecomer agmts, ...)	Total 2030
Transportation	\$312m	\$152m										
Parks	\$85m	\$40m										
Streams	\$52m	\$24m										
BROTS	TBD	TBD										
Total	\$449m	\$216m										
Notes												

Bel-Red Corridor Preliminary List of Bonusable Amenities

PUBLIC AMENITY	DEVELOPMENT CRITERIA	BONUS MEASUREMENT
<p>Workforce/affordable housing: A threshold bonus for providing workforce/affordable housing would apply to all new residential development that wished to exceed their base FAR/height. The workforce/affordable housing incentive would be on the list of bonus amenities for non-residential development (but not as a threshold bonus), and available for residential development that wished to pursue it above the threshold bonus level.</p>	<ol style="list-style-type: none"> 1. May be integrated into the same building as market rate housing, or in a standalone building on-site. 2. Off-site units or fee-in-lieu may be provided as an off-site option for development of affordable housing in the Bel-Red corridor (but would be bonused at a lower level for residential/mixed-use projects). 3. Design must be generally consistent with the rest of the development, provided that unit size and interior finishes may vary from market units. 	<p>Key policy question: The threshold bonus for residential/ mixed-use development should be targeted towards what median income levels? Additional bonus available for residential/mixed-use development above threshold level. On-site provision of workforce/affordable housing will be bonused at a higher level than off-site provision or fee-in-lieu. Bonus available for non-residential development.</p>
<p>Stream restoration: The Bel-Red plan encourages new development to incorporate stream corridors as a significant environmental and community amenity. The vision is for a 50 to 100-foot wide restoration area dependent on stream corridor. The stream restoration bonus is intended to provide an incentive above and beyond the Critical Areas Ordinance requirements. The West Tributary and Goff Creek corridors are anticipated to be early priorities for enhancement; rehabilitation opportunities have been identified for the other streams as well. On-site or off-site improvements may be bonused.</p>	<ol style="list-style-type: none"> 1. Stream restoration could include the following: removing fish passage barriers, daylighting piped stream segments, and restoring riparian habitat. 2. Stream restoration could occur on-site or off-site. 3. A restoration plan must be approved by the city and may include elements of natural streamside vegetation, enhanced fish and wildlife habitat, public trail network, and public spaces with education opportunities. 4. Public trail component must be consistent with Bellevue parks system plan. 	<p>Bonus to be measured in an amount of additional building square feet per dollar value of stream restoration. Key policy question: Should off-site stream restoration allow for FAR to be transferred into nodes to exceed 2.5 FAR?</p>
<p>Natural drainage practices: Redevelopment in Bel-Red presents an opportunity to incorporate “green infrastructure” techniques, including natural drainage practices or what is sometimes referred to as low-impact development. These include rain gardens, pervious pavement, vegetated roofs, and amended soils.</p>	<ol style="list-style-type: none"> 1. Development criteria for rain gardens, pervious pavement, vegetated roofs, and amended soils may be found in the city’s Natural Drainage Practices Manual – fact sheets U1-U5. 2. The appropriateness of each of these natural drainage features must be considered on a case-by-case basis and is largely dependent on the underlying soil conditions. 3. These natural drainage features do not remove the need for conventional detention to handle large storm events, but they may reduce the needed size of the facilities. 	<p>Independent bonuses for rain gardens, pervious pavement, vegetated roofs, and amended soils to be measured in additional building square feet per net effective area of natural drainage feature improvement.</p>
<p>Park and active recreation areas: The Bel-Red corridor is intended to have a robust parks system. A bonus will be available for new parks and recreation areas that are consistent with Bel-Red Subarea Plan and function as a public park. Parks and active recreation areas could be done on-site or off-site by the developer, or through fee-in-lieu.</p>	<ol style="list-style-type: none"> 1. New parks must be consistent with the Bel-Red Subarea Plan generalized locations and size requirements. 2. Bonused parks must be signed and function as part of the Bellevue parks system, including the ability to be programmed by the city. 3. Bonused neighborhood, community, and mini-parks must be deeded to the city. 4. Active recreation areas could be indoor or outdoor, and include sport courts, climbing walls, skate areas, among others. Must be open to the general public; free of charge. Public access easement required. Must include public restrooms. 	<p>Independent bonuses for neighborhood and community parks, mini-parks and active recreation area to be measured in additional building square feet per square feet of amenity provided.</p>

Preliminary List of Bonusable Amenities (continued)

PUBLIC AMENITY	DEVELOPMENT CRITERIA	BONUS MEASUREMENT
<p>Public access to privately developed plazas: Outdoor plaza space, not otherwise bonusable, which is signed and functions as a publicly accessible space.</p>	<ol style="list-style-type: none"> 1. Minimum size is 1,000 square feet, with a minimum horizontal dimension of at least 20 feet adjacent to a sidewalk along a public street frontage. Maximum bonusable area TBD. 2. All the public accessible space must be visible from a public sidewalk. 3. Must provide weather protection, opportunities for penetration of sunlight, areas for seating, and at least 20 percent of the area as landscaped. 4. May not be used for parking, loading, or vehicular access. 5. Must be adequately signed and readily accessible to the public at all times. 	<p>Bonus to be measured in an amount of additional building square feet per square feet plaza area that is granted public access. Development cost of plaza would not be part of bonus ratio calculation. The bonus would be a function of the provision of “public access”.</p>
<p>Community/non-profit space: Space that is made available, rent free, to non-profit organizations.</p>	<ol style="list-style-type: none"> 1. Space shall principally provide outreach functions, but may also include related administrative functions. 2. Maximum bonusable area TBD. 	<p>Bonus to be measured in an amount of additional building square feet per square feet of community/non-profit space. Policy question: Should a fee-in-lieu “buy-out” option be included for space that, due to unforeseen circumstances, needs to be converted to another use in the long-term?</p>
<p>Child care services: A use providing regular care and education for children, generally for less than 24 hours outside of the immediate family or the kindergarten through 12th grade education system.</p>	<p>Childcare services must comply with the requirements of LUC 20.20.170.</p>	<p>Bonus to be measured in an amount of additional building square feet per square feet of child care space. Policy question: Should a fee-in-lieu “buy-out” option be included for space that, due to unforeseen circumstances, needs to be converted to another use in the long-term?</p>
<p>Arts/cultural district uses: Additional arts and cultural uses in the general vicinity of the Pacific Northwest Ballet have the potential to be a very significant neighborhood and community amenity. These include spaces dedicated to arts education; rehearsal, performance, and production activities; and artist work/live spaces.</p>	<ol style="list-style-type: none"> 1. Arts education includes eligible non-profit organizations with arts education as their primary focus, including skill-building activities for visual arts and crafts and/or performing arts. 2. Rehearsal and performance space is intended for small to medium performing arts groups defined as groups with annual operating budgets of \$1 million or less. 3. Art production could include ceramics, sculpture, blown glass, and other arts and crafts. 4. Artist live/work spaces for artists with their families. Artists’ qualifications as artists are determined by peer review of resumes and work samples. 	<p>Bonus to be measured in an amount of additional building square feet per square feet of arts/cultural district space. Policy question: Should a fee-in-lieu “buy-out” option be included for space that, due to unforeseen circumstances, needs to be converted to another use in the long-term?</p>
<p>Public art/sculpture: Public art will help add character, identity and a sense of place to the Bel-Red area. Bonus will apply to any form of sculpture or other artwork that is located outside of a building and fully accessible to the general public. Could also include building-related art treatments for awnings, doors, planters, etc.</p>	<p>Sculpture or public art must be permanent in nature and displayed outside of the building in areas open to the general public and/or any adjacent public right-of-way. Public art may be an object or an integrated feature of the building’s exterior.</p>	<p>Bonus to be measured in an amount of additional building square feet per dollar value of public art/sculpture. Separate bonus for building-related art features (could be higher in arts district).</p>
<p>Public restrooms: Bonus to apply to restrooms for use by the general public, with only necessary controls for purposes of personal safety. Must be clearly signed as “public restrooms”.</p>	<ol style="list-style-type: none"> 1. Shall be located in a separate outside building or within a larger building on the ground floor. 2. Shall be open for use by the public during normal business hours, as applicable. 3. Shall be signed as “public restrooms”. 	<p>Bonus to be measured in an amount of additional building square feet per square feet of public restrooms.</p>

Preliminary List of Bonusable Amenities (continued)

PUBLIC AMENITY	DEVELOPMENT CRITERIA	BONUS MEASUREMENT
<p>LEED™ certification: Intended to encourage sustainable development through participation in the US Green Building Council’s (USGBC) program for Leadership in Energy and Environmental Design (LEED™). Green building practices recognize the relationship between natural and built environments and seek to minimize the use of energy, water, and other natural resources and provide a healthy, productive indoor environment. The bonus levels could include LEED™ Silver, Gold, and Platinum and LEED™ for Neighborhoods.</p>	<ol style="list-style-type: none"> 1. A LEED™ accredited professional shall be a member of the design team for the building/project. 2. The applicant shall prepare and submit an application for LEED™ certification with the USGBC, and shall provide the city with proof that the building has achieved the bonused rating. 3. A performance bond equivalent to the value of the bonus will be taken out by the developer. In the event the project does not achieve the planned rating, all or part of the money will be used for environmental improvements identified by the city. 	<p>A bonus could be provided for Silver, Gold, or Platinum building levels measured in additional FAR based on certification. A bonus could also be given for LEED for Neighborhoods certification, though this program is still in its pilot period. Policy question: What level should be bonused, that is above what the market is likely to deliver on its own?</p>
<p>Regional transfer of development rights (TDRs): The Bel-Red Subarea Plan provides direction to actively consider Bel-Red as a TDR receiving area as a means to achieve conservation of rural resource lands outside the Countywide Urban Growth Boundary.</p>	<p>Would be part of a regional TDR system, provided that Bellevue could designate select portions of Bel-Red (such as the nodes) as receiving areas.</p>	<p>Policy question: Based on the other desired amenities being considered, is it appropriate to include regional TDRs on the list at this time?</p>