Item No. 4(d)
September 11, 2006

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Update on recent developments pertaining to the Overlake area of Redmond.

STAFF CONTACT

Dan Stroh, PCD, 452-5255

POLICY ISSUES

On September 20, the Growth Management Planning Council is scheduled to take action on designating the Overlake area of Redmond as an Urban Center, under the Countywide Planning Policies (CPPs) for King County. Given that the Council has expressed major interest in the proposed urban center designation, this Management Brief provides an update on recent developments with Redmond pertaining to the Overlake area.

DIRECTION NEEDED FROM COUNCIL

___Action
_X Discussion
___Information

BACKGROUND/ANALYSIS

Background

A large portion of Redmond's Overlake district is currently designated as a "Manufacturing Center," one type of regional growth center recognized in the countywide policy framework. Redmond has concluded that an "urban center" designation better fits their city's vision for Overlake, and have been taking a number of actions in support of re-designating the area as an urban center. They have redrawn the "center" boundary to encompass a larger area of 512 acres, including a "housing emphasis area" at the southern end of Overlake. They have adopted an array of local policies supporting the area as an urban center. Redmond has also nominated Overlake as an urban center to the Growth Management Planning Council, the body that guides development of Countywide Planning Policies. The GMPC nomination was first heard in April of this year, and is slated for action at the September GMPC meeting.

Over the course of earlier deliberations on the Redmond urban center, Bellevue raised several issues. The principal concern was that although no zoning changes were proposed at this time, the change to urban center status could have the potential to encourage more growth in Overlake over the long term, creating significant additional traffic congestion on Bellevue arterials.

As a result of these concerns, the Council directed staff to convene a dialogue with the city of Redmond in an attempt to reach agreement on an approach that would meet both cities' needs and interests. Last

March staff brought back the outline of an agreement intended to address Bellevue's concerns, as well as a draft letter to Sound Transit, expressing the two cities' joint interests in an Eastside high capacity transit system. Both Councils subsequently approved the Agreement outline (Attachment A) and the letter to Sound Transit. The Agreement outline pertains to the two cities' interests in both the Bel-Red area of Bellevue and the Overlake area of Redmond. It covers four topics: land use vision, impact mitigation, joint planning, and transportation advocacy. The remainder of this Memo summarizes developments in each of these areas.

Land Use Vision

- Both cities have been making progress in their respective planning efforts for the period beyond 2012, the expiration of the existing BROTS Agreement.
- Both cities are at the stage of assessing alternative growth scenarios:
    - Bellevue is proceeding with a draft EIS to analyze three Bel-Red development scenarios, ranging up to an additional 4.5 million sq. ft. of commercial development and 5,000 residential units.
    - On August 29, Redmond released two action alternatives; the higher, "Ambitious Action" alternative includes an additional 4.4 million sq. ft. of commercial development and 5,500 residential units.
- The two cities recognize that their preferred scenarios must be reconciled (see Joint Planning, below.)

Impact Mitigation

- Both cities are continuing to operate under the existing 1999 BROTS Agreement.
- The two cities cooperatively prepared the 2005 BROTS Reconciliation report (Bellevue's went to Council on March 1, 2006) per the BROTS Agreement in order to document land use changes and transportation project progress.
- In April, Redmond staff briefed Bellevue Transportation staff on Redmond's project development and monitoring process which has been established for the mitigation projects committed through the Microsoft Development agreement.
- Since the beginning of the year, the two cities have exchanged substantial sums in payment for shares of completed projects built under the BROTS agreement, including NE 29th Place and intersection projects on 148th at NE 51st and NE 56th Streets, and have continued to collaborate routinely to advance the implementation of other BROTS projects (such as the new Microsoft entrance at Bel-Red Road at NE 30th Street).
- For the period beyond the existing BROTS Agreement, future improvements to the mitigation process are needed along the lines of the March outline.

Joint Planning

- A Bellevue staff member participated in Redmond's Overlake planning "charrette."
- The two cities' staffs have collaborated on our respective transportation consultant scopes of work, and have shared data bases, transportation models and model results.
- Current work is focusing on clarifying the two cities' process and timing for reconciling land use beyond the existing BROTS Agreement.

Transportation Advocacy

- In March, the two cities jointly issued the agreed letter of support to Sound Transit regarding the ST 2 planning effort, including first priority to the I-90 corridor and recognition that planning for the SR 520 Corridor must include Downtown Bellevue. Sound Transit has subsequently initiated planning to link downtown Seattle with downtown Redmond via I-90, downtown Bellevue, and the Bel-Red Overlake corridor.
- There has been mutually supportive advocacy for further investment in both the I-405 and SR 520 corridors, per the Agreement outline.

Summary

Redmond correctly asserts that the policies and zoning to support the Overlake urban center designation have been in place for some time, and that the regional policy recognition will do nothing in itself to change the area's zoning. The GMPC is scheduled to take action on the designation on September 20, forwarding the designation to the County Council and then to King County cities for ratification.

Bellevue and Redmond have been working to coordinate our interests in the Bel-Red and Overlake areas. Redmond, like Bellevue, is contemplating a significant amount of growth in its planning area. The amount of growth being analyzed in the higher development scenario is a bit of a surprise and more than we had anticipated, but not without market rationale. Much hard work lies in front of our two cities to reconcile the two cities' growth scenarios; these are complex issues and will likely take significant time to resolve. We are working to build this reconciliation process into both cities' respective planning efforts, as noted above.

ATTACHMENTS

1. Draft Outline for Potential Agreement, March 2006
2. Map of Overlake Urban Center per City of Redmond

ALTERNATIVES

N/A

RECOMMENDATION

N/A

ATTACHMENT 1
Draft Outline for a Potential Agreement (March 2006)

1. Preface
   - Identification of inter-relationships between the two cities
   - Recognition that our cities share more interests than differences and that both cities gain by working together to address common interests

2. Land Use Vision
   a. Vision for the Bel-Red Area
      - Character
      - Future Nonresidential and Residential Development Desired
   b. Vision for the Overlake Area
      - Character
      - Future Nonresidential and Residential Development Desired

3. Impact Mitigation
   - Continue to track trips within existing BROTS area consistent with existing BROTS agreement; both cities to pay proportional share as identified in BROTS agreement
   - Expand impact area as needed to address significant identifiable impacts within each city. Until a successor to the BROTS agreement is adopted, commit to work together to identify, if needed, additional mitigation projects that could be supplemental mitigation measures. Such improvements may be subject to project level mitigation when future development projects are proposed.
   - Recognition that appropriate mitigation projects must be identified to cover the period beyond the 2012 BROTS horizon. This may occur as part of the two cities' land use reconciliation [see item 4].
   - Though not subject to the current BROTS caps, residential development should be mitigated in the same manner as nonresidential, using the current process or future process agreed upon by both cities as a successor to BROTS.

4. Joint Planning
   a. Periodic staff meetings
   b. Sharing of work products
   c. Joint communication efforts
   d. Jointly fund work as needed to support post-BROTS reconciliation effort and develop new funding strategies (this work is anticipated to occur in 2007; implementation would occur beyond)

5. Transportation Advocacy
   Joint communication to Sound Transit regarding support for ST2 projects:
   - Priority for a Phase 2 HCT routing from Seattle--Downtown Bellevue--Overlake—Downtown Redmond
   - Support for an HCT maintenance facility near the terminus of the line near Downtown Redmond
   - Support for SR 520 planning work on future HCT routing that includes and links the areas of University District/Montlake, Downtown Bellevue, and Redmond

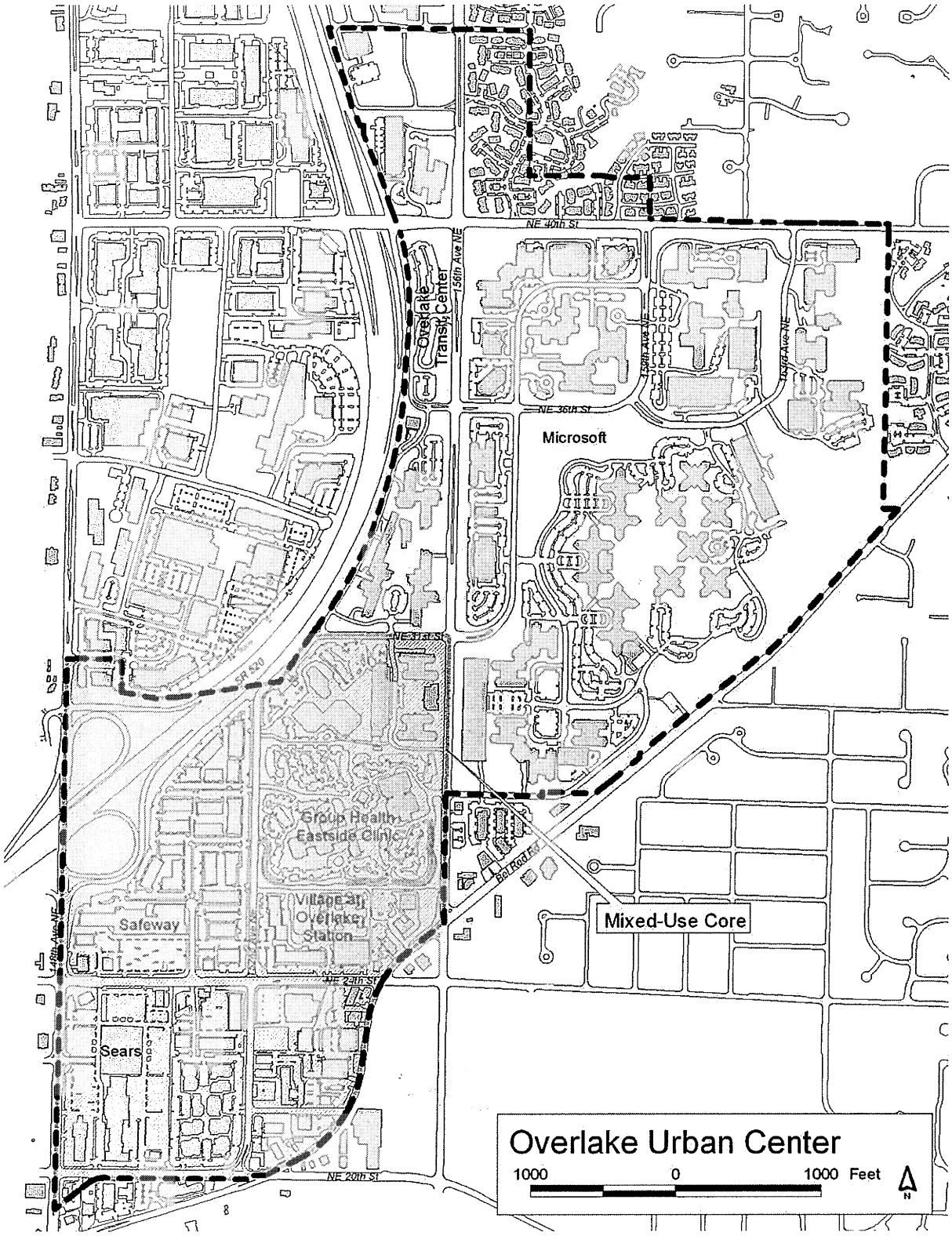

Figure 3. Overlake Urban Center.