

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

At its July 23 meeting, the Planning Commission unanimously recommended to the City Council approval of the Bel-Red Subarea Plan, zoning and related Land Use code amendments. A series of Council Study Sessions are planned to review the recommendation and the implementation of the plan.

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POLICY ISSUES

Should the City adopt a new Subarea Plan for the Bel-Red area and other corresponding Comprehensive Plan amendments? Should the City adopt new land use regulations, zoning and related amendments to implement the Bel-Red Subarea Plan?

DIRECTION NEEDED FROM COUNCIL

Action
 Discussion
 Information

The September 22 Study Session is the first in a series of Council engagements reviewing the proposed Bel-Red Subarea Plan. This Study Session will include a presentation of the Planning Commission's recommendation, discussion with the chair persons of the Arts, Environmental Services, Planning and Transportation Commissions, and the Parks and Community Services Board, and a staff presentation of key elements of the draft plan and regulations. We don't expect Council to draw conclusions after this introductory presentation. However, it would be helpful to identify issues that the Council would like to explore in greater depth. Upcoming Council Study Sessions are planned to review the proposed Bel-Red incentive system, BROTS, and infrastructure financing options, and time will be scheduled for other issues, as needed.

The materials for this agenda item, including the Steering Committee final report, the draft Subarea Plan, and draft Code amendments, are included in a separate three-ring binder. The binder is organized to hold the materials that will be prepared for upcoming Study Sessions so that the Council will have a way of consolidating materials that will be used over the course of the next several months.

BACKGROUND / ANALYSIS

Bel-Red is perhaps the most significant planning effort by the City since the adoption of the Downtown plan. It includes an area twice the size of Downtown and envisions a dramatic transformation from current light industrial and low intensity commercial uses to new, transit-oriented office and residential neighborhoods. The proposal includes seven new zoning designations, unique code provisions for the continuation of existing uses and the application of an incentive system that requires development to contribute to public amenities in order to maximize development potential. The plan calls for a range of new public infrastructure projects to support the transformation of the area. This includes a new NE 15th/16th Street corridor designed to accommodate several modes of travel, including light rail; an extensive parks and open space system serving the area and connecting to the larger parks system; and a network of restored streams at the head waters of Kelsey Creek. Implementation of this plan will require a set of new financial tools to provide sufficient levels of capital funding and updating or replacing the BROTS interlocal agreement with the City of Redmond. Recognizing that this project is more than just a Subarea Plan update and includes a number of complicated components, it is suggested to review the proposed Bel-Red package over a series of Council study sessions.

Scheduled Bel-Red Study Sessions

September 22 – Bel-Red Subarea Plan and Code: Chairs (or their designees) of the boards and commissions that provided input on the Bel-Red Subarea Plan will join the chair of the Planning Commission in presenting the subarea plan and zoning package to the City Council.

October 6 – Incentive System: Presentation of the proposed incentive system, recommendations from the Urban Land Institute (ULI), and the recommendations from the City's consultant, Property Counselors, in response to the ULI feedback. This meeting will include review of additional staff-recommended modifications to the drafts and will be an opportunity to identify other issues to for review.

October 13 – Capital Planning: City Council review of the City's long-range capital planning and financing strategy, including infrastructure needs for Bel-Red.

October 20 – BROTS: Discussion by City Council of the BROTS interlocal agreement with Redmond.

November – Subarea Plan and Land Use Code Follow Up: Additional Council Study Sessions in November will focus on questions about the Bel-Red Subarea Plan and Land Use Code that the Council identifies for further review.

November – Joint Bellevue-Redmond Council Meeting: Discuss the update of the BROTS interlocal agreement with the Redmond City Council.

December – CIP and Budget: Potential Council action on a new biennial budget that includes CIP programming and identifies possible funding for Bel-Red infrastructure projects.

January – Action on Subarea Plan and Land Use Code: Action on the Bel-Red Comprehensive Plan and Land Use Code amendments may be scheduled to occur at the time of action on the 2008 package of Comprehensive Plan amendments, anticipated to be in January 2009.

Spring 2009 – Financial Implementation: Potential implementation of financial tools to support both Bel-Red infrastructure and other city projects, such as potential impact fees and local improvement districts, will be considered in the spring.

Council Charge and Steering Committee Process

The Planning Commission's recommendation is faithful to the vision for Bel-Red established by the Steering Committee. The City Council initiated the Bel-Red planning effort in 2005 and established the Bel-Red Steering Committee to guide the planning for the area. The Council's direction was to create a long-term vision for the area that is ambitious, rooted in reality, and provides clear direction for the future of Bel-Red. Council sought to strengthen the city's and the area's economic potential by providing for economic growth not well accommodated in other parts of the city. The Council recognized the need for an integrated transportation and land use plan that takes advantage of the planning for high capacity transit. And the Council sought to improve environmental conditions and to create new amenities, natural areas, and parks that would support new businesses and residents.

Through a process that included 19 public meetings and other public engagements, the Steering Committee reviewed the existing condition of the corridor and considered multiple alternatives for the area that were analyzed in an Environmental Impact Statement. In September 2007, the Steering Committee completed its work and provided the community and the Council a recommendation that is described in detail and illustrated in the Committee's Final Report. Their recommendation included several key themes:

- The Bel-Red area should be an extraordinary and unique place,
- Bel-Red redevelopment and change should improve the entire city,
- Bel-Red should be a model of environmental sustainability,
- The plan is more than just a "rezoning" exercise,
- The plan is not just about accommodating light rail,
- The plan respects existing businesses,
- Implementation is critical, and requires a robust funding strategy.

Upon review of the Steering Committee's recommendation, the City Council charged the City's boards and commissions with developing the policy, long-range capital projects, and regulations to implement the Committee vision for Bel-Red.

Board and Commissions Public Review Process

Implementation of the Steering Committee's vision began with an unprecedented joint meeting of six of the City's boards and commissions in October 2007. The boards and commissions met individually over the fall and winter to guide the development of draft amendments to the Comprehensive Plan. An initial draft of the Bel-Red Subarea Plan was written to incorporate the overarching themes of the Bel-Red Steering Committee's recommendation for the future of the Bel-Red Subarea: sustainability and environmental restoration, attraction of new businesses without forcing displacement of existing ones, transit oriented development, a range of housing options, opportunities for arts and culture, and a phased approach to development. Guidance from the boards and commissions helped refine the set of policies for Bel-Red and develop the list of long-range infrastructure projects needed to support the plan. Policy recommendations from four boards and commissions were made to the Planning Commission in February, followed by additional comments by the Human Services Commission focused on affordable housing. Boards and commission subsequently provided recommendations for the Subarea Plan capital projects for transportation, parks, open space, stream restoration and trail development. In addition to guiding policy development, the Planning Commission developed Land Use Code regulations for Bel-Red. A draft of the Subarea Plan and Code amendments was released for public review on May 8, 2008, and was followed by a series of public outreach events.

- On May 13 the City held a series of five panel discussions with business and property owners. Approximately 48 people attended.
- On May 15 the City held a public open house on Bel-Red in conjunction with the City's Spring Forward Expo. Approximately 200 members of the public attended the open house. The Bel-Red displays provided for significant interaction between the public and staff on details of the draft plan and code amendments.
- On May 15 the City presented the draft amendment package to a joint meeting of six of the City's boards and commissions.
- On May 28 the Planning Commission held a public hearing. In addition to oral testimony, the Planning Commission held the hearing open for the submittal of written comments until noon on Friday, May 30, following their meeting to provide additional time for comments.
- Additional stakeholder meetings and discussions were held in April and May.

At the Bel-Red public hearing the Planning Commission heard testimony from 33 speakers. In addition to the oral testimony, the City received 61 letters or emails between early April and the period following the hearing. Among the written comments, the oral testimony, and the comments from the business and property owner panel meetings, 340 individual comments, representing a wide range of stakeholders, were collected and reviewed by the Planning Commission. (A full set of the written comments and business and property owner panel meeting transcripts is available for review in the Council office.)

While the majority of interest has come from those that own or manage property or businesses in the Bel-Red area, the City has also heard from a number of residents from adjacent neighborhoods, several housing advocacy groups, King County, Sound Transit, Cascade Land Conservancy, and others. Many of the commenters are generally supportive of the vision for Bel-Red, the draft plan and the code provisions, provided that many of them have concerns about specific aspects of the code and implementation of

the plan. Several thanked the Planning Commission, Steering Committee, staff and others at the City for their hard work developing the draft documents. The following is a snapshot summary of the comments received.

Existing Uses

Several comments, including those from Cadman and Coca-Cola Bottling, indicated concerns with the proposed existing use provisions in the draft Land Use Code, with specific comments about the limits on hours of operation and the ability to expand.

Regional TDR

King County and the Cascade Agenda both recommend designating Bel-Red as a “receiving site” for a regional TDR (transfer of development rights) program that would allow developers to purchase development rights in rural areas and use them in designated urban areas as a means of preserving rural open space.

Housing Affordability

The Commission heard from several people, including representatives of the Housing Development Consortium, St. Andrews Housing Group, and the King County Committee to End Homelessness, regarding the need for housing affordability. Several recommended mandating a percentage of affordable housing and including policy targets for the full spectrum of housing needs, including low income levels. Some expressed concern that relying on incentives alone to encourage affordable housing hasn’t been successful elsewhere.

Density Levels / FAR

Several people commented that the City should provide higher base and maximum allowable FARs (floor area ratios) as a means of encouraging redevelopment and making the area more pedestrian oriented. Some questioned the equity of allowing higher densities in some areas while only allowing lower densities in other areas.

Incentive System

Several people have commented that the incentive system as proposed is overly aggressive and that it won’t encourage new development. Commenters suggest increasing the base FAR allowed before one must use incentives, broadening the range of incentive options, removing the tiered levels, and reducing the cost of incentives.

Cost of Infrastructure

Several commenters, including Wright Runstad, expressed concern that the cost burden on property owners and developers for the planned infrastructure is too high and that, as proposed, will prevent redevelopment from occurring.

Stream Restoration

Some expressed support for the relocation and restoration of Goff Creek, which currently runs under buildings. People also expressed concern about how the critical areas stream buffers would apply once currently piped stream segments are daylighted.

Transit Support

Sound Transit expressed concern that the plans for transit infrastructure through the area aren't adequately captured in the draft land use regulations. They suggested a need for the City to include language that helps to preserve transit rights-of-way. It was also suggested that the Code include transit facilities in the incentive system and as a permitted use.

Parking

Several people commented that required parking ratios, especially near transit facilities, should be lower. Others commented on the lack of emphasis on parking and the need for a park-and-ride facility.

Height Limit of East Area on 156th Avenue

Several people from surrounding neighborhoods and Unigard Insurance expressed opposition to increasing the height limit in the east area between Bel-Red Road and 156th Avenue, out of concern that taller buildings would harm the character of the area and make for a poor transition to the east.

NE 15th/16th Corridor Design

Some commented that the proposed width of the NE 15th/16th corridor is too wide to achieve the desired pedestrian orientation. Others expressed concern with the proposed alignment because of property impacts. The Parks & Community Services Board stated their interest in wanting to ensure that pedestrian and bicycle connectivity be kept in the design of the street, provided they believed the corridor did not function as an alternative to park space. Wright Runstad encouraged the option of locating the light rail line underground, below the street, at their Spring District site.

Transportation Level of Service (LOS)

Kemper Development and Woosley Properties both recommended that the City not change the transportation LOS standard. (The draft proposal, supported by the Transportation Commission and recommended by the Planning Commission, is to change the LOS from 'D' to 'E+', consistent with Downtown, Factoria, and the original Overlake interlocal area.)

Planning Commission Recommendation

The Planning Commission's recommendation, described in detail in their Transmittal (included in the binder), faithfully follows from the Bel-Red Project Steering Committee's vision and incorporates most of the Subarea Plan recommendations from the Arts, Environmental Services, Planning and Transportation Commissions, and the Parks and Community Services Board. After receiving public input through the public hearing and other avenues, the Planning Commission worked diligently over multiple study sessions to make numerous adjustments to the drafts to be responsive to the input received.

The Planning Commission recommendation includes the new Subarea Plan for Bel-Red and additional proposed Comprehensive Plan amendments including changes to the Bel-Red subarea boundaries, the transportation level of service, and the Glossary. The Commission also recommends approval of Land Use Code amendments including a set of new zoning districts for Bel-Red, a new Bel-Red code chapter, and related amendments.

The draft Bel-Red Land Use Code includes innovative measures for accommodating existing uses while supporting the transformation to new more intense office, retail and residential uses. It also creates a framework for allowing taller, more dense development that supports transit station “nodes” and a new land use incentive system that encourages development to directly support parks, open space and affordable housing as a first tier of incentives before other options are considered.

In response to public input, the Planning Commission recommendation (detailed more fully in their Transmittal) includes adjustments to support existing uses, increased density levels of up to 3.5 FAR in the nodes (from 2.5 FAR originally recommended by staff), and adjustments to the use charts, floor plate limits, and parking ratios. The Commission also recommended a change to the Subarea Plan description of the NE 15th/16th corridor to reduce the overall width by using a 4/5 lane street configuration where the outside lanes could be used for on-street parking or bus use in the interim and converted to general vehicular use in the future to meet capacity needs.

The Planning Commission withheld review of incentive ratios and the specific phasing mechanisms that are directly linked to the Council’s review of the area’s financial strategy and interlocal agreement with Redmond.

NEXT STEPS

At the October 6, 2008, Study Session, the Urban Land Institute will present its review of the draft Bel-Red incentive system. The City’s consultant, Property Counselors, will present their response to the ULI report and their independent recommendations to the City. City staff will present revisions to the draft incentive system that incorporate the recommendations as well as other necessary revisions that have been identified.

As noted above, additional study sessions are scheduled through the fall for the Council to delve into the details of the full Bel-Red implementation package.

ATTACHMENTS

Three-ring binders have been prepared as a tool to organize the materials for this and upcoming Study Sessions. Items included in the binder for this Study Session are:

1. Bel-Red Steering Committee Final Report, September 2007
2. Planning Commission Transmittal, July 23, 2008
3. Draft Subarea Plan and Related Comprehensive Plan Amendments
4. Draft Zoning Map
5. Draft Land Use Code Amendments
6. Draft Design Guidelines

Additional tabs and items for the binder will be forthcoming in future Study Sessions.