

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

April 16, 2008
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Robertson, Commissioners Lai, Mathews, Orrico, Sheffels

COMMISSIONERS ABSENT: Commissioners Bach, Ferris

STAFF PRESENT: Paul Inghram, Emil King, Carol Helland, Dan Stroh,
Department of Planning and Community Development

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:34 p.m. by Chair Robertson who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Mathews, who arrived at 6:45 p.m., and Commissioners Bach and Ferris, both of whom were excused.

3. APPROVAL OF AGENDA

The agenda was approved by consensus.

4. STAFF REPORTS – None

5. PUBLIC COMMENT

Eileen Rasnack spoke representing the Bellevue Network on Aging, a citizens advisory group under the parks department that was formed to promote awareness and the needs of older adults and to support them through life's transitions. The Network has identified three specific focus areas: transportation, support services and housing. She said the housing subcommittee has been studying senior housing and affordability in Bellevue. On April 3 the Network was given an update regarding the Bel-Red subarea plan and was excited to see both the range of housing and transportation options under consideration. The Network recognizes that there are many things to be addressed yet before the plan is finalized. The Network wants to make sure the Bel-Red corridor includes housing for seniors as it redevelops, both independent and assisted living. Housing affordability is a key issue for seniors, many of whom live on fixed incomes. The Commission was urged to consider affordable housing options below the 80 percent of median income level. The incentives put in place should be those which will truly encourage affordable living options for individuals and families at all income levels. While putting plans in place, the Commission should also consider universal design so that new housing units will provide accessibility for all and ensure that older adults will be able to age in place.

Mr. Todd Woosley with Hal Woosley Properties spoke representing several property owners in the Bel-Red corridor. He suggested the Commission should conduct a comparison on the zones as to what is currently allowed and what may or may not be allowed in the future so it can be known up front is a business will be made a legal nonconforming use. The city should also look into and adopt a flexible use component in the zoning; Redmond has taken that approach the Overlake area and has seen a reduction in the number of vacancies.

Mr. Greg Johnson with Wright Runstad, owners of the former Safeway distribution site now called the Spring District. He noted that the company intends to have written comments ready very soon for delivery to the Commission regarding any concerns or proposed changes. He said his company has some initial concerns with the fact that as currently envisioned about 80 percent of the total development capacity will be dictated by incentives, some of which may be open to interpretation or which may respond differently at different points in the market cycle.

Mr. Tino Perrina spoke as the owner of the property at 13120 NE Bel-Red Road and the managing partner of Ferrari and Maserati of Seattle. He said under the current zoning, automotive retailing is not permitted at his property on Bel-Red Road and asked that it be allowed for small use and boutique dealerships. The projected sales are for five to eight cars per month, which is low volume but high revenue. The use would be very good for the city. He said his sales office in Seattle is surrounded by ground level retail with high-density residential on the floors above.

Ms. Amy Kosterlitz, address not given, provided the Commission with a photograph of the Ferrari an Maserati dealership on First Hill in Seattle near Seattle University. She said she understands that auto dealerships that have large inventories and big car lots would not fit with the vision for multifamily mixed use buildings. There are, however, some very practical ways to put limits on the size and type of such uses to restrict them to the small boutique uses. The practical advantage is that it would allow for the reuse of existing buildings in the interim before the full redevelopment occurs in the corridor.

Commissioner Sheffels asked if the Seattle dealership facility includes the outdoor display of automobiles. Ms. Kosterlitz said it does not. She said the building in Seattle is 30,000 square feet. The building in Bel-Red being considered for the dealership is only 9000 square feet, so some vehicle display would need to occur outside.

6. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None
7. REPORTS FROM COMMISSIONERS – None
8. STUDY SESSION
 - A. Bel-Red Subarea Plan, Comprehensive Plan and Land Use Code Amendments

Comprehensive Planning Manager Paul Inghram briefly reviewed the materials available in the Commission desk packets and noted that staff is currently working to pull together the discrete pieces being worked on by the various advisory bodies into a complete package. The goal is to have a complete package available to be released to the public prior to the public open house slated for May 15 and the public hearing at the end of May. A meeting of the joint boards and commissions is planned to follow the May 15 open house.

Mr. Inghram said the two-year process undertaken by the Bel-Red steering committee resulted in a very detailed vision for the area. As staff has worked to draft the various documents, they have strived to capture the elements of the vision. The range of heights and densities being suggested are transit-supportive but different from the downtown, and the types of incentives proposed have to do with encouraging a range of housing, including affordable housing, and assuring amenities for the neighborhoods such as parks and open space.

With regard to the capital infrastructure improvements proposed for the corridor, Mr. Inghram noted that project lists for the transportation, parks and streams categories have been developed. In the future as the CIP, budget plans and master plans are developed, the individual projects will go on to even greater detail. The project lists have been reviewed by the various boards and commissions, but not all of the projects have been formally endorsed or recommended. The advisory bodies have also not reviewed the financial implications, which falls within the bailiwick of the Council.

Commissioner Lai asked if utilities infrastructure will be part of the package. Mr. Inghram explained that project lists do not include the typical hard facilities such as sewer and stormwater pipes; they are part of the facilities plan. The Comprehensive Plan refers to those plans and they will be updated as a subsequent action to the Bel-Red subarea work. The need to include the transportation, parks and stream projects in the subarea plan stems from the fact that they are part of the overall infrastructure needed to capture the land use vision.

Chair Robertson asked if the five-year evaluation process the Commission is interested in including in the subarea plan will include a review of infrastructure. Mr. Inghram called attention to page 26 of the draft Comprehensive Plan amendments booklet and the policy to monitor and assess the implementation of the plan. He noted that the policy language is intended to trigger a review of how well the plan is being implemented, including capital projects and incentives. When the review is completed, adjustments could be made as necessary.

Commissioner Orrico asked if planned use developments or master site plans will be allowed in the corridor under which development agreements could come into play. Mr. Inghram said master development planning is an enabled permit type in the Land Use Code. They will be included in the administrative section of the code which will specify when master development plans would be required or appropriate. In general, master development plans would be appropriate where multi-building or multi-parcel sites are involved. The incentive system would still apply and would need to be utilized in order to get to the desired FAR.

Mr. Inghram shared with the Commissioners a series of illustration depicting the planned improvements to NE 15th Street/NE 16th Street, 120th Avenue NE, and the SR-520/124th Avenue NE interchange. He noted that the NE 10th Street extension project has been pulled from the list of projects recommended by the Transportation Commission. It has been replaced with a new project connecting parallel street arterial networks. He briefly reviewed other transportation projects, including BROTS update projects.

In addition to individual transportation projects, the Transportation Commission has reviewed the Mobility Management Areas (MMA) and are recommending some revisions. The current MMAs affecting the Bel-Red area do not line up with the boundaries of the subarea. They are recommending that the boundaries of MMA-4 and MMA-12. In addition, the Transportation Commission will recommend changing the level of service standard for the corridor from 0.90 to 0.95 to acknowledge the creation of high-intensity mixed use areas served by more multimodal transportation choices. The recommendation will accept a higher level of congestion.

Chair Robertson asked why the level of service change is needed if the projections do not show the area becoming all that congested over time. Mr. Inghram said the key reason is focused on establishing long-range transportation projects within the subarea. Maintaining the LOS 0.90 will mean planning for projects that will require more lanes, especially at intersections, making it more difficult for pedestrians to cross the street. While the additional capacity would not be needed until closer to 2030, all right-of-way lines, building lines, and street dimensions in the near term would have to be set based on future needs.

With regard to the recommended cross section for NE 15th Street/NE 16th Street, Commissioner Sheffels commented that the steering committee had a number of different ideas, one which included a concept called park blocks. Mr. Inghram said the Transportation Commission is still reviewing the project and has not yet made a recommendation. He said the configuration shown in the illustrations represents staff's recommendation and will require a right-of-way of about 200 feet. The park block idea melded together an arterial corridor, a transit corridor, and a park/open space running down the middle; it would require as much as 300 feet of right-of-way. The proposal of staff captures many of the landscaping concepts discussed by the steering committee, making the street very green.

Noting that the staff-proposed cross section includes a frontage road on one side, Commissioner Lai asked why a frontage road would not be needed on the other side of the road, Strategic Planning Manager Emil King said the alternatives analysis included a look at how a frontage road would work on both sides of the street. He said the conclusion reached was that it would work best on the north side of the street where there will be more sun exposure from the south for the ped-bike facility and for the urban parks and plazas. He said frontage roads provide a number of benefits, but where they cross over or meet up with arterials they require good engineering. The plan as envisioned will avoid a lot of conflicts; in some places it will be right-out only from the frontage road.

Commissioner Lai asked if the plazas associated with NE 15th Street/NE 16th Street will be on private property or public rights-of-way. Mr. King said the general vision is that most of the plazas would be part of the public realm, either through dedication or by having public access granted.

Mr. Inghram discussed with the Commission some of the stream corridor projects in Bel-Red. He noted that the projects are intended to be much more than just habitat improvement projects. He shared some illustrations showing how some areas could be improved to enhance both the environmental functions and have them become integral to the subarea, enhancing neighborhood quality and providing for recreational opportunities.

Mr. Inghram said that addition to the stream projects there are a number of opportunities for park and open space elements in the subarea in ways that will enhance connectivity within the corridor and with the rest of the city.

Mr. Inghram said the Council took another look at the financing plan at its meeting on April 14 and will continue to study it in the weeks to come. They are focused on financing principles and the array of revenue streams that can be used for the various projects, in addition to timing issues. The overall funding strategy will directly influence what will need to be included in the incentive package. As the Commission goes through the specifics of the incentive system, the study will include a look at the value of the various incentives.

Mr. Inghram said the draft zoning map includes a change to the acronyms used to provide for some clarity and avoid confusion. The medical institution district has also been added to the

map.

Turning to the topic of uses, Mr. Inghram said the steering committee spent a lot of time talking about how to address existing uses. The committee recognized that the area will transition away from light industrial uses over time but was clear in its desire to allow existing uses to continue and to some degree to expand. The steering committee also made recommendations with regard to allowing existing service uses to continue over time as well. Opportunity will be allowed for existing light industrial and other service-type uses to continue, though there will be nuances depending whether they are in a node or not; expansion will be allowed only within a current ownership area for uses within a node; some additional expansion will be allowed for uses outside a node area. There will also be rules on proportional compliance, and the design guidelines will likely be triggered at a 0.5 FAR. On the use charts the "E's" refer to the use categories that would be applied to the "C" section of the Land Use Code addressing existing conditions.

Commissioner Sheffels commented that in the past the city has run into numerous exceptions. The idea Redmond has apparently come up with to allow for flexibility by referencing "similar" uses is intriguing. Mr. Inghram said there is a concept called form-based codes by which jurisdictions establish a dimensional box and allow any use except for those expressly prohibited. He said staff has openly discussed taking a similar approach for the Bel-Red subarea in recognition of the fact that in many ways it works well in mixed use environments. Staff's initial recommendation is to use a code structure that follows the approach used in the rest of the city but with new zoning categories and new use regulations specific to the corridor that allow for more flexibility.

Chair Robertson asked if there is a provision in the code that deals with uses not listed specifically in the use charts but which can be shown to be similar to some other listed use. Ms. Helland said the base document for determining uses is the standard land use classifications. There is a process where the director interprets the standard land use classification and fits uses into boxes as they are identified.

Mr. Inghram said for the medical office district, the base height for structures outside of the node area will be 45 feet; the maximum height will be 70 feet. Within the node the base height will be 45 feet, and the maximum height will be 150 feet. The base FAR will range between 0.5 and 1.0 depending on the associated impact fees. Within the node, the max FAR will be 2.5. The list of allowed uses will include hotels, personal services, business services, and professional/medical services. The proposal of staff will be to permit administrative office/general uses but only up to 0.5 FAR, the current standard for office uses. To get up to the max FAR there would have to be medical office or some of the other types of categories.

In the Office/Residential node the predominant use will be office, though residential will be allowed. The two node areas will have base heights of 45 feet and maximum heights of 70 feet outside the nodes and 125 and 150 feet inside the nodes, with the FAR ranging from 1.0 to 2.5. General office, retail, residential and personal business services are on the list of allowed uses.

Mr. Inghram said the Residential/Commercial node will have similar heights and densities allowed. Just outside the node the focus will be more on commercial uses than on residential uses. The chart allows office uses outright in the node but limits them to 0.5 FAR.

Commissioner Lai asked how the city can enforce the use/FAR restrictions the once a building has been constructed to a particular FAR. Mr. Inghram said typically a change of use requires some modification to the building, which requires at a minimum a tenant improvement permit.

That would provide the city with the opportunities to review whether or not the change of use complies with the overall site limitations for the type of use. There are cases where someone might elect to rent an apartment and put an office use in it, and the city could have a difficult time identifying it or enforcing the provisions.

The node at the far eastern edge of the subarea will also have a Residential/Commercial focus, but with different height limits. The list of allowed uses and densities are anticipated to be the same. An additional height and view analysis for the node will be before the Commission at a future meeting.

Mr. Inghram explained that beyond the node areas there are additional general use categories, including General Commercial with heights between 30 and 45 feet and a maximum FAR of 1.0; residential areas outside the nodes, with some limited local commercial/retail uses, a maximum height of 40 feet and a maximum FAR of 1.0; and the office/residential transition area along the south side of Bel-Red Road incorporating transition principles with a lower maximum FAR of 0.75.

Commissioner Sheffels pointed out that the steering committee had elected not to permit industrial uses such as foundries, smelters and blast furnaces. However, many artists would use similar processes, and there is a desire to allow artists to locate in the area. Mr. Inghram referred to the manufacturing districts table and noted that several of the categories have a "P4" footnote. He explained that in addition to art uses, new and similar types of uses might be accommodated by the footnote. Land Use Director Carol Helland said a similar hazards provision allowing flexibility for the arts community is included in the existing conditions provisions of the code on page C4; that allows for the use of some hazardous materials if approved by the fire marshal. The hope is to allow the use of things commonly used in forging and art production. A similar allowance should be made in the use charts.

Mr. King said the design guidelines document reflects back to the discussion the Commission had in reviewing the policy language in the draft subarea plan. The framework maps relate to the design guidelines but reside in the development standards document. The design guidelines will only apply to new development that exceeds a 0.5 FAR threshold.

Mr. King reviewed with the Commission the format used in the document. He referred to the checklist for the design guidelines that is housed in the back of the document. One of the first steps staff will take will be to go through the list to determine what guidelines apply; not all of the guidelines will apply to every development.

Chair Robertson observed that the document is silent with regard to building top signage and asked staff to allow time at a future meeting to discuss the issue. With regard to lighting she asked if the guidelines in any way seek to preserve a dark sky approach by preventing an excess spillage of light skyward. Mr. King said he would review the language to see how the issue is covered.

Commissioner Orrico referred to pages 15 and 16 and the list of recommended and not recommended approaches. She said the danger posed by design guidelines is regulating taste.

Commissioner Lai suggested it would help to annotate each recommended and not recommended picture with a supporting reason. He also suggested it would be helpful to use better photo illustrations on pages 15 and 16.

Commissioner Sheffels said it is very difficult with the bit about affordable housing to make it

clear what is being promoted. She said she hopes it will be reworked before sending the document out to the public.

Commissioner Orrico pointed out that when the numbers from page 17 of the Comprehensive Plan amendments are added up, the document calls for 80 percent of all the housing units to be affordable. She said she would like to address that matter again.

With regard to the incentive system, Mr. King said staff has been working to refine the list. Financial models have been used to help identify the increase in land value created by the change in zoning. The intent is to create an incentive system that will be feasible for the development community to implement and which will result in a fair investment in infrastructure and other amenities. There is no exact science involved given the range of development types and economic factors over time. Staff agrees that periodic reevaluation is a good idea.

Mr. King said the review began with a range of proformas and a baseline land value of \$45 per square foot. The process included the development of a complicated spreadsheet listing various proformas within the FAR and height ranges allowed, and with varying development types. Slight variations in inputs can cause wide swings in the outputs, so the low and high ranges for rents and sale prices were bracketed. The low and high range of infrastructure fees was also bracketed. Within the nodes, the calculations returned a generalized average residual land value of \$105 per square foot, depending on the type of development. The figures acknowledge taking into account a fair developer profit.

Subtracting out the baseline land value from the residual land value returns a value of \$60 per square foot, which is the value of the upzone. For a 200,000 square foot site, the \$60 increase carries with it a potential \$12 million value increment, a part of which could be used for infrastructure and amenities.

Assuming that the amenity incentive system were to kick in at an FAR of 1.0, the \$12 million divided by the additional square footage would give a value of \$40 per square foot to the developer. Simple math is all that will be needed to determine how much of a bonus a developer would need to build an amenity such as a mini park or pocket park costing about \$80 per square foot to build.

If a 50-50 split were instituted, the \$12 million increase would be divided equally between the amenity system and some other type of infrastructure fee.

Mr. Inghram said the analysis has been aimed at getting to the ranges that are in the draft. The reality of going through different hypothetical scenarios is that one type of development will pay more than another; a taller building will have views which might result in greater views than a shorter building. In the end, the residual value could vary substantially. Another big factor is the value of the land, which to a large extent depends on when the property was acquired.

Answering a question asked by Chair Robertson, Mr. King said one key part of the analysis to calculate the residual land value is the built-in return on investment for the development. He said it is important to acknowledge that the \$105 figure includes that return on investment. The cap rates used varied by type. He agreed to bring those specific numbers to the next Commission meeting for review. Chair Robertson said the city should seek to get the infrastructure and amenities constructed, but it should not be overly greedy in doing so.

Commissioner Lai suggested that there will be no shortage of public input about the city taking too big a chunk of the developer profits. He said he was more concerned about getting balanced

input. Mr. Inghram said one approach would be to advertise specific panel opportunities for business and property owners where they can have the materials presented to them and be allowed to comment directly and openly. There will also be opportunities to receive input from the general public.

Mr. Inghram said whether or not bonuses should be more aggressive or less aggressive is a policy question. If the bonuses are made too generous, the city will not get much in return for them and they will not be effective.

Mr. King noted that the Commission packets included some information on bonus ranges within the node areas. He allowed that more work is needed for the areas outside the nodes. The zoning lift outside the nodes is diminished because of the high-end of only 1.0 FAR, so more work is needed on what kind of amenity system would be appropriate for those areas.

Mr. King said what staff has done with the Land Use Code section is try to reflect all of information received to date regarding design criteria, what defines art and how it is measured, public open space and access. The section reflects the tiered approach to amenities, with affordable housing at the top of the list. Because the preference of the Commission is for housing developments to include affordable housing onsite, any fee in-lieu may need to be somewhat higher than the normal economics as an incentive to keep from having the units constructed off-site. For parks, the bonus ranges from 2.1 to 4.5 square feet of building area for each square foot of park investment.

Mr. King said stream restoration would be based more on an amount of square footage that would be garnered with stream investment. He said the different ways of doing stream restoration take together are too complicated to try and have a single unit value.

Mr. King said the LEED criteria is one for which a great deal of thought has been put into what the appropriate range should be. During the last Commission discussion on the subject, the thinking was that the gold and platinum levels were kept on the list, and that the LEED for neighborhoods should be reserved until that program is fully enacted. The recommended bonus for LEED gold and platinum is fairly modest.

Ranges are included for active recreation areas and natural drainage features, along with regional TDRs.

Mr. King said staff is recommending excluding a few items from the FAR calculation. They include the bonused part of affordable housing, non-profit community space, which includes childcare and cultural arts space, public restrooms, and indoor active recreation areas.

Commissioner Lai asked if it is possible to look at the incentives in terms of what percentage of the lift will be used up by the bonuses. Mr. King said staff will have those specifics at the next Commission meeting.

Answering a question asked by Commissioner Orrico, Mr. King suggested that the universe of projects is large enough to allow for money coming from a variety of sources going to pay for things such as stream restoration or parks investments.

Mr. Inghram explained that as proposed the gross site would be used for the purpose of calculating the gross development capacity. At the maximum, a 200,000 square foot site would accommodate a building of 500,000 square feet. From the overall site area, land might be dedicated for right-of-way or park space, but those areas will not be subtracted from the gross

development capacity calculation. Construction of streets would be funded through transportation impact fees, an LID, or some other mechanism.

With regard to phasing, Mr. Inghram said the steering committee and certain members of the public expressed a desire to see the infrastructure and development be relatively synchronized. New development helps pay for infrastructure, and infrastructure helps bring in new development. While there is a need for both to be synchronized, it must be recognized that economic and market conditions do not always fully mesh with the city's funding cycles. The code should not be overly restrictive when it comes to phasing.

Four components to phasing have been crafted. The first two are essentially identical but are focused on two different geographic areas. There are key transportation and other amenities the city would like to see happen for areas 1 and 2 before they really take off. The idea is to limit those areas to a 0.5 FAR until there is implementation and a funding mechanism for the initial investment. Areas 1 and 2 will have the biggest upzones. The other two are BROTS, which has a current development level for commercial uses, and the provision of transit service.

Chair Robertson asked if the development projects that are currently lining up will be affected by the phasing requirement. Mr. Inghram said they will be affected in multiple ways. The 0.5 FAR limit would allow them some level of initial development activity, but it would be quite limited. The requirement to have an implementation mechanism in place would require any interested party to work with the city in identifying and establishing the mechanism. On the flip side, the mechanism will provide the developers with better assurance of how the infrastructure pieces will be developed for their properties in complete segments. Staff accepts that some of the local grid streets will come about parcel by parcel.

Commissioner Orrico expressed hesitation to tying development to a provision over which the city has very little control, namely a transit system. Mr. Inghram said staff shares that discomfort, which is why in the draft does not explicitly call out light rail or a specific transit agency. The fact is, however, that at some level of development, good transit service will be needed in the area.

Chair Robertson asked if a property owner is late to develop will fail to get in on the 4.5 million square foot limit. Mr. Inghram said that could very well be the case. There are ways in which one could apportion the development through different mechanisms, but as proposed there is simply a total cap. The intent is for BROTS to have a measuring mechanism.

Commissioner Lai asked if the phasing is going to be part of the Comprehensive Plan. Mr. Inghram said there is a general policy in the Comprehensive Plan that supports phasing. The specific four key components under discussion, however, are part of the Land Use Code draft. The focus is on having the mechanism in place, not on the actual development of infrastructure and amenities, before allowing development to the fully allowed limits.

Commissioner Orrico stressed the importance of having pioneer developers step forward to pave the way, but noted it will be built on their backs. The proposal restrains them until an infrastructure mechanism is in place, and forces them to dedicate land without an opportunity for remuneration beyond increased capacity. At the very least the city should be more generous up front with incentives to encourage the pioneer developers to step forward; the incentives can always be adjusted later on. Mr. Inghram argued that in allowing a 2.5 FAR the city is giving developers five times the current development capacity. There is no general fund cash reserve the city can tap into to build the infrastructure; the only way to get the infrastructure and amenities will be to have property owners contribute through land, incentives or direct payments.

Commissioner Orrico suggested that there should be something more offered to pioneer developers.

Chair Robertson asked how difficult it will be for the first developers in to meet the phasing requirements that will allow the FAR to exceed 0.5. Mr. Inghram said there are a variety of mechanisms one can use on both the private and public sides for funding infrastructure. One tool that is relatively common is local improvement districts.

Commissioner Sheffels suggested one approach would be to offer bigger incentive ratios for the first few years to entice pioneer developments. Chair Robertson pointed out that no matter how many incentives are offered, they would not be able to get past the 0.5 FAR limit of the phasing requirements until a mechanism is in place.

Mr. Inghram said construction of the main part of NE 15th Street/NE 16th Street and some initial increment of parks and open space is fundamental to the plan, and the higher intensity uses should not be allowed until there is a way of ensuring that either the city, private property owners, or a combination of the two will build those pieces.

Commissioner Orrico asked if the city will say from the start that NE 15th Street/NE 16th Street will have light rail running down the middle and that 200 feet of right-of-way will be needed. Mr. Inghram said the assumption is that there will be a dedicated transit way through the corridor.

Commissioner Lai suggested that with land prices currently in the \$45 per square foot range, the fact that the city is looking to upzone the area in a way that will result in land costs closer to \$105 per square foot should be a strong incentive for developers to step forward and acquire the land at a lower cost. He also asked what will happen to the face value of the incentives over time. Mr. Inghram said the calculations include annual changes over the twenty-year period. The assumption is that over time there will be sufficient headroom for the incentive system to continue to work.

Mr. Inghram reviewed with the Commissioners the topics to be covered in upcoming meetings.

With regard to the issue of affordable housing, Commissioner Orrico noted that the talk has been about using Bel-Red as the first stab toward new policies. She suggested, however, that from a practical standpoint there is no other area of the city in which new affordable housing policies would apply. She said she would like to have more information about that. Mr. Inghram agreed to address the issue at the next meeting. He allowed that the incentive bonus works most effectively when used in conjunction with an upzone. That is not to say that the same principle could not be applied in the future as additional upzones are considered.

Planning Director Dan Stroh said there are a series of briefings going on with the City Council. The last conversation was focused on financing strategies, and on April 21 the focus will be on affordable housing. Some of the initial thoughts of the Commission will be shared at that meeting. Upcoming topics will include the potential for impact fees in Bel-Red and where things stand with the BROTS agreement.

Commissioner Sheffels commented that the Commission's initial view relative to affordable housing in Bel-Red was on workforce housing. She said she would be interested in knowing if the Council has any guidelines they would like to see the Commission think about.

9. NEW BUSINESS – None

10. OLD BUSINESS – None

11. PUBLIC COMMENT

Mr. Todd Woosley with Hal Woosley Properties complemented the creativity of staff in developing the list of incentives but allowed they represent some level of risk. The fact is the result could be an extremely high tax on a small number of property owners. If the city as a whole cannot collectively pay for investments that will benefit the entire city, it cannot be imaged that a small group of property owners will be able to do so. He questioned having the city determine what a fair profit is for the development community, suggesting that the city should not choose to go down that road. The city should look at the actual nexus between the impacts of development and the fair share to be mitigated. The city should spend a lot of time focused on the affordable housing issues; the proposed FARs and heights are very limiting and make the development of housing infeasible. With regard to the comment of staff that the upzone will be giving value to property owners in the Bel-Red corridor, he noted that when the city imposed the current zoning value was in fact taken away; the proposed action will only be giving that value back. He recommended using the 2030 high-capacity transit limit as a concurrency calculation rather than a trigger; the DEIS shows that combining pedestrians, bikes and transit will represent less than ten percent of the modesplit for the area.

Mr. Greg Johnson with Wright Runstad suggested that folding all of the desired requirements into the incentive system will lend an air of unpredictability, especially for early stage developers. What will be most valuable to pioneer developers will be predictability and the ability to convince tenants and potential users that a development will work and can be delivered. The 0.5 FAR cap prior to the City Council taking action will mean the early developers will not be able to sell a 2.5 FAR structure until there is action completely out of the hands of the developer. Write Runstad is totally committed to working with the city on creative funding mechanisms, but does not have the ability on its own to get the development cycle started.

Mr. Chris Mooi with Bel-Green Developments concurred with the previous speakers and agreed to provide a list of comments responding to the various components. He said the former Angelo's Nursery site is fairly small; the plan is to construct senior housing on it. An FAR of 2.5 and a height limit of 75 feet is needed to make it pencil out. Preliminarily, a review of the incentives will cost the development a minimum of \$3 million and a maximum of \$14 million to get to the full FAR allowed, not including any other development fees. Costs that high are of great concern; they could make the site unbuildable. If the property were on the Redmond side of the line, there would be no issue.

12. ADJOURNMENT

Chair Robertson adjourned the meeting at 10:00 p.m.


Staff to the Planning Commission

7-9-2008
Date


Chair of the Planning Commission

7/9/08
Date

