

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

May 28, 2008
6:30 p.m.

Bellevue City Hall
City Council Chambers

COMMISSIONERS PRESENT: Chair Robertson, Vice-Chair Bach, Commissioners Ferris, Lai, Mathews, Orrico, Sheffels

COMMISSIONERS ABSENT: None

STAFF PRESENT: Paul Inghram, Department of Planning & Community Development

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Chair Robertson who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

3. APPROVAL OF AGENDA

The agenda was approved by consensus.

4. STAFF REPORTS – None

5. PUBLIC COMMENT – None

6. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None

7. REPORTS FROM COMMISSIONERS

8. PUBLIC HEARING

A. Bel-Red Project

Motion to open the public hearing was made by Commissioner Sheffels. Second was by Commissioner Lai and the motion carried unanimously.

Comprehensive Planning Manager Paul Inghram explained that the public hearing was scheduled to hear public comments on the proposed Bel-Red amendments, including the subarea plan and related Comprehensive Plan amendments; the Bel-Red Land Use Code, including dimensional standards, existing uses, phasing and incentives; as well as new Bel-Red zoning and

Medical Institution code amendments. He said the financing plan and other elements of Bel-Red would not be specifically part of the public hearing.

Mr. Inghram said the Bel-Red project has involved an intensive public process, including a two-year steering committee process, review of an Environmental Impact Statement, and involvement of five of the city's boards and commissions. More recently there have been additional public engagement opportunities, including a review with the Planning Commission and five business and property owner meetings which were well attended for which verbatim transcripts were made. A public open house was also held on May 15, which was followed by a presentation to the six boards and commissions.

The proposed amendments include a new Bel-Red subarea plan; amendments to the Transportation Element; amendments to the Crossroads and Wilburton subareas; and the glossary. The subarea plan is entirely new and is intended to replace the current Bel-Red/Northrup subarea plan. It includes new policies and describes a new vision for the Bel-Red area that will transform it from mostly light industrial and commercial uses to mixed use residential and office developments as well as some medical office developments.

Mr. Inghram shared with the Commission and the audience a slide showing the proposed land use plan map indicating where various uses would be sited in the corridor.

Mr. Inghram explained that public infrastructure improvements are also proposed, including transportation, stream corridor, and park and trail system improvements. The new infrastructure is intended to provide connectivity within the area, permit travel through the area, and provide opportunities for the city as a whole for recreation.

The related Comprehensive Plan amendments include changes to the Wilburton/NE 8th Street subarea boundary. The proposal includes the area around Lake Bellevue in the Bel-Red subarea; takes some areas to the east of 140th Avenue NE and moves them from the Bel-Red subarea to the Wilburton subarea; and takes a portion of the Crossroads subarea and moves it into the Bel-Red subarea. There are also changes to the Transportation Element related to the Mobility Management Area boundaries, making them consistent with the new Bel-Red subarea boundary, and changes to the level of service in the Bel-Red area to 0.95.

To help implement the policies in the plan, several Land Use Code amendments are proposed. They include design guidelines, general code amendments, new Bel-Red zoning, and a repeal of the existing zone. The package also includes amendments to the Medical Institution district. The code amendments include a new part 20.25D Bel-Red section of the Land Use Code that will include the review requirements, phasing, permitted uses, use charts, dimensional standards, and an amenity incentive system. The changes to the Medical Institution district seek to create a new perimeter development area DA-3 in the area to the north of NE 12th Street and east of 116th Avenue NE. The maximum development intensity for the DA-3 area would be FAR 1.0 with a maximum height of 100 feet, and would require the master development plan and design review processes.

Mr. Inghram shared with the Commission a package of written comments received in the past few weeks prior to the public hearing. He noted that several of the comments were in regard to the proposed NE 15th Street/NE 16th Street corridor, including comments from the Transportation Commission, the Parks and Community Services Board, and the City Council. He reported that while the Park Board has endorsed the corridor concept, they have noted it does not include a park component per se; the Park Board also has an interest in maintaining the

pedestrian/bicycle trail and park connectivity the new street will provide. Others are concerned about placing too many elements in the corridor cross section; and are concerned the width of the right-of-way as proposed could make it difficult for pedestrians to cross the street.

Mr. Inghram said there has been a lot of discussion about the propose FAR amenity system. Some have said the incentives are too costly and could prevent development from occurring. Others have said the base is too low, while others believe there should not be a tier requirement. Some want other types of bonuses added to the list, and still others want consideration of super-incentives that would allow going beyond FAR 2.5.

There have been comments about housing. The policies support a range of housing and housing affordability, and an incentive system that provides a bonus in the first tier for affordable housing at the moderate income levels. Some have said that building affordable housing would be a great way to jumpstart housing in the corridor. Others have said the policy targets should encourage housing that will meet the full spectrum of needs. Some have suggested having a mandatory affordable housing program, while others have held the opposite view.

With regard to existing uses and conditions, Mr. Inghram said comments received to date include concerns regarding the proposed limitation on hours; the limitations on how businesses can expand; and the ability to reconstruct following damage.

The potential height limits in the eastern portion of the study area have been a concern to some.

Mr. Jeremy Lipton, a land use attorney with Cairncross and Hempelmann, 524 2nd Avenue, Suite 500, Seattle, spoke on behalf of the Cadman company, which has a concrete batch plant in the Bel-Red corridor. He said Cadman is concerned about protecting operations associated with its legally established uses. Cadman is specifically concerned about the proposed limitation on hours of operation.

Mr. Steven Riley with the Cascade Land Conservancy addressed the issue of transfer of development rights and the opportunity the Bel-Red corridor offers for using the market-based tool to conserve regional forest and farm land while allowing more growth and density in urban areas. By listing the corridor as a designated TDR receiving site, the White River watershed will benefit, which in turn will benefit the city because that is where the city will in the future be getting a large portion of its water.

Mr. Charlie Klinge, a land use attorney with Growen Stephens and Klinge, 11100 NE 8th Street, spoke on behalf of property owners at the northeast corner of Bel-Red Road and 132nd Avenue NE where the tenants and businesses include Olympic Boat, Seattle Boat, Maaco and Service Master. He said the property owners are generally supportive of the plan. There are concerns, however. With regard to continuation Goff Creek, he voiced support for the project proposed by staff to move the lower part of the creek into the 132nd Avenue NE right-of-way. With regard to continuation of existing uses and the new E designation on the charts, the proposed code attempts to address the notion of allowing existing uses to continue. The code makes the existing uses kind of nonconforming but not necessarily nonconforming and puts the burden on the applicant to demonstrate they have an existing use by showing utility bills and tax records. The problem is if one tenant leaves and another tenant with the same use steps forward, the new tenant will not have those kinds of records, and neither will the landlord. There is also a lack of clarity with regard to continuing existing uses with new tenants, and with regard to how long a property owner will have to get a new tenant. Goff Creek runs through the properties in question but does so in a pipe underground. The proposal to impose a 200-foot setback represents a

departure from the Critical Areas Ordinance; moving the creek makes the most sense.

Mr. Dan Watson, 12432 SE 25th Place, spoke as deputy director for the King County Housing Authority and president of the Housing Development Consortium of Seattle/King County. He said the HDC has over 70 member organizations, including for-profit, non-profit and governmental agencies, all of which work toward the development and promotion of affordable housing. Collectively, the HDC members have development over 20,000 units of affordable housing in King County. A tidal wave of workers flow into Bellevue every day; they clog the freeways. The Bel-Red area provides a unique opportunity to provide badly needed housing, especially affordable housing for the broad spectrum of workers coming into the city each day. The Consortium agrees with the plan for the corridor, but wants to see the plan go forward with all of its elements. Clearly, getting housing out of the ground in the corridor will be difficult to achieve and will require early investment in infrastructure and amenities as well as catalyst housing projects involving affordable housing and some level of public subsidy. Housing policy targets are essential, but the city should consider making sure the targets go beyond the 80 percent and 120 percent median targets. The workforce includes households well below those target levels. While from a pure capitalistic point of view, the market should be allowed to drive the housing development. However, where affordable housing is concerned the experience of many communities has been that incentives and voluntary actions do not get the job done; meeting the housing needs of the broad spectrum of the workforce will not happen without some mandatory elements within the program. With some level of mandate, the city will have the opportunity to facilitate both private development along with the public, non-profit tools such as tax exemptions, below-market-rate financing, tax credits, and direct subsidies. Commercial development should be detached from the affordable housing issue. The most robust tools available for affordable housing development are serving households at 60 percent of median income and below, and the available tools are pretty limited; that should be taken into account in talking about affordable housing. The affordable housing units produced through incentives and mandates should be connected to the projects that are being developed within the corridor; payments in-lieu or deferred development could result in affordable housing units not being developed.

Mr. Andy Lane with Cairncross and Hempelmann spoke on behalf of Bill Sherman and the 124th Avenue Associates, LLC. He said the property at issue is located on the southeast corner of Northup Way and 124th Avenue NE in the area proposed for BR-OR zoning. Mr. Sherman is a single family and multifamily real estate developer and has been in the business for many years. While overall supportive of the plan for the area, Mr. Sherman is concerned about the office building currently on the site. It appears there will be a need to widen 124th Avenue NE, and that may limit redevelopment of the site in the future. The provision that there will be no loss of allowable FAR in the event land is needed for right-of-way is good, but that raises the question with regard to the need for similar recognition of other standards, such as setbacks. A maximum FAR of 1.0 is too low to encourage redevelopment; the office development on the site is very nearly at that level currently. The Commission should step back and think about how the plan will work in the marketplace.

Ms. Desiree Leigh, regional director for Children's Hospital, said Children's intends to pursue its goal of establishing a major ambulatory healthcare center in Bellevue on 116th Avenue NE north of NE 12th Street. The Commission should consider all of the public debate but move steadily forward on schedule. Children's needs to open operations in two years. Children's supports the proposed change to the Medical Institution zoning and looks forward to working with staff.

Mr. Darren Grieve, director of the King County TDR program, commended the steering committee, the city staff and the involved residents of Bellevue who have put in so much work. The plan is good but could be great if TDR were allowed to play an integral role. The corridor represents an opportunity to link higher-density redevelopment to land preservation, both inside the Bel-Red area and in areas outside the city. King County is encouraged by the willingness of the city to show leadership and regional thinking by acknowledging the link in the plan. Policy S-BR-D-9 states that the city will actively consider the Bel-Red subarea as a receiving site for the transfer of development rights as a means to achieve conservation of rural and resource lands outside the countywide Urban Growth Boundary. If regional TDR is recommended by the Commission and acted on by the City Council, it will create a win-win situation for the city. The city will be able to protect lands that are of compelling interest to the city by allowing developers in the Bel-Red area to purchase a fixed number of development rights from the rural land owners in exchange for increased density in the corridor. Using TDR to preserve land outside the city will create preservation inside the city and will defray developer infrastructure costs. An integral part of such a TDR agreement between the city and the county is the willingness of the county to give funds to Bellevue to use at the discretion of the city to create open space and park land inside the city if the city agrees to allow development rights to cross political boundaries. Density transfers into the city from the county will not be in competition for land protection in the Bel-Red corridor.

Mr. Michael Chulsky said his family owns the auto repair facility at 13030 Bel-Red Road. He said a review of the transportation grid appears to show a street going through the center of his property and others, which will result in the removal of a lot of existing businesses. Relocating the businesses in the same area will not be easy as the area redevelops. The service uses that are currently in the corridor could end up lacking for business from Bellevue residents, making it necessary to go further out.

Mr. David Plummer, 14414 NE 14th Place, said the existing plan for the Bel-Red subarea is adequate in its present form and needs only minor updates to ensure the important area will continue to provide a wide variety of services and employment opportunities. The present zoning in the Bel-Red/Northup area provides wide latitude for exploitation of current property owner's property rights and development potential. The Bellevue staff is seeking to force their unjustified, unrationalized vision of a new city center on Bellevue citizens that will benefit only a small number of property owners in the Bel-Red area. The scheme is being advanced for two fundamental reasons: to increase city tax revenues, and to and abet the plan of Sound Transit to deploy an uneconomic, non-cost-effective light rail transit line from Seattle to Bellevue and perhaps on to Redmond. There are no compelling reasons or rationale for the staff-proposed rezone of the Bel-Red area. Rather, the matter is a concerted effort on the part of the staff to reject normal real estate market development forces in favor of their Robert Moses-inspired city building schemes. The staff-proposed scheme is a repudiation of the staff's downtown development plan. There are no market analyses or any other type of analyses that justifies the staff plan to rezone the area to support the development of 5000 residential units. The number is a total fiction. In addition, the city's buildable lands report submitted to King County in 2007 clearly shows that the city has ample land capacity for housing and employment growth out to the year 2022, based on current zoning and land use. Thus, there is no need to rezone the Bel-Red corridor to expand housing, employment and retail activities. The proposed rezone scheme will require the expenditure of approximately half a billion dollars to pay for the acquisition costs of the public infrastructure required to implement the staff scheme. The ownership costs are totally undefined. It is clear that the staff plans for a significant portion of the costs to be borne by all Bellevue citizens, rather than the landowners and property owners that will benefit from the rezone. Even if the staff and City Council are successful in levying some of the costs

on the area's landowners and property developers, they will only be passed on to the customers, renters and condominium owners of the landowners and property developers. The staff-proposed public amenities will not benefit the broad spectrum of Bellevue citizens. The staff-proposed plan, Land Use Code amendments and design guidelines for their proposed Bel-Red subarea should be rejected.

Ms. Sue Baugh, 4728 116th Avenue SE, said she served as a member of the Bel-Red steering committee. She said she has been tracking the work of each board and commission involved with the Bel-Red matter since September 2007 when the final steering committee report was delivered to the City Council. She thanked the Commission for its diligent and thoughtful examination of how the vision for the corridor can be successfully implemented. The Bel-Red project is one of the largest the city has ever undertaken, and next to the downtown plan will probably have the greatest impact on the future of the city. The steering committee was very interested in getting the vision implemented sooner rather than later for that very reason. The plan is not one that was meant to sit on the shelf for five to ten years. The steering committee envisioned an emerging Bel-Red area that was a dense, lively and smart-growth urban neighborhood built around the best transit principles, including the concentration of growth in nodes around transit stations. The available market studies available at the time may have underestimated the residential and commercial growth potential for the area. If adopted as drafted, the Comprehensive Plan and Land Use Code amendments will not produce the kind of development necessary to implement the vision. The base FAR of 0.5, the tiered incentive system, and limiting the FAR in the nodes to 0.5 until transportation funding is identified, will likely result in either no development in the near term, or low-density developments that is counter to the vision of the steering committee. There is some notion that the steering committee said new growth should pay for new amenities. Implementation of the vision will be extremely expensive, and early developers cannot be expected to underwrite a disproportionate share of the public amenities, development and implementation could take many long years. The fact is, development is very difficult and very risky. It only looks easy when projects are complete and thriving. Development has to pencil out in order for the developers to take the risks. When the cost structure and risk reaches an unacceptable level, development stops. The redevelopment of Bel-Red is a historic opportunity, the likes of which may never again present itself in Bellevue. The time should be taken to listen to the developers and to make sure the regulations and codes are in place to allow implementation of the vision to get started sooner rather than later. Getting the vision successfully implemented in a way that will work for the citizens, the developers and the city is what everyone is interested in.

Mr. Jeff Freedman, an architect with Webber and Thompson, said he grew up in the Cherry Crest neighborhood above the Bel-Red area and is amazed at how little the area has changed over the last 30 years. The proposed plan is very encouraging. It is disconcerting that the development potential being proposed is too low and that the vision will not be realized. The conceptual drawings of new development will not happen at FAR limits of 1.0 and 2.0, which will generate single-use developments with surface parking. Being oversensitive to surrounding low-density uses will not be a good thing. The city should look at vitalizing the area much more, particularly in the edge areas where there is the opportunity to create active and exciting spaces with multiple uses in a single property. By doing that, it will be possible to foster connections between the existing development and the new development, serving the community the best. To do otherwise will create an automotive mote around the area that people will not be able to access. FARs in the 4.0 to 6.0 range should be considered with incentives that promote public benefit and good design.

Mr. Roy Ostergo, vice president of Amica Mature Lifestyles, which along with partner Bel-

Green Developments is the owner of the property at 2211 156th Avenue NE, the former Angelo's Nursery site. Amica is a leader in the design and management of retirement housing and is in the early planning stage of planning a senior housing project on the site. Amica will own and manage the property for a lifetime. The partners have attended most of the Bel-Red meetings and have sought to understand the key issues. Three public information meetings have been hosted over the last four months to share plans and receive important neighborhood feedback. With regard to part 20.25D.150 of the proposed amendments, he asked the Commission to consider the creation of a new category for seniors independent living retirement communities that would be exempt from the proposed amenity incentive system. The proposal for retirement living embraces many of the concepts of the plan. Due to the unique of seniors, however, it would be challenging, if not impossible, to qualify for bonusing under the incentive system as currently conceived. In any city, seniors have different levels of income and financial security. Amica provides a broad range of options to address what seniors themselves may view as affordable. However, the concept of affordability as it relates to seniors 75 years old or better is challenging. Census data does not account for the value of a principle residence or private investments. Many seniors are house rich and cash poor, living alone with little social interaction and dealing with increasingly expensive household burdens. Amica sees in its communities a growing number of seniors who upon selling their homes and investing the proceeds can truly afford to take advantage of an active retirement lifestyle. It is difficult to measure the reality that adult children are often in a position of having to supplement their parents' finances. The measures of affordability as it relates to senior housing are different from the affordable housing definitions created for working families. Amica's brand is built around the concept of wellness and vitality. The communities include over 25,000 square feet of amenity space to support a wide range of first-class services and activities; that includes ample green space. Active recreation and community service activities will be provided in a secure environment for the benefit of the seniors and their families, and that should be recognized as a fulfillment of the proposed incentive. Increasingly, cities are taking a proactive stance in encouraging senior housing of all types. Seniors drive less so their parking requirements are less. Most senior residents are single, so they create a lower demand on water, sewer and power. There is no mention of senior housing in the proposed amenity system. In the Bellevue area, there are some 3900 seniors that qualify for retirement housing, yet there are only 1110 units. The health and completeness of any community is measured by how it includes and responds to the needs of every age group.

Mr. Chris Mooi, chief development officer with Bel-Green Developments, emphatically supported the fact that the bonus program should be based on market reality. He endorsed increasing the base FAR, deleting the two-tier bonus system and replacing it with a more even system, and adopting a broader range of side amenity bonuses. The Commission should look at the unique role senior housing plays in Bellevue neighborhoods. Senior housing is defined as age-restricted housing with a covenant attached, and it should be exempt from the need for affordable housing bonus. There is a growing demand for senior housing in general. There is a unique and growing demand on the part of seniors for high-quality facilities and amenities in good locations, and improved quality of life based on social networks, physical activity and good nutrition. There is a significant lack of supply. Senior housing is in reality affordable housing and as such should be exempted from the housing bonus requirement, provided senior housing be subject to a covenant limiting ownership to occupancy to those 55 or over. If the covenant is removed at some future time, the owner should be required to pay the applicable housing bonuses at that time. The Commission should adopt a broader range of side amenity bonuses, including underground parking. Senior housing has low-trip generation rates, which should be rewarded. The proposed base FAR is too low. The Redmond side of 156th Avenue NE is allowed up to 4.0 FAR. The Bel-Green site should be afforded an FAR closer to 2.5 as a base, a

density that would allow for smart development with immediate and long-term benefits for the surrounding communities.

Ms. Kleo Landucci, project manager for Bel-Green Developments, read into the record a letter from OTO Development. The letter stated that OTO is under contract to purchase a part of the property at the easterly portion of Bel-Red Road on what is commonly called the Angelo's Nursery site. The intent is to develop two signature brand hotels, each of which will contain approximately 140 rooms. The opportunity offers good potential for the company's business operations. The character, demographics and economic realities of the area are well suited for the proposed type of development. The area needs more hotel services. The proposed documents from the April 16 presentation by city consultants raised concerns, and should the approach presented at that meeting be adopted, the project would not be buildable. OTO has developed over 35 hotel properties throughout the United States in the last four years, and more than 450 in a former hotel company over the last ten years. The proposed development will return to Bellevue the standard fees for all the building permitting processes, but also will generate transient occupancy tax revenues for the city on the order of \$600,000 annually. The city should consider a reasonable program of development cost charges in the Land Use Code. The April 16 financial presentation did not reflect reasonable development economics. The current makeup of incentives, levies and charges will likely push good, long-term, sustainable business operators away. If the economics work for everyone, then all parties will be well served by future development in the Bel-Red corridor. The city should consider the realities of land development and business creation in totality in approving a final Land Use Code amendments.

Mr. Mike Nielson, 6557 127th Place SE, spoke as executive director of St. Andrew's Housing Group and vice president of the Housing Development Consortium. He applauded the Bel-Red planning effort as a grand vision for the city. He said he was particularly pleased to see the emphasis on affordable housing and a strong incentive package that will be essential for creating it. Experience has shown, however, that incentive programs by themselves have historically not created affordable housing units. Where strong mandatory affordable housing requirements have been implemented, affordable units have successfully been implemented without thwarting development. There are numerous examples of situations in which for-profit developers have partnered with non-profit developers to create affordable housing units. If affordable housing is not ensured in Bel-Red, then where and when. Over 36,000 Bellevue residents, roughly 31 percent of the population, live at income levels of 80 percent of area median or below. The community has the obligation to assure housing opportunities for everyone; the only way to achieve that will be to target some of the lower income levels, 50 percent and 30 percent of area median income.

Mr. Darin Crostin, director of operations and plant manager for Coca Cola, 1150 124th Avenue NE, noted that the steering committee strongly supported allowing Coca Cola to continue its operations in the Bel-Red corridor as a conforming use. The concern with the draft document is that implementation of some of the code provisions would be extremely detrimental to the ability of Coca Cola to continue to operate in the corridor. The important policy intent of the steering committee could be lost over time, so there should be an overview policy inserted making it clear that Coca Cola is a welcome use and part of the future vision for the area. Both the production and distribution functions should be allowed as permitted uses. Some of the provisions regarding expansions and reconstruction appear to treat the bottling function as nonconforming. Coca Cola needs the flexibility to expand in the future and would like to work with staff to identify natural boundaries for the expansion. The facility currently operates 24 hours per day, and the proposed limits could be problematic; the draft language is in fact

confusing. As new uses are introduced into the corridor, the code will need to address the issue of compatibility. The code appears to put the burden on existing uses to accommodate the newcomers; it should go both ways. New residential uses should be designed to peacefully coexist with businesses such as Coca Cola.

Mr. Leonard McGhee with Sound Transit congratulated the city on taking a forward-looking approach to creating a vibrant and sustainable area for housing and commerce, and for taking advantage of the benefits light rail transit can bring. Sound Transit is in the process of evaluating a revised package of transit investments to bring before the voters in the not-too-distant-future. Sound Transit has commenced a public involvement process seeking comment on whether the Board should revise the Sound Transit II plan in favor of newly identified options that would form a faster and lower cost package. Sound Transit is also continuing with the development of the draft East Link EIS process. As part of the Bel-Red study, Bellevue has conducted an analysis to determine the value added from density bonuses offered to private development. Sound Transit launched its own study of the value added to properties surrounding light rail stations to determine if the financial gain could be drawn on as a source of funding; the research suggests that an increase of at least ten percent could be reasonably expected within station areas, in addition to the value created by upzones. Sound Transit supports the effort of the city to capture a portion of the added value as a mechanism for funding needed infrastructure and amenities, particularly in the transit nodes where the greatest density bonuses are offered. Sound Transit is concerned, however, about not having specified in the plan the role of light rail in contributing to the increase land values in the node areas. As a consequence, the financing options currently being considered by the city do not include light rail transit facilities among the transportation capacity improvements such as roads, which are eligible for impact fee or other transportation benefit assessment. The exception affects consideration of potential strategies for funding transit facilities, such as right-of-way or additional stations as identified in the Bel-Red planning process. The draft Comprehensive Plan language seeks to identify and preserve rights-of-way for transportation projects identified in the plan by ensuring compatibility between proposed development sites and buildings in the transportation system. Sound Transit would like to see consideration of how right-of-way preservation could be a mechanism to facilitate development of transit facilities contemplated in the Bel-Red plan. The proposed land use amendments could also assist in future project implementation by recognizing light rail transit in the corridor as either a separate permitted use or a permitted use within a transit overlay zone. Light rail is not identified as a use in the land use tables, though reference to light rail is repeatedly made throughout the draft, illustrating its centrality to the plan. Lessons learned from the light rail best practices process could be incorporated into an overlay zone providing safeguards for the city and greater certainty for Sound Transit. The draft bonus system makes no mention of transit facilities, and the proposed parking allowances are higher than desirable for achieving transit oriented development. Transit brings with it the opportunity to reduce parking ratios, allowing for reduced development costs, reducing traffic impacts, and promoting transit ridership.

Mr. Steve Cox with Mithune Architects said he has been working for the past several months on the proposed Bel-Green senior development. He suggested that the draft Land Use Code for the Bel-Red corridor is somewhat flawed. Some of the fatal flaws exist in the gap between the maximum achievable densities and the higher densities available immediately next door in Redmond. The cost of adding FAR through the amenity system is simply too great for development to bear. The base FAR should be much higher. Allowing pioneer development to create value for subsequent development is what nurtures the environment. Some years back Bellevue went through a long period of time when nothing happened; when value finally caught up with the cost of incentives, things took off in a very big way. There should be recognition of

the need for catalyst projects. The current corridor development averages 0.25 or 0.3 FAR, so the jump to 1.0 is significant. An FAR of 1.0, however, is still too low to afford underground parking and to provide for additional streets, midblock connections, pedestrian open space, pocket parks and real parks, to say nothing of stream and habitat restoration. If the city wants an additional floor of affordable housing, then it should grant the ability to add a floor to the height limit. The city should consider waiving or drastically reducing parking requirements, particularly near the transit nodes. A balance of amenities should be considered along with affordable housing, amenities that deal with the entire pedestrian fabric of the community to be created.

Mr. Walter Scott, 2855 103rd Avenue SE, said the vision of the steering committee was of a vibrant, high texture, transit-oriented development community where people work and live in the same area. That vision is a good one. The city staff and the boards and commissions have done a good job of shepherding what amounts to a huge job. It is very rare that any city undertakes the task of rezoning 900 acres all at once. The process has moved forward with efficient speed, but that has generated some haste that has left some zoning areas painted with a broad brush. Two community parks are envisioned, one on the east end of the corridor, and one in the northwest corner of the corridor. If the city wants to have a park that is well used and easily accessible by foot, it should be closely located to both commercial and residential areas. King County and the city both own land between the two retail nodes in the vicinity of where the West Tributary crosses the NE 15th Street/NE 16th Street corridor, so it seems like a logical place to locate a central park for the Bel-Red corridor. Some of the residential areas involve retail components, but the type of retail involved is principally smaller shops of the sort that normally would be seen near commercial developments. A different kind of retail is needed near the residential areas, uses such as large grocery stores. It will defeat the purpose if residents have to get in their cars to go buy food.

Mr. Dave Sharpe with Legacy Commercial, 400 112th Avenue NE, addressed a property in the 1900 block of 120th Avenue NE that is proposed for BR-R. He suggested the proposed height and FAR limitations should be given additional consideration. The property in question currently has a warehouse use on it and is developed to about FAR 0.5; an FAR of 1.0 will only yield two stories and a lot of open surface parking, and will not achieve the stated objectives. The city should adopt the wedding cake approach that has been so successful in the downtown, with higher density in the nodes. The proposed approach would have developers buying upzones by contributing to parks, transportation and other amenities. To encourage redevelopment, the FARs will need to be increased. Affordable housing seems to come most often in the form of wood frame construction, not concrete and steel. In Seattle, workforce housing is getting constructed in the NC zone with FARs of 3.0 to 4.0 and heights under 65 feet. A wider variety of uses should be allowed in the BR-R zone.

Mr. Scott Hall, 11980 NE 24th Street, spoke on behalf of Pine Forest Properties, Inc., owners of a couple of different properties in the corridor, the largest of which is at the northwest corner of 120th Avenue NE and NE 12th Street. He agreed with the previous speakers that there is more work to be done in refining the proposed land use code. All of the existing permitted uses should continue to be allowed to expand until such time as the properties redevelop, including bringing in new LI uses. The base FAR limit as drafted is entirely too low, and the incentive system will not trigger redevelopment. The proposed NE 15th Street/NE 16th Street corridor is directly over one of the Pine Forest properties and would require a taking; a slightly different alignment that avoids the jog south east of 124th Avenue NE and goes straight through connecting on 116th Avenue NE near the Children's site would make more sense. There are unanswered questions regarding the timing of Phase I. The costs should be allocated fairly to all

projects in and around the corridor, including the downtown. Referring to policy 20.25D.060.G.3.a, he said the proposed \$150,000 threshold limit that would trigger new improvements to existing properties is too low; certain improvements can exceed that amount very easily.

Mr. Greg Johnson with Wright Runstad, owners of the Spring District property, formerly the Safeway distribution site, at 1227 124th Avenue NE, thanked the Commission and staff for the pace that has been kept up and the quality of thinking that has gone into the Bel-Red corridor project. The 36-acre Spring District site represents a very large stake in the Bel-Red corridor. The success of Wright Runstad in developing the site is tied entirely to the vision for the entire corridor. The staff have been very open and interactive in exploring alternative financing methods necessary to see the vision succeed. No matter how much development contributes to the financing of infrastructure in the corridor, there will still need to be a change in the way public infrastructure is financed in order for anything to happen. The Spring District site offers an array of unique possibilities, but given the undeveloped nature of the site it will be necessary for Wright Runstad to spend more than it spent for the land. There are inherent risks involved. The concept of using land value created by an upzone to finance off-site areas will basically take the gas out of the tank for a large-scale multi-phased development like the Spring District; the land value will be needed to pay for the infrastructure to make the land buildable. Incentive systems can be made to work, though the proposed tier system will not work for Wright Runstad. The base FAR should be higher consistent with smart growth principles, particularly in the nodes. The tiered system should be done away with. There should be incentives such as contributing to transit systems. The TDR notion should be very carefully considered, possibly as a way to go beyond the maximum FAR of 2.5.

****BREAK****

Mr. Andy Tabor with ^{OPUS} ~~(inaudible)~~ Northwest spoke representing Walgreen, owner of the property located at the corner of 156th Avenue NE and Bel-Red Road where the Uwajimaya store is located. He complimented the Commission and staff for the work done on the Bel-Red project. The corridor is the logical place for density given its location between Microsoft and the downtown. The proposal, however, will not allow or encourage the density everyone envisions for the area. The base FAR is too low, and the maximum FAR is not high enough. One good example is the proposed BR-R zoning which is located adjacent to office. It makes no sense to have low-scale residential next to high-scale office. Higher density requires taller buildings, so consideration should be given to increasing the allowed heights throughout the district. From a residential standpoint, 75 feet is the cutoff; buildings above that height are much more expensive because they require a different building structure. The NE 15th Street/NE 16th Street corridor envisioned to be nearly 200 feet wide is going to create a separation between the population nodes, the dense villages; it will not encourage pedestrians and street life. There is no question that additional infrastructure will be needed, but there must be a better way to raise the money. The proposed incentive system will prevent development in the corridor. The analysis done by the outside consultant included many gross errors in the assumptions. The development community is more than willing to work with the city to get to implementation of the vision.

Mr. Bill Curlin-Hackett, director of the Interfaith Task Force on Homelessness for the Church Council of Greater Seattle, 4 Nickerson, Suite 300, said the Eastside ten year plan to end homelessness, in addition to the King County plan, indicates that at least 1845 affordable housing units are needed on the Eastside. While it is unclear what percentage of the units should be in Bellevue, it is clear that decisions such as those to be made regarding the Bel-Red corridor will have regional impacts. Many Bellevue workers cannot afford to live in Bellevue and other

cities must house them, exacerbating transportation problems. Like every city in King County, Bellevue is significantly short of rentals available to households at or below 50 percent of median income. The King County Benchmarks Report indicates that the percent of affordable rental units affordable to those making 50 percent of area median income or less was 23 percent in Bellevue in 2005; with the building boom in the downtown, those numbers have likely slipped and the need likely has increased. By contrast, in 2005, 92 percent of Bellevue rental units were affordable to those making 80 percent of median income or less. Homeownership numbers are significantly lower. Clearly the market will build relentlessly, yet it will not build what is needed for those at 50 percent and under. Mandatory participation requirements are necessary to create housing affordable; voluntary approaches do not yield results.

Mr. Earl Overstreet, 5312 143rd Avenue SE, said he served as a member of the Bel-Red steering committee because of his role as a member of the board of directors for the Bellevue Chamber of Commerce. He highlighted a few of the key concerns described in the letter from the Chamber to the Commission, beginning with the lack of focus given to parking in the draft plan. Parking issues must be addressed along with determining park and ride lot facilities and parking for short haul and commute trips that will take place in the corridor. Existing businesses and business uses must be protected in the corridor with a do no harm approach, and priority must be given to minimizing the displacement and disruption to current businesses. The plan takes a good first step with regard to development standards, but the proposed FARs are shortsighted and too conservative. Higher densities, higher building heights, and greater FARs are needed; the city should aim to accommodate more development and redevelopment in the corridor. The city should consider establishing lot coverage and building heights to provide zoning control while ensuring that uses are market demand driven. The proposed FARs are not sufficient to accommodate the projected residential and job growth figures. The proposed FARs do not account for structured parking, which will be necessary in the corridor. The Chamber supports providing clear incentives and exemptions in order to make development and redevelopment financially feasible in the corridor. The variety should develop a capital improvement plan strategy sooner rather than later and set aside a fixed amount of dedicated tax revenue to finance the plan over time. The dedicated funding source could act similar to tax increment financing and eliminate the need to create special taxing districts in the future. Better modeling should be done to determine the best and highest use for future transportation corridors in the subarea. A final transportation plan, future road improvements, levels of service and concurrency should only be adopted when a more detailed analysis is complete. Visioning is hard work, but implementation is where the biggest challenges lie. The proposed incentives are good ideas and consistent with the vision of the steering committee. The difficulty is in making incentive attractive enough that the market will respond, but not so attractive that overdevelopment occurs or gets ahead of infrastructure improvements. It is easier to add to small incentives later than it is to take away from big incentives later. The cost of aiming incentive too low includes loss of momentum and uncertainty about when, if and how the vision will be attained. The size of the project area, the large total number of parcels, and the small number of large parcels complicates the issue of jumpstarting redevelopment of the area. The city should consider limited, more aggressive incentives for potential catalyst projects in key locations. Time or quantity limits could also be set on the use of special incentives. The implementation plan should be reviewed every two years instead of every five years given the uncertainty of local and national markets. Course corrections may be prudent in the initial project stages.

Mr. Bob Sternoff, 255 7th Avenue South, Kirkland, suggested the overriding issue is density. He noted he has a property on the south side of Bel-Red Road near 124th Avenue NE. The zoning map covering the property does not include a density that matches the reality. The reality is a certain amount of density is needed in order to bring about redevelopment. Under the proposal,

his property would be limited to two stories and surface parking, and that does not match the vision for the area. On the back side of the property is commercial, and over on 140th Avenue NE there are three-story apartment buildings. Consideration should be given to what is reasonable along that portion of the study area. One size does not fit all. Good planning will yield the type of development that will provide jobs within an area that has housing. To date, there has been no incentive to redevelopment the property. The cost of the incentives is a major issue; certainly no one will want to pay more than the value of the property and development would be worth. Equitable solutions should be found.

Mr. Patrick Bannon spoke on behalf of the Bellevue Downtown Association. He said the BDA is generally supportive of the preferred alternative recommended by the steering committee, and the major goal of developing a sustainable urban development pattern that will dramatically reshape the future of the Bel-Red subarea while allowing the area to transition gracefully from its past. The BDA also recognizes the need of the city to deliver an increasing array of housing options, transportation improvements, and amenities that will help define the city's long-term economic, cultural and environmental success. The conclusion of the draft plan that new growth, specifically housing, should be concentrated in nodes and adjacent to transit options rests of very sound policy rationale. The draft policies and land use plan adhere to the principle of complementing and not competing with downtown Bellevue. The city staff and the Commission should take the time to carefully evaluate the concerns of property owners and developers regarding the FAR and incentive system to make sure they will stimulate the development necessary to keep up with planned growth. The area of greatest concern to the BDA is transportation and mobility, and the financing plan will color everything moving forward. The Bel-Red plan does create a new list of unfunded priorities, and there is no coherent funding strategy yet for the infrastructure components of the Downtown Implementation Plan. The downtown is thriving consistent with the plan, but public investment in key infrastructure lags behind. Answers must be found for funding those projects as well as the projects needed in Bel-Red and citywide.

Ms. Ann Levine, 910 166th Avenue SE, said she serves on the board of directors for St. Andrew's Housing Group and is a consultant who works with non-profit agencies that address issues of housing and homelessness. She said she daily encounters the lack of affordable housing on the Eastside and the devastating effect that has on the lives of clients. The inclusion of affordable housing targets along with a strong incentive system is a good first step, but there should be targets for the low- and moderate-income households. Mandatory affordable housing development should be considered as part of the subarea plan. Too many have no place to go other than emergency shelters.

Mr. Scott Harrison with Barkley Dean, 11100 NE 8th Street, noted that Bellevue has been selected by Fortune Small Business as the number one city in the country in which to launch and run a business. Quality of life played a big role in that selection. For business owners, one of the chief challenges is the identification and pursuit of knowledge workers who will be able to support the current and projected growth. The fact is that workers are being forced to move further and further away from the city in order to find affordable housing, and that generates all sorts of impacts. Affordable housing simply must be in the mix for the Bel-Red corridor.

Mr. Bruce Nurse, vice president of Kemper Development Company, said the company has followed the Bel-Red process for the last two years and submitted written comments to the draft EIS and the Transportation Commission. From the beginning, the company has subscribed to the principle of designing the Bel-Red corridor to be compatible with the downtown. The steering committee made that point clear, and the draft plan appears headed in that direction.

The company has concerns for mobility both inside the downtown and in all surrounding areas. One of the primary concerns is the level of service approved by the Transportation Commission and recommended to the Planning Commission of 0.95, the same number used for Factoria and the downtown; it allows for a higher level of congestion similar to what can be expected in a dense urban area. A more appropriate level of service for the Bel-Red corridor would be 0.85. An analysis of the street grid in the corridor needs to be carried out in a great deal of detail, and implemented by the city commensurate with the planned growth. Kemper Development plans to continue its involvement in the process for Bel-Red, including the update to the BROS plan. Level of service is a very technical area and is not the usual line of work for the Planning Commission, but it is something the Commission should delve into.

Ms. Rachel Krefetz with the Housing Development Consortium emphasized the importance of affordable housing in the broad vision of Bel-Red as a vibrant community. The lack of housing choices has a direct negative effect on traffic congestion and in turn carbon emissions; on family stability and in turn area schools; and on community building. If the planned increase density occurs without sufficient housing options, the challenges that other sections of the redevelopment plans are trying to improve will only be exacerbated. The numbers and percentages that must accompany the conversation on affordable housing can easily bog down those who must wade through them, but they do matter. Without targets for residents at all levels, developments will tend toward the highest end of the spectrum. Without a mandatory requirement for affordable housing, it is possible that not one residential unit will be affordable to those earning 80 percent or less of the area median income. The numbers will ultimately determine if the new Bel-Red area will housing teachers, retail workers, non-profit employees, young families, senior citizens, and many other members of the community. The Bel-Red project is of the type that occurs only once in a generation, and the opportunity should not be lost. It would be a tragedy to look back in 30 years and see that the lack of affordable housing resulted in an unlivable community with even greater traffic problems.

Mr. Don Pickens, 10900 NE 8th Street, Suite 900, spoke as manager of Sherwood Shopping Center at 156th Avenue NE and NE 20th Street, and the McDonalds property at 140th Avenue NE and Northup Way. He said the plan is to maintain and operate the Sherwood Shopping Center for the foreseeable future. The enterprise has been successful for over 40 years and serves the local community. Immediate redevelopment of the property is out of the question given that there are signed long-term leases. Increased congestion and traffic could hurt the existing businesses. Throughout the public outreach portion of the study support was sought for allowing existing uses to continue to operate legally until such time as redevelopment might occur. That could best be addressed through the overlay approach. The cost of infrastructure will be an issue; existing operating entities should not be burdened with front end costs of infrastructure through the use of LIDs and the like. Height and FAR should be consistent through the entire triangle area and applied evenly.

Mr. Todd Woosley with Hal Woosley Properties, owner of Briarwood Center, extended his thanks to the great work done by the steering committee, the Planning Commission and the staff. He noted that the comments offered earlier had all been consistent on the topics of zoning, transportation and building size. He voiced concern about the BR-CR zone and the ability to maintain all current and permitted uses by reflecting them in the use charts. The plan calls for a well-balanced transportation system. The projections show that once the area is fully redeveloped, 18 percent of the total trips will be made using transit. In the early years that will mean buses. By the same token, 82 percent of the trips will not involve transit, and they will need to be accommodated. The Puget Sound Regional Council says it costs about \$2 in investment to accommodate a general purpose trip, and a little over \$22 to accommodate a transit

trip. In figuring out how to finance the overall transportation package, strong consideration should be given to what will be most effective in moving people from place to place. Briarwood Center is accessed from NE 12th Street and 120th Avenue NE, an intersection that is projected to have the highest increase in congestion in the entire corridor. The level of service chosen for the corridor should not match that of the downtown; 0.85 would be preferable to 0.95. Sound Transit following the approval of its Phase I measure has been collecting a significant amount of money; the Eastside subarea has generated somewhere between \$800 million and \$1 billion, and those funds have not yet been earmarked. The city should look to those funds as a source of right-of-way acquisition for the high-capacity transit corridor, as well as construction of the system. In addition, many of the trips through the corridor will be regional trips that would rather be on SR-520 if that system were not jammed up. The city should request WSDOT to commission a study to expand the freeway to the east of I-405. The proposed FAR base of 1.0 should be at least 2.5, and heights should be allowed up to about 75 feet, especially where there are existing transit stops and where future transit stops are planned.

Motion to close the oral testimony of the public hearing but to leave it open for written comments until May 30 at 12:00 p.m. was made by Commissioner Sheffels. Second was by Commissioner Ferris and the motion carried unanimously.

9. STUDY SESSION

A. Bel-Red Project

Mr. Inghram said staff will take the comments received, along with the written comments that come in by May 30, and provide them to the Commission along with the transcripts from the business and property owner discussions. Staff will seek to organize like comments together.

10. NEW BUSINESS – None

11. OLD BUSINESS – None

12. APPROVAL OF MINUTES

A. February 13, 2008

Motion to approve the minutes as submitted was made by Commissioner Orrico. Second was by Commissioner Ferris and the motion carried without dissent; Commissioners Bach and Mathews abstained from voting.

B. February 27, 2008

Motion to approve the minutes as submitted was made by Commissioner Orrico. Second was by Commissioner Lai and the motion carried without dissent; Commissioner Bach abstained from voting.

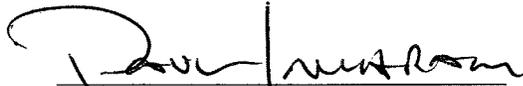
C. March 12, 2008

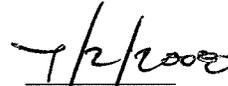
Motion to approve the minutes as submitted was made by Commissioner Ferris. Second was by Commissioner Lai and the motion carried without dissent; Commissioner Orrico abstained from voting.

13. PUBLIC COMMENT – None

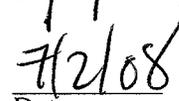
14. ADJOURNMENT

Chair Robertson adjourned the meeting at 9:32 p.m.


Staff to the Planning Commission


Date


Chair of the Planning Commission


Date