CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

July 2, 2008
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT:	Chair Orrico, Vice-Chair Sheffels, Lai, Mathews, Robertson
COMMISSIONERS ABSENT:	Commissioners Bach, Ferris
STAFF PRESENT:	Paul Inghram, Patti Wilma, Nicholas Matz, Department of Planning and Community Development; Kevin O'Neill, Department of Transportation
GUEST SPEAKERS:	None
RECORDING SECRETARY:	Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:33 p.m. by Chair Orrico who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioners Bach and Ferris, who were excused. Commissioner Ferris participated in the Bel-Red discussion by telephone.

3. APPROVAL OF AGENDA

The agenda was approved by consensus.

4. STAFF REPORTS □□ None

5. PUBLIC COMMENT

Mr. Stu Vander Hoek, 9 103rd Avenue NE, said between 1981 and 1985 proper consideration was not given to land use decisions for properties purchased by the Vander Hoek family with regard to what was going on at the time with respect to neighboring properties. In 1981 development of the property across the street to the west could have been built to the basis height of 150 feet and a maximum of 200 feet. However, in 1985 the property was downzoned, reducing the maximum height to 55 feet if more than 50 percent of the building was residential. That was a clear changed condition. Under the current Comprehensive Plan designation and commensurate zoning does not enjoy the same rights as the neighboring property is allowed; that is not an equitable situation. In 1985 the property purchased by the Vander Hoek family in the late 1990s was owned by the owner of the property that lies to the north; it was all one property and had a split zoning with the CBD buffer on the northern property. Under the perimeter design guideline changes in 1985, the 55-foot height limit was placed on the property across the street; if consideration had been given to the Vander Hoek parcel when the design guidelines were put in

place, the 55-foot height limit would have been applied to the Vander Hoek property and it would have allowed for the R-30 zoning pre-1985. In the 1986 Old Bellevue study, changes were recommended to move the zoning line on the Forum property to its south edge, which was Wildwood Park, which meant that property would no longer have a split zoning. Had that been done, the Vander Hoek property would have been the only parcel where the Old Bellevue zoning did not run straight across from Bellevue Way to 101st Avenue NE. In the current situation, the buffer would be placed on the property to the north in the CBD/Old Bellevue subdistrict A zoning area, thus creating a jog in the buffer of some 120 feet. About 12 years ago the city took action to give predictability to what are now three, and only three, split-zoned properties along the south edge of the CBD to allow properties with split zoning. The action allowed the owners to move the 20-foot CBD buffer to the south edge of the split-zoned property while maintaining the underlying zoning on the non-CBD land; that set the precedent for maintaining the edge of the CBD. The proposed Comprehensive Plan amendment is simply a correction to the existing Comprehensive Plan that was overlooked by everyone in previous actions. The proposal does not represent a substantive change and does not set a precedent for changing the CBD boundary.

Mr. Michael Aippersbach, PO Box 95429, Seattle, 98145-2429, said the recommendation of staff is to not forward the proposed CPA for the Vander Hoek property to the City Council and to address the issue later in the seven-year Comprehensive Plan review and update that is scheduled to start in 2011. It is quite possible that the entire Downtown review process could easily take three years or more to complete, which could mean 2014 before the Vander Hoek property could see change. It is neither necessary nor reasonable to expect the property owner to wait that long, especially in light of the fact that the annual Comprehensive Plan review process has been established to address changed conditions. The fact is Old Bellevue will benefit economically from the proposed change. There are a number of existing Comprehensive Plan policies that support improving the viability of Old Bellevue. A height increase of 15 feet would yield about 12 additional housing units; while not significant, it would benefit the local area by adding to the customer base.

Ms. Anita Skoog Neil, 9302 SE Shoreline Drive, said Wildwood Park deserves to have a buffer from the CBD. It was not, and is not, intended to serve as the buffer. On the issue of split zoning, which came up in 2007, the applicant stated at the public hearing that his property had a split zoning prior to his purchase of it. County records show the property to be entirely R-30, so it must be surmised that the applicant did a parcel split after purchasing the property in 1996. It must be assumed the applicant knew what he was buying. Staff claims that the proposed CPA cannot be reviewed within the resources and timeframe of the annual CPA work program; the applicant claims that makes the matter simply a resource issue, but has said it is really a political issue. However it is characterized, the proposed CPA would take considerable staff time as the community will continue to vehemently oppose it should the Commission choose to move the proposal forward. The assessment of the process by staff is realistic. The staff report concludes that the proposed CPA does not address significantly changed conditions. The applicant is a significant property owner in the Old Bellevue area and his family has owned property in the district for many years. In addition, the applicant has been involved in community action committees for the area since at least the mid-80s. It can be assumed the applicant had full information about the status of the area and the subject property prior to purchasing it, and that he had access to processes and knowledge of conditions before and after adoption of the perimeter design district. The applicant has not been able to demonstrate changed conditions to substantiate moving the downtown boundary, which the proposal would do, simply because no changed conditions exist. The staff report concludes that the CPA request is inconsistent with current Comprehensive Plan policies, particularly the policy that calls for maintaining the borders of the downtown Bellevue subarea as established by the 1979 subarea plan. To change any

Comprehensive Plan policy to accommodate an individual property owner would be a move down a very prickly path. The community relies on the Comprehensive Plan to ensure stability. Only significantly changed conditions should trigger revisions to the Comprehensive Plan, and that criteria has not been met. The only changed circumstances are those anticipated when the CBP plan was affirmed. The plan is working and should not be changed.

Mr. Kevin Austin, 9937 Lake Washington Boulevard, asked the Commission not to recommend the Vander Hoek CPA application to the City Council. The proposal does not meet the threshold review criteria. There are no significantly changed conditions applicable to the property. The application states that the Meydenbauer Bay waterfront park land use plan has recommended changing R-30 zoning to OB-A, but the fact is there has been no rezoning or land use plan drafted or presented by the city related to the waterfront park. The application makes reference to a 55-foot apartment building directly across the street to the east as a significantly changed condition; that project was in fact developed by the applicant consistent with current zoning and the Comprehensive Plan. The Land Use Code defines significantly changed conditions, and the proposal simply does not meet the test. The application is not consistent with the current Comprehensive Plan and should not be recommended to the City Council. The Downtown boundary should not be relocated.

Mr. Todd Woosley with Hal Woosley properties spoke representing the Sherwood Shopping Center on 156th Avenue NE and Briarwood Center on 120th Avenue NE. He asked the Planning Commission to recommend an increase in the FAR for both of those areas. An FAR of about 2.5 would move things into the area of feasibility for redevelopment of the properties, both of which are currently one-story commercial properties, and neither of which has an intention to redevelop in the short term. As the economy slows, financing institutions are requiring more practical proformas, which an FAR of 2.5 allows. One of the motivations for having higher densities is to permit transit services. Both of the properties are located near existing transit stops and will over the long term continue to need transit services. The higher FAR would create a more consistent land form in the area.

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

7. REPORTS FROM COMMISSIONERS □□ None

8. STUDY SESSION

   A. Vander Hoek CPA

Chair Orrico noted that a public hearing had already been held on the Vander Hoek CPA, but due to a split vote there was no recommendation formulated to pass on to the Council.

Commissioner Sheffels noted for the record that she listened to the audio recording of the June 11, 2008, public hearing and had read the meeting minutes as well.

Motion to forward to the City Council a recommendation to include the Vander Hoek CPA on the 2008 work program, without geographic scoping, was made by Commissioner Robertson. Second was by Commissioner Lai.

Commissioner Robertson said she supported initiating the proposal when it was before the Commission in 2007, and supported moving it forward at the previous June 11 meeting where

the Commission was unable to reach a decision. She said since that time she had read the minutes of the discussion from 2007 thoroughly and realized that the vote of the Commission at that time was 6-0 in favor of moving the recommendation forward. Since that time there has been no change in the application review, except for the recommendation of staff. In 2007 the Commission held that there were in fact changed circumstances on the basis of the 1985 Perimeter Design District guidelines; at that time the staff supported the recommendation. The proposal bears study because of the split zoning issue. Other properties would not be affected because of the presence of Wildwood Park. In 2007 Commissioner Ferris was quoted as saying the proposed change would allow both sides of the street to develop in a more cohesive manner. Then-Commissioner Bonincontri stated in 2007 that the jog in the Downtown border is because of the topography and that the proposal would not result in a great deal more density while allowing for more street level retail.

Commissioner Robertson suggested there have been changed circumstances. The criteria for moving the CPA proposal forward have been met, and the issue should be moved forward for further study.

Commissioner Mathews said in 2007 he voted for to move the issue forward because the design guidelines allow for flexibility in working with property owners to design something that would work in the area. He agreed the issue should be carried forward for further study.

Commissioner Sheffels said the applicant is in effect asking for a spot zoning, one that can only be accomplished by redrawing the Downtown boundary. The criteria require significant changed conditions, something that is not always easy to show. The issue of split zoning on adjacent properties is not really relevant given that the Commission is not inclined to increase the geographic scoping. The nearest obvious changed circumstance is the acquisition of property by the city at Meydenbauer Bay. Before the property in question can be included in a CBD-OB/A district, the Council and the Commission will need a work program to review and make recommendations regarding the Perimeter Design District and the Downtown boundary. Additionally, the Council could direct the Commission to proceed with a spot zoning without boundary review. She said her vote would be not to advance the proposal for 2008, but asked staff to determine if it would be possible to allow the applicant to reapply for the specific property only before the three-year limitation date.

Comprehensive Planning Manager Paul Inghram said there is no provision in the code that allows for waiving the three-year limitation. If the applicant were to decide to withdraw prior to final action by the Council on threshold review, which was done in 2007, the limit would not apply. The Council has the authority to initiate a Comprehensive Plan amendment at its own discretion, so the applicant could appeal directly to the Council to see that done.

Commissioner Lai said he is persuaded that the property in question presents a complicated set of circumstances, including the split zoning. He said he read over the minutes from the 2007 discussions and action regarding the Vander Hoek property and found no changed circumstances since the unanimous vote of the Commission to move the issue forward. It would be worthwhile to study the proposal before making a final recommendation to the Council.

Chair Orrico said the argument for moving the issue forward is persuasive.

The motion to forward to the City Council a recommendation to include the Vander Hoek CPA on the 2008 work program, without expansion of geographic scoping, carried 5-1, with Commissioner Sheffels voting no.

Mr. Inghram said the transmission of the entire package of Comprehensive Plan amendments for 2008 to the City Council is anticipated for July 14.

BREAK

B. Bel-Red

Mr. Inghram informed the Commission that on June 16 and 23 staff talked with the Council about the status of the Bel-Red project as well as the suggestion to engage the Urban Land Institute in a review of the incentive system. The direction received from the Council was supportive of that approach. The Council acknowledged that the incentive system and the inherent ratios are directly linked to the financial strategy which is the responsibility of the Council. Accordingly, the ULI report will go directly to the Council when it is ready in September.

Mr. Inghram said at the July 9 Commission meeting staff will be seeking a recommendation regarding the Medical Institution District policy and code amendments, and will be looking for some direction regarding existing uses, parking ratios, park and rides, college uses, drive-throughs, specific height limits for certain districts, and the types of retail uses that could be part of the retail district. On July 16 the focus will be on the Land Use Plan Map, housing targets, NE 15th Street/NE 16th Street design, and some of the design standards maps.

The full list of public comments has been packaged and will be delivered to the Commission with the packet for the July 9 meeting. Any additional issues identified by the public can be added to the list for discussion.

With regard to floor/area ratio (FAR), Mr. Inghram said the specific issue is whether or not the limits should be modified in some of the specific districts of Bel-Red to facilitate the types of uses envisioned by the steering committee as part of the image for the subarea. Comments offered by Commissioners and the public have raised questions about whether the proposed FAR limits will result in the new types of uses envisioned for the area.

Assistant Director Kevin O'Neill allowed that the steering committee did not talk at great length about FAR issues. The committee was charged with putting together a vision and staying at a fairly high level in doing so. The committee did talk about various land uses, height and intensity, all of which relate to the issue of FAR.

The first step taken by the steering committee was to generate a market economic forecast. The forecast, completed in 2005, showed a very strong market for future office development as well as a strong market for residential uses. That report served as a major driver for the steering committee in considering the types of land uses that might be appropriate for the corridor. The committee took the information from the forecast and arrayed it in different combinations, including high, medium and low levels of commercial and housing; those combinations became the focus of the alternatives that were analyzed in the Environmental Impact Statement (EIS) in early 2007.

Before any land use alternatives were developed, the committee discussed at length and then voted on a set of objectives that were really intended to drive the development of all the alternatives. The objectives included developing a land use plan that incorporated the findings of the market analysis; stressing the importance of housing in the area; and developing land use

plans that can take advantage of high-capacity transit stations. The latter helped the committee focus on the notion of concentrating development in certain areas or nodes. Each of the alternatives studied in the EIS had a mixed use node somewhere in the corridor, and each of the alternatives looked at redevelopment outside of the nodes that focused primarily on housing and mixed use housing/retail.

As the committee was developing the alternatives, there was a great deal of discussion about scale and type of development. The committee zeroed in on a development pattern that envisioned buildings within the nodes rising to about six stories. There was very little discussion about FAR; the focus was more on height and types of land use. The committee did, however, discuss the issue of housing density and talked about 45-60 units per acre outside the nodes, and up to 80 units per acre within the nodes. The committee's preliminary preferred alternative, developed in the spring of 2007 and based on the three alternatives analyzed in the EIS, included the idea of concentrating development in the nodes and housing opportunities outside of the nodes, particularly in the northwest and eastern portions of the planning areas.

Subsequent the release of the draft EIS, there was interest expressed by many developers for allowing building heights in excess of six stories and greater intensities. At the direction of the steering committee, building heights in several of the areas were reexamined. In most cases the committee focused on the nodes identified in the preliminary preferred alternative and authorized studying heights of up to 250 feet; that notion because a major focus of the final EIS.

The preferred alternative map passed on to the Council by the steering committee became the basis of the zoning and subarea plan map on which the Commission has been focusing.

Answering a question asked by Commissioner Lai, Mr. O'Neill clarified that the preferred alternative was based on the high end of growth.

Strategic Planning Manager Emil King said there was clear direction from the Council at the beginning of the steering committee process. The Council was explicit in stating that the Bel-Red redevelopment should compliment rather than compete with the downtown and other areas of the city. One of the adopted Bel-Red planning principles was to carve out a differentiated economic niche for the corridor with accommodations for jobs and firms that have significant potential for growth and which are not well accommodated in other parts of the city. Mr. O'Neill said the objective aimed at having an appropriate scale of development was intended to get to the same point.

Via telephone, Commissioner Ferris noted that the proposal includes the designations "OR" and "RC", which leads to the conclusion that within each of the nodes there is always to be a mix of uses. However, there is no language in the draft that suggests a minimum percentage of one use over another in a given node. He asked if there had been any discussion about setting minimum requirements. He further asked what the average FAR has been for office and residential developments that have occurred recently in downtown Bellevue. Mr. O'Neill said the committee discussed land use types at some length, but did not zero in on specific zoning. There was considerable discussion, however, about the mixed use areas and the committee expressed an interest in identifying a primary use for some of the nodes. Mr. Inghram added that the draft zoning package includes limitations on uses in some of the districts; for example, for the Residential/Commercial, or RC, area, the FAR of 2.5 is the overall limit, but office uses are limited to 0.5. The Office node at 122nd Avenue NE, however, does not have that restriction and offers the potential for an all office development, even though it is labeled as a mixture of office and residential uses.

Mr. O'Neill concurred but pointed out that it was the intent of the steering committee that even in the RC node at 122nd Avenue NE there would be a mix of office and housing, but with office being the predominant use.

Commissioner Robertson asked if the maximum FAR listed for each area is the same as the effective maximum. Mr. Inghram observed that different cities calculate FAR differently. Even within Bellevue, the downtown area does not include as much right-of-way dedication as will be required in Bel-Red. The draft code language allows areas dedicated for streets to be counted as part of the gross area of site for the purposes of FAR calculation. In the Pearl District of Portland, and in the South Lake Union area of Seattle, similar redevelopment is occurring, but the areas already have an existing street grid, so less street dedication is required. The calculation in Bel-Red is focused more on the effective site area. Additionally, the proposed language lists areas within buildings as exceptions to the FAR calculations; they include any affordable housing, the ground floor retail spaces, the community spaces, and similar public amenity aspects. Structured parking is not counted as part of the building area even if it is within the upper floors. In the final analysis, an FAR of 2.5 in Bel-Red may look like what might otherwise be calculated as a 2.97 or 2.70. There is no precise true maximum FAR.

Commissioner Lai asked if a development with a large amount of affordable housing could have an effective FAR of as high as 3.0. Mr. Inghram said in the estimation of staff the increased FAR for the exception areas will be relatively small. He added that the building height calculations are separate from the FAR calculations.

Commissioner Ferris asked if the affordable housing calculations are aligned with the state limits. Mr. Inghram said the proposal is to be consistent with state law at the 80 percent of median income level. Commissioner Ferris pointed out that developers are not able to recover their costs building affordable housing units at the 80 percent level. That fact will keep developments from resulting in a maximization of the bulk within the allowable height limitations.

Mr. King said the downtown is a great laboratory for understanding both height and FAR. The most dense development is allowed in the O1 and O2 zoning districts. The MU zone is more of a medium density zone; it covers about 60 percent of the downtown area. The residential zones are located in Ashwood and in the northwest corner of the downtown subarea. There is unique zoning in the Old Bellevue area and the OLB zone along I-405. All of the zoning districts in the downtown have a non-residential and residential basic and maximum. The O1 and O2 districts are the same for non-residential and residential basic and maximum. In the MU district, the basic is higher for residential. In the residential districts, the maximum for non-residential is 0.5, whereas the maximum for residential is 5.0. Similarly, the balance is hinged toward residential uses over non-residential uses in the Old Bellevue district. In OLB, the maximum of 3.0 is the same for both types of uses.

Bellevue Towers currently under construction on the old Puget Sound Energy site has a 9.5 FAR. The Washington Square development has a 4.9 FAR, while the 1020 building near Ashwood Park is at 5.3 FAR. Three Bellevue, an office development along the Pedestrian Corridor , is at 6.9 FAR. The first phase of Bravern, which will have office and retail, will have an FAR of about 3.8. The Masons building in Old Bellevue is at 2.3 FAR, and the McKee building has an FAR of 2.7. The Civica project on 108th Avenue NE is developed at a 3.0 FAR. Just outside the downtown, the Group Health development has an FAR of 1.0, and the 1200 Bellevue Way townhomes north of the downtown in the R-20 district is developed at 0.72 FAR.

Answering a question asked by Commissioner Lai, Mr. King said there are a handful of required amenities that must be provided in order to get to the basic. Beyond that, the density incentive system moves developments toward the maximum. Each amenity on the list has a different bonusable ratio.

Mr. King noted that the PACCAR building was at one time the tallest building in the downtown; it has a 1.0 FAR. The Plaza Center West building on NE 8th Street has an FAR of 1.75, and the relatively new One Twelfth at Twelfth building in the OLB zone is built at 2.7 FAR. First Mutual Bank on 108th Avenue NE and NE 4th Street has a 1.5 FAR. Bellevue Corporate Plaza to the north of the transit center is at 1.5 FAR. The Microsoft Eastgate development on the old Boeing site is built at a 0.5 FAR, but only because there is a large park/open space component that is part of the site area; the building itself look and feel more like a 2.5 to 3.0 FAR. The first two buildings of the Summit complex are at 3.6 FAR, and the two buildings that make up Civica are at about 3.0 FAR. Washington Square in the MU district is close to 5.0 FAR, which is the maximum. Pinacle Bel Center, a residential product in the downtown, has an FAR of 2.5.

Mr. Inghram said the Bellevue Corporate Plaza includes a small area of surface parking. First Mutual Bank also has some surface parking, but most buildings in the downtown rely on structured parking. Above grade structured parking is not included in the FAR calculations in the downtown.

Mr. Inghram said there are some obvious advantages to increasing FAR. A greater FAR can provide additional support for housing and can potentially increase the transformation of an area. There is in place, however, the principle of Bel-Red not competing with the downtown. It must be kept in mind that the exclusions and right-of-way dedications will result in an effective FAR that will be somewhat higher. Maintaining the steering committee vision for the area will mean having some differentiation between the areas inside the nodes and outside the nodes. The steering committee expressed a desire to see housing occur in the highrises inside the nodes but also in midrise buildings outside the nodes. Accordingly, it may be appropriate to increase the FAR for the R and CR districts. The steering committee support for a density of about R-60 roughly translates into an FAR of 1.5. The current proposal for the R district includes a 45-foot height limit, while the CRR zone has a proposed 70-foot height limit. He said staff is not recommending changing the FAR outside the nodes for the GC, ORT, MO or OR districts.

Commissioner Mathews agreed with the notion of increasing the FAR in the R and CR districts. The steering committee expressed a desire to see the non-node areas have lower heights and less density, but an FAR of 1.0 seems low. He said the staff proposal comes closer to what the steering committee was thinking and will afford more opportunities for affordable housing.

Commissioner Robertson concurred. She said she wants to see redevelopment outside the nodes. She added that the examples given of the FAR of other buildings was very helpful.

Commissioner Sheffels said the steering committee did not talk much about FAR but did talk about concentrating development in the nodes; that was not to say, however, that the non-node areas should not have higher concentrations than are currently allowed. The committee was conscious of the fact that establishing a considerably higher FAR in the non-node areas could drive out the existing service-related businesses. The public testimony has been clearly slanted in favor of higher FARs, which the staff proposal addresses.

Commissioner Lai supported the staff recommendation as well. He said he is less concerned

about what FAR will mean for the buildings than for open space.

Commissioner Ferris commented that the Bel-Red corridor is being asked to do some very heavy lifting in terms of its future development; the development there will be asked to support a lot of incentives that were not required in the downtown, such as roads, open space and affordable housing. A more aggressive approach will therefore be needed to achieve the goals. He said he could support the direction of the staff recommendation. The Commission should send to the Council a recommendation for a maximum FAR of 2.0 in the non-node areas and leave to the Council the task of establishing incentives that will allow the development to provide the desired amenities.

Commissioner Mathews questioned whether there would be much differentiation between the node and non-node areas if the FAR difference between them is only 0.5. Mr. Inghram said that is a key question. He proposed discussing next the nodes themselves before making a final recommendation for the non-node areas. He suggested that there is less of an argument in favor of increasing the FARs inside the nodes given that a 2.5 FAR is a fairly high density, can be transit supportive, and urban in character; meeting some of the objectives can be achieved with an FAR of 2.5. Whether or not an FAR of 2.5 would compete with the downtown can be debated; the downtown buildings are generally more dense, but in the mixed use area around the outside of the core there are maximums up to 3.0 and some of the buildings are constructed at the upper range. The perception of staff is that anything well above 3.5 would clearly be competitive. It would be appropriate for the Commission to recommend to the Council that there are some opportunities to increase the FARs inside the nodes.

Commissioner Mathews said FARs that overlap the lower end of the downtown limits would give more opportunity to grow the nodal areas while keeping intact the noncompeting concept. To much higher than that would, however, tend to defeat the whole vision of the steering committee.

Commissioner Robertson said she could accept having an FAR of 2.0 outside the nodes, provided there is some difference in the FAR inside and outside the nodes. She noted that the CH2MHill building has an FAR of 3.0 and said that is close to what her vision is for inside the nodes. She proposed allowing 3.0 inside the nodes and allowing the transfer of FARs from park and open space to go up to 3.5.

Commissioner Lai concurred with the need to have a different FAR inside and outside the nodes. He voiced strong support for given the Council the highest degree of flexibility by suggesting an approach that focuses on an FAR of 3.0 inside the nodes and 2.0 outside the nodes.

Commissioner Ferris agreed with the proposal of Commissioner Robertson.

Commissioner Sheffels said she could also support increasing the FAR to 3.0 inside the nodes and 2.0 outside the nodes. She said that would give the Council more flexibility with regard to the incentive system, and it will be the incentives that make the vision come to fruition.

Chair Orrico concurred. Allowing FARs up to 3.0 inside the nodes will not result in buildings that compete with those in the downtown but will offer enough density to spur redevelopment. The areas outside the nodes should be limited to 2.0, but transfers associated with open space should be allowed up to 3.5.

The conclusion reached by the Commission was that the CR and R districts outside the nodes

should allow FARs of up to 2.0, and that FARs of up to 3.0 should be allowed for the MO-1, OR-1, OR-2, and RC-1 and RC-2 districts.

With regard to the exclusion of ground floor retail space from the FAR calculation, Mr. Inghram noted that the current code excludes retail up to a 60-foot depth in mixed use multistory buildings. He proposed maintaining that standard throughout the subarea but adding an exclusion for all retail spaces along 130th Avenue NE where the code requires ground floor retail space.

Project Development Manager Patti Wilma explained that in the downtown ground floor retail in the downtown is exempt up to 1.0 FAR; if certain design criteria are met, the retail can be on the second floor of a building. There is no limit on the depth or size of the retail area in the downtown, however, which is different from what is being proposed for Bel-Red.

Mr. Inghram said the concept incorporated in the staff recommendation is that typical retail uses that help activate and energize the street should be accommodated, provided that general retail is not encouraged throughout the entire area.

Commissioner Lai asked if the proposed approach would disincentivize a grocery store use along 130th Avenue NE because the 60-foot limit would be exceeded. Mr. Inghram said the staff want to craft an approach that will promote retail uses along 130th Avenue NE by excluding such uses beyond the 60-foot depth.

Commissioner Sheffels asked if 130th Avenue NE would be the only place the exemption might qualify; she suggested it might be appropriate along 140th Avenue NE as well. Mr. Inghram said the area along 130th Avenue NE is the only place designated in the draft to require ground floor retail spaces. The exemption would apply only to multistory mixed use buildings. A single story retail building would be well below the FAR thresholds in any event.

Commissioner Ferris noted that the Fred Meyer store on 148th Avenue NE is within the Bellevue city limits. If the owner of the existing single story use wanted to redevelop the site with a mixed use development, the current zoning would discourage the large format approach in favor of a 60-foot depth requirement. That could present a negative in terms of redevelopment opportunity for that site. Given that on the Redmond side of the line the proposal is for a much more aggressive FAR, consideration should be given for the Bellevue side to have the same exemption for the large format retail as would otherwise be available along 130th Avenue NE.

Chair Orrico disagreed. She said her inclination would be to stick with the notion of concentrating development within the nodes, which the Fred Meyer site on 148th Avenue NE is not in.

Commissioner Robertson concurred with the staff recommendation. She said the approach would not preclude the construction of large format retail building, though everything beyond a depth of 60 feet would count toward the FAR.

Mr. King observed that the recommendation of the Commission is to increase the FAR for the CR district on the west side of 148th Avenue NE to 2.0, which represents a significant intensity.

Mr. Inghram said staff recognizes the need to clarify how FAR is calculated, including the open space transfer and what portions of buildings are excluded from the calculation. He said staff is not inclined to change how structured parking is counted given that the proposal is similar to how

the calculations are made in the downtown.

Turning to the topics of phasing and the incentive system, Mr. Inghram allowed that while both are significantly related to the financial strategy, which is a realm belonging the Council, there are aspects that are not necessarily related.

Commissioner Robertson suggested the aspects related to phasing are clearly under the control of the Council; as such the topic is outside the bounds of what the Commission should comment on.

Chair Orrico stressed the need to not inhibit the pioneer projects in any way. At the very least the Commission should recommend removing obstacles to the extent possible for pioneer projects.

Commissioner Lai concurred. He pointed out the need for flexibility given that the chance of settling on an FAR number that will work perfectly for the next 30 years is quite low. Anything the Commission can do to focus on the specific needs of each phase of redevelopment for the area should be done in order to manufacture the desired outcome.

Commissioner Sheffels agreed that the first-up developers will need to have some special encouragements, though she allowed that she is not in a position to say what they should be. She noted that the Commission had not yet discussed whether or not senior housing should be considered as affordable housing. The Commission should pass on to the Council a basic list of incentives for the corridor while leaving the door open for the Council to add and subtract from the list.

Mr. Inghram said two issues have been scheduled for discussion with the Commission: housing and the policy targets, which would include affordable housing; and the notion of regional transfer of development rights.

Answering a question asked by Chair Orrico, Mr. Inghram said the notion of requiring a periodic review is within the purview of the Commission. The subarea plan as proposed includes a policy that would direct a review of plan implementation at the five-year mark. Adjustments could be made at that point as they are deemed necessary.

Commissioner Mathews suggested that while the Commission should offer the Council a general statement regarding phasing, there should be no attempt made to get into the details.

Commissioner Robertson said she would like the Commission to discuss underground parking as an incentive. While most developers will want to go in that direction anyway, steps should be taken to avoid the development of large scale surface parking lots during redevelopment of the corridor. She agreed that the Commission should also discuss affordable housing and how it relates to senior housing, and the concept of transferring development rights regionally.

Commissioner Ferris observed that having the necessary infrastructure in place up front will help to spur on redevelopment, though that could mean being well ahead of the demand and need for the infrastructure. In the current economic climate, the transit providers are going to want to see ridership potential before investing in providing services, and that concept actually will push the city toward the more aggressive position of allowing development to move forward ahead of the transit services.

With regard to the tie between affordable housing and senior housing, Commissioner Ferris said the challenge is how to measure affordability absent a tie to area median income. The residents

of senior housing are not in the workforce and are therefore clearly in a different position. Staff should look into that in advance of a Commission discussion.

Commissioner Ferris voiced concern that the market could yield one use almost exclusive of the other in the OR node and the RC node. The Commission should keep in mind the notion of having a minimum percentage of the minor use within each node. He also suggested establishing an administrative process for adjusting the incentive ratios in the future instead of requiring a formal code change.

Commissioner Robertson disagreed with the idea of an administrative process for revising the incentives; that should be a part of the periodic review.

9. OLD BUSINESS □□ None

10. NEW BUSINES □□ None

11. APPROVAL OF MINUTES

A. May 15, 2008 Joint Commission

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

B. May 28, 2008

Commissioner Robertson called attention to page 11 of the minutes and noted that Mr. Andy Tabor is with Opus Northwest.

Motion to approve the minutes as amended was made by Commissioner Robertson. Second was by Commissioner Sheffels and the motion carried unanimously.

12. PETITIONS AND COMMUNICATIONS

Mr. Greg Johnson with Wright Runstad voiced appreciation for the comments of the Commission with regard to the pioneer developments. He noted that getting infrastructure in place ahead of redevelopment will be very important. There is one element in the draft language, however, that has not been discussed, and that is a limitation on the vesting for master development plans that has been set at two years in the draft. The ability to have a master development plan for a very large site vest for only two years would effectively mean no vesting whatsoever. The Commission should look at that point and consider ten or event fifteen year vesting for master development plans to allow for some certainty. With regard to having a percentage minimum for the minority uses in the nodes, he noted that the issue was addressed in the downtown by increasing the FAR for the desired use. The Commission should consider an incentive-based system rather than a ratio approach.

13. ADJOURNMENT

Chair Orrico adjourned the meeting at 8:56 p.m.

Staff to the Planning Commission — Date 11/5/08

Chair of the Planning Commission — Date 11/5/08