# Planning Commission

# TRANSMITTAL

DATE: July 23, 2008

TO: Mayor Degginger and Members of the City Council

FROM: Vicki Orrico, Chair
Members of the Bellevue Planning Commission

SUBJECT: Bel-Red Comprehensive Plan Amendments (08-114836-AC) and Land Use Code Amendments (07-138331-AD)

## I. RECOMMENDATION

With this transmittal the Planning Commission recommends by a vote of 6 to 0 that the City Council:

- APPROVE the new Bel-Red Subarea Plan replacing the existing Bel-Red/Northup Subarea Plan outright and adoption of related Comprehensive Plan amendments, including modification of the Crossroads and Wilburton/NE 8th Street subarea boundaries, and amendments to the Transportation Element and the Glossary.

The Planning Commission also recommends by a vote of 6 to 0 that the City Council:

- APPROVE Land Use Code amendments including new Bel-Red regulations, design standards and design guidelines, other related Code changes, and adoption of new zoning districts for the Bel-Red area.

The recommended Bel-Red Subarea Plan including text and map amendments to the Comprehensive Plan are contained in Attachment A to this transmittal. The recommended zoning map of the area is included in Attachment B. The recommended Land Use Code amendments are included in Attachment C and the recommend Design Guidelines are included in Attachment D. (Each are included in a Bel-Red project three-ring binder provided for the Council.)

This proposal satisfies the Decision Criteria for a Comprehensive Plan Amendment and the Decision Criteria for a Land Use Code Amendment (see Section VI, Review Process and Application of Decision Criteria).

The Planning Commission came to this recommendation through an extensive process with the help and involvement of many others. The Commission wishes to recognize the two year effort of the Bel-Red Steering Committee that crafted the vision for the Bel-Red area, and the collaboration of five of the City's other boards and commissions with the Planning Commission, in developing the draft plan and regulations for Bel-Red. The Bel-Red planning process included significant public and stakeholder involvement (detailed below), and many Planning Commission study sessions.

The Commission is enthusiastic that these recommended plan and code amendments will result in a transformation of the Bel-Red area over time from the current light industrial and commercial uses to new vibrant neighborhoods and thriving businesses served by an integrated system of multi-model transportation choices, parks and open space, and restored stream corridors that connect to the greater city and the region. For this bold vision to become reality, the plan and regulations must work for both new development, businesses and residents, *and* as a means to achieve the area's needed public streets, parks, open spaces and affordable and workforce housing. Without successful new developments, none of the vision will be realized. Alternatively, without a significant investment in amenities, infrastructure and housing, the area will lack the key ingredients necessary for new urban development to take hold. The Commission carefully considered comments made on the draft plan and code for Bel-Red and deliberated over a number of topics. We wish to expressly mention several key issues.

The Commission received a number of public comments that the proposed maximum densities (FAR or floor area ratio) for the Bel-Red zoning districts were too low, that they would result in suburban and auto oriented development, and that higher FARs were needed to induce redevelopment. Recognizing that review of the economic feasibility of redevelopment is tied to the Council's review of the incentive system, the Commission focused its review on what FAR levels would best achieve the vision for pedestrian and transit oriented character in the area, and recommends increased maximum FARs for several of the districts. In three of the node areas, the Commission recommends maximum FAR levels of 3.0/3.5 up from the original recommendation of 2.5/3.0 and maximum FARs of 2.0 up from 1.0 for two of the zoning districts outside of the nodes. The building types that will be created under these proposed FARs combined with the anticipated land use layout and mix will result in development of an urban character differentiated from that found in Downtown or elsewhere in Bellevue.

The Commission recommends adopting policy targets for housing affordability across a range of income levels. A number of public comments were received supporting affordable housing with many suggesting that the City establish a mandatory affordable housing requirement. While recognizing that housing affordability is a citywide issue that needs to be addressed through a combination of public and private tools, the Commission encourages the Council to adopt a "Tier 1" land use incentive for Bel-Red that will result in a measurable share of new affordable housing units integrated in private development projects. As a tier 1 incentive, a residential project would need to first provide affordable housing before using other incentives. The Commission also encourages the Council to consider additional affordable housing tools, including the multifamily tax exemption as well as opportunities to encourage affordable housing citywide.

To create new neighborhoods that are attractive places for people to live and work, the Bel-Red area needs a significant investment in parks, trails, and open space. The Planning Commission supports the Parks & Community Services Board's recommendation for a comprehensive system of parks and open spaces, including mini, neighborhood and community parks and key linkages both between parks in Bel-Red and to the broader City and regional park system. The Commission encourages the Council to also adopt parks and open space as a "Tier 1" bonus, recognizing their critical role in transforming the area and making new neighborhoods livable.

The new NE 15th/16th corridor is proposed as a fundamental Bel-Red place making and transportation element. As such, the design of the NE 15th/16th corridor resulted in significant public comments and discussion with the public and other commissions. The Planning Commission recommends a Subarea Plan project description for the NE 15th/16th corridor that includes components for cars, pedestrians, bicycles, significant landscaping features, and at-grade light rail transit, and that allows for the option of a below grade transit tunnel at the 122nd Avenue station. Concerned that the initial corridor design was too wide (for both property and pedestrian impacts), the Commission removed the on-street parking and a frontage road concept that were seen as less essential for the corridor. The Commission recognizes that this project is not just about transportation functionality; its design will also deeply influence the character of the Bel-Red area. The remaining components are all critical "building blocks" needed for the corridor to both function and feel as intended. However, the Commission continues to be concerned about the overall width of the corridor and has not endorsed specific cross-section dimensions. We encourage the city to consider additional opportunities to reduce the impact of the width of the corridor as more detailed design work proceeds.

The Commission received many public comments about the viability of the Bel-Red plan and, in particular, the proposed land use incentive system and phasing requirements. The Commission did not review the bonus ratios of the incentive system, recognizing that they directly correspond to the financial strategy under the Council's review. Similarly, the Commission recognized that the phasing regulations are directly linked to the financial strategy and the BROTS interlocal agreement with Redmond. The Planning Commission recommends a list of bonusable features that will best support the redevelopment of the corridor according to the vision. As noted above, parks and open space, and affordable housing, are recommended to be "Tier 1" components of the incentive system that should be awarded first, before other options.

This Planning Commission transmittal herein describes the recommended amendments in greater detail, provides an overview of the public review process, and responds to the amendment decision criteria.

## II. BACKGROUND

As one of Bellevue's major employment areas, Bel-Red includes more than 1,100 businesses and nearly 17 percent of the City's total employment. In recent years, however, the area has been in transition. Several large employers have moved out of or have greatly reduced operations in the area.

The area's physical characteristics reflect its past light industrial and commercial use pattern. The current transportation network is sparse and discontinuous with little in the way of a street grid, particularly in the area's west side. Six streams flow through the area. Most are highly impacted by past development, although some still provide natural functions and the opportunity for restoration of salmon habitat. There is one major recreational facility in the area's 900-plus acres, Highland Community Center, but there are no substantial neighborhood parks or trails.

Bel-Red is geographically located between Downtown Bellevue and Redmond's Overlake area. In the summer of 2005, the city retained Leland Consulting Group to prepare a market/economic study of the Bel-Red area. Based on evaluation of land use and development patterns and stakeholder interviews, Leland forecasts that the area could anticipate a strong future demand for office and housing, and a less strong (but still increased) demand for retail and hotel uses. The upper range of the forecasted demand through 2030 was 4 million square feet of additional office space, 500,000 square feet of additional retail space, and 5,000 housing units. They also concluded that new warehouse/industrial uses were unlikely to locate in the area in the future due to already high and rising land prices.

During this same period, Sound Transit, the regional transit provider, began considering extension of light rail transit service from Seattle to Downtown Bellevue and on to Redmond's Overlake area through the Bel-Red Subarea. The planning effort for Bel-Red presents a unique opportunity to plan land uses and transit services in coordination with each other.

The Bel-Red Steering Committee completed a two year planning process that evaluated multiple future alternatives for the Bel-Red area. The Steering Committee process included a large amount of public input and examination of a great deal of technical information, including draft and final environmental impact statements.

Guided by their charge from the City Council, the Committee developed a land use vision for the area where significant portions reflect a more mixed use (housing/office/retail) composition that supports the city's economic development strategy. This land use pattern would be supported by a more robust, integrated, and multi-modal transportation system; would support future light rail or other high capacity transit extensions and service in the area; and would include parks, open space, and environmental amenities that the area currently lacks. The open space strategy is particularly significant in that it would enhance the head-waters of many of Bellevue's streams and reestablish many of the ecological functions that these areas have lost.

The Committee envisioned that some of the areas outside of the transit nodes, such as the commercial area along NE 20th Street, would retain their mix of uses and character. This was based on the conclusion that Bel-Red should continue to provide many of the small service and retail uses that serve the surrounding neighborhoods and community.

Specifically, the Steering Committee saw the new Bel-Red area as distinguished by the following attributes:

- A thriving, diverse economy
- Vibrant, diverse neighborhoods
- A comprehensive, connected parks and open space system

- Environmental improvements
- A multi-modal transportation system
- A sense of place
- Appropriate scale of development
- Timing of development
- Sustainability

The Steering Committee's vision and preferred alternative is discussed in more detail in the Steering Committee's Final Report dated September 2007.

The Planning Commission and other boards and commissions reviewed the Steering Committee's recommendation and considered how to translate the recommendation into a new subarea plan between October 2007 and February 2008. Four of the City boards and commissions presented their policy recommendations to the Planning Commission on February 27, 2008. Those recommendations, along with feedback from the Planning Commission, were incorporated into a revised draft Bel-Red Subarea Plan and draft Land Use Code amendments. The revised draft plan and regulations were the subject of a series of meetings with business and property owners on May 13, a public open house and joint boards and commission meeting on May 15, and a Planning Commission public hearing on May 28, 2008.

A number of issues were identified as a result of public feedback on the revised draft Subarea Plan and Code amendments. The Planning Commission's review and recommendations on these issues (during June and July 2008) were incorporated into the attached Planning Commission recommended Bel-Red Subarea Plan and Land Use Code amendments.

## III. SUMMARY OF PROPOSAL

**Comprehensive Plan Amendments**

The recommended Bel-Red Subarea Plan captures the Steering Committee's vision and policy direction. The Plan provides the framework policies and maps that will guide future City decisions, support amendments to the Land Use Code, planning for public projects, and other implementation items. The general policies of the plan incorporate the overarching themes of the Bel-Red Steering Committee's recommendation for the future of the Bel-Red Subarea, including: sustainability and environmental restoration, attraction of new businesses without forcing displacement of existing ones, transit-oriented development, and a phased approach to development. It also refers to implementation strategies and incentive mechanisms that can help achieve this vision. Other sections of the Subarea Plan address specific topics, including land use, urban design, environment, parks and open space, housing, arts and culture, transportation, interjurisdictional coordination, implementation, and neighborhoods/districts.

Land Use Map

The recommended Bel-Red Subarea Plan includes a new Land Use Map generated by synthesizing the Steering Committee's preferred alternative map with a detailed analysis and evaluation of practical constraints and on-the-ground realities such as parcel boundaries, topography, location of stream corridors and existing uses. The map applies "node" designations

to full parcels near the planned transit stations (rather than apply round node edges that would otherwise arc through and bisect parcels).

Workforce/Affordable Housing

The recommended Bel-Red Subarea Plan Housing Section includes policies to encourage a diversity of housing types, as well as policy targets to achieve housing affordable to those household earning less than 120% of median income. To achieve the policy targets, the Commission recommends using a "Tier 1" bonus for affordable/workforce housing and to exempt the space dedicated to affordable units from FAR. As a tier 1 incentive, a residential project would need to first provide housing meeting affordability levels before using other incentives. In addition, the Planning Commission recommends that the Council consider short term property tax exemptions for moderate and workforce multi-family units, as well as funding through the city's housing trust fund to assist low income units.

It is important to note that the policy targets are not expected to be met by each Bel-Red housing development. Rather, they are intended to be met over time, across the Subarea as a whole, through a combination of public and private strategies. The recommended Subarea Plan and Code amendments are consistent with the Bel-Red Steering Committee's vision that the area "will contain a variety of housing types to meet the needs of a diverse population of varied income levels." The amendments address the Committee's preliminary principles on housing, including:

- Vision. …A deliberate strategy will be required to deliver on this vision of diversity in housing form and pricing.
- Integration with the larger City. …While no one area of the city will solve Bellevue's affordable housing challenges, Bel-Red provides an opportunity to contribute to citywide solutions.
- Timing. …The time to consider workforce/affordable housing strategies is up-front, as part of the zoning and land use strategy to create this new housing capacity.
- Multi-pronged strategy. …Bel-Red implementation should consider a wide range of options for encouraging affordable housing, including incentives, tax policy, and regulatory measures.

The recommended Plan is also consistent with the City Council's direction for a two-phase workforce/affordable housing approach, where workforce/affordable housing in Bel-Red would be integrated with the rest of the Bel-Red implementation effort within a citywide context.

Transfer of Development Rights (TDR)

Several public comments suggested that Bel-Red be included in a regional TDR program that would allow developers to purchase development credits from rural areas and transfer that development potential amount to the Bel-Red area. (The proposed Bel-Red Subarea Plan and implementing regulations also include direction for internal transfer of development rights within the Bel-Red Subarea as a means to help achieve stream corridor and open space objectives.) Policy S-BR-D9 provides direction to actively consider the Bel-Red Subarea as a potential receiving site for regional TDRs, as a means to achieve conservation of rural resource lands outside the countywide Urban Growth Boundary. Regional TDRs are included as a line item in

the amenity bonus list in the draft Land Use Code with the bonus ratio listed as "reserved" for future work. The Commission supports the concept of Bel-Red as a receiving site for regional TDRs, but recognizes this is a complex topic and is embedded in the economics of the zoning incentive system that the Council is examining. The Commission encourages the Council to consider including regional TDRs as a bonus item, if the details of the system and the nature of an agreement with King County can be worked out by the time of adoption.

Implementation Review

Recognizing that the Plan and regulations may need to be adjusted to keep up with changing conditions, to increase its effectiveness, or to better match actual development that occurs, the plan includes a policy that calls for examining the implementation of the plan about five years after its initial adoption. Additional reviews beyond five years should occur if needed to ensure the effectiveness of the policies and regulations at achieving the vision. The Planning Commission recommends that a number of items be specifically part of the five year review, including:

- Housing affordability
- The amount and intensity of new development
- Whether building forms are maximizing allowed heights and densities
- The mix of uses
- The use of the incentive system
- The achievement of public infrastructure, including transportation, parks and stream corridor enhancements
- Parking ratios

New Public Infrastructure

To support the planned new uses and development intensity, new public infrastructure is required. New streets, pedestrian and bicycle facilities, and access to transit and regional transportation systems are needed to provide access and mobility options to the new residents and businesses that will locate in the Bel-Red area. The recommended Subarea Plan calls for new transportation improvements that provide local access, connectivity to other parts of the city and the region, and that enhance citywide mobility by increasing east-west connectivity and access between Downtown Bellevue and Overlake. In addition to the new transportation facilities, the recommended Subarea Plan calls for new parks, open space areas, and restoration of stream corridors, recognizing that improvements to the public environment are needed to make the area attractive for new residential and retail neighborhood activity. A cornerstone project that will incorporate transportation, open space, and recreation components is the new NE 15th/16th corridor that will connect from NE 12th Street on the west side to 136th Place on the east. This multi-modal boulevard will link together new Bel-Red neighborhoods and function as a key character building piece for the Subarea.

The recommended Plan includes lists of public transportation, parks and open space projects that provide a long range vision for the infrastructure projects that will be needed in the area through 2030 and beyond. While projects will be further defined as they "graduate" to the Capital Improvement Program (CIP), projects listed in the Subarea Plan are specific enough to provide a clear understanding of the project's function, scope and location, adequate to incorporate the

projects into the Bel-Red financial strategy, and adequate to reserve space for these facilities as development occurs. Extensive technical work has gone into defining and modeling these projects in order to meet these needs.

NE 15th/16th Street Corridor

The Parks & Community Services Board and the Transportation Commission both expressed interest in better understanding the plans for NE 15th/16th and reserved formally recommending a concept for the corridor, which is a center piece project for the area with a light rail right of way, separated pedestrian and bicycle path, integration with adjacent land uses, and park space, as well as a 4/5 lane arterial street.

Based on public comments received on the early design concept discussed above, the Commission reviewed additional research on transit boulevards and analyzed the corridor components to determine where adjustments could be made. The analysis of potential modifications to the overall cross-section was done in a manner intended to retain the transportation functionality and the urban design character of the corridor. The Commission considered concept pieces that could be included in, or excluded from, the design while still retaining a strong vision for the corridor. This resulted in removing the frontage road and on-street parking on NE 15th/16th. The remaining pieces (including number of travel lanes, provision for transit, separated pedestrian/bicycle path, landscape areas, and appropriately sized sidewalks) are considered to be essential components of roadway functionality and the urban design vision.

The Commission recommends a Subarea Plan project description for the NE 15th/16th corridor that reads:

> *NE 15th/16th Corridor*
> - *4/5-lanes with light rail in the median (with an interim 2/3 lane configuration with additional outside lanes for on-street parking or bus use that could be converted to general vehicular use in the future to meet capacity needs)*
> - *Sidewalks of an urban character on both sides*
> - *Multi-purpose off-street pedestrian and bicycle path – continuous on the north side*
> - *Connective "green" elements, including urban open spaces, significant tree canopy, natural drainage practices, and landscaped areas*
>
> *Discussion: The NE 15th/16th project includes a cross-section that will accommodate at-grade light rail with stations at/near 122nd Avenue and 130th Avenue. A tunnel alignment at the 122nd Avenue station (tunnel between 120th Avenue and east of 124th Avenue) may be a viable option. A tunnel may be substituted for an at-grade alignment at 122nd Avenue if the City and Sound Transit jointly conclude that the tunnel best meets City and Sound Transit interests.*

A key part of the project recommendation is the flexibility provided by building a 4/5-lane travel corridor with two "convertible" lanes that could be used for interim on-street parking or bus use until general vehicular use is needed in the future.

The Commission recognizes that this project is not just about transportation functionality; its design will also deeply influence the character of the Bel-Red area. The remaining components are all critical "building blocks" needed of the corridor to both function and feel as intended. However, the Commission continues to be concerned about the overall width of the corridor and has not endorsed specific cross-section dimensions. We encourage the city consider additional opportunities to reduce the impact of the width of the corridor as more detailed design work proceeds.

Parks, Open Space and Streams

The parks and streams projects, in Table 2 and Table 3 of the Subarea Plan, were recommended by the Parks & Community Services Board and the Environmental Services Commission. This system of parks and open spaces seeks to restore degraded natural areas to create a connected system of community and neighborhood parks, trails, natural open space, and restored stream corridors. In response to concerns that a proposed 4-acre park in the 122nd Avenue node would impact potential development and was too narrowly tailored to a specific location, the Commission recommends a mini park of about one acre be planned in its place and increased acreage be planned for the neighborhood park located on the east side of the 122nd Avenue node to maintain the overall planned park acreage. This change makes it feasible for the City to achieve a park facility, albeit of less size, strategically located in the mixed use node near a concentration of planned residences.

Crossroads and Wilburton/NE 8th Boundary Amendments

In addition to the new Subarea Plan, the draft amendments include changes to the Wilburton/NE 8th Street and Crossroads boundaries where adjacent areas are proposed to be added to or removed from the Bel-Red area. These include (1) moving the area around Lake Bellevue from the Wilburton/NE 8th Street area to Bel-Red, (2) moving the eastern area between Bel-Red Road,156th Avenue, and NE 20th Street from the Crossroads area to Bel-Red, and (3) moving a small area on the south side of Bel-Red Road consisting of single family and professional office uses from Bel-Red to the Wilburton/NE 8th Street Subarea. This consolidates the Bel-Red boundaries as one integrated Subarea.

Transportation Element Amendments

Amendments to the Transportation Element are proposed consistent with the Steering Committee vision to adjust the transportation level of service (LOS) standard from D (.9) to E+ (.95). This proposed LOS standard supports the land use vision for the area and a strong emphasis on developing alternatives to the single occupant vehicle – in particular, transit and non-motorized commute options. LOS E+ is consistent with other urban/mixed-use MMAs (mobility management areas) in the city, including Downtown, Factoria and the original Overlake interlocal area. Boundary changes to MMA 4 are proposed to correspond with the proposed boundaries of the Bel-Red Subarea, redesignating it as MMA 12, and to create a new MMA 4 from the remainder of the old MMA 4 to encompass the Wilburton area. The Planning Commission also recommends adding a policy to the Transportation Element Mobility Management section that identifies the BNSF corridor for future commuter rail and/or multi-use trail.

**Land Use Code Amendments and Zoning Map**

The recommended Bel-Red Land Use Code amendments and zoning map provide an implementation strategy for Bel-Red that translate the policy guidance of the Subarea Plan into a set of development regulations and zoning specific to Bel-Red. Draft Land Use Code (LUC) sections include those unique to the Bel-Red Land Use District that address:

- General sections of the Bel-Red code
- Review required
- Phasing of required improvements
- Permitted uses
- Existing conditions – which addresses existing light industrial and service uses and sites
- Dimensional requirements
- Incentives
- Parking standards and ratios
- Landscaping
- Design standards
- Auto sales

As noted above, the Planning Commission's review of phasing and incentives was limited due the relationship those sections have to the Council's work on the financial strategy and the BROTS interlocal agreement.

Most of the Bel-Red development regulations are located in a new Part 20.25D of the Land Use Code. This section includes nearly all of the regulations related to Bel-Red including those regarding phasing, uses, existing conditions, dimensional standards, development incentives, design standards, and other requirements. Design review guidelines would be part of the land use regulatory framework; these are proposed to be located in a separate stand-alone document. Structurally, this would be similar to the organization of the development regulations that apply to Downtown. The actual regulations are unique to Bel-Red.

Other changes are proposed for sections of the Land Use Code outside of Part 20.25D, such as related amendments to the general section, definitions, and references between the new Bel-Red code and existing sections.

Zoning and Neighborhood Districts

Related to the new development regulations, the proposal calls for a legislative rezone of the Bel-Red Subarea to enable application of the new development regulations. This will be processed as a change to the Land Use Code including review according to the Land Use Code Amendment criteria. While some of the proposed zones are similar to existing zones, such as the General Commercial area, other zones are new, higher density, mixed use zones that support the planned transit oriented development near the transit stations.

The nodal development pattern in Bel-Red concentrates land use in the vicinity of potential future transit stations. Development in the nodes could reach a maximum intensity of 3.0/3.5 FAR (3.5 FAR with park and open space internal transfers from elsewhere within Bel-Red).

Maximum building heights would vary by development node, with heights up to 150 feet near the center of the nodes, and up to 125 feet in the perimeter of the node. The smaller node area located in the eastern portion of the Subarea adjacent to Overlake Village and 156th Avenue NE would be an exception with the FAR limited to a 2.5 maximum and a maximum height of 70 feet, with a reduced height limit of 45 feet adjacent to 156th Avenue NE. Development outside of nodes would range from 0.75 to 2.0 FAR and maximum heights of 45 to 70 feet. Some areas outside the nodes, such as the transition area south of Bel-Red Road will have a more limited maximum development potential to provide an appropriate transition to the adjacent neighborhoods to the south. In is anticipated that the maximum heights and development intensities will typically be allowed through participation in an incentive system and design review. Otherwise, lower base heights and intensities will apply.

The combination of FAR, height limits and other dimensional standards is intended to provide opportunity for development flexibility and result in varied building forms throughout the area.

**Medical office area in vicinity of Overlake Hospital Medical Center**
This is an area directly adjacent to Overlake Hospital Medical Center and the Group Health Ambulatory Care Center, by far the largest medical complex on the Eastside. In addition to these institutional uses, the area is characterized by a wide range of medical office uses that complement the medical campus. Proposed MO-1 zoning for the area immediately east of the Overlake Hospital and Group Health campus would allow for office uses with an emphasis on medical office. Heights may reach 150 feet and FAR up to 3.0/3.5.

MO (Medical Office) zoning to allow for medical office uses is proposed in the area north of the Overlake Hospital and Group Health campus and NE 12th Street and west of the BNSF rail corridor. A FAR up to 1.0 is proposed for the MO zone.

Consistent with a parallel amendment, Medical Institution, or MI, zoning is proposed for the Children’s Hospital site northeast of NE 12th Street and 116th Avenue. This is an area appropriate to accommodate the needs of major medical institutions and related uses in buildings that provide a high quality of design that recognizes this area as a prominent community landmark.

**Node at 122nd Avenue NE**
The OR-1 and OR-2 (Office Residential-1 and -2) zoning in this area located on the west side of the Subarea where it is to be served by a future transit station will allow for a mix of office, housing and retail uses, with office as the predominant use. Potential heights in the center of this node may reach 150 feet, and up to125 feet in the perimeter. FAR up to 3.0/3.5 would be allowed. Housing and retail uses should be part of the mix of this neighborhood, to avoid a sterile office-only area and to create a balance of activities. Parks, open spaces, and recreational opportunities are envisioned as part of this urban environment.

For developments of 5 acres or greater, a minimum of 20% of the gross square feet of the overall development is required to be for residential uses. This would be achieved through the Master Development Plan process required of large, multi-building sites. The Commission believes that a mix of uses, particularly housing, is important to the vitality of this district. While the

Commission does not have any specific recommendations on incentives, we feel it could be helpful to use incentives to help offset this mixed use requirement.

**Node at 130th Avenue NE**
The RC-1 and RC-2 (Residential Commercial-1 and -2) zoning in the area located near the middle of the Subarea will allow for a mix of housing, retail and services, with an emphasis on housing, and including a pedestrian-oriented retail area along 130th Avenue NE. Potential heights in the center of this node may reach 150 feet, and up to125 feet in the perimeter. FAR up to 3.0/3.5 would be allowed. With its focus on residential uses, this area represents a key opportunity to develop a range of housing types and densities. A park-and-ride in the vicinity of the 130th Avenue station would enhance local access to the transit system.

**Node at 156th Avenue NE, near the Overlake transit station location in Redmond**
The RC-3 (Residential Commercial-3) zoning in this area on the edge of Redmond's designated Overlake neighborhood, and within the walkable area of the planned Overlake transit station at 152nd Avenue NE, will allow for a mix of housing and retail uses in this area. Maximum heights are proposed to be 70 feet, with a limit of 45 feet applied to the portion of the area within 50 feet of 156th Avenue NE to ensure an appropriate relationship to the street and a transition to the lower intensity zones to the east. FAR up to 2.5 would be allowed.

**Retail along the central portion of the NE 20th Street corridor and the area south of NE 12th Street and contiguous to Lake Bellevue**
Bel-Red specific GC (General Commercial), zoning will allow for retail and commercial uses in this area, with a FAR maximum of 1.0 and a maximum height of 45 feet. This zoning would be similar to the GC zoning in place in much of this area today. Little significant land use change in these areas is contemplated.

**Area south of Bel-Red Road**
ORT (Office Residential Transition) zoning will allow for a mix of office and housing in this area, with low-intensity buildings serving as an appropriate buffer between the uses north of Bel-Red Road and the single-family residential neighborhoods to the south. While office should remain a focus, housing in this area is also a suitable transition use. A maximum FAR of 0.75 and a maximum height limit of 45 feet are recommended.

**Mixed Use Retail/Housing Areas** (area just west of 148th Avenue, area near Highland Park and Community Center, and the triangular area south of NE 12th Street, east of 120th Avenue NE)
RC (Residential Commercial) zoning is proposed to allow for mixed use development that incorporates housing. A maximum FAR of 2.0 and a maximum height limit of 70 feet are recommended.

**Housing Emphasis Areas** (area north of the Metro east base along the south end of NE 20th Street, north of the West Tributary, and an area north of Lake Bellevue)
R (Residential) zoning will allow moderate density multifamily housing development in these areas, taking advantage of view corridors to the south and west, as well as potential improvements to the West Tributary stream corridor. A maximum FAR of 2.0 and a height limit of 45 feet are recommended.

Development Incentives

Development incentives, commonly referred to as "density bonuses," would allow greater building intensities and height above a base level in exchange for the provision of a public amenity or amenities from a pre-defined list. The list includes a range of large and small public amenities that, depending on the amenity, could occur either as part of a development (on-site), off-site in certain circumstances, or through a fee-in-lieu system. The common thread is that all items on the list would both provide a public benefit and be potentially implemented through a Bel-Red land use incentive.

List of Bonusable Amenities

Tier 1

- Workforce/affordable housing (for residential development)
- Parks and open space
- Stream restoration

Tier 2

- Natural drainage features
- Public access to privately developed plazas
- Active recreation areas
- Community/non-profit space
- Child care services
- Arts/cultural uses
- Public art/sculpture
- Public restrooms
- LEED™ certification at gold and platinum levels
- Regional transfer of development rights
- Workforce/affordable housing (for commercial development)

Use of tier 1 incentives would be required first prior to using other incentive options in tier 2 as a means to prioritize the incentive system to support investment in those public needs that are most critical.

Design Guidelines

The recommended urban design goal for the Bel-Red area is to achieve a design character that results in aesthetically beautiful, distinctive, and long-lasting places that evoke a strong sense of Bellevue and the Northwest, and a dynamic public realm that encourages social interaction. The recommended development standards and design guidelines are an essential piece to implementing the Bel-Red vision and are also intended to help the area function well from a pedestrian-friendly and transit-oriented perspective.

The design guidelines are intended to apply to all mixed use, office and residentially designated areas of the Subarea (see policy BR-C1). The policy also states that additional depth and attention be given to the design details within the development nodes. As proposed, design

review would not apply to the BR-GC district. Exceptions to design review are provided for expansion of Existing Uses.

The Bel-Red guidelines are intended to give developers and citizens an understanding of the city's expectations and provide consistent criteria by which to review proposed projects. They support the policies in the Bel-Red Subarea Plan, while offering a flexible tool for quality and innovation. The guidelines do not prescribe specific design solutions or dictate a single style of theme.

## IV. PUBLIC NOTICE AND COMMENT

The Bel-Red Subarea Plan and Land Use Code Amendment proposals were presented to and discussed by the Planning Commission during study sessions between November 2007 and July 2008.

Notice of the application, staff report and public hearing was published in the Weekly Permit Bulletin on May 8, 2008.

This recommendation follows from a more than two-year public process that included a significant amount of public input and comment. The Steering Committee's recommendation was reviewed with several of the City's boards and commissions between October 2007 and February 2008, including review of the first draft of the new Bel-Red Subarea Plan distributed in January 2008. The City held an open house on January 31, 2008, to encourage public review of that draft plan. Four of the City boards and commissions presented their policy recommendations to the Planning Commission on February 27, 2008.

A courtesy hearing with the East Bellevue Community Council (EBCC) on those amendments with EBCC jurisdiction and a general briefing to the EBCC on the entire set of Bel-Red amendments was held on May 6, 2008. The EBCC discussed the general nature of the amendments and suggested minor improvements to the Land Use Code under consideration.

Those recommendations, along with feedback from the Planning Commission, were incorporated into a revised draft Bel-Red Subarea Plan and Land Use Code amendments. The revised draft Plan was the subject of a series of meetings with business and property owners on May 13, a public open house on May 15, and a joint commissions meeting on May 15.

The Planning Commission held a public hearing on May 28, 2008, on the draft Bel-Red Subarea Plan, related Comprehensive Plan amendments, draft Bel-Red Land Use Code sections, related Land Use Code amendments, and draft amendments to the Medical Institution district. The Commission heard from thirty three people during the hearing and has received 61 written comments (letters or emails) during the period from early April to just after the hearing. In total, from the multiple meetings, the hearing and written comments, the Commission received and reviewed 340 individual comments.

Key comments received recently leading up to these drafts have included concerns about making the plan work for those that own property in the area. Some expressed concern about how

existing businesses will be affected. Others want to ensure that the plan and regulations allow for the types and intensities of new development that they are planning. There was concern by some that a combination of new regulations, the cost of participating in the incentive system, and new fees that might be imposed separately from this proposal, will be such a burden that property owners won't be able to afford to redevelop. Staff also heard from some who are interested in the specific uses, heights and intensities allowed for individual properties. Several commented about the need for affordable housing with some suggesting that affordable housing be a mandatory requirement. A more extensive list of the comments was reviewed by the Planning Commission and was previously provided to the Council.

Pursuant to the requirements of the Growth Management Act, state agencies must be given 60 days to review and comment on proposed amendments to the Comprehensive Plan and Land Use Code. The entire package of draft Bel-Red amendments was provided to the state Community Trade and Economic Development Department (CTED) on May 20, 2008, to initiate the state's 60-day review process. No comments from state agencies have been received as of the date of this transmittal.

## V. STATE ENVIRONMENTAL POLICY ACT (SEPA)

A Final Environmental Impact Statement (FEIS) was issued by the City of Bellevue on July 19, 2007, which analyzed environmental impacts associated with the no action alternative and the preliminary preferred alternative for potential future land use and transportation changes and development anticipated through 2030 in the 912-acre Bel-Red study area. The FEIS may be viewed on the Bel-Red project web site:

http://www.bellevuewa.gov/bel-red_intro.htm.

## VI. REVIEW PROCESS AND APPLICATION OF DECISION CRITERIA

Comprehensive Plan and Land Use Code amendments must undergo Process IV Review. These are City Council legislative actions that require a public hearing, include a recommendation by the Planning Commission, and final action by the City Council.

**Comprehensive Plan Policy and Text Amendments**: The Planning Commission may recommend the Council adopt a proposal to amend the Comprehensive Plan based on the decision criteria contained in LUC Section 20.30I.150. The Planning Commission has concluded that the **recommended amendments merit approval** based on the following analysis:

**B1. The proposed amendment is consistent with the Comprehensive Plan and other goals and policies of the city, the Countywide Planning Policies (CPP), the Growth Management Act and other applicable law; and**

The proposed amendment is consistent with the Comprehensive Plan and other goals and policies in these planning documents for urban growth area development.

**Comprehensive Plan**

The proposal for Bel-Red is consistent with the overall Comprehensive Plan, including common policy themes, such as encouraging redevelopment and economic development of existing areas, protection of single family neighborhoods, encouraging walking, transit use and other alternatives to single occupant vehicles, support for mixed use development, and interest in preservation and enhancement of open space, recreation areas and the natural environment. Areas of the specific policy support from some of the individual sections of the Comprehensive Plan are listed below.

The **Land Use Element** provides broad support for the concepts included in the Bel-Red Subarea Plan including support for redevelopment of existing developed areas, the inclusion of residential uses in commercial areas, a range of housing choices, the provision of open space, and land use patterns that support walking and public health. Specific policies that support the Bel-Red Subarea Plan include:

> **Land Use Element Policy LU-7.** Support inclusion of residential uses in commercial districts where compatibility can be demonstrated.
>
> **Land Use Element Policy LU-13.** Reduce the regional consumption of undeveloped land by facilitating redevelopment of existing developed land when appropriate.
>
> **Land Use Element Policy LU-15.** Encourage dedication of open space and preservation and restoration of trees and vegetation to perpetuate Bellevue's park-like setting and enhance the city's natural environment.
>
> **Land Use Element Policy LU-18.** Adopt and maintain policies, codes and land use patterns that promote walking in order to increase public health.
>
> **Land Use Element Policy LU-23.** Provide, through land use regulation, the potential for a broad range of housing choices to meet the changing needs of the community.
>
> **Land Use Element Policy LU-31.** Encourage and foster economic development in areas designated for commercial uses.

Support for providing a range of housing choices and housing affordability is included in the **Housing Element**.

> **Housing Element Policy HO-11**. Encourage housing opportunities in mixed residential/commercial settings throughout the city.
>
> **Housing Element Policy HO-12**. Provide incentives to encourage residential development for a range of household types and income levels in commercial areas.

The **Transportation Element** provides support for development of a comprehensive transportation system that provide transportation choices by various modes of travel, including transit, cars, pedestrians and bicycles.

> **Transportation Element Policy TR-1.** Integrate land use and transportation decisions to ensure that the transportation system supports the Comprehensive Plan Land Use vision.
>
> **Transportation Element Policy TR-8.** Incorporate transit-supportive and pedestrian-friendly design features in new development through the development review process.
>
> **Transportation Element Policy TR-24.** Incorporate pedestrian and bicycle facility improvements into roadway projects, and incorporate transit/high-occupancy vehicle improvements where feasible.
>
> **Transportation Element Policy TR-25.** Provide for adequate roadway, pedestrian, and bicycling connections in newly developing areas of the city, promoting both internal access and linkages with the rest of the city.
>
> **Transportation Element Policy TR-44.** Design arterials and streets to fit the character of the areas through which they pass.
>
> **Transportation Element Policy TR-77.** Consider pedestrians and bicycles along with other travel modes in all aspects of developing the transportation system.

The **Economic Element** has a section that specifically calls for maintaining and revitalizing the City's aging commercial areas and Bel-Red is identified as an area needing attention.

> **Economic Element Policy ED-26.** Where commercial areas are in decline, work with businesses and other stakeholders to identify corrective actions, which may include:
>
> 1. Planning for new uses and new urban forms, leading to proposals for changes to the Comprehensive Plan and zoning
> 2. Developing incentives and other strategies to promote reinvestment
> 3. Targeting investments in public infrastructure that may help catalyze new private sector investment

Enhancement of existing natural environment conditions is encouraged by the **Environmental Element.**

> **Environmental Element Policy EN-16.** Facilitate the transfer of development potential away from critical areas and the clustering of development on the least sensitive portion of a site.

**Environmental Element Policy EN-19.** Provide incentives to private property owners to achieve specific habitat improvement goals, including retention and enhancement of native vegetation.

**Environmental Element Policy EN-24.** Prioritize efforts to preserve or enhance fish and wildlife habitat through regulations and public investments in critical areas with largely intact functions and in degraded areas where there is a significant potential for restoring functions.

**Growth Management Act**

The proposal is consistent with the Growth Management Act. The draft Bel-Red Subarea Plan encourages and supports denser, mixed use development that allows development to locate and concentrate in urban areas creating an alternative to urban expansion into rural areas. The Subarea Plan also supports providing housing near jobs, alternative modes of transportation, and improving housing affordability and choice.

**Countywide Planning Policies**

Countywide Planning Policies for King County are organized by topics in nine separate chapters. The framework policies in each chapter are implemented through local plans and regulations. Evidence of the consistency of the proposal with the framework policies is as follows:

I. **Critical Areas** *The proposal will not affect the implementation of regulations dealing with critical areas. Proposed incentives will help protect and restore stream corridors within the Bel-Red area.*

II. **Land Use Pattern** *The proposal is consistent with the implementation of the desired urban land use pattern by increasing the opportunity for nodal, denser development within an existing urban area.*

III. **Transportation** *The proposal is coordinated with regional transportation systems, including designating higher density "nodes" near planned transit station locations, new arterial streets to enhance city-to-city traffic flows, new connections to SR-520, and an enhanced bicycle and pedestrian network with connections to regional trails.*

IV. **Community Character and Open Space** *The proposal will not affect the implementation of regulations dealing with historic resources. The proposal will enhance the area's urban design through new design standards and guidelines. It will also provide incentives that encourage community services, and open space lands and corridors.*

V. **Affordable Housing** *The proposal includes policy support for greater housing affordability.*

VI. **Contiguous and Orderly Development and Provision of Urban Services to Such Development** *The proposal calls for redevelopment of an existing urban area.*

VII. **Siting Public Capital Facilities of a Countywide or Statewide Nature**. *Not applicable to this proposal.*

VIII. **Economic Development** *The proposal supports investment and economic development within the designated area.*

IX. **Regional Finance and Governance** *The draft plan supports participation in regional efforts to allow for the transfer of development rights.*

**B2. The proposed amendment addresses the interests and changed needs of the entire city as identified in its long-range planning and policy documents; and**

The amendment addresses the interests and changed needs of the entire City. The City's interest is in maintaining the health of its commercial areas and encouraging reinvestment. The City also has an interest in planning for redevelopment in coordination with the planning for future transit service and creating development capacity that extends beyond the city's current 2022 growth targets. Geographically located between rapidly developing Downtown Bellevue and the Overlake neighborhood in Redmond, Bel-Red is uniquely positioned and provides an opportunity to support economic development in the City different from both Downtown Bellevue and other Bellevue commercial areas.

**B3. The proposed amendment addresses significantly changed conditions since the last time the pertinent Comprehensive Plan map or text was amended. See LUC 20.50.046 [below] for the definition of "significantly changed conditions;" and**

> **Significantly changed conditions are defined as:** Demonstrating evidence of change such as unanticipated consequences of an adopted policy, or changed conditions on the subject property or its surrounding area, or changes related to the pertinent Plan map or text; where such change has implications of a magnitude that need to be addressed for the Comprehensive Plan to function as an integrated whole. *This definition applies only to Part 20.30I Amendment and Review of the Comprehensive Plan (LUC 20.50.046).*

The proposed amendments address the significant changes in and affecting the Bel-Red area, including:

- Declining employment in the Bel-Red area.
- Sound Transit's consideration of light rail transit through the Bel-Red area from Downtown Bellevue to Redmond's Overlake area.
- The designation of the Overlake area as a regional Urban Center and the update of the Overlake Village Plan.

The background and context that describe the changing conditions of the area is discussed in more detail in the Bel-Red Steering Committee's final report dated September 2007 and in the Draft Environmental Impact Statement.

The conclusion is that while light industrial and commercial uses will remain in Bel-Red and contribute to the City's economy, significant changes in and around the Bel-Red area will drive demand for more office, retail, and housing, while demand will soften for industrial uses.

**B4. If a site-specific proposed amendment, the subject property is suitable for development in general conformance with adjacent land use and the surrounding development pattern, and with zoning standards under the potential zoning classifications; and**

N/A

**B5. The proposed amendment demonstrates a public benefit and enhances the public health, safety and welfare of the city.**

The proposal seeks to enhance the economic vitality of the Bel-Red area and the City by allowing and encouraging appropriate redevelopment, and through public and private reinvestment in a network of new transportation, parks and open space facilities that benefit the Bel-Red area and the City as a whole.

**Land Use Code Amendments**: The Planning Commission may recommend the Council adopt a proposal to amend the Land Use Code based on the decision criteria contained in LUC Section 20.30J.135. The Planning Commission has concluded that the **recommended amendments merit approval** based on the following analysis:

**A. The amendment is consistent with the Comprehensive Plan; and**

The recommended Land Use Code text amendments, inclusive of the adoption of the Bel-Red zoning, are proposed as a means to implement the Bel-Red Subarea Plan and related Comprehensive Plan amendments. The Code amendments are consistent with the Comprehensive Plan as discussed above under section VI. B.1, including encouraging redevelopment and economic development of existing areas, protection of single family neighborhoods, encouraging uses that support transit and other alternative transportation modes, support for mixed use development, and encouraging preservation and enhancement of open space, recreation areas and the natural environment. Areas of the specific policy support from some of the individual sections of the Comprehensive Plan are listed in Section VI. B.1 above.

**B. The amendment enhances the public health, safety or welfare; and**

The recommended Land Use Code amendments enhance the public health, safety and welfare by implementing a plan that provides for more housing and employment opportunities in the City of Bellevue, increases access for pedestrian and bicycles and other modes of transportation, provides additional recreational areas and connections to regional trails and parks, and encourages development that is less energy intensive and that will contribute to enhancement of the area's environmental features.

**C. The amendment is not contrary to the best interest of the citizens and property owners of the City of Bellevue.**

Through a combination of rezoning, development of public infrastructure, and a development incentive system, the recommended amendments enhance the value of Bel-Red properties while creating a new system of streets, parks, open space and other amenities that will be a benefit to both Bel-Red area property owners, businesses, residents and the City as a whole.

## VII. CONCLUSION

With this transmittal, the Planning Commission recommends that the City Council adopt the Bel-Red Subarea Plan and Land Use Code amendments as provided in Attachments A, B, C and D.

## ATTACHMENTS

A. Bel-Red Subarea Plan
B. Bel-Red Zoning Map
C. Bel-Red Land Use Code Amendments
D. Bel-Red Design Guidelines