



DATE: May 16, 2007

TO: Bellevue Planning Commission

FROM: Paul Inghram AICP, Comprehensive Planning Manager 452-4070
pinghram@bellevuewa.gov
Nicholas Matz AICP, Senior Planner 452-5371
nmatz@bellevuewa.gov
Janet Lewine, Associate Planner 452-4884
jlewine@bellevuewa.gov

SUBJECT: May 23, 2007 Public Hearing on 2007 Annual Comprehensive Plan Amendment
Threshold Review and Site-specific Geographic Scoping

INTRODUCTION

The 2007 List of Initiated Applications has been established to consider amendments to the Comprehensive Plan. See Attachment 1.

The List is the tool the city uses to consider proposals to amend the Comprehensive Plan. Such consideration is limited to an annual process under the state Growth Management Act.

Threshold Review action produces proposed amendments for the annual CPA work program. This 2007 annual CPA work program consists of four steps:

1. Planning Commission study sessions and public hearing to recommend whether initiated proposals should be considered for Comprehensive Plan amendment (March-May);
2. City Council action on Planning Commission recommendations to establish the annual work program (spring);
3. Planning Commission study sessions and public hearing to consider and recommend on proposed Comprehensive Plan Amendments (summer); and
4. City Council action on Planning Commission recommendations to adopt amendments (fall).

PLANNING COMMISSION ACTION

On May 23, 2007 the Planning Commission will hold a public hearing to consider the List of Initiated Application and site-specific geographic scoping for the 2007 CPAs. The Planning Commission is asked to recommend by motion those suggestions that should be initiated for Comprehensive Plan amendment under LUC 20.30I.140. The Commission is also asked to recommend by motion on geographic scoping under LUC 20.30I.130.A.1.a.ii.

Sample motion language (for reference): I move *initiation/no further consideration* of the name CPA suggestion for the 2007 Annual Comprehensive Plan Amendment process, *expanded/not expanded* through geographic scoping as outlined in the staff report.

THRESHOLD REVIEW DECISION CRITERIA

The Threshold Review Decision Criteria for a proposed Comprehensive Plan Amendment are set forth in the Land Use Code in Section 20.30I.140. Based on the criteria, Department of Planning and Community Development staff are recommending that four of the site-specific proposals should be included in the 2007 annual CPA work program. These recommendations are explained for each CPA, in Attachments 1-6.

**Staff Recommendation Summary
2007 List of Initiated CPA Applications**

Site-Specific CPA Application	Description of Initiated Applications <i>Subarea</i>	Attachment Staff recommendation for work program inclusion <i>Geographic Scoping</i>
VanderHoek Multifamily 07 104540 AC	Map change of .27 acres from MF-H (Multifamily-High) to DNTN-OB (Downtown-Old Bellevue) 117 102 nd Ave SE <i>Southwest Bellevue/Downtown</i>	Attachment 1 Yes <i>Expand geographic scope</i>
SRO Factoria 07 104704 AC	Amend Policy S-FA-57 to allow development on 8.95 acres of OLB (F-2 zoned) land to develop up to 1.0 FAR. Amend the Glossary definition of Office to allow such FAR. 3505-3545 128 th Ave SE <i>Factoria</i>	Attachment 2 Yes <i>Expand geographic scope</i>
Courter Enterprises 07 104709 AC	Amend subarea policy to allow retail auto sales in the OLB district at: 13231 and 13291 SE 36 th St. <i>Factoria</i>	Attachment 3 Yes <i>Do not expand geographic scope</i>
Ostrem 07 104724 AC	Map change of .73 acres from SF-M (Single-Family Medium) to SF-H (Single-Family High) 10210 SE 10 th St./839 104 th Ave SE <i>Southwest Bellevue</i>	Attachment 4 No <i>Do not expand geographic scope</i>
Mariner Ridge 07 104785 AC	Map change to add 50.01 acres southeast of Bellevue to the Potential Annexation Area (PAA) and establish a Single Family-Medium (SF-M) Comp. Plan designation. The area is northeast of Cougar Mountain Regional Wildland Park, s. of SE 60 th St. at approx. 180 th Ave SE. <i>Newcastle</i>	Attachment 5 No <i>Do not expand geographic scope</i>
St. Margaret's Church 07 117934 AC	Map change of 3.86 acres from SF-H (Single Family-High) to appropriate MF (Multifamily) or CB (Community Business) designation 4228 Factoria Boulevard SE <i>Richards Valley</i>	Attachment 6 Yes <i>Do not expand geographic scope</i>

PUBLIC NOTICE and COMMENT

The List was introduced to the Planning Commission during a study session on March 28, 2007. Notice of the Applications was published in the Weekly Permit Bulletin on February 22, 2007 and mailed and posted as required by LUC 20.35.420. Notice of the Public Hearing before the Planning Commission was published in the Weekly Permit Bulletin on May 3, 2007.

The Department of Planning and Community Development contacted listed owners of property that would be affected by the expanded geographic scoping, and expanded the notice requirement to include newly-affected and adjacent property.

Public comments that have been received to date are included at the end of each Attachment.

ATTACHMENTS

Each attachment contains a staff report recommendation, the applicant's application materials, a vicinity map (and geographic scoping map where applicable) and any written public comments that have been received to date.

1. VanderHoek Multifamily CPA materials
2. SRO Factoria CPA materials
3. Courter Enterprises CPA materials
4. Ostrem CPA materials
5. Mariner Ridge CPA materials
6. St. Margaret's Church CPA materials
7. Threshold Review Decision Criteria (LUC 20.30I.140) and Consideration of Geographic Scoping (LUC 20.30I.130.A.1.a.ii)

ATTACHMENT 2

SRO Factoria

2007 Annual Threshold Review Recommendation and Consideration of Geographic Scoping
Site-Specific Amendment
SRO Factoria

Staff recommendation to Planning Commission: Recommend that the City Council include the SRO Factoria CPA into the 2007 annual CPA work program. Do consider expansion of the geographic scope of the proposal.

Permit Number: 07-104704 AC
Subarea: Factoria
Address: 3505-3545 128th Ave SE
Applicant: Sterling Realty Organization

PROPOSAL

This privately-initiated application is to amend Factoria Subarea Policy S-FA-57 to allow office development on an F2-zoned, 8.95-acre site (12.33 acres with geographic scoping) up to 1.0 FAR. The proposal also includes amending the Glossary definition of Office to allow such FAR. See Attachment A for the application materials, Attachment B for a vicinity map, and Attachment C for the existing policy and glossary language.

THRESHOLD REVIEW DECISION CRITERIA

The Threshold Review Decision Criteria for an initiated Comprehensive Plan Amendment proposal are set forth in the Land Use Code Section 20.30I.140. Based on the criteria, Department of Planning and Community Development staff has concluded that the proposal **should be included** in the annual CPA work program.

This conclusion is based on the following analysis:

- A. The proposed amendment presents a matter appropriately addressed through the Comprehensive Plan; and

Using subarea policy to set the framework for an appropriate level of land use intensity on a specific site is a matter appropriately addressed through amendment of the Comprehensive Plan.

- B. The proposed amendment is in compliance with the three-year limitation rules set forth in LUC 20.30I.130.A.2.d; and

The three-year limitation does not apply to this proposal to amend the site designation. The 2005 Factoria Area Transportation Study (FATS) Update did not address land use intensity at this site.

- C. The proposed amendment does not raise policy or land use issues that are more appropriately addressed by an ongoing work program approved by the City Council; and

This suggestion does not raise policy or land use issues that would be more appropriately addressed by an ongoing work program. The planned Eastgate Subarea Study does not include this area of Factoria.

- D. The proposed amendment can be reasonably reviewed within the resources and timeframe of the Annual Comprehensive Plan Amendment Work Program; and

The suggestion can be reasonably reviewed within the resources and time frame of the current Annual Comprehensive Plan Amendment Work Program.

- E. The proposed amendment addresses significantly changed conditions since the last time the pertinent Comprehensive Plan map or text was amended. Significantly changed conditions are defined as:

Significantly changed conditions. 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 amendment addresses changes related to the pertinent Plan map or text—for property in the F2 zone—of FATS updates to Factoria Subarea policies. These policies encourage increased emphasis on urban design and pedestrian orientation for this dense commercial activity center, and the proposal rightly proposes the opportunity to react to those changes. However, for the F2-zoned property, regulatory limits do not allow a change in land use intensity that could be responsive to that policy direction.

The proposed amendment addresses the changed condition on the subject property of the likely loss and non-replacement of the movie theatre. To address this, the Factoria policy framework should be examined during Final Review..

; and

- F. When expansion of the geographic scope of an amendment proposal is being considered, shared characteristics with nearby, similarly-situated property have been identified and the expansion is the minimum necessary to include properties with those shared characteristics; and

Expansion of the geographic scope of this amendment proposal should be considered. The applicant has asked for the ability to manage site intensity throughout all of the F2 district. Expanding the geographic scope of the intensity question to include all of the F2 district is consistent with Factoria-area regulatory treatments under the F zoning districts classifications. The merits of the appropriate level of intensity should be examined during Final Review. See Attachment C for the expanded boundary.

- G. The proposed amendment is consistent with current general policies in the Comprehensive Plan for site specific amendment proposals. The proposed amendment must also be consistent with policy implementation in the Countywide Planning Policies, the Growth Management Act (GMA), other state or federal law, and the Washington Administrative Code (WAC); or

Preliminary analysis suggests that this request is likely consistent with current general policies in the Comprehensive Plan in terms of amending policy language to address site intensity, urban design, and land use tradeoffs. It is also likely consistent with policy implementation in the CPPs and GMA for urban growth areas development, specifically activity centers. If this proposed amendment is included in the annual work program additional analysis will be conducted prior to determining whether this request is fully consistent with all applicable and specific policies and regulations.

- H. State law requires, or a decision of a court or administrative agency has directed such a change.

State law, or a decision of a court or administrative agency has not directed the suggested change.

PUBLIC COMMENT

The city has received two telephone calls inquiring about this CPA application. No other public comments have been received on this suggestion as of May 16, 2007.

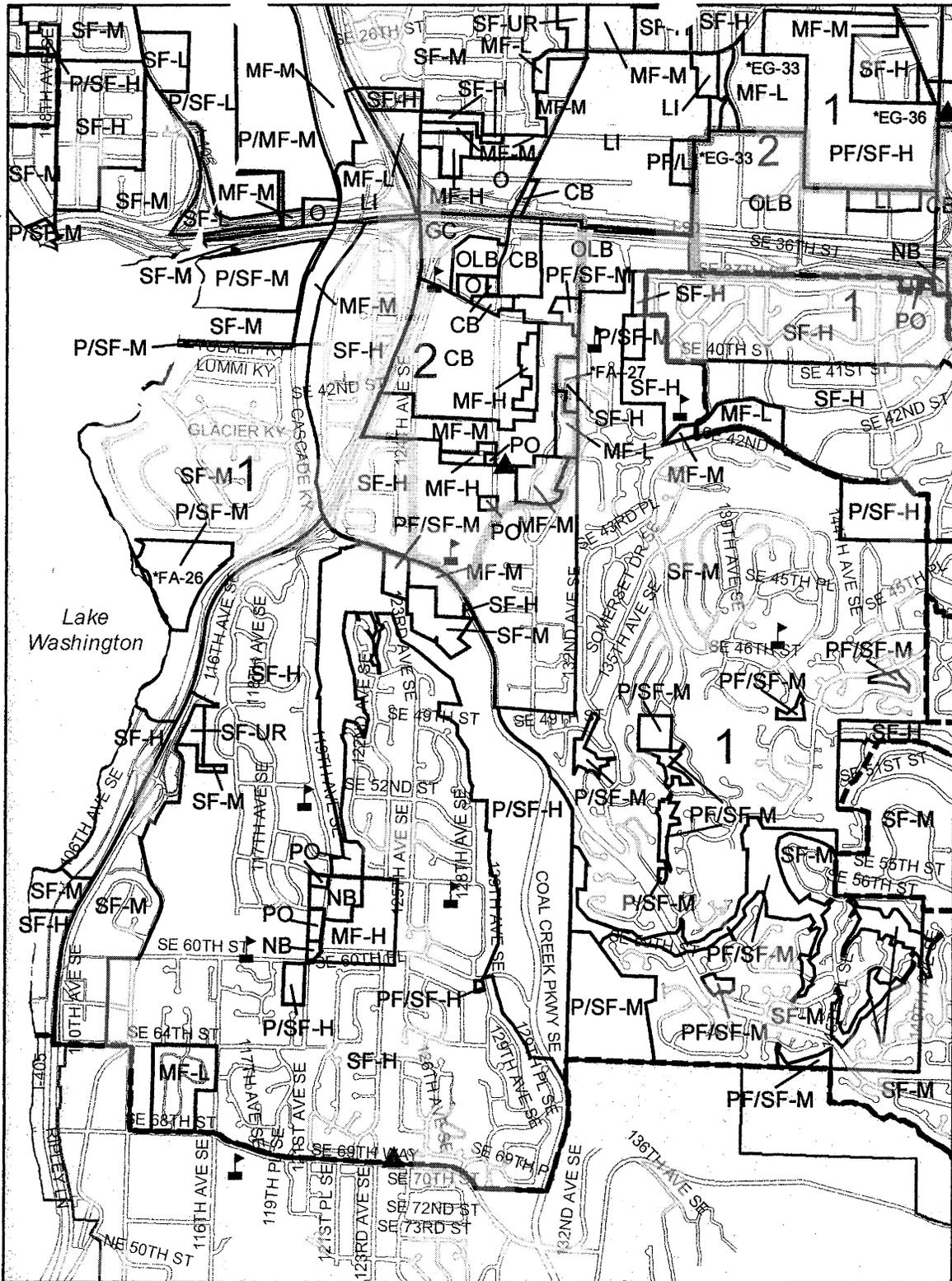


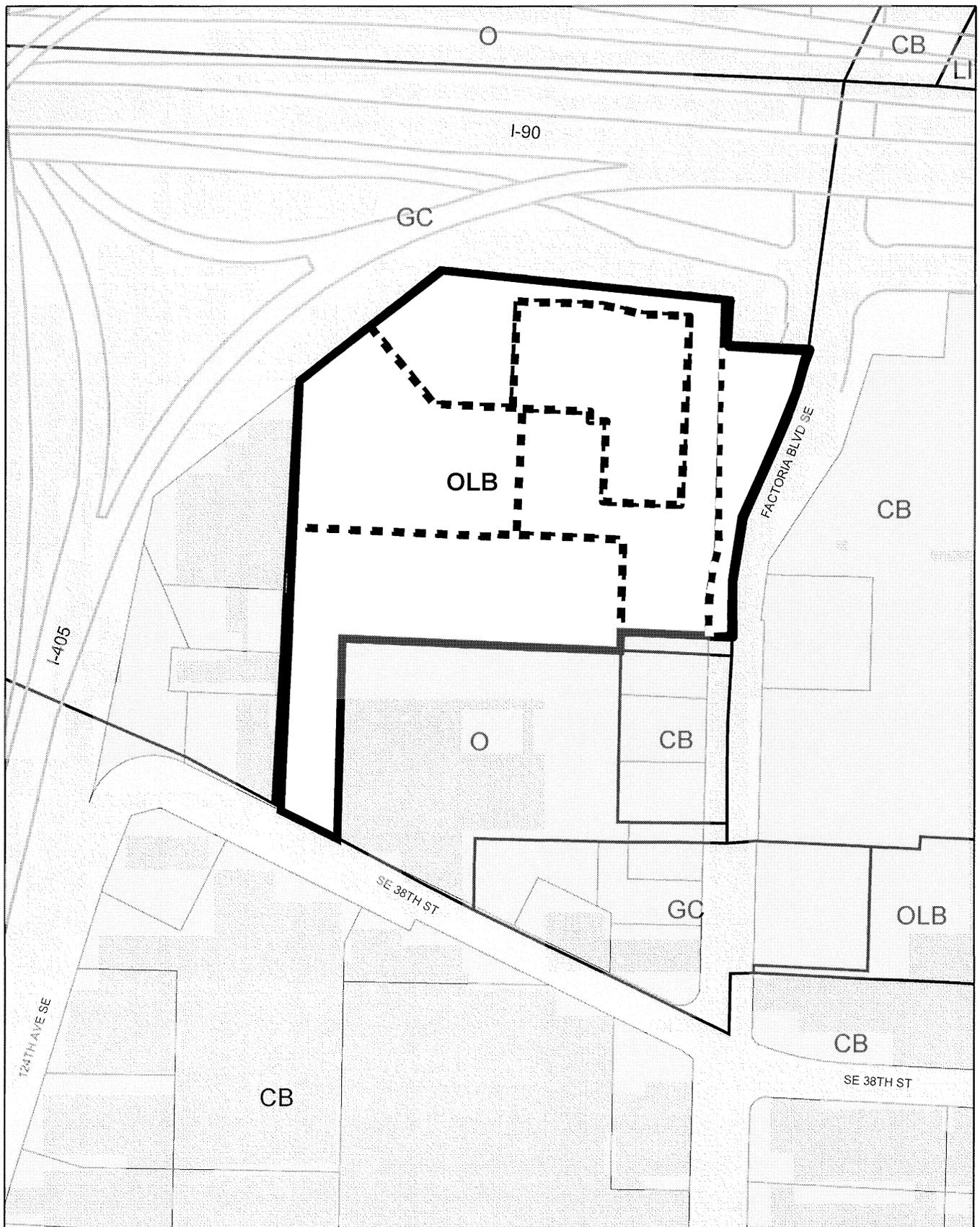
FIGURE S-FA.1
Factoria Land Use Plan

SF Single Family
MF Multi Family
-L Low Density
-M Medium Density
-H High Density
-UR Urban Residential

PO Professional Office
O Office
OLB Office, Limited Business
OLB-OS Office, Open Space
NB Neighborhood Business
CB Community Business

GC General Commercial
LI Light Industrial
PF Public Facility
P Park

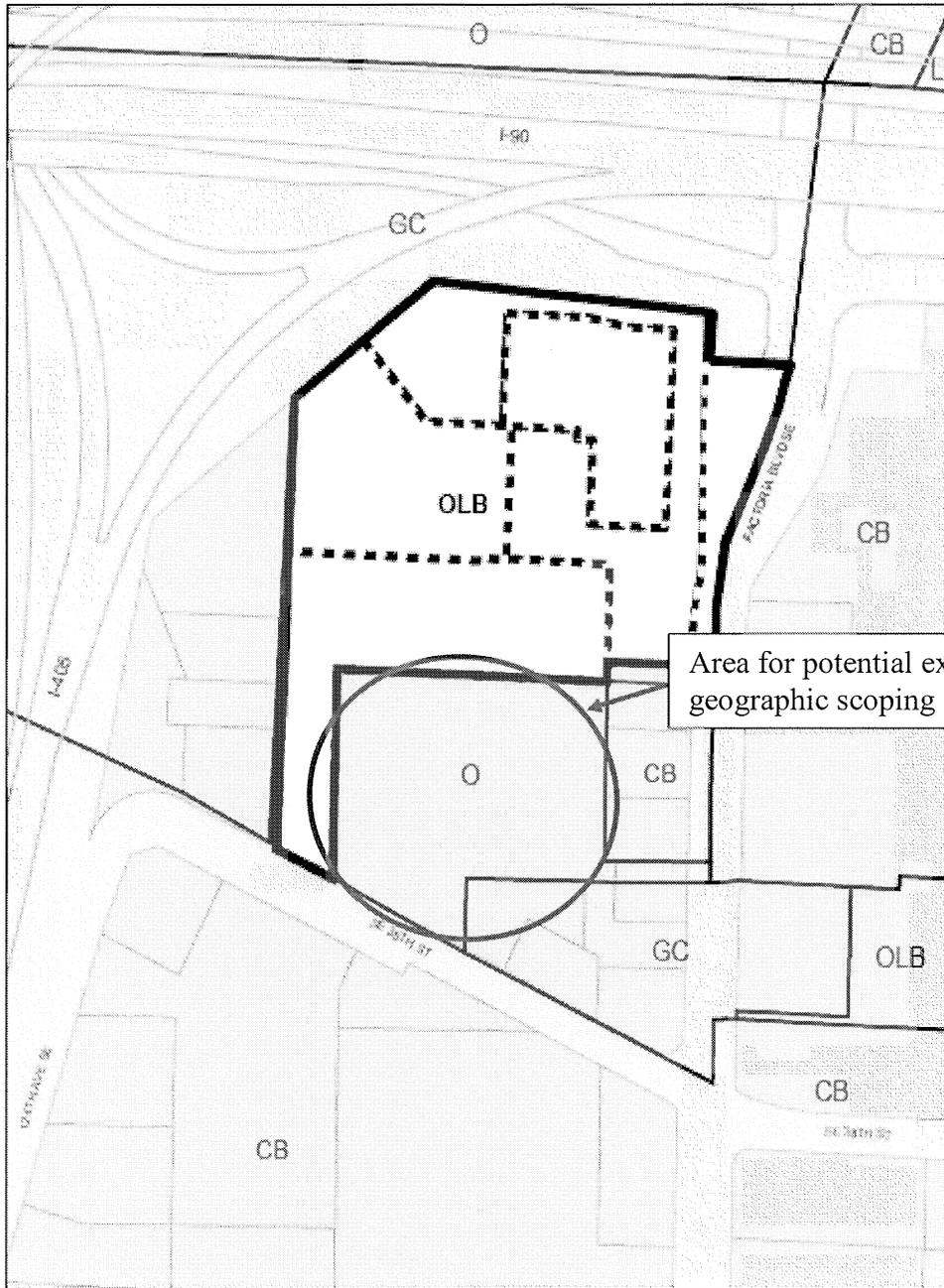
▲ Fire Stations
■ Public Schools
▭ Planning Districts
--- Bellevue City Limits (6/2005)
Lakes



March 2007



SRO Factoria
 Proposed Comprehensive Plan Designations
 3505-3545 128th Ave SE



Area for potential expansion of geographic scoping



SRO Factoria
 Existing Comprehensive Plan Designations
 3505-3545 12th Ave SE

Attachment 4a
 Potential expansion of geographic scoping
 SRO Factoria



425-452-6800 www.cityofbellevue.org

COMPREHENSIVE PLAN AMENDMENT

APPLICATION DATE: FOR CPA YEAR: 20 <u>11/20/07</u>	TECH INITIALS <u>AL</u>	PROJECT FILE # <u>07.104704 AL</u>
---	-------------------------	------------------------------------

- Project name FACTORIA CPA
- Applicant name _____ Agent name _____
- Applicant address See attached sheets
- Applicant telephone () _____ fax () _____ e-mail _____
- Agent telephone () _____ fax () _____ e-mail _____

This is a proposal to initiate a site-specific Comprehensive Plan Amendment (Go to **Block 1**)
 This is a proposal to initiate a non site-specific Comprehensive Plan Amendment (Go to **Block 2**)

BLOCK 1
 Property address and/or 10-digit King County parcel number see attached sheets
 Proposed amendment to change the map designation from existing _____ to proposed _____
 Site area (in acres or square feet) _____
 Subarea name _____
 Last date the Comprehensive Plan designation was considered ___/___/___
 Current land use district (zoning) _____
 Is this a concurrent rezone application? Yes No Proposed land use district designation _____
 Go to **BLOCK 3** Community Council: N/A East Bellevue

BLOCK 2
 Proposed amendment language. This can be either conceptual or specific amendatory language; but please be as specific as possible so that your proposal can be adequately evaluated. If specific wording changes are proposed, this should be shown in ~~strike-out~~/underline format. Attach additional pages as needed.
See attached sheets
 Reference Element of the Comprehensive Plan (e.g., Land Use, Transportation, Housing, Capital Facilities):
 Last date the Comprehensive Plan policy or text was considered ___/___/___
 Go to **BLOCK 3**



BLOCK 3

Support for the proposed amendment. Explain the need for the amendment—why is it being proposed? Describe how the amendment is consistent with the vision of the Comprehensive Plan. Include any data, research, or reasoning that supports the proposed amendment. Attach additional pages as needed.

See attached sheet

Go to **BLOCK 4**

BLOCK 4a

Evaluating the proposed amendment. Explain how the proposed amendment is consistent with the Threshold Review Decision Criteria in LUC Section 20.30I.140 (see Submittal Requirements Bulletin #53). Attach additional pages as needed.

See attached sheet

BLOCK 4b complete this section only for a site-specific concurrent rezone

Evaluating the proposed concurrent rezone. Explain how the proposed rezone would be reviewed under Rezone Decision Criteria in Land Use Code Section 20.30A.140. Attach additional pages as needed.

I have read the Comprehensive Plan and Procedures Guide

NOTICE OF COMPLETENESS: Your application is considered complete 29 days after submittal, unless otherwise notified.

Signature of applicant *David Schaefer* Date *1/26/07*

I certify that I am the owner or owner's authorized agent. If acting as an authorized agent, I further certify that I am authorized to act as the Owner's agent regarding the property at the above-referenced address for the purpose of filing applications for decisions, permits, or review under the Land Use Code and other applicable Bellevue City Codes and I have full power and authority to perform on behalf of the Owner all acts required to enable the City to process and review such applications.

I certify that the information on this application is true and correct and that the applicable requirements of the City of Bellevue, RCW, and the State Environmental Policy Act (SEPA) will be met.

Signature *Michael Apperban* Date *1-26-07*
(Owner or Owner's Agent)

COMP PLAN AMENDMENT (FACTORIA)

01.30.07

Project name: SRO Factoria Comp Plan Amendment

Applicant name: Sterling Realty Organization

Agent name: Michael Aippersbach

Applicant address: PO Box 91703, Bellevue, WA 98009-1703

Applicant telephone: 425-455-8100

Applicant fax: 425-455-8165

Applicant E-mail:

Agent Telephone: 206-523-3764

Agent fax: 206-524-0337

Agent E-mail: maipp@comcast.net

BLOCK 1

Property Address:

3505 128th Avenue SE,
3525 128th Avenue SE,
3535 128th Avenue SE,
3545 128th Avenue SE, and

KC Parcel #s:

092405-9038 (F2 zoning),
092405-9257 (F2 zoning),
092405-9259 (F2 zoning),
092405-9260 (F2 zoning),

Proposed Text Amendment to the Comprehensive Plan.

Parcel 092405-9038 - OLB Comp Plan Designation,
Parcel 092405-9257 - OLB Comp Plan Designation,
Parcel 092405-9259 - OLB Comp Plan Designation,
Parcel 092405-9260 - OLB Comp Plan Designation, and

Site Area (in acres or s.f.): 8.95 acres (4 properties)

Subarea Name: Factoria

Last date the CP designation was considered:

Current land use district (zoning):

Parcel 092405-9038 - F2 zoning,
Parcel 092405-9257 - F2 zoning,
Parcel 092405-9259 - F2 zoning,
Parcel 092405-9260 - F2 zoning, and

Is this a concurrent rezone application? [] yes [x] no

Community Council: N/A

BLOCK 2

Proposed amendment language:

Proposed amendment to the Factoria Subarea Plan and the Comprehensive Plan text to facilitate the implementation of the goals of the Factoria subarea plan.

Amend Factoria subarea policy S-FA-57

POLICY S-FA-57. Explore providing incentives to developers on the Factoria Boulevard commercial corridor to build underground parking that would enhance the pedestrian orientation of a site.

Discussion: The movie theater on the OLB designated property located at the southwest intersection of Factoria Boulevard and S.E. 36th Street is expected to cease operation in the near future. The theater site is one of four contiguous, OLB designated properties in a single ownership. It is also at the north gateway to the Factoria subarea. An incentive of additional permitted office use not to exceed 1 FAR for these OLB designated properties will create an opportunity for redevelopment of the theater property with office and subordinate retail uses of the intensity necessary to support underground parking.

The applicant is agreeable to a condition of required Design review. The purpose of the design review in this context is to set up a mechanism that would allow the City to participate in addressing the issues of improved pedestrian orientation and improved transit connections, and the design of the site and structures at a very key gateway location as guided by the existing adopted urban design and transportation policies.

Amend the Glossary definition of Office

Office (O) — A land use designation that provides for the location of low-intensity office for business, financial, administrative and professional services.

Discussion: A low intensity office is an office building or office portion of a building with a floor area ratio (FAR) of 0.5 or less and where the following sliding scale is used: At 0.5 FAR, no office building or portion of a building may exceed 50,000 square feet of gross floor area; at 0.3 FAR, 100,000 square feet; at 0.1 FAR, 150,000 square feet.

A medium intensity office is a building of at least 0.5 FAR but not exceeding 3.0 FAR.

A high intensity office is a building of at least 3.0 FAR.

Medium and high intensity offices are only located in the Downtown with the following exception: The 1993 Factoria annexation agreement created special circumstances for development in Factoria from 1993-2000 to permit office buildings of higher intensities.

To provide an incentive for future development of the OLB designated portion of District 2 of the Factoria subarea west of Factoria Boulevard to incorporate underground parking and design elements that support an integrated pedestrian system with improved transit access an office intensity of no more than 1.0 is allowed. In this district the sliding scale does not apply.

To provide significant permanent open space and to allow a shift of development potential, office intensity of no more than .5 is allowed on properties designated OLB-OS. In this district, the sliding FAR scale does not apply.

Last date the CP policy or text was considered ___/___/___

BLOCK 3

Support for proposed amendment:

The proposed changes to the Comprehensive Plan center have been requested due to two factors: (1) the anticipated departure of the theater use at the site and (2) the need for increased employment opportunities along the I-90 corridor.

The City's Comprehensive Plan (page 35) states that "accommodating Bellevue's share of regional jobs and housing growth, given that Bellevue has little vacant land, most growth must occur as infill and redevelopment." The Plan also goes on to state that "Better integration of land use and transportation, so that people have more choices in how they move around. This will require better pedestrian linkages for new and existing development, and a density and mix of land uses that encourage walking and transit in appropriate locations." The Plan further states that the Eastgate/Factoria area can provide for a growing source of employment.

We believe that through an amendment permitting an increase in office intensity for OLB would allow for a more intense office development in a very important part of the City (Eastgate/Factoria). An amendment increasing allowable office intensity will provide more employment opportunities and spur redevelopment. Redevelopment in turn would allow for increased opportunities for the City to enhance integration of land use and transportation goals. The applicant is willing to submit future development plans through a City Design Review Process and to participate in the formation of design guidelines would assist the City in an effort to mutually develop solutions regarding important issues for Factoria such as gateway enhancement, pedestrian movement, and transit consideration.

LAND USE ELEMENT

POLICY LU-5. Ensure enough properly-zoned land to provide for Bellevue's share of the regionally-adopted demand forecasts for residential, commercial, and industrial uses for the next 20 years.

Discussion: The attached Eastside Office Market Overview (Broderick Group) points out that (1) there is a tight market (low vacancy rate – suggesting that tenants are wanting space in the I-90 corridor – providing new employment) and (2) that there has been no new construction on I-90 since 2001 and at present in the supply statistic side there is only the projected Advanta/Schnitzler Northwest project.

POLICY LU-13. Reduce the regional consumption of undeveloped land by facilitating redevelopment of existing developed land when appropriate.

POLICY LU-31. Encourage and foster economic development in areas designated for commercial uses.

POLICY LU-33. Monitor trends in Bellevue's job centers and consider land use changes, if needed, to maintain the vitality of these centers.

POLICY LU-36 Encourage continued development of office uses in designated districts.

POLICY LU-37 Discourage the creation of additional potential for office development beyond the areas currently designated in the Land Use Plan Map, unless an area-wide planning process identifies office uses as appropriate for a non-residential area under transition from an earlier use that is in decline.

Figure LU.1 Factoria/Eastgate is a major employment center.

ECONOMIC DEVELOPMENT ELEMENT

One "challenge" is ... (sufficient) Land and building types available to attract growing markets: Based on recent development trends on the Eastside and elsewhere, many new economy and information-based companies locate in mid-rise, three- to five-story office buildings. Bellevue has locations for higher density office in Downtown and low rise office elsewhere, but no locations dedicated to this intermediate scale of development. (page 182)

POLICY ED-1. Maintain a business climate that supports the retention and expansion of the City's economic base.

Discussion: The current Comprehensive Plan indicates that there are limited locations for intermediate scale of development, mid-rise, three-to-five story office buildings. The proposed Comprehensive Plan amendment would create such an opportunity in the Factoria area to expand the City's economic base without increasing the amount of land area set aside for office development.

POLICY ED-3. Develop and maintain regulations that allow for continued economic growth while respecting the environment and quality of life of city neighborhoods.

POLICY ED-13. Encourage and promote employment opportunities for all residents, including youth.

POLICY ED-20. Encourage economic development in designated locations through a mix of incentives, regulations, and strategic investments that support the city's adopted plans.

POLICY ED-16. Ensure that economic development strategies are reviewed regularly to be flexible and respond to changes in the market.

Discussion: A caption under a photograph in the Comprehensive Plan reads: "The Eastgate/Factoria corridor with its many corporate headquarters and high tech companies

continues to be a strong area of economic growth.” (Page 176) This statement should be reviewed in light of the information contained in the attached Broderick Group’s Eastside Market Overview.

TRANSPORTATION ELEMENT

“Another area of existing high employment concentration is the Factoria/Eastgate area.”

POLICY TR-8. Incorporate transit-supportive and pedestrian-friendly design features in new development through the development review process.

POLICY TR-16. Encourage private developers of adjacent or nearby properties to execute agreements to provide joint use and funding of shared parking facilities, with provision for pedestrian linkages.

The following Urban Design policies are applicable in supporting the proposed amendment:

URBAN DESIGN ELEMENT

POLICY UD-1. Encourage high quality, attractive, architecturally appealing designs for major buildings in order to create distinctive visual reference points in the community.

POLICY UD-38. Ensure continuous and ample sidewalks along principal, minor, and collector arterials which are integrated with abutting land uses.

POLICY UD-45. Establish attractive gateways at all key entry points into the City and into smaller districts and communities within the City.

POLICY UD-48. Encourage site and building designs that support and connect with existing or planned transit facilities in the vicinity.

POLICY UD-52. Ensure that all development abutting freeway corridors includes special design features which provide an attractive entrance to the City and presents the City in an attractive manner.

POLICY UD-55. Incorporate architectural character, landscaping, and signs into commercial and public centers that make them appear and function cohesively.

POLICY UD-56. Ensure that perimeter areas of major commercial and public centers use appropriate planting, lighting, and signs to blend with surrounding development and to be compatible with surrounding residential neighborhoods.

POLICY UD-57. Allow buildings to be sited at or near the public sidewalk as long as the full sidewalk potential is not diminished.

POLICY UD-63. Maintain vegetation along major neighborhood arterials.

FACTORIA SUBAREA PLAN (Amended Ord. 5651)

Goals:

- 1. To preserve and maintain a natural setting for our residential areas and to manage change in the commercial district to improve its cohesiveness, compatibility, and accessibility to Subarea residents.*
- 2. To create a well-integrated, transit-supportive, pedestrian-oriented, mixed-use urban neighborhood in Factoria's commercial core (District 2).*

POLICY S-FA-1. Maintain land uses as depicted on the Land Use Plan.

POLICY S-FA-2. Protect single family neighborhoods from encroachment by more intense uses.

POLICY S-FA-3. Maintain land use densities that will not create vehicular congestion that exceeds adopted level of service standards.

POLICY S-FA-4. Encourage infill development and redevelopment in a manner that is compatible with surrounding uses and meets adopted design guidelines.

POLICY S-FA-5. Encourage any redevelopment to include parks, landscaping, and pedestrian access.

POLICY S-FA-7. Restrict all future office expansion to districts shown on the Land Use Plan (Figure S-FA.1).

POLICY S-FA-28. Establish design standards for the Factoria commercial area.

POLICY S-FA-29. Utilize vegetation, sensitive site planning and superior building design to integrate multifamily and commercial development with nearby residential neighborhoods.

POLICY S-FA-33. Orient open spaces to take advantage of sunshine and territorial views.

POLICY S-FA-38. Ensure that development is conditioned to satisfy future right-of-way, financing, and development standards as identified by the City of Bellevue.

POLICY S-FA-42. Work with Metro and Sound Transit to develop freeway stations on I-90 and I-405 to serve Factoria employees, residents and shoppers.

POLICY S-FA-48. Establish gateway design standards and guidelines to create a welcoming experience for pedestrians and motorists at the Factoria entry points on Factoria Boulevard. Apply these standards when private property redevelops and when public projects are implemented.

Discussion: The applicant is currently pursuing with the City the possibility of vacating a portion of right-of-way along the west side of Factoria Boulevard (the triangular section next to the theater and south of the State's detention pond) with the idea of using for enhancement purposes. It is currently a no-man's land and not maintained to the standards of a gateway location.

POLICY S-FA-52. Allow buildings to abut the Factoria Boulevard public right-of-way, so long as there is adequate space for arterial sidewalks.

POLICY S-FA-57. Explore providing incentives to developers on the Factoria Boulevard commercial corridor to build underground parking that would enhance the pedestrian orientation of a site.

Glossary

Urban Center — Small, dense, clearly defined geographic areas within designated cities where there will be high levels of residential density and employment intensity.

Transit-supportive Design — Physical development characteristics that encourage transit use.

BLOCK 4a

Evaluating the proposed amendment:

BLOCK 4b

Evaluating the proposed concurrent rezone:

Signature of applicant:

Signature of agent:

Threshold Review Decision Criteria:

- A. The proposed amendment represents a matter appropriately addressed through the Comprehensive Plan; and

Yes. The proposed amendment to the Comprehensive Plan is directed at modifications to the Plan which are in response to changed conditions at the site and changes in the market in the I-90 corridor. The proposed amendment is in response to those changed conditions and changes in the market as contemplated in the City's Comprehensive Planning process.

- B. The proposed amendment is in compliance with the three year limitation rules set forth in LUC. 20.301.130. A.2.d.; and

Yes, the Plan was last addressed in 2002.

- C. The proposed amendment does not raise policy or land use issues that are more appropriately addressed by an ongoing work program approved by the City Council; and

We are not aware of any ongoing work program related to this request.

- D. The proposed amendment can be reasonably reviewed within the resources and time frame of the annual Comprehensive Plan work program; and

Yes, we believe the amendment can be reasonably reviewed within the resources and time frame of the annual Comprehensive Plan work program.

- E. 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 for the definition of "significantly changed conditions;" and

Yes. At the time of the last Comprehensive Plan Update, the theater was considered a long-term use and there was adequate office use capacity in the I-90 corridor.

- F. When expansion of the geographic scope of an amendment proposal is being considered, shared characteristics with nearby, similarly situated property have been identified and the expansion is the minimum necessary to include properties with those shared characteristics; and

Expansion of the OLB land area is not being considered. Only the contiguous OLB properties would be affected in this proposed request.

- G. The proposed amendment is consistent with current general policies in the Comprehensive Plan for site-specific amendment proposals. The proposed amendment must also be the policy implementation in the Countywide planning Policies, the Growth management Act, other state or federal law, and the Washington Administrative Code; or

Yes. This is a case where the earlier premises of the plan no longer apply and the plan needs to be amended. Bellevue's Comprehensive Plan states that "The maps, goals, and policies provide the basis for the adoption of regulations, programs, and services which implement the plan. The plan serves as a guideline for designating land uses and infrastructure development as well as developing community services" (p 7, Introduction). The plan further states that "Bellevue's implementation program is comprised of a combination of short-term and long-term actions" (p. 9, Introduction). It goes on to state that "Long-term actions include subarea planning, monitoring, evaluating, and amending the plan as conditions change....."

Yes. The proposed amendment is being proposed to accommodate changed conditions as contemplated on the City's General Comprehensive Plan.

- H. State law requires, or a decision of a court or administrative agency has directed such a change.

N/A.

Final Review Decision Criteria:

- A. There exists obvious technical error in the pertinent Comprehensive Plan provision; or

N/A.

- B. The following criteria have been met:

1. The proposed amendment is consistent with the Comprehensive Plan and other goals and policies of the City, the Countywide planning Policies, the Growth management Act and other applicable law; and

Yes. This is a case where the earlier premises of the plan no longer apply and the plan needs to be amended. Bellevue's Comprehensive Plan states that "The maps, goals, and policies provide the basis for the adoption of regulations, programs, and services which implement the plan. The plan serves as a guideline for designating land uses and infrastructure development as well as developing community services" (p 7, Introduction). The plan further states that "Bellevue's implementation program is comprised of a combination of short-term and long-term actions" (p. 9, Introduction). It goes on to state that "Long-term actions include subarea planning, monitoring, evaluating, and amending the plan as conditions change....."

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

Yes. Assisting in accommodating Bellevue's share of regional jobs and housing growth (spurred on by increases in employment opportunities) is provided by this proposed text amendment to the Comprehensive Plan and Factoria Subarea Plan. The amendment as proposed allows an opportunity for the City to address urban design issues at a key location in Factoria through the design review process and guided by urban design and transportation policies.

3. 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 for the definition of "significantly changed conditions"; and

Yes, the changed conditions are (1) the anticipated departure of the theater use at the site and (2) the general demand for more intense office space along the I-90 corridor to increase employment opportunities in a designated employment center which were unknown at the last time the plan was updated.

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

The proposed text amendment allows for an increase in office intensity within the Factoria portion of the I-90 corridor – an increase in intensity of office development that is already present in the Eastgate portion of the I-90 corridor.

5. The proposed amendment demonstrates a public benefit and enhances the public health, safety and welfare of the City.

Yes, the amendment as proposed demonstrates a public benefit by permitting expansion to increase the intensity of office development. This change would allow for a greater level of employment opportunities in a designated employment center. In addition, the applicant would volunteer to submit future site development plans through the City's design review process. The design review process provides an opportunity to enhance public health, safety, and welfare by encouraging underground parking which would release more ground area. Having more ground area would allow for an opportunity to provide measures that would allow for mutually beneficial solutions to gateway issues involving urban design such as landscaping and building design at a key location in Factoria, and to a improving the existing pedestrian system and allow for potential transit improvements.

compaq/michael bus/sro-factoria cpa.dsk: application rev - 01.30.07.doc

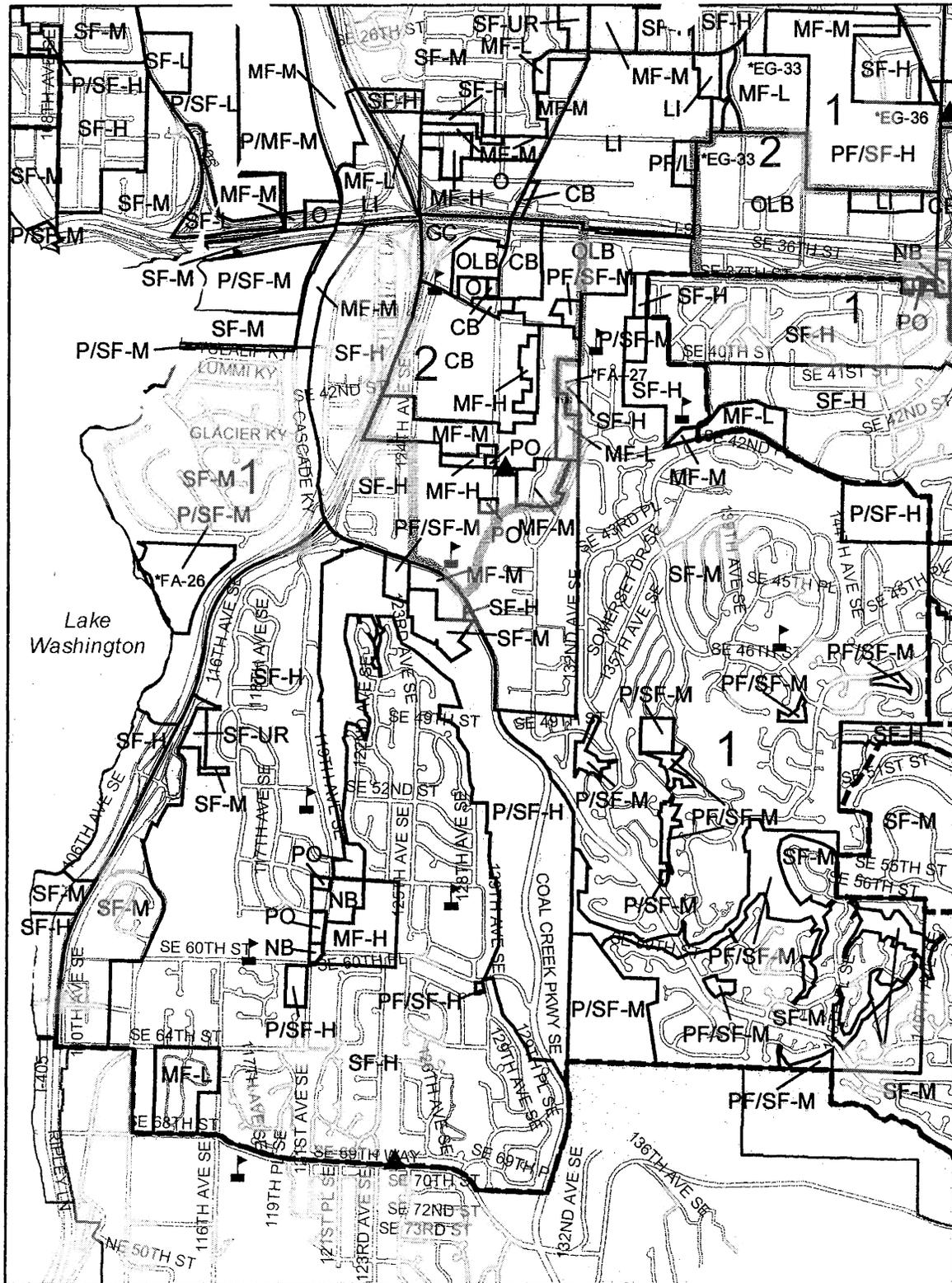


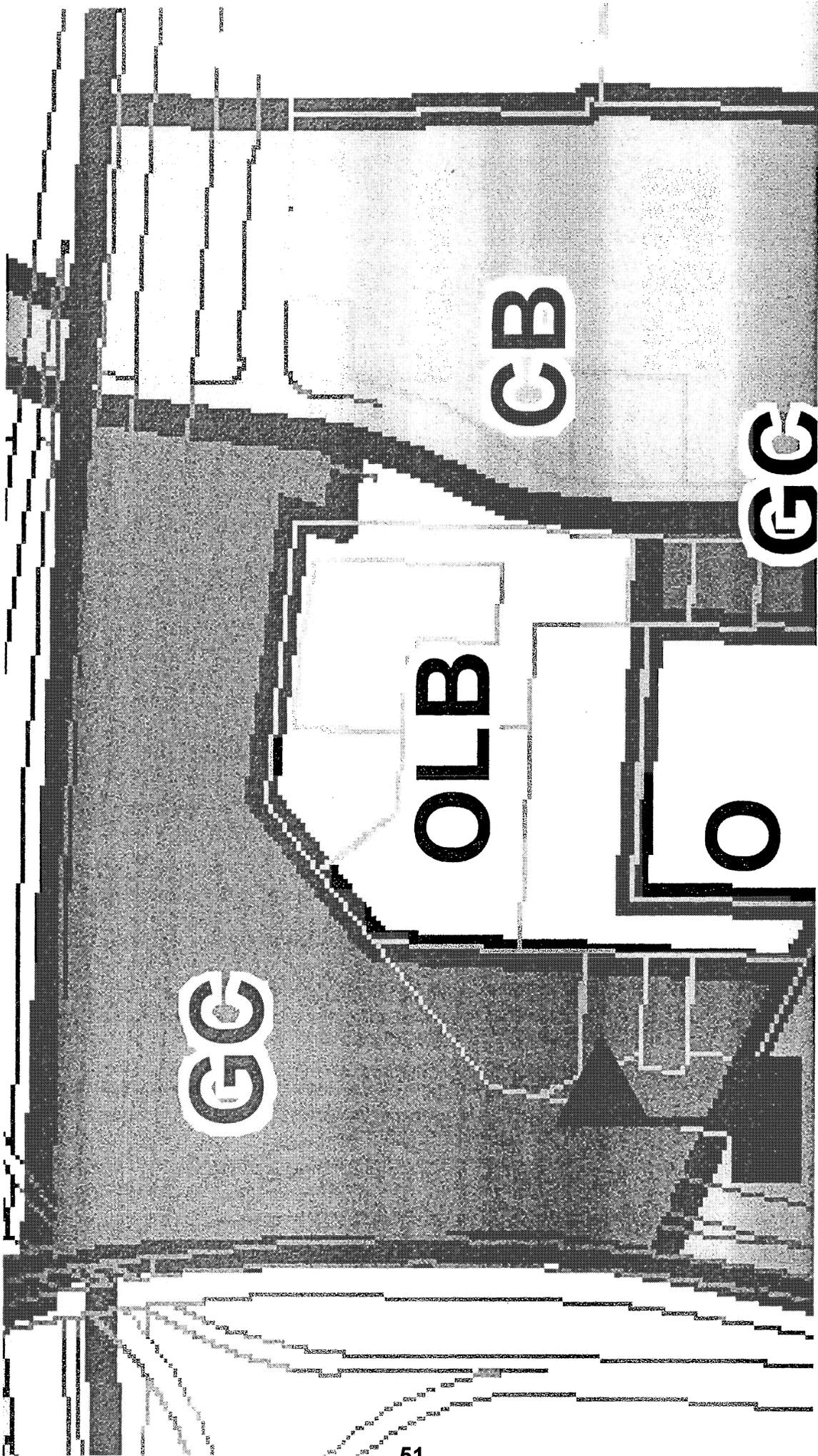
FIGURE S-FA.1
Facteria Land Use Plan

SF Single Family
 MF Multi Family
 -L Low Density
 -M Medium Density
 -H High Density
 -UR Urban Residential

PO Professional Office
 O Office
 OLB Office, Limited Business
 OLB-OS Office, Open Space
 NB Neighborhood Business
 CB Community Business

GC General Commercial
 LI Light Industrial
 PF Public Facility
 P Park

▲ Fire Stations
 ■ Public Schools
 Planning Districts
 --- Bellevue City Limits (6/2005)
 Lakes



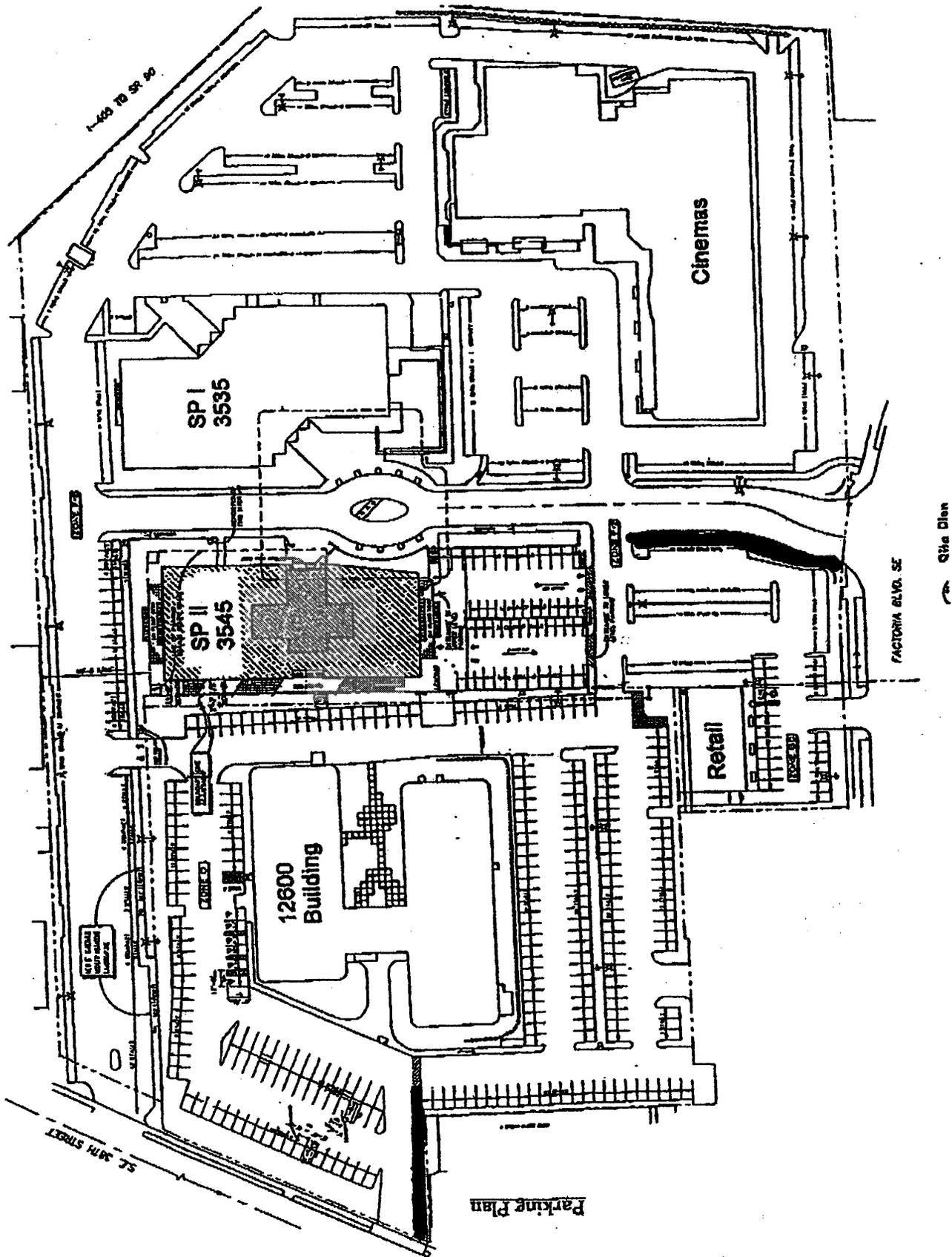
SPD Federa Complex

EXHIBIT B

TO

LEASE AGREEMENT

Parking Plan



NEW SIDEWALKS



STERLING REALTY ORGANIZATION

David Schooler
President
(425) 455-8167
davids@sterlingrealty.com

March 5, 2007

Nicholas Matz
Senior Planner
Department of Planning and Community Development
City of Bellevue
450- 110th Avenue NE
Bellevue, WA 98004

Re:
File No. 07-104704-AC
Application for a Comprehensive Plan Amendment
3505 - 128th Avenue SE/Factoria

Dear Mr. Matz,

With my letter of January 29, 2007, which accompanied Sterling Realty Organization's application for a Comprehensive Plan Amendment submitted to the City on January 31, 2007, I outlined the purpose for the requested amendment. Stated simply, our request is for amended Comprehensive Plan language to support a text amendment to the Land Use Code that would allow the development of 120,000 - 130,000 square feet of office space (with underground parking and design review) at the location of the existing Factoria Cinema. We applied for the amendment at this time because the lease for the theater will end in the near future and we anticipate the possibility that the theater may cease operation. Without approval of an amendment the Comprehensive Plan and Land Use Code will not permit any additional office development on SRO's Factoria properties.

With our January 31 application we requested, a 1 FAR to be applicable to four contiguous F2 zoned/OLB designated properties with a total of 8.95 acres. We recognize that, with the exception of the F3 zoned/OLB designated properties which have a permitted average FAR of 1.26 for all uses, the requested 1 FAR would be twice that allowed for other office development outside of the Downtown. However, existing Comprehensive Plan and Factoria Subarea Plan policies acknowledge the increasing shortage of land available for office uses outside of the Downtown, thereby establishing a recognition that some increase in allowable intensity for office development will be needed in this area.

The purpose of this letter is to ask that the geographic area of the CPA be expanded to include SRO's Office zoned/O designated 3.38 acre parcel 092405-9055, which is contiguous to the OLB properties. With the addition of the Office parcel to the CPA area an FAR of .75 applied to the contiguous 12.33 acres of property would create an increase in office development capacity for Factoria subarea District 2 roughly equivalent to that of our original requested amendment. Expanding the CPA to include all five contiguous O and OLB (F2) properties would increase by a third the amount of land area subject to design review. While either scenario is would achieve SRO's goal, we believe that expanding the area of the CPA to include the 3.38 acres of O zoned property is not only consistent with the goals of the Comprehensive Plan and Factoria subarea plan, but provides the City with greater design control in the coordination of future pedestrian access, landscaping and other site elements as development occurs in this visually prominent sector of the Factoria subarea.

If the Planning Commission is willing to consider the expanded area for a CPA, our proposed amendment language would be modified to state:

Amend Factoria subarea policy S-FA-57

POLICY S-FA-57. Explore providing incentives to developers on the Factoria Boulevard commercial corridor to build underground parking that would enhance the pedestrian orientation of a site.

Discussion: The movie theater on the OLB designated property located at the southwest intersection of Factoria Boulevard and S.E. 36th Street is expected to cease operation in the near future. The theater site is one of five contiguous Office (O) and OLB designated properties in a single ownership. It is also at the north gateway to the Factoria subarea. An incentive of additional permitted office use not to exceed .75 FAR for these Office (O) and OLB designated properties will create an opportunity for redevelopment of the theater property with office and subordinate retail uses of the intensity necessary to support underground parking. Design review should be required to ensure improved pedestrian orientation and the highest quality of building and site design for this gateway location.

Amend the Glossary definition of Office

Office (O) — A land use designation that provides for the location of low-intensity office for business, financial, administrative and professional services.

Discussion: A low intensity office is an office building or office portion of a building with a floor area ratio (FAR) of 0.5 or less and where the following sliding scale is used: At 0.5 FAR, no office building or portion of a building may exceed 50,000 square feet of gross floor area; at 0.3 FAR, 100,000 square feet; at 0.1 FAR, 150,000 square feet.

To provide significant permanent open space and to allow a shift of development potential, office intensity of no more than .5 is allowed on properties designated OLB-OS. In this district, the sliding FAR scale does not apply.

A medium intensity office is a building of at least 0.5 FAR but not exceeding 3.0 FAR.

A high intensity office is a building of at least 3.0 FAR.

Medium and high intensity offices are only located in the Downtown with the following exception: The 1993 Factoria annexation agreement created special circumstances for development in Factoria from 1993-2000 to permit office buildings of higher intensities.

To provide an incentive for future development of the Office and OLB designated portion of District 2 of the Factoria subarea west of Factoria Boulevard to incorporate underground parking and design elements that support an integrated pedestrian system with improved transit access an office intensity of no more than .75 is allowed. In these districts the sliding scale does not apply.

To provide significant permanent open space and to allow a shift of development potential, office intensity of no more than .5 is allowed on properties designated OLB-OS. In this district, the sliding FAR scale does not apply.

If there are any questions regarding this letter or our previous submittal documents, you may reach me by phone at (425) 455-8167 or email at davids@sterlingrealty.com or our representative Michael Aippersbach at (206) 523-3764, maipp@comcast.net.

Sincerely,



David Schooler
President



David Schooler
President
(425) 455-8167
davids@sterlingrealty.com

January 29, 2007

Nicholas Matz
Senior Planner
Department of Planning and Community Development
City of Bellevue
450 – 110th Avenue NE
Bellevue WA 98004

**Re: Application for a Comprehensive Plan Amendment
3505 – 128th Avenue SE/Factoria**

Dear Mr. Matz,

The intent of my letter is to provide in capsule form our intent in asking for a Comprehensive Plan Amendment for a portion of the SRO property in Factoria.

As the lessor for the Factoria Cinemas, SRO has kept a watchful eye on the theater operations. Over the last few years, theater attendance has fallen quite dramatically from its heyday levels in the 1980s and 1990's. This year the lease comes to an end and the viability of the theater use is a very serious question. With the possibility that the theater may cease its operation, SRO is engaged in examining development potential for the theater site.

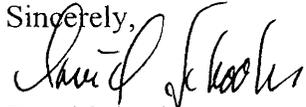
In this process and based upon conversations with the Planning staff, it is quite evident that there are some benefits to be derived from both parties' points of view to allow for some flexibility in a redevelopment scheme. For the City there are opportunities to address urban design features, transit supportive features, and improvements to the pedestrian system now operating at the site. For SRO, there is the interest in the opportunity to construct another 120,000 -130,000 square feet of office space at the theater location which under the current limits on F.A.R. is not possible.

The City's Comprehensive Plan (page 35) states that "accommodating Bellevue's share of regional jobs and housing growth, given that Bellevue has little vacant land, most growth must occur as infill and redevelopment." The Plan also goes on to state that "Better integration of land use and transportation, so that people have more choices in how they move around. This will require better pedestrian linkages for new and existing development, and a density and mix of land uses that encourage walking and transit in appropriate locations." The Plan further states that the Eastgate/Factoria area can provide for a growing source of employment. Recent real estate reports looking at the supply of office space in the Bellevue area (which can be viewed as a function of demand) show a low supply of office space in the I-90 corridor and limited possibilities for new supply.

It is the intent of SRO to apply for a Comprehensive Plan Amendment that would allow for a change in the F.A.R. standards for this portion of the Factoria Subarea Plan and at the same time voluntarily agree that the design of future SRO development would be reviewed under the City's Design Review process. This would allow SRO and the City jointly to consider changes which would further enhance the Factoria area and particularly the gateway location of the property.

If there are any questions regarding the application, you may reach me by phone at (425) 455-8167 or e-mail at davids@sterlingrealty.com or our representative Michael Aippersbach at (206) 523-3764, or maipp@comcast.net. Thank you.

Sincerely,



David Schooler
President