CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

February 1, 2016 Council Conference Room
6:00 p.m. Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robertson, Robinson, Slatter, and Wallace

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:06 p.m., with Mayor Stokes presiding. There was no Executive Session.

2. Study Session

(a) Discussion on Ordinance proposing to amend Land Use Code Section 20.10.440 and Part 20.25A to incorporate the Downtown Livability Early Wins; and Ordinance proposing to amend the High-Rise Sign Code provisions in BCC 22B.10 to ensure consistency with the Comprehensive Plan Update.

City Manager Brad Miyake introduced discussion regarding the early implementation of certain Downtown Livability Initiative work items. He said staff is also seeking direction on a proposed amendment to the High-Rise Sign Code.

Carol Helland, Land Use Director, noted that the Downtown Livability items are adopted as a Land Use Code Amendment, and the Sign Code regulations are in the City Code. She highlighted the list of Land Use Code Amendments in the work program approved by the Council on October 5, 2015. The list combines work items for the Development Services Department (DSD) and the Planning and Community Development Department (PCD).

The Downtown Livability Initiative work is a top Council priority and is anticipated for completion later this year. The Planning Commission has been working since last summer to develop recommendations for Code amendments. The Commission held a public hearing on November 18, 2015 and finalized its recommendations on December 9, 2015. Final Council

action on the Downtown Livability early implementation items is tentatively scheduled for February 16.

Michelle Hilhorst, Planning Commission Chair, described the early win topics identified by the Commission for Council consideration: 1) updates to the Downtown land use charts, 2) public spaces wayfinding and signage, 3) location and screening for mechanical equipment, 4) weather protection, 5) landscaping amendments, 6) extension of the major Pedestrian Corridor, and 7) updates to the Downtown boundary definition. The Commission determined that these items could be addressed before Council action on the broader Downtown Livability Initiative package of amendments.

Ms. Hilhorst said the amendments would be available for use by developers immediately upon adoption and will improve Code flexibility, simplify the permit review process, and provide early and tangible livability enhancements to the built environment.

Deputy Mayor Chelminiak referred to the Planning Commission's transmittal letter provided in the meeting packet and questioned the designation of parks in the Downtown R (residential) District. Responding to Mr. Chelminiak, Ms. Helland said a park with lighting in the R District would require an accessory conditional use (ACU) permit. In further response to Mr. Chelminiak, Ms. Helland said the term "park" in this context refers to a City or other publicly owned park, while plazas are an amenity connected to an underlying use. A plaza could potentially have more lighting. However, the lighting impacts would be subject to mitigation conditions to avoid unnecessary glare. Ms. Helland said lighting in parks is primarily associated with sports fields.

Mr. Chelminiak said he is not opposed to multifamily development in the Downtown OLB (Office Limited Business) District. However, he questioned whether the change should be addressed now, or later in conjunction with planning for the Wilburton Subarea. Ms. Helland said staff could delay that item if desired by the Council. She did not think that any changes would foreclose other future opportunities. However, she concurred that it would make sense to address it with a broader look at the OLB District.

Responding to Mr. Chelminiak, Ms. Helland said the City is generally flexible regarding the continuation of non-conforming uses. However, if a use has been abandoned for more than 12 months, a new tenant with the same use is not allowed. Ms. Helland noted that the period can actually extend beyond 12 months, and not be considered abandoned, if the property owner is continuously trying to lease the space.

Responding to Councilmember Robertson, Ms. Helland said she could not think of a manufacturing use in the Downtown. One likely potential use, however, could be related to artistic fabrication. In further response to Ms. Robertson, Ms. Helland said there are no longer any single-family homes in the Downtown that are still being used as residences. She noted that a few homes on the north side of NE 12th Street are outside of the Downtown subarea. In further response to Ms. Robertson, Ms. Helland said medical and veterinary clinics are allowed in the Downtown.

Councilmember Robertson questioned the meaning of recycling “centers.” Ms. Helland said it refers to recycling bins or receptacles with separate sections for garbage and recycling. Ms. Robertson observed that “center” sounds more like a facility. She suggested defining the size and selecting an alternate term.

Responding to Councilmember Wallace, Ms. Helland said that early wins implemented now can be modified and refined later if desired by the Council. Mr. Wallace noted that he previously submitted a list of questions and comments to staff, and he thanked them for the response. He said those communications are available to the public if requested.

Mr. Wallace expressed concern about queuing and visibility requirements for drive-through services. He does not want to require that all drive-through services be located within closed structures and/or parking garages. Responding to Mr. Wallace, Code Development Manager Trish Byers said drive-through pharmacies are currently allowed. Ms. Helland said staff could look at an alternative requiring that drive-throughs be internal to a site without necessarily being enclosed.

Mr. Wallace said he asked staff about the provision for 100-percent screening of mechanical equipment, and the response was that it meant “substantially obscure.” He observed that the two definitions are not the same. With regard to exhaust from mechanical equipment, Ms. Helland said an exhaust source 16 feet above a sidewalk would comply with the Code. She said the order of preference is to first try to locate exhaust vents where they will have the least impact (e.g., roof, service drives). If vents are 16 feet or higher above a sidewalk, there is often a weather protection feature between the vent and the public walking on the sidewalk.

Councilmember Wallace requested clarity on the requirements for installing a scrubber for the purpose of oil control (e.g., associated with a restaurant use). Ms. Helland said that is a citywide issue to be addressed separately from the Downtown Livability work.

Councilmember Slatter thanked the Planning Commission and Downtown Livability Citizen Advisory Committee for their work. She questioned the extent to which the CAC addressed technical issues (e.g., electric car vehicle parking). She questioned whether the Commission went back to the CAC following the Commission’s discussions. Chair Hilhorst said the CAC had disbanded at that point. However, a Planning Commissioner was the Co-Chair of the CAC, which allowed the Commission to honor and refine the CAC’s recommendations.

Mayor Stokes thanked staff and the Planning Commission for moving the early implementation items forward.

Moving on, Ms. Helland described staff’s proposed amendment to the High-Rise Sign Code. She noted that this type of amendment does not go through the Planning Commission and does not require a public hearing. The Comprehensive Plan sets provisions for high-rise building signs, and the policies were modified somewhat during last year’s Comprehensive Plan Update. Staff’s recommended amendment continues to allow two high-rise signs per building for a single

enterprise. The sign is limited to 300 square feet and can include only the company name or logo. A total of two signs is allowed, one sign per façade, and the signs must be approved through the design review process.

Ms. Helland said the proposed High-Rise Sign Code amendment deletes the requirement that the building must be a hotel/motel, or occupy 180,000 square feet of a building, or be a corporate headquarters occupying a minimum of 120,000 square feet. She said the amendment aligns the Sign Code with the City's economic development objectives.

Councilmember Robinson referred to Comprehensive Plan policy UD-52: "Maintain the skyline as a public view discouraging signs at upper levels of major buildings with limited exceptions. When allowed, signs should be in a subdued color and not impact the skyline." She questioned whether this addresses brightness. Ms. Helland said there is a lumens requirement in the Code, which the City will continue to enforce. The Code also requires that signs not cause glare to nearby properties.

Councilmember Robertson suggested revising the language to clarify that a maximum of two signs is allowed per building.

Responding to Deputy Mayor Chelminiak, Ms. Helland confirmed that the regulations differ slightly for hotels in the interest of providing wayfinding for the public. She said staff will conduct an inventory of hotels to determine whether any have signs on more than two facades. Responding to Mr. Chelminiak, Ms. Helland said signs are allowed only if oriented toward the freeway, in the interest of preserving the view of the skyline from the west. Mr. Chelminiak expressed concern about the potential for the excessive proliferation of signs. He would like the issue to come back to the Council for further discussion.

Responding to Ms. Helland, Deputy Mayor Chelminiak said he would prefer to pull the Sign Code amendment from the actions items anticipated for February 16. He suggested soliciting input from Downtown neighborhood associations.

Councilmember Robertson concurred and said she would like to discuss alternatives for gathering community input. She suggested considering adding a threshold based on the number of employees a company has in the building. She thanked the Planning Commission for their work on the Downtown Livability early win items.

Councilmember Lee said he appreciates the concerns about talking to Downtown residents about the Sign Code. However, this is an economic development issue as well, and he suggested engaging business interests in the Downtown.

Ms. Helland said DSD staff worked with the City's Economic Development Office in creating the proposed amendment. She said James Henderson, Economic Development Director, provided input from the business community. The Sign Code can become an important marketing tool for attracting employers.

Ms. Helland said she heard at least three Councilmembers in support of engaging the public in discussing the proposed High-Rise Sign Code amendment. She said staff will separate this issue from the other early win items for separate consideration.

Councilmember Wallace expressed concern about the lack of a square footage occupancy requirement for installing a high-rise sign. Responding to Mr. Wallace, Ms. Helland said the City cannot regulate the content or message on the sign. However, staff could restore the minimum square footage requirements and/or other criteria for determining which companies are allowed to have high-rise signs. Deputy Mayor Chelminiak noted that he does not want the signs to become billboards.

Mayor Stokes noted a Council consensus to delay the Sign Code issue for further study and discussion. He observed that Downtown signage matters to residents outside of the Downtown as well. He suggested it might be helpful to involve some of those stakeholders.

Ms. Helland said there is a prospective tenant interested in the Trammell Crow building who would like to have a high-rise sign. The company does not meet the current square footage threshold. However, the company would be a substantial tenant.

Councilmember Robinson expressed an interest in seeing how signs will look on high-rise buildings before they are installed. She expressed support for the extension of the Pedestrian Corridor.

Mayor Stokes thanked staff and the Planning Commission for their work.

(b) Request by Aegis Living to initiate and execute a Land Use Code Amendment to increase FAR (Floor area ratio) in the BR-MO District.

City Manager Miyake recalled that, in December and again early this year, the City received a request from Aegis Living for a Land Use Code Amendment to increase the floor area ratio (FAR) in the BelRed-Medical Office (BR-MO) District. Staff completed its analysis and determined that the work needed to implement an amendment is more extensive than originally anticipated. Following tonight's discussion, staff plans to bring this and other similar requests back to the Council for further consideration.

Planning Director Dan Stroh said the Aegis Living proposal falls at a time when there is already an ambitious work program established by the Council's priorities. He said Aegis acquired a site, completed design work, and received its land use permit late last year for a senior adult facility. Aegis is requesting an increase in the BR-MO District's floor area ratio (FAR) from 1.0 to 2.0 to allow a larger assisted living facility. Aegis proposes a fee in lieu payment of $15 per square foot to receive the increased FAR, which generates a fee of $500,000.

Mr. Stroh said the proposal would apply to the entire BR-MO District, which covers approximately 80 acres. He said staff's preliminary review identified specific direction in the BelRed Subarea Plan regarding the allowed FAR in the BR-MO District. He said a change in

FAR would require a Comprehensive Plan Amendment, which can only be executed once per year. Mr. Stroh said Aegis has requested adoption of the change by June. However, City staff would not be able to complete the CPA process within that timeframe. A CPA requires the involvement of the Planning Commission, a public hearing, State Environmental Policy Act (SEPA) review, and Council deliberations and action. Mr. Stroh reiterated that the process would need to address the appropriateness of that level of density across the entire BR-MO District.

Mr. Stroh referred to packet materials listing the benefits and challenges related to the requested change in FAR. The project would provide needed senior housing and generate funding for affordable housing (i.e., fee in lieu). Senior adult developments tend to generate fewer car trips than other uses. However, staff is cognizant of the work program already established by the Council.

Responding to Councilmember Robinson, Mr. Stroh said he will check the FAR for the Children's Hospital site. Ms. Helland noted that Children's Hospital is located in the Medical Institution District, which has different zoning regulations. The City allowed a rezone of that site to be consistent with the adjacent hospital site. Deputy Mayor Chelminiak said that action tied into the BelRed Plan Update as well.

Councilmember Robinson said she would consider the amendment for the Aegis Living site but is not interested in changing the FAR for the entire BR-MO District. She acknowledged that the Council's work program includes many priorities. However, it would be a significant benefit to have more senior housing in the community. Ms. Robinson said she would like to attach an affordable housing condition, even if the housing were to be provided at another site.

Responding to Deputy Mayor Chelminiak, Mr. Stroh said it is possible that a smaller geographic scope could be defined. Mr. Stroh said the proponents suggested changing the FAR for the entire district. Mr. Chelminiak said the project meets a need for the community's aging population. He is interested in considering the proposal and is open to considering an affordable housing requirement. He said it is good to have this type of facility located near hospitals and medical clinics.

Responding to Mr. Chelminiak, Mr. Stroh reiterated that June is the proponent's deadline and it would take longer than that to process a Comprehensive Plan Amendment (CPA). He said staff can conduct further analysis and bring back alternatives for Council consideration if desired. Mr. Chelminiak observed that, even if this amendment could not be processed as quickly as requested, he would like to consider an incentive for this type of adult care facility.

Responding to Councilmember Robertson, Mr. Stroh said Aegis has asked the Council to initiate the Land Use Code Amendment. Their position is that a CPA is not needed.

Ms. Robertson said she also does not believe a CPA is needed. She referred to the Land Use Code Chart for the BR-MO District, which allows a number of uses other than medical office, including a senior care facility being permitted outright. Ms. Robertson said the Comprehensive Plan refers specifically to medical offices in terms of limiting the FAR to 1.0. However, she

expressed concern that it might not be possible to complete a Land Use Code Amendment by June.

Councilmember Robertson said property owners in the BR-MO District have been requesting an increase in FAR for a couple of years. She supports having staff come back within a few weeks to present more information and alternatives. She would like to see the project move forward, if possible, to serve the need for this type of facility in Bellevue. Ms. Robertson said she would prefer to address amending the FAR for the entire BR-MO District instead of only for the Aegis site.

Responding to Councilmember Robertson, Mr. Stroh said the BelRed Plan review on the work program involves gathering information on public and private investments and on the ability to attract businesses. Staff will conduct outreach during the first quarter of this year and return during the second quarter for Council discussion and direction on the scope of the BelRed Plan Update. Mr. Stroh said the work on the transit oriented development (TOD) item cannot wait for the broader BelRed review due to critical path and timing issues related to the light rail project.

Responding to Ms. Robertson, Ms. Helland said the marijuana item on the work program refers to the need to establish marijuana research use regulations by August of this year.

Ms. Robertson said that, when staff brings the BR-MO issue back to the Council, she would like to see a greater level of analysis about whether a CPA is needed. As an option, what would be the process and timing for addressing the issue as a development incentive, as suggested by Deputy Mayor Chelminiak? If the issue is moved forward, Ms. Robertson said she will want to see an analysis of the fee in lieu for commercial versus residential uses.

Mayor Stokes said the proposal provides a good opportunity for the community. He concurred with the suggestions for further information and analysis.

Councilmember Wallace asked whether the Aegis request could be handled as a contract rezone.

Ms. Helland said she and Mr. Stroh planned to conduct additional research on the BelRed environmental impact statement (EIS) and other data to prepare the broader evaluation of whether a Comprehensive Plan Amendment is necessary. She said the contract rezone was a common practice prior to the State Growth Management Act. One thing staff is looking at is whether a general development agreement process should be established to be used as needed. Under current regulations, it is necessary to amend the Code to use the development agreement process for specific projects.

Mr. Wallace observed that the contract rezone process is relatively commonplace in Seattle. He said the Aegis project appears to be an appropriate candidate for an accommodation to meet the community's needs. He would like to find a way to grant the request for increased FAR. Ms. Helland said staff will continue to research tools and options for Council consideration.

Councilmember Robertson said it is not possible, under the Growth Management Act, to create a development agreement that is inconsistent with the underlying zoning. Ms. Helland said there might be a step to take advantage of the contract rezone tool. Ms. Helland said the City currently uses development agreements for specific projects. However, another option might be to create a general development agreement process that would expedite projects.

Councilmember Slatter expressed support for exploring options and finding a way to move the project forward. She said there is a need for senior living facilities. She supports the development of a generic process for future projects as well. She supports Councilmembers' requests for more information to determine whether a resolution by June is possible.

(c) First in a series of discussions to develop the 2017-2018 Budget and the 2017-2023 Capital Investment Program (CIP) Plan.

City Manager Miyake introduced discussion of the 2017-2018 Budget and the 2017-2023 Capital Investment Program (CIP) Plan.

Finance Director Jan Hawn said staff is seeking Council feedback on the Outcomes that will frame the next Budget and CIP Plan and on any other issues. She provided an overview of the Budget One process which identifies the community's broad Outcomes, or results that matter most to the community, and prioritizes services to achieve those Outcomes. Ms. Hawn said this is a performance-based budgeting approach aligned with the City's One City culture and focused on being understandable to the general public.

Ms. Hawn presented 2017-2018 Budget process improvements that were identified at the end of the last two-year process. The process will include an increased focus on performance measures and data, clarification regarding the roles of Boards and Commissions, and the incorporation of Council priorities and other recent work into the Results Teams' work from the beginning. During the last budget process, there was a recommendation to combine the Innovative, Vibrant and Caring Community (IVCC) and Quality Neighborhoods Outcomes into one Outcome.

Ms. Hawn presented an overview of the budget process calendar and major milestones. A budget workshop is tentatively planned for late March, and staff will develop its proposals during April. The first of three public hearings will be held in May. The Results Teams will rank the proposals, and the Leadership Team will review the proposals and rankings in July and August. The second public hearing will be held in July. The City Manager will present his preliminary budget in September/October and the third public hearing is typically held in November.

Ms. Hawn recalled the Outcome areas: 1) Safe community, 2) Improved Mobility, 3) Economic Growth and Competitiveness, 4) Innovative, Vibrant and Caring Community, 5) Quality Neighborhoods, 6) Healthy and Sustainable Environment, and 7) Responsive Government.

Ms. Hawn highlighted the 2015-2016 Operating Budget by Outcome. Staff recommends combining the Innovative, Vibrant and Caring Community Outcome and the Quality Neighborhoods Outcome. Previous Results Teams determined that the proposals often

overlapped and it was sometimes difficult to make distinctions between them. This was discussed with the Council in July 2014 but the decision was deferred to the next Budget process.

Ms. Hawn said the Council Vision and Priorities will be reflected in the cause and effect maps and in the Requests for Results by the Results Teams.

Councilmember Robinson expressed support for combining the two Outcomes as proposed. She suggested adding “connectivity” to the Improved Mobility Outcome.

Councilmember Wallace expressed concern that connectivity implies technology. He wants to be sure the wording does not commit to making radical changes to the transportation plan.

Councilmember Robertson observed that “connectivity” is consistent with the Grand Connection project identified in the Council Vision.

Councilmember Lee concurred with Ms. Robinson’s suggestion. Responding to Mr. Lee, Mr. Wallace clarified that he does not want technology to become a major part of the transportation budget.

Councilmember Robertson said she was thinking of transportation connectivity and not technology connectivity. She concurred with Mr. Wallace about not using transportation dollars for technology projects, which are addressed in other Outcome areas.

Ms. Hawn said staff will make sure the Results Team understands what is intended by revising the Outcome to Improved Mobility and Connectivity.

Mr. Wallace clarified that his concern was about changing the course of the City’s long-term transportation planning.

Responding to Councilmember Wallace, Ms. Hawn said the Environmental Services Commission is heavily involved in reviewing the Utilities budget. Mr. Wallace requested a schedule to demonstrate how the review of the Utilities budget integrates with the broader Budget process and to be aware of potential utility rates impacts.

Councilmember Slatter said she is the new Council liaison to the Environmental Services Commission and she will take that input back to the Commission.

Councilmember Wallace requested an update on the current budget’s resources and expenditures. Toni Rezab, Assistant Finance Director, said staff plans to bring that information for the March budget workshop.

Mayor Stokes thanked staff for the presentation and noted Council support for combining the two Outcome areas.

At 7:46 p.m., Mayor Stokes declared recess to the Regular Session.

Kyle Stannert
Acting City Clerk

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