

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
STUDY SESSION MINUTES

January 7, 2008  
6:30 p.m.

Bellevue City Hall  
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Orrico, Commissioners Ferris, Mathews, Robertson, Sheffels

COMMISSIONERS ABSENT: Commissioners Hamlin, Lai

STAFF PRESENT: Paul Inghram, Department of Planning and Community Development, Heidi Bedwell, Department of Development Services, Sheida Sahandy, City Manager's Office

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

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

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioners Hamlin and Lai, both of whom were excused.

3. PUBLIC COMMENT

Mr. Chris Mooi, 2211 156<sup>th</sup> Avenue NE, said his company remains appreciative of the support of the Planning Commission for what have been called pioneering projects. He said all plans are in motion to construct senior housing on the former Angelo's Nursery site; the project is currently in the master plan stage. The Commission was urged to recommend to the Council that mechanisms be put in place that will allow early projects to proceed. The project has been caught in the unexpected consequence of the recent change made to the maximum densities in the transit nodes in the Bel-Red corridor, which ratchets up the densities from an FAR of 2.5 to 4.0. It appears the change has been made to make the incentive fees work; adjusting incentive costs down would have been another option. Most of the nodes are allowed a maximum height of 125 or 150 feet, but the Angelo's site has a height limit of only 70 feet. That means it simply will not be possible to achieve more than a 2.5 FAR on the site. The height limit also means all required parking will have to go underground at twice the cost. Given that underground parking has not been incentivized, there is a considerable impact. Since the development will only be able to achieve 60 percent of the allowable FAR, the incentive fees for the site should be set at 60 percent. The Commission should recommend to the Council that the final approach maintains a level playing field for all sites.

Mr. Greg Johnson with Wright Runstad allowed that much has happened since the spring of 2008 when the issue of the Bel-Red corridor was before the Planning Commission. The vote on Sound Transit was positive, ULI completed its study, and there has been progress made on the mobility and infrastructure finance plan, which is critical to the development of the area. The economic

downturn, however, remains a concern. The Commission should consider commenting to the Council on a couple of topics. First, large-scale master plan development approvals should be allowed to vest for 15 years. Large projects have very large front-loaded capital and infrastructure requirements; without 15-year vesting for a project such as the Spring District, the decisions made up front may not ultimately serve well the redevelopment of the Bel-Red corridor. The second topic is incentive zoning fees. Everyone in the city must pay fees related to development, and for the most part they can assumed to be equal. However, there are additional transportation impact fees under consideration for the Bel-Red corridor. The development of a local improvement district in the corridor would also add costs. The big one, however, is the matter of on-site public infrastructure which is tied to the development of 16 blocks with roads and utilities and which under the code must be privately paid for and then turned over to the public. Costs inside the Bel-Red area will be three times higher than for similar projects outside of the corridor; adding incentive fees to the total brings the tally up to six times the outside costs. ULI addressed that issue in its study and highlighted the need for an offset. The public cost burden as currently set undermines the viability of redevelopment for Wright Runstad. The company is working with staff on different Sound Transit configurations for the NE 15th Street/NE 16th Street alignment which may ultimately reduce the overall roadway width.

#### 4. APPROVAL OF AGENDA

The agenda as submitted was approved by consensus.

#### 5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS

Chair Orrico reported that she attended the Council meeting on January 5 and made a report regarding the package of Comprehensive Plan amendments. There were some differences of opinion expressed with regard to 140<sup>th</sup> Avenue NE.

#### 6. STAFF REPORTS

Comprehensive Planning Manager Paul Inghram said staff has been directed to prepare ordinances for Council action on the Sambica and Coal Creek Comprehensive Plan amendments. With regard to 140<sup>th</sup> Avenue NE, staff will be back before the Council on January 20 to continue the discussion. The anticipation is that the Council's discussion will mirror the one the Commission had. The Council will focus on whether or not they want the project at all; further modifications to the project description if it is to go forward; and the possibility of changing the priority for the project.

#### 7. STUDY SESSION:

##### A. Green Building Briefing

Associate Planner Heidi Bedwell said she and Urban Design Planning Manager Liz Stead are serving as co-leads for an internal team focused on green buildings. Mr. Inghram added that the focus is on across the board issues ranging from operational/management issues to building code issues, some of which goes beyond the purview of the Commission. When the focus is turned to the 2011 Comprehensive Plan update, the Commission will be directly involved in how to incorporate environmental and green building issues.

Commissioner Sheffels asked if it takes longer to permit green buildings. Ms. Bedwell said the team has been talking to other jurisdictions about their experiences with green buildings. She

said there is some anecdotal evidence that jurisdictions not completely familiar with green building techniques take longer to issue permits. One recommendation that could be made would be to give green projects a higher priority to work through the process; other jurisdictions have taken that approach, including Kirkland and King County.

Commissioner Ferris commented that the Governor has put out a challenge relating to carbon neutrality. LEED is one measure of green buildings, but there are environmental considerations beyond that measure that get into reducing overall carbon emissions that come from development as cities develop. There is a fair amount of work that has been done that may shed light on what the urban fabric will need to look like to achieve that goal. It is likely that will mean more mass transit and fewer personal cars and many things that are currently embedded in the planning process. He suggested that the Commission should know what the challenges are so that in going forward with Comprehensive Plan amendments they can be addressed.

Ms. Bedwell said that is something about which staff can come back with more information. She allowed that the data goes beyond just how buildings are constructed to focus on the big picture. There certainly will be issues brought to the table before the work begins to update the Comprehensive Plan for 2011.

Commissioner Robertson asked if any focus is being given to deconstruction incentives. She noted that twenty-some percent of the waste stream comes from construction debris. Ms. Bedwell said the green team has that on its radar screen. She said the team will be looking at ways to incentivize if not outright require some activities related to deconstruction.

Commissioner Robertson asked if the city has a permitting process in place for the installation of solar panels. Ms. Bedwell said she did not have knowledge of specific permit requirements concerning solar panels but allowed that the building code does address how the panels are affixed to structures.

Commissioner Robertson noted that energy issues have been around for a long time; Bellevue even offers rebates for energy efficient appliances for homeowners. She asked if anyone has looked at ways to improve energy efficiency through the code. Ms. Bedwell said the code that applies in Bellevue is the International Building Code, which is a higher standard than some have in place. She said the green team has expertise in all areas and will be looking for consultant dollars to review the code with an eye on making improvements related to energy efficiency.

Ms. Bedwell said in the next two to three months the green team will be working to develop details regarding an internal work plan. She said the Commission will be kept informed as the process moves forward.

#### B. Updated Bel-Red Plan and Code Package

Mr. Inghram provided the Commission with an update regarding the progress made by the Council since the Commission handed off its Bel-Red recommendation in September. He stressed that the Commission was not being asked to revisit its recommendation or craft a new one. He added that the Commission is free, however, to provide comments to the Council on the revisions to the plan and code package as appropriate.

Mr. Inghram said representatives of the involved boards and commissions spoke to the Council on September 22. Since then the Council has conducted a number of discussions on the topic. Work on Bel-Red was put off in November and December to focus on the budget. The approved

budget included some additions to the CIP and changes to the financing structure to provide support for Bel-Red.

The Council picked up its review again on January 5 and most of the discussion was focused on six specific properties that have come in asking for changes to the proposed zoning. The issue will be before the Council again on January 20. The goal is to complete the review of the subarea plan on that date, allowing the Council to take action on February 17 prior to taking action on the East Link light rail route.

The Council is continuing to work with Redmond concerning BROTS issues. Continued review of the Land Use Code package will pick up again after adoption of the subarea plan; action on the Land Use Code package is planned to occur in March. The Council is continuing to discuss financing tools, including traffic impact fees and local improvement districts.

Mr. Inghram said the discussions regarding the Comprehensive Plan have been primarily focused on a handful of key components. The revisions proposed to the Council since the Commission submitted its recommendation are generally limited to the Medical Institution District language. The previous language talked about the Overlake Hospital campus, but there was a recognition that the reference should be to the Medical Institution District given that there are in fact three institutions located there, not just the one hospital. There were also some slight differences made from what was adopted on August 4 in response to the Children's Hospital proposal.

Mr. Inghram said specific zoning map changes have been made to be consistent with the subarea plan and zoning map.

On the Land Use Code side, there have been more extensive revisions. In part the changes have resulted from time spent by staff in thoroughly reviewing and finessing the language. There have been both technical changes intended to improve the general readability of the code and substantive changes triggered by additional review or Council direction. On the technical side, the changes have included the moving of some text and making sure the code is consistent with the Land Use Code on a citywide basis. There have also been considerations given to the need to educate the land use review staff on how the Bel-Red code works. Changes were made to some things that needed to be improved in the way they are applied and administered. The design guidelines were also revised from landscape to portrait format to fit better into the code.

With regard to the 0.5 FAR phasing limit to apply until a financing strategy is in place, Mr. Inghram said the anticipation is that a financing strategy will be adopted prior to adoption of the Land Use Code. If that happens, the phasing limit section will be removed in its entirety.

Another substantive change involves the floor plate maximum. Mr. Inghram reminded the Commissioners of the discussion they had about what the floor plate limits should be for residential buildings up to 70 feet. The recommendation of the Commission was to remove the language altogether, but staff holds the view that there should be some sort of backstop in place. The staff recommendation to the Council is to use the same floor plate limit in place on the commercial building side, which is 28,000 square feet.

With regard to the 20 percent residential requirement in the OR-1 and OR-2 zones, Mr. Inghram said as drafted in the Commission's recommendation, the requirement would have to be met at each phase of a master development plan, though much of the requirement could have been met up front rather than in later stages. The staff proposal modifies the language to allow for greater timing flexibility over the course of the master development plan. Under the staff approach, a development could lead with an office development and follow up later with residential,

provided that the overall objective of 20 percent is met in the master plan.

The recommendation of the Commission was left open with regard to how the incentive system should be fully implemented. The Council spent time reviewing the recommendations from ULI. The city's consultant also recommended changes to implement many of the ULI findings. The proposal includes increasing the FAR in the nodes up to 4.0, keeping the base at FAR 1.0, and expanding the Tier 1 portion of the incentive system to extend up to FAR 3.5; Tier 2 would increase the allowable FAR from 3.5 to 4.0.

An adjustment to the incentive ratio has also been proposed. In addition to increasing FAR, the recommendation based on the ULI findings is to base the ratio on a value of \$15 per square foot, which is lower than the initial range of \$19 to \$40 per square foot.

With regard to implementing park improvements, Mr. Inghram reminded the Commissioners that the initial recommendation included a bonus that included both improving and dedicating park space. The proposal is to split those into two separate bonuses.

The ULI report included a recommendation for application of the incentive system outside the nodes up to FAR 2.0. The Commission had recommended increasing only two of the zones to FAR 2.0.

Staff disagrees with the comments of ULI regarding underground parking. Accordingly, staff has recommended not including underground parking. ULI recommended waiving fees for affordable housing, which staff agrees with. The transfer of development rights was also encouraged by ULI, both locally within the Bel-Red corridor as well as King County regionally. King County has made an offer to the city to partially subsidize up to 75 TDR units, and the City Council is reviewing that matter.

ULI recommended eliminating the phasing provision that was in the Commission recommendation. Initially staff disagreed because of the need to have a financial strategy in place. Now that it appears a financing strategy will be adopted first, staff agrees the phasing section should be pulled.

Referring to the land use charts, Mr. Inghram reminded the Commissioners of the discussions regarding the inclusion of E's to recognize existing uses. To prevent confusion, staff has removed the E's from the chart and included a footnote indicating that existing uses are regulated pursuant to the existing use code section.

The changes to the dimensional charts include the changes to FAR in line with the ULI recommendations as well as the changes to the floor plate limits. Some changes intended to clarify things have also been made to the charts.

Mr. Inghram outlined the changes to the amenities system as they appear in the code.

Commissioner Mathews brought the attention of the Commission back to the 20 percent residential requirement in the OR-1 and OR-2 zones and raised the issue of what would happen if development is allowed to move ahead with commercial first but never gets back around to constructing the section of the master plan that has the housing. He stressed the need to make sure additional affordable housing is brought online in the corridor.

Commissioner Sheffels asked if the master plan process that has a requirement for 20 percent housing can be tied to the request of Wright Runstad to allow master plans to vest for 15 years.

Mr. Inghram allowed that the issues are certainly related, though they may not be directly tied to each other. He said the recommendation of the Commission was to mirror the citywide vesting approach, which allows vesting for up to ten years. Vesting does not necessarily restrict the timing of a master plan, and there is no necessity to have the vesting tied to the master plan.

Commissioner Ferris said the concern of the Commission relative to integrating housing was to avoid having a node with no activities for residential dwellers on evenings and weekends. He suggested there should be some balance could be found by requiring the submittal of a master plan outlining how all of the pieces are going to come together, then allowing the development of a certain percentage of the commercial before having to bring housing online. Mr. Inghram agreed that the proposed approach would increase the risk that a developer would construct the office portion and then just go away and not fulfill the final phase of the master plan. The submittal and approval of a master plan will carry with it certain obligations on the land to meet the outlined residential development. The developer could not simply put more commercial on the site, and any subsequent property owner would also be bound by the master plan requirements.

Commissioner Sheffels asked how FAR is measured to determine compliance with the incentive system in buildings that have both office and residential square footage. Mr. Inghram answered that the office and residential components would be looked at as if they were in two separate buildings.

Chair Orrico called attention to paragraph 3.b on page 53 and noted that the suggested language revision retains the calculation for dedicating areas, but left out the sentence "The Director shall calculate subject to the following criteria...." She also called attention to paragraph C.3.b on page 55 and asked if it was intended that to get to Tier 2 a developer must provide both affordable housing and parks or stream restoration. Mr. Inghram said that was in fact the intent.

Commissioner Sheffels noted that on page 92 the language talks about transit and adds light rail. She commented, however, that light rail is still a number of years away and suggested adding in a reference to bus rapid transit to cover the interim.

Commissioner Sheffels also pointed out that the language on page 61 talks about public art and makes it clear the landowner must maintain the area on which the public art is situated. She asked if the landowner is also required to maintain the art itself. Mr. Inghram allowed that they must in the same way they must maintain the building itself.

Commissioner Mathews referred to paragraph 3.a on page 86 and questioned use of the phrase "...minimum of 100 percent...." He said the same reference is made in paragraph 4.c on page 82.

Commissioner Ferris observed that both speakers who addressed the Commission earlier in the meeting spoke to the issue of fees and the funding mechanism. He suggested that because the Commission did not play a role in developing the funding mechanism, it would be somewhat out of order for the Commission to come back with a recommendation to the Council concerning that topic. If the Commission is expected to weigh in, there will need to be a briefing outlining what steps were taken and the arguments presented in getting to what the Council put together.

Commissioner Mathews said his opinion after reading the ULI report was that there is still a ways to go on the funding mechanism. It appears in its current configuration to be cost intensive for developers. He said he hopes the Council and staff will continue looking diligently for options that will work for developers as well as the city, which will need to construct a lot of expensive infrastructure.

Commissioner Sheffels agreed. She said the Commission recognized from the start that incentives will be needed to entice the pioneer developments. In doing so, however, it will be necessary to strike a happy medium.

Chair Orrico agreed as well. She asked if the mechanism for reviewing the incentives over time that was included in the Commission's recommendation includes a review of the funding mechanism. Mr. Inghram said the review process will be a city process, and whether the responsibility will rest with the Council or the Commission will need to be decided by the Council at the time each subsequent review occurs. To date, the Council has not relinquished its hold on the financing or incentive systems.

Commissioner Ferris expressed the view that the current financial downturn has set development back two or three years. The downturn was unforeseen, and additional downturns could occur in future years. Given that, there should be some reasonable consideration given to allowing longer vesting periods under the master plan process for large developments.

Commissioner Sheffels suggested sending to the Council a memo indicating that the Commission reviewed the revisions to the code language and with only minor exceptions agreed with them. The memo should reiterate the support of the Commission for giving special consideration to the pioneer developers. Mr. Inghram expressed some hesitancy to take that approach because the recommendation does not tend toward a direct amendment to the code. He suggested forwarding instead the specific recommendations for changes. The Commission's original recommendations and support for development are expressed in the existing Transmittal memo already provided to the Council.

Mr. Inghram shared with the Commissioners illustrations created by Makers to show what the Bel-Red area might look like as it redevelops. He said the sketches have been shared with state delegates, Sound Transit and other agencies to help make the case for Bel-Red more regionally.

## 8. APPROVAL OF MINUTES

### A. September 24, 2008

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

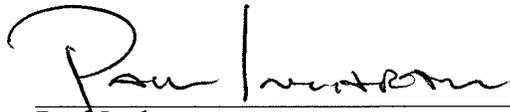
## 9. PUBLIC COMMENT

## 10. NEXT PLANNING COMMISSION MEETING

The Commissioners reviewed the items on the agenda for the January 28, 2009 Commission meeting.

## 11. ADJOURN

Chair Orrico adjourned the meeting at 7:50 p.m.



Paul Inghram  
Staff to the Planning Commission

2/25/09  
Date



Vicki Orrico  
Chair of the Planning Commission

2/25/09  
Date