

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
MEETING MINUTES

March 30, 2005  
7:00 p.m.

Bellevue City Hall  
City Council Conference Room

COMMISSIONERS PRESENT: Chair Lynde, Vice-Chair Bonincontri, Commissioners Bach, Mathews, Orrico, Robertson

COMMISSIONERS ABSENT: None

STAFF PRESENT: Kathleen Burgess, Mary Kate Berens, Heidi Bedwell, Kevin O'Neill, Department of Planning and Community Development

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 7:06 p.m. by Chair Lynde who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

3. APPROVAL OF AGENDA

The agenda was approved by consensus.

4. STAFF REPORTS – None

5. PUBLIC COMMENT – None

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

7. STUDY SESSION

- A. Land Use Code Amendment  
– Critical Areas

Legal Planner Mary Kate Berens suggested three options for how to deal with existing nonconforming development as it relates to the proposed critical areas regulations: 1) exempt existing developed lots from the new buffer widths; 2) consider such development to be nonconforming; and 3) consider such development an allowed use. She also suggested a site-specific option which would allow for modification of the placement of the buffer to leave all existing development outside of the Protection Zone.

Ms. Berens said 90 percent of all existing lots near critical areas in Bellevue are already developed. Along the shores of Lake Sammamish and Lake Washington there are only 14

privately owned vacant parcels that are within Bellevue. The vacant parcels that do exist are scattered and under separate ownership.

The issue of nonconformance has for many years been a concern for local residents. Most believe that the label “nonconforming” equates to a reduction in property values. Ms. Berens said staff spoke with the County Assessor’s Office and found that assessed value is based on comparable sales, which would seem to indicate that a nonconforming status has no impact.

Bellevue is relatively generous when it comes to nonconforming uses outside of critical areas. Nonconforming uses are allowed to expand, as are nonconforming structures; in single family areas, structures that are nonconforming to setbacks are permitted to expand along the line of nonconformity. Those permissions have to some extent been carried over to the critical areas regulations to some degree. Nonconforming single family development along stream corridors is allowed to expand. Streamside commercial and multifamily development is not considered nonconforming but must comply with all nonconforming rules. Nonconforming uses adjacent to wetlands are not afforded the same treatment, however.

Ms. Berens showed the Commissioners a graphic depicting an existing development that is in conformance to both the current and proposed critical areas setbacks. Another graphic showed a single family structure that, while conforming to the current regulations, would be made nonconforming under the proposed setbacks. Under the first alternative, existing development would be exempted from the buffers and therefore would remain conforming. Under the second alternative, the structure would become nonconforming, and the rules allowing repair and expansion would apply. Under the third option, the code would not say the structure is nonconforming but rather would provide a list of existing or allowed uses and establish rules for those uses, including repair, remodeling and some expansion with a hierarchical preference for expansion away from critical areas.

Under the site-specific option, the buffer line would be drawn in accord with the proposed setbacks for critical areas, except that it would be drawn in a manner that accommodates all existing structures. The approach would satisfy the concerns of property owners relative to having nonconforming structures by drawing the Protection Zone line to exclude the structures. Expansion would still be considered if no other expansion is feasible, though some mitigation could be required. The downside to the option is that property owners would have no incentive to improve degraded conditions.

Ms. Berens said the staff recommendation is for the site-specific approach. Bellevue is largely developed as an urban area, and expanding buffers will not result in structures being pulled out of critical areas or the buffers returning fully to native vegetation. Existing houses will be maintained and improved over time, and the nonconforming label will provide the city no great advantage.

There are existing structures that are nonconforming even to the current setbacks and buffers. Ms. Berens said staff is not suggesting any buffer modifications in those cases. In no instances should the buffer be reduced to less than it is under the current standards. Under the site-specific option, the buffer would be drawn to go around the footprint of the primary structure only, with accommodations for minor building elements such as bay windows, eaves, decks above 30 inches, and fireplace chimneys, all of which are allowed to intrude into setbacks without being considered part of the primary structure. The line would not be drawn to accommodate patios or garden sheds.

Many areas that will be included in the new buffer widths are areas that for many years people have cared for and used as yards. Ms. Berens said staff has reconsidered the previously rejected

zonal approach to establishing the buffers to capture some of the incentives that might otherwise be lost. Some flexibility could be incorporated which would allow for the maintenance of yard uses in areas away from the stream in return for enhancements to areas near to the streams. More intensive mitigation could still be required where major revisions to an existing use are planned.

Chair Lynde suggested that the proposed approach could prove to be a bigger issue for properties along the lake shorelines where there are a number of older homes which could be ripe for a complete tear down and rebuild with a much larger structure. She allowed that the 100 percent of value trigger would come into play and the new structure would have to conform to the new regulations. Ms. Berens said the ordinance could match the Protection Zone to the existing structure footprint and allow the existing setbacks and buffers to apply provided the new development exactly matches the existing structure footprint. She said the percentage trigger is a carryover from the existing general nonconformance regulations which when met generally requires full compliance with all current standards. Because of the need to protect critical areas, nonconforming uses in critical areas could be treated differently by setting the percentage threshold much lower.

Commissioner Robertson suggested that where there is a complete tear-down, and if there is sufficient room, the new structure should conform to the best available science buffer widths.

Commissioner Bach commented that while there is a stigma attached to the issue of nonconformance, there is no actual monetary drawback. Perceptions will only be changed through education, and even that will not be effective in all cases. Ms. Berens agreed and said that is why staff came up with the alternatives that keep the issue of nonconformance at bay and still achieve most of what would be achieved with the full buffer width.

Commissioner Mathews proposed that while the suggested approach will be acceptable to most property owners, it may diminish to some degree the importance of the message the homeowners need to hear regarding the value of the buffer zone. He said he would rather be straightforward, get the attention of the property owners, and use the opportunity to educate them.

Commissioner Bonincontri said the site-specific option will serve the homeowners best. It avoids the whole issue of nonconformity and the confusion the label carries with it. The simpler approach will be the better approach and will be much easier to both understand and implement.

Commissioner Mathews commented that where someone does a complete tear down, the property owner may not be able to build anything with the buffer zone. Ms. Berens said the owner may have the ability to rebuild within the original footprint. Associate Planner Heidi Bedwell said the 100 percent threshold can be triggered with far less than a full tear down. With the expanded buffer dimensions, there may be instances in which the line may completely incorporate the original structure.

Ms. Berens allowed that in terms of process it is simpler in many respects to have the structure footprint be the buffer boundary. The stewardship option could be used as an incentive for moving the line outside the footprint of the structure, but where a property owner is motivated by a desire to make changes to an existing structure, the hierarchy encouraging development away from the buffer zones should come into play.

Ms. Bedwell said Mukilteo recently adopted an ordinance in which properties with existing development are subject to the buffer in place prior to adoption of the new ordinance. The new buffer in fact only applies to vacant properties.

Commissioner Mathews said he did not have a particular problem with expansions into the buffer zone, provided the buffer zone sees some improvements and its importance is not lost sight of by the property owners.

Chair Lynde said the proposal does not make it impossible for a property owner to move further into a buffer zone, provided improvements are made to the buffer. The fact is the existing buffers are not working all that well, which is why there is a need for a new approach. She said she would not want to adopt the site-specific approach.

There was consensus not to take the site-specific approach.

Commissioner Bach suggesting revising the percentage trigger threshold to be 125 percent instead of 100 percent to allow more remodeling work to be done without exceeding the limit.

Commissioner Bonincontri said one approach would be to not count the replacement of plumbing or electrical systems toward meeting the threshold; those activities do little if anything to change the footprint of a structure. Roofing is also a maintenance task that has no impact on structure footprint.

Ms. Berens agreed to bring back some examples to see how changing the percentage threshold might play out.

Commissioner Robertson said another approach would be to exempt remodels that do not change the footprint of the existing structure at all. Chair Lynde said she would want to add a restriction on changing the footprint for at least three years afterward if that approach were adopted.

Ms. Berens said that option would not be unlike the site-specific approach. Nonconformity deals with three development actions: expansions, remodels, and rebuilding after catastrophic damage. There is general consensus with regard to how expansions should be dealt with across each of the options. If the best available science buffers are imposed, the triggers will come into play with remodels of nonconforming structures. If a remodel is in fact exempted if it occurs within the same footprint, the net effect would be the same as drawing the line around the footprint, which is the site-specific option. Where there is rebuilding due to a catastrophic loss, rebuilding within a year is allowed to occur on the same footprint, which also points back to the site-specific approach with regard to where the line should be drawn.

Answering a question asked by Commissioner Mathews, Ms. Berens said the city would only require improvements to a buffer area in cases of new disturbance. That is because no argument could be made regarding new impacts unless expanding beyond the original footprint.

Commissioner Robertson suggested that if the footprint of a structure stays the same with a remodel or even with a complete rebuild, the property should not have to come into compliance. Where no expansion of the footprint is contemplated, there should be no percentage threshold trigger either.

Commissioner Orrico suggested that the approach may need to be different in those instances where the best available science buffer line brings half or more of an existing structure into noncompliance.

Chair Lynde agreed, noting that while it could be said the damage has already been done, improvements could be obtained by enhancing the buffers already in place. It should not always be necessary to require such structures to move back out of the buffer area. She proposed retaining the percentage threshold and requiring improvements to the buffer when the threshold

is exceeded.

Commissioner Bach suggested that it would be highly unlikely a property owner would choose to move a structure out of the buffer zone absent a huge incentive.

Commissioner Bonincontri suggested establishing the best available science buffer line as outlined. Any remodel that exceeds the replacement value percentage threshold should kick in a requirement to either fully comply or provide some mitigation. There was consensus in favor of taking that approach.

## B. Economic Profile

Strategic Planning Manager Kevin O'Neill explained that the economic profile document is still in draft form, but pointed out that no substantive changes are anticipated to be made prior to finalization. The profile was developed in an attempt to provide a foundation of understanding about Bellevue's economy and economic trends. Over time the information will need to be regularly updated to keep from being out of date; in order to do that, it is necessary to identify what the data sources are. The Council is currently engaged in deliberations concerning Bellevue's economic development strategy, and the document is intended to inform that process. The city is also working with area jurisdictions to develop a regional economic strategy, and the economic profile documentation will support that process as well.

The document is quite large. It includes chapters on employment, wages and income, major employers and business patterns, population and labor force demographics, commercial real estate vacancy trends, and Bellevue's economy and the regional economy. The document begins with an executive summary that provides a short synopsis of the data contained in the various chapters. Key findings from each chapter are highlighted at the beginning of each chapter.

Mr. O'Neill said in 1970 Bellevue was essentially still a bedroom community, with far more residents than jobs. Job growth doubled during the 1980s and doubled again in the 1990s. Population growth was quite high during those decades as well, but job growth led the charge to where by 2000 the city had 130,000 total jobs and 110,000 residents.

The Commissioners were told that there is a difference between total jobs and covered jobs. Mr. O'Neill said covered jobs are those jobs covered by the state's Unemployment Security Division; covered jobs make up 85 to 90 percent of the total number of jobs in Bellevue. Sole proprietors are not in the covered jobs category, and Bellevue is home base for many sole proprietors.

Bellevue has four major employment centers. Downtown is the primary employment center; it has the highest employment densities in the city and second highest in the region after downtown Seattle. Of the 120,000 or so covered jobs in the city, however, only about 35,000 of them are in the Downtown. There are about 40,000 jobs in the SR-520/Bel-Red corridor, another 30,000 or so in Factoria/Eastgate, and some 15,000 in the 116<sup>th</sup>/Bellfield area. Crossroads is not a major employment center, but it is a major commercial area.

By 2002 nearly half of all Bellevue jobs were in the finance, insurance, real estate and services (FIRES) sector. Most of the job growth in Bellevue, and indeed in the region, has been in that sector. Another important sector for Bellevue is the wholesale, transportation, communication and utilities (WTCU) sector, of which communications is the most important subsector. Bellevue is also home to a lot of retail jobs. The high tech cluster makes up about 16 percent of the city's job base.

There are some 1.1 million covered jobs in King County, and Bellevue has about 10 percent of that total even though it has only about seven percent of the overall population. Bellevue has 13 percent of all FIRES jobs and 16 percent of all high tech jobs in King County. During the period between 1995 and 2002, jobs in Bellevue grew by 17 percent overall, but communications jobs grew by 36 percent. Other sectors that are seeing significant growth include educational services and business services.

Mr. O'Neill shared with the Commission a graphic showing the top 12 employers in Bellevue in terms of numbers of employees. He said each of the top employers has more than 800 employees. Bellevue does not, however, have a single large employer on the scale of Microsoft or Boeing, which speaks to how diversified the city's economy is. There are more than 250 business locations in Bellevue that employ more than 100 people.

In deciding where to locate a company headquarters, there are both economic and quality of life issues that come into play. Of the 25 largest software development companies that are either headquartered in the region or have their area headquarters in the region, 11 are in Bellevue. Other types of firms headquartered in Bellevue include real estate and construction, tourism, information technology, and professional services. A large percentage of the 100 largest public companies in the state are headquartered in Bellevue. The list changes frequently given the nature of business, but the upshot is that Bellevue is a very attractive place to have a home office.

Businesses in Bellevue that employ fewer than 20 persons collectively make up about 20 percent of the overall employment picture but 82 percent of the overall number of business locations. Only four percent of the total number of business locations employ 100 persons or more, but they represent more than half of all the jobs. Clearly both major employers and small businesses are important to the economic fabric of the city.

Nearly half of the businesses in Bellevue that are registered with the state are sole proprietorships. Those jobs do not show up in the category of covered jobs. Nationally, most small businesses begin as sole proprietorships and as such play a very important role in the economy.

Between 1995 and 2002 the number of covered jobs in Bellevue rose by 17 percent, which was more than the percentage increase for Seattle, King County, and the region as a whole. The growth experienced for the Eastside of King County was 29 percent. Between 1995 and 2000, jobs in Bellevue grew 28 percent, but during the economic downturn between 2001 and 2002 the city lost eight percent of its jobs, which was close to 10,000 jobs; the hit Bellevue took was worse than that of the Eastside as a whole, King County, Seattle, and the entire region. Bellevue is not immune to the economic cycles that occur across the nation and in the Puget Sound region.

Three out of every four jobs in Bellevue between 1995 and 2002 were in the FIRES sector. The subsector with the highest growth was high tech. The overall number of business locations in Bellevue rose between 2001 and 2002 despite the economic downturn, and all of it was due to small businesses. Job growth is continuing to occur, but by the end of 2004 the number of jobs was still not back up to the 2001 levels.

During the economic downturn the office vacancy rate in downtown Bellevue rose from a low of about two percent in 2000 to a high of 26.4 percent in 2002. By the fourth quarter of 2004 the vacancy rate had fallen to 11.1 percent, and as of the first quarter of 2005 the rate stood at 10.8 percent. Analysts believe the rate will continue to drop and be at about seven percent by 2006. Vacancy rates serve as an indicator of economic health, but they also serve to indicate when new development will come online.

Mr. O'Neill said Bellevue's demographics are very favorable for economic growth. There is a sustained population growth overall, very high education levels compared to the county and the nation, higher than average incomes, and a very high percentage of workers in management and professional jobs. One issue of concern, however, is that Bellevue is experiencing a decline in its labor force population. Between 1990 and 2000, the population of the city that is in the labor force went from 73 percent to 67 percent. In part that is owing to an increase in the senior population. Bellevue also has a dearth of residents between the ages of 19 and 44 who are in the labor force. The 2000 Census pointed out that 38.7 percent of the Bellevue residents who are in the work force actually work in Bellevue. That percentage is higher than King County, Kent, Kirkland and Renton, on a par with Redmond, but considerably lower than Seattle.

The Commission was shown a chart on which the annual average wages for King County, the Puget Sound region and the state were compared. The lines closely tracked the economic upturns and downturns by year. Clearly a job is not just a job, given that some jobs pay far more than others, making it possible for workers to have an improved quality of life. Bellevue residents and households tend to have higher than average incomes. Several of the employment sectors that pay high or moderate wages have concentrations in Bellevue, including communications, real estate, business services, and engineering, accounting and management.

With regard to the Regional Economic Strategy, Mr. O'Neill explained that the Puget Sound Regional Council looked at the entire regional economy, reclassified it into clusters of its own choosing, and identified the clusters that have a regional ratio of 1.0 or more when compared against the same clusters nationwide. Ratios of 1.0 or above indicate a cluster that is as strong if not stronger than the national economy for the same cluster. In the greater Puget Sound region, there are some 14 clusters with a ratio of 1.0 or above, which is very positive and which speaks to the diversification of the economy.

Using the same clusters from the Regional Economic Study, it was possible to compare Bellevue to the region and to the nation. The resulting chart showed the strength of Bellevue's economy to be in the information technology cluster, followed by business services, aerospace, and environment and alternative energy. A very high percentage of Bellevue jobs are in the information technology cluster; overall, 35 percent of all Bellevue jobs are in the top five clusters.

Commissioner Orrico asked how the desire to have Bellevue workers earning higher than average wages compares against the desire to increase the number of younger residents in the work force. Mr. O'Neill said the demographic data suggests that many of the younger workers who are in the high-wage job sectors in Bellevue do not live in Bellevue. From an economic development standpoint, that is okay, but from a growth management standpoint, drawing workers is associated with infrastructure needs and other impacts.

Mr. O'Neill said the final draft will be published in April. It will be posted on the city's website as well and will be presented to other boards and commissions in the city as well as to stakeholder groups. The document is intended to bolster the city's economic development and marketing efforts.

8. OLD BUSINESS – None

9. APPROVAL OF MINUTES

A. January 26, 2005

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

B. March 9, 2005

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

10. NEW BUSINESS

Commissioner Orrico reported on her attendance of an Eastside Transportation Partnership meeting at which Ron Sher was speaking about the vision of the Cascade Conservancy group for how to protect and enhance livability. She suggested that the Commission could benefit from having the same presentation.

11. PUBLIC COMMENT – None

12. ADJOURNMENT

Chair Lynde adjourned the meeting at 9:14 p.m.

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Staff to the Planning Commission

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Date

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Chair to the Planning Commission

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Date