

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MEETING MINUTES

May 3, 2006
7:00 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

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

COMMISSIONERS ABSENT: Commissioners Robertson, Orrico

STAFF PRESENT: Kathleen Burgess, Lesa Hutnak, Emil King, Patti Wilma, Department of Planning and Community Development

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 7:08 p.m. by Chair Bonincontri who presided.

2. ROLL CALL

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

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. PUBLIC HEARING

- A. Land Use Code Amendment
– F-3 Lot Coverage

Legal Planner Lesa Hutnak said the Factoria area was annexed into the city of Bellevue in 1993. The F-3 zoning was created at the time of annexation, and the pre-annexation agreement granted a maximum of 950,000 square feet of development within the land use district. The zoning regulations that became effective at the time of annexation also imposed dimensional requirements on the F-3 district, including a maximum lot coverage of 35 percent.

The Newport Corporate Center is located within the F-3 district in the Factoria subarea. It is a six-building complex with approximately 860,000 square feet. The remaining 90,000 square feet

permitted under the development cap cannot be realized, however, because of the 35 percent lot coverage limitation, unless existing and functional buildings are first demolished. Bentall Capital, owner of Newport Corporate Center, has requested an increased lot coverage in the F-3 district to allow for building out to the 950,000 square foot cap. The proposed amendment would allow Bentall to remove Two Newport, a small building in the center of the site, and replace it with a larger building. The proposed new building can meet all of the dimensional requirements of the F-3 district except the 35 percent maximum lot coverage.

On November 14, 2005, the City Council initiated a Land Use Code Amendment in response to a request made by Bentall to increase the allowable lot coverage within the F-3 district from 35 percent to 40 percent. Staff first introduced the amendment to the Planning Commission on March 8, 2006, at which time the Commission set a public hearing date. Notice of the public hearing has been published, and no written comments have been received.

Ms. Hutnak said the recommendation of staff is for the Commission to approve and forward to the City Council for final approval the Land Use Code amendment as proposed.

Motion to open the public hearing was made by Commissioner Sheffels. Second was by Commissioner Lynde and the motion carried unanimously.

Mr. John Jackson, Vice President for Development for Bentall Capital, said when Factoria was annexed to Bellevue in 1993 the 950,000 square feet of maximum building area was established, along with a building height of 75 feet and the 35 percent lot coverage. The Newport Corporate Center project was originally constructed under King County zoning, which included a 75 percent impervious surface requirement rather than a lot coverage requirement, and that is where the difference lies. By changing from 35 percent lot coverage to 40 percent lot coverage, Bentall will be able to attain the originally granted 950,000 square feet within the 75-foot height limit and accommodate the growth needs of T-Mobile, the major tenant, and maintain competitiveness within the community.

Motion to close the public hearing was made by Commissioner Sheffels. Second was by Commissioner Lynde and the motion carried unanimously.

8. STUDY SESSION

A. Land Use Code Amendment – F-3 Lot Coverage

Commissioner Lynde asked about the 75 percent impervious surface limit under King County and how it ties to the fact that the entire site appears on the aerial photo to be paved over. Mr. Jackson noted that the site has several landscaped areas and a steep slope that remains undeveloped. He said the King County impervious surface limit has been met.

Commissioner Lynde voiced concern over setting a precedent by approving the amendment. Ms. Hutnak said the proposed action will not set a precedent. The zoning will not be changed by the amendment; only the dimensional requirement will be revised in the Land Use Chart. Additionally, there are no other zoning districts in the city that are governed completely by a pre-annexation agreement. The rights granted to the F-3 district by the pre-annexation agreement simply cannot be met under the 35 percent lot coverage requirement imposed by Bellevue.

Commissioner Sheffels pointed out that the Commission previously addressed the other two Factoria land use districts. The city is bound to honor the pre-annexation agreement by

approving the amendment.

Commissioner Mathews noted his support for the amendment, as did Chair Bonincontri and Commissioner Bach.

Motion to recommend the F-3 district lot coverage Land Use Code amendment as drafted in Attachment A and to transmit the ordinance to the City Council for final approval was made by Commissioner Bach. Second was by Commissioner Lynde and the motion carried unanimously.

B. Downtown Development Update

Senior Planner Emil King said the city recently won the American Planning Association/Planning Association of Washington first place Merit Award in the implementation category for "Realizing the Residential Vision in Downtown Bellevue." The statewide competition award is truly a recognition of Bellevue's hard work.

With regard to Downtown growth, Mr. King said the last major forecast update was in 2000 during the Downtown Implementation Plan update. The forecast had a horizon year of 2020 and was tied to the Puget Sound Regional Council and state Office of Financial Management forecasts. At the time, the forecast was seen as aggressive, but it appears to be tracking very well with the new development coming online. Land use forecasting is used as an input for transportation modeling to determine what transportation investments will be needed, and fed the analysis done for the Environmental Impact Statement for Downtown.

The Downtown Implementation Plan jobs forecast showed an increase of 28,000 jobs by 2020, for a total 63,000. As of 2006, the number of jobs in the Downtown is slightly above the 35,000 level, which was the base level in 2000; data shows that not many jobs have been gained in the last five years or so. The forecasted 28,000 jobs will need about 7.2 million square feet of new office space, which is an average of about 362,000 new square feet of space every year; 1.5 million square feet of new retail space, or about 76,200 square feet per year; 1,589 new hotel rooms; and 465,000 new square feet for "other uses" such as a performing arts center or library expansion.

The population forecasts for the Downtown showed the 2,890 residents in 2000 increasing to 14,000 by 2020. There are currently about 4,500 people living in the Downtown, not including the newly finished (but unoccupied) Lincoln Square.

There are a number of residential projects currently under construction in Downtown. In addition, there is an unprecedented level of planned development on the horizon. If everything that has come in for permit review, has had a pre-application conference, and has been talked about is added up, the total comes to the equivalent of 12 office towers or 4.65 million square feet; 1,900 housing units; 650,000 square feet of retail; and other large uses, including a performing arts center. Interestingly, the past couple of development cycles has yielded nothing new in the northwest corner of Downtown, and nothing significant is currently planned for the area so far as is known.

Mr. King said office growth in the Downtown has averaged 232,000 square feet per year since 1980. The growth has occurred in cycles that typically have had several years in between. The up-cycle periods have historically resulted in some over-building of office space, followed by heightened vacancy rates before the new spaces are fully leased. In 2000, there was just under six million square feet of office space in the Downtown. The 2020 forecast indicates there will be just over 13 million square feet of office space. Over the past five years, 15 percent of the

forecasted 20-year growth has come online, which is behind the normally distributed pace (of 25 percent) but is understandable given the recent economic downturn. However, with everything in permitting, in the pipeline or under consideration, the anticipation is that growth will be very close to being on track by 2010.

Commissioner Lynde asked if there has been any forecasting beyond the year 2020 since the Downtown Implementation Plan was done. Mr. King said a 2022 target was adopted as part of the Comprehensive Plan. The Puget Sound Regional Council's 2030 forecast was not firmed up until 2004. For transit and major corridor planning, such as is currently under way for the Bel-Red corridor, the planning horizon will be 2030. Puget Sound Regional Council is working on a 2020 plus 20 forecast (or 2040 horizon year). The city's 2030 jobs forecast for the Downtown is for 79,000 total jobs, and the population forecast for the same period anticipates roughly another 4,500 people from 2020 to 2030.

Commissioner Mathews said the jobs and population forecasts for the city take on new significance when planning for new uses in areas such as Crossroads and the Bel-Red Corridor. The forecasts are also the reason why new housing units need to be considered in those areas. Mr. King agreed, noting that by 2030, or shortly thereafter, the supply of land on which development can occur will begin to run thin.

Mr. King said the only major office project under construction currently is Lincoln Square. It will be slightly shorter than the hotel/condo tower, though it will have a somewhat bigger floorplate. A second pedestrian bridge has been proposed to cross NE 8th Street and connect Lincoln Square to Bellevue Place.

Tower 333 on the former Tech Tower site on NE 4th is in the works. It will have some 400,000 square feet of office on 18 floors. City Center II adjacent to City Hall will have around 570,000 square feet of office in 26 stories. The landscape plan for the project has been significantly redone to include a large plaza between City Center II and the existing City Center I building.

Summit Building C, the third piece of the Bentall office project on NE 4th Street and 108th Avenue NE, will be 15 stories tall. The Bravern project will in its first phase include two office towers and an upscale retail village, all on the opposite end of the Pedestrian Corridor from Bellevue Square. A hotel use is not currently anticipated to be part of the Bravern development.

With regard to housing, Mr. King said there are some 637 units in Old Bellevue, which is actually less than the 741 units in the East Main portion of Downtown (by Toys R us). Ashwood is becoming a thriving residential area; it now has 1169 units. There are 208 units in the northwest corner of the Downtown, and 148 units in Lincoln Square. Housing vacancy rates in the Downtown remain very low. Thirty-two percent of Downtown units are condominiums, and the remaining two-thirds are apartments.

Mr. King said the Downtown housing market has been continually moving ahead over the last five years with construction of both condominiums and apartments. Many of the prospective buyers of Downtown units live on the Eastside and are in positions of being very deliberate in finding exactly what they want. Many are willing to put down money and wait a year or two for the projects to be constructed.

There were some 2,000 housing units in the Downtown in 2000. The 2020 forecast shows 11,100 units, and over the past five years 21 percent of the 20-year forecast was realized. There are a few large projects currently under construction, and if the pipeline projects are added to the mix, the total increases by another 22 percent, which is just slightly ahead of the year 2010

projections.

The 989 Elements project is nearly complete; it will house Bellevue's first highrise luxury apartment buildings. The first two residential towers of the Wasatch superblock on NE 10th Street are moving ahead; the pre-sale activity has been brisk for the 373 condominiums. The plan calls for multilevel townhouses around the base of each tower.

Bellevue Towers is the project planned for the old Puget Sound Energy site. It will have 545 condominiums in two towers. According to the developer, units will start at about \$400,000 and will average close to \$1 million. Site excavation for the project is under way. Demolition has been completed in preparation for starting construction on the Avalon Meydenbauer project. The project's Safeway grocery store will take a significant portion of the ground floor, though there will be peripheral retail uses as well. There will be a parking garage, and a small surface parking lot for what will be the flagship Safeway store for the Puget Sound region.

The European Tower is a project planned for an old single family lot across NE 10th Street from the library. The idea is for a 20-story condominium tower where each floor is a single unit, with high-tech "vending machine-style" parking utilizing hydraulic lifts. Construction is expected to begin in 2006.

Urban Design Manager Patti Wilma said Pacific Regent has plans to construct a second senior housing tower just south of the library.

A 150-unit senior apartment project called Belletini is under way just west of the Doll Museum. Excavation for the underground parking has begun. The ground floor will include space for small retail tenants compatible with the residential population. The Belletini's dining room and library will also be located on the ground floor.

The BRE Apartments to the north of NE 8th Street will include 300 units. The project is in a zone that allows for taller buildings, but for one reason or another the developer has chosen to limit the structure to five stories.

The 1020 Tower is a 22-story mixed use tower that will have 191 units. The current plan calls for including a black box theater, which is a theater not set up for any one type of performance and not having fixed seating. Flexibility is the key for black box theaters.

Mr. King said there are a number of challenges facing development of the Downtown. They include following through with planned public investments, including major transportation projects; making the Downtown more livable and pedestrian friendly; creating a stronger sense of place by differentiating Downtown neighborhoods; adding new residential amenities such as parks and neighborhood services; assuring an adequate supply of workforce housing; addressing the conflicts between commercial and residential uses; and the market absorption of office space and the unprecedented number of planned residential units.

Ms. Wilma allowed that housing in the Downtown is very expensive. Those who are able to purchase the units often have other homes and are not necessarily fulltime residents of the Downtown. So while it would seem that with low vacancy rates there should be a large number of people on the streets, that is not necessarily the case. Workforce housing is what will really make the Downtown dynamic and lively.

Commissioner Lynde asked what the plans are for the existing Safeway site. Ms. Wilma said there was recently an ad in the paper describing a high-rise with condominiums, a boutique hotel

and shopping for the site. That is a perfect model of what would fit on the site, though no development proposal for the site has been submitted. The site has the same development potential as the Lincoln Square project.

9. NEW BUSINESS

Commissioner Mathews said the Bel-Red corridor project steering committee will meet on May 4 to hear from business owners in the area. The information gathering stage is wrapping up and the committee will soon be tasked with developing preliminary alternatives.

Commissioner Sheffels added that there has been a great deal of interest shown by the public in the study. She said there have been discussions but no decisions about a possible transit route through the corridor, possible station locations, and the kinds of development that could occur around the stations.

Ms. Burgess said she and Chair Bonincontri attended the first Crossroads community workshop on May 2. Chair Bonincontri said the event was quite well attended. The focus was on open spaces, connecting the park to the shopping center, and circulation patterns. There was support for increasing access for pedestrians and bicycles.

Ms. Burgess said the next community workshop will be focused on land uses.

Reporting on her attendance at the recent APA Conference in San Antonio, Texas, Chair Bonincontri said she attended a number of sessions on how globalization is affecting future planning, and sessions focused on integrating land use and transportation. She said it was interesting to hear that most jurisdictions across the nation are focused on the same issues.

Commissioner Sheffels said there was a session involving three of the last four mayors of San Antonio, all of whom are planners. She said the city faces some unique challenges, such as having large areas that are subject to flash flooding, and large areas that need to be redeveloped. The city is working to develop a master plan for a very large section of the town.

Commissioner Mathews asked if the state ruling against the buffer zones established by the city of Kent will have repercussions for Bellevue. Ms. Burgess said the Department of Ecology has indicated agreement with Bellevue's wetland buffers.

10. OLD BUSINESS

Ms. Burgess said it appears the retreat date of June 14 will not work for everyone. She asked the Commissioners to recheck their calendars and let her know what other dates might work.

11. APPROVAL OF MINUTES

A. April 15, 2006

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

B. April 22, 2006

Motion to approve the minutes as submitted was made by Commissioner Sheffels. Second was

by Commissioner Mathews and the motion carried without dissent; Commissioner Lynde abstained from voting.

12. PUBLIC COMMENT – None

13. ADJOURNMENT

Chair Bonincontri adjourned the meeting at 8:32 p.m.

Staff to the Planning Commission

Date

Chair of the Planning Commission

Date