

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
STUDY SESSION MINUTES

December 12, 2007  
7:00 p.m.

Bellevue City Hall  
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Robertson, Vice-Chair Bach, Commissioners Ferris, Lai, Mathews, Sheffels

COMMISSIONERS ABSENT: Commissioner Orrico

STAFF PRESENT: Paul Inghram, Nicholas Matz, Lisa Madche, Department of Planning and Community Development

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 7:04 p.m. by Chair Robertson who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Bach, who arrived at 7:06 p.m.; and Commissioner Orrico, who was excused.

3. APPROVAL OF AGENDA

Comprehensive Planning Manager Paul Inghram noted that the agenda had been published showing items 8-F and 9-F as pertaining to only the Comprehensive Plan amendments for the Electrical Facilities/Utilities Element. He noted that the public hearing notice did in fact state that the hearing was for both the CPA and the Land Use Code amendment and suggested the agenda should be revised accordingly.

The agenda was revised as proposed and approved by consensus.

4. STAFF REPORTS

Mr. Inghram distributed to the Commissioners copies of written comments received from Norm Hansen regarding the Utilities Element update; an email from Susan Knowles regarding the St. Margaret's project; a letter from St. Margaret's and St. Andrew's Housing regarding the St. Margaret's project; a letter from Al Yuen, chair of the Transportation Commission, regarding the recommendation of that Commission on the downtown mobility CPA; a letter from David Plummer related to the Bel-Red corridor; and a memo from staff regarding the housing policy for the Wilburton study.

5. PUBLIC COMMENT – None

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

## 7. PUBLIC HEARING

### A. Capital Facilities CPA for 2007-2013 CIP

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

Senior Planner Nicholas Matz explained that the proposed amendment was initiated by the city in order to keep the Comprehensive Plan current with regard to the CIP. The proposal updates the plan to make reference to the current 2007-2013 CIP and replaces two tables, Figure 2.1 and Figure 2.3.

There were no public comments offered.

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

### B. Downtown Mobility CPA

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

Mr. Inghram explained that the proposed amendment would alter the Downtown and the Wilburton/NE 8<sup>th</sup> Street subarea plans to recognize, include and support a handful of different transportation projects aimed at aiding long-term mobility for the downtown area. The projects include the extension of NE 4<sup>th</sup> Street from 116<sup>th</sup> Avenue NE to 120<sup>th</sup> Avenue NE; a NE 6<sup>th</sup> Street HOV connection; intersection improvements in the downtown at Bellevue Way and NE 8<sup>th</sup> Street, Bellevue Way and NE 4<sup>th</sup> Street, Bellevue Way and NE 2<sup>nd</sup> Street, NE 2<sup>nd</sup> Street and 112<sup>th</sup> Avenue NE, and NE 8<sup>th</sup> Street and 106<sup>th</sup> Avenue NE.

Mr. Inghram noted that the NE 6<sup>th</sup> Street HOV connection and the extension of NE 4<sup>th</sup> Street to 120<sup>th</sup> Avenue NE projects also show up in the Wilburton/NE 8<sup>th</sup> Street proposal. At the time the projects were envisioned, it was not known if they would occur in the same time sequence, so they were included in both studies. If it ends up that the Council wants to vote on both projects, the two recommendations will be consolidated.

Lise Northey, vice-chair of the Transportation Commission, said the Commission conducted a lengthy discussion regarding the proposed amendments and the direction they appear to be taking the downtown transportation system. She said the Commission has recommended approval but had some concerns, primarily about adding turn lanes at major intersections. Adding a turn lane widens the cross section of a roadway and requires more time for pedestrians to cross. The Commission questioned whether the proposed projects will serve the downtown best given limited resources and the fact that the downtown congestion levels are going to worsen over time regardless. The downtown has become a very dense, urban area, and it makes no sense to hang onto the notion of having free-flowing traffic there. A personal vehicle-oriented transit system may not make sense for the downtown anymore; the focus should be on pedestrian movements and transit. The Transportation Commission is also concerned that the proposed improvements could run counter to some of the Great Streets concepts that are currently under review. The Commission understands the need to preserve all options and necessary rights-of-way, and so voted to recommend approval of the CPA.

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

C. St. Margaret's Church CPA

Chair Robertson noted for the record that she and her husband are members of St. Margaret's Church and as such recused herself, turned the gavel over to vice-chair Bach and left the room.

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

Mr. Inghram said St. Margaret's Church is located at the intersection of Newport Way and Factoria Boulevard in the Factoria area. The proposal is to change the land use designation from Single Family High to Multifamily High in order to facilitate an affordable housing development. The site is adjacent to other multifamily developments, and across the street is a single family zone on which a high school and another church are located.

Mr. Bob Jacobs, 12203 NE 37<sup>th</sup> Street, said he has been a parishioner of St. Margaret's since 1985. He said he serves as senior warden at the church and as such is responsible for the operations of the church. He said the notion of constructing affordable housing units on the church property was first broached in late 2006. The church has been working with the St. Andrew's Housing Group and has come to understand that the church can add the housing without compromising its need for parking. Better than 80 percent of the congregation is in support of the proposal which will result in serving those in need in the community.

Mr. Mike Neilson, 6557 127<sup>th</sup> Place SE, spoke as the Executive Director of St. Andrew's Housing Group, a non-profit developer that is partnering with St. Margaret's Church on the project. He urged the Commission to approve the amendment and rezone as something that will meet goals stated in the Comprehensive Plan. The need for affordable housing in the city is significant. St. Andrew's has a long waiting list for units as they become available. The GMA calls for local jurisdictions have the responsibility to provide housing for all economic segments of each community; the St. Margaret's project will help do that. On December 5 an Eastside housing forum was attended by more than 250 people concerned about the need for affordable housing on the Eastside and in Bellevue.

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

Chair Robertson Returned, following the close of the hearing.

D. Courter (Honda) Enterprises CPA (site-specific)

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

Mr. Inghram said the site-specific request involves a policy amendment for the site to the south of I-90 and east of Newport Corporate Campus on which Honda Auto Center is located. Site is currently designated Office/Limited Business (OLB). The proposal would retain the designation but add a policy to the subarea plan that would support retail auto sales and leasing as appropriate uses within the subject area along SE 36<sup>th</sup> Street.

Mr. James Fitzgerald, counsel to the Courter family, owner of the subject properties, referenced

the previously submitted report by R.W. Thorpe and Associates. He also provided the Commission with copies of letters in support of the application, including a letter from Honda Motor Corporation in which they indicate the Courter site is not currently in compliance with their franchise requirements; the dealership is forced to secure off-site service space, which is very inefficient. Another of the letters was from the auto group of Bank of America, the financing arm for Honda of Bellevue and other auto dealers; their letter points out the difficulties associated with having legal nonconforming sites given the extra requirements placed on rebuilding, expansion, renovation and modernization. The objective of the Courter family is not to create another auto row. The proposed language revision will only allow for investments in modernization and renovation. There is an office building on the small parcel to the west of the dealership; there is no plan in the offing to tear the building down or to affect the overall look of that site. Should the dealership expand to the corner site, the current thinking is that the lower floor of the building facing the street frontage without displacing any current tenants.

Mr. Robert Thorpe 705 2<sup>nd</sup> Avenue, Seattle, praised city staff for their excellent reports and said Bellevue is blessed with a Planning Commission that always does its homework. He said the Courter property represents a zoning anomaly carried over from King County. The property does enjoy fairly strong buffers to the west and the south along with good transitional land uses on the adjacent properties. The real issue is in fact a code problem the city needs to clean up. The proposed amendment will further the city's economic goals. The Commission was respectfully asked to support the recommendation of staff and forward the issue to the City Council.

Mr. Fitzgerald referred the Commissioners to pages 11 and 12 of the Thorpe report and the land use compatibility matrix addressing the applicable policies. He suggested that each of the highlighted policies can be met by the proposal. If approved, the amendment will result in a stronger economic core in the area and a stronger Honda of Bellevue without any deleterious aspects.

Ms. Carrie Blanton with the Courter family reiterated that the office building to the west will continue to serve office uses.

Chair Robertson asked if Honda offices in the building. Ms. Blanton said the dealership has its accounting office in the building.

Commissioner Ferris noted in the letter from Bank of America mentions that the dealership use may not be able to rebuild in the event of the total destruction of the use in the event of a natural disaster. Mr. Fitzgerald said according to city ordinance if the destruction were to exceed 75 percent based on fair market value, the use could not be rebuilt; at 75 percent or less, the use could be rebuilt under the current restrictions. The risk, of course, is that a lender may be disinclined to accept the property as security for a major expansion loan.

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

#### E. SRO Factoria CPA (site-specific)

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

Mr. Matz explained that the privately initiated site-specific code amendment seeks to allowed additional office development in the Factoria subarea by amending policies that support incentives for redevelopment and by extending the glossary definition of Floor Area Ratio (FAR)

in the Comprehensive Plan to include all property owned by the applicant. He noted that the property in question is in the F-2 district of Factoria.

Mr. Matz said the recommendation of staff is to deny the proposed amendment. He said the question is what the right land use is for the site. The most compelling argument is that the FAR in place at the time of incorporation represented a realistic acknowledgement of the county's development circumstances. Staff believes that additional intense office development should not be allowed to further exacerbate traffic impacts, and that reasonable land uses are allowed as alternatives. The office intensity issue should not be condoned solely for economic purposes. In the opinion of staff, the proposal is inconsistent with the Comprehensive Plan; is inconsistent with the city's changed interests and needs as represented by the Factoria Area Transportation Study update; and does not represent changed conditions. The proposal is unsuitable for office development because the FAR has been used up. If approved, the proposal will create unsuitable traffic impacts that will exacerbate longstanding traffic congestion issues in the area.

Mr. Matz said on December 11 he received a clarifying email from the applicant regarding the amount of square footage that could potentially be allowed in the area in question. The staff report reflects the potential for 175,000 additional square feet of office under the worst-case estimate. However, the staff report failed to account for the subtraction of the office space in the building located in the area covered by the expanded geographic scope; the actual potential is for around 118,000 square feet of additional office space under the proposal.

Mr. Michael Aipersbach, PO Box 95429, Seattle, provided the Commissioners with copies of a written rebuttal to the staff position along with some photos and other reference materials. He said the proposal seeks an FAR that will allow for an additional 125,000 square feet of office space on the theater site. The existing theater building is 44,000 square feet, so the net difference would only be 80,000 square feet. The theater is expected to cease operations within a year or so, which represents a changed circumstance. The current code has a very limited set of allowed uses for the site. At the time of annexation into the city, three major property owners made known their desire to expand the development of their properties; based on efforts with the city, the Factoria Mall was permitted some expansion, the Vyzis property was granted a 1.26 FAR for its expansion, and SRO, believing that the theater would be in place for some time, asked for and was granted an FAR of 0.6. If the Office parcel is included in the calculation, the FAR is closer to 0.5. The annexation occurred in 1993, and in 2002 the city replaced the annexation zonings with the F-1, F-2 and F-3 zoning districts. The F-2 district was created precisely for the theater use and is the only place it is used. In 2005 the city issued the FATS update and adopted a revised subarea plan for Factoria.

With regard to the subject property, Mr. Aipersbach said the lack of landscaping along the west side of Factoria Boulevard, along the theater side, is at best a mess; there are blackberries, several power transformers, and a large DOT detention pond that is neither attractive nor maintained. The theater site is elevated about 15 above the sidewalk, so any transition for uses to the sidewalk would be difficult to attain. The trees on the site are left over from the days of the original drive-in at the site. With design review, however, there would be ample opportunity to accomplish a number of improvements, all of which are called out in the policies of the subarea plan. To create a gateway worthy of the city will take the joint efforts of the city and SRO. The Commission should focus on the opportunity due to circumstances and consider the ability through design review to greatly enhance the gateway area to Factoria. The Commission should recommend approval of the proposal with conditions, specifically limiting the square footage of the office area, and requiring development of the site to go through design review.

Mr. David Schooler, 600 106<sup>th</sup> Avenue NE, spoke as president of Sterling Reality Organization, the applicant. With regard to the issue of changed circumstance, he explained that in 1993 Factoria Cinemas was the most successful theater in Puget Sound and was the fifteenth highest grossing theater in the United States. The tenant, Cineplex Odeon, had signed a 40-year lease. Within ten years the theater tenant had filed for bankruptcy; that resulted in a new, much shorter lease and a new theater tenant. Currently the theater ranks fourth in the Bellevue market and there is a month-to-month lease in place. The theater itself is obsolete and has a very short life. Under the code, the permitted uses include senior housing, nursing home, motel, museum library, sports arena and auditorium, theater, night club, and child care center. The location is less than ideal for senior uses. It could be suitable for a budget motel, but that would not be in keeping with the nearby Class-A office buildings. A night club is not the right use for the site for a variety of reasons. That leaves only an X-rated theater, a 44,000 square foot child care center, or an empty building, none of which are appetizing choices. The proposal would add to the office complex. The possibility of a specific tenant taking the whole office building is there.

Continuing, Mr. Schooler said the staff report suggests SRO had its bite of the apple in 1993. Each of the property owners at that time received exactly what they asked for. SRO requested enough FAR for a 95,000 square foot office building; the staff report suggests that SRO should have asked for a great deal more. The staff report also makes negative comments about traffic but says nothing about tripping any concurrency red lights, and the analysis was in regard to a 175,000 square foot building. The site is a the gateway to Factoria from the north. Twice there have been attempts by SRO to purchase adjacent properties; both attempts were unsuccessful. The proposal responds to the design issues raised in the subarea plan, and SRO is willing to discuss others. The Commission was urged to recommend changing the FAR on the 12.3-acre parcel to 0.75.

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

#### F. Electrical Facilities/Utilities Element CPA and LUCA

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

Mr. Matz said the proposal involves revisions to both the Comprehensive Plan and the Land Use Code. For the Comprehensive Plan, the proposal involves amending and adding text to the non city managed facilities section of the Utilities Element to update the descriptive text associated with the Puget Sound Energy service area within greater Bellevue. The amendment also affects Policies UT-72 through UT-75.

Policy UT-72 talks about working with Puget Sound Energy to implement the electrical system serving Bellevue to ensure facilities that are compatible and consistent with the land use and the Comprehensive Plan. Puget Sound Energy is a utility regulated by the state. The primary goal of the proposed amendments is to find the balance point between the limits imposed on the utility and the desire of the city to meet its mandates under the Growth Management Act. The utility makes its own decisions about how, when and where to provide services; it is up to the city to manage the impacts of those decisions within the framework of the Comprehensive Plan.

Policy UT-73 introduces a new concept specifically directed at the visual impacts of electrical facilities. The policy requires a new citing analysis and pushes for more transparency in the decisions made by the utility regarding how to provide services. The section calls for more understanding of the consideration of alternative sites.

Policy UT-74 is specific about regulatory issues including architectural design and screening.

Within the very difficult qualitative context of providing reliable service, Policy UT-75 seeks to provide assurance that the services provided will be highly reliable for Bellevue customers. Increased demand on the electrical system translate into economic issues, and the city needs to be able to assure that everyone will have a reliable supply of power.

The proposed amendment includes two new maps, figures UT-5 and UT-5a. Figure UT-5 depicts the system that is in place currently, and Figure UT-5a depicts a systemwide buildout without attaching a timeframe or completion date. The intention is to assist people with an understanding of when a facility could possibly impact their community.

Mr. Matz also noted that Figure UT-7 has been modified to address a natural gas pipeline that exists to serve the downtown.

Mr. Inghram clarified that while the city has the ability to regulate substations and electrical facilities to provide for compatibility, appropriate landscaping, screening and the like, the city does not have the regulatory authority to be able to direct Puget Sound Energy to locate a facility in a particular location.

Mr. Robert Sheehan, 130 97<sup>th</sup> Avenue NE, shared with the Commissioners photographs of substations throughout the country depicting what other utilities have done. He said he spent most of his professional career as a professional engineer working for electrical utilities, including Seattle City Light, and as a consultant with CH2MHill. He said he was actively involved in the Lochleven substation permitting action on behalf of the West Bellevue Community Club. Many of the code revisions under consideration stem from the Lochleven experience. A number of discussion level promises were made, most of which were never written down. Throughout the process, downtown substations were repeatedly discussed. It has recently been learned that Puget Sound Energy plans future Lochleven expansion plus a new 115 KV transmission line through Lochleven. The utility apparently believes that by placing little symbols on Comprehensive Plan maps they can establish future expansion rights, or at least postpone consideration of better alternatives, such as a substation in the downtown core supplied by underground transmission. The continued insistence of Puget Sound Energy on expanding neighborhood substations for downtown electric load replicates the old minimum cost rural method of 50 years ago. Puget Sound Energy insists that the Comprehensive Plan EIS of 1992/1993 provides permitting authorization in perpetuity. The city should become more aggressive by seizing the initiative in electrical utility planning issues to meet 21<sup>st</sup> Century needs, be fair to neighborhoods, and accommodate downtown growth. The focus should be on reliability and reducing environmental impacts. The city should discontinue use of the electric utility's 1992/1993 EIS as a permanent governing document. The City Manager should be asked to commission a comprehensive electric systems study by independent engineering, economic and environmental consultants to evaluate the existing system, future needs, downtown power supply and planning issues. The director of Planning and Community Development should defer all significant electric utility permitting until a comprehensive study is completed and the Commission has time to take action.

Mr. Rich Wagner, 9917 Lake Washington Boulevard, said he is a licensed professional engineer with 30 years experience with electric system design and planning. He said he serves on the Meydenbauer Bay park steering committee and is very impressed with the way the city is planning for the future of that public amenity. However, the focus on the electric system is utilizing a far different approach. Staff has worked very hard and has done a good job with the

tools at their disposal, and the facts they are bringing forward are not in dispute. However, what is being proposed falls way short of what the city needs in light of its current rapid growth. There needs to be a substation developed in the downtown core, but there is not one there because of the way the Puget Sound Energy system has evolved. The proposed map designates the Lochleven and Clyde Hill substations as "sensitive" which by interpretation means alternative site analyses must be done if expansion of those facilities is contemplated. That codifies the postponement of study work that should be done as part of a broad system plan by qualified consulting engineers. There are many places in the proposed amendment language that will be open to interpretation in the future. The proposed amendment should be postponed until a significant study can be done with consultants and possibly a steering committee working in conjunction with Puget Sound Energy.

Mr. Norm Hansen, 3851 136<sup>th</sup> Avenue NE, said the Bridle Trails community has been working with Puget Sound Energy for many years on trying to improve the reliability of service, and worked with the utility on the state-of-the-art design for the substation near the Bellevue golf course. He agreed with the two previous speakers in calling for an overall design study of the system requirements. Some of the locations indicated on the map will be very contentious, including the one shown on the Bridle Trails State Park property. It is time for the city to change the way it does business in working with the utilities. Puget Sound Energy has a contract to add a fiber optics system along the powerline corridor on 136<sup>th</sup> Avenue NE; the system is intended to provide management information in the event of an electrical power outage. The only problem is they will install the line above ground through an area that has a lot of trees. AT&T wireless wants to underground fiber optics and connect with Verizon, which is also going to go underground in the Bridle Trails area. So there is inconsistency. Puget Sound Energy has no motivation for improving the system. What is needed is strong leadership on the part of the city focused on an integrated system, with as much undergrounding as possible.

Mr. Jim Hutchinson with Puget Sound Energy, 355 110<sup>th</sup> Avenue NE, said the proposed amendment is not a big win for the utility. In many respects the recommendation represents compromises. The process used in the creation of the Lochleven substation serves as an excellent example of the positive outcomes that result from working together. The amendments will allow for enhanced collaboration. They include a higher level of transparency. He explained that the city has an undergrounding ordinance that is separate from the Comprehensive Plan. There is a tariff allowed that permits the conversion of above-ground systems to underground systems. Undergrounding decisions are ultimately made by the local jurisdictions. The fact is, however, that undergrounding does not guarantee reliability. Puget Sound Energy is always willing to underground systems, but there is a cost involved that devolves upon the local jurisdictions. The fiber optic system being installed is intended to control the transmission system, which is above ground; that is why it will be installed above ground as well.

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

#### G. Wilburton/NE 8<sup>th</sup> Street Corridor Study CPA

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

Mr. Inghram noted that much of the work on the Wilburton/NE 8<sup>th</sup> Street corridor study was done in 2006. There have been a few key changes, however, to the original recommendation. The recommendation of staff is to add additional policies to the subarea plan to more specifically spell out the commercial vision for the area. The plan is currently largely mute when it comes to

addressing the commercial areas, and the proposed policy support recognizes the interest in establishing a mixed use retail village east of the BNSF corridor and west of 120<sup>th</sup> Avenue NE; offers support for the continued mix of a range of commercial uses along 116<sup>th</sup> Avenue NE, including auto sales; and other retail mixed use opportunities in the corridor. The proposal supports a future rezone from General Commercial (GC) to Community Business (CB) for part of the subarea timed to the extension of NE 4<sup>th</sup> Street. The policy also supports a consistent 75-foot height limit along 116<sup>th</sup> Avenue NE.

The proposal no longer includes designation of a special opportunity area, but notes that with an extension of NE 6<sup>th</sup> Street to the east there could be opportunities for transit-oriented development, all depending on what happens with Sound Transit and where light rail is ultimately located. There is also policy support for recognizing the future use of the railroad corridor as a multi-use trail, with or without train service. There is also policy support regarding views of the downtown. The package includes a handful of transportation improvements as well, including the NE 4<sup>th</sup> Street and NE 6<sup>th</sup> Street connections, traffic calming on NE 5<sup>th</sup> Street, and other intersection and streetscape improvements.

Mr. Inghram provided the Commissioners with copies of a memo responding to questions recently raised by Commissioner Ferris and offering a potential alternative. He said the issue raised by Commissioner Ferris was that the change from GC to CB would enable a greater development capacity; he suggested there should be a nexus between that increased development capacity and certain public benefits. Policy S-WI-22 as worded encourages new mixed use developments in the subarea to include housing affordable to a range of households. Alternative policy language has been drafted and indicates the called for affordable housing could occur through both regulatory and incentive approaches and includes the notion of limiting the granting of new housing development capacity until affordable housing strategies are in place.

Mr. Inghram said staff supports the addition of policy language regarding housing affordability, but does not want to preclude the any tools that might come out of a housing affordability study.

Mr. Inghram shared with the Commissioners a few grammatical changes and typographical errors proposed by Commissioner Orrico, and a revision to Policy S-WI-2 to change "...and that provide convenient shopping for the adjacent neighborhoods" "...and service/uses that provide convenient shopping for the adjacent neighborhoods..." For S-WI-3 she proposed replacing "at" with "in" in the first line after "retail village." For the discussion section of S-WI-6, she noted that in addition to the value of auto dealerships serving the citizens of Bellevue there is the benefit of taxes. Mr. Inghram said in his opinion that fact did not need to be raised in the discussion section.

With regard to Policy S-WI-21, Mr. Inghram said Commissioner Orrico proposed changing "could" to "may" in the first line of the discussion section. And with regard to the proposed policy S-WI-39 in the community design section, Mr. Inghram said Commissioner Orrico proposed revising "...may be minimized by considering..." to read "...may be minimized by encouraging..." in the discussion paragraph.

Answering a question asked by Chair Robertson, Mr. Inghram explained that Home Depot had some concerns about the regulations that might apply to them in switching from GC to CB because they exceed the 100,000 square foot threshold imposed by CB. Accordingly, their site has been removed from the study area.

Mr. Jack McCullough, 701 5<sup>th</sup> Avenue, Suite 7220, Seattle, said the proposal incorporates the more non-controversial issues; there will be a lot of work to do in 2008 on the remaining issues,

most of which apply to the area east of the railroad tracks. With regard to the housing issue raised by Commissioner Ferris, he said the first sentence of the alternative draft presented by staff could be useful; it talks about seeking affordable and workforce housing in new mixed use developments through regulatory and incentive approaches. The second sentence, restricting the creation of new housing development, should not be adopted. Seattle is taking an approach currently to require the inclusion of affordable housing in all cases where an increase in height is granted; while in the majority of instances that may actually be the right thing to do, a more thoughtful approach would be better. There are instances in which an increase in density by itself is a good thing and should be encouraged.

Mr. Jerome Burns, 401 2<sup>nd</sup> Avenue South, Seattle, said he works with a non-profit organization that provides development consulting services and technical assistance statewide, primarily to assist the development of affordable and special needs housing. He voiced support for the alternative draft version of the plan as presented by staff; it is timely, comprehensive, and sets the pre-conditions for the guidance and future growth of the area on the east side of I-405. He suggested that in the mixed use developments or residential development portions should have some kind of incentive for affordable housing that would help to promote partnerships between private developers and non-profit organizations.

Mr. Mike Nielson, 6557 147<sup>th</sup> Place SE, encouraged the Commission to include a requirement that will assure affordable housing in the Wilburton/SE 8<sup>th</sup> Street area. He said he is most interested in seeing units developed that will be affordable to households making 80 percent and below of area median income. The availability of affordable housing in the city should be a concern to everyone. The need is very great. Currently only one neighborhood in nine in Bellevue is affordable to households earning 100 percent of the area median income. A two-bedroom rental costs an average of \$1165 per month, which is 37 percent higher than the rest of the county. A Bellevue resident earning 30 percent of the area median income would need to work 88 hours per week in order to afford that much rent, yet 13 percent of the population lives at that income level. The Wilburton/SE 8<sup>th</sup> Street area offers the opportunity to address the affordable housing shortfall. Where there is no provision requiring the development of affordable housing, the units simply do not get constructed.

Ms. Ann Lewis, 86 157<sup>th</sup> Avenue SE, noted her support for affordable housing. She said she is a member of the St. Louise parish which 20 years ago started a transitional housing program; that program has grown from a single house to six. Affordable housing of all types is needed in all areas of the city.

Ms. Sarah Langton spoke on behalf of Kaitlyn Hillary, vice president of Strategy Marketing Public Relations for Overlake Hospital, 1035 116<sup>th</sup> Avenue NE. She noted that Overlake has been Bellevue's hospital for over 40 years. The mission of the hospital continues to be to provide medical excellence every day. Overlake recently opened a new south tower and emergency room, and their partner Group Health will open a new specialty services center in 2008. Overlake has worked with the city to facilitate the extension of NE 10<sup>th</sup> Street through the campus, recognizing how important the project is to the transportation vision of the city. The consulting firm Transpo was hired to help the hospital better understand the planning and transportation projects being proposed in the city, including the Wilburton/NE 8<sup>th</sup> Street Comprehensive Plan amendments, the Bel-Red corridor study, the new freeway ramps at NE 10<sup>th</sup> Street, and proposed improvements in the downtown area, all of which will impact the hospital campus. The primary concern of the hospital is and will continue to be making sure any and all decisions made by the city are done with full consideration of ongoing patient and emergency access to the hospital. To that end, the hospital has developed a list of priority transportation projects and shared it with the city. Two items in the Wilburton/NE 8<sup>th</sup> Street Comprehensive

Plan amendment are on that list. The proposed extension of NE 4<sup>th</sup> Street from 116<sup>th</sup> Avenue NE to 120<sup>th</sup> Avenue NE will be key in helping to alleviate additional traffic around the hospital. Overlake is supportive of the proposal to remove the special opportunity district designation given the additional traffic a regional sports facility could add to the area. Overlake intends to continue working with the Transportation Commission to protect access to the hospital.

Mr. Steve Kramer with KG Investments, address not given, said KG continues to work hard to make the plan a reality. KG has now assembled and owns all of the right-of-way needed to make the NE 4<sup>th</sup> Street extension a reality. In addition, a site acceptable to the school district for relocating the bus barn has been located; the school district is excited about that. The work the Commission is doing to develop a plan will have almost immediate impact; KG has as a goal starting in the summer of 2008 on the first leg or western part of the road between 116<sup>th</sup> Avenue NE and the railroad tracks. It will take the school district about a year to relocate, and other tenants will need to relocate as well, so the overall redevelopment process will be phased.

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

## 7. STUDY SESSION

### A. Capital Facilities CPA for 2007-2013 CIP

Motion to accept the staff recommendation to amend the Capital Facilities Element for the 2007-2013 Comprehensive Plan was made by Commissioner Ferris. Second was by Commissioner Sheffels and the motion carried unanimously.

### B. Downtown Mobility CPA

Commissioner Ferris commented that two or three the proposed amendments reflect the clash of suburban Bellevue and the vision of a modern urban city outlined in the downtown plan. The street grid and their supporting policies are relics of the city's suburban past. Policy S-DT-128 says the city should minimize the growth of traffic on arterials and in the residential areas north, west and south of the downtown by encouraging the use of freeway facilities. Bellevue Way is clearly becoming an alternative route to I-405, and the recommendation will encourage increased traffic flow on Bellevue Way both north and south. The recommended improvements for Bellevue Way, specifically the right-hand turn lanes, are in conflict with existing policies. The land use patterns under the Countywide Planning Policies are supposed to support continued urban development in the downtown urban center, but the proposed amendments do not do that. None of the proposed amendments will serve to protect pedestrian access, something called for by the Comprehensive Plan.

Commissioner Ferris suggested the proposed east-west improvements, NE 2<sup>nd</sup> Street, NE 4<sup>th</sup> Street and NE 6<sup>th</sup> Street are consistent and should be adopted.

Commissioner Lai concurred. He noted his support for the east-west proposals, but said before he could support the specific intersection modifications he would need a better understanding of the process that will be undertaken to collect data about each intersection relative to their importance to the overall traffic flow in the downtown.

Commissioner Sheffels said she holds similar concerns and expressed disappointment that the Transportation Commission representative was not more explicit with regard to the claim that other things could be considered in lieu of the turn lanes. She agreed with the east-west

amendments. The amendments for which there is general agreement should be recommended for approval, but the turn lane amendments should be sent back to the Transportation Commission and staff for additional consideration. It is true that Bellevue Way serves more and more as an alternative to I-405. The proposed improvement to the intersection at Bellevue Way and NE 8<sup>th</sup> Street will not lead traffic off of Bellevue Way; it will only assist traffic in getting to the mall. The Bellevue Way/NE 2<sup>nd</sup> Street intersection improvement makes no sense. The NE 8<sup>th</sup> Street/106<sup>th</sup> Avenue NE intersection improvement may or may not be needed given the incredible amount of development planned for the location in the coming months and years.

Commissioner Mathews agreed that seven lanes of traffic is difficult to cross by pedestrians. However, there is merit in preserving the rights-of-way for potential use, at least while other options are investigated. He said he was leaning toward approving all of the amendments for that reason.

Chair Robertson concurred with Commissioner Mathews. None of the proposals will solve the transportation problems in the downtown area, but preserving the potential is a must. There are methods that can be employed to assist pedestrians in getting across seven lanes of traffic, including all-way walks cycles and longer crossing times.

Mr. Inghram highlighted NE 8<sup>th</sup> Street, NE 4<sup>th</sup> Street, and Bellevue Way on a map of the downtown, and noted that there is a plan for a future connection to the freeway at NE 10<sup>th</sup> Street. There are also plans for a future southbound connection at NE 2<sup>nd</sup> Street. The proposed improvements are aimed at helping the downtown system. There is no intent to preserve Bellevue Way to serve as an alternative to I-405. Both NE 4<sup>th</sup> Street and NE 8<sup>th</sup> Street are key spines for getting to the freeway; for the long term, NE 10<sup>th</sup> Street and NE 2<sup>nd</sup> Street will serve as a secondary grid connecting to the freeway. The intersection at NE 8<sup>th</sup> Street and Bellevue Way loses one right-turn lane because there is a tree in the way that no one wants to see removed; the proposal is essentially to shift the street to the south by one lane, allowing for preservation of the third right-turn lane and the tree.

The various projects could be brought online in two ways: they could be constructed by the private sector as new development occurs, or they could be added to the CIP. Part of the urgency is the need to preserve the rights-of-way in advance of new developments rising from the ground. Time sensitivity is the prime motivating factor behind the proposed amendments.

Commissioner Lai said he was not previously aware of the concerns of the Transportation Commission regarding the lack of comprehensive thinking around alternatives methods for addressing the traffic issues. The transportation planners who last visited the Commission left the impression that there was wide agreement with the proposed amendments. A better understanding of the steps necessary to approve the proposed projects is needed before moving forward. Mr. Inghram explained that the evaluation of the projects as to whether they should be pursued is the adoption of the Comprehensive Plan. Whether the city goes through with the specific design could be evaluated through the CIP, in which the Transportation Commission would be involved, but the projects could also be implemented as private development projects occur adjacent to the rights-of-way. When a new tower is proposed, there is an administrative process in which the city works with the property owner on design issues and street frontage issues, including the construction turn lanes and sidewalks. Having the projects specifically listed in the Comprehensive Plan will create the opportunity to require private development to construct them as part of their projects.

Chair Robertson asked how adoption of the proposed amendments could interfere with the Great Streets initiative. Mr. Inghram explained that the Great Streets project is one of the different

outgrowths from the Downtown Implementation Plan. That plan was completed only a few years ago, but the downtown has evolved very quickly in the intervening years. The Great Streets project is focused on the sidewalk space that exists or that will exist as a result of continued development and outlines how it should be treated with amenities and landscaping. The project also focused on some intersections and crosswalks. There is an inherent conflict between the number of lanes a street has and the ease with which pedestrians can cross the street. However, the turn lanes and other intersection improvements will not directly affect the streetscape pallet under the Great Streets project.

Commissioner Ferris noted that Bellevue Way is identified as a retail street in the Great Streets project. The consultant Mithun Associates has already expressed the conflict between a pedestrian retail environment and the volume of traffic that currently exists on Bellevue Way. They noted that pedestrians have difficulties in maneuvering across the existing lanes of traffic. The recommendation for additional lanes on Bellevue Way will increase traffic volumes, increasing the conflict with pedestrians. If the proposed amendments are recommended for approval, Mithun Associates will have to be directed to revisit their planning work with a new baseline.

Mr. Inghram allowed that the Great Streets project has not yet been adopted; it remains a plan in development. The identification of Bellevue Way as a retail street, however, is part of the Downtown Implementation Plan.

Commissioner Ferris said his primary concern is that the language of the proposed amendments states the rights-of-way are to be preserved for the specific purposes of adding turn lanes and widening roadways. He said he could offer his support if the language were redrafted simply to focus on the need to preserve the rights-of-way.

Commissioner Ferris noted that the Meydenbauer Bay park steering committee is interesting in identifying ways to relieve some of the traffic that backs up on Main Street and there has been discussion about extending NE 2<sup>nd</sup> Street. That proposed amendment would address that need.

Commissioners Sheffels and Lai said they agreed with the suggestion to focus the language of the amendments to preserving rights-of-way only. Mr. Inghram explained that the city only has the opportunity to preserve rights-of-way where a project has been identified that needs the right-of-way. The city does not have the authority to preserve rights-of-way for which there is no plan to utilize.

Commissioner Sheffels asked if the language could refer to potential widening without being too specific. Mr. Inghram said that would not qualify.

Commissioner Lai suggested that the proposal to add a westbound to northbound right-turn lane from NE 4<sup>th</sup> Street to Bellevue Way would feed more traffic onto Bellevue Way and asked Commissioner Ferris why he would support that particular project. Commissioner Ferris admitted he had not thought it through completely and agreed with the conclusion of Commissioner Lai.

Motion to approve the amendments as drafted in the staff report for projects 207 and 211 in the downtown subarea plan, and the amendments to the Wilburton/NE 8<sup>th</sup> Street subarea plan, the proposed new policy S-WI-17 and project numbers 582, 583 and 584 concerning NE 4<sup>th</sup>, NE 5<sup>th</sup> and NE 6<sup>th</sup> streets respectively, was made by Commissioner Ferris. Second was by Commissioner Lai.

Commissioner Sheffels voiced concern over attempts to change the language of what has been suggested. Pulling out an element here and there will have a domino effect on the downtown generally. It would be better to preserve the rights-of-way through the outlined actions. She said she would vote against the motion.

Commissioner Mathews concurred for the same reasons. He noted that there has been a lot of planning put into the proposed amendments and the Commission is not qualified to sit as traffic engineers.

Commissioner Bach commented that there are major issues involved with the proposed amendments. He said he understands the concern over turning Bellevue Way into a cut-through route, but pointed out that there has been very little input from the public one way or another. He admitted to not knowing which way to vote.

Commissioner Sheffels suggesting making the concerns of the Commission clear in the transmittal memo to the City Council.

Chair Robertson concurred. She commented that the way development is going in Bellevue the city will soon not have the opportunity to preserve the rights-of-way unless action is taken soon.

The motion failed 2-4, with Commissioners Ferris and Lai voting for, and Chair Robertson and Commissioners Bach, Sheffels and Mathews voting against.

Motion to recommend the Comprehensive Plan amendments as written and to specify the concerns of the Commission in the transmittal memo to the City Council, was made by Chair Robertson. Second was by Commissioner Sheffels and the motion carried 4-2 with Chair Robertson and Commissioners Bach, Sheffels and Mathews voting for, and Commissioners Ferris and Lai voting against.

Commissioner Ferris asked to have the comments made by Transportation Commissioner Northey included in the transmittal memo.

#### C. St. Margaret's Church CPA

Chair Robertson recused herself from the discussion and left the room after handing the gavel to vice-chair Bach.

Motion to approve the St. Margaret's Church CPA proposal as presented was made by Commissioner Mathews. Second was by Commissioner Sheffels and the motion carried unanimously.

Chair Robertson returned, following action on St. Margaret's Church CPA.

#### D. Courter (Honda) Enterprises CPA (site-specific)

Chair Robertson questioned whether or not the proposed amendment is consistent with the Comprehensive Plan. The staff report recommends approval of the Courter amendment and cites Comprehensive Plan policies that are very similar to those cited in the SRO Factoria staff report in which the recommendation is to not approve the amendment.

Chair Robertson noted that the uses on the south side of SE 36<sup>th</sup> Street where the Courter property is located is almost entirely office; the car dealership is the one exception. The Honda

dealership is well established and has proven itself to be a good neighbor. She said she could support removal of the limitations on nonconforming use for the dealership property, but not for the adjacent parcel that is currently used for office purposes. As Factoria redevelops, there will be a number of mixed use developments brought in. Local residents will need services located in their neighborhood. People will drive a lot farther to buy a car than they will to see their doctor, lawyer or accountant. The land use pattern of the area does not support expanding the car dealership to another parcel; that would smack of spot zoning.

Commissioner Sheffels suggested that the Courter and SRO Factoria amendments are not comparable. The F-1, F-2 and F-3 zones are far different from the OLB on the Courter site.

Commissioner Ferris said he came to the meeting believing that the nonconforming status of the auto dealership use did not carry with it any specific restrictions. The fact that the use could not be rebuilt if were 75 percent or more destroyed will make lenders very nervous. He said that factor swayed his thinking to allow the auto dealership to be a legally conforming use. He agreed that the adjacent office site should not be included.

Commissioner Mathews concurred.

Mr. Inghram pointed out that the nonconforming use provisions of the code allow for expansions and remodeling, including expansion to an adjacent site through either an administrative or conditional use process. As such, the use could be expanded to the property to the west also owned by the Courter family. If the nonconforming restriction were to be removed for just the auto dealership site, the nonconforming use provision would no longer apply and the use would not be able to expand to the adjacent site. He suggested that the Commission may want to ask the applicant if they would prefer to remain a nonconforming use given those conditions.

Commissioner Sheffels pointed out that the site that is right across I-90 from the Courter site is home to a huge Toyota dealership. She suggested the recommendation of staff should be adopted. The geography of the properties involved will not permit expansion to the south. The two properties are under the same ownership, and to focus on just one of the two properties will put an undue burden on the Honda dealership.

Commissioner Bach noted that there will be no expansions to the east because of the ravine or to the south because of an existing hotel use. He said he could see no harm in allowing the use to expand to the adjacent property, noting that the dealership has been a very good neighbor.

Answering a question asked by Commissioner Mathews, Mr. Inghram said if the Commission were to take action only related to the site on which the dealership is located, the office building on the adjacent site could be used in accord with the provisions of the OLB zone. The dealership could continue to have its administrative functions in the building, but there could be no auto retail uses there.

Motion to approve the Comprehensive Plan amendment for the Honda dealership site and to bifurcate out the existing office building was made by Chair Robertson. Second was by Commissioner Ferris and the motion failed 3-3 with Chair Robertson and Commissioners Ferris and Lai voting for, and Commissioners Mathews, Sheffels and Bach voting against.

Motion to accept the staff recommendation to approve the Comprehensive Plan amendment for the Courter properties was made by Commissioner Sheffels. Second was by Commissioner Mathews and the motion carried 4-2, with Commissioners Sheffels, Lai, Mathews and Bach voting for, and Chair Robertson and Commissioner Ferris voting against.

E. SRO Factoria CPA (site-specific)

Commissioner Ferris said the city will benefit from the redevelopment of the SRO Factoria property, but not with the uses that are currently allowed. There have been changed conditions, not the least of which is the significant change to the theater industry since 1993. The staff argument is persuasive, but the Commission should recommend that the staff and the proponent get together and work out a better plan for the Commission to consider.

Mr. Inghram said staff has indicated to the applicant an interest in conducting an Eastgate/Factoria corridor study. The tentative schedule places the item on the work program starting in the mid part of 2008, with Comprehensive Plan amendments ready for adoption with the 2009 package. That would give the city the opportunity to collaborate more with different property owners, including SRO, on the uses that should be permitted in the area. While that will not necessarily result in additional office space, it could expand the list of allowed uses. Staff acknowledges that with the potential loss of the theater the applicant has an interest in finding a more timely solution, but from a long-range planning standpoint the corridor study is the better way to go.

Commissioner Ferris pointed out that if the privately initiated Comprehensive Plan amendment is turned down, the applicant will not be able to initiate another amendment for three years. Mr. Inghram agreed but pointed out that the Council could initiate a Comprehensive Plan amendment for the site or for the area.

Commissioner Lai said the Commission could avoid denying or approving the amendment by recommending inclusion of the site in the Eastgate/Factoria corridor study.

Chair Robertson agreed that the staff case is persuasive, but said it just does not feel right to deny the amendment. The area needs redevelopment. She asked if staff could come back with a more appropriate alternative to avoid having to make the applicant wait until 2009 to redevelop the site.

Commissioner Sheffels said the three Factoria subareas, F-1, F-2 and F-3, all came into the city with certain restrictions established by King County. Each property has used up all of the FAR allotted to them. Now one property is asking for a considerable amount more. What is needed is a study of the specific area rather than an action that would treat the subject area different from the other two areas.

Commissioner Bach said the notion of a mixed use development on the SRO Factoria property does not set well with him, nor does the idea of putting senior housing there next to the freeway. It has been 14 years since the site was incorporated into the city and given zoning guidelines to live under, and much has happened in the city since then. The downtown has changed dramatically, as has much of the Factoria area. There is very little that can be done to convert the existing theater building to accommodate another use. There have been changed circumstances, and he said he would be willing to consider approving the proposal for that reason.

Commissioner Lai agreed that the SRO Factoria property where the theater is located should be developed for the good of the community. However, the reasons behind the staff recommendation to deny the amendment are valid. The best approach would be to look at the broader area as a whole.

Motion to accept the staff recommendation to deny the SRO Factoria Comprehensive Plan

amendment was made by Commissioner Sheffels. Second was by Commissioner Lai.

Commissioner Sheffels said the transmittal memo to the City Council should include a call for including the SRO Factoria site in the Eastgate/Factoria corridor study as outlined by staff.

The motion failed 2-4, with Commissioners Sheffels and Lai voting for, and Chair Robertson and Commissioners Ferris, Mathews and Bach voting against.

Chair Robertson asked if there is any middle ground that could be found. Mr. Inghram said the only way to achieve middle ground would be to conduct a more extensive study focused on new zoning categories or modifying the existing zoning categories. He agreed that the general intent and vision of OLB is appropriate for the area.

Chair Robertson asked if there is any way to get to an alternative position by January. Mr. Inghram said that timeline could not be met by staff.

Commissioner Ferris asked the proponent to comment on the recommendation of staff to include the site in the Eastgate/Factoria corridor study. Mr. Schooler ((inaudible))

Motion to approve the SRO Factoria Comprehensive Plan amendment as written was made by Chair Robertson. The motion failed for lack of a second.

Commissioner Ferris proposed tabling the issue to the next Commission meeting, which is scheduled to occur prior to the package of recommendations going forward to the City Council. It was agreed to take that approach.

#### F. Electrical Facilities/Utilities Element CPA and LUCA

Mr. Inghram informed the Commission that the city does have an existing policy and code framework for requiring the undergrounding of utilities as part of new developments. The provision applies to new distribution lines, and the city is quite aggressive in applying the requirement.

Chair Robertson noted that during the study process a number of people have recommended taking on a major study with independent consultants. She said it is her understanding that the city cannot tell Puget Sound Energy how to conduct its business and asked if there would be any benefit to such a study. Mr. Inghram said Puget Sound Energy is the utility provider and as such is responsible for conducting all system planning and all planning to provide services to Bellevue. The city has a land use role to play in which all Puget Sound Energy development proposals are reviewed and through which an interface with the community is provided; the primary roles of the city are to limit the impact of facilities on the community and to work with the utility to keep them informed of service needs based on the forecasted land use capacity.

Commissioner Ferris referred to the letter sent to the city from the West Bellevue Community Club on June 9 in which they suggested a few changes to the proposal, most notably changing "may be" to "must be" with regard to where to site new facilities. He agreed that because new electrical service will be needed in the downtown, any new substations needed to serve that market should be sited in the downtown. Legal Planner Lacey Madche said the proposal on the table represents a balance between the ability of the city to impose regulations on Puget Sound Energy and their position as an essential public facility. If the city could include words such as "must" and "shall" in the alternative siting analysis section, the city would use them, but state law and court precedence precludes taking that approach.

Commissioner Sheffels noted that two engineers address the Commission during the public hearing who suggested the proposed language falls far short and that what is needed is a broad system plan. She asked if those statements are true. Mr. Inghram reiterated that Puget Sound Energy has the responsibility for planning, and the proposal captures their system plan. In addition, the city has conducted various studies, including undergrounding options, and intends to continue doing those types of studies. The city will not, however, conduct a broad system plan focused on types of substations and different levels of power energy. Seattle has taken a different approach to the design of the electrical system for its downtown area; they have transmission facilities undergrounded within the downtown grid. Seattle is a bit different, of course, in that it owns its own electrical utility. It is possible that a similar system could be constructed to serve downtown Bellevue. However, Puget Sound Energy must provide the infrastructure to the community within the rate framework established by the Washington Utilities and Transportation Commission.

Commissioner Ferris commented that the additional costs of undergrounding the system in Seattle was not borne by the individual homeowner ratepayers; each downtown business that connects to the grid pay a substantial connection fee. They benefit from having a very stable system that does not often go down during storm events. Obviously there are other solutions that could be utilized, but they are not being presented to the Commission.

Commissioner Lai said the arguments proffered by the engineers were very persuasive. The fundamental problem facing the Commission is that it has been handed only one-sided technical information on which to base a decision. There is nothing to compare and therefore no way to say that the proposed approach is the best approach.

Answering a question asked by Commissioner Lai, Mr. Inghram said he reviewed the policies and regulations of Kirkland and Redmond and found that the proposed approach takes things a step further. Most other communities have very general policies about electrical facilities; none of them require the type of siting analysis that is being proposed. Under the proposed approach, Puget Sound Energy must demonstrate how they make site selections, must show the city what alternatives there are, and they must have those discussions with the community.

Ms. Madche added that there is an independent review provision included in the code language. At the project level, should the city need some additional technical assistance, the authority is there to hire someone to give an unbiased perspective.

Motion to recommend approval of the Comprehensive Plan amendment and the Land Use Code amendment as proposed by staff was made by Commissioner Ferris. Second was by Chair Robertson and the motion carried 5-1, with Commissioner Lai voting against.

#### G. Wilburton/NE 8<sup>th</sup> Street Corridor Study CPA

Commissioner Ferris voiced his support for the recommendation of staff as outlined in the alternative draft. He commented that the staff are very close to having a recommendation for how the affordable housing issue should be approached in the Bel-Red corridor, and it would be worthwhile to accept the staff recommendation and withhold the discussion regarding the development capacity in the Wilburton/NE 8<sup>th</sup> Street corridor until there is an affordable housing recommendation to discuss in detail.

Commissioner Lai said he was comfortable with the alternative text proposed by the staff. He asked if the applicant could take full advantage of the zoning change and height limits even

without pursuing any housing opportunities at all. Mr. Inghram said that would be the case; once the rezone to CB is completed, all property owners within the zone will be able to pursue CB developments to the limits of what the code allows.

Commissioner Mathews commented that the city has not done an adequate job of addressing affordable housing, and thus the need is growing rapidly. He agreed the city should move forward with all due speed in addressing the housing policies so that a new approach can be in place in a timely manner.

Commissioner Bach asked if use of the word "restrict" will essentially put a moratorium on new housing development until a new housing strategy is in place. Mr. Inghram said the restriction would apply only to the rezone area. Currently, housing is not allowed in the zoning areas. When the rezone occurs, either through the development agreement attached to the rezone, or as a condition of the rezone, there would be a restriction on housing uses. The hope is that the housing strategies will be adopted concurrent with the rezone actions.

Commissioner Bach said it is difficult enough to develop profitable housing in the present market, let alone affordable housing. He said he would not support an approach that keeps any kind of housing from being developed until the city gets its ducks in a row.

Commissioner Ferris said normally he would agree. The fact is, however, that a new housing program is very close and it would be a travesty to have the rezone go through a few months ahead of the affordable housing policies and lose the ability to put affordable housing in the Wilburton/NE 8<sup>th</sup> Street corridor.

Answering a question asked by Commissioner Sheffels, Mr. Inghram said staff sees height related in many ways to the housing use. Generally speaking, the developments will only be allowed to be so tall unless multiple large box retail uses are stacked one on top of another, or unless housing is stacked on top of retail. Having a policy that addresses the housing use essentially will limit the practicality of achieving full height in the zone. It would take another code amendment to allow for the stacking of big box retail uses. Commissioner Sheffels said one incentive for including affordable housing could be additional height. Mr. Inghram agreed and said that could be done using height as an incentive.

Commissioner Lai asked what would happen if the proposal as outlined were approved, allowing buildings up to 75 feet, then in 2008 a citywide affordable housing incentive is adopted that allows developers additional height for affordable housing. He asked if a building in the zone could ultimately reach 90 feet under that scenario. Mr. Inghram allowed that there would be a potential conflict, though it probably not be a bad thing to consider a Comprehensive Plan amendment before initiating an incentive increase in height as opposed to doing it through a code amendment. It could be argued, however, that by removing the proposed policy that talks about height up to 75 feet, even greater flexibility could result to go beyond 75 feet. A significant increase would be needed beyond 75 feet in order to be meaningful given that above that point highrise construction methodology is required.

Chair Robertson observed that the Commission was ready a year ago to act on the package. In the intervening time staff and the property owner held a number of difficult sessions in an attempt to reach the proposed compromise position. She said she is also a supporter of affordable housing so feels conflicted as to which way to go but is not willing to open yet another can of worms that will cause more delay. She said her inclination is to approve the recommendation and include a strongly worded transmittal memo. She further indicated her preference with regard to addressing affordable housing is to tackle it citywide instead of only for

the Bel-Red area first. Mr. Inghram said there are a number of different affordable housing strategies to be investigated, and it will take time to conduct the study. Staff hopes that by using Bel-Red as the pilot project quick progress can be made, but the result will not be within the January or February timeframe.

Motion to recommend to the Council approval of the staff recommendation, with the alternative draft policy S-WI-22, and with the corrections submitted in writing by Commissioner Orrico was made by Commissioner Ferris. Second was by Commissioner Lai and the motion failed 3-3 with Commissioners Ferris, Lai and Bach voting for, and Chair Robertson and Commissioners Sheffels and Mathews voting against.

Commissioner Sheffels suggested that all of the Commissioners are committed to seeing affordable housing created in the city. However, to restrict the creation of any new housing until the affordable housing element is in place, the hands of the city will be tied from doing practically anything. She said that is why she voted against the motion and noted that she would vote in favor of the current draft over the alternative draft.

Mr. Inghram confirmed for Chair Robertson that the village area where housing is likely to develop would not be rezoned until either NE 4<sup>th</sup> Street is extended through to 120<sup>th</sup> Avenue NE or until there are at least development agreements in place. He said the city is proceeding with acquisition of right-of-way and the crossing of the BNSF corridor. There are other details yet to be worked out as well, including getting the bus parking area relocated. It is hoped that the schedule for that work and the schedule for working through the housing strategies will be synchronous.

Commissioner Mathews said he would like to see the first part of Policy S-WI-22 drafted with stronger language. He allowed that the first sentence of the alternative draft would suffice. Chair Robertson proposed using the first sentence and the discussion of the alternative draft, leaving out the notion of restricting the development of housing.

Commissioner Ferris cautioned that once the zoning change goes out the door, the rules associated with the new zone will apply. A new housing strategy will be ready for adoption before the property owner will have an opportunity to get any development done.

Commissioner Lai said use of the word "restrict" in the policy language will not be a big problem for the Wilburton/NE 8<sup>th</sup> Street area. The housing policies, once they are adopted, may include strong incentives the developer will want to take advantage of, and the developer likely will elect to hold off until new policies are in place.

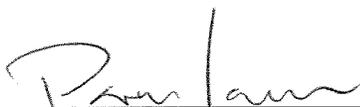
Mr. McCullough clarified for the Commission that KPG hopes to be ready to move on the properties on the west side of the tracks in the second quarter of 2008. Having to wait another year for housing policies would not be advantageous, and may cost the developer the opportunity to move ahead with redeveloping the east side properties for lack of certainty on the west. He noted that the Commission is not being asked to act on zoning, only on Comprehensive Plan language. The Commission will see the zoning issues again. He proposed using the stronger sentence, leaving out the restrictions.

Mr. Inghram proposed using the alternative language without the restriction sentence, and including the restriction notion in the transmittal memo to the City Council. The rezone action will not come back before the Commission, and the transmittal could say the Commission does not anticipate any rezone approval until the housing strategies are in place.

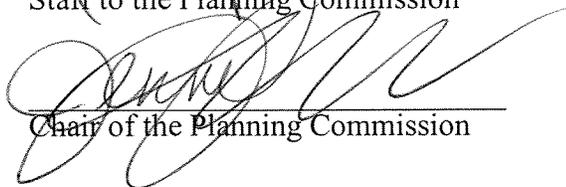
Motion to recommend to the City Council approval of the staff recommendation with alternative policy S-WI-22, not including the second sentence, and the recommended changes made in writing by Commissioner Orrico, and to include in the transmittal a recommendation to time the rezoning with the housing code strategies, was made by Commissioner Mathews. Second was by Commissioner Sheffels and the motion carried 5-1, with Commissioner Ferris voting against.

- 10. NEW BUSINESS – None
- 11. OLD BUSINESS – None
- 12. APPROVAL OF MINUTES – None
- 13. PUBLIC COMMENT – None
- 14. ADJOURNMENT

Chair Robertson adjourned the meeting at 11:22 p.m.

  
\_\_\_\_\_  
Staff to the Planning Commission

3/12/08  
Date

  
\_\_\_\_\_  
Chair of the Planning Commission

3/12/08  
Date

