

CITY OF BELLEVUE
BEL-RED PROJECT
PANEL DISCUSSIONS
VERBATIM TRANSCRIPT

May 13, 2008
2:00 p.m.

Bellevue City Hall
Room 1E-109

Panelists: John Darvish, Tino Perrina, Kleo Landucci, T.J. Woosley, Sean Woerman,
Randy Dellinger

Moderators: Emil King, Kevin O'Neill

Mr. King: Okay, well for everybody for joining us this afternoon. My name is Emil King. I'm the strategic planning manager for the city. And I am going to be running us through the questions making sure we stay on time, help answer any land use related questions. And then we have Kevin O'Neill, who is the long range transportation assistant director and he is going to be recording everyone's comments up on the flip charts. We are also audio recording this discussion. We will have transcripts of this done and sent to the Planning Commission. And we will also be making any notations on both the zoning map, land use map, and the transportation map to also help us capture your discussions and forward it on to the Planning Commission and City Council. So what we wanted to do is spend about 10 or 15 minutes on each question as need be. We will also have time at the end to ask any other outstanding questions that the group may have. So don't feel limited to this set, we will have time at the end. And it's important to bring up comments but also just questions you may have because those are valuable for the Planning Commission to just understand just general questions that you have about the package that's out there or about the overall process. So I wanted to start focusing on land use and zoning.

Mr. O'Neill: Emil, should we do a –

Mr. King: Let's first do quick introductions.

Participant: I'm John Darvish I'm a business owner and a property owner in the Bel-Red corridor.

Mr. O'Neill: Kevin O'Neill, City of Bellevue.

Participant: Tino Perrina. Property owner in the Bel-Red corridor.

Participant: Kleo Landucci. Property owner of the old Angelos nursery sight at 2211 156th.

Participant: T.J. Woosley, Woosley Properties, Briarwood Center, property owner, landlord, commercial broker putting businesses in and out of the Bel-Red corridor for many, many years.

Participant: Sean Warman lighting construction representing a business owner on Northup Way, 12100.

Participant: Randy Dellinger business owner in the corridor.

Mr. King: So the first question deals with land use and zoning so we have a proposed sub area plan map and a zoning map. They are generally a one to one relationship between the comp plan map and the zoning plan map so you don't need to be looking for subtle differences between those two maps. In Bellevue its one to one relationship. What we wanted to do was to get your comments or questions about how the, number one how the steering committee preferred alternative actually ended up in this zoning pattern. As you remember we had some range of alternatives and bubble maps that have now evolved into a zoning map that follows parcel lines, that has specific height and FAR limitations, specific uses that go along with those. So we wanted to know any comments you have about whether or not this adequately represents the steering committee process and if there are just comments about the proposed zoning intensities and heights and if you'd had a chance to delve into some of the other uses that detail out these zoning categories. So we aren't going to do a formal going around the room or anything, but if people wanted to just have comments we will record them and wanted to make sure everybody has a chance to discuss as much as they would like.

Participant: Can I address the structure of your question.

Mr. King: Sure.

Participant: That's initially, does the proposed pattern of zoning appropriately capture and translate the steering committees preferred alternative for Bel-Red? I think that it would seem to me that in a forum like this the question more appropriately would be does this fit what our input has been. Does it fit what the business owners, the properties owners' vision? I can't, I mean I've been to I don't know, I can't count how many steering committees. But I don't feel like I am in a position to judge if this fits their thing. Does this fit input that we think will work for the area? I think would be a more appropriate question.

Mr. King: If you want to tweak that.

Participant: Is that okay?

Mr. King: You can provide any comments.

Participant: I can't be a judge of how this fit. You guys have done it. Does it fit their thing? I guess that's the staffs' job to do. I think from a lot of the discussion it does fit. In general the land use I still think personally that a lot of little use folders have been created where a lot of uses need to go here but not here, and over here but not there, and I think that the whole area is going to develop better if the land use is loosened up a little bit. The arts can go here but not here. And oh gosh can we have light industrial because this art guy might be pouring bronze casting so he has got to fit in the light industrial zone but he has a sales office and a retail, and it just starts to get real cluttered up the more the tighter the zoning restrictions are. Throughout the process we have encouraged, and when we uh, you know I've managed these properties, I've leased a lot of space to a lot of different businesses in this area and often the biggest impediment is there is no P in the box and nobody understands why. And it doesn't make any sense and it's indefensible, but it's the rules. And I would strongly encourage in the whole land use and zoning pattern part of the whole study and the whole process that we keep it as open and as loose as possible. Because otherwise we end up with spaces in buildings that are vacant for a longer period of time and the redevelopment, I mean the big goal is to redevelop this area over time, finally get the lid off and allow redevelopment. And that won't happen in a blighted area. So anything having to do with existing uses ought to be pretty open and keep these properties functioning at their highest and best level all the way along because they are much more likely to redevelop if they are functioning well, then if they are blighted. And so everything that can be done in the whole area use flexibility I think is the big one. Needs to be allowed.

Mr. King: So in the draft zoning code when people have a chance to look through that we actually do have the typical zoning code used chart. So the city hasn't made a concerted effort to move away from that to more of a form based approach. So comments could be that you don't think the use boxes are appropriate. That's number one. And then number two might be to go look at if we were going to stick with that how you may refine it to be more inclusive of things.

Participant: That would be a big policy change to change the structure of the zoning code I guess I'm thinking about more Ps in more boxes. Under the existing code P's and more boxes, more P's and more boxes.

Mr. King: Other comments on the land use pattern or specifics of the zoning?

Participant: My background is mostly in the medical area, so I can't really speak to the other areas where you have identified for example business and commercial. When I look at the medical area, the medical use area,

probably 80 percent of it, maybe less 50 percent of it is already medical. Some of it is light industrial which they phased back to the railroad. So my concern would be if this is the goal, how, what is the city going to do in order to jumpstart that and how are you going to encourage this for the vision to come true. Because I think that the vision is fairly good. I don't know maybe you want to move the lines here or there or wherever that makes sense but I think that the vision is really good. But what are you going to do in order to jump start this development and to jumpstart the cities vision to come true? That would be my concern. And I think that you could do some of the things that you have already talked about in regard to the incentive plan, whereas the plan already fits with the cities use or planned use maybe you can take away the incentive plan and just let the go to the maximum intended use.

Mr. King: And then John you did have one specific comment from a few days ago about...

Participant: Yeah, I did. One of the things which I, I mean I envision as a owner and as a business owner is, that alongside 116th what is glaringly missing to me is medical retail, which is something that even right across from the hospital they have retail area, but there is only like one medical retailer. And I can see a lot of my patients when they come through the clinic they are like where do I go to fill this prescription and it's like, well do you go to your right aide neighborhood. So I think it would be really helpful, especially for the owners and the developers, which I hope to be one, is to allow for medical retail in this medical office area.

Participant: It's that broader use deal.

Participant: So, I'm sorry, so what is medical retail?

Participant: I mean, for example you can think about pharmacies, you can think about (inaudible) stores, you can think about you know optometry...

Participant: We used to joke about that we were four blocks from the hospital and we weren't allowed to sell nurses uniforms. You couldn't have an apparel store that sold medical clothing to the staffs of all the medical places. So that would be one.

Participant: I mean for example as a medical operator if you ever run out of IV lines, God forbid. Where do you go to get that if you are really in need of some medical equipment?

Participant: In the 122nd node I see that you have, and this is the area that right now is zoned light industrial. You have got major tenants such as Safeway, Coca Cola, pretty big operators operating in that node and I see that it's going to

become more of an office retail or a business and residential type and I don't know if those firms have long range plans for vacating that area. I know that Safeway has a million square feet down in Auburn. Some of those things are internal decisions for them, but turning it into a residential if we are talking about things that a neighborhood needs if you will there is very limited places unless you go further into downtown, but the nodes that are, you know 122nd and then back towards the freeway there is very limited dining facilities or restaurant facilities sort of in that same neighborhood. There is a lot of activity there that would have to change pretty dramatically to gain the vision shown.

Mr. King: That is a good point too, we will be going into a bit more detail on existing use provisions on question four, but it's important to point out that we do have major tenants like Coca Cola, Safeway and others that are either in the nodes or pretty close to the nodes, acknowledging that this is a long range plan. It's 20-30 and beyond. So we want to make provisions for the existing uses but have a strong long term vision as well. Other questions or comments?

Participant: I want to address what you talked about, how do you jump start this? And this has been something that I see as a potential flaw in this that could be corrected. In order to make it economical to redevelop a lot of these properties, one of the reason this whole thing started, two reasons, one is that the Sound Transit potential to go through this area and the city realized that the zoning wouldn't allow for what's needed to put a node together, so it was cart driving the horse. That was part of it. Another part was the ratio of assessed value of improvements to assessed value of land. And the improvements were really low. In other words there was a whole bunch of old ratty buildings in the area and when the land value has gone up but the buildings haven't. And that's because it's impractical to economically redevelop under the current set of zoning and land use codes. So this has got some pretty good attempts to do that. But I think to truly allow the jump start that you are talking about the FAR has got to be raised up in a lot of this stuff.

Participant: The base. The base FAR.

Participant: The base FAR has to be raised up in a lot of it. I can't afford to redevelop under what is proposed here. So you are going to see what are now 40 year old buildings turn into 70 year old buildings. And they are going to, there will be paint on them and all that. But they are going to be ratty old buildings unless this FAR is raised up to where it becomes economical and profitable to redevelop the buildings. And you guys see it on your property way out there where you just purchased, its, yeah, I think that's area wide. And along those lines the next one is transportation, so I'm going to touch

on that one just a little bit. First of all this is a vision for 20 years. Right? To 2030, right?

Mr. King: To 2030 right.

Participant: And with prop one going down the chances of even the next transit vote the furthest out they would go would be out to Overlake Hospital, right? So the chances of it going out this corridor during this 20 year period, are basically zero. And yet we got land use code written to allow for this node idea on what's now a nonexistent arterial or corridor. And even if it was to turn into a transit corridor it wouldn't be for the horizon of this whole plan. So I think that there is, I mean it is nice to look out that far forward, but when I look at the node and I think about a quarter mile I think about your FAR's allowed the highest densities in the nodes in the center of the nodes up to 150 feet I think it is. We have a particular interest in this because what's now a Safeway warehouse that Wright Runstad bought the property of is going to redevelop this and has a potential node in the center takes their height level, they can demo old concrete warehouse and put us 150 feet. We are just south of that across the street and we just happen, this hypothetical node are, we are outside of the circle, literally just at the edge of the circle. But that node isn't going to exist in 20 years. The current transit stop, the highest capacity transit we have happens to be on our north border of our property. So I'm all for them being able to develop and I think that in the long run it would be really cool to have that node. But I also think that it would be more appropriate to even out this FAR on a bigger area of land and don't rely solely on the quarter mile transit node. Especially being so entirely hypothetical on that. So we would like a higher FAR and I think that it is more practical because the current transit corridor is on our property.

Participant: Just to that point and I'm really looking forward to question number five, but I have a question with regards to the height and understanding that the steering committee at their last meeting had voted to keep the height in our area at the current zoning. But just wondered where the 70 feet came from. Just in all of our work for the last year with you and your team who have been working hard on all this work, which is tremendous, but a well as the Planning Commission and counsel, in order for us to develop on our site and again we come to the incentive program, but the height that we need on our site is 75 feet. So I just wonder where 70 was sort of chosen.

Mr. King: In Bellevue and Washington state and much of the US there are cut offs at both 70 and 75 where you end up going into high rise construction techniques, etc. So the 70 number was the upper number for much of the area outside of the nodes. If there is some reason that your particular property needs 75 then I would put that into a comment.

Participant: I think it's a good question. The question would be why...

Participant: Because we are in the nodes.

Participant: Yeah, you have got it Kevin. Where did 70 feet come from? Yeah it is around there but why?

Participant: And building type wise we actually, our building team and architects can build 75 feet that we require. So that's all my question is. Just why was 70 chosen as opposed to 75.

Participant: I believe its fire truck ladder.

Participant: So you are saying that 75 is a better launching point to the next level than 70.

Participant: Right if somebody said on our site for instance you can have 80, forget the incentive program, forget all the other issues you can have 80, we can't build to 80. So that's where we will have a challenge. But we can build to 75 and frankly we need 75 in order to make this development work. So I just wondered why 70.

Mr. King: Well the short answer is we had gone along the process with our steering committee with 60 feet. Because that was an upper height limit that was used in many zones in the city as the upper limit. And then our Planning Commission actually asked if that was a height that people really build to if they don't have to. And the answer was no not really. So then our building and land use people looked at both 70 and 75 and it was really their judgment that most people would top out at a 70 number and not 75. Provided that there may be a few people, like it sound like your proposed development would want that extra five feet, but I think that many others would come up to 70 and then see all the other code provisions they would have to abide by and they wouldn't make it that extra five feet. But that's a perfect thing to comment at this point rather than down the road.

Participant: I mean one of the other things is that I'm not sure, I don't know if it's an appropriate question for now or for later, is that setbacks are not really clear. Is there a part of the document that address that?

Mr. King: There is a page in the draft code, and we can follow up maybe after the meeting or you can give a call. It has, its generally called the density and dimensional (inaudible). It has set backs, heights, FAR's. We try to put it in a nice compact table. And we can walk you through that.

Participant: Thank you.

Mr. King: Did you have any comments on land use at this point.

Participant: No, I don't.

Mr. King: Lets move on to transportation. Paul walked through some of the arterial improvements that we have that transportation phasing map. It's also important to point out that not only do we have arterial improvements in the corridor we also have a the vision for a east facing ramp here, interchange ramp at 520. And really some other improvements that are outside the corridor but do help to form overall network. So our question to the group is do you feel that this proposed transportation network adequately address the future mobility needs for the sub area? Provided that there is a road component, non-motorized component, transit component all embedded in this.

Participant: What, if any, consideration was give to, not necessarily what's within the boundaries we are looking at now but the next major tenant up the road might, Microsoft, who is putting in a 4000 stall parking garage. And immediately after it is done I guarantee it's going to be full. You know some of that is going to back track into this area that we are talking about. And I don't know if any consideration...

Mr. King: Not to take us too far off track, but Kevin will give a one or two minute discussion of what's called the BROTS discussion. And that's exactly what that's for.

Mr. O'Neill: Yeah, it's a really good question. First of all from both a land use and a transportation standpoint of course you have to think about this area not as an island. It's connected to downtown, it's connected to Wilburton, it's connected to Overlake. So, with regard to the east end of the corridor, as Emil pointed out there is a existing interlocal agreement between the city of Bellevue and the city of Redmond called BROTS, which is Bel-Red Overlake Transportation Study. That agreement was adopted in 1999 and focused on largely sort of intersection improvements, both in the border between the two cities like 148th and Bel-Red road, 148th and NE 20th, Bel-Red road and 156th, etc., as well as some improvements in the core of Bel-Red. We did this work over the last couple of years. Redmond updated their Overlake neighborhood plan. What we are doing right now is coming together with Redmond to sort of figure out what the next iteration of BROTS should be and what kind of improvements should be included. Because you are absolutely right. You know we are talking about adding 4.5 million square feet of commercial to this area. Redmond is looking at the same numbers up here. We are talking about 5000 housing units, they are talking about 5000 housing units. So, clearly transit is a big part of the answer but there is going to have to be other improvements as well, particularly along the 148th corridor for example.

We are doing the same thing on the west end of the process in that a lot of the transportation improvements you see here for example are synced up with improvements that have come out of other planning studies that have come out of downtown Bellevue and Wilburton. So what's been talked about for example is extending NE 4th from 116th to 120th and improving 120th just south of the corridor, so the proposed Bel-Red improvements would link up with that already identified improvement, it would just expand it. And eventually try to create another relief valve from downtown east west that could then connect either or to improve the 520 interchange. This interchange already exists but it's a half interchange. It doesn't allow access to or from the east. So the idea is to work with the state and get them to fund it and build it to improve that. So we are trying to look at transportation from globally on sort of both sides, the west side and the east side. But it is a really good question.

Mr. King: So any comments about this proposed network in the sub area. Do you think it's the right level of investment.

Participant: Well it is nice to see so much of the grid being added to there. I always thought that the grid system is going to be that much more useful to serve the entire area. I think it's real important as we look through this to keep in mind that the improvements within the area, this 4.5 million square feet is not going to be, I don't think it's going to be the big impact on the existing infrastructure. It is that pass through stuff. It's the downtown Bellevue going east and the Microsoft or the Overlake coming west. It's a corridor. I think that it will be valuable. I guess a question would be what efforts is the city using now and what's planned to encourage the state to study and get going on the expansion of 520 east of 405? Because I think that is going to have a bigger impact on how well this area works than anything we build in there.

Kevin O'Neill: That's a really good question T.J. The standing Metropolitan Transportation Plan, which the PSRC is the regional body adopts, includes expanded lanes on 520 east of 405. The state hasn't done really anything about identifying financing for those. In discussions we have had very early on with the state, I think we have expressed our support for them accelerating that work, as well as our support for them accelerating this work, which is also they have no financial dream identified for that. I think that there will be ongoing discussions with WSDOT. Obviously its great what they are planning in the 405 corridor. I think you are absolutely right particularly with BROTS. And I think that the BROTS update agreement may be another to avenue to advocate for those improvements, because they are obviously very important to Redmond as well. But I think that is something that needs to be accelerated.

Participant: So I don't know how that can be related than your set of questions or testimony or anything, but I think even though it is outside the scope of what we are immediately doing, I think that that would be one of the most important things we can do to make what all we are doing work. So any effort-

Participant: So I think that what you are really talking about, and I don't want to put words in your mouth, but I'll try to -- is really a robust investment strategy with all of our regional partners. WSDOT, METRO, etc. to get improvements in the corridor.

Participant: Yeah, we just need to end up with a result. I've got a quick question Emil. Are we addressing funding mechanisms for this? In this section? Or is that the phasing section?

Mr. King: We can bring up funding at any time you feel it's appropriate. The funding strategy for Bel-Red is something that the City Council is tasked with doing.

Participant: I'm thinking about the infrastructure funding.

Mr. King: It's fine to either bring it up at this point or if we get into the phasing discussion we will be talking about specific projects. Do you have a comment about that?

Participant: Yes. About the, what's the estimate? Did I hear \$450 million?

Mr. King: Yeah, Paul provided a number of \$450 million.

Participant: Four-fifty, so that's a lot of money. And it's got to come from somewhere. I guess I would ask what funding mechanisms they have in mind and suggest two things. One is that a lot of the city capital improvement budget is funded but city wide taxes and it gets funneled into certain areas. A lot has been funneled into downtown. And I think that a lot of the citywide, because this area functioning well benefits the whole city, I think that a lot of the funding for this ought to come from a regular city capital improvement budget. And I think that part of it ought to come from new development along the way. I think that we are going to see mitigation fees and all those things. One thing I would strongly recommend against is LID's. I think that, I'll give an example, the Wright Runstad proposal on the old Safeway warehouse property is going to most effect the intersection right out in front of us. We have been there 40 years and paid our taxes the whole time. And that intersection is only going to be put to its real test when all their square footage gets built. I don't know that it's right for me to be able to pass through my LID cost to my transmission shop that has been there for 20 years to the guys that are

building, or to fund their needed transportation improvement by their additional square footage. When we redevelop I am happy to pay part of the share. But I don't think an LID is a good mechanism for that because of the real long term range of this plan and the long term vision. As we have talked about this it has been talked about as a 20 year plan. But I heard a lot of people talk about how this is going to take 50 years to do this stuff. And I think that is a mechanism that is going to cause a lot of grief along the way.

Mr. King: LID is on the list of potential tools that the council will consider. We have your comment.

Participant: I know that it is on the list but I don't think it is going to work well. I think it is going to be really inequitable. And I think it is going to contribute to that potential blight idea as we go along. And I think there are other better mechanisms.

Participant: Well one of the things that we have come across in this medical corridor, medical office corridor, is that the land value has gone up so high that it is making it almost impossible for people to start new development in that area. Because they say, what am I going to have to get for rent? And the doctors are like what am I going to get from the insurance companies. And you can see the two things are going this way and that way and it just doesn't make sense to have even, to encumber the developers in this area to pay even more on top of the land acquisition. Again, that comes back to that question, what are we going to do to jump start this vision. Having more assessments I think is going to even set this further back from happening. Again, I think, in behalf of a owner, I would like to ask the city to say okay what are you going to do to help us get this started? What can we do to make this happen? I would just put the ball back on the cities court to say we are willing to do it, but having more assessment is just not going to make this happen. Because the land values have gone up so far, so high, it just doesn't make sense for developers to invest.

Participant: Were you thinking about some kinds of tax breaks or what kind of mechanism? Do you have any ideas? I am curious too, because I think it's —

Participant: No I am just saying. Tax breaks would be nice. I'm not even thinking about that. But having extra assessments or incentives. So for example if you want to go to 100 feet high development having incentives for us to go to that far it's going to make it more expensive for us to develop the land. What you could do for example is say you know what you can go up to 100 feet if are use is intended for this area, as the same as what the cities vision is. And we'll encourage you to do that, rather than saying you have to pay X hundred thousand dollars to go to 100 feet for example.

I'm just using examples at this point and I am not being very specific. I'm just saying let's have policies in place that would make that happen. And it would help the land owners and the developers to kind of come to – because I've talked to several developers they are just saying I don't want to touch anything in the medical area. It's just too expensive. I'm not going to get my money back. So that's been my –

Participant:

Well, to incentivize development I think to your point, and I am jumping to question five, but I'm dying to get there so, the what we are seeing on our property is similar to what you are saying is that the base FAR is set so low, recommended to be set so low that in order for us to develop at 2.5 the incremental cost for us to move from point five or one, as a base, to 2.5, for us as owners to develop on our site is completely prohibitive to build a seniors, a very amazingly beautiful, wonderful seniors community that we have got all throughout Canada and to bring this down into the US and to build this development, which we have see tremendous demand for in this area, it's just not even possible, so the base FAR in and of itself and from our perspective - we are all about incentives. I think we support incentives. We have done that in many jurisdictions. But it has to be incrementally worth it for us, otherwise all you are going to get on this site, on the Angelos nursery site, is a big box retail shop with lots of service parking and that's it. And in this morning's panel what was of a concern was the response that, you know, the dialog that was touching on these issues related to that being if we set it at point five or one then the replacement is easier for us to replace on that site. And we are just having a really hard time understanding that philosophy because as owners we would have put a shovel in the ground yesterday and this is, if we could just, if all we are allowed to do is build a Best Buy, then I guess that's what we'll do. Or you are going to build one FAR residential rental unit that is going to be there for 50 years and isn't going to achieve I think what the plan wants to achieve. And those unintended consequences are unfortunate because this does have the capacity to be an amazing opportunity for development and for a great community to live.

Mr. King:

Those are good comments. We will get back to incentives in a minute. Let's go on to phasing and existing uses.

Participant:

The FAR comment I real true. I think the vision got great and I think, hearing you say it kind of getting outside and looking at the forest a little bit, I have a concern looking at what we ended up with here that the vision was great and grand and now we are squelching it with this stuff. So, as a big general comment, let's get back to how great this can be. We need to get the Planning Commission, the council, to realize how great this can be. Because we end up focusing on this. I have watched it for 35 years. So as an entity we do that, as a city, staff, the counsels. So thank you, you just

added a lot of perspective on that. It's got to be great again. And we can do it.

Mr. King: Well, let's talk about phasing very quickly. The phasing mechanism that we are proposing right now in the document is that areas that are within nodes, so at the medical office area east of 116th, this entire dark orange and lighter orange area, in this node, and the light and dark purple area out here, all those areas would be allowed to go up to 2.5 FAR. The phasing mechanism would call for the phase one transportation investments shown in blue on the map to have a funding mechanism in place. So that means approved by the City Council. Funding mechanism doesn't mean they have to all be built, but we have to have the mechanism in place. And we would also need to have a mechanism for approximately \$16 million dollars worth of parks and open space investments for those to occur as well. To unlock the development potential in those three I just pointed out we need to both have transportation investments ready to go as well as parks and open space. Do you have a property interest in the nodes? Or is it outside the node?

Participant: It's in the nodes.

Mr. King: It's in the nodes. I think that the rest of you are mainly outside of node, except the area on the east end of the subarea is not included in the phasing mechanism.

Participant: Yeah, I already talked about that.

Mr. King: So do you have any comments about that technique about wanting to basically get a commitment for infrastructure in place before we allow the higher FAR's to occur?

Participant: You know it is interesting being in the 122nd node and actually the graphic to the left that has the blue line at the top basically runs right past the island of property and then you were talking about the 520 turn around back east. That's sort of the area right now the owners of our company are actually looking for more space actually within this geographic grid so I think that really a stipulation that phase one transportation needs to be in place before any of this other development I think it's almost situational. You would have to look at what areas and what's possible. Obviously it wouldn't make sense in your dark purple and light purple areas to try to – unless you could branch out from the middle and then try to connect outward from the inside if that makes sense. Just, again, creating the 15th/16th I believe the gentleman next door kind of described that area, if that's even possible. I don't know that its necessarily should be a must have before redevelopment should begin to occur. All of these great points have been made that says look this is a great grand plan but you got

to make it the right business environment first before people are going to start spending money and making these developments happen. While it is nice to have that in place I think you need to leave yourself enough room to make the plan happen. But to say that you can't develop anything until something is done I don't think is the right way to go.

Participant: Well I think the incentive – as property owners and business people we always have an incentive to make something happen. And the city doesn't have – if the city is tasked with the concurrency part of this their incentive structure is there by nature. And I think that, I agree, should be a lot more flexible.

Participant: Well it's the ideal situation. I don't know if it is the most practical situation.

Participant: So I am not sure about who owns what land right now, but what are the plans in putting the light rail in and who owns the properties and has it already been spoken for? Is that something that we are looking at another ten years before it even happens?

Mr. King: Well the 122nd node, the major property owner right now is Wright Runstad who owns 36 acres. Generally this area. Safeway still owns a significant area in here. Metro owns property. There are other owners on the west side of 120th. The story is much different at the 130th node. It's a much more fragmented ownership pattern.

Participant: Well, Cadman and Evans. They both own like ten acres.

Mr. King: Yeah, Cadman owns ten acres and Evans owns properties, but they are spread out a bit. There actually are some significant land holdings but not a single big property owner.

Participant: Fragmented, yeah.

Mr. King: Yeah, pretty fragmented. Walter Scott owns some down in this area. So I think that the overall idea with the phasing plan is that we have a significant both transportation and park and open space need and trying to generally sink things up so that we don't have all the development activity happen with no real mechanism to actually have the infrastructure come in place. So that's the general philosophy behind the phasing plan.

Participant: I think a question may be, Kevin, how can we structure this so that the city has an incentive structure to get the public funding portion of it to kick start the rest of it. It goes along back to your question.

- Participant: It's like the cart before the horse. Do you want to sort of figure out which one helps each other you know?
- Participant: One of the things Bellevue did brilliantly a long time ago was they built these big streets and they built these big blocks and big streets and then the buildings came. And there was a lot of wisdom in building the infrastructure ahead. And now we are playing catch-up, unfortunately. We stopped investing in that as a city a long time ago. And now we are having to play catch-up. But if we can work to get back to that it does inspire this redevelopment, this vision to occur. So that would be a question I would have. And another little side thing, I know you focused just back on the node thing, but I am in disagreement with the node idea and the density right there and I think I wouldn't mind redeveloping if I had a higher FAR. And I don't think that the quarter mile node is defensible in this whole thing. I think it should be broadened.
- Mr. King: Any other questions or comments about the phasing mechanisms?
- Participant: I have a question with regard to parks. This morning in the panel we were talking about the percentage of investment that would made infrastructure wise into the parks. And there was – and I may have misheard and I am just looking for clarification that someone said that there will be a certain percentage, or a certain amount allocated by the city to acquire land for parks. Is that correct? Is that something the city is looking at doing?
- Participant: There was a question at one of the panels about an upcoming bond issue. And the answer to that is there is an upcoming bond issue that's being contemplated in November and it's for \$40 million dollars. And the projects have been tentatively identified and none of which are in Bel-Red.
- Participant: Okay, answers that. Fine.
- Mr. King: And Glen, what is our current cost estimate for all park improvements for the corridor?
- Participant: It was \$200 million but that included the major (inaudible). So it is a little bit over a hundred million for to acquire and develop all the parks they are contemplated in the scenario.
- Participant: Does that include a lot of the boulevard improvements? The idea of their real wide?
- Participant: No.
- Participant: Okay. So that is just actual parks. Park owned property, park department.

Participant: That is correct.

Participant: Is that part of the \$450 million estimate?

Mr. King: Yeah, that's all embedded in there.

Participant: The four fifty includes transportation, parks and open space, and stream corridors.

Participant: As you know we're talking about phasing on this, it may be appropriate to develop a mechanism where we're able to do the things – I look at some of this stuff as some of it's have-to's, some of it's nice-to-have's. And I think that if we can break some of that out, we might get to this jump-start idea with making our capital investment the have-to-have's with a mechanism to guarantee the want-to-have's as we then get the economic base of the area that much higher. It's going to be generating – with a lot of this redevelopment, we're just generating a huge amount more tax out of there. That tax can maybe go fund, in a little while, some of the want-to-have's. I'm thinking of phasing and incentives all the way along.

Mr. King: Prioritizing.

Participant: Yeah, prioritizing. And I think, for example, it would be better if somebody's got the ability to tear down an old warehouse building and build a nice new building, if they can do that only by funding the road improvements right then and waiting five years for the parks stuff, let's run with it and make the money to buy the park later.

Mr. King: Let's move on to provisions for existing uses. So Paul gave a good summary of both the steering committee direction and our current code provisions for existing uses. What you probably want to do – you all have a copy of the draft Zoning Code and plan – the part you want to look at is in the use tables there's going to be fees, and that corresponds to existing conditions or existing uses. Everybody's situation is going to be different, so I would encourage you to look through those tables, read the provisions for existing uses. We're intended to not call anything a nonconforming use. That was important for both the steering committee and the Planning Commission. And I think our current framework does a good job of forwarding the steering committee's direction. So if there are any comments or questions about that we can take them in writing, but we've done a good job of capturing the intent of the steering committee.

Participant: Is there, Emil, a comparison chart, what it is now versus what's proposed? Or do we have to kind of manually go through and do that?

Mr. King: At this point we haven't done that for all the different zones. But we have four or five different underlying existing zoning categories ranging from LI to GC to O to PO to CB. What we'll probably do at the staff level is assign some people to look at basically old zoning versus proposed zoning for things like uses, height and density, setbacks, et cetera, to do a comparison. People may want to move ahead and do it on their own, but for the Planning Commission's review we'll be doing that.

Participant: That brings up just another sidebar question about this. When this goes to be implemented, are there going to be notices sent out to all the property owners who's zoning is technically going to be changed by the Comprehensive Plan amendment?

Mr. King: We've done a number of notices and we'll probably do – I'm guessing the final notice will probably go to everyone again. But we've had numerous notices to literally thousands.

Participant: For all this process, yes, but I'm just wondering if the guy in the building next to me who has paid no attention to this process going to get something in the mail that says you're currently zoned GC, under this new thing you're going to be zoned such and such.

Mr. King: A customized one? We'll discuss the correct way to do that. That would – It is possible, but it would require some customization. It is amazing even when you have a two and a half year process that there will be people towards the end who are not up to speed on everything.

Participant: Yes. The attendance here, your attendance at all the meetings kind of speaks to that. It's disappointing. People should be a little more interested.

Mr. King: Okay, are you ready for question five now?

Participant: I'm ready for any aspect of it.

Mr. King: So we have the amenity incentive system. We have about roughly a dozen items on the list. Paul showed you a list in the Powerpoint show. For commercial development there's a Tier 1 and Tier 2, so to reach a maximum FAR in the nodes of 2.5 you'd have to first go through a Tier 1 for either parks or open space, and then Tier 2 would be anything on the list. For residential development it's a little bit different story. Based on Planning Commission guidance, they'd like to see residential properties participate in an affordable housing incentive first, and then go into park and open space, and then go into Tier 2 which is basically just pick anything from the list. So we've heard comments about the FAR base and maximum needing to be refined a bit, so that has been a recurring

comment. And we've also heard comments about the range itself. We've intended to set an upper and lower range, providing the Planning Commission does want to be able to even expand up or down from that during their final deliberations. And we've also heard comments about things that may need to be deleted or added to the list as well. So great to hear any comment you have about the amenity incentive system, or questions about how it works also.

Participant: How were the dollar amounts, these numbers, arrived at? Were they just arbitrary that says look, if you're a developer and you want to come in and you need an FAR of a certain 2.5 or whatever it's going to cost your development X amount of dollars in stream restoration or parks or affordable housing. It looks like some of the categories listed here – And so it's a two-part question, how are these sort of cost figures arrived at, and secondly if the opportunities of opportunity – it says within the node, does that mean specifically within the node that the money that would be generated through these incentives as part of the developments, who kind of – and what's the accountability I guess on the backside in making sure that those dollars actually do make it. I'm all for stream restoration, but I think everybody wants to make sure that the money gets to the appropriate location in the end. And if it's within that node, there might be only so much stream that needs to be worked on in that node, and then after that is that node completed and then these tier systems go away for the rest of the development?

Mr. King: So let's work back from your question. So the last one was where the actual public amenities occur. So we didn't drill down to the point to where we could basically tap out certain node areas for something like park or open space investment, or stream restoration. That may be something you want to provide a comment on, or additional direction to the Planning Commission. It is correct to acknowledge that not all properties are going to do, for example, an on-site park or on-site stream restoration, thus it may need to happen off-site or through a fee in-lieu program. So things like parka and stream restoration, it may be able to happen on-site, but in other cases it may need to happen where there is opportunity to do it, which may be in the node, may be in between the nodes, may be in a different node. We wanted to have some flexibility on where those investments happen. Because it really is going to be able to take advantage of those opportunities to have those occur in the near term because so much of the corridor is developed right now.

The way that we arrived at the ratio ranges was to try and do an estimate of generally the benefit to a property owner/developer for an upzone. It's not an exact science. We didn't try and do it for every single property in the corridor. We took a limited number of proformas and tried to the best of our ability gauge what the benefit would be to a property owner or

developer through the upzone. And we tried to put a range out for public dialog where we can begin to have a discussion about what's an appropriate level of public investment – or private investment – in the amenities for the additional FAR. So you can think of it as going from 1.0 FAR up to 2.5. There seems to be a benefit to that. We can have discussions about how much of a benefit. But to have that ability there should be some amount of investment in public amenities. Once we came up with the numbers, it was just trying to equate those together. And I think there will be a lot of discussion about what the numbers are because developments such as BelGreen have taken it to their project detail to explore how it works, and they have some concerns about the financial feasibility of it. We tried to do a methodology. We were open at the Planning Commission about how we did it. It's not an exact science.

Mr. O'Neill: I think part of the challenge, too, is that the steering committee, which was the group that sort of guided the planning effort over two years, gave us direction on the types of improvements they wanted to see happen through incentives. They said they'd like to see affordable housing happen through incentives, and streams, and parks happen through incentives. But they didn't give us a lot of detailed direction in terms of what's worth what, and what gets prioritized over what. And that's really where the devil is in the details. And so there's been a lot of work on the details that the Planning Commission has weighed in on pretty heavily, but we've been – the steering committee didn't give us this kind of chart. We've had to sort of create it. And obviously people want to comment on it.

Participant: Have you gone back to the steering committee to see what their feedback is?

Mr. O'Neill: You know we've been sort of basically keeping in touch with them. We delivered this packet to them. We've invited them to the open house Thursday and the hearing at the end of the month because, yeah, we definitely want to keep them in the loop. They put a lot of effort into this. We haven't gotten any pushback from them yet on, hey, you seem to be well off course here. And we would definitely be interested in hearing that.

Mr. King: And five of the steering committee members, so five out of fourteen, are on our boards and commissions. So roughly a third are still continuing in the process.

Mr. O'Neill: And two of them are on the Planning Commission.

Mr. King: Yeah, that's a good sounding board. Because if it seems like we're deviating from the steering committee recommendation, they weigh in.

Participant: I have a question about this whole incentive system. Incentives aren't new in Bellevue for development, right?

Mr. King: Not new, no. We do have a downtown density incentive system.

Participant: How does this structure, this whole incentive system, compare with the existing incentive systems used in Bellevue and, I hesitate to say other jurisdictions because that may open a can of worms. How does it compare to incentive systems in the CBD or in Crossroads or Factoria, and is it something that's starting a discussion of a citywide policy for an incentive system, or is it just something that's going to deal with the Bel-Red corridor. Or is it something that might want to be a policy discussion, citywide policy discussion, the results of which then are applied to the Bel-Red corridor, so that it's looked at at a bigger citywide level instead of just a system that'll be applied to this and we can learn whether it's good or bad.

Mr. King: So we've had a downtown incentive system since the early 80s. And it has remained generally the same for that period of time.

Participant: The downtown system?

Mr. King: The downtown system. It has over 20 items on the list. It has a similar general structure where you have a base FAR and a maximum and you go up to the maximum through participation in different amenities. It does not have as clear a Tier 1 or Tier 2, nor does it call out things as specific as affordable housing or parks and open space, things that you need to pass through. So there are some differences. A key piece of the Planning Commission's work was trying to think about doing a pretty targeted amenity system, as Kevin pointed out, really focusing in on fewer things rather than a very long laundry list. So we have a shorter, more compact system. Trying to pick out a few things that we really want to see investment in.

As far as the numbers, if you compare the general, let's call it the cost of additional FAR, in the Bel-Red system on a square foot basis to our MU zone in downtown, which is a similar density and intensity level, the incremental cost of the square footage is about the same. We have a range in Bel-Red that we're bringing forward right now. On the same amenity types in downtown is roughly the same cost on a per square foot basis. If you compare those two, it's generally in the same ballpark.

Downtown, it is important to point out that over the years people have gravitated to a few of those density bonuses that they would be doing anyway as part of their development. So early on in the downtown things like residential and underground parking were bonused, back to the early

80s. Nowadays people are doing it in any development, so they earn much of their bonus through things that are integral to their development. So that's a detail that probably will be explored over the next year or two, and possibly refined.

How an amenity system would potentially apply to other areas we have not scoped out.

Mr. O'Neill: You can't do a density amenity system unless you're willing to go up to a certain density. And truthfully, outside of downtown and Bel-Red, and maybe Wilburton, there's no other parts of the city where we're contemplating doing that.

Participant: Crossroads.

Mr. O'Neill: Well, Crossroads –

Participant: Maybe Factoria?

Mr. O'Neill: There was some rezones in Factoria, but they were pretty modest.

Mr. King: Pretty minor in Factoria. T.J., if you go in after the fact and try and institute an amenity system, which if you explore all of the amenity systems out there, most of them were done where you already had a pretty high zoning level, and then after the fact they may go and say okay well to get up to that, or to go a little bit further, we're going to put in this incentive system.

Participant: Which by its very nature may promote development. I mean like across the street from us in Redmond they have a 2.5 FAR and they have an absolute minimum requirement that you have to – a percentage has to go to affordable housing. That makes sense to us, I understand that, I don't disagree with it by any stretch of the imagination. But you're already at a base of 2.5. So you would actually want to own a piece of property in Redmond. Our objective is that we want to come here, we want to be great citizens. We plan on being in the community for a really long time. We've owned this property for a year and we researched the entire King County for two years for where we should build our seniors development, and this is where it was determined we should build this. And so for us to now have an incentive program that would make it financially prohibitive to build this development, which is a five over one, they'll be very nice looking buildings – we're known for the quality of our designs – and the way that it will integrate into the community, to allow seniors to live where they've been living and close to their families. So I guess that's where our issue is, is looking at the cost, and especially being a pioneer-type owner wanting to develop on our property, whereby we need to get

going and figure this out. I guess that's sort of our challenge. The \$11 to \$55 per square foot to start with affordable housing being the only Tier 1 option is very challenging, and the unintended consequence is that it will discourage development. We would not – We need three, four more sites and we just won't want to build anything else in Bel-Red. We just won't. And that's unfortunate. And I mean that in a way that – we want to come here, we want to add value to this community, we want to stay for a long time and be good neighbors and pay a lot of taxes and do all those great things that residents do.

Participant: Well it sounds like your proposed thing would fit more places in the Bel-Red than the whole vision thing. But once we get this – as Kevin said the devil is in the details – the details prohibit you from doing that, and we may not realize our vision because of it, because of those details.

Participant: Right. I actually thing once we've built this building and we're all sitting there in the dining room celebrating you'll look around and realize that it was well worth it.

Mr. O'Neill: So are you inviting us to dinner?

Participant: I am. I'm inviting you to enjoy many dinners there.

Participant: She wants you to buy one of their units.

Participant: Yeah. No, they're not for sale.

Mr. O'Neill: Well, I do have a lot of gray hair. Ever since I started this planning process (laughter).

Participant: Can I address one part of the incentive thing.

Mr. King: Sure.

Participant: The idea of affordable housing. You've heard this before. It's a chromosomal thing, our family always talks about this. There's a big difference between affordable housing as it's been defined and the affordability of housing. And just a quick side example. Let's say we decided it would be really good to have affordable transportation for people, and let's take the transit out of it. Do we take people who need transportation to the new car lot and buy them brand new cars? Or do we take them to the used car lot and get a car that's going to work fine but for about a quarter of the cost? Affordable transportation is usually not new at retail transportation, retail price or retail cost to produce. And the requirement to do – and this is a bigger policy issue I understand – but want to address it here as part of the incentive discussion – requiring new

units to be quote affordable takes the numbers for the rest of the property up to where the whole project can be unaffordable. So I would encourage that we just build as many market-rate housing units as possible in here that fit the vision and the zoning, and the more overall supply there is the more affordable a lot of the rest of the housing supply is going to be. It becomes unaffordable to redevelop a whole property if you're required to put in brand new at today's dollars affordable units, and basically subsidize it.

Participant: Or pay a fee in-lieu.

Participant: Yeah, or a fee in-lieu. However you want to draw it out, the money has got to be there. It's just a system that is impractical. I'm all for the idea of having as much housing be as affordable to as many people as possible, but requiring new development to fit that is saddling the rest of the development with a cost that often is overburdensome. I like the idea, and we're not going to get away with no affordable housing per today's definition in this area, but I would strongly encourage this whole jumpstart idea – the less all the property owners are saddled with anything to subsidize benefits to some particular group, the higher the chances are of having this vision realized.

Mr. King: Any other questions or comments on the incentive system?

Participant: I guess just to boil it down. Instead of having such a limited list of options, like you said, for other portions in the past there's been a list of up to maybe 20 different incentives. Maybe some things that would more fit a new development than just saying you're tied into X, Y or Z only. And if that doesn't fit the bill for your property, your development, then where else can you turn.

Participant: And you're going to end up having large concrete paths that take up the site that are ugly. And I don't think they are what everyone has worked so hard to achieve. I don't think so. I mean, it doesn't look that way.

Mr. King: Alright. We have a couple more questions. Design standards and design guidelines. I encourage you to look through the draft zoning package. The development standards or design standards are things that apply to all development, provided that there are some provisions for minor expansions of uses. So I encourage you to read through the standards. Generally those apply to all uses. The guidelines are a set of documents that take you through a design review process that's an iterative process with staff. And those kick in at development that's above a 0.5 FAR. So anybody's every participated in the design review process in the past, the design guidelines are what guide you through that. The design guidelines are about 20 or 25 pages, it has pictures, intent, appropriate, not

appropriate. Any general questions about how those apply? Also, a piece of the standards are the parking that Paul alluded to, different ratios, minimum and maximum for both the nodes and the areas outside the nodes. Generally the node areas have a little bit tighter parking supply, a lower minimum and a little bit lower maximum.

Participant: There'll be an opportunity to comment on this at the public hearing, right?

Mr. King: Right. This one in particular you probably need to sit down and go through, but if you've got any general questions.

And then the last one we've talked about for awhile, the workforce and affordable housing. The only additional piece I would weigh in with is the incentive system is just one of a number of different tools to actually do affordable housing, both in Bel-Red and other areas of the city. So while the incentive system will potentially help deliver some amount, there's multifamily tax abatement, ARCH programs and the like that can help deliver affordable housing. Sometimes even the market can deliver at that 80 percent of median income level, depending on the market circumstance.

So if there's any other general questions or comments, we can record those. We're all just about up to 4:00 o'clock. Kevin and I can stick around after if anybody has any follow-up questions.

Participant: The Planning Commission meeting last time, whenever it was a week or two ago, when Mr. Eastman presented and the Planning Commissioners had some questions, is that going to be on the agenda tomorrow?

Mr. King: On affordable housing?

Participant: Sort of on his whole presentation on how the incentive values were achieved.

Mr. King: Bel-Red is not on the agenda for the Planning Commission tomorrow night, though you probably should follow up with Paul. But it is not a line item on the agenda. That said, they may ask questions about these property owner panels. But I'm not going to be there, and Kevin's not going to be there, and Greg Easton's not going to be there. We don't have any staff material prepared for tomorrow night.

Participant: So how does the Planning Commission have their questions or issues that were raised at the last meeting addressed? When will that happen?

Mr. King: The specifics of that were – staff is analyzing all of their questions, trying to compile information on all their questions, and also –

Participant: There were quite a few.

Mr. King: Yes, a few for each topic. But we also have these business/property owner panels, we have an open house, we have other things that are happening simultaneously.

Mr. O'Neill: Yeah, I think the Planning Commission is in intelligence gathering mode right now. They're going to get a lot of information thrown at them at the hearing. They're going to get transcripts – that's why we're recording these – they're going to get transcripts of every one of these panels we had to day. So I don't know if they're planning to redeliberate on any of this until after the public hearing.

Mr. King: Yeah, tomorrow night they are not.

Mr. O'Neill: But I think we would as staff get back to them on any questions. I just don't know if that's going to happen after the hearing or before.

Mr. King: If we have stuff ready to give out to both the Commission and the public, we will do it. But we're frankly still trying to address all the questions.

Participant: Got it. Okay. Thank you.

Mr. O'Neill: And just the other point there is if you are interested in seeing the transcripts of any of these panels that happened today, not just the ones you were in but the others, those should all be available in the next week or two.

Participant: Is this going to be condensed at all into some kind of a report?

Mr. King: Last time we did the verbatim because people like to see all the comments. But we also tried to do the summaries as well.

Mr. O'Neill: We do try to do some executive summaries.

Participant: And so will there be a list of the attendees for each of the sessions?

Mr. King: Yes. Very detailed.

Participant: And is that going to be available online?

Mr. King: We'll have it online and I think we're going to try and have it ready before the public hearing, which is on the 28th. So we should have plenty of time to get them done.

Participant: So that's two weeks and a day from now.

Mr. King: Yeah.

Participant: Probably have them ten days from now?

Mr. King: We'll see. So this Thursday we have our Spring Forward Expo from four to six-thirty. We'll have Bel-Red amongst a whole other set of Bellevue projects if you're interested in learning about everything that's happening in the city from the public standpoint. And then directly after that we'll have a meeting of the six city boards and commissions, so up to about 42 people in a room. So it's the culmination of all of their hard work and acknowledging that a lot of their heavy lifting is done and now the Planning Commission will be the main body that will be reviewing all of these comments and looking at what happens at the public hearing as well.

Participant: And that will be Bel-Red focused?

Mr. King: The joint meeting is just Bel-Red.

Participant: And that's Thursday?

Mr. King: That's directly after the expo, a six-thirty start time. So if you – The spring forward expo has no formal presentation, so you can show up at any time.

Participant: Is there an opportunity for public comment at the joint commissions meeting?

Mr. King: Kevin, do you know if there's a line item for public comment at the joint commission meeting?

Mr. O'Neill: I actually don't know if they're taking public comments on Thursday night or not. Before you leave let me ask Paul.

Participant: They did last time.

Mr. O'Neill: Yeah, they did last time. I don't know if they are Thursday night or not.

Mr. King: Okay, thank you all for coming.