

April 8, 2008

Members of the Planning Commission
c/o Mr. Paul Inghram, Planner
City of Bellevue Department of Planning & Community Development
450 - 110th Avenue NE
P. O. Box 90012
Bellevue, WA 98009-9012

Re: Bel Red Subarea Plan--Comments re Use Flexibility and Potential Limitations to Allow Small, Boutique Car Dealership at 13120 Bel Red Rd. and Similar Locations on Bel Red Rd.

Dear Members of the Planning Commission and Mr. Inghram:

I appreciated the opportunity to speak to you at your March 12 meeting on behalf of my client, the Ferrari Maserati dealership, regarding the need for use flexibility in the proposed Mixed Use Retail Housing area in the Bel Red Subarea Plan. In order to allow economic use of properties like my client's, at 13120 Bel Red Rd., the City needs to make provisions for re-use of existing buildings on these sites by businesses such as my client's proposed small, boutique car dealership.

We understand from Staff that the City has concerns about not opening the door to larger, more suburban car dealerships with large car display and sales lots, which are felt to be inconsistent with the proposed character of the Bel Red Subarea Plan. However, we believe that the City has several options for allowing use flexibility to accommodate small, boutique car dealerships yet enacting limitations in the Bel Red Subarea Plan and zoning to prevent the undesired type of large car dealerships with large parking lots. A couple suggestions we have about how to allow use flexibility for small boutique car dealerships without opening the door to large, incompatible uses, are as follows.

1. Existing Building/Size Limits. The City could incentivize the use of existing buildings and yet limit the number and size of car dealerships to those that are compatible with the Subarea Plan vision, with some specific limits and/or through use of a conditional use permit.

For example, the City could only allow car dealerships as an outright permitted use in the Mixed Use Retail Housing district if the car dealership utilizes an existing building and site, rather than constructing a new building. If the City felt additional building size restrictions were necessary, it could even limit the outright permission of car dealerships only to those which locate in existing buildings which are 10,000 sq. feet or less. This would allow a small car dealership like the one my client proposes for 13120 Bel Red Rd, as the existing building is less than 9,000 sq. ft. The City could then require a conditional use permit to allow car dealerships to

April 8, 2008

expand existing buildings or construct new buildings larger than 10,000 sq. ft., with perhaps a maximum size limit of 40,000 sq. ft.

2. Parking Lot Size Limits.

We understand that one of the major concerns about car dealerships in the Mixed Use Retail Housing zone is size of car display lots, as large display lots could detract from the character of the area. The City could also make sure that this did not occur by limiting the size of car dealership parking lots. For example, the City could restrict car dealerships to a maximum of 50 parking spaces on site. This would allow a small, boutique dealership like the proposed Ferrari Maserati dealership, which plans to locate on a site which has only 35 parking spaces on site. This would also address any concern the City might have that a property owner might seek to demolish the existing building and put additional parking in that area, or buy additional area to expand the parking lot. The City could require a conditional use permit if a dealership wanted to expand its parking above 50 spaces, with perhaps an overall maximum parking lot size limit.

To illustrate how a boutique car dealership can have an appearance consistent with urban mixed use development, I have attached a picture of the Ferrari Maserati dealership in Seattle. We believe that the City can have economically viable use of the existing buildings on Bel Red Rd. by allowing boutique car dealerships with limited size buildings and small parking lots, and still create an appropriate urban and pedestrian friendly area to attract mixed use redevelopment. We would like the opportunity to work with the City further to come up with some reasonable use limitations that would allow economic uses like the small car dealership proposed by my client, and yet help with the transition envisioned by the Bel Red Subarea Plan.

Very truly yours,

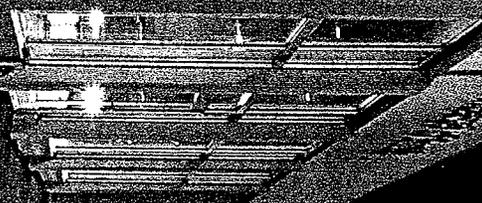
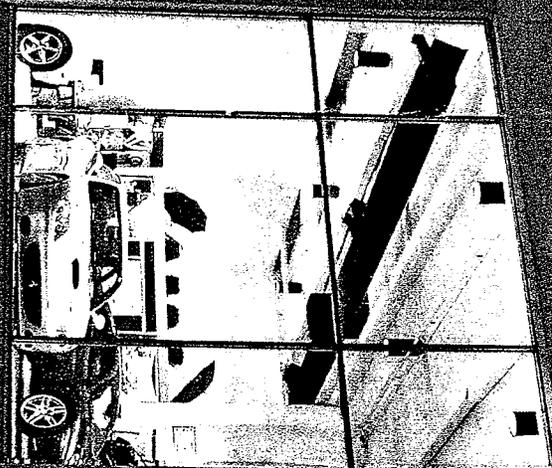

Amy L. Kosterlitz

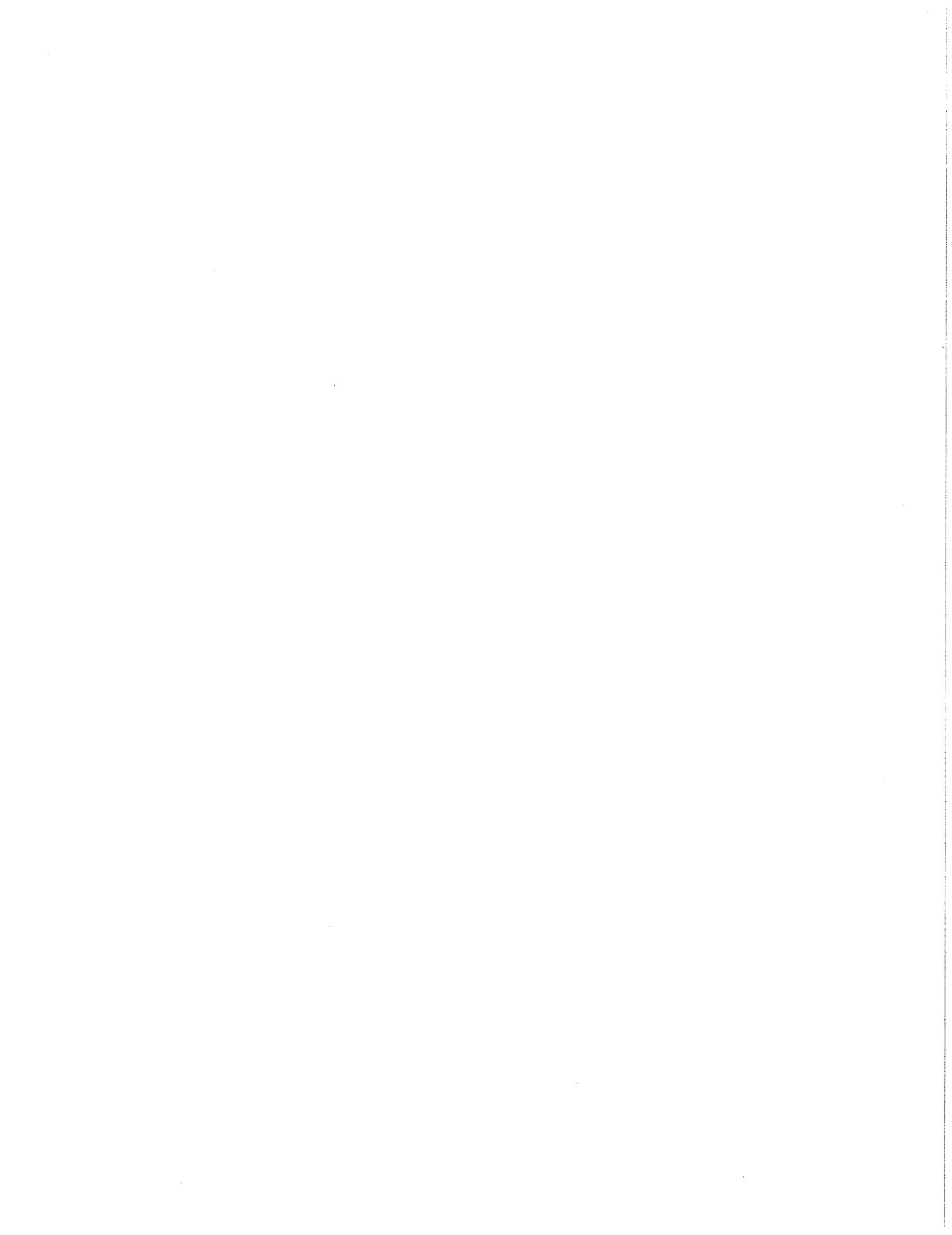
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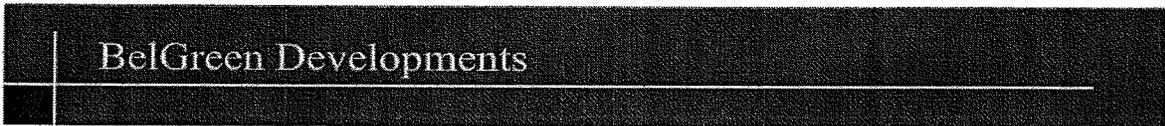
cc: Carol Helland, City of Bellevue
Patti Wilma, City of Bellevue
Tino Perrina, Ferrari Maserati

MASSERATI

Ferrari







April 18, 2008

ATTENTION: Council Members & Planning Commissioners
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear City of Bellevue Council Members & Planning Commissioners;

RE: PROPOSED INCENTIVE PLAN APR 16

This letter is to inform you of the impact of the suggested incentive package presented at the April 16 Planning Commission meeting will have on our site at 156th Ave and BelRed Road known as Angelo's Nursery.

Since March 2007, our team has been discussing and presenting our plans for the redevelopment of the site with; Planning Staff, the various Commissions, the City Council and the Community, for the following uses on our site:

- A seniors service rental building of approx. 140units
- A Seniors Condo building with approx. 80 units
- A Hotel building of 280 units

The Community and Council to date, have seemed to support our Master Plan that needs to achieve a 2.5 FAR and a 75' height limit to make our development model economically feasible.

After Staff's presentation of the material to the Planning Commission at this past Wednesday's meeting, we are obligated to communicate to you that the proposed incentive plan and associated costs would cause us to abandon our proposed development. The proposed City's share as presented would be from \$4,000,000 to \$12,500,000 in the best case. This is so far from a realistic tax that there is no point addressing it in this correspondence.

At even a fraction of the starting point, this and any other proposed development use on the site is impossible. A Project exactly like our proposed development across the street in the Redmond/Overlake Village can currently achieve a 2.5 FAR density outright by paying a fee of 5% of market land value. Even this 5% fee would cause significant strain on the economics of the project with the resulting development tax in excess of \$1,000,000.

Furthermore it surprises us that after all the verbal and well intentioned support that we have been getting from council and the public, there are no incentives for items that relate specifically to the benefits such as:

- low impact on traffic and trip generation of Seniors and Hotel developments
- acknowledgement of the affordability to the seniors community of a Full Service lifestyle that does not appear in the current definitions of affordability

Finally we were surprised at the economic analysis and subsequent position that Staff presented at the meeting whereby it was demonstrated that the incentive program was based on the Residual Land Value achieved by the developer. The values used in no way reflect the reality of the established market value of our site.

Perhaps most importantly we are very confused as to the philosophical approach by the City of Bellevue. Essentially Staff is saying that the City has the ability to create a Land Profit that is far in excess of the free market. The City then wants payment of what they consider to be their share of a fundamentally flawed profit analysis.

We have been passionate about our project and we have been excited about the possibility of having the Bellevue asset as part of our long term portfolio. You have a wonderful community and we continue to be welcomed by your citizens who say they would like us to move in. I doubt very much that the philosophy, policy direction, and lack of the fundamental understanding of economics that was presented on Wednesday night would be something that they would endorse.

Unfortunately we cannot go further with our Master Plan given the economic approach by Staff and the indication of the related costs presented Wednesday night.

We cannot ask strongly enough that Bellevue City Council and the Planning Commission direct the Planning Staff to immediately amend the proposed incentives, proposed minimum heights, and proposed minimum FARs to be reflective of reality. The plan adopted in Redmond welcomes development and the creation of vibrant communities and Bellevue citizens should expect no less.

Sincerely,

Robert Landucci
President & CEO
604.915.7178
robert@cvinvestments.com

Inghram, Paul

From: Robert Landucci [robert@cvinvestments.com]
Sent: Friday, April 18, 2008 10:00 AM
To: Degginger, Grant; Balducci, Claudia; Bonincontri, Patsy; Chelminiak, John; Davidson, Don; Lee, Conrad; Noble, Phil; PlanningCommission
Cc: Chris Mooi; Kleo Landucci
Subject: BelGreen Developments: Response to proposed incentive plan
Importance: High
Attachments: Incentive response_April 18, 2007 final.pdf

Dear City of Bellevue Council Members & Planning Commissioners;

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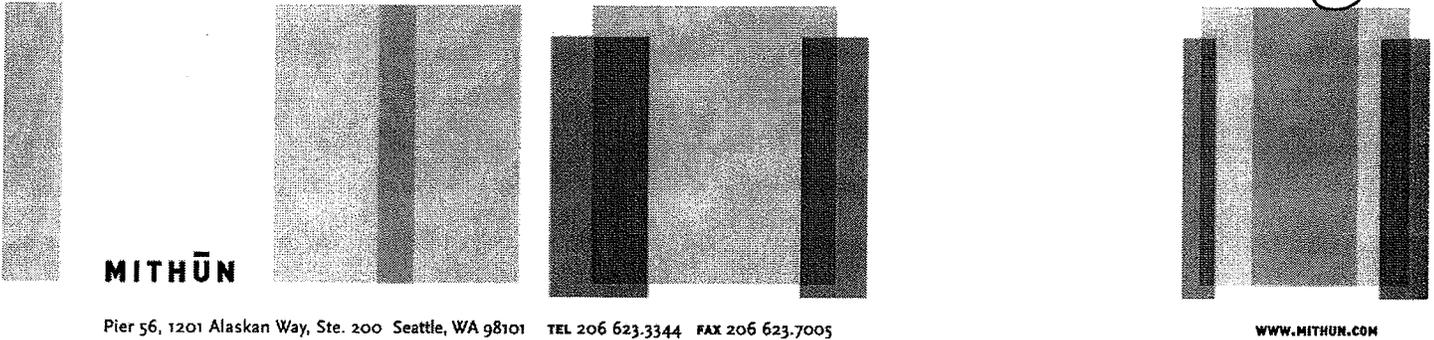
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We have been passionate about our project and we have been excited about the possibility of having the Bellevue asset as part of our long term portfolio. You have a wonderful community and we continue to be welcomed by your citizens who say they would like us to move in. I doubt very much that the philosophy, policy direction, and lack of the fundamental understanding of economics that was presented on Wednesday night would be something that they would endorse.

5/30/2008



April 22, 2008

Bellevue Planning Commission

Mithun is working with a client who owns property within the new Bel-Red Subarea, between 156th Ave. NE and Bel-Red-Road. They've asked us to review and provide some feedback to the Draft of the Bel-Red Subarea Land Use Code Amendments, as issued on April 11th.

The Basics

The site is within Zone RC-3. Desired uses, including Mixed-Use Development incorporating Multifamily Housing, Retail, Senior Housing, and Hotel are all permitted and supported. The square footage permitted above 40' has not been determined, nor has the height limit. The base FAR of .5 or 1.0 is very low, and is not consistent with transit-oriented development.

Getting to FAR 2.5

Achieving the maximum development density, FAR 2.5, requires participation in a multi-step incentive system. Projects may receive bonus area up to FAR 2.0 through the provision of Affordable Housing, Parks or Stream preservation measures. Projects may receive bonus FAR between 2.0 and 2.5 (up to .5 FAR) through a wider menu of incentives, including Art, Public Plazas and Amenities, LEED Certification and Natural Drainage practices. This ½ FAR may be achieved without mortally impacting the cost of a thoughtful high-quality development. The tough part is that first tier – the very short list of items required to get the development from FAR 1.0 to FAR 2.0. That short list only includes Affordable Housing and contributions to Parks or Stream Restoration.

Projects without the ability to provide these amenities on-site must pay into a fee-in-lieu program, and a further tariff on that fee of 10-20% if this incentive is used at Tier One (between FAR .5 and 2.0). The fee-in-lieu is not yet determined, but ranges from \$11/SF of bonus area to \$55/SF. This is a huge range, and it would be good to know how within this range projects are slotted.

Additionally, our project proposes (rental) Senior Housing. The fact that the Tier One Affordable Housing bonus for rental housing uses a flat 80% median-income threshold, effectively excludes serviced-rental housing like Senior Housing. Senior Housing is a Permitted Use, a *desired use*, yet is not equally treated within this bonus category, and is effectively treated like any commercial, retail, office or hotel use.

The Cost

With the fee-in-lieu range of \$11/SF to \$55/SF, the cost of FAR 1.0 on a site of 188,000 SF could range from \$2.1M – \$10.35M before the 10%-20% tariff, and \$2.3M – \$12.45M after. The cost of FAR 1.5 could be as high as \$18.61M. That's unbelievable. Not only is that an unreasonable burden to any development, the range of costs is far too wide to be calculated within any given pro forma. At the lowest end it's very onerous, and will drive up the cost of the housing that's paying the tax. At the high end of the spectrum, it's more than doubling the land cost, rendering virtually any project economically unfeasible.

Unintended Consequences

I fear that this zoning – the very low base FAR, the very limited amenity schedule, the amenity schedule unfavorable to Senior Housing, and the unreasonably-wide ranges in costs and amenity bonuses – will have unintended consequences opposite those desired by Bellevue.

These incentives are clearly part of an effort to get affordable, workforce-level housing to occur within the Bel-Red Corridor, as well as to provide both parks and an enhanced natural environment – important parts of a desirable living environment. These are very worthy goals. As part of that effort I fear that Bellevue has inadvertently widened the economic chasm between some of their urban, transit-node properties and those within the adjacent Redmond Overlake Village. The playing field is now less level than previously, as properties within this Bellevue subarea pay a significant additional tariff to achieve FAR's less than those allowed outright just across the street. I worry that Bellevue will create an amenity schedule too expensive to use, (and therefore meaningless), and by doing so will inadvertently consign this neighborhood to a continued pattern of development content with FAR 0.5 or 1.0 – 2-story walk-up office buildings, tilt-up big-box stores and retail pads – all auto-oriented with surface parking.

A real unintended consequence of this incentive schedule is that developments willing or able to pay the tariffs will be much more expensive than otherwise, and will provide *more-expensive* housing, not affordable housing.

The Carrot vs. the Stick

We often comment that jurisdictions should incentivize desired behaviors, rather than attempting to punish all of the other ones. I truly wish this new zoning rewarded these desired behaviors through the amenity incentive system, or sought to create sufficient land value, (through a transit-node appropriate base FAR), that these better practices would be warranted. These include underground parking, provision of mid-block connections, pedestrian-oriented frontage within blocks, participation in a Master Planning process to ensure connections between properties, as well as those aspects desired by the city.

Bellevue wants affordable housing, better parks and enhanced, vital streams. I believe they could make the affordable housing component of balanced, mixed-use developments FAR-exempt, further exempt it from parking requirements, (especially within a transit-node), and expedite the entitlement of projects providing it. Similar incentives could exist around the provision of park land, pocket parks or stream corridors. Bellevue could seek to keep the base FAR high enough that the land has value consistent with these desired behaviors and let the marketplace provide affordable housing without penalty (the carrot) instead of unrealistically trying to compel it (the stick).

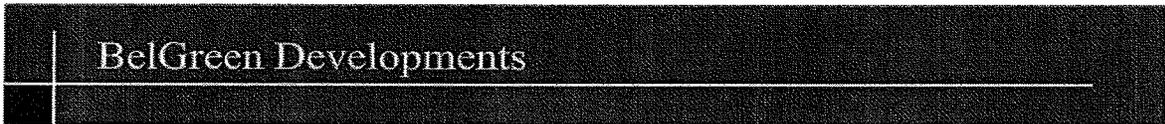
This draft zoning appears to be a collection of good intentions gone slightly askew. The consequences may benefit properties across the street in Redmond, but I fear that they will probably not further the goals of Affordable Housing, Parks or restored habitat areas within the Bel-Red corridor.

Thank you very much.

A handwritten signature in black ink, appearing to read 'S. Cox', with a stylized flourish extending to the right.

Stephen W. Cox, AIA, LEED AP, Principal

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April 23, 2008

ATTENTION: Planning Commissioners
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear Planning Commissioners;

RE: BEL-RED CORRIDOR, PROPOSED INCENTIVE PLAN, READ AT PLANNING COMMISSION, APR 23 2008

My name is Chris Mooi and I am the Chief Development Officer for BelGreen Developments and we are the owners of 2211 156th Ave, commonly known as Angelo's Home and Garden Centre.

On April 18th we sent the Planning Commission and Bellevue City Councilmembers a letter in response to the Proposed Incentive Plan and associated costs presented at the April 16th Planning Commission Meeting. We understand that letter is in your package for this evening's meeting.

The development we have been presenting and working towards approval for the last year will consist of; 150 Seniors Rental units, 62 Seniors Condo units, and 280 room Hotel

The proposed minimum base FAR of .5 to 1.0 on our site, the incentive costs associated, and the Tier I incentives proposed at last week's Planning Commission meeting would cripple this project. No new development can follow the objectives set out under the Bel-Red Corridor comprehensive plan. Projects will not get built.

We have been asked by some Council and Planning Commission members to bring forward the impact of the proposed incentive scheme on our site. We see two specific areas of concern, specifically related to our site's location. Firstly, the definitions of affordability and the application of the incentives to what are non-incentivized base FAR's; and secondly, the inherent assumptions made in establishing the incentive.

We have tonight examples of the industry standard for costs associated with municipal contributions and how those examples would be applied to our site. We will be addressing the definitions of the incentives in future dialogue with you.

We are owner operators who develop our own facilities. The reality is that on most development projects, the City requires what we term a 'Development Cost Charge'. This is something that has been budgeted for and expected. We see these Development Cost Charges in the case of Bellevue in the form of 'Incentives' that include additional levies already established.

Development Cost charges established with specific regard to the benefits that a project would bring to the City and the Community, when the benefits of the project warrant this. For the Seniors and Hotel uses we have paid and would expect to pay in the **range of \$1,500 to \$2,500 per door** in Development Cost Charges. These rate examples are obviously lower than the market condo project Development Cost Charges, as both Seniors and Hotels bring recognized community benefits through their use, such as significantly reduced impacts on parking and traffic.

As our project consists of 212 units of seniors and 280 hotel rooms, we budgeted these costs to be in the **range of \$738,000 to \$1,230,000.**

We would expect the amenity space, to support the Seniors service Rental building, be excluded from the FAR calculation as it has been in many of our projects. This is in recognition of the community benefit provided through the construction of Seniors residences.

In terms of values used in the April 16th report, we have received considerable input from the marketing and real estate professionals in the Bellevue and surrounding areas to our Angelo`s site:

- According to a wide range of real estate experts, the market price for new residential condominiums in the 156th and 24th Avenue area, based on wood frame construction is an average of **\$425** per square foot.
- This area absolutely does not compete with downtown Bellevue, where concrete high rise product is in the range of \$600 - \$1,000 per square.
- Based on these capped selling prices, land values in East Bellevue simply do not achieve the types of yield expectations that the April 16th proposed incentive program envisages.

We appreciate the opportunity to present this evening and will work closely with Staff, should they ask us, in providing direct input as to the reality of this kind of development on the Angelo`s site. We have to determine if our project is economically viable as soon as possible.

We are however very concerned with the April 16th report and the taxing implications. We cannot stress strongly enough that should this approach and related value be implemented, our project of 220 Seniors - full service facility and 240 room - medium priced hotel, will not proceed on the Angelo`s site.

Thank you for the opportunity to present this evening.

Sincerely,



Chris Mooi
Chief Development Officer
604.915.7178
chris@cvinvestments.com

April 23, 2008

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Attn: Planning Commissioners
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear Planning Commissioners,

My name is Roger Parisotto and I live at 4540 169th Ave SE, Bellevue.

Thank you for giving me the opportunity to speak to you tonight. I am here to give you my perspective of a term that is front and center of much of the dialogue that we hear in the planning process, that is: **Affordable Housing**. I want to look at **AH** from the perspective of the reality of getting old, or in planning speak, Seniors Housing.

Background

The profile of the Straw Person Senior that I am using tonight is: a long term Bellevue resident, over 80 years of age, female, widowed, grown family, living alone in the family home which she and her deceased husband have owned for a minimum of 20 years. The house has no debt on it. She is in good health and has no disabilities.

She is not a wealthy lady by any standards and is fact suffering to make ends meet and runs the home by herself.

Her Reality

Today this woman, Mrs Jones, has grown children but is alone and functions on her own. She has to take out the garbage cans, mow the lawn, fix the porch, do her grocery shopping, cook nutritious meals for herself, drive, make her own entertainment plans, do her laundry, and figure out her own internet,

She has a modest pension, enough to buy groceries, pay the taxes and operating costs of the house, but nothing really left over for herself. She is very careful and very frugal with her money.

She is happy but afraid. She knows that every day might bring a challenge that she won't be ready for and have to react to. She has to rely more and more on outside help to do the chores that she or her husband used to enjoy doing. She doesn't enjoy them anymore. Cooking, used to be fun and challenging. Now she finds it a chore. It's not nutritious and not motivating to cook for one. Her older

home is requiring more attention and repair. She knows she will have to move soon. She can neither do what is necessary, nor afford to have someone else do these things for her. She is stressed.

Asset Value

She and her husband come from a 'by the hour' working background and she has been retired for some time. How much is she worth financially, this woman who cannot any longer afford to stay in her home? Let's do the math.

Bellevue currently has no houses for sale under \$300; 103 homes between \$350 and \$500, 276 homes to \$750; and 900 homes between 1 and 2 million. This last group is irrelevant for the Mrs. Jones's since I am using the low end and of value at \$550,000.

She has pension and govt income totalling \$1800 per month. Her expenses, not including outside help take all of this income plus she is running at a deficit if she has to buy anything as she has to dip into her \$25,000 worth of savings.

Affordable Housing

What is **AH** for Mrs. Jones? Can she afford to stay where she is and if not what does she do? Where does she go?

For purposes of this letter I am defining **AH** housing as a threshold that is less than 70% of the average of the annual Bellevue income of \$60,000 or \$42,000. Mrs Jones' income is \$22,000.

She does however have assets. Normally she would be disqualified. Assets make her rich apparently. She doesn't rate in the Affordable Housing category by many definitions.

To classify her situation as "Affordable" because she has assets is, in my opinion, ludicrous. The approach completely ignores the reality of her situation and the reality of the whole Seniors demographic.

Independent Seniors Housing

So how is Independent Seniors Housing affordable? How can we classify a situation in which Mrs Jones can go and live in a rental apartment building that costs her over \$3500 per month Affordable? This is \$42,000 per year for housing and living expenses and the traditional formulas of available income to cost of housing don't work here.

Obviously Mrs Jones is one of the wealthy. Mrs Jones is living high on the hog. Mrs Jones is not your average resident of Bellevue she's in the upper end economically. **Right?**

No, wrong. Absolutely Wrong!

Mrs Jones has taken a situation in which her housing, considering **ALL aspects** of her condition, was **completely unaffordable** and now has switched to a residence that is **not only affordable** to her but

gives her a lifestyle, accommodation and regular nutrition that enhances her day, prolongs her life and keeps her engaged in community.

She **no longer worries or pays extra** for laundry; groceries; yard work; painting; taxes, coffee, tea, cleaning; repairs to furnace, hot water tank, roof, gutters or fences. If she needs help it is right there. If she wants to work out or swim, it's right there. If she wants to go to shopping she takes the facility van, with driver, to take her wherever she wants to go. **And it goes on.**

But how can she afford this? This woman was in Non affordable housing yesterday. Did she hit the casino jackpot?

All Mrs Jones did was to take her assets that were draining her, and use this value and invest it, to live on while not eating into the principle. And she now lives better, cleaner, healthier, with less stress than she ever has.

She has moved to Affordable Housing.

Conclusion

My question to the Planning Commission is, "how can this not be deemed Affordable Housing"? Should we not encourage this type of transition for our Bellevue neighbours? **Shouldn't we think about these silent citizens, those that have worked hard, raised families and always contributed to their community and never complained?**

I am new at looking at this reality. I guess I have never had to before. I'm now retired for a few years and as I get older it seems to me that the system is flawed. It seems that we have become more concerned with the younger person and what's **affordable for them** and forgotten those that have been around a long time **and never ask for anything. I don't think that's respectful to them. I do know that it's not fair.**

Please take another look at what you consider as **Affordable Housing**. Maybe we should all slip into Mrs Jones' shoes for a month or two. I think that reality we all might see things differently.

Thank you for your time.

Sincerely,

Roger Parisotto

BelGreen Developments

April 25, 2008

ATTENTION: Planning Commissioners
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear Planning Commissioners;

**RE: BEL-RED CORRIDOR, PROPOSED INCENTIVE PLAN,
MEETING CONCLUDING COMMENTS, PLANNING COMMISSION, APR 23 2008**

Further to our letter presented at the commencement of the Planning Commission Meeting I would like to provide to you in written form the comments made by myself at the public commentary period at the end of the meeting.

My comments were as follows:

- We stated our appreciation for the type of dialogue that had ensued between the commission members regarding the Bel-Red material being reviewed that evening, which reflect the realities of development occurring in the Bel-Red corridor.
- We wish to echo a few key comments that were made that we have observed in our review of the proposed FAR and incentive program as they apply to our site, which does not have the benefit to gain from road dedication
- Regarding the BASE FAR:
 - It must create an encouragement to development. If it starts at the existing FAR it does not promote a site to change. The site will stay at the existing FAR as the incremental change to achieve the maximum available FAR is far too great relative to the overall risk of the project. I would liken this to the need to " give a little to get a lot"
- Regarding developing at the max FAR:
 - Development at our site at 2.5 FAR will require underground parking. Surface parking is not an option. The difference is \$40,000 per stall compared to \$12,000 per stall presented by Staff and Mr. Easton tonight.
 - The cost of the incentive when combined with the cost of underground parking will prohibit our development from happening on the site. Underground parking must be considered as part of an incentive program.

- Regarding the reality of our economic analysis:
 - We have a better understanding of the flawed calculations that arrived at the incentive values that staff presented last wednesday after tonight's meeting.
 - We are the **reality of development in today's market**, not the future that will come to the Bel-Red corridor.
 - Our site has a current market value that was established prior to our purchase through the interest of a big box retailer planning to build at the current FAR. Our **purchase price is NOT based on market speculation for future FAR.**
 - Current market Capitalization (Cap) rates for our type of development are at the best 6.75% and we **budget our Cap Rate of 7.0%** or higher. A Cap rate of 5.5% (as was presented tonight) for a wood frame rental building in this area is absolutely unrealistic.
 - The lending environment today considers maximum amounts at **70% of value**. Achieving 75-85% will not be realistic for the near future. This has significant effects on equity requirements and anticipated returns as the interest costs to service the loan are far greater than what was presented tonight.
 - The absolute minimum acceptable developer return today is 15% for the risk involved in development. In the development climate today, and in particular as it effects the Bel-Red Corridor, the industry standard for projects to **proforma is a return at 20%**. No development would proceed at a return of 10% as suggested tonight.

Thank you for the opportunity to present this evening.

Sincerely,



Chris Mooi
Chief Development Officer
604.915.7178
chris@cvinvestments.com

Christensen, Jeanie

From: Chris Mooi [chris@cvinvestments.com]
Sent: Friday, April 25, 2008 11:24 AM
To: PlanningCommission
Cc: Degginger, Grant; Balducci, Claudia; Bonincontri, Patsy; Chelminiak, John; Davidson, Don; Lee, Conrad; Noble, Phil; Kleo Landucci; Robert Landucci
Subject: BelGreen Developments: presentation to Planning Commission Apr 23 2008
Attachments: Incentive response_Planning Commission Meeting_April 23, 2008.pdf; Planning Commission Spoken Comments_Apr 23 2008.pdf

Dear Planning Commissioners,

Please find attached the letter as read at the commencement of the Planning Commission meeting on Wednesday April 23rd. As well as a summary of the verbal comments made at the end of the Planning Commission meeting in follow-up to our observations of the discussions had during the course of the meeting.

The content of both letters is included below for ease of reading.

I would be pleased to provide any clarifications, and/or discuss any questions you may have.

Sincerely,

Chris Mooi
Senior Vice President and Chief Development Officer

CrescentView Investments Ltd.
480 - 1111 Melville Street,
Vancouver B.C., V6E 3V6
d. 604 648 1012
p. 604 915 7178
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chris@cvinvestments.com

Incentive response Planning Commission Meeting April 23, 2008:

April 23, 2008

ATTENTION: Planning Commissioners
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear Planning Commissioners;

RE: BEL-RED CORRIDOR, PROPOSED INCENTIVE PLAN, READ AT PLANNING COMMISSION, APR 23 2008

My name is Chris Mooi and I am the Chief Development Officer for BelGreen Developments and we are the owners of 2211 156th Ave, commonly known as Angelo's Home and Garden Centre.

5/9/2008

On April 18th we sent the Planning Commission and Bellevue City Councilmembers a letter in response to the Proposed Incentive Plan and associated costs presented at the April 16th Planning Commission Meeting. You understand that letter is in your package for this evening's meeting.

The development we have been presenting and working towards approval for the last year will consist of; 1! Seniors Rental units, 62 Seniors Condo units, and 280 room Hotel

The proposed minimum base FAR of .5 to 1.0 on our site, the incentive costs associated, and the Tier I incentive proposed at last week's Planning Commission meeting would cripple this project. No new development can follow the objectives set out under the Bel-Red Corridor comprehensive plan. Projects will not get built.

We have been asked by some Council and Planning Commission members to bring forward the impact of the proposed incentive scheme on our site. We see two specific areas of concern, specifically related to our site location. Firstly, the definitions of affordability and the application of the incentives to what are non-incentivized base FAR's; and secondly, the inherent assumptions made in establishing the incentive.

We have tonight examples of the industry standard for costs associated with municipal contributions and how those examples would be applied to our site. We will be addressing the definitions of the incentives in future dialogues with you.

We are owner operators who develop our own facilities. The reality is that on most development projects, the City requires what we term a 'Development Cost Charge'. This is something that has been budgeted for and expected. We see these Development Cost Charges in the case of Bellevue in the form of 'Incentives' that include additional levies already established.

Development Cost charges established with specific regard to the benefits that a project would bring to the City and the Community, when the benefits of the project warrant this. For the Seniors and Hotel uses we have paid and would expect to pay in the **range of \$1,500 to \$2,500 per door** in Development Cost Charges. These are examples that are obviously lower than the market condo project Development Cost Charges, as both Seniors and Hotels bring recognized community benefits through their use, such as significantly reduced impacts on parking and traffic.

As our project consists of 212 units of seniors and 280 hotel rooms, we budgeted these costs to be in the **range of \$738,000 to \$1,230,000**.

We would expect the amenity space, to support the Seniors service Rental building, be excluded from the FAR calculation as it has been in many of our projects. This is in recognition of the community benefit provided through the construction of Seniors residences.

In terms of values used in the April 16th report, we have received considerable input from the marketing and real estate professionals in the Bellevue and surrounding areas to our Angelo's site:

- According to a wide range of real estate experts, the market price for new residential condominiums in the 156th and 24th Avenue area, based on wood frame construction is an average of **\$425** per square foot.
- This area absolutely does not compete with downtown Bellevue, where concrete high rise product is in the range of \$600 - \$1,000 per square.
- Based on these capped selling prices, land values in East Bellevue simply do not achieve the types of yield expectations that the April 16th proposed incentive program envisages.

We appreciate the opportunity to present this evening and will work closely with Staff, should they ask us, providing direct input as to the reality of this kind of development on the Angelo's site. We have to determine if our project is economically viable as soon as possible.

We are however very concerned with the April 16th report and the taxing implications. We cannot stress strongly enough that should this approach and related value be implemented, our project of 220 Seniors -full service facility and 240 room - medium priced hotel, will not proceed on the Angelo's site.

Thank you for the opportunity to present this evening.

Sincerely,

Chris Mooi

Planning Commission Spoken Comments Apr 23 2008

April 25, 2008

ATTENTION: Planning Commissioners
City of Bellevue
450 110th Avenue NE
Bellevue, WA 98004

Dear Planning Commissioners;

**RE: BEL-RED CORRIDOR, PROPOSED INCENTIVE PLAN,
MEETING CONCLUDING COMMENTS, PLANNING COMMISSION, APR 23 2008**

5/9/2008

Further to our letter presented at the commencement of the Planning Commission Meeting I would like to provide you in written form the comments made by myself at the public commentary period at the end of the meeting.

My comments were as follows:

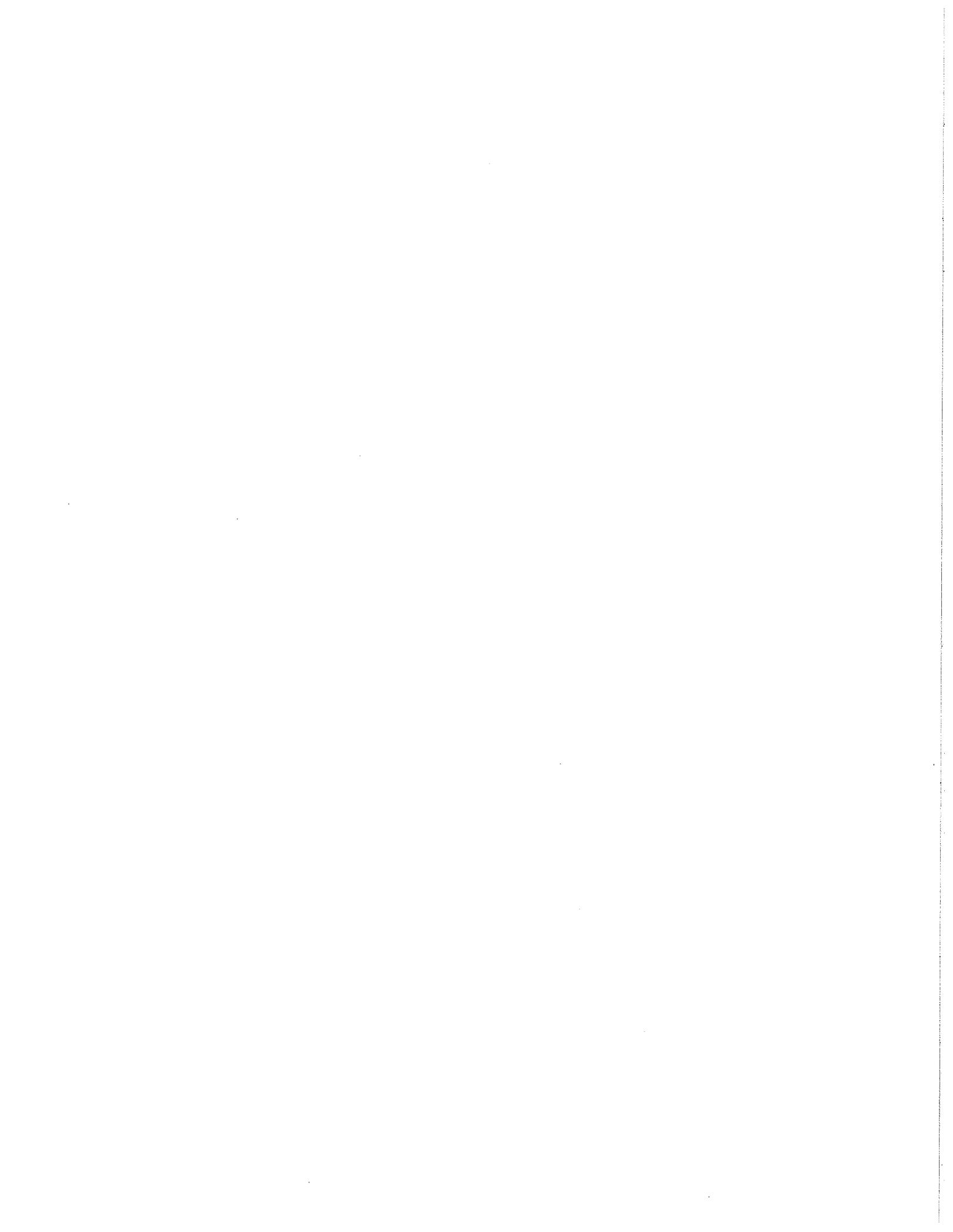
- We stated our appreciation for the type of dialogue that had ensued between the commission members regarding the Bel-Red material being reviewed that evening, which reflects the realities of development occurring in the Bel-Red corridor.
- We wish to echo a few key comments that were made that we have observed in our review of the proposed FAR and incentive program as they apply to our site, which does not have the benefit to gain from rezoning.
- Regarding the BASE FAR:
 - It must create an encouragement to development. If it starts at the existing FAR it does not promote a site to change. The site will stay at the existing FAR as the incremental change to achieve the maximum available FAR is far too great relative to the overall risk of the project. I would liken this to the need to "give a little to get a lot"
- Regarding developing at the max FAR:
 - Development at our site at 2.5 FAR will require underground parking. Surface parking is not an option. The difference is \$40,000 per stall compared to \$12,000 per stall presented by Staff and Mr. Eastman tonight.
 - The cost of the incentive when combined with the cost of underground parking will prohibit development from happening on the site. Underground parking must be considered as part of the incentive program.

- Regarding the reality of our economic analysis:
 - We have a better understanding of the flawed calculations that arrived at the incentive values that staff presented last Wednesday after tonight's meeting.
 - We are the **reality of development in today's market**, not the future that will come to the Bel-Red corridor.
 - Our site has a current market value that was established prior to our purchase through the interest of a big box retailer planning to build at the current FAR. Our **purchase price is NOT based on market speculation for future FAR.**
 - Current market Capitalization (Cap) rates for our type of development are at the best 6.75% and we **budget our Cap Rate of 7.0%** or higher. A Cap rate of 5.5% (as was presented tonight) for wood frame rental building in this area is absolutely unrealistic.
 - The lending environment today considers maximum amounts at **70% of value**. Achieving 75-85% will not be realistic for the near future. This has significant effects on equity requirements and anticipated returns as the interest costs to service the loan are far greater than what was presented tonight.
 - The absolute minimum acceptable developer return today is 15% for the risk involved in development. In the development climate today, and in particular as it affects the Bel-Red Corridor, the industry standard for projects to **proforma is a return at 20%**. No development would proceed at a return of 10% as suggested tonight.

Thank you for the opportunity to present this evening.

Sincerely,

Chris Mooi



8

NINE LAKE BELLEVUE OWNERS ASSOCIATION
12819 S. E. 38th St., #002
Bellevue, WA 98006
(425) 453-2623
Fax (425) 453-2625

May 7, 2008

Mr. Paul Inghram
City of Bellevue
Planning & Community Development
and Transportation
P. O. Box 90012
Bellevue, WA 98004

Dear Mr. Inghram:

I am writing this letter for submission to the Property Owner Panel discussion on May 13, 2008 regarding the Bel-Red Subarea Plan as I will be out of town that day. I do plan on attending the May 15 Expo.

I represent the Nine Lake Bellevue Owners Association. Nine Lake Bellevue is located on the west shore of Lake Bellevue next to the BN train tracks. It is an office condominium building and currently has 10 owners, most of whom occupy space in the building. There are also three other office buildings and one restaurant along the south border of Lake Bellevue.

According to your Draft Concept Plan dated June 13, 2007, you are proposing that N.E. 10th Street be developed along the southern edge of Lake Bellevue where a private access easement currently exists around that portion of the lake. You also propose parks and open space through the western portion of the Nine Lake Bellevue parking lot. We feel that these two developments would severely impact the Nine Lake Bellevue building in a negative way and could not be accomplished without condemning the building and parking lot.

Assuming N.E. 10th Street is a four-lane road similar to N.E. 12th Street, this would become a major thoroughfare between our parking lot and the building, which would need to be crossed by pedestrians entering our building. This would impose a hazard to the pedestrians and create excessive traffic noise to the occupants of the buildings.

Mr. Paul Inghram
May 7, 2008
Page Two

Both the street and the open space between Nine Lake Bellevue and N. E. 8th Street would take away a vast majority of our parking spaces and not leave enough parking to adequately serve the building or be in compliance with the parking code. Either development would greatly decrease the value of the building or possibly leave it with no value.

If light rail tracks are maintained where the current tracks are located next to our building on the west, we would request that access to the transit station be located on the west side of the tracks as there is no room between the tracks and Nine Lake Bellevue for that type of development. I assume that this would be for access to Overlake Hospital which is also on the west side of the tracks. I would also assume that if a trailhead were developed along the light rail tracks that the City would also provide some type of separation between it and our property, such as high fencing, for the security of our building from pedestrians using the trailhead.

I look forward to discussing these issues with City representatives at the May 15 Expo event.

Sincerely,



Kathy Soelter
Property Manager

:ks

cc: Nine Lake Bellevue Owners

May 12, 2008

Paul Inghram
City of Bellevue Planning Department
P.O. Box 90012
Bellevue, WA 98009

Re: *CCBCW Comments regarding Draft Bel-Red Land Use Code*

Dear Mr. Inghram:

Thank you for taking the time to discuss the Coca-Cola Bottling Company of Washington's (CCBCW) concerns regarding the draft Bel-Red land use code ("Code"). At your request, we have drafted a summary of our concerns in the form of the attached draft comment letter. Among our principal concerns are:

1. **The Code does not capture the Steering Committee's recommendations with respect to the retention of existing light industry.** Implementation of many of the Code provisions would be extremely detrimental to our continued ability to operate in the Bel-Red corridor. The most problematic of these provisions are discussed below.
2. **The potential limitation on our hours of operation would be catastrophic to our business model.** § 20.25D.018.F.1. CCBCW's Bellevue facility operates twenty-four hours a day, seven days a week. Our trucks make regular trips to and from our Bel-Red facility between the hours of 11:00 pm and 6:00 am and have done so for the past 40 years. Preventing us from operating during this time period would completely destroy our competitive advantage and cause serious problems with the continued viability of our operations.
3. **The limitations on our ability to expand will hinder our future operations.** § 20.25D.018.F.5.c.iii. CCBCW has plans to expand into the adjacent Safeway properties located to the north and northeast. We are extremely concerned that the zoning planned for this area as well as other Code restrictions on expansion will prevent us from being able to do so. We also want to make sure that materials from our bottling operations such as syrup are permitted. We would like to discuss these provisions as well as the natural boundaries for our expansion with City staff.
4. **The limitation on our ability to reconstruct buildings that are damaged or destroyed by causes "within the control of the owner" is not acceptable.** §§



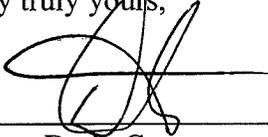
20.25D.018.F.5.b.ii; 20.25D.018.G.3.d.iii. This limitation was not contemplated by the steering committee. Further, we have a number of questions about how it would apply. For example, if one of our buildings is intentionally demolished as part of a renovation, can it be re-constructed? What kinds of destruction would be considered within control of the “owner” of CCBCW? Who would be considered the “owner” for this purpose? What exactly does damage or destruction by fire mean? These are just some of the questions we have regarding the application of this provision.

5. **The extensive documentation required to achieve “Existing Condition” status is unnecessary.** § 20.25D.018.D.2. Why does the Code require us to prove that we are currently operational? Is it possible for staff to develop at least a preliminary list of the “Existing Conditions” in the Bel-Red area?

Please let me know as soon as possible when you are able to meet to discuss CCBCW’s concerns. We are anxious to work through these issues with you.

Very truly yours,

By _____


Darin Croston
Director of Operations

Enclosure

cc (w/o Encl.): Ryan Durkan

ND: 17744.00701 4814-7290-8290v1 5/13/2008

DRAFT

May 12, 2008

Bellevue Planning Commission
450 110th Avenue NE
P.O. Box 90012
City of Bellevue
Bellevue, WA 98009

Re: *Local Coca-Cola Bottling Company of Washington
Comments regarding Draft Bel-Red Land Use Code*

Dear Planning Commission Members:

Thank you for providing the opportunity for public comment throughout the Bel-Red Subarea planning process. We are writing to provide you with the Coca-Cola Bottling Company of Washington's (CCBCW) comments regarding the draft land use code for the Bel-Red area ("Code"). CCBCW has been an active participant in the planning process for the Bel-Red area and is committed to remaining an important part of the community in our current location. Over the past three years, our representatives have attended the Bel-Red Steering Committee meetings, participated in many of the public workshops, commented on the Draft EIS, met with planning staff, and attended Planning Commission meetings.

As you know, CCBCW has a strong desire to stay and *grow* in the corridor without undue restriction on its operations. We have appreciated the City's willingness to consider our position throughout the planning process, and were pleased to learn that the Code will not designate our facility as a "Nonconforming Use." However, we do have some concerns and questions regarding the limitations that the Code appears to impose on our operations. Our concerns are summarized below.

1. POLICY

As a policy matter, the Code should make it clear that CCBCW is a welcome use and is part of the future vision for the area. This would extend to both its production and distribution functions. In too many instances, the Code language appears to treat our use as non-conforming, despite the fact that the Steering Committee clearly intended to avoid such treatment. *See e.g., Bel-Red Steering Committee, Bel-Red Corridor Project Final Report, 4-7 (2007)* (noting that the accommodation of traditional light industrial uses was "an important part of the committee's overall discussion," that LI uses will not be considered "nonconforming," and that such uses should be allowed to stay, expand, be continued by future owners, and be reconstructed if destroyed). It would be better if the zone name itself recognized the continuation of existing uses (e.g., Bel-Red - Office

Residential Existing/BR-ORE). CCBCW requests that the Steering Committee's intent with respect to existing LI uses be more clearly captured within the text of the Code.

2. HOURS OF OPERATION

Section 20.25D.018.F, "Regulations Applicable to Existing Uses" provides, in part one, as follows:

Existing Uses May Continue to Operate and Operations May Change.

Operations associated with an existing use may continue and may be changed when they do not when not expansion is proposed [sic], provided that the hours of operation associated with an existing use located in land use district which permits residential uses, may not extend into the period of 11:00 pm to 6:00 am

Although this section is not completely clear, we are concerned that it may prohibit our Bellevue facility from operating between the hours of 11:00 pm and 6:00 am. Such a restriction would be an enormous hardship on CCBCW, as our Bellevue facility currently serves as a central receiving and shipping point for delivery trucks during the evening hours. If forced to discontinue operations during this time, the result would be catastrophic because CCBCW could not conduct its business which is a 24/7 operation. It has operated this way for almost 40 years, without issue.

Accordingly, CCBCW requests that § 20.25D.018.F.1 be eliminated. In addition, we would be willing to work with staff to draft a new provision making it clear that our operations can occur at anytime. Future residents need to be on notice, as well. Such a revision would be consistent with the remainder of § 20.25D.018 as well as with the Steering Committee's recommendations pertaining to light industrial use. *See e.g.*, § 20.25D.018.B (designating uses in existence prior to Code implementation as "Existing Uses" or "Existing Conditions"); § 20.25D.018.F.5 (application of regulations in effect prior to Code implementation to "Existing Uses"); Bel-Red Steering Committee, *Bel-Red Corridor Project Final Report*, 4-7 (2007) (regarding the strategy for accommodating traditional light industrial uses).

3. EXPANSION

Section 20.25D.018.F.5.c.iii provides as follows:

Expansions outside Nodes and in Non-residential Land Use Districts (BR-MO, BR-GC, BR-CR, BR-CR, and BR-ORT)...Floor area or exterior improvements associated with an existing use may be expanded beyond property lines as they existed on [INSERT DATE] subject to Administrative Conditional Use approval and the following limitations:

1. The property proposed for expansion is abutting at least one of the property lines of the existing use as they existed on [INSERT DATE].
2. The regulations applicable to the property proposed for expansion would have allowed the use as of [INSERT DATE].

According to the proposed zoning map (“Map”) for the Bel-Red area, the CCBCW facility will be located within an area zoned “Bel-Red Office Residential” (BR-OR). From our reading of the Map, BR-OR is not located within a node, nor is it a “Residential Land Use District” (though residential use is permitted). However, the BR-OR zone is not listed in § 20.25D.018.F.5.c.iii as an example of a zone that is both outside of a node and within a non-residential land use district. Although this may simply be an oversight, CCBCW requests that the Planning Commission clarify that the BR-OR zone falls within the expansion provisions of § 20.25D.018.F.5.c.iii.

Section 20.25D.018.F.5.c.iii (and Figure 2) indicate that Existing Uses outside of nodes and in non-residential land use districts may expand into areas beyond those currently (as of the date of Code implementation) owned by the user, so long as the property proposed for expansion abuts the property currently owned. It is not clear however, whether a user located in a non-residential, non-nodal zone could expand onto adjacent property that was separated from the currently owned property only by a road. CCBCW requests that the Planning Commission clarify that such expansion would be allowed. It should not be a conditional use. We would be willing to identify natural boundaries for this expansion.

4. ESTABLISHMENT OF EXISTING CONDITIONS

Section 20.25D.018.D provides that documentation must be submitted in order to establish a use or development as an “Existing Condition” within the Bel-Red area. It provides as follows:

The applicant shall submit documentation, which shows that the existing condition was permitted when established has been maintained over time. The Director shall decide whether the documentation is adequate to support a determination that the use and development constitute an existing condition under the terms of this section.

Section 20.25D.018.D.2 continues as follows:

Existing Condition Maintained Over Time. Documentation that the existing condition was maintained over time, and not discontinued or destroyed as described in this Section 20.25D. 018 includes:

- a. Utility Bills;
- b. Income Tax Records;
- c. Business licenses;
- d. Listings in telephone or business directories;
- e. Advertisements in dated publications;
- f. Building, land use or other development permits;

- g. Insurance Policies;
- h. Leases; and
- i. Dated aerial photos.

With regard to CCBCW, we question the need for documented proof that our use was in existence prior to the date of Code implementation. It seems that staff could produce such a list. Moreover, § 20.25D.018.D provides little guidance as to the extent of historical documentation that is required, or whether the provision of such documentation will qualify a use or development as an “Existing Condition.” For example, if the applicant provides undisputed evidence of the existence of a use or development prior to the date of Code implementation, can the applicant be certain that its use or development will be designated an Existing Condition? In addition, how far back in time must the records go? Must all of the documents listed in § 20.25D.018.D.2 be produced, or will only any one of them suffice?

Accordingly, CCBCW suggests that staff provide a list of known business that clearly are “Existing Conditions,” such as CCBCW. In addition, § 20.25D.018.D.2 should be revised to provide as follows (revisions shown in italics): “[d]ocumentation that the *Existing Condition* was maintained over time, and not discontinued or destroyed *as of [INSERT DATE] can consist of any of the following...*” In addition, CCBCW suggests that § 20.25D.018.D be revised to provide as follows (revisions shown in italics):

The applicant shall submit documentation, which shows that the *Existing Condition* was permitted when established *and* has been maintained over time. *The Director shall designate the use or development as an Existing Condition if the documentation submitted is adequate to support a determination that the use or development was in existence as of [INSERT DATE].*

Such revisions would clarify the process for determining whether a use or development meets the criteria for designation as an “Existing Condition” while still maintaining consistency with the definition of “Existing Condition” in § 20.25D.018.B.

5. DESTRUCTION

Sections 20.25D.018.F.4 and 20.25D.018.G.3.d.ii provide that if an Existing Condition is destroyed or damaged by fire or other accidental causes beyond the control of the owner, it may be re-established, but sections 20.25D.018.F.5.b.ii¹ and 20.25D.018.G.3.d.iii provide that if an Existing Condition is damaged or destroyed intentionally, or by causes that are, “within the control of the owner,” re-establishment is prohibited.

¹ This section appears to be incorrectly numbered - § 20.25D.018.F.5.b is used twice (once to describe “Expansions of Exterior Improved Areas” and again to describe “Loss of Existing Use Status”).

The distinction between accidental and intentional destruction in these sections was not one that was contemplated by the Steering Committee. The Steering Committee's final report simply provided that, "Destroyed LI structures may be reconstructed." Bel-Red Steering Committee, *Bel-Red Corridor Project Final Report*, 4-7 (2007). Sections 20.25D.018.F.5.b.ii and 20.25D.018.G.3.d.iii thus seems to impose a hardship on Bel-Red's existing light industry that is greater than what was contemplated by the Steering Committee. Furthermore, these Code provisions do not appear to address all possible scenarios in which a use could be destroyed. For example, if an Existing Use is intentionally demolished as part of a facility renovation, can it be re-established?

Additionally, it may oftentimes be difficult to determine whether an existing use was damaged by causes "within the control of the owner." For example, if employee arson caused damage to a large corporate warehouse, would reconstruction of the warehouse be delayed pending the City's investigation into whether or not the "owner" of the corporation had control over the arson-committing employee? Who would be considered the "Owner" of the corporation? Which City representatives would conduct the investigation? What if the investigation took multiple years to complete?

CCBCW therefore requests that sections 20.25D.018.F.5.b.ii and 20.25D.018.G.3.d.iii be amended to conform more closely to the Steering Committee's recommendation that Existing Conditions be allowed to be re-established.

6. MISCELLANEOUS COMMENTS

We have the following minor comments about various provisions of the Code:

Section 20.25D.016.B.3 appears to incorrectly refer to "Existing Uses" rather than "Existing Conditions" when discussing the regulations applicable to Existing Uses and Existing Developments in § 20.25.018.

The definitions of "Existing Use" and "Existing Development" in § 20.25D.018.B ("uses [or] developments permitted when established, in existence on [INSERT DATE] and not discontinued or destroyed") seem redundant and a bit confusing since uses in existence prior to Code implementation have clearly not been discontinued or destroyed.

Section 20.25D.018.G.3.a references "paragraph 4" but no paragraph 4 exists. Presumably this reference is intended to be to §20.25D.018.G.3.b.

CONCLUSION

CCBCW is a clean, light industrial use that can be a vibrant part of the future Bel-Red corridor. As we have previously noted, the fact that Wright Runstad is willing to invest in the Safeway site across the street from our facility shows that we are compatible with residential use. Moreover, as a local company, CCBCW participates in youth development and education partnerships, neighborhood revitalization programs, environmental and recycling initiatives, and local charitable causes and sponsorships. Our environmental initiatives have included water conservation; recycling, and

sustainable packaging. Along these lines, our Bellevue facility has recently begun a "zero waste initiative" that will recycle and reuse 100% of the packaging materials developed by the Coca-Cola system. By integrating corporate responsibility and sustainability into our day-to-day operations, CCBCW has established that it is compatible with the new "green" Bel-Red.

Thank you for taking the time to consider our concerns. CCBCW is committed to continued growth in all of its local business operations. It has made a positive difference in the community, and we hope the Planning Commission agrees that CCBCW should be a welcomed part of the new Bel-Red corridor.

Very truly yours,

By _____
Robert B. Stack, Jr.
Market Unit V.P.

By _____
Darin Croston
Director of Operations

Enclosure

cc (w/Encl.): City Council Members
Matthew Terry, City of Bellevue
Carol Helland, City of Bellevue
Paul Inghram, City of Bellevue
Emil King, City of Bellevue

ND: 17744.00701 4823-4021-0946v1 5/13/2008

BelGreen Developments

May 12th, 2008

The Honorable Mayor Degginger
And Members of the Bellevue City Council
Bellevue City Hall
450 110th Avenue Northeast
Bellevue, WA 98004

Presentation to Council at Council Meeting May 12th 2008

RE: UPDATE - BELGREEN INDEPENDENT SENIORS COMMUNITY

Good evening Mayor Degginger and members of Council,

My name is Chris Mooi and I am the Chief Development Officer for BelGreen Developments. We are the owners of 2211 156th Ave, previously known as Angelo's Home and Garden Centre.

I have addressed you previously regarding the creation of our Independent Seniors Community on our property.

As owners, we are anxious to get our business operations underway and begin to provide what we believe is a much needed source of housing for the changing population of Bellevue that will enable residents to remain in the community that they love.

Tonight I would like to provide you with an update of the direction that we as owners will be taking over the upcoming months.

We continue to receive growing support from the community and are very confident re the acceptance and approval for our position in the surrounding community in this area of Bellevue.

We are very aware of the Bel-Red process that has been underway, and the considerable efforts that are being undertaken by the City and its volunteer Committees. We are anxious for the final stages for approval of the mechanisms for implementation. We understand and fully support that the City must progress with the interests of the entire community at the forefront and create a framework for successful and sustainable growth.

We have attended every Planning Commission meeting on the Bel-Red Plan and have been pleased that Staff and the Commission have been addressing issues that affect our property in the context of their work for the entire Bel-Red corridor. **In the context of financial realities for property owners**, the members of the Planning Commission have displayed astute awareness of the critical importance of the impact of the Bel-Red implementation strategies.

We have provided commentary to the Planning Commission when we have felt appropriate, and have maintained a dialogue with staff on many of the issues as they have evolved.

We have recently provided you with copies of correspondence regarding our concern over various aspects of the Draft Comprehensive Plan amendments and Land Use Code amendments that we have addressed to the Planning Commission. In particular the most recent unveiling of the draft incentive program and

BelGreen Developments

the preliminary suggestions of financial impacts these incentives would have for property owners in the Bel-Red subarea. This has obviously raised serious concerns from many stakeholders, including ourselves.

Moving forward, with Council's support, we would like to immediately commence the process of submitting a Master Plan Development application for our Property. This would allow us to commence the process of working towards a construction program immediately after your approval of a Bel-Red Plan.

We understand the risks and are prepared to move forward on our plans prior to the actual adoption of the Bel-red plan as we need to move our business operations ahead as quickly as possible. We also believe you understand the realities of the current marketplace and overall economic climate, and the need for action that supports sustainable growth in this area.

We also believe that the realities of the implementation strategies for the Bel-Red process can be fully conveyed through our example and we trust in you, as Council members and Planning Commission Members that the resultant decisions you will make will be in the best interest of providing for smart growth in the Bel-Red corridor.

We will provide further input to the public commentary process over the next few weeks and we ask you to consider the following **key factors** in your deliberations:

- 1. That the financial realities of business operations, and not just speculative development, be considered in determining the contributions owners can make to the city to create business opportunity.**
- 2. That the incremental increases in tax revenues from new land assessments and contributions made from business operations, be included as sources of contributions to the City of Bellevue.**
- 3. Within the incentive program, that Seniors Housing be excluded from the need for contribution as Affordable Housing, as it is by its nature, Affordable Housing.**
- 4. That the realities of "current market value" for land in the various areas of the Bel-Red corridor be fully understood.**
- 5. That underground parking be considered as a recognized incentive contribution.**

We would welcome any feed back you may have and look forward to working with the Planning Commission and your Planning Department and in the process over the next few months.

Thank you for the opportunity to present this evening and for your consideration of our comments.

Sincerely,



Chris Mooi
Chief Development Officer
604.915.7178
chris@cvinvestments.com

cc Planning Commission Members, City Of Bellevue
Matt Terry, Director of Planning, City Of Bellevue

Inghram, Paul

From: Chris Mooi [chris@cvinvestments.com]
Sent: Tuesday, May 13, 2008 7:22 AM
To: Degginger, Grant; Chelminiak, John; Balducci, Claudia; Lee, Conrad; Noble, Phil; Davidson, Don; Bonincontri, Patsy
Cc: Terry, Matthew; PlanningCommission
Subject: BelGreen: Letter read at May 12th Council Meeting
Attachments: image002.jpg; Letter to be read at Council Mtg_Chris Mooi_05.12.2008.pdf

Please find attached letter as presented to Councils extended study session May 12th 2008.

The Honorable Mayor Degginger
And Members of the Bellevue City Council
Bellevue City Hall
450 110th Avenue Northeast
Bellevue, WA 98004

Presentation to Council at Council Meeting May 12th 2008

RE: UPDATE - BELGREEN INDEPENDENT SENIORS COMMUNITY

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As owners, we are anxious to get our business operations underway and begin to provide what we believe is a much needed source of housing for the changing population of Bellevue that will enable residents to remain in the community that they love.

Tonight I would like to provide you with an update of the direction that we as owners will be taking over the upcoming months.

We continue to receive growing support from the community and are very confident re the acceptance and approval for our position in the surrounding community in this area of Bellevue.

We are very aware of the Bel-Red process that has been underway, and the considerable efforts that are being undertaken by the City and its volunteer Committees. We are anxious for the final stages for approval of the mechanisms for implementation. We understand and fully support that the City must progress with the interests of the entire community at the forefront and create a framework for successful and sustainable growth.

We have attended every Planning Commission meeting on the Bel-Red Plan and have been pleased that Staff and the Commission have been addressing issues that affect our property in the context of their work for the entire Bel-Red corridor. **In the context of financial realities for property owners**, the members of the Planning Commission have displayed astute awareness of the critical importance of the impact of the Bel-Red implementation strategies.

5/30/2008

We have provided commentary to the Planning Commission when we have felt appropriate, and have maintained a dialogue with staff on many of the issues as they have evolved.

We have recently provided you with copies of correspondence regarding our concern over various aspects of the Draft Comprehensive Plan amendments and Land Use Code amendments that we have addressed to the Planning Commission. In particular the most recent unveiling of the draft incentive program and the preliminary suggestions of financial impacts these incentives would have for property owners in the Bel-Red subarea. This has obviously raised serious concerns from many stakeholders, including ourselves.

Moving forward, with Council's support, we would like to immediately commence the process of submitting a Master Plan Development application for our Property. This would allow us to commence the process of working towards a construction program immediately after your approval of a Bel-Red Plan.

We understand the risks and are prepared to move forward on our plans prior to the actual adoption of the Bel-red plan as we need to move our business operations ahead as quickly as possible. We also believe you understand the realities of the current marketplace and overall economic climate, and the need for action that supports sustainable growth in this area.

We also believe that the realities of the implementation strategies for the Bel-Red process can be fully conveyed through our example and we trust in you, as Council members and Planning Commission Members that the resultant decisions you will make will be in the best interest of providing for smart growth in the Bel-Red corridor.

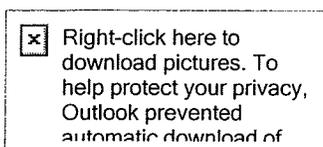
We will provide further input to the public commentary process over the next few weeks and we ask you to consider the following **key factors** in your deliberations:

1. **That the financial realities of business operations, and not just speculative development, be considered in determining the contributions owners can make to the city to create business opportunity.**
2. **That the incremental increases in tax revenues from new land assessments and contributions made from business operations, be included as sources of contributions to the City of Bellevue.**
3. **Within the incentive program, that Seniors Housing be excluded from the need for contribution as Affordable Housing, as it is by its nature, Affordable Housing.**
4. **That the realities of "current market value" for land in the various areas of the Bel-Red corridor be fully understood.**
5. **That underground parking be considered as a recognized incentive contribution.**

We would welcome any feed back you may have and look forward to working with the Planning Commission and your Planning Department and in the process over the next few months.

Thank you for the opportunity to present this evening and for your consideration of our comments.

Sincerely,



Chris Mooi
Chief Development Officer
604.915.7178

5/30/2008

RECEIVED

MAY 15 2008

CITY COUNCIL

12 May 2008

COUNCIL
PARKS
PCD - PLANNING
cc: CMO
CCO

(11)

City Council
City of Bellevue
Bellevue, Washington

Subject: Bel-Red Parks, Open Space, Trails and Streams Plan Project List

Dear Council Members:

The Staff is recommending a set of parks, open-space, trails, and streams projects for the Bel-Red area that is totally inconsistent with any conceivable plans for the Staff's proposed rezone of the area. It should be noted that:

1. The number of new residential units proposed by the Staff for the Bel-Red area is a totally fictitious value that was plucked out of thin air by the Bellevue Staff in their discussions with King County Metro in December 2005. This value is not based on any market analysis or research, or any other credible rationale; it was chosen by the Staff to help support their plan to rezone the Bel-Red area;
2. *The Staff-developed cost estimates for parks, trails, open space and streams restoration summarized in the material previously presented to you and to the Parks Board are not life cycle costs; they may or may not include escalation/inflation factors; the base year for the estimates is not specified; the cost estimates do not include all costs that will ultimately be incurred to implement the Staff's parks/open-space/trails/streams projects for their proposed Bel-Red rezone scheme;*
3. There has never been an independent assessment or evaluation of the Staff's plan to 'daylight' and restore some of the streams in the Bel-Red corridor. All the streams identified, even if improved as proposed by the Staff's schemes, will have no substantive impact on Pacific salmon and O. mykiss ESUs that may or may not be present in the streams. *Neither the Staff or any City contractor has ever conducted a cost effectiveness, or benefit/cost analysis on the Staff's proposed changes to the streams in the Bel-Red corridor;*
4. Most of the 'parks' proposed by the Staff for the Bel-Red corridor are nothing but narrow linear open spaces; they will have virtually no easy

public access, and will not easily accommodate pedestrian 'traffic,' as can be verified by physically inspecting the areas proposed for 'neighborhood and mini parks' development in the corridor;

5. The City's buildable lands analysis, submitted to King County in mid 2007, clearly shows that the City has ample capacity for housing and employment growth out to 2022 based on existing zoning and land use. Thus, there is no need to rezone the Bel-Red corridor to expand housing, employment, retail activities, and for new parks and trails; and,

6. If one accepts the unsupported value of 5000 dwelling units in the Bel-Red area (equivalent to a population of about 8600), the parks and trails proposed by the Staff for the Bel-Red area do not meet Bellevue 'level-of-service' standards for such facilities, as can be seen in the attached tabulation.

I urge you to reject the Staff's proposals for Bel-Red parks, open space, trails and streams-restoration as no such public amenities are required in the area under present zoning and land use.

Sincerely yours,



David F. Plummer

14414 NE 14th Place
Bellevue, WA 98007

Attachment: Bel-Red Parks/Trails Required per City of Bellevue LOS
Standards

Bel-Red Area Parks/Trails Required per City of Bellevue Level of Service Standards

Factor	Area/Length Required For					Notes
	Comm. Park, acres	Neigh. Park, acres	Mini Park, acres	Trails, miles	Maj. Spts, acres	
CoB Stand./1000 Pop.	13	1.5	0.5	1.1	N/A	Note 1
Req'd for B-R	111.8	12.9	4.3	9.46	N/A	Note 2
Staff Proposal	28.2 (Note 3)	19	2	6.02/4.21	10	Notes 4, 5

SUMMARY			
	Required	Proposed	Deficit
Pk Area, acres	129	49.2	79.8
Trails, miles	9.46	4-6??	~4.5

Notes:

1. Quantity required per 1000 population per City of Bellevue Parks & Open Space System Plan; Sep. 2003
2. Bel-Red values based on a population of ca8600 from Bel-Red DEIS, p. 8-10; City of Bellevue, 25 January 2008
3. Staff proposes to designate existing Highland Park to satisfy 11.2 acres of this requirement; this park consists of 2 baseball fields, 2 tennis courts, 1 small skateboard area, and a meeting facility.
4. There has never been any public discussion of the need or requirement for a major sports facility in the City, and no input was made by the public regarding such a facility as part of the Bel-Red Corridor Project.
5. The length of the trails proposed by the Staff is not defined in their Bel-Red Project summary list.



Comment Form

May 15, 2008

12

Please take a few minutes to write down your comments or concerns related to the projects presented here today. Leave this form at the check-in table or return it in the

mail by **May 30, 2008**. *Fold in thirds and use the postage-paid mailing panel on the reverse side to return the City of Bellevue. Thank you for your time.*

Please Print:

Name of Project:

BEL-RED SUBAREA PLAN

(comments are attached)

Please Print:

Name of Project:

Please Print:

Name of Project:

Please

print

Name DAVID F. PLUMMER

Address 14414 NE 14TH PL BELLEVUE, WA 98007 E-mail Address: pdf3@comcast.net

15 May 2008

City Council
and
Planning Commission
City of Bellevue
Bellevue, Washington

Reference: Spring Forward Expo, City Hall, 15 May 2008

Dear Council Members and Commissioners:

The existing plan for the Bel-Red/Northup subarea is quite adequate in its present form, and needs only minor updating to ensure that this important area of the City will continue to provide a wide variety of services and employment opportunities.

I urge you to reject the Staff's proposed plan for the Bel-Red subarea for the reasons given on the attached pages.

Sincerely yours,



David F. Plummer

14414 NE 14th Place
Bellevue, WA 98007

Attachment: Comments on Proposed Bel-Red Subarea Plan

Comments on Proposed Bel-Red Subarea Plan

1. The proposed subarea plan for the Bel-Red area contradicts the plans and policies of the City's previous commitment to concentrate housing and employment growth in the Downtown area of the City.
2. The Staff's proposed rezone scheme for the Bel-Red area is primarily designed to increase City revenues, and to benefit a very limited number of property owners, e.g., Wright Rundstad who recently purchased some of the Safeway property.
3. The entire rezone scheme is the product of the Bellevue City Staff. The Bel-Red Project Steering Committee merely reviewed the Staff's (and the City consultants') proposals and uncritically accepted and approved the scheme. The manifest bias of the Committee members toward continued growth in the City, their obvious rejection of any normal market-driven growth scenarios, their failure to solicit meaningful input from the public (as required by their operating guidelines), and their failure to do any independent analyses has resulted in the development of a fatally-flawed subarea plan for the Bel-Red area.
4. The City's buildable lands analysis, submitted to King County in mid 2007, clearly shows that the City has ample capacity for housing and employment growth out to 2022 based on existing zoning and land use. Thus, there is no need to rezone the Bel-Red corridor to expand housing, employment, and retail activities.
5. The Staff-proposed subarea plan is pure sophistry; it is not based on any substantive public input. As proposed, it is nothing more than a slightly reworked version of the Downtown subarea plan.

Comments on Proposed Bel-Red Subarea Plan, continued

6. There are no demonstrable benefits for the proposed streams restoration, and no cost/benefit or cost effectiveness analyses that rationalize the proposed restorations; they are entirely cosmetic in nature, and will not increase critical habitat for five species of Pacific salmon and *O. mykiss* (*Onchorynchus* spp.) listed under the federal Endangered Species Act (ESA)¹.
7. The developments proposed by the Staff and embodied in their proposed subarea plan are incompatible with the residential developments to the north and south of the Bel-Red corridor. The proposed addition of housing zoning along the south side of the Bel-Red Road results from an arbitrary and capricious decision by the Bel-Red Project Steering Committee, and ignored the recommendation of the City's consultant (Crandall Arambula) to not include such zoning along this part of the Bel-Red Road.
8. The developments proposed by the Staff will require condemnation of many private properties to implement the public infrastructure with no demonstrable benefit to Bellevue citizens.
9. The Staff-proposed roads network will increase peak-hour traffic congestion on all nearby arterials, and lead to failed intersections on Northrup Way/NE 20th, the Bel-Red Road, NE 12th, and 116th NE.
10. To implement the rezone Staff-proposed rezone will require at least \$500 million in public subsidies to fund the acquisition of the proposed infrastructure; this does not include operation/maintenance costs. Indeed, the Staff has not published any exhaustive list of all the infrastructure (roads, bridges, tunnels, retaining walls, parks, trails, sidewalks, open spaces, etc.) that would be required to implement the Staff's proposed rezone. And no life cycle cost estimates exist for the infrastructure, nor is their any financing plan available.

¹ See: "Draft Economic Analysis of Critical Habitat Designation for 13 Pacific Salmon and *O. mykiss* ESUs"; U.S. Department of Commerce National Oceanic and Atmospheric Administration, NOAA Fisheries Northwest Fisheries Science Center; Seattle, November 2004.

Comments on Proposed Bel-Red Subarea Plan, continued

11. There is no rationalization for the massive increase in multifamily housing in the corridor and along the south side of the Bel-Red Road. The Staff has arbitrarily chosen a value of 5000 housing units for the rezone; this value was proposed by the City Staff in their discussions with King County Metro staff in December 2005, and is not substantiated by any market analysis whatsoever. The type of developments that will occur under the Staff-proposed rezone will ensure that market-rate rents/prices will foreclose the opportunity to develop any
12. The current lack of public open space and streams restoration is a direct result of City neglect of this area. Ample opportunities exist under present land use and zoning and City policies and procedures to restore streams and provide modest improvements in open space while preserving the economic vitality of the area.
13. The proposed NE 16th boulevard is a 'street to nowhere.' It can only function if supported by massive public subsidies. If built as proposed, traffic generated by the proposed commercial/retail/housing developments will only clog nearby streets and neighborhoods.
14. There is no plan, schedule or funding by WSDoT to make any changes to the intersection of 124th NE and SR 520. The proposed rezone cannot function without the proposed modification to this intersection.
15. Light rail is an uneconomic, non-cost-effective transit mode. Voters have rejected Sound Transit's proposed East Link, and there is no reasonable prospect that voters will agree to tax themselves for this wasteful project in the near future.
16. An updated or new subarea plan for the Corridor should not be considered until a new BROTS Interlocal agreement is developed and approved by the cities of Bellevue and Redmond.
17. The number of parks, open spaces and public areas proposed by the Staff for the Corridor is far in excess of any rational requirement.

Comments on Proposed Bel-Red Subarea Plan, continued

18. The Staff has arbitrarily and capriciously transferred the small triangular area just west of Unigard corporate campus from the Crossroads subarea to the Bel-Red Project area. This small area has no rational connection to the Bel-Red area, and more properly belongs in the Crossroads subarea.



Comment Form

May 15, 2008

13

Please take a few minutes to write down your comments or concerns related to the projects presented here today. Leave this form at the check-in table or return it in the

mail by **May 30, 2008**. Fold in thirds and use the postage-paid mailing panel on the reverse side to return the City of Bellevue. Thank you for your time.

Please Print:

Name of Project:

" REVISION TO MEDICAL INSTITUTION DISTRICT "

Comments are attached

Please Print:

Name of Project:

Please Print:

Name of Project:

Please

print

Name DAVID F. PLUMMER

Address 14414 NE 14TH PL
Bellevue, WA 98007

E-mail Address: pdf3@comcast.net

15 May 2008

City Council
City of Bellevue
Bellevue, WA

Subject: Staff Proposal to Revise the Medical Institution District of the City's Land Use Code

Reference: Spring Forward Expo, City Hall, 15 May 2008

Regarding the Staff's proposed revision to the Medical Institution District of the City's land use code (section 20.10.390), I urge you to reject the Staff's proposal for the following reasons:

1. The proposed new MI subdistrict is located in Area E of the Bel-Red/Northrup Subarea; this area is planned and zoned for Office; hospitals are not a permitted use in Office-zoned areas;
2. The Bel-Red Project steering committee recommended that the area between I-405 and the BNSF right of way, and from NE 12th St. north to SR 520 be retained in low intensity office/medical-office use. In addition, the steering committee did not recommend, discuss, or otherwise evaluate the possible location of another major hospital facility within the Bel-Red Corridor, and especially in the area recommended by the Staff;
3. Neither the draft nor the final EIS for the Bel-Red Project evaluated the impacts of locating a hospital facility in the area recommended by the Staff;
4. The City's sub-contractors on the Bel-Red Project did not evaluate or recommend inclusion of a major hospital facility in the Bel-Red Corridor;
5. There has been no traffic-impact, or any other types of analyses performed to evaluate the impact of locating a major hospital facility in the location proposed by the Staff;
6. Locating a major hospital in the area proposed by the Staff will isolate it from the Overlake/Group-Health hospital campuses;
7. Ample land area exists directly to the east of the Overlake/Group-Health hospital campuses to allow construction and operation of another hospital facility; further, location of such a facility in this area would allow any new operator to construct elevated bridges across 116th Ave. NE to the

Overlake/Group-Health facilities; the land in this area is part of the Wilburton/NE 8th Subarea, and is planned and zoned for Commercial General uses; hospitals are a permitted use in such use areas; and the Bel-Red steering committee recommended that this area be planned for more intense office/medical-office use, though they did not include a hospital facility in their recommendations for this area; locating a hospital facility due east of the Overlake/Group-Health campus is entirely consistent with the Commission's previously adopted guide for the MI district Comprehensive Plan and Land Use Code amendments; and,

8. No specific proposal or application has been submitted to the City for a rezone, or for a change in the City's Comprehensive Plan to locate a hospital facility in the area proposed by the Staff.

For the above reasons, I urge you to reject the Staff's recommendations for changes to the Medical Institution District portion of the City's Land Use Code. No changes should be made or contemplated until a specific proposal is received by the City, and the necessary environmental, traffic and other analyses are completed to evaluate this impact of locating a hospital facility in the area recommended by the Staff.

Sincerely yours,

A handwritten signature in cursive script that reads "David F. Plummer".

David F. Plummer

14414 NE 14th Place
Bellevue, WA. 98007





MEMORANDUM

Phone: 452-6885
Date: May 20, 2008
To: Planning Commission
Transportation Commission
From: Merle Keeney, Parks & Community Services Board Chair
Subject: Bel-Red Parks, Open Space, Trails & Streams Plan and Project List
NE 15th/16th Corridor Plans

At our meetings of February 12, April 8 and May 13, the Parks & Community Services Board reviewed the conceptual plan and project list for the Parks, Open Space, Trails and Streams components of the Bel-Red Corridor Plan. At our request, we also reviewed the current plans for the NE 15th/16th corridor at our May 13 meeting.

The park and open space concepts are consistent with the *General Policy Direction* endorsed by the Board last December, and closely follow the relevant sections of the draft *Bel-Red Subarea Plan* endorsed by the Board on February 12. However, the plans for the NE 15th/16th corridor differ substantially from the "Park Blocks" concept depicted in the Steering Committee's Final Report to Council, and described during the Steering Committee process. The current concept for the NE 15th/16th corridor includes a tree canopy and urban space components, but does not include formal park space within the right-of-way, thus deviating from the strong green infrastructure concept supported by the Steering Committee.

At our May 13 meeting, the Park Board unanimously endorsed the attached conceptual Park, Open Space, Trails and Streams Plan and accompanying Project List. We continue to believe that, if fully implemented according to the policies and plans that we have endorsed, this plan will provide an outstanding park and open space system for the Bel-Red Subarea, with the potential to become a model for environmental sustainability in our community.

The Park Board also endorsed the conceptual design for the NE 15th/16th corridor as presented to us. While disappointed at the elimination of the "Park Blocks" concept, we believe the current design for NE 15th/16th represents a "green street" that is consistent with the overall intent of the Bel-Red Plan. The NE 15th/16th corridor also includes a significant pedestrian and bicycle trail, which is a signature element of the non-motorized transportation and recreational plan, serving a critical function of connecting the Bel-Red open spaces with adjacent areas of Bellevue and the region. However, we don't believe the current NE 15th/16th design should be included in the areas designated as parks and open space. Although it has wonderful transportation elements, these elements should not be utilized to offset the park and open space needs of the area as reflected in the attached plan and project list.

We appreciate the opportunity to continue to participate in this exciting project, and look forward to your support and to our continued involvement through the implementation process.

Attachments Bel-Red Parks, Open Space, Trails & Streams Plan
Bel-Red Parks, Open Space, Trails & Streams Project List

**Bel-Red Corridor Project
Parks, Open Space, Trails and Streams Component**

Map ID	Park	Acres
N-1	Neighborhood Park – Along West Trib, adjacent to NE 16 th Parkway. Integrates major trail systems and regional detention, with neighborhood park facilities. – 3 acres Neighborhood Park / 1 acre remnant Transportation acquisition	4
N-2	Neighborhood Park – Located between 120 th Ave NE and 124 Ave. NE and south of NE 15/16 Street. Provides neighborhood park and sports facilities to serve residential and commercial mixed use development	4
N-3	Neighborhood Park – Along West Trib, adjacent to Bel-Red Road. Integrates major trail and neighborhood park facilities. – 3 acres Neighborhood Park / 1 acre riparian	4
N-4 / CP	Neighborhood Park/Civic Plaza – Along Goff Creek, north of NE 16, between 130 th Ave NE and 132 Ave NE. Integrates approximate 1 acre urban plaza along pedestrian oriented retail street with adjacent 3 acre neighborhood park and trail facilities along 1 acre riparian corridor.	5
N-5	Neighborhood Park – Along Goff Creek, between Bel-Red Road and NE 16 th . NE. Integrates trail system along riparian corridor with neighborhood park facilities. – 3 acres Neighborhood Park / 1 acre riparian	4
G	Gateway Park – Near the intersection of 124 th Ave NE and Bel-Red Road. Integrates mini park facilities and potential art component near major road intersection to serve as gateway to the Bel-Red Corridor.	1
T-1	Trail Head - located adjacent to BNSF at Lake Bellevue. Integrates a trailhead with mini park facilities at BNSF regional trail and Lake Bellevue.	1
T-2	Trail Head – located at the BNSF regional trail corridor and the NE 15 th /16 th Parkway. Integrates a trailhead with mini park facilities at the crossing of the two major multi purpose trails.	1
M-1	Mini Park – Along Sears Creek west of 148 th , between Bel-Red Road and NE 16 th . Integrates trail system and riparian corridor with mini park facilities.	1
M-2	Mini Park – Centrally located between Bel-Red Road, 156 th Ave. NE, and NE 20 th . Incorporates mini park facilities to serve node.	1
C-1	Community Park – Along West Trib. adjacent to 120 th Ave. NE. Incorporates trailhead and trail system along West Trib. and BNSF with community park facilities. -10 acre acquisition through purchase for community park facilities. - 7 acre open space dedication by adjacent owner.	17
N/A	Community Park – Existing Highland Park located at 140 th Ave NE and Bel-Red Road.	11.2
N/A	Major Indoor Recreation Facility – 150,000 sf - Components could include sports, health and fitness facilities and major aquatic center, together with companion outdoor sports facilities. Location not shown on map.	10

Streams and Trails	Size/ Length
West Trib Riparian Corridor - Restore 200' average width native plant riparian corridor on both sides (+/- 100' each side) of the West Tributary from the BNSF right of way to Bel-Red Road with a paved ped-bike path (10ft) on one side of the stream. Improve fish passage, and rehabilitate in-stream habitat.	6350 lf stream 27 acre riparian corridor
Goff Creek Riparian Corridor - Develop a 100' average width (+/- 50' each side of creek) native plant and social amenity riparian corridor integrating natural drainage practices, 8' paved/boardwalk trail, art and place-making features as part of redevelopment north of NE 16th. Realign and daylight Goff Creek with additional floodplain storm water capacity. Restore fish passage.	4200 lf 7 acre
Kelsey Creek Trib Riparian Corridor - Restore a 100' average width (+/- 50' width each side of creek) native plant and social amenity riparian corridor. Integrate natural drainage practices, soft surface pathway, art and place-making features in corridor. Restore fish passage.	2000 lf 12 acre
Valley Creek Riparian Corridor - Restore a 200' average width (+/- 100' each side of creek) native plant riparian corridor between Highland Community Park and Hwy 520. Includes paved multi-use trail/boardwalk on one side.	500 lf 3 acre
Sears Creek Riparian Corridor - Restore a 100' average width (+/- 50' width each side of creek) native plant riparian corridor along Sears Creek. Rehabilitate salmon habitat, channel capacity, restore riparian functions and provide soft surface pedestrian pathway. Daylight piped area of stream.	1300 lf 8.5 acre
NE 15th/16th Parkway Multi-use trail Integrates 12' wide paved multi-purpose trail with significant greenway along major transportation corridor.	7,900 lf



May 20, 2008

The Housing Development Consortium (HDC) has over 70 member organizations from the nonprofit, for-profit, and government sectors working to promote and provide affordable housing in King County. Together, HDC members have built over 20,000 housing units across King County.

HDC's Comments on the Six Key Bel-Red Housing Issues

Issue 1: How to "jump start" housing?

Should specific strategies be employed to "jump start" housing in Bel-Red, an area that is currently light industrial and commercial, with few amenities?

Building affordable workforce housing is a great way to "jump start" housing in the Bel-Red Corridor. Initial developments could be geared towards young families who cannot afford to live in downtown but would have more patience with emerging amenities in exchange for proximity to work and good schools.

Issue 2: Housing Policy Targets

Should the Subarea Plan establish numerical workforce and/or affordable housing targets as goals for Bel-Red, under the rubric that "what gets measured is what gets done?" If so, for what income levels should these targets be established—workforce, moderate income, low income? What target numbers should be set?

Housing policy targets should be established to encourage housing that meets the full spectrum of community needs. If targets along the spectrum are not specifically stated, new affordable units will likely tend toward the highest end of the spectrum.

There should be a sliding scale on the number or percentage of affordable units required, depending on the level of income addressed, with fewer units required at lower end of the income scale and a greater number of affordable, below-market units at the higher end of the scale. As per state law, the affordable unit mix should proportionately reflect the sizes and number of bedrooms in the rest of the development.

Issue 3: Mandatory + voluntary, or voluntary only?

Should the City establish a mandatory requirement for a portion of new housing to be affordable (perhaps off-set by density or height incentives), or should new development's contribution to affordable housing be accomplished solely through voluntary incentives?

Voluntary incentives have not been effective at building affordable units in recent downtown Bellevue development. In contrast, other cities' mandatory participation requirements have resulted in affordable units built in conjunction with market rate developments. In order to ensure that affordable housing units will be built, we recommend including a mandatory minimum requirement with incentives to encourage additional affordable units. Developments with fewer than 10 units should be exempt from this requirement.

Issue 4: Role of Commercial Development?

If development contributions, either mandatory or wholly voluntary, play a role in Bel-Red housing strategy, do commercial developments have the requirement or opportunity to participate; or will the housing "linkage" be made only to residential developments?

Residential developments are in the best position to provide affordable housing. If they choose, commercial developments should have the opportunity to participate in increasing housing affordability through pay in-lieu fees. However, given the vast need for both infrastructure and amenities in Bel-Red, commercial developments should concentrate on creating the infrastructure, open spaces, and other amenities in this area.

Issue 5: Tools

What are the most effective and appropriate implementation tools to utilize in a Bel-Red affordable housing strategy?

The City Council should strive to create as many tools as possible for its affordable housing strategy. More tools allow developers greater flexibility, which can result in a greater number of affordable units. Tools that have had success in other cities include development incentives (height/density bonus), tax exemptions, and land code adjustments.

Issue 6: Alternatives to on-site affordability?

Should alternatives to affordable units on-site, such as paying in-lieu fees or partnering with an off-site development, be allowed in order to earn affordable housing incentive? If alternatives are allowed, should they be limited to the Bel-Red area?

Developers should be encouraged to build units on-site and required to build units within the Bel-Red area. Affordable housing tools should be performance-focused to achieve the goal of keeping housing close to jobs, and bringing affordable units on line as quickly as possible. A developer should be able to petition for greater flexibility if he or she offers greater public benefit for housing. Because the Bel-Red Corridor covers 900 acres, there are ample opportunities for developers to build affordable housing within this area.

(16)

Inghram, Paul

From: Ken Schiring [kschiring@westernintech.com]
Sent: Wednesday, May 21, 2008 11:54 AM
To: Inghram, Paul; Christensen, Jeanie; Ken Schiring
Cc: Staples Lane; Chris Mooi; Kleo Landucci; rjpaige@comcast.net; Pam Toelle
Subject: FW: Bel-Red Amendments

Ken Schiring - Purchasing
Western Integrated Technologies
Bellevue WA
(425) 747-0927

From: Ken Schiring
Sent: Wednesday, May 21, 2008 9:52 AM
To: 'Ken and Lee'
Subject: Bel-Red Amendments

Jennifer Robertson, Chair and members of the Bellevue Planning Commission

It is my understanding that you have requested the staff supply you with potential effects if the height limit on the Angelo's property be raised from the existing 60 feet to 70 feet in all but the eastern 50 foot strip. I would like to address that as I may not be back from a Memorial day week-end trip in time to attend the Wednesday evening public hearing.

One of the early appointments I had with the City was to the Bellevue Board of Adjustment, a board that reviewed more basic land-use requests and some adjudications. This board was disbanded and replaced by the Hearing Examiner. The main thing that I learned serving on that board was, no matter how much description or how many maps were supplied by staff, it took a visit to the property to totally understand the effects of the action. Those on-site visits always strongly confirmed my opinion or introduced doubts and/or change of opinion. One way or the other they always served a purpose that I never ignored.

That is all I ask in regards to the height question, not only on Angelo's property, but all three properties within the most eastern portion of the Bel-Red survey area.

The effects of the Redmond transit node on 152nd N.E. must be recognized as unique in comparison to the other transit nodes in the Bel-Red area.

Before you make up your mind please go to the area and walk 156th N.E. and visualize the future development. This is certainly the frustration I am having with this potential change.

I totally support the plans that BelGreen Development has for the property. Amica appears to be a quality organization and would bring a quality development to what has been a very shabby land use for the past 35 plus years. The fact that they are also the long term operators of the facility is another fact in their favor.

I ask that the City and Belgreen developers try not to rush an easy answer to expedite the whole Bel-Red package. It is conceivable that, given more time, a plan can be arranged that will serve BelGreen and minimize the impact to the neighborhood.

The effect of the building height on this property must be tempered by its effect on Unigard Insurance to the east, neighboring developments and the residential community.

Ken Schiring - Purchasing

5/22/2008

Inghram, Paul

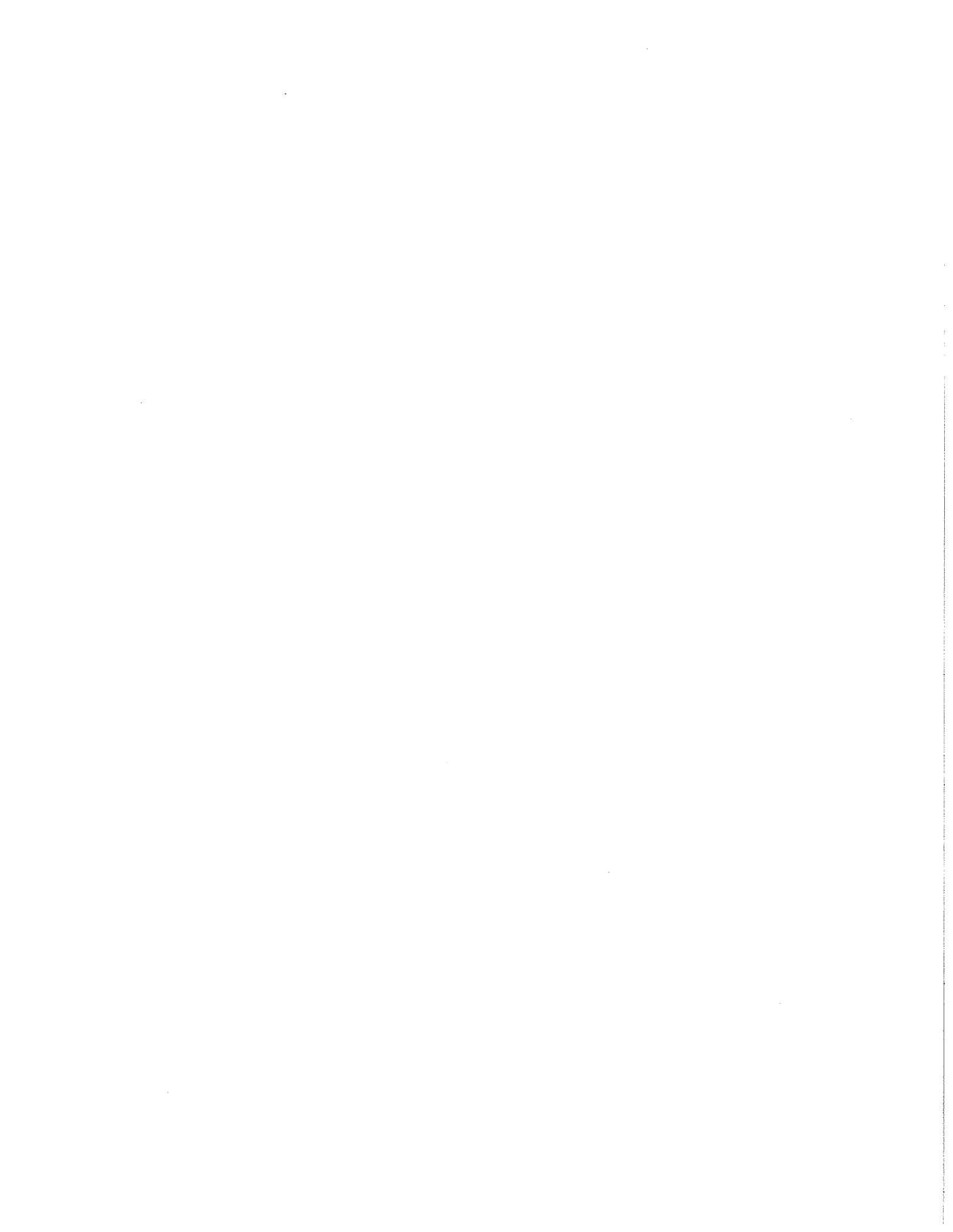
From: Diane Kelso [dbk535@verizon.net]
Sent: Thursday, May 22, 2008 11:01 AM
To: Inghram, Paul
Subject: Belgreen Dev. of Angelo's site

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Planning commission,

I understand the property owners are allowed to go to 60 feet on the project planned for this site. I would urge the commission to not allow a building height of 70 or 75 feet. I would ask you to look at this site and see how 60 feet would help keep the integrity of the neighborhood. Thank you.

Diane Kelso
16217 NE 26th st.
Bellevue, 98008



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May 22, 2008



Corporate Administration
4601 Sixth Avenue South
Seattle, Washington 98108
Tel (206) 624-3215 Fax (206) 624-0377

Planning Commission
City of Bellevue
450 110th Avenue Northeast
P. O. Box 90012
Bellevue, WA 98009

Re: Bel-Red Corridor Subarea/Land Use Code Amendments

Thank you for the public meetings on Bel-Red Corridor planning efforts. Tomio Moriguchi, our Chairman and Ken Louie our VP of Real Estate have attended and participated in several of the meetings.

Bellevue Uwajimaya opened in 1969 in the former Safeway space. For many initial years Bellevue Uwajimaya was unprofitable. Today, Uwajimaya is pleased with the patronage of residents from Bellevue, Redmond and other eastside communities. We plan to build a new and larger Uwajimaya to better serve the Eastside. If feasible, we want the new Bellevue Uwajimaya to be within the Bel-Red Corridor.

Currently, Bellevue Uwajimaya has sixty-six employees and annually pays over \$126,000 in sales, utility, B&O and property taxes. We anticipate the new Bellevue Uwajimaya would have greater numbers of employees and generate more overall tax revenues.

The grocery business is very competitive, capital and labor intensive and has thin profit margins. We are very concerned that the City of Bellevue is considering impact fees on new development. Rather than, imposing disincentives to development, we urge the City of Bellevue to work with the business community and developers on positive ways to encourage revitalization of the Bel-Red Corridor.

Sincerely,

A handwritten signature in cursive script that reads "Tomoko Moriguchi Matsuno".

Tomoko Moriguchi Matsuno
CEO

Cc: City Council
City Manager



(19)

Inghram, Paul

From: hmwyb@comcast.net
Sent: Thursday, May 22, 2008 4:57 PM
To: Inghram, Paul
Subject: Bel-Red Amendments

I am in complete agreement with Ken's letter. I have lived blocks away for 46 years and understand the dynamics of this area. Please consider this to be the opinion of several neighbors who won't be attending the meeting. Thank you, Marie Wyborney 425-746-9433!

From: Ken Schiring
Sent: Wednesday, May 21, 2008 9:52 AM
To: 'Ken and Lee'
Subject: Bel-Red Amendments

Jennifer Robertson, Chair and members of the Bellevue Planning Commission

It is my understanding that you have requested the staff supply you with potential effects if the height limit on the Angelo's property be raised from the existing 60 feet to 70 feet in all but the eastern 50 foot strip. I would like to address that as I may not be back from a Memorial day week-end trip in time to attend the Wednesday evening public hearing.

One of the early appointments I had with the City was to the Bellevue Board of Adjustment. A board that reviewed more basic land-use requests and some adjudications. This board was disbanded and replaced by the Hearing Examiner. The main thing that I learned serving on that board was, no matter how much description or how many maps were supplied by staff, it took a visit to the property to totally understand the effects of the action. Those on-site visits always strongly confirmed my opinion or introduced doubts and/or change of opinion. One way or the other they always served a purpose that I never ignored.

That is all I ask in regards to the height question on, not only on Angelo's property, but all three properties within the most eastern portion of the Bel-Red survey area.

The effects of the Redmond transit node on 152nd N.E. must be recognized as unique in comparison to the other transit nodes in the Bel-Red area.

Before you make up your mind please go to the area and walk 156th N.E. and visualize the future development.

This is certainly the frustration I am having with this potential change.

I totally support the plans that BelGreen Development has for the property. Amica appears to be a quality organization and would bring a quality development to what has been a very shabby land use for the past 35 plus years. The fact that they are also the long term operators of the facility is another fact in their favor.

I ask that the City and Belgreen developers try not to rush an easy answer to expedite the whole Bel-Red package. It is conceivable that, given more time, a plan can be arranged that will serve BelGreen and minimize the impact to the neighborhood.

24 May 2008

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Director of Planning and Community Development
City of Bellevue
Bellevue, Washington

Reference: Draft Subarea Plan, Land-Use Code Amendments, and Design
Guidelines for City-Proposed Bel-Red Subarea, dated
8 May 2008

Dear Director:

The existing plan for the Bel-Red/Northup subarea is quite adequate in its present form, and needs only minor updating to ensure that this important area of the City will continue to provide a wide variety of services and employment opportunities.

Bellevue's Staff is seeking to force their unjustified, unrationalized vision of a new city center on Bellevue citizens that will benefit only a small number of property owners in the Bel-Red area for two fundamental reasons:

- a. To increase City tax revenue flows; and,
- b. To aid and abet Sound Transit's plan to deploy an uneconomic, non-cost effective light rail transit line from Seattle to Bellevue and on to Redmond.

The Staff has planned and orchestrated an implementation scheme that purposely excludes reasonable opportunity for *citizen review, consideration, and evaluation* of their planned rezone for the Bel-Red area. This scheme has ensured that there is *inadequate time* and *insufficient information* available to obtain *informed citizen input and comments* on the proposed rezone.

There are no compelling reasons or rationale for the Staff's proposed rezone of the Bel-Red area; rather, this is simply a concerted effort on the part of the Staff to reject normal real-estate market development forces in favor of their Robert-Moses-inspired city building schemes. The Staff-proposed scheme is a repudiation of the City's Downtown Development plan.

There are no market analyses or any other type of analyses that justify the Staff's plan to rezone the area to support development of 5000 residential units in the area;

this number is a total fiction. In addition, the City's Buildable Lands Report, submitted to King County last year, clearly shows that the City has ample land capacity for housing and employment growth out to the year 2022 based on existing zoning and land use. Thus, there is no need to rezone the Bel-Red corridor to expand housing, employment, and retail activities.

The Staff's proposed rezone scheme will require the expenditure of approximately \$500-million to pay for the acquisition costs of the public infrastructure required to implement the scheme; ownership costs are totally undefined. It is clear that the Staff plans for a significant portion of these costs to be borne by all Bellevue citizens, rather than the land owners and property developers that will benefit from the rezone. Even if the Staff and City Council is successful in levying some of these costs on the area's land owners and property developers, they will only be passed on to the land owner's and property developers' customers, renters, and condo-owners. The Staff-proposed public amenities will not benefit the broad spectrum of Bellevue citizens.

The Staff's proposed plan, land-use code amendments, and design guidelines for their proposed Bel-Red subarea should be rejected for the reasons noted above, and on the attachment.

Sincerely yours,



David F. Plummer

14414 NE 14th Place
Bellevue, WA 98007

Attachment: Comments on Proposed Bel-Red Subarea Plan, Land-Use
Code, and Design Guidelines

Comments on Proposed Bel-Red Subarea Plan, Land Use Code Amendments, and Design Guidelines

1. The proposed subarea plan for the Bel-Red area contradicts the plans and policies of the City's previous commitment to concentrate housing and employment growth in the Downtown area of the City.
2. The Staff's proposed rezone scheme for the Bel-Red area is primarily designed to increase City revenues, and to benefit a very limited number of property owners, e.g., Wright Rundstad who recently purchased some of the Safeway property.
3. The entire rezone scheme is the product of the Bellevue City Staff. The Bel-Red Project Steering Committee merely reviewed the Staff's (and the City consultants') proposals and uncritically accepted and approved the scheme. The manifest bias of the Committee members toward continued growth in the City, their obvious rejection of any normal market-driven growth scenarios, their failure to solicit meaningful input from the public (as required by their operating guidelines), and their failure to do any independent analyses has resulted in the development of a fatally-flawed subarea plan for the Bel-Red area.
4. The City's buildable lands analysis, submitted to King County in mid 2007, clearly shows that the City has ample capacity for housing and employment growth out to 2022 based on existing zoning and land use. Thus, there is no need to rezone the Bel-Red corridor to expand housing, employment, and retail activities.
5. The Staff-proposed subarea plan is pure sophistry; it is not based on any substantive public input. As proposed, it is nothing more than a slightly reworked version of the Downtown subarea plan.

Comments on Proposed Bel-Red Subarea Plan, Land Use Code Amendments, and Design Guidelines, continued

6. There are no demonstrable benefits for the proposed streams restoration, and no cost/benefit or cost effectiveness analyses that rationalize the proposed restorations; they are entirely cosmetic in nature, and will not increase critical habitat for five species of Pacific salmon and O. mykiss (*Onchorynchus* spp.) listed under the federal Endangered Species Act (ESA)¹.
7. The developments proposed by the Staff and embodied in their proposed subarea plan are incompatible with the residential developments to the north and south of the Bel-Red corridor. The proposed addition of housing zoning along the south side of the Bel-Red Road results from an arbitrary and capricious decision by the Bel-Red Project Steering Committee, and ignored the recommendation of the City's consultant (Crandall Arambula) to not include such zoning along this part of the Bel-Red Road.
8. The developments proposed by the Staff will require condemnation of many private properties to implement the public infrastructure with no demonstrable benefit to Bellevue citizens.
9. The Staff-proposed roads network will increase peak-hour traffic congestion on all nearby arterials, and lead to failed intersections on Northup Way/NE 20th, the Bel-Red Road, NE 12th, and 116th NE.
10. To implement the rezone Staff-proposed rezone will require at least \$500 million in public subsidies to fund the acquisition of the proposed infrastructure; this does not include operation/maintenance costs. Indeed, the Staff has not published any exhaustive list of all the infrastructure (roads, bridges, tunnels, retaining walls, parks, trails, sidewalks, open spaces, etc.) that would be required to implement the Staff's proposed rezone. And no life cycle cost estimates exist for the infrastructure, nor is their any financing plan available.

¹ See: "Draft Economic Analysis of Critical Habitat Designation for 13 Pacific Salmon and O. mykiss ESUs"; U.S. Department of Commerce National Oceanic and Atmospheric Administration, NOAA Fisheries Northwest Fisheries Science Center; Seattle, November 2004.

Comments on Proposed Bel-Red Subarea Plan, Land Use Code Amendments, and Design Guidelines, continued

10, continued

The policies related to implementation (S-BR-J1, -J2, -J3, -J4, -J5, -J6, -J7, and -J8) should be deleted from the Plan as there is no finance plan to pay for the public infrastructure required to implement the Staff's proposed rezone scheme, and there has been no rationale or analysis developed that shows that there are any broad public benefits that would result if the Plan were implemented.

11. There is no rationalization for the massive increase in multifamily housing in the corridor and along the south side of the Bel-Red Road. The Staff has arbitrarily chosen a value of 5000 housing units for the rezone; this value was proposed by the City Staff in their discussions with King County Metro staff in December 2005, and is not substantiated by any market analysis whatsoever. The type of developments that will occur under the Staff-proposed rezone will ensure that market-rate rents/prices will foreclose the opportunity to develop any below-market-rate housing.

The proposed housing policies (S-BR-F1, -F2, -F3, and -F4 appear to propose to allocate approximately 60% of the proposed 5000 residential units to below-market-rate housing; such policies are totally unrealistic, and cannot possibly be effective in developing such housing in the Bel-Red area, nor are they in any way applicable to the City as a whole.

12. The current lack of public open space and streams restoration is a direct result of City neglect of this area. Ample opportunities exist under present land use and zoning and City policies and procedures to restore streams and provide modest improvements in open space while preserving the economic vitality of the area.
13. The proposed NE 16th boulevard is a 'street to nowhere.' It can only function if supported by massive public subsidies. If built as proposed, traffic generated by the proposed commercial/retail/housing developments will only clog nearby streets and neighborhoods.

Comments on Proposed Bel-Red Subarea Plan, Land Use Code Amendments, and Design Guidelines, continued

14. There is no plan, schedule or funding by WSDoT to make any changes to the intersection of 124th NE and SR 520. The proposed rezone cannot function without the proposed modification to this intersection.
15. Light rail is an uneconomic, non-cost-effective transit mode. Voters have rejected Sound Transit's proposed East Link, and there is no reasonable prospect that voters will agree to tax themselves for this wasteful project in the near future.
16. An updated or new subarea plan for the Corridor should not be considered until a new BROTS Interlocal agreement is developed and approved by the cities of Bellevue and Redmond.
17. The number of parks, open spaces and public areas proposed by the Staff for the Corridor is far in excess of any rational requirement for such amenities under the existing Bel-Red/Northup subarea plan.

The number of parks, open spaces and public areas proposed by the Staff for the Corridor does not meet the existing level of service Standards for such amenities as given in the City of Bellevue's "Parks & Open Space System Plan," adopted by the Bellevue City Council in September 2003.

18. The building heights, FAR ratios, and land-use intensities proposed by the Staff's Plan and land-use code amendments are far in excess of any rational requirements, and are not based on any market analysis, or any other analyses that justify the proposed values.

There is no zoning/land-use provisions proposed to provide for any sort of reasonable transition from the very intense zoning areas and the less intense areas within the proposed Bel-Red subarea.

Comments on Proposed Bel-Red Subarea Plan, Land Use Code Amendments, and Design Guidelines, continued

19. The Staff has arbitrarily and capriciously transferred the small triangular area just west of Unigard corporate campus from the Crossroads subarea to the Bel-Red Project area. This small area has no rational connection to the Bel-Red area, and more properly belongs in the Crossroads subarea.

20. The Staff has arbitrarily and capriciously proposed to make changes to Part 20.25J of Bellevue's land use code to accommodate a proposed Hospital development by Children's Hospital that was never reviewed or analyzed in the Environmental Impact Statements (draft and final) for the Bel-Red Corridor. Thus, no traffic/transportation, or any impacts of such a development were ever considered by the public when these EIS documents were prepared. Thus, these amendments to the land use code should be rejected.



WRIGHT
RUNSTAD
& COMPANY

PRINCIPALS:
H. JON RUNSTAD
WALTER R. INGRAM
GREGORY K. JOHNSON

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May 27, 2008

Mr. Matthew Terry, Director
Dept. of Planning & Community Development
City of Bellevue
450 110th Ave. NE
P.O. Box 90012
Bellevue, WA 98009

**ALTERNATIVE PROPOSED BEL-RED
SUBAREA PLAN AND IMPLEMENTING
REGULATIONS**

Dear Mr. Terry:

Wright Runstad & Company and Shorenstein Properties have made a major investment in The Spring District which has the potential to serve as a catalyst project for Bel-Red as well as a pioneering sustainable project for the City of Bellevue and the region. We have previously provided detailed comments to many of the draft Bel-Red Sub Area Plan, Zoning Regulations and Design Guidelines.

We have serious concerns that if the Plan, Regulations and Guidelines are adopted in their present form that, at best, the desired Bel-Red development patterns will not materialize until well into the future. At worst, they may actually induce low density development in the nodal areas of Bel-Red, squander opportunities for public and private investments in the area and achieve none of the desired public benefits. Each of these unintended consequences would undermine Bellevue's vision for Bel-Red Corridor.

We are committed to participating in Bel-Red's public review process and have attached a memorandum that offers a comprehensive alternative to key provisions of the current draft Plans, Regulations and Guidelines. In particular, we believe that the two-tier amenity incentive system should be replaced with a zoning incentive system that is designed to support the type of high quality projects that will ultimately generate higher and more sustained public revenues. We hope our suggestions assist the Planning Commission and City staff as they work to craft land use solutions that will best serve Bellevue's interests.

Several new approaches to the funding of infrastructure and desired public amenities are being considered in conjunction with the Bel-Red rezone. While there is currently no detailed finance plan published for review, we believe that a combination of the following financing tools will be adequate to support the Bel-Red vision. They are also included to put our comments on the amenity incentive system in a more complete and integrated context.

- *General Obligation Bonds and Levies* – Maintaining the quality of life and business environment in Bellevue with transportation, parks and other infrastructure capital projects that support smart growth should be the primary focus of a prudent, but aggressive city borrowing program coupled with increased taxes to generate higher revenues. The cost of long term capital is extraordinarily low at this time and we believe Bellevue’s voters will recognize the benefits of well conceived capital programs, particularly for roads and parks.
- *Transportation Impact Fees* – This tool should be used to fund a revolving pool of capital devoted exclusively to the capital cost of transportation infrastructure. A single city-wide fee level should be set and the City should be prepared to borrow against future fees for large scale transportation projects. Operations and maintenance of existing and expanded infrastructure should be funded by general tax revenues.
- *Transportation Benefit Districts* – The City now has the authority to create City-wide or area-specific districts to fund transportation improvements necessitated by existing or reasonably foreseeable congestion levels. Such districts provide for use of various tools, including taxes, license fees and local improvement districts.
- *Storm Drainage Fees* – Improvements to streams will enhance water quality and storm water utility fees are the most appropriate source for funding of these projects.
- *Local Improvement Districts* - This tool should be used to finance public infrastructure projects that benefit focused areas and should be used in conjunction with specially-available public funds for improvements that are of broader benefit to the community.
- *Public/Private Partnerships* – These can take several forms (latecomer agreements, 63-20 lease revenue bonds, etc.), but fundamentally enable private delivery of public infrastructure at a lower cost.
- *Amenity Incentive system* – This tool is most appropriate to guide the form and quality of new projects; and secondarily, as a finance tool to incent the inclusion of public benefits or amenities as part of development projects. In the finance tool context, its use is most appropriate for on-site affordable housing, on-site transportation infrastructure and on-site public amenities like parks, open space and streams. Requiring a developer to use a limited range of incentives (and particularly ones that require payments for off-site improvements), before other on-site incentives, is an inappropriate deployment of an amenity incentive system.

Mr. Matthew Terry

May 27, 2008

Page 3

As Bellevue continues to grow, we believe that a greater level of public investment will be required to deal with growth in a way that will preserve the quality of life for current City residents and businesses and offer a range of choices for new residents and businesses. By utilizing all of the public finance tools at its disposal to finance both City-wide and Bel-Red infrastructure improvements, Bellevue can unlock the potential of Bel-Red.

Finally, we remain concerned about the short vesting period for master development plan approvals on large scale projects, as well as the requirement for a nearly 200 foot wide cross section of 15th Street and the inclusion of a four-acre community park on our property in the 122nd Street node. Such requirements conflict with the City's vision for a dense urban streetscape in the nodes, and may serve to discourage the Bel-Red redevelopment within the City's vision.

We thank you for accepting our input and request that the Planning Commission and staff consider our comments together with other public comment. If you have any questions, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory K. Johnson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gregory K. Johnson
President

GKJ/jkh

Encl.

Memorandum

To: Director Matt Terry

From: Wright Runstad & Company

Date: May 27, 2008

Subject: Bel-Red Regulations: Alternative Solutions Memo

Introduction

On April 18, 2008, Wright Runstad & Company (“WRC”) submitted its comments to the City of Bellevue (“City”) on the Draft Bel-Red Subarea Plan and Implementing Regulations (“Comment Memo”). These comments identified several aspects of the draft regulations which might benefit from some refinements. After subsequent discussions with City staff and members of the Planning Commission, we have drafted the text revisions set forth below for your consideration. We address: 1) the FAR and Amenity Incentive System; 2) the option of a “superincentive” provision; 3) simplifying the MDP process with a proposed Bel-Red MDP overlay; 4) refinements to the vesting and concurrency regulations for MDP proposals; and 5) a few additional proposed text changes. In each area, we identify the questions raised by the initial staff draft, and set forth language which might better effectuate the City’s overall objectives.

Our purpose in submitting these to you at this time is to be as helpful as possible in outlining Bel-Red regulations which we believe will attract the desired development and accomplish the objectives set forth in the draft Bel-Red Plan and policies. Absent a regulatory framework that developers conclude is predictable, efficient and has tangible incentives, most property owners will likely continue with existing uses or opt for low-density uses of their property that may produce a reasonable return on investment, but fall far short of the Bel-Red vision proposed by the Steering Committee.

1. FAR and Amenity Incentive System

For reasons set forth in our earlier Comment Memo, we propose the City set a 1.5 base for FAR. A second proposal made in our Comment Memo is to include a broader range of amenities. We have revised the draft Amenity Incentive charts, the costs, and FAR ratios below. We believe our alternate approach is more likely to achieve the Bel-Red vision the City has articulated, as it is market-based and thus more likely to attract developers. We are discussing with you

separately ways in which the City can look to alternate revenue tools to achieve its goal of funding the infrastructure needed in Bel-Red by 2030.

We believe that the best way for the City to attain many of the public amenities it seeks in Bel-Red is through creative use of incentives. Our recommended approach would eliminate the Phasing of Improvements proposed earlier in 20.25D.014. It would also delete the two tiers concept set forth in proposal 20.25D.150(c)(5) and FAR Amenity Chart. Under the approach we propose below, the City would continue to use the FAR incentives as one part of the funding solution, albeit a reduced portion of the total infrastructure cost. We have revised below the FAR base levels and the ratios associated with amenities. We have also added additional amenities. The FAR mechanism developed by staff can, with the refinements set forth below, serve as a good framework, provided the amenities add value to the development being proposed and that the pricing/ratios/benefit reflect the marketplace; otherwise they simply will not be used. With these principles in mind, we propose the following:

AMENITY	APPLICABLE ZONES AND BONUS RANGE ORI	DESIGN CRITERIA
(NO TIERS)		
<p>AMENITY 1. PEDESTRIAN – ORIENTED FRONTAGE: Building frontage devoted to uses which stimulate pedestrian activity. Uses which compose pedestrian oriented frontage include, but are not limited to, specialty retail stores, groceries, drug stores, shoe repair shops, cleaning establishments, floral shops, beauty shops, barber shops, department and hardware stores, apparel shops, art galleries, travel agencies, restaurants, theaters, pubs, and wine shops.</p>	<p>200 - 1</p>	<p>Pedestrian-oriented frontage must comply with applicable code including design guidelines for designing inviting retail and commercial entries.</p>
<p>2. PLAZA A continuous open space, which is readily accessible to the public at all times, predominantly open above and designed specifically for use by people as opposed to serving as a setting for a building.</p>	<p>8-1</p>	<p>Same Design Criteria as Downtown Zones</p>

<p>3. LANDSCAPE FEATURE A continuous open space located at or near grade whose principal feature is an unusual and pleasing landscape form. The purpose is to serve as a focal point and a visual landmark, rather than a specific location for pedestrian activity.</p>	16-1	Same Design Criteria as Downtown Zones with one proposed revision: Maximum area for feature is 2,000 square feet.
<p>4. ENCLOSED PLAZA A publicly accessible continuous open space located within a building and covered to provide overhead weather protection while admitting substantial amounts of natural daylight (atrium or galleria).</p>	20-1	Same Design Criteria as Downtown Zones.
<p>5. MARQUEE A permanent overhead canopy projecting from the elevation of a building, and designed to provide continuous overhead weather protection to the area underneath</p>	8-1	Same Design Criteria as Downtown Zones
<p>6. AWNING A rooflike structure of fabric stretched over a rigid frame projecting from the elevation of a building designed to provide continuous overhead weather protection.</p>	4-1	Same Design Criteria as Downtown Zones
<p>7. PARKS New community, neighborhood and mini-parks that are provided by the Developer.</p>	8-1	Same Design Criteria as Downtown Zones - Bonused parks in the Nodes should be a minimum of .5 acre to a maximum of 1.5 acre. - Bonused parks do not need to be contiguous with the site for which development is proposed.
<p>8. ACTIVE RECREATION AREA An area which provides active recreational facilities for tenants of the development of which it is a part and the general public. Does not include health or athletic clubs.</p>	8-1	Same Design Criteria as Downtown Zones

9. UNDERGROUND PARKING	.75-1	Same Design Criteria as Downtown Zones
10. ABOVE GRADE PARKING	.25-1	Parking must be enclosed in accordance to Design Guidelines - Build Compatible Parking Structures. Above Grade Parking structures are not allowed in this zone without a finished façade.
11. NON PROFIT/COMMUNITY SERVICE SPACE Space provided for community/non- profit groups, child care, and arts cultural uses.	8-1	Same Design Criteria as Proposed in new zone chart.
12. SCULPTURE/PUBLIC ART Any form of sculpture or other artwork located outside of the building.	10-1 Measured in units of \$100.00 of assessed value.	Same Design Criteria as Proposed in new zone chart.
13. WATER FEATURE A fountain, cascade, stream water, sculpture or reflection pond. The purpose is to serve as a focal point the pedestrian activity	20-1 Measured in units of \$100.00 of costs to construct.	Same Design Criteria as Downtown Zones.
14. CHILD CARE SERVICES A use providing regular care and training for children, generally less than 24 hours outside of the immediate family or kindergarten through 12th grade education system.	10-1	Same Design Criteria as Downtown Zones, including the floor area may be excluded from the calculation of maximum floor area.
15. PUBLIC RESTROOMS A room or rooms containing toilets and lavatories for the use of the general public, with only limited control for purposes of personal safety.	8-1	Same Design Criteria as Proposed in new zone chart.
16. RETAIL A self service retail enterprise which sells food, beverages and household goods for consumption off the premises.	4-1	1. No limit applies to bonusable area. 2. Same as Design Criteria as Downtown zone.

17. CERTIFIED LEED	.25-1	Same Design Criteria as Proposed in new zone chart.
18. SILVER LEED CERTIFIED	.5-1	Same Design Criteria as Proposed in new zone chart.
19. GOLD LEED CERTIFIED	1-1	Same Design Criteria as Proposed in new zone chart.
20. LEED NEIGHBORHOOD CERTIFICATION	.5-1	Same Design Criteria as Proposed in new zone chart under general LEED.
21. NATURAL DRAINAGE FEATURES Low-impact development techniques that improve natural drainage features such as rain gardens, pervious pavement, vegetated roof and amended soils.	3-1	Same Design Criteria as Proposed in new zone chart noting that the additional bonus proposed is due to the difficulty of infiltration rates in the general Bel-Red area.
22. STORM MANAGEMENT This should reflect offsite storm management assistance through creative drainage solutions.	10-1 Measured in units of \$100.00 of cost to construct.	Plan must be proven and approved by the City of Bellevue.
23. AFFORDABLE HOUSING Threshold bonus for residential/ mixed use development at up to 80% median income level (workforce housing). Fee in lieu may be provided as an option for affordable housing in the Bel-Red corridor.	10-1 \$11.00 per sq. ft. of bonus area	Same Design Criteria as Proposed in new zone chart.
22. STREAM RESTORATION Creating the removal of fish passage barriers, daylighting piped stream segments, restoration of natural streamside vegetation and enhanced fish and wildlife habitat. Fee in lieu may be provided as an incentive for those without streams.	50-1 per \$100 of stream restoration cost. \$10.00 per sq. ft. of bonus area	Same Design Criteria as Proposed in new zone chart except with the following condition: Any properties with streams located on them must restore the stream on their property.

2. Superincentives and the FAR Potential for Increased FAR Beyond 2.5

Bel-Red presents a good opportunity for the City to showcase key aspects of urban features which will directly address the climate change challenges the region, state and nation face. If properly structured, allowing developers the voluntary option of including these special amenities as an incentive to securing additional FAR may be the most effective way to create this unique and sustainable area of the City.

The work devoted to the Bel-Red process has identified several unique features in the Bel-Red vision. These include: (1) the new 15th/16th transit corridor and possible underground transit station; (2) the possible use of transfer of development rights ("TDRs") to reduce urban sprawl, promote urban sequestration, and preserve farm and forest acres outside the urban growth area; (3) providing facilities that promote a regional bike-share program; and (4) other design features which reduce emission of greenhouse gases. There are several other possible Bel-Red corridor features which have been discussed by various City Commissions, some of which may also be appropriate for a super-incentive. Under present law, developers would not be responsible for providing these features. We propose that Bellevue add a super incentive component to the Bel-Red regulations. The draft section below provides participating developers with a clear incentive and will thus expedite the use of these important features of Bel-Red.

We set forth below a brief outline illustrating how a superincentive regulation might be drafted.

- A. *Within the Bel-Red Subarea, the maximum FAR may be increased by 1.0 above the land use district limit when:*
1. *The project site is located in a zone with an FAR limit of 2.5.*
 2. *The project for which an FAR above 2.5 is proposed meets all requirements in BMC Part 20.25D necessary to achieve 2.5 FAR; the additional 1.0 FAR allowed under this section shall not be counted towards the 2.5 FAR limit. (i.e., the additional 1.0 FAR shall only be allowed on projects that have independently achieved the 2.5 FAR maximum.)*
 3. *The additional FAR provided under this section may not be used to exceed the maximum heights allowed for structures in nodes.*
 4. *The project includes/achieves any of the following special amenities:*
 - a) *A below-grade high capacity transit station;*
 - b) *Transfer of development rights;*

- c) *Provide facilities that allow for participation in a regional bike-share program;*
- d) *Provide facilities for power distribution.*

B. *FAR Amenity Superincentive System [This will be a chart similar to that used for regular FAR amenities.]*

3. Simplifying the Permit Process for Bel-Red Master Development Plans

We believe the public would benefit from an innovative permitting system for larger projects in Bel-Red which carry out key City objectives. If the City believes it important to encourage large development proposals which jump start the Bel-Red plan and could serve as a showcase for the innovative features included in the Bel-Red subarea vision, it should change its current MDP procedures to encourage developers to invest in Bel-Red. The Comment Memo identified some concerns that the preliminary MDP process proposed in Bel-Red would require the additional process requirements at each individual project phase of SEPA, concurrency, and design review. The effect of these duplicative process requirements would be to inhibit, rather than facilitate, the desired development.

The recently-adopted state law climate change requirements make it necessary for cities to change the way they do business, and to adopt innovative ways to promote attractive compact development. The City's Master Development Plan ("MDP") provisions are one area that could be refined to help accomplish the City's goals for Bel-Red. This could be done by means of a Bel-Red supplement or overlay to the MDP provision. The City should consider using Bel-Red as an opportunity to refine its basic MDP ordinance, at BMC Part 20.30V for Bel-Red only. We propose that the City adopt a Bel-Red overlay to the Bel-Red MDP ordinance. From the City's perspective, thus could be a way to experiment with and pioneer certain ideas in response to the demands and strategies associated with climate change. The purposes of this Bel-Red MDP overlay supplement would be:

- Clearly identify the standards on which a MDP applicant can rely for long-term planning and development
- Provide the neighborhood(s) surrounding a proposed MDP property advance notice of the overall long-term
- Careful review of detailed design criteria (much like any Design Review panel works up front in many jurisdictions) as part of MDP
- Retain 10 year vesting for approved MDPs
- Demonstrate that significant environmental impacts associated with the MDP have been evaluated (which may have been done earlier to a large extent in an area EIS; if not, use additional SEPA review associated with MDP application process to develop area-specific mitigation)

- Allow the City to anticipate and plan for public works and programmatic actions needed to accommodate MDP development.
- If the MDP applicant proposes to build any offsite public infrastructure or improvements, set forth the financing plan (so that the City is assured it will be built)
- Agreement on timing and amount of any impact fees
- Ability to secure concurrency for several phases, provided that applicant has clearly demonstrated compliance with City LOS for each phase
- Identify clearly what, if any, review or mitigation is required as each phase comes on. Suggestion would be for a compliance check against the adopted MDP for design guidelines, infrastructure, and transportation management plan. Where compliance not met, identify additional review process.

NOTE: We have set forth below the draft MDP provision for Bel-Red recently circulated by the City at Section 20.25D.030, and modified it to add some of the overlay features outlined above.

PROPOSED BEL-RED MDP OVERLAY:

B. Master Development Plans.

An applicant for a project with multiple buildings located within a single project limit shall submit a Master Development Plan ("MDP") for approval by the Director pursuant to Part 20.30V. That application shall also comply with the additional MDP requirements set forth in this section.

1. *This requirement shall not apply to projects located outside of a designated development node ("node"). Projects inside nodes in the Bel-Red Subarea may utilize this Part if:
 - a. *the project area includes 4 acres or more of net developable area; or*
 - b. *the project area is adjacent to a major transit line, existing or planned.**
2. *This requirement shall not apply to the placement of incidental structures.*
3. *Modification to the vesting and expiration provisions of LUC 20.40.500 pursuant to 20.30V.190 is permitted in the Bel-Red Land Use Districts in which a MDP is proposed.*

4. *For the purposes of this section, the project limit may be drawn to encompass right-of-way that bisects a site, provided that the following connectivity criteria can be met:*
 - a. *A system of pedestrian crossings shall be provided to functionally connect the site across the bisecting right-of-way.*
 - b. *Pedestrian paths shall be provided to create direct connections between all buildings located within the proposed project limit.*
 - c. *Visual connections shall be provided between all buildings located within the project limit by minimizing topographic variation and through use of vegetation and outdoor spaces.*
 - d. *Only right-of-way meeting the requirements of LUC 20.25D.150.D may be included in the land use area located within the proposed project limit for the purpose of computing maximum FAR.*
5. *Within the Bel-Red Subarea, the following additional Master Development Plan regulations apply, in addition to those set forth in BMC Chapter 20.30V. If there is any conflict between these regulations and BMC Parts 20.30V (MDP) or 20.30F (Design Review), the regulations in this Section will prevail.*
6. *Uses in master development plan areas shall be subject to the development standards of the underlying zone and the Bel-Red Subarea overlay, except as provided in this section.*
7. *A master development plan in the Bel-Red area shall contain the following:*
 - a. *development standards section: existing underlying zoning and development standards;*
 - b. *design performance discussions as to how the project addresses designated design criteria, such as transition in*

height/scale between MDP area and surrounding development.

- c. a conceptual development program for the entire project area, including proposed uses, phasing, descriptions and locations of existing and planned open spaces, landscaping, and screening, density, parking, and height, bulk and scale maximums. Maximum square footage for the total site shall be included.*
 - d. site plan(s) showing property lines, all areas to be included in the MDP, planned infrastructure improvements, phasing, street/alley dedications/vacations;*
 - e. discussion of the MDPs consistency with the purpose and intent of the Bel-Red Subarea and other applicable City land use/environmental codes, plans, and policies;*
 - f. a statement explaining the purpose of the development proposed in the MDP;*
 - g. a transportation management program, which demonstrates the specific strategies proposed to reduce the number of SOV trips and minimize the adverse impacts of traffic on the streets surrounding the MDP property;*
 - h. proposed development phasing and associated infrastructure phasing;*
 - i. traffic studies and analysis based on development phasing; and*
 - j. environmental information satisfying SEPA requirements if the project proponent chooses to integrate environmental information into the MDP document.*
- 8. A Master Development Plan may contain detailed design criteria and palettes for the planned development program. If detailed design criteria are included in the MDP as approved, subsequent development of phases under the MDP shall only be administratively reviewed for design criteria consistency for a period of ten years following MDP approval. If detailed design*

criteria are not included in the MDP, all development shall be required to obtain a design review approval for each building pursuant to LUC Part 20.30F.

9. *An approved MDP is valid for 10 years from the date of the Director's approval. The Director's approval shall specifically describe the phasing and any financing plan for any public infrastructure/improvements for which the project is making payments or constructing; and a determination of the development program's concurrency compliance.*
10. *For all phases of a MDP development that the City determines meets concurrency requirements, that development shall be exempt from additional concurrency review for the duration of the MDP; development not meeting concurrency at the time of MDP approval must be reviewed for concurrency at the time building permit application.*
11. *Master Development Plan Process*
 - a. *Pre-submittal conference with Planning Department to outline and highlight issues, including specific requests of information/discussions to be included in MDP;*
 - b. *Submittal of proposed MDP application;*
 - c. *Planning Department drafts report, recommendations, issues SEPA determination and Concurrency evaluation, and determines if and under what terms and conditions a MDP should be issued.*
12. *An applicant for a Master Development Plan in Bel-Red must, as part of the approval process, agree consistent with RCW 35.43.182 to participate in and not protest the formation of a local improvement district or districts(LID) for those public improvements which are necessary to support the Bel-Red [development and redevelopment]; and that but for such improvements, the development could not proceed, and therefore the improvements provide special benefits to the property subject to the Master Development Plan.*

4. **Time of Vesting Provision for Bel-Red MDPs**

In order to provide greater predictability for MDP applicants, amend BCC 20.40.500 as follows:

- A. *Vesting for Permits and Approvals.*
1. *Permits and Approvals Other than Subdivisions, ~~and~~ Short Subdivisions, and Master Development Permits. Applications for all land use permits and approvals except subdivisions, ~~and~~ short subdivisions, and master development permits shall be considered under the Land Use Code and other land use control ordinances in effect on the date that a fully complete Building Permit application, meeting the requirements of BCC 23.10.032, is filed. If a complete Building Permit application is not filed, the land use permit or approval shall become vested to the provisions of the Land Use Code upon the date of the City's final decision on the land use permit or approval.*
 2. *Subdivisions, ~~and~~ Short Subdivisions, and Master Development Permits. An application for approval of a subdivision or short subdivision of land, as defined in LUC 20.50.046, or a master development permit as defined in LUC Part 20.30V, shall be considered under the Land Use Code and other land use control ordinances in effect when a fully completed application is submitted for such approval which satisfies the submittal requirements of the Director specified pursuant to LUC 20.35.030.*

5. **Concurrency Revisions to Allow Certificates for Multiple Phases Under Certain Conditions for MDP**

PROPOSED TEXT AMENDMENTS RELATED TO CONCURRENCY

We ask the City to consider as part of the Bel-Red implementing regulation process, adding a provision which amends existing city-wide code and allows concurrency approval to be given for several phases of an approved MDP proposal, provided the project phases for which it seeks concurrency approval (possibly with identified transportation improvements included as part of project) each meet the LOS standard.

Amend BCC 14.10 as follows:

14.10.010

- D. *"Background traffic" means the volume of traffic that is projected to occur on the street system as of the anticipated date of occupancy of a proposal. Background traffic includes regional traffic, anticipated traffic from all proposals which have been approved under Chapter 23.10 BCC, approved Process I and Process II applications, and approved Process III conditional use, shoreline conditional use, preliminary plat, planned unit development and protected area development exception applications within a community council jurisdiction. Approved Process I and II applications, and Process III conditional use, shoreline conditional use, preliminary plat, planned unit development and protected area development exception applications within a community council jurisdiction shall be excluded from background traffic calculations after a one-year period, unless a building permit application has been filed. Approved Master Development Permits shall be included in "background traffic" from the date of approval until vesting expires pursuant to BCC 20.40.500 and 20.30V.190.*

14.10.020

- B. *Phased Development. A phased development is any Process I or Process II approval, or Process III conditional use, shoreline conditional use, preliminary plat, planned unit development and protected area development exception applications within community council jurisdiction, involving multiple buildings where issuance of building permits under Chapter 23.10 BCC could occur for individual buildings, except any master development permit. The requirements of this chapter shall be applied for all phases at the time of approval of the initial phase and may be adjusted for each subsequent phase based on the cumulative impact of all the phases. The requirements of this chapter shall only be applied to master development permits during the master development permit application review; no additional review or adjustment shall be required for projects built under a master development permit at the time of building permit application or issuance.*

6. Proposed Additional Revisions to Draft Bel-Red Road Land Use Code Amendments

Page A-1

20.25D.014 (excerpts) Phasing of Required Improvements

- A. ~~Development shall be limited in the MO-1, OR-1, and OR-2 districts to a 0.5 floor area ratio (FAR) until such time as the Bellevue City Council finds that an adequate implementation and funding mechanism is in place for public transportation, parks, and open space projects serving those land use districts, including but not limited to NE 15th Street, from NE 12th Street to 124th Avenue.~~
- B. ~~Development shall be limited in the RC-1 and RC-2 districts to a 0.5 floor area ratio (FAR) until such time as the Bellevue City Council finds that an adequate implementation and funding mechanism is in place for public transportation, parks, and open space projects serving those land use districts, including but not limited to NE 16th Street from 124th Avenue to 132nd Avenue.~~

[Note: In our earlier Comment Memo, we urged the Planning Commission to reconsider what phasing approach is workable. The staff draft limits development in the nodes to .5 FAR before financing plans for road improvements (that would not otherwise be required by concurrency) are approved by the Council. This penalizes, instead of incenting, early developers by restricting their ability to attract users that require greater than .5 FAR due to the uncertainty of gaining City approval, a process over which the developer has no control.]

D. 2030 Development Limit

~~New commercial development as measured in the BROTS Interlocal Agreement in the Bel-Red Land Use Districts shall not exceed 4,500,000 square feet until such time as high capacity transit service is provided to the Bel-Red Subarea. High capacity transit may include light rail or bus transit in a dedicated right of way with high frequency and capacity.~~

[We believe that existing SEPA provisions, concurrency standards, BROTS limitations, and development regulations already place functional limitations on the total amount of development in the Bel-Red corridor. Placing an additional artificial limit on development sends the wrong message to the development community]

Our Comment Memo identifies several other concerns and makes specific suggestion, in areas other than those set forth above. We ask you to carefully consider those comments as well as you prepare the next draft of Bel-Red regulation and policies.



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May 27, 2008

Paul Inghram
Comprehensive Planning Manager
City of Bellevue
PO Box 90012
Bellevue, WA 98009

Re: Bel-Red Corridor Project – Public Comment Period

Dear Paul,

We appreciate the opportunity to provide public comment on the Draft Bel-Red Corridor Plan. The Bellevue Chamber previously provided comment on the Draft EIS and is pleased to be involved in the City's long-term planning efforts to redevelop this vital Eastside corridor.

Long-Term Financing

Bellevue's strong economy and new business development is increasing the tax base and contributing to city revenue, and it's being driven by private-sector investment. We recognize that infrastructure is necessary for redevelopment to occur and that future development will drive new infrastructure needs. We think that transportation should be the top infrastructure priority and as we move into the annual budget process, encourage the City to establish a Capital Improvement Plan (CIP) strategy now and set aside a fixed amount of dedicated tax revenue to finance the plan over time. This dedicated funding source could act similar to tax increment financing and eliminate the need to create special taxing districts in the future.

As the City explores a number of other financing alternatives, we also hope you'll add public/private partnerships to the discussion. Oftentimes private delivery methods enhance public programs and are completed in a faster and more cost-effective manner while utilizing city credit.

In terms of potential revenue sources, the Chamber does not support new or direct business tax or fee increases, specifically to the B&O tax or impact fees calculations. A portion of the B&O tax is dedicated to the CIP, and impact fees were initiated so that growth would pay for growth, but we believe that establishing a long-term CIP strategy will be a more manageable and lucrative way to fund future infrastructure improvements.

Further, financing decisions should be examined collectively in the budget process. Businesses know that when one change is made to a tax or fee in one area, it always has an impact in another area or gets passed along, and the results often have unintended consequences.

Transportation

As the top infrastructure priority for the Bel-Red Corridor, future transportation needs should focus on cost effective congestion relief, increased mobility and capacity to accommodate future population growth. Better modeling should also be completed to determine the best and highest use for future transportation corridors in the subarea. The City should only adopt a final transportation plan, future road improvements, levels of service and concurrency when more detailed analysis is complete.

In addition, over time, many of the traffic/trips in the Bel-Red Corridor will be short-haul. Expansion on SR 520 between I-405 and Redmond could help to alleviate some trip generation in the Corridor, and we encourage the City to elevate these priorities and improvements in the annual Legislative Agenda.

Transit

It remains unclear whether or not Sound Transit will build or receive funding for an Eastside light rail line, so plans should be made to accommodate bus-rapid-transit (BRT) or other transit modes and rights-of-way in the short-term. Transit needs roads to operate effectively, so these improvements should be given stronger consideration in planning efforts.

Parking

Given that transportation is a key infrastructure component for redevelopment in the Corridor, the Chamber was disappointed with the lack of focus on parking in the Plan. These issues must be addressed, including determining park-and-ride facilities and parking access for many of the new short-haul and commute trips that will take place in the area in the future. Transit will simply not accommodate every trip necessary in the Corridor or between Redmond/Microsoft and Downtown Bellevue.

Existing Business

Existing businesses and business uses must be protected in the Corridor with a "do no harm" approach and priority must be given to minimizing displacement and disruption to current businesses. Some existing light industrial uses should also be preserved and the City must ensure flexibility for existing businesses and uses, particularly for potential property "shifts" within the Corridor. Given that revenue from business taxes and retail sales in the Bel-Red Corridor are major drivers in the City's general fund budget, careful study of the fiscal impacts of changing land use codes over time would be prudent for long-term financing.

Development Standards

While the plan takes a good first step, the proposed floor area ratios (FAR's) are shortsighted and too conservative. Higher densities, building heights and FAR's are needed, and the City should aim to accommodate more development and redevelopment in the Corridor. The Chamber encourages the City to consider setting lot coverage and building heights to provide zoning control, but ensure that uses are market and demand driven.

In addition, the FAR's don't allow for enough density to accommodate residential and job growth projections, particularly given that several acres will be accounted for in public use (transportation, parks, open space, stream/creek beds, and general setbacks). The proposed FAR's are also calculated and applied similarly for all uses and do not account for structured parking, which will be necessary in the Corridor. The Chamber supports providing clear incentives and exemptions in order to make development or redevelopment financially feasible. The concern that the proposed FAR's will overwhelm or detract from the surrounding communities or neighborhoods over time is unfounded. While we all do our best to plan for the future, it remains unclear what the future will ultimately hold, and it is irresponsible to set FAR's now – the market should be the determining factor.

Housing

More housing units should also be planned to accommodate the projected growth in residents and jobs that will take place in the surrounding Downtown and Microsoft/Overlake areas.

May 27, 2008

Utilities

Utility infrastructure is a critical improvement that needs to be accounted for over time in the Corridor. The Chamber encourages the City to ensure the practicality of creating new public infrastructure so utility companies and others can install what doesn't exist today. In addition, the land use code should be flexible enough to assist with public infrastructure build-out and planning for utility infrastructure should occur for the very long-term (50-100 years) to ensure a stronger working relationship between business/property owners and infrastructure providers.

Working With Redmond

In order to ensure that we achieve the maximum potential from the Bel-Red Corridor, it is critical that the cities of Bellevue and Redmond continue to work together in a balanced and consistent manner and that planning efforts incorporate significant housing, office, retail and transportation needs, and aim to meet future demand. The Bellevue/Redmond/Overlake Transportation Study (BROTS) partnership and agreement must also fit with future planning efforts and both communities should consider allowing taller building heights for residential development to make future redevelopment more financially feasible.

Truth in Advertising

Many of the photos used in the City's presentation show beautiful "green" corridors and outdoor gathering spaces built around stream corridors. Based on the work the Chamber and City did around the Critical Areas Ordinance (CAO), these pictures don't accurately represent appropriate setbacks, etc. The City should accurately depict these scenes, and not display renderings that don't reflect how development may actually occur.

Going Green

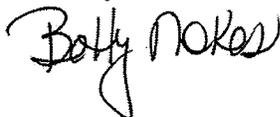
With regard to "green" features, consider following the City of Redmond's lead on a "civil pond" measure which would allow businesses to pool resources to buy and area for a wetland, bio-swell, etc., in exchange for incentives. In some cases, the area could be used as a public amenity. In addition, in most cases, is it difficult to retain existing trees during development. Consider a "replace in-kind" measure to create more park-like features and provide incentives or credits for developers.

Consistency

Some of the Planning Commission's proposed language for the Bel-Red Corridor Plan appears to be harsher than in previous planning efforts. Use of words like "mandatory", etc., should be softened and more in line with current City policy.

The Bellevue Chamber looks forward to continuing to partner with the City as it finalizes and begins to implement the Bel-Red Corridor Redevelopment Plan. Thank you for your consideration of our comments.

Sincerely,



Betty Nokes
President & CEO
Bellevue Chamber of Commerce



Chris Falco, CPA
Chair
Bellevue Chamber Board of Directors

c: Bellevue City Council
Steve Sarkozy, City of Bellevue
Matt Terry, City of Bellevue
Goran Sparrman, City of Bellevue
Mayor John Marchione, City of Redmond
Redmond City Council
Christine Hoffmann, Redmond Chamber of Commerce
Dean Rebhuhn, Dean Rebhuhn Real Estate Consulting
Earl Overstreet, General Microsystems
Leslie Lloyd, Bellevue Downtown Association

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OFFICE OF THE PRESIDENT
LEE GORSUCH | PRESIDENT

May 27, 2008

City of Bellevue
Bellevue Planning Commission
450 110th Avenue NE
Bellevue, WA 98005

RE: Bel-Red Subarea Plan

Dear Commissioners:

As you work toward finalizing proposed amendments for the Bel-Red Subarea Plan and the long term master land use plan for the City of Bellevue, we wish to bring to your attention exciting preliminary discussions between City University of Seattle, Bellevue Community College and DigiPen Corporation. Each of our institutions are currently headquartered in Bellevue, each of us have leases which expire within the next two to four years, each of us have needs for instructional space and substantial student housing. While each of us intend to maintain our separate identity, we share a common desire to maximize the efficient use of shared common areas and the ambition to create a genuine micro community.

We applaud the thoughtful process followed by the Steering Committee, Commissioners and City staff leading to the draft Subarea Plan. We have each held preliminary meetings with Bellevue's Planning staff who have been both helpful and encouraging. We intend to have many more meetings with them and with the Planning commission to seek your guidance and counsel.

We write to you today to bring our interests and ambitions to your attention and to request that you consider our collective and institutional desires to be part of Bellevue's dynamic and progressive future. We ask for your consideration in dedicating a part of the plan to shared educational and housing usage thereby creating a unique arena for Public, Private and Non-profit educational institutions to come together with a common vision.

There is a common community need to deliver an array of housing options, transportation improvements and amenities that will help define our City's long-term economic, cultural and environmental success. Let us not forget about the importance of education and the opportunity now present to ensure educational opportunities remain within the downtown area of Bellevue.

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Each of us also has close affinity to private enterprises whom we would welcome onto our shared campus. Some of these enterprises would be technology based while others may be service based. Each of our institutions incorporates internships within our curriculum and has substantial ongoing relationships with many companies.

A substantial percentage of our students and staff wish to be situated near public transit that is parallel to the transportation improvements and amenities included in the Bel-Red Subarea plan.

We look forward to the opportunity to explore and pursue our common interests and to being a source of creativity and innovation that will sustain Bellevue's continued growth, development and prosperity.

Sincerely,



Bellevue Community College, DigiPen and City University of Seattle,
By Lee Gorsuch, President City University of Seattle

cc: Jean Floten, President, Bellevue Community College
Jason Chu, Chief Financial Officer, DigiPen

5/27/08

ANGELO'S SITE DEVELOPMENT PROPOSAL
PUBLIC COMMENT

(24)

by
Lane Staples
Unigard Insurance Company

In order to be brief, I will avoid detailing Unigard's 35+ year history in the development of the 47 acre Unigard Park. Suffice it to say, we were successful in achieving a City approved three phase project development plan largely because Unigard worked to foster a 'good neighbor' policy in the community. Local residents were sought out and included in the planning process. During the early stages of the project Unigard made several changes to the preliminary project model due to input by involved residents who attended the open house meetings hosted by Unigard. Thus the plan presented to the City of Bellevue in the early 1970's had the general approval of those who would be most affected by the size and scope of the development, that being our neighbors. We believe the end result has been a well planned development that is a visually pleasing transition between the residential community and the commercial development west of 156th Avenue NE.

The first two phases (five buildings) built in the 1970's were single story concrete bunker style buildings constructed as inconspicuously as possible, far from the traffic on 156th and close to the tree line near the east end of the property. In 1996, when Unigard was planning the final, or third phase of the project, it was noted that the City had approved a two-building project. One of the approved buildings was to be four stories, or 55' in height. Before starting the project Unigard again went to the community for their input. Our neighbors expressed their concern about the potential view blockage that might result from a 55' tall building. Unigard revised the plan and commenced to construct four three-story buildings, each under 45' in height.

Recently we were provided with a computer generated model, or visual, as to how our site might be affected by the proposals currently being considered for the Uwajimaya and former Angelo's Nursery site on 156th Ave NE, between NE 24th Street and Northup Way (152nd Avenue NE transit node). As the model demonstrated, a six story building would have a significant negative impact on our locale. Even more disturbing was to see the potential impact of a ten story, or larger building. Such a high rise appeared to be so out of place, and incompatible with the area. We are deeply concerned that a project of this nature has the potential, if approved, of negating nearly all the efforts and accomplishments achieved over the years by Unigard and it's neighbors in striving to provide for commercial property development that would have minimal impact on local residents and the surrounding community.

We ask that the City Council please consider our message and concerns as you review the recommendations of the Steering Committee, and/or commercial property developer proposals related to the Uwajimaya/Angelo's site, or other such sites in the immediate vicinity. We do not wish to impede thoughtful, well designed commercial development, but we strongly suggest that high rise buildings directly west of Unigard Park on 156th would not only be incompatible with the properties currently in that area, but would be in direct opposition to the significant efforts that have made in the past to maintain the area's visual openness to the west. Thank you.

