

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

March 1, 2017
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair deVadoss, Commissioners Carlson, Barksdale, Hilhorst, Laing

COMMISSIONERS ABSENT: None

STAFF PRESENT: Terry Cullen, Emil King, Nicholas Matz, Department of Planning and Community Development; Carol Helland, Patricia Byers, Department of Development Services

COUNCIL LIAISON: Mayor Stokes

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER
(6:35 p.m.)

The meeting was called to order at 6:35 p.m. by Chair deVadoss who presided.

ROLL CALL
(6:35 p.m.)

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

APPROVAL OF AGENDA
(6:35 p.m.)

A motion to approve the agenda was made by Commissioner Laing. The motion was seconded by Commissioner Barksdale and the motion carried unanimously.

COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS
(6:36 p.m.)

Mayor Stokes said he was looking forward to listening to the discussion and preparing for the upcoming public hearing on the downtown livability work. He said while he is not able to attend every Commission meeting, he faithfully keeps up with reading the minutes. The Council is looking forward to getting the Commission's recommendation.

Commissioner Barksdale reported that the Wilburton CAC is making good progress. At the last meeting the group was presented with demographics information to help inform the discussion and contextualize the work. The next meeting is slated for March 2 and the focus will be the

survey data, economic data, and case studies from other cities that have undergone similar development.

STAFF REPORTS (6:39 p.m.)

Comprehensive Planning Manager Terry Cullen reported that the work to transition to a fully digital format for the Commission is continuing. He said the iPads are in and are being loaded with software. Once the transition is completed, the Commissioners will access the packet information in the same way the Councilmembers access their packets using an application called iLegislate. Opportunity will be taken in April to talk with the Commission about technology and legal issues.

With regard to the Commission's schedule, Mr. Cullen noted that March 22 has been set aside for continuing the downtown livability study following the public hearing on March 8. Once the downtown livability work is completed, a discussion will be programmed to address some post-retreat follow-up items, including public engagement and guiding principles.

Mr. Cullen said he recently met with Commissioner Barksdale. In that meeting, Commissioner Barksdale stated that developers or citizens often present complex problems they face, or are likely to face, based on decisions made by the Planning Commission. For example, developers and citizens have raised challenges resulting from the lack of or increase in height and/or FAR. Understanding the needs of the developers and citizens is key to any decision made by the Commission, but currently the Commission's primary opportunity for obtaining deeper level feedback from the groups is outside of the Commission meetings. While not scalable, the context is necessary to make well-informed policy recommendations. Another means is needed for gaining an understanding of the deeper context and rationale for the concerns raised by developers and citizens that will allow the Commission to dive deeper into conversations with the groups beyond the limited time and structure typically available during public comment or a public hearing.

Mr. Cullen noted that he had sent that statement out to the Commissioners for a response directly back to him. He said he received two comments. Chair deVadoss wrote to say he understands the issue and appreciates the problem raised by Commissioner Barksdale. He went on to ask how the issue can be addressed without creating additional time and workload commitments for the Commission and the staff, and without creating an alternate to the public hearing, that is devolving to a town hall scenario. Commissioner Walter wrote to say she would like to discuss the issue during a Commission meeting.

Commissioner Hilhorst said she had not responded because she was unclear of the context and whether the intent was to create a new approach in the Commission's guidelines. Commissioner Barksdale said he did not have a particular solution in mind and was open to exploring the problem. The three- to five-minutes allowed the public to speak is not always sufficient. One option might be to ask for information to be submitted ahead of time. Another option might be to develop a new forum in which to engage with developers and citizens on the more technical issues.

Commissioner Carlson commented that during his tenure as Chair of the Commission when the Shoreline Master Plan was being developed he directed stakeholders to meet directly with staff as a way of streamlining the process. He said he also did not hesitate to meet with staff or stakeholders off the clock in between meetings. Commissioner Barksdale said the first approach

was consistent with the intent he was trying to convey, but the second was not scalable and went against it.

Commissioner Laing allowed that the issue raised was well taken. He said the best he had been able to do as a Commissioner and as a member of the Downtown Livability Initiative CAC was the latter approach of meeting directly with stakeholders outside of Commission meetings. He agreed that time is the limiting factor for the Commissioners. During the Downtown Livability Initiative CAC process, the co-chairs encouraged the CAC members to go out, sit with people over a cup of coffee to discuss issues, including staff. The approach is in no way a substitution for the process of having a public meeting, but it is a plausible approach, even if on a limited scale. Other than holding a lot more meetings, there is no real approach that is scalable.

Chair deVadoss supported the need to garner all the information possible. He commented that work tends to expand to fill all available time. He expressed caution about having more meetings or placing more of a burden on the individual Commissioners and the staff. Clearly there is a need to have an established and fair process in terms of receiving information from people. He reminded the Commissioners that the nature of public engagement with the Commission was not discussed at the retreat and suggested it should be put on a future agenda for discussion.

Mr. Cullen said that could certainly be done. He pointed out that in his conversation with Commissioner Barksdale, however, it was agreed that the desire to obtain information is not necessarily a public engagement issue.

Mayor Stokes said he understood the struggle. He stressed the concern about making sure all Commissioners have access to the same information and avoiding situations that could be construed by some as undue influence. The Council operates somewhat differently in that it conducts both study sessions and briefing sessions. Councilmembers certainly can meet with constituents, but every such meeting is put on the books for all to see. In the briefings, a concerted effort is made to make sure every Councilmember has the opportunity to have the same briefing, or the same meeting with the individuals who come in. Of course, there is also a very real need to avoid information overload.

PUBLIC COMMENT (6:55 p.m.)

Mr. Todd Woosley, PO Box 3325, noted that while he serves as a member of the Transportation Commission, he was representing only himself. He suggested it would be very good for the Planning Commission and the Transportation Commission to meet jointly on occasion given that land use and transportation issues are clearly interrelated. With regard to downtown livability, he said what is being planned has the potential to make the downtown area far more livable. Mobility is a key element of livability. An analysis has been done by staff on the impacts of the proposed zoning changes as related to the operations of downtown intersections by 2030. The proposed zoning changes will not affect traffic generation based on the market demands, but it will move development closer to I-405, and that will trigger less of an increase in congestion in the core. In the time since the study was done, however, about half a dozen transportation projects that were assumed by the model to be funded and built by the target year of 2030 will not be built by that year. Accordingly, the No Build scenario for transportation improvements should be given the most consideration. It shows roughly a doubling of vehicle delay in the downtown during the evening peak period. There is no clear understanding of how the system will function at full buildout, either at the current zoned density or at any level of increased density. The citizens would be much better served if that information were in hand. Any private

sector development would be required to analyze all the impacts of the full buildout, and the city should hold itself to the same standard before deciding how much, if any, new density can be supported.

Mr. Patrick Bannon, president of the Bellevue Downtown Association, said one answer to the issue raised by Commissioner Barksdale is that the organization could partner in programming with the staff and the Commission on downtown livability in the future. In the near term, the organization could look at stakeholder and resident feedback in a coordinated way. With regard to the Downtown Livability Initiative, he said the BDA has been working to reach consensus since the draft code was first released on key items. He said the BERK report took a look at development prototypes across the zones and tested how to preserve or maintain land values with certain cost assumptions. The findings were clear, and the ULI panel agreed, that the base FARs should be increased fairly significantly in order to stay true to the Council principles and avoid downzoning conditions. The BERK analysis did not, however, inform the community as to what the base FAR should be in order to achieve certain policy goals around where and how growth should occur; it really looked at maintaining the basic FARs so as not to upset the land values. With that in mind, the BDA strongly recommends setting the base FARs within a fairly high percentage of the proposed maximum FARs. The conclusion reached is that they should be set at the 90 percent level to encourage the density and to leave an appropriate margin for bonuses and public amenities. In addition, the BDA suggests looking at administrative departures for the flexible amenity, and encourages establishing the opportunity for a super bonus through the Council departure process that would require a development agreement and an extraordinary public benefit. The organization is going to look to advance the affordable housing exemption into the downtown Land Use Code. That may require seeking direction from the Council in order to keep things on schedule. Hopefully the exemption can also be combined with the multifamily tax exemption. Further work is needed in the overlay zones, particularly in the A-1, and additional flexibility should be considered to ensure that housing in a five-over-one or five-over-two construction method will be able to achieve its full potential, including affordable housing, and deliver public amenities. The 40-foot internal property line setback is causing issues in terms of developable site areas and capacity on certain properties; the BDA recommends keeping the setback at 20 feet. The Commission should also consider reducing the fee in-lieu exchange rate to the bonus amenity exchange rate; it is currently at \$28 per square foot and should be reduced to \$25 per square foot.

Commissioner Carlson asked if the BDA had a position on the proposed space between buildings. Mr. Bannon said the organization would encourage as much flexibility as possible. Feedback has been received that the 80-foot requirement would be too onerous, though it is understood that there is a Council principle and direction from the CAC to mitigate height increases and in some cases FAR increases above the current maximums.

Mr. Alex Smith, 700 112th Avenue NE, spoke representing 700 112th LLC and addressed the issue of transit-oriented development within a quarter mile of the East Main and Downtown stations, and the best practice as it relates to density around rail stations and other transportation centers of reducing the parking requirements to create some certainty for developers, realized through a parking study and a negotiation with the city. If the parking were to be reduced through a determined formula with the planning department, the Planning Commission and others, the requirement could be reduced and the funds could be put toward the development itself, and toward the bonus amenity system if that would be appropriate. In addition to the subject of transit-oriented development, one could increase the FAR within the code to benefit those that are within a quarter mile. The public benefit would be more density and more certainty. He said when he first learned about Sound Transit coming to the Eastside, he was not a

fan and did not believe it would be a good deal for the taxpayers. Now that it is here, however, any stimulus toward ridership should be seriously embraced. Hopefully ridership will exceed Sound Transit's projections and all will feel they have gotten their money's worth.

Mr. Jeff Taylor with the Keldoan Group said he was not representing anyone in particular. When the 40-foot setback idea was raised, as well as the requirement to separate towers by 80 feet, an exercise was undertaken relative to the downtown as built to determine which projects would not be in compliance with the code as proposed. He pointed out that nearly 95 percent of the highrise structures would not be in compliance with either the 40-foot setback from internal property lines or the 80-foot separation requirement. He said he personally was involved in the Bravern and Civica projects. If the proposed code were in place currently, the Civica project would be only a single building. As indicated by the Bellevue Downtown Association, there needs to be some degree of flexibility allowed in dealing with the 80-foot separation requirement, allowing for the creative design of spaces for tenants to use. In order for the Bravern to be compliant under the proposed code, two of the highrise buildings would need to be removed. Bellevue Towers would not be compliance because of the 40-foot setback, and because there is not quite 80 feet between the two buildings. John Su's project would also not be compliant, nor would the Avalon project.

Mr. John Stout with Webber Thompson Architects said the diagram provided in the latest draft of the code, which was first published in the March 1 draft, illustrates what the 40-foot setback does, and the 20-foot setback for sites under 30,000 square feet. He showed that the approach breaks a 600-foot superblock into four parcels, which occurs only infrequently in the city. Even with some assumed assemblages for practical purposes, breaking a superblock into seven sites would mean each site would have more than 30,000 square feet. The 40-foot setback would squeeze the interior lots down to only about an 85-foot buildable tower footprint area. Properties with irregular lot lines, of which there are many in the downtown, would see their building footprints squeezed down even tighter, leaving portions of sites completely unbuildable. That is without taking into account the effect of the midblock connections. There are a lot of irregularly shaped parcels that are interior to the superblocks and they would be very negatively affected.

Mr. Taylor said many of the interior lots in downtown Bellevue will not be feasible to develop under the proposed code. At the very least, they will be greatly devalued.

Commissioner Barksdale pointed out that the proposed 40-foot setback and 80-foot tower spacing requirements are intended to address light and air. He asked if the current spacing requirements negatively impact the issue. Mr. Taylor said it is possible to work around the current requirements in that they allow for some flexibility, including moving towers around on sites in order to achieve the objective.

Mr. Brian Franklin said the Bellevue Downtown Association has over the past several weeks facilitated getting property owners together to coalesce around some general themes. There is a growing consensus in favor of setting the FAR base at 90 percent of the maximum. Extensive consideration has been given to the Sheraton site. What was presented for the site during the time the Commission was considering the view corridor is exactly what is being asked of the Commission. One issue specific to the OLB property owners along I-405 is the rear parking facing the freeway. There is a unique water table in the area that abuts into I-405, making subterranean parking extremely challenging. What is needed is allowance to produce a parking structure 55 feet tall facing the freeway; it would need to undergo a design process to avoid being a blight to the community as they drive along I-405. Allowing for the parking would allow for meeting the new density envisioned for the corridor. If forced to put parking all underground, there will be a number of negative side effects encountered. With regard to the tower issue, he

said CollinsWoerman was brought in to discuss what a tower should be. They looked at codes from Seattle, Vancouver, New York and other cities around the world and found that different planners come to different conclusions. However, in just talking about best practices for towers, what seems to come to the fore is fire and life safety. Having towers too close together could mean when one tower catches fire it will easily spread to the next one. That is the reason for the 20-foot setback required by the International Building Code. Outside of that, it usually comes down to planners and owners coming together in considering individual sites with an eye on building the best tower possible. For the Sheraton site, the current 20-foot setback requirement works well because the corners of the buildings come into each other, and all of the residents in the buildings will have good views. To change that requirement will be to ask planners to anticipate the future of all the different sites in downtown Bellevue.

Mr. Andy Lakha with Fortress Development, 500 108th Avenue NE, said his property abuts NE 8th Street and Bellevue Way. He said he plans an iconic project on the site that will be unlike anything that exists in the state. Work has been underway with the Planning Commission for many months on a development agreement concept to help achieve the vision. The property faces the busiest streets in the downtown. A portion of the property is in the DT-MU Deep B zone, but the majority of it is in the DT-MU zone. The Commission opened the door to the development agreement idea, which seems like the best way to achieve two equal height towers and fabulous pedestrian spaces. Six months later some questions were raised about the development agreement process that suggested it was not the best course. The late response was surprising. The goal is to create a great project rather than to focus on the process. The discussions with staff over the last two weeks have suggested a new path instead of the development agreement. The Commission has already blessed the idea of taller towers in part of the B-2 overlay for the Fortin site. Staff is not suggesting the same approach should be considered instead of a development agreement since it is already part of the new code. Having two equal-height towers is the best design solution for the site, but the Fortin approach would require two towers of slightly different heights. He said he was prepared to look at the Fortin approach. He proposed some additional language to the Fortin footnote to make the approach possible on the Fortress site.

Mr. Jack McCullough, 701 5th Avenue, Suite 6600, Seattle, said at the beginning of the process a request was made to allow two 300-foot towers on the Fortress site. The Commission balked at allowing them as a matter of right. The issue of proceeding with a development agreement was raised and discussed, but it was never really resolved by the Commission. There was feedback from the staff that the development agreement approach did not fit well in the model, so it was back to the drawing board. The Fortin approach appeared to be something that would work. The Fortin site is obviously much closer to the Vuecrest neighborhood. If a diagonal line were drawn along the western edge of the downtown to represent the wedding cake scenario, two towers of roughly equal height could fit within it using the Fortin model. The distance from Vuecrest to the Fortress site is the same as the distance from the north boundary of the downtown to the DT-O2 district. The Fortin approach could be applied to the Fortress site by taking the footnote already blessed by the Commission and extending it, allowing towers that are taller than on the Fortin site but shorter than what is allowed in the DT-O2 district to the east.

Mr. Carl Van der Hoek, 342 102nd Avenue SE, addressed the issue of a through-block connection in Old Bellevue halfway between 100th Avenue SE and Bellevue Way and directly south of Downtown Park. He said as outlined, the connection only goes halfway through the block and then stops. Also, as shown the connection is not located in a superblock. According to the text on page 134 of the packet, the intent of a through-block connection is to provide a pedestrian connection and an opportunity for increased pedestrian movement through the

superblocks, thereby reducing their scale. The scale of the block in question in Old Bellevue does not need to be reduced. The connection would in fact interfere with truck loading activities. The connection would also draw pedestrians away from Main Street, which is where the city wants pedestrians to be. When development does occur, just as it has on adjacent sites, it will be high-end, high-scale and well lit. It may also have storefronts and good landscaping, but it should not be called out as a through-block connection.

Mr. Ian Morrison, 701 5th Avenue, Suite 6600, Seattle, said a variety of property owners are looking at development opportunities under the new downtown livability approach. He reiterated the concerns voiced about the proposed tower spacing requirement and said it may in many zones prohibit the opportunity to achieve the Council principle calling for a signature skyline. The PMF representatives have expressed concerns about how the requirement might affect their tower in the OLB district. On the Fortress site, the requirement would limit the development potential to approximately 38 percent of the site. He noted that the staff are continuing to seek opportunities and solutions and said he would encourage that conversation. The work done by CollinsWoerman should be taken into account. Bellevue needs to identify a solution that will work for Bellevue, but the International Building Code solution, which calls for a 20-foot separation from property lines, is a solution that works and provides for light and air. Property owners and architects have creative ways to make towers work under the current standards.

Commissioner Carlson said he was not aware of any Commissioner, Councilmember or staff who like the results of the 40/80 proposal. He thanked those who have brought the issue to the forefront.

STUDY SESSION (7:37 p.m.)

Downtown Livability – Review of Draft Downtown Land Use Code Amendment

Mr. Cullen reminded the Commissioners that the public hearing on the topic was scheduled for March 8.

Land Use Director Carol Helland said the direction given staff by the Commission on February 8 was incorporated into the March 1 packet materials.

Chair deVadoss commented that the study has required a great deal of work by the Commission and the staff. He allowed that the Commissioners likely were prepared to offer feedback in regard to text, syntax and grammar and suggested any such feedback should be shared with staff via email in the interest of time. He also proposed using the meeting time to focus on the few things that matter most.

Commissioner Laing noted that some of the direction given by the Commission has been incorporated in the living draft, but some of it has not. He suggested the Commission should take the meeting time to make changes to the document before it becomes the public hearing draft.

Ms. Helland clarified that staff on February 8 sought from the Commission reflections on the document and approval to move it forward to the public hearing. The thumbs up was needed in order to prepare the required staff report to demonstrate whether the code amendment complies with the terms of the Land Use Code and is consistent with the Comprehensive Plan. The things that ended up incorporated into the draft were those things around which there was consensus. All of the changes from the February 8 document were accepted and the revised document

became the base document. Clear direction was not given by the Commission as part of the conversation about measuring base FAR based on 90 percent of the new maximum, so it was not included in the redraft. If there is a desire to go in a direction that is inconsistent with the economic analysis that was undertaken by BERK, it will require more work by staff that cannot be completed ahead of the public hearing on March 8.

Commissioner Laing said he did not believe the discussion of the Commission relative to using 90 percent rather than 85 percent was inconsistent with the economic analysis. It is in fact fully consistent. He said it was his recollection that Chair deVadoss had clearly asked the Commissioners how they felt about the approach, and after some discussion his takeaway was that there was consensus around the table. If nothing the Commission discusses ahead of the public hearing will be incorporated into the public hearing draft, reaching consensus on any particular point during the conversation will not establish anything.

Ms. Helland explained that the purpose of the conversation was to provide an opportunity for the Commission to go through the entire document given that there were differences of opinion on various topics in the draft. The March 1 Commission meeting was scheduled to answer questions ahead of the public hearing about how the code operates and the provisions of the code. She also stated that the issues outlined for consideration in the staff report are things the staff have continued to hear by way of themes; they are discussed in the public comment section starting on page 16. During the study session following the public hearing, the Commission may direct staff to make changes to the code to answer the questions. The Commissioners were encouraged to send comments involving errata directly to staff for attachment to the public hearing draft to be addressed later. The Commission may also want to identify areas the public should focus on in the public hearing.

With regard to the 90 percent notion, Ms. Helland explained that the BERK report analyzed the percentage as it related to the old maximum FAR. What the staff understood the Commission to indicate was a desire to set the threshold at 90 percent of the new maximum FAR and spreading it to apply citywide, which would involve a much bigger amendment. However, there are some areas where the old maximum FAR and the proposed new maximum FAR are the same, so in that respect the report analyzed the proposed new approach and was thus within the realm of things that could have been expected as a change from the Commission for incorporation into the final draft.

Commissioner Laing said he saw nothing in any of the materials from the City Council indicating that the findings of a study will constrain the Commission. That would tie the hands of the Commission when it comes to making a recommendation based on all of the information received, not just the BERK study and the ULI findings.

Chair deVadoss said there was a clear request by a large number of Commissioners to schedule an additional study session ahead of the public hearing to ask clarifying questions and receive answers from the staff. The Commission has learned much in just the last couple of weeks, and the comments from the Bellevue Downtown Association and others have been very helpful.

Commissioner Hilhorst noted that one area highlighted in the staff report was affordable housing. It has, however, been stated that the affordable housing issue will be deferred while the affordable housing technical advisory group completes its work. Ms. Helland said the code document includes a section in the FAR table that indicates affordable housing is to be determined. The intention is that affordable housing will indeed be addressed later. The Bellevue Downtown Association has asked for an early read from the Council on the topic and that might

enable incorporating it sooner. She said her suspicion was that during the public hearing comments will be made about process relative to the interest in accelerating the affordable housing discussion so the affordable housing exemption can be included in the downtown livability work instead of having to come back later.

With regard to parking, Commissioner Hilhorst said comments have been made about enhancing flexibility in calculating parking ratios and standards, but it has also been said the parking study will not happen during the downtown livability exercise, and whatever gets included in the proposed code could change in the next year. Ms. Helland said currently there are many specified uses in the downtown and some unspecified uses. There is limited opportunity to do site-specific studies on unspecified uses to come up with a parking demand. The proposed code includes an approach that is similar to what is in place in Bel-Red, which allows site-specific studies even where parking ratios are stipulated if based on certain criteria. The approach could allow for considering reduced parking ratios adjacent to the light rail stations. The long-range parking study has been funded for the budget year 2017-2018 but will not be part of the recommendation on downtown livability except for the process change to allow deviations and flexibility.

Commissioner Hilhorst noted that the document talks about walkability but does not comment on traffic flow in terms of cars and other modes. Strategic Planning Manager Emil King said the Downtown Transportation Plan update work began a year or so before the downtown livability work began. Based on Council direction, the two planning efforts are to be synced. The Downtown Livability Initiative CAC took the recommendations from the Downtown Transportation Plan and tried to integrate the code-related elements into their recommendations. They are included in the draft code before the Planning Commission and include things like sidewalk widths. The potential FAR changes have also been analyzed. The transportation-related policy work on the downtown subarea plan, which is part of the Comprehensive Plan, is a companion effort that will not necessarily need to be hooked onto the Land Use Code adoption. Commissioner Hilhorst highlighted the need for the public to be made aware of all the pieces, some of which are not part of the proposed code but which are relevant.

Returning to the issue of parking, Ms. Helland said she did not want to presuppose the recommendation of the Commission. She said there has been discussion on both sides of leaving the current parking requirements intact and waiting until the comprehensive parking study is done. The new language from Bel-Red was put into the draft to essentially solicit public comment and feedback, but at the end of the day it will be up to the Commission to decide if the changes should be advanced or if the current recommendations should be retained.

Commissioner Carlson asked how much flexibility to the parking standards, particularly around transit-oriented development areas, was intended. Ms. Helland said currently there is not necessarily a bookend on flexibility. A limit was added on how much parking could be shared along with a requirement for a study to demonstrate adequacy for the uses proposed. Currently in Bel-Red and for unspecified uses in the downtown, a parking study can be done that describes the demand, evaluates it and recommends an appropriate parking level to meet the demand. The amount of parking is never allowed to be zero, however.

Commissioner Carlson asked what the argument is for substituting the Bel-Red approach for the existing downtown plan. Ms. Helland said it hinges on the call for flexibility made by the Downtown Livability Initiative CAC. There is some degree of flexibility already included in the downtown code given that for certain uses, such as hotel, there is no associated parking ratio. In those instances, a parking study is required to develop the amount of parking needed. The Bel-