

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
STUDY SESSION MINUTES

June 28, 2023  
6:30 p.m.

Bellevue City Hall  
Room 1E-113

COMMISSIONERS PRESENT: Vice Chair Bhargava, Commissioners Goepple, Khanloo, Malakoutian

COMMISSIONERS REMOTE: Chair Ferris

COMMISSIONERS ABSENT: Commissioners Brown, Calad

STAFF PRESENT: Thara Johnson, Emil King, Kate Nesse, Janet Shull, Department of Community Development; Matt McFarland, City Attorney's Office

COUNCIL LIAISON: Councilmember Robertson

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER  
(6:30 p.m.)

The meeting was called to order at 6:30 p.m. by Vice Chair Bhargava who presided.

2. ROLL CALL  
(6:31 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Malakoutian, who arrived at 6:34 p.m., Commissioner Brown, and Commissioner Calad.

3. APPROVAL OF AGENDA  
(6:32 p.m.)

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

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS  
(6:32 p.m.)

Councilmember Robertson informed the Commission that the C-1 Comprehensive Plan amendment sailed through the City Council.

5. STAFF REPORTS  
(6:32 p.m.)

A. Planning Commission Meeting Schedule

Comprehensive Planning Manager Thara Johnson took a few minutes to review the Commission's schedule of upcoming meeting dates and agenda items.

## 6. ORAL AND WRITTEN COMMUNICATIONS (6:35 p.m.)

Thara Johnson noted having included in the packets a number of written comments related to the preferred alternative. Since publication of the packet several additional comments and attachments were received, which were also forwarded to the Commissioners.

Scott Holbrook with KG Investment Properties, which has a property in the heart of Wilburton, suggested Bellevue should lead by example relative to sustainable energy practices. Running near the surface of Eastrail is the King County 72-inch sewer main. The county has adopted a pilot program to utilize thermal energy to heat and cool buildings. Through a district energy system, the opportunity exists to heat and cool over five million square feet of buildings to be constructed in Wilburton, which will mean less demand on the electric grid by about 10 million megawatt hours per year. It also means the elimination of cooling towers on top of buildings which amounts to about nine million gallons of water savings. There are also related carbon savings totaling some 7.2 million pounds of CO<sub>2</sub> not being released into the environment annually. In creating policy and new code, the city should encourage and incentivize the development of renewable energy sources.

Jim Langer spoke as a Bellevue renter who's housing costs total 47 percent of a 32 percent of area median income annual income. A recent article in the *Seattle Times* noted that Tacoma, with a medium income of \$109,000, is on the national list ahead of both Seattle and Bellevue relative to real estate values and scarcity. In Tacoma, 37 percent of the households are rent burdened. The Bellevue housing needs assessment report from December 2022 noted that 32 percent of Bellevue renters are cost burdened, with half of those severely cost burdened approaching 50 percent of their monthly incomes. Bellevue has a menu of voluntary programs developers can use to add to the supply of units built for renters at 50 percent of area median income and below. Such voluntary programs will need to be employed to fulfill Bellevue's 2044 housing goal of adding 35,000 housing units. As recommended by the GMA, over 10,000 of those units are to be at 50 percent of area median income and below. The Commission was urged not to try for the 80 percent of area median income level, which in King County is nearly \$100,000 annual income. Those working in Bellevue at \$15 per hour or even \$25 per hour cannot afford a studio apartment which rents at \$2000 per month; they would have to be making \$35 per hour to stay within the 30 percent of income guideline. The elephant in the room is the word "mandate" when it comes to policies requiring developers to build affordable units. To make the housing target, the city will have to have mandatory policies. Bellevue has over the years become a diverse shining star, but to truly be a livable city for all will require conducting an equity check to see if all can afford to live in Bellevue.

Charlie Bowman spoke representing the six-acre Evergreen Center property just to the north of the 130<sup>th</sup> Avenue NE light rail station. The site offers a unique opportunity to act as a catalyst for the station area to redevelopment with a mix of uses, including housing, office, retail, restaurants, entertainment and gathering spaces. Support was voiced for the Commission's prior direction for the BelRed mixed use zoning. Exciting plans are in mind, but it will take changes to the Comprehensive Plan to make them a reality. There are two primary constraints facing the property. First, the site is impacted by outdated and onerous critical area requirements. The site is intersected by Goff Creek, which triggers stringent setback buffer requirements. Second, there

are several existing buildings in close proximity to the creek which could not be built under current guidelines. There are many best practices for creeks and critical areas that have been adopted by other cities and endorsed by the Department of Ecology and the tribes, such as buffer reduction in urban areas, transferring mitigation offsite, and a holistic approach to creek rejuvenation. The current critical area buffer requirements reduce the site's buildable area by 25 percent, triggering the loss of up to 250 housing units. The FEIS should study the impacts of the critical area requirements and alternate means of mitigation. The current planned BelRed street plan bisects the property in both the north-south and east-west directions, and the prescriptive plan serves little actual purpose given that it dead ends to the east midway on the site where it runs into Goff Creek, reducing the buildable area of the site by an additional 30 percent. There are alternate plans for how to best accommodate on-site and local traffic by providing multiple wayfinding paths for pedestrians and bicyclists, resulting in a much more porous and welcoming site. The FEIS should study the impacts to density of the street grid plan. Future street grid improvements should be assessed on a site-by-site basis.

Cort Olson, a long-time Bellevue resident at 15817 SE 26<sup>th</sup> Street, asked if the Commission had given any thought as to how climate change might change the future. In 2014 and again in 2019 the City Council pledged to cut Bellevue's greenhouse gases emissions community wide by 50 percent by 2030 and 80 percent by 2050. Bellevue's per capita greenhouse gases emissions have actually gone up lately. The Commission should consider how the Comprehensive Plan might affect greenhouse gases emissions and climate change. The city's website shows that the transportation and building sectors together account for 86 percent of the city's greenhouse gases emissions. Greenhouse gases emissions significantly affect the opportunities for good health and happiness for the children of today as they grow into their adult years. The People for Climate Action Organization has urged the Commission to recommend Alternative 3 to the Council. It is the alternative that has the lowest potential contribution to greenhouse gases emissions from the transportation and building sectors.

Mona Shen, a Newport Hills resident and Newport Hills Community Club board member, referred to Newcastle Commons located in the city of Newcastle. The six-story mixed use development is similar to the mixed use upzoning in Alternative 3 for the Newport Hills Shopping Center. The one-year minimum lease in that development for a two-bedroom apartment starts at \$2960, and a burrito in the restaurant downstairs costs \$19.95. Since the city of Bellevue has refrained from endorsing covenants, including long-term affordability covenants, it seems that new housing does not necessarily equal more affordability. Newcastle Commons is currently facing a class action lawsuit for collusion and price fixing. With regard to infrastructure, it was noted that Newport Hills has over 2500 households, two dozen small businesses and Newport Heights Elementary School. The area is served by only two bus routes and a single collector road sandwiched by a nature preserve and housing. The road is heavily used as a detour route for I-405 and Coal Creek Parkway. It can take as long as 50 minutes to come up the hill on 119<sup>th</sup> Avenue SE. Additional density in the subarea will only worsen infrastructure issues. Local businesses are the lifeblood of the Newport Hills community. The DEIS acknowledges the likely displacement of residents and businesses under Alternative 3. There are low-margin businesses currently that would not survive the market-rate upzoning of mixed use low and medium. It is unfair to trade the livelihood of existing small businesses for profit-driven development. The Commission should consider a more nuanced approach rather than a most aggressive approach. There is an overwhelming and coordinated support for Alternative 3 by those who would stand to gain from it. Alternative 1 offers a more balanced approach and gives more flexibility in the subarea plans.

Simon Uppal with Cairncross & Hempelman spoke representing Roger White, a longstanding

property owner in the city. The city needs more housing and should take the opportunity to create the potential for the development of new housing. The White property is located at the intersection of Bel-Red Road and 148<sup>th</sup> Avenue NE and holds great potential for redevelopment given its location near transit, schools, shopping, multifamily housing and the like. It lies across the street from the 13-acre Heritage Plaza site in the city of Redmond that will have a mixed use redevelopment project. The White property is zoned office and that is problematic. Office is currently very difficult to lease. T-Mobile is planning to vacate over 300,000 square feet of space near its Bellevue headquarters. The Office zoning limits the potential for redevelopment. While it allows multifamily uses, the White property is in Planning District B of the Crossroads overlay where housing is not allowed. The only option open for the site is to have one- or two-story office building that is not practical and which does not align with the city's goals of more housing and affordable housing. The site is less than a mile from the future Overlake transit station, which is another strong reason for allowing housing rather than office on the site. The adjoining parcels to the White property are proposed to allow an upzone with up to 16 stories. Just across 1408<sup>th</sup> Avenue NE the properties are earmarked for BelRed Commercial Residential which allows six stories of redevelopment. It makes no sense for the White property to be limited to one- to two-stories of office while everything around will be upzoned. The FEIS should include Alternative 3 but should also include an upzone for the White property. The notion of the area facilitating a transition into lower density does not make sense given its location and access to great amenities.

Bree Boyce, senior manager for Hopelink's mobility management team and a Bellevue resident, expressed support for Alternative 3's greater diversity of housing types. The development of affordable housing needs to be increased at all levels, and the city should move expediently through the process given the urgency of the need. Hopelink is a non-profit working to end poverty in north and east King County and supports policies that seek to address the root causes of poverty. Affordable housing and reliable transportation options are both key to exiting poverty. As the region continues to grow, it will be crucial to prioritize the development of affordable housing options in tandem with reliable transportation options, particularly for families earning less than 80 percent of area median income. Low-income families often face disproportionate transportation burdens and spend a significant portion of their incomes to commute. Access to reliable and affordable transportation is vital for individuals to access employment, education, healthcare and other essential services. Lack of access to affordable housing or transportation options can mean spending hours each day commuting to work and schools, and running shopping errands. Hopelink supports policies intended to ensure mobility infrastructure is accessible, affordable, convenient and viable, including walking, biking and public transit. Jurisdictions should collaborate with all partners, including transportation providers, businesses, city officials and community advocates to improve transportation and mobility options.

Andy Bench, managing director of Wright Runsted, developer and one of the owners of the 36-acre transit oriented development Spring District in BelRed that is currently home to hundreds of residents and thousands of employees. The Spring District is a great example of the kind of development the Comprehensive Plan is intended to foster, but there is still much to do. Support was voiced for the BR-OR-H1 and BR-OR-H2 map designations in the staff-recommended preferred alternative and the Commission was urged to vote on the alternative. The Commission was asked to direct staff to explore higher height limits and density in the BR-OR-H2 zone adjacent to light rail.

Gardner Morelli noted having family roots in the Bellevue area going back to the 1800s. Since 2005 the family has owned a five-acre property in Wilburton at 11911 and 11811 NE 1st Street

that is currently developed with two- and three-story office buildings. With the right zoning, the property will support a great transit oriented development. The Commission was asked to make the preferred alternative for the area Residential/Commercial Highrise 1. The Council has asked the staff to think big and to be bold in optimizing the last large neighborhood within Bellevue's borders. Residential/Commercial Highrise 1 was studied in Alternative 3 in the DEIS. The goal is to support flexibility and transit oriented development in line with the city's need for affordable housing. It is therefore surprising that the staff recommended the newly created midrise category for the site. The designation studied in the DEIS should be the preferred alternative in that it will support transit oriented development opportunities near transit. A highrise designation will provide for a graceful transition in height from the denser areas closer to I-405, and will provide the city the best option for determining the potential benefits and any needed mitigation measures. It provides for the maximum flexibility. Given the rising costs of development, midrise zoning would not justify the redevelopment of existing buildings. The Commission was urged to recommend Rez/Commercial Highrise 1 for the area along 1<sup>st</sup> Street NE and Main Street in the preferred alternative. Absent the right combination of flexibility, vision and density in the new world economic order, the city will not meet its housing obligations, nor will it have the best chance of creating a desirable place where people want to work and live.

Victor Bishop, 2114 West Lake Sammamish Parkway SE, a former chair of the Transportation Commission and current chair of the legislative committee of the Eastside Transportation Association, noted having previously submitted a comment letter on behalf of the organization regarding the DEIS for the Comprehensive Plan and Wilburton Vision implementation. One of the requests made was to do a new transportation forecast model run with the proposed land use assumptions in several significant road network additions. Support was voiced for additional traffic analysis. The disclosures included in the DEIS for traffic congestion under any and all alternatives were all alarming. The DEIS clearly shows a fundamentally failing transportation system with no significant recommendations for mitigating the disclosed significant environmental impacts related to the level of service at system intersections, travel speeds on principal arterial segments, and serious failures on the state highways. The modesplit data from the DEIS shows tremendous growth in total trips by 2044, a 77 percent growth of total trips totaling 285,000 new trips in the evening peak period; 120,000 of those are by car, 90,000 by buses, and the balance being pedestrians and bicycles. The trips are accommodated on the arterial system which is currently broken and projected to stay that way. Nothing has been proposed to fix it. The plan has no solution beyond extending the bike lanes. Bike usage is projected to be so tiny that a tenfold increase would not change the vehicle congestion dynamics at all. Comprehensive Plan Policy TR-2 is a recently adopted transportation policy that calls for aggressively expanding transportation investments to reduce congestion. The proposed plan does no such thing. The extension of NE 6th Street to 120<sup>th</sup> Avenue NE is a minimum must-do requirement and is one of the last missing links in the arterial street grid system. The opportunity must not be lost to the development community or the bicycle community.

Jack McCullough, a land use attorney, said now is not the time to be faint of heart. For the property owners affected by the new map showing significant reductions in height and density in Wilburton that has appeared at the eleventh hour, it is a complete U-turn. It is not in line with the Commission's or the Council's previous direction. If the city wants to solve its massive housing problem, the map is going in the wrong direction. It is time for the city to step into the 21<sup>st</sup> Century. The heights and densities shown in Alternative in the DEIS should be retained. There is a need for the city to step away from the Comprehensive Plan as a prescriptive land use tool. The Commission previously expressed the importance of the plan being flexible to allow for responding to the market. The proposal continues the city's micromanaging of land use on a

block-by-block basis. The Comprehensive Plan should offer a broad blueprint, not a schematic plan for trying to manage market forces over the next 20 years. Developers need to be given the room to move where the market wants to go. The rigidity of Bellevue's Comprehensive Plan over the last several decades has meant zoning between plan changes cannot adapt to change, forcing development plans to wait. It has been 13 years since adoption of the BelRed plan and folks are still waiting for the refinements property owners have been calling for. The Comprehensive Plan should not propose building forms and heights that the market will not deliver. In 2010 the BelRed zoning proposed 150 feet of height on the thinking that there would be a panoply of 150-foot tall multifamily buildings constructed across the corridor, but there has not been a single such building built in 13 years, and the reason is the market will not deliver it. Multifamily zoning of less than 200 feet is no better than 85 feet; rents to support highrises are difficult and the focus must be on density. With regard to traffic, the DEIS was excessively conservative to the point of being ridiculous. It assumed a hundred percent buildout in Alternative 3, which will never occur. The actual travel volumes the plan will usher in will probably be closer to a third of the total.

Bill Finkbiner, a resident of Kirkland who has worked in Bellevue over the last 20 years, called attention to two properties: 12011 Bel-Red Road and 12000 NE 8th Street just off of 120<sup>th</sup> Avenue NE and NE 8th Street. Alternative 3 gave the sites a designation of MU-H-1, and that is an appropriate designation for what currently is developed with office buildings. The staff recommendation is for residential only which would cause difficulties with continuing to operate as office buildings up until redevelopment. They could be grandfathered in but that would create confusion with tenants. The MU-H-1 is the right designation, and the heights studied in Alternative 3 should be retained.

7. PUBLIC HEARING – None  
(7:17 p.m.)

8. STUDY SESSION  
(7:17 p.m.)

A. Comprehensive Plan Periodic Update and Wilburton Vision Implementation Draft Environmental Impact Statement and Preferred Alternative Recommendation

Assistant Director Emil King noted the city had determined that the Comprehensive Plan likely would result in some adverse environmental impacts, so the decision was made to do an Environmental Impact Statement. The process to date lies between the DEIS and the FEIS. The major themes from the comments made on the DEIS were reviewed with the Commission on June 14 along with the economic analysis and racially disparate impacts analysis. The work now is focused on forming the preferred alternative, which is a milestone in the overall process that will lead into a number of months of more detailed analysis on the combination of growth concepts. The Commission will have time after the FEIS to form the exact growth strategy to be recommended to the Council. The Commission's adoption process will include a formal public hearing, a recommendation and the Council's adoption for both the Wilburton work targeted for the end of the year, and the overall plan targeted for the middle of 2044.

The intent of the preferred alternative is to give the Commission the opportunity to look back at the DEIS and choose one of the alternatives studied or to form a hybrid alternative for inclusion in the FEIS. All of the work will inform the Commission relative to goals, objectives or policies that will ultimately go into the final growth strategy. The framework for the preferred alternative revolves around equity, sustainability and housing supply and affordability.

The recommendation for the preferred alternative was presented to the Commission on June 21 and centers around the Mixed Use Centers and having them continue to be where most all new commercial capacity occurs and where there are significant opportunities for housing growth; and the Neighborhood Centers with a focus on infill with middle housing types in and around the centers; areas of opportunity close to growth centers, transit and schools for which there are some targeted land use changes; neighborhood residential aimed at meeting the state mandates for middle housing types and both attached and detached accessory dwelling units; and affordable housing under a voluntary approach in the Neighborhood Center and mandatory in the Mixed Use Centers.

Continuing, Emil King said one of the follow-ups requested by Chair Ferris was to bring back a map of the C-1 eligible faith-based properties that allow for increased intensity for affordable housing. There are 36 such sites across the city. The map included the Neighborhood Center to clarify their proximities. It was noted that a number of questions had been raised about the intensity of the Neighborhood Centers under the staff recommendation. After reviewing the DEIS relative to increases in the Neighborhood Centers, and the economic analysis, the staff recommended allowing MU-M in those areas.

A map showing the sites for which input from the community was received relative to specific sites was shared with the Commission. It was noted that some of the sites were included in the staff recommendation for the preferred alternative.

On the issue of affordable housing, the question from June 21 related to a summary of DEIS comments relating to mandatory inclusion versus voluntary incentive programs, and to that end information was included in the Commission packet along with information about the current programs used in Bellevue and other local jurisdictions.

Senior Planner Dr. Kate Nesse said during the DEIS comment period there were comments made both opposed to and in favor of a mandatory approach to meeting the affordable housing needs. Those who were opposed noted the difficulties associated with developers meeting the needs of very low-income households through mandatory affordable housing alone. Additional programs are needed, including a housing levy, fee in-lieu programs, and housing vouchers. If not calibrated correctly, the mandatory approach could reduce all housing production. The comments made in support of mandatory affordable housing focused on ensuring the public benefit for increased development capacity. The approach of requiring affordable housing on site can create mixed income communities, and ensures that some units can be dedicated to low-income households.

The summary of tools provided by staff to the Council in November included the Multifamily Tax Exemption, which is widely used in Bellevue; the voluntary FAR bonus available in Downtown and BelRed; a mandatory set-aside for affordable housing, which is not currently used in Bellevue; and a commercial fee in-lieu, which is also not used in Bellevue.

Emil King said the staff recommended preferred alternative includes looking at mandatory affordable housing in the Mixed Use Centers and a voluntary incentive program outside of those areas. The Commission's discussion on June 21 expressed a desire to look at both approaches in all areas and comparing the two in the different geographies.

Commissioner Malakoutian asked what the difference would be between the staff recommendation and the recommendation of the Commission to analyze both approaches in the

FEIS. Emil King said the staff recommendation reflects a more streamlined approach, with mandatory affordable housing in the Mixed Use Centers, which already have voluntary incentives in place, and a voluntary incentive system outside of those areas. There is far less upzoning occurring outside of the Mixed Use Centers. The option of analyzing both mandatory and voluntary approach across the city would require a bit more work but it could be a useful tool. The staff are not opposed to taking either direction.

Commissioner Goepple agreed with the staff's original recommendation. The mandatory requirement should be imposed in the areas where there will be the most growth and the most upzoning.

Chair Ferris voiced support for analyzing both approaches across the city. It is a given that 20 or 40 years out Bellevue will be a much more dense city and some of the Neighborhood Centers will change over time. Of the tools not currently in use in Bellevue, strong support was voiced for the fee in-lieu. Strong consideration should also be given to deed in-lieu under which a property owner could give land on which there is spare capacity to an affordable housing developer looking to serve the lower tiers of affordability.

Vice Chair Bhargava asked what insights the staff already has from the voluntary programs in terms of their ability to deliver affordable housing. Emil King said the November briefing for the Commission looked back over what has been achieved by the program during the past 20 to 30 years. The presentation also took a brief look at what is happening in other cities. It would be insightful to look at mandatory and voluntary approaches across the city in the FEIS. The voluntary incentives approach in place over the last few years has seen affordable housing developed. The multifamily tax exemption system has changed over time in ways that have made it more contemporary and usable; the same thing goes for land use incentive systems.

Commissioner Malakoutian commented that where the mandatory and incentive approach have not worked to the desired degree, it could simply mean there is a need to recalibrate. Emil King agreed and said the second option would yield the most information through the FEIS.

Commissioner Khanloo agreed with the second option as well. It would be good to know how successful the Redmond and Kirkland approaches have been.

Answering a question asked by Commissioner Goepple, Emil King explained that the Downtown is a mixed use center and included under that heading.

Chair Ferris echoed the call for more information on how successful the voluntary affordable housing program has been.

In a straw poll, Commissioner Goepple favored Option 1, while Chair Ferris and Vice Chair Bhargava along with Commissioners Khanloo and Malakoutian favored Option 2, analyzing both mandatory and voluntary affordable housing across the city.

Janet Shull noted that at the June 1 Commission meeting there was a question asking for more understanding of how the area around Lake Bellevue relates to the light rail stations. A map was shared with the Commissioners showing the quarter mile walkshed from the Wilburton station as well as from the Spring District, Downtown and East Main light rail stations. In Alternatives 1 and 2 studied in the DEIS there were no suggested changes for the area around Lake Bellevue, which is in line with the 2018 CAC recommendation. A number of comments were made during the scoping process prior to the DEIS that questioned whether there would be value in studying



the issue of developing more around Lake Bellevue, so Alternative 3 included that. Alternative 3 is where the recommendation for the RC-M was analyzed. The staff-recommendation is to study RC-M in the preferred alternative, which marks a change from Alternative 3 and significantly more than either Alternative 1 or Alternative 2. The designation could allow up to ten stories in height.

The options put before the Commission for studying in the DEIS were: Option 1, RC-M for parcels around Lake Bellevue; and Option 2, use what was analyzed in Alternative 3, which was RC-H-1, for the parcels around Lake Bellevue.

Commissioner Malakoutian questioned why the Commissioners were being asked to choose between the staff recommendation and Alternative 3 rather than from among all of the alternatives and the staff recommendation. Also asked was what factors should be used in making decisions. It is clear that Alternative 3 has more housing than either Alternative 1 or Alternative 2, and that the adverse environmental impacts are worse for Alternative 3. What mitigation efforts will be used are also unknown, so it follows it is also unknown what effect those mitigation efforts will have. Janet Shull said sustainability, housing and equity are the three lenses to be used. For sustainability, much has been heard about greenhouse gases emissions and about whether it is better to build smaller footprint buildings or midrise buildings. There have also been concerns voiced about developing in critical areas. Those questions cannot be fully answered in a programmatic environmental impact statement, but there is value in studying the alternatives. Any of the three alternatives from the DEIS could be moved forward, but that would not include a possible hybrid. In terms of housing, the staff preferred alternative including more housing for all of the mixed use areas in Wilburton. The RC designation is not exclusive to residential and does allow for jobs and other uses. Initial calculations show that the preferred alternative would have at least the same housing and jobs capacity as Alternative 2. With regard to equity, a lot of interest has been expressed in Alternative 3, particularly by those invested in the area as property owners, but also from others interested in making sure there is opportunity for affordable housing, which typically happens at the midrise level. There have also been concerns voiced by folks adjacent to the Wilburton area about some of the heights proposed in Alternatives 1, 2 and 3.

Commissioner Malakoutian asked if what will come out of the FEIS regardless of which alternative is studied. Janet Shull said all of the work relative to the DEIS has been done and a number of comments have been received. Those comments need to be taken into consideration, and potentially more may need to be done in the FEIS. The intention of staff in developing a preferred alternative was to take the best of the three initially analyzed alternatives together with the public comments heard and melding them into a hybrid with more variety of housing opportunities in the Wilburton study area and along the eastern edge where highrise may be too much next to the residential areas.

Commissioner Malakoutian allowed not easily following why the staff preferred alternative should be selected over some other hybrid developed by mixing and matching Alternatives 1, 2 and 3. Emil King explained that the staff preferred alternative includes a good combination of concepts to study. Alternatives 1, 2 and 3 will not be going away given that they are part of the EIS umbrella. The preferred alternative should be the combination of concepts for which more information is needed. The staff recommendation brings forward the whole set of geographies. The comments made by the Commission at the June 21 meeting was that the staff-recommended preferred alternative generally looked good, but more follow-up was wanted in regard to more density in and around the Wilburton station, including the Lake Bellevue area.

Commissioner Malakoutian reiterated simply not having enough information to select between any of the alternatives.

Commissioner Goepple voiced the importance of having public access to Lake Bellevue. As between the two options, a preference was expressed for Option 1, but with a requirement for the upzoning to allow for public access to Lake Bellevue. On the question of scale, it was pointed out that Lake Bellevue is not that big. The idea of having 16-story buildings adjacent to the lake is frankly ridiculous. Some more moderating in terms of size would be would make more sense. It is unlikely that building highrise structures around the lake would do much for affordability.

Chair Ferris stressed that the Commission was only being asked what should be studied, not what the actual designations should be. To that end, Option 2 is the better option in that studying it will yield more information. It could be that once the study is done it will be recognized that RC-H-1 simply will not work for a variety of reasons and things can always subsequently be scaled back as needed. It was also noted that affordable housing works best in midrise buildings because they are the least expensive to construct. That does not mean affordable housing cannot be included in highrise buildings, especially if there are inclusionary housing requirements. No developer will construct steel and concrete buildings up to ten stories because the expense is so high it does not pencil out. Heights of up to 16 floors are needed just to make the project pencil out. If midrise ten-story buildings are allowed, what gets developed probably will be much less than that.

Janet Shull clarified for Councilmember Robertson that the FEIS is all about making corrections and additions to the DEIS. The alternatives studied in the DEIS will not go away because they are part of the process. However, if Option 1 is not chosen, RC-M will not be studied at all in regard to the Lake Bellevue parcels. Alternatives 1 and 2 have zero lift, while Alternative 3 has RC-H-1.

Councilmember Robertson pointed out that over the years there have been comments made about noise carrying across the lake, comments about flooding, and comments about public access, both actual and view access. Along with those particulars, shadow impacts associated with taller buildings should be studied. Janet Shull said the DEIS included a shade and shadow impact analysis and that will also be part of the FEIS for the preferred alternative. View access from public places has been reviewed as part of the aesthetics chapter. With regard to flooding issues, the programmatic EIS process is fairly general; a project level analysis would be far more thorough. Dr. Kate Nesse added that noise is also studied in the EIS.

Councilmember Robertson said there is benefit to looking at a preferred alternative because it allows for blending components to see how they work together. The staff preferred alternative is a compromise between Alternative 3 and Alternatives 1 and 2. Where there is concern is if components are added to the preferred alternative that go beyond what is in Alternatives 0 through 3. With regard to the Neighborhood Shopping Centers, Alternatives 1 through 3 show them at MU-L. The preferred alternative shows them at MU-M, which was not in any of the alternatives. That can set expectations or upset neighbors.

Commissioner Malakoutian concurred. MU-L is the best designation for the Neighborhood Shopping Centers. It has been said, however, that the study should look at the maximum capacity. There should be some study done based on the specific impacts on things like transportation, air quality and noise. There are mitigation policies but it remains unknown which ones will be used and what the outcomes will be.

Commissioner Khanloo asked if there could be a comprehensive comparison of the alternatives relative to specific areas. That would allow the Commission to be more informed about its choices. Emil King said the ideal would be to have the preferred alternative, especially as it relates to the map, have a single designation to study as an entire city network. There will be additional transportation analysis down the road. They RC-H-1 has already been studied in Alternative 3. The RC-M would be a new thing to study and it is less intense than the RC-H-1. Often, when studying the environmental impacts, the focus is on the worst case scenario. The RC-M as included in the preferred alternative is for Wilburton a combination of Alternatives 2 and 3.

Vice Chair Bhargava responded to the comments made by Commissioner Malakoutian by saying there is no single truth regarding optimal use in land use planning scenarios. The members of the Commission bring value to the discussion by bringing to the table various points of view. Those various filters must be applied in coming to a reasonable amount of analysis leading to logical outcomes on land use choices based on the parameters looked at. The preferred alternative will be studied and the results will drive land use and growth strategies decisions further downstream.

Vice Chair Bhargava said public access to the lake should be considered. Transit and access to it must also be considered given that it is key to more intense uses. Ecological concerns are also important factors. For those reasons, the evaluation should be on the higher use.

Commissioner Khanloo voiced support for Option 1.

Commissioner Malakoutian pointed out that the choice before the Commission was directed by the staff and it involves only a choice between Alternative 3 and the staff-recommended preferred alternative. The difficulty lies in choosing from among any of the alternatives, including the preferred alternative, absent knowing the associated impacts. That leaves the Commissioners with making decisions based on personal feelings. Janet Shull responded by clarifying that the options presented to the Commission were based on comments made on June 21.

Commissioner Goepple suggested the Commission should be focused provisionally on what it thinks is the right answer, not just on the highest uses. Otherwise the EIS will not mean much in that the analysis will not be associated with anything close to what the final outcome will be. It would be preferable to see an EIS that is realistic and based on something close to what ultimately is likely to be adopted. Part of what the EIS work will do is yield information about any major problems with the options.

Commissioner Malakoutian clarified not having suggested always going with the absolute maximum. All the Commission has been asked to do is compare Alternative 3 with the same modified based on previous comments.

Commissioner Goepple commented that for Wilburton Alternative 3 is generally good. For the Lake Bellevue area specifically, it is a mistake. Option 1 is the better choice.

Chair Ferris commented that because Alternative 3 will be studied in any case, it makes sense to go with Option 1 because it will add consideration for midrise.

Councilmember Robertson agreed with the comment made by Commissioner Goepple that the preferred alternative should be based on where the Commission wants to go.

In a straw poll, Chair Ferris and Vice Chair Bhargava along with Commissioners Khanloo and Goepple, favored Option 1.

Commissioner Malakoutian said there simply was not enough information to choose any of the alternatives for further study. Given the need to choose between the two options, however, Option 1 was selected.

A motion to extend the meeting to 10:00 p.m. was made by Commissioner Malakoutian. The motion was seconded by Chair Ferris and the motion carried unanimously.

**\*\*BREAK\*\***

(8:35 p.m. to 8:43 p.m.)

Dr. Nesse reminded the Commissioners that the staff focus was on addressing questions raised at the previous meeting. At the Commission's pleasure, other issues can also be addressed, such as Neighborhood Shopping Centers, which several Commissioners and Councilmember Robertson did talk about.

With regard to BelRed, Dr. Kate Nesse said the comments on June 21 from the Commission were generally in favor of moving forward with the staff recommendation. There was a question raised about the possibility of higher development intensities and greater flexibility of uses on the Swire-Coca-Cola site to achieve more affordable housing. A map was shared with the Commissioners indicating all of the sites about which specific requests had been made by the owners that are not part of the recommended preferred alternative. In Alternative 3, the Safeway site, the Sternoff property and the northern part of the Coca-Cola site were designed as H-2. The staff recommended going to H-1 on those sites given that it would be easier to achieve more affordable housing on those sites under an H-1 density. The sites are in proximity to the light rail station.

Dr. Kate Nesse presented the Commission with two recommendation options. Option 1 was the DEIS Alternative 3 with heights more focused around the light rail stations. Option 2 was based on the Commission's stated desire to explore Alternative 3 but with an extension of heights south to Bel-Red Road to encompass the entire Swire Coca Cola site.

Answering a question asked by Commissioner Khanloo, Dr. Kate Nesse said the staff looks to the Commission for guidance around values and for direction for the city. Staff brings its expertise to the discussion and does not expect the Commission to make decisions based on the traffic counts even though the traffic counts are considered. In moving forward with Alternative 3, the staff felt that it responded best to the Commission's desire for a jobs/housing balance, for achieving the affordable housing goals, and for reducing greenhouse gases emissions while providing capacity to redevelop properties to achieve other goals. Option 2 modifies Alternative 3 by decreasing heights and density on the Coca-Cola site in line with the goal of achieving more affordable housing. Ultimately, the decision is up to the Commission what the heights should be on the site.

Commissioner Khanloo said there was no formal vote by the Commission on June 21 to go with an amended version of Alternative 3. What the Commission said was it wanted to know the difference between Alternatives 1, 2 and 3. Livability is the main issue. More housing should not be desired if the occupants will suffer from noise or traffic gridlock impacts, or if there are serious environmental impacts. Alternative 3 is beautiful as envisioned, but what the impacts are is unclear.

Chair Ferris acknowledged asking for taking a different look at the Coca-Cola site. The site is unique in that it is large and has the capacity to have a positive impact in terms of open space and absolutely affordable housing. The only way to feel comfortable about giving the site increased capacity is to couple that with mandatory affordable housing, possibly through a deed in-lieu.

Commissioner Malakoutian said that in fact the point is that the commission is discussing this site because of comments made to the commission. One person came to the Commission to talk about a specific site, and the decision was made to consider taking a different view of that site. There are hundreds of other people who did not have time to come to the Commission with suggestions, choosing to submit written recommendations instead. The Commission has been presented with two more options and it needs to know the costs and consequences. Option 2 came about solely because the property owner chose to attend a Commission meeting in person.

Commissioner Goepple agreed with Chair Ferris. The site is unique. It is large and it is close to other major growth areas. Allowing for additional height should, however, be made conditional on achieving affordable housing. Dr. Kate Nesse said the Commission previously gave staff direction to analyze both mandatory and voluntary approaches citywide. If the Commission has a preference for Option 2, it will be layered over the site to see how much affordable housing could be achieved under the assumptions the analysis is based on. Commissioner Goepple said the bigger overall tradeoff would be encouraging more density on the site while possibly easing up in some of the other areas where there is less transit support.

Commissioner Khanloo asked if any consideration has been given to how the residents of the townhomes across Bel-Red Road from the Coca Cola site would feel about having highrises in front of them. Dr. Kate Nesse said it is exactly because not all property owners choose to come forward that the staff ask the Commission for direction for how to move forward and what the city should look like in 20 years. It may be that H-2 heights would be too much directly across the street from townhomes, and if so that could argue in favor of the lower H-1 heights.

Vice Chair Bhargava voiced support for being very selective about the properties that are given a secondary level of consideration after having heard from the property owner. It feels like being selective without clear rationale. It is true that areas like Lake Bellevue and large single-ownership parcels offer unique opportunities, but the Commission should be applying to each the values, general principles and shared vision without making site-specific recommendations.

Chair Ferris concurred. The choices to be made are difficult but they should be balanced between maximizing opportunities and making sure there is no bias based on hearing from specific property owners.

Commissioner Khanloo asked if time could be taken to seek comments from the residents and owners of the buildings across Bel-Red Road from the Coca-Cola site.

Chair Ferris reiterated that the Commission was only asking staff to study a certain approach. That could include what the impacts of additional height would be on the surrounding area. The Commission was not being asked to make a recommendation.

Dr. Kate Nesse said the statistically valid survey indicated that two-thirds to three-quarters of Bellevue residents want to live in areas that have a diverse range of housing options and diversity of businesses. Option 2 could contribute to a greater range of housing options. It would be a tall order to carefully study every property facing a change across the street.

Dr. Kate Nesse said in the view of staff more affordable housing will be achieved with H-1 heights, but stressed that that cannot be known for certain. That does not mean higher heights across the area should not be studied to see how much affordable housing could be achieved under each scenario.

Answering a question asked by Commissioner Malakoutian, Dr. Kate Nesse said Option 2 is pretty close to Alternative 3, so there would not be a lot of additional analysis needed for exploring the mandatory and voluntary approaches. Commissioner Malakoutian said in light of that, the analysis is completely insufficient to facilitate the Commission deciding anything further. There is nothing about transportation and nothing about air quality. Dr. Kate Nesse clarified that such details are the domain of project analyses. The EIS process is focused on general impacts at a buildout level.

Commissioner Malakoutian voiced support for Option 2.

Commissioner Goepple also favored Option 2 with the qualification of additional height being predicated on affordable housing.

Commissioner Malakoutian suggested that if that approach is taken, it should be taken for all properties citywide earmarked for H-2 heights.

Commissioner Khanloo agreed with Commissioner Malakoutian.

Chair Ferris voiced support for Option 2, adding that part of the Commission's recommendation from the start was that in any mixed use area there will be some mandatory requirements for affordable housing. The Coca-Cola site is not a one-off, but it is an exceptional site.

Vice Chair Bhargava agreed the Commission should avoid giving special focus to specific sites based on input from property owners. However, because the Coca-Cola site is unique and because there is an opportunity to study it, Option 2 is the best choice.

Commissioner Goepple agreed to withdraw the call for conditioning additional height on affordable housing for the Coca-Cola site. It would not make sense to apply the condition to just one parcel. To the extent tradeoffs are addressed, it should be done through the broader means of determining where mandatory is required for purposes of mixed use.

Dr. Kate Nesse noted the Commission had previously generally concluded that the staff recommendation was good to move forward. The recommendation was for Alternative 3 except for some multifamily parcels to preserve some naturally occurring affordable housing. Crossroads is primarily a residential-focused neighborhood and the Commission asked what reasoning staff used for recommending not changing the zoning on certain sites. It was explained that the sites are those that are not owned by an affordable housing provider, such as King County Housing Authority; sites that are currently multifamily; and sites touching the edge of the mixed use center boundary, or that are part of an overall development that touched the edge of the mixed use center boundary. There were two exceptions made, one for a vacant parcel adjacent to office uses that has access to Bel-Red Road and is about half a mile from the Overlake light rail station; and one for an large L-shaped parcel across from Crossroads Mall that touches the lower boundary of the Crossroads center.

The staff recommendation is for Alternative 3 but continuing some of the multifamily land uses

around the border of the mixed use center that exist currently. Moving forward with Alternative 2 would increase the density on all of the multifamily parcels in the mixed use center.

Answering a question asked by Commissioner Khanloo, Dr. Kate Nesse said the recommendation gives sites owned by the King County Housing Authority or another affordable housing provider the opportunity to develop more affordable housing by allowing higher density. The sites left unchanged are owned privately. They may have affordable housing on them that probably would sunset after a certain time. There are affordable housing programs private owners can take advantage of, but the specific intention behind the staff recommendation was to preserve some of the naturally occurring affordable housing.

Commissioner Khanloo pointed out that the owner of a site on which there is naturally occurring affordable housing would under the staff proposal be penalized by being prevented from redeveloping at a higher density, even if they wanted to redevelop with some affordable housing. Dr. Kate Nesse said that is certainly something to consider. Commissioner Khanloo said the proposal actually interferes with the free market. Dr. Kate Nesse pointed out that all policies create the boundaries of the free market. Most of the sites in question have R-30 zoning, which means the city has set the boundaries for the development of that center. The Commission serves as the voice of the community in setting the vision and the development boundaries. The overall logic involves lowering lower density on the borders and higher density in the center. Specific parcels were not purposely selected.

Commissioner Malakoutian reminded the staff that on June 21 it was stated more information was needed in order to make a decision. There was no vote taken to move ahead with the staff proposal. It is not accurate to say the Commission directed staff to move in a particular direction.

Commissioner Goeppele voiced support for the Crossroads recommendation that includes higher density in the center and lower density around the edges. That preserves existing affordable housing and creates the buffers wanted by the surrounding neighborhoods.

Chair Ferris voiced support for Alternative 2 given that it would increase density. Acting to preserve existing affordable housing could limit what is a thriving area of the city well served by transit, open spaces and other amenities. Given that the focus is only on additional study, the approach should be bolder.

Vice Chair Bhargava also noted leaning toward Alternative 2 because of the mix of uses in the area. Opportunities should not be limited.

Commissioner Khanloo asked staff to determine how many units could be lost by not including for higher density the sites on which there is naturally occurring affordable housing.

Dr. Kate Nesse pointed out that Alternative 3 has increased density on all of the multifamily sites in the Crossroads mixed use center. The staff recommendation is for some of the parcels to remain as they are, thus Alternative 3 has higher densities than the staff alternative.

Commissioner Malakoutian commented that according to the staff, Alternative 3 has already been analyzed. Going with Option 1, there will be additional analysis. Dr. Kate Nesse agreed that for Wilburton the recommendation was to study a lower density around Lake Bellevue, which had not been studied in Alternatives 1, 2 or 3. Something similar is recommended for Crossroads where a lower density is recommended that was not studied in Alternatives 1, 2 or 3. Commissioner Malakoutian said the approach appears to be random and arbitrary.

Commissioner Goepple voiced support for Option 1 and said there are good reasons for tempering Alternative 3, both for purposes of preserving existing affordable housing and for purposes of preserving a transition for the nearby neighborhoods.

Councilmember Robertson commented that Alternative 1 involves Multifamily-Medium while Alternatives 2 and 3 involve Multifamily-High. The staff recommendation is a hybrid, and how it might play out will not be known unless it is moved forward for additional study. If the Commission believes the staff recommendation will add valuable information, the alternative should be moved forward.

A straw vote was taken and Commissioner Khanloo chose not to vote for any alternative. Commissioner Malakoutian voiced support for Option 1, as did Commissioner Goepple, Chair Ferris and Vice Chair Bhargava.

Commissioner Malakoutian recommended extending the meeting to 10:30 p.m.

Commissioner Khanloo recommended against making decisions so late at night when the Commissioners are all tired. Another date should be found on the calendar. It was also pointed out that the Commission was consistently recommending Alternative 3 for every area without having specific information about environmental issues, traffic, and a mitigation plan.

Commissioner Malakoutian reiterated a desire to push through. Otherwise the same information will again be before the Commission at the next meeting.

Commissioner Goepple suggested stopping at 10:00 p.m. The decisions being made are important and the Commissioners should be fresh in making them. A number of items on the agenda for upcoming meetings are study session items that likely could be moved.

Chair Ferris voiced being inclined to power through. Absent adding another meeting to the schedule, topics slated for upcoming meetings would have to be moved.

Thara Johnson said moving items would be challenging. While rescheduling the Commission roles and responsibilities training can be done, there are important topics scheduled for the upcoming meetings.

A motion to extend the meeting to 10:30 p.m. was made by Commissioner Malakoutian. The motion was seconded by Chair Ferris and the motion carried 3-1, with Commissioners Khanloo and Goepple voting no.

With regard to Factoria, Dr. Kate Nesse said the staff recommendation was for higher density than what was studied in Alternatives 1, 2 or 3. Some members of the Commission previously requested more information about allowing flexibility to allow including more housing in the office area. There has been a demand for office space and there is a potential for office growth near T-Mobile. Studying additional density would allow for more flexibility in charting the future vision of the area. Alternative 3 looked at MU-M and Office on the parcels that are west of Factoria Boulevard and adjacent to I-90. For the parcels east of Factoria Boulevard, Alternative 3 looked at MU-L. The preferred alternative recommends OC-H-1 for the parcels west of Factoria Boulevard, and MU-M across the street.

Commissioner Khanloo pointed out that according to some sources T-Mobile plans to vacate



more than 300,000 square feet of office space. Dr. Kate Nesse said that is certainly something to consider. Option 1 would be Alternative 3 with the OC-H-1 on the parcels west of Factoria Boulevard, and MU-M on the parcels across the street; Option 2 would be Alternative 3.

Commissioner Malakoutian recommended going with a third option with MU-M and Office west of Factoria Boulevard, and MU-M across the street.

Commissioner Goepple favored Option 2. Factoria is nowhere near any light rail and the area is already at or above capacity in terms of traffic. Getting to and from new office spaces in the area would be very problematic. The level of density proposed in Option 3 goes above and beyond Alternative 3 and is concerning.

Chair Ferris supported Option 3.

Commissioner Malakoutian reminded the Commissioners that an analysis of Alternative 3 has already been done. If the Commission wants new information, either Option 1 or Option 3 must be chosen.

Chair Ferris voiced the opinion that no area of the city should be zoned exclusively for office. All of the mixed use areas should allow for office, commercial and residential. The exclusive Office area should be changed to MU-M. That approach was named Option 4.

There was consensus in favor of Option 4.

Moving to Eastgate, Dr. Kate Nesse said the feedback heard from the Commission was support for the staff recommendation for the mixed use center around Bellevue College, and the main change of changing the Bellevue College site to Institutional. The Commission wanted more information about the office area to the east of the mixed use center across 148<sup>th</sup> Avenue SE, specifically data regarding the vacancy rate. According to the city's economic development folks, office vacancy in the Eastgate area is about 15 percent; citywide the office vacancy rate is about 12 percent. The staff recommendation is to continue OLB throughout the whole area rather than changing it to MU-L near the freeway. The area is one for which the Commission and other bodies have not charted a clear structure for its future. A path for envisioning the future of this area could be addressed through policy language in the Comprehensive Plan. Option 1, the staff recommendation, would be to go with Alternative 3 within the mixed use area but not changing the future land use designations to the east across 148<sup>th</sup> Avenue SE. Option 2 would be to go with Alternative 3, which changes the land use to the south from OLB to MU-L.

Dr. Kate Nesse said the recommendation of staff was to put all of the OLB under one land use category. That would allow those with that designation to change their zoning without a Comprehensive Plan amendment.

Commissioner Khanloo voiced support for Option 1. Commissioners Goepple and Malakoutian did the same. Chair Ferris and Vice Chair Bhargava selected Option 2 given the proximity to transit and the Bellevue College and the need flexibility for more mixed use.

With regard to the Neighborhood Centers, Dr. Kate Nesse said the staff recommendation was to study MU-M in the shopping centers, based on the economic analysis that showed many of the shopping centers have attributes that are great for a thriving neighborhood center but could benefit from some additional development in the form of housing, more sidewalks and bike infrastructure. Comments were received from property owners that pointed out that under MU-L

there is not a lot of redevelopment potential simply by adding housing as an option. Between MU-L, which allows up to four stories, and MU-M, which starts at seven stories, there is a gap. There might be an option in between that would be appropriate for some of the shopping centers. MU-L would basically reimagine the zones that are NB and CB as mixed use zones, which have lower density. The MU-M is a higher density designation.

Chair Ferris reiterated that the midrise zoning will yield developments up to about five stories, because that is what can be built with wood frame. To go higher requires construction that is much more expensive and projects will not pencil out until about sixteen stories.

Commissioner Malakoutian commented that construction techniques are being improved. A building is under construction at the University of Washington that is using wood framing and which will be up to about nine stories.

Commissioner Khanloo asked how allowing taller buildings would impact traffic. Dr. Kate Nesse said one of the reasons staff is recommending MU-M is that many of the neighborhood shopping centers are within the Frequent Transit Network, including Kelsey Creek Shopping Center, Lake Hills Village, Northtowne and Bell-East Shopping Center. The Newport Hills Shopping Center and Lakemont Village are not well served by transit currently.

Option 1, the staff recommendation, was to study MU-M. Option 2 was to go with MU-L from Alternatives 2 and 3. Option 3 would be to identify something in the middle, perhaps MU-L Medium, with some redevelopment potential but at less than ten stories but more than four stories.

Councilmember Robertson expressed being alarmed to see MU-M recommended for the Neighborhood Centers. For a long time the Council has had an agreement with the neighborhoods that all growth would be put in the growth centers so that it does not have to be put into the neighborhoods. That position is not consistent with the requirement of the state legislature to put density everywhere. Even so, putting seven- to ten-story buildings in the neighborhoods is not a reasonable approach and should not be the preferred alternative given that it will set expectations for property owners and unduly alarm the neighborhoods. For nearly every existing shopping center, seven to ten stories would be way out of scale. MU-M is more than double the density of what was moved forward in the DEIS. One or two property owners have come forward seeking an increase in density, but it is not realistic and breaks the pact the city has had with the neighborhoods.

Commissioner Goepple voiced support for MU-L, allowing for up to four stories and additional redevelopment opportunities.

Commissioner Malakoutian agreed but pointed out that the analysis already done addressed MU-L. Recommending something between MU-L and MU-M would generate additional information on which to base decisions.

Commissioner Khanloo supported MU-L and up to four stories of height.

Chair Ferris agreed with Option 3, MU-L Medium, adding that the market will determine what will get built.

Vice Chair Bhargava commented that scale matters. Seven- to ten-story buildings in a place like Kelsey Creek Shopping Center would require structured parking, and would generate additional

trips on the system. Vice Chair Bhargava recommended MU-L.

Dr. Kate Nesse explained that for the office centers staff recommended not changing the land use as a way of preserving the existing naturally occurring affordable office space. At the previous meeting some Commissioners expressed an interest in having more information about current office center occupancy rates. The Commissioners were informed that the vacancy rate for office along SR-520, which includes Pineview and Yarrowood, stands at about 16 percent, which is higher than the citywide 12 percent. The two sites house a number of small businesses.

The staff recommendation for the two office centers was for Alternative 1. That was named Option 1. Alternatives 2 or 3 would allow for a greater mix of uses, including housing, and that was named Option 2.

Commissioner Khanloo reiterated that to hold back upzoning for certain sites based solely on an affordability element is not the right way to go. It would be helpful to know what the total square footage of office space is in the 16 percent vacancy rate.

Commissioner Malakoutian reiterated that there was not sufficient information to make an informed decision, but given a choice between the two Option 2 would be preferable because studying it would yield additional information for the FEIS.

Commissioner Goepple favored Option 1 and stressed the importance of retaining office space for small businesses. Having affordable office space is important.

Chair Ferris supported Option 2 as a way of offering the maximum level of flexibility.

Vice Chair Bhargava commented that the Commission previously elected to go with additional intensity in Crossroads despite the existing and naturally occurring affordable housing. In order to be consistent with that decision, support was voiced for Option 2.

Dr. Kate Nesse said the staff recommendation for the undefined center category involving the Bellevue Technology Center area was for MU-L, thus maintaining a similar density to what is there now but allowing for more flexibility in regard to uses in the future. The staff recognize the long history associated with the site, and desire to preserve the open space. For the parcels to the north closer to the Overlake light rail station, the staff recommendation was for MU-M. Some Commission members previously suggested the possibility of changing the northernmost portion of the neighborhood center to a higher density use in line with the future higher density development proposed for the Redmond side of the line close to the light rail station.

Commissioner Khanloo recalled that the city previously had made an agreement with the local neighborhood not to allow highrise development on the Bellevue Technology Center site. Dr. Kate Nesse said the staff recommendation of MU-L would not violate that agreement. The Commission previously agreed with that position when recommending changes only to the northernmost parcels.

Option 1, the staff recommendation, was for Alternative 3 with MU-M to the north of the Bellevue Technology Center. Option 2 was for Alternative 3 with a MU-H-1 for the parcels north of Bel-Red Road.

Commissioner Goepple asked what the current zoning is for the northern area. Dr. Kate Nesse said it is Office, and Emil King said the allowed heights are in the two- to four-story range.

Vice Chair Bhargava asked what the adjacent land use designations are for the area in Redmond. Dr. Kate Nesse said Redmond is also currently going through the Comprehensive Plan update process. The properties directly across the street were recently redeveloped with a five-over-one construction, and the Microsoft campus is to the north. The Redmond designation is most closely aligned with Bellevue's MU-M.

Commissioner Khanloo voiced support for Option 1, as did Commissioners Malakoutian, Goepple, Chair Ferris and Vice Chair Bhargava.

A motion to approve the preferred alternative for the Comprehensive Plan Periodic Update and Wilburton Vision DEIS based on the staff recommendation with modifications recommended by the Commission was made by Commissioner Goepple. The motion was seconded by Chair Ferris.

Thara Johnson said the effect of the motion would move the preferred alternative along with the recommendations of the Commission forward to the FEIS. All of the comments made in regard to specific sites, and indeed every comment received during the 45-day comment period for the DEIS, will be addressed in the FEIS. Emil King said the FEIS essentially has two parts: additional analysis, and responses to all of the comments made during the 45-day comment period.

Commissioner Malakoutian encouraged the staff to use the FEIS process to analyze factors such as FAR, transportation and traffic, air pollution, noise, environmental concerns, housing affordability, and the potential displacement of low-income businesses and residents.

The motion carried unanimously.

Commissioner Malakoutian thanked the public for all the comments offered.

B. Planning Commission Roles & Responsibilities and Reviewing Comprehensive Plan Amendments  
(10:21 p.m.)

This item was not addressed.

9. OTHER BUSINESS  
(10:21 p.m.)

A. Remote Participation Approval

A motion to approve remote participation on July 12 for Commissioner Malakoutian was made by Commissioner Khanloo. The motion was seconded by Chair Ferris and the motion carried unanimously.

10. APPROVAL OF MINTUES  
(10:23 p.m.)

A. June 14, 2023

A motion to approve the minutes was made by Commissioner Malakoutian. The motion was

seconded by Commissioner Goepple and the motion carried unanimously.

## 11. CONTINUED ORAL COMMUNICATIONS (10:25 p.m.)

A motion to extend the meeting to 10:40 p.m. was made by Commissioner Malakoutian. The motion was seconded by Commissioner Khanloo and the motion carried unanimously.

Kevin Wallace spoke representing Washington Park Office Park to the north of NE 12<sup>th</sup> Street on 116<sup>th</sup> Avenue NE and provided the Commissioners with copies of a map showing the site and said the zoning allocating to the site is just fine. The problem is the properties in question were all included in the BelRed rezone in 2009, both north and south of NE 12th Street. They are now being given the same zoning designation, but the south of NE 12th Street is included in Wilburton while the north of NE 12th Street is not. There will therefore be inconsistent standards for exactly the same property zones unless Wilburton boundary is amended to include the area north of NE 12th Street. The issue was not discovered until after the DEIS comment period ended but the Commission was asked to consider the proposal anyway.

Kendall Anderegg, president and CEO of Mutual Materials and a Bellevue resident, thanked the Commission for all the work done in addressing the growth alternatives in the EIS. The Mutual Materials site lies in the heart of the Wilburton Study Area and will have amazing access to Eastrail, East Link and the future Grand Connection. Along with other nearby property owners, the company supported Alternative 3 in the DEIS as the option that provided the greatest flexibility. The recently suggested land use map for the Wilburton area has caught several property owners flatfooted. The reasoning is not completely clear and it appears the new proposal will limit options on the Mutual Materials property and will not enable its potential best use in the future. Under Alternative 3, the property along with surrounding properties would be zoned for mixed use, allowing the possibility for a variety of uses in line with future market needs. It is the path that makes the most sense. It does not make sense to limit flexibility with a more limited zoning designation. The proposed approach does not work the best for Mutual Materials or for the citizens of Bellevue. The new alternative appears to impose more granular requirements on properties, potentially restricting individual properties and the city from using them in ways that make the most sense in the future.

Campbell Mathewson with CMRE Partners spoke representing the Sternov family which has property at 1600 124<sup>th</sup> Avenue NE. The Sternov family supported Alternative 3, which would designate their property as H-2, allowing 25 stories. The public comment period ended on June 12, and on June 16 the map was provided to the Commission. The Sternov property is less than a thousand feet from the Spring District light rail station, which is where more density should be put. The H-2 designation would allow for some skinny residential towers within walking distance of light rail. The site currently has 100 percent impervious surface and some industrial buildings. The 16-story zone designation would drive construction on the site to more of a five-over-one low-density development. It should not be lost on the Commission or the Council that there has been an interesting gap in the ability to have a discussion about what amounts to a pretty significant change for the Sternov property.

Matt Anderson with Heartland LLC, real estate advisors to the owners of the Newport Hills Shopping Center, noted having submitted a letter on June 12 for the DEIS, and another on June 27 focused on the commercial viability analysis. The analysis relied on cell phone data to infer commercial viability based on consumer behavior. The shopping center was defined as being 100,000 square feet and having a grocery anchor. The Newport Hills Shopping Center itself on

the other side of an arterial does not actually have that. There is no grocery anchor, and it is only 56,000 square feet. The letter included some basic vacancy rate and rental data for retail centers, which is a much more in line with determining viable retail centers. There are six full service grocery stores anchoring retail centers within three miles of Newport Hills, and the average rental rate for them is three times the rental rate at Newport Hills. The average vacancy rate in those centers is less than one percent, while Newport Hills consistently has more than 20 percent. One concern is that the analysis seems to suggest that the Newport Hills Shopping Center is a vibrant retail center when in fact it is anything but. The existing buildings are long past their useful life and the market clearly does not support traditional stand-alone retail at Newport Hills. The vision for Newport Hills outlined in the Comprehensive Plan and the subarea plan cannot be achieved without mixed use redevelopment. Housing is the absolutely critical element. Mixed use is the only solution to the problem.

Alex Tsimerman began with a Nazi salute and called the Commissioners lovely Nazi garbage rats and said during five hours the Commission talked about nothing. He called the Commissioners pieces of s\*\*\* and human garbage. Ten years ago the Council limited public speakers to a total of ten in 30 minutes to avoid having to listen to Alex Tsimerman. Last year the Council further limited speakers by not allowing speakers at the end of meetings. No Bellevue resident has ever said anything about the 30-minute limit. Bellevue is the only city that has the rule. By definition, the Commissioners are Nazi pigs, human garbage and idiots. The Commission is aggressively acting against the constitution and the Open Public Meetings Act.

12. EXECUTIVE SESSION – None  
(10:42 p.m.)

13. ADJOURNMENT  
(10:42 p.m.)

A motion to adjourn was made by Commissioner Malakoutian. The motion was seconded by Commissioner Goepple and the motion carried unanimously.

Vice Chair Bhargava adjourned the meeting at 10:42 p.m.