

## CITY COUNCIL REGULAR SESSION

Public hearing and action on Public Hearing and action on Ordinance authorizing execution of the Development Agreement, pursuant to the provisions of Chapter 36.70B RCW, to enable the mixed-use Crossroads Multifamily Project in Planning District E of the Crossroads Subarea; and establishing an effective date.

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## EXECUTIVE SUMMARY

As directed by the City Council on April 12, the purpose of this public hearing is to solicit input on the finalized Development Agreement (DA) for the Crossroads Multifamily Project. Following the public hearing, Council is asked to adopt the Ordinance authorizing execution of the Development Agreement to enable the Crossroads Multifamily Project, a mixed-use multifamily development, in the Crossroads Subarea.

## RECOMMENDATION

Move to adopt Ordinance No. 6576.

## BACKGROUND/ANALYSIS

### **The DA for the Crossroads Multifamily Project**

The Land Use Code (LUC) 20.10.440 Land Use Charts - Residential, note 6 prohibits multifamily development in Planning District E of the Crossroads Subarea north of NE 8<sup>th</sup> Street, except through a City Council-approved DA. The DA must be consistent with Chapter 36.70B RCW, the Local Project Review Act, and include design guidelines that advance the vision of applicable Comprehensive Plan Policies (S-CR-79, S-CR-80, S-CR-81, and Figure S-CR-2) regarding the creation of mixed-use developments with pedestrian connections, park connections where appropriate, and public open space.

The property owner and Applicant, Terranomics Crossroads, originally submitted an application for Design Review (File No. 18-132391-LD) for a mixed-use development (the Project) at 15600 NE 8<sup>th</sup> Street (the Project Site). The Project is comprised of 224 residential units, 14,500 SF of ground floor retail uses, and a parking garage with a total of 253 stalls. The proposed six-story mixed-use building has five stories of residential over a ground level of retail uses internal to Crossroads Mall, with the parking garage on the basement and ground floor levels.

The Project provides the public benefits required by the LUC and Comprehensive Plan Policies S-CR-79, S-CR-81 and Figure S-CR.2, including outdoor gathering areas, public open space, park

connectivity, pedestrian connections and activity areas, and corresponding design guidelines. The public benefits included in the Project are memorialized in the DA and described in detail in the Agenda Memo and supporting materials for the January 25 Study Session.

Per Council direction at the January 25 Study Session, the DA was revised to include an affordable housing enhanced public benefit as a component of the Project. Additionally, as requested by Council, the Project Site will be included in the City's Multifamily Housing Property Tax Exemption Program (MFTE Program), Chapter 4.52 of the Bellevue City Code (BCC), as consideration for the affordable housing enhanced public benefit. Council considered the revised DA at the April 12 Study Session, and after discussion, directed the revised DA be finalized for public hearing and action. Thereafter, on April 26, Council adopted Resolution No. 9927, which stated the City's intention, consistent with RCW 36.70B.200, to hold a May 10 public hearing prior to approval of the DA.

### **DA Procedural Requirements**

Approval of the DA is required to achieve compliance with the LUC and in order for the City's Land Use Director to issue a Design Review land use decision for the Project. The DA will require the public benefits to be installed as a condition of approval for the Project, and Section D.3 of the DA requires that the affordable housing enhanced public benefit shall be documented and recorded through a restrictive covenant, which will run with the land.

Per RCW 36.70B.200, the City is able to approve a DA by ordinance or resolution after a public hearing. Under RCW 36.70B.170, "affordable housing" is a development standard that shall apply to and govern and vest the development, use, and mitigation of the development of the Project. This public hearing will satisfy RCW 36.70B.200, and Council may adopt the Ordinance authorizing execution of the DA following the public hearing.

Pursuant to BCC 4.52.030.C, the City Council may, by ordinance, in its sole discretion, include the Project site as a residential targeted area in the MFTE Program after a public hearing. On April 26, Council adopted Resolution No. 9927, which stated the City's intention, consistent with RCW 84.14.040, to hold a May 10 public hearing in order to include the Project Site in the MFTE Program.

### **Public Process**

Notice of Application (NOA) for the Project was published on January 24, 2019. The City held a Public Meeting on the Project on February 13, 2019.

The Applicant conducted a Community Outreach Survey in January 2019. The Applicant also installed an exhibit at Mini City Hall at Crossroads Mall with display boards and survey response cards. Information about the Applicant's outreach is described in detail in the Agenda Memo for the January 25 Study Session.

The Project was re-noticed on January 7 to provide information regarding the DA and State Environmental Policy Act (SEPA) review, and to solicit any public comments. SEPA review will be phased, with Phase 1 for the DA and Phase 2 for the Design Review. The City issued a Determination of Non-Significance for the Phase 1/DA on January 28.

As discussed above, this public hearing is required for the DA under RCW 36.70B.200. At this same meeting, Council is scheduled to hold a separate public hearing pursuant to BCC 4.52.030.A and RCW

84.14.040 in order to include the Project site as a residential targeted area in the MFTE Program. The City provided notice for this action in the Seattle Times on April 26 and May 3, as required by RCW 36.70B.200, RCW 84.14.040, and City Code.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The DA will enable the proposed multifamily development to occur in the Crossroads Subarea and implement Comprehensive Plan Policies S-CR-79, S-CR-81, HO-7, HO-21, HO-23, HO-29, and HO-30. The Project, with this DA, is expected to deliver public benefits—including but not limited to pedestrian connections, park connections where appropriate, and public open space—that advance the vision for the Crossroads Subarea. Per Council’s request and as a result of the Applicant’s cooperation, the Project will deliver the affordable housing enhanced public benefit consistent with the terms of the DA.

### **Fiscal Impact**

There is no fiscal impact associated with implementing the DA. The Applicant will be installing the proposed public benefits and memorializing the enhanced public benefit prior to the City’s issuance of Certificate of Occupancy for the Project.

## **OPTIONS**

1. Hold the public hearing and adopt the Public Hearing and action on Ordinance authorizing execution of the Development Agreement, pursuant to the provisions of Chapter 36.70B RCW, to enable the mixed-use Crossroads Multifamily Project in Planning District E of the Crossroads Subarea; and establishing an effective date.
2. Hold the public hearing, do not adopt the Ordinance and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

- A. Development Agreement  
Proposed Ordinance No. 6576

## **AVAILABLE IN COUNCIL LIBRARY**

N/A