

To: Mayor Balducci, Deputy Mayor, and Members of the City Council

From: Mary Kate Berens, Deputy City Attorney

Date: June 19, 2014

RE: Wilburton/Target Proposed Development Agreement – Public Hearing

On Monday, June 23 the Council will have public hearings on two proposed land use actions related to development in areas zoned Community Business (CB) in the Wilburton/NE 8th Subarea. This memorandum addresses the second proposed item, a Development Agreement with Target Corporation regarding its proposed development of a retail store and parking on the corner of 116th Avenue NE and the extension of NE 4th Street. The Council held a study session on a draft Development Agreement on June 9.

Background:

In early 2008 the City completed updates to the Wilburton/NE 8th Subarea Plan, which established a vision for the corridor. A key component to unlocking the land use vision identified in the plan was extension of NE 4th Street from 116th Avenue NE to 120th Avenue NE. Just last month the City reached a settlement with the impacted property owners to obtain all of the property necessary for the NE 4th extension.

Construction of NE 4th is currently underway, and adjacent property owners have identified new development projects that will implement some of the land uses identified as desirable for the area in the 2008 subarea plan update. One such project is proposed by Target for the southeast corner of 116th Avenue NE and the extension of NE 4th. This property is included within the area described by Policy S-WI-3 as appropriate for Community Business (CB) zoning, and a separate action is under consideration by the Hearing Examiner to rezone that parcel.

If rezoned to CB, property within Wilburton would be subject to the city-wide design guidelines and land use regulations governing development within the CB. Those regulations include the general Community Retail Design District requirements in LUC Part 20.25I. A separate item on tonight's agenda is a Land Use Code Amendment (LUCA) amending some generally applicable CB requirements, including allowing a single retail use to exceed 100,000 square feet through a development agreement. If the LUCA is approved by the City Council, Target proposes to utilize the terms of that LUCA for its proposed project in Wilburton. The draft Development Agreement

included as Attachment A to this memorandum would allow Target's project to proceed.

Proposed Development Agreement:

Target has been pursuing development of a Target store in Wilburton for some time. Key to allowing this development was fulfillment of Policy S-WI-3, which indicated that rezoning from GC to CB was appropriate with the extension of NE 4th. The City only recently reached a settlement with impacted property owners to fulfill that policy. In a separate action, Target has applied for a rezone of the impacted property. The Hearing Examiner's recommendation was issued last week and is under review by the City Council for action as a separate item.

If the rezone is approved, Target proposes a retail development with a Target store in excess of 100,000 square feet. The proposed LUCA discussed above would allow this, consistent with the subarea plan, provided that the design of the structure addresses bulk and scale impacts. The proposed development agreement attached to this memo as Attachment A includes design guidelines that address those issues, as well as other design issues addressed in Policy S-WI-51:

- Policy S-WI-51. Encourage buildings developed in the Auto Row area, bounded by I-405, NE 8th Street, 120th Avenue NE and SE 5th Street, to enhance the area's urban design character and pedestrian environment. Buildings should be sited near the street front, with limited intervening surface parking, and include street oriented pedestrian entrances. Where buildings are visible from streets and pedestrian corridors, they should be designed with visual interest and landscaping.

If the rezone, LUCA and development agreement are ultimately approved, Target would pursue design review approval for its proposed development. Target is hoping to be under construction later this summer with a store opening in that location sometime in 2015.

State Requirements Associated with Development Agreements:

Development Agreements are authorized under state law, chapter RCW 36.70B. They may be used to set forth the development standards for development on the property to which it applies. RCW Sec. 36.70B.170. A development agreement must be consistent with the jurisdiction's underlying land use provisions. The agreement may be approved by the Council only after a public hearing. RCW Sec. 36.70B.200. After approval, a development agreement must be recorded, and thereafter, any permit for development on the affected property must be consistent with the development agreement. RCW Sec. 36.70B.180.

State Environmental Policy Act(SEPA):

Review of the proposed Development Agreement was conducted along with the SEPA review for the proposed LUCA. A more complete discussion of the SEPA analysis is included in the staff report prepared for the LUCA. Briefly, the application for SEPA

review and an expected SEPA Determination of Nonsignificance was noticed on May 22, 2014. The minimum comment period ended June 5, and there were no comments up until the writing of this report. A final determination was issued and noticed on June 19, 2014. Following is a summary of the environmental review for this proposal:

The environmental summary consists of analysis based on the following documents and studies in the environmental record or, if noted, incorporated by reference.

- Environmental Checklist, Supplemental Sheet for Nonproject Actions, prepared by Sally Nichols, Senior Planner, City of Bellevue Development Services Department, dated May 16, 2014.
- Draft Proposed Land Use Code Amendment; File No. 14-1130983-AD.
- Map showing affected parcels.
- Draft development agreement for Target store site, located at the corner of 116th Avenue NE and the extension of NE 4th Street.
- 2013-2024 Transportation Facilities Plan FEIS dated June 2013.

Next Steps:

Following tonight's public hearing, Council is asked to provide any final feedback on the proposed Development Agreement. Staff will prepare a final resolution authorizing execution of the Development Agreement for consideration and action by the Council on July 7. The Development Agreement would only be executed if approved by the Council and if the LUCA is adopted.

ATTACHMENTS:

- A. Proposed Development Agreement