



## Downtown Livability

# Land Use Code Audit (6/19/2013)

## AMENITY INCENTIVE SYSTEM

**Key policy issue: How should the Amenity Incentive System be updated to meet evolving market conditions and integrate newer thinking about desired Downtown amenities?**

### 1. Summary of Code Provisions

The FAR Amenity Incentive System is one of the key land use regulations that apply to Downtown development. Through this system, a development provides public amenities in exchange for additional height and building area.

This ensures the provision of amenities that are essential to the creation of the urban environment envisioned by the Downtown Subarea Plan.

Each Downtown zoning district has a base and maximum height and FAR. The FAR Amenity Incentive System requires development to participate at a basic threshold level, and encourages greater participation in exchange for increased development potential, up to the maximum FAR limit permitted by the land use district.

The current incentive system includes 23 amenities, each with specific design criteria and a bonus rate that is used to calculate the amount of additional floor area earned. The bonus rate is based on the economic benefit of being able to develop more building square footage compared with the estimated cost of providing each amenity.

The following is the list of amenities with examples of the bonus ratios. See LUC 20.25A.030 for the complete list of ratios as they change depending on the land use district. For example, each square foot (SF) of a plaza earns 6 square feet of floor area in the DT-MU district and each linear foot (LF) of pedestrian oriented frontage earns 100 square feet of floor area. Examples below are all for the DT-MU district.

#### What is FAR?

FAR is a measure of development intensity expressed as the ratio of building floor area to land area. It is determined by dividing the gross floor area (GFA) of the building by the land area within the project limit (the development parcel). GFA equals the area inside the exterior walls of a building, excluding a number of elements: parking, mechanical areas, interior openings in floor plates (e.g., vent shafts, stairwells, and interior atriums). It also excludes ground floor retail, so that the resulting FAR measure for Downtown Bellevue may appear lower than the FAR measure in other jurisdictions.

#### *Example:*

Proposed GFA building of 200,000 square feet ÷  
land area of 50,000 square feet = 4 FAR

## List of Amenities with Bonus Ratios

Pedestrian-oriented frontage	100 SF/1 LF	Public meeting rooms	0.5 SF/1 SF
Plaza	6 SF/1 SF	Sculpture	5 SF/ea \$100 value
Landscape feature	8 SF/1 SF	Water feature	8 SF/ea \$100 value
Enclosed plaza	4 SF/1 SF	Pedestrian Corridor	16 SF/1 SF
Arcade	4 SF/1 SF	Child care services	16 SF/1 SF
Marquee	2 SF/1 SF	Retail food	2 SF/1 SF
Awning	0.5 SF/1 SF	Public restrooms	4 SF/1 SF
Landscape area	1 SF/1 SF	Performing arts space	10 SF/1 SF
Active recreation area	1 SF/1 SF	Space for non-profit social services	4 SF/1 SF
Residential uses	2 SF/1 SF	Donation of park property	4 SF/1 SF
Underground parking	0.5 SF/1 SF	Residential entry courtyard	4 SF/1 SF
Above grade parking under residential	4 SF/1 SF		

There are also “Basic Floor Area Requirements” contained in LUC 20.25A.020.C, to ensure that all Downtown development meets at least a minimum threshold. Qualifying basic amenities include: pedestrian-oriented frontage; landscape features; arcades; marquees; awnings; sculpture; water features; active recreation areas; retail food; child care services; plazas; and residential entry courtyards. These “basic” amenities also qualify for bonus FAR to allow development to reach maximum FAR and heights.

FAR transfer: Earned bonus floor area may currently be transferred to abutting parcels in common ownership, AND to other parcels in the Core Design District if earned for construction of the Pedestrian Corridor.

## Design Criteria

Each amenity has design criteria that must be met to earn the requested floor area. For example; A plaza is “a continuous space readily accessible to the public at all times, predominantly open above and designed for people as opposed to serving as a setting for a building”, must be adjacent to a sidewalk or mid-block pedestrian connection, visually and physically accessible, and provide wind protection and access to sunlight. It must be at least 20 feet wide and be at least 1,000 square feet, and provide seating and landscaping.

## 2. Current Policy Direction

(6/19/2013)

Current Comprehensive Plan policies that mention the use of incentives are itemized below:

**POLICY S-DT-9.** Provide bonus incentives (related to permitted intensity, height, etc.) for private developments to accomplish the public objectives outlined in this Plan.

**POLICY S-DT-22.** Provide voluntary incentives for the replication or protection of historic façades or other significant design features when redevelopment occurs.

**POLICY S-DT-24.** Provide density incentives to encourage urban residential development throughout Downtown.

**POLICY S-DT-36.** Utilize development standards for building bulk, heights, setbacks, landscaping requirements, stepbacks, floor area ratios, open space requirements, and development incentives.

**POLICY S-DT-42.** Reinforce the emerging identity of 108th Avenue NE as the Eastside's business address. Provide incentives for private development and utilize public funds to create a dense office environment with supporting transit service and retail uses.

**POLICY S-DT-44.** Provide incentives for 106th Avenue NE to develop as Downtown's Entertainment Avenue. This area will include a concentration of shops, cafés, restaurants, and clubs that provide for an active pedestrian environment during the day and after-hours venues for residents and workers by night.

**POLICY S-DT-46.** Provide incentives for Bellevue Way to realize its vision as a Grand Shopping Street, with an exciting mix of retail shops, restaurants, hotels, offices and residential units.

**POLICY S-DT-52.** Provide incentives to assist developers in implementing a major unifying design feature.

**POLICY S-DT-54.** Provide incentives to reinforce unique characteristics of Downtown Districts to create pedestrian-scaled, diverse, and unique urban lifestyle experiences and options.

**POLICY S-DT-79.** Provide incentives to develop the intersection of 106th Avenue NE and NE 6th Street as a central location for public gatherings.

**POLICY S-DT-121.** Provide incentives for multifamily residential uses and neighborhood-serving retail and service uses within Perimeter Areas to provide stability both within the Downtown Subarea and within surrounding residential neighborhoods.

**POLICY S-DT-136.** Encourage convenient and frequent transit services and provide incentives for attractive waiting areas in Downtown in recognition that transit extends the range of the pedestrian.

### Economic Development Element:

**POLICY ED-18.** Encourage high quality design and urban amenities for public and private development, maintaining development standards to recognize that a quality built environment helps attract the talented workers who will sustain economic growth.

### 3. Implementation to Date

The following chart draws from 33 representative developments; these comprise a large share of developments that have used FAR incentives. They show the types and frequencies of amenity features that have been utilized.

#	Amenity Element	Bonus or Basic?	Notes
30	<b>Underground parking</b>	Bonus	A bulk of amenity points are earned through underground parking
28	<b>Pedestrian-oriented frontages</b>	Basic	Active ground floor uses along building frontages; stimulate pedestrian activity
18	<b>Marquee</b>	Basic	Permanent overhead weather protection elements over sidewalk and/or internal connections.
16	<b>Residential use</b>	Bonus	
16	<b>Plazas</b>	Bonus	Continuous open space, readily accessible to the public at all times
13	<b>Landscaped area</b>	Bonus	Outdoor landscaped area
13	<b>Landscaped feature</b>	Basic	Focus is to serve as a focal point and visual landmark, rather than as a specific location for pedestrian activity
9	<b>Arcade</b>	Basic	Covered area containing at least 50% of pedestrian oriented frontage
8	<b>Pedestrian corridor/ major pedestrian open space</b>	Bonus	This applies to projects located along the 6 <sup>th</sup> Street pedestrian corridor
7	<b>Above ground parking</b>	Bonus	Parking located above grade but under principle residential use.
5	<b>Enclosed plaza</b>	Bonus	Publicly accessible spaces with weather protection and receiving a substantial amount of daylight.
5	<b>Awning</b>	Basic	Fabric rooflike structure covering sidewalk or internal walkway.
5	<b>Active recreation area</b>	Basic in DT-R	An area providing active recreation for tenants
3	<b>Water feature</b>	Basic	Fountain, stream, or pool
2	<b>Residential entry courtyard</b>	Bonus, but basic on D/R streets	

#	Amenity Element	Bonus or Basic?	Notes
2	Sculpture	Basic	Placed near the main pedestrian entrance. Note that several additional projects have integrated visible sculptural elements, not included as a basic amenity element.
1	Public meeting room	Bonus	Must be available for public use and hold at least 50 people
0	Child care services	Basic in DT-R	
0	Retail food	Basic in DT-R	
0	Public restroom,	Bonus	
0	Performing arts space	Bonus	
0	Space for non-profit social services	Bonus	
0	Donation of park property	Bonus	

## 4. Observations

### Contributions to Downtown Livability – Current Context & Relevance

#### What's working well?

Via basic and bonus provisions, the 33 representative developments have integrated a range of public amenity features. Specifically:

- Residential development:** Downtown is the fastest growing neighborhood in Bellevue, with the number of housing units increasing tenfold over the past two decades. There are now over 7,500 housing units and an estimated 10,500 Downtown residents. This residential population has added significant pedestrian activity and vitality to Downtown, has reduced per capita transportation miles, and has added demand for a significant amount of retail and commercial space, including grocery stores, restaurants, and entertainment uses.





FIGURE 1. A substantial amount of residential development has been constructed in Downtown over the past 15 years.

- Structured parking: Nearly every recent Downtown development has incorporated underground parking (and some above ground parking) as an amenity bonus element. Underground parking has freed up generous ground level area for retail uses, open space and other uses that are contributing to Downtown's livability.

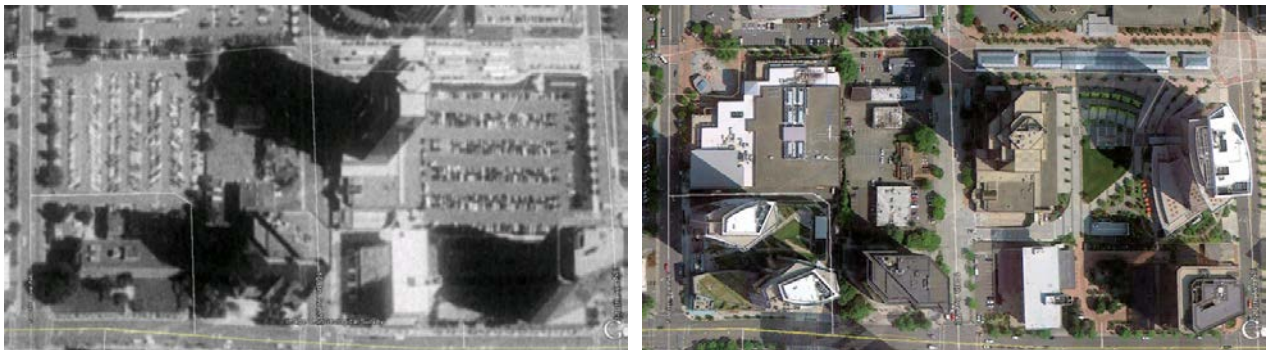


FIGURE 2. Comparing the amounts of surface parking and green spaces in 1990 and 2012 aerial photos of the super blocks between NE 4th and 6th Streets and 106th and 110th Avenues NE.

- Pedestrian-oriented frontages: Nearly every recent Downtown project has incorporated the pedestrian frontage provision. This includes pedestrian-oriented uses at street level building frontages.



FIGURE 3. Pedestrian-oriented frontage examples.

- Plazas: Sixteen different projects have incorporated outdoor plaza spaces as bonus (most) or basic features, and five projects have integrated enclosed plaza spaces. Collectively, all of these spaces have made a significant positive contribution to the livability of Downtown.



FIGURE 4. Examples of plaza spaces built under the amenity bonus system.

- Pedestrian Corridor: Eight projects have contributed to the pedestrian corridor's development – one of the key defining features of Downtown.



FIGURE 5. Best segments of the Sixth Street Pedestrian Corridor.

- Several large enclosed public spaces incorporated into office and mixed-use buildings have contributed to the character and livability of Downtown.



FIGURE 6. Enclosed publicly accessible spaces Downtown, including the Wintergarden (left), Lincoln Square (middle) and Ashwood Commons/Elements (right), have contributed to the livability of Downtown.

- Other popular “basic” features that have been used include landscaped areas, arcades, marquees, and awnings – all of which are contributing to the livability of Downtown.



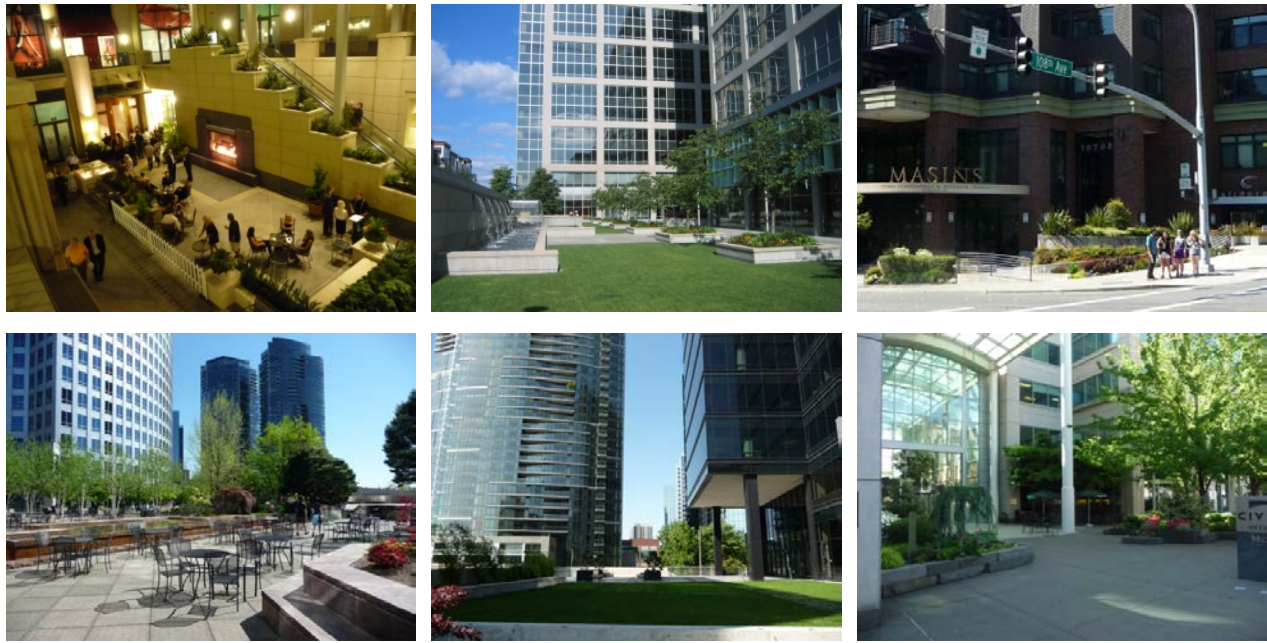


FIGURE 7. Other outdoor spaces that contribute to the livability of Downtown: The Bravern (upper left), The Summit (upper middle), landscaped entry plaza in front of Masins at Main Street and 108th Avenue NE intersection (upper right), plaza space behind the Symetra and Key Center Towers (lower left), landscaped area behind the Expedia Building (middle bottom), and the entry courtyard to the Civica Building (lower right).

## Room for improvement/new opportunities

- Downtown has developed a very significant children's population (there are now an estimated 800 children under age 18 living in Downtown Bellevue), and there is a need for more amenities serving all ages. This coincides with new emphasis on the role of active spaces in achieving better public health outcomes. For ages 8 to 80, there may be a role for incentivizing additional public spaces for active uses now relatively rare in Downtown, such as sports courts, p-patches, or children's play areas.
- As Downtown strives to place more emphasis on being memorable and building an even stronger identity and character, there may be new emphasis on incentivizing extraordinary skyline/rooftop architectural features, including design elements with the capability of becoming major identity features for Downtown.
- Some important amenity features have been developed in a sporadic manner. For example, weather protection elements such as arcades, awnings and marquees are optional features that could be included to meet the "basic" FAR requirements. While many projects incorporate some amount of weather protection, a walk around even newer developments in the rain will show a significant need for more weather protection in the Pacific Northwest climate.
- Newer thinking and innovations have not been incorporated into the Amenity Incentive System. For example, concepts from the Great Streets initiative and the Downtown Charrette would be good candidates for the incentive system, but these elements have not been integrated into the system and there is no bonus compensation for including these features in new development.



- Green building techniques have been a significant driver for innovation and more sustainable community outcomes, but the current incentive system does not recognize these elements. LEED and other ratings systems such as Green Globes are used increasingly by municipalities to improve the performance of new construction. Some local governments require a certain rating level and others use it as an incentive for greater height or bulk.
- The Focus Group summaries on the following pages include a number of additional ideas for new incentives; e.g. affordable housing, space for pet owners, resting opportunities for people with mobility challenges. There is also a suggestion of allowing a cash contribution or fee in lieu of providing specific amenities.



FIGURE 8. The weather protection elements such as these marquees (left image) and awnings (right) count towards the projects' basic amenity requirement. However, the system's optional nature has resulted in a limited and very incomplete network of weather protection coverage on Downtown's sidewalks. Also, some elements, such as the awning in the right image, aren't wide enough to prove very functional.



FIGURE 9. Streetscapes/plaza with room for improvement. Left image: vehicular conflicts and pedestrian unfriendly design. Middle image: Relatively sparse plaza design with very little human scale details/amenities. Right image: Some weather protection and more visual interest and/or building permeability from sidewalk would be helpful.



FIGURE 10. LEED certified buildings in Downtown.

## Economics of the Incentive System

### What's working well?

- The Amenity Incentive System including Basic FAR requirements, together with Design Guidelines, have resulted in every development contributing a level of urban amenities, such as pedestrian-oriented frontage, landscape features, and weather protection. Moreover, the Downtown market is strong and has seen renewed development activity with each major development cycle. Any changes to the Incentive System need to carefully consider how this may affect development economics, ensuring a good balance of public benefit and economic return that maintains a healthy economic climate.

### Room for improvement/new opportunities

- The Amenity Incentive System has not been “calibrated” in 30 years, so the economic relationship between the market value of bonus FAR and the cost of providing public amenities is unclear.
- Two features/uses in particular—underground parking and residential development—appear to be being built regardless of the Amenity Incentive System. Many projects earn all their needed amenity FAR (beyond the “Basic” requirements) just by incorporating one of these two features. As a result, a number of the other bonus features are rarely or even never used, and a very large number of excess amenity points have been generated.
- The current system has no built-in adaptability provisions to ensure it maintains a balance over time. As a way to make the system more adaptable, the system could have benchmarks to some bonus provisions to encourage, discourage, or even discontinue their use, based on the evolving market and Downtown needs.
- Additional important observations and thoughts about the economics of the Incentive System are found in the Focus Group comments below.

## 5. Focus Group Comments/Themes

The following represents a distillation of the themes relating to Amenity Incentive System from the focus group sessions held in March 2013. Please see the final report for individual comments.

### Relevance of current amenity incentive system

- The current list of amenities is a good one. Consider narrowing the options and use more general terms.
- Over the last 10-15 years the amenity system has worked well. We should tweak things for the future but not make wholesale changes.
- It seems like the system might be missing the ball. What the market is naturally going to provide is not dictated by the amenity system.
- Many of the current amenities should be codified. Every development should have weather protection and underground parking. Amenities should not be considered incentives as they are essential components of livability.

### Flexibility and adaptability

- Ensure flexibility to enable maximum density especially given the future prospect that land will be scarce.
- Relax standards for what constitutes pedestrian oriented frontage. Current list of pedestrian oriented uses is too restrictive and doesn't achieve the outcome that we want. There is a range of service type uses that people want to be able to walk to Downtown that aren't on the list.
- The adaptability of the amenity system over time is important. If we are planning for 2030, a lot can change in that amount of time. The amenity system should be more dynamic.

### Desired new amenities

- Tell Bellevue's story by using the amenity system. Don't lose sight of our heritage. A heritage center or historical museum supported in part by the amenity system is an option.
- There should be an opportunity for a cash contribution or fee in lieu of providing amenities. This would allow the opportunity to achieve larger public amenities that would otherwise not be achieved.
- There should be incentives to encourage increased green development and rooftop gardens. This should include on-site natural storm water drainage systems. The City should increase incentives for landscape areas, open space, and other public gathering areas.
- With the number of new residents living Downtown, there is a large deficiency in the amount of space or opportunities provided to pet owners. An incentive should be created to provide dog walking and recreation areas.

- The City should provide incentives that reflect both an aging population and those with mobility challenges. There should be more benches or other elements which provide opportunities for people to rest.
- There should be an incentive to encourage affordable housing including housing for both families and the work force in the Downtown.
- There should be more amenities provided that makes Downtown more family friendly. More opportunities for children's recreation and play should be provided.
- There should be an incentive created to establish a community center in the Downtown.

## Application of amenity incentive system

- We should be looking at the Downtown as a whole when applying the amenity incentive system. It doesn't make sense that amenities have to be provided with every project at each location. This results in the clustering of amenities in some locations while other areas are left without. The right amenities need to be provided in the right locations.
- The current amenity system does not do a good job of prioritizing desired amenities. We should evaluate and prioritize our list of amenities to facilitate the opportunity to provide those public benefits that we desire the most.
- The City should be taking a more active role in providing amenities Downtown. Public amenities should not be the responsibility of development alone. The City needs to be more aggressive in creating and executing the vision for Downtown.

## Economics

- Property owners are motivated by what renters, leasers, and merchant associations want. It is market driven and the amenity system should reflect that. The market should dictate over policy.
- Don't lose sight of the economics. Some communities are struggling with nice incentives but the cost is so high that they are not used.
- While it makes sense to invest in large public amenities like a fire station, schools, or community center, we shouldn't isolate the burden to pay for these things on new development. It should be supported from a larger tax base. We want to encourage development not stifle it.
- Bellevue should inventory and evaluate best practices in terms of amenity incentives prior to making any changes to the current system.
- The amenity incentive system should be reviewed by a group of independent professionals for workability. If costs for amenities are too high for the bonus they provide, they will never be achieved. There needs to be a nexus between the impact of a development and the cost of amenities that are provided for public benefit.