

**Council Guidance for Updating Downtown Incentive Zoning  
01-11-2016 Revised Draft for Council Action**

For many years incentive zoning has been part of Bellevue's strategy for implementing the Downtown Plan. Through the Amenity Incentive System, development is offered additional density (FAR) in exchange for providing certain public amenities. The Downtown Livability CAC report calls for a number of revisions to the system. The Council is providing the following direction to staff and the Planning Commission as they consider the CAC recommendations and move forward to develop the specific Land Use Code amendments to update the incentive zoning system.

1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, affordable housing, and other amenities that are most important to achieving Downtown livability.
2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.
3. Design the incentive system to help reinforce Downtown neighborhood identity.
4. Recognize that incentive zoning is one part of the broader Downtown land use code, and will work together with development standards, design guidelines and other code elements to collectively address impacts of development and ensure Downtown is a great place for people.
5. Simplify and streamline the incentive system with a clear structure and desired outcomes. This includes narrowing the list of incentives by mandating appropriate elements, incentivizing what would not otherwise happen, and increasing the base FAR to account for any current incentive that is converted to a mandate.
6. Ensure that the amenity incentive system is consistent with state and federal law. In particular, the process should be sensitive to the requirements of RCW 82.02.020, and to nexus and rough proportionality.
7. Design the amenity incentive system to act as a real incentive for developers, and ensure that modifications to the incentive system don't effectively result in a downzoning of land, in particular for current incentives converted to mandates.
8. Ensure that participation in the updated incentive system is required for any increases to currently permitted maximum density (FAR) and/or height.
9. Consider potential unintended consequences of the update, specifically: a) the effect of incentive zoning changes on the ability to continue to provide transit-oriented, workforce housing in Downtown, including the anticipated effect of the MFTE on producing such housing; and b) the effect of incentive zoning changes on small lots, to ensure that their redevelopment remains viable and not contingent upon becoming part of an assemblage with other properties.

10. Provide for a reasonable “fee-in-lieu” alternative to ensure that the amenity incentive system does not unduly hinder development or result in building designs that lack market viability.
11. Consider an “off-ramp” option, with an approval process, providing flexibility for incentivizing elements that were not identified in this update but add equal or greater value.
12. Include a mechanism for future periodic updates of the incentive system to address Downtown needs as they change.