

May 16, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 9103 authorizing execution of a Development Agreement between the City of Bellevue and LS2 Retail, LLC and Lincoln Square Hotel, LLC for a pedestrian corridor bridge that will include weather protection.

STAFF CONTACT

Carol Helland, Land Use Director, 452-2724

Development Services Department

Bob Hyde, Deputy City Attorney, 452-2033

City Attorney's Office

Chris Salomone, Director, 452-6191

James Henderson, Economic Development Director, 452-7910

Jesse Canedo, Economic Development Manager, 452-4873

Emil King, Strategic Planning Manager, 452-7223

Planning and Community Development Department

POLICY ISSUES

Should the City of Bellevue enter into a Development Agreement with LS2 Retail, LLC, a Delaware limited liability company, and Lincoln Square Hotel, LLC, a Washington limited liability company, for the purposes of facilitating construction of a pedestrian corridor bridge that will include weather protection?

Pursuant to RCW 36.70B.200, the City Council must hold a public hearing before entering into a development agreement. This public hearing was duly advertised in the Weekly Permit Bulletin on April 28, 2016.

DIRECTION NEEDED FROM COUNCIL

- X Action
- X Discussion
- X Information

A Public Hearing on the Development Agreement is scheduled for May 16, 2016. Final Council action authorizing the City Manager or his designee to execute the Development Agreement can occur on May 16th or May 23rd to be consistent with schedule commitments made when this process was initiated by the City Council on February 22, 2016.

BACKGROUND

The City's Downtown Core Design District regulations contained in Part 20.25A of the Bellevue Land Use Code ("LUC") implement the Downtown Subarea Comprehensive Plan Policies by providing more specific development guidelines, and by assuring high levels of attractiveness, urbanity, design quality, and coordination of development within the most intensive, visible portion of Downtown. Specifically,

LUC 20.25A.100.E defines NE 6th Street between Bellevue Way and 112th Avenue NE as a Major Pedestrian Corridor (“Pedestrian Corridor”) to serve as a focus for pedestrian use. While the Pedestrian Corridor must present a coordinated design, variety in design is allowed and, in appropriate cases, encouraged in order to provide visual interest and harmony with adjacent development.

The Pedestrian Corridor is an important component of the Grand Connection which envisions a modern, unique, pedestrian corridor connecting Meydenbauer Bay to Wilburton. The Grand Connection initiative will establish a landmark and unique vision for downtown Bellevue that will create new opportunities for connectivity and community identity. The objectives of the study will be to establish an urban design vision for the Grand Connection, which will connect Bellevue’s waterfront at Meydenbauer Bay to the Wilburton commercial area, passing through and utilizing the Pedestrian Corridor. In furtherance of the initiative objectives, the City has hired Balmori Associates of New York (Balmori) to help create the new vision.

Kemper Development Company (KDC) wishes to construct a pedestrian bridge across NE 6th Street connecting the mixed-use condominium project commonly known as Lincoln Square to the Lincoln Square Expansion project that is currently under construction. The Land Use Code specifies locations where pedestrian bridges are permitted to cross public rights of way Downtown and enable pedestrian circulation that is otherwise impeded by auto oriented streets. In this case, KDC proposes to bridge the pedestrian corridor at a location that is not specified in the code, and to cross a right of way (NE 6th Street) which is not auto oriented or a barrier to pedestrian circulation.

The function of this proposed pedestrian bridge is to improve the economic viability of the upper level retail that is present in Lincoln Square and the Lincoln Square Expansion projects, and to provide weather protection across the corridor ground plane, which is specifically permitted under the terms of LUC 20.25A.0100.E.1.c.iii. The Pedestrian Bridge, as proposed, will connect to and function as part of the Pedestrian Corridor, providing weather protection both to pedestrians crossing between Lincoln Square and Lincoln Square Expansion at the upper level retail elevation and to the pedestrians on the ground plane below. The Pedestrian Bridge is depicted in the conceptual design drawings that are included with this memorandum as Attachment B.

Because a bridge was not contemplated across NE 6th Street between Bellevue Way NE and 105th Ave NE in the adopted Pedestrian Corridor Design Guidelines, the proposed bridge is not approvable through a traditional administrative design review process; and, a Council action is required. In addition, the bridge must be constructed contemporaneously with the Lincoln Square Expansion project which is scheduled for occupancy in April of 2017. As a result, time is of the essence in approving a bridge design so that construction can be undertaken without jeopardizing occupancy of the Lincoln Square Expansion project.

The **Development Agreement** proposed for Council consideration tonight is an opportunity to accomplish the following objectives:

1. **Create a process path to secure Council approval** of the proposed pedestrian bridge before the end of May 2016;
2. **Enable construction of the pedestrian bridge with the Lincoln Square Expansion** to help foster economic viability of the upper level retail consistent with Council-Adopted Economic Development goals and to provide weather protection that is encouraged by the Code.
3. **Provide time for Balmori to complete Grand Connection design** on the ground plane between Bellevue Way and 105th Ave NE while the bridge is under construction.

4. **Facilitate phased construction of the ground plane under the bridge** to enable development that is consistent with the future Balmori designs adopted by Council;
5. **Secure early implementation of the western gateway to the Pedestrian Corridor** that is consistent with the vision developed as part of the Grand Connection initiative.

If this Development Agreement is adopted by the City Council, building permits to construct the pedestrian bridge can be issued. While the pedestrian bridge is under construction, Lincoln Square Hotel has agreed to work with the City's design consultant for the Grand Connection, Balmori Associates of New York, to develop a design for the ground plane for that portion of NE 6th Street between Bellevue Way NE and 105th Ave NE. The Pedestrian Bridge and the ground plane improvements will further the Grand Connection initiative.

Proposed Development Agreement

Lincoln Square Hotel may use the airspace and adjacent right-of-way to construct, operate, and maintain the Pedestrian Bridge and support structures for a period of fifty (50) years, commencing on the day the Pedestrian Bridge is first opened for public use by Lincoln Square Hotel. Lincoln Square Hotel shall have three (3) successive options to extend the term for an additional period of ten (10) years, subject in each instance to the terms of this Agreement, each by giving the City at least sixty (60) days written notice prior to the expiration of the then current Agreement term; provided, that Lincoln Square Hotel shall not be in breach of any provision of this Agreement or any related permit condition at the time that any such option is exercised.

As noted above, KDC is agreeing to complete ground plane improvements for the portion of NE 6th Street between Bellevue Way NE and 105th Ave NE. Security for the promise to complete these ground plane improvements will be in the form of a bond in the amount of \$500,000.

EFFECTIVE DATE:

If adopted, this Resolution becomes effective immediately.

ALTERNATIVES

1. Authorize the City Manager or his designee to execute the Development Agreement recommended by the staff.
2. Reject the Development Agreement and provide staff with alternative direction.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Resolution No. 9103 authorizing execution of a Development Agreement between the City of Bellevue and LS2 Retail, LLC and Lincoln Square Hotel, LLC for a pedestrian corridor bridge that will include weather protection.

ATTACHMENTS

Attachment A: Development Agreement

Attachment B: Pedestrian Bridge Conceptual Design Drawings

Attachment C: Proposed Resolution No. 9103