

# Staff's Proposed Structure for Downtown Incentive Zoning System

(Planning Commission Reviewed on June 8 – Comments Shown)

## EXECUTIVE SUMMARY

As noted in the Downtown Livability CAC's Final Report, the Amenity Incentive System has been a key tool for achieving the Downtown vision. The system allows for buildings to earn "bonus" intensity (FAR) and height in return for providing public amenities that mitigate building in a dense urban environment. However, over time the system no longer is grounded in current market economics and has not been modified to fit Downtown's evolving state. The CAC concluded that the system should be updated to focus on factors that will make Downtown more livable, and that the update should ensure that the system is feasible and acts as a real incentive.

To help focus the update and align with Council thinking, a joint workshop between the City Council and the Planning Commission took place in November 2015. This resulted in a set of Council Principles to guide the update. The staff-proposed approach to updating the incentive system is grounded both in the CAC findings and the guidance provided by the Council Principles. The update will be presented in two parts:

- Part 1, the focus of the current proposal, is the proposed **structure** of the new incentive system. This includes identifying what should be incentivized vs. required, the "stacking" of various bonus features, and factoring in elements such as an option for fee-in-lieu payments and periodic review of the system.
- Part 2 is **market calibration of the proposed incentive system**. Once there is clear direction on the structure of the updated system, economic modeling is performed to identify the market value of the incentives and how they translate into increments of bonus FAR and height. A calibration proposal is set to be presented in July, and will be guided by the direction on the structure of the new system.

Following are the key points proposed for the structure of the updated system. Each point is associated with the relevant Council Principles that provide guidance for the update. Further details about the complete system follow this Executive Summary.

The overall approach attempts to update, streamline, and focus the incentives on those most important to promoting Downtown livability. It differentiates incentives from basic Code requirements, and seeks to ensure that the resulting system acts as a real market incentive.

Proposed Approach to Downtown Incentive Zoning Structure	Relevant Incentive Zoning Council Principles
<p>1. Update and clarify what is a Code requirement vs. an incentive, adjusting the basic FAR accordingly.</p>	<p><i>Council Principle #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.</i></p> <p><i>Council Principle #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.</i></p>
<p>2. Remove features that are no longer real incentives (structured parking, residential) and adjust the basic FAR accordingly.</p> <div data-bbox="188 1045 907 1388" style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Planning Commission Comment from June 8 Meeting</b></p> <ul style="list-style-type: none"> <li>Commission would like to ensure that staff's suggestion to withdraw parking and residential use as bonusable amenities are fully assessed in the economic analysis. There were questions about how this might affect project economics, and specifically how their withdrawal from being bonused might impact the development of parking (above vs. below grade and amount) and amount of residential compared with them remaining bonused.</li> </ul> </div>	<p><i>Council Principle #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.</i></p> <p><i>Council Principle #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.</i></p>
<p>3. Create additional lift/value for the incentive system by incorporating proposed increases in FAR/height into the system. This will create an additional value for public amenities.</p>	<p><i>Council Principle #8. Ensure that participation in the updated incentive system is required for any increases to currently permitted maximum density (FAR) and/or height.</i></p>

Proposed Approach to Downtown Incentive Zoning Structure	Relevant Incentive Zoning Council Principles
<p>4. Adjust the FAR exemption to include up to 1.0 exempt FAR for an affordable housing incentive program, as a major incentive for achieving such.</p> <div data-bbox="188 432 907 615"> <p><b>Planning Commission Comment from June 8 Meeting</b></p> <ul style="list-style-type: none"> <li>Commission would like to explore an option where the affordable housing incentive is included with the rest of the bonusable amenities, and not a new FAR exemption.</li> </ul> </div>	<p><i>Council Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City's broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.</i></p> <p><i>Council Principle #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.</i></p>
<p>5. Focus remaining bonus FAR on key placemaking and public open space features, walkability, and cultural/community features.</p> <div data-bbox="188 1010 907 1549"> <p><b>Planning Commission Comments from June 8 Meeting</b></p> <ul style="list-style-type: none"> <li>Commission desires to include "neighborhood serving uses" such as public meeting rooms, child care, and non-profit space as a bonusable amenity. The definition would be crafted to allow a flexible range of neighborhood-serving uses to occupy the space under the bonus provisions.</li> <li>Commission would like to explore a new bonus relating to "public safety." The example given was land dedication or space allowance for a public safety use as part of a development project.</li> <li>Commission desires to explore having green building and sustainability added as a bonusable amenity. This might include LEED, Built Green, or Living Building certifications as well as sustainable site features or certifications.</li> </ul> </div>	<p><i>Council Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City's broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.</i></p> <p><i>Council Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.</i></p>
<p>6. Utilize the system to promote neighborhood identity, principally by tailoring the nature/type of bonus open space by neighborhood.</p>	<p><i>Council Principle #3. Design the incentive system to help reinforce Downtown neighborhood identity.</i></p>
<p>7. Allow for fee payments in lieu of on-site performance.</p>	<p><i>Council Principle #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.</i></p>

Proposed Approach to Downtown Incentive Zoning Structure	Relevant Incentive Zoning Council Principles
<p>8. Provide a Development Agreement option as an “off-ramp” for the bonus system, where a development can show equal or greater value.</p>	<p><i>Council Principle #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.</i></p>
<p>9. Build in a regular CPI adjustment factor to ensure the system remains current with the market; also conduct periodic (5-7 year) reviews of the system.</p> <div data-bbox="186 619 909 798"> <p><b>Planning Commission Comment from June 8 Meeting</b></p> <ul style="list-style-type: none"> <li>Commission would like to ensure that a monitoring system is set up for the updated incentive system to assess performance.</li> </ul> </div>	<p><i>Council Principle #12. Include a mechanism for future periodic updates of the incentive system to address Downtown needs as they change.</i></p>
<p>10. Promote green/sustainable building through other City mechanisms (e.g. remove barriers, provide technical assistance, marketing and recognition, etc.)</p> <div data-bbox="186 955 909 1165"> <p><b>Planning Commission Comment from June 8 Meeting</b></p> <ul style="list-style-type: none"> <li>Commission desires to explore having green building and sustainability added as a bonusable amenity. This might include LEED, Built Green, or Living Building certifications as well as sustainable site features or certifications.</li> </ul> </div>	<p><i>Council Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.</i></p>

The above chart presents the conceptual approach to the proposed incentive zoning system update. Staff has attempted to embed the Council Principles in this proposal, as summarized above. Two Council Principles not included above have also been considered in the proposal and analysis of the proposed structure; they are critically important and apply to the entire system as opposed to a single point of the structure. *Council Principle #6 is to ensure the system is consistent with state and federal law, including requirements of nexus and rough proportionality. Council Principle #9 is to consider (and seek to avoid) potential unintended consequences of the update.*

Further details of the proposal follow in the body of this report.

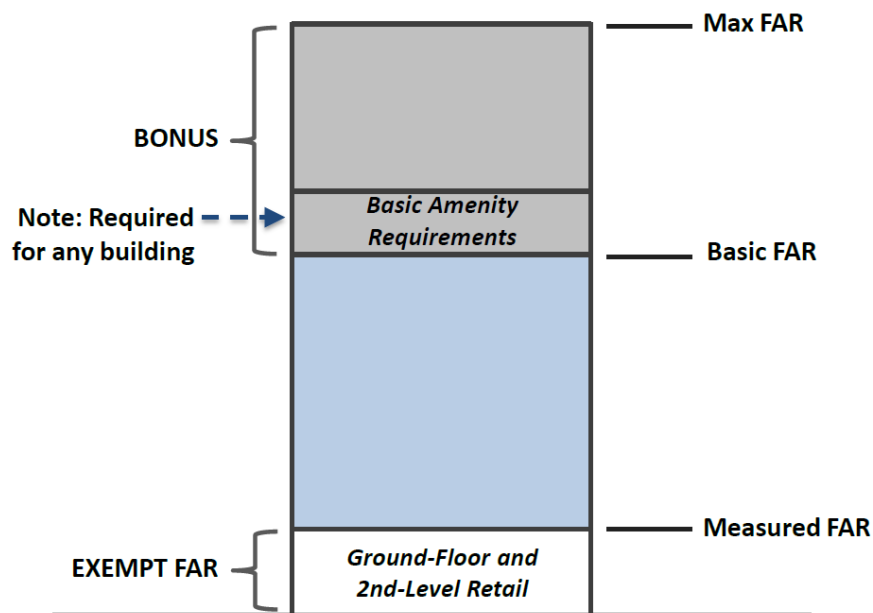
# PROPOSED INCENTIVE SYSTEM STRUCTURE

## Current Incentive Zoning System

As is shown in the graphic below, the current incentive zoning system is structured as follows:

- The current incentive system includes a *basic* FAR & height and *maximum* FAR & height that vary by Downtown zoning district, but all follow this general structure.
- A development project's measured FAR provides exemption for ground-floor and 2nd-level retail space meeting specific Code requirements.
- Basic Amenity Requirements are mandatory and 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 bonusable FAR.
- On top of the Basic Amenity Requirements, developments may select from the full list of 23 current amenities to reach maximum FAR and height.

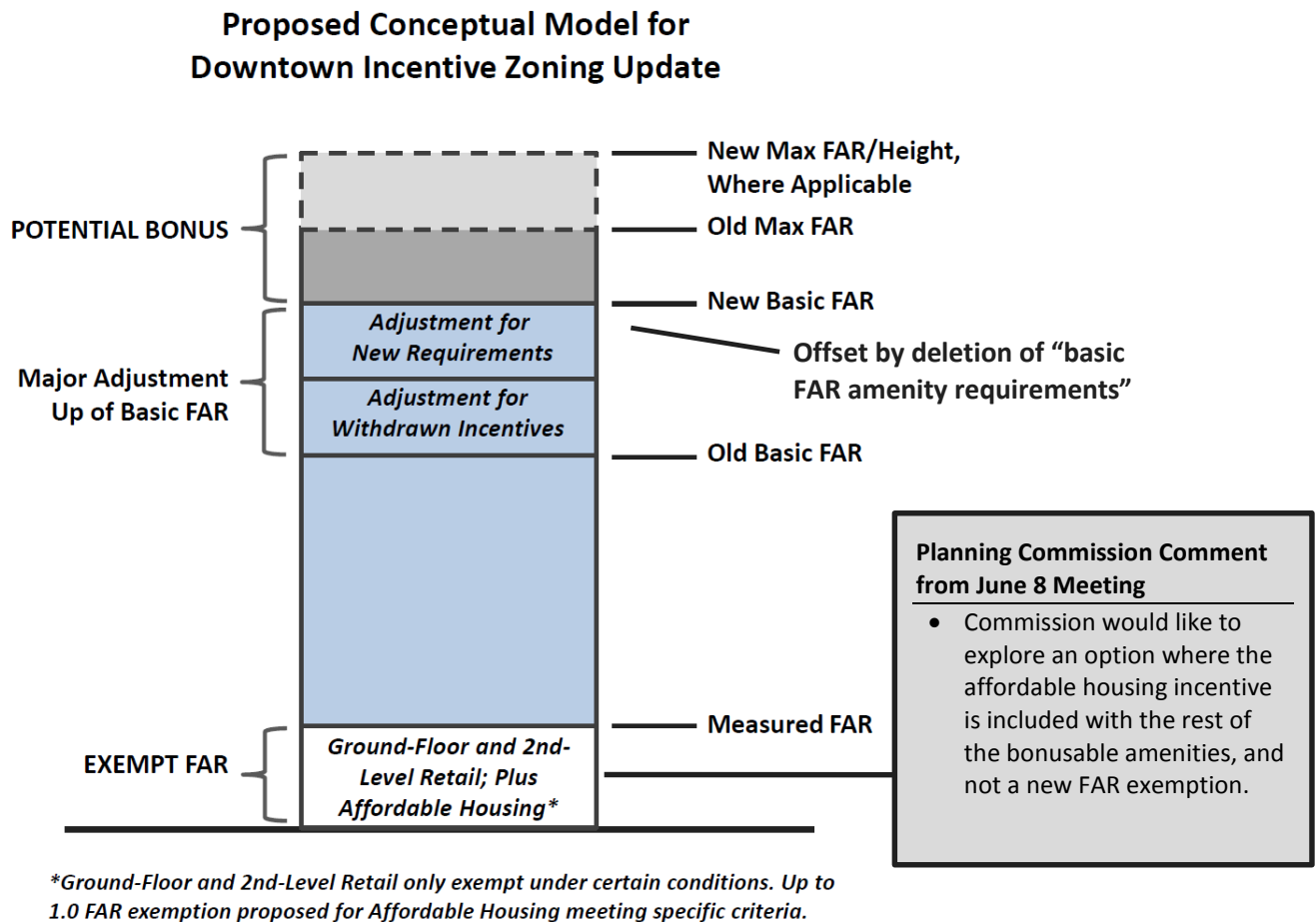
### Current Incentive Zoning System



*\*Ground-Floor and 2nd-Level Retail only exempt under certain conditions.*

## Proposed Conceptual Model for Incentive System Update

The full proposal for the structure of the Downtown incentive zoning system is presented below. As noted in the Executive Summary, it was heavily guided by the Incentive Zoning Principles adopted by the City Council in January 2016. The graphic below depicts the proposed approach, described in detail in the following sections.



### 1. Update and Clarify Code Requirements vs. Incentives, Adjust Basic FAR Accordingly

Incentive zoning is one part of the broader land use code framework that guides development. That broader framework includes permitted uses, dimensional standards such as lot coverage and setbacks, development standards such as required parking ratios, and design guidelines that address the quality of development. Separate from the land use code are building code requirements that address building safety, such as structural integrity.

The Downtown Livability Code amendments include updates to development standards and guidelines, so the Code is more forward-looking and people oriented. The “early wins” adopted earlier this year included a shift for weather protection to be a requirement vs. an incentive. Another proposed shift is to create a “green factor” to mitigate some of the environmental impacts associated with dense urban development and add to the sense that Downtown Bellevue is part of Bellevue’s “city in a park” identity. Development would select from a menu of items, some of which are currently in the amenity system. These would include landscape features, green roofs, vegetated walls, enhanced tree canopy, food production, “green streets” concepts, bicycle parking, and electric vehicle charging stations. Note: calibration of this “green factor” will be conducted in Part 2 of this proposal (anticipated July 2016). The other proposed shift is to address pedestrian-oriented frontage as a requirement and remove it from the incentive system. Today it is both a requirement and an incentive on certain Downtown streets; it would be simpler to address it solely as a requirement on those streets where it is necessary for pedestrian activation. Note: The FAR adjustment for new requirements would be offset by eliminating the existing mandatory “basic FAR amenity requirements” (see LUC 20.25A.020.C).

***Table A. Existing and Proposed Features for Amenity Incentive System***

Existing Amenity System	Proposed Shift to Requirement w/ Basic FAR Adjusted Accordingly	Proposed New Amenity System Features	Proposed to be Withdrawn w/ Basic FAR Adjusted Accordingly
<b>Placemaking</b> Major Pedestrian Corridor  Pedestrian Oriented Frontage	  X	 Major Pedestrian Corridor/Grand Connection	
<b>Neighborhood Serving Uses</b> Public Meeting Rooms; Child Care Services; Retail Food; Space for Non-profit Social Services			 X Note: No adjustment to basic FAR needed; Code audit showed 3 of 4 amenities never used and public meeting rooms used once.
<b>Parks and Open Space</b> Outdoor Plaza; Donation of Park Property; Residential Entry Courtyard; Active Recreation Area; Enclosed Plaza		Outdoor Plaza; Donation or Improvement of Park Property; Residential Entry Courtyard; Active Recreation Area; Enclosed Plaza; Add Pocket Parks; Farmers Markets; “alleys with addresses;” and “third places” as part of Neighborhood-Specific Publicly Usable Open Space	

Existing Amenity System	Proposed Shift to Requirement w/ Basic FAR Adjusted Accordingly	Proposed New Amenity System Features	Proposed to be Withdrawn w/ Basic FAR Adjusted Accordingly
Landscape Feature; Landscape Area	X Note: Landscape Feature; Landscape Area included as part of “green factor” menu. This menu also includes green space/open space, tree preservation and planting.		
<b>Parking</b>			
Underground Parking; Above-Grade Structured Parking			X
<b>Housing</b>			
Residential Uses			X
<b>Arts and Culture</b>			
Performing Arts Space; Sculpture; Water Feature		Performing Arts Space; Sculpture; Water Feature; Art Space; Historic Preservation and Cultural Resources	
<b>Walkability</b>			
		Free-standing canopies at street corners (non-building weather protection) Pedestrian bridges meeting specific location and design criteria	

Note: Several Items in the Downtown’s CAC List of Potential New Amenities are not included here. This is to avoid diluting the system, in light of Council guidance to streamline the system and narrow it to the items that are most important to achieving Downtown Livability. The proposed approach focuses on affordable housing, usable public open space, walkability/connectivity and cultural/community resources. Not included are: iconic buildings, increased setbacks, small lot architecture, sustainable buildings, signature streets, upper level plazas and activated rooftops (the latter two constituting private rather than public open spaces). Potentially some of these items, if they provide equal or greater public benefit, could be considered in the “off-ramp” Development Agreement option presented in the proposed framework.

#### **Relevant Incentive Zoning Council Principles**

*Principle #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.*

*Principle #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.*



## 2. Remove Features that are No Longer Real Incentives and Adjust Basic FAR Accordingly

### **Planning Commission Comment from June 8 Meeting**

- Commission would like to ensure that staff's suggestion to withdraw parking and residential use as bonusable amenities are fully assessed in the economic analysis. There were questions about how this might affect project economics, and specifically how their withdrawal from being bonused might impact the development of parking (above vs. below grade and amount) and amount of residential compared with them remaining bonused.

The purpose of updating the Amenity Incentive System is to promote those amenities most important to achieving livability and the desired future for Downtown. The current incentive zoning provisions in Downtown Bellevue are largely unchanged from the system adopted in 1981. At that time, incentives for new development to put in place underground parking, above-grade structured parking and residential units were important policy goals. Surface parking lots abounded in 1981, consuming scarce urban land and detracting from the pedestrian environment, and land prices at that time encouraged more of the same. In recent decades this has radically changed. Today's densities and land values virtually ensure that new parking is in structured garages as opposed to surface lots. Likewise, the Downtown Bellevue residential market has been entirely transformed in recent years, to the point that 12,000 people today call Downtown home. Indeed, a concern for the Downtown Livability update has been to "level the playing field" so that residential uses do not out-compete office uses for so many sites.

As was shown in the Land Use Code Audit, the amount of bonus earned through the parking and residential amenities has been the vast majority of all bonuses earned. Since the market is already strongly providing for these outcomes, the amenity system is no longer acting as a real incentive for private development to produce them. To keep them in the amenity incentive system is not consistent with Council direction to "incentivize what would otherwise not happen." To compensate for withdrawing these amenities, there will be an adjustment of the basic FAR accordingly.

### **Relevant Incentive Zoning Council Principles**

*Principle #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.*

*Principle #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.*

### 3. Create Additional Lift/Value for the Incentive System by Incorporating Proposed Increases to FAR and Height

The Downtown Livability CAC provided a set of height and form recommendations that are currently being reviewed by the Planning Commission. A key tenet of this work is that any increases to maximum floor area ratio and/or building height are earned through the updated incentive system.

The Commission's current discussion has included a number of areas (such as the O-1 district) where potential additional height could be earned (without additional FAR) and areas where both additional FAR and height could be earned (such as the DT-OLB district). This creates added value that can be included in the amenity incentive system.

Bellevue's Downtown Incentive System has historically used height and FAR in tandem. Since a number of districts are being recommended for just additional height, a mechanism will be established that focuses on this increment. When height is offered independent of FAR, the key issue is how different types of development marginally value the additional height, particularly as buildings move up code/construction type and/or cost breakpoints (i.e. wood to concrete/steel construction). This will be an important consideration in the economic calibration work that follows.

#### **Relevant Incentive Zoning Council Principle**

*Principle #8. Ensure that participation in the updated incentive system is required for any increases to currently permitted maximum density (FAR) and/or height.*

### 4. Adjust the FAR Exemption to Include Affordable Housing

#### **Planning Commission Comment from June 8 Meeting**

- Commission would like to explore an option where the affordable housing incentive is included with the rest of the bonusable amenities, and not a new FAR exemption.

One type of FAR incentive is to exempt certain items from the FAR count, as the Code currently does for ground-floor and second-level retail meeting certain design requirements. See LUC 20.25A.020.B.3.a: "Up to a maximum of 1.0 of the floor area in a project limit that is devoted to retail activities will not be counted for the purpose of calculating FAR in the proportions set forth in LUC 20.25A.115, so long as the retail activities are designed and located in compliance with..."

This proposal is to add up to 1.0 FAR for an affordable housing incentive to the list of FAR exemptions. In effect, this would be a strong incentive for affordable housing, and would free up the rest of the Amenity Incentive System for other desired amenities like public open space. There is additional logic to exempting FAR for affordable housing, from the perspective of trip generation, in that closer-in affordable living options allow people to live closer to work, resulting in shorter trips with a higher share of walking, biking, and transit. For the most part, this opportunity is not available today for the sizable Downtown workforce employed in service and retail jobs.

### **Relevant Incentive Zoning Council Principles**

*Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City's broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.*

*Principle #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.*

## **5. Focus Remaining Bonus FAR on Placemaking & Public Open Space Features, Walkability, and Cultural/Community Amenities**

### **Planning Commission Comments from June 8 Meeting**

- Commission desires to include "neighborhood serving uses" such as public meeting rooms, child care, and non-profit space as a bonusable amenity. The definition would be crafted to allow a flexible range of neighborhood-serving uses to occupy the space under the bonus provisions.
- Commission would like to explore a new bonus relating to "public safety." The example given was land dedication or space allowance for a public safety use as part of a development project.
- Commission desires to explore having green building and sustainability added as a bonusable amenity. This might include LEED, Built Green, or Living Building certifications as well as sustainable site features or certifications.

Once the basic FAR is adjusted upwards to account for amenities converted to requirements, as well as former amenities to be withdrawn from the list, there will be limited "lift" left in the system to support new amenities. It will be critical to focus that bonus lift on the features most important to achieving Downtown livability. This is a strong theme from both the Council Principles and the CAC report. If the Amenity Incentive system tries to promote every conceivable desired outcome, it will be too diluted to accomplish anything meaningful.

The Council principles and CAC direction together provide the overall guidance for the proposed amenities list as shown below in Table B; this is in conjunction with the proposed FAR exemption for affordable housing (#4 above). As a whole, the system will promote the following as the most important items to achieve:

- Affordable housing
- Public open space
- Walkability/connectivity
- Cultural/community features

Affordable housing is strongly promoted through the FAR exemption. The bonusable FAR is then divided among the other key amenities. Since public open space is so important to livability, the proposal assigns 75% of the bonusable value to it and 25% of the remainder to the other features.

**Table B. Proposed Features for Updated Amenity Incentive System**

Amenity Category	Amenity Features	Focus
<b>Placemaking and Public Open Space Features</b>	<ul style="list-style-type: none"> <li>• Major Pedestrian Corridor/Grand Connection</li> <li>• Outdoor Plaza; Donation or Improvement of Park Property; Residential Entry Courtyard; Active Recreation Area; Enclosed Plaza; Add Pocket Parks; Farmers Markets; “alleys with addresses;” and “third places” as part of Neighborhood-Specific Publicly Usable Open Space</li> </ul>	<ul style="list-style-type: none"> <li>• Target 75% of a Project’s Earned Bonus</li> </ul>
<b>Walkability/Connectivity Features</b>	<ul style="list-style-type: none"> <li>• Free-standing canopies at street corners (non-building weather protection)</li> <li>• Pedestrian bridges meeting specific location and design criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Target 25% of a Project’s Earned Bonus</li> </ul>
<b>Cultural/Community Features</b>	<ul style="list-style-type: none"> <li>• Performing Arts Space; Sculpture; Water Feature; Art Space; Historic Preservation and Cultural Resources</li> </ul>	

**Relevant Incentive Zoning Council Principles**

*Principle #1. Focus the system on making Downtown more livable for people. This should include incentivizing public open space, walkability/connectivity, affordable housing in recognition of the City’s broader work on affordable housing, and other amenities that are most important to achieving Downtown livability.*

*Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.*

## 6. Use the Incentive System to Promote Neighborhood Identity

The incentive system will be used to promote neighborhood identity within Downtown Bellevue, principally through tailoring the nature/type of bonus open space to each Downtown neighborhood. This is consistent with the Downtown CAC report, which included specific open space needs and expressions for each of the seven Downtown neighborhoods. For example, a new neighborhood park was identified as a strong need for the Northwest Village and East Main neighborhoods and not for others. Community gardens/pea patches were shown as desirable in most neighborhoods but not in the Downtown Core or Old Bellevue.

**Relevant Incentive Zoning Council Principles**

*Principle #3. Design the incentive system to help reinforce Downtown neighborhood identity.*

## 7. Allow for Fee-in-Lieu Payments

The preference for the Downtown incentive system will be for on-site performance. This means that amenities are delivered on the same site as the development. The system will also include provisions for fee-in-lieu payments to allow flexibility to pay for producing the amenity off-site. The cost of the fee-in-lieu payment will be determined during the pricing and calibration phase.

### **Relevant Incentive Zoning Council Principle**

*Principle #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.*

## 8. Provide Process “Off-Ramp” for Incentive System

The Downtown Livability CAC and City Council both provided direction to include a process for developers to suggest amenities that are not on the formal list. It is proposed that developers are able to suggest bonusable amenities through a City Development Agreement. The criteria for the departure would be that the amenity provides an equal or greater contribution to meeting the intent of the incentive system, and results in a significant public benefit or amenity that would not otherwise be provided absent the departure.

### **Relevant Incentive Zoning Council Principle**

*Principle #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.*

## 9. Market Adjustment and Periodic Review

A best practice is to incorporate a regular adjustment to the incentive price (proposed as annual CPI adjustment) to ensure the system remains current with the market. It is also recommended to incorporate a periodic review (every 5-7 years) to review and modify the incentive system as needed.

### **Planning Commission Comment from June 8 Meeting**

- Commission would like to ensure that a monitoring system is set up for the updated incentive system to assess performance.

### **Relevant Incentive Zoning Council Principle**

*Principle #12. Include a mechanism for future periodic updates of the incentive system to address Downtown needs as they change.*

## 10. Promote Green/Sustainable Building Through Other City Mechanisms

### **Planning Commission Comment from June 8 Meeting**

- Commission desires to explore having green building and sustainability added as a bonusable amenity. This might include LEED, Built Green, or Living Building certifications as well as sustainable site features or certifications.

One of the items that is desired but not included in the simpler, more focused amenity list is green/sustainable building design and performance. While not included in the proposed bonus amenity system, staff looked for other ways to promote this desirable outcome. It is proposed that outside of the incentive system, the City will promote green building Downtown through a variety of other means, such as:

- Training and technical assistance by City staff and partners.
- Partnering with third parties for promoting and recognizing green buildings.
- Removing Code barriers for innovative and high performing buildings.
- Considering a Living Building pilot ordinance, which would allow departures from the building code for a certain number of pilot projects.

While not part of the amenity incentive system, it is hoped that these will be other means of encouraging green buildings that significantly out-perform the current standard product in Downtown. A number of jurisdictions also provide expedited permit review for green/sustainable certified buildings.

### **Relevant Incentive Zoning Council Principle**

*Principle #2. Be forward-looking and aspirational, reflecting the evolving needs of a 21st century city.*

## NEXT STEPS

Once there is agreement on the overall structure of the incentive system, calibration (pricing) is the next step. This requires valuing both the cost of providing the amenity (or public benefit) and the value of the incentive (additional floor area and/or height) so that the bonus value exceeds the amenity value. This is a technical exercise that involves pro forma modeling of development. This work will be performed by the City's technical consultant (Berk) and is anticipated to be available in July 2016.