



Planning Commission

TRANSMITTAL

DATE: June 22, 2017

TO: Mayor Stokes and Members of the City Council

FROM: Chair deVadoss and Members of the Planning Commission

SUBJECT: Land Use Code Amendment – Downtown Livability Land Use Code Amendment, File No. 12-127731-AD and 15-123469-AD

I. INTRODUCTION AND SUMMARY OF COMMISSION'S RECOMMENDATION

With this transmittal, the Planning Commission recommends that the City Council APPROVE the attached Land Use Code Amendment (LUCA) to create permanent regulations with respect to the Downtown Livability Project. The Commission unanimously adopted these recommendations at our meeting of May 24, 2017. This is the second of two Land Use Code Amendments that the Planning Commission recommended for adoption as part of the Downtown Livability Initiative. The first LUCA was the Early Wins package that the Council adopted on March 7, 2016.

A. Council's Downtown Livability Guiding Principles and the Citizen Advisory Committee Report

The over-arching purpose of the Downtown Livability Initiative is to advance implementation of the Downtown Subarea Plan, in particular the Plan's central theme of making Downtown more Viable, Livable, Memorable and Accessible. When Council launched the Downtown Livability Initiative, it included guidance in the form of project principles (Attachment A.1). They include changes observed in the decades since the original Land Use Code was adopted in 1981, and associated principles in response to these changes. These principles have provided essential guidance, and were a starting point for the Commission's efforts.

The second major guidance for the Commission's work was the report of the Downtown Livability Citizen Advisory Committee (CAC). The City Council-appointed CAC met between May 2013 and June 2014, and included two Planning Commissioners. As part of the CAC's analysis, they examined 35-plus years of Downtown development, sifting through what was working well with the existing Code and where there was room for improvement. The CAC report provided a menu of recommendations at a fairly high level; the task for the Commission and staff was to translate the CAC recommendations into specific Land Use Code language at a fine level of detail.

B. How the Updated Land Use Code will Enhance Downtown Livability

The Code update is part of a much larger set of actions the City has underway that collectively promote Downtown Livability. The Land Use Code is critically important in setting the rules to ensure that Downtown development is of high quality and helps to mitigate the impacts of increased density. The Code helps direct billions of private investment dollars to ensure that the built environment is safe, functional, and attractive. But equally important are many other elements of Livability that are addressed through other means. City investments in public parks

and the newly developing Grand Connection, transportation projects that ensure adequate access and circulation and that reinforce a green, walkable city center, police community presence including a restored bike patrol, development of a new fire station to quickly respond to emergencies in an increasingly dense, high-rise environment, high-speed wi-fi and other widely available broadband access, and seamless utilities that meet the needs of burgeoning growth are all among other elements of Downtown Livability that the City is working on every day. The Code update is but one part of a comprehensive Livability agenda, all of which requires sustained attention.

The following summary focuses on how the Downtown Land Use Code amendments advance a more livable, attractive, and vital city center, constituting a critical part of this broader Livability agenda. Important to note is that many elements of the current Code have been working well, and through a proactive design and development community, have already been producing excellent results. In contrast, some elements put in place decades ago should be significantly updated and improved. The CAC and the Commission's task required retaining and promoting what was working well, while addressing elements needing updating and/or improvement.

Livability Outcomes	References in Recommended Code
Increased Walkability	
<ul style="list-style-type: none"> Increases the width of sidewalks required on multiple streets. Improves through-block connections for pedestrians to navigate the Downtown. Improves street-edge pedestrian conditions that promote visual interest, pedestrian-scaled lighting and signage, pedestrian amenities, enhanced/active streetscapes, and integration of artistic elements. Expands weather protection to enhance year-round pedestrian comfort. Extends the Pedestrian Corridor, in anticipation of work underway through the "Grand Connection" project work underway. 	<ul style="list-style-type: none"> LUC 20.25A.090 Street and Pedestrian Circulation Standards LUC 20.25A.160.D Through-Block Pedestrian Connections LUC 20.25A.170 Streetscape and Public Realm LUC 20.25A.090.C.1 Major Pedestrian Corridor
Neighborhood Character	
<ul style="list-style-type: none"> Reinforces key elements of unique Downtown neighborhood character. Tailors open space amenities to align with neighborhood needs. 	<ul style="list-style-type: none"> LUC 20/25A.135 Downtown Neighborhood Specific Standards LUC 20.25A.070 Amenity Incentive System and Floor Area Ratio
Urban Form, Light and Air	
<ul style="list-style-type: none"> Enhances access to light and air between towers with a new tower separation requirement (internal to a site only). Requires ground-level, publicly accessible open space if towers utilize the new height allowance. Requires towers to narrow if using the new height allowance. 	<ul style="list-style-type: none"> LUC 20.25A.075.B Required Tower Separation LUC 20.25 A.075.A.3 Outdoor Plaza Requirement LUC 20.25A.075.A.2 Diminishing Floor Plate Requirement (Council Resolution Required)

Livability Outcomes	References in Recommended Code
<ul style="list-style-type: none"> Promotes variability in the skyline, addressing the “plateau effect” described in the Code audit. Improves building form to avoid blocky and homogeneous design. 	<ul style="list-style-type: none"> LUC 20.25A.060 Dimensional Requirements in Downtown Districts LUC 20.25A.180 Building Design (Base, Middle, Top)
Transition Between Downtown and Adjoining Neighborhoods	
<ul style="list-style-type: none"> Reinforces pedestrian connections between Downtown and adjacent areas. Improves design character of linear buffers on edges of Downtown. Promotes “gateways” into and out of the Downtown. 	<ul style="list-style-type: none"> LUC 20.25A.160.D Through-Block Pedestrian Connections LUC 20.25A.110.C Linear Buffer LUC 20.25A.150.D Emphasize Gateways
Downtown Amenities/Incentive Zoning System	
<ul style="list-style-type: none"> Updates list of amenities to focus on today's desired features and remove features that the market no longer needs to incentivize (i.e. that the market will produce regardless of incentives). Updates economics (FAR base and incentive “exchange rate”) based on current market realities. 	<ul style="list-style-type: none"> LUC 20.25A.070 Amenity Incentive System and Floor Area Ratio LUC 20.25A.060 Dimensional Requirements in Downtown Districts
More Green and Sustainable Downtown	
<ul style="list-style-type: none"> Increases green features in the pedestrian realm – planter strips and tree pits, an updated street tree palette, green walls, open space. Enhances focus on sustainability and ecological performance in the development of buildings and sites throughout Downtown. 	<ul style="list-style-type: none"> LUC 20.25A.090 Street and Pedestrian Circulation Standards LUC 20.25A.110 Landscape Development LUC 20.25A.120 Green and Sustainability Factor
Mixed Use Downtown	
<ul style="list-style-type: none"> Accommodates newer uses to meet evolving needs and desires (e.g. doggie day cares). “Levels the playing field” for nonresidential uses in the expansive DT-MU District, to ensure that Downtown continues to also serve as a strong office/job center. 	<ul style="list-style-type: none"> LUC 20.25A.050 Downtown Land Use Charts LUC 20.25A.060 Dimensional Requirements in Downtown Districts
Affordable Housing	
<ul style="list-style-type: none"> Encourages affordable housing (consistent with developing city-wide Affordable Housing Strategy). 	<ul style="list-style-type: none"> LUC 20.25A.070.C.2 FAR Exemption for Affordable Housing (RESERVED for additional work by Council)
Planning for Light Rail Stations	
<ul style="list-style-type: none"> Promotes transit-supportive densities and uses around the East Link light rail stations now under development. 	<ul style="list-style-type: none"> LUC 20.25A.060 Dimensional Requirements in Downtown Districts

Livability Outcomes	References in Recommended Code
<ul style="list-style-type: none"> Improves pedestrian connections and pedestrian activation around station areas. 	<ul style="list-style-type: none"> LUC 20.25A.090 Street and Pedestrian Circulation Standards LUC 20.25A.160.D Through-Block Pedestrian Connections LUC 20.25A.170 Streetscape and Public Realm LUC 20.25A.090.C.1 Major Pedestrian Corridor
Parking	
<ul style="list-style-type: none"> Ensures adequate visitor parking in residential developments. Requires independent parking study to back up potential shared parking reduction Requires parking for bicycles Makes a minor adjustment to accommodate ADA vehicles (slightly higher clearances) 	<ul style="list-style-type: none"> LUC 20.25A.080 Parking Standards
Flexibility	
<ul style="list-style-type: none"> Adds new flexibility for departures from prescriptive Code requirements where applicants can demonstrate a better result through alternative means, thus encouraging creativity and innovation. Flexible amenity for extraordinary projects. 	<ul style="list-style-type: none"> LUC 20.25A.030.D Departures
Building Height and Form	
<ul style="list-style-type: none"> Increases allowed building heights, in most cases without allowance for additional building density (FAR)—thus promoting: <ul style="list-style-type: none"> more slender buildings that provide greater tower separation and ground-level open space more distinctive and memorable architectural design added amenities to address the impacts of a dense urban environment 	<ul style="list-style-type: none"> LUC 20.25A.060 Dimensional Requirements in Downtown Districts Downtown Tower Requirements (LUC 20.25A.075), including LUC 20.25A.075.A.3 Outdoor Plaza Requirement LUC 20.25A.075.A.2 Diminishing Floor Plate Requirement (Council Resolution Required) LUC 20.25A.075.B Tower Separation LUC 20.25A.180 Building Design (Base, Middle, Top) LUC 20.25A.070 Amenity Incentive System and Floor Area Ratio

C. Commission Observations related to Downtown Livability

Along with our recommendations on the detailed text of the Code amendments, the Commission would like to convey several points for the Council's consideration:

- Importance of affordable housing. As Downtown is the City's fastest growing neighborhood and the focus for much of our future residential growth, we believe that the City should work with the private sector to ensure that some of this housing is affordable at below market rates. The recommended 1.0 FAR exemption is a key mechanism we are recommending to address this need, through a voluntary, market approach.
- Incentive Zoning System. Our transmittal below summarizes some of the complexity of updating the Downtown amenity incentive system. Given this complexity, the Commission would underscore several points: 1) the City should continue to ensure that the incentive system is on solid legal ground; 2) thorough fund accounting should be in place to ensure that any collected fee-in-lieu funds are expended for the intended purpose and in the intended area; and 3) the system should be periodically reviewed at appropriate intervals (every 5-7 years recommended) to ensure it does not once again become out of skew with ever-evolving market economics.
- Incentive to achieve 80-foot tower separation. While the Commission did not include the staff-proposed 80-foot tower separation as a requirement, the Commission believes this is a highly desirable outcome. We would encourage the City to continue exploring approaches to achieving this amount of tower separation through an incentive approach.
- Delivering on skinnier towers if utilizing newly added height allowance. The Commission believes it is important to ensure that buildings utilizing the new height allowance (i.e. height beyond what is allowed under the existing Code) definitely result in more narrow, sculpted building forms. For residential buildings we recommend a 10 percent floor plate reduction for floors above the current height limit (the "trigger height"). For nonresidential buildings we explored a floor plate reduction in the range of 10-25 percent for floors above the trigger height. Ultimately we were not able to resolve a single number within this range, and ask the Council to resolve this issue in your deliberations.
- Downtown Parks and Open Space. Late in our process the Commission received testimony from Chair Heath and boardmember Synn of the Parks and Community Services Board. Their concern was that the open space provisions of the updated Downtown incentive system were not adequate to meet Downtown's need for additional park and open spaces. The Commission's recommendations for privately provided open space via Code requirements and incentives complement what is provided through the City's park system. But we also ask the Council to consider exploring park impact fees. While impact fees are not within the Planning Commission's scope, we believe that upon further study impact fees could be a superior mechanism to some of the open space approaches in our Code recommendations. The Parks Board may have additional input for Council consideration on this matter during your deliberations.
- Need for comprehensive parking study. The Commission had a fair bit of discussion of Downtown parking standards, and heard significant public testimony on various Downtown parking issues. In the end we are recommending fairly minor amendments to existing parking standards, but recognize these standards have not been fully updated in many years. Given the complexity and sensitivity of this topic, as well as the high cost of providing structured parking, we encourage the City to move forward with a comprehensive parking study before undertaking deeper changes to parking standards.

II. BACKGROUND

A. Land Use Code Audits

At the onset of the Downtown Livability Initiative, a series of Land Use Code “Audits” were developed in spring 2013 and published on June 19, 2013. They covered all elements of the existing Downtown Land Use Code (such as design guidelines, height and form, parking, incentive system, etc.). The audits summarized existing code provisions and policies and described results on the ground, then drew observations about where codes and policies are working well and where they could be improved. The audits were conducted by staff and professional consultants, and informed heavily by a series of focus groups that included residents, property owners, businesses, architects and designers, real estate professionals and other interested parties. The purpose of the audits was to ensure that the Land Use Code features that are working well are retained, and to focus changes on items needing improvement or necessary to foster new opportunities. The code audits provided an important foundation for considering potential Downtown Land Use Code changes.

B. Downtown Livability CAC Recommendations

The Council-appointed Downtown Livability Citizen Advisory Committee (CAC) began work on the Downtown Livability Initiative in May 2013 and completed its charge in June 2014. The CAC met a total of 13 times in open meetings. Their Final Report transmitted to Council is dated October 13, 2014 (available under separate cover). The focus of the CAC work was to evaluate and identify Downtown Land Use Code amendments. The CAC report includes a series of recommendations and areas for additional analysis arranged by the following topics:

- Public Open Space;
- Pedestrian Corridor;
- Design Guidelines;
- Amenity Incentive System;
- Station Area Planning;
- Building Height and Form;
- Downtown Parking; and
- Other Topics (such as sidewalk widths, vacant sites and buildings, mechanical equipment screening, recycling and solid waste, range of permitted uses and Downtown food trucks).

The CAC process included many opportunities for public input and participation, including traditional open houses, walking tours, focus group discussions, website review, and participation in CAC meetings (where an opportunity for public comment was provided at each meeting).

C. Overall Planning Commission Process

The Planning Commission has reviewed the Downtown Livability CAC recommendations and developed its recommended LUC Update over the past 24 months (encompassing 27 Commission meetings). Each Planning Commission meeting has included opportunities for public comment. Staff has also conducted multiple open houses, posted materials on the project website, and met with individual stakeholders, established groups and a wide array of other interested parties. The Planning Commission has welcomed all public comment in their process, and it has been important input in developing the recommended LUC Update. Several elements of the Commission process are highlighted below.

1) Early Wins

The Planning Commission began its work shortly after the CAC recommendations were completed. The first action of the Planning Commission on the Downtown LUC Update was to recommend approval of an expedited subset of the CAC recommendations that were referred to as the Downtown Livability “Early Wins.” The Planning Commission recommendations on the Early Wins was forwarded to the City Council in 2015 and adopted by Council in March 2016. The Early Wins included updates to the land use charts, signage requirements for publicly accessible spaces, mechanical equipment location and screening standards, street trees requirements, a redefinition of the Downtown boundary, overhead weather protection requirements, and an extension of the Major Pedestrian Corridor.

2) Update of the Amenity Incentive System

Updating Downtown’s incentive zoning system turned out to be one of the more complex and sensitive elements of the Code update. This is the tool that provides bonus density (measured in FAR, or Floor Area Ratio) and building height in exchange for public amenities. The existing system had not been re-calibrated in over 35 years, and was built on market assumptions that were far out of date. Since this legacy system had become rooted in today’s land values, the challenge was to update it and bring it into line with current market realities without “downzoning” Downtown properties.

In November 2015, a special joint City Council/Planning Commission workshop advanced work on the incentive system update. The Downtown Livability CAC had provided a set of recommendations on this topic, but acknowledged that significant additional analysis and economic modeling would be needed. In January 2016, Council adopted a set of principles as shown in Attachment A.2 to guide the update of the incentive system based on discussion from the joint meeting. The following June, staff received guidance from both the Planning Commission and Council on the specific proposed approach to updating the system.

Subsequently, extensive study by consultant Berk provided a solid grounding in today’s market by developing and testing over 500 prototypical developments of various building types, site sizes, and project sizes across the various Downtown zoning districts. This study resulted in a draft “exchange rate” for the updated amenity system, and was followed by a peer review process conducted by regional experts through the Urban Land Institute. The ULI Final Report is available under separate cover.

While this market analysis was underway, a parallel process continued the work of the Citizen Advisory Committee and cemented the list of desired public amenities, with some variation by Downtown neighborhood, that would be provided through the updated amenity exchange rate. Ultimately the Commission concluded that even with this level of study, some modifications were warranted, in particular to recognize the rather unique conditions for the DT-OLB District at Downtown’s eastern edge.

3) Public Hearing on Draft Land Use Code

On March 8, 2017, the Planning Commission conducted a public hearing on the draft Downtown LUC Update. Notice of Public Hearing and Notice of SEPA Determination of Non-Significance on the Downtown LUCA were published on February 16, 2017 in the City’s Weekly Permit Bulletin, and sent to stakeholders. The public hearing had 27 people provide verbal testimony, some representing themselves and others representing stakeholder groups. There were also

many written comments submitted beforehand, at the hearing, and following the hearing. The Planning Commission spent five subsequent study sessions refining the draft Code Package, the last of which occurred on May 24, 2017.

III. PROPOSAL

A. Subjects Reviewed by the Planning Commission

The proposed regulations are intended to follow the CAC's recommendations to make Downtown more livable. The following topics in this LUCA were addressed by the Planning Commission:

1. Reorganization of the Downtown Code for clarity;
2. Departures;
3. Minor Amendments to the Land Use Charts;
4. Dimensional Charts;
5. Amenity Incentive System;
6. Parking Standards;
7. Street Tree, Landscaping, and Sidewalk Requirements;
8. The Green Factor;
9. Neighborhood Specific Standards; and
10. Design Guidelines.

B. Amendment Description

The recommended Downtown Land Use Code Amendments are included in Attachment A.4. The amendments are organized by code citation.

1. Code Reorganization

The code is reorganized by:

- Land Use District Classification;
- Perimeter Overlays;
- Neighborhoods;
- Right-of-Way Designations; and
- Major Pedestrian Corridor.

a. Land Use District Classification

The land use district classifications are found in LUC 20.25A.010. They remain substantially the same as in the current Land Use Code. However, in LUC 20.25A.060.A.2 some of the districts have been divided into smaller districts. The DT-O-2 has been divided into DT-O-2 North, DT-O-2 East and DT-O-2-South. The DT-MU has been divided into DT-MU and DT-MU Civic Center. The DT-OLB has been divided into DT-OLB North, DT-OLB Central, and DT-OLB South.

b. Perimeter Overlay Districts

The Perimeter Overlay Districts in LUC 20.25A.060.A.3 replace some of the Design Districts in the current code. Those on the Downtown Perimeter are A-1, A-2, and A-3. The next layer in toward the center of Downtown is the Perimeter Overlay Districts B-1, B-2 and B-3. The Perimeter Overlay Districts provide a buffer between less intense uses and more intensively developed properties Downtown. If there is an overlay on a parcel, the underlying zoning still

applies, however, the Perimeter Overlay may impose dimensional requirements that differ from the underlying land use district.

c. Neighborhoods

Neighborhoods provide a key organizing principle to implement the Great Place Strategy of the Downtown Subarea Plan. The amenity incentive system bonus ratios values are set by neighborhood. The neighborhood map can be found at LUC 20.25A.070.D.1 in Attachment A.4. The neighborhoods are: Northwest Village, City Center North, Ashwood, Eastside Center, Old Bellevue, City Center South, and East Main.

d. Right-of-Way Designations

The right-of-way designations help organize design guidelines by street type. They represent a desired future condition rather than what currently exists. The designations create a hierarchy of rights-of-way reflecting levels of pedestrian activity. The right-of-way designation map can be found in LUC 20.25A.170.B in Attachment A.4. The right-of-way designations are: Pedestrian Corridor / High Streets, Commercial Streets, Mixed Streets, Neighborhood Streets, and Perimeter Streets.

e. Major Pedestrian Corridor

The Code continues to recognize an alignment which is generally for exclusive pedestrian use, providing a reasonably direct and interesting route on NE 6th Street; it is extended eastward to the east side of 112th Avenue NE consistent with the Grand Connection project.

2. Definitions LUC 20.25A.020

Several Downtown-specific definitions are of special note for this update.

DT “Active Uses.” This encompasses retail and service uses that activate the pedestrian environment. In the current code, a developer can obtain up to 1.0 FAR exemption for retail uses on the ground floor and up to 0.5 FAR exemption for retail uses on an upper level floor. Active uses are intended to replace retail for these exemptions and acknowledge that there are a range of uses beyond retail that contribute to a vibrant pedestrian experience (e.g. high traffic financial institutions).

DT-Small Site. A lot equal to or less than 40,000 square feet on the date of adoption of this ordinance. There are several exceptions throughout the code based on small sites. The date of adoption requirement is included to avoid a circumstance where property is divided just to avoid compliance with this code.

DT-Tower. Many of the dimensions in the Dimensional Table of LUC 20.25A.060.A.4 are based on whether a building is a “tower.” A tower is defined as a building in Downtown that is 100 feet tall or greater, and the recommended height was included to ensure compatibility with the International Building Code.

3. Review Required LUC 20.25A.030

One objective of the Downtown Livability update was to increase flexibility, where this encourages creativity and more diverse design approaches. To that end, LUC 20.25A.030 provides expanded administrative departures and Council departures for certain provisions of

the Land Use Code. In addition, the Amenity Incentive System provides a Flexible Amenity for those public benefits that have merit but were not contemplated by the Code.

LUC 20.25A.030.D has two new processes: one for administrative departures and one for Council-approved departures. Administrative departures would be made by the Director, while departures requiring a Development Agreement would be made by the City Council based on analysis prepared by the Director for Council consideration. A number of modest administrative departures are provided throughout various sections of LUC 20.25A.

Departures through a Development Agreement may be granted by the City Council to:

- Modify the amenity system to include a new flexible amenity;
- Approve the final design of a pedestrian bridge;
- Approve Pedestrian Corridor Development Plans that depart from the guidelines; and
- Approve Major Public Open Space Development Plans that depart from the guidelines.

In the draft LUC Update, Development Agreements are considered to be an exception, and not the rule. As a result, departures granted by the City Council are likely to be uncommon.

Also, as required by current code, all Downtown projects must undergo Design Review. Phased projects and projects with multiple buildings must obtain a Master Development Plan. Design Reviews and Master Development Plans may be merged with Variances and Administrative Conditional Use Permits as a single Process II administrative decision. This regulatory streamlining approach is based on the regulatory framework created for BelRed and improved based on staff experience administering that code over the last eight years.

4. Nonconforming Uses, Structures and Sites, LUC 20.25A.040

The nonconforming provisions were moved from their current location in LUC section 20.25A.025 and reconciled with other sections of the draft Code to ensure consistency. The amendments include requiring an Administrative Conditional Use Permit rather than a Conditional Use Permit for a nonconforming use expansion. The Administrative Conditional Use process can be better merged with Design Review and Master Development Plan approvals to create clarity for the public and a predictable process for the applicant. Another amendment allows destroyed nonconforming structures to be rebuilt consistent with the nonconformity that existed prior to destruction. Currently, structures destroyed by more than 75 percent of their replacement value would be required to be brought into compliance with the currently applicable code. This amendment would align the Downtown code with more recently adopted nonconforming provisions applicable in BelRed and the Shoreline Overlay.

5. Land Use Charts, LUC 20.25A.050

The Land Use Charts were updated as part of the Early Wins in March 2016. There are two updates included in this section of the draft code. Note (2) in the Residential Chart was updated to allow Congregate Care Senior Housing to have up to 40 percent in ancillary uses such as nursing homes or assisted living. In addition, Transient Lodging Uses (which would include an emergency shelter) were also separated out from Hotel and Motel uses, and a Conditional Use Permit would be required to establish a Transient Lodging use in Downtown. Other minor changes were made such as adding doggie day care and pet grooming to boarding and commercial kennels as subordinate uses to veterinary clinics and animal hospitals.

6. Dimensional Charts, LUC 20.25A.060

The Dimensional Chart is the subject of several draft code amendments. These draft amendments include increases to floor plates, building height, and floor area ratio. Some of these “increases” are simply reflecting what is already permissible under various provisions of the existing Code and reflect what is already standard practice; others are new allowances.

In the former category, listed floor plates have been increased by 10 percent in many instances to reflect the departure provisions in the current code. Currently, in most zones an applicant can increase the height of a building by the larger of 15 feet or 15 percent, or the larger of 10 feet or 10 percent. These common “exceptions” have now been included in the maximum height column in the draft LUC. Similarly, a 20 foot allowance for mechanical equipment has been included in the maximum height column (the typical allowance per existing Code is 15 feet). We have included these exceptions in the maximum height so that the maximum attainable building height is clear and transparent to the public.

In addition to Code edits made to more clearly list currently allowed “exceptions”, building height increases are included for most Downtown districts: DT-O1, DT-O2 (North, East and South), DT-MU, DT-MU Civic Center, DT-OLB (Central and South) and Perimeter Overlays A-2 (for residential), A-3 (residential and nonresidential), B-2 (residential) and B-3 (residential). Note that there are new requirements and incentive zoning provisions included with these increases that are addressed below.

The base and maximum FARs have also been reviewed in every district. The base FARs were informed by the Berk analysis and the ULI Panel review. The Berk analysis set the Base FAR at 85 percent of the current maximum; upon completion of our review, the Commission recommends the Base FAR at 90 percent of the new maximum FAR. The maximum FAR is recommended to be increased in only a few cases: DT-MU (nonresidential uses only), DT-MU Civic Center (residential and nonresidential), DT-OLB (Central and South for residential and nonresidential) and Perimeter Overlay A-3 (for residential).

A minimum tower setback of 20 feet for elevations above 80 feet is required for buildings over 100 feet in height. This tower setback allows for light, air and privacy for the people in and around the towers. In addition, multiple towers on the same site must be separated by at least 60 feet for the same reason.

New provisions have been added pertaining only to buildings using newly allowed height; i.e. exceeding current maximum heights. If a building exceeds the “trigger height” (in most cases the maximum allowed under current zoning), then it must include 10 percent outdoor plaza space and 10-25 percent reduced floor plates above the trigger height. These provisions ensure that buildings using newly added height follow through on the expectation that they provide additional open space and more slender tower forms. In two districts, the OLB Central and the OLB South, the disparity between the current maximum height (trigger height) and the new maximum height was so great that we raised the trigger height to address the disparity. The trigger height in those districts was raised from 90 feet to 115 feet for nonresidential buildings and from 105 feet to 230 feet for residential buildings.

There are exceptions to the dimensional chart, such as connecting floor plates for structures that do not exceed 70 feet in height, unlimited floor plates for Performing Arts Centers up to 100 feet in height, and allowed intrusions into setbacks, stepbacks, and over sidewalks.

7. Amenity Incentive System and Floor Area Ratio/Building Height, LUC 20.25A.070

As described above, the structure and approach to update the incentive system stemmed from the Downtown CAC recommendations and guidance provided by the Council Principles. Details were grounded in the consultant economic analysis and ULI Technical Assistance Panel, as further modified by the Commission's review. The Berk Economic Analysis and ULI Technical Assistance Panel Findings & Recommendations were previously provided to Council.

- a. **Recommended new base FARs and base heights.** Within the density and dimensional chart, LUC 20.25A.060.A.4, the recommended new base FAR and base building height for each land use district and perimeter overlay are shown. The ULI Panel reviewed the Berk economic analysis and concluded that the base FARs and base heights were appropriately adjusted upward to maintain existing property values. A key principle is to ensure that modifications to the incentive system do not effectively result in a downzoning of land.
 - i. **New base FARs.** Consistent with Council Principles, to account for new code requirements and the deletion of amenities that are no longer real incentives, new base FARs are proposed as follows.
 - a. New increased base (as-of-right) FAR set at 90 percent of the new maximum FAR for each district or perimeter overlay.
 - ii. **New base heights.** The new base (as-of-right) building heights are raised to the existing maximum building heights for each district or perimeter overlay to ensure the new base FAR can be utilized. The one exception is the DT-OLB District, where the new base height is recommended to be the same base height as the DT-MU District.
- b. **Specific Elements of the Amenity Incentive System**
 - i. **Calculation of amenity points, value of additional height.** The incentive system includes guidance on how to determine the required amenity incentive points for each new building based on a development's exceedance of the base (as-of-right) FAR and/or base building height.
 - ii. **List of bonusable amenities.** The proposed amenity incentive system includes a list of 18 bonusable amenities. Each amenity includes specific design criteria and bonus rates by Downtown Neighborhood. The Downtown Neighborhood boundaries are used to help to promote neighborhood identity through tailoring the type of bonusable amenities and bonus ratios. Amenity #18 is the Flexible Amenity where a developer may propose an amenity not on the formal list that will substantially increase livability and result in public benefit equal to or exceeding what would otherwise be provided by amenities on the standard list.
 - iii. **Bonus ratios.** A key part of the Berk economic analysis and ULI Panel review was determining an appropriate FAR exchange rate. The ULI Panel concluded that the proposed FAR exchange rate of \$25 per square foot seemed reasonable. Unit costs were translated into bonus FAR based on the \$25 exchange rate.
 - iv. **Allocation of amenities.** The amenity incentive system focuses on public open space because of its importance to livability in a densifying urban environment.

Thus 75 percent or more of a project's amenity need must utilize one or more of the following open space amenities: Major Pedestrian Corridor and Major Public Open Space, Outdoor Plaza, Donation of Park Property, Improvement of Public Park Property, Enhanced Streetscape, Active Recreation Area, Enclosed Plaza or Alleys with Addresses. Up to 25 percent of a project's amenity need may utilize any other amenity on the list or provide additional public open space. Small sites of 40,000 square feet or less are not required to meet these percentages. These percentages are consistent with the proposed approach reviewed with the Planning Commission and Council in June 2016 to emphasize the creation of open space.

- v. **In-lieu fees.** The amenity incentive system includes a new option for in-lieu fees to be paid as an alternative to on-site development of amenities. The collected fees will be used for public open space improvements by the City consistent with the urban design vision for Downtown Bellevue. In-lieu fees may be used for up to 50 percent of a project's required amenity points; each point is valued at \$28.00.
- vi. **Periodic review.** Consistent with the Council Principles and ULI Panel recommendations, the Amenity Incentive System will be periodically reviewed every 5-7 years upon initiation by City Council, with an annual performance report compiled by staff.
- c. **Affordable Housing.** Separate from the Amenity Incentive System, the proposal includes a 1.0 FAR exemption for affordable housing, as discussed with the Planning Commission and Council in June 2016. The Code section for the 1.0 FAR exemption for affordable housing is currently reserved for additional work by Council.

8. Downtown Tower Requirements, LUC 20.25A.075

As described above, the Dimensional Chart in draft LUC section 20.25A.060 provides a "trigger height" that is equivalent to the base height described above. If an applicant builds above this height, then outdoor ground level plaza space, and reduced floor plates above the trigger height, must be provided. Flexibility is also provided to deviate from the strict application of these requirements. This draft LUC Update section also provides a departure process from the 60-foot tower separation, in cases where the tower orientation does not affect the light, air or privacy of the occupants in either building. Upper level stepbacks of 15 feet and 20 feet for the perimeter and Downtown Core, respectively, are included in this draft LUC Update section, together with provisions that allow for departures from the setback requirements.

9. Parking Standards, LUC 20.25A.080

The parking standards were moved from their current location in LUC section 20.25A.050 and reorganized. A shared parking provision that allows up to a 20 percent reduction of required parking, has long been allowed under the existing Code, but now requires support by a parking demand analysis performed by an independent traffic engineer. The draft LUC Update section related to parking also adds visitor parking requirements for residential buildings at a rate of one stall per 20 units in response to requests made during the CAC process. Parking structure entry requirements are also increased from 7.5 feet to 8 feet in order to accommodate updated accessible van parking standards required by the Americans with Disabilities Act, which is administered through the building code. Director's authority to reduce or increase parking ratios is recommended to remain unchanged until a comprehensive parking study is completed.

10. Street and Pedestrian Circulation Standards, LUC 20.25A.090

The Street and Pedestrian Circulation Standards were moved from their current location in LUC sections 20.25A.060 and 20.25A.090.E, consolidated in a single section of the draft LUC update, and updated. The Planter Strips and Tree Pits provisions were adopted as part of the Early Wins in March 2016. The Major Pedestrian Corridor, Major Public Open Space and Minor Publicly Accessible Space provisions currently included in LUC 20.25A.090.E were conformed to other sections of the draft LUC update to ensure citation consistency. Additional work in this area was not pursued by the Planning Commission, because this section of the Land Use Code will be updated again, as necessary, to include outcomes of the Wilburton-Grand Connection Planning Initiative. Minor Publicly Accessible Spaces are required in developments that do not participate in the Amenity Incentive system and are located in the Downtown Core.

11. Pedestrian Bridges, LUC 20.25A.100

The Pedestrian Bridge requirements were moved from their current location in LUC section 20.25A.130 and updated. The substantive provisions remain the same. The procedural provisions of the draft LUC Update section require use of the Development Agreement process described in draft LUC section 20.25A.030.D.2 to obtain Council approval of the design that is required for all pedestrian bridges.

12. Landscape Development, LUC 20.25A.110

Landscape development encompasses street trees and landscaping, on-site landscaping, and linear buffers. New street tree and landscaping requirements were adopted as a part of the Early Wins in March 2016. This draft LUC Update package include additional flexibility to allow for tree species substitution. Linear buffers refer to the 20-foot vegetative buffers required around most of the perimeter of Downtown. Linear buffers have been excluded from Perimeter Overlay A-3 because of its proximity to Tunnel Portal Park, and shall be measured from the back of curb in the Perimeter Overlay A-2. In addition, provisions governing these buffers have been amended in the draft LUC Update to allow adjacent owners to use more of the buffer for private recreation and residential entries.

13. The Green and Sustainability Factor, LUC 20.25A.120

The new Green and Sustainability Factor in draft LUC section 20.25A.120 is modeled after Seattle's Green Factor. The draft LUC Update includes a score-based system that would require applicants to choose from a suite of landscaping and sustainability elements to install or preserve on site. Some of the elements include bio retention facilities, structural soil systems, tree installation, green walls and roofs, rainwater harvesting, and bicycle racks. The Green and Sustainability Factor helps to reinforce the "City in a Park" character, improve walkability of Downtown and mitigate impacts commonly associated with dense urban environment.

14. Mechanical Equipment Screening, LUC 20.25A.130

The mechanical equipment screening and location standards were part of the Early Wins package adopted by the City Council in March 2016. The Early Wins requirements were moved from their current location in LUC section 20.25A.045 to draft LUC Update section 20.25A.130.

15. Downtown Neighborhood-Specific Standards, 20.25A.135

The Downtown Neighborhood-Specific Standards were moved from their current location in LUC sections 20.25A.065 and 20.25A.070, and were updated to conform to the draft LUC Update. These standards carry forward neighborhood-specific provisions in the existing Code

for two specific neighborhoods (Civic Center District and the Old Bellevue District), and will help retain the unique character envisioned for these areas.

16. Design Guidelines, LUC 20.25A.140-20.25A.180

The Design Guidelines Building/Sidewalk Relationships in the current LUC were refined and rewritten for clarity. The draft LUC Update is written with the recognition that pedestrian friendly streetscapes make Downtown more livable and attract people to the area. Following are some major topics within the Design Guidelines contained in draft LUC Update sections 20.25A.140 through 20.25A.180.

- a. Site Organization, LUC 20.25A.160.B.2 – The draft site organization design guidelines encourage applicants to consider the context when considering building placement. This would include factors such as the effect of the building's placement on sunlight and air to the sidewalk, open spaces and other buildings. Other building considerations include the location of passenger loading areas, porte-cochère, and how these features interact with pedestrian and automobile traffic on and off the site.
- b. Through Block Connections, LUC 20.25A.160.D – The draft through-block connection design guidelines provide a finer grained street grid for pedestrians and bicyclists given Downtown's large superblocks. The draft design guidelines provide requirements such as public accessibility, transparency, signage, and weather protection to make these connections more pedestrian friendly.
- c. Open Space, LUC 20.25A.160.E – The draft open space design guidelines are similar to the current design guidelines. These draft guidelines provide that open spaces should be available year round, accessible and visible from the sidewalk, have protection from inclement weather, access to sun, and that the edges should be animated.
- d. Streetscapes, 20.25A.170.A – The draft design guidelines for streetscapes require transparency, weather protection, active uses, strong visual and physical connections to the sidewalk, places for stopping and viewing with street furniture and landscaping, art, and pedestrian-scaled lighting and signs.
- e. Right-of-Way Designations LUC 20.25A.170.B – The draft right-of-way designations update those included in the existing Building/Sidewalk Design Guidelines. Each draft right-of-way designation has standards and guidelines that are proportional to the envisioned pedestrian activity. They include standards and guidelines for weather protection, transparency, points of interest, vehicular parking between the sidewalk and main pedestrian entrance and the percentage of street wall that must incorporate active uses. "Active uses" replace the more restrictive "retail uses" of the current LUC code, and would allow ground floor and second floor spaces to be used for a wider range of tenants (such as doggie day cares and high traffic financial institutions) that continue to provide interest to the pedestrian realm.
- f. Building Design, LUC 20.25.180 – The draft building design guidelines are reorganized to address the tripartite design of most buildings. There are specific draft design guidelines for the base, middle and top of buildings. The design guidelines also encourage high quality design and design materials, articulation in façades, variation in materials, transparency on the ground floor, attractive building silhouettes, rooflines and rooftops.

IV. STATE ENVIRONMENTAL POLICY ACT

The Environmental Coordinator for the City of Bellevue has determined that this proposal will not result in any probable, significant, adverse environmental impacts. A Determination of Non-Significance (DNS) was issued February 16, 2016.

V. PUBLIC NOTICE, PARTICIPATION, COMMENT, AND RESPONSE

Notice of the SEPA action regarding this Land Use Code Amendment was published in the Weekly Permit Bulletin on November 12, 2015. Notice of the Public Hearing and the SEPA Determination of Non-Significance for this Land Use Code Amendment was published on February 16, 2017. The public hearing was held before the Planning Commission on March 8, 2017.

Pursuant to the Washington State Growth Management Act, state agencies must be given 60 days to review and comment on proposed amendments to the Land Use Code. A copy of the proposed amendments was provided to state agencies on May 8, 2017. Council may take final action 60 days after May 8, 2017, which is July 7, 2017.

The Planning Commission held a final study session on May 24, 2017 to consider the comments received at the public meeting, and recommended unanimously that the Council adopt the amendments contained in the Downtown Livability Land Use Code Amendment package provided as Attachment A.4.

VI. APPLICABLE DECISION CRITERIA – LAND USE CODE PART 20.30J

LUC 20.30J.135 provides the decision criteria for amendments to the text of the Land Use Code:

- A. The amendment is consistent with the Comprehensive Plan;
- B. The amendment enhances the public health, safety or welfare; and
- C. The amendment is not contrary to the best interest of the citizens and property owners of the City of Bellevue.

The Planning Commission finds that the recommended Downtown Livability Land Use Code Amendments comply with the requirements for code amendment as provide in the Land Use Code. Refer to the Staff Report included as Attachment B for the code consistency analysis that we relied upon.

VII. RECOMMENDATION

The Planning Commission recommends that the City Council APPROVE the proposed Downtown Livability Code Amendments as set forth in Attachment A.4.

ATTACHMENTS

- A.1 Council Principles for Downtown Livability Initiative
- A.2 Council Principles for Updating Downtown Incentive Zoning
- A.3 Recommended Downtown Land Use Districts and Perimeter Overlays Map
- A.4 Recommended Downtown Livability Land Use Code Amendment, Part 20.25A