

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

July 8, 2019
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson, and Councilmembers Lee, Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:10 p.m., with Mayor Chelminiak presiding. There was no Executive Session.

Mayor Chelminiak noted that a reception was held immediately before the meeting to recognize incoming and outgoing Board and Commission members.

2. Approval of Agenda

→ Deputy Mayor Robinson moved to approve the agenda, and Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 7-0.

Mayor Chelminiak welcomed a group of scouts in the audience.

3. Oral Communications

- (a) Will Knedlik expressed concern regarding planning for the Main Street corridor. He said he wanted to ensure that the City is aware that: 1) it applied for and received more than \$250,000 in 18th Amendment funds, guaranteed exclusively for highway purposes, for Main Street in the 1960s, and, 2) it signed a contract to fulfill the state constitutional duties, according to information from the Transportation Improvement Board. He said he did not know whether the City may convert any portion of Main Street to bicycle use or

to any other non-highway purpose. He urged the City to research the implications of the 1960s grant and agreement. He said the contract would require the City to reimburse approximately \$2 million to the state constitutional trust.

- (b) Bill Thurston said the East Main Station Area Plan was approved by the City Council in December 2017. He said the Bellevue Club cannot function if its site is divided into blocks or becomes a throughway to other properties in the transit-oriented development (TOD) area. Mr. Thurston expressed support for the East Main Station Area Plan as recommended by the Planning Commission. He urged the City to move forward to facilitate redevelopment in anticipation of future light rail service. Mr. Thurston submitted his comments in writing.
- (c) Leysha Wig, representing Wig Properties, thanked staff and the Council for getting the agenda materials regarding the East Main Station TOD out early for this meeting. She said that Wig Properties refined and narrowed its previous comments after meeting with staff the previous week. She said the company agrees with 18 of the City's 22 proposed principles. She encouraged a flexible approach to FAR (floor-area ratio) and building height requirements. She asked the Council to support a recommendation of the Citizen Advisory Committee (CAC) to add language to ensure that the base FAR is high enough to encourage a vibrant, placemaking development. She encouraged an economic analysis to determine the amenity system for the East Main area and to facilitate affordable housing.
- (d) Jack McCullough, representing Wig Properties, expressed support for the City Council processing the East Main TOD Land Use Code Amendment (LUCA) instead of forwarding the matter to the Planning Commission.

4. Study Session Items

(a) Council Business and New Initiatives

(1) Motion to Excuse Councilmember from July 15 Meeting

→ Deputy Mayor Robinson moved to excuse Councilmember Nieuwenhuis from the July 15, 2019 Council meeting. Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

(2) Council Liaison Recommendation for Appointment to Planning Commission

Mayor Chelminiak recommended Carolyn Ferris for appointment to the Planning Commission.

→ Deputy Mayor Robinson moved to appoint Carolyn Ferris to the Planning Commission, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

(b) East Main Transit-Oriented Development (TOD) Guiding Principles

City Manager Brad Miyake introduced discussion regarding the East Main transit-oriented development (TOD) guiding principles. He said staff is seeking Council direction regarding the principles and the code amendment process.

Mac Cummins, Director of the Community Development Department, said the guiding principles will be used to develop the Land Use Code Amendment (LUCA) for the East Main TOD area. He recalled that the East Main Station Area Plan Citizen Advisory Committee met from 2014 through 2016 to develop recommendations for the Council's consideration. The Council initiated work on policy and code amendments in December 2017. Following a series of City Council and Planning Commission study sessions, as well as a public hearing before the Planning Commission, the Council adopted the related Comprehensive Plan Amendment (CPA) on May 20, 2019.

Mr. Cummins said the East Main TOD area extends from Main Street to SE 8th Street and between 112th Avenue and I-405. He recalled the Council's vision to create a unique neighborhood apart from the Downtown with mixed uses and a priority on alternative modes of transportation including transit, walking, and cycling. He noted that policies supporting those goals are included in the Comprehensive Plan, and the Land Use Code Amendment (LUCA) will implement the policies through specific development requirements. The LUCA is applied to a specific project through the development review and permitting process.

Mike Brennan, Director of the Development Services Department (DSD), said staff is seeking Council approval of the consolidated guiding principles combining the Council's initial principles adopted in 2017, the Citizen Advisory Committee's principles, and the supplemental principles to be discussed this evening. The supplemental principles relate specifically to the LUCA and are informed by the East Main Comprehensive Plan Amendment (CPA), 2018 stakeholder discussions, and the overall Land Use Code.

The proposed supplemental principles are organized into five categories: 1) urban design, 2) mobility, 3) regulatory framework, 4) housing, and 5) incentive system. The principles encourage an active pedestrian environment with a network of streets and paths, multimodal transportation options, flexible parking standards, housing, retail services, and offices. The regulatory framework is intended to provide transparency, flexibility, and predictability, as well as the option for establishing a development agreement. Mr. Brennan noted the objective to design an incentive system that reflects the East Main neighborhood identity and that balances a private return on investment with public benefits.

Mr. Brennan described the two alternatives for the LUCA process. He said staff is seeking Council direction about whether the Planning Commission or the City Council should handle the development of the LUCA. He noted that both processes follow the same steps. He requested Council approval of the East Main TOD consolidated guiding principles.

Councilmember Robertson thanked staff for their work and for getting the related documents out early to the public. She expressed support for the proposed guiding principles and the revisions suggested by Wig Properties.

Responding to Mayor Chelminiak, Mr. Cummins said an economic analysis will be conducted to compare different base FARs to determine the level needed to incentivize the creation of affordable housing and public amenities. He said the CAC's recommendations regarding FAR and building heights are intended to be the maximum incentive levels.

Councilmember Robertson said she wants to ensure that the incentives achieve the best public benefit and desired development. She spoke in favor of keeping the process with the Council in order to expedite the adoption of the LUCA. She said it will be better for the neighborhood if redevelopment can occur while light rail is still under construction, in order to reduce extended construction impacts.

Councilmember Lee thanked staff for their good work and expressed a preference for keeping the process with the Council in order to expedite the drafting of the LUCA.

Councilmember Nieuwenhuis thanked staff and the property owners for their work on this issue. Responding to Mr. Nieuwenhuis, Mr. Brennan said a significant amount of detailed work is needed going forward. Mr. Nieuwenhuis noted a preference for keeping the process with the Council to move forward as quickly as possible. He concurred with the four principles proposed by Wig Properties.

Councilmember Zahn thanked staff for the thorough work and acknowledged the importance of expediting the process to coordinate development with light rail construction. Responding to Ms. Zahn, Mr. Cummins said the next step following the adoption of the guiding principles is to conduct the economic analysis, which will inform the decision regarding the base FAR. The minimum, base, and maximum FARs are established when the Council adopts the LUCA. In further response to Ms. Zahn, Mr. Brennan said the landowners will be actively involved in discussions.

Ms. Zahn asked staff to comment on the concerns expressed by the representative of the Bellevue Club. Mr. Brennan said there is no guiding principle that specifically addresses a future road through that property. He said the guiding principles reference multimodal transportation and a network of streets and paths consistent with City street standards that connect to the broader circulation system, while considering the long-term plans for 114th Avenue. He said the City's development review evaluates the scale of the development and the connectivity requirements to meet mobility needs. That information is used to determine the road network. In further response, Mr. Brennan said the City would not propose a road through the Bellevue Club property unless it was necessary as part of the redevelopment of the property.

Councilmember Stokes expressed support for moving forward. He said the redevelopment of the East Main area supports the use of light rail and alternative transportation modes, and provides benefits for both the public and the developers. He said he did not oppose the revisions suggested by Wig Properties. He said the creation of affordable housing is a high priority for the City.

Councilmember Stokes said light rail will begin operating in 2023, and it would be great to have the redevelopment well underway by that time. He suggested keeping the LUCA process with the Council.

Deputy Mayor Robinson said that her vision for the area is affordable housing, a safe north-south bike path, good architecture, and increased building heights on the I-405 side of the properties. She questioned whether there is a consensus regarding the identity of the East Main neighborhood. She hopes that transit use will minimize vehicle traffic in the redevelopment area. Noting the Bellevue Club's concern regarding a potential road through its property, Ms. Robinson said she would like to see language that would allow a road in the future if warranted by traffic volumes. She expressed support for the revisions suggested by Wig Properties. She asked whether the Council process would be faster than involving the Planning Commission in the review. Mayor Chelminiak, liaison to the commission, said he would comment on a number of issues related to which body handles the process.

Councilmember Lee expressed support for the revisions suggested by Wig Properties.

Mayor Chelminiak recalled that, in 2006, the City identified the goal of upzoning two areas of the community to attract light rail service. He noted the importance of setting a FAR that will result in affordable housing. He questioned the City's definition of TOD relative to FAR and building heights. Responding to Mr. Chelminiak, Mr. Cummins said that FAR and height are not the only input factors. The creation of a TOD is primarily about walkability and creating urban street frontages that complement transit use.

In further response to Mr. Chelminiak, Mr. Brennan said that when the initial Downtown incentive system was established in the 1980s, there was an incentive to create underground parking in exchange for more favorable FAR limits. Mr. Chelminiak noted a concern regarding the water table on a portion of the East Main TOD area. Mr. Brennan confirmed that the water table limits the development and types of parking structures.

Mr. Chelminiak asked staff to comment on the following language in the guiding principles: "Consider a flexible approach to FAR and height consistent with the overall vision for East Main." Mr. Cummins said staff recently met with representatives of Wig Properties. He acknowledged that the meaning of the statement is unclear in terms of how the FAR incentive would work. For example, does it mean that a developer could buy unused FAR from SE 8th Street and apply it to development along 112th Avenue?

Mayor Chelminiak thanked staff and Wig Properties for their collaboration. He said he does not see keeping the process with the City Council as necessarily the fastest way to create the LUCA. He recalled previous discussion about bringing the Wilburton planning discussion to the Council this fall to develop guiding principles for the Planning Commission. He noted additional upcoming topics for the Council including the potential appeal of a power line application, temporary encampments, and the City budget. He opined that if the Council handles the LUCA process, the Wilburton planning discussions will likely be deferred until next year. He believes that a focused review by the Planning Commission would be feasible and preferable to him.

Deputy Mayor Robinson questioned whether the Wilburton planning process will be informed by the completion of the East Main TOD LUCA. Mr. Cummins said the first step for the Wilburton process will be to establish the related Comprehensive Plan Amendment (CPA). Given that the Comprehensive Plan may be updated only once per year, Mr. Cummins said the CPA should be initiated this year in order to move the Wilburton process next year. Deputy Mayor Robinson said it is important that the incentive system results in the desired affordable housing.

Responding to Mayor Chelminiak, Mr. Cummins confirmed that the economic analysis is based on current zoning. He said the property is currently limited to a 0.5 FAR. Staff believes there is sufficient development demand to redevelop the area at higher FAR limits.

Councilmember Stokes said he believed that referring the LUCA process to the Planning Commission will not complete the work in a timely manner. He said there has been considerable study and discussion related to the East Main TOD area, and he would like to move forward. He opined that the process will be quicker with a better outcome if staff and the Council work together to expedite the LUCA process.

Councilmember Lee said this is an unusual situation in which the developer is involved in crafting the LUCA. He expressed support for moving forward expeditiously and noted that he does not want to defer the Wilburton planning work.

Councilmember Robertson said she heard broad support for revising the guiding principles in response to the suggestions from Wig Properties and for keeping the LUCA process with the Council. Responding to Ms. Robertson, Mr. Cummins said the economic analysis will take 90-120 days. Ms. Robertson questioned whether it is possible during that time period to receive the Wilburton CAC report and to develop guiding principles for the Planning Commission's review. Mr. Cummins noted the challenge of current staffing vacancies.

Responding to Ms. Robertson, Mr. Cummins confirmed that a consultant will be hired to conduct the economic analysis. Ms. Robertson said she would like to be able to send the Wilburton planning effort to the Planning Commission while staff works on the East Main TOD area LUCA.

Councilmember Zahn concurred with the suggestion regarding the Wilburton work. She noted additional work program items including the BelRed Plan review and neighborhood subarea planning. She agreed with the Mayor that a faster process is not always the best. However, she said the Council is very knowledgeable about the issues and she favors keeping the LUCA process with the Council.

Ms. Zahn said it feels like the City is trying to anticipate the outcome of the economic analysis. She said the appropriate FAR limits will depend on the economic analysis. She referenced the revisions suggested by Wig Properties and questioned whether the City is committing to principles that might be better informed by the economic analysis.

Mr. Cummins said the economic analysis is somewhat related to the revisions but is not the only factor. He said Bellevue is such a desirable place that there has historically been a higher demand

than the City has been able to provide. He recalled that the Council decided to cap the FAR for the Eastgate/I-90 corridor, despite the market demand to develop the area, based on impacts related to infrastructure, transportation, and the City's vision for the appropriate level of growth. Mr. Cummins said that staff and the Council will discuss the appropriate FAR limits for the East Main TOD area.

Responding to Councilmember Nieuwenhuis, Mr. Brennan said there are a number of code elements to be discussed with the Council including the design guidelines, building envelope requirements, maximum floor plate size, and other factors. A public hearing will be held as well. Mr. Brennan estimated seven to 10 discussions with the Council throughout the LUCA process. He said the process would be more extensive with the Planning Commission, largely to provide the background and history of the planning effort before moving forward.

Deputy Mayor Robinson said it is important to define the East Main neighborhood identity. Mr. Brennan said the identity for the area is based on the earlier guiding principles and the CAC's work. She asked whether that aspect of the work could be reviewed and updated by the Planning Commission in order to ensure a shared vision with the City Council. Responding to Ms. Robinson, Mr. Brennan said the most recent document is the Comprehensive Plan, which describes the vision for the East Main TOD area. The vision calls for increased density around the light rail station, multimodal transportation options, commercial development, and affordable housing. Ms. Robinson asked staff to draft a written description of the East Main neighborhood identity to guide further discussions.

Mayor Chelminiak said he heard a consensus to keep the LUCA process with the Council. He proposed two revisions, with the first to add a reference to a tiered amenity system. He expressed concern that the words "consistent with the overall vision for East Main" are not included in the language proposed by Wig Properties, which he believes means that the maximum FAR will be interpreted as the minimum FAR. He is willing to consider building heights and FARs that go beyond what was previously recommended. However, he is not sure whether the growth can be realized given the constraints on the property. He wants the incentive system to be consistent with the CAC's vision for the East Main area.

- Councilmember Robertson moved to adopt the East Main TOD Consolidated Guiding Principles, with the four revisions proposed by Wig Properties related to UD-7, IS-2, IS-4, and IS-6; including an amendment to IS-4 to add the following to the end of the second sentence: "...by using a tiered amenity system," and an amendment to IS-6 to add the following at the end of that section: "...consistent with the overall vision for the East Main area." Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.
- Councilmember Robertson moved to keep the East Main LUCA process with the Council and noted the finding of a necessity in order for the process to keep pace with pending light rail operation. Councilmember Stokes seconded the motion.

Mayor Chelminiak said he will not support the motion. He believes that the matter should be referred to the Planning Commission given the City Council's workload.

→ The motion carried by a vote of 6-1, with Mayor Chelminiak dissenting.

5. Council Discussion of Upcoming Items

Mayor Chelminiak noted the Council's interest in taking a position on the King County Parks Levy, which will involve providing an opportunity for public comment regarding the levy. At this point, there is no identified opposition. Mr. Chelminiak said the item would be on the following week's meeting agenda.

→ Deputy Mayor Robinson moved that at its July 15, 2019 Regular Session, the Council vote on a resolution to take a position on King County Proposition 1 on the primary election ballot, Parks, Recreation, Trails and Open Space replacement levy, and to allow 10 minutes each for the campaign supporting and opposing the ballot measure to provide testimony, and to allow individuals 15 minutes per side to speak in favor of and opposition to the ballot measure, with each speaker limited to a maximum of three minutes. Councilmember Stokes seconded the motion.

Councilmember Lee said he welcomes public comment regarding the ballot measure. However, this is a King County levy and he does not support the City Council taking a position. He feels it is not necessary.

Councilmember Robertson expressed support for the motion. However, she noted that she was under the impression that there was unanimous support, and she is reticent to take a position without a clear consensus. She apologized to Councilmember Lee that she would not have supported moving this forward if she had known about his lack of support.

→ The motion carried by a vote of 6-1, with Councilmember Lee dissenting.

6. Continued Oral Communications: None.

At 8:25 p.m., Mayor Chelminiak declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

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