

CITY COUNCIL STUDY SESSION

Land Use Code Amendment (LUCA) for the East Main Station Area, File No. 17-125852-AD.

Mike Brennan, Director, 452-4113
Trisna Tanus, Consulting Attorney, 452-2970
Nick Whipple, Planning Manager, 452-4578
Development Services

Mac Cummins, Director, 452-6191
Emil King, Assistant Director, 452-7223
Community Development

DIRECTION NEEDED FROM COUNCIL

DIRECTION

Tonight is the sixth in a series of study sessions for Council to consider the draft LUCA, a new Part 20.25Q in the Land Use Code (LUC), for the East Main Station Area. Staff will present information responsive to questions raised in the previous study session on topics related to Floor Area Ratio (FAR), amenity incentive options and development agreement (DA). Following discussion, staff seek direction on these topics for incorporation in the LUCA.

RECOMMENDATION

Direct staff to incorporate Option B for base FAR of 2.5 for nonresidential and 3.5 for residential development, maximum FAR of 5.0, with a “first tier” and an expanded list of amenity incentive options, and provision for DA for increased building height and FAR, nonconforming exceptions, and special amenity.

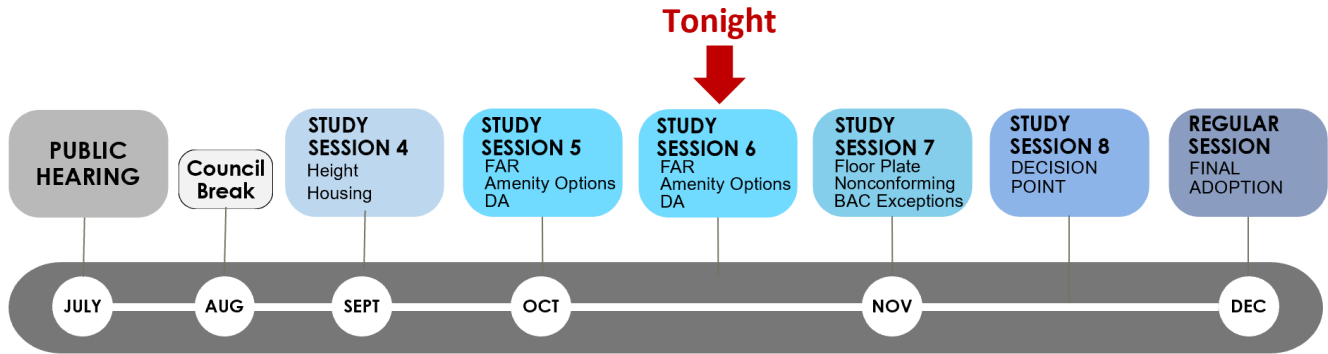
BACKGROUND & ANALYSIS

The East Main LUCA is the culmination of a City-initiated planning process for the East Main Transit Oriented Development (TOD), implementing the vision, goals and policies in the East Main Comprehensive Plan Amendment (CPA), adopted by Ordinance No. 6545 in May 2019. The draft LUCA (Attachment A) establishes requirements, standards, and design guidelines for land uses, height and form, FAR, the amenity system, landscaping, parking, street and pedestrian circulation, pedestrian bridge, and other development elements for the East Main TOD; and rezones parcels to two new EM-TOD-H and EM-TOD-L Land Use Districts.

LUCA Timeline

This is the sixth study session for Council to review topics relating to the East Main LUCA. The last study session was held on October 4 and covered the topics of FAR, amenity incentive options, and DAs. This study session is a follow up and includes information responsive to questions raised in the October 4 study session.

A detailed list of topics, which correspond to the timeline below, is provided in Attachment B. This list also documents Council direction and feedback on these topics. The previous list of stakeholder requests published for the July 26 public hearing is also included for reference as Attachment C.



Proposed Council Meeting Schedule

	Council Meeting Date	Topics
<input checked="" type="checkbox"/>	Study Session 4 September 13	<ul style="list-style-type: none"> • Building height • Minimum housing • Affordable housing
<input checked="" type="checkbox"/>	Study Session 5 October 4	<ul style="list-style-type: none"> • FAR • Amenity incentive options • DA
<input checked="" type="checkbox"/>	Study Session 6 October 18	<ul style="list-style-type: none"> • FAR • Amenity incentive options • DA
	Study Session 7 November 1	<ul style="list-style-type: none"> • Floor Plate size/Stepback • Wrap-up minor topics • Non-conforming provisions • Bellevue Athletic Club exceptions
	Study Session 8 November 15	<ul style="list-style-type: none"> • Decision point for final draft
	Regular Session December 6	<ul style="list-style-type: none"> • Final Adoption

City Framework and Needs

Incentive zoning is a voluntary program that allows developers to exceed the "base FAR" and/or "base height" to achieve additional FAR and height in exchange for providing public benefits. This program is included in the East Main LUCA to ensure new development provides public amenities that support Council and public priorities. Staff has calibrated the East Main incentive zoning program to accomplish those objectives, relying on the City's Economic Analysis Report prepared by ECONorthwest. A more detailed discussion on the City's incentive zoning framework and City needs is in the memorandum for the October 4 study session.

FAR, Amenity Incentive Options, and DA

As summarized in the table below, two available options are in front of Council: (A) the current draft LUCA; and (B) possible adjustments based on Council feedback for economically attractive base FAR, a focused list of “first tier” amenities, an expanded list of amenities, and use of DA for certain items. Stakeholders have also made requests beyond these two options. More information and analysis on these options and further requests may be found in the memorandum for the October 4 study session.

Topics: FAR, Amenity Options, and DA Items				
Packaged Options	FAR	First Tier Amenity Options	Remaining Amenity Options	DA Items
Option A (Draft LUCA)	Base FAR: 2.5 (nonresidential) 3.5 (residential) Maximum FAR: 5.0	Nonresidential: • Open Space • Child Care • Potential Street Residential: • Affordable Housing	1. Affordable Housing 2. Open Space 3. Child Care 4. Potential Street 5. Stream and Wetland 6. Public Art 7. Enhanced Streetscape 8. Sustainability Certification	No DA option
Option B (Staff recommended)	Base FAR: 2.5 (nonresidential) 3.5 (residential) Maximum FAR: 5.0	Nonresidential: • Open Space • Child Care • Potential Streets Residential: • Affordable Housing	1 – 8 above, plus: 9. Pedestrian bridge 10. Special amenity 11. Performing arts space	DA for: • Increasing maximum height • Increasing maximum FAR • Nonconforming exceptions • Special Amenity
Stakeholder Request	Base FAR: 3.5 (nonresidential) 3.5 (residential) Maximum FAR: 5.3	Nonresidential: • Open Space • Child Care • Potential Street • Enhanced Streetscape Residential: Affordable Housing	1 – 11 above	DA for: • Catalyst Project (fees) • Special Amenity • Open Space • Other provisions, limitless

Responses to Questions from the October 4 Study Session

At the October 4 study session, Council raised several questions related to the topics of FAR, amenity incentive options, and the use of DAs. These questions along with staff responses are as follows.

1. Are there provisions for pedestrian and bicycle connectivity in and around East Main?

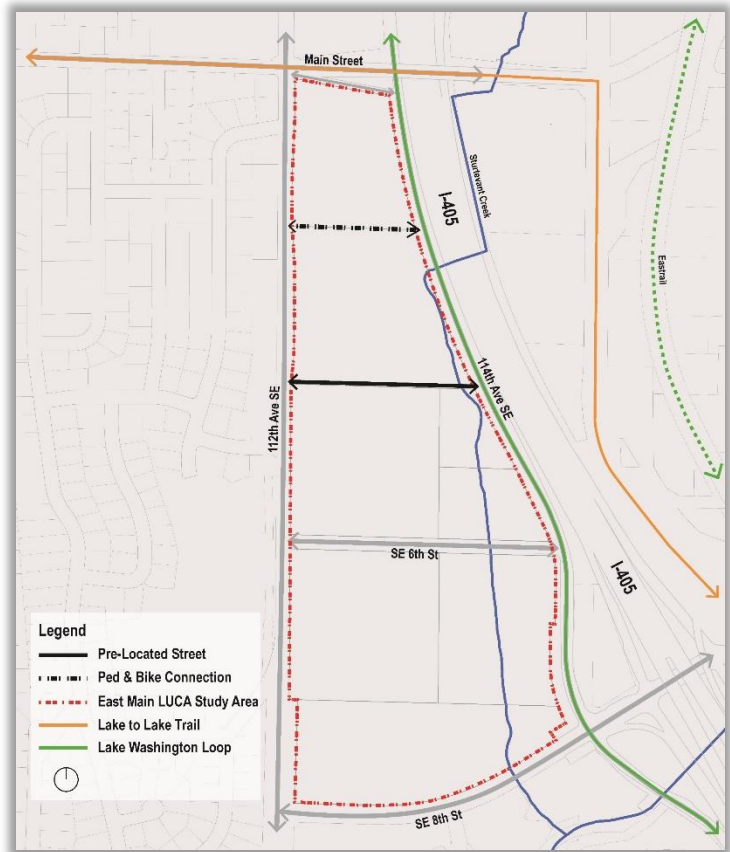
Response: Council has previously expressed their interest in including pedestrian and bicycle connectivity in and around East Main, while enabling different design solutions as may be desired by the developer. To that end, the draft LUCA includes two required east-west connections—a Pre-Located Street located wholly on the Hilton property (private street for vehicles and pedestrians, and may also accommodate bicycles) and a pedestrian/bicycle path.

Additionally, there are other opportunities for pedestrian and bicycle connectivity. The draft LUCA would allow the developer to choose to include Potential Streets and/or Open Spaces to meet the block length and perimeter requirements. A Potential Street is at minimum a pedestrian street, but may also accommodate bicycles and vehicles. An Open Space provides for pedestrian paths and can include bicycle paths.

Stakeholders have asked for the required pedestrian/bicycle path to be a pedestrian-only path due to the grade change between 112th Avenue SE and 114th Avenue SE. The existing Main Street “slip ramp” and required Pre-Located Street will provide east-west bicycle connections through East Main.

Additional bike paths may also be provided through the provision of Potential Streets and Open Space. For these reasons, staff recommends amending the draft LUCA to provide a pedestrian-only path in place of the pedestrian/bicycle path shown in the image above.

The combination of existing and required connections (Main Street “slip ramp” and Pre-Located Street) and optional connections (Potential Streets and Open Spaces) supports larger scale connectivity provided by the Lake to Lake Trail running east-west along Main Street and the Lake Washington Loop running north-south along 114th Avenue SE.



2. What AMI level is included for Affordable Housing, and is there an opportunity for ownership of Affordable Housing?

Response: The draft LUCA includes Affordable Housing at 80 percent Area Median Income (AMI), which is consistent with the City-wide affordability level.

Stakeholders have asked to expand the affordability level to 100 percent AMI for owned Affordable Housing or condos, similar to what is allowed in BelRed. In previous discussions, Council has expressed an interest in this expansion. Staff recommends amending the draft LUCA to include 100 percent AMI to increase ownership opportunities for Affordable Housing.

3. What is the effect of increasing the nonresidential base FAR from 2.5 to 3.5?

Response: A critical step in realizing the public benefits through an incentive zoning program is calibrating the base FAR relative to the maximum FAR. A base FAR that is set too low relative to the maximum FAR will result in amenities that are too costly and may substantially delay development. In turn, a base FAR that is set too high relative to the maximum FAR may chill developer motivation to participate in the incentive zoning program, resulting in developments built only to the base FAR with no public amenities.

Staff has relied on the analysis performed by the City's economic consultant, ECONorthwest, to set an economically attractive Base FAR to incentivize near-term development of the East Main area, while generating public benefits. Below is a comparison of approximate nonresidential build-out of the Red Lion and Hilton parcels, approximately 15.5 acres, with base FAR of 2.5 as compared to a base FAR of 3.5. This hypothetical example illustrates that setting the base FAR too high will result in substantially reduced public amenities.

Base FAR	By Right SF	Earned SF	Amenities (Example)
2.5	~ 1,185,000	~ 1,185,000	40,000 SF Open Space (4) Potential Streets (2) Child Care Service Uses Public Art Enhanced Streetscape Stream Restoration
3.5	~ 1,660,000	~ 710,000	30,000 SF Open Space (3) Potential Streets

4. What is the effect of moving amenity options from second to first tier?

Response: As noted earlier, staff relied on the analysis performed by the City's economic consultant, ECONorthwest, to prepare the draft LUCA, including the list of amenity options. These amenities are tiered, where the first 75-percent must be from the "first tier," and the remaining 25-percent from any benefit on the amenity options list. This tiered system ensures that Council-identified priorities—affordable housing for residential development, and childcare, open space, and potential streets for office development—are achieved.

Adding an amenity from the second tier into the first tier means that Council values this amenity the same as others in the first tier, and more than the amenities in the second tier. Expanding the first tier amenity list provides the developer more choices, but may result in other top-tier amenities not being created in connection with development.

5. What public benefits can be expected with a DA?

Response: The City LUC framework, such as in the Downtown and BelRed Codes, allows for the use of DAs for specified departures. Per Council feedback, staff supports utilizing a DA to depart from specific provisions to increase maximum building height and maximum FAR, excepting nonconforming conditions, and offering a special amenity.

Council has also indicated an expectation that the developer provides additional Affordable Housing and other City-developer negotiated public benefits in exchange for granting the departures. Thus, staff recommends that the LUCA provide a DA process that could allow the developer to depart from the above-listed provisions in exchange for additional Affordable Housing and other agreed-upon public benefits.

Public Engagement

Staff has executed a public engagement plan with three modes of outreach to ensure that community members and neighbors, property owners, and all stakeholders and interested parties have the opportunity to stay informed and to provide comments.

- A. Process IV Requirements. The LUCA process is following the Chapter 20.35 LUC procedural requirements to provide opportunities for public comment.
- B. Direct Engagement and Feedback. Dialogue with stakeholders has been ongoing. Stakeholder input has informed the draft LUCA completed in December 2020, as well as the modified draft LUCA included as Attachment A. Stakeholders include the following groups:
 - Wig Properties
 - Bellevue Athletic Club
 - Surrey Downs Neighborhood Association
 - J & J Bellevue
- C. Online Presence. Staff is continuing to update the East Main webpage to inform the public about this LUCA.

POLICY & FISCAL IMPACTS

Policy Impact

The proposed draft LUCA creating a new Part 20.25Q LUC will implement the vision and policies adopted in the CPA for the East Main Station Area.

Fiscal Impact

There is no fiscal impact associated with implementing this proposed LUCA.

OPTIONS

1. Direct staff to incorporate Option B for base FAR of 2.5 for nonresidential and 3.5 for residential development, maximum FAR of 5.0, with a “first tier” and an expanded list of amenity incentive options, and provision for DA for increased building height and FAR, nonconforming exceptions, and special amenity.
2. Provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Draft LUCA, Part 20.25Q LUC
- B. Stakeholder Requests and Topics Noted by Council with Possible Adjustments
- C. June 28 List of Stakeholder Requests

AVAILABLE IN COUNCIL LIBRARY

East Main Economic Analysis Report, December 10, 2020
East Main Ordinance No. 6465, May 20, 2019