

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

June 20, 2016  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

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

ABSENT: Councilmember Wallace

1. Executive Session

At 6:02 p.m., Deputy Mayor Chelminiak called the meeting to order and declared recess to Executive Session for approximately 45 minutes to discuss one item of potential litigation.

The meeting resumed at 6:44 p.m., with Mayor Stokes presiding.

2. Study Session

(a) Downtown Livability Initiative Update

City Manager Brad Miyake introduced discussion of the Downtown Livability Initiative. He said staff is seeking feedback on the Mount Rainier view corridor issue and the Downtown incentive zoning program.

Dan Stroh, Planning Director, noted that the Council has had previous discussions about Downtown incentive zoning, including with the Planning Commission last November.

Emil King, Strategic Planning Manager, recalled that the Council adopted a set of Downtown Livability early implementation items in March, as the Planning Commission continues its work on several more complex items. He highlighted the remaining milestones for both the Council and the Planning Commission between now and the end of this year. Staff will work with the Planning Commission in August/September to solicit third-party and stakeholder feedback regarding the incentive system modeling and new Code provisions. The Commission will hold an open house in September and a public hearing on the entire proposed Code package in October. The Commission anticipates finalizing its recommendations for the City Council by mid-November.

Mr. Stroh said the first phase of work on the incentive zoning system involves developing a structure and approach for the new system. The initial review with the Planning Commission began on June 8. Key considerations for the incentive system update include overall guidance from the Council's Incentive Zoning Principles, the desire to add new amenities and to be aspirational, the limited lift available requiring a focus on the most important amenities, the legal context for incentive zoning, market sensitivities to a new system, and the desire for greater flexibility than the current system.

Mayor Stokes questioned the reference to "limited lift" within this context. Mr. Stroh said it refers to the amount of value available within the incentive zoning system based on the new base floor area ratio (FAR) and new maximum FAR.

Continuing, Mr. Stroh said that mandatory development standards and design guidelines, as well as bonus incentive zoning items, are being addressed in the update. He noted that the incentive zoning system does not capture all of the livability elements the City is trying to achieve with the Code update. Many elements are reflected in the updated development standards and design guidelines.

Mr. King described staff's proposed approach to the structure of the Downtown incentive zoning system. The presentation lists 10 items and issues discussed with the Planning Commission, with references to the relevant Council principles. The first item is to clarify Code requirements versus incentive options, and the second is to remove certain features from the current list of incentives (e.g., structured parking).

Councilmember Robertson observed that, if the City removes underground parking from the incentive system and is not making it mandatory or adjusting FAR, two problems are created. It creates a de facto downzone and provides the potential for above-ground structures or surface lots. She said underground parking is extremely expensive, and developers can provide it only if it makes sense financially. Ms. Robertson suggested that underground parking should be mandatory and that developers should still receive a lift in FAR. Councilmember Robinson concurred.

Mr. King confirmed that anything the City would move from an incentive to a requirement would preserve an adjustment of the base FAR. Councilmember Robertson reiterated her suggestion that underground parking should be mandatory, with the lift; otherwise it results in a downzone.

Deputy Mayor Chelminiak said he did not disagree with providing a FAR adjustment. However, he did not agree with the assertion regarding a downzone. He questioned how the City will set the adjustment rate.

Mr. King said the next step of the consultant's work will analyze the appropriate adjustments for bonus FAR. At this point, staff is developing a structure for the incentive system before specific bonus levels are defined.

Deputy Mayor Chelminiak observed that setting the FAR adjustments will determine what lift remains. Mr. King concurred.

Councilmember Robinson said it was her understanding that the current underground parking bonus could be the starting point in determining the appropriate FAR adjustment. She concurred with Councilmember Robertson that underground parking should be mandatory.

Councilmember Slatter referred to Council Principle 7 which indicates that modifications in the incentive system should not effectively result in the downzoning of land, even for current incentives that are converted to mandates. She said she would like a better understanding of how this would not result in a downzone. She noted the reference to an economic analysis from the Planning Commission's June 8 meeting and asked whether there are other questions that the Council has not asked.

Mr. King said the Commission's comments were similar to the questions heard from the Council. The consultant will analyze the past usage of incentives as part of its work.

Mayor Stokes observed that the questions have been asked and the appropriate information will be addressed with the consultant.

Continuing, Mr. King said any building height increases would be incorporated into the incentive system. Staff proposes creating a new 1 FAR exemption for residential development that allows for affordable housing in the Downtown. In narrowing the current list of 23 amenities, the update is focused on bonuses for key placemaking and public open space features including walkability and cultural/community elements. Additional topics addressed in structuring the incentive system include promoting neighborhood identity, allowing fee-in-lieu payments, providing a Development Agreement option, incorporating a regular inflation factor to ensure the system keeps pace with the market, and promoting green/sustainable building practices.

Mr. King compared the current incentive zoning system to the proposed conceptual model for the Land Use Code update. He highlighted a list of existing and proposed items to be included in the amenity system.

Mr. King summarized the Planning Commission's input during its June 8 meeting. One suggestion was to include affordable housing with the other amenities eligible for a bonus instead of as a new FAR exemption.

Responding to Mayor Stokes, Mr. King confirmed that the target for completing this work is the end of the year. Mr. Stokes questioned whether the Affordable Housing Technical Advisory Group (TAG) should study this issue and provide a recommended policy.

Mr. Stroh said staff can keep the TAG informed about the work underway as part of the Downtown Livability update. However, he observed there are items that only the Council can effectively integrate into the Downtown Livability Code update. Mr. Stroh said both the

Planning Commission's Downtown Livability recommendations and the affordable housing action plan will be forwarded to the Council in December.

Mayor Stokes asked staff to continue to involve him and Councilmember Robinson in discussions about affordable housing.

Responding to Deputy Mayor Chelminiak, Mr. King said staff is proposing that a new 1 FAR exemption be allowed for affordable housing units in residential developments that also include market-priced units. Items involving the Pedestrian Corridor, plazas, performing arts space, and others would be earned through the potential bonus process. Mr. King said the Planning Commission wanted staff and the Council to explore the option of including affordable housing as an amenity incentive instead of eligible for a 1 FAR exemption.

Councilmember Robertson questioned whether the second floor retail exemption is in the Code. Mr. Stroh replied in the affirmative and said the retail space must meet certain design criteria. Mr. King said that exemption would not change.

With regard to affordable housing, Ms. Robertson said she understands the difference between a FAR exemption approach versus a bonus item approach. However, she does not understand the nuance of the implications of either approach. She suggested it would be helpful to have the Affordable Housing TAG and/or consultant study that issue.

Councilmember Robinson expressed support for addressing affordable housing and sustainable building practices. She suggested maintaining neighborhood-serving uses (e.g., child care, retail shops, and nonprofit social services) in the Downtown. She said the number of Downtown residents has increased significantly since the first amenity system was adopted.

Ms. Robinson said the Council periodically discusses design standards and view corridors. As the City allows greater flexibility in building form, she questioned whether there will be design standards to minimize solid wall corridors and to preserve view corridors. She suggested a discussion about the feasibility of preserving views of Meydenbauer Bay, Downtown Park, and other scenic venues.

Mr. Stroh said there are currently policies about considering views from private spaces, and this becomes a factor during the design review process. He said there might be different ways to configure development on a site to provide views and more open space. However, it is not practical to be able to establish specific view corridors from every private building in the Downtown.

Ms. Robinson questioned whether developers are able to buy air space to preserve views. Mr. Stroh said he has heard of that practice typically related to preserving views of historic buildings. He said it would be a private transaction between developers and property owners.

Mayor Stokes suggested discussing the topic of private view corridors at a future meeting.

Councilmember Slatter observed that Councilmember Robertson is raising the issue of the layering of options for affordable housing. Ms. Slatter said the multifamily tax exemption (MFTE) is one strategy now available. She thanked staff for including affordable housing and said there is a need for a long-term strategy.

Ms. Slatter concurred with Councilmember Robinson's suggestion about preserving neighborhood-serving uses. Ms. Slatter said there are more families in the Downtown now who would benefit from certain services.

Mr. King highlighted additional topics discussed by the Planning Commission on June 8 including potential bonuses related to public safety, green/sustainable building, and the use of a monitoring system to assess incentive performance.

Deputy Mayor Chelminiak said he would like more information in the future on the concept of a public safety bonus.

Mr. Chelminiak opined that it is not necessary to identify incentives for items that are likely to be driven by the market. He suggested that green/sustainable building falls into that category. He said the Energy Code for building construction is already relatively strict. He observed that the decision by a developer to pursue a LEED designation is typically a marketing tool and a way to keep costs down over the long term. He observed that this item falls into the framework of not offering incentives for what the market is likely to produce.

Mr. Stroh said the next step is the consultant's work to complete a market analysis and determine the appropriate values for amenities and incentives. The Planning Commission is scheduled to review that work on July 27, and stakeholder outreach will occur in August and early September.

Mr. Stroh moved to the next topic of the public view corridor of Mount Rainier. He said this is a policy issue for the Council to decide, and the question is whether to reinforce the view corridor from City Hall. This is one of many considerations when evaluating the potential land use changes based on the Downtown Livability work and on the light rail East Main Station area planning efforts.

Mr. Stroh recalled Council discussion on this topic on March 21. He described the alternatives identified by staff: 1) protect the view corridor with the territorial context set at one full mountain width, 2) protect the view corridor set at a half mountain width, and 3) do not retain the view corridor as the proposed rezone of the Downtown and East Main Station area moves forward.

Mr. Stroh said the view corridor would only become an issue if a property owner applies for an upzone to support the redevelopment of its property. He said the City does want to see the benefits of transit-oriented development to optimize the use of transit. The view corridor impacts some of the properties around the East Main Station site. He said the hope is to find a compromise that would allow increased density while retaining the view corridor.

Mr. Stroh recalled questions raised by the Council on March 21, with the first requesting the policy provisions and history of the view corridor. He said more details are provided in the meeting packet. He said Urban Design Policy 62 in the Comprehensive Plan refers to retaining views of water, mountains, skylines, or other unique landmarks from public spaces. He said there was a minor revision to the policy in 2015, but the original policy dates to 1987.

Mr. Stroh said the Council previously asked about the nature of uses in the public areas of City Hall with access to the Mount Rainier view. Mr. King said the relevant areas are the Council Chamber, balcony, and portions of the concourse. He said 322 events were held between January 2014 and February 2016, and approximately half of the events (excluding City Council meetings) had 50 or more attendees. He reported that 85 percent of those events were held during daylight hours. However, there is no data regarding the number of events for which the mountain was visible. In looking at the view of Mount Rainier from other public spaces, Mr. King said the northwest corner of the Downtown Park sometimes has partial views of the mountain.

Mr. King said the third question previously raised by the Council was the implications of enforcing view corridor restrictions for developers. He showed photos of existing views and provided information on the maximum building heights possible on existing sites (i.e., Sheraton, Red Lion, Hilton, and Bellevue Club) that would preserve the view corridor. Mr. King presented diagrams of existing development and the impact on redevelopment of preserving full mountain versus half mountain views. He described the potential for taller building heights outside of the view corridor.

Councilmember Robertson observed that there is a lack of clarity in terms of specific language in the Comprehensive Plan or Land Use Code about preserving the view of Mount Rainier. She questioned whether past outreach to neighborhoods regarding the Downtown Livability Initiative addressed the potential for 300-foot towers. Responding to Ms. Robertson, Mr. Stroh confirmed that the Downtown Livability Citizen Advisory Committee (CAC) discussed the potential for maximum building heights of 200 feet. The view corridor issue was not raised at that time.

Deputy Mayor Chelminiak questioned the gain in the maximum development that would be possible by preserving the half mountain versus full mountain view. Mr. King said staff has not calculated those dimensions but could follow up with specific figures. Mr. King said it would allow the flexibility to build a tower in one corner of the area. In further response to Mr. Chelminiak, Mr. King said the CAC directed staff to examine building heights up to 200 feet and the potential impact of changing the current 3 FAR to 5 FAR.

Mr. Chelminiak observed that the issue is the level of transit-oriented development that will be possible. He questioned whether Sound Transit's modeling of light rail ridership was based on current or other zoning. Mr. King said ridership projections were based on the Puget Sound Regional Council's (PSRC) growth forecast and on current FAR limits.

Councilmember Slatter said she has been reviewing policy documents looking for precedence in this area. She observed that Downtown Park would be a logical location for preserving views of Mount Rainier, and she recalled staff's earlier comment about current views from the northwest

corner of the park. Councilmember Slatter questioned whether an analysis of Mount Rainier views was previously considered with the development of Downtown Park. Mr. King said an analysis was not conducted. He said the views are above Old Bellevue. Ms. Slatter said she is not seeing a precedent for preserving Mount Rainier views.

Mr. Stroh said it would be difficult to preserve views from the Downtown due to the level of development. However, the view from City Hall is unique and could be preserved. He said the Comprehensive Plan does refer to preserving views from streets and intersections, and that policy was considered when pedestrian bridges were introduced. He said the design guidelines for skybridges were written to ensure that views were a consideration in the design of the pedestrian bridges.

Councilmember Lee observed that preserving views from bridges and roads is somewhat easier than when dealing with general development. He noted that City Hall was not designed to preserve the view of Mount Rainier.

Councilmember Robertson said the pedestrian bridges are a good example of structures built over public spaces. However, this issue is different because it involves changing what individuals can do with their private property based on a public benefit. She has determined that there are a number of reasons to not designate the view corridor. She said it would have been more appropriate to preserve views from the Downtown Park. However, light rail is a significant public investment, and an ongoing objective is to optimize ridership.

Ms. Robertson referred to recommendations of the Light Rail Best Practices Committee supporting the vision of Bellevue's Comprehensive Plan with regard to neighborhoods adjacent to light rail as well as encouraging the development of projects adjacent to light rail that create a place with multiple uses including housing, pedestrian amenities, and a transition to adjacent lower-density uses.

Ms. Robertson said preserving the Mount Rainier view corridor from City Hall potentially involves pushing higher density development closer to the adjacent single-family neighborhood. She highlighted policies identified by the Light Rail Best Practices Committee that refer to integrating the light rail station into the neighborhood, investing in infrastructure to make stations and adjacent development successful, providing connections to the station, designing light rail facilities to be an extension of the community, and using the investment of light rail as a foundation for other community enhancements.

Ms. Robertson said the community is making a significant investment in light rail. Transit-oriented development will contribute to the success of light rail and provide opportunities for housing, including affordable housing. She feels those policies and objectives are more compelling than preserving the view from City Hall. She observed that City Hall does not provide the best view of Mount Rainier while areas in the Spring District have great views. She suggested that, if the City wants to encourage views, it would make sense to consider an incentive for developers to preserve views from their public spaces.

Councilmember Robertson said she envisions that redevelopment around the East Main Station will create a desirable and unique place and neighborhood. She said a number of stakeholders do not support preserving the view corridor due to the impacts on the redevelopment envisioned for the area.

Councilmember Robertson said that 300-foot towers are not an appropriate compromise for maintaining the view corridor, especially when there has been no community outreach regarding that possibility. Also, the resulting towers would have less usable square footage per floor and there is a significant cost increase from building a 200-foot building to a 300-foot building. An additional concern is that taller building heights would discourage the use of the MFTE for affordable housing because development costs would be significantly higher. Ms. Robertson reiterated her statement that she does not support establishing a policy to protect the Mount Rainier view from City Hall.

Councilmember Robinson concurred that TOD and light rail-related amenities will provide a greater public benefit than preserving the mountain view from City Hall. She said the Grand Connection will provide opportunities for views. She said she believed that Surrey Downs Park has a nice view of Mount Rainier from the chestnut orchard, which is preserved on the updated Master Plan.

Mayor Stokes expressed concern about the negative impacts on redevelopment related to preserving the mountain view. He concurred that the Grand Connection will provide opportunities for views. He noted that preserving the view of Mount Rainier has not been a consideration for other projects, including Downtown Park. He observed that development envisioned around the East Main Station will contribute to the success of light rail. While this is a difficult decision, Mr. Stokes said he believes that redevelopment provides a higher public benefit.

Deputy Mayor Chelminiak said view corridors are important and this does not set new precedence. He said nearly every park program he has been involved with addresses views of some type. He said the skybridges are designed for views and they are required to be open 20 hours per day for people to enjoy the views. While Mount Rainier is not frequently visible, it provides an iconic view from a public space when it is visible. Mr. Chelminiak said the loss of the view far outweighs any positive benefit from allowing slightly higher FARs for redevelopment. He is opposed to failing to protect the view corridor.

Councilmember Lee observed that the Council does not have the benefit of working with specific developers to discuss their plans. While he appreciates the Mount Rainier view, he concurred with the majority of the Council that TOD and pedestrian-friendly redevelopment provides a greater public benefit.

- Councilmember Robertson moved to not adopt any policy to preserve the Mount Rainier public view corridor, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 5-1, with Deputy Mayor Chelminiak opposed.



- (b) State-Mandated Impact Fee Deferral System [*Moved to Regular Session, Agenda Item 12*]

At 8:03 p.m., Mayor Stokes declared recess to the Regular Session.

Kyle Stannert  
City Clerk

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