

**CITY OF REDMOND
DESIGN REVIEW BOARD
August 5th, 2010**

NOTE: These minutes are not a full transcription of the meeting. Tapes are available for public review in the Redmond Planning Department.

BOARD MEMBERS PRESENT: Joe Palmquist, Scott Waggoner

STAFF PRESENT: Dennis Lisk, Associate Planner; Steve Fischer, Principle Planner

RECORDING SECRETARY: Renee Turner

The Design Review Board is appointed by the City Council to make decisions on design issues regarding site planning, building elevations, landscaping, lighting and signage. Decisions are based on the design criteria set forth in the Redmond Development Guide.

CALL TO ORDER

The Design Review Board meeting was called to order by Interim Chairperson Joseph Palmquist at approximately 7:15 p.m.

MEETING CLOSE

**MOTION BY MR. WAGGONER AND SECONDED BY MR. PALMQUIST TO CLOSE THE MEETING.
MOTION PASSES (2-0).**

PRE-APPLICATION

PRE100016, Overlake Design District Master Plan

Description: Redevelopment of Group Health Overlake Hospital Property

Location: 2464 152nd Ave. NE

Applicant: Mike Hubbard *with* Capstone Partners

Staff Contact: Dennis Lisk, 425-556-2471, dwlisk@redmond.gov

Mr. Lisk told the Board about the Overlake Master Plan, which concerns a new urban center in Redmond's Overlake neighborhood. The site has been vacant for a few years; the Group Health buildings are still on the site. The site is flat on its eastern half, with a sharp slope going down toward 152nd Avenue NE. The City approved the Overlake Neighborhood Plan in 2007, which set the planning and zoning standards for this site. The Group Health buildings, in particular, are considered a driver for the rest of the development in this area. Good views and access to the planned light rail station for the area make this a very desirable site for the entire region. With that in mind, staff wants to make sure the development of this site reflects the value of the land and its position in the Puget Sound area. Staff has a few issues with the master plan for this application, especially dealing with transportation and traffic. Mr. Lisk believes progress has been made on those issues, and city staff will be working with the applicant to resolve them soon.

Mr. Lisk says the applicant has proposed a scenario of a lower-density residential product in the north-central portion of the site, perhaps with two-story or three-story townhomes. The plan is to create more higher-density development later, once the market allows. The zoning allows for 12-story buildings in this area. In general, staff would prefer to see the development of the residential area offer a higher-density product. Mr. Lisk also spoke to the sense of place staff would like to create in this area. He would like the master plan, and the layout of this site, to capitalize on good views, good location, and good pedestrian access. Mr. Lisk would also like to generate a master plan document, perhaps similar to the Redmond Town Center's, to help guide the Overlake project for the next 20 years and assist future developers as well as the City Council.

Mike Hubbard with Capstone Partners presented on behalf of the applicant. He says the passion for this project was conceived at the peak of a "bull run" in real estate four years ago. He points out the market has changed significantly since then. Mr. Hubbard says property values, conventionally, are off 40%,

which means any return on a massive project like this could take 11 to 14 years, which is a long time. He believes this is a billion dollar project, which takes \$350 million in equity, as opposed to \$100 million a few years ago. These figures would allow a developer to build 2 million feet of office space, as opposed to 8 million back in the real estate boom. For these reasons, Mr. Hubbard says this project has to be done with multiple developers in smaller pieces. Linking the residential and commercial phases together was the original plan for this site, which could present a challenge. Mr. Hubbard would like to create a master plan which establishes that link, but allows developers to work within the site independently. Traffic is a big concern as well, especially with light rail, a possible new off ramp, and, potentially, shrinking the size of 152nd Avenue NE. Mr. Hubbard is trying to create a road map, such that tenants will be attracted to the area soon.

There is also a lot of infrastructure work that needs to happen on this site, but that will be a challenge, too, in consideration of all the developers that need to be involved. Mr. Hubbard would like a predictable road map for any developer that comes in, such that a developer has a very clear idea how permits would be approved, and when he or she could expect to get a return on an investment.

Steve Schlenker with Collins Woerman Architects spoke next on behalf of the applicant. He has an extensive mixed-use development background. He has been working on this project since the summer of 2009, and has met with City staff over the past year. Mr. Schlenker says Overlake could be an entire mixed-use neighborhood in consideration of all of the transportation changes to the area. He would like the Board to think about how to change what is now a car-centric neighborhood into a more transit-centric area. There are several trees on the site, which could be an issue with the City's 35% tree retention requirement. Mr. Schlenker is trying to figure out a mitigation plan for those trees with staff. He is also trying to determine a grid for the site with planners, with an eye on a large park, pedestrian plazas and transit routes. One challenge will be connecting 28th to 152nd, as 28th will need to handle a steep grade. A curved street is one option, rather than simply putting in a 20% grade.

Mr. Schlenker is suggesting the creation of a larger 2.5 acre park, which the parcels could all participate in, by using that open space and therefore gaining density incentives. Such a park could be an anchor, and could speak to the sense of place Mr. Lisk mentioned earlier. With roadways on two sides of the park, the open space feeling is increased as well. Mr. Schlenker is hoping to obtain an incentive for 60% of parking below grade. The slope of the project will allow more below-grade parking, which should improve traffic flow.

Mr. Hubbard pointed out that residential areas and commercial areas in this master plan proposal have been blocked into zones. He says offering those products independently will make it easier for different developers to get involved. Mr. Hubbard says the commercial areas here, especially in the tech industry, would prefer larger floor areas, as opposed to the residential density model. He is hoping that by not tying the residential and commercial units together, they would be less challenging to build.

Mr. Schlenker added that there could be a hotel and conference center on this site, as well, which he is hoping could add some incentive bonuses to the project. He is also confident the residential density presented on the project could create some bonuses, too. There are a total of 1.5 million square feet of residential space proposed and 1.4 million square feet of commercial space. He would like to use the three-story to four-story model for the buildings here, rather than the 12-story maximum the City is offering, to provide better views and open space. Mr. Hubbard says creating 12-story high rises would take 30 years or more to develop, which the City and Group Health do not want. Mr. Hubbard wants to build economically viable property that can be developed now, but can also change in the future. He believes that a taller building, especially on the sloped area of the site, does not provide a good fit. He also wants to get a smaller project going on the site to provide a catalyst for other developers to get involved.

The applicant has created a massing diagram to study shadow impacts, as requested in the Overlake Master Plan. Mr. Schlenker says about 50% of the park is in sunlight, even in winter months. On 152nd and 156th, the City Development Guide requires a setback for buildings above 50', which could help lessen massing, and lessen the shadow impact on the southern part of the park. Mr. Hubbard says this was a difficult study, as well, because designing actual buildings is not what this master planning process

