

MEMORANDUM

TO: DESIGN REVIEW BOARD

FROM: Dennis Lisk, Associate Planner

SUBJECT: LAND-2013-00954 -- Koll Commerce Center Limited Edition Master Planned Development

DATE: January 23, 2014

REQUEST: PRE-APPLICATION CONFERENCE #2

PROJECT BACKGROUND

Location and Zoning: The project site consists of the Koll Commerce Center Limited Edition property, an existing business park located to the west of NE 152nd Avenue, to the north of NE 20th Street and to the east of the Sears department store property in Overlake Village.



The site is zoned Overlake Village Zone 1 (OV1). The OV1 zone has several site development requirements which apply to this property (please see RZC 21.12.40 for further details):

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| Maximum Lot Coverage of Structures and Impervious Surface | 85% |
| Minimum Landscaped Area | 15% |
| Maximum Development Yield – Floor Area Ratio (FAR) Base = 3.7 With TDRs or Green Building Program = +0.05 With Overlake Incentive Program = +1.69 | 5.35 |
| Maximum Building Height Base = 5 stories With TDRs or Green Building Program = + 1 story With Overlake Incentive Program = + 4 stories | 9 stories |
| Ground Floor Uses | Pedestrian-oriented uses required on ground floor along 152 nd Ave. Residential uses prohibited on ground floor along 152 nd Avenue. |
| Minimum Residential Floor Area | 50% |
| Residential Open Space | See RZC 21.12.120 |
| Parking | Depends upon the use proposed |

Adjacent Land Uses: To the north of the site existing land uses include an existing strip commercial shopping center. To the west, is the Sears department store and other retail uses within the Overlake Fashion Plaza property. To the south, across NE 20th Street, is a church. To the east, across 152nd Avenue are a daycare center, an older PSE substation (which is anticipated to be decommissioned in the next few years), a hotel, and auto repair and sales uses.

Project Scope: The project site consists of an approximately 9-acre parcel of land on which sits a business park. The business park is a condominium property, currently composed of 18 separate owners, each of which either own their own building or a portion of a building. There is also a 19th parcel owned in common, which includes parking and common access areas. In December 2007, the City approved the Overlake Neighborhood Plan and in 2011 the property was re-zoned as OV1. As required by RZC 21.76.070(P)(2), development of properties in Overlake Village greater than three acres in area must occur through the Master Planned Development process, with review by the Technical Committee and Design Review Board, and final decision by the City Council. The purpose of the Master Plan is to act as the conceptual plan to guide the overall development and use of land on this property. The Neighborhood Plan envisions this portion of Overlake Village with a heavy emphasis on mixed-use residential.

Project Description: The applicant is proposing a phased master plan which would involve the eventual redevelopment of the subject property with land uses that reflect the mixed-use residential desired by the Neighborhood Plan. At its final build-out, the applicant’s preferred alternative for the Master Plan envisions approximately 1,168,810 square feet of development, including over 201,000 square feet of commercial uses (including offices and retail), a 66,800 square foot hotel, and slightly more than 907,000 square feet of residential uses. Parking would

be provided in both below and above-ground structured parking, although the extent of underground parking may be limited due to the high water table in the vicinity of the site.

Supporting frontage improvements would be implemented along the frontage of 152nd Avenue, half-street improvements along the future 151st Avenue NE to the west of the site and NE 22nd Street to the north of the site, as well as a new, private east-west access way through the middle of the site are also anticipated with the proposed Master Plan. The Master Plan also now includes a network of open space areas throughout the site, the centerpiece of which would be a publically-accessible ornamental garden near the center of the property, as well as a pedestrian pathway through the northern, mostly residential portion of the Master Plan. Detailed architectural design, exact building shapes and locations, and landscape and open space planning for individual portions of the Master Plan will be undertaken as separate site plan reviews as those projects are submitted over time.

PROJECT DESIGN CONSIDERATIONS

In response to the Board's initial comments at the Aug. 1, 2013 pre-application meeting, the applicant has increased the overall development capacity of the site, as well as refined the design concept with a particular focus on access and circulation around and through the site, as well as how open space would be provided. Staff would like any feedback the Board can give to the applicant on the applicant's most recent iteration of the Master Plan.

MINUTES FROM PRE-APPLICATION MEETING #1

PROJECT REVIEW

LAND-2013-00954, Koll Commerce Center Limited Edition MPD

Description: Master Plan for redevelopment of 19 existing lots within the KCCLC office park

Location: 2039 152nd Ave NE

Applicant: Melody Westerdal

Architect: Steve Schlenker *with* CollinsWoerman

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

Mr. Lisk noted that this was the first pre-application meeting for this project, commonly known as the Limited Edition building. It is in the southern part of Overlake Village, west of 152nd and north of NE 20th, and near the Sears store in that area. This site is unique in that it is a condominium-ized business park with 18 separate owners involved in the property, either owning a building or a portion of a building. There is a 19th parcel that is commonly owned. This is one of several properties in Overlake Village, similar to the Group Health property, where a master plan is required for redevelopment due to a property size of more than three acres. A development agreement would be required as well. This application is happening in the OV1 Zone, a zone which has a heavy emphasis on mixed use residential options. That concept is reflected in the applicant's proposal. Just over a million square feet of development is proposed in the master plan. The master plan is a phased project. Mr. Lisk said that this master plan was just beginning, and staff is starting to work with the applicant. The applicant and the staff are looking for suggestions and questions from the DRB to move the project forward and refine this plan.

Architect Steve Schlenker presented to the DRB on behalf of the applicant. He reiterated that there were 19 different parcels on this site, with 18 owners involved. There are nine buildings, and a true diversity of uses. Dentists, physicians, manufacturing facilities, a church, and even a call center make up the list of tenants. Though diverse, this group has joined together in the effort to plan for the future. Mr. Schlenker

said the applicants on this project wanted to meet City goals in the same way the Group Health project did, while also protecting their investments and maximizing the value of their properties. The hope is that the master plan can be flexible and allow for phasing as the neighborhood changes in the future. The plan calls for the applicant to continue to meet City goals by mixing housing and commercial uses in the OV1 Zone.

The project is made up mainly of housing falling within a base Floor Area Ratio (FAR) of 3.7 and a maximum of 5.35 in a building that goes up to nine stories. That could make the project fairly lucrative, but there are other constraints of 85% lot coverage. One big issue for the applicant to consider is that there may be some groundwater issues, which may preclude underground parking and limit the capacity of the development. There would be residential units, general sales and services units, and general offices on the site. The zoning allows for some of the office uses to be phased in. The master plan calls for a hotel and potentially a healthcare/human services use. There is a religious institution that could stay on the site, as well. To get to the improvement maximums called for the code, the incentive programs must be followed. There is a plaza called for, as well as green buildings, residential use above the minimum requirement, and below-grade parking. The maximum capacity for development varies, with the residential FAR being the highest at 4.0. That would allow for eight stories. Some units may be as tall as nine stories, if they have stormwater vaults contained within them. The current FAR on the site is 0.34, so this would be a major upzone. The applicant would not get close to the 5.0 FAR maximum allowed. With 1.4 million square feet, the FAR the applicant has determined is 3.58.

The applicant said the site is unique in that it is at the edge of Overlake Village, abutting Bellevue City limits on 20th Avenue NE. The park planned for this area would be quite an amenity, and much of the design planning is focused on that. There would be a new street created, 151st Street, which would go from NE 24th to NE 20th. The applicant would not be involved in all these improvements, simply the improvements on the applicant's site. There would be an improvement on 152nd Street to create a 100-foot right of way. That retail street would continue to the south of the applicant's site. Another new street, NE 22nd, would go between the KCC and Limited Edition buildings. At first, this road would go between 151st and 152, but as development continues, that road would be extended. That roadway would have an urban pathway, as well. The project has an intersection with Bel-Red Road, as well, which can have a lot of traffic congestion. Added up, the right of way property will be around an acre and a half out of the nine total acres of the project.

Topography and groundwater are driving the design. The site is very flat, with an elevation change of just eight feet, but this is also one of the lowest spots in Overlake Village. Through the investigative work done for the stormwater vaults, the applicant has discovered that the groundwater is just twenty feet below the grade of the site, thus limiting the ability of the applicant to have underground parking. The water systems are adequate for the site, with a tie-in at 152nd. New water service would be provided to the site, with sewers and hydrants provided as needed. There are stormwater vaults right next to the site, so additional stormwater detention areas would not be needed. The site is currently about 90 to 95% pervious, and the requirement is 85%. With traffic, the applicant said new stoplights would have to be put in, but the location of those lights is not clear yet. A transportation study would be shown at a later presentation. The applicant showed the DRB a conceptual drawing for parking. The groundwater is at an elevation of 287 feet and the main site elevation is 312 feet, thus allowing for two levels of parking on half of the site and three levels of parking on the other half, where the residential units are proposed. There would be plazas on top of the parking structures.

The applicant has created three alternatives. Alternative One has the smaller capacity, at a million square feet, and would involve a commercial development on the northwest corner of the site. The rest of the site would be residential. The applicant said this alternative would break up into six blocks and a roadway that would not go straight through, but rather move east, west, north, and south in the hopes of reducing cut-through traffic. This would provide more permeability to the site for pedestrians and vehicles. Alternative Two would have the largest capacity, pushing the commercial development to the southeast corner. The applicant said this made sense in terms of the arterial traffic and the possible hotel that would be placed on NE 20th. This would also buffer the residential area from that arterial traffic and also puts more of the residential units along the park. This would also have six blocks, but there is only one through street and

a private access road with a plaza and drop-off area for the commercial space. Alternative Three is somewhere between the first two options at a size of 1.06 million square feet. The third alternative keeps the commercial area in the south, but NE 21st aligns with the existing roadway grid. This could be a benefit for traffic flow. Bigger blocks would be created with this alternative, but they would be easier to manage for vehicles. The blocks here would be about 200 x 300, so still within basic City block size. That pattern has already been established to the east of the site.

The applicant has reviewed the three alternatives and evaluated them. For criteria, the applicant used a City priority list as well as a property owner priority list, of sorts. Of concern to property owners is the impact of development on their property value as well as other issues. From the City's perspective, urban design is a top priority, as well as providing open space, creating character, and fitting in with the surrounding neighborhood. Alternative One scored a 39 with regard to these priority lists, with Alternative Two scoring a 48 and Alternative Three scoring a 54. Alternative Three, with the alignment of NE 22nd, is the option the application is pursuing. The advantages of the third alternative include the ability to put in a hotel and maximize the office space square footage. Also, traffic would be kept to a minimum in this alternative. Retail would be put in along 152nd, as required, and on 151st, the applicant said there was an option for retail or live-work units at the ground level. Open space is well distributed across the site, as this project will be happening in phasing to make sure the 85% pervious requirement is recognized in all parts of the site. The office plaza will be an incentive space, with a potential dedication in that area. There will be a visual connection from that plaza to the park to the west. Pedestrian connections would bisect the site and the single street, as mentioned before, will minimize the onsite roadways. This will allow for more green space and more pedestrian use. The office plaza will have a drop-off area for the offices and the proposed hotel.

The applicant noted the third alternative allows for phasing, which is important to property owners in terms of land value. The chances of this project being developed all at once are slim, the applicant said, and there was an idea to provide portions of the site for development, perhaps as little as a half or a quarter of the total area. The first phase would be about 500,000 square feet, so roughly half the square footage available. In that first phase, the housing and commercial development would be balanced. In the second phase, most of the development would be housing. The phasing would allow for the keeping of existing office spaces and creating a temporary parking lot during construction. The total build-out is 1.05 million square feet. The applicant said there might be about 770 housing units of about 1,000 square feet apiece and 173,000 square feet of office space. Retail square footage and the hotel would be in the mix, too. There would be 1,600 parking places, including on-street parking. The applicant said he would have building massing diagrams as well as parking and transportation studies to show the DRB at the next meeting on this project. The applicant is working on getting all the access points to the site and the parking garages fully mapped out. Mr. Meade offered the ability for public comment on this project to the audience, but no one came forward.

COMMENTS FROM THE BOARD MEMBERS:

Mr. Waggoner:

- Said this was a great proposal. He felt that Alternative Three was the best option, too. He mainly supported it due to the street alignments and the overall clarity of traffic circulation.
- Mr. Waggoner said having the hotel and commercial space on the southern part of the site made sense, especially in light of all the traffic on NE 20th. He liked how the residential units were shielded from traffic noise in this alternative.
- He said he was intrigued to find that there was a water table problem with this site, and said the parking ratios presented appeared appropriate for the commercial, hotel and residential areas.
- Mr. Waggoner did express concern over the parking ratio for the residential area on the east side. It appeared very low to him, but he noted that the City is trying to encourage walking and use of transit.
- However, Mr. Waggoner said that car use was ingrained in this area, and units that were housing larger families could face some challenges. He was skeptical that a one space per 1,000 square foot ratio would be adequate for the residential area.
- Overall, Mr. Waggoner had a good impression of the project and said the scale of the project. He liked the reference to the Sears building on the site is a refreshing idea. He thought this proposal could bring

some new excitement for developing the southern part of Overlake Village. He thought it was remarkable that all the landowners could come together and find a common vision.

Mr. Palmquist:

- Said the applicant has clearly thought about the traffic circulation. Mr. Palmquist said the spaces already appear animated. He liked the access points out to Bel-Red Road and 20th with the office and hotel drop-off area and the plaza for the residential units.
- In general, he said the project was heading in the right direction.

Mr. Sutton:

- Agreed with his fellow Board members. Mr. Sutton liked the fact that the buildings appeared to step down on the south end to encourage some daylight into the courtyard spaces. He encouraged the applicant to continue to do that. He said the project looked good.

Mr. Krueger:

- Also likes the project. Mr. Krueger had some concerns, initially, about what appear to be some buildings walling off the site from the inside. He was worried that the nice townhouses would be surrounded with seven or eight-story buildings. However, he said the orientation of the plaza to south end will actually work out well.
- He also likes the massing and how that allowed solar access into the interior. He liked the way the applicant was looking at the exposure of the buildings around the perimeter and how those buildings were broken up, in terms of massing.
- Mr. Krueger liked where the different uses were placed on the site, at the south end. He was interested to see how the circulation would work at the southeast corner, which can be a bit of a convoluted road system. He would like to see that resolved, and he was glad the applicant was working on the access points with City staff.
- He thought this project would be a great addition to the City. He was surprised buildings would be so tall in this location, given what is in place today. He realized that there were some big changes ahead, and reiterated that this would be a great addition.

Mr. Meade:

- Said this was an exciting project for this parcel. Mr. Meade said, clearly, the owners have been wise enough to see that there is a higher, better purpose for this property. He said this was a great opportunity to develop this site in a collaborative way to make something extraordinary for the City's south edge.
- He was pleased with the direction of the project, and he said Alternative Three was a good starting point. He said the alignment makes the most sense, and this option adds more of an urban feel to this mixed use development. Flanking the property on the south with commercial properties and buffering them from traffic is the appropriate way to develop the site, in Mr. Meade's view.
- He said as the project develops, he realized some studies would be needed, including how the west-facing properties allow for afternoon lighting on the center courtyard.
- He was pleased to see the project at this point and was looking forward to see the rest of the project. He was in firm support of it.

Mr. Krueger:

- Asked about the general office uses on the site and what that means, especially with the understanding that this use would be transitional, as the applicant mentioned. The applicant explained that what is allowed in the Code states an applicant can build general office, which is basically non-user oriented.
- The Code says, in that case, 51% of the office uses have to be for people coming and going, so an administrative office would not work there, such as a call center.
- However, the applicant continued, the Code allows for transitional uses to general office, so general office is allowed if it is in the same footprint or the existing footprint. So in Phase 1, the applicant would be maxing out the amount of office that could be done on the site from the perspective of the user-oriented office.

- However, the remaining four buildings, 40,000 square feet, would be over and above that user office threshold, so it would fall into the general office category, and it would be just a temporary use. That was the meaning of the “transitional” terms, with regard to the Zoning Code perspective.
- Ultimately, the applicant would have more office use than what might be allowed because it would be a transitional use. After a time, the aforementioned 40,000 square feet would be all residential.
- Mr. Lisk agreed with that interpretation of the Code by the applicant. It is a convoluted piece of Code, but it is meant to recognize that there might be a lengthy transitional period between the current situation and what the ultimate allowance is under the zoning.
- Mr. Lisk said the idea was to keep the area vibrant as an employment center during the transitional period, which accounts for the office uses.
- Mr. Krueger said that was an amazing level of thoughtfulness for this property. He was glad the applicant had some experience with this situation. He asked about the office in the southeast corner and if there would be restrictions on what office uses might be used there.
- The applicant said it could be a medical office building, and could be classified in the health and human services category. If not, there would be restrictions on use, and half of the 173,000 square feet of the building area would have to be for businesses where people are coming and going, not a call center, for example.
- Melody Westerdal, the project manager for Limited Edition, spoke to the Board as part of the public hearing and apologized for being late to the meeting. She said she represents the owners of all 19 lots, including the ownership of Limited Edition, which is very concerned about all the recent changes in the Overlake Area.
- She noted that the site in question could be a unique symbol of what Overlake could be in the future. She said the park proposed east of Sears could be the Central Park of Overlake. She said the open space on the project would be a benefit for workers and residents, especially with its nice western exposure.
- She pointed out that the population around this area would double by the year 2030, as compared to the year 2000. She said the owners chose the architects on this project because they already worked on the Group Health site in Redmond. She was happy with the proposed presentation.
- Ms. Westerdal would like to see a religious facility on the site. A non-denominational church owns one building in Limited Edition. People of Russian, Taiwanese, Indian, and Hispanic backgrounds either own or lease the facility. The vision for this church is to have a new Christian church and community center as well as some senior housing on this site.
- She said the hotels and office and retail will create a mini-urbanscape area, and she said the owners were pleased with the designs proposed to the DRB. She was hopeful that there would not be any unforeseen problems to avoid the hurdles that Group Health faced with regard to trees and streets and other big issues. She is looking forward to what the DRB has to say.
- Mr. Lisk asked the DRB members what they wanted to see from the applicant at the next meeting on this project. Mr. Waggoner said building character should be explored. He would like to see some site sections through the individual parcels and the entire project area to see how the height of the buildings on the site relates to the adjacent properties.
- Mr. Waggoner would like to better understand the parking situation and how it would work, as well as how the different uses would impact the street elevations.
- Mr. Meade said he would like a plan showing the open space and the pedestrian mid-block connectors and, potentially, a pedestrian flow map from north to south.
- Mr. Meade said the live-work units, would be interesting, and thus, the site sections would be good to see how those would relate to the grade of the west edge.
- Mr. Palmquist would like to see a focus on the transition from the public space to the face of the buildings on 151st, 152nd, 20th, and the future 22nd. He would like to see how the pedestrian scale works and how the rest of the building works, as well.
- Mr. Krueger said he appreciated the presentation of the internal walkway on the site. He would like to see that presentation enhanced, and hoped it was similar to the walkway on the Group Health project.
- The DRB and the applicant thanked each other for their time.