

## Attachment B: City Council Issues Matrix

MGP Overlake East (LAND-2022-00205, -00206, -00207, -00208)

Additional Information for MGP Overlake East		
Issue	Discussion Notes	Status
1. Business Displacement and OV Affordable Commercial Incentive	<p>In response to the questions raised at the Committee of the Whole - 2PW meeting on May 7, Jamas Gwilliam of Merlone Geier Partners, the owner of the MGP Overlake East project, provided an email summarizing their efforts to work with the businesses located on the site. This email is included as Attachment 3. Mr. Gwilliam will be available to answer additional questions about business displacement and relocation assistance at the public hearing scheduled for June 18.</p> <p>The project is within the OV-1 zone. In OV-1, the base floor area ratio (FAR) is 2.5, and the base height is 5 stories. Redmond Zoning Code (“RZC”) 21.12.170 establishes the OV Incentive Program to increase the base FAR and height. The Overlake East project is using following incentive features:</p> <ul style="list-style-type: none"> <li>• Primary Feature: LEED Certification/Green Building (or equivalent certification system) and Tree Canopy Strategic Plan allowing a 0.25 FAR bonus and a one-story height bonus.</li> <li>• Additional Feature: Residential Uses Above Minimum Required allowing a one-story height bonus.</li> <li>• Additional Feature: Combination Subterranean and Wrapped Structured Parking allowing a 1.5 FAR bonus and a one-story height bonus.</li> </ul> <p>The result of the combination of these primary and secondary features is a 1.75 FAR bonus and a three-story height bonus. Adding these bonuses to the base standards results in a maximum allowable FAR of 4.25 and a maximum allowable height of 8 stories.</p> <p>The OV Incentive Program includes an additional incentive for Dedicated Local Commercial or Affordable Commercial. This incentive feature allows an additional 0.5 FAR and a one-story height bonus. The Overlake East project did not use this incentive feature because it achieved the necessary FAR and height bonuses using other incentive features.</p> <p>This is the nature of zoning incentive programs. Developers will choose incentive features based upon those that offer the highest cost-benefit ratio and return on investment. Part of that decision making process also involves preferences for incentive programs that are well understood by financial underwriters. Unknown or lesser-known incentive programs are typically viewed as adding potential risk, which can result in higher rates or unwillingness to underwrite a project. This is particularly true in more strict lending environments, such as is currently the case.</p>	To be discussed at 5/21 Business Meeting.

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	The Dedicated Local Commercial or Affordable Commercial incentive feature is such a lesser-known program. Unlike other incentive features, such as LEED certification, affordable housing, or structured parking, this is an emerging area of land use regulation that will take time to become better understood by lenders. To increase interest in such a program, it is necessary to reduce the perceived risk and/or to increase the cost-benefit ratio of the program by allowing for higher FAR and height bonuses.	
2. Maps and Graphics	<p>Please refer to Attachment A – Technical Committee Recommendation for maps and graphics. Exhibit 6 (Overlake East Master Plan), Exhibit 7 (Phase 1 Site Plan Entitlement Plan Set), and Exhibit 8 (Phase 2 Site Plan Entitlement Plan Set) include graphics to better understand the neighborhood context and the proposed site/building design.</p> <p>Attachment C – Presentation also provides maps and graphics. Staff will go through the presentation with Council at the May 21 Business Meeting.</p>	To be discussed at 5/21 Business Meeting.
3. Use of New Overlake Incentives	<p>The developers of the Overlake East project have been in discussions with Staff since 2019. The RZC has been amended several times since the initial discussions. As a result, the project has been designed to comply with the existing RZC regulations for Overlake Village, and the developers are eager to proceed with construction.</p> <p>This is not unusual. Based on discussions with developers who have Overlake projects currently in the permit pipeline, all are choosing to proceed with their projects as designed under the existing RZC regulations. Their reasons are varied, but most include the following:</p> <ul style="list-style-type: none"> <li>• Risk associated with designing to new Overlake zoning standards.</li> <li>• Higher costs associated with high rise construction greater than 8 stories.</li> <li>• Perception that Overlake is not a mature enough area or market to support high rise development.</li> </ul>	To be discussed at 5/21 Business Meeting.
4. Effect of Project on Light Rail Ridership	Phases 1 and 2 of Overlake Village will add nearly 800 new residential units in the core of Overlake Village. Phase 3 will add 310 new units. The addition of over 1,100 new units to this area will increase transit ridership, both light rail and bus service.	To be discussed at 5/21 Business Meeting.

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	<p>The new Overlake Village Station is approximately 0.4 miles from the Overlake East site, which is an approximately 10-minute walk. The existing King County Metro Station is directly adjacent to the Overlake East site. The Overlake East project is within a comfortable walkshed of both transit facilities, and it is expected that this convenient access will increase ridership in this area.</p>	
<p>5. Meaning of Term “Encourage” in Comprehensive Plan Policy NE-12</p>	<p>Comprehensive Plan Policy NE-12 states:</p> <p><b>NE-12:</b> <i>Encourage environmentally friendly construction practices, such as Leadership in Energy and Environmental Design (LEED), King County Built Green, and low-impact development.</i></p> <p>The term “encourage” is typical for a Comprehensive Plan policy. Goal and policy language is intentionally more broad and less specific than the language used in zoning or other land use regulations. The goal and policy language describes the desired destination, and the zoning language defines how we achieve that destination.</p> <p>In reviewing land use applications, Staff refers to the Comprehensive Plan policies as general guidance for the intended outcomes of development projects. However, Staff’s analysis and recommendations are based primarily on the specific language in the RZC.</p> <p>In the case of Overlake East, Policy NE-12 is implemented by RZC 21.12.170, the Overlake Incentive Program. Table 21.12.170A defines the LEED Certification/Green Building (or equivalent certification system) and Tree Canopy Strategic Plan incentive as follows:</p>	<p>To be discussed at 5/21 Business Meeting.</p>

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	5.	LEED Certification/Green Building (or equivalent certification system that meets or exceeds the minimum energy, water, and natural systems outcomes) and Tree Canopy Strategic Plan <sup>2</sup>	1, 2, 3, 4, 5	LEED Gold: Additional .25 FAR for <u>residential uses</u> and an additional .25 FAR for commercial uses. LEED Platinum: Additional .25 FAR for <u>residential uses</u> , additional .25 FAR for commercial, and one <u>story</u> height bonus for all <u>buildings</u> within the <u>project limit</u> .
<p>The OV Incentive Program specifies how “environmentally friendly construction practices” are “encouraged” by allowing additional FAR and height for providing certain LEED certification levels. In doing so, this regulation implements Policy NE-12.</p>				