

Downtown Livability Initiative Incentive Zoning Update



ULI Technical Assistance Panel January 18, 2017



Study Area: Downtown Subarea

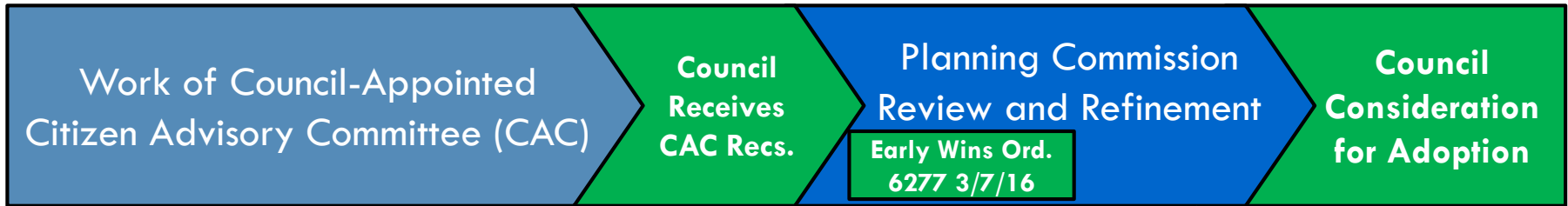
Lake Washington



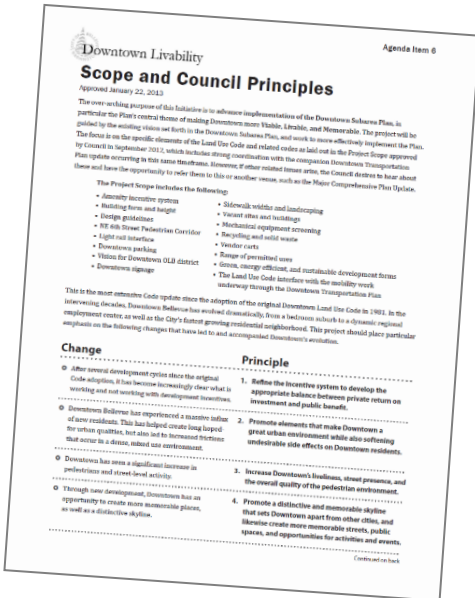
| | 1980 | 2015 Existing | 2030 Forecast |
|------------|--------|---------------|---------------|
| Jobs | 10,600 | 51,000 | 70,300 |
| Population | 1,000 | 12,500 | 19,000 |

Overall Downtown Livability Process

PUBLIC ENGAGEMENT



We Are Here



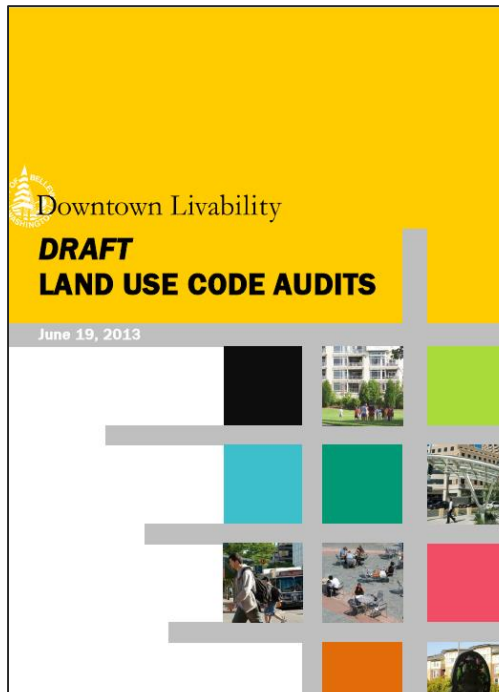
Major Council Direction to Date:

- Overall Scope and Project Principles (2013)
- Charge to Planning Commission re: Review of CAC Recs. (5/2015)
- Council principles to guide incentive zoning update (1/2016)
- Proposed approach to update incentive system (6/2016)

Advisory Committee

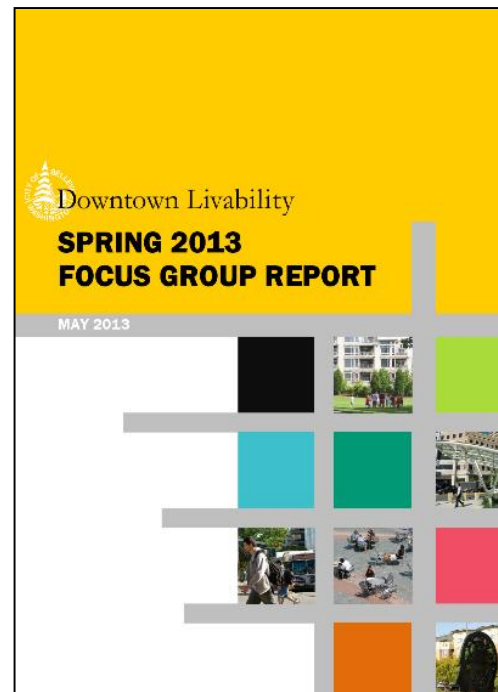
Land Use Code Audit

- Review existing code.
What's working well?
- Room for improvement?
- Not building new code from scratch



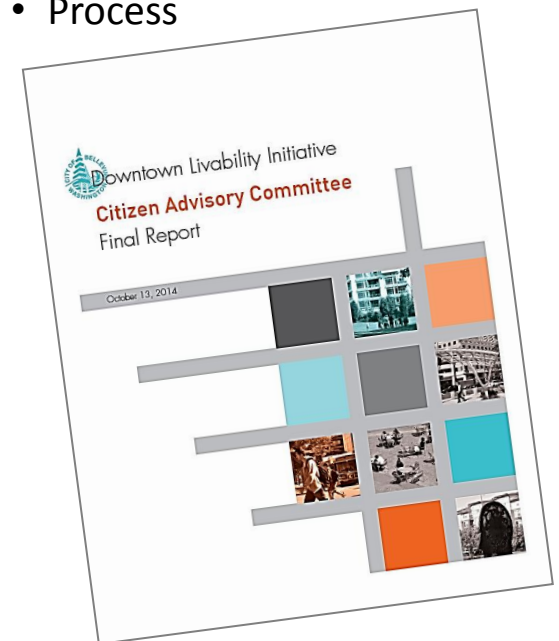
Public Outreach

- Broad range of engagement
- Open Houses
- Focus Groups
- Walking Tours
- Community Meetings
- Website

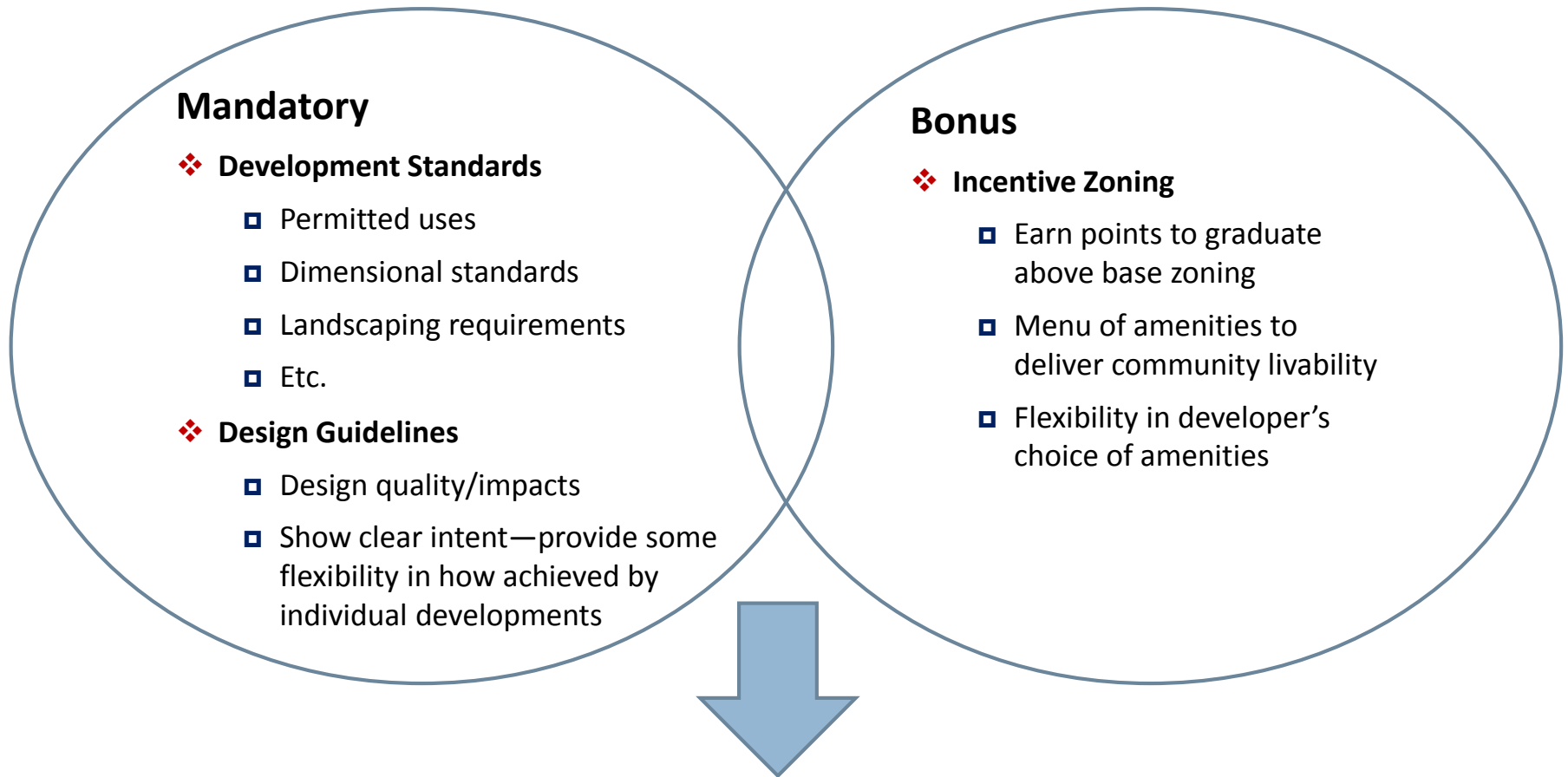


CAC Final Report

- Public Open Space
- Pedestrian Corridor
- Design Guidelines
- Amenity Incentive System
- Station Area Planning
- Building Height & Form
- Parking
- Other Topics
- Process



Role of Incentive Zoning – “Connecting the Dots”



Community Livability
“The Great Place Strategy”

Current System

- A development provides public amenities in exchange for additional building area and height
 - ▣ In essence, development “earns” the right to exceed base FAR/height
- Current list of 23 amenities to choose from, each with specific design criteria and bonus rates
- Some items are both requirements and qualifying amenities
 - ▣ All development must provide for “basic” amenities
 - ▣ Pedestrian-oriented frontage, Pedestrian Corridor
- Legacy system -- has not been systematically updated in 35 years
 - ▣ No longer grounded in market realities

Key Considerations for the Update

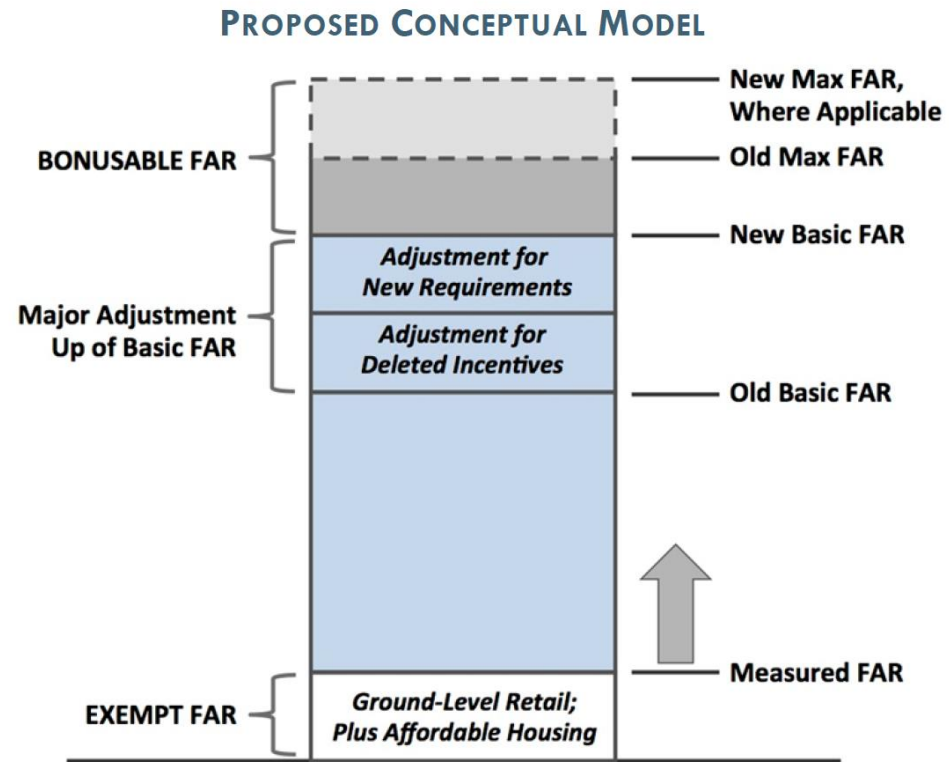
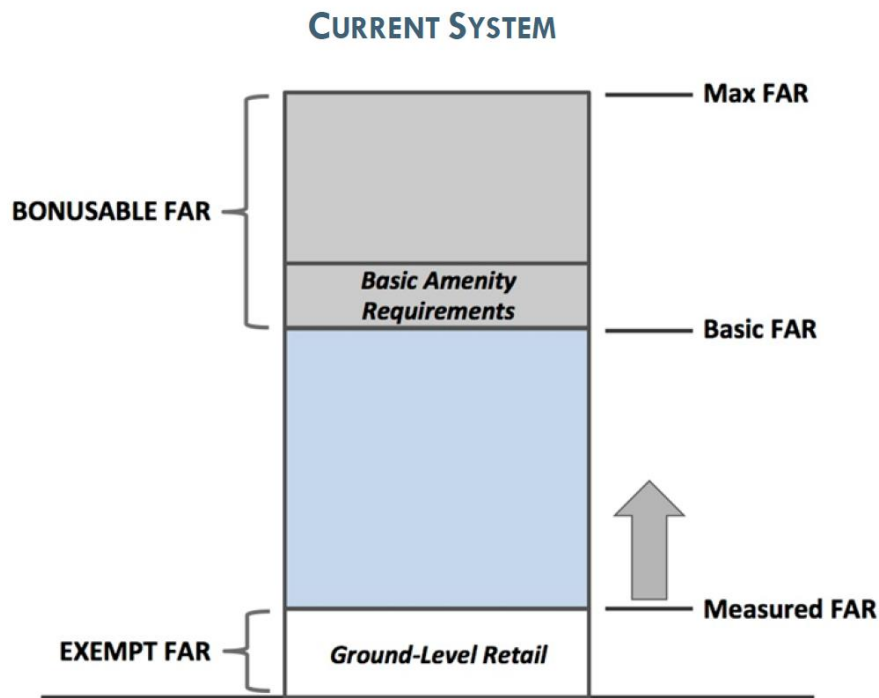
- Desire to add new amenities and be aspirational
- Updating an existing legacy system, versus creating a new system
- Legal context for incentive zoning
- Some new requirements; some items no longer incentivized
- Properties affected differentially by proposed FAR and height increases
 - ▣ Most districts see no change to maximum FAR but increase in height; some districts see substantial increase in both
- Market sensitivities to a new system
- Build in periodic updates as necessary
- Council Incentive Zoning Principles as overall guidance

City Council Principles

Adopted by Council 1-19-16 – following joint Council/Commission workshop (Tab 4)

- Focus the system on making Downtown more livable for people
- Be forward-looking and aspirational
- System should help reinforce Downtown neighborhood identity
- Works as part of the broader Downtown land use code
- Simplify and streamline the incentive system with a clear structure and desired outcomes
- Ensure system is consistent with state and federal law
- System should act as a real incentive for developers, and that modifications don't effectively result in a "downzone"
- Ensure that participation is required for any increases to permitted maximum density (FAR) and/or height
- Consider potential unintended consequences of the update
- Provide for a reasonable "fee-in-lieu" alternative
- Consider "off-ramp" option for incentivizing elements not identified in this update but add equal or greater value
- Include mechanism for future periodic updates

Existing System & Proposed New System



Economic Analysis – Summary of Proposal

- Maintains a system of Base and Maximum FARs and Heights, with limits set by residential and nonresidential building type
- Raises the New Base “as of right” FAR to approx. 85% of the *existing Maximum FARs* for each District—to account for new requirements and the deletion of amenities that are no longer real incentives
- Raises the New Base “as of right” Height to the *existing Height Maximum*, to ensure the New Base Height can actually be utilized
- Exceptions occur in a few cases, where New Base FAR must be raised slightly higher due to legacy issues in existing zoning
- Sets new Maximum FARs and Maximum Heights based on Planning Commission recommendations
- Sets a new “exchange rate” of \$25/sf on bonus FAR, which can be converted into the desired amenities
- Will set an “exchange rate” for height built above the current district maximums—seeking input from ULI Panel on 3 options in consultant report

Panel Charge

- Is the overall approach consistent with Council principles and best practices?
- Are the recommended new base (as-of-right) FARs adequately adjusted upward to maintain existing property values?
- Will the additional FAR and/or height available under the proposed bonus system really act as an incentive?
- Does the approach to valuing the new “exchange rates” seem reasonable?
- Will removing structured parking as a bonused amenity likely impact amount and type of parking provided for an individual project?
- Will removing residential space as a bonused amenity likely impact the overall amount of residential developed downtown?

Background Materials & Analysis

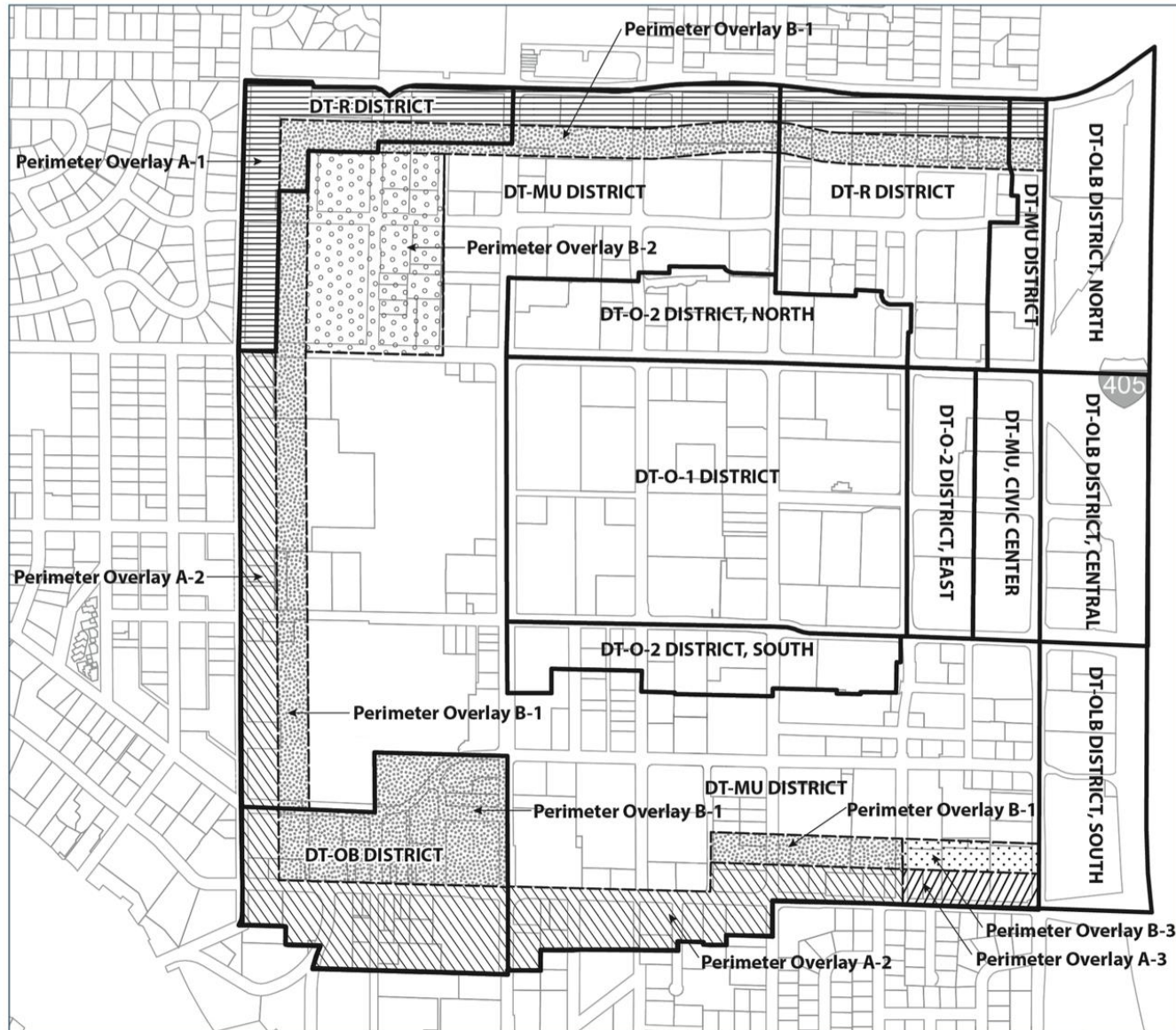
Urban Land Institute Northwest Technical Assistance Panel
Downtown Bellevue Incentive Zoning Update

BRIEFING BOOK



January 2017

Land Use Districts and Perimeter Overlays



Commission Recs. & BERK Analysis

DRAFT: Proposed New Base FARs and Heights Based on BERK Preliminary Analysis

13-Jan-17

| A | B | C | Floor Area Ratio | | | | Building Height | | | | |
|----------------------------------|--|----------------|-------------------|--------------------------------|--------------------------------|--------------------------------|----------------------|--|--|------------------|--|
| | | | D | E | F | G | H | I | J | K | L |
| BERK Proforma | Downtown Land Use District | Building Type | Current Basic FAR | Current Max FAR | New Basic FAR | New Max FAR (PC Proposed) | Current Basic Height | Current Max Height & Max Height with "15/15% rule" as applicable | New Max Height Including "15/15% rule" as applicable (PC Proposed) | New Basic Height | Building Height Trigger for Additional Code Requirements |
| ✓ | DT-O-1 | Nonresidential | 5.0 | 8.0 | 6.75 | 8.0 | 200' | 345/450' | 600' | 345' | 345' |
| | | Residential | 5.0 | Unlimited; effectively ~10.0 | 8.5 | 10.0 | 200' | 450' | 600' | 450' | 450' |
| ✓ | DT-O-2 North of NE 8th Street | Nonresidential | 4.0 | 6.0 | 5.0 | 6.0 | 150' | 250/288' | 460' | 288' | 288' |
| | | Residential | 4.0 | 6.0 | 5.0 | 6.0 | 150' | 250/288' | 460' | 288' | 288' |
| Interpolation from BERK analysis | DT-O-2 East of 110th Ave NE | Nonresidential | 4.0 | 6.0 | 5.0 | 6.0 | 150' | 250/288' | 403' | 288' | 288' |
| | | Residential | 4.0 | 6.0 | 5.0 | 6.0 | 150' | 250/288' | 403' | 288' | 288' |
| Interpolation from BERK analysis | DT-O-2 South of NE 4th Street | Nonresidential | 4.0 | 6.0 | 5.0 | 6.0 | 150' | 250/288' | 345' | 288' | 288' |
| | | Residential | 4.0 | 6.0 | 5.0 | 6.0 | 150' | 250/288' | 345' | 288' | 288' |
| ✓ | DT-MU | Nonresidential | 0.5 | 3.0 | 3.25 | 5.0 | 60' | 100/115' | 230' | 115' | 115' |
| | | Residential | 2.0 | 5.0 | 4.25 | 5.0 | 150' | 200/230' | 288' | 230' | 230' |
| Interpolation from BERK analysis | DT-MU Civic Center | Nonresidential | 0.5 | 3.0 | 3.25 | 6.0 | 60' | 200/230' | 403' | 230' | 230' |
| | | Residential | 2.0 | 5.0 | 4.25 | 6.0 | 150' | 250/288' | 403' | 288' | 288' |
| Interpolation from BERK analysis | DT-OLB North (between NE 8th and NE 12th) | Nonresidential | 0.5 | 3.0 | 2.5 | 3.0 | 75' | 75/90' | 90' | 90' | N/A |
| | | Residential | 2.0 | 3.0 | 2.5 | 3.0 | 75' | 90/105' | 105' | 105' | N/A |
| ✓ | DT-OLB Central (between NE 4th and NE 8th) | Nonresidential | 0.5 | 3.0 | 2.5 | 6.0 | 75' | 75/90' | 403' | 90' | 90' |
| | | Residential | 2.0 | 3.0 | 2.5 | 6.0 | 75' | 90/105' | 403' | 105' | 105' |
| ✓ | DT-OLB South (between Main St and NE 4th) | Nonresidential | 0.5 | 3.0 | 2.5 | 5.0 | 75' | 75/90' | 230' | 90' | 90' |
| | | Residential | 2.0 | 3.0 | 2.5 | 5.0 | 75' | 90/105' | 230' | 105' | 105' |
| ✓ | DT-OB - Please see Perimeter Overlay A-2 and B-1 for Old Bellevue FAR & Height parameters. Perimeter Overlays cover all of the Old Bellevue underlying zoning. | | | | | | | | | | |
| Interpolation from BERK analysis | DT-R | Nonresidential | 0.5 | 0.5 | 0.5 | 0.5 | 60' | 65/75' | 75' | 75' | N/A |
| | | Residential | 2.0 | 5.0 | 4.25 | 5.0 | 150' | 200/230' | 230' | 230' | N/A |
| ✓ | Perimeter Overlay A-1 (includes DT-MU and DT-R underlying zoning) | Nonresidential | 0.5 | 1.0 in MU; 0.5 in R | 1.0 in MU; 0.5 in R | 1.0 in MU; 0.5 in R | 30' | 40' | 40' | 40' | N/A |
| | | Residential | 2.0 | 3.5 | 3.0 | 3.5 | 30' | 55' | 55' | 55' | N/A |
| ✓ | Perimeter Overlay A-2 (includes DT-OB and DT-MU underlying zoning) | Nonresidential | 0.5 | 1.0 | 1.0 | 1.0 | 30' | 40' | 40' | 40' | N/A |
| | | Residential | 2.0 | 3.5 | 3.25 | 3.5 | 30' | 55' | 70' | 55' | 55' |
| Interpolation from BERK analysis | Perimeter Overlay A-3 (DT-MU underlying zoning) | Nonresidential | 0.5 | 1.0 | 1.0 | 1.0 | 30' | 40' | 70' | 40' | 40' |
| | | Residential | 2.0 | 3.5 | 3.25 | 5.0 | 30' | 55' | 70' | 55' | 55' |
| ✓ | Perimeter Overlay B-1 (includes DT-MU, DT-OB and DT-R underlying zoning) | Nonresidential | 0.5 | 1.5 in MU; 1.0 in OB; 0.5 in R | 1.5 in MU; 1.0 in OB; 0.5 in R | 1.5 in MU; 1.0 in OB; 0.5 in R | 30' | 65/72' | 72' | 72' | N/A |
| | | Residential | 2.0 | 5.0 | 4.25 | 5.0 | 45' | 90/99' | 99' | 99' | N/A |
| Interpolation from BERK analysis | Perimeter Overlay B-2 (DT-MU underlying zoning) | Nonresidential | 0.5 | 1.5 | 1.5 | 1.5 | 30' | 65/72' | 72' | 72' | N/A |
| | | Residential | 2.0 | 5.0 | 4.25 | 5.0 | 45' | 90/99' | 176'-264' | 99' | 99' |
| Interpolation from BERK analysis | Perimeter Overlay B-3 (DT-MU underlying zoning) | Nonresidential | 0.5 | 1.5 | 1.5 | 1.5 | 30' | 65/72' | 72' | 72' | N/A |
| | | Residential | 2.0 | 5.0 | 4.25 | 5.0 | 45' | 90/99' | 220' | 99' | 99' |

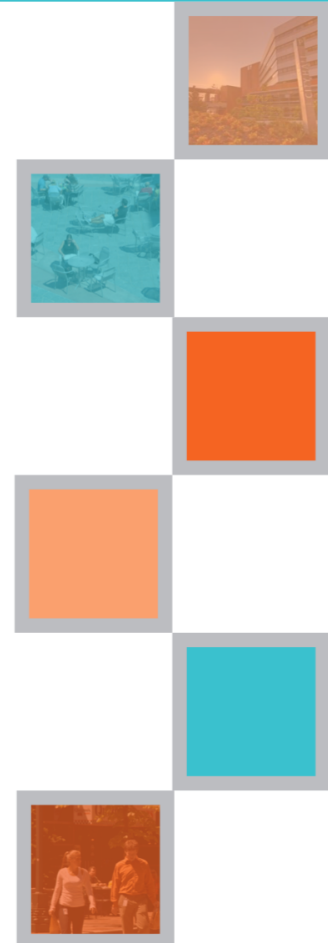
BERK's Report

City of Bellevue Downtown Livability Initiative



Economic Analysis of Incentive Zoning

Revised Draft Report | January 2017



Overview of Consultant Approach and Findings

Michael Hodgins

Principal, BERK

Economic Analysis of Incentive Zoning

ULI TAP Briefing

City of Bellevue
January 18, 2017



Overview of Presentation

Objective of Economic Analysis. Evaluate the economic implications of the proposed changes to the downtown Incentive Zoning system, a regulatory framework that has been largely unchanged in more than 30 years.

Presentation today will briefly address the following:

- Analytic approach
- Findings of “New Base” analysis
- Findings of the incentive zoning analysis

Analytic Framework

Key Questions:

- How should the base zoning be adjusted to reflect the proposed changes to the incentive system?
- What is the potential value of the incentive capacity that remains and what are the implications for the utilization of the incentive system?

Challenges:

- The current system is significantly out of step with the market and economic conditions in downtown Bellevue
- Both the current zoning code and the proposed changes vary in substantive ways among the land use zones in downtown Bellevue

Key to Success:

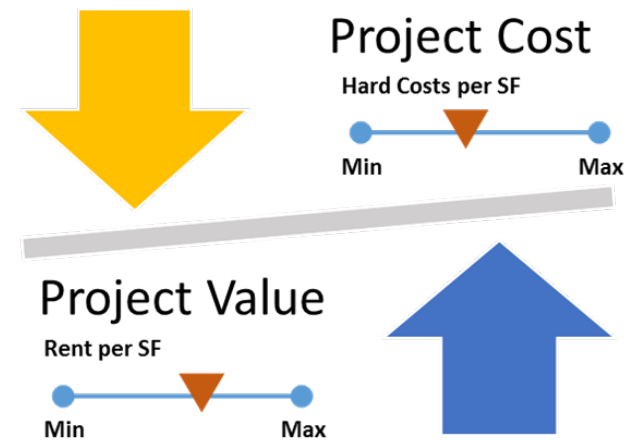
- Restructure downtown zoning to align with livability goals while mitigating potential disruptions to current market conditions

Analytic Approach

Key evaluation measure. To ensure that the restructure is reasonably consistent with current market conditions, proposed code changes should support current land values in downtown zones.

Approach:

- Use a residual land value model to test implications of zoning changes on underlying land values
- Test a wide range of development prototypes for each zoning configuration and site sizes to ensure code will continue to support a variety of development options.
- Use a standard set of “rules” that will generate the development prototypes in response to each potential zoning configuration.
- Calibrate the RLV model to support current land values in each zone using current max zoning



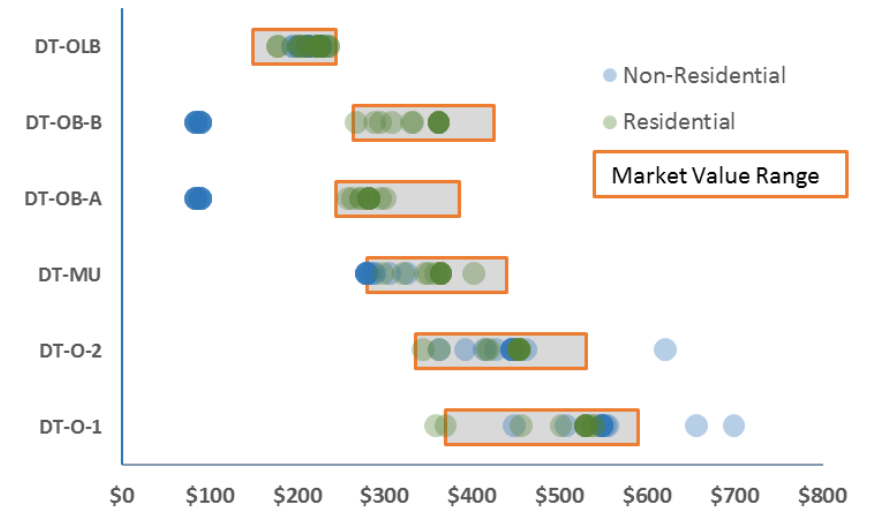
Calibration of RLV Model

CALIBRATION RESULTS, BY ZONE

| Zone | Non-Residential | | | Residential | | |
|---------|-----------------|------|-------------|-------------|------|-------------|
| | Rent | Cost | Parking | Rent | Cost | Parking |
| DT-O-1 | 50% | 25% | None | 75% | 22% | All parcels |
| DT-O-2 | 55% | 30% | Larger only | 82% | 16% | All parcels |
| DT-MU | 55% | 28% | All parcels | 75% | 15% | All parcels |
| DT-OB-B | 55% | 28% | None | 50% | 35% | All parcels |
| DT-OB-A | 55% | 28% | None | 50% | 30% | All parcels |
| DT-OLB | 45% | 25% | None | 40% | 25% | All parcels |

Note: Percentages for rent and cost show where these factors landed within the market range. 0% = minimum and 100% = maximum of market range.

TEST OF MARKET CALIBRATION, RESIDUAL LAND VALUE RANGES



Restructure Elements

Analysis of “New Base” FAR to align with proposed changes to incentive amenity list and new base requirements.



New Base FAR Analysis

What is Changing?

- Structured parking and provision of residential uses to be removed from list of qualifying amenities in the incentive zoning system.
- Current “basic” amenity requirements to be shifted to project requirements under base zoning.
- Adjust base zoning to account to restructure elements.

Establishing a New Base FAR

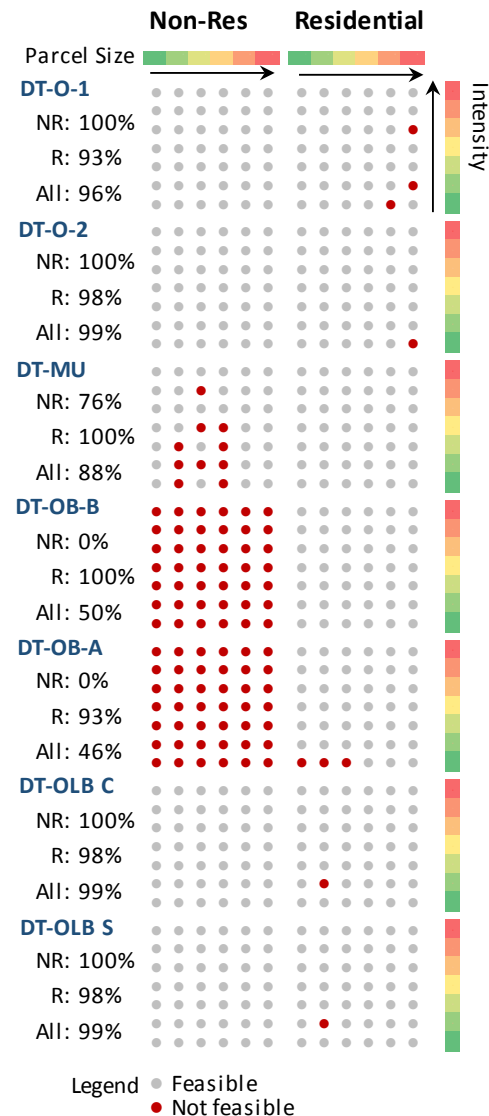
- Policy-level starting point for New Base FAR – Range of +/- 0.25 FAR based on 85% of current max zoning.
- Generate and test project prototypes for the New Base FAR range to determine if they are likely to support current land values.

New Base FAR Analysis

Initial Feasibility Screening

- Screen the New Base FAR prototypes for market feasibility using current max zoning and calibrated RLV model.
- Given the much higher base FAR options, assume that base zoning height will be limited by the current maximum height limits applicable to each zone and use.
- Include an allowance for the cost of meeting current “basic” and non-parking amenity requirements

INITIAL FEASIBILITY SCREENING RESULTS

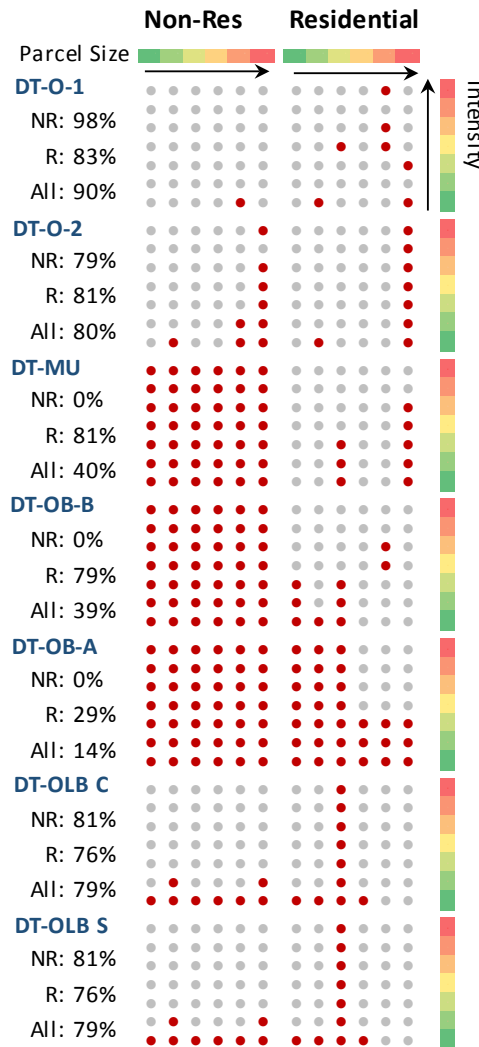


New Base FAR Analysis

Test Policy Starting Point

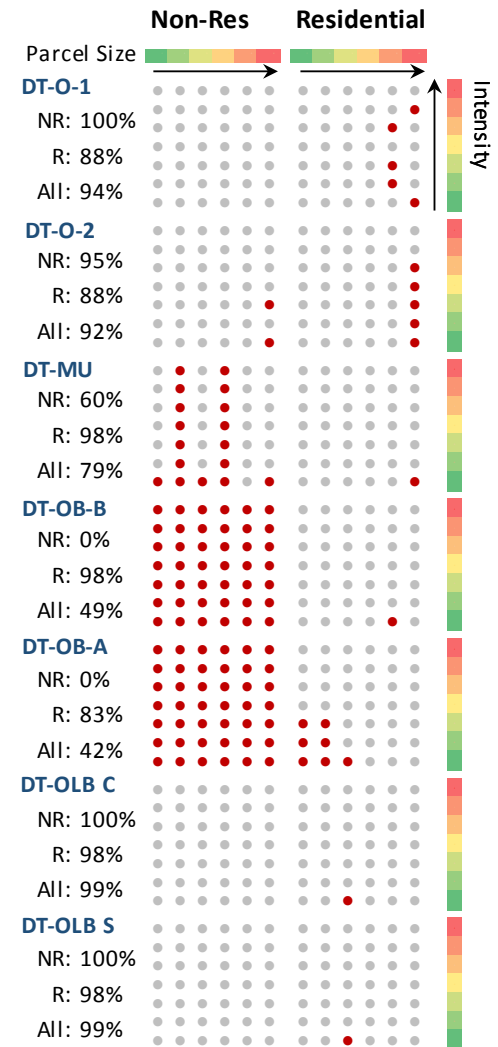
- Include an allowance for the cost of meeting current “basic” requirements
- Compare feasibility results for the New Base Low and New Base High FAR scenarios
- With three modifications, the mid-point of the tested policy range appears to support the restructure objectives

RESULTS: NEW BASE LOW



Legend ● Feasible
● Not feasible

RESULTS: NEW BASE HIGH



Legend ● Feasible
● Not feasible

New Base FAR Analysis

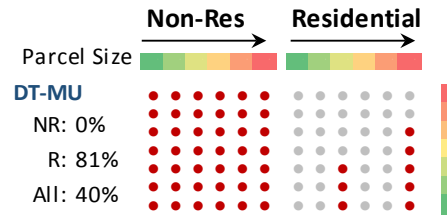
Adjustments to the Policy-Based Range

- Increase New Base FAR for non-residential uses in DT-MU to provide a more balanced structural code among uses.
- Use the New Base High FAR for DT-OB-A, to providing a balance between base zoning feasibility and retaining some incentive capacity
- Use current maximum FAR for non-residential uses in DT-OB-A and DT-OB-B

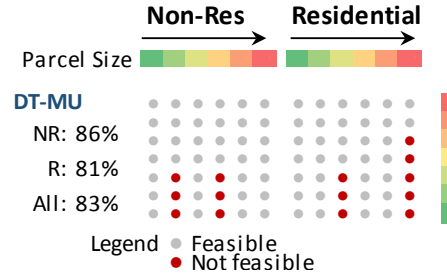
NON-RESIDENTIAL IN DT-MU

RESULTS: NEW BASE LOW

Original Non-Res (FAR 2.25)

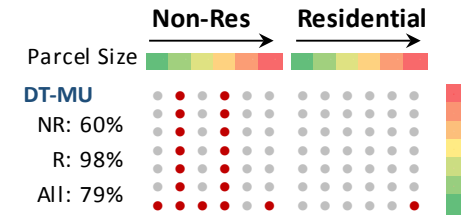


Alternative Non-Res (FAR 3.0)

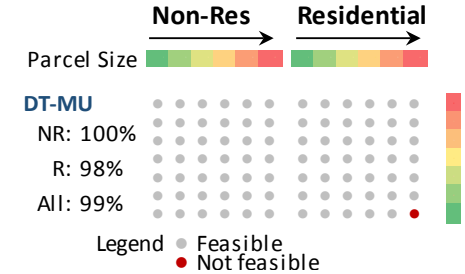


RESULTS: NEW BASE HIGH

Original Non-Res (FAR 2.75)

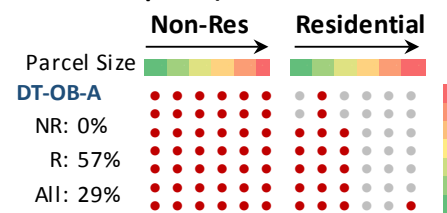


Alternative Non-Res (FAR 3.5)

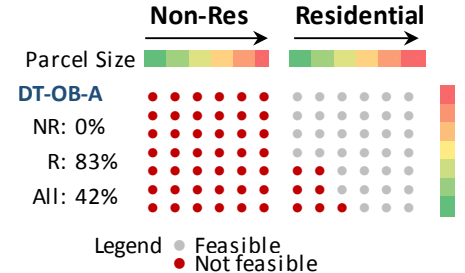


DT-OB-A MIDPOINT VS HIGH

New Base Midpoint (Residential 3.0 FAR)



New Base High (Residential 3.25 FAR)





Incentive Analysis

Remaining available capacity for the incentive system and analysis of potential value and utilization.

Incentive Analysis

What is Changing?

- There is an assumed Preliminary New Base FAR assumption, which raises the “floor” in the overall downtown zoning system.
- The CAC recommendations include proposed increases to maximum FAR and height for some, but not all, land use zones
- Result is a wide range of remaining incentive capacity – some zones would be significantly decreased, others increased substantially

Establishing a New Base FAR

- Generate a new set of project prototypes based on the Preliminary New Base and Proposed Max zoning.
- Test prototypes to determine how much incentive capacity might be available, the potential value of this capacity and implications for utilization of the incentive capacity.

Potential Incentive Capacity

ESTIMATED CHANGE IN CAPACITY, SCREENED PROTOTYPE PAIRS

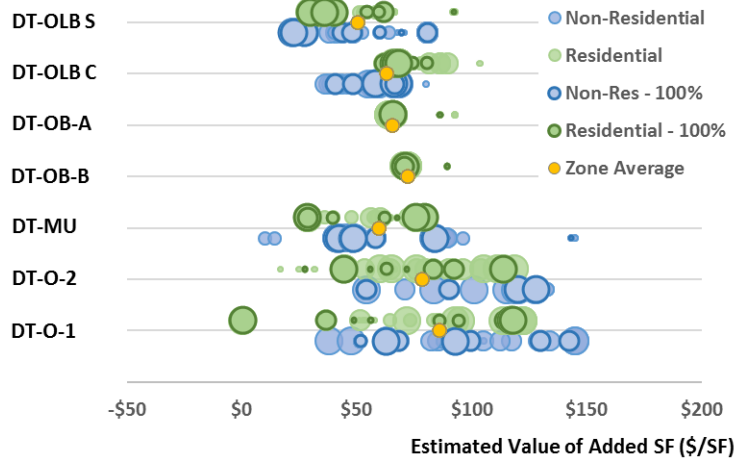
| | Incentive Capacity (FAR) | Project Prototypes | | | Building | Building | Building | Building |
|----------------------------|--------------------------|--------------------|-------------------------|------|------------|-----------|------------------|-----------------|
| | | Total | Potential Incentive No. | Pct | GSF (Base) | GSF (Max) | Built FAR (Base) | Built FAR (Max) |
| NON-RESIDENTIAL | | | | | | | | |
| DT-O-1 | 1.25 | 42 | 35 | 83% | 14,140 | 16,670 | 6.64 | 7.83 |
| DT-O-2 | 1.00 | 42 | 33 | 79% | 9,510 | 11,530 | 4.88 | 5.91 |
| DT-MU | 1.75 | 42 | 40 | 95% | 6,310 | 9,430 | 3.08 | 4.60 |
| DT-OB-A | 0.00 | -- | -- | -- | -- | -- | -- | -- |
| DT-OB-B | 0.00 | -- | -- | -- | -- | -- | -- | -- |
| DT-OLB C | 3.50 | 42 | 42 | 100% | 7,410 | 16,270 | 2.65 | 5.81 |
| DT-OLB S | 2.50 | 42 | 42 | 100% | 7,410 | 13,590 | 2.65 | 4.85 |
| All Non-Residential | | 210 | 192 | 91% | 44,780 | 67,490 | 3.82 | 5.75 |
| RESIDENTIAL | | | | | | | | |
| DT-O-1 | 1.50 | 42 | 29 | 69% | 13,070 | 15,800 | 8.02 | 9.69 |
| DT-O-2 | 1.00 | 42 | 31 | 74% | 8,870 | 10,930 | 4.82 | 5.94 |
| DT-MU | 0.75 | 42 | 24 | 57% | 6,740 | 7,910 | 4.27 | 5.01 |
| DT-OB-A | 0.25 | 42 | 35 | 83% | 6,480 | 7,100 | 3.26 | 3.57 |
| DT-OB-B | 0.75 | 42 | 27 | 64% | 4,590 | 5,140 | 4.14 | 4.63 |
| DT-OLB C | 3.50 | 42 | 0 | 0% | 0 | 0 | -- | -- |
| DT-OLB S | 2.50 | 42 | 2 | 5% | 120 | 200 | 2.40 | 4.00 |
| All Residential | | 294 | 148 | 50% | 39,870 | 47,080 | 4.87 | 5.76 |

Estimated Value of Incentive Space

RLV Assumptions Adjustment

- DT-OLB changes in max zoning are so significant that the calibrated baseline is not reflective of how the market may respond to the upzone

Bubble size is based on square feet added by zone (quartiles)



| Incentive Capacity (FAR) | Project Prototypes | | | Change in RLV ('000) | Change in Built SF ('000) | Added Value (\$/GSF) | |
|----------------------------|--------------------|-------------------------|------------|----------------------|---------------------------|----------------------|----------------|
| | Total | Potential Incentive No. | Pct | | | | |
| NON-RESIDENTIAL | | | | | | | |
| DT-O-1 | 1.25 | 42 | 35 | 83% | \$216,400 | 2,530 | \$85.50 |
| DT-O-2 | 1.00 | 42 | 33 | 79% | \$171,300 | 2,020 | \$85.00 |
| DT-MU | 1.75 | 42 | 40 | 95% | \$189,100 | 3,120 | \$60.50 |
| DT-OB-A | 0.00 | -- | -- | -- | -- | -- | -- |
| DT-OB-B | 0.00 | -- | -- | -- | -- | -- | -- |
| DT-OLB C | 3.50 | 42 | 42 | 100% | \$487,600 | 8,860 | \$55.00 |
| DT-OLB S | 2.50 | 42 | 42 | 100% | \$355,600 | 6,180 | \$57.50 |
| All Non-Residential | | 210 | 192 | 91% | \$1,420,000 | 22,710 | \$62.50 |
| RESIDENTIAL | | | | | | | |
| DT-O-1 | 1.50 | 42 | 29 | 69% | \$237,100 | 2,740 | \$86.50 |
| DT-O-2 | 1.00 | 42 | 31 | 74% | \$149,000 | 2,070 | \$72.00 |
| DT-MU | 0.75 | 42 | 24 | 57% | \$66,300 | 1,170 | \$56.50 |
| DT-OB-A | 0.25 | 42 | 35 | 83% | \$44,000 | 610 | \$72.00 |
| DT-OB-B | 0.75 | 42 | 27 | 64% | \$36,000 | 550 | \$65.50 |
| DT-OLB C | 3.50 | 42 | 37 | 88% | \$572,700 | 8,000 | \$71.50 |
| DT-OLB S | 2.50 | 42 | 37 | 88% | \$270,800 | 6,200 | \$43.50 |
| All Residential | | 294 | 220 | 75% | \$1,375,900 | 21,340 | \$64.50 |
| OVERALL | | | | | | | |
| DT-O-1 | | 84 | 64 | 76% | \$453,500 | 5,270 | \$86.00 |
| DT-O-2 | | 84 | 64 | 76% | \$320,300 | 4,090 | \$78.50 |
| DT-MU | | 84 | 64 | 76% | \$255,400 | 4,290 | \$59.50 |
| DT-OB-A | | 42 | 35 | 83% | \$44,000 | 610 | \$72.00 |
| DT-OB-B | | 42 | 27 | 64% | \$36,000 | 550 | \$65.50 |
| DT-OLB C | | 84 | 79 | 94% | \$1,060,300 | 16,860 | \$63.00 |
| DT-OLB S | | 84 | 79 | 94% | \$626,400 | 12,380 | \$50.50 |
| All Zones | | 504 | 412 | 82% | \$2,795,900 | 44,050 | \$63.50 |

Implications for Utilization of Incentive Space

Utilization will depend on where City sets exchange rate

- Current market comparatives: Bel-Red, ranges from \$15-\$18 per sf; and, South Lake Union affordable housing fee is \$25/sf

| Incentive Capacity (FAR) | Project Prototypes | | | Added Value (\$/GSF) | Potential Use of Incentive Capacity Assuming Minimum 50% Return | | | | | | | | |
|----------------------------|--------------------|-----|-----|----------------------|---|---------|---------|---------|-----|-----|-----|-----|-----|
| | Total | No. | Pct | | \$20/sf | \$25/sf | \$30/sf | \$35/sf | | | | | |
| NON-RESIDENTIAL | | | | | | | | | | | | | |
| DT-O-1 | 1.25 | 42 | 35 | 83% | \$85.50 | 34 | 81% | 33 | 79% | 18 | 43% | 16 | 38% |
| DT-O-2 | 1.00 | 42 | 33 | 79% | \$85.00 | 33 | 79% | 33 | 79% | 14 | 33% | 14 | 33% |
| DT-MU | 1.75 | 42 | 40 | 95% | \$60.50 | 38 | 90% | 27 | 64% | 20 | 48% | 20 | 48% |
| DT-OB-A | 0.00 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| DT-OB-B | 0.00 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| DT-OLB C | 3.50 | 42 | 42 | 100% | \$55.00 | 38 | 90% | 26 | 62% | 15 | 36% | 7 | 17% |
| DT-OLB S | 2.50 | 42 | 42 | 100% | \$57.50 | 35 | 83% | 27 | 64% | 25 | 60% | 19 | 45% |
| All Non-Residential | | 210 | 192 | 91% | \$62.50 | 178 | 85% | 146 | 70% | 92 | 44% | 76 | 36% |
| RESIDENTIAL | | | | | | | | | | | | | |
| DT-O-1 | 1.50 | 42 | 29 | 69% | \$86.50 | 26 | 62% | 24 | 57% | 18 | 43% | 17 | 40% |
| DT-O-2 | 1.00 | 42 | 31 | 74% | \$72.00 | 27 | 64% | 24 | 57% | 22 | 52% | 16 | 38% |
| DT-MU | 0.75 | 42 | 24 | 57% | \$56.50 | 18 | 43% | 17 | 40% | 15 | 36% | 8 | 19% |
| DT-OB-A | 0.25 | 42 | 35 | 83% | \$72.00 | 35 | 83% | 35 | 83% | 35 | 83% | 35 | 83% |
| DT-OB-B | 0.75 | 42 | 27 | 64% | \$65.50 | 27 | 64% | 27 | 64% | 27 | 64% | 6 | 14% |
| DT-OLB C | 3.50 | 42 | 37 | 88% | \$71.50 | 37 | 88% | 37 | 88% | 37 | 88% | 20 | 48% |
| DT-OLB S | 2.50 | 42 | 37 | 88% | \$43.50 | 21 | 50% | 21 | 50% | 14 | 33% | 4 | 10% |
| All Residential | | 294 | 220 | 75% | \$64.50 | 191 | 65% | 185 | 63% | 168 | 57% | 106 | 36% |
| OVERALL | | | | | | | | | | | | | |
| DT-O-1 | | 84 | 64 | 76% | \$86.00 | 60 | 71% | 57 | 68% | 36 | 43% | 33 | 39% |
| DT-O-2 | | 84 | 64 | 76% | \$78.50 | 60 | 71% | 57 | 68% | 36 | 43% | 30 | 36% |
| DT-MU | | 84 | 64 | 76% | \$59.50 | 56 | 67% | 44 | 52% | 35 | 42% | 28 | 33% |
| DT-OB-A | | 42 | 35 | 83% | \$72.00 | 35 | 83% | 35 | 83% | 35 | 83% | 35 | 83% |
| DT-OB-B | | 42 | 27 | 64% | \$65.50 | 27 | 64% | 27 | 64% | 27 | 64% | 6 | 14% |
| DT-OLB C | | 84 | 79 | 94% | \$63.00 | 75 | 89% | 63 | 75% | 52 | 62% | 27 | 32% |
| DT-OLB S | | 84 | 79 | 94% | \$50.50 | 56 | 67% | 48 | 57% | 39 | 46% | 23 | 27% |
| All Zones | | 504 | 412 | 82% | \$63.50 | 369 | 73% | 331 | 66% | 260 | 52% | 182 | 36% |



Value of New Height Limits

What is Changing?

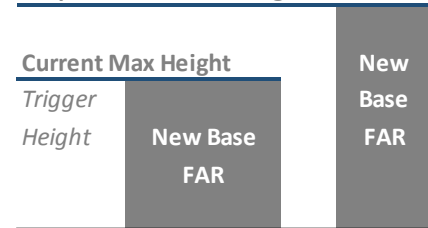
- Maximum height is also proposed to increase in many zones, with or without a corresponding change in maximum FAR.
- The increase in height is structured around a new trigger height concept, where exceeding the current maximum height would trigger additional development requirements.

Estimating Potential Value Attributable to Height

- Generate project prototypes to isolate height as a specific policy variable.
- Identify where availability of additional height might be both utilized and the residual land value is estimated to be higher relative to the height-constrained alternative.

Testing New Height Implications (New Base FAR)

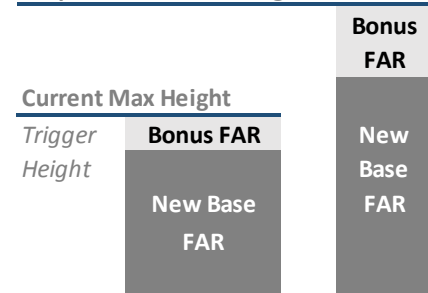
Proposed New Max Height



Does Not Use Incentive Capacity

Testing New Height (Max FAR)

Proposed New Max Height



Uses Incentive Capacity

Implications for Utilization of New Height Limit

Base zoning

- Relatively few project prototypes (27%) would use the extra available height.
- Most would need the height to maximize the available base zoning FAR.

Max zoning

- Many more prototypes would use the height (61%)
- Most would need the height to maximize the available base zoning FAR.

| | Total Prototypes | No Change | Using Height Only | Using Height & FAR | Pct Using Height |
|--|---------------------|--------------|-------------------------|--------------------------|------------------------|
| BASE FAR COMPARISONS (Vary Height, Constant New Base FAR) | | | | | |
| ZONES WHERE HEIGHT INCREASE, BUT NO INCREASE TO MAX FAR | | | | | |
| DT-O-1 (all uses) | 84 | 64 | 10 | 10 | 24% |
| DT-O-2 (all uses) | 84 | 60 | 5 | 19 | 29% |
| DT-MU (Res) | 42 | 30 | 5 | 7 | 29% |
| DT-OB-A (Res) | 42 | 36 | 0 | 6 | 14% |
| ZONES WHERE BOTH MAX HEIGHT AND FAR INCREASE | | | | | |
| DT-MU (Non-res) | 42 | 29 | 0 | 13 | 31% |
| DT-OLB C (all uses) | 84 | 55 | 7 | 22 | 35% |
| DT-OLB S (all uses) | 84 | 65 | 0 | 19 | 23% |
| Sub-total | 462 | 339 | 27 | 96 | 27% |
| MAX FAR COMPARISONS (Vary Height, Constant Max FAR) | | | | | |
| ZONES WHERE HEIGHT INCREASE, BUT NO INCREASE TO MAX FAR | | | | | |
| DT-O-1 (all uses) | 84 | 60 | 11 | 13 | 29% |
| DT-O-2 (all uses) | 84 | 46 | 11 | 27 | 45% |
| DT-MU (Res) | 42 | 31 | 5 | 6 | 26% |
| DT-OB-A (Res) | 42 | 35 | 0 | 7 | 17% |
| ZONES WHERE BOTH MAX HEIGHT AND FAR INCREASE | | | | | |
| DT-MU (Non-res) | 42 | 7 | 0 | 35 | 83% |
| DT-OLB C (all uses) | 84 | 0 | 0 | 84 | 100% |
| DT-OLB S (all uses) | 84 | 2 | 4 | 78 | 98% |
| Sub-total | 462 | 181 | 31 | 250 | 61% |
| GRAND TOTAL | 924 | 520 | 58 | 346 | 44% |

Potential Value Attributable to Height

| | HEIGHT IMPACT (New BASE FAR) | | | FAR-based Incentive | | HEIGHT IMPACT (New MAX FAR) | | | FAR-based Incentive | |
|---|------------------------------|------------------------|----------------|---------------------|---------------|-----------------------------|------------------------|----------------|---------------------|---------------|
| | Change RLV ('000) | GSF ('000) abv Trigger | Value (\$/GSF) | Value (\$/GSF) | Height to FAR | Change RLV ('000) | GSF ('000) abv Trigger | Value (\$/GSF) | Value (\$/GSF) | Height to FAR |
| VALUE CHANGED ONLY WITH HEIGHT (All Zones) | | | | | | | | | | |
| DT-O-1 (all uses) | \$160,000 | 3,200 | \$50.00 | \$86.00 | 0.581 | \$207,500 | 3,640 | \$57.00 | \$86.00 | 0.663 |
| DT-O-2 (all uses) | \$45,800 | 1,110 | \$41.50 | \$78.50 | 0.529 | \$106,800 | 2,650 | \$40.50 | \$78.50 | 0.516 |
| DT-MU (Res) | \$13,000 | 740 | \$17.50 | \$75.33 | 0.232 | \$12,800 | 740 | \$17.50 | \$75.33 | 0.232 |
| DT-OLB C (Res) | \$4,900 | 4,900 | \$1.00 | \$71.50 | 0.014 | -- | -- | -- | -- | -- |
| Sub-total | \$218,800 | 5,050 | \$43.50 | \$80.00 | 0.544 | \$327,100 | 7,030 | \$46.50 | \$80.00 | 0.581 |
| VALUE CHANGED WITH HEIGHT & GSF (Zones with No Proposed Increase in Max FAR) | | | | | | | | | | |
| DT-O-1 (all uses) | \$64,000 | 970 | \$66.00 | \$86.00 | 0.767 | \$164,000 | 2,700 | \$60.50 | \$86.00 | 0.703 |
| DT-O-2 (all uses) | \$106,800 | 2,780 | \$38.50 | \$78.50 | 0.490 | \$221,000 | 5,120 | \$43.00 | \$78.50 | 0.548 |
| DT-MU (Res) | \$13,800 | 320 | \$43.00 | \$56.50 | 0.761 | \$15,100 | 330 | \$46.00 | \$56.50 | 0.814 |
| DT-OB-A (Res) | \$11,300 | 70 | \$161.50 | \$60.50 | 2.669 | \$19,000 | 90 | \$211.00 | \$60.50 | 3.488 |
| Sub-total | \$195,900 | 4,140 | \$47.50 | \$79.50 | 0.597 | \$419,100 | 8,240 | \$51.00 | \$79.50 | 0.642 |
| VALUE CHANGED WITH HEIGHT & GSF (Zones with Proposed Increase in Max FAR) | | | | | | | | | | |
| DT-MU (Non-res) | \$11,300 | 1,480 | \$7.50 | \$72.00 | 0.104 | \$144,600 | 3,130 | \$46.00 | \$72.00 | 0.639 |
| DT-OLB C (Res) | \$64,300 | 1,990 | \$32.50 | \$71.50 | 0.455 | \$449,800 | 10,280 | \$44.00 | \$71.50 | 0.615 |
| DT-OLB C (Non-res) | \$2,900 | 250 | \$11.50 | \$43.50 | 0.264 | \$238,900 | 9,760 | \$24.50 | \$43.50 | 0.563 |
| DT-OLB S (Res) | \$36,300 | 1,740 | \$21.00 | \$55.00 | 0.382 | \$120,400 | 4,590 | \$26.00 | \$55.00 | 0.473 |
| DT-OLB S (Non-res) | \$2,900 | 250 | \$11.50 | \$57.50 | 0.200 | \$116,200 | 3,040 | \$38.00 | \$57.50 | 0.661 |
| Sub-total | \$117,700 | 5,710 | \$20.50 | \$58.00 | 0.353 | \$1,069,900 | 30,800 | \$34.50 | \$58.00 | 0.595 |
| GRAND TOTAL | \$532,400 | 14,900 | \$35.50 | \$63.50 | 0.559 | \$1,816,100 | 46,070 | \$39.50 | \$63.50 | 0.622 |