

CITY OF BELLEVUE
EAST BELLEVUE COMMUNITY COUNCIL
PUBLIC MEETING NOTICE

Rules of Procedure are available at the City Clerk's Office

The East Bellevue Community Council will hold a courtesy public meeting during its Regular Meeting on **Tuesday, October 6, at 6:30 p.m.**, in the Lake Hills Clubhouse, 15230 Lake Hills Boulevard, to consider a Rezone application for property at 15015 Main Street, as applicable within their jurisdiction:

Rezone File No. 09-113801-LQ

- Application for a Rezone to remove the existing Concomitant Zoning Agreement (CZA). The Bellevue City Council approved the existing CZA by Ordinance No. 3835. This application is related to potential redevelopment of the property.

Written comments may be addressed to the East Bellevue Community Council in care of Michelle Murphy, Deputy City Clerk, P.O. Box 90012, Bellevue, WA 98009.

Posting/Publication Date: August 27, 2009



MEMORANDUM

DATE: October 6, 2009
TO: Chair Kasner, Members of the East Bellevue Community Council
FROM: Mike Upston, Senior Planner
SUBJECT: Kelsey Creek Shopping Center Rezone (09-113801-LQ)

On October 6, 2009 the East Bellevue Community Council (EBCC) will hear a presentation from the applicant (Steve Bullock, MulvanneyG2) and City staff about the proposed Rezone for the Kelsey Creek Shopping Center. The public notice posting for the Rezone application and the public meeting are attached.

Existing Site and Current Conditions

The 15.23 acre Kelsey Creek Shopping Center site is a commercially-zoned property that has served the surrounding neighborhood with small-scale retail and limited office uses for many years. However, with the departure of K-Mart from the 106,000 square foot building, the site has become severely underutilized. In the years since K-Mart's departure, residents have expressed concern about the negative impacts of the underutilized site to their neighborhood's image and property values.

In early 2002, Costco Wholesale entered into a lease agreement for the old K-Mart site. In Fall 2002, the City Council approved a \$40,000 expenditure in the 2003/2004 Budget to conduct a Stream Reach study. That study was created to address alternatives to removing the culvert re-opening requirement contained in the Kelsey Creek Shopping Center Concomitant. In late 2002, Costco representatives applied for permits necessary to develop a Costco Fresh concept store on the Kelsey Creek Shopping Center site and a Rezone was initiated. In January 2003, Costco decided to instead pursue its core warehouse design; permits for the Kelsey Creek site were withdrawn, and the Rezone was never completed. However, City interest in redevelopment of the property remained and the Stream Reach Study was completed in anticipation of future redevelopment.

Then in 2007, Costco submitted another Rezone application to resume the City review process, with the goal again being eventual construction of a new Costco Wholesale store. That review process involved substantial work on a new concomitant zoning agreement, a traffic study, and a mitigation plan for allowing redevelopment to occur without re-opening the culvert. However, in 2008 Costco decided to pursue other business avenues and once again withdrew their Rezone application.

Proposed Redevelopment

The property owner is now looking at other development possibilities (see attached Preliminary Site Plan). Current options described in this latest Rezone application include a range of development scenarios for which maximum build-out would be a 90,000 square foot grocery store, two buildings with up to 140,000 square feet of retail and office space, retention of the existing 74,000 square foot building which has retail and office tenants, a parking structure and surface parking.

The project proposal includes providing mitigation for environmental impacts associated with leaving the segment of Kelsey Creek that occurs within this project site underground. In addition, while traffic and parking will be addressed in complete detail as part of the subsequent Design Review application, initial review is being conducted now so that we have a sense of the project impacts and can start to think about how best to mitigate them. The City has received an initial analysis of trip generation, traffic operation, and potential methods for mitigating negative impacts.

Approval Request

In order to implement the proposed development, the applicant requests elimination of the existing Concomitant Zoning Agreement for the property; this requires approval of the Rezone application. The Land Use Code's decision criteria for Rezone applications along with a brief discussion is attached.

Next Steps

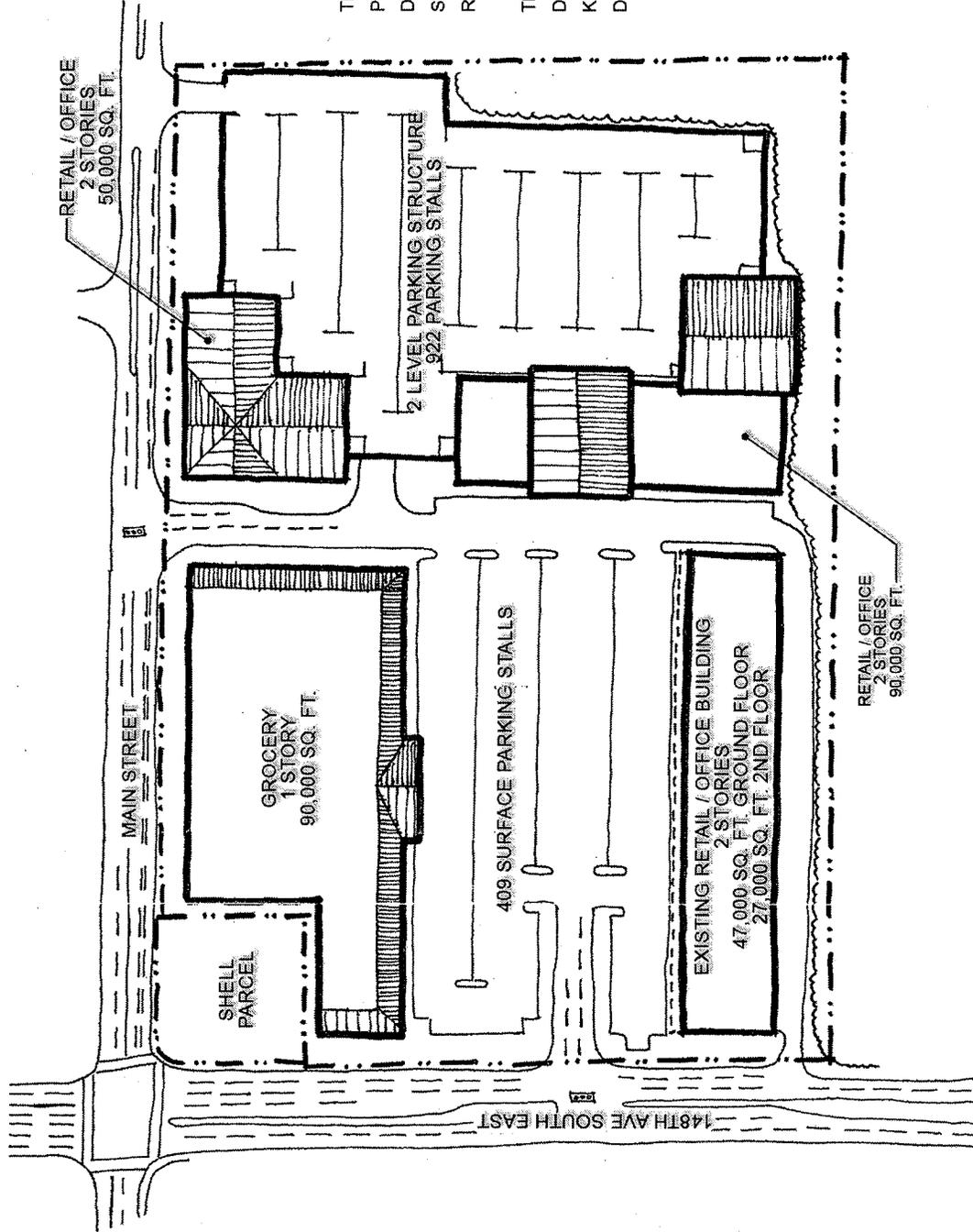
In the coming months City staff will accept public comments on the application while developing a proposal that: (1) enables the proposed development to comply with the City's applicable Land Use policies and regulations, and (2) provides mitigation for impacts associated with leaving this segment of Kelsey Creek underground.

A public hearing with the Hearing Examiner on this item is expected in 1st or 2nd quarter of 2010 with City Council action potentially mid-2010. This Rezone process concludes with the EBCC for approval or disapproval of City Council action.

Conclusion

Staff requests any feedback or comments you have on the proposed Rezone. Please contact me if you have any questions prior to the October 6th meeting.

Attachments: City application
EBCC public meeting notice
Letter proposal from the applicant
Written narrative from the applicant
Preliminary Site Plan (maximum build-out)



THIS CONCEPTUAL SITE PLAN HAS BEEN PREPARED, AT THE CITY'S REQUEST, TO DEPICT WHAT THE MAXIMUM BUILD OUT SCENARIO DESCRIBED IN THE TRAFFIC REPORT MIGHT LOOK LIKE.

THE MAXIMUM BUILD OUT SCENARIO IS DESCRIBED IN MORE DETAIL IN THE KELSEY CREEK CENTER RE-ZONE T.I.A. DATED MAY 2009, PAGES 11 - 15

PRELIMINARY SITE PLAN

BELLEVUE, WA

PMF INVESTMENTS



JULY 30, 2009

MULVANNY G2

1107 5TH AVE, SE 10000
 BELLEVUE, WA 98004
 (206) 463-2000 FAX (206) 463-2002

MS-100000-001



Department of Planning & Community Development
(425) 452-4898

Application for
REZONE

APPLICATION DATE <u>5/20/09</u>	TECH INITIALS <u>CB</u>	PROJECT FILE # <u>09-113801 LA</u>
<input type="checkbox"/> RECLASSIFICATION/REZONE		
<input type="checkbox"/> INSTITUTIONAL ZONE RECLASSIFICATION Master Development Plan		

- Property Address 15015 Main St.
- Project Name Rezone Kelsey Creek Center
- Applicant Costco Wholesale - Peter Kahn Phone (425) 313-6052
Address 999 Lake Drive City, State, Zip Issaquah, WA 98072
- Engineer/Architect MulvannyG2 Architecture Phone (425) 463-2000
Address 1110 112th Ave NE, Suite 500 City, State, Zip Bellevue, WA 98004
- Contact Person MulvannyG2 Architecture - Steve Bullock Phone (425) 463-1449
E-Mail Address stephen.bullock@mulvannyg2.com FAX # (425) 463-1850
Address 1110 112th Ave NE, Suite 500 City, State, Zip Bellevue, WA 98004
- Proposal Description: Change map designation from Leave it as BC to _____
Other Replace the existing Concomitant Agreement and conditions with a new one.
- Site Data: Site Area Roughly 16 Acres
Subarea Southeast Bellevue
Comprehensive Plan land use designation Community Business
Community Council East Bellevue Sammamish None

NOTICE OF COMPLETENESS: Your application is considered complete, per RCW 36.70B.070, 29 days after submittal, unless otherwise notified.

I certify that I am the owner or owners authorized agent. If acting as an authorized agent, I further certify that I am authorized to act as the Owners agent regarding the property at the above-referenced address for the purpose of filing applications for decisions, permits, or review under the Land Use Code and other applicable Bellevue City Codes and I have full power and authority to perform on behalf of the Owner all acts required to enable the City to process and review such applications.

I certify that the information on this application is true and correct and that the applicable requirements of the City of Bellevue, RCW and the State Environmental Policy Act (SEPA) will be met.

Signature [Signature] [Signature] for Costco Wholesale Corporation Date 05/11/2009
(Owner or Owner's Agent)

Narrative Regarding Rezone Decision Criteria

History and Background of the Kelsey Creek Center

The owner of the Kelsey Creek Shopping Center has an interest redeveloping at least a portion of the site. Their desires include demolition of the vacant K-mart building and building multiple buildings and providing the parking needed to take its place.

The Kelsey Creek Center is a consolidation of properties that total roughly 16 acres. The site is configured as follows: The vacant former K-mart building (approximately 106,000 sq. feet in size) is located on the eastern side of the property. A two-story 75,000 sq. ft. retail and office building is located in the southwest corner of the site.

Development of the entire site would continue to be coordinated through the use of shared parking and access points. It is the owner's intent to continue to meet the City's standards for size and density of development and required landscaping.

Kelsey Creek Center Zoning

The initial development of Kmart and the Kelsey Creek center occurred in the mid 1960's while the area was still under King County's jurisdiction. The site was then annexed into the City of Bellevue in 1969. In the late '80's, the property owner proposed a rezone from Neighborhood Business (NB) to Community Business (CB) to allow a broader range of permitted uses on the site. The City of Bellevue ultimately approved that rezone request subject to a Concomitant Zoning Agreement (CZA) that established conditions for the future development of the property. Those conditions limited: the allowed uses on the site and limited site development to the NB bulk regulations. The CZA further required that Kelsey Creek, which was located in a culvert under the parking lot, be daylighted if any additional development was added to the site.

Rezone Proposal

Our proposal is to rezone the property to Community Business (CB) and change or eliminate the current CZA. Conditions of a new CZA could include limitations on some uses that would otherwise be allowed in the CB zone if deemed necessary, and to create a mitigation plan for Kelsey Creek that would allow new construction in excess of the current agreement. A mitigation proposal for Kelsey Creek considers the removal the creosote pilings that are currently supporting the stream culvert and proposes construction of a new culvert that would be expanded to allow for better in stream-flow. We would also work with the City to implement the recommendations of the City's Kelsey Creek Stream Reach study that examined the level of environmental mitigation that would be appropriate if the stream remained in the culvert.

RECEIVED

MAY 20 2008

PERMIT PROCESSING

5/15/2009

Sent Via: Hand Delivery

Mike Upston
Senior Planner
City of Bellevue
450 110th Ave. NE
P.O. Box 90012
Bellevue, WA 98009

RECEIVED
MAY 20 2009
PERMIT PROCESSING

Re: Kelsey Creek Center Rezone Proposal
15015 Main St.
Bellevue, WA 98004
Project Number: 06-0028-01

Subject: Rezone Submittal

Dear Mike:

Conceptual Plan

Costco and Franklin West LLC have requested that MulvannyG2 Architecture move forward with a general rezone application for the entire Kelsey Creek Center properties. In concept, the proposal is to leave the property zoned Community Business (CB) as it shows on the current zoning map but to eliminate the current Concomitant Zoning Agreement (CZA) that encumbers the property and replace it with a new one. The current CZA limits: uses allowed on the property, applies Neighborhood Business bulk standards to all development that occurs on the property and requires Kelsey Creek, which runs in a culvert under the site, to be daylighted if any square footage is added to the site in excess of what is there currently (roughly 180,000 sq. ft.).

The new CZA would be simplified to still limit the types of uses allowed on the property to ensure compatibility with the surrounding neighborhood. However, the limitations related to using the development regulations for the Neighborhood Business zone and requiring Kelsey Creek to be daylighted would be eliminated.

We believe that the City's current zoning provisions for the Community Business Zone, development in Transition Zones and the entire Design Review process will give the city and the neighborhood greater clarity for what is allowed on the property from a development perspective while at the same time eliminating some of the confusion associated with what the current CZA allows verses what the current code allows.

Regarding the elimination of the daylighting condition for Kelsey Creek, we would like to propose a mitigation project that will provide the same or greater value to the City and the environment than daylighting the creek. Daylighting Kelsey Creek by cutting a 100' wide swath through the center of the site makes it very difficult to develop this site in a coordinated fashion. In working with City staff, we have identified an area of the Kelsey Creek Drainage Basin immediately upstream of the subject property that is degraded and provides an opportunity to eliminate invasive species and establish a native vegetative environment that will significantly enhance aquatic and wildlife habitat. It is our belief that the proposed mitigation project provides higher functions and values than the proposed stream daylighting project that the current CZA requires.

The final result would be a non-project specific rezone that would continue to limit some of the uses on the site, but where the City's current codes for the CB zone, transition zones and Design Review would be used to evaluate any future development proposals. At the same time, the site would not be encumbered by the "daylighting" requirement, rather a similar stream mitigation project will be performed to make sure that the same or better functions and values are maintained.

Submittal Documents

Because so many reports and investigations were completed during the time that Costco was considering building a store on this site there is a desire to use as much of that information as still applies. Transportation Solutions Inc. (TSI) has rewritten much of their Traffic Impact Analysis to be more general and to consider other uses and the highest and best use of the site (see the attached TIA dated May 2009). The wetland reports and mitigation plans are still valid regardless of what the development proposal is on the site (see the Creek Culvert Mitigation packet). We are also submitting a draft CZA for your consideration as a starting point for what the city may be willing to consider. This item is similar to the one drafted for the Costco project, however it has been subtly changed to eliminate references to Costco and clarify questions related to timing and implementation.

Additional information provided in our submittal are the standard items required by the Rezone submittal sheet; the rezone narrative, an existing site plan, SEPA checklist and application forms. If you find anything missing, please do not hesitate to call. I will be available at any time to assist.

Sincerely,



Stephen Bullock, AICP
Associate

SFB/SFB

C: Costco: Peter Kahn
Nat Franklin, Franklin West LLC

RECEIVED

MAY 20 2009

PERMIT PROCESSING