

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
STUDY SESSION MINUTES

December 14, 2011  
6:30 p.m.

Bellevue City Hall  
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Turner, Commissioners Carlson, Ferris, Hamlin, Sheffels, Tebelius

COMMISSIONERS ABSENT: None

STAFF PRESENT: Paul Inghram, Carol Helland, Ken Thiem, Mike Bergstrom, Department of Planning and Community Development; Liz Stead, Development Services Division; Franz Loewenherz, Department of Transportation

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:41 p.m. by Chair Turner who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Carlson, who arrived at 7:20 p.m.

3. PUBLIC COMMENT

Mr. Norm Hansen, 3851 136<sup>th</sup> Avenue NE, noted that in late 2010 there was a staff-recommended activity involving housing that recommended allowing detached accessory dwelling units. That would allow housing density to increase in neighborhoods without a zoning change. Attached accessory dwelling units are already allowed in the city and they seem to work just fine. He suggested the Planning Commission should forward to the City Council a recommendation to discontinue work on the proposal to allow detached accessory dwelling units. Bridle Trails came into the city in 1970 and since that time the focus has been on keeping the area green. There was a zoning change in the 1980s along 148<sup>th</sup> Avenue NE that allowed for 3000 more multifamily dwelling units; that has worked out well. Along the northern boundary of the subarea, just north of the golf course, there is a development with about 600 units, and to the south, just south of SR-520 in the Bel-Red area, the plan in place will allow for up to 5000 more multifamily dwelling units. The Bridle Trails neighborhood can see no benefit to allowing detached accessory dwelling units. The practice would only increase density in the neighborhood while decreasing the tree canopy.

Ms. Loretta Lopez, 13419 NE 33<sup>rd</sup> Lane, said she serves as co-vice president of the Bridle Trails Community Club. She said the Bridle Trails neighborhood does not believe it would be appropriate to in effect turn the subarea into a multifamily zone without a zoning change. The character of Bridle Trails involves single family homes, trees, and equestrian uses. The neighborhood has over the years continued to retain the rural and equestrian focus. It would not

be consistent with the character of the subarea to allow what amounts to multifamily housing units. The Growth Management Act does not require cities to allow detached accessory dwelling units; the city already allows attached accessory dwelling units, and that practice appears to be working well. While the issue is not currently on the Commission's plate, the staff have continued to propose the practice.

Mr. David Plummer, 14414 NE 14<sup>th</sup> Place, said the Bel-Red rezone amounts to a Robert Moses scheme based on myth and misinformation promulgated by the city staff and paid contractors. The plan should be repudiated by the Commission and the Council. Since that is not likely to happen, the Commission should at least consider that there is no need for a light rail station or the gigantic retail/housing development contemplated for the 130<sup>th</sup> Avenue NE area in the corridor. The site is too close to the Spring District development near 120<sup>th</sup> Avenue NE. Hopefully Sound Transit will conclude it should terminate any further discussion of the 130<sup>th</sup> Avenue NE station. The staff has not provided anyone with cost estimates for the infrastructure that will be required to implement the proposed rezone scheme. The Bright Water project in Snohomish County was originally estimated to cost \$800 million to build, but that figure has grown closer to \$2 billion; that should be kept in mind. There is no need to consider any large expenditure to do something to Goff Creek. There might be a few minnows in the creek but nothing else in the Bel-Red part of the water course. Consideration of how the city treated Kelsey Creek in the K-Mart area should give the Commission a good idea of what the staff and the Council think about doing extensive daylighting of streams. The taxpayers are having to pick up 70 percent of the transportation impact fees based on the very accommodating Council.

Ms. Diana Thompson, 3115 103<sup>rd</sup> Avenue NE, agreed with the previous speakers who suggested that detached accessory dwelling units should not be permitted in areas zoned for single family residences. In purchasing a home, persons should be able to rely on the underlying zoning. To suddenly allow detached units would effectively change the zoning and possibly could devalue properties; it certainly would change the character of neighborhoods and hurt the bonds between neighbors.

Mr. Marty Nizlek, 312 West Lake Sammamish Parkway, noted his support for the Commission's proposal to change the dimension of the buffer and setback from 50 feet to 25 feet. He suggested that the measurement should be made from the historical ordinary high water mark of 27 NGBD. Existing development should be projected and allowed to be rebuilt on the same footprint, and that expansion of existing development should be allowed in all directions except waterward if it would encroach on the 25-foot setback. He voiced support for a landscaping area, though not necessarily with native vegetation, up to 35 percent of the frontage. For safety reasons, trees should not be required in the landscaped area. The issue of pervious surfaces should be further explored and should be allowed; as previously described by the staff, about anything touched would be declared impervious. Pervious structures should include pavers and slatted decking.

Mr. Charlie Klinge, 11100 NE 8<sup>th</sup> Street, spoke representing the Washington Sensible Shorelines Association. He said at a recent continuing legal education seminar he met and talked with Associate Planner Heidi Bedwell about how to work out some of the shorelines details, especially the setback. The staff report references prior staff reports on the topic but does not make mention of all the testimony and evidence that was presented by the citizens in contradiction to the information in previous staff reports. What it really all comes down to is what ecological functions actually exist in a highly developed urban shoreline like the one Bellevue has. The Department of Ecology in November came forward with a new chapter for its shoreline manual that talks about setbacks and buffers. The fine print indicates that some ecological functions likely exist in urban shoreline areas, and protecting them will help to protect aquatic functions. They do not, however, specify what those ecological functions are. The city's

shoreline inventory analysis indicates the ecological functions are low; there is no category for none. The analysis was done using aerial photos, not from the perspective of walking the shorelines. The ecological functions that could exist on lakes, but which do not exist on urban lakes, are things like storing water and sediment. For receiving lakes, impervious surfaces are not a problem because the water can flow right into the lake without creating flooding issues. Retention is not required, so the improvements being made by the city to West Lake Sammamish Parkway include water quality treatments but not retention. Sediment is not flowing into the lake from existing lawns and impervious surfaces. Attenuated wave energy is cited as an ecological function of a natural shoreline, but that issue is obviated by the development of bulkheads, so that ecological function does not exist. The need for large woody debris in the lakes has been touted even though the evidence is that it would only propagate bass, a salmon fry predator; woody debris is useful in streams, not in lakes. Furthermore, salmon fry do not eat terrestrial insects that might fall into the water from overhanging vegetation, so any requirement for vegetation along the shoreline will not improve the salmon populations in the lakes. Vegetation on the shorelines could serve to cool the water of lakes by providing shade, but only minimally and only in very small lakes; both Lake Washington and Lake Sammamish are far too large to be affected by vegetation on the shorelines. Furthermore, development of the shorelines over time has removed most of the naturally occurring vegetation, so that ecological function is not occurring, thus there is nothing to protect. Water quality is not impacted by roofs and patios. The real culprit is driveways and streets, but those are existing conditions as well. There are simple things that can be done to address runoff and improve water quality, such as having the driveway runoff flow into a grass line swale. The shorelines are highly developed urban areas, and as such they are not wildlife sanctuaries. Creating habitat will encourage deer, bears and cougars, not to mention vermin species which no one wants to see propagated. There are a lot of birds that live along the shorelines and they are finding the vegetation they need. Overall, the ecological functions that are to be protected do not exist along the highly urbanized shorelines in Bellevue, and that is justification for the existing 25-foot setback.

Mr. Brian Parks, 16011 SE 16<sup>th</sup> Street, spoke as president of the Phantom Lake Homeowners Association. He noted that in documents recently submitted to the city in regard to the lake management district proposal and the outlet management suggestions made by the utilities department the Phantom Lake Homeowners board made reference to the Eastgate land use study and the Airfield Park development. The concern voiced was in regard to increased stormwater runoff. The request made was that no additional runoff, either treated or not, be directed into Phantom Lake. The city has an obligation to the community to abide by and enforce the rezoning agreement signed with Cabot, Cabot and Forbes in March 1980 which included mitigating any impacts to Phantom Lake as a result of the rezoning of the old Eastgate airfield and landfill property. The board understands that the provisions were conditions to allow the Eastgate Business Park development. Funding from the park owners and the city was to flow from the action, funding lake improvements. If enforced, the Phantom Lake Homeowners Association would benefit. The state has an anti-degradation policy guided by WAC 173.201.A.070, and RCW 90.48 and 90.54. Lake and watershed management are to be directed by the policy; the policy language can be used to justify additional funding to correct water quality issues associated with Phantom Lake. The Commission should qualify its support of the preferred alternative with a message that strong consideration should be given to fixing the existing adverse stormwater impacts on Phantom Lake as part of any Eastgate plan. Decreasing flow directed toward Phantom Lake is needed to fix the existing problems. A pre-existing problem of too much stormwater due to inadequate outfall conditions and control exists, so the Eastgate plan cannot be supported unless it includes fixing the existing problems. Staff may complain that routing stormwater to Lake Washington is too expensive or not allowed, however the Phantom Lake drainage historically was to Lake Washington; the current flow to Lake Sammamish is unnatural and adds to the overflow issues there. Either money should be spent to

fix the overflow, or no new Eastgate plan should be approved.

Commissioner Hamlin noted that the Eastgate/I-90 CAC conducted a thorough discussion regarding the impacts to Phantom Lake. While no specifics regarding how to address the issues were brought to the table, the CAC is definitely aware of the system and how additional development could impact the broader area and especially Phantom Lake.

Mr. Gary Albert, 4629 142<sup>nd</sup> Place SE, observed that the city's code regarding signs states that reasonable temporary decorations and signs for the purpose of announcing or promoting nonprofit-, school-, or child-care sponsored community fairs, festivals and events, including the announcement of enrollment periods, are exempt. Such decorations and signs, however, can be displayed for no more than 14 calendar days prior to and during the fair, festival or event. However, signs of every kind are posted all over the city and they make the community look terrible. He asked what can be done. There is currently no requirement for posted signs to be dated, so it cannot be said for sure how long any sign has been in place. Some neighborhoods have covenants that say no signs of any kind are allowed, so any that do get put up can simply be taken down by anyone. The code should be changed to require people to date signs when they are posted. The only way to have control over the signs would be to require everyone to obtain a permit before putting up a sign.

Commissioner Sheffels asked Mr. Albert if he had contacted the city's code enforcement officers. He allowed that he had and said he was told that exempted signs can be put up nearly anywhere; the only requirement is that the signs cannot be larger than six square feet. Commercial signs are required to be permitted.

Commissioner Ferris pointed out that the Commission does not have any regulatory enforcement authority. However, issues can be presented to the Council who does have the authority to direct the staff to follow up. If the Council wants to see the code changed, it will have to direct the staff and the Commission to do so.

#### 4. APPROVAL OF AGENDA

Motion to revise the agenda to include the selection of a Commission Vice Chair under New Business was made by Commissioner Sheffels. Second was by Commissioner Ferris and the motion carried 3-2, with Commissioners Ferris, Hamlin and Sheffels voting for, and Chair Turner and Commissioner Tebelius voting against. Commissioner Carlson was not yet present.

Commissioner Tebelius asked why the Neighborhood Business issue was on the agenda for a study session, followed by a public hearing, followed by a second study session. Mr. Inghram explained that the Commission did not have an earlier study session to review the code amendment in detail prior to the public hearing. He said staff felt it would be helpful for the Commission as well as the public to have a presentation regarding what the amendment entails prior to the public hearing.

Motion to approve the agenda as amended was made by Commissioner Tebelius. Second was by Commissioner Sheffels and the motion carried unanimously.

#### 5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None

#### 6. COMMITTEE REPORTS – None

7. STAFF REPORTS – None

8. STUDY SESSION

A. Neighborhood Business LUCA

Mr. Inghram noted that the Neighborhood Business issue has been under study and review for some time. The city's Economic Development department initially worked with the community of Newport Hills to address a number of issues in their neighborhood; that work led to some market studies and an involvement by the Department of Planning and Community Development.

Mr. Inghram explained most of the city's Neighborhood Business zones date back many years. There are longstanding economic issues facing the Neighborhood Business areas that are not unique to Newport Hills; there is some evidence that the issues are regional and national in scope. The economic world of the 1950s and 1960s when many neighborhood shopping centers were first developed was much different from the world today. Travel behaviors and lifestyle choices were much different 50 years ago and they have evolved in ways that have not been good to neighborhood shopping centers. Changes made relative to the Lake Hills Shopping Center are coming into play with the first phase of redevelopment there. The same focus has been given to the Kelsey Creek Shopping Center; while the zoning issues there are different, the economic issues are similar.

Neighborhood Business shopping centers are important to their communities and to the city as a whole, though they do not represent a huge tax or employment base. They are viewed as convenience areas where residents can get a bite to eat or get something done without having to drive to a major shopping area. Neighborhood shopping centers also serve as community gathering places.

The market studies done about a year ago sought information about the viability of some of the traditional uses, specifically drugstores and grocery stores. The information returned was that the market would be unlikely to support a new grocery store or a drugstore at Newport Hills, and that in general the market is over-served with grocery stores in the Bellevue area.

Recently a prospective Newport Hills tenant expressed interest in being allowed to have a use that does not fit within the current code. Similar inquiries have been made over the past couple of years, but the thought of having to adapt or seek a Land Use Code amendment kept them from moving ahead.

With the results of the market study in hand, the Council initiated a discussion of the issues. The Council wanted to know if the proposed code changes would apply to all Neighborhood Business zones citywide, or just in Newport Hills or the neighborhood shopping centers. In October, after the request from the potential tenant was received, the Council discussed the issue again and learned that there are three shopping centers that have similarities; all three are greater than three acres in size, and the suggestion was made to limit the initial set of amendments to Neighborhood Business sites of three acres or more, specifically Northtowne, Bel-East and Newport Hills. The site on which the Kelsey Creek Shopping Center is located is not Neighborhood Business zoning, but the corners on which the gas stations are located are.

Northtowne is located on Bellevue Way NE and the main tenant is QFC. The Chevron gas station there is on a separate parcel, and there are some small businesses just to the south of the grocery store anchor. Bel-East is to the north and west of Bellevue College on 148<sup>th</sup> Avenue SE.

The anchor tenant is QFC and there are gas stations, office and restaurant uses also located in the Neighborhood Business zone. The Newport Hills site is the largest of the three sites. It used to boast a grocery store and bank but many of the buildings are vacant.

The existing Land Use Code regulates by use and by dimensional standards. The code limits retail uses in two different notes; one limits them to 5000 square feet and the other limits them to 3000 square feet individually and up to 10,000 square feet collectively. There is an exemption for grocery stores and drugstores. There is also a limit on service uses, which includes things like childcare and professional services. Uses in the recreation category are allowed a combined total of 5000 square feet. The intent from the beginning has been to maintain uses that are compatible with surrounding residential neighborhoods.

Answering a question asked by Commissioner Ferris, Senior Planner Ken Thiem explained that the YMCA and daycare facility about a block to the west of the Newport Hills Shopping Center is on a property that is residentially zoned. Schools and uses like the YMCA are permitted in residential districts through the conditional use process, as are daycare centers with up to 12 children. Land Use Director Carol Helland said there is a footnote in the Land Use Code that allows for the conversion of school buildings for certain social service purposes, including daycares facilities.

Mr. Inghram said in reviewing the size limits the conclusion reached was that some of the new market uses need more space than what is allowed. There is a current request for a use that needs 9000 square feet.

Commissioner Tebelius asked what the thinking behind having so many different categories and size limits. Mr. Inghram said in talking about the Neighborhood Business zoning district, both the Comprehensive Plan and the Land Use Code talk about compatibility with the adjacent neighborhoods and allowing services appropriate at the neighborhood scale. The presumption is that the size limits when adopted were deemed to be in line with that policy and code language. Uses like barbershops, hair salons and post office boxes generally fit within the size limits. A broader list of uses is needed to fill some of the vacant spaces. Some existing uses may also want to expand beyond what the current size limits allow.

Ms. Helland said one of the tests traditionally used in determining whether or not a use is compatible with surrounding residential is the amount of traffic created from areas outside the local neighborhood. Neighborhood Business districts were never intended to house uses that draw traffic from beyond the neighborhoods they serve.

Answering a question asked by Commissioner Sheffels, Mr. Inghram said the proposed action is one step in what may become a set of actions. Revitalizing the Newport Hills Shopping Center will require additional steps, possibly even including a code amendment in support of allowing some level of mixed use and taller buildings. That is not what is being discussed for the other Neighborhood Business zones. What has been identified so far are fixes that would benefit any of the Neighborhood Business areas, particularly those on three or more acres of land. Commissioner Sheffels suggested that down the line some form of an overlay might be appropriately applied to the Neighborhood Business zones. Ms. Helland said that and other options will be part of the second phase of study.

Commissioner Tebelius asked why all of the work to address the Neighborhood Business zones is not all being done at once. Mr. Inghram said that is the path that was initially envisioned. The market studies done with the Newport Hills community and the Newport Hills Shopping Center owner was in anticipation of addressing the issues holistically and with a game plan outlining all

of the different options. However, there were too many unknowns, including what the endpoint should be, and the property owner had an interested tenant whose use would need a variance, and the staff did not believe the use would meet the criteria, leaving a code change as the only option open. The vacant spaces in the Newport Hills Shopping Center certainly contributed to the phased approach. Commissioner Tebelius clarified that she was not in any way opposed to the proposal but would prefer to see all of the issues addressed at the same time.

Ms. Helland commented that in formulating a recommendation to the Council, the Commission could appropriately pass on additional recommendations for how to address the Neighborhood Business issues.

Commissioner Carlson suggested that where there are relatively minor problems that can be addressed by tweaking or fine tuning, those steps should be taken.

Mr. Inghram noted that in addition to increasing the size limits to 10,000 square feet for the larger areas, the proposal allows for multiples of some of the uses. Whereas currently the code restricts for a combined limit on recreation uses, the proposal would allow each individual use to be up to 10,000 square feet. The size limit would not apply to grocery stores or drugstores, which is currently the case. Future iterations could touch on expanding some and removing some of the allowed uses; for instance, retail apparel sales are not currently allowed in the Neighborhood Business district, but mining is through conditional use.

## 8. PUBLIC HEARING

### A. Neighborhood Business LUCA

Motion to open the public hearing was made by Commissioner Sheffels. Second was by Commissioner Ferris and the motion carried unanimously.

Ms. Michelle Hillhorst, 6050 114<sup>th</sup> Place SE, spoke as past president and current shopping center chair for the Newport Hills Community Club. She said Newport Hills is a wonderful community. Located primarily on a hilltop, it is surrounded by lush greenery and creeks. The community was primarily constructed to serve as a bedroom community for Boeing workers in the 1950s, and it still retains the old-fashioned feel of a classic American neighborhood with many young families, older generations, and is welcoming the fact that it is growing more diverse every day. The neighborhood has two schools, two churches, a swim and tennis club, and a former school being utilized as a YMCA center. At the center of the neighborhood is a nearly 50-year-old retail center. The shopping district is the absolute core of the neighborhood and helps to define the unique characteristics of the neighborhood. The retail center is of significant size but it does not lie on a typical busy corridor. As generational shopping habits have changed toward shopping online and at Costco, a severe and rapid decline in the retail core has diminished. In 2009 the community club created a task force with the hope of partnering with the developer to rebuild and update the old Albertsons. Unfortunately, the deal did not go through much to the disappointment of the community. Soon after, the Red Apple grocery store, the shopping center's anchor, closed its doors, followed not long after by the closure of the Hallmark store and the pharmacy. That precipitated the closure of the barbershop and the Bank of America branch. The mailbox store has changed ownership twice in the last two years. The remaining businesses are suffering due to the large building spaces that remain unused and the loss of foot traffic. The shopping center has become significantly more unsightly, and there have been thefts in the old Red Apple along with increased graffiti on the walls. Although there has been some interest in filling the vacant spaces, the outdated codes have actually resulted in viable businesses being turned away. More flexibility is needed to bring back the viability of the

Newport Hills Shopping Center. Many neighbors are anxious to again be able to walk or bike to their neighborhood center, gather and do business locally. In early 2010 a partnership between the neighborhood, the property owner and the city's Economic Development Department, was formed and work was begun on a two-phase feasibility study to gain an understanding of what could possible work in terms of retail, what uses would be unlikely in the future, and future physical infrastructure needs. The study has helped focus what future steps will be needed to improve the retail core. The Commission was asked to approve the proposed amendment to allow for more flexibility, future growth and the revitalization desired by the neighborhood.

Ms. Lisa Viereck, 11272 SE 60<sup>th</sup> Street, said she is the current president of the Newport Hills Community Club and is an advocate of building a better Bellevue. She said she also co-chairs the Newport Hills Community Club land use and community appearance committees. Newport Hills is a tight knit community that has lost its gathering place. The community club has been serving the neighborhood for more than 51 years, longer than the neighborhood has been a part of Bellevue. She concurred with the testimony offered by Ms. Hillhorst. The neighborhood is unique and faces a unique set of problems. The proposed Land Use Code amendment will help solve the problems. Newport Hills has the most Neighborhood Business acreage which favorably shares contiguous property lines with Professional Office zoning. That could make lot assemblage very attractive to a developer. The main arterial, which is 119<sup>th</sup> Avenue SE, does not have typical arterial traffic patterns. Of all vacant Neighborhood Business spaces in the city, Newport Hills has the most. Many believe that Newport Hills is ripe for redevelopment. A new public art installation will be accomplished in 2013 on 119<sup>th</sup> Avenue SE, funded in part by the urban boulevard project which is improving the arterial. Ped-bike projects are planned for the neighborhood as well. Taken together, all of those projects seek to revitalize the neighborhood. Additional innovative thinking is needed, including the proposed code amendment. The current zoning allows for two story buildings, which the neighborhood accepts, but the next zoning step up allows five stories, which is more than the neighborhood will accept.

Mr. Kurt Springman, 5011 125<sup>th</sup> Avenue SE, said he serves as vice-president of the Newport Hills Community Club and at one time served as a Bellevue Councilmember. He said shopping centers operate on the concepts of trade area and pass-by traffic. The market will not support the construction of a grocery store where there is a competitor within the trade area. The Coal Creek Shopping Center was not in place when the Newport Hills Shopping Center was built, but it is there now and is pulling people to its doors; Factoria is also close by and to some degree overlaps the Newport Hills trade area. Newport Hills does not have the pass-by traffic that other major arterials offer. Taking all those factors together yields the notion that creative thinking is required. Having so much empty space at the Newport Hills Shopping Center is impacting the quality of life of the Newport Hills neighborhood. The neighborhood has terrific resources, including a new park and another park yet to be developed, churches, good small professional and other businesses, a swimming pool, a new elementary school, and an older elementary school that is seeing temporary use and which will in time not be needed by the school district. The city, the neighborhood and all of the constituency groups should get together to talk about a theme or a vision for the area. The proposed code amendment is needed and is one step toward solving the problems faced by the neighborhood.

Mr. Dick Thompson, 3115 103<sup>rd</sup> Avenue NE, said the concerns of Northtowne residents have not been fully addressed. The rationale for the proposed code amendment does not apply to Northtowne. The criteria that includes Northtowne is really nothing more than size. The proposed amendment was precipitated by tenant departures and the resulting deterioration of the Newport Hills Shopping Center. Other Neighborhood Business districts in the city appear to be viable, yet the solutions hammered out for Newport Hills Shopping Center are going to be imposed on areas like Northtowne and Bel-East. Allowing business size limits to increase to

10,000 square feet is in conflict with the neighborhood-oriented intent of the Neighborhood Business district as defined in the Land Use Code. Such districts are intended to be small-scale mixed use commercial areas. The commercial property outside of the QFC at Northtowne is only 18,000 square feet; the rest is parking lot and the gas station. Putting a 10,000-square-foot single use there will not leave much for any other use. The only criteria that has caused the inclusion of Northtowne and Bel-East is that those sites both exceed three acres in size. The characteristics of the Newport Hills area are far different from those of any other Neighborhood Business district; it is surrounded by a mix of commercial districts, sports fields, tennis clubs, swimming pools, apartment complexes and single family dwellings. The commercial areas taken together add up to more than nine acres. The site is accessible by auto from either of two intersecting residential streets and by foot from all sides. By contrast, Northtowne totals less than four acres; it is bordered on one side by Bellevue Way, a small city park on another side, and on two sides by single family dwellings. It is accessible by car only from Bellevue Way, and has foot access via sidewalks on the same arterial. Due to the SR-520 bridge replacement and associated tolling activities, Bellevue Way has become the major access road from downtown Bellevue to SR-520. Less than a half mile north of Northtowne the state is adding two traffic signals to control access to the freeway, and that will result in three traffic signals within a space of only 1100 feet, creating even more congestion on Bellevue Way. Northtowne is not Newport Hills; it is a healthy and viable shopping complex with a good mix of businesses and good community support. It is in danger of increased impact from traffic issues and the unintended consequences resulting from the proposed code amendment. The proposed changes should not be applied to Northtowne.

Commissioner Sheffels asked if revising the acreage requirement associated with the proposed amendment would solve the problem for Northtowne. Mr. Thompson said it would if it were changed to where it would preclude Northtowne from the amendment.

Commissioner Carlson said it was his impression that all of the businesses at Northtowne, with the exception of the QFC, are well under the current size restrictions. Mr. Thompson confirmed that but pointed out that if businesses are allowed to be larger consolidations could occur which would create more of a draw to the center.

Ms. Diana Thompson, 3115 103<sup>rd</sup> Avenue NE, 3115 103<sup>rd</sup> Avenue NE, said she did not support the proposed code amendment that would be applicable to the Northtowne Shopping Center. She said one size does not fit all. It is not necessary to make changes to Northtowne in order to help out Newport Hills. The size difference between the two centers is substantial. The proposed changes as they apply to Northtowne are not in harmony with the Comprehensive Plan, and they could easily lead to future changes of the commercial natural along Bellevue Way. Policy LU-20 calls for promoting the maintenance and establishment of small-scale activity within neighborhoods that encourage pedestrian patronage and provide informal opportunities for neighbors to meet. A 10,000-square-foot business is not small by any standard. Policy LU-22 calls for protecting residential areas from impacts of non-residential uses of a scale not appropriate to neighborhoods. Policy LU-25 calls for maintaining areas for shopping centers that are designed to serve neighborhoods, recognizing that such places serve the needs of residents, serve as gathering places, and help in establishing the identity of a neighborhood. Businesses of more than 10,000 square feet more appropriately serve more than just their local neighborhoods. The proposed code change is only the first phase and it cannot be said what will happen in the next phase; it could be that additional building height will be allowed, or that commercial development will be allowed on the undeveloped area near the Puget Power substation at the corner of Bellevue Way and NE 24<sup>th</sup> Street. The Commission should restrict the code changes to fixing the problems facing the Newport Hills Shopping Center. Simply reducing the property size limit of the proposed amendment could leave Northtowne out.

Mr. Jerry Forell, 11004 NE 65<sup>th</sup> Street, Kirkland, said he works as a commercial real estate broker and leasing agent specializing shopping center leasing in Western Washington. He said he is the listing agent for the Newport Hills Shopping Center and as such has been hired to find tenants for the vacant spaces, which total 35,000 square feet of the 57,000 square feet in the shopping center. What is needed is a blank check when it comes to finding tenants. Retailers look at site characteristics such as visibility, access, parking and signage, and they look at trade area characteristics, including how many people are in the trade area, and the demographics of the trade area. Everything about the Newport Hills Shopping Center is unique. While delightful in every way, it has a very small trade area and it has been slowly killed by all the retail in Factoria and in Newcastle. The 20,500 square foot space that used to house the grocery store is available for a rent that is 50 to 60 percent of comparable space in the city; the 8500 square foot former drugstore is empty as well, as is the 8500 square foot former Bank of America branch. The notion of being able to lease the grocery store space to four different tenants is ludicrous. Leasing out the drugstore space to a 5000 square foot tenant and boarding up the rest of the space makes no sense at all. If the former Albertsons can be sold, it is possible Stoddards Batting Cage could be signed up as a tenant; they have been a fixture for 19 years. The code should be revised to allow for users of up to 20,000 square feet. The retail market is always changing and new uses certainly will appear in the future, and the code should seek to encourage them. If the grocery store in Northtowne were to close, it is possible Stoddards would want to locate there instead.

Chair Turner asked what kind of tenants want spaces up to 20,000 square feet. Mr. Forell said new retailers are looking to come to the area. Some are national retailers without a presence in Oregon or Washington. He said his suspicion is that tenants of that sort will eventually want the larger spaces that are vacant. While Newport Hills Shopping Center is hidden away, it is only 1.3 miles from I-405, and eight-tenths of a mile from Coal Creek Parkway.

Commissioner Carlson asked if the Newport Hills Shopping Center could be revived if the proposed zoning changes were made. Mr. Forell said it will not be possible to replace the grocery store and the drugstore, but the empty spaces could be filled with other tenants if the code were changed.

Answering a question asked by Commissioner Sheffels, Mr. Forell said about the only hope for getting a grocery store in the vacant space at Newport Hills Shopping Center would be for a small ethnic store like La Plaza or Star Grocery. A fitness tenant is currently seeking a location and wants 20,000 square feet. If uses up to that size were permitted, it would be far easier to find tenants for the vacant spaces.

Commissioner Tebelius asked what eventually will happen to the Newport Hills Shopping Center property if uses up to 20,000 square feet are not allowed and new tenants for the property cannot be found. Mr. Forell said the property would probably be sold off and redeveloped with apartments. He stressed that the property owner is opposed to taking that approach.

Asked by Commissioner Carlson to respond on behalf of the Newport Hills community, Ms. Viereck said the community is willing to discuss the options, including larger-scale tenants. The feasibility studies seemed to indicate that the more viable option would to encourage scaled-down, smaller boutique uses, such as smaller niche-market grocery stores. On that thinking, the focus was on taking the larger spaces and making them smaller. The community would be very open to additional proposals that would bring them a gathering place. Mr. Forell suggested the community and the Commission could benefit from hearing from local leasing agents about the needs of retailers in Bellevue. He added that there was no need to rush into making a decision

regarding the uses and size limits for Neighborhood Business.

Ms. Viereck said the Newport Hills Community Club meeting on December 6 included a discussion of whether or not other Neighborhood Business districts needed to be included in the proposed revision aimed at helping the Newport Hills Shopping Center. She said the neighborhood voiced support for the notion of treating its shopping center differently given the specific issues it faces.

At the urging of Commissioner Tebelius, Mr. Thiem clarified that the only Neighborhood Business districts that would be affected by the proposed code amendment are those that are three acres or greater in size. The Little Store and Sambica properties are zoned Neighborhood Business, but they do not meet the size criterion.

Ms. Anita Scoog Neil, 9302 SE Shoreland Drive, commented that the maps produced for the study session showed the Little Store and other Neighborhood Business districts, which likely confused many into thinking the proposal would apply to all Neighborhood Business districts. The written information is also confusing in that it talks about properties under and over three acres in size. That should be clarified.

Mr. Inghram made it clear that the proposed code amendment would not apply to Sambica and the Little Store, and stressed that the only Neighborhood Business sites that would be affected are those that are over three acres in size, specifically Bel-East, Northtowne and Newport Hills. There is some existing property in Sambica that is zoned Neighborhood Business; there is no proposal on the table to change any zoning in that area to Neighborhood Business.

Chair Turner asked if any comments, written or oral, had been received from residents or property owners in the Bel-East area. Mr. Inghram said the city reached out to residents and property owners around all three of the qualifying shopping centers. Residents near Bel-East were talked with in the spring and what they expressed was an interest in allowing uses that will keep their shopping center viable; they opposed changing to a denser form of development. The neighborhood was contacted again when the proposed code amendment was drafted, but they did not request a meeting with staff.

Ms. Lori Lyford, 9529 Lake Washington Boulevard, said it appeared to her that the Newport Hills community and the owner of the Newport Hills Shopping Center agree that something needs to happen. The only thing standing in the way is the city and the existing Land Use Code. Something needs to be done so everyone can move forward.

Mr. Inghram noted that the Newport Hills Shopping Center property owner's representative, David Hsiao, had indicated he would not be able to attend the public hearing. A letter written by Mr. Hsiao was distributed to the Commissioners.

Mr. Marty Nizlek, 312 West Lake Sammamish Parkway, commented that many of the issues facing the city's shopping centers are tied directly to the state of the economy. There is no question that something needs to be done to help the shopping centers, and no one is wanting to see their own shopping center benefited to the detriment of someone else's shopping center. He asked if the code has to be modified in a way that will affect every shopping center, or if another approach could be taken that would be specific to only one shopping center.

Motion to close the public hearing was made by Commissioner Tebelius. Second was by Commissioner Ferris and the motion carried unanimously.

## 9. STUDY SESSION

### A. Neighborhood Business LUCA

Commissioner Ferris commented that changes to zoning districts do not occur very often and said the changes that are needed should be done right the first time. If the proposal will not fix the problem, more time should be put into identifying a new approach through working with listing agents, the Newport Hills Shopping Center property owner, and the Newport Hills community. It would be an easy thing to revise the language of the proposal to make the change applicable only to Neighborhood Business districts of four acres or more, which would limit the change to the Newport Hills Shopping Center. The needs of grocery stores and drugstores have changed significantly since the current Neighborhood Business restrictions were codified, and in the future there very likely will other types of anchors for the centers. One alternative might be to say tenants of 5000 square feet or more should not exceed a set percentage of the total square footage; that would help to assure smaller tenants that have great benefit to a local community.

Commissioner Hamlin observed that while allowing uses up to 20,000 square feet might be a viable alternative, it goes against the definition of what Neighborhood Business is. He said he fully understands how such an increase would work from a market perspective but not from a neighborhood perspective. Increasing the property size threshold would be one way to limit which Neighborhood Business districts are affected by the proposed amendment may not be the right approach. Newport Hills faces unique circumstances that the other districts do not face regardless of size. Northtowne and Bel-East are in fact very different from the Newport Hills Shopping Center. Larger businesses may in fact be viable, but they could also completely change the character of a shopping center. More time should be taken to delve into the specifics and other alternatives.

Commissioner Carlson suggested that in fact changing the character of the Newport Hills Shopping Center is exactly what needs to happen. Commissioner Hamlin concurred but stressed that a 20,000 square foot use likely would draw customers from outside the immediate neighborhood, and that will trigger neighborhood impacts.

Commissioner Sheffels said her concerns in part were focused on what uses are permitted or not permitted. She agreed more time should be taken to study the issues in more detail. Changing the character of the Newport Hills Shopping Center should not be summarily removed from the discussion, but at the same time limiting neighborhood impacts must be considered. She asked if the live/work concept could be considered for Newport Hills; such uses are generally two stories and those who work in the office or retail establishment on the first floor live on the second floor. Mr. Inghram said generally speaking residential uses are permitted in the Neighborhood Business zoning district. There are ways the live/work concept could be implemented in the district, though residential units must be located on the upper floor and they cannot exceed 50 percent of the gross floor area of the building. Those are the types of things staff believes should be addressed in a more holistic approach.

Commissioner Sheffels noted that handcrafted products manufacturing is not currently permitted in the Neighborhood Business zone. During the Bel-Red discussion there was talk about allowing small arts studios, including manufacturing facilities. Those are uses that should be considered in the neighborhood districts. Along that same vein, dance studios and the like are not currently permitted, nor are professional or labor organizations or fraternal lodges.

Ms. Helland said staff was in complete agreement with that approach. She clarified that the phased approach on the table was crafted to address in the first phase what was viewed as an

immediate need. The proposal in its current configuration has had a substantial amount of community input. To change the direction to increase the allowed use size or to allow different uses would require going back to the community for input. Additionally, the SEPA Determination of Nonsignificance was predicated on a size limit of 10,000 square feet.

Commissioner Tebelius reiterated the need to look at the neighborhood zone comprehensively. She said to make changes without doing so in a comprehensive fashion would be a disservice to the community and the staff workload. It is clear more people need to be at the table before major decisions are made. Something clearly needs to be done, especially in regard to the Newport Hills Shopping Center.

Ms. Helland explained that the longer-term and more comprehensive project will be very large and is one of many that will need to be prioritized by the Council. She said it would not be inappropriate to go back to the community to see what can be done to help Newport Hills sooner rather than later. She reminded the Commissioners that the Council did direct staff and the Commission to pursue the interim strategy, which was relatively prescribed in terms of accommodating the tenant seeking to locate at the Newport Hills Shopping Center.

Mr. Inghram commented that the proposal was crafted as a way to accommodate a new tenant. To address all of the issues raised by the Commission would be a major project requiring a lot of time and effort. He said the staff would prefer to seek a strategic approach that might include addressing the critical needs first but getting things done in an appropriate time period. The best next steps would be to hold additional discussions with the community and the property owner, confirm the status of the use wanting to locate at the Newport Hills Shopping Center, and report back at the next meeting.

Commissioner Sheffels asked if the director could issue a conditional use permit for a specific use for a specific amount of time. Commissioner Ferris responded that even if that were possible, a tenant would be unlikely to invest in improvements and amortize them over two years. Ms. Helland added that there are very specific conditions in the code relative to granting variations to the use charts.

Commissioner Carlson observed that until the rules are changed, the Newport Hills Shopping Center property owner will not be able to fill the empty spaces. In the meantime there will continue to be blight. He suggested staff should focus first on what it will take to remove the current obstacles faced by the shopping center. Mr. Inghram said that was the intent of the proposed amendment. He said the proposal would admittedly not address all issues, and it would not address redevelopment options. It would, however, help to fill some of the empty spaces.

There was consensus to keep Northtowne out of the Neighborhood Business discussion.

**\*\*BREAK\*\***

#### B. Eastgate/I-90 Project

Senior Planner Mike Bergstrom stated that the Eastgate/I-90 project has advanced since the last update given to the Commission in May. At that time the CAC was close to developing draft alternatives. The CAC is currently at the point of wrapping up its work by making a recommendation to the Council. The Council has asked for a study session in January to review the details before the CAC finalizes its report and recommendation.

Mr. Bergstrom said the study area boundaries were established by the Council at the time the

study was initiated. The lines generally follow the break between single family residential and non-single family zoning districts. The study includes the recognition that what happens in the study area can affect the surrounding neighborhoods, particularly in terms of traffic. The study area incorporates the Lakemont interchange and the I-90 rights-of-way. The work has included a market study, traffic studies, community outreach and involvement, and an economic development forum. The first several meetings of the CAC were spent digesting the background information that was primarily generated before the CAC was formed. The CAC then focused on developing a no action scenario along with three action alternatives. The no action alternative represents the best guess of what would happen in the corridor if no changes were made to the development regulations and no transportation improvements were made other than those already on the books. The three action alternatives each intentionally had a different emphasis: a mix of jobs and housing, building on the history of the area as a regional employment center, and focusing on the issues voiced most often by employers in the area and surrounding residents.

Staff and the consultant team created an evaluation report that was predicated on the draft action alternatives. Each draft alternative was first evaluated against the planning principles handed down by the Council at the outset of the study, and the evaluation criteria that were developed by the CAC.

The preliminary preferred alternative highlights the area around the Eastgate park and ride as the hub of the corridor. The vision is of a mix of uses, including residential and office of greater intensity and height than elsewhere in the corridor, supported by improved transit infrastructure. In the western portion of the corridor north of Eastgate Way and south of SE 32<sup>nd</sup> Street, the idea is to convert from the current light industrial uses to office. North of SE 32<sup>nd</sup> Street, the Richards Valley industrial area would remain largely unchanged other than possibly attracting different uses with a light industrial character.

There is not a lot of open space in the corridor, so the preliminary preferred alternative proposes making the drainage pond area between the light industrial area and the park and ride more visually appealing and accessible to the public as a park-like setting.

The preliminary preferred alternative identifies the hillside to the north of the transit core as an appropriate location for creating a green space and viewpoint. By including a hill climb, the site could help connect Bellevue College to areas to the south.

The preliminary preferred alternative highlights the desire for Bellevue College to create more of a physical external orientation and better connections with the surrounding community. The college will at some point need housing, so some residential should be allowed along with institutional and retail uses. The 148<sup>th</sup> Avenue SE entrance could be anchored by an institutional mixed use that would also support the surrounding community.

The assumption is that the auto dealers located in the area where the Safeway previously was located will remain where they are over the long term. However, should those uses seek to relocate, the preliminary preferred alternative suggests the area would be appropriate for additional office development with ground floor retail.

Farther to the east along 156<sup>th</sup> Avenue SE the proposal calls for providing retail services for nearby offices and neighborhoods, with upper floor residential or office. The preliminary preferred alternative also calls for improving pedestrian connections to nearby office uses.

To the south of I-90 is the area that includes Eastgate Plaza, the emissions testing center, some office, a church, a temple, and an extended stay hotel. The CAC envisions having the area

primarily continuing to serve the surrounding neighborhoods. They concluded that retail, residential and office uses should be allowed, and that building height should be limited as a way of retaining compatibility with the adjacent single family neighborhood.

The area south of I-90 and west of 142<sup>nd</sup> Avenue SE has been home to such office uses as T-Mobile for a long time. The parcels have fairly shallow depths. The preliminary preferred alternative calls for continuing the office uses, allowing infill development with additional office, and incorporating retail and service uses on the ground floor.

The CAC concluded that the area to the north of Factoria Mall should include a mix of office and retail on the west side of Factoria Boulevard that would build on the Factoria urban village concept.

Mr. Bergstrom said under the preliminary preferred alternative there would be a robust growth in office primarily. There would be some retail growth, and growth associated with Bellevue College. Some additional hotel space would coincide with the increase in office uses.

Senior transportation planner Franz Loewenherz said when the effort was first launched it was important to get a sense of what people liked and disliked about the corridor. He said the thing people most often said they like about the corridor is the accessibility it offers to places east and west. What they said they liked least about the corridor is the traffic congestion. Those viewpoints informed the CAC in considering how to address the existing mobility constraints and what would be projected to occur under the preliminary preferred alternative land use vision.

Mr. Loewenherz said a number of the ten guiding principles for how to structure the vision focus on transportation considerations. The study proceeded in light of the overarching recognition that there are significant fiscal constraints that will affect the ability to provide new infrastructure in the corridor. Accordingly, the array of improvements does not include additional crossings of I-90, a new grid network, or other significant investments. The preliminary preferred alternative includes a balanced set of improvements aimed at addressing known choke points, recognizes the need to enhance the cycling and walking environment, and highlights the need to make transit more attractive as a viable mobility option for traveling to and through the corridor.

The most significant transportation improvements from a dollar perspective are those to the I-90 mainline planned by the Washington State Department of Transportation, including the addition of auxiliary lanes that will add capacity to the system. The congestion that occurs under current conditions has a ripple effect on the local arterial system; that is one reason the city supports the state's plans and has been working closely with them and with the transit agencies.

Commissioner Tebelius said what is needed most is improved access from I-90 west to I-405. People cannot get into Bellevue and they use every street they can to skirt the traffic problems. In the evening peak traffic trying to get off the freeway by Albertsons is blocked by traffic sitting by the Pizza Hut. Every year the congestion increases, so unless the transportation department addresses those issues it will make no sense for the Commission to approve additional changes to the Eastgate/I-90 corridor. Mr. Loewenherz reiterated that the city has been working closely with the Washington State Department of Transportation to advance improvements to the interstate, and the projects that are planned are projected to result in improvements at those chokepoints and others. The package of improvements is realistic and can be implemented within the 20-year horizon, including the state's improvements that total about \$190 million. The local intersection improvements add up to about \$15 million. The travel demand model indicates that the combination of the state and local improvements will improve traffic flow over current conditions, even with the added growth.

Motion to extend the meeting to 10:30 p.m. was made by Commissioner Ferris. Second was by Commissioner Carlson and the motion carried 5-1, with Commissioner Tebelius voting against.

Mr. Loewenherz said a number of improvements to enhance transit service in the corridor are part of the study. The recommendation includes specific routing recommendations and other strategies to improve speed and reliability. In addition, a number of pedestrian and bicycle improvements were identified. The CAC worked closely with the Mountains-to-Sound Greenway Trust in determining a preferred alignment for that trail facility running along the south side of I-90 along the north side of SE 36<sup>th</sup> Street. Scenic Byway grant funds have been secured to initiate the preliminary design and engineering of the Mountains-to-Sound Greenway trail.

The state is moving forward with improvements at the Lakemont interchange and is in the design phase to improve the I-90 westbound off-ramp. A new roundabout will be added at this location, immediately south of the existing roundabout.

Commissioner Carlson asked how many jobs the corridor currently is home to. Mr. Bergstrom said there are some 24,000 jobs, which is just under 20 percent of the city's employment force.

Mr. Loewenherz said the CAC will meet in January to talk about implementation strategies. Their report will be finalized in February or March. Council adoption of the corridor vision will lead to amendments to Bellevue's Comprehensive Plan, Land Use Code, Zoning Map, and Transportation Facilities Plan. The work will involve the Transportation Commission and Planning Commission, and possibly the Parks and Community Services Board.

Mr. Bergstrom said of prime concern to the Council is making certain that development in the corridor will not outpace the planned transportation improvements.

#### C. 130<sup>th</sup> Station Area Plan

Mr. Inghram said the 130<sup>th</sup> Avenue NE station planning builds on the Bel-Red corridor planning work. He said the Bel-Red plan was developed over a period of three and a half years and resulted in the adoption of a new subarea plan and new zoning. A significant amount of engineering work has been done for some of the infrastructure and transportation projects, and the 130<sup>th</sup> station planning work builds on those efforts, ferrets out greater detail, and provides a guide for city and private development actions that might occur in the area. The expectation is that the public improvements, such as streets, parks and stream projects, will be closely integrated to redevelopment that occurs. The 130<sup>th</sup> Avenue NE station area planning is intended to lay the groundwork for strategies for fitting the pieces together in ways they can benefit from each other.

Mr. Inghram said the current budget supports doing area planning for all of the stations. The city has received some grant dollars to do the 130<sup>th</sup> Avenue NE station area planning work, and therefore the work began a year ago before other station areas. Mr. Inghram clarified that none of the planning work currently under way or set to occur regionally means the city is planning for transit-oriented development at the South Bellevue park and ride; there are no plans to rezone that area to allow for more development there.

Answering a question asked by Commissioner Tebelius, Mr. Inghram said the general schedule Sound Transit has determined has the I-90, South Bellevue, downtown tunnel and Bel-Red elements of East Link all occurring within the general window between 2015 and 2023.

Commissioner Sheffels asked how much engineering and planning the city will have to do and how much will be done by Sound Transit. Mr. Inghram said Sound Transit will do all of the engineering for all of the light rail facilities. They will also handle all of the property acquisition and the construction. There are a couple of streets in Bel-Red that will be reconstructed to run over the top of the light rail line, namely 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE, to provide grade separation, and the city will do the engineering work for the streets.

Motion to extend the meeting to 11:00 p.m. was made by Commissioner Sheffels. Second was by Commissioner Hamlin and the motion failed 1-5 with Commissioner Sheffels the only vote in favor.

Motion to extend the meeting to 10:45 p.m. was made by Commissioner Hamlin. Second was by Commissioner Sheffels and the motion failed 3-3, with Commissioners Sheffels, Hamlin and Ferris voting for, and Chair Turner and Commissioners Tebelius and Carlson voting against.

Motion to extend the meeting to 10:35 p.m. was made by Commissioner Carlson. Second was by Commissioner Tebelius and the motion carried unanimously.

D. Shoreline Master Program Update

No action occurred.

10. OTHER BUSINESS

A. Election of Commission Vice-Chair

No action occurred.

11. APPROVAL OF MINUTES

- A. June 8, 2011
- B. June 22, 2011
- C. July 13, 2011
- D. July 27, 2011

No action occurred.

12. PUBLIC COMMENT

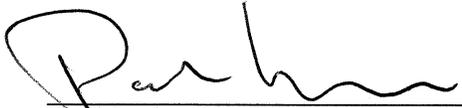
Ms. Anita Skoog Neil, 9302 SE Shoreland Drive, suggested the issue of nonconformity should be addressed by the Commission the next time the Shoreline Master Program is discussed.

13. NEXT PLANNING COMMISSION MEETING

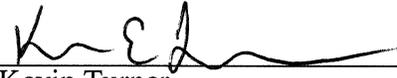
- A. January 11, 2012

14. ADJOURN

Chair Turner adjourned the meeting at 10:32 p.m.

  
\_\_\_\_\_  
Paul Inghram  
Staff to the Planning Commission

1/25/2012  
Date

  
\_\_\_\_\_  
Kevin Turner  
Chair of the Planning Commission

1/25/2012  
Date

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