

CITY OF BELLEVUE
BEL-RED CORRIDOR PROJECT
STEERING COMMITTEE
MEETING MINUTES

May 4, 2006
4:00 p.m.

MEMBERS PRESENT: Mike Creighton, Co-Chair, Terry Lukens, Co-Chair, Kurt Springman, Joel Glass, Doug Matthews, Sue Baugh, Steve Dennis, Norm Hanson, Earl Overstreet, Faith Roland, Ken Schiring, Pat Sheffels, Laurie Tish

MEMBERS ABSENT: Kurt White, Bill Ptacek, Dean Rebhuhn

OTHERS PRESENT: Kevin O'Neill, Dan Stroh, Michael Paine, Emil King, Department of Planning and Community Development, Kevin McDonald, Goran Sparrman, Tresa Berg, Department of Transportation; Patrick Foran, Parks & Community Services

RECORDING SECRETARY: Gerry Lindsay

1. Welcome and Review of the Agenda

Co-Chair Mike Creighton called the meeting to order at 4:07 and welcomed the committee members.

2. Approve Minutes from April 6 Steering Committee Meeting

Motion to approve the minutes as submitted was made by Mr. Glass. Second was by Mr. Overstreet and the motion carried unanimously.

3. Conversation with Bel-Red Study Area Business/Property Owners

Strategic Planning Manager Kevin O'Neill provided a quick summary of the Bel-Red corridor project, which he noted is about developing a long-term vision for the Bel-Red corridor looking out to the year 2030. The focus is on the future land uses for the whole area, integrating land use and transportation planning, evaluating the impacts and opportunities presented by a potential high-capacity transit line through the corridor that Sound Transit is considering, identifying community amenities that will contribute to and support the preferred vision, and evaluating and protecting adjoining areas from the impacts of growth occurring in the corridor.

The project is more than a zoning study; it is a planning exercise. The steering committee was constituted to study the land uses, transportation issues, park needs, and a whole range of things. Once a plan is recommended by the committee, and ultimately adopted by the City Council, the plan will be implemented in a variety of ways, including zoning changes, incentives, and public investment.

The Bel-Red corridor is strategically situated between the dynamic employment centers of downtown Bellevue and Overlake Hospital on the west, and Overlake in Redmond to the east.

The Bel-Red/Northup subarea plan was last updated in a comprehensive manner in the late 1980s, so while there has been an ongoing land use transition occurring in the area, it is occurring without a clear vision for the future of the area. With the possibility of high-capacity transit coming through the corridor, the Council wants the planning to be out in front in order to be able to influence its development.

The study began in the fall of 2005. There have been public scoping meetings and other public meetings held. Some of the comments and concerns heard have focused on the compatibility between the existing land uses and potential future land uses, the desire to preserve certain uses that are located in the corridor presently, and the potential for additional types of uses, such as housing and office. The clear message received relative to transportation has been the need for general improvements, including better access, better transit, and better pedestrian/bicycle facilities. There have been a lot of questions raised about Sound Transit's proposal to operate high-capacity transit through the corridor, the possible alignment and station locations. There also appears to be a lot of public support for more green and open spaces in the corridor.

Mr. O'Neill said business and property owners in the study area have a vested interest in the future of the corridor, and the steering committee has wanted to hear their concerns voiced and has wanted the opportunity to ask questions. The committee will be working over the next month or so on developing draft land use and transportation alternatives for release for public review, and the time is right for the committee to hear from the stakeholders.

Mr. Creighton explained that the conversation with the business and property owners is just one part of a public outreach process for the Bel-Red project. He said the steering committee and staff have used a variety of approaches to get input. The steering committee recognizes that Bel-Red business and property owners have a vested interest in the area, and wants to hear their views with regard to a potential new vision for the area. He asked those wanting to address the committee to focus their comments on the long-term vision for the area, which is what the Council has asked the steering committee to do.

Linda James spoke as one of the owners of Evergreen Center, which is located at 1800 through 1950 on 130th Avenue NE. She said she has read the Leland economic report and suggested the business and property owners would profit from having the information in hand. The report gives a lot of information, including the areas of the Bel-Red corridor that might be appropriate for housing, service uses, and other uses.

Mr. O'Neill said the Leland report in its entirety is on the project website. He said the city is willing to provide a hard copy of the report to anyone who asks.

Peter Koch said he and his wife built, own and manage two office buildings that combined have eleven tenants, most of which are small service-oriented businesses, including auto repair. All of them need overhead doors. While there is a need for high-density housing to prevent urban sprawl, the small businesses currently operating in the corridor should not be overlooked. There are fewer and fewer places in the city where such businesses can locate, especially independent auto repair shops. The businesses need to be located near their customers, a factor that is vital for their health. Driving time and fuel costs have a great impact on the bottom line, especially for businesses making deliveries or house calls, and the customers have to absorb the higher costs. Any zoning changes that occur in the corridor should continue to allow existing businesses to remain. The power of eminent domain should not be used to force property owners to sell, only to have the properties made available to developers as happened with the failed Seattle monorail project. As the overall corridor is considered, bicycle lanes connecting with existing bicycle systems should be created; many people would commute to work or use their

bicycles on weekends if the facilities were available to them. Streams that have been piped should not be reopened; the expense is not justified. The area does not need a large, community park; small pocket parks would be far better. With regard to building heights, he suggested the heights should be varied to make the buildings more visually interesting. Too many of the new residential blocks in Bellevue and Seattle are reminders of the uniform, unimaginative developments of the Soviet era.

Mr. Lukens asked if incentives offering higher intense development would entice the opening of piped streams. Ms. Koch said the city should not simply demand the reopening of piped streams. There is great expense involved, and once they are daylighted there are setback requirements that cause land to be lost; not much would be gained.

Answering a question asked by Mr. Overstreet, Mr. Koch said he would like to see traffic improved in the corridor.

Todd Woosley with Hal Woosley Properties said the company has had property in the Bel-Red area since the mid-1970s when Briarwood Center was developed. He noted that Bellevue recently celebrated its 50th anniversary. The downtown plan was first envisioned almost 30 years ago and is just now coming into its own. The Bel-Red area deserves the same kind of attention that was given to creating a downtown so that it too can flourish over the next 25 years or so. When the property on which Briarwood Center is located was first purchased, the site was in the geographic center of Bellevue and there was no CBD. Had the area been left on its own to develop, the CBD likely would have been epicentered at the intersection of I-405 and NE 8th Street. In the process of focusing on development of the Downtown, the Bel-Red corridor had a wet blanket thrown over it. The Bel-Red area should not redevelop in a way that will compete with the CBD, but it certainly should be allowed to redevelop in a pattern that will complement the CBD. The hospital is expanding and growing, and the area to the east in the western section of the corridor should develop with buildings to house uses that will complement the hospital. There have been comments made about the possibility of having the Sonics relocate to Bellevue, and there are examples of buildings near Key Arena on Queen Anne, and near Safeco Field that would be appropriate in Bel-Red. To the east of the corridor in Redmond Microsoft has plans to add 12,000 new jobs in the next three to five years. As the area redevelops it should be allowed a large degree of flexibility. There should be reasonable increases in intensity, and there should be aggressive improvements in the transportation system. Of most importance will be the addition of a half-diamond interchange on SR-520 to match the one at 124th Avenue NE and completion of the grid system. Bus rapid transit will serve the corridor far more effectively than light rail ever could; it could be implemented almost immediately and would be far more cost effective, not to mention more flexible. All existing uses should be allowed to continue in their current locations as the area redevelops.

Ms. Roland asked Mr. Woosley his thoughts regarding parks and open space. He responded by agreeing with Mr. Koch regarding the need for pocket parks to serve neighborhoods. Any large parcel that redevelops should be required to include open space. The Safeway site would be suitable for mixed use office and residential, and a larger scale open space there would be beautiful. There could be enhancements along environmentally sensitive areas as well.

Mr. Mathews asked what scale of businesses would be appropriate in the area as it redevelops. Mr. Woosley suggested a floor-to-area ratio of about 3:1, which would complement but not compete with the CBD.

Mr. Lukens asked if existing piped streams should be reopened, provided that incentives are offered. Mr. Woosley noted that the streams on the south side of Bel-Red Road in the residential

areas are in pretty good shape. However, in the commercial area there are a significant number of culverts. The right incentives could make economic and environmental sense. However, the buffers imposed under the new critical areas ordinance will make large portions of sites undevelopable. Most of the streams that are piped in the corridor are not critical to the recovery of salmon anyway.

Darin Croston, plant manager for the Coca Cola site at 11501 24th Avenue NE, said the company's intention is to remain in the Bel-Red corridor through 2030 and beyond. He said the operation in Bellevue has more than 350 employees, produces 25 million cases annually, and operates as many as 20 hours per day seven days a week. The Bellevue sales center is responsible for annual sales volume of more than ten million cases distributed to over 8700 outlets, including 250 large stores, in the Puget Sound area. The business is a source point for distribution centers in Washington, Oregon, California, Montana, Alaska and Hawaii. The can line produces all flavors, shapes and sizes of Coca Cola products. There are also two bottle lines producing Coca Cola products and bottled water. There are 15 warehouse docks for distribution and four production docks for receiving raw materials. The company installed the bottle line in 2001, and in the last 24 months the warehouse has been substantially expanded. In addition, direct store delivery sales volume has been brought to Bellevue from the satellite sales centers in Tacoma and Marysville. The investments speak to the commitment of the company to remain in operation in the Bel-Red area. The company wants to be a partner in the redevelopment of the corridor.

Mr. Schiring asked what Coca Cola needs relative to transportation improvements. Mr. Croston said the shifts are set up to start and end on off-peak times, largely to avoid the peak congestion times on the freeways. Improvements to the freeways, as well as access to and from the freeways, would be welcomed.

Ms. Sheffels said it appears it is easier for the delivery trucks to get from the plant to the freeways than the other way around. Mr. Croston said the main concern is freeway congestion, which is why deliveries are scheduled around the peak times.

Mr. Overstreet asked Mr. Croston what he likes and dislikes about the corridor, and what his vision is for the area. Mr. Croston said a number of the ideas being tossed around are great. Coca Cola likes people; the more people in the area the better. The company wants the ability to continue to grow its operations and offer more to the community.

Ryan Durkin, land use attorney for Coca Cola, said the company desires to remain a legal conforming use. The company would like to see a preferred alternative in which the use is permitted.

Mr. Glass said the committee has heard a number of reports about how the area is not suited for manufacturing/warehouse/distribution-type businesses because of the land values. He asked why Coca Cola wants to stay in the corridor instead of moving south like other companies have where the land values are lower. Mr. Croston explained that the Bellevue site is centrally located relative to the delivery points. To move south would put a damper on the company's northern business and the Montana business. The Bel-Red site is logistically perfect, and all of the tools and models have been developed with the site in mind.

Ms. Baugh asked how high-capacity transit might impact the company. Mr. Croston said the company has employees who take advantage of carpools and others who bike to work. He said he would not be able to comment on the degree to which having improved transit services could benefit the company.

Mr. Hanson asked what the company's employment projections are for the next five to ten years. Mr. Croston said he would not feel comfortable commenting on that.

Mr. Dennis asked if there are some land uses that do not go better with Coke. Mr. Croston said because the facility is a manufacturing operation, there are times when the operations are somewhat disruptive. There are a large number of trucks going to and from the site throughout the day, and engines idling. The facility operation itself is fairly quiet. There will be little impact for an adjacent office use, though there could be with a residential use.

Bob Sternoff said he owns two projects in the Bel-Red corridor, the building in which Banner Bank is located, and 124th Street Plaza, an office/warehouse project on the north side of Coca Cola. He said he has lived in Bellevue for nearly 50 years and has watched the city redevelop over time. To a large degree, the Bel-Red area has not redeveloped extensively because of the limitations on uses the current zoning imposes. He said he sits on the board of Enterprise Seattle and earlier in the day was in a meeting discussing transportation demand management and trip reduction. Attorney General Rob McKenna was present and talked about the fact that when transportation is brought to an area, uses follow. The best local example is in Kent where the Kent station project is spurring new development. The more open the potential zoning for the Bel-Red area is made, the more opportunity there will be for redevelopment. Pocket parks is a great deal, as is the notion of requiring building modulation, but in the end it all must be market driven. Those who look to develop properties look first to see what the zoning is and what the vision is for the area; without a vision, development often does not occur. Transportation improvements are greatly needed in the Bel-Red area; some tenants have been lost because the transportation system was not good enough. Some large tenants will actually pay more in rents in areas where their employees can easily access transit to get to and from work. The Bel-Red area is a good location for office, warehouse and light industrial uses. The citizens of Bellevue need places to get their cars fixed.

Mr. Lukens asked if economics are militating against the larger warehouse uses in the Bel-Red corridor. Mr. Sternoff allowed that the larger uses are being driven out, but there is a demand for smaller warehouse space.

Answering a question asked by Mr. Mathews, Mr. Sternoff said one of the constraints to redevelopment in the area has been the height restrictions. He said the site on which Banner Bank is located is actually three different lots, and the height allowed on each lot is different. Inquiries for space have been received from medical device companies wanting to conduct engineering, banks, and medical offices. If the zoning were loosened up to allow for different uses, there would be no end to the demand for space.

Ms. Tish asked Mr. Sternoff his thoughts about allowing or encouraging residential uses, noting that light industrial and warehouse uses could potentially conflict with housing. He said residential is not compatible with all uses. However, in the right configuration housing can be mixed well with office and the like and be offered at affordable rates, especially if it is located near transit.

Todd Miller said he has owned a body shop in the Bel-Red corridor for almost 30 years. He said he relocated to his current location between 132nd Avenue NE and 134th Avenue NE and Bel-Red Road after redevelopment of his original site necessitated his move. He said there is no other place in Bellevue for automotive uses to move to, so the notion of rezoning the Bel-Red area is bothersome. The residents need such services nearby. Residential uses are just not compatible with auto repair uses. If housing is permitted to be developed in the area, it will not

be long before the new residents start complaining about the noise and smell of neighboring automotive uses, and then the uses will be pushed out.

Duane Hendrickson said he has operated Goodsell Power Equipment at 13310 Bel-Red Road for 34 years. He said he hopes to stay in Bellevue. He said he is restricted with regard to where he can locate because of the products sold, two of which cannot be taken to another city. He said if the area is rezoned in a way that will no longer allow his use, he will be forced out of business altogether.

Mr. Dennis asked what two products cannot be sold in other cities. Mr. Hendrickson said he sells both Stihl and Honda power products, and there are restrictions on how close one dealer can locate to another.

Mr. Overstreet asked what things need to be improved in the area. Mr. Hendrickson said traffic congestion is a very big issue for his business, which involves pickups and deliveries.

Mr. Hendrickson verified for Mr. Creighton that he is a tenant and therefore subject to a large degree to what his landlord decides.

Perry Singh, said he owns and operates Aamco Transmission with his father on Bel-Red Road. He stressed the need to be careful in considering rezoning the area so as not to push out the light industrial and auto repair businesses. He said he has operated his business in the corridor for 30 years providing services for the citizens of Bellevue. Like others, his business will have nowhere to go if zoned out. If auto repair uses are forced out, residents will have to drive farther to find the services they need, and a monopoly will be created for the dealerships. The area could benefit from having residential uses and more density, but the light industrial should not be eliminated.

Mr. Singh confirmed for Mr. Lukens that he operates as a tenant.

Ms. Baugh asked what types of uses are compatible with transmission repair. Mr. Singh said much would depend on how close other uses are to his. There could be potential complaints regarding noise from adjacent residential uses, but the impacts would not be that great if the residential were developed a block away. Outside of that, the use could be compatible with office uses.

Mr. Overstreet asked Mr. Singh where his customers come from. Mr. Singh said the majority of them come from within a three-mile radius, though some do come from Redmond, Kirkland and the entire Eastside.

Roger White said he owns eight buildings in the corridor, seven of which back up to SR-520 and one of which fronts Bel-Red Road. He said any plan developed for the corridor will need to be fluid enough to allow for flexibility. No one 25 years ago would have imagined what is happening in Bellevue now. The cost of housing has become so prohibitive that many who work in the malls, on the police force or for the fire department cannot afford to buy a house in the area. The demand will continue to grow and the city will have a hard time meeting the demand over time unless high-density development is allowed. At the same time, the services currently offered in the corridor are necessary and beneficial for the city's residents. Housing and retail will likely drive the Bel-Red area in the future. There are at least four big retailers that want a presence in Bellevue, Costco, Target, Wal-Mart and Kohls, but there is currently no place for them. Those four stores will generate a substantial sales tax revenue stream for the city. The city needs to ride the horse in the direction it is going, but without interrupting the process that is

in place. Some areas of the corridor should be allowed much higher densities, while at the same time the lower density uses such as auto repair need to be allowed. Transportation will be a key element in the redevelopment of the area. It will need to be practical, reliable and convenient or it will not be used. With enough flexibility, the area will evolve in a positive direction over time.

Howard Katz indicated that he owns a condominium on Lake Bellevue and resides there. He pointed out that Lake Bellevue is in a flood zone, and any attempt to open piped streams will need to take into consideration what impact that could have on flooding the developments around the lake. He said when Safeway was operating in the corridor they had an ammonia spill that was destructive to the fish in Lake Bellevue; they had to pay a fine and have since been working to improve things. There are both good and bad aspects associated with having light industrial uses located near residential uses. There are very few restaurants in the area; such uses are very important to residents. Industrial uses generally want their properties well lit, which can impact residential uses. Light industrial uses also tend to create noise. The smaller automotive-related businesses are good for the area and should be allowed to remain. Exiting 124th Avenue NE is a problem, mostly because there is not enough room to make a right turn; the exit needs to be improved. The growth that is anticipated in the downtown will make the small businesses in the Bel-Red corridor even more important.

Ms. Baugh asked Mr. Katz his opinion of transit options. He said every now and then he takes the bus to get to and from Seattle. The buses are mostly empty. Very few who live in the condominiums on Lake Bellevue even try to take the bus, even though the bus stop is only about a block and half away at NE 8th Street.

Carlos Sierra said he owns the property at 11508 NE 20th Street. He said the Bel-Red area has great potential. It can support light industry, office, retail, and mixed use office and residential. The area has several environmental amenities which if treated with sensitivity could be a great benefit. It all comes down to scale, size and character. Creating a vision for the area is a very important exercise. Better connections need to be made both to the north and the south. Medical office parks, if not too large, would be wonderful. The city should think big in forging a vision for the area; the sky is the limit. The zoning will need to be flexible to allow businesses to grow over time.

Frank Spicer said he owns and operates Auto Logic on 132nd Avenue NE just north of Bel-Red Road. He said one of the things he does on a daily basis is drive customers around, and while driving he asks them questions. He said since the Bel-Red project started his questions have been oriented toward the issues being wrestled with. A large percentage of the new customer base is not able to afford a home in Bellevue. Many of them work at Microsoft and love what they are doing, but must live in outlying areas such as Duvall and Carnation. The Bel-Red area is the perfect place to allow the creation of high-density housing affordable to those who work at Microsoft and other places. There are areas that would be right for affordable condominium housing above retail uses. There is a development in the Harbor Pointe area that has condominiums over small warehousing; some who operate the warehouse uses live above their businesses. When workers are forced by economics to live far away from where they work, they must drive their cars to work. They need the small businesses that offer automotive repairs. Auto repair businesses can generate noise and odors, especially the body shops, and that could be a concern for nearby residential uses. Currently most of those types of uses are concentrated in the eastern part of the corridor. There are a lot open spaces that are starting to become available in the western part of the area; that arrangement lends itself well to putting residential uses in the west and retaining the light industrial uses in the east. Coca Cola acts as a very good neighbor; they create very little noise and their drivers are always thoughtful and considerate. Anything that can be done to improve freeway access at the 124th Avenue NE intersection with

the freeway would be good. Access to the freeway going both westbound and eastbound is needed. Traffic patterns within the corridor are not bad between 7:00 a.m. to 5:00 p.m. There is a general weakness in the north-south travel patterns within the area. The Bel-Red Road and Northrup corridors flow quite well, and 140th Avenue NE is used as a backup for those heading toward Microsoft, but those routes could stand to be improved.

****BREAK****

4. Upcoming Meetings

- a. Business/Property Owner Panels: May 16**
- b. Next Steering Committee meeting: June 1**

Mr. Creighton said the next regularly scheduled steering committee meeting is June 1. The following week there will be a workshop for the property owners and a public meeting. Staff believes a second meeting will be needed toward the end of June, and the date tentatively selected is June 29. With the extra meeting in June, the committee likely will not need to meet in either July or August.

Between June 1 and June 29, there is a need for the committee to meet for about six hours, and Saturday, June 10 has been suggested. Mr. Creighton asked the committee members their opinion of meeting on a Saturday.

Mr. O'Neill said the time has come to start considering the draft land use and transportation alternatives. The summer months, particularly July and August, are not good times to schedule committee and public meetings. The preliminary alternatives will be rolled out at the regular meeting on June 1. The public will be asked to look at the alternatives the following week. It will then be important for the committee to have some concentrated time to weigh the public comment and offer tweaks and suggestions to staff and the consultant team, and that will require either one long meeting or two shorter meetings. The regularly scheduled July 6 meeting could then be moved up to June 29 and, if ready, the committee could at that time bless moving forward a certain number of alternatives for further analysis. During July, August and September the work to evaluate those alternatives could move forward without the committee having to meet. The consultants are available in June except for the week of June 12 to 16.

Mr. Lukens stressed that the focus is on the development of draft alternatives only; no final decisions are being contemplated. The selection of preferred alternatives will not occur until the fall.

Mr. Creighton allowed that it is not absolutely necessary to meet on a Saturday, provided an evening that works for everyone can be found.

Ms. Sheffels suggested the committee should be given plenty of uninterrupted time to work on developing the initial alternatives. There are some very innovative ideas that will need to be talked about. She indicated her preference for a Saturday meeting.

Mr. Glass said he would prefer to have a long evening session. Mr. Springman said he would not be available to attend a long meeting on a Saturday morning. Mr. Creighton said his preference would be to avoid meeting on a weekend as well.

Mr. Lukens suggested the most logical time to schedule a long meeting for the committee is the

week of June 12 and asked if it is absolutely necessary for the consultant team to be present. Mr. O'Neill said the benefit of having them present will be their input during the discussion and deliberation. It would also be helpful for them to be aware of the tasks they will be assigned by the committee. If it is at all possible, the consultants should be there.

There was consensus on the part of the committee members to direct staff to try to find a date the week of June 12 to 16 that can be attended by the consultant, and to then send out an email to the committee members to determine their availability for that date.

There was also agreement to move the July 6 meeting to June 29.

5. Adjourn

Mr. Creighton adjourned the meeting at 6:02 p.m.