

BEL-RED BUSINESS AND PROPERTY OWNER PANELS DISCUSSION GUIDE
SUMMARY NOTES
TUESDAY, MAY 16, 2006

PROPERTY OWNER PANEL: 7:30 TO 9:30 AM

Kevin O'Neill, Facilitator

Questions/Comments after Project and Format Background

Does anyone have any questions?

Question about alignment of HCT through the area. Question about whether Bellevue can "say no" to HCT.
Question about whether the project would still be happening even without HCT planning.

1st q: Participant introduce selves

Ellen Glann: Resident of Lake Bellevue.

Will Knedlick: Family owns properties that are currently office (not clear on location)

Howard Katz: Lake Bellevue resident.

Lorna Faxon: With Safeway. Safeway is the largest landowner in the area; currently owns warehouses, bakery, ice cream plant, as well as store in the area.

Michelle Forman: (Arrived late—did not answer this question).

Mike Yuhl: Owns building on Northup Way.

Peter Koch: Owns office/warehouse buildings in the corridor.

Christine Koch: Peter's spouse—property owner

Carotta Esmorris: Property owner/manager—leases to auto repair uses

Walter Scott: With Legacy real estate, owner of design center on 116th NE.

Development Opportunities

The Market Study indicated that there is market demand and development opportunities for some uses that are currently not in the corridor, such as mid-rise office uses and housing. They also thought there would be a market for more, expanded medical uses, home and design-oriented retail, and auto dealerships. **Tell us what development opportunities you see and how land use planning should best accommodate these.**

- Currently poor market for leasing office.
- Would like to see mixed use, housing with retail below, particularly uses like a small grocery store (not "boutique" uses)
- Some ground floor uses in mixed use buildings can't be leased—stay vacant.
- Need to be able to access places by car for them to be successful.
- Concern about keeping small businesses in the area, not driving them out (auto repair cited as an example)
- What about concept of housing over LI or industrial uses—would this work? Market for Microsoft employees
- Opportunities largely driven by parking ratios/requirements—depends on how much parking is needed.

Light industrial Uses

As described a bit in the background, one of the things the Bel-Red Market Study produced by Leland Consulting indicated is that economic development in much of the area could stagnate without new planning and land use opportunities. In particular, Leland indicated that the future market demand for light industrial uses (uses such as warehouse and distribution, manufacturing, etc.) is not as large as the amount of supply in the area. This is another really key crux issue the staff team and steering committee is grappling with. We know that there are some viable industrial/warehouse uses in the area, but in the past several years new development in that area has focused on other uses—car dealerships, Eagle Hardware, etc. **We'd like your opinions on whether there is some important or unique function that light industrial uses play in this particular part of Bellevue. If light industrial zoning changed, what do you think would be the impact on the local economy?**

- Industrial uses have created adverse impacts on Lake Bellevue
- Large warehouses/manufacturing not really viable in this area now—land too expensive, have that option in the Kent Valley.
- Manufacturing/warehouse uses have had big impact on Lake Bellevue water quality. Would like to see parks/sports fields in the area
- Large industrial uses can't compete in this area (Kent Valley close, cheaper land)—small warehouses can work (demand for them here)
- (Questions about what uses are allowed in LI and other areas)
- LI uses here made sense at one time, not now
- Not too many real LI uses out there any more—more trades, services, uses going on.
- Need to think about how much traffic volume uses will generate—many LI uses don't generate much traffic.
- Safeway plans to keep plants in the area long-term. Supports general direction that Bellevue is going in looking at the area.
- (Question about how the area will be zoned—look at different areas differently?) Land use pattern needs to make sense. West end of the area very different from the east end
- One panelist worked for a business located here in the 1970s, but early 80s they decided to leave the area and move to Tukwila.

Service Uses

As mentioned earlier one of the principles the Council adopted for this project is to **build on existing assets of the area, including successful businesses, while identifying opportunities to catalyze future business development and economic growth in the corridor**. Of course there are some difficult trade offs involved and it may be difficult to accomplish both of these principles fully and simultaneously in all areas of the corridor. Not all land use alternatives that accommodate current businesses in the area will catalyze future business development and visa versa. If new uses are allowed in the area to better match market-driven economic development opportunities, real estate prices and commercial rents may go up. **What types of services are key to preserve in the corridor, and what suggestions do you have for facilitating their preservation?**

- Many valuable services here—home-oriented businesses, auto repair, printing, construction, remodeling, etc..
- Many businesses here that serve other businesses in the area—i.e. suppliers to contractors.
- Will still be demand for services in the long-term.
- May make sense to concentrate service uses in a particular area. Could intensify the areas along major corridors, leave the interior alone for the most part.
- There has been a migration of auto sales uses in the area. City can't ignore these uses—major sales tax generator. See opportunities for more of these. Could Safeway site become new auto row?
- Also having auto dealers displacing small businesses, restaurants. Losing services that serve nearby residential uses.
- Have to leave zoning flexible to respond to the market.
- Lighting has become a big impact on residences at Lake Bellevue.

(Follow-up question—Is a “mixed use model” of services a viable model for this area?)

- Would rather see housing concentrated in one part of the area.
- Others don't agree—like housing mixed with commercial uses. Mixed use model worth looking at.
- Some uses have noise, smells, that don't lend themselves to mixed use, housing nearby.
- If we have housing in Bellevue anywhere, it won't be low income housing—it will be moderate income housing.
- Disagreement about commercial areas that have seen housing development—is this “engineered”, or what the market wants to do in these areas (or maybe too much commercial in area).

Land Use/Transportation Connection

We have heard frustration from some that zoning in the area has been a “constraint” on future growth. However, the transportation system in and around this area is very limited--and, effectively, the area is “locked up” given these transportation constraints. We'll probably need to focus growth in certain areas and find ways to grow smarter; otherwise we'd risk having an unacceptable degree of congestion and unacceptable impacts on surrounding neighborhoods. **Given these constraints, what do you think is the smartest way for this area to grow in the future?**

- Could make the whole area a regional park—then no traffic problems.
- Pearl District in Portland a good example—mix of uses, parks, transit. Vancouver, BC is another good model—a “European” model of mixing uses together.
- Need to focus on what Redmond is planning on their side—they are thinking about adding open space in Overlake.
- Need free space to develop.
- Need to resolve transportation system—ideally would set the transportation pattern first.
- HCT should be the first piece of the puzzle to be set.
- Would be good an analyze travel patterns, understand where people are coming from.
- Need cars, but also need to develop travel options.
- Need housing closer in to the area, so people won't have to travel so far. People (teachers, firemen, etc.) can't afford to live in Bellevue.
- Transit not convenient in Bellevue (example of traveling to senior centers)

High Capacity Transit

We know that there are likely a lot of different opinions around the table about Sound Transit and potential expansions of High Capacity Transit to Bellevue. However, the adopted Sound Transit long-range plan shows an HCT corridor through the Bel-Red area connecting DT Bellevue with Redmond. If Sound Transit makes the investment in an HCT corridor through Bel-Red, this will add transportation capacity to the area, and also create land use opportunities. It has also been demonstrated in other parts of the country that HCT stations often attract development. The City Council directed us to use this project to analyze both the impacts and opportunities presented by an HCT corridor through this area. **What are your thoughts about how this planning project might capitalize on opportunities that HCT could bring?**

- Basic problem is driving is too convenient for most people—need to make it more inconvenient to get people to use transit.
- Need to think about how much parking is allowed in some areas.
- (Question—who do we see using the transit system?)
- Skepticism about who would use transit in this area.
- Would like to have a good transit system to get around the area.
- Need to look at other means to get people around, such as vanpools—other ways of getting people out of their cars.

Environment

One of the themes that has come up through the project scoping and other public outreach is an interest in more green space and other environmental amenities in the area. There are also several stream corridors running through Bel-Red area as well as several major wetlands in the area and the Steering Committee is looking for ways that planning can support improving these environmental resources in the future. **How should the natural environment best be enhanced in the area while *also* adding value that encourages redevelopment or property improvements?**

- Question value of opening streams—will that increase flooding into Lake Bellevue?
- New setback requirements in critical areas ordinance more restrictive—could hamper redevelopment.
- Could be a “win-win” solution to combine stream enhancements with parks/trail investments. Only open some areas where parks would be (others agreed).
- Where will parks/open spaces be developed in the corridor?
- (Question about whether there are any schools in the area).

Parks/Recreation/Other Amenities

Council has asked the Steering Committee to consider the creation of new neighborhoods in establishing a vision for the area. More parks and open space would likely be needed to support this. Many members of the public who commented during project scoping also mentioned they would like to see more parks or sports fields in the area . **What improved or new amenities do you think should be created in the area as a priority.**

- Too broad a question—parks not needed now. This is something the Parks Board should look at.
- Need parks in any kind of mixed use/housing scenario.
- Parks don't have to be large to be effective...pocket parks and green spaces are nice.
- Some parks in Bellevue are never used.
- The cost of any green benefits should be shared by all who benefit—don't jeopardize the landowner.

Before we finish, we want to get from you all any additional ideas or key suggestions you would like to be considered in the development of the Project Alternatives.

- City should not use eminent domain authority for redevelopment.
- Don't forget about bicycle facilities—need to connect to broader system (i.e. 520 trail).
- Getting on/off 520 a big problem—planning effort needs to address this.
- Whatever we do needs to make sense from a market perspective. If so, developers will respond, and help build amenities in the area.
- Should divide the area into “parts” that make sense—don't think of it all the same way.

CITY OF BELLEVUE
BEL-RED CORRIDOR PROJECT
PROPERTY OWNER PANEL
VERBATIM TRANSCRIPT

May 16, 2006
7:30 a.m.

Bellevue City Hall
Room 1E-113

PANELISTS: Lorna Faxon, Howard Katz, Will Knedlick, Ellen Glann, Mike Yuhl, Peter Koch, Christina Koch, Carlotta Esmorris, Walter Scott

MODERATOR: Kevin O'Neill

Mr. O'Neill: Okay, I think we'll get started. I think we are expecting a few more people to come, but I don't want to punish the punctual. And you guys are all here on time and I want to honor your time and your commitment to get here at 7:30.

Mr. Katz: I got a question. There are no minutes taken of this meeting, are there?

Mr. O'Neill: There actually is. We're taking notes and we're actually taping all of these.

Mr. Katz: If you had told me I would have worn my suit.

Mr. O'Neill: We're not filming it, just audio taping.

Mr. Katz: I'm only kidding you.

Mr. O'Neill: Okay.

Mr. Koch: And the camera is here too.

Mr. O'Neill: Yeah, the camera is on.

Mr. Kanetlik: So the NSA will have the transcript by this afternoon.

Mr. O'Neill: Apparently they will, yes. I want to talk at the beginning about what we are doing, why we are doing it, the format we'll use. Really the purpose of this morning is for you to talk and me to listen and us to capture your thoughts here. First of all, my name is Kevin O'Neill. I work in the city's department of planning and community development. I am one of the co-project managers for the Bel-Red corridor project. And we really appreciate you taking the time today to help us develop an updated land use transportation plan for this area. We realize that some of you have varying levels of familiarity with the project. I recognize some of you

from having attended steering committee meetings before. So I want to just talk for a couple minutes about what we are doing. Just to kind of get us grounded in the same place. Then I'll talk about what we are going to be doing this morning.

So the Bel-Red corridor project, really the intent is to develop a long term – and by long term we are looking out to the year 2030, so about 25 years out. Vision for this area. The study areas on that map right there on the wall – it goes all the way from I-405 to the west out to the city limits of the city of Redmond to the east.

Mr. Katz: Going east what street does it end on?

Mr. O'Neill: Actually the city limits end on 148th which is where that red line is. And then the city limits begin again on Bel-Red Road which is where you see it circling up to the northeast there at the eastern end of the study area.

We're doing the project for a few reasons. One is the overall plan for this area hasn't been updated for about 20 years. The last time the subarea plan for Bel-Red was updated in a comprehensive manner was 1988. Market analysis is telling us that plans for this area are somewhat outdated, that a lot of the buildings in the area for example are 30-40 years old at this point. There are a lot of parts of the area that are working very well economically. There's other parts where we're seeing sort of transitions of land uses happening. So for example in the light industrial area we're seeing retail uses come in and auto dealers and things that probably weren't contemplated 15-20 years ago coming in. So we feel like we want to sort of take a fresh look at the area. Another reason we're doing the project now is because Sound Transit has updated their long range plan and has identified a potential extension of high capacity transit through this corridor linking downtown Bellevue to Redmond. So we don't know when that might happen. We don't know if it will happen. But we do know it's in their long-range plan and it could even be part of a vote on extension of high capacity transit next year.

Mr. Yuhl: What type capacity? More buses?

Mr. O'Neill: The technologies that Sound Transit is looking at right now are light rail and convertible bus rapid transit. So a bus rapid transit system that could potentially convert to light rail.

Mr. Katz: What route are they looking at?

Mr. O'Neill: They're not looking at a route right now. They're looking at essentially

lines on a map. So there's a line on the map that goes across I-90 from downtown Bellevue to south Bellevue park and ride. One that then goes up between I-90 and downtown Bellevue. And then a line between downtown Bellevue and Overlake.

To guide the project, the Council has given us 10 planning principles which is on this handout which some of you either got this morning or have seen before. One principle is to build on the existing assets of the area. So we're very interested in hearing from all of you as property owners or business owners in the area. How we're using your input and all the input that we've been getting at the meetings we've had to date is we have a City Council-appointed steering committee that's overseeing the project. We're going to be introducing conceptual future land use transportation alternatives to that group probably next month, early June. So we want to hear from you today to make sure we haven't missed anything major. Then we want to hear from you again once those alternatives are out. So we'll actually have another set of these focus meetings around the draft alternatives to give you all a focused opportunity to give us comments on those. Those will probably be in about three or four weeks. We'll make sure you all get invited to those. What will then happen is we're asking the steering committee to adapt a set of draft alternatives to evaluate an environmental impact statement which will happen over the summer and fall. With then a preliminary preferred alternative hopefully being identified maybe by the end of this year. We're kind of at a point where we'll look at some alternative visions, see if the committee is comfortable with them. Then we'll move those forward.

What this is going to be this morning is kind of a panel discussion, similar to a focus group. I don't know if any of you have been in a focus group before. What we'll be doing is asking a set of questions and making sure everybody has the opportunity to weigh in. At the end I'm going to have a general question just to make sure that if there is something you've wanted to say that you haven't had a chance to say, based on the questions, that you have the opportunity to say that. Responding to Mr. Katz's questions, we're taking notes and recording all this because we want to do a report back to the steering committee about what we've heard from these sessions. So we want to have the very detailed notes and minutes from these. I hope everyone is comfortable with that.

Mr. Katz: Will we be able to ask you questions?

Mr. O'Neill: You can definitely ask me questions but I'd rather spend the time asking you questions.

Mr. Katz: I just want to say that we need to get a better understanding of what's going on. There are a couple of questions I'm going to want to ask you.

Mr. O'Neill: Okay. Before we start does anyone have any questions about the format of what we are doing here this morning? Did you have a general question?

Mr. Katz: When you talked about this rapid transit corridor, and I'm getting that you don't know too much about it, do you perceive that it would require the city to widen the streets of the corridor?

Mr. O'Neill: It could, I mean there's a potential that it could be along the Bel-Red Road for example in which case it would require probably additional right-of-way. It could be in a new corridor somewhere through the middle of the area which would require new right-of-way. It could be in the 520 corridor which still might require – I don't think there's adequate right-of-way in the 520 corridor. Yes, I think it would probably likely require distinctive right-of-way either way it is done.

Mr. Katz: Does the city of Bellevue, if they don't want the rapid transit to come through, do they have the power to say we don't want it.

Mr. O'Neill: Well the voters have the power to say they don't want it.

Mr. Katz: The voters of the city?

Mr. O'Neill: The voters of the region, and the city, both. If there's a vote on future expansion of high capacity transit next year, it will go out to the entire Sound Transit area which is part of three counties; King, Pierce and Snohomish. It will also likely be linked with a vote on the regional transportation improvement district which is a set of improvements of regional money for the viaduct, I-405 expansion, 520 bridge replacement, et cetera. That was essentially the decision the legislature made last year. It would be coupled with – and whether it will be two separate votes, or votes together, whether both will have to sink or swim together, that's all yet to be determined.

Mr. Knedlick: Can I ask a question, and that is, if the Sound Transit vote went away next year, would you continue with this process anyway? Because there is the need for the 20 year update?

Mr. O'Neill: Yes, yes. That's actually a good, important question. So now that I've kind of talked to you I'd really appreciate your patience with kind of laying the groundwork. This is the only question where I'll sort of want to

do a round robin because I really want to hear from all of you about who you are and why you're here. I'd like you to introduce yourself and in doing so just take a minute to explain why you're here and what your interest is in the project.

Ms. Glann: My name is Ellen Glann. I'm a resident of Lake Bellevue Village Condo. I think we're the only residential, possibly close group within this corridor. Obviously we'll be strongly impacted as far as any changes that are taking place, and currently also have been impacted. Our concerns are where we live. This is part of our living environment. We're interested in the details that go into this and being part of that decision making process.

Mr. Knedlick: My name is Will Knedlick and my family has some property that was upzoned from residential to office 15-20 years ago. And I represent a group of contiguous property owners who have to figure out what to do with the group of properties, depending on how we can assemble them and various other things. I attended the Redmond group a couple weeks ago looking at their side of Bel-Red Road in a contiguous process and I want to try to figure out what's the best use for our property. My property right now is a chiropractor's office. I'm not a chiropractor, it's leased to somebody. We're looking sort of five years down the road as to how we'll develop this piece off of Bel-Red Road.

Mr. Katz: Hi my name is Howard Katz. I'm also a resident of Lake Bellevue Village. Ellen is presently on the board of trustees. I have been on the board of trustees in the past and I came to listen at the last meeting and became really concerned when I noticed that there were either people who were leasing businesses or property owners of businesses who were there. I was maybe one of the few residents and Lake Bellevue has been impacted over the years living in this corridor. We've seen the changes over the years. I came out here in 1976. I had an office and a warehouse on Northup Way, right near here. So I know what it is to be a business, but I've also lived in Lake Bellevue since 1982. So I've seen all the changes. There's been some good stuff but there's been a lot of bad stuff and that's impacted us.

Ms. Faxon: My name is Lorna Faxon. I'm a regional property manager for Safeway corporate real estate. I'm here to represent the 60 acre site that we have that is a potential catalyst as we all know for the plan changes in the corridor. We do plan on surplusng probably about 37 acres in that 60 acre parcel in the near future.

Mr. Yuhl: Mike Yuhl. I own a building on Northup way. I'm basically am here to participate in a positive manner. My fingerprints are all over the city of

Bellevue because I was on the steering committee and subsequent committees that wrote storm water requirements and tree preservation.

Mr. Koch: I'm Peter Koch. My wife Christina and I built and own and manage two office warehouse buildings. We're here because we're very concerned that the small business will get pushed out. We do need the small businesses.

Mr. O'Neill: Just where is your business?

Mr. Koch: Off Bel-Red Road on 32nd.

Ms. Esmorris: I'm Carlotta Esmorris and I inherited property at 136th place between Bel-Red and 24th. It's leased property to auto repair. Three auto repair individuals rent there.

Mr. O'Neill: One thing I neglected to mention at the beginning is that we're probably going to go straight through until 9:30. If you want to refill with coffee or use the facilities please feel free to do that. Let me ask the first question and what I'll do is just invite anybody to comment on any of these questions to make sure we get input. We had a market study done. Early on in our process we hired a firm named Leland Consulting Group out of Portland. What you typically do in a long range planning process like this is you sort of do market economic study to identify what they think just from a pure economic standpoint the strongest future markets are in a particular area. Given a whole bunch of factors, what's there now, where it's located, what's happening in the local regional economy. They felt there was a strong market for some uses that aren't really captured in the area now. Particularly more low to mid-rise office buildings, strong office market given its location near downtown Bellevue and Microsoft, housing, some more retail, more auto dealerships. I guess my question to you all is, as people that know the area well, and as property owners, is what do you think the development opportunities are and how should land use planning best accommodate those in the future from your perspective?

Mr. Yuhl: Well, I've had my building and leased it for 20 years and this market is the worst for leasing office space I've ever seen.

Mr. O'Neill: So, bad office market.

Mr. Yuhl: That's correct.

Ms. Glann: I'd like to see multiple use. I actually had the opportunity to be in a lot of large cities recently. That seems to be a focus I know in Seattle also.

Multiple use means retail on the bottom, so that those people who are coming and going or living and working in the area have access to maybe small groceries, dry cleaners, that kind of access with living mixed with commercial rental property.

Mr. Koch: If you look out here, even within walking distance you see four to five story housing and bottom retail. Many of them are empty. You look in downtown Bellevue and Portland where the committee was and other communities. It's the same way. There's just a limited use for retail. We don't really need that much retail space to fill up all the first floors of these, its limited. And it gets too expensive for other people, a carpet shop or upholstery stores. These spaces are too expensive for them to move in there because the rents are too high in these new buildings.

Mr. Yuhl: I agree with Peter. I think what he's talking about is the boutique shops. There don't seem to be a lot of people that like to do boutique shops. I think what Peter is really saying, and I agree with him is there's still a need for people out there who have existing businesses who service the people in Bellevue to maintain their business. I think that one criteria you have in those kind of businesses is that they need access and they need at-grade access to people. They need to bring trucks in. They need to bring customers in. So if we're talking about what we call upgrade or rezone or whatever I think what you need to do is stack office or residences above those kinds of spaces. But you're going to have to, I think, look at the economics of this thing, and if you're going to rebuild these small, people aren't going to be able to pay for new prices. You're going to have to recover the cost of that structure from what you sell or rent above. One other thing on the traffic corridor, I'm going to jump to a conclusion that the likely conclusion for this rail is on the south side of the freeway on piers because you don't have any right-of-way acquisition problems. So all you need to worry about is funding the thing. But if you do that kind of thing, I think what happens is it almost drives the land use to say because people then can walk to the transit stops. It almost drives you to say that within walking distance of that that should have the possibility of doing residential above street access businesses.

Ms. Glann: I agree with that and I think that's basically the model that's used in a lot of places where you have tried to bring in businesses and maintain them, not boutique shops. We're not interested in that. I'd like small grocery stores. I don't know what the possibility is of Larry's market right now. I think its in bankruptcy. I don't need a big store like that. I need a small multiple market. Somewhere I can go in and yes I may pay a little bit more. But I want places that are practical. If I'm getting off the transit I can walk there and go down the street and that's where I live in a condo or

an apartment. I'm talking about big city kind of concept where we do multiple kinds of things. We have transit access in and out. We have maybe alley ways. There was another model talking about access like that behind these buildings so trucks can get in and drop shipments and provide some parking off the street. I know those are issues that we from a pragmatic point of view have to look at.

Mr. Katz: On the business side of it my concern is for the small automobile repair dealers that exist today. Just to give an example, my son's Ford focus which needed repair. As the car dealerships expand, there's a tendency to drive out the smaller shops. Basically for the same job it was \$100 less in the small shop. If you drive out that small shop that I use because of the changes and we have no small shops, it just drives us to dealers. We're being surrounded by automobile dealers continually as their expanding and expanding the new automobiles all over.

Mr. O'Neill: I want to come back to that issue a little bit more in a subsequent question. But thank you for that. Any other thoughts?

Mr. Knedlick: I'm interested in the concept of residential over industrial type operations. As I look at the demographics we have in the area it seems to me a lot of the housing that's needed is to accommodate all those people at Microsoft who are no longer going to be truly rich. Those people have already moved to Sammamish anyway, so they're not going to be worried about it. Then we have the baby boomers. It seems to me that a lot of those people would not want to live over a car shop. Maybe some of them would. I'm within walking distance of Trader Joe's. As I look at the demographic of the two senior centers that are there already, it kind of suggests a logic to continue along the lines of senior citizens. But then I look down the street and I see all these Microsoft people driving by and they're a big part of the traffic mess because they don't live near to the Microsoft campus. It seems to me we need some logic that's kind of driven by demographics that we can see out there for 20 years or so. I'll be real honest with you, if you can get some of them to live over a car shop, that's great by me. But I can't see very many of them who would want to live over Midas Muffler. You know, I could be wrong.

Mr. Katz: Where do you live, sir?

Mr. Knedlick: I live down at Lake Washington, so I don't have Midas Muffler nearby.

Mr. Yuhl: The basic thing you need to look at driving this thing is the parking ratio because essentially what I see out there is most of them are built out to max in the current code. The problem when you do redevelopment is

you're going to need more square footage on this stuff because you're going to have to pay to buy this business building and tear it down. If you do that that means you have the potential to bring in more cars, which means in the bottom line the only way you're going to do any upgrade on this thing is to reduce the parking ratio. The only way that's going to work really is one of two things. Do what you did in downtown and say you can't build so much parking, depend upon the bus. Or have Howard move his ball team over here. Use the parking lot for the surrounding businesses and for downtown as a pay parking lot simply while we over there push them off down here to rent parking or take the bus to work.

Mr. O'Neill: I'm going to move on to the next question. Walter did you want to join the panel? You're here as a property owner. Feel free to join us. Can you take a minute and introduce yourself?

Mr. Scott: I'm Walter Scott. I'm with Legacy Commercial. We own the Bellevue Design Market which is the home improvement center across from Overlake Hospital.

Mr. O'Neill: It's the design center right on the east side of 116th?

Mr. Scott: Yes.

Mr. O'Neill: The next question, I'm going to head into another crux issue we've heard a lot about in the last few meetings. It has to do with light industrial warehouse uses in particular. About half the area, 350 to 400 acres, is zoned – it has been for many years – for light industrial manufacturing uses. One of the things that Leland concluded is that there was a very limited market for future development of warehouse/light industrial uses in this area. So we know there's a lot of viable ones there today that may want to be there for many years. But what we haven't seen is new development of warehouse industrial building. In fact the new development we've seen in the light industrial area over the past several years is Eagle Hardware, Barrier Audi dealership on 120th, the Porsche and newer car dealerships. So we've seen and we know Coca Cola has invested a lot in their plant. I know Safeway has probably done investments in their plant. But we haven't seen a lot of new development of specifically large warehouse and manufacturing uses. So one thing that we're grappling with, and the steering committee is grappling with, is we'd really like your opinions on whether there is – what I'm talking about here is the big – it's not power auto dealerships, for example, because those can happen in lots of different types of areas or zoning. I'm talking about the major light industrial warehouse/distribution uses. Is there an important unique function that those types of uses play in this part of

Bellevue from your perspective? That's my question.

Mr. Katz: My concern about having any, we're talking about having like a Safeway place?

Mr. O'Neill: That would be an example. They have large warehouse and they also do manufacturing there.

Mr. Katz: What I can say about that, at least for Lake Bellevue, which is a natural lake in the heart of the city, is that we have had runoff of ammonia into the lake killing our fish, polluting the lake. So, putting any kind of industrial type of warehousing whatever manufacturing is a danger to our community as residents. I would be really opposed to that. What I'd like to see for that area, because it's such a flat area, is maybe some additional parks for ball fields. I actually play on a softball team and one of the things is there's not enough ball fields in the city. I know that for a fact because we can't schedule some particular games. Perhaps putting in some parks and residences in that area rather than looking for industrial use. That's getting rid of that potential problem of polluting our lake and eventually the streams that it runs into.

Mr. Yuhl: I don't think there's ever going to be a market for large industrial spaces because you've got that capability in the Kent valley. You've got flat land, you've got rail. You've got all sorts of things down there that are always going to be cheaper than we are. So I don't think we can compete with large warehouse type of facilities. I think our only competition to store goods that are relatively high value and are turned over relatively quickly. They need to get to the market very soon. I see the major, what I'll call bulk, is continuing to exist in the Kent valley.

Mr. O'Neill: Remember a light industrial warehouse usage doesn't have to be a big facility. It can be a smaller facility.

Mr. Yuhl: I realize that.

Mr. Koch: The high land prices just don't make sense, the figures just don't work out for larger warehouses because we can't compete with Kent or whatever. We know Coca Cola wants to stay because they have a lot invested in their plant. Because of the overall, I don't foresee that.

Mr. O'Neill: What about smaller warehouse uses? Does the economics change then?

Mr. Koch: Yes, the ones who have to be closer to their clients. Distribution not in a big scale. Or that are service oriented at the same time, have service

capable of running out of their warehouse, yes on a small scale. But big warehouses, I would say no.

Mr. Scott: Kevin, are you making a distinction between warehouse retail and warehouse light industrial? Or is this all grouped together? Like a Costco?

Mr. O'Neill: I think of Costco as big box retail, as opposed to light industrial warehouse/distribution.

Mr. Scott: So this is a different discussion than that?

Mr. O'Neill: Although that could be a potential, if someone thought that was an opportunity for that area that would be fair game. But what I'm focusing on in this discussion right now is warehouse/distribution and light industrial uses.

Mr. Scott: My guess is that I would echo what some of the other participants have said, especially because large warehouse doesn't create the economic return required to pay for the land that is there, the value of the land. But you have to be careful when you start making definitions about light industrial because there are some, a lot, of quasi retail that would fall into the category of light industrial. For example, at our design market those tenants pay some fairly high rent and they are very productive. But in the backs of their retail fronts some of them do some assembly that might fall into the category of light industrial. And that would be starting at 2000 feet to maybe ten.

Mr. O'Neill: Given your perspectives, I have a follow up question. The area that we're talking about was planned and zoned for light industrial warehouse distribution uses 30 years ago.

Mr. Knedlick: And it made sense then.

Mr. O'Neill: If that changed now, I'm not saying it will, but lets say it did, what do you think would be the impact on the local economy? What's the positive or negative just from your perspective?

Mr. Yuhl: First of all I don't think it would change much at all. If you go around and look out there – because I'm in the LI zone – there just aren't those kind of people out there. What you get is basically what I'll call the tradesmen type where basically they have product in their buildings. They use that product to go out and do an installation or work. Or in very few cases they come to the building. But it's not a manufacturing operation per say that takes a product and basically manufactures and ships it out of the

area. It's something that's provided by the people that are already within that market area, within the Bellevue area.

Ms. Koch: The key also within that context is that there be low traffic volume. In other words, it was my understanding in the LI you couldn't rent out to – you can lease space to commercial real estate group that doesn't have much traffic but not to a residential real estate group. They make that kind of a distinction just based on the amount of traffic that's generated. Really is there that much difference between the business that's conducted? No not really. But it's a matter of traffic.

Mr. Koch: Well it's a thing of the past. Now we want high density and more traffic. But in the past many times you couldn't take a tenant because he was more like a GC, and we wouldn't allow that in the LI.

Ms. Koch: Yes there could be a combination LI and GC with no adverse impact really.

Mr. O'Neill: At this point, just to sort of clarify. I realize I threw it out there because I used the word zoning. What we're trying to do is not zone the area. We're trying to figure out what the area should really be. And then the zoning, whenever it happens down the road, should be one tool that implements that. I think what we're focusing on now is just kind of what should happen. You're right, the economics and zoning has to make sense for that to happen.

Ms. Faxon: I would like to add one thing. Safeway does plan on keeping our plants in the area. We have a milk plant, we have an ice cream plant. They're on the major parcel there. We also have a bakery and a beverage plant. We do plan on keeping those facilities for the long term. We are very supportive of the direction the city is going with the corridor, as long as it does stay within, the transition doesn't impact our viability for our on going business.

Mr. Koch: You're in the same boat as Coca Cola, then.

Ms. Faxon: Right. Although we have relocated our major distribution center down to Auburn. But the plants as you can imagine will stay.

Mr. Yuhl: So if you want to eat that needs to stay there.

Ms. Faxon: If you want your ice cream, yes.

Mr. Scott: Segue into your zoning discussion you just brought up. Will there be

subdivisions within this area? It's a pretty huge diverse area in terms of zoning.

Mr. O'Neill: Again, I don't know what the zoning is going to look like because at this point I don't know what the plan vision is going to be. That will be part of the implementation of what the final vision is.

Mr. Scott: Likely there will be zone differentiations between –

Mr. O'Neill: That could very well be. You can do a lot of things under zoning. You can create new zoning districts for this area. You can create new zoning overlays for this area. You can do all kinds of things to implement whatever direction the city ultimately decides it wants to go.

Mr. Scott: So your plan is not necessarily to broad brush this whole area with one brush.

Mr. O'Neill: Yes, at this point I think we're trying to develop the plan with your help, but I think the area is very different in its nature across the board. It's not going to be designated one thing for the whole 900 acres.

Mr. Knedlick: It seems to me the west end is quite different from the east end and the kind of the middle where your clients are. Apparently there are going to be at least two sides there between you and Coca Cola there with fairly large parcels that'll have to maintain some manufacturing, if you can call Cragmont manufacturing. The fact of the matter is that it seems to me that if we have a vision that we would want it to make as much sense in terms of 2005 as this did in terms of 1960s or 70s or whenever it was done. Not getting into the zoning question, you have a kind of a differentiation of that fairly long strip of land seems to make to make a certain amount of sense. Obviously if Sound Transit goes forward, and I think there's real reason after the meeting last Friday at the Eastside Transportation Partnership to think that Sound Transit may not be a driver because they just aren't going to have enough money to do what they thought about doing after the vote in 2007. They've got eminent domain and condemnation powers. They're going to get their land. It seems to me that we don't have to worry about it, that we can just talk what makes the most sense in terms of the logic of the area.

Mr. Katz: Speaking from the light industrial product, I had my business there for 3M. We had a finished goods warehouse and office which was built in 1972 on Northup Way. By 1983 we saw that area was not good for us as far as getting trucks in and getting trucks out fast enough. So we sold the facility and moved to Tukwila. That was 1985 when we sold that facility.

Its still sitting there as a warehouse, but its not being used as a warehouse. Our vision was at the time that this area was an area to leave. That's 20 years ago.

Mr. O'Neill: I want to move on to another question about an issue that has already been brought up this morning. It continues to be brought up with good reason. This is an area with a real concentration of certain types of services that the community uses and values. One of the principles that the Council adopted when we started was to build on existing assets in the area, the successful businesses in there providing those service uses was one of those. We're also interested in identifying opportunities for future development and economic growth which has already been mentioned.

Please feel free to join us. Would you like to quickly introduce yourself and who you represent?

Ms. Foreman: I'm Michelle Foreman with Columbia West Properties. We own about four properties in the Bel-Red corridor. So I thought we ought to come find out what's happening.

Mr. O'Neill: Thank you for joining us. I was just getting into a question about service uses in the area which has been an issue that has come up a lot. We have these existing uses that the community values and uses. We want to catalyze future development and economic growth and of course sometimes there's tension as you know in any planning process between those interests. Not all land use alternatives that accommodate current business in the area would necessarily catalyze future business development and vice versa. If new uses are allowed, particularly that have higher development potential, that's going to likely change land economics in the area, for example. That's an issue we're struggling with quite honestly and I think we will continue to struggle with. I guess my question to you as both residents and business property owners is what types of services are key to preserve in the corridor, both in the midterm and the longer term? What suggestions do you have for facilitating the preservation of them?

Mr. Koch: Air conditioning services, could be carpet layers, and any home-oriented businesses. Small automobile repair shops for instance or any service business that would have to move to North Bend or wherever, the customer has to pay for the travel time. It just gets too expensive so we have to have some places here where they are close to the customer.

Mr. Yuhl: Certain types of business, I don't want to pick on them, but I want to use them as an example, is industrial tool repair, the repair of hand tools.

That's an area of specific use. That probably wouldn't hurt their business if they moved with the same rent to some other place because contractors go there. The second thing is there are areas in there that basically sell supplies to contractors. Again that may not hurt to move them to some other area. But I don't see that's a great percentage of the businesses that are there. Because as Peter says, the most of the businesses that are there because people surround them and they want to have this service and they need to have it close by.

Mr. O'Neill: Just a follow up on that, Will, you mentioned the demographics of the area and trying to make sense for how the area is going to grow in terms of residential development, I mean around it and maybe in it. Looking 20-25 years out, would you see the same demand for the same services?

Mr. Yuhl: Yes, yes.

Mr. O'Neill: So there'll always be demand for those kind of basic services?

Mr. Knedlick: Let me give you a specific example because it seems to me to a certain extent maybe you can accommodate economics. But it doesn't seem to me you very successfully fight economics. I took my girlfriend's car the other day to get her \$4000 paint job which to me is more than a person ought to pay for a car. The fact of the matter is that I think that those very high end kind of services are going to remain there because they can compete and pay outrageous rents because they charge outrageous prices. The kind of guy who is selling the \$200 paint job is not going to be in that corridor in 20 years. They're not going to be able to, the economics won't work. It seems to me what we ought to be in terms of an ideal development for this 900 acres or whatever it is, what we ought to be thinking about is what can we do that helps the person that's there and maintains the opportunity and all that, but doesn't try to fight the forces of economics in a way where we're not going to accomplish anything long term because ultimately only certain kinds of businesses are going to survive in an upscale community like this.

Mr. Yuhl: What we haven't talked about – I think we should think about – other than the 900 acres, we ought to think about maybe making some of these areas more conducive to auto-related businesses. In other words, can these businesses be grouped in parts in the interior of this thing and basically guaranteed spaces to exist there. Maybe if we're going to talk high-rise type of things, put those closer to the corridors. So essentially what we've got is instead of having all the auto places spread all over, we've got them concentrated here.

- Mr. O'Neill: You're talking about sort of focusing certain types of uses?
- Mr. Yuhl: Yes, exactly. Take them in groups and basically try to make incubator space, or nest space, for those kinds of businesses in that area. But I don't know whether zoning is the proper tool to leverage them there and stuff.
- Mr. Scott: If I could segue into something that all three gentlemen just brought up. Mike just mentioned the automotive uses. You can see there's a migration of auto sales in that area because they're quite productive both for the city and just in terms of what they're able to pay for land. I think the city can't ignore those uses both for sales tax revenue reasons and just because they are a requirement of everyday use and everyday life. Bellevue is a regional area for sales in terms of auto sales. You can already see some dealerships moving out of the area, or away from their core area. Right now Michaels Toyota is an example of that. They couldn't wait any longer, they had to expand so they moved to Eastgate. There is some value in creating some synergy in having auto row. The auto row that's over there where it is now, those dealerships are all pretty cramped. Michaels Toyota's not an exception. So I think that Howard brought up that in 1985 they moved their business because it was no longer economic to be there. The economics, as Will was just bringing up, the economics drive where a lot of these businesses go and relocate. If we left it to the economics, which we're not going to do because that's what we're doing here now is creating artificial use requirements and designated areas. If we left it up to the economics then things would take care of themselves. Its not an exposition on capitalism at all. My point is in a long round about way to the extent possible if we are able to keep the uses as flexible as possible, natural forces of economics over time will take care of many of these issues that we are grappling with. To the extent possible we should leave the zoning as flexible as possible.
- Mr. Katz: I see the opposite happening. I see the expansion of the auto dealers creeping along 120th, opposite where Safeway used to be, sitting there remotely just in the middle of nowhere. My understanding is that Barrier Motors has bought the space southwest of it, directly west of it, which is a small shopping center. Hunan Restaurant is there, I Love Sushi. That area is going to become a car dealership, they're expanding their car dealerships. As a result we're losing the small businesses there, we're losing the restaurants there. We're losing services that we normally could walk to.
- Ms. Esmorris: Can I address that also? The three auto mechanics that rent on the property that I have there on 136th, I know from one of them who is highly efficient and experienced auto mechanic that those dealerships, all

dealerships, are capturing the market from small proprietorships where skilled auto mechanics cannot compete because car engines are made in such a fashion that specialized equipment and tools have to be used. That specialized equipment is in the hands of auto dealers. There may be a different kind of issue that forces those people out to other areas.

Mr. Scott: Let me just respond to that. It's not a debate, I just wasn't very clear. Let's just paint a picture. Let's suppose the parcel Safeway has for sale became auto row. That would free up a lot of those dealers who are trying to parcel together pieces along Lake Bellevue and other places in Bellevue that do have a higher and better use, a more pedestrian use, a more residential use like Lake Bellevue. Obviously better suited for restaurants and mixed use and residential. It's a very enviable pedestrian area. So I happen to agree with that. But you can't just say there's no place for these auto dealerships to go and expect them to just go away. No, they're just going to continue to parcel together what they can to create whatever opportunity they can for themselves. So the city needs to envision, that is what I am saying.

Mr. Katz: Yes, but as residents trying to protect our property values as those types of places expand, because of all the lighting, the tremendous lighting. By the way, the lighting has affected where I sleep. I mentioned this at the last meeting. At one time I could keep my windows open and shades open. Now I've got tremendous bright lights coming into my bedroom at night. So there's an impact on that type of thing. The other thing as far as the environment is concerned, they wash their cars all the time. Of course the city has got to get a handle on that but we've had soapsuds in our lake. We know where they came from at the time.

Mr. O'Neill: I want to ask a follow up question that sort of relates to what you are just talking about. The steering committee has asked this question, in fact they asked it at their last meeting of some of the people who talked. There are areas in some places, like in parts of Seattle – like I live in Ballard – that's actually a great example, or parts of Portland – where land use transition is starting to happen. Where you see new housing mixed use development happening right next to auto repair. Ballard has tons on 15th NW of auto repair uses and you see new housing developments going up right next to them. Is that a viable model or is that a flawed model in your view? I think that's something the committee is very interested in. There are places where those uses coexist. Is that something that's feasible here?

Mr. Koch: I would rather see the housing concentrated in one area of this big parcel, or various areas maybe close to the bus stops. Inside some other places, say where Safeway is or have the LI zoning where the businesses can

concentrate so we don't have any conflicts. I know in Ballard they just probably learn to exist with each other. If you have an apartment building and body shop right next door to it, it just wouldn't work too well.

Ms. Glann: I'm not sure I agree with that. I think in fact commercial can be there. They're only there for a 10- or 12-hour day. It could be any shops, it doesn't have to be just automobile. As I see it over here there's already a specific concentration in specific blocks east of us where auto repair and auto related businesses have been for years.

Mr. Koch: There's a difference in auto repair shops. I'm thinking right now of body shops. They create a tremendous amount of fumes and noise.

Ms. Glann: That's true. That's an issue I think the city of Bellevue is addressing with the Lake Bellevue quality now that that's become an issue, and that's something we're working with through the state impacting the water. We've had issues we've dealt with within the corridor of oil slicks coming through. That impacts Lake Washington ultimately because that's where everything washes through. I mean these are issues that, you're right, we have to look at.

Mr. O'Neill: I don't want to get into a debate here. I want to give everyone a chance to speak.

Mr. Yuhl: With respect to your remarks in Ballard about residential over commercial, the one thing I ask is what's the long term effect of that. Will those houses, that housing maintain value? This is something you need to look at in other cities to see if that location has long-term value in the eyes of the people who use that space.

Mr. O'Neill: I think that's a really good point, yes. Other thoughts?

Mr. Knedlick: I think that's worth looking at too because I think that Ballard, Portland and New York City all have information that we can incorporate. I mean we have certain local kinds of values that I think will differentiate it, even if we adapt it. One of the things that I think is important is the fact that housing right next to fumes is going to reflect in the pricing of that location. It may be one by virtue of having that kind of interface we may be creating some housing in this committee that will be affordable for people who are willing to put up with a certain amount of irritation that they wouldn't be able otherwise to live in that community at all. I'm not sure that's all bad if we're thinking about all of the implications of what we're doing.

Ms. Koch: Think about the person whose building that building. Do you think that the owner of that building is going to want to settle for lower rents because you now have fumes down below and he can't get any better tenants? I don't think he's going to be very encouraged to want to build a building for low-income housing.

Mr. Knedlick: Well it won't be low-income housing in Bellevue. It will be more moderate income housing. The fact of the matter is if he buys the land and he knows what the use is there, and he knows what the implication is, he is going to factor that into the purchase price of the land and the other decisions he made in the process. So that doesn't particularly bother me. What bothers me is allowing a car repair shop to move next to somebody who has made their investment before the fact, not somebody who made their investment knowing what was there.

Mr. Scott: Is it safe to say then that what pretty much everybody is saying is we've got somewhat a clean slate as opposed to Greenwood or Ballard or some of those really intensely developed older areas that sort of melded together over time and happened. We've got a situation here that won't just happen. It's being engineered. And if we're going to engineer it, we don't want to purposely engineer incompatible uses.

Mr. O'Neill: The only response I'd have to that is that I think what's happening in parts of Seattle and Portland, though, is housing going into areas that were at zero housing ten years ago. So this transition that's happening is a very new thing. It's not something that's happened over time. There's housing being built on 15th NW which is a seven lane arterial lined with auto repair shops that's now seeing mixed use housing going in. Whether that's a good decision or not, the market is putting housing in places that I think nobody would have foreseen ten years ago. Because there's such high demand for it.

Mr. Yuhl: I think what's happened, because I used to live in Ballard, is that basically there's too much commercial along the strip. They're not economical uses and what happened is there's a need for housing. Therefore it gets rid of this excess commercial use.

Mr. O'Neill: Since we're talking about the market – and I think your coming Walter maybe, is actually, very analogous to some of the things we've heard here. What we've heard from some, and I think Walter just articulated it before, is a frustration that, and I think some others have articulated that the zoning in the area has been sort of getting in the way of the market. That if you just sort of let the market do what it would do then it would make more sense. However, and I'll just kind of throw this however out, we

also know that the transportation system in this area is very constrained. There's a very immature network. There's issues with the connections to the regional system, to 520 and 405. There's a very limited transportation network within the area. We know that anything we do because of our concurrency requirements that the city has, anything we do – and this is a basic principle of the project – anything we do from a land use planning standpoint that's going to make sense has to also make sense from a transportation capacity standpoint. So I guess my question is, given some of those transportation constraints which are there, what do you think is the smartest way for this area to grow in the future, given that anything that has to do with growth has to be accommodated in terms of transportation system?

Mr. Knedlick: Turn it into a 900 acre regional park. That'll solve your dilemma.

Mr. Yuhl: It is, it's an industrial park.

Mr. Katz: There's a lot to say for that.

Mr. O'Neill: I think it's a show me the money question here.

Ms. Faxon: I would really like to encourage anyone who hasn't been down to the Pearl District in Portland, the next time you are in that vicinity to go through there because I think they've done an excellent job of balancing. They've got parks, they have the new residential, they have commercial, they have some industrial, they have the transit. I was very impressed, you know, because that's happened over the last few years. The last time I was down there it was like wow, this is something that you could do with our area. It is a nice balance. Like I said, there are parks, there are the amenities that people need. And it's very walkable. You just feel very comfortable walking around down there.

Ms. Glann: Vancouver, B.C. is like that also where they pulled together. They've always done that. I think the European approaches are also where you have industrial where people work, some commercial to support them, their apartments or homes, plus parks. So you sort of integrate the whole thing.

Mr. Knedlick: The piece that's missing from our conversation here today compared to Redmond is the fact that a lot of their planning on just the other side of Bel-Red Road is to trade some freeing up of open space to create some parks in the area for more intense development to allow the land owners who are giving up some of their property to go higher or something like

that. It seems to be if we want a vision like this Pearl District or European communities, that we're going to have to, if we're going to master plan this, we are going to have to think about what it is that we give, what is it we trade for what it is that we want. It seems to me that one of the ways you accommodate interfaces is with some open space in between them.

Mr. Yuhl: I think the fundamental issue here is that if you're going to upgrade, almost implicit in that thing is you're going to bring more people into and out of the district. That means to me that the first thing we've got to resolve is how are we going to provide the transportation for those people. Is it going to be more lanes? Is it going to be more busses? Is it going to be a rail system? I think implicit in this thing it that thing has to be fixed first and then any kind of a plan then flows from that.

Mr. O'Neill: What do you think? What are the transportation improvements that are-

Mr. Yuhl: Well, I put on the table what I guess is I think the best way to get to Overlake – because the land's already there – to follow the south line of the freeway because the freeway isn't walled. So you could go in there and put it on piers like you're doing in Seattle and at least you'd have the land to be able to get from downtown to Overlake.

Mr. O'Neill: Well the transit, the high capacity transit piece, though, is just one piece of the overall transportation puzzle.

Mr. Yuhl: I think it's the first piece. Unless you have it or are going to have it, what are we going to do here? How are we going to bring more people in? When you write the EIS you're going to have LOS E on all these intersections and it just isn't going to work.

Mr. Koch: I'm always wanting to say the same thing as Mike does. The ideal thing would be to know first what the transportation system is going to be like. Then we can concentrate, are there going to be houses at where the stations are, or is the transportation system in the northern part, or is it on Bel-Red Road. Then we could plan accordingly. I think that would be the ideal thing. You would know first what's coming down the pike.

Ms. Koch: I think another part of the puzzle is to find out where the people are living who are coming into the area now to work, for example. They come from considerable distances, it's my understanding, because they can't afford to live in our area. So they may be coming from quite a number of miles away. They still have to come. So there's still a need for cars, and the transportation system probably isn't going to be convenient for them coming from Bothell or from Carnation or whatever to get here. So

they're still going to be coming in cars. So you still have to reckon with that contingent.

Ms. Glann: That's where I would like to see that we move away from the cars. I was on a metro committee like 15 years ago. It's still like putting the cart before the horse. You have to create the transportation so people are willing to get on it and move somewhere.

Ms. Koch: But you have to create affordable housing so that they don't have to live in North Bend or Roslyn or something in order to do their commuting here. If they had the choice and could live closer they would. They don't have the choice.

Mr. Koch: Teachers cannot afford to live here, some teachers, beginning teachers can't afford to live here. Firemen can't afford to live here.

Mr. Knedlick: We're not going to have affordable housing in Bellevue. Why are we talking about something that we know is impossible?

Mr. Katz: I'm on the senior advisory board for the senior center of Bellevue. One of the things as far as transportation is concerned is that we have a center that is not adequate for the needs of seniors. We know that we're going to have this tremendous influx of baby boomers, people who are turning, you know, the baby boomer generation. My son who was born in 1963 is one of those. Right now in Bellevue if you want to play volleyball you've got to go to the Highland Center. If you want to go swimming you've got to go to some aquatic center. If want to play pickle ball you go to the senior center. If you want to work out, you go down to south Bellevue for wonderful work out facilities. We don't really have the kind of transportation, small transportation to get to specific places in Bellevue. Because of that problem in particular that we're looking at another approach. That basically is to build a huge senior center in downtown, but that has nothing to do with it. Right now we cannot get seniors around to where their needs are, the seniors who exist today, because the transportation system does not work for that. Certain seniors can't drive any more. They're not capable of driving. We're seeing that as they live longer. It's a problem. We don't have a unique small transportation system.

Mr. O'Neill: I have another question to ask. I recognize this is a potential lightning rod question, but it's come up and I want to ask it. We know, and I know, there's lots of different opinions around the table I'm sure about Sound Transit and expansion of the high capacity transit system, and I think that's totally fair. In response to the question you asked before. We're

doing this planning process for lots of reasons. Not just because of Sound Transit future planning. However we know that the adopted Sound Transit long range plan, which goes through the year 2030, which links up with the regional transportation plan, which also goes out to 2030, shows HCT through this corridor connecting downtown Bellevue with Overlake and Redmond. So as you know as part of the Overlake charrette they were looking at that question. If that investment was made it will add some transportation capacity to the system. It would only be part of the puzzle. There has to be other capacity added in other modes – like roads and bike and pedestrian connections and local transit. But if that investment was made it would add capacity. It would also potentially create land use opportunities around the stations as you mentioned before. My question is, if that happened, what are your thoughts about how this planning process could capitalize on those opportunities?

Mr. Yuhl: I think the basic problem you have to use transit is we don't – first off, let me back up. We developed the automobile as probably the most efficient and convenient method of transportation. We'll never build a public transportation system that is that convenient. So what you have to do is you have to make it harder for the person driving the car to use the car. Force them into the bus. They've done it in downtown Bellevue by restricting parking. The other way is to charge for parking. In order to make the transit system work you have to put some restraints upon the use and free parking of the car.

Mr. Knedlick: Sounds un-American to me.

Mr. Yuhl: Well, it is Will, but that's the way its got to happen.

Mr. Koch: Well, how many years ago was it when we built our building in the 80s the city were going to require us to take our parking stalls so we couldn't have so many cars for our tenants. So they would be forced to use public transport. They were going to require us to enforce the plan that employees take public transportation. And I said, how can I do that? We had one tenant who had big turnovers in personnel. He changes his secretaries more often than he changes his shirt. How can I keep track of that? That was a plan in the 80s. It fell apart.

Mr. Katz: Who do you see using this transportation?

Mr. O'Neill: Typically the best drivers for any kind of transit system use, whether its local bus or high capacity transit around the country, are either people who live close to it and can ride it to get to – or work close to it. Office and residential are the two uses that are most closely linked. People don't

take transit to buy a television set, for example. But they will take it to go to work. So residential and office typically – I mean I grew up in Chicago, I've lived in Boston. The places that are highly attractive residential neighborhoods are often the neighborhoods with the best transit access. That's a use that typically floes to the transit lines. Employment centers and residential centers.

Mr. Katz: I wanted to say about that that I never had one employee who took a bus to work. They all came by car. On Lake Bellevue itself, I'm in and out all the time. I don't see anybody walking to a bus stop, do you Ms. Glann? I don't know.

Ms. Glann: Well actually I have a comment to make about this. There is a bus. When I moved in there it was with my daughter who was going to the U, so the bus is over on NE 8th. The issues I think in suburbs in the west is that we're not focused on transportation as a mass transportation. We're focused on individuals getting in our car and driving somewhere. So ultimately – I just came back from New York city. I can walk outside, a metro is down at the end. I go downstairs, throw on my ticket, I'm on it, I get off. For general movement within a city or urban area I like that idea. Whether we move from the Eastgate park and ride, we drop a car there, pick up something that can bring us quickly to downtown Bellevue or directly to Seattle, or directly to Redmond for work. To me that would be perfect. If I could walk up on 12th and grab a bus that runs every 20 minutes, if I wanted to shop in downtown Bellevue, I'd use that instead of driving.

Mr. Knedlick: Well I actually do use transit once a week as a matter of principle, and walk once a week as a matter of principle. But I don't think that most people have an ethos. I notice that Ron Sims rides his limousine to the Sound Transit board meetings to decide how other people should ride the bus, and I think that's more typical. I notice that Greg Nichols parks his limousine right behind him as a matter of fact. The fact of the matter is, I think we do need to have a realistic understanding of transportation in the corridor. Washington State transportation department says there is 19 times more potential in vanpools than is currently being exploited. Nineteen times. If we have 1500 vanpools in the region now, you multiply that by 20, because I can't do it by 19, you're talking about a lot of vanpools. I think that's going to be a big part of how we move people because people want point-to-point travel. They don't want hub and spoke travel, in fact, the Boeing company has bet its entire business on point to point travel and we're betting our entire region on hub and spoke travel. Somebody's wrong and I think it's probably us, not the Boeing company who have brains enough to move to Chicago where they have

real mass transit. The fact of the matter is I think we need to think through this corridor in terms of transportation. But I also think we need to think it through in terms of how we encourage a lot of people who are living on Capitol Hill and commuting across an inadequate bridge on 520 in order to get to Microsoft to have an opportunity to live near Microsoft so they actually could get on a bicycle or walk on a nice day or take a vanpool or whatever else it is that would really get them there as an alternative to getting into a single family car.

Mr. Koch: You are probably a good example, from Ballard to city hall here.

Mr. O'Neill: I'm actually in a vanpool. I'm a big vanpool advocate. That's just my own personal vote.

Mr. Knedlick: It works, you carpool because it works.

Mr. Koch: Yes.

Ms. Faxon: I carpooled for eight years from Eastgate down to downtown Bellevue because there was no place to park. It works.

Mr. O'Neill: Okay, I'm going to move on to the next question. I appreciate all the thoughts here. Another theme that's come up that some of you who have attended meetings have heard – and it came up a lot in the project scoping that we did, we did our EIS scoping in November and December – is an interest in more green space and other environmental amenities in the Bel-Red corridor. And I know this can be a tough issue for property owners, and it's a tough issue for the city as you've heard with the critical areas ordinance hearing last night. There are four stream corridors that run through this area, and then there's Lake Bellevue. And so staff and the steering committee are looking for ways planning can support improving these environmental resources, because that's one of the principles that sort of they are interested in looking at. So setting aside the regulatory framework for a minute, because I think a lot of people want to jump right into what the regulations should look like, how should the natural environment be best enhanced in the area in a way that adds value to what might happen in terms of the future development from your perspective as business and property owners?

Mr. Katz: I heard a rumor about opening up streams, like having streams that don't exist now?

Mr. O'Neill: Well they actually do exist.

Mr. Katz: They're underground?

Mr. O'Neill: A lot of them are piped.

Mr. Katz: Yes, and I heard a lot at the last meeting about opening them up to make sure the streams are running in the open. Is that correct? Is that what you guys are looking at?

Mr. O'Neill: That's just one idea. So what are your thoughts, because that's what I'm asking?

Mr. Katz: Well Lake Bellevue, the thing is we're a flood zone. Somebody's got to make a study to see if those streams now overflow – and they're going to drain into Lake Bellevue – will we flood? Will you flood us with these open streams?

Ms. Glann: They're just talking about expanding the streams.

Mr. O'Neill: The streams are all part of the Kelsey Creek system. And they flow into Kelsey Creek which is located to the south of Bel-Red Road. Some of them are open, actually a surprising number of them are open now, it's just hard to see them. Right by your property the West Tributary flows through there. It's not that suddenly the flow would change dramatically or they would flow into a different place, they're all natural riparian corridors that have been there for hundreds of years probably.

Mr. Yuhl: Well, I've been a civil engineer operating on the development side for many years. The situation you're going to see is that the current laws with respect to the preservation of streams, and particularly setbacks, are more restrictive than they were. You come in for a development permit, which involves more than 50 percent of the value of the property, now you're going to have to meet existing regulations. You can go in and you can tear out your parking lot where you had zero setback from the stream, and now you're going to do a 50-foot setback, you're going to lose your parking lot. So that kind of news is going to be great for the property owners because I will guarantee you what will happen is that will never be redeveloped. Or if it's going to be redeveloped, it will be 49 percent value this year, 49 percent value the next year, 49 percent value the next year. It will be a phased type of development so they basically do not become, do not lose their parking lot or their building because it was in the 50 foot setback.

Mr. Knedlick: Well, being a democrat I kind of believe in pie in the sky, so let me suggest that there's actually a win-win solution that this logical group

could probably recommend. And that is since we want some parks in the area, and since there are these setback requirements that make it really onerous on the individual property owner to open up a stream, it seems to me we should encourage some opening up of the streams, but we do it in the settings of where the parks are going to be, so we're taking advantage of the setbacks for a park purpose rather than simply taking it out of the hide of an individual owner. So I think what we ought to suggest is selective reopening of the streams in conjunction with the green space we need in order to maximize the area. And not a wholesale opening up of these streams, as desirable as that might be. Although if it comes out of Safeway's pocket I don't care.

Mr. O'Neill: I saw heads nodding, so Gerry if you could just sort of note that. So it seems there seemed to be some general consensus around that generally.

Mr. Scott: That's a great idea, and it's very comprehensive. In itself it's a great win-win situation where if the public wants open space the public pays for open space. So who could argue with that, but it still doesn't solve the problem that Mike just brought up of an individual property owner wanting to redevelop, which the city is encouraging by this whole movement here, but the individual laws are going to contrive to prevent that from occurring on a large scale, holistic, full-scale manner. So the city might have to have some understanding, okay, we're going to do this over here, but over there we're going to be more lenient. I don't know if even that's possible. It might be federal rules.

Mr. Yuhl: There is a win-win on this, and the win-win is that what you do through the storm and surface water utility is you require the rights to flood specific pieces of property for money. Alright, so that means that essentially you will acquire a flooding right on this particular piece of property, and they may have to set their spaces further back. But in Will's thing, what that opens up is that corridor for walkways or pedestrian pathways or whatever else. I don't think, Will, you'll get a big enough area to have a ballfield, but certainly you can develop trails along that revitalized stream corridor.

Mr. Knedlick: If they get desperate enough for ballfields, they'll be playing there in the summer.

Mr. O'Neill: Other thoughts?

Mr. Katz: Where do you see the open space for the parks going? I mean as it exists today, is there a vision for that?

Mr. O'Neill: No, there's not a specific thought. I think you'd want to put – well it depends, different parks have different kinds of uses and different kinds of audiences. So neighborhood parks would obviously go best wherever new housing was developed. A more communitywide facility could be really anywhere in the area where it made sense from a transportation standpoint.

Mr. Katz: So you're thinking little vest parks, so to speak?

Mr. O'Neill: I think what the parks department looks at when they look at parks needs are communitywide parks, neighborhood parks, trails, waterfront access, and a whole range of things across the board. So that said, not all of those can necessarily be accommodated in any one subarea like Bel-Red, but I think they would be looking at different opportunities in different areas. You'd potentially want to put trails, as was mentioned, along some of the riparian corridors, because it might make sense to achieve two goals at the same time.

Mr. Knedlick: Do we have any schools within the planning area?

Mr. O'Neill: No. There's a middle school, Highland Middle School, right outside, but there are no schools. There are specialty schools, like the PNB school, for example, but there are no public or private schools that I'm aware of in the area.

Okay, I have a similar question that kind of gets to some ideas that have been mentioned already, and that has to do with parks. So the Council has asked the steering committee in the principles to consider the creation of new neighborhoods, and are there areas in here that make sense for housing. One of the thing the market analysis said – and I think this is just common sense – is you don't get housing without amenities to support housing like parks and open space. We had a lot of scoping comments about wanting to see parks in this area. It was mentioned, for example, you've got big flat areas that might be a good place to put ballfields. So from your perspective as property owners, what improved or new amenities, such as parks and open space, do you think should be created that would serve the area in the future? Anybody have thoughts on that?

Mr. Yuhl: I'll start it off, because I don't think you need parks in a zone where you're predominantly there to work. You know you are going to work and go home. If you're going to create residential, then I think you do need some kind of parks or recreation or trail facilities.

Mr. O'Neill: Are there any specific types of parks amenities you think would be

especially appropriate for this part of the city?

- Mr. Yuhl: It's too broad. He raised the question about seniors, but it's too broad a question at this point in time. Having been on the Park Board, I would defer to the Park Board to basically figure it out realistically and come up with an element in the Comprehensive Plan that said if this develops in a residential use, here are the park needs for that number of people.
- Ms. Faxon: I think if it's mixed use as well with office combined you'd want parks as well. And parks might be just like narrow – they wouldn't have to be huge areas, a greenbelt to walk through. Nothing that would significantly impact but just provide a piece of green space, like a neighborhood pocket park.
- Mr. Koch: There is Water Commissioners Park on 148th. I've never seen that used.
- Ms. Koch: We've never seen a soul there.
- Mr. Koch: Never seen one person in there. We go by there almost daily.
- Mr. Yuhl: Because the function of that is flood control. It's just a hole in the ground that they landscaped because it's a holding pond.
- Ms. Koch: I think it's a mistake to call it a park.
- Mr. Koch: Probably.
- Mr. Knedlick: I see people coming out of that office park there and using it for lunch, sometimes when the weather is nice.
- Mr. Katz: Speaking of the parks, especially small little parks, having come from New York City and worked in Manhattan, we had little parks all over Manhattan and at lunch time the businesses would go out and we'd have the benches set up, especially in the summer time, and we were eating our lunch outside. We even had little waterfalls there and everything. It was great, in the middle of a big city to have these little tiny parks. I can see that for businesses, office-type businesses, having little tiny parks surrounding it. Not residential as much, but actually it could be both because the residents would probably use it too. If they were properly spaced, small little tiny parks. Even though I see a need for more ballfields, there's a demand for that –
- Mr. O'Neill: And you're a softball player.

Mr. Katz: Yes, and we can't get a game with the City Council because we only got two dates the whole year that are open.

Ms. Foreman: I think the sense of parks, or not parks, or what's integral to the parks is ancillary to what is the ultimate goal. If you're trying to create an infrastructure within Bellevue that has residential, that has industrial, that has commercial, you have to have relaxed zoning and invite the private citizens and the property owners to make it attractive to build and develop and create what you want. They absorb the cost.

Mr. O'Neill: And how do you do that?

Ms. Foreman: I think you do that by first of all being very careful with the stream issue, because I think that, the point was made here, that as a property owner it does become very unattractive for us to redevelop, you know, seven, eight acres of land that we own because it doesn't make any sense any more. Might as well leave it alone, there's a nice income stream, why would we rehabilitate it, why would I take a million dollars and put it in. I'll take that money and put it somewhere else outside the Bel-Red corridor, in Seattle, et cetera, where I can do that. So we need to attract the money, that's just the way this country was built. Attract the private people, give them something so attractive that they want to create what you want. Master plan and then say go at it, this is what you can do, we need schools, we need parks. And then I think all those questions will fall into line. If you can come up with a master plan that says okay, we want commercial here, we want residential, we understand it's not going to be necessarily affordable housing, but we want residential, we want commercial, that kind of thing, then the citizens will create it for you. And then the parks will come along, and the schools. If there's no schools within this boundary, then there needs to be schools and ball fields, and all that will come. And that's a broad statement, and I recognize that, but I think it goes back to the zoning. As a property owner, I would say that it's all economics. We decide where to build, where to improve depending on where the profit margin is. Make it easier for the property owners and they'll do it for you, depending on your goal. And we'll be steered, we'll be steered towards a master plan and within the guidelines.

Mr. Yuhl: I'd like to interject one more thought. If what we're talking about is opening up stream corridors and these kinds of things, I don't think that the cost of that should be born just by those particular property owners. I think it should be spread out over the region of benefit. I don't have a piece of property on a stream because I purposely wouldn't buy one next to one, but I think I should contribute if they are going to open up the west branch of Kelsey Creek, for example, because my people can benefit from

that.

Mr. O'Neill: Okay, so last question. It's about ten after nine and I want to make sure that you all get a chance to say anything else that you haven't had a chance to say already. So this is really just – this isn't a question about land use or transportation, it's just any additional ideas or key suggestions you have for us as we head into this important part of the project, which is developing some draft alternatives for you all to look at along with the steering committee.

Mr. Koch: I'm very concerned that the city doesn't use eminent domain just to increase the tax base, like has been done in other parts of the country. Don't forget bicycle trails, because most people would ride to work and also use it on weekends too if we had safer bicycle trails.

Mr. O'Neill: When you say bicycle trails, are you thinking recreational trails or commuting trails or both?

Mr. Koch: Both. Recreational trails are used also by commuters and vice versa. We need safe trails, not necessarily trails but just a part along a major road. Don't forget that.

Mr. O'Neill: So you see a market for more bikers if there was amenities there to support it?

Mr. Koch: Yes.

Mr. Yuhl: Put the freeway on the south side – the express busway or whatever you want to call it, rail system, on the south side. It's just as easy to develop a bike path or a walking path along the same corridor because this will be on columns and you've got the ground to use for whatever.

Mr. Koch: We have a trail along 520.

Mr. Yuhl: I know, along the north side. I'm talking south side because it would be cheaper to put it on the south side.

Mr. Katz: The thing is, if you're going to have the residential property coming in here, that means that will increase the amount of people. Getting off 520, getting on 520 is a problem, and that has to be addressed way in the front. Today, and I mentioned this at the last meeting, if – and I always get off at 124th – I want to turn right, I can't turn right because nobody had the sense to just widen it a little bit so that you can make that free right onto Northup Way going west and then turning up to 120th left. Because you

can't get off the freeway. And so that exists today, that exists today and we're doing nothing about it. So what's going to happen tomorrow?

Mr. O'Neill: Other thoughts?

Ms. Esmorris: I've wondered why there was never an exchange halfway between the two major exchanges. Never created. And this is a business zone, and access would be so much easier –

Mr. O'Neill; You're talking about access to and from 520 in particular?

Ms. Esmorris: That's what I meant. Especially into the south, you know. Because that's where these small businesses are located, and my property is there. But if I happen to make the bad decision to get on the freeway and discover that traffic is backed up in an accident, I have to go clear down to the Bellevue Way exchange because there's no way off, and I certainly can't turn back. So that would ease some traffic congestion perhaps. I don't know if it's just a formidable cost, but it might be a key to serving this whole corridor to enabling people to get to the corridor without having to go clear to Overlake and then get traffic congestion back down into the corridor. The auto dealerships would welcome it maybe.

Mr. Yuhl: Having been on these study type things before, I think we need to have the property owners, the residential property owners to the north, to participate. I think they have a different view of access to that freeway.

Mr. O'Neill: I think that's a fair statement. Other comments?

Well, the only thing I'll say then in conclusion is I appreciate all of you being here and taking the time to help us. We will be doing, as I mentioned – we anticipate the draft alternatives being introduced to the steering committee in early June. We want to then have a communitywide meeting, kind of like the scoping meeting we had, and we'll invite the residential property owners from around the area. But we also want to have this sort of similar format, a more focused panel opportunity, for business and property owners to weigh in on them. I think this small group format can work well for that kind of thing. If we don't have your email address – and I hope a lot of you have been getting our email updates – but if we don't have your email address, please make sure you write it down before you leave so we can make sure you're all getting the notices.

Mr. Yuhl: Kevin, may I ask that when you have the next meeting that you basically have what the park Comprehensive Plan is and what the current

transportation plan is for that area, and perhaps what DOT's plan is so that basically we can see what the ideas so far are that affect this area.

Mr. O'Neill: Yeah, I think that's a fair comment. I think all the plans, all the regional and citywide plans for this area now, are based on the current land use pattern. For the parks plan, for example, I think there's – I hope the parks department doesn't get mad at me for saying this – I think there's very little or nothing planned for this area. Given the land uses that are there, there's no reason to plan for parks.

Mr. Katz: By the way, I wanted to echo what Ellen said way back, that if you're building residences, let's say an apartment house, maybe it's ten stories high, whatever, that the little convenience stores that somebody can walk to as opposed to driving to Safeway. A little dry cleaner you can walk to. So having those at the bottom of those apartment houses as they do in New York City are important.

Ms. Glann: I agree. I love that. And I don't understand why we can't have that if they have that.

Mr. Knedlick: Well because we don't have 35 story tall buildings to support them.

Ms. Glann: We're working on it.

Mr. Knedlick: We're working on five-story buildings.

Mr. Koch: We have all these buildings around the library, walk around there. On the bottom part it's commercial, and many of them are empty.

Ms. Glann: Right, but they're not the right kind of commercial.

Ms. Koch: And how many haircuts do you need, and nails, manicurists. A few cafes and a lot of hair cutting.

Ms. Glann: I've seen those. I'm not impressed with the choices.

Mr. Katz: One other thing that we did not touch on that I just wanted to comment on. We did not touch on the impact of downtown with maybe 11,000 people in the next 20 years moving in there. Where are they going to get the things they need? Where're they going to go? They're going to go down this corridor, is that correct or not? Where are they going to go? They can't go in any direction to get those kinds of services.

Mr. O'Neill: I think it depends on what kinds of services you're talking about. There's

a lot of retail in downtown, but I think that leads to the question I asked before about other services like auto repair or repair shops, or furniture stores, you know, big. And I think Bel-Red is used for those for a lot of people in Bellevue, not just downtown Bellevue. So I think that's part of the challenge with this, is what is the right niche for this area economically within the city. That's an important question that we're grappling with.

Mr. Knedlick: Well, I hope that like Gaul it will be divided into at least three parts.

Mr. O'Neill: Okay, on that note I think we are adjourned. Thank you for coming.