BEL-RED PROPERTY OWNER PANEL
SUMMARY NOTES
TUESDAY, MAY 16, 2006

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

Kevin McDonald, Facilitator
Diana Canzoneri, Scribe

Questions/Comments after Project and Format Background

Does anyone have any questions?

Todd Woosley: With earlier planning done for Bel-Red, the City essentially laid trace paper on top of uses to figure out zoning to allow, so zoning reflected how area had developed in the 1960s.

1st Q: Participants introduce themselves

Eric Nickols: With Nickols Realty, which has offices in Bel-Red. Family has been in Bel-Red a long time--3rd generation property owner. Have 170K square feet of holdings in area. Also do property management. Have 9 retail buildings, scattered throughout.


Greg Newhall: Across from BMC west/Safeway Distribution Center.

Todd Woosley: Family has owned Brierwood Center since late 1960s. Interest in plan treating existing tenants well while also allowing for redevelopment.

Bob. Wallace: Owns property at NE 12th and Bel-Red Road, NE of hospital, mix of medical and office. Partner at Wallace Properties, Inc., real estate development and property management company that owns commercial property also in downtown Bellevue.

Will Daniels: Work for David Schooler, (Sterling Realty Organization), who owns Campus Office Park in Bel-Red (1601 116th Ave NE). Five buildings, 70K.

Eric Wagner: Sherman Development Co. 124th and Northup Way. Interested in transportation improvement projects including Sound Transit.

Bill Sternoff: Sternoff Development. Family has 75-80K square feet in area. 124th Plaza and Banner Bank Center. Interested in upgrading property and possibly redevelopment.

Roger White: Property owner at 14236 NE 21st St. Seattle Mental Health is/was tenant there.

In the audience: Robert Shuen(sp?) and wife, David Plummer, property owner in vicinity; Bob Derrick, City of Bellevue Economic Development Manager.

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.

- All of these uses have room in the corridor. Auto dealerships can pay highest price of uses allowed under the current zoning. But even then, what auto dealers can pay doesn't reflect what property could go for without zoning restrictions.
- Potential to develop ancillary to hospital with outpatient services, doctors etc. Overlake has huge economic potential.
- Mid-rise office and residential. Mixed-use.
- Should complement Downtown, not complete.
- Whatever land use pattern is chosen, must be supported with adequate transportation infrastructure. Transportation is key. We really can't separate land use planning from transportation planning. We can't afford to give up any general purpose transportation capacity.
- Our region has had a history of during down transit projects. We shouldn't hang our hat on high capacity transit if it may never happen.
- Development potential is largely dependent on what can be done on large parcels near I-405 in western part of corridor.
- Development potential will only be fulfilled over long term. It takes market a long time to adjust to zoning. For redevelopment to occur, land must become more valuable than the buildings on it.
- It's a large area and not all parts of it should be treated same.
- Buildings in Bel-Red are becoming obsolete. Some light industry are viable.

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?

- Higher intensity redevelopment may compound transportation impacts.
- Zoning sets the tone. Increases development potential will drive land values up and possibly drive out some types of service uses. Some services are necessary to support businesses. Transportation cost will be added to cost of goods and services if businesses have to go outside the area for services that they need.
- People will seek the highest and best use for the land they own.
- Don't create protectionist environment for uses that can't compete in the marketplace. Current zoning contributes to vacancies because spaces can not be leased to potential businesses.
- Allow current uses to stay within future zoning, but make it more flexible for next generation of business.
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?

[Optional follow up question:] Looking out 25 years in the future, would you envision the same market for the same services in the area?

In some areas (such as parts of Seattle or Portland) service uses, including auto repair, are located in mixed use areas, with housing nearby and some service uses are located in mixed use buildings on the ground floor with housing on top. What are the plusses and minuses of this type of development pattern for Bel-Red?

- Transportation infrastructure supports lots of uses. A more compete transportation system will dictate/facilitate different set of businesses than are there now – for instance a more walkable neighborhood will support new businesses like bakeries.
- Auto businesses have been experiencing general malaise—economic pressures, not strong demand, consolidation.
- Paint and body shops will still be around. Nice to have locally especially because cars that need work are sometimes not drivable. However, diagnostic equipment is too expensive for many small shops.
- Evolution will change demand for services.
- Restaurants and residences go hand in hand.
- With some land being used for open space, higher density will be needed to offset the land being used for open space.
- Bel-Red can be next great area in city of Bellevue if there is housing for employees of service-type businesses – so need to provide for affordable housing
- Less future demand for auto services because autos are far more dependable now than before. Auto dealers have capital resources to build service centers—for them these are the main profit centers.

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?

- More complete freeway access points are needed, especially a full interchange at SR 520 and 124th Ave NE. Access to SR-520 at 124th is very difficult for trucks to use due to steep grade.
- New surface streets, like NE 29th connection are good. Complete grid system. Add capacity to north-south arterials.
- Access to SR-520 should be on 130th. 136th would also work. Also need to expand SR 520 further to east.
• Least used mode is High Capacity Transit. Bus rapid transit, may make sense due to its flexibility.

• High voltage power lines constrain what uses are allowed under them.

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.

Holding aside your opinion for a moment of whether HCT is needed or should go into the corridor—what are your thoughts about how this planning project might capitalize on opportunities that HCT could bring?

• Shouldn’t ignore giant spending power associated with Microsoft employees. HCT could stimulate economy of area if it was convenient for employees to get to downtown Bellevue and to points in Bel-Red Corridor.
• HCT in Bel-Red must be tied into regional system. As part of fully-integrated regional system it would be convenient, which would unlock potential. With HCT and the associated land redevelopment, new types of urban services will enter the market – uses such as banks, restaurants, drycleaners, with housing and employment nearby within walking distance.
• High Capacity Transit will be a primary driver of development. Need to be realistic about densities and mode splits until/if HCT arrives.
• Higher density leads to higher mode split on transit. It’s a social service. You can look at it that way, but not as stimulus for development.
• Portland has some excellent examples of transit oriented development with condos and mixed use buildings around MAX light rail stations.

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?

• Open space a nice urban residential amenity. If you use land for a park higher density is needed somewhere to compensate for the open space use.
• If open space is desired as a public amenity, the public sector should purchase it.
• Opening up streams is seen as a negative because of the cost and the limited benefit to salmon.
• Strict implementation of wide buffers along streams would render some properties worthless.
• A complete transportation system is seen as a far greater amenity than the environment.
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.

- Private sector may continue to provide recreational services such as indoor recreation, little gym etc. Not all facilities need to be public.
- In the absence of high density residential uses there is no need for additional parks.

ANY OTHER SUGGESTIONS/IDEAS

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.

- Need to increase density to catalyze redevelopment.
- Most of the buildings will not be redeveloped. Make sure planning supports existing businesses being vibrant and viable.
- Private sector will determine whether plans are successful.
- The only realistic place the Sonics could locate in Bellevue would be in the Bel-Red Corridor. Should study whether great things would happen in corridor if the Sonics were to be here, or if it would be a deterrent to great things happening.
- Would be interested in whether there is potential for big box development here.
- There would need to be lots of parking with good circulation if big box development were to occur.
- Larry's Market area and School District bus barn have been considered good sites for redevelopment.
- Bel-Red internally works alright with transportation. There are big transportation issues outside of Bel-Red that would affect what is feasible in the corridor.
Mr. McDonald: Good morning. My name is Kevin McDonald, I work in the city of Bellevue’s transportation department. I personally thank you all for getting up early this morning and joining us for a panel discussion to talk about the future of the Bel-Red corridor. The reason that we’ve invited you here this morning is because you are property owners within the area and you have a stake in the future of the Bel-Red corridor. We wanted to get your ideas for what the future looks like to you in Bel-Red and what the city can do through this Bel-Red corridor planning process to maybe help facilitate some of the goals and plans that you’ve had that are consistent with the goals and plans that the City Council has set before us as objectives for this land use and transportation study.

Just to make sure everybody’s grounded, I want to say a few things about the project. And I also want to say up front that we are recording this proceeding this morning. It will be transcribed word for word for the benefit of the steering committee members who aren’t going to be present with us this morning but will have an interest in what you have to say. We’ll be taking notes and provide a concise written report to them, but in case they want to know exactly what we said, the transcript will be available to them.

I want to introduce Diana Canzoneri, she’s in the planning department, and she will be helping with the note taking this morning. And I’d also like to introduce the Planning Director, Dan Stroh, who will be floating in and out amongst the various rooms this morning making sure we’re all on track and keeping to the time schedule.

Let me give you a little bit of the background of the project. Once we do that we’ll go around the room and introduce ourselves, and then I have a series of questions I need to ask you to make sure that we all provide input to the steering committee that they’ll find useful in developing the recommendations or alternatives for the Bel-Red corridor. I have a script, so I’ll just have to read it. And we all have the same script so we’re all working from the same base of knowledge about the Bel-Red corridor.

The objective for the Bel-Red corridor planning is to develop a long-range vision for the corridor looking out 25 years or so. The invitations that you
received to attend this meeting this morning talked about this being a very comprehensive and long-range view of the corridor, which as you know is primarily light industrial and general commercial in nature. There are several reasons for doing this project now. One is that we engaged a market analysis early in the project. That analysis showed that the current plans for the area, which were developed 20 or 30 years ago, are a bit outdated. The area was planned years ago to accommodate light industrial, warehouse/distribution uses, and commercial uses. Recently, as you’ve all seen, market factors have caused some businesses, in particular the big one, the Safeway distribution center, to move out of the area. Change has been occurring piecemeal, and a lot of businesses that really are not what would be considered light industrial are moving into the area, things like auto dealers, for instance.

Council saw the trend and wanted to provide a more proactive approach to redevelopment in this area, instead of a piecemeal approach, looking at it comprehensively and long term and deciding what would be best for the whole community, and also looking at the opportunities that might be present if we do some long-range planning. Another reason the corridor is being done now is to take advantage of some opportunities, and that is that Sound Transit is planning for high-capacity transit that would connect Seattle with downtown Bellevue and go all the way out to downtown Redmond. The general alignment would be through the Bel-Red corridor and there could be one or more stations located in the corridor. That presents some opportunities for redevelopment.

In setting forth their charge to us in this project, the Council established ten principles. One principle they set was to build on the existing assets of the area, including successful businesses, and identifying opportunities for future business development and economic growth in the corridor.

The question is how the input from the panels this morning will be used in shaping the project alternatives. As I mentioned before, we will be transmitting a report to the steering committee. The steering committee, of course, was appointed by the Council back in late 2005, and they are overseeing the work that we’re doing on this project. The results of these panels, of which there’s three happening this morning that are property owners, and a business owner panel this afternoon, will be used to help the steering committee shape the project objectives. The panels are part of a larger ongoing public involvement process. You’ve probably seen some of the community meetings that we’ve held recently. So we’re making a special outreach at this time to talk to business and property owners. We appreciate that you have major economic stakes in the area and are vested in the outcome of this work. We’re at an important stage in the process. We’re developing land use alternatives and transportation alternatives that the steering committee will review. The first cut of those alternatives comes out on June 1. We’ve been doing a lot of work to develop those and we want to make sure we capture the interests of the property owners before we develop the final version that goes out to the public on June 1.

This isn’t the first and it won’t be the last opportunity for public involvement. There will be after the alternatives are released another
group like this with business owners and property owners that will occur on June 6. You’ll probably get a flyer for that in the next couple of weeks. And there’s a broader community meeting scheduled for June 8. Both of those meetings will take place in City Hall. Once the project steering committee endorses a set of alternatives, which would be sometime toward the latter part of June, a draft Environmental Impact Statement will be prepared. It will evaluate the pluses and minuses of those alternatives, through the summer and early fall. The steering committee will then work with the public to develop a preliminary preferred alternative. That should be developed early next year. Implementation strategies, which include zoning, incentives, public programs, will be developed over time, and a substantial amount of that work will probably happen in 2007.

The format for this morning is a panel discussion. We’re seeking input to craft the best alternatives for the area. We want to hear your candid opinions, insights, concerns and thoughts. Candid being the key word there, I think. While the conversation will generally be free flowing, we might occasionally make sure that everybody has a chance to talk, so we might call on you specifically if we haven’t heard from you. And if you seem to be dominating the airwaves, we might say to you wrap it up concisely.

We are, as I mentioned, capturing the panels on tape. Your name will be attributed to your comments for the steering committee and the general public if they are interested to see what you had to say. We’re planning on working straight through to 9:30, so if you need a refreshment break, please feel to take one. There is coffee, pastries and water outside, and the bathrooms are across the hall. Feel free to feel comfortable and come and go as you need to.

I think that’s about it for format and background. Any quick questions or comments before we get into the real questions?

Mr. Woosley: Just a technical issue, you said this area was planned for light industrial years ago. Actually it emerged that way without any zoning. And then when the city in the mid-70s decided to do a Comprehensive Plan, it basically laid trace paper over what happened, outlined it and then defined it. But it mostly occurred through natural market forces. They defined what was already there. There was a lot of stuff that happened in the 60s particularly and in the early 70s that was the result of the natural real estate market.

Mr. McDonald: Did the county have zoning for this area prior to the city annexing it?

Mr. Woosley: I don’t know. The city incorporated in 1950-something and this area was undeveloped at that point.

Mr. McDonald: There’s some great historic photos in the hallway up on the second floor if you have a chance to look at them on your way out. Some of it shows the Bel-Red corridor and it’s really interesting to see Lake Bellevue back in its heyday of being a real lake.
Mr. Woosley: It used to be – the reason we named Brierwood Center was because Brierwood Farms was surrounding Lake Bellevue.

Mr. McDonald: Okay, let’s move on to the questions part of this. The first question is an ice-breaker kind of thing. We’re going to go around the room and all the panelists will have the chance to spend about a minute and identify where their property or business is located in Bel-Red and say what motivated participation on the panel this morning. Where are you located and why are you here? And who are you?

Mr. Nichols: My name is Eric Nichols with Nichols Realty. I’m a third-generation property owner. I also do property management. Our family has nine retail buildings in the Bel-Red area, scattered throughout anywhere from the Dan Fast Muffler building, which has been there since 1971 on the south side of the Safeway distribution plan, to ones primarily on NE 20\textsuperscript{th}, retail buildings on the strip center opposite Ross Plaza. American Music and Friends(?) Carpet Care are current tenants in that area. My grandfather and Ralph James, who is the father of Linda James who owns the Evergreen Center properties, we manage for, plus a couple of other individual unit owners on 136\textsuperscript{th} Place and also on NE 20\textsuperscript{th}. So about 170,000 square feet all totaled. This is part of my life and livelihood and so it’s a very strong interest. There are a number of families that have been around for a long time that have built this. My reason for being here is part of that history and also part of just wanting to see the future and have opportunity to really make this a seminal moment for the next 30 years.

Mr. MacDougal: My name is Weldon MacDougal and I’m a newcomer to the Bel-Red strip. My family just bought a business building on Bel-Red. We have a family escrow company, independent escrow company, that’s been around for many years. I’m here to stay abreast of what’s going on and make sure I’m part of the discussion.

Mr. Newhall: I’m Greg Newhall and we’re just across the street from the old B&C West Safeway distribution place. I just wanted to see what’s potentially contemplated here so we can make a choice as to what type of structure we want to put up when we raze our existing one.

Mr. Woosley: I’m Todd Woosley. My family owns Brierwood Center. It’s four buildings on 1205\textsuperscript{th} between Bel-Red Road and NE 12\textsuperscript{th} Street. And we’ve been there since the late 60s. We have lots of interest in this area, one is to make sure that our existing tenants stay viable, and the other one is if and when the market is right to eventually redevelop these buildings.

Mr. Wallace: I’m Bob Wallace. Our only interest right now in the Bel-Red corridor is the Washington Park buildings on the corner of NE 12\textsuperscript{th} or Bel-Red Road and 116\textsuperscript{th}, the northwest corner of that intersection just north of the hospital. It is a two-building office complex that’s sort of in a bit of transition. We’ve done some modest remodeling and have a mix of office and medical-type uses there. And I’m here just to find out what’s going on.
Mr. Daniels: My name is Will Daniels. I’m fourth-generation Daniels family, I work for David Schooler, some of you know. I’m a property manager and I’ve been there two years now. We own an office park on 116th called Campus Office Park, five buildings and roughly 70,000 square feet. We just had a rezone that will allow us to go to 135,000 I believe. I’m here for the same reason most of you are, just to see what’s going on and to participate in the process and represent the family and our company.

Mr. Wagner: I’m Eric Wagner with Sherman Development Company. Our property is located at 124th and Northup Way. We’re really interested in what’s going on in the reconstruction of that area and all the street improvements that will be affecting our property. We’ve been involved in that since the city has been taking part of our property as they’ve needed easements and things to do the construction of road improvements there. So I’ve been involved with that. Also, I’m interested in how they are going to handle traffic at that intersection. Obviously that’s a very busy intersection. I just want to see how Sound Transit is going to affect that. I’m just really interested in what’s going to be happening from here on out. I’m just here for facts and information.

Mr. Sternoff: I’m Bill Sternoff. My family owns about 75,000 - 80,000 square feet in two projects. One is 124th Plaza, which is just north of Coca Cola on 124th, and the other one is the Banner Bank Center near the corner of 124th and Bel-Red. I’m here because we’re interested as a couple of other people said about the possibility of upgrading our properties and doing so within a reasonable framework vis-à-vis the plans of the city of Bellevue. We have serious concerns about whether or not the city is putting the cart before the horse with respect to transportation. Our primary concern is that there will not be sufficient infrastructure to support two things, one is redevelopment of the properties in the area, and second is the ability of the owners of businesses to be able to get employees who are willing to transit the area to come to work.

Mr. McDonald: Alright, thanks very much. That’s interesting. A lot of you said you’re interested in learning about the project. Those opportunities probably aren’t this morning. I want to get into the questions. There will be a lot of opportunities in the future for you to hear from us on the details of the planning process, but this panel is for input from you to us, to make sure that the alternatives consider the things that you have to say.

The first question deals with development opportunities. The way these will work, I’ll start off with a little statement that sets the stage, and then ask hopefully a concise question. We won’t need to go around the room in a round robin sort of fashion, but whoever has a comment on the question that I ask should feel free to speak up. Not everybody has to say everything about every question.

So this is the question on development opportunities. In the preface I mentioned that there was a market study done early in this process. That study indicated that there is a market demand and development opportunities for some types of land uses that are not currently located in the corridor, like mid-rise office uses and high-density housing in sort of a
mixed use setting. The market study also thought there would be demand for expanded medical uses, home- and design-oriented retail, and more auto dealerships. With the background of knowing what the market study said, can you tell us what you think are the development opportunities in the Bel-Red corridor, and how the city’s land use planning can best accommodate those uses.

Mr. Woosley: I’ll start. I think there’s room for all of those uses in the Bel-Red corridor. It’s over 900 acres. In terms of the auto dealerships, the reality is that they currently with the zoning are able to pay the highest price to purchase existing parcels there. However, that being said, ours is basically a strip retail center with some auto service in it, what the auto dealers can pay does not reflect the value of the property. So even with their ability to pay top dollar with current zoning, it still doesn’t allow for that much more expansion, unless it’s pretty dilapidated. The place we see, since we’re in the western section of it, is something ancillary to the hospital expansion. If you look out the window you can see the new towers going up for Overlake. That building will be even higher in future years but still within the planning timeframe. Medical office facilities, the idea of having accommodating the housing needs, whether it’s assisted care facility or just a straight market-rate housing as part of a mixed use development, obviously the Safeway site at nearly 60 acres has got enormous potential for mid-rise office, residential, retail services. And we’re also on record as saying that we think this should be complementary to the central business district as opposed to a direct competition with it. So the floor area ratios wouldn’t be the same that they are in the central business district. Although when we bought our property, my dad’s purpose for purchasing that, was that it’s the geographic center of Bellevue. In the unregulated environment, the area around the intersection of 405 and NE 8th would have been the heart of the downtown, and the buildings of the central business district would have built out from there. The demand for high-intensity use, particularly in that western area, is relatively high.

Mr. Sternoff: I go along with what Todd said. I would add, again, and maybe this is beating a horse and you don’t want to hear, is that whatever we develop there has got to be done with respect to proper infrastructure. Even without the opening of the new hospital, the traffic situation coming down past your property, Todd – and you know it better than I do, and I try to stay away from there – has gotten so intense from three o’clock on, and this is without the additional traffic that’s going to be generated by the hospital. We have the same interest that you do, and we have the same view that you do, and that is that this area to the east of the hospital is ripe for more of the kinds of things that you see at a campus. That is more support facilities for outpatient services, doctors, et cetera. But it’s not going to work, and it’s going to be an incredible mess, if we don’t have proper infrastructure. Let me throw one other thing on the table, here. And that is that as young as we feel Bellevue is, some of us – I’ll speak for myself – are part of the tsunami in the population that is moving on as the baby boomers. I grew up in Bellevue as well. We’ve got to be mindful of how we’re going to move people around if we’re going to build these medical facilities. Just stand outside and around the hospital and take a look at the people who are going in and out of the hospital building, look
at their ages, and look at how they have to maneuver the streets to get in and out of there, even today without addition construction in that part of Bellevue.

Mr. McDonald: The transportation/land use connection is critical in this project. We have a question about that later, but to assure you and everybody else that we’re thinking about the transportation system in as many modes as possible to get people in and out of the area.

Mr. Sternoff: You said in your introduction that this is to be about long-range comprehensive planning. And you mentioned Sound Transit as planning. But this region has a very long region of turning down transit projects. In 1968 this place had the opportunity to build something on the forward thrust, which was rapid transit that would connect both sides of the water, and ever since people have been kicking and screaming, largely successfully, in stopping transportation because they don’t want to spend the money. I don’t want to hang everything on a plan that may never get off the ground.

Mr. McDonald: We have long talked to ourselves about the potential for high-capacity transit as unlocking the potential for redevelopment in this area, but not necessarily being the only transportation investment that we would make. If the region decides at this point not to do high-capacity transit, we’re not just going to sit on Bel-Red and say well whenever you decide, region, to build high-capacity transit then we’ll unlock the land use potential. We have recognized that there’s some surface streets and arterial expansions that are needed along with pedestrian and bicycle facilities as well. Those will be a very fundamental component of all the land use alternatives. So it’s not dependent on high-capacity transit.

Mr. Wagner: I see the development potential being largely on the larger parcels and some of the more older parcels. Largely they are to the west. I manage a lot of the individual building units in the center east, and I would like to see some flexibility built in. There are the larger parcels and some of the different criteria may not fit the smaller parcels as far as developing those. So I see a lot of it happening in the near-405 western corridor. To the east where there are a lot of individual users, the development potential is going to be a long time coming and there’s going to have to be some major money laid down to buy up, gobble up all those little pieces of property. I’d like to see a lot of flexibility. I’ve had tenants wanting to go into certain areas. Merry Go Round is my client and we tried a lot of different places, including the Seattle Lighting Building at the time the City Council was really wanting to keep the LI intact. And there’s a lot of pressure on that, I understand. It’s been frustrating to deal with those things, and I’d like to see some flexibility, especially for the smaller pieces, to be able to have an expanded variety of mixed uses. A lot of it will probably be property owner driven, but the city needs to allow for that expansion on a performance basis.

Mr. Wallace: Eric makes an important point. As we saw in the downtown over the last 30 years, it takes a long time for the market to adjust to the reality of what’s on the ground. In the event we’re going to see significant
redevelopment in the Bel-Red corridor, then probably the zoning needs to be modified so the densities are such that the land becomes worth more than the capitalized value of the income stream on the old buildings that are there. My view is that it’s a huge area and it should not necessarily be treated the same throughout. Our buildings are only two-story buildings with only a little bit of covered parking. I can’t conceive of redeveloping that site in the foreseeable future simply because even if you gave us ten-story height entitlements the land would still be worth less than for redevelopment purposes than the income stream that exists from those buildings.

That’s not to say that there aren’t other areas, and I agree that we’re just beginning to get a glimpse of what’s going to happen at Overlake Hospital. This is going to be one of the big economic engines in the region. It’s phenomenal what’s happening over there. The Group Health deal alone is worth $50 million a year to Overlake Hospital. So in terms of payroll dollars and everything, it’s going to be huge. And I think it’s only logical that especially toward the west end of the district we look at some increased density, which will make redevelopment of some of the old stuff, which is really becoming – our company manages several of those buildings – marginally functional. They’re obsolete from a functional standpoint, but financially you’re kind of stuck. So I think some serious look needs to be given to that. On the other hand, I think that as a city we need to have some areas where we have the ability to do warehousing and light industrial, not necessarily a requirement to do it. I know that’s always a balancing act because once you encourage higher value uses you may scare out the lower value things. Some care needs to be given to making sure we preserve somewhere in the city the opportunity for those things to happen, and that we listen to people like Coca Cola who said we’re happy to have you do whatever you want to do around us but recognize that we’ve made millions of dollars of investments and we want to be here indefinitely. And frankly, as a community I think we want them to be here indefinitely. So we need to take care in not creating incompatible uses in direct proximity. I don’t know how you go about that, but I think that’s something that needs to be considered.

And then the last thing I would say is that transportation – I cross the street when I see Kemper Freeman coming, because it’s hopeless, there’s nothing I can do about it. You’re absolutely right, we really can’t separate the land use planning from the transportation planning. I have a little more moderate view about Sound Transit than some of my colleagues in the development community, I don’t know what they’re going to do. The notion of running a trolley down Rainier Avenue never made any sense to me. I think they should have put something on I-5 that would have actually taken more bodies off the freeway and put them, you know – And I think the same lesson applies to Bel-Red. I really question the wisdom of taking two lanes out of service, two general purpose car lanes out of service, in order to run a trolley out there. Not that there’s anything wrong with running a trolley out there, but I don’t think we can afford to give up one inch of our arterials in this town. If anything, we probably ought to be thinking about how to expand the Bel-Red corridor and make it more free
That’s the position of the transportation department. We’re really not interested in losing any general purpose capacity on any of our existing streets. If Sound Transit goes through the corridor, it would be on a dedicated right-of-way of some sort. Your comments on light industrial uses is a perfect segue to the next question. I want you all to know that at the end of the series of questions we’ll be asking there’s some time reserved for comments that we might not have touched on in the general discussion. So you’ll have a chance to tell us something that didn’t come up in the questions.

So the preface to the light industrial use question goes like this. As described in the background from earlier in the morning, one of the things the Bel-Red market study produced was that economic development in much of the area could stagnate without new planning and land use opportunities. In particular, the market study showed that light industrial uses such as warehouse/distribution, manufacturing, et cetera, is not as large as the amount of supply in the area. This is another crux issue the staff team and the steering committee is grappling with. We know that there are some viable industrial warehouse uses in the area, but in the past several years we’ve seen new development focused on other types of uses, like car dealerships and big box hardware stores, et cetera.

This is a two-part question. The first part is we’d like to hear your opinions on whether or not there are some important or unique functions that light industrial uses play in this part of Bellevue, and as a follow-up to that, if the zoning was to change, if light industrial zoning changed and those uses became non-existent in Bellevue, what do you think would be the impact on the local economy by not having those light industrial uses here?

One of the gentlemen who had spoken at the last meeting for the joint business owners and property owners had said it’s kind of a double-edged sword. If you lose the light industrial you will compound your transportation problems for other areas just because the nexus for service is located typically in the light industrial, therefore you are making more car trips out of the area. Now that doesn’t necessarily directly affect the Bel-Red corridor, but it does affect the infrastructure in general. It’s hard not to see it changing character in some ways. I’m not sure I would know how to address that directly, but that’s something to be mindful for.

On the flip side of that, of course, is you have people coming to services closer in. We own and manage several light industrial buildings in other areas, and our experience has been that cities that have protectionist attitudes toward light industrial that goes beyond their economic and physical functionality end up with kind of an embarrassing area. As one light industrial use disappears, another one does not come in for a variety of reasons. So I would want to make sure that current users continue to be allowed. My philosophy is to trust in the market. We’re trying to serve the citizens of Bellevue. If there’s another type of business that can pay higher rents, the reason they can do that is because more people freely
choose to support it. Therefore by definition they’re serving more citizens and providing more value to the community than does a light industrial use that can’t pay that rent because fewer and fewer people are using it. For example, I went to get a piece of equipment maintained. It turned out it was going to cost more and take a week, whereas I could go get a replacement part at Lowes that afternoon in an hour for less money. Why would I not go to Lowes, it makes no sense all the way around.

The other thing is, as Bob mentioned, this is a huge amount of property out in this area. The notion that redevelopment is going to occur over night, let alone in a 25-year timeframe, is one that – really, few properties are going to get redeveloped. With the excess capacity for light industrial that currently exists, there’s going to be adequate capacity for light industrial for the foreseeable future.

Mr. Sternoff: I don’t necessarily agree. I think that while the market is certainly ultimately the decider, the zoning sets the tone. And when you set that tone in advance, and you upzone and you increase your densities, it makes it much more difficult for a landowner to continue to maintain the use in light industrial. I think the only reason we haven’t redeveloped one piece of property is because the market went south here, and it went south in 2000-2001. Where we were demanding and getting very high rents, we couldn’t get any rent. It doesn’t mean there wasn’t a demand for or that there wouldn’t be a future demand for the services rendered out of that light industrial, it simply means that due to demand chasing the existing supply and overexuberance, when the market went south we lost the services. Now there are some services that probably are very important to the infrastructure of businesses that will exist in this corridor, and I’m thinking of such things as printing plants. We’ve had, I think, 18 to 20 printing companies go out of business in the Puget Sound area in the last four to five years. It happens that I still have one of them in my building, and it’s been very difficult for them. But printing is a very necessary component of many, many businesses. If you lose the ability to house printing, then where are you going to go? You’re going to go out south, or you’re going to go out north, and then you get back to what Eric talked about, more trips in and out of the area, which is an environmental concern as well. So I don’t know, I think it’s a chicken and egg situation. It’s zoning and it’s demand. If you upzone something, sooner or later the density will drive the land values up, and then you’re going to displace, perhaps, some of the capacity which supports some of the things you’d like to maintain in the corridor.

Mr. Wallace: And my comments about replacing the buildings, I think that’s still true. It takes a lot of increase land value change to precipitate that. But to change the uses is a relatively easy thing to do. And I know we’ve always had this game that’s been played between what’s retail in the Bel-Red corridor and what isn’t, but clearly a lot of those properties would see a significant enrichment of use within the same building if in fact the zoning were changed to permit it. I don’t know whether that’s good or bad, but that’s clearly the way it works. People would seek what would be highest and best for their properties. And I think the question the city has to wrestle with is do we care if our citizens have to drive to Mill Creek to get
their autobody work done. Those are some of the larger issues.

Mr. Sternoff: But I think that’s relevant. Let me add to that that also increases the cost to those people who live in that district and work in that district, because that added transportation cost, as are land values, will be added into the goods and services that they need to sustain themselves.

Mr. Woosley: I want to make sure people understood when we said we support protecting and allowing existing businesses to function and compete that we do have concerns about creating a protectionist environment for businesses that otherwise couldn’t compete. The truth is that for 28 years we weren’t allow to put some types of businesses in there, retail types, into our center. The city finally restored those uses because the issue wasn’t whether one type of business was replacing another by outcompeting it, the issue was whether or not we could put a business that wants to locate in Bellevue in a vacant space that came here. We didn’t have protected uses taking that space, we just had a vacant space. As this area matures economically, I think that’s going to be more and more the issue in these industrial areas, particularly you are going to have industrial uses move out for whatever reasons – printing, in-house printing now with – technology is one of the drivers for why printing companies aren’t there, you can buy a great printer and put it in your office for less money.

Mr. Sternoff: On bulk printing it’s not that at all, it’s the technology of the printing company. If you’re Microsoft, you don’t do that in-house, you hire out to printing companies. I hire out to a printing company and I’ve got a very small company.

Mr. Woosley: The point is, if that many printing companies are going out of business, there’s not enough demand to support them. What do you do to fill the space that that printing company vacates, do you say you have to replace them with another printing company, do you have to replace it with some other light industrial use, or do you say we’re going to allow for additional uses in here so we have – it may not drive the redevelopment of the building, but at least it will allow the property owner to maintain that building as it gets older and older and needs new roofs, new paint, new parking lot, needs the landscaping replaced. That’s been the real issue in this for our experience, can you fill a vacant space with another business. We’re advocating allowing at least some increase in the types of uses that are allowed. There may still be a light industrial zone, but not make it as restrictive as in the past so those buildings can be maintained.

Mr. Sternoff: I agree with you with respect to the market and allowing people to do whatever they want with their land, as long as we’ve got the ability to move people in and out. If we’ve got that ability, let the market determine how the land gets used. And if the warehouse space goes away, so be it.

Mr. McDonald: It looks like there’s a bit of a blurring between the uses that are allowed in light industrial and the service-type uses that people use. There’s the warehouse/distribution-type facilities and then the database businesses that support businesses and the residents. And that leads us well to the next question, which is all about service uses. And this question may
stimulate some discussion from some others in the group. Let me start off by prefacing it in that one of the principles the Council adopted for this project is to build on the existing assets – I mentioned that before – including successful businesses, while identifying opportunities to stimulate and catalyze future business development and economic growth.

So there’s some difficult tradeoffs in doing that, and it may be difficult to accomplish this principle fully and simultaneously. Not all of the land use alternatives that the steering committee develops will accommodate current businesses and will catalyze future business development and vise versa. So, if new uses are allowed in the area to better match the market forecast that we heard from earlier, and the economic development opportunities that exist, real estate prices and commercial rents might go up, and therefore some of the existing service uses that can only pay a small amount of rent may go out.

So there’s a couple of questions that follow up from that. What types of services are key to preserve of those services that are currently functioning in the corridor? What would we like to keep in the corridor? And what suggestions do you have that will help them to stay in place? And there’s sort of a follow-up question to that, and we can talk about that all together. If you look out 25 years or so into the future, what types of uses – if you look out 25 years into the future, do you envision the same types of uses and services in the area? Or do you envision a different set of uses in 25 years? And how should we develop our strategies and vision to accommodate those different types of uses?

Mr. Sternoff: I’ll beat the dead horse. It depends on your infrastructure. If you’ve got good surface transportation, or you’ve got underground transportation, then I can foresee having a bakery on every block. If you go to a city like Munich where you don’t need to take a taxicab or a car, you can take a train in from the airport, you’ve got underground tubes that go everywhere – it’s not as dense as New York City, but in neighborhoods you find restaurants on every block, you find bakeries on every block, and you find in some instances car repair on every block. But it depends on what that grid’s going to look like. If things are within walking distance, that’s going to dictate a different set of businesses than if things are not within walking distance. If for example people do continue to live in the area and can walk to a bank, or can get to a bank easily, they’re not going to take their car, and that’s going to have an impact on what happens in Brierwood or what happens down the street east on Bel-Red. It’s an interesting question, but again I wonder which comes first, the chicken or the egg.

Mr. McDonald: We’ve heard from a lot of people in the community that the auto service uses are important to them, they don’t want to drive to Renton or Mill Creek to get their autos serviced. Are these types of uses you all feel are important to retain in the corridor? And if so, how can we accommodate them in the context of an evolving land use pattern that includes things like you’re talking about, Bill, a walkable environment that has bakeries and restaurants. There’s an autobody shop right here and they’re doing painting, how can we merge those types of uses that we see for the future with the kinds of uses that people say they want to keep in the area?
Mr. Nichols: I’ve got a comment about that. I manage six – of the properties my family owns we have six auto shop-type businesses. My experience has been they’ve been under a general malaise for a while, and this is not a new thing. I think they’re already experiencing economic pressures beyond what we do in this little study, forces larger on a national scale. I heard a lot of testimony in the last meeting for the business and property owners, and we had a vacancy that we had a hard time filling just for the very fact that there was just not very strong demand. And had we had more extended uses, perhaps it could have been easier to rent. It sat for six, eight months. So I think that there’s going to be – there is already a lot of consolidation, and I think the zoning, the land use needs to allow those things, consolidating, changing, and have the flexibility not to dictate, but as you said just kind of being, you know, setting the tone but not being the driving force for what’s going on. So I’ve seen that it’s – people are talking about I want my car serviced. Well, then go to them. You’d think they all would be flourishing, but the general character of the whole neighborhood has changed and I think that’s important to recognize.

Mr. White: Let me comment about that if I may. One thing is automobiles have gone more toward diagnostic equipment that is unaffordable to a lot of the smaller businesses. I have two automotive businesses. Both have struggle at one point. One is doing well now, but the automotive business is going to change. The paint and body businesses are still going to be around. I don’t know how transporting or getting you from one place to another – for one, the car’s many times not drivable in that circumstance, but it’s nice to have something local. And so I think that you’re going to see an evolution in the industry that’s going to change the demand for that type of property.

On the printing side, I have a printing company in one of my buildings, and they found that they could save eight cents a piece by outsourcing all of their printing to a Tacoma company and doing their administrative and graphics in Bellevue. They were gaining technology and economy of scale by moving it to a company that was doing a lot more. And I think we’re going to see a lot of changes in the business. Our uses are going to be changing to a point where we’re not going to really be able to predict where they’re going to end up. We do know we’re going to need restaurants because restaurants you can’t outsource, even though there’s a lot of delivery. And we know we’re going to need residences. We want to create open spaces, and the more open space you want to create the more high density you’re going to have to create somewhere else just to be able to use the land. The city’s going to need it. And how you go about doing that over a period of 25 years and then looking beyond that is going to be pretty challenging. There’s a lot of variables. I’ve seen the businesses changing.

Another very good example is we’re building offices here, we’re getting more office use. A company like Service Master that does janitorial, they’re going to want to be close. Now they might say, they might tell me – and they’re not one of my tenants – well, we can move to Redmond and save ten cents a square foot. Well, add gas, insurance, and the pay for the
guy driving the van, and guess what, I’m probably 30 cents cheaper. So there’s certain things of that sort. I mean, that’s a situation where they can justify paying more rent. But I think the market will determine that.

Mr. Sternoff: One other thing will determine it, and I’ll go back to it, and that is you need employees. At the service level, that’s where it’s toughest to find employees who one, will do the jobs at whatever the price may be, and I’m not talking immigration, I’m talking about people who live in the community, and two is how they get to work. I love looking at the future of the Bel-Red corridor, it’s very important, it’s the next great move in the city of Bellevue, but unlike the city of Bellevue we need downtown, we need to really think about how we’re going to get service employees in and out of there if we’re going to retain services. And you’re going to have to retain services. If you’re going to have a restaurant, you need people to work in the restaurant. Where’re they going to live? They’re not going to live there. They’re not going to live in the Bel-Red corridor and they’re not going to live downtown. They’re going to have to live out quite a ways, and we’ve got to be able to get them in and out of there.

Mr. Nichols: This transportation issue, though, has been, as you said, ignored for our lifetime, I think we’re similar age. I just don’t see it changing near term. And to try to force it to change with zoning to me is another dead horse.

Mr. Sternoff: That’s not what I’m suggesting. I’m suggesting that what we really need to do is sit back and say, how many people do we want living in that area, how many people do we want working in that area, how many people do we want serving the area? And once that’s been decided, it’s going to have an impact on the transportation grid and the zoning. But to leap forward, which I heard earlier, and I hope I’m not mistaking what you said, Kevin, that is we can’t wait for Sound Transit to do something, and determine what the densities are going to be without thinking about the impact first. I think that’s not the sharpest way to go about it. Because then we are continuing the pattern that we have been in for 50 years.

Mr. Woosley: Kevin, back to the question of what to do with these service things, particularly auto service, the first three buildings we developed were auto service buildings, and still a significant number of our tenants and businesses there in Brierwood Center are auto services. Like other industry sectors, there’s a major change going on. One of them is automobiles are far more dependable than they used to be. Remember when a 20,000 mile warranty on your transmission was a good one? Now it’s 100,000 miles. So the transmission shops don’t see the cars in there that often. Midas Muffler has been one of our original tenants for over 30 years, and mufflers are in much better shape, they don’t wear out like they used to. Brakes, still need to have brakes, still need to have oil changes, but even with that what you see is you have the auto dealerships with the capital resources to build service centers, and that’s now one of their main profit centers. They make a certain amount on the sale of the car, but information on car costs is so readily accessible that you basically negotiate the profit margin with the dealer when you buy your car. So they need to have a regular income stream, and that’s provided by their service centers. Lexus, for example, built a beautiful new service center...
right out on the Bel-Red corridor. But the independent auto shops, and even the national franchises, are suffering because of this inexorable trend toward more efficient, healthier, less breakdown-prone cars. That’s not to say we’re not going to sell more cars because they sell 500 a day in the Puget Sound area, so there’re more cars coming all the time. But what services they need are changing.

Mr. McDonald: Bill, you’ll love this next question; you’ll probably love the next two questions. 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 the area is very limited as well and effectively the area is locked up. Given the transportation system constraints, there’s not enough transportation system capacity right now to support a lot of redevelopment in the area. So we’ll probably need to focus growth in certain areas of the Bel-Red corridor, and find ways to grow smarter, making sure that land use and transportation connections happen. Otherwise we risk the unpalatable situation of having congestion that is not able to allow employees and service uses to function in this area very well. And we’ve got unacceptable impacts also on adjacent neighborhoods. Given the constraints I just mentioned, what do you think is the smartest way for this area to grow in the future, considering that this question is about the land use and transportation connection? How do we grow smart in Bel-Red?

Mr. Nichols: Part of the bottleneck is that you don’t have any access points. One of the biggest keys to when I’m doing my marketing is I’m saying close to freeway access. The problem is in the Bel-Red corridor there’s a bottleneck of places. When they did the NE 29th bypass to get people around the 148th Avenue/NE 24th interchange area, kind of Microsoft – and I use that regularly because I come from Carnation – so there’s things like that. And I know it’s been talked about having another access point onto 520 both east and west, because really you can only get on from the east, which is where most people are coming from – when I drive up the road when I’m going into work late at Microsoft, past Microsoft, and they’ve done all their access points, and even then it’s nine o’clock it’s stacked up on the right at, what is it, 51st. And also 40th. So there needs to be more access points into the area and out of the area. I know that they’ve talked about 136th Avenue being one of the choke points, or one of the potential onramps, and then 124th is only just a westbound only.

Mr. Wallace: Weren’t there plans for an interchange at 136th and 520 at one time?

Mr. McDonald: At one time there were, and those plans didn’t actually see the light of day. We heard from a number of people and our transportation consultants have verified the need for better east/west access to 520. So one of the basic transportation system improvements that we’ll be looking for through this is to have a full interchange that allows access to and from the east and west on 520, possibly in the vicinity of 124th. The engineering hasn’t been done yet, but somewhere in the 124th area looks like the best place to have a full interchange with 520.

Mr. Woosley: You’re right, basically it’s the second half of the diamond. You’ve got
one half of the diamond at 124th. I had a traffic engineer look at it and ideally it should be at 130th because of all the traffic that’s already on 124th is there, and you can imagine more clogging up that intersection. And 136th also would work to do that. But that’s imperative. I see in 25 years that you’re going to have to expand 520 from 405 out to 202 actually. It needs at least another general purpose lane each way. Microsoft is adding 12,000 jobs, and if they are going to be backed up on 520, they’ll come through and use up the capacity in the Bel-Red area, and those of us in the Bel-Red area won’t be able to redevelop because of the traffic generated in the central business district and there that passes through. Which then leads – you get the most bang for your buck by doing that, and the best congestion relief. The next best is to add general purpose capacity on the arterials or completing the grid system in there. And a lot of the north/south can do that, 120th, 124th, et cetera as your march along, it would be relatively unobtrusive to expand those corridors to get people in and out.

Mr. Sternoff: Except along 24th they got the problem of Puget Power right-of-way.

Mr. Woosley: There’s always going to be some issue.

Mr. Sternoff: I don’t know how they move those.

Mr. Woosley: Well they can, but the point is on a macro level you have that and the grids east/west would do it. The density is so low, and the land uses are so low, the least utilized form of transit is high-capacity transit. I estimate right now that the bus is probably less than half of one percent of the ridership out here. If it does go through, it’s nice to hear the city won’t allow the loss of any capacity, because if you read the Environmental Impact Statement for light rail, it will tell you that it will actually increase congestion over the no build option. And if the issue is congestion here, and if you spend a couple billion putting light rail through here and it actually increases congestion and wastes that money, that’s insanity. However, bus rapid transit at some time in the future may make some sense, particularly if it’s funded through something that’s adopted.

Mr. Nichols: It’s also the most flexible, too, to adjust to the changing parameters of the whole district. So when you’re talking about flexibility, and you know, you’re talking 25 years – we don’t know yet what it’s going to look like. When you put in light rail, you do it once and you don’t ever get a second chance.

Mr. McDonald: Which is the next question, but I want to follow up to keep on the land use/transportation issue. And Eric, the other Eric, you mentioned in your introduction that you were concerned about roadways, and the surface transportation system you felt was an impediment to redevelop. Are there any system improvements that you would think would be important, and is there any particular land uses that would be supported by a surface transportation system network as Todd describes as better connected within the area? Are there any specific improvements?

Mr. Wagner: Not that I can genie up any. But I think like someone said, the access
points. That’s what makes the most sense to me. Because 124th obviously, you know – the problem with 124th, the biggest problem as I see it – and we’re right there, we live there – is that you can only go one direction on 520 there. And I think that’s kind of a real hindrance. And when you’re coming back off 520 down towards our office, you can’t get off on 124th that way either. So it’s a real problem. And it takes you a lot more travel time to get back and forth trying to find out where you’re going. And even though it’s an access point on the freeway, it’s not a real effective access point. That whole area there, I’m not sure what the answer is to it. It’s a real problem, and whatever we can do to get people in and out the fastest way we can will be the better thing for us. And the problem there, too, is like you mentioned the powerlines. That corner has never been developed I think because the powerlines are there. You talk about gas stations and different things there, but I think the problem is since you’ve got powerlines I don’t think they allow those types of uses there. They let Suregard Storage and things like that. I’m not sure what the answer is.

Mr. Nichols: What is the possibility of having frontage roads along 520?

Mr. McDonald: Well, we’ve not really looked at the frontage road issue so much, but just off the top of my head I can see there’s probably some topography that’s constraining that, because 520 is up high.

Mr. Daniels: You’d have to increase the points of entry and exit on the freeway, but you do have a road that runs along it at street level just for local access.

Mr. McDonald: We’ve not looked at that so much. That may be something for our engineers to look at.

Mr. Daniels: I know where there’s more land, the Midwest, there’s always frontage roads along the freeway. And there’s one that goes from 124th up close to 148th. I mean if there’s enough room to do that at a lower grade, then you just enter and exit at one point.

Mr. McDonald: There is a proposal to improve the northbound 405 to eastbound 520 with sort of a collector/distributor kind of lane, similar to downtown Seattle at Madison, where you don’t have the cross braiding traffic that you have now, but you have separate lanes for people wanting to go to eastbound. So that might help a little bit. But the way 520 is sort of situated on the side of a hill, and with businesses on the south and residences on the north, it might be hard to have the type of lane you’re talking about.

Let’s move on to the high-capacity transit question; I know everybody wants to talk about that, and Diana keeps looking at her watch, and I’m cognizant of the time. We want to be sure you’re out of here at 9:30. So let’s talk about high-capacity transit for a minute. The preamble goes like this. We know that there are a lot of different opinions around the table about Sound Transit and its potential expansion of high-capacity transit to and through Bellevue. The adopted Sound Transit long-range plan shows a high-capacity transit corridor through the Bel-Red area connecting downtown Bellevue with Redmond. If Sound Transit makes the
investment in a high-capacity transit corridor through Bellevue, the infrastructure will add at least the equivalent of two freeway lanes of transportation capacity. It’s calculated that such a high-capacity transit system can move maybe up to 5000 people per hour, which is the equivalent of two freeway lanes. So it unlocks some of the transportation gridlock we’ve been talking about, and it also creates land use opportunities, especially in the vicinity of stations.

Mr. Woosley: Kevin, I might challenge that number.

Mr. McDonald: Wait until I finish the question –

Mr. Woosley: If this is going to be a statement, it should be factual. Those numbers are inaccurate. That would be the same as assuming that every vehicle, every automobile, all the seats are full all the time, and it just doesn’t happen that way. The real ridership numbers on that are roughly about a fifth of that, they don’t replace a lane or two of freeway, not even close. So to make that statement does a disservice to everybody here and also creates an expectation that it’s going to do something that it won’t. Even Sound Transit’s numbers, when you look into the Environmental Impact Study for actual ridership are far different. My apologies for coming down on the messenger, but I think that we would be disserving this area to expect the congestion issues would be addressed by something that just simply isn’t the way it works.

Mr. McDonald: Your statement is made part of the record. I don’t want to get into the discussion of capacity of high-capacity transit versus freeways because that’s not really the question; that was just part of the background.

Mr. Woosley: But it’s the premise.

Mr. McDonald: Okay, but aside from ridership there will be the potential for stations to be located in Bel-Red, and people will be entering and exiting those stations. And we’ve seen from other parts of the country that such activity in the vicinity of stations leads to new develop in sort of a mixed use higher density fashion that is occurring in the absence of a station. So the City Council directed us to look at this project, the Bel-Red corridor project, and analyze the impacts and the opportunities presented by high-capacity transit through the area. So the question reads, holding aside your opinion for a moment about whether high-capacity transit is even needed or should go into the corridor, so we’re not going to talk about technology, bus rapid transit versus light rail, if some sort of a high-capacity transit system is going through the corridor, what do you think we can do through this planning process to capitalize on the opportunities that that transportation investment, whatever it might look like in the future, brings to Bel-Red? What opportunities does high-capacity transit bring?

Mr. Wallace: We sort of tend to ignore this giant out there in Redmond called Microsoft, and the tremendous spending power if nothing else. They need to have lunch somewhere, and I think if there were a convenient way to link, if there were buses running every five minutes through the corridor so the people at Microsoft could get through the corridor, into the corridor,
into downtown Bellevue and vise versa, you’d pull a lot of business out of
the downtown into the corridor, you’d pull a lot of business from
Microsoft into the corridor. I can really see some sort of a high-capacity
transit conveyance, but it buses or ox carts, that could really stimulate
the economy in that area. And I think that could be more important than the
notion of people are going to ride a light rail from Everett to work there.

Mr. McDonald: Does anyone else think that having an improved transit service, high-
capacity transit in whatever technology, can unlock some potential in Bel-
Red? Is there some office, some office, some services that would be
compatible with high-capacity transit near a station?

Mr. Sternoff: If it was tied into a region-wide system, and if it were not a unilateral
system simply from downtown Bellevue to Microsoft, my answer would
be yes. But if it’s going to be a simple point-to-point with a couple of
stations for the benefit of Microsoft, I agree with Todd, you’re not going
to see ridership anything close to the projections, and certainly not for
probably 35 years. But if you have a region-wide system, you now
increase the possibility, the earning power, the reason to support higher
densities everywhere, because people move in – and I’m assuming you
have a fully integrated system, possibly underground, not necessarily,
maybe above ground, where it’s convenient. What keeps people off of
transit here, whether it’s buses as Mr. Wallace suggested as a possibility,
or not, is convenience. It’s not convenient to hire someone in the Bel-Red
corridor who wants a job, who lives in Mill Valley, and they’ve got to live
there because they can’t afford to live here, they can’t take a bus
conveniently to get to Bel-Red. They’ve got to come through the
downtown bus station, and it’s not convenient. So convenience should be
the driver. If you’ve got convenience, I’d support it. I don’t want to pay
the taxes, but I guess I’d have to.

Mr. McDonald: And if it’s convenient, and there’s a station or two located in the Bel-Red
corridor, what kind of development would you see happening around that
station?

Mr. Sternoff: You’ll see urban development.

Mr. McDonald: Residential, office?

Mr. Sternoff: Sure. You’re going to see people will want to live near those stations.
People are going to want services near those stations, and the services
aren’t necessarily be the auto repairs all the time, but they’re going to be
the bakeries and the restaurants, and the dry cleaners, and those things you
need that make up the fabric of a city, for a community. This is not brain
surgery, you see this in other places, as you mentioned, where they’ve
already done it.

Mr. Woosley: Kevin, I think it’s important to note that the feasibility, the market
feasibility, consultants pointed out that transit does not create the demand
for the development, the development will occur regardless of whether or
not there’s transit there. So again, the implication that if you build the
station, then the development will automatically occur is like Field of
Dreams. The truth is that transit will play a role, it’s one of the modes to support the ridership from certain densities. The higher the density you have, the higher the percentage that mode is. But even in downtown Bellevue, it’s about 15 percent. So the question is, if you’re going to increase the densities in these areas, even the highest densities we have in Bellevue, what are you going to do with the other 85 percent of the trips. And that’s what Bill’s been quite clear on. You really need to address that as well. This is why if we do high-capacity transit I think it should be bus rapid transit without big expensive stations, though there should be stops that have some ancillary services, such as your cleaners, your florists, your coffee shops, your bakeries, maybe some ground floor retail in mixed use buildings, office and residential, part of a large park. People will walk about eight minutes to get to that stop, that’s about it, and will ride it, and it will be a certain percentage. With the kind of densities we’re really looking at out here, it’s probably going to be under five percent of the total trips will be in that mode. So we need to be honest about it, and then look at what densities we’re going to have out here, and then what’s the modesplit based on those densities, and then what kind of transportation system, including high-capacity transit will serve that? In other words, you’re getting the cart before the horse. Now there’s – the private sector will provide the buildings, the public sector does the zoning that allows us this to occur, and does the transportation investment. But building a light rail station, I don’t think is going to provide much value, especially compared to what else we can do.

Mr. Wallace: I don’t see it having much benefit at all. I think the best example here is the Transit Center in downtown Bellevue. We owned the property across the street since it was built until a couple of years ago, and I don’t think our retailers derived any particular benefit, I couldn’t tell there was any particular benefit. And from some of the people right in the Kohl Center, there’s actually been some difficulties associated with it. It takes a huge amount of density and a huge amount of flow-through in order to – I attended a conference on transit-oriented development that Sound Transit and somebody put on in Seattle a month or two ago, and they said exactly what you did, that transit supports the development and not the other way around. You may get a dry cleaner or a couple of incidental things, but not the kind of lift that people talk about.

Mr. McDonald: Well that’s why I said earlier that redevelopment in Bel-Red is not dependant on Sound Transit’s investment in light rail, or other high-capacity transit. There must be some sort of investment in surface streets as well as pedestrian and bicycle facilities that makes this more of a neighborhood. And any high-capacity transit will be in addition to anything that we do on the ground.

Mr. White: I just spent four days down in Portland, and they put the light rail in – and I’m not saying light rail is better than bus – and they rezoned a certain station area. And they are just built out completely, all condominiums and high density and townhomes, for blocks. Some of them look like they’re about a thousand units right around there. And it goes by a Costco, so you could go from Hillsboro to downtown, you could live right by a station. I see that being convenient because when they built the station they zoned it
for residential, and it appears the people do it. I don’t know if it’s a success or not, but by driving by it, it looks like it’s working. I couldn’t say anything with certainty about it.

Mr. Woosley: Transit ridership in Portland is only one percent of the trips in Portland, even though Max rail gets so much press. The consultants for the feasibility are from Portland, I believe, and they’re the ones that said that the train station doesn’t create the demand for the development that occurs. There’s got to be benefit, obviously some take advantage of the transit, that’s true. To give Kevin a little help on answering his question, transit to a large degree is a social service. It provides subsidized transportation to people that either can’t or won’t take the automobile. So if you see, you talk about medical services, if you need to get there – now if you’re having a heart attack you’re not going to wait for the bus or certainly not the train to come by and then walk where it takes. But if you’re going in for an appointment and you don’t want to drive or something, then taking the bus may make more sense. So you have ambulatory problems, you have physical disabilities, or maybe some mental disabilities that disqualifies you from a driver’s license, you know there’s a social service aspect that transit provides to the needs of the citizens. So factor that in if you’re looking at stations or bus stops.

Mr. McDonald: Let’s move to the softer side of redevelopment and talk about the environment, parks, recreation and amenities. The City Council’s principles have expressed that as we look at opportunities to redevelop in the Bel-Red corridor that we maybe take advantage of redevelopment opportunities by enhancing environmental conditions that may have been degraded over time. And if we’re going to build new neighborhoods in Bel-Red, look at the parks, recreation and other types of amenities that could support that. So there are a couple of questions that go along with that, one specific about the environment. We’ve heard through the project scoping and community meetings and public outreach that there’s an interest in the general public in having more green space and environmental amenities in the corridor. There’re five stream corridors that run through the area and a couple of major wetlands. The steering committee is looking for ways that planning through this process can support improving these environmental resources. So the question is, how should the natural environment best be enhanced in the area while also adding value that can encourage redevelopment or other property improvements?

Mr. White: Well open space is a nice place to live. I mean, if you had a park-type of environment in front of where you’re going to live, it’s going to be attractive. But on the other hand, if you’re going to set aside quite a bit of land to do that, you have to compensate with density somehow. Because it’s really kind of our last resource.

Mr. McDonald: The situation is that a lot of the stream corridors and the wetlands are very constrained right now by existing development. In many cases the streams flow underneath parking lots and underneath buildings, so any attempt to recreate a natural, functioning stream system would take massive amounts of money. It would take a partnership between the
public sector and the private sector, and incentives and programs and public money would probably be necessary to make those types of improvements. You know, we’ve heard from a lot of people that don’t have a stake necessarily in property in Bel-Red that yes, they want the city to pursue making those kinds of improvements. This question relates to you guys as property owners, whether you have a parcel that has a stream or a wetland on it or nearby or not. If the community sentiment is in the direction of improving the natural environment, how do you think the city can best do that? And does it add value to your property?

Mr. Newhall: Kevin, you’ve answered your question with your preamble. It’s a function of funding. I mean, who pays? If you’re not a property owner, everyone would love the park. And the question is, how the park is paid for.

Mr. McDonald: You would see it as an amenity for anything you might want to do on your property, but you wouldn’t necessarily want to foot the whole bill, but you would accrue some benefit, so there would be some participation on the private sector’s part to enhancing the environment?

Mr. Wallace: I would see it as a negative. Personally I don’t see any benefit at all. I think that it’s fuzzy headed to say that we should treat all properties in the city of Bellevue the same way. It’s kind of like in downtown Bellevue they wanted retail on every street whether or not there was any potential for retail to survive on every street. This is what it is. It’s the only place we’ve got in the city for the kinds of commercial uses that we have there. I personally don’t see it as a residential area. I see it as an evolving commercial area. I think we’d be so much better off to spend what money we have for environmental stuff in places where it can do some good, and not go into areas and simply with a simplistic formula – the critical areas ordinance, for instance, is under discussion. We’ve been representing the Journal-American and the sale of that property, and have lost I don’t know how many sales because people have looked at it and recognized that if this critical areas ordinance is passed the way it is proposed, that property is absolutely worthless, it cannot be redeveloped. And that, I don’t know, an acre of ground. I suspect that if you’re anywhere near a ditch in your property and you look at what this 200-foot buffer is going to do for you, you may have absolutely no practical use for anything. And I just think that’s such a waste of public resources to mandate these kinds of – and private resources – to mandate – when land is so scarce in this community, why not invest in the furry creatures in places where they really want to exist and where we really can get more bang for our buck than taking an area like this and trying to say we should rip out the culverts and initiate buffers. There’s really no demonstrable proof that it does any good for any furry creatures anyway. I know that’s kind of a redneck view, but nonetheless.

Mr. Sternoff: I don’t think that’s a redneck view. I think that’s a practical view and a good business view. Even if I didn’t own this piece of property here that’s actually one of these big pieces I think we’re alluding to, who the heck knows what’s in that? We don’t. We didn’t own this property the first 20 years or so it was around. This is adjacent to a city street. We’ve had issues with the city allowing runoff from 124th to flow through our...
property, much as 405 water flows above Kirkland all the way down to Lake Washington. What’s the city willing to pay, and how much are you willing to spend in lawsuits to determine who’s going to pay what portion to clean up this piece of property that will unlikely be seen by the public as a whole for decades. It’s a waste. So that’s not a redneck view at all. It’s a practical view.

Mr. Daniels: I agree. I think transportation is a far greater need for planning and attention than open spaces and additional amenities that wouldn’t help the existing property owners or businesses in the area. Transportation is the key issue.

Mr. Woosley: If you look at the city’s capital improvement plan in the downtown, you’re looking at spending about four times as much city money on buying park land or enhancing parks than they are on transportation projects. Now they’re going to use other sources of funds for additional transportation projects there, but still you wonder where the priorities are. It does get to the point where if you are going to have a public open space, it’s going to need to be purchased by the public for it to happen. And if you look at the critical areas ordinance, you’re not going to gain that kind of open space with – because current uses are exempt from environmental restoration, whether it’s a parking lot or a building. So the city is impractical to some degree in the critical areas ordinance, there won’t be a mechanism to force private property owners to create some sort of natural park or open space. So it would have to be purchased by the public. Then the question is will that be something the city and the public wants to do, and if so where? Sternoff’s Swamp, or Gravel Pit Park?

Mr. Sternoff: I’d be happy to put your name on it.

Mr. McDonald: I’m not sure what kind of environmental amenities exist in Sternoff Swamp, which we’ll put on the map now. It is, just so you know, a regional stormwater detention facility. The city owns that, there’s a dam of sorts at the outlet that controls the water flow into the West Tributary and reduces the flooding potential downstream. There are some furry creatures that live there and some feathered ones as well, but as you suggested, Bill, who sees that, the Metro bus barn drivers and the people in the back of your building.

Mr. Sternoff: My comment about what’s in it had nothing to do with the furry creatures, it had to do with what waste was poured into that. And that’s why I’m bringing this up. If the city were to adopt without thinking about this – without truly thinking it through – adopt a plan forcing the adjacent property owners, including Metro and their transit facility, to clean it up, watch the lawsuits fly. Who knows what’s in it. And when you get into PRPs, been there, done that. I’ve been all through it, still involved in a lawsuit that started in 1988. It would be a terrible waste of the city’s money, as well as the private landowners.

Mr. McDonald: Let’s move on with the parks discussion. The Council has asked the steering committee to consider creating new neighborhoods in this area, and with the development of neighborhoods comes a need for parks and
open space as amenities to support the residential component. Many members of the public that we’ve heard from would like to see something bigger than a neighborhood park; they’re looking at something of a community level or regional level sport fields, maybe an aquatic center, maybe some large indoor-type facility. They’re looking at the Bel-Red corridor as one of the last great places in the city that has the potential to provide that kind of large-scale park development. So the question is for you property owners – and I may know the answer to this but I’ll throw it out anyway, it’s on my list of things to do this morning – what improved or new amenities should be created in the area? We’re talking about parks and recreation amenities.

Mr. Woosley: There’s a possibility for that kind of open space. There might be a demand for a school in the area. Bellevue’s downtown population is going to grow significantly in 25 years, and there’s got to be a few kids who will move into these condominiums, or if not move into the houses that the empty nesters are moving out of to occupy the condominiums. I think it would be worthwhile to check with the school district to see if they forecast a need for an additional school facility, and if so then perhaps that could be built in this area or somewhere adjacent to it. Now with schools, of course, you have open recreation facilities as well as a gymnasium, which could provide a double benefit here. That or as I mentioned earlier, if the city sees to purchase a parcel, there you have it. But you may also may see the private sector providing for active recreation. There are several gymnasiums, racquetball and squash facilities, in the Bel-Red area. A golf range, even an indoor gun range.

Mr. Nichols: There’s the Pacific Northwest Ballet in the MGI building on 16th and 136th Place. And the Little Gym.

Mr. Woosley: So a lot of that stuff is provided indoors so it can be used 12 months out of the year at no taxpayer expense.

Mr. McDonald: So these amenities don’t have to be public facilities, they can be private facilities that could locate in an appropriately sized building or on an appropriately sized lot just about anywhere in the area. I like your idea about partnering. We were looking at a question talking about partnering with property owners, but partnering with the school district is another good opportunity to achieve some of the recreation amenities that we’re talking about here. Any other good ideas for parks and recreation?

Mr. Sternoff: On the school side, we’ve already got schools that are inside the corridor. I think Highland Junior High or whatever they call it now is still in the Bel-Red corridor. But I don’t know that either parks or schools need to be part of the Bel-Red corridor. To assume that they must be is to assume that the Bel-Red corridor is unto itself, that it has no relationship to the rest of the city, to the neighborhoods to the north, to the neighborhoods to the south, et cetera. I could make a smart aleck remark and say that while I don’t care for eminent domain we should go ahead and condemn Glendale Golf Course and punch Main Street through, and then we would be able to build a fantastic recreation facility for the entire area of the Eastside.
Mr. Wallace: In terms of something on a major scale, the only property that is available for something like that is the Safeway site, which would be – I think it’s 60 acres – phenomenally expensive. And again, I think we’d have to question whether or not from the city’s perspective that’s the best place to invest that kind of money. And I suspect they’ve already concluded the answer is no. I think that unless you’re going to make Bel-Red corridor into a multifamily residential zone, there is relatively little demand for parks in that area. Maybe none. And if you’re going to make it into a residential area, which I don’t think is terribly feasible either, you have to get a higher density than anyone would envision in order to catalyze the transition of the kinds of uses that really want to be there and the future uses that want to be there to multifamily. In other words, you’d have to get basically highrise zoning in the Bel-Red corridor in order to get the kind of multifamily density that would cause the land to be worth enough that you could afford to do that. So unless that’s the direction you’re going, I frankly don’t see a need for a whole lot of park land in the Bel-Red corridor.

Mr. Sternoff: It’s my understanding from the proposals that have been considered by the planners so far is that you want to retain the office buffer on the south side of Bel-Red Road as a buffer between the Bel-Red corridor and the residential which is to the south. So this to me would be a mixing of the intent for the area to suddenly say we should consider schools and parks.

Mr. McDonald: Okay, we’re out of time for that question, and it’s time to wrap up with the final question, which basically is – I have no preamble for this one – we want to make hear from you any additional ideas or suggestions that you would like us to hear in developing the alternatives. Again, the information you provide will be forwarded to the steering committee, and they will be developing some preliminary alternatives, and we’ll see what those are for the first time on June 1. So, any last remarks from anybody, everybody. If you haven’t had a chance to talk yet, now’s your chance.

Mr. Wagner: What kind of timeline, Kevin, are you envisioning for this process?

Mr. McDonald: There’s a number of phases to the process. The first one really starts on June 1 with the public release of the draft alternatives at the steering committee meeting. The following week there’s one of these type panel discussions, and there’s also a large community meeting. On June 29 we expect the steering committee will forward modified recommendations to the consultants for analysis through the Environmental Impact Statement process, and that should take all summer. So through the fall and the winter, we’ll have the opportunity to review the draft Environmental Impact Statement, and through a number of other public meetings develop preferred alternative. That should happen sometime in the winter or early spring of 2007. And that preferred alternative then becomes the vision for the Bel-Red corridor. But the vision doesn’t accomplish anything because there’s no implementation with the vision. We’ve got to then craft zoning and incentives and programs and transportation system improvements and all that just to help the vision become reality, and that starts in 2007 and goes from there.
Mr. Wagner: What’s the make-up of the steering committee, and who’s doing the Environmental Impact Statement?

Mr. McDonald: The Environmental Impact Statement will be done by CH2MHiIl. The steering committee is a 16-member committee appointed by the City Council. The co-chairs of the committee are Terry Lukens and Mike Creighton, both of whom previously served on the City Council and as Mayors of Bellevue. There’s representatives from the Transportation Commission, the Planning Commission and the Parks and Community Services Board. There’s a number of other entities represented, including the Chamber. And there’s also neighborhood representatives from north, south and in the vicinity of the Bel-Red corridor. So it’s a pretty diverse mix of people that the Council felt represented citywide interests. And these meetings that we’re having now is the effort the City Council has directed us to take to make sure the steering committee knows what the stakeholders of the Bel-Red corridor really have to say about the process, the product, and the long-range vision for the future.

So, any other last ideas and comments?

Mr. Woosley: I appreciate the chance to talk quite a bit today. One of the two things, Bob mentioned that the redevelopment won’t happen until the underlying land value is greater than the value of the income stream from the buildings on the property. That’s just the hard cold truth of redevelopment economics. The alternatives proposed, when they are looking at different buildings that what’s currently on the site, have to have that as just the ground floor to get over that. And then the increase densities will start there and go up. Otherwise it’s just really not a responsible exercise. So I hope that those areas you’re looking for redevelopment, use that as the baseline on the feasibility for redevelopment. But that also raises probably the bigger issue for this area in 25 years, which is that most of these buildings, by far the vast majority, will not be redeveloped during this time. So make sure the alternatives help keep the businesses and the buildings viable and functional in there, and hopefully even more vibrant than they currently are. Those two key principles will more than anything else determine the success of the Bel-Red corridor as an economic area.

Mr. Sternoff: Let me add something to that – that is extremely well stated. The P.S. on that is, we who are here are the ones who will actually determine whether the plans of the city are successful. Because the city will not be risking its capital on redevelopment of this land, or on upgrading existing properties. We are the ones who are going to underwrite that risk and put our necks on the line. And that’s probably one of the most important things the city can ultimately consider. Even if people want certain things, will they come to fruition, and will we take the risk to make them happen.

Mr. Wallace: One other thing we haven’t talked about that I think – and I have no particular interest in the subject or knowledge of it, but you can’t read the papers or watch the TV without hearing about the discussion of whether or not the Sonics are coming to Bellevue. I know over the years we’ve had
various people talk about hockey and soccer and all those kinds of different things for the community. And even the city itself years ago studied whether they wanted to have some kind of facility for concerts and that kind of thing. I don’t know whether that’s a good idea or not, or whether it would ever be feasible or if the public would even want it, but it strikes me that the only place that those kinds of things could happen, that I can think of, in Bellevue is in the Bel-Red corridor. So it would seem to be that’s something that at least ought to be studied as part of this process, to find out would something like that be a great draw and catalyst for good things to happen in the district, or wouldn’t it be. And I don’t know the answer, but I think it at least appears to be a timely discussion in the region and something that we ought to be looking at.

Mr. Daniels: There was some mention at the last meeting, somebody said to be that some large retailers had an interest in locating in the area, Target, Kohls, Costco-type businesses. There hasn’t been too much discussion around that. I’d be interested in hearing what you felt or thought about that. All of us sitting here.

Mr. Sternoff: I don’t see a large retailer coming in there unless there’s the infrastructure to support it. Your big box stores need lots of ground for parking, and they need ingress and egress. With the chokepoints that we talked about, and Eric made mention of earlier – Bob, you’d know probably better than any of us if somebody’s really interested in coming in there.

Mr. Wallace: Well, it always astounds me what retailers will do when they can’t get into a really lucrative market. Look at the two-story Target at Northgate. They sometimes do things that are unpredictable, but I think it’s fair to say there would be a lot of interest on the part of those types of retailers to be close to Bellevue if they could find land that was available and served by automobile access at a cost they can afford. My sense is that the uses in the Bel-Red corridor right now are higher value uses for the land than what those – having said that, the Larry’s Market area, I know that there are a number of retailers that have made strong overtures, to the school district for example. They’ve got that bus barn there and everybody would kill to have it. But even there, and I’ve looked at a couple of iterations, one guy even proposed they could build structured parking for the school buses and retail on top, which is a totally infeasible idea. So there’s interest, but the economics right now just don’t seem to favor that kind of thing.

Mr. Woosley: There has been interest though in years past when Costco and other big box retailers were looking for placement on the Eastside, before they had selected their current locations. But the city policy was to preclude big box retail in the Bel-Red corridor area. So it’s possible some of those uses can generate enough revenues to justify it. And from a transportation standpoint, right now it’s such low-intensity uses, Bel-Red internally functions fairly well. The plug is outside at Overlake, the plug is at 405 and the CBD. Once people can get in there, it would be a relatively simple capacity improvement to get ingress and egress to the actual site, even with – though Costco’s volume of traffic could be problematic. There has been interest from those types of uses over the last 15 years, but
they are prohibited right now by zoning.

Mr. McDonald: I want to be respectful of your time; it’s 9:30, and that’s the time we said we would release you. I really, really appreciate the discussion and the candid nature of the discussion. If you would like, there’s still coffee and refreshments outside and we can mingle and chat a little bit more about these issues if you’d like. If you have to go, that’s fine. I just want you to be assured that the steering committee will receive the report on this discussion plus the others that are occurring this morning. We have a business owners panel this afternoon, and we’ll consolidate all of that.

Mr. White: Will people be able to get copies of the transcripts? You’re going to make those for the committee, and people get them here if they want them?

Mr. McDonald: The transcripts can be available. They’ll be public information.

Mr. Stroh: Sure, we can send them out to all the participants so they’ll have a record of the discussions. The other thing I’d say is a plug for a follow-up meeting with business and property owners once the draft alternatives are released. That will be on June 8.

Mr. McDonald: Thanks very much, and we’re adjourned at this point.