

Population, Housing, and Economics

This chapter characterizes existing and projected population, housing, and economics in Bellevue and in the Bel-Red Corridor and evaluates impacts to these areas resulting from planned new development and redevelopment.

Methodology

Introduction

Two key tools in evaluating population, housing, and employment impacts are targets and forecasts. Population, housing, and employment targets represent the number of new residents, households, and jobs a city or county commits to accommodate within a given time period. Forecasts, on the other hand, represent the amount of growth in these categories that is actually predicted to occur based on market analysis. The two sections below briefly describe these concepts and explain how target allocations and forecasts apply to the Bel-Red Corridor.

Target Allocations

A major basis of the countywide planning framework (described in Chapter 7) is the establishment of 20-year household and jobs targets for each city and the unincorporated area within King County by the Growth Management Planning Council (GMPC). Target allocations are used to ensure that the County has sufficient capacity to accommodate the 20-year population growth forecasts prepared by the Washington State Office of Financial Management. Bellevue's target adoption, which last occurred in 2002 as part of a broader countywide process coordinated by the GMPC, reflected a policy commitment to accommodate 10,117 additional households and 40,000 additional jobs between 2002 and 2022; other cities in King County also adopted housing and employment targets. This target was made part of the City's update to its *Comprehensive Plan*. The policy commitment for growth is reinforced by capital investment in roads and other supporting infrastructure and periodic review of the City's remaining land capacity for new households and jobs through the "buildable lands" process.

Any changes to land use planning and zoning in the Bel-Red Corridor would be considered during the next round of countywide target allocations, which will focus on the period between 2012 and 2032. During this process, Bellevue would receive an updated target for households and employment that would be used in the City's next major update to the *Comprehensive Plan*.

Forecasts

Unlike targets, which are policy-driven, forecasts are market-driven. Forecasts attempt to calculate or predict residential and employment growth based on a detailed analysis of current and future market conditions. The primary forecasts that are referenced in this environmental analysis are from the PSRC. PSRC prepares a forecast for the Puget Sound region every three years based on small Forecast Analysis Zones (FAZ). The city of Bellevue generally encompasses ten FAZs. The PSRC forecast is an important tool for regional and local

transportation modeling and land use and environmental impact analysis. The PSRC forecasts are based on regionwide analysis of future employment growth, and then regional employment and housing are allocated at an FAZ level. The small area forecasts allocations are in large part based on policies adopted at the local and regional level (such as locations of urban centers). The PSRC forecast year for the No-Action Alternative in this EIS is 2030, which is the planning horizon for the project. Any changes to the zoning in the Bel-Red Corridor would be considered during the next PSRC forecast update, which is scheduled to occur in 2009.

Population and Housing

Data on existing and forecasted households and population used for this analysis came from several sources: the 2000 U.S. Census, the PSRC's population forecasts (PSRC, 2004), and City of Bellevue data (City of Bellevue, 2006). The U.S. Census and PSRC data were used for King County and Bellevue, while the City data (derived from Transportation Analysis Zones in the Bellevue-Kirkland-Redmond traffic model) were used to determine the existing population in the study area. Future population was estimated on the basis of the number of housing units proposed under each alternative. The study area population was calculated using Bellevue's average household size of 2.78 persons per single-family household and 1.87 persons per multifamily household.

The population and housing impact analysis addresses the impacts associated with each action alternative through the planning horizon of 2030. Several types of potential impacts are discussed. Direct on-site impacts are defined as the changes immediately associated with an alternative, such as the net increase in population and housing units associated with projected land uses; these direct population and housing impacts are quantified. Other direct impacts include the potential for population in-migration into the study area and surrounding portions of Bellevue as a result of new jobs in the Bel-Red Corridor; these impacts are addressed qualitatively. Last, each alternative is evaluated for consistency with the applicable housing goals and policies of Bellevue's *Comprehensive Plan*.

Economics

The economic analysis identifies and describes key economic indicators within the Bel-Red Corridor, such as employment and predicted market demand for future development by market sector. The affected environment is described in terms of recent and projected employment trends in King County, the Bellevue area, and surrounding communities. Data on existing and forecasted employment in King County and Bellevue came from the 2000 U.S. Census and 2030 based on PSRC forecasts, respectively. Employment estimates for each alternative were based upon King County averages of employment by land use type (King County, 2002).

The economic analysis also addresses impacts associated through 2030. Direct, on-site impacts are defined as the changes immediately attributable to an alternative, such as employment associated with projected land uses; these direct employment impacts, including the net number of new jobs and types of jobs, are quantified. Secondary impacts include the indirect and induced changes that might occur either on site or off site; these indirect impacts are addressed qualitatively. Indirect economic benefits associated with improved access and mobility through the study area are also qualitatively addressed.

Existing Conditions

Population and Housing

Existing and Forecasted Population and Housing

The PSRC uses U.S. Census and other data to develop population and household forecasts for Puget Sound counties and cities for land use and transportation planning. PSRC's forecast zones do not correspond perfectly to city limits, so PSRC population data used in this chapter differ somewhat from U.S. Census data. Table 8-1 shows PSRC's existing and forecasted population and housing data for King County and Bellevue. As shown, approximately 104,000 people lived in the Bellevue area in 2000 (for comparison, the 2000 U.S. Census population for the area was 109,569). By 2030, Bellevue's population is expected to grow to approximately 129,000. This rate of population growth is slightly lower than that projected for King County.

TABLE 8-1
Existing and Forecasted Population and Number of Households, 2000 to 2030
Bel-Red Corridor Draft Environmental Impact Statement

Parameter	2000	2030	Percent Change 2000 to 2030
Population			
King County	1,737,034	2,202,366	26.7
Bellevue area ¹	104,033	129,315	24.3
Households			
King County	710,916	959,507	34.9
Single-family	453,437	522,084	15.1
Multifamily	257,479	437,423	69.8
Bellevue	43,779	60,851	38.9
Single-family	26,577	27,795	4.6
Multifamily	17,202	33,106	92.5

Source: PSRC, 2004.

¹Based on PSRC FAZ group most closely corresponding to the Bellevue city limits; this differs slightly from the population within the actual city limits.

FAZ Forecast Analysis Zone

PSRC Puget Sound Regional Council

According to the PSRC, Bellevue is likely to experience a slightly greater rate of growth in households than the rest of King County over the next 30 years. The PSRC projects that by 2030, Bellevue will need to accommodate approximately 17,000 new households; approximately 94 percent of this demand is expected to be met by multifamily housing units. Although Bellevue's projected household growth rate is expected to slightly exceed the County's, population growth is expected to be slightly lower than the County's because Bellevue's average household size is also slightly lower. Average household size in 2000 for the city of Bellevue overall was 2.37 persons (1.87 persons per multifamily household and 2.78 persons per single-family household) (City of Bellevue, 2006), compared to 2.39 persons for the county (U.S. Census, 2000).

Bel-Red Corridor and Surrounding Area

The Bel-Red Corridor comprises predominately commercial and light industrial uses. There are three small clusters of existing residential development on the southeast, southwest, and northwest borders of the corridor comprising 33 single-family units and 106 multifamily units. There is an older subdivision of 59 single-family houses referred to as Dogwood Park north of NE 12th Street along 116th Avenue NE in the northwest portion of the corridor. This area has been rezoned to Office, with half or more of these houses having already been converted to office or day-care use. In the corridor's southwest corner, about 70 multifamily units surround Lake Bellevue. The southeast corner of the corridor includes a few apartments (36 units) and four single-family homes on the south side of Bel-Red Road between 140th and 148th Avenues NE. Applying Bellevue's 2000 average household size for single- and multifamily households, the existing population in the corridor is calculated at 290.

The areas surrounding the Bel-Red Corridor have a much higher percentage of their populations living in multifamily housing than is commonly perceived. Large areas of the Bridle Trails neighborhood east of I-405 and north of SR 520 are developed with low-density, single-family housing. For the U.S. Census tracts north and northeast of the Bel-Red Corridor, however, multifamily housing accounts for over two-thirds of the total housing units; much of this housing is concentrated west of the Microsoft Corporate Campus. Appendix E contains demographic information on the Bel-Red Corridor.

Housing Growth Targets

As noted above, the *Comprehensive Plan* identifies the City's 20-year growth target for housing supply (2002-2022) as 10,177 new households. The *Bel-Red/Northup Subarea Plan* does not include a household growth target.

Housing Policy Framework

A goal of the City's *Comprehensive Plan* Housing Element is to "increase housing opportunities in a diversity of housing types by promoting the creative and innovative use of land designated for residential and commercial use." To meet growth targets and encourage efficient use of land within the urban growth area, the City promotes innovatively using residential and commercial land to increase the housing supply. Providing housing opportunities in commercial areas is essential to accommodate the anticipated housing demand. Mixed residential and commercial neighborhoods that emerge in commercial areas could enhance the vitality of these areas and provide a pedestrian orientation and transit support. The Bellevue *Comprehensive Plan* acknowledges that existing commercial areas – such as those within the Bel-Red/Northup Subarea – could eventually become distinct mixed-use neighborhoods.

While the *Bel-Red/Northup Subarea Plan* does not designate any areas for future residential growth, the area's potential for residential redevelopment is supported by policies contained in the *Comprehensive Plan* Housing Element. Policies related to housing and the Bel-Red Corridor Project include the following:

- **Policy HO-2.** Promote quality, community-friendly, multifamily development by using features such as enhanced open space and pedestrian connectivity.

- **Policy HO-11.** Encourage housing opportunities in mixed residential / commercial settings throughout the city.
- **Policy HO-12.** Provide incentives to encourage residential development for a range of household types and income levels in commercial zones.
- **Policy HO-13.** Ensure that mixed-use development complements and enhances the character of the surrounding residential and commercial areas.
- **Policy HO-25.** Ensure that affordable housing opportunities are not concentrated but rather are dispersed throughout the city.

The “Overview” section in the Housing Element also notes the following:

The location, density, and design of housing are evaluated with respect to other community objectives such as housing affordability, environmental quality, and support for transit. For example, residential densities that support transit use should be located along major transit corridors and near urban activity centers. Site design should encourage pedestrian access to the transit system.

Consistent with adopted plans and policies, the City has pursued opportunities to create affordable housing and to increase the overall housing supply; to attend to the special housing needs of individuals; to seek to preserve neighborhood quality; and to not tolerate discrimination in housing.

Economics

Existing and Forecasted Employment

Currently, there are approximately 1,100 businesses with covered employment (i.e., jobs covered by state unemployment insurance) in the Bel-Red Corridor; current jobs in the study area represent approximately 17 percent of Bellevue’s total employment of 130,000. These jobs are associated primarily with warehousing, distribution, and retail and service uses. According to the PSRC, the regional job balance is expected to shift between the years 2000 and 2030. As shown in Table 8-2, manufacturing is projected to lose jobs over this 30-year period, while all other sectors – including wholesale trade, transportation, communications, and utilities (WTCU); finance, insurance, real estate, and services (FIRES); and government/education – are likely to experience substantial job gains. By 2030, manufacturing will represent approximately 9 percent of the overall regional job market within the sectors shown on Table 8-2, a decline from approximately 14 percent in 2000 (PSRC, 2004).

Table 8-3 shows existing and forecasted employment for the Bellevue area. PSRC forecasts that Bellevue will generate approximately 62,000 additional jobs by 2030. The sector with the largest share of total employees in Bellevue is the FIRES sector, which includes those employed in the health-care industry. In 2000, this sector accounted for 54 percent of all jobs in Bellevue; by 2030, this sector is predicted to account for approximately 57 percent. All elements of the FIRES sector depend upon office space, which is projected to grow substantially through 2030.

TABLE 8-2
 Projected Regional Employment¹, 2000 to 2030
Bel-Red Corridor Draft Environmental Impact Statement

Employment Sector	2000	2030	Percent of Total Jobs 2030	Percent Change 2000 to 2030
Manufacturing	240,068	235,497	9	-2
Wholesale trade, transportation, communication, and utilities	215,040	317,999	13	48
Retail	320,575	457,101	18	43
Finance, insurance, real estate, and services	684,630	1,144,395	45	67
Government and education	288,480	380,907	15	32
TOTAL	1,748,793	2,535,899	100	45

Source: PSRC, 2004

¹Region total includes employment within King, Kitsap, Pierce, and Snohomish Counties.

TABLE 8-3
 Existing and Forecasted Employment in Bellevue, 2000 to 2030
Bel-Red Corridor Draft Environmental Impact Statement

Employment Sector	2000	2030	Percent of Total Jobs 2030	Percent Change 2000 to 2030
Manufacturing	8,211	6,729	3	-18
Wholesale trade, transportation, communication, and utilities	18,636	29,128	16	56
Retail	23,082	33,230	18	44
Finance, insurance, real estate, and services	67,768	106,490	57	57
Government and education	7,431	11,655	6	57
TOTAL	125,128	187,232	100	50

Source: PSRC, 2004.

Other Eastside cities are also attracting future employers and jobs. While Bellevue is forecasted to add 62,000 jobs by 2030, Redmond will add 37,000 jobs by the same year. During this period, Issaquah and the Sammamish Plateau will add 20,000 jobs. While Bellevue will attract many of the high-paying, white-collar jobs in the FIRES sector, some of these also are predicted to locate in outlying cities. PSRC forecasts for Bellevue estimate approximately 39,000 new jobs in the FIRES sector by 2030, while Redmond is projected to add 26,000 jobs in this sector, and the number of FIRES jobs in Issaquah and the Sammamish Plateau will increase by 15,000 over 2000 levels.

Compared to the Puget Sound region, employment projections for Bellevue show a similar decline in manufacturing jobs over the 2000 to 2030 time period (Table 8-3). The PSRC calculates that there were 8,211 manufacturing jobs in Bellevue in 2000. By 2030, this job sector is expected to decline by 18 percent to approximately 6,729 jobs, a loss of approximately 1,500 jobs. In

comparison, Redmond is forecast to lose more than 3,300 manufacturing jobs during the same period. The remaining manufacturing-sector jobs might likely be found in service jobs, such as auto repair, or in customized manufacturing and walk-in services, such as computer repair (Leland Consulting Group, 2005).

Employment Growth Targets

As noted above, the City's *Comprehensive Plan* identifies a total target of 40,000 new jobs in Bellevue between 2002 and 2022. According to the GMA and King County CPP, the *Comprehensive Plan's* targets for employment growth are intended to indicate employment that cities should be able to accommodate in the future; they are not intended to represent a maximum number of jobs that should be permitted.

Economic and Market Demand in Bel-Red Subarea

A market analysis prepared by Leland Consulting Group in 2005-06 identified the potential future demand for various land uses in the Bel-Red Corridor through 2030 (Leland Consulting Group, 2005, 2006). The study (Appendix B) identified several key factors affecting the study area's development potential:

- OHMC and the Microsoft Corporate Campus, located west and east of the Bel-Red Corridor, respectively, function as economic anchors and present leveraging opportunities for Bel-Red Corridor development. Both OHMC and Microsoft have current plans to expand, thereby providing opportunities in the Bel-Red Corridor to add retail space, housing, and services to meet the current and future demands of the many employees working nearby.
- Much of the land in the Bel-Red Corridor is underdeveloped, as calculated on the basis of land value vs. improvement value. An *improvement ratio* is the value of buildings to total assessed land values on an individual parcel. In most portions of the Bel-Red Corridor, the "highest and best use" of a site typically is thought to be achieved when its improvement ratio is 75 percent or greater. The market analysis conservatively estimated that this ratio is 60 percent or less for more than four-fifths of the parcels in the study area.
- The Bel-Red Corridor can provide space for large corporate employers who might want a campus-like setting rather than a dense, high-rise setting. Redevelopment in the Bel-Red Corridor, therefore, could complement – rather than compete with – Downtown Bellevue and could help Bellevue regional competitiveness compete to attract employers.
- New manufacturing or warehouse uses have become less economically viable due to increasing land values. These values indicate that investors are anticipating a future change in land use regulations that will create redevelopment opportunities.

There are several opportunities for new development and revitalization throughout the Bel-Red Corridor. The market analysis concluded that future market demand in the Bel-Red Corridor through 2030 could support the following type and range of uses:

- Between 2.5 million and 3.9 million additional square feet of office space
- Between 200,000 and 400,000 additional square feet of retail
- Between 2,500 and 5,000 new units of residential development
- Between 200 and 300 new hotel rooms

These projections were based on PSRC employment data, trends in office employment, and qualitative judgments about market share. The analysis also predicted an accompanying net loss in industrial space because future demand is expected to be less than the existing supply of land in the corridor designated for industrial development.

Impacts

The range and mix of land uses, level of development, and resulting numbers of employees and residents that could be generated by the action alternatives over the planning horizon for this study have been assumed. The alternatives have been developed to allow a public policy discussion about the appropriate amount of land use change to accommodate in the study area. Ultimately, the actual rate of development and specific development levels (including numbers of employees and potential residents) in the study area would depend on economic, market, and regulatory factors.

Construction Impacts

Population and Housing

Construction activities would include construction of both transportation infrastructure and private-sector site development and would require temporary staging areas, lane closures, and/or detours throughout the study area. Staging areas would need to be located so as to avoid residential displacements. Lane closures and route detours associated with constructing transportation infrastructure could result in temporarily reduced access to existing and future housing within and adjacent to the Bel-Red Corridor, but they would not result in reduced housing availability and supply, nor would they result in increased housing pressure in particular areas.

Proposed new development in the Bel-Red Corridor would not be expected to generate significant construction-related in-migration based on the local and regional labor force's ability to provide needed construction skills. New development would be constructed incrementally over time and, as such, would not likely induce any significant population relocation to the Bellevue area; construction workers would be expected to commute from their existing residences.

Economics

Temporary jobs would be created as a result of project construction; however, these jobs would be displaced from the study area once construction projects are completed. Expenditures during project construction would increase demand for construction materials and jobs. These expenditures are considered direct impacts. These direct impacts lead to indirect impacts as the output of firms in other industries increases to support the construction industry. Finally, wages paid to workers in construction trades or supporting industries are spent on other goods and services; these are referred to as induced impacts.

Development and transportation projects in the Bel-Red would have direct, indirect, and induced impacts that would benefit the local and regional economy. The magnitude of these benefits would depend on the amount of proposed construction activity and would vary between alternatives. Given the range and type of projected development, the least amount of

temporary economic output during construction would be expected with the No-Action Alternative (approximately 1 million square feet of new construction), while the most would be expected with Alternative 3 (approximately 10.5 million square feet of new construction). Construction spending also would generate local and state sales and use taxes over the entire construction period.

Project construction might also negatively impact the quality of life for employees at nearby businesses, causing increased noise, dust, and perceived changes in visual quality, as well as temporary increased traffic congestion, changes in access routes, and reduced visibility from the street. The larger proposed transportation improvements, such as the NE 16th Street extension, are likely to have the greatest effects. If not mitigated, such changes could result in lost revenues for businesses near the construction area. This would only be a temporary impact, however. Revenues would be expected to return to preconstruction level once construction is complete and could potentially be enhanced by increased customer base and/or improved access.

Operational Impacts

Population and Housing

No-Action Alternative

The No-Action Alternative assumes no major changes in the study area's land use other than developing approximately 1 million square feet of new commercial and industrial uses. As a result, no housing would be expected to locate here. While the No-Action Alternative would create additional employment in the study area (estimated at approximately 2,630 new jobs; see Table 8-4), it is not expected to generate any substantial increases in permanent local population. The inability to accommodate housing growth in the study area could place additional pressure on Bellevue to find locations for housing as it looks for ways to accommodate longer-term population growth beyond 2030.

All Action Alternatives

All of the proposed action alternatives would create a range of housing opportunities in the Bel-Red Corridor. Depending on the alternative, the proposed development program would add between 5,980 and 8,385 new residents and between 3,500 and 5,000 new multifamily housing units by 2030. Alternative 1 would provide the fewest housing units and would have the lowest population, while Alternatives 2 and 3 would provide the most housing units and would have the highest associated population growth. Projected housing development would contribute to the GMA household growth targets for the City of Bellevue for the 2002-2022 time period.

Table 8-5 identifies the number of new housing units and households assumed under all action alternatives in 2030 and the associated projected population, based on a ratio of 1.87 persons per multifamily household. (Note that households are assumed to total 90 percent of the total housing units; this assumes a 10 percent vacancy rate, consistent with population forecasting methods used in the City's *Comprehensive Plan*.)

TABLE 8-4
 Projected New Employment and Housing by Alternative, Planning Horizon Year 2030
Bel-Red Corridor Draft Environmental Impact Statement

	Alternative			
	No-Action	1	2	3
Land use (square feet)				
Office	606,500	3,200,000	2,300,000	4,000,000
Retail	124,000	300,000	200,000	500,000
Industrial	300,000	-2,690,000	-1,980,000	-2,490,000
Housing		4,200,000	6,000,000	6,000,000
Square feet per employee ¹				
Office	333	333	333	333
Retail	400	400	400	400
Industrial	600	600	600	600
Housing	N/A	N/A	N/A	N/A
Number of new employees ²				
Office	1,638	8,649	6,210	10,809
Retail	279	675	450	1,125
Industrial	450	-2,985	-1,920	-2,685
Housing	N/A	N/A	N/A	N/A
Total new on-site employment ³	2,367	6,339	4,740	9,249

¹Ratio of square feet (ft²) to employee is derived using data from King County (2002); this assumes that there are 333 ft² per employee for Office, 400 ft² per employee for Retail, and 600 ft² per employee for Light Industrial uses.

²The estimate shown assumes a 10 percent vacancy rate and accounts for the fact that 700,000 square feet of the Safeway site is no longer in industrial use.

³This includes estimate of light industrial jobs lost; new employment estimates do not include uses that are part of the baseline condition (e.g., existing uses).

TABLE 8-5
 New Housing Units, Households, and Population in 2030 for the No-Action Alternative and All Action Alternatives
Bel-Red Corridor Draft Environmental Impact Statement

	Alternative			
	No-Action	1	2	3
New residential units (multifamily)	0	3,500	5,000	5,000
New households	0	3,150	4,500	4,500
New population	0	5,980	8,385	8,385
Total 2030 population	290	6,270	8,675	8,675

Alternative 1: Midrange Employment and Midrange Housing (Nodes at 122nd and 152nd Avenues NE) ***Population and Household Capacity***

Under Alternative 1, total population at completion of the development program in 2030 would be approximately 6,270 people. This calculation assumes that the existing single- and multifamily homes in the study area and the associated population of 290 persons would be retained through 2030.

Population In-Migration and On-Site Housing Opportunities

Under Alternative 1, additional employment capacity and associated indirect employment would likely generate some increases in population to the Bellevue area over the planning horizon for this study, beyond the population capacity increases directly associated with new housing units in the Bel-Red Corridor, noted above. While many of the jobs in the Bel-Red Corridor likely would be filled by the existing Puget Sound labor force (commuters), the potential would exist for new businesses to move to the Bel-Red Corridor from outside of Bellevue and the region. Although the specific businesses and tenants that would locate in the Bel-Red Corridor cannot be accurately defined, some new businesses to the city, region, and state would likely locate there over the planning horizon; this could result in workers relocating or in-migrating to Bellevue and the greater Puget Sound area.

To the extent that workers relocate or in-migrate, the homes of these new residents to the Bellevue area and region likely would be distributed over a broad area, and would therefore not result in significant impacts to City services and traffic patterns. The number or distribution of such residents cannot be accurately calculated because the specific distribution would depend on various economic, social, and demographic preferences.

Under Alternative 1, some of the relocating or in-migrating employees could choose to reside in housing provided in the Bel-Red Corridor. The specific mix of multifamily housing types (i.e., condominiums vs. apartments) and costs currently cannot be determined; however, on-site housing could likely meet the demands of at least some employees in the Bel-Red Corridor and employees at other surrounding businesses in Overlake, Crossroads, the Microsoft Corporate Campus, and Downtown Bellevue. The specific number of employees that might also choose to live in the Bel-Red Corridor would depend on numerous factors, including their present residence, wage levels, the cost of housing options in the corridor and in the surrounding area, locational needs and preferences, and other social, demographic, and market factors. Ultimately, the degree to which housing in the Bel-Red Corridor would be used by people also working there would be determined by the specific types and prices of on-site housing and their relationship to people's housing preferences and financial capability. No significant impacts from potential relocation or immigration are anticipated.

Housing Policy Consistency

Alternative 1 complies with the Housing Element policy provisions by proposing approximately 3,500 new multifamily housing units in a mixed residential and commercial setting within the Bel-Red Corridor. Proposed transportation improvements in the corridor, including widening roads, adding turn lanes, extending streets, and developing two LRT stations, would facilitate development that promotes housing opportunities. Higher-density development would focus on the two proposed LRT nodes. Study area roadway capacity improvements would also help new housing development projects meet concurrency requirements under the Washington State GMA, which requires that transportation needed to serve new development must be in place concurrently with development completion. The LRT

service expansion would also help facilitate a beneficial interdependency between transit and the proposed supply of multifamily housing assumed in Alternative 1.

As noted earlier in this chapter, one housing policy of the *Comprehensive Plan* is to ensure that affordable housing opportunities are dispersed throughout Bellevue. While specific goals have been established by subarea, the City's overall affordable housing targets for new housing are 24 percent for low-income households and 17 percent for moderate-income households. Although the specific type and mix of housing units proposed for the Bel-Red Corridor have not been identified, the proposed new housing in the corridor might provide opportunities to help meet the City's overall affordable housing goals.

Alternative 2: Low Employment and High Housing (Nodes at 116th and 130th Avenues NE and near 148th Avenue NE)

Population and Household Capacity

Under Alternative 2, total population capacity in 2030 would be approximately 8,675 people, assuming that the existing single- and multifamily homes in the study area would be retained through 2030. Table 8-5 identifies the number of units assumed under Alternative 2 in 2030—and the associated projected population—based on a ratio of 1.87 persons per multifamily household. Alternative 2 would add 5,000 new multifamily housing units with an associated population increase of 8,385.

Population In-Migration and On-Site Housing Opportunities

Direct and indirect employment associated with Alternative 2 would result in population increases over the planning horizon that would exceed the capacity of new housing units in the Bel-Red Corridor. This could make it difficult for new workers in the corridor to find housing in Bellevue. As with Alternative 1, new workers who move to the study area would likely choose to reside in a range of neighborhoods within the city of Bellevue and elsewhere in the region. Compared with Alternative 1, Alternative 2 would feature 1,500 more housing units potentially available for employees living inside or outside the study area. No significant impacts from potential relocation or immigration are anticipated.

Policy Consistency

Alternative 2 would support the housing goals cited above for Alternative 1; however, compared with Alternative 1, it would provide more housing units (5,000 compared to 3,500). Alternative 2 would also include an additional LRT station and associated development node at the study area's eastern end, west of 148th Avenue NE, facilitating transit access for multifamily housing in the study area.

Alternative 3: High Employment and High Housing (Nodes at 122nd, 130th, and 152nd Avenue NE)

Compared with Alternative 2, Alternative 3 would develop the same number of housing units, resulting in an identical net population gain (see Table 8-5); therefore, potential population and housing impacts under Alternative 3 would be the same as those described for Alternative 2. The location of units under Alternative 3, however, would be different. For example, in Alternative 3 a housing component would be added to existing low-intensity office uses along the south side of the Bel-Red Road Corridor.

Economics

No-Action Alternative

The No-Action Alternative assumes the continuation of existing industrial and storage uses and consumer and retail services and offices in the study area. In addition, the alternative includes approximately 700,000 square feet of commercial and 300,000 square feet of industrial development and programmed and funded transportation improvements. (See Chapter 2 for additional information on the No-Action Alternative.)

Minor positive economic impacts could result from planned development under the No-Action Alternative as a result of its modest levels of increased development. However, the Bel-Red Corridor economic and market demand study (Leland Consulting Group, 2006; Appendix B) concluded that much of the real estate and associated economic activity in the study area would stagnate without new planning and zoning. Because few transportation projects would be built, roadways in the study area would likely experience increased congestion under the No-Action Alternative, which could have negative impacts on access to local businesses. Including only one LRT station at the west end of the corridor would severely limit the opportunities for TOD. Improvements to the pedestrian and bicycle system (and the resulting accessibility benefits for businesses) would also be limited under this alternative.

All Action Alternatives

The proposed action alternatives would add employment capacity in the Bel-Red Corridor; full development of the assumed land uses in the study area in 2030 would add between approximately 4,740 and 9,249 jobs to the Bellevue area. Projected job growth would contribute to a portion of the GMA employment growth targets for the City of Bellevue for the 2002 to 2022 time period and help with additional, longer-term targets. Actual impacts from the added employment capacity would be generated incrementally by future development projects occurring over the planning period.

Under all the action alternatives, industrial land uses in the Bel-Red Corridor would transition to other types of uses; between 1,920 and 2,985 jobs associated with those existing uses would be displaced. This redevelopment would likely occur gradually at a pace determined by market conditions; property owners would benefit from the additional development options afforded by the proposed zoning. Some of the displaced businesses and employees could possibly relocate to another area in the city; however, it might be more likely that such businesses would move to other industrial enclaves in the region, such as the Kent Valley.

All of the action alternatives would increase traffic in the study area compared to the No-Action Alternative, necessitating investments in infrastructure to accommodate the additional demand. Even with the proposed transportation improvements, localized congestion could be worse in some areas because of traffic generated by new commercial and housing development. These increased levels of traffic would be an adverse impact associated with the significant economic benefits of the new development.

Alternative 1: Midrange Employment and Midrange Housing (Nodes at 122nd and 152nd Avenues NE) *Employment Capacity*

Within the 2030 planning horizon under Alternative 1, approximately 2.7 million square feet of industrial use and approximately 2,985 jobs would transition to other uses over time as owners redeveloped their property. (Note that these estimates take into account the fact that 700,000

square feet of the Safeway site is no longer in industrial use; because there are no employees there now, this is not counted as a loss of industrial jobs.)

Alternative 1 development would increase employment in the Bel-Red Corridor by providing new jobs related to office and retail uses. Table 8-4 shows total potential on-site employment in 2030 for all action alternatives, assuming a 10 percent vacancy rate. Alternative 1 would generate approximately 9,324 new office and retail jobs, for a projected net increase of 6,339 jobs in the study area.

Employment Base

Alternative 1 new development would provide a broader mix of uses compared with existing conditions; this would introduce more economic diversity to the Bel-Red Corridor. Existing service uses – such as auto repair shops located between 130th Avenue NE and 132nd Avenue NE just north of Bel-Red Road – could continue; however, opportunities for expanding and redeveloping other parts of the study area would be provided. New opportunities would also be provided for commercial and retail employment, including medical-oriented office use near OHMC. Higher-intensity development would focus on the two proposed LRT nodes.

To implement outcomes of the planning effort, amendments will be required to the *Comprehensive Plan*, the *Bel-Red/Northup Subarea Plan* (City of Bellevue, 1988), and the existing zoning district designations in the study area. Through these plans and regulatory amendments, the City could create relocation and expansion opportunities for existing businesses within the city of Bellevue or from the Puget Sound region as a whole to move to the study area, while also allowing new businesses to become established.

Improved Access and Mobility

Alternative 1's proposed transportation improvements in the Bel-Red Corridor, including roadway improvements, LRT, and nonmotorized transportation, would help to improve local and regional mobility. As a result, access to existing and planned businesses and residential development in the study area would be enhanced.

Research about the linkage among transportation infrastructure improvements, mobility, congestion, and economic growth suggests that transportation infrastructure can benefit businesses and consumers through a series of interrelated effects. Changes in transportation infrastructure can benefit users by improving accessibility, which depends on travel times, safety, vehicle operating costs, and the transportation choices available to users. Improvements in accessibility, in turn, might create new economic development.

Under Alternative 1, economic benefits during operation would be concentrated around the planned LRT nodes at 122nd Avenue NE and at 152nd Avenue NE. Regional benefits would also be likely as a result of planned transportation improvements that would increase mobility; this, in turn, could lead to increased economic activity in and around the study area. For example, Alternative 1 would widen and extend NE 16th Street to NE 12th Street to the west of I-405; this improvement would provide motorists with an alternative route to NE 8th Street and facilitate access and improve mobility between Downtown Bellevue and the Bel-Red Corridor. Pedestrian and bicycle mobility would also be enhanced in the vicinity of the LRT stations and along the pedestrian-oriented shopping street.

Indirect Employment

Employment within the Bel-Red subarea would generate indirect and induced employment that could result in increased local and regional economic activity. Typically, increases in direct employment would produce a ripple effect through the economy in the form of indirect impacts (expenditures made by the source industries) and induced impacts (demand for locally produced goods and services stemming from the re-spending of income earned by employees). Indirect and induced impacts would represent the second and third stages of job creation, respectively, as a result of the estimated direct activity. Indirect and induced jobs generated under Alternative 1 would likely span a variety of industries, based on the range of land uses assumed under this alternative. While indirect and induced employment would likely locate across the Puget Sound region, certain employment types would be more localized in nature (that is, distributed within the city of Bellevue). This could include, for example, certain types of retail employment and medical professional services.

Alternative 2: Low Employment and High Housing (Nodes at 116th and 130th Avenues NE and near 148th Avenue NE)

Employment Capacity

Under Alternative 2, approximately 1,920 jobs associated with existing light industrial uses likely would be displaced from the study area due to the proposed development program. The number of lost jobs would be lower than under Alternative 1, since Alternative 2 proposes to retain a larger amount of existing light industrial uses in the study area. Similar to Alternative 1, Alternative 2 development would provide retail and office job growth in the Bel-Red Corridor; however, Alternative 2 would have fewer total jobs compared with Alternative 1 because it proposes less new commercial development. Alternative 2 would generate approximately 6,660 new office and retail jobs, for a net increase of approximately 4,740 jobs in the Bel-Red Corridor (see Table 8-4).

Employment Base

Like Alternative 1, Alternative 2 would create a broader mix of uses compared with existing conditions, and this would introduce additional economic diversity to the study area. Alternative 2 would maintain existing light industrial uses located between the two proposed LRT stations and associated development nodes at 130th Avenue NE and 116th Avenue NE; traditional warehousing, distribution, and other light industrial uses would continue in this area. Alternative 2 would provide opportunities to expand and redevelop other parts of the study area and create commercial and retail employment. This alternative would focus denser, higher-intensity development at the three proposed LRT nodes and, like Alternative 1, would create business relocation and expansion opportunities.

Improved Access and Mobility

While Alternative 2 would enhance study area mobility, its beneficial impacts for vehicular access would be slightly less than those of Alternative 1. For example, without connecting NE 16th Street west across I-405 to NE 12th Street, an alternate direct east-west route into and out of study area would not be available to alleviate NE 8th Street congestion. However, Alternative 2 proposes three LRT nodes in the study area (as compared to two in Alternative 1), thus providing greater potential to move people into and out of the area and, in turn, to stimulate economic development.

Indirect Employment

As with Alternative 1, employment generated under Alternative 2 would also result in indirect and induced employment that could increase local and regional economic activity. Additional indirect and induced jobs generated under Alternative 2 would affect the local and regional economy similarly to Alternative 1, although at somewhat reduced levels due to the lower projected numbers of direct jobs.

Alternative 3: High Employment and High Housing (Nodes at 122nd, 130th, and 152nd Avenue NE) *Employment Capacity*

Alternative 3 could displace approximately 2,685 jobs associated with existing light-industrial uses. Like Alternatives 1 and 2, Alternative 3 development would provide retail and office job growth in the study area. Alternative 3 would generate the most jobs of all the action alternatives because it proposes the largest amount of new commercial development. Alternative 3 would generate approximately 11,934 new office and retail jobs for a net increase of approximately 9,249 jobs in the study area (see Table 8-4).

Employment Base

Like Alternative 1, Alternative 3 would provide a broader mix of uses compared with existing conditions, and this would introduce additional economic diversity to the study area. Unique to this alternative, Alternative 3 proposes a large area of Office Medium-Density near the proposed LRT station at 122nd Avenue NE. This area would be designated primarily for office uses, with some supportive retail and service uses. This alternative would also provide new commercial and retail employment opportunities in other parts of the study area, focus on higher-intensity development at the three proposed LRT nodes, and create relocation and expansion opportunities for businesses.

Improved Access and Mobility

This alternative's positive impacts on mobility and resulting economic benefits would be like those described under Alternative 1 because the proposed package of transportation improvements would be similar. Compared with Alternative 1, however, Alternative 3 proposes three LRT nodes in the study area, thus providing greater potential to stimulate economic development in these areas.

Indirect Employment

As with Alternatives 1 and 2, employment generated with Alternative 3 would also result in indirect and induced employment that could increase local and regional economic activity. Additional indirect and induced jobs generated under Alternative 3 would affect the local and regional economy similarly to Alternatives 1 and 2, although at somewhat increased levels due to the greater projected numbers of direct jobs under this alternative.

Mitigation Measures

Specific mitigation measures to address population, housing, and economic impacts include the following:

- Explore ways to maximize the use of other light industrial areas in the city to accommodate some of the businesses and jobs that would be displaced from the study area.

- Develop a relocation outreach program for potentially affected businesses within the corridor, providing information on available relocation opportunities within Bellevue and/or access to resources outside the city.
- In future planning, identify additional areas within the Bel-Red Corridor where opportunities exist to concentrate light industrial areas and/or other types of uses that would otherwise move out of the area as a result of zoning changes.
- Explore including certain types of light manufacturing and service businesses in the mixed-use zoning designations to be created for the Bel-Red Corridor to allow these businesses to exist compatibly with other types of planned development.
- Develop infrastructure improvements within the study area to serve the planned increases in housing and employment. These include more parks and recreational facilities (as discussed further in Chapter 7) and more pedestrian and bicycle facilities (as described in Chapter 10).

Unavoidable Adverse Impacts

Over the planning horizon, implementing any of the action alternatives could result in a significant loss of employment (between 1,920 and 2,985 jobs) in the light industrial sector, over and above the gradual decline that is currently taking place. Although there are some additional light industrially zoned areas in the city, they are likely to be insufficient to absorb all of the businesses that might leave the Bel-Red Corridor as a result of the development program. The costs of relocating to other areas, such as the Kent Valley, could be prohibitive for some businesses, and a change in location could cause them to lose some of their customer base. In addition, creating housing would displace existing commercial uses, particularly under Alternatives 2 and 3. If suitable relocation opportunities are not available, then this loss of jobs would be considered an unavoidable adverse impact.