

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

June 27, 2018
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Barksdale, Commissioners Carlson, deVadoss, Laing, Malakoutian, Morisseau, Moolgavkar

COMMISSIONERS ABSENT: None

STAFF PRESENT: Terry Cullen, Nicholas Matz, Department of Planning and Community Development

COUNCIL LIAISON: Mayor Chelminiak

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER
(6:35 p.m.)

The meeting was called to order at 6:35 p.m. by Chair Barksdale who presided.

2. ROLL CALL
(6:36 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Laing, who arrived at 6:59 p.m., and Commissioner Carlson, who arrived at 7:44 p.m.

3. APPROVAL OF AGENDA
(6:36 p.m.)

A motion to amend the agenda by adding after Staff Reports a vote to allow Commissioner Morisseau to participate in the two July Commission meetings remotely was made by Commissioner Morisseau. The motion was seconded by Commissioner Moolgavkar and the motion carried unanimously.

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS – None
(6:37 p.m.)

5. STAFF REPORTS
(6:37 p.m.)

Comprehensive Planning Manager Terry Cullen reminded the Commissioners that officer elections were scheduled for the July 11 Commission meeting. He said the conversation regarding the East Main Land Use Code amendment would begin at that meeting as well.

A motion to allow Commissioner Morisseau to participate remotely in the July Commission

meetings was made by Commissioner Malakoutian. The motion was seconded by Commissioner Moolgavkar and the motion carried unanimously.

6. ORAL AND WRITTEN COMMUNICATIONS – None
(6:39 p.m.)

7. PUBLIC HEARING
(6:39 p.m.)

A. Threshold Review Public Hearing: 2018 Annual Comprehensive Plan
Amendments – Newport Hills Shopping Center Redevelopment

Senior Planner Nicholas Matz said the Comprehensive Plan is the city's foundational policy document. When amendments are made to it, the city's long-range direction is modified. Under the Growth Management Act, changes to the Comprehensive Plan are allowed only once per year. At the threshold review stage, the Commission makes recommendations to the City Council as to whether or not proposed amendments should be added to the work program. The proposed amendments that are added to the work program by the Council will come back before the Commission for final review.

Mr. Matz said the privately initiated site-specific Newport Hills Shopping Center application seeks to amend 6.4 acres of the Newport Hills subarea map from Neighborhood Business (NB) to Neighborhood Mixed Use (NMU). The amendment also proposes amending the relevant subarea texts to include references to Neighborhood Mixed Use, and policy LU-19 to include references to Neighborhood Mixed Use. He noted on the land use map the surrounding Comprehensive Plan designations and explained that the proposed amendment includes the main shopping center, the gas station, the former bank building, and one other property.

Mr. Matz said the recommendation of the staff was to advance the application out of threshold review and into final review for Council consideration. The application meets all of the threshold review decision criteria, including significantly changed conditions and consistency with plan policy.

With regard to significantly changed conditions, Mr. Matz said the context for the proposal is a commercial and community gathering space that has struggled to define how best to revitalize. The tools for successful revitalization include a willing community as defined in the Comprehensive Plan, which is the policy basis contained in the subarea plan and other plan policies. The tools also include willing businesses, a willing property owner, a realistic assessment of market conditions, and an effective land use designation. The changed condition decision criterion lies in the effective land use designation. The subarea plan when adopted in 1994 stated an intent to physically revitalize the community gathering space. Since then businesses and residents have adapted with varying degrees of success to the site's changing physical plant, and to changes in single purpose market conditions for aging neighborhood commercial centers, including the subject site and surrounding areas.

Continuing, Mr. Matz said the framework for plan consistency involves three areas of plan policy, namely aging commercial areas, neighborhood commercial centers, and adaptability as outlined in the Neighborhoods Element of the Comprehensive Plan. In some older residential areas, neighborhood shopping centers are experiencing high vacancies and are struggling to meet changing market conditions. More shoppers in the current retail market are choosing regional destinations, larger stores and online offerings. In order to remain healthy and attract private

investment, the land use mix and urban forms of smaller shopping center may need to be updated. In some areas, it may be appropriate to support a wider mix of uses to help fill gaps where there is less demand for traditional retail.

Bellevue has several smaller neighborhood-oriented centers such as Lake Hills, Northtowne and Newport Hills. The centers provide goods and services to local residents and also serve as important focal points and gathering spaces for surrounding communities. Such centers help to establish neighborhood identities through a unique mix of local stores, design and public art, which is certainly the case with Newport Hills. Maintaining the health of neighborhood centers is important. They are not expected to grow significantly, but they are expected to change over time.

Bellevue is a growing international world-class city and its neighborhoods reflect its past, its present and its future. They are not static, they are dynamic and they will continue to adapt and change while seeking to preserve what residents value the most. They will grow with new schools, businesses, parks and amenities, and they will reflect the market forces that respond to the changing needs and external forces that impact the community.

Mr. Matz said the Neighborhood Mixed Use designation is a tool that represents the opportunity to advance the Newport Hills Shopping Center application. The designation came into existence in 2015 and as such was not an option in 1994 when the subarea plan was initially adopted. The Neighborhood Mixed Use designation is a tool to be used in exploring further the significantly changed conditions and any unanticipated consequences to the policy that is driving the need to revitalize the neighborhood shopping centers. The adaptability talked about in the Neighborhoods Element will play a vital role going forward.

Mr. Matz said the staff report represents that NMU is a different revitalization tool that can be used to achieve policy implementation in Newport Hills, including the idea of residential and mixed use projects and emphasizing redevelopment that supports existing uses as well as offering opportunities for mixes of new uses. The NB designation provides only a modest range of essentially single-use functions and does not include housing as a key revitalization function.

Examples of two existing NB areas were shown to the Commissioners. It was noted that NB areas in the city are not always conventionally configured, which is certainly the case with the Bellevue Nursery site, but they are always recognizable elements of their local communities. The Walgreens at 140th Avenue NE and NE 8th Street sits on a small NB site. The first use of the new NMU designation was in Eastgate and involved the old Safeway site. Development under the NMU designation continues to provide a neighborhood focus and uses that serve the local neighborhood. By definition, NMU provides for a mix of retail, service, office and residential uses with an emphasis on neighborhood retail and service uses designed to be compatible with nearby residential neighborhoods and to be easily accessible from nearby office and residential uses.

The Newport Hills subarea plan specifically describes the commercial district as a place that provides goods and services for the neighborhood, and is also the community's focal point. It says both functions may be enhanced in the future through greater communication and cooperation between business owners and residents, and states that redevelopment opportunities in the Newport Hills commercial district could include a mixed-use component where retail and housing are integrated, adding that introducing housing to the neighborhood business area may help support a greater variety of retail uses.

Mr. Matz said while subarea policy clearly direct revitalization of the site, NB has not worked as a revitalization tool. It has similarly failed for small commercial areas elsewhere in the city. The 2016 Newport Hills Village amendment primarily proposed using the Multifamily-Medium tool, which is not what the subarea plan envisions or calls for, nor is it in line with citywide policy for the NB areas. That application was withdrawn given the uncertainty about how to sustain local business and maintain the third place role of the Newport Hills Shopping Center.

The Commissioners were informed that to date a total of 158 public comments had been received, all of which are available on the city's website and which will be retained as part of the record. Roughly two-thirds of the comments oppose the proposed amendment, and the balance were either in favor or seek additional information. The comments mostly represent interested and engaged residents, and whether they are for or against they demonstrate a carefully thought out intensity about what matters to the people of Newport Hills and their neighbors. Mr. Matz acknowledged that there are many voices in the Newport Hills community that are not heard through public comment submittals, but in the comments favorable to the proposed amendment reflect the enduring contribution of the local center to the community, a desire for attractive redevelopment, and the need for housing in Bellevue. Many of the opposing comments touched on the negative impacts of growth on traffic and schools, issues that are facing the entire city and as such are not exclusive to Newport Hills.

Mr. Matz chose to read in its entirety one of the submitted public comments in which it was stated that the shopping center is the heart of the Newport Hills neighborhood. It went on to say that the businesses serve the residents as well as foot traffic from the bus line, the elementary school, the swim club and the little office center. The restaurants located in the center do very good business and their food is top notch. Cornerstone Studio is beyond busy. The dance students as well as the martial arts students, the batting cage traffic and people from the soccer matches go to the local restaurants afterwards to celebrate victories and hang out with their families and friends. The Newport Heights school has after-school events ranging from concerts to science fairs and plays, after which the crowds walk to the shopping center to celebrate. The center facilitates thousands of different interactions every day.

Mr. Matz reiterated the staff position that the proposed amendment meets the threshold review decision criteria and that the Commission should recommend to the Council inclusion of the amendment in the work program. The proposal addresses significantly changed conditions since the last time the pertinent Comprehensive Plan map or text was amended in that there was an unanticipated consequence of the NB land use designation as a revitalization tool. The designation is not addressing new housing, sustaining local businesses or maintaining a third place role in the community. The proposal is consistent with current general policies for aging commercial areas, neighborhood commercial centers, and adaptable neighborhoods in multiple policies in the Land Use, Neighborhoods and Economic Development elements, as well as the Newport Hills subarea policies.

(7:07 p.m.)

A motion to open the public hearing was made by Commissioner Laing. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

Chair Barksdale opened the floor to comments from the applicant.

Ms. Nancy Rogers, a land use attorney with Cairncross & Hempelmann, spoke on behalf of the applicant Toll Brothers. She distributed to the Commissioners copies of written testimony that

included two exhibits, a short letter from the existing shopping center owner, and a letter from RCLCO, a real estate advisory firm hired to do a market study regarding the retail the site can support. She said two themes can be found in the public comments submitted to date. One is a concern about the process and the limited opportunity the public has to comment on or give input concerning what Toll Brothers wants to do with the site. The other is the issue of significantly changed conditions. Threshold review is only the first step in the public participation process. Public input can be submitted in written form as well as verbally at public meetings and public hearings both before the Commission and the Council. Once a proposal makes it through to final review, there are ample other opportunities for public input. The environmental review processes allow for public comment as well, and the rezone process ushers in even more opportunities for public comment.

Continuing, Ms. Rogers said the environmental reviews involve evaluation of issues of great concern, including traffic impacts. She pointed out that the Newport Hills subarea plan specifically calls for the type of mixed use development the NMU designation and rezone will provide. Comprehensive Plan Policy ED-24 calls for the same: the development of diverse, distinctive and well-defined places, facilitating the redevelopment of older neighborhood shopping centers, transforming those centers into high-quality and dynamic retail and mixed use commercial areas, all while providing for gathering places and a sense of community.

The Toll Brothers visioning and outreach process began in September 2017 and is continuing. Recently, color postcards were mailed out laying out the visions, plans and estimated timeline, as well as a continued invitation for the neighborhood to submit ideas concerning what they want to see.

The 50,000 square foot shopping center is not fully occupied. Tenants enjoy below-market rents. The real estate advisor hired to review the site believes the quickly evolving retail industry is rendering centers like Newport Hills Shopping Center obsolete. Toll Brothers wants to achieve a revitalized future condition. The real estate advisor concluded that the site can support between 17,000 and 30,000 square feet of retail, restaurants and services to serve the neighborhood. The uses should be located at the street edge for pedestrian access and street activation. The site should include community gathering places, both indoor and outdoor, and should have an integrated mix of residential and commercial uses. The Comprehensive Plan is clear that that sort of integration and mix of uses helps to enhance the sense of community at shopping center sites. Toll Brothers wants to see construction of the site phased over time, allowing current businesses to continue operating once construction starts and to move into new spaces once they are complete.

Ms. Rogers noted that there are seven decision criteria in the Land Use Code. She pointed out that site-specific suitability for development in conformance with the potential zoning classifications is evaluated during final review, not during threshold review. With regard to significantly changed conditions since the last time the pertinent map or text was amended must look back to 1994, the date the Newport Hills subarea plan was adopted with the NB designation.

The NB designation was adopted in 1994 with the stated intent of bringing about the redevelopment of the commercial district. Since that time, 24 years have passed during which the site has failed to redevelop. The current owner has allowed below-market tenants to occupy the spaces rather than to shut down completely, but there has been no redevelopment. Legally that means the vision and policies of the Comprehensive Plan have been frustrated, and that is an unanticipated consequence of the 1994 policy and therefore a significantly changed condition. Changed conditions on a subject property can also include growth of businesses; there is case

law in the rezone context specifically finding that in the Court of Appeals. The decline of businesses amounts to the same thing. Shopping centers like Newport Hills are obsolete and since 1994 businesses have left the site, those now occupying the site pay below market rate rents, and some rents are delinquent, all of which meets the threshold review criteria.

(7:21 p.m.)

Chair Barksdale opened the floor to comments from the public.

Ms. Michelle Hilhorst, a resident of the Newport Hills community at 6050 114th Place SE and a former Commissioner and Chair of the Commission, said she understands how difficult decisions can be. She said before the Commission is a request for a Comprehensive Plan amendment to move forward that would allow for a significant change to the Newport subarea, and an ultimate rezone from NB to NMU. She said she was a member of the Commission when the NMU designation was created, and she said it was not created for small neighborhoods, rather to create new neighborhoods and services in the Eastgate area that were adjacent to Lake Hills and to assist with the significant overflow population in relation to Bellevue College. The zone designation is intended to create additional housing, workplace neighborhood services, and enhance the quality of life for neighborhoods. It was created in the Eastgate area due to the location of I-90 and significant transit options. It was not intended to be used in small neighborhoods with limited arterials and without significant transit options. If applied to the Newport Hills subarea plan, the thriving neighborhood will be diminished. Creation of a new zone does not qualify as a significantly changed condition. If that was the case, every parcel owner in the city could make the claim, setting precedence for bedlam in Bellevue. The application clearly states the intent to allow housing to be part of the mix in revitalizing the shopping center, yet housing can already be added in the NB zone as small-scale mixed use commercial that provides housing opportunities and retail and service business for the surrounding residential community. The current NB already allows any developer to proceed with a mixed use option. Significant zoning changes to an area need to be addressed in the Growth Management Act subarea planning process. The Commission has been a voice requesting subarea planning updates to happen where they are long overdue, including Newport Hills. It has finally arrived with the city having begun the Neighborhood Area Planning program, which is a City Council priority through 2021. The process will allow everyone to be part of planning for current and future growth in the subarea. There is precedent for the Commission not forwarding an application through threshold review while recommending that the Council place the issue in a more appropriate work plan. The Commission was urged not to pass the proposal and to request putting it into an appropriate work plan.

Mr. Brian Tower, 6019 125th Avenue SE, said he has been a resident of Newport Hills for 20 years and has seen the neighborhood change over that time. He said he was opposed to the proposed amendment, primarily because NMU allows for R-30 housing, the most dense of all the city's housing zones. A similar proposal was brought forward two years ago. The shopping center is not in need of revitalization. There are new businesses across the street that appear to be doing well, and some of the businesses located in the shopping center have been in the same place for more than 20 years. The shopping center is a central gathering place for the neighborhood. High-density housing would create additional traffic. New development nearby is already creating cut-through traffic through the Newport Hills neighborhood to access I-405. Traffic backs up near the shopping center, in part because there are three schools within half a mile of the site and because cars coming down off the hill are trying to get to I-405.

Ms. Suzanne Baugh, 4728 116th Avenue SE, said she fully supports moving forward with the

Comprehensive Plan amendment process. She said she was not suggesting that the proposal put forward by the applicant is the right answer. There will be questions in need of answers and issues to be resolved, and moving ahead to final review is the logical step. The Newport Hills Shopping Center has been in steady decline for more than 20 years. Many from the community have spoken with staff in the planning department, both past and present, and Councilmembers, both past and present, about how to fix the eyesore. For many years the owner expressed no interest in upgrading the center. It has been known for years that the Comprehensive Plan for the Newport subarea would have to be amended and a rezone would need to be approved in order to make redevelopment financially feasible for a new owner. Going forward with the planning process will allow for getting factual data relative to traffic counts and future school enrollment. Toll's redevelopment plan should be critically reviewed. All facts should be looked at before stating unequivocally that redevelopment is a bad idea and that people in the Newport neighborhoods are opposed to any change in the shopping center property. The fact is the shopping center has been in decline for years and will never provide the level of services it once did for the Newport area. The current owner has neither the financial means nor the desire to remedy the current situation, a situation that will become significantly worse when the next real estate decline cycle happens. Many of the tenants in the center are on month-to-month leases, which means either the tenant or the owner can cancel the leases with 30-day notice without penalty, something that does not bode well for the long-term stability of the shopping center. The site is important to the neighborhood and it needs to be redeveloped in order to save it for the future.

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Mr. Robert Kroh, 11911 SE 64th Street, said he was a friend of the actor Ken Curtis. He said Mr. Curtis was a wonderful man, but few people knew much about him personally, thus they judged him on the character he played. They did not know that when Frank Sinatra left the Tommy Dorsey Band, Mr. Curtis was the guy who replaced him as the band singer. Too often people conclude that the part they see of someone is in fact all of them. The Newport Hills Shopping Center situation is similar. Currently things are being seen in part but not in whole, and more answers are needed. He said he has lived in the area for 33 years and has found it to be a place with wonderful neighbors and great solitude. He said he hoped the Newport Hills project will not bring an end to that. The Commission was urged to think carefully before making a decision that may cause pain for many families and bring an end to the shopping center. Many may have to move because of heavy taxation and traffic. People in the neighborhood are disappointed, deflated, diluted, despairing, despondent and disillusioned.

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Mr. Chris Rowland, 6437 129th Place SE, said he opposed the Newport Hills Shopping Center rezoning. He said he has lived in Newport Hills for 11 years and that his wife and her brother grew up in the neighborhood with their parents who still live in Newport Hills and have for 42 years. The picture shown by the lawyer for the applicant was likely taken early in the morning when none of the businesses were open in support of the argument that the center is obsolete. In the evening hours the parking lot is full, and he said he knows that because he frequents most of the businesses there. The center is anything but obsolete. The center is not in the best of shape and the neighborhood would love to have it look nicer, but the property owner does not want to do anything other than to make a quick buck by selling it to an out of town developer who does not care about the neighborhood. There is plenty of traffic in the neighborhood and more is not needed. The middle schools in the area are all being redeveloped, which will take two years, and in the interim all who go to the Ringdall school must be transported in or driven in, which creates traffic problems. He argued against the notion that there are marginal businesses in the center because they are thriving in their current places. The city has a responsibility to the citizens of the community including the residents of Newport Hills. He asked all in the audience who opposed the proposed amendment to stand.

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Ms. Ellen Rowland, 6437 129th Place SE, said in 2016 when faced with a proposal that was very similar to the current one, the Commission unanimously voted not passing it to final review. The Commission at that time found no significantly changed conditions with respect to the Newport Hills Shopping Center parcel. There are no more significantly changed conditions currently than there were two years ago. There are many things that do not constitute significantly changed conditions, including the passage of time, the housing demand, an owner wanting an upzone, a developer wanting to see housing, the creation of a new zoning category, key Councilmembers pushing for the project, and increased tax revenue for the city at the expense of neighborhood livability. Everyone knows that the city is growing and that change is inevitable. However, the job of city planning and elected officials is to manage growth and change to best benefit those who live and work in Bellevue, both currently and into the future. That includes preventing good things from being destroyed unnecessarily. There is no need to allow Toll Brothers to turn the Newport Hills Shopping Center into a housing development. Bellevue's Comprehensive Plan recognizes the projected future need for housing in the city and provides for nearly all of it to be developed in growth corridors as required by the Growth Management Act. Newport Hills is not anywhere near a growth corridor, and whole tracts of new housing are already being developed on lots already zoned for new housing to the north, south and east of the neighborhood. There is no need to allow Toll Brothers or anyone else to make an end run around the appropriate time, consideration, effort and public discussion that should be undertaken when making changes to a parcel as crucial as the Newport Hills Shopping Center is to the surrounding neighborhood. The appropriate forum for considering such changes is the subarea update process. There is no emergency and no need to rush. Bellevue should not even consider skipping the neighborhood area planning process for such a proposal. The city should not bend over backwards to accommodate the Toll Brothers at the expense of a unique neighborhood. She said she grew up in Newport Hills and knew the shopping center as it was. It is not what it was but it has evolved and is continuing to serve the community.

Ms. Charlene Thomas, 12015 SE 52nd Street, said she was very emotional from hearing all that has been going on. She said if new housing is put on the shopping center site, the community will not be able to take it. She said she knows of one single family home that had three families living in it, and there were 15 to 20 cars associated with the house. The community had to put up with the extra traffic. The businesses that are at the shopping center are wonderful and the neighborhood depends on them and use them constantly. She said she personally uses the businesses once or twice a week. Traffic is already bad in the area and it can take 40 minutes to get to the bottom of the hill. There are elderly persons living in the neighborhood who may one day need medical assistance, and the fear is that emergency vehicles will not be able to get through the traffic. If the Commission approves the proposal, it will be a done deal for the neighborhood.

| Mr. Chris Adams, 5908 126th Avenue SE, said he is one resident of a six-person household that includes children aged one and three. He said he moved his family, including his in-laws, from Seattle to Bellevue for several reasons, including wanting the best for the children, and Bellevue has one of the best school systems in the nation. If the Toll Brothers proposal is approved, the education of his children could be affected as classrooms are already nearly at capacity. Adding more will put both teachers and children at a disadvantage. The city should not do anything to jeopardize its reputation as having a premier public school system. With regard to traffic, he noted that on any given Saturday or Sunday between the hours of 7:00 a.m. and 9:00 a.m., or between 3:00 p.m. and 6:00 p.m., it takes only two to five minutes to get to I-405 or I-90. During these same times on a given weekday, it regularly takes between 15 and 30 minutes to make the same drives, and in some extreme cases it can take 40 minutes or more. If the proposal is

approved, nearly 300 new vehicles will be added to the neighborhood. He said everyone in his household patronizes the small businesses located at the shopping center several times per week. None should be lost, but the proposal might do just that. The Commission was urged to reject the proposal for rezoning the Newport Hills Shopping Center, and to disregard any commentary from real estate agents and professionals, some of whom do not live in the community, who support the rezone proposal for financial reasons and with little regard for the community.

Mr. Greg Lovern, 12460 SE 60th Street, said he purchased his home in Newport Hills 17 years ago just around the corner from the shopping center. He said his three kids have grown up with and frequented the businesses in the shopping center. The restaurants are excellent as are the other businesses. The landlord complains about not being able to get more tenants but does nothing to fix broken heating and plumbing. It should be no surprise that they cannot attract tenants to a run-down building. If Bellevue had slumlord laws like those of other jurisdictions, the owner would likely make more in rent. He said he has lived in numerous cities and neighborhoods during his lifetime, but none of them had anything close to the neighborhood cohesiveness Newport Hills has. Certainly none has enjoyed so much diversity. The neighborhood is special, remarkable and unusual. The notion that the shopping center is a ghost town that is unable to support itself is false. The place is hopping on any weekday evening. The proposal would replace most of the shopping center with townhomes, leaving only a tiny strip of retail, ripping the heart out of the neighborhood for the sake of allowing the owner to make more millions than otherwise. The existing zoning allows for constructing approximately 85 residential units on the second floor above businesses, which is a lot for the site. The neighborhood has heard that there is a developer wanting to buy the site and redevelop it under the existing zoning. The Commission should deny the rezone and ask the owner to abide by the law.

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Ms. Anne Wilson, 5019 127th Place SE, said she and her family of five visit the Newport Hills Shopping Center on a daily basis. She said her children learned to bike, scooter and walk there. It is important to her for her children to have a close by location for dance, baseball and food, and it is also a benefit to Bellevue by saving trips. Toll Brothers intends to put businesses on the street edge, but probably not ~~taekwondo~~ or dance studios, and maybe not restaurants. Street edge businesses will be those that need less parking. There has been discussion of the fact that the subarea policies are outdated, yet Toll Brothers cite it in favor of the proposed zoning change. The Commission was asked not to use an outdated policy either for or against, rather it should be redone.

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Ms. Jeannie Marquardson, 11808 SE 49th Place, stated that years ago when city staff went door to door asking for support for annexation from Newport Hills into Bellevue, the residents were promised three things: better police response, which happened; lower utility rates, which did not happen; and more parks, which the residents are still waiting for. The city decided to renovate the one county park by removing the grass and installing turf, and those who can use it are associated with organized sports and they must be scheduled. The city did turn some vacant land into a dog park. Park facilities for kids and families are still needed. Meanwhile the city has spent tens of millions of dollars on parks and community facilities in Eastgate, Crossroads, Meydenbauer, Enatai, Kelsey Creek, Lake Hills, Bridle Trails, Wilburton, Highland Park, Robinswood, Lewis Creek, Lakemont and Downtown Park. All Newport Hills has gotten from the city over the last 15 years are two signs pointing to the shopping district and improvements to a trail along Coal Creek Parkway to the water retention facility built to protect Newport Shores. As modest as it is, the Newport Hills Shopping Center is the heart of the community. The commercial district is the nucleus. There is a need to address major transportation issues and to provide pedestrian links. The rezone will not help achieve any of the subarea's goals. It will not help to revitalize the commercial nucleus or serve the community. The owner can already build a

number of residential units on the property under the current zoning, and the rezone is wanted so the owner can maximize the number of residential units. The city knows that once rezoned, the commercial businesses will disappear and instead there will be a Starbucks and a hundred condominiums with traffic to further choke the streets. The neighborhood center should not be turned into a block of condominiums. Instead, the city should establish policies that encourage commercial growth in the center, support recreation facilities on the site, provide space for community children's programs, and consider partially purchasing the site for a small park.

Mr. Bill Thomas, 12015 SE 52nd Street, said he has lived in Newport Hills since 1979. He said he served on the Bellevue police department for 32 years, retiring in 2004 as a major. He said as a captain he was in charge of community policing programs for the city, including community stations and the community academy. Outreach to the neighborhoods was an integral part of the program because vibrant neighborhoods result in less crime and people who watch out for each other. The Newport Hills Shopping Center is part of the vibrant Newport Hills neighborhood. For years it has served as a place for the community to gather and a place where kids can be safe. Adding condominiums and taking away the good stores and gathering places will help reduce crime, it may even cause more problems, like parking and traffic.

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Ms. Chris Christison, 5905 125th Street SE, said she strongly opposed the proposed rezone. She said she has lived in Newport Hills for 28 years. The proposal will result in no benefit to the neighborhood. It will not benefit Newport Heights or Newport Hills. Allowing the proposal will diminish the quality of life for the area. If approved, the schools will suffer with overcrowding, traffic will become worse, and the little shopping area that means so much to the community will be taken away. Allowing the owner to make more money is not a good reason for changing the zoning. The Commission was asked to protect the neighborhood by denying the request.

Mr. Shaun D'Silva, 5720 122nd Place, #180, said he lives directly behind the Newport Hills Shopping Center. He said he has lived in the neighborhood for his entire life having been born and educated there, and having had his children born and educated there. The playfield everyone talks about used to be a big mud bog and he said he remembers the time when the community raised the funds to buy the site and build and develop it. Newport Hills is a unique place. He stressed the need to remember back in the mid-70s when there were two grocery stores, a drug store, a barbershop, a beauty salon and a Dairy Queen in what was then a thriving center. The property owner has stopped investing the site and is not spending any money to make it nice. The opportunity now exists to change the site and make it better. The idea that all of a sudden Toll Brothers has a secret plan and that they will fool everyone by springing a new plan on everyone is patently ridiculous. Threshold review is only one step in a process that needs to be moved forward, a process that will involve the community in a deep and meaningful way. He urged the Commission to move the process forward so the hard data can be acquired and so the necessary conversations can be held. Many parents now drive their kids to school instead of letting them walk, and they are thus creating more traffic. There are some excellent businesses in the shopping center who are doing very well, but the center is tired and is in dire need of an upgrade.

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Mr. Jim Grossnickle, 6050 114th Place SE, spoke representing the Newcastle Pony Baseball Club. He said it would be devastating to the club, and also to Bellevue East, Bellevue West and Bellevue Thunderbirds little league baseball organizations, to lose Stod's Batting Cage. Currently there are no indoor baseball facilities anywhere in the region that are open to the public where teams can practice during the winter months. The next closest facility is in Kent. The facility will be lost if the rezone goes through. The business is an absolute necessity to all area baseball clubs, including clubs from Renton, Mercer Island and Issaquah, even some from West

Seattle. There are some 5000 kids in the various little league clubs, and the total is more if adult and high school baseball teams are included. The fact that many of the businesses are on month-to-month leases, but that is the case because the owner is trying to sell, not because the businesses are having trouble.

Ms. Ellen Henneman, 5636 118th Avenue SE, said she is not a very sentimental person. She said she has lived in Newport Hills for five years and during that time has learned that dilapidation of the Newport Hills Shopping Center site has been the result of a strategic maneuver by the owner to force a decision crisis. The suggestion that the proposal represents the only chance to revitalize the center is false. The neighborhood generally supports revitalizing the center, but there are a wealth of choices between dilapidation and rezoning to allow 130 condominiums. The city is good at finding the middle ground. Toll Brothers has been clear about what they want to do with the site and they do not appear to have any hidden motives, but it is not the neighborhood's responsibility to allow them to do whatever they want. Their community outreach included pictures of California-style developments that include almost no retail uses, all of which would be very foreign to the neighborhood. It can be extrapolated that Toll Brothers will not be doing more community outreach later if they do not have to do it now. Threshold review may be only one step, but that threshold should not be crossed.

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Ms. Marianne Lee, 11627 SE 58th Street, said she has been a homeowner in Newport Hills since 2007. She said she walks her kids to school and shops locally. She shared with the Commissioners a photo she took on a Tuesday night showing the cars parked in the Newport Hills Shopping Center parking lot. She urged the Commissioners not to take as gospel the glossy pictures taken early on a weekday morning by a company that can make millions on a rezone. Newport Hills Shopping Center is a viable property. It is nearly at the full capacity of the currently neglected state. Like more Neighborhood Business zoned areas, it could be at full capacity. It is not in Bellevue's best interest to allow any company to maximize profits by changing existing and reasonable zoning laws that protect neighborhood commercial centers. The deadbeat landlord is driving away business in order to accomplish the rezone that will allow for almost doubling profit in a sale. The newest potential buyer, Toll Brothers, plans to build limited retail and luxury housing. The Council has promised publicly to protect the neighborhoods from densification. The Comprehensive Plan mandates preserving the unique qualities of each neighborhood and preserving neighborhood quality of life. The private sector's desire to maximize profits by violating the city's requirement to direct growth into designated areas damages both the neighborhood and the city. Growth should remain in the designated growth corridors, which does not include Newport Hills. If the rezone is approved, it will stand as an example of growth not being contained by thoughtful government management. The number of people present to oppose the rezone, just as was the case in 2016, should stand as an example of how important the issue is the community. The current zoning is the correct zoning. The issue should be resolved in a way that will bring continuity to the neighborhood families and businesses. The proposed rezone should be refused in a manner that will send a strong message that the city supports growth in accordance with its goals and the Growth Management Act, and in a way that will make it known that multiple rezone attempts to wear down neighborhoods fighting for their unique integrity will not be tolerate.

Mr. Alexander Flett, 12626 SE 59th Street, said he was opposed to the Newport Hills Shopping Center rezone because as a student at Newport Heights elementary school for five years he has walked to and from school every day on sidewalks that are already crowded with existing residents. He said he could not imagine adding the residents of 130 luxury townhomes to the mix. Walking home has become increasingly dangerous because of the congestion of cars on the one-lane two-way road of 119th Avenue SE. At school, the overcrowded classrooms make it

difficult to get basic help from the teachers. Three portable classrooms have had to be added to the brand new school buildings. Newport Heights elementary does not have the space for the increase in population density that would result from approving the rezone.

Ms. Mary Flett, 12626 SE 59th Street, said she has been a resident of Newport Hills for eight years. She said she understands the obligation of the city to provide for the region's need by increasing the housing stock within existing boundaries. However, to do so by demolishing the Newport Hills Shopping Center so that Toll Brothers can develop the site into 130 luxury townhomes will create more problems than it will solve. Luxury housing is not affordable housing and will not solve any housing problems. Changing the zoning as proposed will not benefit the existing neighborhood, rather it will only serve to deliver to Toll Brothers a billion windfall by letting them buy low and sell high. They will take the money and run. Neighborhood Mixed Use zoning is a designation intended for areas that are well-served by transit, which Newport Hills is not. The neighborhood is a residential community and is home to people who believe real meaningful community happens in physically shared space. The country is currently experiencing the effects of extreme divisiveness, in part because society has forsaken shared meeting spaces where questions can be asked, dialogs can be held, and listening to differing ideas can occur in a shared space. The Newport Hills Shopping Center is such a place. There is language in the Comprehensive Plan about the importance of neighborhood shopping centers and it should not be disregarded. Everyone agrees that the shopping center is in need of revitalization and that is because the current owner has been a classic slum lord. Approval of the rezone will signal complicity and will reward his bad behavior and will call the city's integrity into question. It is not hard to see corruption and backdoor dealings going on, especially where money is involved. The blatant disregard by the city and Toll Brothers of what the residents of Newport Hills want and need ends up turning the public hearing process into a sham. Approving the Comprehensive Plan amendment and rezoning the Newport Hills Shopping Center site will have the devastating consequences of pricing out the current tenants and significantly reducing shared community spaces from 80 percent to less than 20 percent. Filling the existing space with 130 luxury townhomes will exacerbate overcrowding in the schools and the roadways. She noted that 675 people signed a petition.

Ms. Kari Lewis, 5852 129th Avenue SE, said she is a new resident to Newport Hills, having moved to the neighborhood a year ago from Everett. She said she moved to the neighborhood for the sake of her four children. The education offered in Bellevue is fantastic. The classrooms are crowded, though, and with high-density housing will come a lot more kids in the same number of classrooms with the same number of teachers. The property owner's representative suggested the classroom overcrowding is a problem everywhere, and that is true, but that does not mean the problem should be made worse by adding high-density housing. Newport Hills is a community that comes together to fight for causes it believes in. The community wants a community place to be together with families and friends.

Ms. Stephanie Walter, address not given, said there are no changed conditions warranting a change to the Newport Hills Shopping Center site. Cities have the capability of providing something for everyone, but only because and only when they are created for everyone. Keeping the site as it is fits with the Comprehensive Plan. The Comprehensive Plan calls for maintaining neighborhoods as safe and welcoming environments for everyone to enjoy, and for promoting community connections that strengthen the social fabric of neighborhoods, including supporting local community associations, community clubs, community centers and school organizations. The Comprehensive Plan also calls for providing venues for two-way communication with residents to listen to and respond to emerging neighborhood opportunities and concerns; supporting the capacity of local neighborhood communities to actively engage and respond to

changing internal neighborhood needs and external stresses; preserving and developing distinctive neighborhood character within Bellevue's diverse neighborhoods; and enabling neighborhood-tailored solutions to localized issues while ensuring that they meet citywide responsibilities. Growth corridors have been identified in Bellevue, and Newport Hills is not one of them. Adding a new zone to the zoning code is not a changed ~~condition~~. Changing the makeup of the Planning Commission is not a changed condition. If it is shown that changing the makeup of the Commission can change previously unanimous agreements, there could be the appearance of undue influence. Since a single Councilmember makes the determination of appointments and reappointments of Commission members, it is important not to give the appearance that a single person may have changed the makeup of the Commission in order to change the outcome of a unanimous Planning Commission agreement.

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Mr. Kim Herman, 4545 119th Avenue SE, said he is currently a resident of Lake Heights but previously lived in the Newport Hills neighborhood for more than 20 years. He said he would like to see the Newport Hills Shopping Center revitalized. It is dilapidated and needs to be upgraded. He agreed with the testimony offered by Ms. Baugh. He said he has not talked with a representative of Toll Brothers, but two years ago he testified that having a lot of new housing in the shopping center would be a good idea, unless it involved senior housing. He said he did not have accurate data concerning issues in Newport Hills, including traffic, and what the plans are. He said he was concerned about traffic congestion and with the other issues that have been raised. Waiting for the subarea plan to be updated could mean waiting eight to ten years. Approving the proposal to go forward to final review will not mean a new zoning plan will be approved, only that the details will be looked at more closely to determine what will be best for Newport Hills.

Commissioner Carlson raised a point of order. He said the issue before the Commission, threshold review, is supposed to center on whether or not there are significantly changed conditions on the subject property or in the surrounding area. The focus is not on whether or not any proposal is a good idea or a bad idea. That being the case, he said he would urge the Commission to give precedence first to speakers wanting to address either side of the particular significantly changed conditions issue. He noted that a couple of speakers had touched on the issue, but more should be heard on that specific focus.

Chair Barksdale said his concern was that the public hearing did not begin with a statement limiting community input specifically to the issue of significantly changed conditions.

A motion to give preference to speakers on either side of the issue of significantly changed conditions was made by Commissioner Carlson. The motion was seconded by Commissioner Morisseau.

Commissioner Morisseau stressed the importance of allowing all who showed up the opportunity to speak. She said so long as that happens, she would not oppose giving precedence to those wanting to address the seven threshold review criteria.

Commissioner deVadoss said it might make it easier to simply ask each speaker to emphasize their view on the issue of significantly changed conditions rather than to try reprioritizing the list of speakers.

Commissioner Laing agreed and stressed the significantly changed conditions is only one criterion the Commission must address. The Commission's discussion in determining whether or not the move the proposal forward must be limited to the criteria, and public testimony focus on

the criteria will be the most helpful. He added, however, that he would not tell anyone what they should or should not say. He said it would not shorten the meeting to give priority to those wanting to specifically address the issue of significantly changed conditions, but asking the speakers to give input that speaks to the criteria will facilitate a better conversation.

Commissioner Carlson withdrew his motion and Commissioner Morisseau her second to the motion.

Chair Barksdale asked the speakers to focus their comments on the seven threshold review criteria.

A motion to extend the meeting to 10:00 p.m. was made by Commissioner Carlson. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

Mr. David Cosnowski, 5652 125th Avenue SE, said he has been a resident of Newport Hills for 14 years. He said he opposed the change based on aesthetics. The neighborhood is simple and the shopping center is simple. The NMU designation allows for taller buildings of possibly up to 75 feet, and the developer will likely seek to maximize the volume, the result of which would totally destroy the character of the neighborhood. Traffic and school density are equally important reasons to deny the proposal. He said he did not look into significantly changed conditions but suggested that recently things have gotten better with great restaurants and other uses. The place is admittedly cosmetically challenged. Toll Brothers has a very urban focus and what they are proposing will not fit in the Newport Hills neighborhood.

Ms. Cheryl Rolcik-Wilcox, 12221 SE 59th Street #76, said her townhome is next door to the shopping center. She said she addressed the Commission two years ago when the shopping center was being discussed and she noted that her view had not changed since then. The proposal would not be good for the community. The city has changed dramatically over the years. Factoria used to have nothing but a drive-in theater and a strip bar, and the downtown was not much with little traffic. As new roads were built, they were built wide in an obvious nod to the change that was coming. The change that has occurred in the downtown was expected by everyone. Newport Hills does not have wide roadways and it will stay that way unless the city starts tearing down houses to widen the roads. What has been proposed for Newport Hills does not belong in Newport Hills. She said she was not opposed to redevelopment of the shopping center to add more retail space, provided it continues to serve as a community gathering space, which it has been for many years.

Mr. Ted Yelman, 11614 SE 49th Street, said he has lived in the Newport Hills area for a little over 50 years. Over that time there have been ups and downs. The Red Apple grocery store came and went, as did the Thriftway and Albertsons grocery stores. The center is not a horrific eyesore crying out for redevelopment. As it is, it is perfectly satisfactory. He said he spent his professional life as an engineer conducting risk analyses. He said benefits that will flow from the proposal will primarily accrue to the property owner, and the neighborhood will really gain nothing and will in fact shoulder the risk. There is no need to move the proposal forward.

Ms. Carolina Silverberg, 11667 SE 58th Street, said she has been a Newport Hills resident for 19 years. She said to her knowledge there are no significantly changed conditions since the last rezone request. The flyer mailed to the neighborhood by Toll Brothers has great pictures and portrays an appealing sunny scenario. However, the flyer states in regard to the retail space that it will only be enabled if an anchor tenant fills about half of the space. Toll Brothers hosted a meeting at the Newport Hills Swim and Tennis Club where it was stated that if an anchor tenant

is not secured, the retail space will be significantly reduced or eliminated in favor of adding more housing units, 160 to 180 units and up to four stories tall. The shopping center provides a great service to the residents that goes beyond what can be acquired through online shopping. The center is not obsolete and there is plenty of activity in the afternoons and evenings. The current zoning allows for a mix of residential units and retail and those possibilities should be explored. The quality of life of all residents would be permanently impacted if the proposed rezone were to be permitted to move forward.

Ms. Ronda Woodcox, 12554 SE 53rd Street, said in her opinion there have been no significantly changed conditions since the last review. If anything, the center has become more robust and more used and more vital. She said when she purchased her home six years ago she was concerned about the center, but now she sees the center for what it is, which is the heart of the community. There is a misconception that the neighborhood is opposed to seeing the center revitalized. The center could certainly be improved and made better, but it is useful the way it is. The community should not be penalized for decisions made by the property owner to let the center dilapidate. The center should not be allowed to redevelop with mostly housing and little retail. The property owner says the site is not being used to its full potential, but in fact it is and the parking lot is usually full. What the residents value most is the shopping center, the retailers and the services that are there. It has been claimed that there have been nothing but failed attempts to revitalize the center over the last 25 years, but there has been no attempt to add residential uses.

Mr. Chris Trentham, 5411 118th Avenue SE, said his family has lived in Newport Hills for six years. He said his family has fallen in love with the hill and the community, including the shopping center. The center is visited at least three times a week for scheduled activities and more often for non-scheduled activities. The proposed rezoning, which is nearly identical to the proposal from 2016, provides no benefit for the community, only to the developers. Traffic, school overcrowding and walkability are all current concerns of the community, all of which would be significantly impacted for the worse by the proposal. The Newport Hills Shopping Center does need some renovation and maintenance, but that does not mean complete destruction of the community hub and introducing overcrowded residential units into a neighborhood that cannot sustain it. The current NB allows for residential development and there is no compelling reason to change the zoning. Rezoning the site would provide no benefit to the community. The city should entertain development options that fall under the current zoning. There have been no significantly changed conditions over the past two years.

Mr. Neal Hines, 6448 129th Place SE, said he agreed with those who had indicated there have been no significantly changed conditions. The Newport Hills Shopping Center is a quality of life issue. The neighborhood gets a lot out of the businesses there. Neighborhood walkability and bikeability are important to the neighborhood. The Growth Management Act is about managing growth, and that is what needs to happen in Newport Hills. Growth should not be unmanaged through an excuse of not having an anchor tenant. The NMU is not designed for existing neighborhoods. The neighborhood does not want unrestrained growth and density. Traffic and crowded schools are of concern to the neighborhood and should be considered.

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Mr. Keith Woodcox, 12554 SE 53rd Street, shared with the Commission a chart showing in green the people who have said the proposal should be moved forward, in yellow those who have only requested additional information, and in red those opposed to the proposal. He noted that the amount of red far outweighed the green. He pointed out that the bulk of those shown in green were from people living in Lake Heights, not Newport Hills. Those who are opposed are most likely to utilize the neighborhood center as it is and to recognize it as the neighborhood's third

place. The comments from those who are opposed are far more thoughtful and considered. He urged the Commissioners not to be lured by a shiny new development.

Ms. Sarah Roubinet, 11828 SE 66th Street, said she has lived in the Newport Hills neighborhood for three years. The request to rezone the Newport Hills Shopping Center and to change the Newport Hills neighborhood area plan is inappropriate outside of the neighborhood area plan update process. The process should involve the city and should not be driven by residents rather than out-of-state development companies. The Commission should recognize the fact that the mere existence of a new zoning category does not equate to significantly changed conditions. The threshold review criteria have not been met and the Commission must recommend not moving forward from threshold review. The city should put Newport Hills first in line for the neighborhood area plan update, something Deputy Mayor Robinson said at a 2017 candidate forum. The city must address the issue of zoning during the neighborhood area plan update along with the residents' vision for neighborhood character, connectivity and walkability. The planning department should get involved and start working with both the neighborhood and the center owner. Nothing has been done to help Newport Hills since the 2010 Heartland study, which was done in the midst of a recession and which is now grossly outdated given the growth and opportunity in and around Newport Hills. The planning department should assist the Council in creating and enacting codes that will prevent commercial property owners from purposefully allowing their properties to deteriorate and blight the residential communities in which they sit. The economic development staff could assist by bringing to the table buyers and developers willing to work within the NB zone. Such developers do exist.

Mr. William Dennis, 5611 125th Avenue SE, said livability is why he chose to move to the Newport Hills neighborhood. He said he moved to the neighborhood because of the community, which is everything to his family. He said a landlord allowing a property to deteriorate constitutes a significantly changed condition. The landlord has systematically allowed the property to deteriorate in order to manipulate the current process. The Commission should recognize that nothing has changed with regard to businesses in the neighborhood, all of which are fully supported by the neighborhood. Nothing has changed but the condition of the property.

Ms. Ann Brashear, 5254 116th Avenue SE, said she is part of Friends and Family for Newport Hills, a committee of concerned residents represented by Rich Arambaru, who submitted a letter to the Commission detailing his legal conclusions concerning the matter before the Commission. Reading from his conclusions, she said the Toll proposal does not meet the threshold review decision criteria and should not pass to final review. On its face the Toll proposal does not modify the Newport subarea plan or its policies, it is simply a request for a rezone from NB to NMU, which is not a matter appropriately addressed through a Comprehensive Plan amendment. The future of the Newport Hills Shopping Center cannot be considered in isolation because the entire Newport Hills community depends on how the center fulfills the synergistic relationship with the surrounding area. The magnitude and complexity of the issues call for a holistic approach that can only be accomplished through neighborhood area planning. Everyone needs to understand what the Toll proposal would do and why Toll is requesting it. Toll Brothers is seeking NMU zoning as a means to eliminate the very retail and community uses that are so important to the Newport Hills neighborhood. The proposal is a Trojan horse to eliminate protections for the community by allowing two dramatic changes from NB zoning. NMU zoning allows building heights up to 75 feet, which is more than twice the current limit. While NMU zoning nominally requires business uses on the ground floor, there is a mechanism for avoiding the requirement buried in the footnotes in the code. A departure from the requirement for ground floor business uses can be granted without any public disclosure, process or appeal. The applicant is seeking NMU zoning with the opportunity to do business with the city outside the

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public participation process. Finally, the application does not present significantly changed conditions as required by the threshold review criteria. The applicant must present substantial evidence that conditions have so markedly changed in the neighborhood that a rezone is required in the public interest, but there have been no such changes in Newport Hills since the Council adopted the current Comprehensive Plan in August 2015. The staff report mistakenly contends that the adoption of NMU zoning is a changed condition for Newport Hills. That would mean any change to the code would mean open season on zoning and Comprehensive Plan amendments. The plan policy identified in the Comprehensive Plan is revitalization of the Newport Hills Shopping Center as a community retail feature. The proposed rezone actually conflicts with the plan intent for revitalization of the community center by turning the Newport Hills Shopping Center into a large residential development. The matter should be considered as part of a neighborhood area plan review process or as a rezone.

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Mr. Larry Coupe, 4720 125th Avenue SE, said he has lived at his current address for 46 years. He said he has seen nothing done to improve the shopping center but was opposed to the Toll Brothers proposal. He said he likes things as they are. Newport Hills is a residential community in which the residents can walk and drive to.

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Ms. Riley Wolff, 12505 SE 65th Street, said NMU is a zoning category that was adopted by the city only recently. While the name sounds innocuous, it is anything but when a developer tries to inappropriately apply it to a small neighborhood shopping center. NMU was one of three new zoning categories created during the Eastgate/I-90 land use and transportation project. Also created at the time was EG-TOD and OLB-2, and the three categories were created to bring increased housing, office and commercial density to the Eastgate/I-90 area in support of the upcoming ST-3 light rail line to Issaquah and the growing Bellevue College. NMU is a complement to transit-oriented development because of its flexible housing allowance based on floor area ratio. NMU also contains a clause that would allow city staff to grant a departure that would allow a developer to bypass the requirement for housing to be on the second floor above. The same departure does not exist in the NB zoning except in special use cases associated with senior housing. It is the departure, not a failure with NB zoning, that makes NMU so attractive and necessary for Toll Brothers. Without the departure they would not be able to significantly decrease the retail portion of the proposed development to practically nothing while replacing it with a massive number of townhomes and standalone housing units requiring ground floor use. Toll Brothers is a housing developer and makes money selling housing, not by providing retail services for neighborhoods. NMU zoning has its place and is appropriate for the DASH Glendale property. That site is close to a light rail station and is on the main arterial of NE 8th Street and thus has access to good bus service. NMU zoning is appropriate in other areas of the city as well for similar reasons, but it does not make sense for a small neighborhood center like Newport Hills which has limited ingress and egress and limited transit service. The Newport Hills Shopping Center site is not a transit-oriented development site nor will it ever be. It is not the responsibility of the Newport Hills neighborhood to provide Toll Brothers with maximum profits to the detriment of quality of life and neighborhood character. The Neighborhood Element of the Comprehensive Plan supports the role of the neighborhood shopping center as important third places and the city should do everything possible to support that. The Commission and the Council should say no to a rezone. Rainier Northwest needs to understand it can keep asking for rezones but that they will not be granted. Rainier Northwest should be encouraged to sell the Newport Hills Shopping Center property to an NB-focused developer. If the property owner claims there are no such developers, the city's economic development department should get involved instead of just ignoring the neighborhood. If the property owner does not come to the table, the city should enact codes that address the commercial blight Rainier Northwest is allowing to happen by refusing to properly maintain the site.

Mr. Dan Sherman, 12033 SE 52nd Street, said he opposed the proposed rezone. He said there have been no significantly changed conditions since 1994. If anything, the only changed condition is to the shopping center as a result of the poor upkeep and lack of investment put into supporting the existing tenants. He said he has lived in Newport Hills since 2006 and chose the area because of the proximity and ease of access to I-90 and I-405, and because of the great shopping center that has all he needs for his two sons. He said he has gone out of his way over the years to support all of the businesses. A change to the existing zoning would slash the existing needed services to essentially zero. That would not be a win for the residents of Newport Hills. Traffic is a hot mess in Newport Hills and the last traffic study was completed in 2010. He suggested the Commissioners should come to the neighborhood and check it out. It can take nearly half an hour to get down the hill to the freeway. The current zoning already provides for 85 housing units, which would have a significant impact on traffic and parking, as well as on the school crowding issue. If the landowner wants out and Toll Brothers wants to build, the landowner should lower the sale price and allow Toll Brothers to build under the existing zoning.

Mr. John Eliason, 5311 129th Avenue SE, said he has lived in the neighborhood on and off for the last 20 years. He said in his professional life he has experience in building master planned communities, including projects like Redmond Ridge and Trilogy. He said he moved to Newport Hills in part to see how the master planned community evolved and how it would be protected. Zoning is important to master planned communities in that it is the thing that creates the protections needed. What keeps happening is the city trying to pull one piece out of a larger whole to make things work. The Commission should consider that the retail use protects the city of Bellevue by creating internal trips, which keeps trips on the hill and off of other Bellevue streets. The zoning being proposed would never be proposed for the project that is being proposed. He suggested that significantly changed conditions should apply to the particular project. The parking ratio for the individual units that could result is only 1.0 for a luxury apartment, which makes no sense unless there is transit. The economy has improved, which means the retail uses are doing better. The current zoning is keeping the shopping center alive, even with the challenging property owner. As the economy continues to improve, the shopping center will continue to get better and people will want to stay on the hill, creating a deterrent to traffic leaving the city. Everything Toll Brothers has proposed can be done with NB zoning.

Mr. Dan Murray, 4627 125th Avenue SE, said he sent in a letter opposing the proposal for all the reasons others have voiced. He said he included in his letter a picture of the traffic along Coal Creek Parkway trying to get up to Newport Hills. There is so much traffic going up that cars cannot fit into the turn lane, making it necessary for them to sit in the middle of traffic with I-405 south trucks coming right off their bumper. More housing will make things worse. Toll Brothers is considering 180 townhomes, but the city is also considering 68 townhomes on 125th Avenue SE. Kids living in that area go to Newport Heights elementary, which is already overcrowded. Many parents will need to drive their kids to school. It used to take five minutes to travel to QFC in Factoria, now it takes up to 45 minutes. The city should send its code enforcement people to the Newport Hills Shopping Center to take a look at the issue of dilapidation.

Ms. Heidi Dean, 11661 SE 56th Street, said she has lived in Newport Hills for 17 years and is very active in the community. She said the dishonesty of the mailer sent out by Toll Brothers is galling. Their invitation to give them input is galling. They have made it clear what their plans are and there is no need to wait and see what they will do. She said in a meeting with Mr. Hare in 2017 it was made clear that Toll Brothers is not in the business of operating a charity and will not entertain the idea of anything other than for sale market-rate housing, not senior housing or affordable housing. The alleged failure of the shopping center is not an unanticipated

consequence of the current subarea plan, rather it is a consequence of being held hostage by a commercial slumlord who will only entertain offers from housing developers. Clearly the Toll Brothers application for NMU zoning is about money. The staff recommendation is both flawed and misleading. The claim that NB zoning is outdated and obsolete is untrue. Just two weeks ago the Commission recommended moving the Bellevue Nursery site to NB zoning. She said she recently visited all NB zoned properties in Bellevue, including the shopping centers of Northtowne and Bell East. Each of the properties is thriving. A new zoning category is not a significantly changed condition. However, the fact that there are two new businesses since 2016 is a significantly changed condition, and there is only one space next to Stod's Baseball that is not rented out along with what is left of the Pace store. Those could be rented, but the landlord refuses to do so.

Ms. Agneta Hagman, 12251 SE 59th Street, noted that she had previously sent in a letter to the Commission. She said she has lived in the Newport Hills area since 1976 and have seen significantly changed conditions, but they have had to do with the economy in general. Residents on the hill must give themselves about an hour lead time if they have appointments in the downtown because of the traffic. It can take 45 minutes for those who live in Newcastle to get to Newport High School along Coal Creek Parkway. Adding 130 new homes with more people and cars will only make things worse for the community. She said she was surprised to receive the flyer in the mail because the information in it is not the same as the information shared at the homeowners meeting. If the rezone takes place, the neighborhood will lose its community. Toll Brothers mentions having an anchor tenant, but no one wants to be an anchor tenant in the Newport Hills Shopping Center. Albertsons used to be there but they went out of business because they wanted to have a superstore but there was not enough space for it.

Mr. Mark George, 5733 122nd Avenue SE #144, said his wife has lived in the Newport Hills neighborhood for 38 years and has always liked the idea that Newport Hills was a village. He said he remembers when there were cows in the pastures driving from Renton to Bellevue. In looking at Newport Hills, if any other neighboring communities were talked to, especially Clyde Hill or Medina, they would have something to say about putting big buildings in their back yard. The idea of putting mixed use housing so close to housing is most bothersome. The Newport Hills Shopping Center site is 6.5 acres, and the Toll plan is very aggressive. Putting 130 housing units on the site will cause stress for many, including the entire neighborhood. He said he would not be happy having a tall building to look at from his window instead of a little bit of nature. The Toll plan represents significantly changed conditions in that it will make the shopping center less of a gathering place. Only Toll Brothers and the city will benefit, the latter through increased taxes. The owner has not taken any pride in taking care of the property, and little has been done by way of marketing for new businesses. There has been no change in the community. It is healthy and thriving, and it is a good place to raise a family.

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Mr. Derek Hagman, 12251 SE 59th Street, said he has lived in Newport Hills since 1976. He said there have been no significantly changed conditions since the neighborhood had to deal with the issue two years ago. If the Commission would recognize that, the whole thing would be over rather quickly. It makes no sense to allow as much as 180 new housing units to a system that is already overburdened in terms of traffic and schooling. The city should be concerned with the existing community should. The need to get emergency vehicles into and out of the neighborhood should also be taken into consideration. The Newport Hills Shopping Center needs to be redeveloped; it has not really changed since 1976. The existing businesses, however, are good and are used extensively. They add value to the community. Under the proposal, few of any of them would remain. Any redevelopment should be done with the best interests of the community in mind. All of the interested parties should get together and talk things out. The

Better Business Bureau credits Toll Brothers, but interestingly only two of the 58 comments are positive.

Mr. Ed Wolf, 4951 126th Avenue SE, said he and his wife have lived in Newport Hills for 24 years. He said they raised their now-grown children in the neighborhood. Many of the businesses in the Newport Hills Shopping Center provide services to families with children. He said he was concerned that some of the current businesses would not be able to afford the increased rent in a new development. There is no light rail coming into neighborhood and the area is served only by inadequate and over utilized public transit. There are only three ways into and out of the community, each a two-lane road. Additional traffic cannot be handled.

Ms. Marci Hennes, 4715 119th Avenue SE, said those who addressed the Commission ahead of her had eloquently spoken about the fabric of the Newport Hills community. With regard to the comment made earlier than the additional housing units would not be the straw that broke the camel's back relative to traffic congestion, she said she did not want to be one to test the theory. She asked the Commission to do the right thing by opposing the Toll Brothers proposal. It comes down to money versus people. The Newport Hills residents could use their collective money to hire expensive lawyers but would rather use it to create art in the community and support kids by buying Girl Scout cookies.

Mr. Jordan Louie, 12254 SE 57th Street, #283, said he serves as a board member of the Newport Hills Townhomes Homeowners Association, which represents the occupants of 240 units that sit directly behind the Newport Hills Shopping Center. He said the majority of the homeowners visit the shopping center on a regular basis. A significant change recently brought to his attention is a contract made with Rainier Northwest in relation to an easement. On behalf of the Newport Hills Townhomes Association, he said the organization has not spoken with or entered into any agreement with Toll Brothers or Rainier Northwest. The Association is in favor of seeing the shopping center modernized, but there are concerns about the proposed high-density residential plan. The Association is concerned about traffic and overcrowded schools, but is also concerned about public safety. The community is one of the last in the city to be commercialized. He asked for the Commission's support in urging the Council to adopt a plan that will be beneficial for Newport Hills that will not cause the loss of the community feel.

A motion to extend the meeting to 10:30 p.m. was made by Commissioner Laing. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

Mr. Elden Altizer, 5639 126th Avenue SE, voiced support for revitalizing the community business area. He said he has lived in Newport Hills for 29 years and during that time has seen two grocery stores, two gas stations and a major bank leave the site. He said he did not understand how in a society based on capitalism any improvements could ever be made to the site without involving corporations whose main purpose is making a profit. It is the responsibility of the Commission to make sure zoning decisions reflect what is best for the neighborhood.

Mr. Collin Pucher, 5221 120th Avenue SE, said he attended Newport Heights elementary, graduated from Newport high school and Bellevue College, and can remember going to the bank and then getting something to eat at the shopping center. He said he strongly supports the rezone, particularly the component involving more housing. Many have complained about traffic and for good reason, but there has been no mention of the new bus line coming in the next three or four years. The 240 line is to be upgraded to a RapidRide line and that will mean greater frequency of service and larger busses that will have wi-fi. The arterials in Newport Hills are limited by

geography and thus there is a need to think about using them more efficiently, not expanding them. Traffic is inevitable in every community. School overcrowding is an issue, but it is not an issue that is caused by density, it is caused by the failure of the state to adequately fund public schools. With regard to density, he said while many oppose it, the point of a neighborhood is neighbors, and the more neighbors there are, the more revitalized a space becomes. The diversity of whatever kind that is generated by cities rests on the fact that in cities so many people are so close together, and among them contain so many different tastes, skills, needs, supplies and bees in their bonnet. The exclusionary attitude of the current residents should not be allowed to prevent more people from being welcomed into the community. The Commission was urged to move the issue forward to the next step.

Ms. Karia Wong, 11650 SE 58th Street, said she was present to join her neighbors in opposing the zoning change for the Newport Hills Shopping Center. In addition to the traffic and school issues, there would be profound negative impacts caused by the rezoning which would definitely and significantly jeopardize the physical health, quality of life and wellbeing of the current residents. There would be an enormous carbon footprint and air pollution during construction, and an increased carbon footprint associated with the additional population and new businesses. The Parks, Recreation and Green Space Element contains 37 policies that aim to make Bellevue a healthy community through an integrated system of exceptional parks, open space, recreation, cultural and human services. The proposed rezoning will only raise policy and land use issues that are more appropriately addressed by an ongoing work program approved by the City Council. More importantly, building new luxury townhomes will drive housing costs higher, which eventually will cause gentrification of the area. The current ratio of green space to density in the Newport Hills area is inadequate. The Commission should think outside the box in looking to revitalize the Newport Hills neighborhood by not increasing the population density.

Mr. Henry Smilowicz, 4955 116th Place SE, thanked the Commission for the good work it does on behalf of Bellevue. He said he was opposed to the proposed rezone. He said the simple answer to the question of significantly changed conditions is that there are none. If that one question will drive the ultimate decision, then the issue is a done deal. About ten years ago the shopping center was very run down. He said he and several of his neighbors met with some of the people who manage the city to say something needed to be done. At the time the space was about 80 percent vacant. While that is no longer the case, the center is still in need of upkeep. The change that would happen to the neighborhood under the proposal made by Toll Brothers, including adding up to 180 units of housing, is a deal breaker for the neighborhood. The overwhelming sentiment of the neighborhood is opposed to that idea. The Newport Hills neighborhood has been low maintenance and low demand on the city and has not asked much of the city over time, but it is clear that no large development should be allowed at the top of the hill.

Mr. Mike Nykreu, 4958 126th Avenue SE, said his Newport Hills home has been in his wife's family for over half a century. He said he raised his family in Kirkland and that he was one of the co-authors of that city's comprehensive plan in 1995. He said one thing that has not been addressed by developer is transportation level of service. One role of the Comprehensive Plan is to balance the 13 elements of the Growth Management Act that was passed by the legislature in the early 1990s. In planning under the Act, all capital facilities must be balanced. The city's transportation plan categorizes traffic by letter grade A through F. The Transportation Element of the Comprehensive Plan indicates the level of service for Newport Hills is set at C. The current level of traffic congestion, however, makes it clear that the level of service C standard has been exceeded. The Toll Brothers proposal should not be allowed to go forward because it will not meet the concurrency requirements. Bellevue needs to be a city of solutions. It should adopt the

Eastside Chamber of Commerce recent proposal calling out the fact that a critical crisis is at hand relative to housing affordability and capacity. That report says the solution involves moving the urban growth boundary.

Ms. Barbara Chevalier, 6541 126th Avenue SE, said the overview of the staff recommendation hinges on changing from NB to NMU. As defined, NMU is a land use designation that provides for a mix of retail, service and residential uses. On its face, that does not sound like 13,000 square feet of retail and 180 new housing units. As such, the designation falls flat. She also pointed out that under the NB designation, which has not really been fully explored for the Newport Hills Shopping Center location, some 85 housing units can be achieved. Bellevue has a need for more housing, but not more luxury housing. Bellevue needs affordable housing, senior housing, transit-oriented development and other options. More luxury housing is not an effective land use. The six-acre site could be doing more to pull its weight, but it will not under the current proposal. It would be a real missed opportunity for the city and the neighborhood if the proposal were allowed to move forward, particularly *since* NB has not really been tried. The center has 60,000 square feet of retail space, and according to Toll Brothers 80 percent of it is occupied, or 48,600 square feet, which is far more than what Toll Brothers has suggested will work for the site. That calls into question who the experts are and what kind of data they are relying on.

Ms. Deirdre Walsh, 5104 139th Place SE, said she graduated from Newport high school in 1981. She said the Newport Hills neighborhood deserves the same attention given to other neighborhoods when making a substantial or critical change to the neighborhood area plan. The attention, time and effort expended on the recent changes in Eastgate have been significant, including public outreach in the form of open houses, online surveys, stakeholder interviews, presentations to interest groups and website updates, together with a year and a half of work by a citizen advisory committee, numerous study sessions by the Commission and numerous public comments. A similar level of attention, time and effort was invested in the future of the Wilburton and Bel-Red neighborhoods. Newport Hills deserves the same.

A motion to close the public hearing was made by Commissioner Laing. The motion was seconded by Commissioner deVadoss and the motion carried unanimously.

8. STUDY SESSION (10:05 p.m.)

A motion to open discussion on the Newport Hills Shopping Center redevelopment Comprehensive Plan amendment was made by Commissioner Laing. The motion was seconded by Commissioner Malakoutian and the motion carried unanimously.

Commissioner Laing said Bellevue's land use process is goofy, and one of the goofiest parts is that the Commission is not called upon during threshold review to judge the merits of a proposal. As such, the question before the Commission is not whether or not the idea on the table is good or not, nor is it whether or not traffic is bad or whether adding housing will make things worse. The Commission does not get to focus on the merits unless and until applications are pushed past threshold review to final review where all of the pertinent information is brought to the table for review and discussion. There are, however, specific things for the Commission to look at during threshold review, one of which is the issue of significantly changed conditions. Over time that criterion has been interpreted, applied and discussed to the point where it means everything, which means it means nothing. If the reasoning or the fact pattern of the case law cited by the applicant would seem to argue in favor of retaining the NB designation given that the case involved a business that outgrew a property. A compelling case could be made in the future that

conditions have changed, while someone else at the same time could simply argue that there have been economic cycles that have affected a property.

Continuing, Commissioner Laing said for him the issue comes down to Criterion G, which is that the proposed amendment is consistent with current general policies in the Comprehensive Plan for site-specific amendment proposals. He said he has read and re-read the Newport Hills subarea plan, the zoning code provisions relative to the current zone and the proposed zone. The neighborhood has correctly identified the crux of the issue from a development perspective, which is that the NMU would essentially allow the type of development that is seen along some of the perimeter of the downtown. In fact, it actually allows for a higher level of intensity development that even the Downtown subarea plan allows along portions of the perimeter. The community was also correct in pointing out that there is a footnote that essentially allows for a departure to not have to provide very much commercial space. If 48,000 square feet of the current retail space is in fact in operation, it cannot be empirically supported to say that the site will only support 13,000 square feet of retail space. The fact is that NB and NMU are **remarkably** similar in many respects. The current zoning in fact encourages housing and mixed use so that is not the issue. The real issue is how much housing can be achieved and how high the buildings can go. Criterion G says a proposed amendment must be consistent with the current general policies in the Comprehensive Plan for site-specific amendment proposals. The general policies talk about the importance of third places, the importance of community shopping centers that serve as third places, and the importance of revitalizing community shopping centers. The policies do not call for eliminating community shopping centers. The applicant correctly pointed to policy S-NH-25 in the Newport Hills subarea plan that calls for recognizing the Newport Hills commercial district as a commercial center currently and in redevelopment efforts. Policy S-NH-26 calls for emphasizing the unique retail uses that enhance the Newport Hills identity and redeveloping the shopping and commercial district. It all speaks to the preservation of the site as a commercial center, as a third place. None of the policies in the current Comprehensive Plan call for scraping the site and putting up houses. The proposed amendment would not go far enough in changing the subarea plan or the general Comprehensive Plan to allow for a rezone to NMU if it were to also allow for the removal of the community center and the third place it is. The subarea plan is 24 years old and the shopping center is much older. No one disagrees that the center could use a facelift, but the idea of removing the commercial center from the heart of the community without comprehensively looking at the entire subarea seems to be a bit much. He suggested that Criterion G has not been met.

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Commissioner deVadoss stated that from a layman's perspective the changed conditions include traffic going from bad to worse, and classrooms that are crowded and children having to learn in portable facilities. He said the site was designated NB 24 years ago and the property owner says the designation is not working. The kneejerk reaction is to try something else, namely NMU. The NMU designation was designed to work with transit-oriented development, not for the context of the Newport Hills Shopping Center. Going down the path of allowing the change to NMU could create chaos in that any change in a land use ordinance could create open season for similar amendments. The existing subarea policy S-NH-25 said the center is for retail uses. There are no clear changed conditions since 2016. The proposal should be looked at in the context of the subarea as opposed to localized changed conditions. The issue should be deferred to the subarea planning process.

Commissioner Malakoutian said he did not believe the proposal meets the requirement of significantly changed conditions. He also agreed with Commissioner Laing that the requirements of Criterion G had not been met.

Mr. Cullen pointed out that significantly changed conditions has a specific definition which involves demonstrating evidence of change such as unanticipated consequences of an adopted policy, or changed conditions on the subject property or its surrounding area, or changes related to the pertinent plan map or text, or such changes implications of the magnitude that need to be addressed for the Comprehensive Plan to function as an integrated whole. Commissioner Malakoutian said his comments were consistent with the definition.

Commissioner Carlson said there is certainly reason to believe that the Newport Hills Shopping Center could be a lot better. He noted that the community pointed out that the center is far better than it was ten years ago. Additionally, the community pointed out that by getting the zoning changed, the developer could make a lot more money from townhomes than from revitalizing the shopping center. The question for the Commission moving forward is the issue of significantly changed conditions and the appropriateness of the NMU designation. The creation of NMU was in conjunction with the development of Eastgate and was designed to accommodate transit-oriented development. He put himself on the side of not seeing significantly changed conditions that would allow for moving the proposal past threshold review.

Commissioner Moolgavkar asked how the issue could be deferred to the subarea work plan and what the timing is for that review. Mr. Matz explained that there is no subarea planning process established into which the issue could be moved. Making that recommendation to the Council would mean giving the Council something it cannot do anything with. There is a plan in place for Wilburton which allowed for moving the DASH proposal into it. Mr. Cullen clarified that that there is no ongoing work program approved by the Council. The Council has yet to make a selection of neighborhoods let alone creating a work program.

Mayor Chelminiak said it was his understanding that the Council was set to approve a neighborhood study program on August 5. Mr. Cullen said he did not want to presuppose the outcome. Mr. Matz clarified that until the Council acts to determine a neighborhood study program, there will be no framework to move the Newport Hills Shopping Center issue into. Mr. Cullen added that the Commission could still include the idea as a caveat as part of its recommendation to the Council.

Commissioner Laing pointed out that some similar issues arose relative to the Downtown Livability Initiative process. Before the Council took action to establish a subarea work program, the Commission encouraged the applicant to roll their issues into the subarea planning process.

Commissioner Morisseau said it was difficult for her to see any significantly changed conditions based on the definition. She said that while there have been changes, they are not related to an adopted policy change.

A motion to extend the meeting to 10:45 p.m. was made by Commissioner Laing. The motion was seconded by Commissioner Moolgavkar and the motion carried unanimously.

Continuing, Commissioner Morisseau said she did not understand why the Newport Hills Shopping Center site is not thriving. She also pointed out that the NMU description calls for retail, service, office and residential, with an emphasis on neighborhood retail and services. The applicant claims that based on its real estate study between 17,000 and 29,000 square feet of retail and restaurants can be supported by the site. The fact is the site is more than six acres in size, and as proposed much of the balance of the site would be given over to housing. She questioned how that approach would address an aging commercial area. She said she was struggling to see any significantly changed conditions based on the information presented. The

community clearly wants to see something done with the site, but they do not believe the proposal is the right avenue. She said she would like to see an approach taken that will focus on getting the site to thrive and remain as the core center of the community.

Commissioner Moolgavkar asked how the Commission could recommend to the Council that the proposal does not meet the threshold review criteria while also recognizing that the community wants to see a neighborhood planning process that will include looking at the site. Mr. Matz said the right approach would be to include language to that end in a motion.

A motion was made by Commissioner Laing to adopt the resolution with the following changes: whereas the Planning Commission does not find that the Newport Hills Shopping Center Redevelopment proposed comprehensive plan amendment is consistent with all the Threshold Review Decision Criteria in LUC 20.30I.140.A-H; and whereas the proposed amendment does not address significantly changed conditions; and whereas the proposed amendment is not consistent with current general policies in the Comprehensive Plan for site-specific amendment proposals; now therefore the Planning Commission does not recommend to the City Council that the Newport Hills Shopping Center Redevelopment proposed comprehensive plan amendment be approved for inclusion into the 2018 annual Comprehensive Plan Amendment work program. However, the Commission does recommend that the City Council initiate the Newport Hills subarea plan update in the neighborhood area planning program. The motion was seconded by Commissioner Malakoutian and the motion carried unanimously.

9. OTHER BUSINESS – None

10. APPROVAL OF MINUTES

A. May 9, 2018

A motion to approve the minutes as submitted was made by Commissioner Laing. The motion was seconded by Commissioner Morisseau and the motion carried without dissent; Commissioners deVadoss and Laing abstained from voting.

11. CONTINUED ORAL COMMUNICATIONS – None

12. EXECUTIVE SESSION – None

13. ADJOURN

A motion to adjourn was made by Commissioner Laing. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

Chair Barksdale adjourned the meeting at 10:40 p.m.