City of Bellevue

MEMORANDUM

DATE: February 21, 2013

TO: Chair Kasner, Members of the East Bellevue Community Council

FROM: Liz Stead, Urban Design Planning Manager

SUBJECT: Lake Hills Shopping Center Redevelopment

On March 5th, 2013 the East Bellevue Community Council (EBCC) will hear a presentation from the applicant and City staff about the current status of the master redevelopment plan for the Lake Hills Shopping Center.

This memorandum will provide background information about how the project came about and the approved plans for the center at full build out. Status update reporting and future scheduling information will be provided during the March 5th meeting. The applicant and city staff will be available to answer further questions during the meeting.

Existing Site Conditions

The project site is located at the northwest corner of Lake Hills Boulevard and 156th Avenue S.E. It is approximately one mile south of Crossroads Mall and one-half mile east of the Bell-East Shopping Center. The site area totals approximately 6.7 acres. The site's current zoning is Community Business with a Concomitant dated August 29, 2007.

The shopping center was historically anchored by a small grocery store (Paldo World) and the Washington State Department of Licensing office. A corner service station was demolished in the early 1990's, and a previous drug store was vacated in the mid 1990's. Recent anchor tenant departures have been the QFC in 2001 and the Ace Hardware store in 2002. The availability of newer and or remodeled shopping centers within close proximity to the shopping center has and continues to limit the ability of the existing shopping center to attract and retain quality retail tenants.

The site currently holds a newly constructed King County Library System branch library and two story office building, an existing Bank of America facility and accommodates approximately 450 cars. The library and office building were constructed under Phase I of this project. The remaining buildings on the project site are currently being demolished to move into the next phase of construction for the commercial and residential portions of the project.

Origin of the Redevelopment Plan

In 2001, the shopping center applied for a rezone to allow redevelopment of the site as a commercial retail and office complex. That redevelopment proposal ultimately failed when the zone change was denied by the EBCC. Two years later, another redevelopment proposal began

taking shape at the conclusion of the Neighborhood Investment Strategy pilot project in West Lake Hills.

Based on seven months of public outreach and other studies, the West Lake Hills Citizen Advisory Committee (CAC) concluded that shopping center revitalization was the single most important step to maintain the character and quality of the Lake Hills neighborhood. Acting on the CAC's recommendation for intervention, the City convened a group of stakeholders representing the CAC, the Lake Hills Shopping Center owner, the surrounding neighborhood, the City Council, and the East Bellevue Community Council. In a series of facilitated meetings in early 2003, the stakeholder group reached agreement on a development concept for the shopping center.

In late 2004, shopping center owners expressed interest in pursuing a zone change based on the stakeholder concept. On Jan. 13, 2005, the City convened the original stakeholder group to view the redevelopment proposal as modified by the developer in response to City requirements and economic considerations. With the exception of one stakeholder who chose to remain neutral, all stakeholders at the Jan. 13 meeting voiced their enthusiastic support for the redevelopment proposal as presented by the shopping center owner.

Master Development Plan

As a result of multiple study sessions held with neighborhood stakeholders in 2003 and 2005 the project has evolved into a site specific mixed use project (Master Plan) that developed the following project uses and areas:

- Retail/Office Component of Approximately 114,000 SF.

  The majority of the retail/office development will occur within a three story building located at the corner of Lake Hills Boulevard and 156th Avenue NE. The ground floor of this building faces internally on a parking courtyard. This ground floor retail space is intended for use by one to three larger tenants such as a grocery store, drug store etc. The second floor of this building will front along Lake Hills Boulevard and 156th Avenue NE.

  Four ground floor retail buildings are also proposed. These buildings will be grouped around a central internally focused parking courtyard. These retail buildings are front loaded and are intended to accommodate smaller retail tenants.

- Residential Component of 90 units.

  Approximately 64 to 72 residential units will be located over the four ground floor retail buildings mentioned above. These units may be developed as flats and or two level residential units. These residential components will be two or three floors in total height above the retail level.

  Approximately 18 to 26 residential units will be developed as town home buildings. These will be developed along the west and north property lines as two story buildings. These buildings will front along a pedestrian residential street located at the North West site area.

  The lower scale town homes are provided to buffer and transition the existing single family residential development along the north and west property lines to the multi-level residential units over the retail portions of the proposed project.

- Parking Component Approximately 600 cars.

  A central parking plaza is proposed to accommodate approximately 160 parking spaces. These spaces are intended for the short term needs of retail users of the project.

  An underground parking garage is proposed to accommodate approximately 440 cars. These spaces are intended for the use of employees of the retail tenants, office users, and the residential component of the project. Elevators will be provided to insure safe and barrier free access from the underground garage to the project's mixed uses and the residential uses. Specific sections of the underground garage will be dedicated to the residential component of the project.

- Project Amenities

  A pocket plaza is proposed at the intersection of Lake Hills Boulevard and 156th Avenue NE. This plaza is intended as a gateway for the Lake Hills Community. The plaza will also provide a street side pedestrian entry point into and through the retail office component of the project.

  A retail/office breezeway is proposed to connect the pocket plaza to the main internal pedestrian plaza of the project. The breezeway is intended to be covered with a combination of solid and skylight roofing for weather protection. The breezeway will also function as the pedestrian entry point for the office component of the project. Some retail uses will open onto the proposed breezeway.

  A central pedestrian plaza with a bell tower is proposed at the southeast corner of the parking courtyard. This plaza is intended as a focal gathering point for the project. At the center of the plaza will be an elevator and stair element connecting the underground parking garage with this plaza and the second floor office uses. The central plaza is also located on axis with an on grade terraced staircase promenade from Lake Hills Boulevard.

  A pedestrian street is proposed to run internally between the north east corner of the site (156th Ave NE) to the south west corner of the site (Lake Hill Boulevard). This pedestrian street connects all the residential units with a common open space. The pedestrian street will be planned to accommodate access for emergency vehicles.

  A perimeter landscape buffer 30 feet wide will be provided along the west and north property lines of the project. This planted buffer will provide visual separation between the existing single family residential uses and the proposed duplex/town homes.

  A 20 foot building setback with enhanced landscaping is proposed along the street frontages of Lake Hills Boulevard and 156th Avenue NE. The landscape areas will be bermed to reduce the scale of the proposed retail/office building along these street frontages from a three story to a predominantly two story building.

Design Review

The applicant submitted a Design Review application in June of 2006, requesting more in depth review of the buildings associated with the approved Master Development Plan. At that time city staff reviewed the project for compliance with the Master Development Plan, the Comprehensive Plan, Building Design Guidelines, and the Land Use Code. Additionally at this

time, a Phasing Plan was approved for the project breaking up the scope of work into two phases. The Director's Recommendation of Approval with Conditions was issued on January 29, 2009.

Phase 1 was completed with the construction of the library and the commercial building along 156th Avenue SE. The applicant is now moving toward Phase 2 of the project.

Current Status

Demolition permits were issued by the City on February 8, 2013 and the demolition work has begun. A building permit for the below grade garage and podium level construction for the retail/residential buildings was issued February 14, 2013. The owner of the project, Mr. Oscar Del Moro has indicated that he anticipates the schedule to proceed in a timely manner with demolition lasting between two and three weeks.

Construction will then move into excavation starting around the end of February with garage construction beginning in March and continuing through August of 2013. The owner is anticipating Occupancy for the residential buildings to begin in November with the mixed use buildings and culminating in full project build out and occupancy of the duplex units by June of 2014.