

1. The meeting was called to Order by Michelle Hilhorst.
 - a. President's Report, Michelle Hilhorst
 - i. General comments.
 - ii. There will be a self defense class, January 22 at Lee's Martial Arts.
 - iii. Recap of shopping center update. See attached.
 - iv. Change of trustee description, the final review. Motion made, seconded and carried to update Section 5 to read as follows:

Trustees shall serve their respective Areas by attending General Membership meetings at least once per quarter, serve as a conduit of information from the Board of Directors to their assigned area and vice versa. Using the Board-approved template, trustees may collect email addresses and phone numbers of residents in their area and other NH residents known to the Trustee. This information will be used to keep the neighbors informed on issues of concern to the community and to encourage membership. They may also recruit "Block Captains" to help with these duties.

- b. Secretary's Report, Debra Haraldson. Motion made, seconded and carried to accept the November minutes as presented.
- c. Vice President's Report, Lisa Viereck. The public art project is progressing. A model of the Rain Chain and art at the bus shelter was on display at the Holiday Bazaar. The city is trying to get more funding but the budget remains at \$50,000 at this writing. Because of the tight art budget, the Rain Chain might be the only piece we can afford. Lisa welcomed Bruce Young as the upcoming Vice President. A skating event in downtown Bellevue is donating \$3.00 per skater to NHCC if the skaters mention that they live in Newport Hills.
- d. Treasurer's Report, Matt Camrud. We have 629 members with approximately seven new members from the Holiday Bazaar. The Treasurer's Report is attached to the filed minutes.
- e. City of Bellevue Neighborhood Liaison, Rich Dollman. No report.
- f. Committee Reports
 - i. Membership, Sandi Tampa. Not present.
 - ii. Newsletter, Debra Haraldson. The board met and established an ad guideline document with clearly defined rules for submittal and qualifications.
 - iii. Website, Grace Whiteaker. Not present.
 - iv. Public Safety, Jason Leach. Jason will update the Public Safety page on the web site, investigate crime statistics, and meet with some Bellevue Police to introduce himself. Lisa suggested a disaster preparedness program be started.
 - v. Volunteer Appreciation, Denice Dice. Not present.
- g. Community Outreach.
 - i. Spring Egg Hunt. No update.
 - ii. Fourth of July Picnic. No update.
 - iii. Community Garage Sale and Faire. No update.
 - iv. Santa Tour/Holiday Bazaar, Michelle Hilhorst. The tour went well—lots of people came out of their homes to greet Santa. We collected a lot of food for the NH Community Church food bank. The Holiday Bazaar was very

successful with twenty-two vendors, Sahara Pizza, face painting, gift wrapping, etc.

- h. Unfinished Business.
- i. New Business.
- j. Adjourn.

December 13, 2010

The City of Bellevue and Heartland met with residents of Newport Hills and Lake Heights to discuss Phase II: Economic and Redevelopment Strategy

Matt Anderson and Matt Hoffman, Heartland presented Heartlands results.

Retail of Phase I overview.

During Phase I of this project, it was determined that the people in Newport Hills (NH) and Lake Heights (LH) are intelligent, educated, financially secure, and are engaged and active in the community. The shopping center and the Stod's property are large and appropriate for commercial use, with room for pedestrian traffic.

Challenges to the existing market area include low traffic count, retail competition from Factoria and Newcastle, and restrictive zoning codes from the City of Bellevue. It was discovered during Phase I that the 25,000 square foot commercial areas supported by both sides of street are appropriate for the community, with zoning modifications to provide flexibility in development. A higher density, mixed use development will work best for the area such as:

(Begin Phase II findings)

Multi-Family Apartments.

The market for Multi-Family apartments is improving as vacancies are down and rents are up. NH and LH provide a strong location with a current lack of nearby supply of such housing. The community could support 200-250 units combined with commercial use. It was suggested that 350 units are possible but it may be too much for the neighborhood to support.

Condos.

Overall, the condo market is weak; there is an oversupply of them and prices are falling. In addition, there is very little construction financing available. Condos might have a place in the long term, as the economy improves.

Senior Housing.

This type of housing can be supported for this property based on the limited supply in the area, the growing demographic of seniors in the area and the location is good for senior housing.

Office Space.

There is enough demand for office users in the area to support this type of use. Many people telecommute, have home-based business and could benefit from sharing office services. Office space would not be a principle use of this space but would augment it. Professional services could be a target tenant in office oriented retail space. Rents for office space are similar for retail and office users.

Redevelopment Feasibility.

The important questions are: Will the development be supported by the market? Will it provide the appropriate return that matches the project risk? Risks in this type of project include Market, financing, construction, and regulatory.

Scenarios and Outcomes.

Heartland proposes mixed use building with retail space on the bottom floors and residential on top. Three scenarios with rough models of Stod's and NH Shopping Center properties were presented to show square footage and placement. The two properties remaining as they are is not

feasible. A phased-in project approach is advised. Remodel and retrofit the existing buildings will save money and time.

Current projects

Lake Hills Village, Bellevue

Juanita Village, Kirkland

Town Center, Kenmore

Totem Lake Mall, Kirkland. Never got off the ground

Lessons Learned From Other Projects.

Projects with long timeline, developed in phases, with flexible to adapt to changing market conditions very successful. Market conditions drive redevelopment and location is key for orienting such redevelopment. Maintaining interim occupancy levels in an already struggling center is challenging.

Next Steps.

The neighborhood cannot support retail only businesses. It needs to diversify into housing, office space, professional services, cafes, etc. but it also needs to maintain some core retail businesses. Partial redevelopment would work well here. The goal is to understand financial feasibility of reuse and redevelopment options and to hear comments from the community.

Following This Meeting.

Continue the partnership between the city, community, and property owners and review all viable options with the property owners. Keep the neighborhood, and the NH and LH Community Clubs involved throughout the process. If there is ownership and community interest in moving forward, the concept design process may result in a proposed code amendment. The City of Bellevue needs to study the current zoning laws to see what can be modified to move the project forward.

Feedback and comments from those present.

- If 250-350 apartments are added, traffic will be bad. With the elementary and middle schools on the hill, traffic is already heavy.
- Perhaps a compromise of a community center with more housing
- Senior housing: Some of our more senior residents don't want to move out but their current house is too big for them. Offering senior housing would keep them in the community. Also, people who move here may have an elderly parent they want close by.
- Senior housing: These residents probably won't need much parking space as they will be close to the Swim and Tennis club and to programs at the school and gathering places.
- Competition with Regence at Newcastle on Coal Creek?
- An anchor tenant such as a hardware store, restaurant or grocery components (specialty foods, etc.) would be appropriate.
- The bottom line is, if the community does not support the businesses, they will fail. This statement was made in light of the Bank of America leaving the neighborhood.
- We should recruit businesses that would bring employees and clients here.
- Live, work, active space. This is space where work is performed on the first floor and business owner lives upstairs.
- People today are working differently--part time, at home, flexible schedule, etc. People can rent work space for the long or short term.

- Renovating a space like the Drug Store, see how it flies. Owners are rarely operators so the space would need an operator.