CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

June 8, 2009 Council Conference Room 1E-113
6:00 p.m. Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Balducci, and Councilmembers Bonincontri, Chelminiak, Davidson, Lee, and Noble

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:04 p.m., with Mayor Degginger presiding. There was no Executive Session.

2. Oral Communications

(a) Bill Hirt advocated for Sound Transit bus service across I-90 instead of the planned East Link light rail. He submitted the details of his proposal in writing.

(b) Leslie Lloyd, Bellevue Downtown Association, encouraged the Council to move forward with reviewing and updating the Downtown Land Use Code. She also reported on the Bellevue Jazz Festival held over Memorial Day weekend. She thanked the City for its support of the festival, which employed 66 local musicians and featured seven high school bands. It provided the opportunity for 18 top high school students, selected through auditions, to rehearse and perform with professional musicians. Ms. Lloyd thanked the Bellevue Arts Commission, local businesses, arts groups, downtown hotels, and Meydenbauer Center/Theatre staff for their involvement in the festival.

3. Study Session

(a) Council Business and New Initiatives

→ Councilmember Chelminiak moved to appoint Sherry Grindeland and John Stokes to the Parks and Community Services Board. Deputy Mayor Balducci seconded the motion.

→ The motion to appoint Sherry Grindeland and John Stokes to the Parks and Community Services Board carried by a vote of 7-0.

Councilmember Davidson requested that additional review and discussion of the Sound Transit East Link preliminary preferred alternative be added to a future agenda.

Mayor Degginger reported on a great opening day for the Saturday Bellevue Farmers Market.

(b) Neighborhood Tree Preservation

City Manager Sarkozy opened discussion regarding neighborhood tree preservation. He recalled that a group of Enatai residents contacted the City last fall with concerns about the removal of a large number of trees from an undeveloped lot. In January, the Council directed staff to take a look at the situation and to develop a recommendation for addressing neighborhood-specific tree preservation. More stringent tree preservation requirements were put in place for the Bridle Trails area in 2006 in response to residents' advocacy for this approach.

Planning Director Dan Stroh explained that staff is seeking Council direction about whether to amend the Land Use Code to create new, alternative single-family tree preservation standards for neighborhoods that want a higher level of protection for trees than the citywide standard. The second issue is setting up a process for neighborhoods to demonstrate a strong level of support and to apply to the City to have tree preservation standards adopted for their neighborhood. Mr. Stroh noted that Martha Lane has been the Enatai Neighborhood Association representative on this issue.

Mike Kattermann, Senior Planner, described the specific request from Enatai residents, who see trees as a vital part of their neighborhood character. Recent tree clearing activity in Enatai generated residents' concerns and prompted them to contact the City for assistance. Staff worked with the community to draft a tree preservation proposal, which is based in part on the Bridle Trails approach. One difference between the two neighborhoods, however, is that Bridle Trails has larger, approximately one acre, lots. Mr. Kattermann briefly reviewed the guidelines for the Bridle Trails area, which increased tree retention requirements to 30 percent, increased front yard landscaping requirements, and addressed related neighborhood character issues.

Kevin LeClair, Senior Planner, explained that the tree preservation objectives are consistent with the City's Environmental Stewardship Initiative and its planning strategy to prevent further loss of the tree canopy and to strengthen the urban forest ecosystem. He reviewed Neighborhood Tree Canopy maps, noting that nine percent of the tree canopy has been lost since 1998. The tree canopy coverage for the Enatai neighborhood is 40 percent. For comparison purposes, Bridle Trails' canopy coverage is 46 percent, Lakemont's is 22 percent, and Surrey Downs has 32 percent canopy coverage. Mr. LeClair reiterated that the approach to tree preservation is intended to be a neighborhood-driven process guided by known standards and procedures.

Mr. Kattermann said the proposed approach to tree preservation for the Enatai area is based on the Bridle Trails approach, although it has been modified to fit with the smaller lot sizes. The tree preservation requirements apply only to significant trees (i.e., minimum 8 inches in diameter, measured four feet above the ground) and only to single-family zoned properties,

whether or not they are under development. A flat fee of $78 is required for tree removal, and the removal of more than one tree triggers an inventory of the property by an arborist.

The proposed approach retains all perimeter trees which are significant trees within 20 feet of the front and rear of the property and within 10 feet of the side property lines. The Bridle Trails standards apply the 20-foot requirement on all sides of a property. The proposed Enatai standards retain 25 percent of total diameter inches within the interior of the parcel. A one-to-one replacement will be required if three or fewer trees remain on the property.

Mr. Kattermann referred to page SS 3-9 of the meeting packet and briefly reviewed a chart comparing tree preservation standards citywide, in Bridle Trails, and those proposed for the Enatai area. He reviewed the proposed process for adopting new standards which involves neighborhood involvement, a public hearing before the Planning Commission, and ultimately Council action.

Staff is seeking Council direction as follows: 1) Should the City proceed with developing a Land Use Code amendment (LUCA) to add new alternative single-family tree preservation?, and 2) How can neighborhoods best demonstrate to the Council their significant support for adopting new standards? Mr. Kattermann said staff suggests a ballot return rate of 20 to 40 percent and a positive vote of 51 to 70 percent.

Responding to Councilmember Davidson, Mr. Kattermann said staff proposes a required inventory of a parcel if more than one tree is to be removed in order to determine the extent of significant trees on the site. Mr. LeClair said the inventory is often called a site sketch, which provides a drawing of the site boundaries and significant trees, as well as a simple table of the tree diameters.

Councilmember Davidson observed that with regard to concerns about losing the tree canopy, he noted that the area was logged and then farmed in the past. Historical pictures show an increasing tree canopy since that time.

Responding to Mayor Degginger's invitation to comment, Martha Lane said she does not have documentation regarding a specific number of residents in support of tree preservation. However, the number of trees that have been retained in the neighborhood indicate that the community values trees. So far approximately 30 residents have been involved in supporting the effort to implement tree retention requirements.

Councilmember Chelminiak said he appreciates the interest in retaining trees, but he is concerned about interfering with private property rights or placing anything similar to a deed restriction on private property. He noted that the Bridle Trails Community Club involved in advocating for tree retention had a fiduciary responsibility to the homeowners who elect its board. He questioned the boundaries of the Enatai neighborhood, and reiterated his concern regarding the use of private property.

Ms. Lane explained that when the large number of trees were removed from the Enatai property and raised residents' concerns, it had a significant impact not only on adjoining properties but on the surrounding neighborhood.

Councilmember Lee questioned how to define a neighborhood and how areas without a neighborhood association would be able to engage in the process. He further questioned what would happen if a neighborhood adopts tree retention standards and, in the future, residents want to change or reject the standards.

Mr. Kattermann stated that if a neighborhood later asked that a previous tree preservation restriction be lifted, it would go through same process to amend the Land Use Code. Should that occur, the Council could either repeal the earlier decision or take another action.

Mr. Stroh clarified that the process for considering a neighborhood's proposal would involve a Land Use Code amendment that would be evaluated by the Planning Commission based on specific criteria. The Commission would make a recommendation to the Council, which would have ultimate discretionary approval.

Mr. Kattermann explained that neighborhood boundaries have essentially been determined by the neighborhood associations themselves. He said the issue of areas that are not formally represented by a neighborhood association will need to be addressed.

Councilmember Lee stated he is struggling with the issues of interpreting neighborhood support and whether a proposal is good for the overall neighborhood.

Responding to Councilmember Bonincontri, Mr. LeClair said the City does not enforce neighborhood/development covenants but would be able to enforce Land Use Code requirements. He reviewed clear and grade permit requirements for Bridle Trails that track tree removal.

Councilmember Bonincontri recalled past debate within the community regarding tree trimming. Mr. LeClair said trimming a tree considered to be significant (8-inch diameter and healthy) to a 10-foot stump would be considered a removal. The proposed standards do not address the nuances of trimming trees but are focused on actions that take a live healthy tree to a non-living tree. Pruning and topping would be allowed.

Deputy Mayor Balducci said she supported the Bridle Trails approach because it was an effective way of dealing with the different values and attitudes toward trees versus views that are represented by different parts of the community. She suggested that neighborhoods with covenants calling for view preservation should be exempt from tree preservation Land Use Code amendments.

Deputy Mayor Balducci talked about the use of neighborhood associations versus a petition method for initiating a Land Use Code amendment. In some areas neighborhood associations are very organized and well defined, but in other areas they are informal or do not exist. She

suggested considering the use of a petition method as a potential alternative for determining neighborhood support.

Responding to Ms. Balducci, Mr. LeClair said the Bridle Trails rules have an allowance for the removal of trees that are in conflict with access easements and utilities, and trees that are damaging property (e.g., causing cracks in a driveway).

Deputy Mayor Balducci spoke to the importance of balancing private property rights with overall neighborhood character. Responding to Ms. Balducci, Mr. Kattermann said the Enatai area encompasses approximately 1,200 properties, and one vote would be allowed per property.

Deputy Mayor Balducci spoke in support of providing the opportunity for neighborhoods to pursue tree retention regulations if desired, noting that the number of residents in favor of regulations should be high enough to suggest a strong level of neighborhood consensus.

With regard to private property rights, Martha Lane opined that individuals who choose to live in Enatai do so in part because of the abundance of trees.

Councilmember Noble noted his involvement in the Bridle Trails tree preservation process, which was focused on a community that was interested in protecting its tree canopy. He feels that other areas in the community should be given same opportunity. Mr. Noble expressed an interest in considering the petition method for gauging the level of support for tree retention within a neighborhood.

Mayor Degginger expressed concern that the Enatai proposal excludes the Killarney Circle area. Mr. Stroh acknowledged that staff has struggled with the issue of how to define neighborhoods. He noted that the Land Use Code amendments must reflect some type of logic behind the boundaries.

Councilmember Chelminiak explained that he has serious concerns about the proposal. He described his perception that adoption of the Bridle Trails regulations did not necessarily imply that other neighborhoods would be allowed to pursue similar Land Use Code amendments. He noted that the Bridle Trails regulations apply only to properties that are one acre or larger, which was a key factor in his support of the ordinance. Secondly, his support for the Bridle Trails ordinance was based on the process used with their community association, which has a fiduciary responsibility through the neighborhood covenants.

Mr. Chelminiak expressed concern that smaller developments within a defined neighborhood might have conflicting covenants regarding view preservation. He likes the concept of the petition method, as well as the opportunity for property owners to vote on tree preservation regulations. He noted that changes to covenants in his neighborhood require approval by 67 percent of all homeowners.

Councilmember Noble reiterated his comment that adoption of the Bridle Trails ordinance made it implicit that other communities should have the same opportunity to bring forward a tree

proposal. He clarified that living in Bridle Trails does not automatically make a property owner a member of the Bridle Trails Community Club.

Mayor Degginger questioned whether there is Council interest in having staff proceed to refine its proposal.

Responding to Councilmember Davidson, Ms. Lane said one member of the Enatai tree team lives in Killarney Circle. She feels the area's residents would support tree preservation. Dr. Davidson expressed support for moving forward with further refinement of the proposal. He spoke to the need to better define neighborhood boundaries and to establish a method for ensuring that sufficient support exists within a neighborhood for the Land Use Code amendment.

Councilmember Lee expressed support for the Bridle Trails process. He is willing to expand this to other areas that want to similarly preserve the character of their neighborhoods.

Mayor Degginger asked staff to refine its proposal based on the Council's discussion.

At 7:39 p.m., Mayor Degginger declared a brief recess.

(c) Public Hearing on Proposed Development Agreement with Wright Runstad for a Catalyst Project Development in the Bel-Red Corridor and Discussion of Related Code Amendments

The meeting reconvened at 7:46 p.m.

City Manager Steve Sarkozy opened discussion regarding the proposed Development Agreement between the City and Wright Runstad for a catalyst development project in the Bel-Red corridor.

Matt Terry, Planning and Community Development Director, reviewed the catalyst project principles previously endorsed by Council. The objectives are to leverage private investment earlier than it might otherwise occur, initiate a change from the current light industrial market to office and residential mixed-use redevelopment, balance early year incentives with the high initial costs of public infrastructure, and to create a level playing field in which catalyst incentives could potentially apply to other projects with high public infrastructure costs.

Mr. Terry reviewed the key terms of the Master Development Agreement, which have not changed since last reviewed by the Council on May 11. It supports an average redevelopment intensity reflecting a 2.5 floor-area ratio (FAR). The first phase of the project is to include public parks and recreational amenities to support residential redevelopment. Incentive zoning fees are reduced, and the extended vesting of development permits is provided. The agreement requires that 20 percent of the net site area be set aside for residential development. Additional terms address transportation concurrency standards, a developer-funded local improvement district (LID), and proportional compliance for existing uses.

→ Deputy Mayor Balducci moved to open the Public Hearing, and Councilmember Chelminiak seconded the motion.

→ The motion to open the Public Hearing carried by a vote of 7-0.

The following citizen came forward to comment:

(1) Cindy Edens, Wright Runstad, spoke in support of the Spring District catalyst project Development Agreement, which provides the foundation for a productive long-term partnership with the City. She said Wright Runstad appreciates the energy that the entire community has put into the Bel-Red planning process. Ms. Edens thanked the City Council, Boards and Commissions, Bel-Red Steering Committee, and City staff for a well-led and thorough process.

→ Deputy Mayor Balducci moved to close the Public Hearing, and Councilmember Chelminiak seconded the motion.

→ The motion to close the Public Hearing carried by a vote of 7-0.

Councilmember Davidson expressed concern about the potential for future similar agreements and their impact on taxes and infrastructure costs. Responding to Dr. Davidson, Mr. Terry said the code enabling language creates a relatively high bar for projects to pass in order to qualify as a catalyst project. Only a few sites in the Bel-Red area would qualify, and no other property owners have approached the City to propose an agreement.

→ Deputy Mayor Balducci moved to direct staff to prepare documents executing the Development Agreement with Wright Runstad and amendments to the Traffic Standards Code, Local Improvement District (LID) Code, and Bellevue Environmental Procedures Code for Council approval. Councilmember Bonincontri seconded motion.

Councilmember Lee said he shares Dr. Davidson's concern about the potential for such agreements to increase the tax burden on Bellevue citizens. Mr. Terry stated that the Council has done more work in this planning effort than ever before in Bellevue's history in terms of linking the Bel-Red Plan and development regulations to a financial plan. Mr. Terry said the agreement is complicated and will pay dividends in the future.

Responding to Councilmember Lee, Mr. Terry confirmed that catalyst projects are limited to properties larger than four acres. He explained that smaller developments do not generate the level of public investment that requires the incentives provided in the Spring District Development Agreement. Mr. Sarkozy commented that the agreement provides a catalyst for a very large project in which the developer will provide significant infrastructure within its site.

Councilmember Chelminiak said he shares Councilmember Davidson's concerns with regard to a potential future tax burden.

Mayor Degginger thanked staff for their hard work and creativity in drafting and negotiating the Development Agreement. He expressed support for the agreement and related code amendments.

→ The motion to direct staff to prepare documents executing the Development Agreement with Wright Runstad, and amendments to the Traffic Standards Code, Local Improvement District (LID) Code, and Bellevue Environmental Procedures Code, for Council approval carried by a vote of 7-0.

(d) Energy Efficiency and Conservation Block Grants – Formula Allocations Package

Sheida Sahandy, Assistant to the City Manager, explained that Bellevue will receive an Energy Efficiency and Conservation Block Grant allocation of $1.29 million, subject to the submittal of a grant application. Staff has revised the application package since discussion with the Council two weeks ago. Staff is working toward filing the application by June 18. The Department of Energy has 120 days to review the application and award the grant. At that time, Council action on the package of projects will be requested.

Ms. Sahandy recalled that the grant program targets funding toward three areas: 1) Clean mobility, 2) Smart grid, and 3) Energy efficiency. One idea with strong regional support is the development of vehicle electrification infrastructure including charging spots at multimodal transportation hubs and smart grid technology. A second area proposed for the use of grant funding is deep energy efficiency measures involving home physical energy audits to identify energy saving opportunities and potential tax benefits, and to help residents secure financing and find vendors to complete projects. A third region-wide proposal creates performance measurement and shared learning systems.

Ms. Sahandy briefly reviewed the proposal package and noted revisions since the last discussion with the Council. Significantly more funding is allocated to electric vehicle charge spots and to the hybrid and electric vehicle acquisition fund. A new project is the environmental web portal.

Ms. Sahandy explained that the funding of electric vehicle charge spots leverages a Clean Cities Grant proposal of $1 million as well as Ford, Nissan, and Better Place grants. The proposal is competitive within the clean mobility and smart grid priorities.

The hybrid and electric vehicle acquisition fund helps to bridge the gap between the cost of a traditional vehicle and a hybrid or electric vehicle. This proposal leverages a Clean Cities grant providing $2,000 per vehicle for 46 hybrid vehicle replacements in 2010. It also funds 44 vehicle replacements in 2011. This proposal is competitive as a clean mobility initiative and sends a signal to the community encouraging the adoption of electric vehicles.

Responding to Mayor Degginger, Transportation Planner Mike Ingram, said the City has Transportation Demand Management (TDM) program funding through the end of 2009 due to compensation for construction impacts related to I-405. Funding for 2010 is uncertain. There is the potential for funding through an ongoing relationship with King County for congestion

mitigation air quality grants. However, this still does not achieve full funding of the City's current program.

In further response to Mayor Degginger, Mr. Ingram clarified that the existing level of TDM activities in the Downtown has been funded for the past two years by a State grant to the Growth and Transportation Efficiency Center Program. The State will not be funding that program in the coming biennium, however.

Ms. Sahandy noted that monies can be reallocated among the specific projects in the grant package after the grant is received, and therefore adjustments in funding levels can be made depending on funding received from other sources.

Mr. Ingram said the program has $135,000 to continue through the end of 2009, and $160,000 to continue the program in 2010 and into the first half of 2011.

Responding to Mayor Degginger, Mr. Ingram said the $60,000 requested for the TDM program will fund continued activities in the downtown and provide the flexibility for pursuing programs in other parts of the city (i.e., Medical District, Bel-Red, Eastgate, and Factoria).

Mayor Degginger noted staff's statements that the requested funding is making up for lost funding and that funding will be used to expand TDM activities to areas outside of the downtown. He requested more information as to the specific use of the funds. Mr. Sarkozy suggested that staff bring back more details.

Continuing the presentation, Ms. Sahandy described the proposed environmental web portal to provide public information, shared resources, and ongoing community outreach. She noted that providing this type of resource also puts the City in a position to ask for competitive funding for some of the more innovative community programs including solar mapping, commute mapping, and greenhouse gas reduction challenges. Ms. Sahandy briefly reviewed the funding allocations for sports facility lighting upgrades and the residential energy conservation partnership with Puget Sound Energy.

Councilmember Davidson expressed general support for the proposal. However, he is concerned as to how the specific programs and projects will be funded after the grant monies are spent.

Councilmember Lee said he is pleased to see specific activities directed at environmental stewardship.

Responding to Mr. Lee, Ms. Sahandy confirmed that the residential energy conservation program is an information program. Councilmember Lee said he would rather see the monies used toward something more concrete in terms of enhancing energy efficiency. Ms. Sahandy said the program has saved residents an estimated $800,000 to date through their implementation of energy saving measures.

Councilmember Lee noted the Mayor's involvement with the U.S. Conference of Mayors, as well as Mr. Lee's and Dr. Davidson's attendance at the National League of Cities conference. He encouraged networking in these forums as a good way of learning about programs and initiatives in other communities.

Councilmember Bonincontri requested information as to how much energy will be saved through the programs and the extent to which the energy savings are offset by the administrative costs of the programs.

Councilmember Chelminiak concurred with Mr. Lee's comments on networking, and requested information in the Council's federal legislative packets related to energy efficiency and conservation items.

Deputy Mayor Balducci thanked staff for their work in pursuing the grant funds.

Mayor Degginger noted a general consensus to proceed.

(e) Job Order Contracting Process – Streamlining Capital Investment Program (CIP) Project Delivery

Dave Berg, Deputy Director of Transportation, described a proposal to implement Job Order Contacting as a way to streamline project delivery for smaller projects and to reduce the overall project duration. The method is similar to using a large on-call public works contract, and it enables an agency to accomplish multiple maintenance and construction projects with one single competitively bid contract. The Washington State Legislature authorized the use of Job Order Contracting in 2003 and renewed the authorization in 2007.

Under the state law provisions, the initial contract term is not to exceed two years, with the option to extend for one year. An agency cannot have more than two JOC contracts at one time, and 90 percent of the work is to be performed by subcontractors. Individual work orders cannot exceed $300,000, and the annual spending limit is $4 million. Under this method, Bellevue's work orders are anticipated to be under $150,000, and annual utilization is expected to be less than $2 million. The JOC method eliminates the time and expenses related to the design and bid process for each project. It reduces the level of change orders and claims, and the City utilizes services as needed.

Mr. Berg reviewed the City's current design-bid-build process for projects exceeding $35,000. He described the Job Order Contracting process for small projects in which no formal plans are required, the JOC contractor submits a scope of work, the work order is approved by City staff, and construction begins with an inspection by City staff. He explained how the JOC process can reduce a seven-month timeframe for a small crosswalk and sidewalk repair project to a three-month pre-construction timeframe. Projects appropriate for the JOC process include traffic calming elements, minor roadway repair, small sections of sidewalks and walkways, stair upgrades, and fencing installations.

Mr. Berg outlined the procedures for establishing a JOC process for the City and for choosing a JOC contractor through the competitive bid process.

Mayor Degginger stated it will be important to get the word out to the contracting community. He is interested in knowing what criteria will be used to select the JOC contractor.

Responding to Councilmember Davidson, Mr. Berg said the first JOC contractor would be focused on public works projects. If the process proves to be successful, a subsequent JOC contractor would be pursued for facilities projects.

Responding to Councilmember Lee, Mr. Berg said the law requires that agencies provide annual reports to the State regarding the usage of JOC contracts.

Rocky Brannan, Purchasing and Contracts Manager, commented on his previous experience with the JOC process.

Staff responded to additional brief questions of clarification.

Mayor Degginger noted general Council interest in moving forward with the preparation of an amendment to the Bellevue City Code to allow Job Order Contracting as an alternative procurement process.

At 9:16 p.m., Mayor Degginger declared the meeting adjourned.

Myrna L. Basich
City Clerk

/kaw