

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

June 23, 2008
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: Mayor Degginger

1. Executive Session

Deputy Mayor Balducci called the meeting to order at 6:01 p.m. and declared recess to Executive Session for approximately 20 minutes to discuss one item of potential litigation.

The meeting reconvened at 6:26 p.m. with Deputy Mayor Balducci presiding. All members except Mayor Degginger were present.

Ms. Balducci requested an amendment to the agenda to move the Municipal Court discussion under Agenda Item 3(j), Regional Issues, to occur following Agenda Item 3(d). The Council concurred.

2. Oral Communications

(a) Heather Trescases, Eastside Heritage Center, invited the Council and the public to the annual Strawberry Festival on June 28 and 29 at Crossroads International Park.

(b) Beth Knox, President/CEO of Seafair, described the route for Bellevue's Seafair Marathon on June 29, which has been modified since last year. She thanked Lt. John McCracken, Police, and Tim Stever, Transportation, for their help in planning for the event. Neighborhoods have been contacted regarding the event and related street closures, and fewer churches are located along the revised route.

(c) Cydly Smith encouraged the City to retain the Eastgate area property, now undergoing planning for park development, in its natural state and to designate the open meadow as an off-leash dog area. She submitted her comments in writing as well.

Responding to Deputy Mayor Balducci, City Manager Steve Sarkozy confirmed that comments regarding development of the Eastgate property will be passed on to staff.

- (d) Nancy Malvin, President of BellevueDogs.org, presented information and a petition advocating in favor of off-leash areas for small dogs and/or designated hours for off-leash dogs. The desired locations are Downtown Park and in a nearby park, such as Wildwood Park.
- (e) Patty Graham said she lives and works in downtown Bellevue, and gets together with other residents who own dogs. She spoke in favor of an off-leash area in Downtown Park.
- (f) Kathleen Cole noted her support for an off-leash dog area in Downtown Park, or as an alternative, daily off-leash hours in the park.

Councilmember Chelminiak, liaison to the Parks and Community Services Board, said the Board will soon be reviewing the issue of park usage by dogs. He noted, however, that the top citizen complaint regarding parks relates to dogs.

Deputy Mayor Balducci indicated that tonight's speakers will be notified regarding when the Parks Board plans to discuss the issue.

- (g) Betsy Blackstock, Surrey Downs East Link Committee, presented a map to Councilmembers depicting desired light rail alignment. She asked the Council to continue the City's longstanding tradition of neighborhood protection.
- (h) David Steiner, East Division Presiding Judge, introduced King County District Court staff present tonight for the municipal court discussion.
- (i) Michael Gideon explained that he has been representing the King County Executive's Office in District Court negotiations during the past several years. He said staff is present to answer any questions from the Council.

3. Study Session

- (a) Council Business and New Initiatives

Councilmember Noble invited the Council and the public to Bridle Trails Park Foundation's annual Party in a Park on Saturday, 8:00 a.m. to 12:30 p.m. Events include a fun run, pancake breakfast, and family activities.

Councilmember Davidson noted he just returned from spending time at the Oregon Coast with his family, including four dogs.

- (b) City Manager's Report

City Manager Steve Sarkozy opened discussion regarding Council direction on the ULI (Urban Land Institute) panel review process related to planning for the Bel-Red Corridor. The issue is how much additional value will be accrued by private property owners in the area resulting from potential rezoning. This is important in Council's ultimate decisions about how to apportion infrastructure costs associated with the redevelopment.

Planning and Community Development Director Matt Terry referenced page 3-3 of the meeting packet, which outlines the roles of the Planning Commission and the ULI panel in developing information and recommendations for the City Council. The Planning Commission is slated to transmit its recommendations in September regarding Comprehensive Plan amendments, Land Use Code amendments, and related items. The ULI panel will independently review the incentive zoning proposal, and it will reports its conclusions directly to the City Council in early September. Greg Easton, the consultant who provided the underlying analysis for the incentive zoning proposal, will consider the panel's recommendations and communicate any modifications to his report directly to the Council.

Following receipt of this information from the Planning Commission, consultant, and the ULI panel, the Council will finalize its review of the incentive zoning proposal and Bel-Red Finance Plan. Council adoption of Comprehensive Plan and Land Use Code amendments, the incentive zoning proposal, and the Finance Plan is tentatively scheduled to occur by the end of the year.

Responding to Councilmember Chelminiak, Mr. Terry explained that the consultant hired by the City assessed the value created by the rezone of the Bel-Red area through a residual land value analysis. The ULI panel will review the cost of development, cost of land, developer profit, and the risk associated with development in the Bel-Red area, and then determine how much of a return could be achieved under the new zoning.

Responding to Councilmember Lee, Mr. Terry said the consultant's work to date led to the developer incentive proposal. This consultant will be asked to react to the ULI panel's work and recommendations, and property owners have already provided feedback as well.

Responding to Dr. Davidson, Mr. Terry explained that the consultant's incentive proposal assumed a traffic impact fee of \$7,500 per trip. In further response, Mr. Terry said a parks impact fee, but not an affordable housing impact fee, was considered as well.

Responding to Councilmember Bonincontri, Mr. Terry said the tentative schedule provided by staff may be modified by the Council. There is no specific deadline to reach a decision. The purpose of the work is to determine what will be necessary to achieve developer investment in transportation, parks, and stream corridor restoration.

Deputy Mayor Balducci wants to ensure that public input received to date will be incorporated into the ULI panel's work. Mr. Terry said material to be provided to the panel includes technical information, public testimony, the steering committee's recommendations, and proposed Comprehensive Plan and zoning amendments.

Ms. Balducci said it will be necessary to be flexible with the schedule to allow additional review by the Planning Commission and to address the affordable housing issue.

Deputy Mayor Balducci noted general Council consensus to move forward with a ULI panel review.

Responding to Mr. Chelminiak, Mr. Terry confirmed that the panel is not being asked to provide recommendations regarding the appropriate policies. However, the panel will be asked to suggest technical modifications to the incentive system that could make it more favorable to developers.

(c) Sound Transit East Link Update

Bernard van de Kamp, Transportation Regional Projects Manager, presented the preliminary findings of the environmental impact statement (EIS) process for the Sound Transit East Link project. He introduced Don Billen, Sound Transit East Link Project Manager, and Brooke Belman, Community Outreach Specialist.

Mr. Billen noted that the Sound Transit Board continues to consider Phase 2 ballot measures for this fall or in the future. The East Link project is in the conceptual engineering (or five percent design) phase, which provides adequate information to assess environmental impacts. During the last state legislative session, funding was allocated for an independent review of light rail impacts on the I-90 bridge. The review team has provided its preliminary findings to the state joint transportation committee. It has been determined that all of the issues affecting feasibility can be resolved. Mr. Billen noted that community workshops have been held during the past year and outreach activities are ongoing.

Mr. Billen described the analysis of a South Bellevue alternative that will preserve Bellevue Way HOV access to westbound I-90, avoid the Winters House, coordinate with BNSF railway corridor studies, minimize neighborhood impacts, and shorten the B3 alignment. Optional locations for construction staging for a downtown tunnel include Main Street and 112th Avenue, the Red Lion site, and the District Court site. A preferred downtown alignment alternative, based on community input, is to align along I-405 and then transition to 110th Avenue at NE 2nd Street. A number of tunnel construction methods have been studied, and analysis of the 112th elevated alternative includes a look at ways to improve access to City Hall and the Transit Center using a pedestrian bridge. He noted station location options at NE 8th Street and on NE 12th Street east of I-405.

Mr. Billen described potential alignment and station locations through the Bel-Red area. Community input indicates a desire for a park and ride facility. This could be located at NE 16th Street and 132nd Avenue, and could transition to a transit-oriented development site similar to the Overlake park and ride to the east. Sound Transit is working with the City of Redmond as well on a number of route options.

Preliminary EIS findings address travel times, ridership, property acquisitions, and cost. Mr. Billen reviewed ridership levels of other light rail systems, projections for overall East Link ridership, and the potential impact on existing bus service. He described ridership projections for Bellevue alignments specifically, and explained that travel times and costs are affected by required property acquisition and the type of system built (e.g., elevated, tunnel ect.). Property acquisitions primarily affect areas near the downtown and near construction staging locations.

Mr. Billen said the draft EIS is scheduled for publication this fall. Sound Transit will conduct public hearings and a public comment period on the report, to be followed by the identification of a preferred alternative by the Sound Transit Board. The next step will be preliminary engineering work and preparation of the final EIS.

Responding to Councilmember Davidson, Mr. Billen said the estimated cost of building light rail across the I-90 bridge is approximately \$750 million. Dr. Davidson indicated an interest in the projected and actual costs for implementing the Portland light rail system. In further response, Mr. Billen said the BNSF alignment does not provide as much access as the South Bellevue park and ride option. In addition, the BNSF alignment does not connect to the level of bus service and pedestrian access provided by the Bellevue Way route.

Responding to Councilmember Bonincontri, Mr. Billen said the East Link EIS work and consideration of a ballot measure are two separate processes. The earliest the draft EIS will be published is mid-September, and the comment period will extend into November. The Sound Transit Board's discussions will then extend into early 2009. A ballot package would identify general Phase 2 projects.

Councilmember Lee questioned the feasibility of connecting light rail to the Eastgate park and ride instead of the South Bellevue park and ride lot. Mr. Billen said this option has not been considered. He further indicated that the number of stations will continue to be evaluated.

Responding to Councilmember Noble, Mr. Billen confirmed that the preferred alternative could end up being a hybrid of alternatives currently under consideration. In further response, Mr. Billen said letters regarding potential property acquisitions have been sent to approximately 150 parties in Bellevue and Redmond. Sound Transit has invited property owners to meet with their staff.

Responding to Councilmember Chelminiak, Mr. Billen said project cost estimates assume the purchase, rather than leasing, of identified property acquisitions. In further response, Mr. Billen compared ridership estimates for several locations.

Responding to Deputy Mayor Balducci, Mr. Billen said the DEIS will provide more detailed information than currently available regarding ridership estimates and the comparison of alternatives. Ms. Balducci thanked staff for the presentation.

Responding to Dr. Davidson, Mr. Billen said Sound Transit has used the costs of the Beacon Hill tunneling to inform cost projections for East Link tunneling.

At 7:59 p.m., Deputy Mayor Balducci declared a break. The meeting resumed at 8:09 p.m.

- (d) Resolution No. 7759 authorizing execution of a purchase and sale agreement and authorizing the deposit of \$875,000 into escrow, for the purchase of real property, in lieu of condemnation, owned by Kent Central, LLC, known as Lincoln Center (King County Parcel No. 3225059005) located at 555 116th Avenue NE, for the purchase price of \$17,500,000, plus closing costs and broker's fees, subject to the removal of all purchase contingencies.

Nora Johnson, Civic Services Director, explained that the proposed acquisition of the Lincoln Center property at 555 116th Avenue NE will be split into two Council actions. Tonight staff is requesting authorization for the City Manager to execute the purchase and sale agreement and to deposit the earnest money into escrow. In July, staff will return with a specific funding ordinance and a request to create a Capital Investment Program (CIP) project. The site is across I-405 from City Hall and contains two buildings totaling approximately 70,000 square feet. Purchase of the site will address future needs including the NE 6th Street HOV and pedestrian project across I-405. The second option for a public use is to relocate the Surrey Downs District Court to one of the buildings on the site.

The purchase and sale agreement reflects a purchase price of \$17.5 million. The seller has been interested in redeveloping or selling the site. Earnest money to be deposited into escrow is \$875,000.

Ms. Balducci expressed support for the proposed purchase.

- Councilmember Chelminiak moved to approve Resolution No. 7759, and Dr. Davidson seconded the motion.
- The motion to approve Resolution No. 7759 carried by a vote of 6-0.

Amendment to Agenda

- (j) Regional Issues – Municipal Court

Mr. Sarkozy noted ongoing discussions regarding municipal court operating and capital alternatives.

Diane Carlson, Director of Intergovernmental Relations, said staff is seeking Council direction regarding the following options: 1) Continue to negotiate with King County regarding relocation of the existing court to a site near downtown Bellevue, in this case the Lincoln Center property just discussed or, 2) Enter into negotiations with King County to relocate Bellevue District Court to Issaquah and to secure a location for Bellevue Probation near downtown Bellevue, or 3) Provide notice of termination of the service agreement with King County that would be effective

January 1, 2010, and develop a Bellevue municipal court. The deadline for giving notice is June 30, 2008.

Ms. Carlson noted that in response to Council's request at the June 9 meeting, a table summarizing caseload, revenue, and staffing for municipal courts located in Bellevue and surrounding areas is provided on page 3-108 of the meeting packet. Additional information provided in the meeting packet in response to the June 9 discussion includes: 1) Kirkland's court operating costs, 2) Annual costs for the three options identified by staff [Attachment A in meeting packet], 3) Technology costs included in the Bellevue Court model, and 4) Information about the District Court re-licensing program [Attachment B]. King County has expressed an interest in working with Bellevue to develop its own re-licensing program if the City chooses this option.

Staff recommends Alternative 1 to proceed with negotiations with King County to relocate District Court services to the Lincoln Center site. If negotiations are not successful by November 30, staff will return for Council direction to pursue a District Court move to Issaquah and/or consideration to terminate the District Court agreement with King County effective December 31, 2010.

Responding to Councilmember Noble, Ms. Carlson said the municipal court option has a higher cost than a District Court arrangement due in part to start-up costs and reduced revenue during the first year of a municipal court.

Councilmember Lee expressed support for Alternative 1 as recommended by staff. He noted that continuing with the District Court is more cost effective than establishing a municipal court.

Responding to Mr. Chelminiak, Ms. Carlson provided additional details regarding tenant improvement cost comparisons and probation services site alternatives.

→ Councilmember Lee moved to approve Alternative 1 as recommended by staff, and Councilmember Noble seconded the motion.

Deputy Mayor Balducci is pleased with the identification of the Lincoln Center property in order to keep the court in Bellevue. She supports the motion.

Councilmember Davidson expressed support for the motion as well.

Mr. Chelminiak concurred, noting his ongoing interest in relocating the court from the Surrey Downs facility while keeping the court in Bellevue. For him, money is not the most important consideration in providing justice. Mr. Chelminiak is not yet ready to consider a municipal court option.

Mr. Noble expressed confidence in the ability of the District Court to continue to provide criminal justice services. He feels Bellevue and the District Court share the objective of providing efficient and cost effective court services.

Ms. Bonincontri supports the motion. She noted that the establishment of a municipal court involves not only financial investments but specialized expertise and experience. She requested information as to why Bellevue's revenue per case is lower than some of the other jurisdictions.

→ The motion to approve Alternative 1 carried by a vote of 6-0.

Agenda Resumed

- (e) Resolution No. 7760 authorizing execution of a consultant agreement with Fehr & Peers/Mirai, in an amount not to exceed \$99,670.00, for technical and procedural assistance in the development of an update to the City's Transportation Impact Fee Program.

Mr. Sarkozy said Resolution No. 7760 proposes the execution of a contract with a consulting firm to provide assistance in the development of an update to the City's Transportation Impact Fee Program. This work has been requested by the Council in the City's long-term financial plan.

Transportation Director Goran Sparrman recalled Council's interest in simplifying the transportation impact fee structure. In addition, the City's efforts related to redevelopment of the Bel-Red corridor highlight the need for transportation facilities, with transportation impact fees being one option for financing the infrastructure. Staff is requesting authorization to proceed with an analysis of the impact fee program and schedule.

Councilmember Chelminiak expressed concern regarding looking only at the extent to which impact fees affect potential development. He is interested in the overall effect of taxes and fees in Bellevue, as compared to surrounding cities, in encouraging development.

Mr. Sarkozy acknowledged Council's interest in determining Bellevue's competitive status in attracting development compared to other cities.

Responding to Dr. Davidson, Eric Miller, Implementation Planning Manager, said the City has worked with the consultant in the past. Mr. Sparrman said the consultant's staff is active in and familiar with regional transportation issues.

Councilmember Lee questioned whether the consultant's work will take into consideration overall developer incentives for the Bel-Red area. He further questioned the rationale for the cost of the consultant's work. Mr. Sparrman said the contract will build on previous work by the consultant to evaluate the City's current program and structure, in order to develop a model for the future based on new data and technical analysis. He noted that the work is a building block for determining overall developer investments and incentives.

Councilmember Bonincontri stated that simplifying the fee program and structure is a high priority for her. Mr. Sparrman concurred that this is staff's goal as well.

- Councilmember Chelminiak moved to approve Resolution No. 7760, and Councilmember Noble seconded the motion.
- The motion to approve Resolution No. 7760 carried by a vote of 6-0.
- (f) Resolution No. 7761 authorizing execution of an Interlocal Agreement with King County regarding renewal of the HOME Investment Partnerships Program (HOME Program).

Arthur Sullivan, Program Manager for ARCH (A Regional Coalition for Housing), noted there are several federal funds available for distribution to local governments for affordable housing needs. However, federal rules dictate how and by whom the funds may be allocated.

Mr. Sullivan requested Council approval to continue the City's participation in the King County HOME Investment Partnerships Program consortium and to adopt Resolution No. 7761 authorizing an interlocal agreement with King County regarding renewal of the program.

- Councilmember Chelminiak moved to approve Resolution No. 7761, and Councilmember Lee seconded the motion.
- The motion to approve Resolution No. 7761 carried by a vote of 6-0.

(g) Arts Commission 2008 Funding Recommendations

Mr. Sarkozy recalled Council discussion of the Arts Commission's 2008 funding recommendations on May 19. At Council's request, staff returned to the Arts Commission to clarify its recommendation. At the Commission's June meeting, Commissioners voted to rescind its previous vote. After additional discussion, the Commission voted 5-1 in favor of the zero funding option with regard to requests from Bellevue Arts Museum and KidsQuest Children's Museum.

Deputy Mayor Balducci explained that the Council allocated funds to the two organizations during the last approval cycle, and continues to support their activities and programs. Following action on the Arts Commission's recommendations tonight, she suggests directing staff to develop a policy to clarify a process for handling similar multiple requests in the future.

Mr. Chelminiak would like funding recommendations to be based on the merits of the application and the Arts Commission's position about how to best allocate funds.

Mr. Noble said he shares Mr. Chelminiak's concern that a funding recommendation should be based on the merits of an application, and not on whether the organization has received past funding.

Ms. Balducci noted her understanding that the Commission was interested in spreading the money fairly, as reflected in the previous recommendation to fund the two organizations but at a lower level than requested.

Mr. Lee expressed support for the Arts Commission's recommendation.

Ms. Bonincontri supports the Commission's recommendation. She concurs with Ms. Balducci's suggestion to clarify funding guidelines.

Mary Pat Byrne, Arts Specialist, explained that after the Commission makes recommendations for Eastside Arts Partnership funding allocations, the organization responds with a scope of work based on the dollar amount it is to be allocated. Special projects requests are more specific and can lead to future EAP funding.

→ Councilmember Lee moved to direct staff to implement the recommended 2008 Eastside Arts Partnership and Special Projects funding allocations, which do not include funding for the Bellevue Arts Museum and KidsQuest Museum. Ms. Balducci seconded the motion.

Councilmember Noble will not support the motion because in this particular instance, he feels the Arts Commission's recommendation is based on the fact that the two organization have already received funding. In previous discussions, the Council determined that the proposals from Bellevue Arts Museum and KidsQuest had merit, regardless of the funding previously provided.

Dr. Davidson will support the motion, as well as Ms. Balducci's suggestion to clarify the process for handling multiple funding requests from an organization.

→ The motion to direct staff to implement the recommended 2008 Eastside Arts Partnership and Special Projects funding allocations carried by a vote of 5-1, with Councilmember Noble dissenting.

Deputy Mayor Balducci thanked the Arts Commission for its work.

(h) Utilities Early Outlook Budget Discussion

Denny Vidmar, Utilities Director, opened staff's presentation of the Utilities Department's early outlook budget discussion. He introduced Nav Otal, Utilities Deputy Director; Anne Weigle, Assistant Director for Resource Management and Customer Service; and Bob Brooks, Fiscal Manager. Mr. Vidmar noted that the early outlook presentation provides the context for the 2009-2010 Operating Budget and the 2009-2015 CIP Plan.

Ms. Weigle said the Utilities Department relies primarily on rates for the majority of its revenue. Wholesale costs for water purchased from the Cascade Water Alliance and wastewater treatment by King County Metro represent 42 percent of total expenditures over the past three budget

cycles. Wholesale costs during the past three budget cycles have been above the CPI (consumer price index), and local contributions to rate increases has been well below the CPI.

Ms. Otal reported that a customer service survey indicates a 92 percent customer satisfaction rate, with 85 percent rating Bellevue's utility services as a good value. However, the system is experiencing an increase in pipe breaks and defects, and related claims, as the pipes age.

Ms. Otal reviewed six key issues for the 2009-2010 budget: 1) Wholesale costs, 2) Construction inflation, 3) Aging infrastructure, 4) Growth, 5) Legislative mandates, and 6) NPDES (National Pollutant Discharge Elimination System) requirements. Increasing wastewater treatment costs anticipate an increase in Bellevue rates of 9.9 percent in 2009, with no increase in 2010. Water rates are expected to increase seven percent in both 2009 and 2010, and the rate increases could potentially be as high as 10 percent.

Construction inflation is related to increased costs for concrete, asphalt, labor, and fuel. Aging infrastructure is becoming a national problem. Half of Bellevue's utilities infrastructure is past mid-life, and failure rates are increasing. Funding to meet aging infrastructure needs throughout the 2009-2015 CIP Plan is estimated at \$22 million. Mr. Vidmar showed a brief video segment regarding national infrastructure needs and issues. Additional funding of \$20 million is needed for City growth-related projects, and approximately \$4 million is needed to respond to mandates of the I-405 and SR 520 projects that require the relocation of utilities. Costs related to NPDES municipal stormwater permit activities are uncertain. A Council briefing on NPDES impacts is scheduled for July 14.

Mr. Vidmar reviewed staffing levels since 1993. The growth in full-time equivalent positions over this timeframe is related primarily to expansion of the service area. Mr. Vidmar reviewed a proposal to add 15 FTE positions during the 2009-2010 budget cycle.

Ms. Weigle presented projected rate impacts associated with infrastructure, service, and staffing demands. Wholesale rate increases for wastewater are significantly higher than historical levels due to the Brightwater treatment plant and the increase in the cost of borrowing money. King County Metro adopted a 14 percent rate increase last week to cover 2009 and 2010 expenses, which updates information provided in the recent Finance Department's early outlook presentation. Bellevue's base rate increase is consistent with historical trends.

Ms. Weigle reviewed projected rate increases for water, which are higher than in the past due to significant capital investments underway by the Cascade Water Alliance. However, local base rate increases are consistent with past increases and remain below CPI levels. Bellevue provides its own stormwater services. The projected average rate increase is higher than the historical average due mainly to aging infrastructure and NPDES permit-related costs.

Ms. Weigle reviewed the estimated rate impact for customers. The typical monthly bill for water, sewer, and stormwater services is estimated to increase approximately 10 percent in 2009 and 5.6 percent in 2010. Staff estimates that an additional \$2-\$5 per household is needed in

2009 to address aging infrastructure, growth, and NPDES costs. An additional \$1-\$2 is need to address these costs in 2010.

Mr. Vidmar said the Council will receive additional briefings on NPDES activities on July 14, and on Cascade Water Alliance wholesale rates on July 28. More information will be provided as the budget process moves forward through the fall.

Councilmember Lee commended staff on the presentation, noting he looks forward to updated information as the budget process goes forward.

Councilmember Bonincontri noted her participation in a tour of utilities facilities. She supports a proactive approach to infrastructure maintenance and replacement, acknowledging that this would need to involve public outreach and education as to associated rate impacts.

Deputy Mayor Balducci expressed an interest in longer-term rate projections as well as a look at how to smooth rate increases for customers as much as possible.

(i) Development Services Early Outlook and Update

Mike Brennan, Deputy Director of Development Services, provided a brief update on development activity. Many of the projects provide public amenities such as the public plaza at the City Center building. The total valuation of permits issued represents a historic peak for 2007 and continued active development in 2008. Based on current levels, it is estimated that nearly 15,000 permit applications will be submitted in 2008. More than 60,000 building inspections will be conducted this year.

The development outlook anticipates a 30 percent decrease in residential permits, 17 percent drop in pre-application conferences, seven percent increase in right-of-way use, and a 26 percent increase in tenant improvements. Major projects remain in the pipeline, and another factor to be considered is the potential for redevelopment in the Bel-Red corridor.

Mr. Brennan said Development Services has added 45 new positions since 2004, and continues to recruit to fill vacancies. Since January 2006, 57 new employees have been added. 2008 consultant contracts are estimated at \$500,000, and overtime continues to be needed to keep up with the workload. Mr. Brennan noted a decrease in the number of permits being processed within the desired timeframe. However, service levels should improve by the end of the year as new staff is added and trained. A 2007 customer survey indicates an 83 percent positive response on whether the City is doing a good job of inspecting projects and reviewing permit applications.

- Councilmember Chelminiak moved to extend the meeting until 10:15 p.m. Deputy Mayor Balducci seconded the motion.
- The motion to extend the meeting carried by a vote of 6-0.

Deputy Mayor Balducci commended Development Services staff for its hard work in handling a heavy workload associated with the active development.

Mr. Brennan responded to brief questions of clarification.

(j) Regional Issues

→ Councilmember Davidson moved to extend the meeting until 10:30 p.m. Councilmember Chelminiak seconded the motion.

→ The motion to extend the meeting carried by a vote of 6-0.

Kim Becklund, Transportation Policy Advisor, reviewed current transportation tolling and pricing activities in the Puget Sound region. She noted that Councilmember Noble serves as Chair of the Eastside Transportation Partnership's (ETP) tolling committee, and Deputy Mayor Balducci is Vice Chair of the pricing task force.

At the state's request, the Puget Sound Regional Council (PSRC) is conducting a tolling analysis for I-90 and SR 520. PSRC is also involved in a long-term update to its Metropolitan Transportation Plan – Destination 2030, which includes a study of tolling scenarios as well as addressing capacity, growth, and other issues. Ms. Becklund said toll revenue for the Tacoma Narrows bridge is meeting financing requirements and experiencing increasing peak period usage. The SR 167 HOT lanes pilot project is experiencing increased usage as well.

Deputy Mayor Balducci noted that PSRC, King County, and the State have applied for an Urban Partnership Grant, which dictates that tolls would have to be implemented in 2009. The State-mandated tolling committee will participate in a Council discussion in July.

Moving on, Ms. Carlson referred to page 3-77 of the packet for an update on the King County Comprehensive Solid Waste Management Plan update.

Turning to page 3-87, Alison Bennett described a Cascade Water Alliance water audit agreement to be presented for Council approval next week. The purpose is to document the supply relationship between Cascade and each member agency. An initial audit was conducted in 1999.

Dr. Davidson expressed support for the audit activities.

Ms. Carlson referred to Council's desk packet for a proposed draft letter to Sound Transit from Eastside cities. The letter provides strong support for the extension of light rail to the Eastside in the ST2 package.

Councilmember Chelminiak suggested adding a statement regarding the significant level of Eastside sales tax revenue that benefits mass transit.

Councilmember Noble expressed support for the letter and endorsed Mr. Chelminiak's suggested addition highlighting the Eastside's significant economic role within the region.

Ms. Balducci expressed support for the letter, and suggested following up with a letter from Bellevue only as well. She indicated general Council support for the letter. Ms. Carlson said she will bring the letter back to the Council if other jurisdictions request substantive changes.

Deputy Mayor Balducci recused herself from discussion of the next item, and asked Councilmember Chelminiak to act as chair.

Councilmember Chelminiak noted the draft letter in Council's desk packet to the King County Council regarding an ordinance that directs the King County Executive to negotiate an extension of the jail services agreement with cities covered by the agreement. An email from the King County Council Chair, as well as the proposed ordinance, is included in the desk packet as well.

Responding to Mr. Chelminiak, Ms. Carlson confirmed that King County rents some beds to the State Department of Corrections. This restricts the number of beds available for cities contracting with the County. Beds used in the County jail by the DOC are former inmates who have violated their probation provisions. The DOC pays less per bed than Bellevue pays.

Responding to Mr. Noble, Ms. Carlson recalled that previous negotiations with the King County Executive's Office ended because the County was seeking a rate increase and was not able to guarantee the availability of beds. The Executive has the authority to negotiate the contracts. Mr. Noble suggested the letter be addressed to both the King County Council and the Executive.

Councilmember Chelminiak noted Council consensus to send the letter to both parties.

Deputy Mayor Balducci returned to the meeting.

At 10:30 p.m., Deputy Mayor Balducci declared the meeting adjourned.

Myrna L. Basich
City Clerk

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