

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

March 17, 2008
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:06 p.m., with Mayor Degginger presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present. Councilmember Noble led the flag salute.

3. Communications: Written and Oral

- (a) Marvin Paul Brecht, a resident of Bayview Village Apartments owned by the City, attended the meeting with the former manager of the apartments and expressed concerns about the recent termination of the manager. He submitted his comments in writing as well.

City Manager Steve Sarkozy explained that the employee was terminated by a contractor that is now responsible for operating the apartment complex.

Councilmember Lee requested a staff briefing on this issue for the Council.

- (b) Linda Bernstein, representing the Lyndon LaRouche Youth Movement, described the current financial and banking crisis and encouraged adoption of a resolution supporting the Homeowners and Bank Protection Act of 2007.
- (c) A representative of the LaRouche Political Action Committee described the current financial and banking crisis and encouraged adoption of a resolution supporting the Homeowners and Bank Protection Act of 2007.
- (d) Harry Kirschbaum expressed concern regarding the potential condemnation of businesses and residences in downtown Bellevue for transit purposes.

(e) David Jentry encouraged Council to accept the Notice of Intent to Petition regarding the Jentry-Graber annexation.

4. Reports of Community Council, Boards and Commissions: None.

5. Report of the City Manager

City Manager Steve Sarkozy highlighted Agenda Item 8(d) regarding the planned upgrade and expansion of the VoicePermits system and the implementation of the VoiceUtility system. These initiatives are part of an overall effort to utilize technology to enhance services to citizens.

Mr. Sarkozy noted that Agenda Item 8(f) relates to an Interagency Agreement with the Washington State Department of Ecology to accept grant funds to retain a consultant to help small businesses prevent pollution and improve business practices.

Mr. Sarkozy explained that Resolution No. 7715, Agenda Item 8(e), authorizes an agreement with Inca Engineers for conceptual engineering design and analysis in support of evaluating and developing early implementation strategies and future recommendations of the Bel-Red Corridor Plan regarding roadways, bus rapid transit, light rail, and intersection modifications.

6. Council Business and New Initiatives

Councilmember Lee traveled to Washington, D.C., for the National League of Cities conference and the International Renewable Energy conference. He met with representatives from the Department of Justice and the Department of Homeland Security. Mr. Lee visited the Potomac Yard development, which has similarities to redevelopment planning for the Bel-Red corridor.

Dr. Davidson attended Bellevue Youth Link's Gumbo Night. He attended meetings of the Cascade Water Alliance resource and planning committee and MWPAAC finance committee, as well as the Cascade Water Alliance retreat.

Councilmember Chelminiak attended a meeting of the Puget Sound Regional Council (PSRC) Economic Development District Board, of which he is now president. He was recently appointed by the Governor to the Washington State Building Code Council.

Councilmember Noble attended the National League of Cities conference in Washington, D.C., as well as meetings of the Human Services Commission and the Eastside Transportation Partnership. He toured the Potomac Yard development, which was formerly a rail yard, and noted the parallels to current planning efforts related to the Bel-Red corridor.

Deputy Mayor Balducci attended meetings of the PSRC Transportation Policy Board, the Sound Transit Board, and the Eastside Transportation Partnership. Ms. Balducci delivered Bellevue's interest statement to the Sound Transit Board and articulated key issues.

Mayor Degginger reported that he and Deputy Mayor Balducci served as judges at the Fire Department chili cook-off. He attended the Cascade Water Alliance retreat and an event commemorating Nisei veterans. Mr. Degginger and Ms. Balducci met with three Sound Transit Board members today.

7. Approval of the Agenda

→ Deputy Mayor Balducci moved to approve the agenda, and Councilmember Noble seconded the motion.

→ The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

→ Deputy Mayor Balducci moved to approve the Consent Calendar, and Councilmember Davidson seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

- (a) Minutes of February 25, 2008 Special Session
Minutes of February 25, 2008 Extended Study Session
Minutes of March 3, 2008 Special Session
Minutes of March 3, 2008 Study Session
Minutes of March 3, 2008 Regular Session
- (b) Motion to approve payment of claims for the period March 1, 2008 through March 14, 2008, and payroll for the period February 16, 2008 through February 29, 2008
- (c) Resolution No. 7697 authorizing execution of a professional services with The Portico Group in the amount of \$227,546 for master planning services for the Eastgate Area Properties. [Postponed from February 19, 2008.]
- (d) Resolution No. 7714 authorizing execution of a system purchase agreement with Selectron Technologies Inc. Company in an amount not to exceed \$152,341 to upgrade and expand the current VoicePermits system and to implement the new VoiceUtility system.
- (e) Resolution No. 7715 authorizing execution of an agreement with Inca Engineers, Inc., in an amount not to exceed \$374,929.87 for conducting conceptual engineering design analysis in support of evaluating and developing early implementation strategies and future recommendations of the Bel-Red Corridor Plan including roadway, BRT, and LRT alignments, extension, and intersection modifications east of 124th Avenue NE. (CIP Plan No. PW-R-153)

- (f) Ordinance No. 5806 authorizing: 1) execution of an Interagency Agreement with Washington State Department of Ecology to accept grant funds of up to \$180,000 to retain a consultant to help small businesses prevent pollution and improve business practices; 2) amendment of the Operating Grants and Donations fund to increase appropriations by \$180,000; and, 3) expenditures of said grant funds.
- (g) Resolution No. 7712 authorizing execution of a professional service agreement with HDR Engineering, Inc., in the amount of \$130,500 for the design of new financial and budget forecasting models for the City's Water, Sewer, and Storm Drainage utilities.

9. Public Hearings

- (a) Request to vacate a portion of 106th Avenue SE at Cliff Place

Nora Johnson, Civic Services, reported that the City received a petition for a right-of-way vacation for a portion of 106th Avenue SE at Cliff Place. She noted the City has also received a petition for ROW vacation for an adjacent parcel. The ROW is a steep slope that is not appropriate for a street or as a trail use. There has been no opposition to the petition. Ms. Johnson briefly reviewed the criteria for determining whether to grant a ROW vacation.

Responding to Councilmember Lee, Ms. Johnson said the cost of the parcel is estimated. An appraisal will be conducted to assess the current value. Ms. Johnson responded to additional brief questions of clarification.

- Deputy Mayor Balducci moved to open the Public Hearing, and Mr. Chelminiak seconded the motion.
- The motion to open the Public Hearing carried by a vote of 6-0.

No one came forward to comment.

- Deputy Mayor Balducci moved to close the Public Hearing, and Mr. Noble seconded the motion.
- The motion to close the Public Hearing carried by a vote of 6-0.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

- (a) Motion to accept with conditions a Notice of Intent to Petition under RCW 35A.14.420 for the Jentry-Graber annexation, an approximately 11.7-acre site and associated right-of-way, at the south end of Lakemont Boulevard in the Newcastle Subarea. *[Accepting a Notice of Intent instructs Petitioners to return within 180 days with a Direct Petition for Annexation that includes petitioner acceptance of bonded indebtedness.]*

Nicholas Matz, Senior Planner, reported on a Notice of Intent to Petition for the Jentry-Graber annexation, an 11.7-acre site and associated right-of-way located at the south end of Lakemont Boulevard in the Newcastle Subarea. He described adjacent potential annexation areas and noted the Council's ongoing interest in annexing all unincorporated parcels. Staff recommends a geographical modification to the proposal to pursue annexation of the areas surrounding the Jentry-Graber property. Bellevue previously annexed a parcel that is part of Cougar Mountain Park.

Responding to Deputy Mayor Balducci, Mr. Matz said there are no direct costs associated with the annexation. The petitioners are seeking development potential in terms of utilities services, and these are typically recoverable expenses.

→ Deputy Mayor Balducci moved to accept with conditions a Notice of Intent to Petition under RCW 35A.14.420 for the Jentry-Graber annexation. Councilmember Lee seconded the motion.

→ The motion to accept with conditions the Notice of Intent to Petition for the Jentry-Graber annexation carried by a vote of 6-0.

- (b) Resolution No. 7717 authorizing execution of an Interlocal Agreement with King County regarding the Regional Affordable Housing Program (RAHP) fund that distributes the local portion of SHB 2060 revenue in a manner that is consistent with local and Countywide housing needs and policies.

Dan Stroh, Planning Director, explained that Resolution No. 7717 authorizes the execution of an Interlocal Agreement with King County regarding the Regional Affordable Housing Program (RAHP) fund, which distributes the local portion of revenue in a manner that is consistent with local and Countywide housing needs and policies. He responded to brief questions of clarification.

→ Deputy Mayor Balducci moved to approve Resolution No. 7717, and Councilmember Noble seconded the motion.

→ The motion to approve Resolution No. 7717 carried by a vote of 6-0.

- (c) Resolution No. 7718 authorizing execution of a five-year lease with an automatic five-year extension, with Clearwire LLC at Newport Hills Mini-Park adjacent to SE 60th Street in Newport Hills.

Parks and Community Services Director Patrick Foran introduced staff's report regarding a proposed five-year lease with Clearwire LLC for equipment siting at Newport Hills Mini-Park. He explained that Clearwire will still need to go through the City's permitting process. However, the company must have a lease before applying for a permit.

Colin Walker reviewed the terms of the five-year lease, which has an automatic five-year

extension. He described the location of the wireless communications facility using a map and photos. A number of utilities are located in Newport Hills Mini-Park as well including Puget Sound Energy equipment and both Olympic pipelines.

Drew Folsom provided additional details regarding the installation. He referred Council to information in the meeting packet including a summary of residents' comments on the proposal, which address health impacts, visual impacts, the design of the equipment and pole, and implications, if any, for the trail. All of these issues will be reviewed during the permit process.

Noting the high demand for wireless capabilities in the community, Deputy Mayor Balducci feels the facility will provide a public benefit. She understands, however, the challenge of locating a facility in a manner that is satisfactory to residents. Ms. Balducci requested information on the design of the equipment.

Responding to Mr. Chelminiak, Mr. Walker confirmed that Clearwire is expanding its wireless communications network in Bellevue. Clearwire uses smaller and more compact equipment for wireless Internet access than what is used for most existing wireless cell phone technology installations.

→ Deputy Mayor Balducci moved to approve Resolution No. 7718, and Councilmember Lee seconded the motion.

→ The motion to approve Resolution No. 7718 carried by a vote of 6-0.

12. Unfinished Business

(a) Cascade Water Alliance Update

Alison Bennett, Utilities Policy Advisor, introduced the presenters and noted that the Cascade Water Alliance Board is scheduled to take action on March 26 regarding the Lake Tapps purchase.

Ed Oberg, Chief Executive Officer for the Cascade Water Alliance, provided an overview of Cascade's mission to create and maintain a water supply for its eight member cities and water districts. Water is currently acquired from Seattle Public Utilities. The future water supply will be provided through the Tacoma Supply Contract and eventually a new water supply from Lake Tapps.

Steven Call, Director of Finance, reviewed the 50-year capital program, which includes the Tacoma Cascade Pipeline, Lake Tapps Pipeline, acquisition of Lake Tapps, and the development of a water treatment plant at Lake Tapps. Cascade is funded through member charges (rates), and connection fees are currently collected from customers. Mr. Call reviewed projected rates through 2050.

Mr. Oberg explained that Cascade is currently negotiating franchise agreements with King County and the City of Covington, developing a communications and outreach plan, and

supplementing the project team with an owner's representative and special construction legal counsel. Cascade is working to update the scope, schedule, and budget for the Tacoma pipeline project, which is unlikely to be operational by 2010 as previously proposed. As a result, Cascade is working with Seattle Public Utilities to extend its water purchase agreement, as well as working with the City of Tacoma to modify the contract timeframe for the project.

Michael Gagliardo, Director of Planning, said that Cascade will initially maintain Lake Tapps as a recreation facility. Developing the lake as a water supply is a long-term project with Phase 1 slated for 2025 and Phase 2 is to be implemented in 2036. Mr. Gagliardo reviewed maps and diagrams of the Lake Tapps area and reviewed the lake's history beginning with its creation in 1911. The project will necessitate the acquisition of new municipal water rights as well as a hydropower water right. Mr. Gagliardo described numerous parcels around and near the lake that will need to be acquired as part of the water supply project.

The minimum purchase price for the lake, now owned by Puget Sound Energy, was initially set at \$25 million. There is an additional contingency of \$5 million payable to PSE if municipal water rights are secured. Additional adjustments for process costs, lake operating and maintenance costs, and Printz Basin improvements total approximately \$9 million, for a total purchase price of \$39 million.

Mike Ruark, legal counsel (Inslee Best), reviewed the terms and conditions of the purchase and sale agreement. Closing of the transaction must occur within two years of the date that the agreement is executed.

→ At 9:57 p.m., Deputy Mayor Balducci moved to extend the meeting to 10:30 p.m. Mayor Degginger seconded the motion.

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

Continuing, Mr. Ruark reviewed indemnity provisions within the agreement and briefly discussed the operating agreement.

Joel Gordon, real estate legal counsel (GordonDerr), described the due diligence process of studying the 100-year history of the lake and parcels to be acquired. He reviewed provisions in the agreement related to environmental matters.

Mr. Gagliardo reviewed Cascade's 2008 budget.

Noting the extreme complexity of the issues involved, Mayor Degginger commended the extensive work during the past five years to establish the Cascade Water Alliance.

Responding to Councilmember Lee, Mr. Gagliardo explained that PSE owned all properties around the lake until the mid-1950s. Portions of the land were then sold to a development company which subdivided the land and created residential properties. There is some public land along the lake including two parks. Under the purchase agreement, Cascade will continue to own the lake up to a certain elevation bordering residential properties.

Responding to Councilmember Noble, Mr. Gagliardo said a final settlement has not yet been reached with the Muckleshoot and Puyallup Tribes.

Deputy Mayor Balducci thanked Cascade representatives for the presentation and praised the hard work of the organization.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 10:12 p.m., Mayor Degginger declared the meeting adjourned.

Myrna L. Basich
City Clerk

/kaw