

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

July 23, 2007  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

Deputy Mayor Chelminiak called the meeting to order at 6:04 p.m. and announced recess to Executive Session for approximately 15 minutes to discuss one matter of pending litigation and one matter of property acquisition.

The meeting reconvened at 6:11 p.m. with Mayor Degginger presiding.

2. Study Session

(a) Qwest Cable TV Franchise and Related Proposed City Code Amendments

City Manager Steve Sarkozy recalled previous discussion with the Council regarding the Qwest cable television franchise and proposed Code amendments. The two outstanding issues are whether the franchise agreement should contain a build-out requirement for the initial 10-year term and the level of capital contribution to be required to be used for local public, educational and government (PEG) access facilities and production.

David Kerr, Franchise Manager, provided an overview of the proposed cable TV franchise agreement with Qwest. Qwest does not agree to a build-out requirement for the entire city, as stipulated in the City Code. As a new entrant to the market, Qwest's position is that a build-out requirement covering the entire city is too burdensome. Qwest has noted that Millennium Digital Media does not contribute PEG fees. The current negotiations coincide with recently adopted FCC rules that a local government does not have the authority to impose a build-out requirement.

Mr. Kerr explained that granting a franchise without a build-out provision requires amendment to the City Code. Staff proposes an amendment to allow an initial franchise to not have a build-out requirement, and to preserve the City's ability to impose a build-out requirement with renewal of the franchise agreement. While the FCC rules are under appeal, state governments are moving to address the issue of build-out authority as well. Mr. Kerr said the renewal of Millennium Digital Media's franchise agreement is approaching. The company services a few hundred customers in Bellevue.

Under its current contract, Comcast provided a one-time PEG contribution of \$450,000 to support Bellevue-TV and the Bellevue Community College educational channel. Comcast charges its subscribers 25 cents per month to recover this contribution. Qwest has committed to providing an initial PEG contribution of \$30,000 as well as funds generated by charging subscribers a 25-cent monthly fee.

Councilmember Davidson questioned whether adding more cable TV franchises can facilitate competition if all providers do not cover all parts of the city. Mr. Kerr said Qwest will refuse the franchise if required to complete full build-out. Qwest intends to eventually serve all parts of the community, but feels this should be dictated by the market and not the franchise agreement.

Councilmember Marshall feels all providers should be treated the same way in terms of franchise agreement requirements including those dictating PEG contributions. Mr. Kerr explained that the companies differ in the number of customers and therefore realize different economies of scale. As a new provider in Bellevue, Qwest currently has no subscribers and therefore does not have the ability to recover a large PEG contribution.

Responding to Mrs. Marshall, Mr. Kerr said Comcast did not have a PEG support requirement until its most recent franchise renewal in 2004.

Responding to Councilmember Noble, Mr. Kerr said the agreement allows Qwest to choose where to initially implement cable TV service. He confirmed that Qwest's PEG contribution will increase as the company gains subscribers who will pay 25 cents per month toward this purpose.

Responding to Deputy Mayor Chelminiak, Mr. Kerr said Qwest informed him that it does not place values on individual franchises in terms of reflecting company assets. He said there are provisions in which a provider could sell its franchise. Comcast has approximately 30,000 customers in Bellevue.

Responding to Councilmember Lee, Mr. Kerr said it would take approximately five years for Comcast to recover its PEG contribution of \$450,000 based on collecting 25 cents monthly from subscribers. Mr. Lee expressed an interest in encouraging competition between providers including incentives to attract new providers.

Councilmember Balducci would like to see future build-out by Qwest and supports moving forward with the proposed contract terms.

Dr. Davidson feels it is necessary to have some type of build-out requirement, potentially a phased build-out, in order to stimulate true competition. Mr. Chelminiak concurred.

Responding to Mayor Degginger, Mr. Kerr said Qwest will not accept even a phased build-out requirement. Qwest has communicated that it does not want to disclose its implementation plan because it does not want the information available to competitors.

Responding to Councilmember Balducci, Mr. Kerr acknowledged the possibility of negotiating a five-year franchise agreement. Councilmembers Noble and Marshall concurred with having a shorter-term agreement.

Responding to Mr. Degginger, Mr. Kerr said one option that has been discussed is an initial five-year franchise without a build-out requirement, with additional years to be renewed if the provider meets specific build-out requirements.

(b) Update on the NE 6<sup>th</sup> Street Pedestrian Corridor

Planning and Community Development Director Matt Terry opened discussion regarding staff's update on the NE 6<sup>th</sup> Street Pedestrian Corridor investment package. Investments in this major pedestrian corridor represent some of the most significant urban design and livability improvements to take place in the city.

Emil King, Strategic Planning Manager, reviewed the multiple Capital Investment Program (CIP) projects focusing on the NE 6<sup>th</sup> Street Corridor including study and initial implementation, light rail interface planning, connection with Meydenbauer Bay, continued development of the Art Walk, and acquisition of the Metro site. He noted that this effort coincides with unprecedented private development in the downtown, as well as the City's transportation, parks/open space, and public safety projects. In addition to the NE 6<sup>th</sup> Street Corridor investments, Council approved Supplemental CIP funding for several projects including Great Streets Implementation, mid-block crossings, NE 2<sup>nd</sup> Street roadway enhancements, and downtown wayfinding. Regional transportation projects, including Sound Transit East Link and freeway improvements, are underway as well.

Transportation Director Goran Sparrman explained how the coordination of downtown projects is critical to ensure desired outcomes and maintain mobility.

Mr. King described the NE 6<sup>th</sup> Street Corridor's role in ensuring mobility and providing urban design that enhances the downtown's livability. Mobility relates to the Corridor's function in the downtown transportation system including transit as well as a pedestrian arterial. The Corridor plays a critical role in downtown urban design in addition to the Downtown Park, development of the Meydenbauer Bay connection, public plazas and open spaces, themed streets, and enhanced street treatments.

Mr. King described the goal of making the Corridor bold enough to attract attention. Issues include the width and scale relative to buildings, the level of activity, and the level of continuity.

He displayed and explained conceptual drawings for the Corridor based on existing design guidelines. The three major segments of the Corridor are Bellevue Way to 106<sup>th</sup> Avenue (Street as Plaza), 106<sup>th</sup> to 108<sup>th</sup> Avenue (Garden Hillclimb), and 108<sup>th</sup> to 110<sup>th</sup> Avenue (Transit Central). Mr. King noted that the Corridor will be developed over time, and he raised the issue of what type of unifying design features will create a strong sense of place.

Mr. Terry requested Council discussion to reiterate and confirm the objectives for NE 6<sup>th</sup> Street Corridor investments as well as a prioritization of key projects.

Mayor Degginger recalled Council's interest during last year's budget discussions to enhance downtown mobility and to create a desired urban design.

Responding to Councilmember Davidson, Mr. Terry said that while the City has provided incentives to private property owners to participate in enhancing the Corridor, it appears the incentives have not achieved the desired effect. Mr. Terry said he is no longer convinced that the private sector would make investments on its own. However, Council direction is needed regarding the appropriate role for the City in improving the Corridor's environment.

Deputy Mayor Chelminiak opined that the west end of the Corridor reflects a strong development pattern while the remainder of the Corridor is not bold enough. He encouraged a series of charettes to gather information and input regarding urban design features, and on working to move forward as expeditiously as possible.

Councilmember Lee concurred that the design of the Pedestrian Corridor should be bolder. He expressed his ongoing position that facilitating people movement must be a high priority, and that alternatives for movement including escalators and innovative technologies should be explored. Similarly he encouraged an emphasis on transportation alternatives other than the use of individual vehicles.

Councilmember Balducci feels there should be a unifying design throughout the Corridor, and that the implementation of interim elements should be accelerated.

Mr. King reviewed suggestions for interim investments divided into three segments and targeted at adding energy to the Corridor. Concepts for the area between 105<sup>th</sup> and 106<sup>th</sup> Avenues are a new travel lane, landscaping, a new walkway, and screening and weather protection for pedestrians.

Responding to Mr. Lee, Mr. Terry said there have been discussions about widening the pedestrian walkway while maintaining vehicle traffic in the segment in which it currently exists.

Continuing, Mr. King said screening and weather protection, landscaping, and a new walkway will be extended for the segment between 107<sup>th</sup> Avenue and Compass Plaza. Similar improvements are proposed between 107<sup>th</sup> and 108<sup>th</sup> Avenues along with an optional gathering space.

Responding to Dr. Davidson, Mr. Sparrman recalled a brief, high-level analysis by staff earlier this year of people moving options including a cable car system and moving sidewalks. These options were determined to not be feasible based on estimated costs.

Mr. King briefly reviewed plans for addressing the interface of light rail through the downtown. He noted the City's interest in purchasing the Metro/King County site adjacent to City Hall. King County issued a Request for Qualifications (RFQ) in May, and submittals are due August 16. Selection of a finalist and King County Council action regarding a design concept is anticipated in early 2008.

Mr. King said Supplemental CIP items included on tonight's Regular Session Consent Calendar for Council action are: 1) \$2 million for the Pedestrian Corridor, 2) \$2.8 million for the Great Streets initiative, 3) \$4 million for NE 2<sup>nd</sup> Street enhancements, 4) \$1.05 million for mid-block crossings, and 5) \$150,000 for wayfinding.

Deputy Mayor Chelminiak suggested terminating the Corridor at 112<sup>th</sup> Avenue.

At 7:55 p.m., Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

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