

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

September 21, 2009
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: Councilmember Creighton

1. Executive Session

The meeting was called to order at 6:03 p.m., with Mayor Degginger presiding.

[An Executive Session is scheduled at the end of the Regular Session.]

2. Study Session

From Regular Session, Agenda Item 2(a) – Special Communication from King County Councilmember Jane Hague

City Manager Steve Sarkozy welcomed King County Councilmember Jane Hague to the meeting.

Councilmember Hague provided a mid-term report. She noted that negotiations regarding jail siting have been successful. She thanked Councilmember Lee for his participation on the Regional Transit Committee.

Councilmember Hague noted her role as Chair of the Physical Environment Committee, which is involved with transportation issues. The County Executive's goal is to implement as much of the 40/40/20 Rapid Ride commitments as possible. Bellevue and Redmond both stand to gain strong benefits from the portion of the project to be initiated later next year. Ms Hague said she is committed to making sure Bellevue receives its transit service allocations.

Ms. Hague said the County does not intend to transfer its responsibility for regional services to municipalities. She acknowledged that something must be done with regard to funding animal control services, and she wants it to be easy for citizens to obtain animal licenses. She feels it is necessary to separate animal control from animal welfare. The County's role should be related to safety while welfare issues are best left to agencies that are equipped for those services.

Councilmember Lee said he has missed working with Councilmember Hague on the Regional Transit Committee. Responding to Mr. Lee regarding annexation, Ms. Hague commented on the three-way partnership with the State, which allows some rebate of sales tax. This has been instrumental in allowing Kirkland to put annexation on the ballot. Ms. Hague said the County is also looking at other incentives to make annexation of the Eastgate area attractive for Bellevue.

Responding to Councilmember Bonincontri, Councilmember Hague confirmed that the County is seeing a greater need for human services. County funding for human services comes from the General Fund and from various enterprise funds. The General Fund portion is about \$6 million to \$7 million, and revenue from enterprise funds is roughly an equal amount. Enterprise fund revenues will continue to go to family and children's services, and the County hopes to allocate at least \$2 million in the General Fund for human services agencies. An additional \$1.9 million supports public health.

Councilmember Hague reported that the County is seeking flood emergency relief funding of \$35 million. The County is considering relocating a number of facilities including animal control and the Elections Department. The County is working with the federal government, which is funding improvements to the Howard Hanson Dam.

Mayor Degginger stated that of the 10 cents of property tax toward flood control, one cent was reserved for a special opportunity fund for cities not on rivers but contributing significantly to the cost of many of the projects in the flood control program. Bellevue is interested in funding for a project to improve fish passage, culverts, and flood control. Mr. Degginger noted that Bellevue contributes approximately \$3 million annually to the flood control program.

Councilmember Hague said she will make sure there is some type of inter-budget proviso that guarantees the special opportunity fund remains as the regional partnership that was envisioned. She commended Bellevue on its Bel-Red Subarea planning, which includes participation in the County's Transfer of Development Rights (TDR) program that will help to provide parks and open space.

Councilmember Chelminiak said the County and City worked well together in the TDR program, and he looks forward to the initiation of development in the Bel-Red corridor.

Deputy Mayor Balducci thanked the County for the TDR partnership as well. She thanked Councilmember Hague for her longstanding service on the Eastside Transportation Partnership. Deputy Mayor Balducci commented that despite the County's current budget constraints, it is important for the ETP to discuss its goals for the Eastside transit system and how best to integrate bus and rail services. Ms. Hague commented that Bellevue could benefit from another seat on the Sound Transit Board, which she would be happy to help facilitate.

As an additional transportation matter, Ms. Hague said the County remains committed to making sure that the Burlington Northern Santa Fe corridor stays in public ownership. The County will

be working on various funding options toward that goal, including the use of Conservation Futures dollars.

Mayor Degginger thanked Councilmember Hague for her report.

- (a) Light Rail Station Location and Rail Alignment Options in the Bel-Red Spring District between 120th and 124th Avenues NE

[Agenda Item postponed to October 5, 2009.]

- (b) Regional Issues

Diane Carlson, Director of Intergovernmental Relations, opened discussion regarding the regional Metropolitan Transportation Plan (Transportation 2040).

Kim Becklund, Transportation Policy Advisor, introduced Robin Mayhew, Program Manager with the Puget Sound Regional Council.

Ms. Mayhew reviewed the objectives to align Transportation 2040 with the Vision 2040 plan and the regional economic strategy, make progress on major transportation system issues, create a sustainable financial strategy, and respond to the 2040 growth forecasts for person and freight travel demand. Ms. Mayhew reviewed the schedule for the plan update process. The PSRC Executive Board is slated to approve a preferred alternative in December. Publication of the final Environmental Impact Statement (EIS) is scheduled for February/March 2010, and final adoption of the plan is expected in April or May.

The key issues of the Transportation 2040 plan are sustainable funding, environment, and congestion/mobility. The Puget Sound area is expected to see a 36 percent increase in population and 51 percent increase in jobs by 2040. In 2009, revenue will be inadequate to meet federal transportation spending guarantees. In addition, the purchasing power of the state gas tax has declined since 1991. More than half of all Puget Sound greenhouse gas emissions come from transportation sources.

Ms. Mayhew reviewed the Summary of Alternatives, which includes the baseline scenario and five action alternatives. Alternative 1 makes the existing transportation system more efficient with traditional funding sources, and includes a high-occupancy toll (HOT) lane system. Alternative 2 is closest to the current long-range plan and adds substantial roadway and transit capacity, including a two-lane HOT system. Alternative 3 uses tolls to pay for the most critical roadway improvements, and traditional funding for new transit, bicycle and pedestrian network improvements. Alternative 4 uses tolls to manage the system and fund programs. It improves congestion points as well as transit and non-motorized options. Alternative 5 represents the largest expansion of high-capacity transit, bus service, and bicycle and pedestrian facilities. This alternative is funded by freeway and arterial tolls, and uses traditional strategies plus tolling to reduce carbon emissions.

Ms. Mayhew said the draft Environmental Impact Statement evaluates the alternatives within a framework of policy analysis, technical analysis, and environmental review. The State Environmental Policy Act (SEPA) analysis is currently underway.

Ms. Mayhew briefly reviewed the estimated costs of the alternatives. She compared the alternatives in terms of their impact on emissions and congestion/mobility.

Responding to Mayor Degginger, Ms. Mayhew explained that annual mobility benefits include travel time savings. Ms. Becklund commented that PSRC's analysis attempts to capture the value of time in terms of time spent in traffic congestion.

Responding to additional questions from the Council, Ms. Becklund said staff will provide more information on the mobility benefits calculated for each alternative.

Continuing the presentation, Ms. Mayhew compared the benefits and costs of the alternatives in 2040. Responding to Deputy Mayor Balducci, Ms. Mayhew said Alternative 5 contains a major investment in transit, which is reflected in the facility expenses.

Ms. Mayhew reviewed the preliminary preferred alternative process and the Transportation 2040 plan structure. The Transportation 2040 plan includes projects and programs that address an identified regional need and have an associated finance plan (i.e., fiscally constrained portion of the plan), as well as unprogrammed projects and programs. The fiscally constrained portion of the plan meets the federal law that requires transportation plans to include a description where transportation project costs and reasonably available funding are in balance. It is also subject to the federal Air Quality Conformity Process.

Councilmember Lee commented on the importance of coordinating land use planning with transportation planning.

Moving on, Ms. Mayhew acknowledged the need to review how projects are identified for the unprogrammed portion of the plan and then moved into the constrained portion. More rigor will be applied regarding financing, mobility costs and benefits, greenhouse gas emissions, and other areas. Ms. Mayhew reviewed the design philosophy for arterial and highway projects, transit investments, and non-motorized projects.

Ms. Becklund noted that the Transportation 2040 plan includes the southbound braided ramps at SR 520 and I-405, as well as Bel-Red projects.

Ms. Becklund said staff is seeking Council direction regarding the preliminary preferred alternative. She proposed that staff return in October to discuss key principles with the Council that will guide the selection of priorities.

Deputy Mayor Balducci summarized that the plan is focused on identifying reliable funding, including user-paid funding, to coordinate land use and transportation planning. She noted that preliminary analysis will continue through the next month or so, followed by preliminary

presentation to the PSRC Transportation Policy Board on October 8. The working group will meet again during the last week of October and will be asked for recommendations.

Ms. Balducci suggested that the City Council provide input into the process as these meetings move forward in October. She would like to talk more about tolling, which helps to reduce congestion and influence transportation behaviors. However, she expressed concern about adding tolls to existing taxes rather than implementing an actual change in how transportation projects are funded.

Mayor Degginger noted that one of the primary concerns with regard to tolling is raising dollars in one corridor and spending it for transportation projects elsewhere. Ms. Balducci concurred with the importance of ensuring fairness in a tolling system with regard to geographic distribution and giving drivers a choice to use tolled or non-tolled lanes/routes.

Deputy Mayor Balducci expressed concern that the project schedule is too aggressive. Ms. Mayhew said this is related to state and federal legislative and funding cycles.

Ms. Balducci acknowledged the hard work of all staff and Councilmembers involved in Transportation 2040 planning.

Responding to Councilmember Bonincontri, Ms. Mayhew confirmed that there is support for tolling and Alternative 5 within the region, although there is interest in other alternatives as well. Alternative 5 includes elements in addition to tolling including reducing greenhouse gases and enhancing non-motorized travel options.

Councilmember Chelminiak said he has heard support for Alternative 5 through Economic Development District meetings as well. He noted that projections regarding greenhouse gas emissions do not appear to take into consideration any assumptions about changes in the type of fuel to be used in the future. He supports alternative fuels along with transit options to reduce greenhouse gas emissions.

Councilmember Davidson thanked staff for the presentation.

Mayor Degginger commented on the complexity of the issues and the many potential solutions to transportation challenges. He looks forward to further discussion in the near future.

Ms. Carlson moved to introduce a review of Initiative 1033 to appear on the November ballot.

Alison Bennett, Policy Program Manager, said the ballot title for Initiative 1033 states that the measure would limit growth of certain state, county and city revenue to annual inflation and population growth, not including voter-approved revenue increases. Under the initiative, any revenues collected in the General Fund above the revenue limit must be used to lower property taxes.

Ms. Bennett explained that Initiative 1033 could cause a cumulative \$35.2 million reduction to the General Fund over the 2009-2015 forecast period. She noted that 2009 revenues have fallen sharply during the recession, and Initiative 1033 would set the baseline for revenue growth at these low levels. Ms. Bennett said Bellevue's revenues cannot grow much above current recession levels under Initiative 1033.

Budget Manager Jonathan Swift reviewed two graphs comparing the estimated impact of I-1033 with the current revenue forecast. He noted that the initiative does not affect the entire General Fund budget because it restricts the impact to certain types of revenues.

Ms. Bennett said staff is seeking direction from the Council should it wish to take a position on I-1033. If so, staff will schedule a public comment opportunity for Monday, October 12.

Responding to Councilmember Lee regarding the charts, Mr. Swift confirmed that with I-1033, any future recession accelerates the disparity between current revenue projections and those possible under I-1033.

Responding to Councilmember Chelminiak, Ms. Bennett said I-1033 does not affect the ferry district. Mr. Swift said it explicitly applies to state, county and city jurisdictions.

Mr. Chelminiak noted the City's past allocations of greater than projected revenues to fund its obligation to provide future LEOFF 1 retirement benefits for law enforcement and fire fighters. Mr. Swift said I-1033 is complicated, but it appears that such allocations could not be made from excess revenues. Instead excess revenues would be directed toward lowering a jurisdiction's property tax.

Councilmember Chelminiak observed that the initiative appears to penalize jurisdictions that practice good budgeting and plan for the future. Mr. Swift commented that in times of economic recovery, the City typically looks at shoring up the General Fund balance. I-1033 appears to remove much of that discretion.

Deputy Mayor Balducci spoke in favor of taking a position as a Council on this issue, noting that it directly affects the City's revenues and budget. She would like to schedule an opportunity for the Council to hear both sides of the issue and consider taking a position.

Councilmembers Bonincontri and Davidson concurred.

Mayor Degginger noted a Council consensus to proceed with consideration of taking a position on Initiative 1033. He suggested that an opportunity for public comment be scheduled for October 12 which would allow 30 minutes per side for citizens to speak on the issue.

Moving on, Ms. Carlson referred the Council to page SS 2-37 of the meeting packet regarding the evaluation and development of East Link tunnel funding sources. She recalled that the Sound Transit Board directed the City to identify alternative funding sources to provide a light rail tunnel, instead of an at-grade alignment, through downtown Bellevue.

Ms. Carlson referred to Attachment B beginning on page SS 2-43 of the meeting packet, which is a list of potential federal and state funding sources. She requested Council approval to submit the list to Sound Transit in response to their request that the City identify funding sources.

Ms. Carlson responded to brief questions of clarification.

Responding to Councilmember Davidson, Mr. Sarkozy said staff will provide information on another tunneling route that might be considered by Sound Transit.

Mayor Degginger noted a Council consensus to submit the list of potential funding sources to Sound Transit.

(c) Proposed Code Amendments Implementing Mandatory National Pollutant Discharge Elimination System (NPDES) and Non-NPDES Permit Requirements

Phyllis Varner, NPDES Permit Coordinator, recalled the previous discussion with the Council regarding proposed code amendments implementing mandatory National Pollutant Discharge Elimination System (NPDES) requirements, as well as non-NPDES related amendments. In response to the Council's request for information, Ms. Varner referred to page SS 2-117 of the meeting packet for a summary of civil violation fines in other jurisdictions for illicit discharges. Bellevue's proposed fines are neither the highest or the lowest. Most municipalities have two voluntary compliance steps prior to the issuance of a notice of violation.

Mayor Degginger asked the Council to provide direction regarding the fines proposed by staff for Bellevue.

Deputy Mayor Balducci said she would like the comparison information to be provided to the Environmental Services Commission, if possible, for its review. Mayor Degginger noted that the code amendments must be adopted by October 5 in order for the City to be in compliance.

Responding to Mayor Degginger, Assistant City Attorney Lacey Madche said staff can bring back for Council consideration an Ordinance that addresses mitigating factors as well as an Ordinance that will allow the Council to deliberate and take action on the appropriate fine level.

- Deputy Mayor Balducci moved to change the fine structure for NPDES illicit discharges, subject to future reconsideration and in order to get into compliance, to set the fines at \$500 per day for the initial discharge with a maximum fine of \$5,000 per day. Councilmember Chelminiak seconded the motion.
- The motion carried by a vote of 6-0.
- Deputy Mayor Balducci moved to allow the Hearing Examiner to consider mitigating factors when reviewing an appeal related to NPDES illicit discharges. Councilmember Bonincontri seconded the motion.

- The motion to allow the Hearing Examiner to consider mitigating factors when reviewing a NPDES-related appeal carried by a vote of 6-0.

Responding to Councilmember Chelminiak, Ms. Madche explained that when mitigating factors are indicated in the code, this results in more discretionary decisions for both the Director and the Hearing Examiner. When more discretion is provided in this regard, the code is potentially subject to more appeals and interpretations of how the mitigating factors have been applied.

3. Discussion

- (a) Consideration of Application of Gary Abrahams of T-Mobile for a Conditional Use Permit

[Item moved to Regular Session Agenda, Item 5.]

At 8:05 p.m., Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich
City Clerk

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