

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

April 25, 2005
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee¹

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately one hour to discuss three items of potential litigation and two items of property acquisition.

The meeting resumed at 7:10 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Steve Springmeyer, a Cherry Crest resident, thanked Evelyn Zeller for her efforts on the NE 24th Street walkway/bikeway project. He thanked City staff for involving residents in the planning process. Mr. Springmeyer expressed concern regarding an experimental sand mixture used on the path, which he feels is dangerous for bicyclists and pedestrians. He submitted photos of the road and path.
- (b) Shannon Boldizar, Bellevue Chamber of Commerce, welcomed American Family Insurance to the community. This Fortune 500 company recently relocated its corporate headquarters to Bellevue and plans to expand to 900 employees statewide. Ms. Boldizar noted the Chamber's involvement in the passage of a significant transportation funding package through the state legislature. She commended Diane Carlson and Mike Doubleday for their work on behalf of the community. Ms. Boldizar expressed appreciation for Council's ongoing leadership in meeting transportation needs.

¹ Councilmember Lee left the meeting at 9:55 p.m.

Mayor Marshall thanked Ms. Boldizar for her dedication and involvement in transportation issues.

- (c) Cindy Dyer, a Cherry Crest resident, thanked Council and staff for continuing to pursue the NE 24th Street project, installing the interim path, and adding the stop sign. However, she expressed concern about the instability of the interim walkway and encouraged the City to complete the project.
- (d) Evelyn Zeller thanked Council, the Transportation Commission and Transportation staff, particularly Rick Logwood, for their responsiveness to the community's concerns. She encouraged Council approval of the proposed loan to complete the project [Agenda Item 3(g)].
- (e) Maggie Bentley asked Council to expand the 200-foot rule for the notification of projects. She said a road is proposed at the Enclave at Fox Glen off of 151st Place NE and only 12 of 69 homeowners were notified. She said the sign posted at the site is not very visible and is partially blocked by tree branches.
- (f) Peter Bentley said residents are opposed to the road proposed through the Enclave at Fox Glen to connect to a new development. The new development will have multifamily housing and Fox Glen residents are concerned this will change the character of their single-family neighborhood. They are also concerned about an increase in traffic and water runoff from the new development.

3. Study Session

- (a) Council New Initiatives

[No new initiatives were introduced.]

- (b) City Manager's Report

[There was no report.]

- (c) 2005-2006 Human Services Needs Update

Parks and Community Services Director Patrick Foran opened discussion regarding the 2005-2006 Human Services Needs Update.

Alex O'Reilly, Associate Planner, said the Human Services Needs Update is produced every two years. The 2005-2006 report will guide funding recommendations from the Human Services Commission for 2006 and 2007. The update provides: 1) a compilation of quantitative and qualitative data from a wide variety of sources, 2) analysis of health and human services trends and issues that affect the quality of life in Bellevue, 3) a summary of what is working best with current investments, and 4) a forecast of how the City can best prepare for the future needs of residents. The needs update is critical for the work of staff and the Human Services Commission

and is used by provider agencies and community groups for planning, grant writing, and projects. Information is gathered through phone surveys, consumer surveys in six languages, faith community surveys, focus groups (homeless, youth, job seekers, school nurses, ethnic/cultural communities), service providers, community leaders, and from reports and web sites.

Ms. O'Reilly said data collection will continue through the summer. A final draft report will be presented to the Human Services Commission in November 2005. The findings will be presented to Council in January 2006 and distribution of the report is planned for February.

Dr. Davidson praised the process for identifying needs and enabling the City to allocate funds most effectively.

Mayor Marshall thanked staff for the presentation.

(d) Arts Commission Recommendation – New City Hall Art Projects

Mary Pat Byrne, Arts Specialist, opened discussion regarding restoring public art projects to the new City Hall building. She recalled that in 2003 the Arts Commission endorsed the Technical Advisory Committee's recommendation to include 1.25 percent for public art in the New City Building's project scope. Council concurred with this level of investment as well, which totaled approximately \$899,000. In May 2004, the City Council voted to approve public art projects as part of the maximum allowable construction cost (MACC) for the redevelopment project. By early 2005, City Hall project costs had increased and it was necessary to defer some of the art pieces along with other elements of the overall project.

Cath Brunner, art consultant, described the intention of the art to tell a story throughout the building and grounds – from land to the water's edge to the views beyond. She went through a presentation of the selected artists' previous projects and the projects proposed for the new City Hall. The three deferred art projects are The Silver Root, Boat/Rookery (both by Dan Corson), and Compass Needle (Alan Storey). Linda Beaumont is designing the terrazzo floor for the interior concourse, which is currently funded in the project's construction budget.

Lynne Allison, Arts Commission Chair, noted four members of the Commission in the audience tonight. She said the Commission understands Council's difficult position with respect to the new City Hall project budget. Ms. Allison said the Arts Commission voted unanimously to recommend that Council restore the three deferred art projects using \$578,138 from the Capital Investment Program (CIP) Public Art fund. The new City Hall will be the most important civic building in the community and its design reflects key civic values including a commitment to arts and culture. Public art enhances Bellevue's image and builds civic pride. Ms. Allison noted the Commission's commitment to the three identified projects and the artists under contract to complete the projects.

Chair Allison urged Council to approve the Commission's recommendation. The Commission further requests that CIP art funds be reimbursed as soon as possible in order to move forward with the 10-year Cultural Compass Plan.

Responding to Dr. Davidson, Ms. Allison said approximately \$1.3 million in CIP art funds is committed to other projects, including a sculpture exhibition.

Responding to Mr. Lee, Ms. Allison acknowledged there are many competing priorities for ongoing art funding. However, the Arts Commission feels the proposed art projects for the new City Hall are critical to creating a strong civic presence.

Responding to Mr. Degginger, Ms. Byrne said the Arts Commission feels it is important to fund the art projects now and to discuss the repayment of CIP art funds at a later date. Ms. Allison said funding the Cultural Compass Plan remains a high priority for the Commission as well.

Ms. Balducci expressed support for funding the three art projects in order to complete them by the time the new City Hall opens.

Mr. Chelminiak expressed concern regarding other projects that might not be funded if CIP funds are allocated to the new City Hall art projects. He noted that 60 percent of the funds will be invested in one of the three art pieces.

Ms. Allison noted the long process in planning and designing art for the new building. She feels it will provide an important statement for the building and the community. Ms. Byrne said it will be more cost effective to complete the artwork now than to defer it any longer.

Deputy Mayor Noble expressed support for Mr. Chelminiak's policy question of whether to concentrate art funding in the new City Hall or to utilize the funds throughout the community.

Ms. Allison feels the three projects proposed for the new City Hall will make a powerful statement and will complement the presence of the Bellevue Art Museum in the downtown.

Dr. Davidson expressed support for the funding request and agreed the building should make a bold statement within the community. Mr. Lee concurred.

Mr. Chelminiak will not support the request because he feels it will risk funding for art in other parts of the community including parks.

Mayor Marshall expressed support for the Arts Commission's recommendation and indicated a desire to honor contracts made with the artists.

- Deputy Mayor Noble moved to: 1) remove the three art projects (Silver Root, Boat/Rookery, Compass Needle) from the deferred list, and 2) authorize and direct staff to amend the New City Hall financing plan to increase funding for public art by utilizing up to \$579,000 in CIP Public Art Program funds. The motion was seconded.
- The motion to remove the three art projects from the deferred list, and to direct staff to amend the New City Hall financing plan to increase funding for public art by utilizing up to \$579,000 in CIP Public Art Program funds, carried by a vote of 6-1, with Mr. Chelminiak dissenting.

(e) NE 10th Street Extension/Overlake Hospital Expansion

Mr. Sarkozy explained that the purpose of tonight's discussion is to provide an update on the NE 10th Street Extension and Overlake Hospital Expansion projects and to seek Council direction regarding proposed ordinances and resolutions to be scheduled for action on May 2.

David Berg, Assistant Transportation Director, explained that the City will sell surplus property (formerly the Taste of Tokyo site) to Overlake Hospital Medical Center as part of the two projects. On March 7, Council approved Comprehensive Plan amendments establishing the Medical Institution (MI) district. The surplus parcel is located within the MI District Master Plan.

Phases 1 and 1B of the NE 10th Street Extension project are scheduled for completion by the end of 2007. Phase 1B is a small right-turn lane for southbound traffic on 116th Avenue. Phase 2 extends from the frontage road to I-405. The alignment of Phase 1 affects the 1011 Building, a medical office building at 116th Avenue and the newly extended NE 10th Street. A lease agreement will allow Overlake Hospital to use the right-of-way until the City begins construction of Phase 1 and 1B improvements. The appraised value of the 1011 building is \$3,297,500.

Mr. Berg reviewed proposed budget amendments. Two involve grant agreements for the NE 10th Street Extension project: 1) Federal Highway Discretionary Funds, \$1,983,000, and 2) ISTEA – Surface Transportation Program National Highway System Funds, \$87,000. Proceeds from the sale of the Taste of Tokyo site (\$2,146,000) will be received temporarily by the Land Purchase Revolving Fund, and staff proposes transferring the funds directly to the NE 10th Street Extension project. Staff further proposes transferring \$542,000 from the Overlay Program and \$100,000 from the NE 29th Place Connection project to the NE 10th Street project. The current budget is \$4.65 million and the proposed budget is \$6.758 million.

Items to be presented for Council action on May 2 are as follows:

- Resolution authorizing the sale and conveyance of surplus property (formerly Taste of Tokyo site) and an ordinance authorizing appropriation and transfer of sale proceeds to the NE 10th Street Extension project (CIP Plan No. PW-R-149).
 - Resolution authorizing the acquisition of necessary right-of-way for the NE 10th Street Extension, Phase 1, and an option agreement for Phase 2.
 - Ordinance authorizing the execution of grant agreements and acceptance of grant funds, and amending the budget to reflect the appropriation and transfer of proceeds to the NE 10th Street Extension project.
- ☞ Deputy Mayor Noble moved to direct staff to prepare: 1) a resolution regarding the conveyance of surplus property located at 815 116th Avenue NE (formerly Taste of Tokyo site) and an ordinance appropriating and transferring sale proceeds to CIP Plan No. PW-R-149, 2) a resolution regarding the acquisition of necessary right-of-way for the NE 10th Street Extension phases, and 3) an ordinance regarding the execution of grant

agreements, acceptance of grant funds, and amendments to the General Capital Investment Program (CIP) Plan Fund budget and project budget. Ms. Balducci seconded the motion.

➡ The motion carried by a vote of 7-0.

At 8:48 p.m., Mayor Marshall declared a short break. The meeting resumed at 8:55 p.m.

(f) Regional Issues

Utilities Director Brad Miyake welcomed Michael Gagliardo, General Manager of Cascade Water Alliance, and opened discussion regarding Cascade's 2005 Work Plan and the proposed Cascade-Pierce County Memorandum of Understanding. Major work items in the 2005 work plan are the Pierce County MOU, development of a transmission and supply plan (May/June), Tacoma supply agreement (May/June), Lake Tapps acquisition (June-August), water rights issuance (3rd and 4th quarters), Seattle wheeling agreement (3rd and 4th quarters), and the Bellevue pipeline transfer (4th quarter).

Alison Bennett, Policy Program Manager, said the Pierce County MOU addresses lake management issues following Cascade's acquisition of Lake Tapps for a long-term water supply. There are 1,200 to 1,400 homes and a 80-acre county park surrounding the lake. Pierce County's commitments according to the MOU are as follows: 1) support issuance of the water right, 2) minimize stormwater and on-site wastewater discharges, 3) development of a boat management plan, 4) completion of White River/Lake Tapps Basin Plan, 5) agreement to enter into good faith negotiations to transfer ownership of the lake back to Pierce County if a water supply project is not implemented. Cascade's commitments are to: 1) defend the water right, 2) consider the interests of county, homeowners, and the public in the operation of Lake Tapps, 3) agreement with homeowners to ensure a recreational lake level, 4) implementation of best management practices for the Cascade water supply project, and 5) development of an overall lake management plan and advisory team.

Ms. Bennett requested Council feedback on the proposed MOU. Final action by the Cascade Board is anticipated in May or June.

Responding to Councilmember Chelminiak, Mr. Gagliardo said eight or nine homeowner associations represent approximately 80 percent of the properties around the lake. These groups recently combined to establish the Lake Tapps Community Association. A portion of the lakeshore is within the City of Bonney Lake. The proposed agreement with homeowners would be executed with the Lake Tapps Community Association. It is likely Bonney Lake and Pierce County will be partners in the agreement as well.

Responding to Councilmember Lee, Councilmember Degginger (Cascade Board Chair) said the Pierce County Executive is willing to commit to a process involving appraisal and due diligence if a water supply project is not built and Cascade wishes to transfer ownership of the lake back to Pierce County.

Mayor Marshall commended Cascade and its member jurisdictions on its work plan and accomplishments to date.

Damon Diessner, Assistant Utilities Director, referenced page 11 of the Regional Issues packet and explained that King County is currently developing a Solid Waste Export Plan with an emphasis on evaluating privatization. Development of transfer station level-of-service evaluation criteria was completed in December 2004 and an analysis of transfer station needs and capacity was recently completed. An evaluation of public and private options is underway and scheduled for completion in June. Private options for both transfer stations and intermodal stations will be considered as well as a wide range of options for service, ownership, and operation. Final disposal will be in out-of-area private landfills. The Waste Export Plan is scheduled for completion in April 2006.

Mr. Diessner briefly reviewed a flow chart of King County's current solid waste handling system and a separate chart illustrating future handling options. Bellevue staff recommend consideration of a full range of private alternatives and service options, a waste export phase-in strategy, alternative intermodal configurations, a balance between public jobs and cost effectiveness, consideration of host city impacts, and the consideration of both City and County contracting. Mr. Diessner noted the City's Regional Solid Waste Management Interest Statement (adopted November 3, 2003) on page 15 of the packet for reference.

Mr. Lee feels this Council has been supportive of privatization options. Responding to Mr. Lee, Mr. Diessner said King County has not expressed an interest in transferring the operation of transfer stations and facilities to cities.

Mr. Chelminiak feels cost effectiveness should be of primary importance, whether the facilities are publicly or privately operated. He noted there are public agencies around the country that have been able to meet cost objectives when faced with competition. Mayor Marshall and the Council concurred that cost effectiveness should be the overriding criteria.

Ms. Balducci cautioned against choosing an alternative that could restrict future competition and favorable costs on an ongoing basis.

Mr. Diessner reviewed the following next steps:

- May – Take Council feedback to the City Advisory Committee.
- June – Finalize Public/Private Options Report.
- Begin work on Waste Export Plan.
- Late summer or fall – Return to Council with draft waste export options to consider.

Diane Carlson, Director of Intergovernmental Relations, recalled Sound Transit's recent presentation to Council and current work to amend its long-range plan. She noted the letter from Eastside Transportation Partnership in the Regional Issues packet (Page 25) with preliminary comments on Sound Transit's long-range plan. Kim Becklund, Transportation Policy Advisor, highlighted the following policy considerations addressed by ETP: 1) attention to all technologies, 2) all high-capacity transit modes of travel should be fairly evaluated, 3) honor the

Growth Management Act and ensure connections between urban/activity centers, and 4) retain subarea equity in which local taxes are utilized for the benefit of the area generating the taxes.

Ms. Balducci is interested in travel times between major destinations versus travel times between transit and/or park and ride facilities. Referring to rail-convertible bus rapid transit (BRT), she questioned the cost of deferring the implementation of rail and the impacts associated with future conversion. Ms. Becklund said staff will pursue additional information from Sound Transit to address these questions.

Deputy Mayor Noble would like Bellevue staff to stay on top of this issue to ensure the Council and ETP can react appropriately as input is needed. Councilmembers concurred.

Mayor Marshall commended Mr. Noble for his leadership of ETP and the grace with which he runs the meetings. She thanked staff for their hard work as well.

Moving on, Ms. Carlson described an Eastside Regional Public Safety Communications Center Initiative. There are currently seven dispatch centers serving the Eastside. Bellevue provides fire service dispatch for the entire Eastside and six centers provide police dispatch services. In March 2004, Phase I sponsored by the Cities of Bellevue, Clyde Hill, Kirkland, Medina, Mercer Island and the Woodinville Fire and Life Safety District completed a feasibility study to examine the benefits of a regional public safety dispatch approach. Phase II, with additional participants (Bothell, Fall City Fire District, Shoreline Fire District, Issaquah, Eastside Fire and Rescue, and Northshore Fire District), will develop a Business and Services Plan this year. Phase III represents detailed implementation planning in 2006/2007 and Phase IV anticipates implementation in 2008. The lead entity for the study was the City of Kirkland, assisted by consultant Karen Reed.

Police Chief Jim Montgomery said a South County center, known as Valley Communications or Valleycom, provides a good model for the creation of a regional dispatch center. Phase II will require agreement on a governance structure and the ability to achieve cost efficiencies.

Responding to Councilmember Chelminiak, Chief Montgomery confirmed that a regional approach will not only be more cost effective but will expedite and streamline the processing of emergency calls. The processing of calls is already quick, however, as most calls are currently answered within five to six seconds.

Councilmember Lee questioned the benefit for Bellevue and/or problems that a regional approach will solve.

Mr. Sarkozy said a regional approach to emergency dispatch will be more cost effective and efficient and ensures the best system available for taxpayers' dollars. He noted the large expense of purchasing, maintaining, and upgrading communications equipment.

Chief Montgomery thanked Mr. Sarkozy and Dave Ramsay, Kirkland City Manager, for their strong support of this initiative.

Moving to the state legislative update, Mayor Marshall welcomed Bob Mack and Mike Doubleday.

- At 9:56 p.m., Deputy Mayor Noble moved to extend the meeting to 10:30 p.m. Mayor Marshall seconded the motion.
- The motion to extend the meeting to 10:30 p.m. carried by a vote of 6-0. [Councilmember Lee left the meeting at 9:55 p.m.]

Ms. Carlson noted the passage of a large transportation revenue package. Mr. Doubleday said a 9.5-cent gas tax increase (over 16 years) was approved by the state legislature yesterday. The two largest projects to be funded are the Alaskan Way Viaduct and I-405, followed by a significant allocation for SR 520. Mr. Mack commended Bellevue Chamber of Commerce for its activities in support of this legislation.

Mayor Marshall suggested thanking Eastside state legislators for their hard work and support.

Mr. Chelminiak suggested an article in *It's Your City* to let citizens know how the transportation package will benefit Bellevue and the Eastside.

Mr. Mack thanked Mayor Marshall and Councilmembers for their testimony before the state legislature. In addition he thanked Mr. Sarkozy, Ms. Carlson, Charlie Bush, Susan Covay, and department directors for their prompt response to requests for information and assistance.

Turning to the federal legislative update, Ms. Carlson noted the draft letter to Senator Patty Murray encouraging support of the Community Development Block Grant Program and funding (Page 61 of Regional Issues packet).

Referring to page 65, Ms. Carlson noted the Regional Policy Committee's recommendation for a property tax increase to generate revenue for human services for veterans.

(g) NE 24th Street Walkway/Bikeway Project

Mayor Marshall noted Council's familiarity with the NE 24th Street walkway/bikeway project and suggested the option of foregoing staff's presentation, given the late hour.

- Deputy Mayor Noble moved to authorize the Transportation Department to file an application for a Public Works Trust Fund Construction Program loan of up to \$750,000 for the NE 24th Street, Northup Way to 130th Avenue NE, project (CIP Plan No. PW-W/B-69). Mr. Chelminiak seconded the motion.
- The motion to authorize the Transportation Department to file an application for a Public Works Trust Fund Construction Program loan of up to \$750,000 for the NE 24th Street project (CIP Plan No. PW-W/B-69) carried by a vote of 6-0, with Mr. Lee absent.

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Responding to Mayor Marshall, Mr. Berg clarified that Public Works Trust Fund Construction Program loans must include a roadway component.

Mayor Marshall declared the meeting adjourned at 10:15 p.m.

Myrna L. Basich
City Clerk

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