

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

May 27, 2003
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, Lee, Mosher, and Noble

ABSENT: None.

1. Executive Session

Mayor Marshall opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately 30 minutes to discuss one item of property disposition.

The Study Session resumed at 6:50 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Rich White, The Boeing Company, thanked Council for the good working relationship with the City in the Eastgate property transaction. He feels this is a win-win situation that will provide Boeing with the best use of its remaining land while also providing open space and future recreational opportunities for residents. As a token of Boeing's appreciation and partnership, Mr. White presented the City with a model of the 777-200.
- (b) Bob Gillespie said he formerly lived in the Vuecrest neighborhood west of Bellevue Square, which frequently experienced traffic and parking problems. When the community association discussed the issue with City staff, the City provided signage to direct parking and alleviate the problems. Mr. Gillespie recently contacted the Bellevue Police Department because he was concerned about the fast-moving traffic on 101st (up the hill from Meydenbauer Bay), which is heavily used by pedestrians, particularly children. An emphasis patrol was initiated within a week and has helped to calm traffic. Mr. Gillespie said he has lived in this community since 1984 and he has never seen an administration or elected body as responsive to customers as the City of Bellevue. He thanked Councilmembers for their work.

- (c) Richard Aramburu, an attorney, spoke on behalf of Peter and Julie Larsen regarding a proposed comprehensive plan amendment (CPA) presented under Agenda Item 3(d). Mr. Aramburu spoke in favor of the Planning Commission's recommendation to not initiate the Milligans' site-specific CPA. He said the proposal would change the property's Comprehensive Plan designation from single-family low to single-family medium. Residents are concerned about this potential change in a stable, single-family neighborhood with larger lots. Mr. Aramburu said the applicants have not demonstrated that a change in circumstances has occurred to justify the proposal. He asked Council to not initiate the Milligan CPA.
- (d) John Chelminiak, a freeholder candidate, described his experience going door to door and talking with citizens. He feels Bellevue citizens are very bright and involved in their government. However, he suggested more can be done to expand citizen involvement in local government. He encouraged the City and community associations to continue to reach out to each other.
- (e) Pam Toelle expressed concern about two comprehensive plan amendment (CPA) proposals, NE 20th Street CPA and Belmont Place CPA, affecting the area around Highland Middle School. She said the land use designations in the Comprehensive Plan for these properties reflect the intention to protect the school from more intensive uses and to preserve the safety and integrity of the school. She encouraged Council to not initiate these CPAs, noting concern about increased commercial activity and traffic.
- (f) Robert Thorpe, a certified planner, spoke on behalf of the Dana family regarding the proposed Dana CPA. He said changed circumstances in support of the proposal include new sewer, water, and gas lines to serve the property as well as a well-designed transition project. Developers plan to involve nearby residents in implementing the project.
- (g) Ron Smith, a freeholder candidate, said he is pleased with voters' rejection of the charter initiative. He was visiting San Diego on election day and coincidentally came across an article describing alleged improprieties on that city's Council, criticizing the city's charter, and urging a change to the citywide election of Councilmembers. Mr. Smith commended Bellevue Councilmembers for their ongoing good work. He noted that some of his campaign signs disappeared prior to the election but have mysteriously resurfaced after the election. He urged the responsible party to discontinue reposting his signs.
- (h) Gary Milligan read portions of a letter submitted by his attorney, Linda Youngs, to Mayor Marshall and the Council regarding the Milligan CPA. The letter states that the City's planning staff believed the proposal met the applicable Land Use Code criteria and recommended inclusion of the request on the CPA docket. Under the docket evaluation decision criteria, the Planning Commission is only to consider whether the application meets the threshold criteria for an evaluation of its merits. The Commission is not authorized to reject a proposal based on its merits. Ms. Youngs' letter states that the Commission was swayed by neighborhood opposition to the proposal. Mr. Milligan asked Council to place the proposal on the CPA docket so that its merits can be reviewed.

- (i) Charles Fritschen spoke against the proposed Dana comprehensive plan amendment (CPA), noting concerns about traffic congestion and the risk for the devaluation of existing single-family homes. He submitted a petition of residents opposed to the proposal.
- (j) Peter Joufflas provided background information on the Plaza 520 CPA. Development of the property was initiated in the late 1970s under King County zoning that was similar to the GC (General Commercial) designation. Mr. Joufflas noted that adjacent properties are zoned GC. He requested restoration of the GC designation for the Plaza 520 property. He said there is no intention to dramatically change the use of the property but rather to enhance it through additional uses allowed under the GC designation. He feels this will provide an economic benefit to the community.
- (k) Alan Clark requested Council's support of the Belmont Place CPA requesting a Comprehensive Plan Land Use Map change to neighborhood business (NB) for property at 1700 148th Avenue NE.

3. Study Session

Mayor Marshall noted that item (b) would be addressed out of sequence.

(b) City Manager's Report

City Manager Steve Sarkozy asked staff to provide an update on the Access Downtown project. Transportation Director Goran Sparrman reviewed that the project involves rebuilding I-405 interchanges at NE 4th and NE 8th Streets, adding a new interchange at NE 6th Street for direct access to the Transit Center, and new ramps at SE 8th Street. The project is divided into three construction contracts. Construction of the SE 8th Street improvements will be completed in June with the opening of a southbound ramp onto I-405.

Mr. Sparrman explained that work on NE 8th Street is approximately 70-percent complete. Periodic closures of I-405 lanes will be required in the next two weeks to accommodate ongoing construction.

Mr. Sparrman said the last contract, Contract 2, was awarded on Friday and came in \$9.5 million under the engineer's estimate. The construction schedule has been shortened by approximately six months and a mid-2005 completion is anticipated. Mr. Sparrman said a detailed update will be provided to Council in June.

Mayor Marshall thanked staff for the good news and the ongoing coordination with project partners (Sound Transit and Washington State Department of Transportation). Responding to Mr. Degginger, Mr. Sparrman confirmed that the project has demonstrated innovative techniques and an aggressive schedule.

Responding to Mr. Lee, Mr. Sparrman said contract incentives have resulted in financial benefits for the contractor while the community benefits from reduced construction impacts and

expedited access to roadway improvements. Mr. Lee would like incentives in which the City shares in the financial benefits. In further response to Mr. Lee, Mr. Sparrman said incentives are built into the contract dollar amounts.

Responding to Mr. Creighton, Mr. Sparrman said Contract 2 covers the NE 6th Street interchange, which is scheduled for completion in mid-2005, as well as intersection work at NE 8th Street and 112th Avenue NE.

Mr. Mosher commended staff members on their regional partnership. He feels the contract incentives have worked well.

(a) Council New Initiatives

- Mr. Noble moved to appoint Marilyn Akita, Irma Farsch, and Doug Hoople to serve four-year terms on the Human Services Commission that will conclude on May 31, 2007. Mr. Mosher seconded the motion.
- The motion to appoint Marilyn Akita, Irma Farsch, and Doug Hoople to the Human Services Commission carried by a vote of 7-0.
- Mayor Marshall moved to appoint Roxanne Shepherd to serve on the Arts Commission, and Mr. Lee seconded the motion.
- The motion to appoint Roxanne Shepherd to the Arts Commission carried by a vote of 7-0.

At Mayor Marshall's request, Council agreed to switch the order of agenda items (c) and (d) due to the audience's interest in item (d).

(d) Initiation of 2003 Annual Comprehensive Plan Amendment (CPA) Docket Suggestions into the 2003 CPA Work Program

Planning Director Dan Stroh explained that the state's Growth Management Act provides the opportunity for cities to amend their Comprehensive Plans once per year. Cities must establish a Comprehensive Plan Amendment (CPA) Docket to suggest amendments for further review. Mr. Stroh said all of the site-specific CPAs under consideration this year have been requested by private property owners. If a proposal is placed on the docket, its merits are fully studied, a public hearing is held, and the Planning Commission ultimately makes a recommendation. Mr. Stroh referenced page 3-20 of the Council packet for a list of the annual docket evaluation decision criteria.

In addition to the site-specific CPAs, Mr. Stroh said two policy amendments pertaining to the Critical Areas Update and Downtown Subarea and Transportation Plan were previously placed on the docket by Council action. A third item, the previously initiated Wilburton/NE 8th Street Corridor Study amendment, will be discussed with Council on June 16.

Planning Commission Chair Patsy Bonincontri reviewed the Commission's recommendation provided in the Council packet (beginning on page 3-14). In reference to comments made during Oral Communications about the NE 20th Street and Belmont Place CPAs in the vicinity of Highland Middle School, she explained that the intent is not to increase commercial uses but rather to modify the current split-zoning to facilitate the eventual renovation of the school.

Senior Planner Nicholas Matz clarified that the school property is not part of the CPA proposal. He noted adjacent property within Redmond city limits. The City is engaged in discussions with Redmond about the future jurisdiction of this property, and a Comprehensive Plan designation would be needed to address annexation of the site. Referring to a map, Mr. Matz noted properties to the north and south designated as Community Business and Office.

Dr. Davidson expressed concern that the merits of CPA proposals are being discussed at this stage in the process. He prefers to err on the side of allowing proposals to be placed on the docket so the property owners can present their cases later.

Deputy Mayor Degginger questioned the changed circumstances applicable to the NE 20th Street CPA. Ms. Bonincontri explained that the original zoning was established in 1971 and significant development, including retail, has occurred since that time. Mr. Degginger noted that the Comprehensive Plan was adopted in 1993. Mr. Stroh said the last detailed review of the site was conducted in 1971. In 1996, the City rezoned the area underlying the CB (Community Business) map designation in the Comprehensive Plan to become CB. Mr. Matz explained that this occurred as part of a package of citywide rezones with the intent to align zoning with Comprehensive Plan designations adopted in 1993. In response to Mr. Degginger, Mr. Matz said uses to the south of the school were restricted to the Office designation in 1971.

Mr. Noble suggested the merits of the proposal should be discussed at a later date. He expressed support for the Planning Commission's recommendation to initiate the NE 20th Street Commercial Area CPA.

Responding to Mr. Creighton, Mr. Matz said the original PUD (planned unit development) was amended in 1989 to allow an expansion of the tire store uses into the balance of the building. Mr. Creighton noted that one of the buildings is owned by the City and houses the electronic communications facilities shop. Mr. Creighton would like to study the merits of the proposal and clear up the mixed zoning with an appropriate solution.

Mayor Marshall would prefer to clarify the mixed zoning by adopting an Office designation as intended in the original PUD rather than the Community Business designation.

Dr. Davidson reiterated his concern that specific merits of proposals should be discussed later in the ~~docket~~ Comprehensive Plan amendment¹ process.

Mr. Mosher is in favor of initiating the NE 20th Street CPA for docket review.

¹ Amended and approved by City Council on June 16, 2003.

Moving to the Belmont Place CPA, Ms. Bonincontri said the Planning Commission voted to initiate this proposal due to changed circumstances. However, she noted two Commissioners voted against the motion.

Responding to Mr. Noble, Mr. Matz said a CPA for an Office designation was proposed for the Belmont Place property in 1998. The change to Single-Family High (SF-H) was made in 1995.

Mayor Marshall acknowledged the docketing process is intended to allow private proposals to go through the review process. She is concerned, however, that the community is repeatedly put through a process for proposals on the same property. She noted that the changed circumstance for this property is residential development across the street.

Ms. Bonincontri explained that the Dana CPA proposes a Land Use Map change from SF-H to MF-M (Multifamily-Medium). The Planning Commission recommends initiation, although Commissioner Schiring dissented without comment.

Responding to Mayor Marshall, Mr. Matz identified adjacent multifamily zoning in the Newcastle city limits. Mr. Noble questioned whether a multifamily-low designation was considered. Ms. Bonincontri indicated that the most appropriate designation will be discussed later in the process if the item is placed on the annual CPA docket.

Turning to the Northup East and Plaza 520 CPAs, Ms. Bonincontri said the Commission recommends initiating the proposals for the docket. However, there was not unanimous support on the Commission for either proposal.

Mr. Creighton expressed concern about the potential loss of LI areas within Bellevue. He requested a map from staff showing all LI areas in the city.

Moving to the Botch Family Property CPA, Ms. Bonincontri noted the Commission's recommendation to initiate the proposal. Commissioner Steed dissented without comment.

Mayor Marshall commented that the property is located in a single-family neighborhood, which should be preserved and enhanced. Comprehensive Planning Manager Kathleen Burgess noted she received a phone call today from a neighbor opposed to the proposal.

Ms. Bonincontri described the Milligan CPA proposing a Land Use Map change from SF-L (Single Family-Low) to SF-M (Single Family-Medium). The property has not been reviewed since the subarea plan was adopted in 1996. Ms. Bonincontri said the Planning Commission voted 4-2 to not initiate the proposal, with Chair Bonincontri and Commissioner Sheffels dissenting and Vice Chair Lynde absent. Responding to Mr. Noble, Ms. Bonincontri said the Commission could not reach a consensus on whether significant changed circumstances are present.

Councilmember Creighton encouraged greater consistency in the docket screening process. He respects the rights of property owners to bring a proposal forward for a study of the merits. Mr.

Stroh said the docket evaluation criteria were adopted two years ago. He acknowledged that a review of the criteria might be appropriate.

Deputy Mayor Degginger feels the criteria are important in terms of discouraging speculative proposals. He will continue to apply the criteria in his decision.

Responding to Council, Mr. Stroh said rejected, docketed CPAs can be resubmitted every three years. If a proposal is not accepted for the docket, a proposal can be resubmitted the following year for the same property. [During the June 2 and June 9 Council discussions, staff clarified that non-docketed proposals may not be submitted again for three years.]

Ms. Bonincontri commented on the difficulty of defining what constitutes a “changed circumstance.” Mr. Stroh said the CPA items will be presented for Council action at the June 2 Regular Session.

(c) Regional Issues

Diane Carlson, Director of Intergovernmental Relations, introduced a discussion of municipal court operations. She recalled King County’s decision to terminate district court services to cities at the end of the contract term on December 31, 2004. Judges have proposed a two-year extension of the current contract. All cities received a letter today from King County Executive Ron Sims indicating a willingness to engage in discussions regarding a short-term contract extension, if cities are willing to waive their arbitration rights for the contract period.

Jocelyn Mathiasen, Assistant to the City Manager, said the City needs to continue to pursue court options due to the uncertainty of the County’s position. She reviewed five main options currently under consideration:

1. City of Bellevue Municipal Court – Bellevue would have control over service, quality, location, and management. Potential disadvantages include cost, staffing, and the capacity to undertake such a major initiative.
2. Bellevue “Municipal Department” of the District Court – Executive Sims has indicated this is the only arrangement the County would be willing to consider. Under this option, all facilities and personnel would be supplied by the City. However, it might be possible to lease the current County facility. The County Council would first need to adopt a districting plan incorporating a municipal department. The advantage is that this option might require less effort to establish than Option 1.
3. Bellevue Municipal Court contracting to other cities – Similar to Option 1, but other cities would pay Bellevue to provide court services for them. Advantages include potential cost savings and efficiencies. This option is potentially complex and the legal implications are unknown.
4. Bellevue contracting with another city for court services – Bellevue’s caseload is much larger than other cities currently contracting with King County, so it is unlikely this caseload could be absorbed by another city.
5. County contract – Reflects the current situation and therefore implementation would be the easiest of all options. Disadvantages include a lack of control over management and

operations. The County has indicated some willingness to consider a one- or two-year contract only.

Ms. Mathiasen explained that cities are responsible for providing court services to handle infractions, misdemeanors, and parking citations. She estimated it would take the City 12 to 15 months to implement a court alternative. Ms. Mathiasen reviewed caseloads for neighboring cities and noted that Bellevue's caseload exceeds 30,000 cases per year. She presented preliminary estimates of Bellevue's court needs including one or two judges, 20 to 22 staff, 18,600 to 30,000 square feet, and 170 to 315 parking spaces. Court revenues in 2007 are estimated at \$2.06 to \$2.27 million, facility costs are estimated at \$0.41 to \$0.87 million, and other costs are estimated at \$1.32 to \$1.58 million. Ms. Mathiasen noted that operating a Bellevue Municipal Court could result in efficiencies and cost savings associated with police overtime, jail costs, and related operations.

Ms. Mathiasen said there is uncertainty about whether the current Surrey Downs facility would be available for use as a municipal court. She noted special parking and security needs for a court operation as well as the challenge associated with locating such a facility in either the downtown or outlying neighborhoods. If Bellevue decides to establish its own municipal court, staff recommends the appointment of a Technical Advisory Committee to advise the Council.

Ms. Carlson requested Council review and reconfirmation of the court alternatives Guiding Principles adopted in May 2002 (Regional Issues packet, Page 4). Mayor Marshall noted revisions to the principles to reflect the five alternatives under consideration.

Mr. Creighton commented that the alternative to create a Bellevue municipal department within the District Court does not appear to have any advantages. He noted his frustration with this issue for the eight years he has served on the Council and encouraged the City to move toward a different approach.

Responding to Mr. Lee, Ms. Mathiasen said a financial model for analyzing and comparing options is under development. Mr. Noble is in favor of providing high-quality court services at the lowest cost. Mayor Marshall concurred.

Responding to Mayor Marshall, Councilmembers indicated approval of the Guiding Principles as revised by staff.

Moving on, Ms. Carlson said Eastside Transportation Partnership (ETP) recently formed a subcommittee to review and discuss Sound Transit unanticipated revenues for the East Subarea. She outlined three approaches under consideration for the use of the funds: 1) commit unprogrammed monies for Phase I-consistent projects only, 2) issue bonds within Phase I to generate funds for additional Phase I-consistent projects, and 3) study and evaluate potential Phase II projects prior to making recommendations on the commitment of funds for new projects. Staff recommends the third option.

Kim Becklund, Transportation Policy Advisor, reviewed three criteria developed by staff to guide future Sound Transit investments:

- Planning should be initiated as soon as possible to identify potential projects that implement the long-range vision of Sound Move, Bellevue's Regional Transportation Vision, and Puget Sound Regional Council's Metropolitan Transportation Plan.
- Implement the East Subarea's Phase I/Sound Move projects.
- The regional corridor analyses generated over the past several years in relation to potential high-capacity transit (HCT) investments should be utilized to avoid duplicative work.

Mr. Noble said staff's recommendation is consistent with ETP's direction at this time. He suggested that Bellevue take a leadership role in planning for Phase II.

Mr. Mosher expressed support for staff's recommendation.

Dr. Davidson noted that the original public initiative to establish Sound Transit intended a second vote ten years later to determine whether Phase II should be considered. He feels more information is needed regarding a vote on Phase II, when this might occur, and what it will potentially include.

Mayor Marshall acknowledged that the future of Phase II is unknown. However, ETP is discussing projects and goals to help determine how Phase I unanticipated revenues, and potentially Phase II revenues, should be used.

Noting the East Subarea unanticipated revenues, Dr. Davidson questioned the feasibility of a moratorium on tax collections for one or two years. Mrs. Marshall said if Sound Transit decides to extend Phase I from a 2006 completion to 2009, the agency must continue to tax all subareas equally. Mr. Mosher feels the need for transportation funding is well established.

Responding to Mayor Marshall, Council indicated general approval of staff's recommendation and the guiding principles. Mr. Noble noted that a Seattle City Councilmember is encouraging the City of Seattle to become an ETP member.

Ms. Carlson noted the draft resolution regarding the King County Budget Advisory Task Force beginning on page 10 of the Regional Issues packet. She suggested Council communicate its position through either a resolution or letter.

Deputy Mayor Degginger said the recent parks levy should not be a permanent funding solution for the County. Mayor Marshall suggested that the parks levy be added to the resolution or letter as an example. Following brief comments by Council, Mayor Marshall noted consensus to approve the letter, amended to add a reference to the parks levy situation.

Ms. Carlson reported that funding for cities and counties has been eliminated from federal legislation to reauthorize the Economic Development Administration.

- (e) Update on Process for Puget Sound Energy Franchise Renewal

Transportation Assistant Director Nora Johnson recalled that Puget Sound Energy's electric franchise renewal agreement was approved on May 5, 2003. PSE's natural gas franchise expires in September 2003. Staff will discuss the negotiated renewal agreement with Council in July.

Franchise Manager David Kerr said franchise renewal negotiations will address four key areas: 1) compliance and enforcement, 2) relocation responsibilities for projects, 3) right-of-way management and control, and 4) system integrity and safety. Enforcement, dispute resolution, and emergency operations/response will be handled similar to the electric franchise memorandum of understanding (MOU). Relocation responsibilities and access to maps for ROW management will also be addressed as they were in the electric franchise MOU.

Mr. Kerr said system integrity and safety falls primarily under the purview of the Washington Utilities and Transportation Commission (WUTC). However, the City has an interest in provisions that would allow it to review maintenance, safety, and inspection plans and records prepared by PSE for the WUTC. The City would like to receive notice of any application for a waiver of gas safety rules as well as reports and notices filed with state and federal regulators that would have any bearing on the franchise system within Bellevue.

Mr. Kerr requested Council's input about any additional issues or priorities that should be addressed in the negotiation process.

Responding to Mr. Noble, Mr. Kerr said he has not received any complaints from residents about interruptions in PSE natural gas service. Ms. Johnson noted that since Bellevue is centrally located within PSE's overall system, residents do not experience fluctuations in pressure as may occur in outlying areas.

Noting the lack of problems with PSE's natural gas system, Mr. Noble cautioned against contract provisions to require documentation as described by Mr. Kerr. Mr. Noble is not comfortable requiring private businesses to provide information that may not be necessary for the City to have. Mayor Marshall concurred. Ms. Johnson clarified an intent to ask only for documentation already provided by PSE to the State. The goal is to provide an opportunity within the franchise agreement to request documentation from PSE without having to go through the State.

Mr. Mosher expressed support for the interests and priorities outlined by staff.

Responding to Mr. Lee, Mr. Kerr said the City currently has no access to information about the safety and integrity of PSE's natural gas system. Mayor Marshall reiterated Council's concern that regulatory provisions should not exceed what is necessary.

At 9:38 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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