

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session  
Budget Workshop

April 2, 2012  
6:00 p.m.

Mercer Slough Environmental Education Center  
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Operating Budget Early Outlook and Financial Update

The meeting was called to order at 6:01 p.m., with Mayor Lee presiding.

Finance Director Jan Hawn presented the Operating Budget early outlook. Revenues are roughly equal to expenditures, but State budget impacts are not included because the legislature has not yet adopted a budget.

Toni Rezab, Budget Manager, said that the primary risks affecting the City's financial performance are state legislative impacts, health care costs, inflation due to fuel costs, and general global instability. She described what is now being called a jobless recovery of the U.S. economy. The gross domestic product (GDP) has recovered to pre-recession levels. However, employment and the size of the labor force have not and remain low.

In terms of 2011 General Fund performance, tax revenues have bottomed out and are beginning to recover. Budget year 2011 ended on target with the biennium forecast, which was substantially lower than anticipated in the 2011 Adopted Budget. Expenditures in 2011 were approximately 1.3 percent below the September projections.

Staff is projecting revenues equal to expenditures by the end of 2012. The risks associated with the global economy, including fuel prices, and with the State budget continue through 2012. Expenses are expected to increase at a rate higher than inflation due to increased health and benefits costs.

Responding to Councilmember Davidson, Ms. Rezab confirmed that expenditures are expected to increase beginning in 2013 due primarily to health care costs.

Councilmembers Davidson and Wallace said it would be helpful to see the percentage increases in projected revenues and expenses, along with the actual dollar levels already provided, in the forecast information. Responding to Mr. Wallace, Ms. Rezab commented briefly on the assumptions underlying the revenue projections.

Councilmember Chelminiak commented that the topic of revenues, including the types of revenues and appropriate tax rates for each, is essentially a policy issue for the Council.

Ms. Rezab responded to questions of clarification regarding the revenue projections.

## 2. Budget Process, Status, Milestones, and Results Teams Presentations

### (a) Process Overview

Ms. Hawn said that development of the 2013-2014 budget builds on the 2011-2012 Budget One process. She noted the emphasis on community outcomes instead of department budgets, and the integration of the One City philosophy involving collaboration and innovation. The focus is on services that deliver outcomes important to the community and on developing a long-range strategic approach to an affordable and sustainable budget. She noted the principle that if continued expenditure reductions are necessary, the elimination of certain services is considered preferable to poor or marginal quality programs.

Councilmember Davidson suggested that certain programs could be restructured and delivered more efficiently. Ms. Hawn confirmed that the process includes identifying and analyzing alternative ways for delivering and structuring services.

Mayor Lee said it is better to eliminate a program when it cannot be done well or is not in demand.

Councilmember Stokes supports whatever can be done to retain a program and to make it work. However, modifications to programs or services might not always be appropriate or effective.

Ms. Hawn reviewed the budget process schedule.

Councilmember Balducci observed that the budget process is built on funding priorities, and she believes it is important to engage the community in what will be very significant decisions. Ms. Balducci said she would like to see a robust public outreach effort as part of the budget process. She believes there is a need to reach out to the public beyond the groups and individuals who are more actively involved with local government issues on a somewhat regular basis.

Mayor Lee concurred and suggested that public outreach efforts could be enhanced for future budget processes. Mr. Sarkozy said staff can try to incorporate more outreach this year.

Councilmember Balducci suggested “key informant” interviews and getting out into the community more.

Moving on, Ms. Rezab explained that the current work of the Outcome-based Results Teams builds on the work completed by the teams for the 2011-2012 budget. Feedback so far indicates that the budget process is taking roughly half of the time contributed by staff in 2010.

Ms. Rezab described the seven Budget One Outcomes: 1) Responsive Government, 2) Improved Mobility, 3) Safe Community, 4) Healthy and Sustainable Environment, 5) Quality Neighborhoods, 6) Innovative, Vibrant and Caring Community, and 7) Economic Growth and Competitiveness.

(b) Results Teams Presentations

Ms. Rezab introduced the Results Teams’ presentations. She asked the Council to consider whether the factors and sub-factors presented by each team make sense and whether there are other factors or sub-factors that should be included.

Mayor Lee thanked staff for their time and energy. He appreciates that staff is building on the previous budget process, and he looks forward to hearing the recommendations.

(1) Responsive Government

Ken Carlson presented the Responsive Government Outcome, which is the foundation of all other Outcomes. The four Factors contained within the Responsive Government cause and effect map are: 1) Strategic leadership, 2) High-performing workforce, 3) Customer-focused service, and 4) Stewards of the public trust.

This Outcome reflects Bellevue’s values of an open, transparent city government that seeks involvement from the community; a government that provides high quality services and is accountable for results; and a government that looks to the future and seeks innovative solutions to regional and local challenges. Mr. Carlson explained that the Results Team is seeking proposals that respond to the Factors and Sub-Factors of this Outcome.

(2) Safe Community

Kyle Stannert presented the Safe Community Outcome. He noted that the cause and effect map is essentially the same as the one used for the previous budget. The four Factors are: 1) Prevention, 2) Response, 3) Planning and preparation, and 4) Community engagement. Mr. Stannert said the Results Team recognizes that achieving this Outcome requires a balance of proactive and reactive factors, prevention activities that target a broad set of groups and activities, and results that influence both the reality and perception of safety.

Councilmember Balducci observed that it is important to both be safe and feel safe in community. Responding to Ms. Balducci, Ms. Rezab said the 2012 community survey is

currently underway, and the results for the related community indicators will be incorporated into this Outcome.

Councilmember Wallace questioned how to translate Outcomes into actual budget items. He expressed concern about health care costs and other personnel costs. He commented on labor contracts that provide cost-of-living adjustments, while the slowed economy is not generating sufficient revenues.

Ms. Rezab explained that, after the budget proposals are submitted, the Results Teams will each develop a list of ranked priorities within each Outcome. Ms. Hawn said the Leadership Team will review this work within the broader organizational context, looking for further opportunities related to efficiency and the scalability of programs and services.

Mr. Sarkozy recalled how the Council conducted the previous budget review, which involved studying and discussing the lists of ranked budget proposals for each Outcome.

Councilmember Wallace observed that the process does not get to the broader issue, which is that the operating budget will continue to put pressure on tax revenues and the capital budget. Certain costs within the operating budget are increasing faster than inflation. He is concerned about getting personnel costs under control, and noted the need to address this issue and its long-term implications.

Deputy Mayor Robertson said she would like the Council to receive the budget proposal rankings of both the Results Team and the Leadership Team, as well as the rationale for the rankings that differ.

Councilmember Stokes concurred with the concerns about personnel costs.

Mr. Wallace observed that the operating budget covers two years, while the Capital Investment Program (CIP) Plan covers a seven-year period. He said it would be helpful to take a longer term look at the operating budget.

Mayor Lee said there needs to be discussion about costs, which will enable the Council to make decisions.

Ms. Hawn explained that staff is writing budget proposals (i.e., purchasing strategies) which include costs to be submitted to the Results Teams for review and ranking. The Results Teams will use all of that information to evaluate and rank proposals.

Mr. Stannert commented on the ranking process. He explained that there will be instances in which certain proposals coordinate with or depend on other proposals. The cases where one or more of these proposals falls below the budget line are likely to be candidates for eliminating a program or service altogether. The process involves finding a balance between priorities and available resources.

Mayor Lee acknowledged the importance of finding the right balance. Ms. Hawn said the Results Teams are expected to complete their rankings by July.

### (3) Improved Mobility

Ranodda DeChambeau presented for the Improved Mobility Results Team. The four Factors on the cause and effect map are: 1) Existing and future Infrastructure, 2) Traffic flow, 3) Built environment, and 4) Travel options. Safety is a primary consideration, and maximizing efficiency is critical. Mobility encompasses more than cars and traffic flow, and the East Link light rail project is a new consideration that was not a part of the last budget process. A new sub-factor under the Built Environment Factor is Accessibility to ensure that all services are accessible by all citizens.

Ms. DeChambeau summarized that the Improved Mobility Outcome values a safe transportation system for all users; a convenient, efficient and reliable transportation system; and a system that provides options to accommodate growth and to improve the overall quality of life.

Responding to Deputy Mayor Robertson, Ms. DeChambeau said the Predictability sub-factor under the Travel Options Factor refers to the reliability and frequency of travel modes.

Councilmember Chelminiak said that predictability includes economic considerations as well, which can influence decisions about choices of travel modes and travel patterns.

Mr. Chelminiak observed that more transportation projects in the future will involve partnerships with private developments, for example, the Wright Runstad Spring District project in the Bel-Red Corridor. He said it would be good to try to allocate the City's resources to areas and projects that can achieve state and federal grant funding, and to coordinate local projects with regional projects to the extent possible.

Councilmember Balducci concurred with the importance of partnerships. She thanked staff for adding the Accessibility sub-factor under Travel Options. She questioned whether the Improved Mobility Outcome captures the local segment of freight mobility. Ms. Balducci thanked staff for their work.

Mayor Lee spoke to the importance of a seamless transportation system with efficient and convenient connections between travel modes.

Councilmember Wallace noted the assumption that the East Link light rail affects, at least indirectly, all of the Outcomes. He said he would like to get to the end of the year with an understanding of how the City will pay for East Link project capital demands. One priority is to reduce the Downtown Tunnel project budget. Mr. Wallace said the East Link financial obligation that was not in the budget two years ago forces the City to look for synergistic opportunities to deliver on the goals of the Memorandum of Understanding with Sound Transit while coordinating with other City projects.

Ms. Hawn said the capital priorities would be discussed later in the meeting.

(4) Healthy and Sustainable Environment

Scott Taylor noted that Jerome Roaché is the lead for this Results Team. However, he was unable to attend the meeting.

Mr. Taylor described the cause and effect map and assumptions, which focus on air, water and land. Land sub-factors are divided into the urban and natural environments. The four Factors are: 1) Clean air, 2) Clean reliable water, 3) Clean green city, and 4) Natural environment. Mr. Taylor said the community survey indicates that Bellevue citizens place a high value on the natural environment.

Deputy Mayor Robertson questioned whether the Factors are referring to proposals that affect City facilities or to potential regulations affecting every building constructed in Bellevue. Mr. Taylor confirmed that, typically, the focus has been on City operations. However, it could be expanded to develop incentives that encourage green building practices, for example.

Councilmember Stokes believes there are opportunities to work with the community. He prefers working cooperatively over imposing regulations.

Ms. Robertson clarified that she was wanting to understand the goal of the Outcome; she was not suggesting increased regulations.

Mayor Lee questioned how economic sustainability fits into the Healthy and Sustainable Environment Outcome. He suggested that the City might not want to be so idealistic to the point that proposed actions are not affordable.

(5) Quality Neighborhoods

Franz Loewenherz presented for the Quality Neighborhoods Results Team. He noted that the same staff team is responsible for the Innovative, Vibrant and Caring Community Outcome.

Mr. Loewenherz said that the vast majority (96 percent) of Bellevue residents feel that the quality of life in their neighborhood is good or excellent. Mr. Loewenherz described the cause and effect map and five Factors: 1) Sense of community, 2) Facilities and amenities, 3) Public health and safety, 4) Mobility, and 5) Schools.

Responding to Councilmember Stokes, Mr. Loewenherz said the Outcome recognizes that different areas of the community appeal to different people for different reasons. He noted the growing ethnic diversity as well.

Mayor Lee commented on the importance of engaging people in community activities. Mr. Loewenherz said the fuller documentation on this Outcome area provides more details, including the concept of community involvement and neighborhood identity.

Councilmember Chelminiak questioned whether the Outcome addresses demographic or other changes in neighborhoods over time. For example, when he moved to his neighborhood, there were almost no children. Now the neighborhood has three bus stops for kids. Mr. Chelminiak said it would be interesting to be able to analyze and plan for those types of changes. Some areas have more residents who are aging in place, while others will experience a greater degree of turnover to new families.

Mr. Loewenherz thanked Councilmembers for their input and encouraged them to review the full documentation for this Outcome. He said it is reaffirming for the Results Team to see that the Council's questions and comments are hitting on many of the same themes addressed in that information.

(6) Innovative, Vibrant and Caring Community

Frank Pinney presented the Innovative, Vibrant and Caring Community Outcome, whose four Factors are: 1) Support services, 2) Involved citizens, 3) Opportunities for interaction, and 4) the Built Environment. Support Services are a foundation for the other factors, and partnerships are critical for success. Mr. Pinney said the Results Team is seeking proposals that support a diverse community (e.g., ages, abilities, cultural backgrounds, disabilities), encourage citizen involvement, and create positive and memorable experiences.

(7) Economic Growth and Competitiveness

Max Jacobs described the cause and effect map and its five Factors: 1) City brand, 2) Costs and capital, 3) Land, infrastructure and planning, 4) Quality of community, and 5) Workforce. The Results Team analyzed the Factors through the lens of business needs and tested each Factor and Sub-factor to ensure it was not merely an activity. The Economic Growth and Competitiveness Outcome largely retained the Factors used for the previous budget process. However, they have been reorganized for improved clarity.

Mr. Jacobs explained that the Results Team is seeking proposals that highlight Bellevue's reputation as a great place to launch, grow, and sustain a thriving business; support the financial aspects of business development and operation; promote economic growth by providing infrastructure and strategic planning; and enhance the skills and makeup of Bellevue's present and future workforce.

Councilmember Stokes commented that economic growth and competitiveness is also related to the types of residents and neighborhoods as well as the values of a caring community. He noted that economic vitality is linked to all of the Outcome areas.

Councilmember Chelminiak spoke to the importance of partnerships in education, human services, and other areas. He talked about identifying key indicators related to the City's brand. For example, he has heard concerns from builders about how long it takes to get a single-family home building permit. He suggested establishing metrics focused on upholding the City's brand.

Councilmember Chelminiak recalled that when the Council eliminated the Economic Development Director position, he believes they all had the idea that it would be restored within the near term. He noted that the Council discussed a number of issues, including economic and community development, at the Council retreat. He suggested that the Council review those ideas and determine whether there are any that should be implemented in the next budget.

Councilmember Wallace concurred with Mr. Chelminiak and commented that economic development is both the fruit and the fertilizer of a community. Mr. Wallace said that an effective economic strategy will enable Bellevue to remain competitive and to provide a high quality of life. He expressed concern that the City has focused on economic development more as the fruit than as the fertilizer for the future, and both are important.

Councilmember Balducci suggested that the Council consider developing its own proposals. She would consider a proposal for the Economic Development Director position with specifically defined goals, milestones, and outcomes. She observed that past planning efforts have identified specific activities rather than a series of actions that build upon each other and work together. She said it is important to think about where Bellevue fits within the region and how the City can bring people to the area. She suggested an emphasis on attracting business from outside of the region.

With regard to the Workforce Factor, Councilmember Balducci recalled that approximately 18 months ago she asked that the City take a look at developing an apprentice program for its own contracting. By this she means training the next generation of local workers to work on City projects. She requested a proposal regarding an apprenticeship program and an analysis of the costs and benefits of such an approach.

Councilmember Stokes concurred with Councilmember Wallace's focus. He believes that an important component of the economic piece is to continue to take a look at Downtown land use and zoning and to integrate economic growth with the other Outcome areas.

Mayor Lee stated that this is one of the best presentations he has seen on economic development. It addresses the many things that the City has done right in terms of producing fruit. However, he believes it is important to identify what type of economic activity it wants to encourage and grow. He likes the focus on the City brand, which he believes is an inexpensive way to foster economic growth.

Mr. Lee said the City has developed a vision related to economic development, but it still does not have a plan and strategies in place. He encouraged the Results Team to look for proposals reflecting strategies and plans that will meet the City's vision.

Mayor Lee summarized the Sub-Factors of the City Brand Factor – City vision and mission, focus on reputation, regional character and location, and existing businesses and industries. He encouraged developing a strategy to implement this focus.

Mr. Jacobs noted that the Results Team's documentation for this Outcome touches on many of the themes discussed by the Council.

At 8:28 p.m., Mayor Lee declared a break.

The meeting resumed at 8:44 p.m.

### 3. Capital Budget

Ms. Hawn opened discussion of the capital budget and the Capital Investment Program (CIP), noting the upcoming capital funding challenges, and identifying the prioritization criteria used in 2010 of: 1) Effectiveness in achieving City mission and community outcomes, 2) Legal mandates, 3) Financial factors, 4) Timing/urgency, and 5) Scaling (i.e., level of service provided or level of project development).

Ms. Hawn presented the early look at the 2013-2019 Base CIP Plan, which excludes the Mobility and Infrastructure Initiative (MII). It assumes that the adopted Council Contingency will be available for new projects or to partially offset a tax shortfall. Major tax revenue impacts are similar to those affecting the General Fund, with a tax shortfall of approximately \$31 million in the 2013-2019 CIP Plan compared to the 2011-2017 adopted CIP Plan. Ms. Hawn noted resources of approximately \$19 million (2010 dollars) available for 2018-2019.

Responding to Deputy Mayor Robertson, Ms. Hawn confirmed that, according to current revenue projections and the adopted CIP Plan, \$19 million would be available for 2018-2019 and the \$22.3 million Council Contingency would be preserved. The City could delay projects to spread out the expenditures.

Planning Director Dan Stroh described the General Capital Funding Scorecard (Handout) designed to capture key CIP projects and anticipated revenues. He described the three revenue categories: 1) Basic General CIP Revenues, 2) Mobility and Infrastructure Initiative (M&I) Revenues, and 3) Other potential revenue sources. Mr. Stroh explained that the Scorecard is intended as a conceptual tool for the Council's policy and priority setting discussions.

Referring to the General CIP, Councilmember Balducci observed that the Council Contingency is listed under both Projects and Revenues. Mr. Stroh said that the \$22.3 million is backed by taxes and fees and is shown with revenues because it is a potential funding source.

Deputy Mayor Robertson said it would be helpful to have a column in the Revenues section of the Scorecard for 2013-2019. The 2011-2017 CIP column indicates that there are \$73.3 million in revenues. Mr. Stroh explained that the 2011-2017 CIP column is added to the 2018-2019 column to reflect the total revenues for that time period. Ms. Robertson said it would be helpful if that section of the Scorecard captured revenues in the 2011-2017 CIP Plan that have already been spent.

Continuing, Mr. Stroh commented on the additional Revenues column showing estimated 2020-2030 revenues.

Mr. Stroh moved to the Mobility and Infrastructure Initiative (MII) section of the Revenues half of the Scorecard, which presents two possible scenarios (Baseline and Scenario 1) based on the types and amounts of revenues to be implemented (i.e., Local Improvement District, grant funding, impact fees, sales tax, general taxes, and local revitalization funding).

Councilmember Chelminiak observed that the only obligation related to the East Link MOU that is reflected in the current CIP Plan is approximately \$40 million. He questioned the source for the next \$60 million contribution related to the MOU.

Mr. Sarkozy and Mr. Stroh spoke to the breakdown of estimated East Link MOU costs provided on the lower section of the Projects half of the Scorecard. Mr. Sarkozy said it is possible that the City's actual contribution will be lower than what is currently projected.

Mr. Chelminiak noted the availability of the \$19 million spoken about earlier by Deputy Mayor Robertson. Mr. Stroh said there are a number of ways that the CIP Plan can be structured.

Continuing, Mr. Stroh described Mobility and Infrastructure Initiative Projects, several of which are located in the Bel-Red corridor. He described plans for new arterial connections and transportation projects throughout the Bel-Red area. He described additional transportation projects in the Wilburton area and the Downtown, as well as the Parks Levy match.

Deputy Mayor Robertson observed that the Scorecard does not clearly indicate the amount of the budget shortfall. She said it would be more helpful to look at what is in the CIP Plan, the Plan's budget gap, and revenue/funding options.

Mr. Stroh acknowledged that the Scorecard presents a great deal of information and many variables. With regard to the MII scenarios, he said staff is seeking Council input in developing the preferred scenario.

Ms. Robertson stated that the City needs to define the East Link MOU project and to determine how it will be funded.

Councilmember Chelminiak suggested that the East Link light rail project could be used, at least in part, to focus the City's infrastructure projects over the next 10 to 15 years. He talked about coordinating light rail investments with other projects in the Bel-Red area. For example, he likes the idea of building the light rail elevated track through the Bel-Red corridor before the housing gets built.

Councilmember Stokes noted his involvement with the Eastgate/I-90 Citizen Advisory Committee (CAC). He said developers have had plans for that area for many years. He encouraged a plan to prioritize investments that will help stimulate and support economic

development in the Eastgate area and in other areas of the community over the next several years.

Councilmember Wallace observed that the CIP Plan is heavily focused on the Downtown, Bel-Red corridor, and light rail, which seems appropriate to him. He would like to see a spreadsheet listing the CIP projects and providing individual columns for the years 2013 through 2019. He would then like the specific revenue sources for each project to be reflected for each year. He said he does not understand what will happen to the money that is not spent this year. He suggested that the discussion assume that the Council Contingency will be used.

Responding to Mr. Wallace, Mr. Stroh said the Revenues half of the Scorecard assumes no new debt.

Mr. Wallace said it would be helpful to be able to look at the capital budget through the next CIP Plan with the underlying assumption that infrastructure projects will have a life span greater than 20 years. What would 20-year debt look like based on this scenario?

→ At 9:54 p.m., Deputy Mayor Robertson moved to extend the meeting to 11:00 p.m., and Councilmember Chelminiak seconded the motion.

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

Councilmember Chelminiak expressed support for considering debt to complete projects.

Councilmember Balducci suggested that, if the Scorecard tool is not helpful, the Council should be specific about what it would like to see from staff.

Ms. Balducci suggested a broader look at infrastructure needs. She expressed support for the ITS (Intelligent Transportation System) capital improvements on East Bellevue arterials to improve traffic flow. She said she is uncertain about why the Downtown Circulator is in the CIP Plan, and she would like an update on that issue. She suggested that certain items can probably be removed because the projects are not likely to be funded in the near future.

Ms. Balducci said she would like a slightly more detailed itemization of the East Link MOU expenditures and when they will occur.

Mayor Lee summarized the general understanding that there is a budget gap, and the Council needs to come up with ways to solve it. He said it is important to recognize the need for a long-term economic development vision.

#### 4. Executive Session

At 10:08 p.m., Mayor Lee declared recess to Executive Session to discuss one item of property acquisition.

At 10:27 p.m., the meeting resumed. City Manager Steve Sarkozy reported that Concur Technology is seeking an office space lease in downtown Bellevue and is requesting that they be allowed to display their name on the building façade. Mr. Sarkozy questioned whether the Council would entertain relaxation of sign code requirements to allow this use. He noted that agreement could be conditioned on Concur Technology's taking additional office space within a specific timeframe.

Council discussed the rigorous review that led to the current sign code provisions, the visual impact if additional amendments were to be granted, and the desirability of attracting new businesses to the community.

Council agreed to the City Manager continuing to discuss possible sign code amendment with the group and to scheduling additional discussion at a later date if the negotiations warrant.

The meeting was adjourned at 10:42 p.m.

Myrna L. Basich, MMC  
City Clerk

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CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

April 9, 2012  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci<sup>1</sup>,  
Chelminiak, Davidson, Stokes, and Wallace<sup>2</sup>

ABSENT: None.

1. Executive Session

Mayor Lee called the meeting to order at 6:02 p.m. and requested a motion to allow Councilmember Wallace to participate in the Executive Session and for a portion of the Regular Session via speakerphone.

→ Deputy Mayor Robertson moved to allow Councilmember Wallace to participate in the Executive Session and Agenda Item 10 of the Regular Session via speakerphone. Councilmember Chelminiak seconded the motion.

→ The motion carried by a vote of 5-0, with Councilmembers Balducci and Wallace absent.

Mayor Lee declared recess to Executive Session for approximately 45 minutes to discuss one item of potential litigation.

The meeting resumed at 7:00 p.m., with Mayor Lee presiding.

2. Study Session

- (a) 2012 Youth Link Review, Youth Leadership Program, and Funding Recommendations

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<sup>1</sup> Councilmember Balducci arrived at 6:05 p.m.

<sup>2</sup> Councilmember Wallace participated via speakerphone during the Executive Session, and during the later Regular Session for Agenda Item 10 only.

City Manager Steve Sarkozy opened discussion regarding the Youth Link program. He recalled that, during the last budget process, Youth Link was one of the many programs that the City had to scale back due to funding constraints. At that time, the Council asked Youth Link to review its governance, program, and work products, and to report their recommendations to the City Council.

Mr. Sarkozy introduced Helena Stephens, Teen Services Manager; Michelle Mattson-Hamilton and Mike Murphy, Youth Link Board Adult Co-Chairs; Jenny Kim and Ryley Martin, Board Youth Co-Chairs; and Francis Yuen and Jason Lam, members of the Youth Council and the Youth Committee.

Mr. Yuen described programs that were created based on Youth Link proposals including Bellevue Youth Court, Bellevue Skate Park, and Ground Zero Teen Center. Youth Link has initiated more than 50 programs over the years.

Ms. Kim recalled that, in December 2010, the City Council asked the Youth Link Board to reevaluate Youth Link's role and to respond to two goals by early 2012. Ms. Kim said the Board reviewed Youth Link's governance, performance, and opportunities for change in how it develops proposals. The Youth Link Board's second goal was to look at how it could increase resources and funding through partnerships for youth leadership.

Mr. Lam reported that Youth Link members reviewed nearly a dozen studies focusing on the importance of youth civic engagement. They found that youth who were actively involved in their community had higher graduation rates, reduced negative behavior, and had stronger feelings of ownership in their community. To determine best practices, they evaluated 31 national and local youth leadership programs and found three common elements: 1) Both formal and on-the-job leadership training are essential, 2) Youth learn best when working with adults and treated as equals, and 3) Sustainable funding approaches involved more than one source of income. Mr. Lam said that Bellevue's Youth Link program is well aligned with established best practices.

Mr. Martin said Youth Link's research showed that programs with more than one income source were the most successful. Youth Link launched its 2012 partnership campaign by contacting 50 businesses to gauge their level of interest and to determine whether they had a history of supporting youth programs. Ten businesses expressed high interest. Youth Link trained 35 youth and adults as Youth Link Partnership presenters. Seven companies have expressed an interest in partnering with Youth Link. However, no financial agreements have been put in place to date.

Mattson-Hamilton said that Youth Link recommends, for the 2013-2014 budget cycle, an enhanced Youth Leadership model that transitions the current Youth Link Board from 12 members to eight members. Youth Link will establish a structured youth leadership curriculum as another avenue to engage youth and to generate revenue. The Youth Link Board will take a more proactive role in community initiatives such as Eastside Pathways, Nourishing Network, youth employment, and other projects. The Youth Council remains essentially the same and free

of charge, and provides a place for on-the-job youth leadership training in the areas of communications, special events, human services, and the arts.

Mr. Murphy said the Youth Link Board recommends that the City continue to fund youth leadership at the 2011-2012 level of \$230,000 as Youth Link transitions to a shared fiscal responsibility model. Additional funding would be secured through a fund development plan that includes an annual Partnership Campaign, foundation grants, and revenue-generating youth leadership programs. Mr. Murphy said that Youth Link would like to hold a community summit to engage the primary contributors to the program in developing an implementation plan.

Mr. Lam described plans to establish a fundraising entity and a fee-based youth leadership curriculum. Youth Link envisions the involvement of local businesses in these initiatives. The Youth Link representatives thanked the Council for its ongoing support and for providing opportunities for youth development, leadership, and community service.

Councilmember Davidson recalled that the program started in 1990 with a \$450,000 budget allocation, five full-time staff, and an additional \$100,000 capital investment. Funding has decreased to \$220,000 in 2011 and \$230,000 in 2012. Dr. Davidson said that Youth Link is an important community program and one of the factors contributing to Bellevue's national recognition as an exceptional community for youth. He expressed his support for the program.

Councilmember Balducci praised the youth for their intelligence, respectfulness, persuasiveness, and ability to have a dialogue with the Council. She thanked Youth Link for their many accomplishments and contributions to the community.

Councilmember Stokes thanked the guests for their attendance and expressed his support for Youth Link. He observed that investment in youth is investment in the community. Youth programs contribute to Bellevue's quality of life and economic vitality. He acknowledged that the Council has difficult budget discussions ahead and commended the youth for presenting their case.

Councilmember Chelminiak spoke to the importance of Youth Link's role as a voice within and for the community. He thanked them for their work and many contributions.

Deputy Mayor Robertson thanked the youth for the presentation and for developing a proposal to adjust to the reality of economic constraints.

Mayor Lee spoke to the importance of having young people engaged in the community. He commended the youths' efforts to pursue other funding sources. Mr. Lee said that youth represent the future of the City and this country. He thanked Mr. Murphy, a Bellevue School District Board Member, for his involvement with Youth Link.

Mr. Lee commented on the importance of seeking an adult mentor. Referring to the fee-based element of the proposal, Mr. Lee said he does not want to discourage people who cannot afford to participate in activities.

Ms. Mattson said they are exploring ways to keep fees affordable and to provide scholarships. She noted that Youth Link's Review and Recommendations Report has been provided to the City Council office.

(b) Follow-up on Hilltop Annexation Issues

Mr. Sarkozy opened discussion following up on issues related to the Hilltop annexation effort.

Planning Director Dan Stroh provided an update on Hilltop annexation issues. He recalled that the Council previously requested additional information on the critical areas habitat issue and current King County critical areas regulations applicable to the Hilltop area. Staff is seeking Council direction about whether the City should enter into agreements with Hilltop Community Inc. (HCI) and with Water District 117 regarding annexation issues.

Mr. Stroh showed an aerial view of the Hilltop potential annexation area. He noted the timeline, which anticipates an annexation effective date of August 1. If this deadline is missed, the City will not begin receiving property taxes until January 1, 2014. Staff is hoping to receive the 50 percent petitions from Hilltop by late May to allow for the Boundary Review Board process, annexation public hearing, and action on the ordinance before July 31.

Mr. Stroh described alternatives for Hilltop's habitat regulatory approach. The first option is to apply Bellevue's Critical Areas Ordinance and Clearing and Grading code beginning with the date of annexation. The second is to exempt the Hilltop area from the application of Bellevue's regulations until the City's Critical Areas Ordinance is updated. The third is to regulate Hilltop habitat under the King County Code.

Mr. Stroh recalled that the City received a request from the Hilltop community in March to allow a transition period from King County's regulations to the City's regulations. Today the City received an email from Phil Hardin, Chair of the Hilltop Annexation Committee, which withdraws the Committee's March 14 request and asks that the Council take no action tonight on this issue.

Mr. Stroh said a letter was also received today from Alex Harris, Hilltop Trustee, who expressed concern about Bellevue staff's interpretation of King County's regulations. Ms. Harris said she would prefer to see the results of a Critical Habitat Plan, or what the City refers to as a habitat management plan, before providing a recommendation to Hilltop residents. Ms. Harris requested that the City fund the completion of this type of plan.

Mr. Stroh said the habitat management plan approach is an administrative option allowed within Bellevue's critical areas habitat provisions. Hilltop residents would like the City to conduct this work, identify a plan, and demonstrate how it would interface with Hilltop's site plan review committee. Hilltop residents would then discuss the plan and determine whether the results affect their willingness to annex.

Mr. Stroh noted the updated options, based on the communications received today from Hilltop residents. One is to continue with the current process and timeline, not conducting any work on a habitat management plan. The second option is to conduct the work, and to delay the annexation decision and effective date.

Mr. Stroh said a related issue is whether the City will provide funding to support the habitat management plan work. Based on the recent communications from Hilltop residents, staff recommends that the Council cancel the April 16 public hearing on pre-annexation zoning and defer next steps until Hilltop residents communicate to the City about their intent.

Mayor Lee restated the two communications received today from Hilltop residents. Both are requesting that the Council delay discussion on annexation issues, and staff is suggesting that the public hearing scheduled for April 16 be cancelled. Mayor Lee asked the Council how it would like to proceed.

Councilmember Stokes said he hopes that the annexation can move forward. He expressed general support for staff's recommendation to cancel the April 16 public hearing and to defer action at this time. He is glad to see that the City and residents are working together to resolve the issues.

Responding to Councilmember Davidson, Mr. Stroh confirmed that typically private citizens or developers, and not the City, fund habitat management plans. He expressed concern about budget constraints and about setting a precedent in this case.

Responding to Deputy Mayor Robertson, Mr. Stroh said it would be helpful to have Council direction on the pending agreements. Staff would like to wrap up all of the issues other than the habitat regulations. He observed that it is becoming unlikely that annexation will occur by August 1, in which case the next target date for annexation will be April 1, 2013.

Deputy Mayor Robertson recalled Councilmember Davidson's inquiry in the past about whether Hilltop water usage would be subject to the City's utility tax. She said it is important to have language in the agreement to clarify that the water district is responsible for appropriately maintaining and replacing the system, until such time that the City assume the water district perhaps 20 years into the future. If that is not in the current agreements under negotiation, she would like to add that.

With regard to the annexation agreement, Councilmember Chelminiak noted references to the importance of neighborhood character and that the City not install urban infrastructure in the Hilltop area. Mr. Stroh said the intent of that phrase is to preserve the character of the area with regard to features including street lights and sidewalks. Mr. Stroh said the City does not have the resources to provide urban-level upgrades at this time anyway.

Responding to Mr. Chelminiak, Mr. Stroh said the water utility was not specifically mentioned within the context of urban infrastructure. The examples given by the Hilltop community were street lights, sidewalks, curbs and storm drains.

Councilmember Chelminiak stated his impression that King County's regulations are more stringent than the City's. However, it sounds like King County has not necessarily enforced the regulations to the fullest extent. His understanding is that some Hilltop residents are concerned that the City would fully enforce regulations.

Mr. Stroh said staff's position is that, if King County's regulations are adopted for the area, the City would be legally obligated to enforce the Code provisions.

In further response to Mr. Chelminiak, Mr. Stroh acknowledged that the issue is essentially about balancing the protection of habitat with maintaining territorial views. Mr. Stroh observed that the Hilltop area has done a good job of balancing the two objectives over the years. Staff anticipates that the habitat management plan would likely allow the removal of more trees than Hilltop residents would want to remove.

Carol Helland, Land Use Director, said the process allowed in the Code involves identifying view wedges and ensuring that the habitat that remains is preserved in perpetuity, essentially in return for allowing the view corridors to remain.

Councilmember Chelminiak observed that King County could change at some point and become more strict about enforcing its regulations than it has in the past. Ms. Helland concurred, noting her understanding based on recent discussions with King County that issues have arisen in only a few isolated enforcement situations. Those are handled differently than instances in which permits are requested by residents.

Councilmember Chelminiak noted his frustration with wanting to annex the area and with the lengthy process and discussions. He observed that, at some point, a trust level needs to be developed between the City and Hilltop residents.

Responding to Dr. Davidson, Mr. Stroh said the City currently provides fire protection services to the area by contract. If the area is annexed, that fire district will be dissolved and services would be provided as they are in the rest of Bellevue. Mr. Stroh said that one benefit of annexation for new residents is that their current fire district taxation goes away.

Councilmember Balducci observed that something dramatically changed within the past few days, which relates to residents' reaction to the City's interpretation and anticipated enforcement of King County's regulations. She questioned whether there would be any adverse impacts to proceeding with the public hearing on April 16 as planned. This would provide the opportunity for the Council to hear more information from staff and the community.

Mr. Stroh agreed that the public hearing would provide an opportunity for more information to be presented to the Council.

Councilmember Balducci reiterated that additional dialogue would be helpful to the process.

Mayor Lee noted a Council consensus to proceed with the public hearing as scheduled.

At 8:03 p.m., Mayor Lee declared recess to the Regular Session.

Myna L. Basich, MMC  
City Clerk

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CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

April 9, 2012  
8:00 p.m.

Council Chamber  
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace<sup>1</sup>

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:12 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

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

(a) Proclaiming April 21 as Arbor Day/Earth Day

Dustin VanNieulande, Park Ranger at Mercer Slough Environmental Education Center, introduced Sarah Foster, Urban and Community Forestry Program Manager for the Washington State Department of Natural Resources.

Ms. Foster presented Bellevue with its 21st Tree City USA Award and 19<sup>th</sup> Growth Award from the National Arbor Day Foundation. She said that Bellevue has been a national and regional leader in building an urban forestry program. She thanked the City for providing its staff and facilities in support of regional urban forestry programs and meetings. Ms. Foster commended Bellevue's continued preservation and public education activities.

Mayor Lee read a proclamation declaring April 21 as Arbor Day-Earth Day in Bellevue.

3. Communications: Written and Oral

(a) Helen Leuzzi, Executive Director of The Sophia Way, thanked the Council for supporting ARCH (A Regional Coalition for Housing) funding priorities this year. She described the

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<sup>1</sup> Councilmember Wallace participated via speakerphone for Agenda Item 10 only.

new Sophia's Place women's shelter at St. Luke's Church in Bellevue. The organization provides overnight shelter for homeless women, including many who are age 50-80. Sophia's Place provides beds so women will no longer have to sleep on the floor. Ms. Leuzzi said that transitional housing provides much-needed hope for these women. She thanked the Council for its ongoing support.

- (b) Sarah Kingman said she attended the City Council meeting three weeks ago and heard several members of the Hilltop area speak of their enthusiasm to join the City of Bellevue, and also about concerns they have surrounding their forested critical areas. She suggested that Hilltop residents should look at how the City has treated other areas that have annexed into Bellevue. She encouraged Hilltop residents to ask hard questions. She asked the Council to consider whether it treats its current strong neighborhood groups with respect and fairness, before asking for the trust of future community leaders.
- (c) Margot Smith spoke on behalf of a group of residents who she said are intensely interested in local government and land use decisions. She noted that one stated purpose of Bellevue's zoning code is to maintain stability in land use commitments through the harmonious groupings of uses with compatible characteristics. Ms. Smith said the group she represents is interested in the delivery of City services with efficiency, transparency, and integrity. They believe that all government processes must be fair and appear fair.

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

5. Report of the City Manager

- (a) Management Brief presenting Arts Program 2012 Funding Guidelines

City Manager Steve Sarkozy opened discussion regarding the Arts Program 2012 Funding guidelines.

Mary Pat Byrne, Arts Specialist, requested Council direction regarding the funding guidelines for the two main arts programs - Eastside Arts Partnership (EAP) and Special Projects. The Eastside Arts Partnership provides ongoing support for organizations that do all or nearly all of their work in Bellevue. Examples include the Bellevue Arts Museum and the Bellevue Youth Symphony Orchestra. Special Projects funding assists artists or arts groups from anywhere who want to do a project in Bellevue.

Ms. Byrne noted that staff and the Council have worked over the years to continually revise and improve the funding guidelines. She said that staff would like to proceed with releasing the funding guidelines, as used in 2011, and beginning the application process.

Mr. Sarkozy said that, hearing no comments, staff will move forward using the process that has been used in the past.

(b) West Lake Sammamish Parkway Closure and Reopening

Mr. Sarkozy introduced staff to provide an update on the West Lake Sammamish Parkway mudslide and restoration work.

Ron Kessack, Interim Assistant Director of Transportation, described the wall that was constructed to stabilize the slope. The wall is built on private properties, which required the acquisition of easements from the property owners. Mr. Kessack said the residents are pleased with the City's process, the work, and the resulting wall.

Mr. Kessack thanked Utilities Department staff who responded initially to the water line break and mudslide. He thanked Paul Krawczyk, Transportation Project Manager, and Bill Cross, Transportation Inspector, for their work throughout the restoration process.

Mr. Kessack said the road would reopen the following day. However, additional work to restore the properties and install landscaping will continue.

Mayor Lee thanked staff for their work.

6. Council Business and New Initiatives

(a) Council Liaison Recommendations for 2012 Reappointments to the Transportation Commission

→ Deputy Mayor Robertson moved the following reappointments to the Transportation Commission: 1) Victor Bishop to fill a first full term, and to be eligible for reappointment effective May 31, 2016; 2) Dave Jokinen, filling a second term; and 3) Ernesto Simas, filling a second term. Councilmember Stokes seconded the motion.

Ms. Robertson noted that Mayor Lee is the Council liaison to the Transportation Commission and recommends these appointments.

→ The motion for appointments to the Transportation Commission carried by a vote of 6-0.

Mayor Lee thanked the three appointees for their continued willingness to serve on the Transportation Commission,

(b) Council Business

Councilmember Chelminiak attended the Bellevue Convention Center Authority (BCCA) Board meeting, his first as the Council liaison. He noted the Board's interest in how the East Link light rail alignment will affect the convention center property. Meydenbauer Center is working with a transportation consultant and a legal advisor to address light rail-related issues.

Mr. Chelminiak reported that he attended the Municipal League of King County's 2012 Civic Awards event. He was honored to introduce Grant Degginger, former Mayor and Councilmember, who received the award for Public Official of the Year. Mr. Chelminiak noted that John Starbard, who previously worked for the City of Bellevue and is now the Director of the King County Department of Development and Environmental Services, received the award for Public Employee of the Year.

Councilmember Davidson attended meetings of the Regional Water Quality Committee and the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) rate and finance subcommittee.

Deputy Mayor Robertson announced that the City recently received a 2012 Green City Award at the annual Residential Recycling Conference.

Ms. Robertson attended meetings of the Puget Sound Regional Council (PSRC) Growth Management Planning Council, Master Builders Association, Bellevue Planning Commission, and Eastgate/I-90 Citizen Advisory Committee.

Ms. Robertson said she met with John Howell, facilitator for the Sound Transit collaborative design process related to the East Link light rail project. She noted that Councilmembers Stokes and Wallace serve on that team as well.

Deputy Mayor Robertson wished everyone well for Easter and Passover.

Councilmember Balducci participated on a panel of senior elected officials who spoke to newly elected officials. She and Councilmember Stokes attended a meeting of the Disability Board. Ms. Balducci attended the Sound Transit Board annual retreat which focused on parking at light rail stations and transit-oriented development (TOD). She attended the Municipal League event, which presented awards to a number of Eastside individuals and agencies including former Mayor Degginger; the King County Library System, whose CEO Bill Ptacek is the Chair of Bellevue's Arts Commission; and State Senators Ed Murray and Steve Litzow. Dow Constantine, King County Executive, received the James R. Ellis Regional Leadership Award.

Ms. Balducci spoke about Andy Conner, a King County Sheriff's Deputy, who was awarded Citizen of the Year. Mr. Conner founded the Genesis Project in South King County to help victims of domestic minor sex trafficking.

Councilmember Stokes reported that he has been working with the East Link collaborative design team mentioned by Deputy Mayor Robertson, which is comprised of three Councilmembers, representatives of the City's Leadership Team and Sound Transit's Board, and staff from both agencies. Mr. Stokes said he has attended two meetings of the Environmental Services Commission, which recently honored outgoing Council liaison Dr. Davidson. Mr. Stokes said he attended the last meeting of the Eastgate/I-90 Citizen Advisory Committee. He encouraged residents to get involved in local planning and neighborhood activities.

Mayor Lee noted the Council's Budget Workshop during last Monday night's meeting. Mr. Lee attended a meeting of the Bridle Trails Community Club. He and Councilmember Chelminiak attended the Global Partnership reception sponsored by the Trade Development Alliance and held at Bellevue City Hall. Mayor Lee attended the I-90 westbound HOV lane opening between Bellevue and Mercer Island. He spoke to attendees of the VisitBellevueWashington event and to a group of students about leadership and public involvement.

Mayor Lee wished everyone a Happy Easter.

7. Approval of the Agenda

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

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

8. Consent Calendar

→ Deputy Mayor Robertson moved to approve the Consent Calendar, and Councilmember Chelminiak 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 March 12, 2012 Extended Study Session  
Minutes of March 19, 2012 Study Session  
Minutes of March 19, 2012 Regular Session
- (b) Resolution No. 8375 authorizing execution of a professional services contract with Endelman and Associates PLC, for consulting services to complete the second phase of public space evaluations associated with requirements of the Americans with Disabilities Act (ADA).
- (c) Ordinance No. 6049 authorizing: 1) execution of an agreement between the City and Puget Sound Energy, to accept an energy conservation reimbursement grant in the amount of \$134,981, for a building automation and controls project at City Hall; 2) amending the 2011-2012 Biennial Budget for the Facilities Fund by appropriating unanticipated revenues to that Fund in the amount of \$134,981; and, 3) expenditures from said fund.
- (d) Resolution No. 8376 authorizing: 1) execution of a 2011-2013 successor labor agreement between the City and the Bellevue Police Management Association; and, 2) execution of a Memorandum of Understanding regarding an Unfair Labor Practice claim.

- (e) Resolution No. 8377 authorizing execution of an Interlocal Agreement between Bellevue and the cities and organizations of Edmonds, Kent, Kirkland, Mountlake Terrace, Port of Seattle, Renton, SeaTac, Tukwila, Woodinville, Seattle Parks and Recreation, University of Washington, the USDA Wildlife Services, and the US Fish and Wildlife Service, in the amount of \$2,230, for waterfowl management.
- (f) Resolution Nos. 8378, 8379, and 8380 authorizing entering into agreements recommended by the ARCH Executive Board for the LIHI Downtown Bellevue Apartments in the amount of \$635,000, and for the Imagine Housing South Kirkland TOD in the amount of \$265,000, and for the Sophia's Place Shelter at St. Luke's Church in the amount of \$200,000.
- (g) Resolution No. 8381 authorizing execution of an Interlocal Agreement with Bellevue College, for a period of 20 years, to provide mutual aid and mobilization and the shared use of equipment and technology in the event of a campus emergency or disaster.
- (h) Ordinance No. 6050 authorizing: 1) execution of an Interlocal Agreement with the City of Redmond to accept interlocal contributions of \$300,000 to fund costs associated with a joint pavement overlay project on 148th Avenue NE and 156th Avenue NE in the Overlake area; 2) amendment of the 2011-2012 general Capital Investment Program (CIP) fund to increase the appropriation by \$300,000; and, 3) amendment of the 2011-2017 CIP Plan to increase the budget for the Overlay Program by \$300,000 and authorizing expenditure of said funds (CIP Plan PW-M-1).
- (i) Motion to authorize an application to the FY 2014 Public Works Trust Fund Construction Loan Program in an amount up to \$3.5 million for the NE 4th Street Extension project (CIP Plan No. PW-R-160).
- (j) Resolution No. 8382 authorizing execution of Amendment No. 1 to the professional services agreement for the Coal Creek Parkway Culvert Replacement project with CH2MHill, in an amount not to exceed \$93,000, for engineering services associated with a Parks trail design (CIP Plan Nos. D-103 and P-AD-89).
- (k) Resolution No. 8383 authorizing execution of a professional services agreement with RH2 Engineering, Inc., in an amount not to exceed \$290,000, for engineering services for the Horizon View #3 Water Pump Station Rehabilitation, Predesign and Permitting (CIP Plan No. W-91).
- (l) Motion to award Bid No. 12022 for AC Water Main Replacement (2012) - Phase 1, to Earthwork Enterprises, Inc., in the amount of \$1,267,437.13, as the lowest responsible and responsive bidder (CIP Plan No. W-16).

9. Public Hearings: None.

10. Land Use

- (a) Continuation of Council's consideration of the Appeal of the Hearing Examiner's Decision on the application of David Shih (Kimberlee Park III) for a Planned Unit Development and Preliminary Conservation District

At 9:00 p.m., Mayor Lee noted that Councilmember Wallace had joined the meeting via speakerphone for this agenda item.

Mayor Lee introduced the Council's continued discussion and consideration of the appeal of the Hearing Examiner's Decision on the application of David Shih and the Shih Family Limited Partnership (Kimberlee Park III) for a Planned Unit Development and Preliminary Conservation District. This item is continued from the March 19 Council meeting.

City Attorney Lori Riordan provided an overview of the rules governing the limited public appeal hearing on the Hearing Examiner's Decision related to the Kimberlee Park III application. This matter is considered quasi-judicial under state law. The opportunity for public testimony came before the Hearing Examiner during hearings held on June 16, 23, 29, and 30, 2011, on whether to approve the application. A Limited Public Hearing to take arguments from the parties to the appeal was held and closed on March 19, 2012.

Ms. Riordan explained that quasi-judicial proceedings are matters pending before the City Council, which makes a decision regarding the rights of specific interested parties under the City's regulations. In those situations, the Council must act as judges and maintain fairness and impartiality. Under Council Rules, City Councilmembers are not able to discuss the pending application or appeals with anyone if members of the public contact them directly.

This is a continuation of the Council's discussion on Hearing Examiner's File Nos. 08-135645 LK and 11-103630 LO, the appeals of David Shih and the Shih Family Limited Partnership for a Planned Unit Development and Preliminary Conservation Subdivision known as Kimberlee Park III. The Hearing Examiner issued findings of fact, conclusions of law, and a decision on July 28, 2011, denying the PUD (Planned Unit Development) and preliminary conservation subdivision. A second order affirming the decision was issued on August 31, 2011.

Following the filing of the appeal, the Kimberlee Park Community Club and individuals Roger and Janelle Chiou, Scott and Rita Traverso, and Barry and Kimberly Wolborsky submitted a motion to intervene, which was granted by the Council on February 6, 2012.

The parties to this appeal are the appellants, David Shih and the Shih Family Limited Partnership, and the intervenors, the Kimberlee Park Community Club and individuals Roger and Janelle Chiou, Scott and Rita Traverso, and Barry and Kimberly Wolborsky.

City Attorney Lori Riordan recalled that Councilmembers did not have any ex parte communications to disclose on March 19. Ms. Riordan advised that the Mayor again give Councilmembers the opportunity to disclose, on the record, any ex parte communications they may have had with any of the parties to the appeal, or any others supporting or opposing the application.

All Councilmembers indicated that they did not have ex parte communications to disclose.

Ms. Riordan explained that, before beginning deliberations, the Council may continue to ask questions of any party, staff, or any other person about any matter contained in the record. However, new material not contained in the Hearing Examiner's record may not be presented. She noted the Hearing Examiner's presence in the audience.

After all argument is presented and the Council has completed its questions and discussion, the Council may render a decision tonight or at a subsequent meeting. Ms. Riordan said the appellant bears the burden of proof. The Council may grant the appeal, or grant the appeal with modifications if the appellants have carried the burden of proof and the City Council finds that the decision of the Hearing Examiner is not supported by material and substantive evidence; or the Council may remand the matter for further consideration of issues or to accept additional information into the record. In all other cases, the appeal shall be denied. Ms. Riordan said the City Council shall accord substantial weight to the decision of the Hearing Examiner.

Evidence is material if there is a reasonable probability that the presence or absence of the evidence would alter the decision by the fact finder. Evidence is substantial when there is a sufficient quantity of evidence to persuade a fair-minded person of the truth or correctness of the decision.

Ms. Riordan reviewed the Hearing Examiner's basis for denying the application: 1) The applicant failed to meet his burden of proof to show compatibility, and 2) The applicant failed to meet the standard for approval for a preliminary plat by demonstrating the feasibility of the proposed drainage facilities. The Council's role is to decide whether the Hearing Examiner's decision on these two issues is supported by substantial evidence in the record.

Mayor Lee opened the floor for questions and discussion.

Councilmember Chelminiak asked Hearing Examiner Wick Dufford to come forward to respond to questions. Mr. Chelminiak said his questions deal with the compatibility of the application and how it compares to other applications to the City in the past.

Responding to Councilmember Chelminiak, Mr. Dufford said he has been a Hearing Examiner for the City of Bellevue since 1992. He has heard a number of PUD cases and preliminary plat cases, more than a dozen of each. Mr. Dufford said he has lived in Bellevue since 1967.

Mr. Chelminiak noted that Mr. Dufford found PUDs to be compatible in other cases. He questioned how this case is different.

Mr. Dufford clarified that he did not conclude that the application was incompatible. Rather, he concluded that the applicant did not carry the burden of proof to demonstrate compatibility. This is the significant difference between this case and other PUD cases he has heard. Mr. Dufford said that, typically, the applicant's presentation attempts to address all of the approval criteria, as does City staff. In this case, the applicant relied almost entirely on the City's presentation. In the hearing process, the applicant had a very small role. On the other hand, there was a large community interest in the application. Citizens who testified on the record included architects and others who he felt had respectable opinions on what would be compatible with the neighborhood. Mr. Dufford said they were passionate and persuasive about their neighborhood.

Mr. Dufford said this case is not dealing with an absolute standard, but rather, compatibility, which is a value-laden type of judgment. Given the significant public involvement and well-stated testimony by neighbors, and the minor effort made by the applicant, Mr. Dufford said he was left to look at the City's determination. He concluded that neither the applicant or the City carried the burden of proof of convincing him by a preponderance of the evidence that the development met the standard with regard to compatibility.

Mr. Dufford said that the issue of compatibility is a difficult concept to apply. He said he has been reviewing land use cases for a long time, and he has been in rooms full of people in which everyone was against the decision that he subsequently rendered. However, there was something about the quality of the testimony in this case that was different and compelling. Mr. Dufford said that none of the other PUD and preliminary plat cases he has handled have emphasized compatibility to this extent. In general, the PUD has been an upgrade for neighborhoods. However, in this case, that did not appear to be the case.

Councilmember Davidson questioned whether Mr. Dufford determined that the information from residents carried more weight than staff's recommendation based on their review of the City's land use policies and zoning plans.

Mr. Dufford reiterated that he determined that the applicant and the City did not make a convincing case. He noted that the City has made a convincing case in a number of other instances.

Mayor Lee restating his understanding of Mr. Dufford's determination that the applicant did not provide adequate information or carry the burden of proof with regard to compatibility. Responding to Mr. Lee, Mr. Dufford said that his responsibility is to receive and consider the information that is given to him. Mr. Dufford said he could have remanded the case and requested more information, which he has done in other cases. At this point, the Council could remand the matter as well if it determined that would be appropriate.

Councilmember Balducci questioned how "feasibility" (i.e., feasibility of the proposed drainage facilities), which is not in the City Code, was considered in the Hearing Examiner's decision. Mr. Dufford responded that state planning law requires appropriate provisions for many items, including drainage. He explained that appropriate provisions vary by context, and in this context,

the drainage is located on a slope above a major freeway. Little work had been completed to determine whether appropriate drainage was feasible on the slope. He believes that the failure of such a drainage facility over I-405 would be a disaster.

Mayor Lee thanked Mr. Dufford for attending.

Deputy Mayor Robertson said she has looked at the record, the Land Use Code, and the appropriate standards of review. She observed that one of the first things to do as a Council is to look at the standard of review, and whether the findings of fact were supported by material and substantial evidence. The Council can look at the Hearing Examiner's conclusions de novo, however, which means look at them anew or as a matter of first impression.

Ms. Robertson opined that the Hearing Examiner's decision is not supported by substantial evidence in the record, and the Hearing Examiner's decision fails to give the required deference to the staff expertise required of the City's Land Use Code Process I decisions. She said it was interesting that the Hearing Examiner said tonight that he specifically did not find that the application was incompatible, but he felt he needed to be convinced. She believes the Hearing Examiner used the wrong standard because the staff interpretation is entitled to deference under the Land Use Code.

Furthermore, the Examiner's findings fail to include any of the substantial evidence regarding compatibility that was contained in the staff report. There was a great deal of information about compatibility in the staff report, in the attachments, and including responses to comments received from members of the public, as well as the testimony of city planner Reilly Pittman and the testimony of the applicant's architect. Ms. Robertson believes that the Examiner's findings of fact in that regard fails in the face of the record.

Continuing, Ms. Robertson said the Examiner's findings also failed to include any of the substantial evidence regarding the provision for adequate drainage facilities, such as that contained in the staff report, the testimony of the city witnesses, and the motion for reconsideration submitted by city staff.

Ms. Robertson believes that, in addition to determining whether the findings of facts are supported by substantial evidence, the City Council must also address whether the Examiner properly interpreted the City Code. She said that this is not an issue in which the Council decides by determining whether there is substantial evidence in the record. Rather, interpretations of statutes, and in this case, City ordinances, is a question of law reviewed de novo. The courts review conclusions de novo giving substantial weight to an administrative agency's interpretations of the statutes that it administers.

Ms. Robertson said the City is a substantial authority on its Code. The Development Services Director's decision, including the interpretation of the Code, was not followed by the Hearing Examiner. However the Code specifies that the Director's decision was entitled to deference.

Even without the deference, Ms. Robertson said the Hearing Examiner did not follow past Hearing Examiner decisions interpreting the Planned Unit Development Code. The interpretation of the compatibility factor given by the Hearing Examiner in this decision is entirely new to Bellevue. The Code is not new, but this interpretation is new. The Council is the ultimate authority on interpretation of the City Code. Ms. Robertson said she believes that the Hearing Examiner's interpretation in this case is erroneous.

Deputy Mayor Robertson explained that, in looking at the PUD Code, the Director found that the modifications did comply with the criteria of the PUD Code, but the Hearing Examiner disagreed with that. Specifically, under LUC 20.30D.150, D and H were not satisfied, in the Hearing Examiner's opinion. This is the compatibility of the perimeter and the compatibility of the design. The Hearing Examiner found that the development was not compatible with the existing neighborhood, but this is not the correct standard. The correct standard is instead to determine whether the perimeter of the PUD is compatible with the existing land use or property that abuts or is directly across the street from the subject property, and also whether the design is compatible with and in response to the existing or intended character, appearance, quality of development, and physical characteristics of the subject property and immediate vicinity.

Ms. Robertson said the Code does not provide the authority for the Hearing Examiner to make the determination of compatibility of the PUD based on lot size or width. The Hearing Examiner was required to analyze compatibility based on size, scale, mass, and architectural design of proposed structures for the perimeter only. In other words, the Code should be followed rather than expanding the wording of the Code to allow the Examiner to make findings of compatibility of the PUD with the entire existing neighborhood, or to the lot size or width.

Ms. Robertson acknowledged that the lot sizes of the surrounding neighborhoods range from 9,542 square feet to 24,590 square feet, even up to 35,000 square feet, many in excess of the minimum lot size of 6,500. In other words, the surrounding neighborhood developed with traditional zoning and was not developed under a PUD. If the existing zoning lot minimum size of 6,500 square feet was developed here, then even that traditional subdivision would be incompatible with the surrounding neighborhood based upon the interpretation that the Hearing Examiner made here. And that clearly must be in error with our Code, to interpret it this way.

As for the "relative sameness" that was referenced in the record, a lack of differentness of the homes within the PUD, Ms. Robertson said this is not a Code provision that Bellevue allows the Hearing Examiner to use to deny the PUD. Under criteria H of the PUD criteria, the Hearing Examiner can approve the PUD if the design is compatible with and in response to the existing or intended character, appearance, or quality of development, and physical characteristics of the subject property and immediate vicinity. Ms. Robertson observed that the Hearing Examiner cannot invent new definitions or criteria to allow denial under our Code based on "relative sameness."

With regard to the preliminary plat, Deputy Mayor Robertson said the rule is that the preliminary plat application cannot be approved if the applicant cannot show that the plat is able to comply with all relevant requirements. The purpose of a preliminary plat is to secure approval of the

general design of the proposed subdivision and to determine whether the public use interest will be served by the platting. Matters which are specified by regulation or ordinance need not be considered unless conditions or infirmities appear to exist or would preclude any possibility of approval of the plat.

In other words, Ms. Robertson said the applicant could be allowed to present the drainage facility plans for approval of the city engineer after preliminary plat approval, unless there is some evidence in the record, substantial evidence at that, to show the applicant will not be able to obtain approval of the plan. The Code section on platting is consistent with this general state law, and only requires appropriate provision.

Deputy Mayor Robertson observed that it seems as if the standard that was applied was to focus on the effect of the approval, which is that, under 20.45A.170 of our Code, the public improvements must issue, and that such permits are contingent upon compliance with the conditions of the approval, conformance with applicable development standards, and payment of the fee. Final engineering happens after the preferred preliminary plat, and if the project cannot meet the requirements, the final plat is not issued.

Ms. Robertson said she would like to make a couple of general observations: that under City Code, PUDs carry different requirements than plats, in that they require landscaping buffers, even for single-family development, and they also require landscaping to be superior to that required by our Land Use Code chapters 20.20 and 20.25. In this instance, the staff report recommended, and the Hearing Examiner required, a level of perimeter landscaping to provide the required visual buffering between the compatible uses. This site is currently undeveloped and heavily vegetated. Increasing the requirement for retaining or replacing vegetation displaced by the development of the PUD would be responsive to and compatible with the existing physical characteristic of the property.

Ms. Robertson opined that the proposal meets many Comprehensive Plan policies which also apply the definition of compatibility used by the Hearing Examiner. If we use his definition of compatibility, we would effectively be denying the availability of a PUD permit to any applicant adjacent to an architecturally diverse subdivision. She observed that clearly the Code favors the use of the PUD for infill development, especially where critical areas are to be preserved. Ms. Robertson noted that the record, pages 228 to 237, outlines the Comprehensive Plan policies that this has met.

Deputy Mayor Robertson acknowledged that change is difficult when new homes are built, and neighbors may not like the design. But the City of Bellevue does not have design review for single-family homes. In addition to the legal error of the Code interpretation mentioned earlier, Ms. Robertson said she believes that the Hearing Examiner's decision is not supported by substantial evidence in the record, and the Examiner's decision fails to give the required deference to staff expertise required under Land Use Code Process I decisions.

The Examiner's findings fail to include any of the substantial evidence regarding compatibility contained in the staff report, including the responses to comments received from members of the

public, as well as the testimony of city planner Reilly Pittman and of the applicant's architect.

Ms. Robertson opined that the Hearing Examiner's findings fail to include any of the substantial evidence regarding the provision of adequate drainage facilities, such as that contained in the staff report, the testimony of the City's witnesses, and the motion for reconsideration submitted by staff. The Examiner's conclusions of law apply the wrong legal standard for various determinations of compatibility by conflating the meaning of identical with the meaning of compatible, by ignoring the history of the application of the compatibility standard in the PUD Code provisions by staff, and by ignoring the history of legal precedence of determinations of compatibility in other Hearing Examiner decisions on PUD applications.

Deputy Mayor Robertson said that "compatible" under the City's PUD Code refers to being able to exist harmoniously and not in actual conflict with the surrounding properties, and to the site itself and its perimeters. Compatibility for the perimeter is described as including the consideration of size, scale, mass and architectural design of the proposed structure, but it is not described as requiring that the new development be a mirror image of the existing development surrounding the site. Compatibility of the design in subsection H of the Code does not mention structure, and this was another incorrect interpretation by the Hearing Examiner. The Hearing Examiner's interpretation of compatible is inconsistent with our Code, and was inconsistent with other Hearing Examiner decisions in Bellevue, and is the equivalent of an error of law that requires reversal of the Hearing Examiner's decision and the granting of the appeal.

Ms. Robertson said that the Hearing Examiner's conclusions of law apply the wrong legal standard to the question of whether the applicant has made a showing that the preliminary plat application has made adequate provision for drainage ways by imposing additional requirements of more detailed design to demonstrate feasibility. The standard is not feasible – it is appropriate provision. The Hearing Examiner is expecting a greater level of detail than is required at the preliminary plat stage, and by applying this higher standard, the Hearing Examiner made an error of law that requires reversal of the Hearing Examiner's decision and the granting of the appeal.

Councilmember Balducci observed that the case hinges on the concept of compatibility. She said she agrees with the appellant's position that, if compatible means that a development needs to meet all existing Land Use Code requirements, no PUDs would be allowed. The purpose of a PUD is to waive certain requirements in exchange for other amenities or benefits. On the other hand, compatibility cannot mean nothing. The Land Use Code's references to compatibility address size, scale, mass, and architectural design, but do not explicitly address use.

Ms. Balducci recalled that, during the March 19 hearing before the Council, there was testimony that the Hearing Examiner's record contained a great deal of information about compatibility. However, there is not actually very much in the record about compatibility. The record refers to the following characteristics of the proposal: 1) Single-family houses, 2) Detached homes, 3) Not increasing density, 4) Multi-floor, as are some of the existing homes in the area, 5) Pitched roofs, 6) Varying colors, glazing and materials, 7) Attached to a similar road and lot layout pattern, 8) Setbacks are largely conforming, and 9) All have individual driveways with a garage. Ms. Balducci likened this to saying that they all have doors and windows and electrical outlets too.

This is not what she thinks of when considering whether a development is compatible with existing uses. Ms. Balducci opined that the Kimberlee Park III proposal would likely be compatible at Fox Glen, where the City approved a previous PUD.

Ms. Balducci explained that there are no compatibility requirements for the redevelopment of single-family homes. However, a PUD does include compatibility requirements. She sees very little evidence of compatibility in the application which, for example, does not address scale. The proposed development has three stories facing the street, and half of the homes present an imposing façade to the near neighbors. The narrowness and sizing of the lots, as well as the design of the housing structures and landscaping, are not compatible with the neighborhood.

Councilmember Balducci opined that the Hearing Examiner's determination on compatibility was correct. She recalled the Hearing Examiner's testimony that he ruled there was not enough evidence of compatibility; he was not making a judgment about compatibility. Ms. Balducci said she believes there is some evidence of incompatibility. She said the Council is to give substantial weight to the Hearing Examiner's decision, which she feels is supported by the record.

Councilmember Chelminiak said this has been a difficult case. He noted the Hearing Examiner's 20 years of experience in dealing with Bellevue's land use issues. He reiterated the Hearing Examiner's finding that the applicant did not meet the burden of proof with regard to compatibility, even with the assistance of City staff.

Mr. Chelminiak concurred with Councilmember Balducci's reasoning with regard to this issue. He stated that an individual could build the same project proposed by the applicant, if the application did not go through the PUD process. Mr. Chelminiak noted that he is not sure what exactly the intervenors object to about the project. However, the applicant could build the same housing design on as many lots as he could fit onto the property. A project is not required to have lots that are the same size as existing lots.

Mr. Chelminiak opined that the Hearing Examiner is correct in stating that the applicant did not carry the burden of proof with regard to compatibility. When the City goes through the PUD process, the City is giving the developer the opportunity to modify the Codes. With PUDs, the modification applies primarily to lot size. Mr. Chelminiak read the following from the staff report: "The project is compatible with the existing neighborhood because both of them consist of detached homes on individual lots. They have multiple floor structures and pitched roofs." However, the Hearing Examiner determined that there should be some greater level of proof that the project is compatible.

Mr. Chelminiak observed that the architect for the applicant, rather than going into how the proposal matches the Kimberlee Park neighborhood, explained how they made changes based on the economics of the development. The architect said they reduced home sizes slightly to be more in line with what they found to be very common in the Kimberlee Park neighborhood, but then continued to comment on how to design and price the homes for the economy. The proposal barely addressed anything the applicant and developer were doing to make the homes compatible with the neighborhood. The architect later commented on the variation of existing housing types.

However, the applicant's proposal consists of 17 almost identical homes.

Councilmember Chelminiak moved to speak to deference. He observed that he could have reached a conclusion on this matter without the neighborhood being represented by an attorney in the argument before the Council. He said he gives deference to both staff and the Hearing Examiner. However, the law says the Council must give great deference to the Hearing Examiner.

Mr. Chelminiak said he does not see in the record where a case has been made that the proposal is compatible with the surrounding neighborhood. He tends to support the Hearing Examiner. He suggested that, if there are Councilmembers interested in additional information, the Council consider remanding the matter to the Hearing Examiner. Otherwise, he encourages the Council to uphold the decision of the Hearing Examiner.

Councilmember Davidson believes that a property owner should be able to depend on the City's policies (i.e., Comprehensive Plan, zoning, PUD regulations, and the Critical Areas Ordinance). He expressed support for Deputy Mayor Robertson's analysis of the applicable laws and standards. He believes that the applicant/property owner has a right to utilize the City's PUD process, as was recommended by City staff. He will support the appeal.

Councilmember Stokes said this is a difficult case, as it involves essentially trying to balance the property rights of different parties. He does not see any absolutes in this case. He was in favor of allowing the intervenors to be a part of the process. Mr. Stokes noted the longtime experience of the Hearing Examiner and observed that the City's regulations are relatively imprecise.

Mr. Stokes said it is significant that the Hearing Examiner determined that the applicant failed to carry the burden of proof with regard to compatibility. The Examiner testified today that he was not making a judgment about compatibility himself. Mr. Stokes observed that some type of development will ultimately occur on the property. He would have liked to see a better constructed, more sequential, and better developed decision on this matter.

Mr. Stokes commented on the variation of housing types in the Kimberlee Park area. He observed that the matter comes down to personal preferences because the City has no design review for single-family homes. He said he cannot vote to deny the appeal, and he is not sure that remanding the matter would do anything more than prolong the process.

→ At 10:00 p.m., Deputy Mayor Robertson moved to extend the meeting to 10:30 p.m., and Councilmember Balducci seconded the motion.

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

Councilmember Wallace said he concurs with Deputy Mayor Robertson and Councilmembers Davidson and Stokes, and he had nothing more to add.

Mayor Lee said he appreciates the Council's discussion. This is ultimately a subjective decision, and the Council is asked to make a judgment. He concurred with Councilmember Stokes' comment that development will inevitably occur on the property. Mr. Lee said the Deputy Mayor did a good job of articulating the rationale and reasons to support the appeal.

→ Deputy Mayor Robertson moved that the City Attorney be directed to prepare an ordinance that addresses all of the above issues by: (1) including findings supported by the testimony and the documentary submittals of the parties, and that provides information as to the correct legal standards to be applied to the preliminary plat and PUD applications regarding compatibility and adequacy provisions for infrastructure, specifically the drainage systems; (2) that the City Attorney consider including information contained in the Hearing Examiner's record as follows:

From the June 16 hearing transcript, pages 13 to 14; 18 to 19; and 58 to 61.

From the June 30 hearing transcript, pages 38 to 43.

From the staff report dated May 12, 2011, information contained on pages 140 to 141, 155, 198 to 203, 228 to 237 of the Hearing Examiner's report; and additional submittals to the Examiner's report from pages 265 to 267;

(3) that the City Attorney address the issue regarding the appropriate level of perimeter landscaping required for the PUD for the visual buffer in the ordinance, including factual findings taken from the Hearing Examiner's record, both the exhibits and testimony of witnesses, and include an amendment to the condition proposed in the staff report to provide for enhanced landscaping plan;

(4) that the City Attorney include any other factual findings and legal conclusions from the Examiner's record that provide a complete picture of the evidence and testimony available to the Examiner on this application with respect to the issue of compatibility and the proposed drainage system, as well as the perimeter landscaping; and

(5) granting the appeal.

Councilmember Davidson seconded the motion.

Deputy Mayor Robertson said the Council sits as judges and not as policy makers in this matter. She observed that the Code provides for PUDs, and this project fits the PUD definition and description. From her perspective, to not grant the PUD would mean that the City might as well eliminate the PUD section of the Land Use Code. Similarly, preliminary plat regulations provide statutory requirements to be met.

Councilmember Balducci disagreed that denying this PUD would be equivalent to rejecting the whole concept of PUDs. She believes that the City is not required to approve every PUD. She opined that the project does not fit into the neighborhood, and she will be voting against the

motion.

Mayor Lee highlighted that the motion includes consideration of the drainage, perimeter landscaping, and compatibility, so these issues will be addressed further.

→ The motion carried by a vote of 5-2, with Councilmembers Balducci and Chelminiak opposed.

Responding to Councilmember Chelminiak, City Attorney Lori Riordan reminded the public that ex parte communications are prohibited until the Council takes action on the ordinance.

Responding to Councilmember Davidson, Ms. Riordan confirmed that following the vote on the ordinance, there will still be an opportunity one week later for a motion to reconsider. There should be no ex parte communications until that opportunity has passed.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 10:11 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC  
City Clerk

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CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

April 16, 2012  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci<sup>1</sup>,  
Chelminiak, Davidson, and Stokes

ABSENT: Councilmember Wallace

1. Executive Session

Deputy Mayor Robertson called the meeting to order at 6:01 p.m., and declared recess to Executive Session for approximately 30 minutes to discuss one item of property acquisition and one item of pending litigation.

The meeting resumed at 6:47 p.m., with Mayor Lee presiding.

Mayor Lee welcomed Carol Simpson, Newcastle City Councilmember, in the audience.

2. Study Session

(a) Animal Control Services Update

City Manager Steve Sarkozy opened discussion regarding the animal control services contract.

Sheida Sahandy, Assistant to the City Manager, said that King County is requesting a non-binding indication about whether the City intends to remain in the Regional Model and renew the contract with King County for animal control services. Staff recommends that the City stay at the table and continue to explore options. If the Council chooses this course of action, staff will return in May for additional consideration of the Regional Model.

Ms. Sahandy said that staff has met with the Seattle Humane Society to refine cost estimates for shelter services under the Subregional Model. Field services would be provided by animal control officers employed by the City of Bellevue. The cities of Kirkland, Mercer Island, Newcastle, and Redmond are interested in the Subregional Model.

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<sup>1</sup> Councilmember Balducci arrived at 6:16 p.m.

Ms. Sahandy presented cost estimates to compare the Regional Model and the Subregional Model, with the Subregional Model's startup costs reflected in 2012. She presented a second comparison reflecting startup costs spread over a ten-year period, which was previously requested by Councilmember Wallace.

Councilmember Balducci said she would like to understand what is included in the cost estimates in terms of the level of service for shelters, licensing, and field enforcement.

Ms. Sahandy explained that the Regional Model estimates are based on the City's past experience with King County.

Ms. Balducci said it would be helpful to know specific details, for example, the number of animal control officers and what they do.

Ms. Sahandy explained that the Subregional Model, if five cities participate, will have three animal control officers, which would be a slightly higher level of service than King County current provides. Licensing would be subcontracted with a company that does licensing for other cities throughout the country. For shelter services, it is estimated that the Seattle Humane Society would take approximately 1,000 animals for the five cities.

Ms. Sahandy noted that King County currently provides services five days per week, but will be adding one weekend day under the next contract. Also, field agents will be based throughout the contract cities instead of all based in Kent.

Responding to Councilmember Chelminiak, Ms. Sahandy confirmed that the primary focus of field services is responses to calls regarding complaints, reports of lost and found animals, or other matters. In further response, Ms. Sahandy said that, typically, shelter usage increases when there is a local shelter. Also, the Seattle Humane Society currently houses a number of animals from Bellevue that are not charged to the City under the King County contract. Cost estimates for shelter services under the Subregional Model are based on historical usage as well as these assumptions about increased usage. Licensing estimates are based on historical data as well.

Mr. Chelminiak suggested that calls for field services could increase significantly if animal control officers become more visible locally. Ms. Sahandy said the estimates include some increased usage. However, she acknowledged that the Subregional Model includes the risks typically associated with a new business function.

Responding to Councilmember Stokes, Ms. Sahandy said the biggest difference between the Regional Model and Subregional Model costs relates to shelter costs. The Seattle Humane Society is a nonprofit organization with significantly lower usage costs due to the offset of private contributions. Subcontracting licensing services is approximately half of the current cost for this service. In further response, Ms. Sahandy said it is difficult to project costs under the Subregional Model beyond 2015 because the number of member cities and other factors could change.

Mayor Lee observed that the cost estimates involve a number of assumptions, and it is difficult to make an apples-to-apples comparison of the two models. He suggested identifying an arbitrary service level for comparison purposes.

Mr. Stokes noted that there is some risk involved with using the Seattle Humane Society, because its private donations are likely to fluctuate. He said it would be helpful to have more certainty on the issues and costs. Ms. Sahandy acknowledged that this is a risk associated with relying on a third party.

Joyce Nichols, Interim Director of Intergovernmental Relations, said that staff has, to the extent possible, built in actual cost data from other jurisdictions that provide animal control services. She noted that there is a great deal of variation between programs. Staff has created a model that it believes is feasible and as low risk as possible, while providing a high level of service to Bellevue citizens. Ms. Nichols noted that the City is relying on a third party in both the Regional Model and the Subregional Model. She acknowledged that there are risks associated with both approaches.

Councilmember Davidson said he is hesitant for the City to take on more responsibility for services given the down economy. He is not comfortable with his understanding of animal control services. He suggested notifying King County that Bellevue is continuing to consider the Regional Model, while conducting additional research and analysis. He observed that there is not sufficient information at this point to make a clear decision.

Ms. Nichols suggested moving forward to the slides listing the pros and cons of the Regional and Subregional Models.

Ms. Sahandy explained that the Regional Model is an established system with King County. Their shelter accepts a broader range of animal species. The County's new focus on revenue generation is likely to reduce system costs, and no startup investment is needed. By the end of the next contract period, additional service delivery options might be available to the City. However, ongoing costs are expected to become higher under the Regional Model, and the long-term viability of the system is in doubt.

The positive aspects of the Subregional Model are lower ongoing costs, the potential for financial self-sufficiency in the long term, greater control over field services, and reduced shelter costs. However, startup costs are not included in the 2012 budget, and significant staff time will be required to establish operations. The Subregional Model would require the construction of a temporary after-hours holding facility for animals, and the establishment of new partnerships to address shelter needs for animals not accepted by the new shelter. In addition, the City would need to provide ancillary services including responding to public disclosure requests, prosecutions, and abuse investigations.

Ms. Sahandy reviewed what other jurisdictions are doing. The City of Renton has been providing animal control services for approximately 30 years. Their program processes its own licensing, has two animal control officers, and uses the Seattle Humane Society for shelter services. Renton

budgets \$125,000 per year for shelter services. The City of Seattle has been providing its own services since 1972. Seattle has 12 animal control officers and two supervisors as well as six shelter staff. The overall budget is \$3.1 million, which is supported by license fees, the General Fund, and significant donations. Bothell, Burien and Federal Way have recently started new programs, and the City of Kirkland is considering its own program. Kirkland's proposal includes one animal control officer and estimates a net program surplus of approximately \$17,000 per year.

Deputy Mayor Robertson observed that over the first seven years, the Subregional Model would save more than \$300,000; and over 10 years, it would save taxpayers more than \$500,000. She believes this is not insignificant, especially when coupled with the increased service level.

Ms. Robertson said that King County has reduced its euthanasia rate for animals to 14 percent, and she questioned the Seattle Humane Society's rate. Ms. Sahandy said SHS's save rate is 96 percent. However, she noted that the rates are calculated differently by the two agencies.

Ms. Robertson likes that the Subregional Model could provide a higher level of service, including local officers who can be more responsive. She would like to be able to accurately compare the save rates of the two shelters.

Ms. Robertson questioned whether the County would be willing to provide an enhanced level of service for responding to off-leash animals, especially in parks and public places, under the Regional Model. Ms. Sahandy said she can check on that. Ms. Robertson believes it is important to provide good service to both humans and animals.

Ms. Robertson questioned the City of Kirkland's assumptions that support the projected revenue surplus. Ms. Sahandy said she will find out if that takes startup costs into consideration. Ms. Robertson said it would be helpful to have more information from Bothell, Burien and Federal Way in terms of their program budgets.

Deputy Mayor Robertson believes that the City should continue to negotiate with King County and with the Seattle Humane Society.

Councilmember Stokes expressed concern about the need to hire animal control officers under the Subregional Model, especially given the reduction in public safety officer positions.

Councilmember Balducci said that Bellevue's participation in the Regional Model has significant implications regarding costs for the County and other cities. She believes Bellevue is obligated to determine fairly soon what it intends to do. Ms. Balducci said she previously worked for regional animal control services as a labor negotiator for King County, and she adopted two cats from the County's shelter. She believes that the personnel associated with the County's shelter and the Seattle Humane Society are essentially equally committed to providing good animal care.

Ms. Balducci commented on the difficulty of determining how to provide the best services at the best value for Bellevue citizens. She noted that the Regional Model is a known entity, and she is

leaning toward this benefit of stability. Councilmember Balducci suggested that the Council make a final decision within the next two to three weeks.

Councilmember Chelminiak observed that the system no longer works optimally; however, he is not sure what the solution should be. He is leaning toward the Subregional Model service approach, but would like the County to be involved in some way.

Mr. Chelminiak suggested that the City stay at the negotiating table with King County. He shares Councilmember Davidson's hesitancy about starting a new line of business in this economy. However, he also would prefer to not have to address the overall issue again in three years. He suggested that perhaps the best approach is to stay with the Regional Model for three more years, and then be prepared to do something different in the future. He questioned whether the City wants to become involved in enforcement, dealing with exotic animals, and other issues that will arise.

Mayor Lee suggested that the City needs to decide what level of service it would like to provide, and the best way to do so. He asked staff to prepare responses to the Council's questions, and to return for further discussion about the best way to implement the desired level of service.

(b) Update on State Legislative Session and State Budget

Ms. Nichols provided an update on the closure of the state legislative session and adoption of the State budget. She recalled that Bellevue's General Fund had the potential for a revenue loss ranging from \$11 million to \$15 million annually, depending on the adopted budget. The Governor's proposed legislation that the State take over the administration of the local share of the B&O Tax, which could have resulted in a loss of revenue to Bellevue of \$1.6 million to \$6 million annually, did not pass. However, this issue is expected to come back during the next legislative session. Ms. Nichols highlighted additional proposals that would have resulted in a loss of revenue for the City, but that did not pass.

Mayor Lee complimented the extensive effort of staff and the City's lobbyists in working in Olympia.

Ms. Nichols reported that, unfortunately, the legislature is diverting a full fiscal year of liquor excise tax distributions from local governments to the State General Fund. However, cities will continue to receive a certain level of liquor revolving fund profits.

At 7:59 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC  
City Clerk

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CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

April 16, 2012  
8:00 p.m.

Council Chamber  
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:04 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

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

(a) 2012 Bellevue Volunteers of the Year

Shelly Shellabarger, Volunteer Coordinator, announced the 2012 Volunteers of the Year. She noted that the Community Volunteer of the Year is Tracy Maury Meloy, who received the award for her outstanding contribution to students in Bellevue Schools through the Eastside Pathways program. Ms. Shellabarger said that Ms. Meloy could not attend tonight, but will be recognized on May 7.

Hon Cheung Fung received the City Volunteer of the Year award for service to the Parks Department and the Utilities Department. He has been involved in a number of environmental programs over the past 10 years including the Mercer Slough canoe program, salmon watching, and Arbor/Earth Day celebrations. He also helps communicate and interpret naturalistic ideas to limited or non-English speaking patrons. Councilmembers greeted and congratulated Mr. Fung individually. Responding to the Mayor, Mr. Fung said he is 83 years old.

Ms. Shellabarger introduced the Youth Volunteer of the Year, Chirag Ved, who created and launched Linking Opportunity, an online service to help local teens volunteer. All of the starting capital to build the website, [www.linkingopportunity.org](http://www.linkingopportunity.org), came from his savings earned through internships and summer jobs while in high school. He partners with more than 30 nonprofit

organizations who post volunteering projects on the web site. Mr. Ved has completed more than 600 hours of community service during the past three years.

(b) Annual Commercial Recycling of the Year Awards

Nav Otal, Utilities Director, introduced the organizations recognized as top recyclers with Republic Services [formerly Allied Waste Services]. As part of their award, each business will receive a free month of garbage and recycling service from Republic. In addition, their high recycling rates enable them to save money on their ongoing garbage services.

Mike Huycke, Northwest Area President for Republic Services, presented the 2011 Commercial Recycling Awards to:

Small Commercial Garbage category - La Tienda earned this award for the seventh time in the past eight years with a recycling rate of 87 percent.

Medium Commercial Garbage category – Bellevue Healthcare earned the award for the fourth year in a row with a recycling rate of 80 percent.

Large Commercial Garbage category – Par 5 Design Center earned the award for attaining a recycling rate of 75 percent.

Mayor Lee thanked Republic Services for encouraging recycling.

3. Communications: Written and Oral

(a) Diane Carlson, King County Director of Regional Initiatives, noted the Council's discussion regarding animal control services during the earlier Study Session, and provided more information on the Regional Model. She highlighted regional accomplishments and concerns that have been addressed including a reduction in euthanasia, an increased volunteer base of more than 500 individuals, a new marketing manager who is focusing on helping cities improve their revenues, reduced system costs, a proposal to change the cost allocation model (saving Bellevue approximately \$100,000), lower shelter labor costs, and weekend field service. King County is creating a forum for cities to collaborate on service protocols, as well as a revenue guarantee for the City of Bellevue. Ms. Carlson said she believes that the City's costs are lower under the Regional Model, given the startup costs of the Subregional Model. She said King County would like to see Bellevue remain in the Regional Model.

(b) Claire Wilkinson said she is a volunteer with local animal shelters and serves on the Board of Directors for Perfect Pals Cat Shelter. In 2010, she enrolled in Renton Technical College's veterinary assistant program to increase her skills and knowledge as an animal advocate. She completed her internship and continues to volunteer at the Kent Veterinary Clinic for Regional Animal Services. In speaking with volunteers about differences that have occurred since the Regional Model was established, Ms. Wilkinson said they

reported that facilities and programs have more staff, are better managed, morale is higher, the animals are healthier and happier, adoption rates are up, and the euthanasia rate decreased from 40 percent to 14 percent. She encouraged the City to continue with regional animal control services.

4. Reports of Community Council, Boards and Commissions

(a) Report from the East Bellevue Community Council

East Bellevue Community Council Chair Steve Kasner provided an update on the Council's activities. He recalled that he served on the West Lake Hills Citizen Advisory Committee some years ago. He noted the opening of the new LA Fitness at Kelsey Creek Center this week.

Chair Kasner said the Community Council wants to serve the City Council in whatever way it can. The Community Council recently received an update on human services in East Bellevue, which has suffered greatly due to the economy. He noted that usage of the free and reduced lunch program at Lake Hills Elementary increased from 41 percent to 69 percent over the past few years. Mr. Kasner said that 71 children in the Bellevue School District are homeless, and 14 of these children attend Lake Hills Elementary.

Mr. Kasner commended Deputy Mayor Robertson and Councilmember Balducci for supporting the extension of 145<sup>th</sup> Place SE, which will be completed within the next six weeks. Mr. Kasner said he believes it is vitally important to work together to identify priorities and do what is best for the community.

Bill Capron introduced himself and noted that he was appointed to fill a vacant position approximately one year ago. He has owned a business in East Bellevue for 30 years, and his goal with the Community Council is to foster the involvement of business owners.

Ross Gooding introduced himself as a father, husband, and business owner in East Bellevue. He has lived in the area for 16 years, and has served on the Community Council for approximately half of that time.

Ken Seal said he has lived in Bellevue for more than 50 years. He noted his involvement with land use, park and school planning as Bellevue was growing and before East Bellevue was annexed. He participated on the annexation team, and was later elected to serve on the Community Council. Mr. Seal said it has been good to work with City staff over the past several years. East Bellevue residents want to maintain the quality of their neighborhoods and to foster business vitality. Mr. Seal expressed appreciation for the City's efforts related to parks and for maintaining East Bellevue's character as a family-oriented neighborhood.

Chair Kasner noted that Councilmember Hughes could not attend due to a prior commitment. Mr. Kasner commended Deputy City Clerk Michelle Murphy for her support of the Community Council's work.

Mr. Kasner invited City Councilmembers and the public to attend East Bellevue Community Council meetings. The May meeting will include a discussion of Robinswood Park and Airfield Park, and the June meeting will be a celebration of East Bellevue businesses.

Mr. Kasner noted the new Visit Bellevue brochure, which does not mention East Bellevue. He said the map identifies nine neighborhoods. Six of the neighborhoods have associations, but none are currently active. Mr. Kasner said he wants to work with these associations to learn what residents of East Bellevue want and need.

Councilmember Balducci thanked Community Councilmembers for their service. She noted that she recently came across reports from 2004 pertaining to East Bellevue and other neighborhoods. The information identifies remodeling activity, crime rates, and other characteristics. Ms. Balducci said it would be interesting to receive updated versions of those reports, which could help focus the next phase of neighborhood investment and support.

Mayor Lee thanked East Bellevue Community Councilmembers for their volunteer service and interest in the community's priorities.

Chair Kasner reiterated that he would like input from the City Council about future agenda items for the Community Council that could assist the City Council in its work.

5. Report of the City Manager

(a) Management Brief on 2012 National Green City Award

Utilities Director Nav Ota reported that Bellevue received the 2012 National Green City award for medium-sized cities for its residential recycling program. Bellevue achieved a 68 percent recycling rate, in part through its Carbon Yeti program to promote waste reduction and recycling.

(b) Profiling Consent Calendar Item 8(g), SCATS Phase 3 Traffic Computer Upgrade

City Manager Steve Sarkozy introduced staff for an update on the SCATS traffic-adaptive signal control system.

Mark Poch, Traffic Engineering Manager, provided a briefing on the SCATS adaptive signal system, which was implemented over the past few years to gain efficiencies in traffic flow. The system adapts to real-time traffic conditions and provides performance improvements without road widening or other capital projects. One key feature that has contributed to efficiency gains is the flashing yellow arrow at left turns. Mr. Poch described travel time reductions for primary arterials and intersections.

Mr. Poch reviewed the SCATS implementation schedule: 1) Phase 1 in 2010, Downtown and Factoria, 2) Phase 2 in 2011, Hospital District and completion of Downtown, and 3) Phase 3 in 2012, 148<sup>th</sup> Avenue, SE 8<sup>th</sup> Street and I-405 area, and the Triangle area southeast of the I-90 and I-405 juncture, 4) Phase 4 in 2013, Overlake and Crossroads, 5) Phase 5 in 2014, Bellevue Way,

Richards Road, and 140<sup>th</sup>/145<sup>th</sup>, and 6) Phase 6 in 2015, remaining isolated intersections.

Councilmember Wallace said he finds the flashing yellow arrows to be very helpful.

Councilmember Chelminiak expressed support for the program and suggested highlighting projects during the budget process that have or can be delayed due to the performance of the SCATS system.

Deputy Mayor Robertson said she hears positive feedback from the community about how well the system has improved mobility.

Councilmember Balducci said she is pleased with the effectiveness and low cost of the SCATS system. She looks forward to its implementation along 148<sup>th</sup> Avenue.

Mayor Lee expressed support for the system. He questioned whether accidents involving yellow left-turn arrows have increased. Mr. Poch said they have not. He noted that staff and the vendor are especially vigilant about monitoring for incidents involving pedestrians.

Councilmember Stokes concurred that the system has been effective in enhancing traffic flow.

6. Council Business and New Initiatives

(a) Council Liaison Recommendation for Reappointment to the Planning Commission

→ Deputy Mayor Robertson moved to reappoint Aaron Laing to the Planning Commission. Councilmember Davidson seconded the motion.

→ The motion carried by a vote of 6-0, with Councilmember Wallace temporarily out of the room.

(b) Council Liaison Recommendation for Reappointment to the Parks & Community Services Board

→ Deputy Mayor Robertson moved to reappoint Kathy George, Erin Powell, and Lynne Robinson to the Parks and Community Services Board. Councilmember Davidson seconded the motion.

→ The motion carried by a vote of 6-0, with Councilmember Wallace temporarily out of the room.

Councilmember Balducci reported that she attended a meeting of the Sound Transit Board Capital Committee and chaired a meeting of the PSRC Transportation Policy Board.

Councilmember Stokes said that he, Deputy Mayor Robertson, and Councilmember Wallace attended a meeting of the East Link collaborative design team. Mr. Stokes said he has been working with the Phantom Lakes Homeowners Association in his role as Council liaison to the Environmental Services Commission. Councilmember Stokes also toured Fire Station 1.

Councilmember Wallace said the East Link collaborative design meetings are going well. He toured the Republic Services facility in Seattle. He reported that he and his wife spent a weekend “staycation” in Downtown Bellevue, where they enjoyed shopping, restaurants and entertainment.

Councilmember Chelminiak attended the Washington State Building Code Council meeting. He noted that the Code Council will be addressing residential sprinklers later this year.

Councilmember Davidson attended a meeting of the Suburban Cities Association’s Public Issues Committee and chaired the Cascade Water Alliance’s Resource Management Committee meeting.

Deputy Mayor Robertson attended meetings of the East Link collaborative design team and Bellevue Planning Commission. She thanked Councilmember Stokes for his work with Phantom Lake residents, and noted her interest in resolving water issues for those residents.

Mayor Lee attended the NORCOM annual meeting for elected officials.

Responding to Mayor Lee, Mr. Chelminiak said it would be helpful for the Council to discuss the residential sprinkler issue sometime this summer, before it is addressed by the Washington State Building Code Council.

Councilmember Balducci questioned when the zip line at Wilburton Hill Park will be back in operation.

7. Approval of the Agenda

→ Deputy Mayor Robertson moved to approve the agenda, and Councilmember Wallace seconded the motion.

→ The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

→ Deputy Mayor Robertson moved to approve the Consent Calendar, and Councilmember Wallace seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

- (a) Minutes of March 26, 2012 Extended Study Session
- (b) Ordinance No. 6051 authorizing and providing for the acquisition, including through condemnation, of property rights required for the NE 4th Street Extension Project; 116th Avenue NE to the eastern boundary of the former BNSF rail corridor - Phase 1 (CIP Plan No. PW-R-160).
- (c) Ordinance No. 6052: 1) amending the City Manager's Employment Agreement to establish the City Manager's compensation and benefits for 2012, and 2) establishing the Executive 2012 Pay Plan as required by City Code.
- (d) Resolution No. 8384 authorizing execution of a Memorandum Of Understanding by and between the City and the Public, Professional, and Office Clerical Employees and Drivers, Teamsters Local 763, representing Utilities, Parks and Civic Services, for a two-year labor agreement extension, and includes agreement for mandatory furloughs. This contract extension is for the contract period January 1, 2013 through December 31, 2014.
- (e) Ordinance No. 6053 authorizing: 1) execution of an Interlocal Agreement with King County Metro (KCM) in the total amount of \$354,300, including the acceptance of a total of \$260,100 in pass-through grant funds from KCM, for the Connect Downtown Implementation Project 2012-2013; 2) amendment of the Operating Grants, Donations and Special Reserves Fund by increasing the appropriation by \$203,100; 3) appropriating unanticipated and future revenues to that fund; 4) authorizing expenditures of said fund grant funds; and 5) authorizing execution of an agreement with the Bellevue Downtown Association (BDA), in an amount not to exceed \$249,000, for implementation services associated with the Connect Downtown Implementation Project 2012-2013.
- (f) Resolution No. 8385 authorizing: 1) execution of an amendment to the Interlocal Agreement between the Washington State Department of Transportation and the City for 60% design of pedestrian and bicycle improvements along Northup Way (GCA 6668, SR 520 Interim Regional Pedestrian and Bicycle Path); and 2) execution of a supplement to the consultant agreement with Jacobs Engineering Group, Inc., in an amount not to exceed \$360,246, to advance the design from 30% to 60% for the Northup Way Corridor Improvements, 108th Avenue NE to NE 24th Street (CIP Plan No. PW-R-146).
- (g) Resolution No. 8386 authorizing execution of an amendment to a purchase agreement with Transcore ITS, LLC, in an amount not to exceed \$305,000, to install Phase 3 of the SCATS traffic adaptive signal control system on 148th Avenue and other key corridors in Overlake, Eastgate, and SE 8th/I-405 areas.
- (h) Resolution No. 8387 authorizing execution of an amendment to the emergency consultant contract with Tetra Tech, Inc., in an amount not to exceed \$151,000, to

develop the design and prepare construction contract documents for the slope stabilization and roadway repair on West Lake Sammamish Parkway, between 542 and 538 West Lake Sammamish Parkway SE (CIP Plan No. W-16, Small Water Main Replacement).

- (i) Motion to award Bid No. 12002 to Lakeside Industries Inc., as the lowest responsive and responsible bidder in the amount of \$4,392,703.86, for the 2012 Overlay Program, Small Diameter Water Main Replacement, and Wastewater West CBD Trunkline Capacity Improvement projects (CIP Plan Nos. PW-M-1, W-16, and S-54).
- (j) Resolution No. 8388 authorizing execution of an amendment to the interagency agreement with King County for the design and construction of a joint sewer trunk project in SE 3rd Street and 102nd Avenue SE. This joint project combines the County's project to upsize their Bellevue Influent Trunk with the City's project to increase the capacity of the West CBD Trunk (CIP Plan No. S-54).
- (k) Ordinance No. 6054 authorizing execution of an Interlocal Agreement with the Washington State Department of Ecology to accept \$134,954 in grant reimbursement funds from the Coordinated Prevention Grant Program to implement recycling and hazardous waste prevention education programs; establishing a project within the Operating Grants and Donations Fund; appropriating unanticipated and future revenues to that fund; and authorizing expenditures of said grant funds.
- (l) Ordinance No. 6055 authorizing execution of the 2012-2013 Waste Reduction and Recycling Grant Program Interlocal Agreement with King County to accept \$359,990 in grant reimbursement funds to implement waste reduction and recycling education programs in accordance with the King County Comprehensive Solid Waste Management Plan; establishing a program within the Operating Grants and Donations Fund; amending the budgets for Operating and Grants and Donations Fund; appropriating unanticipated and future revenues to that fund; and authorizing expenditures of said grant funds.
- (m) Ordinance No. 6056 authorizing execution of an Interlocal Agreement with Seattle-King County Department of Public Health to accept \$75,496 in grant reimbursement funds to implement hazardous waste prevention and education programs in accordance with the Local Hazardous Waste Management Plan; establishing a program within the Operating Grants and Donations Fund; amending the budgets for Operating Grants and Donations Fund; appropriating unanticipated and future revenues to that fund; and authorizing expenditures of said grant funds.
- (n) Resolution No. 8389 authorizing execution of the Memorandum of Understanding (MOU) that serves as the Consortium Agreement governing the Central Puget

Sound Growing Transit Communities program.

9. Public Hearings

- (a) First of Two Required Public Hearing to amend R-2.5 (Single Family Residential - 2.5 units per acre) Pre-annexation zoning, with Conditions, for the Hilltop unincorporated area.

(1) Staff Report

Nicholas Matz, Senior Planner, provided an overview of proposed pre-annexation zoning for the Hilltop unincorporated area. This is the first of two required public hearings. After the second hearing, the Council may approve, disapprove, or modify the proposed zoning amendment.

Mr. Matz recalled that R-2.5 (2.5 units per acre) pre-annexation zoning for the Hilltop area was previously established on September 6, 2011, by the City Council. Staff is requesting that this zoning be amended to R-2.5 with modifications to the application of critical areas habitat regulations.

Mr. Matz said staff is seeking Council direction about whether to proceed with scheduling a second public hearing to consider the proposed zoning amendment.

(2) Motion to Open Hearing

- Deputy Mayor Robertson moved to open the Public Hearing, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

(3) Public Comment

1. Phil Hardin, Chair of the Hilltop Annexation Committee, expressed concerns regarding water district issues and the appropriate vegetation management and critical habitat area provisions. He said the Hilltop area was established more than 60 years ago as a collaborative community based on adopted architectural and vegetation management guidelines. Mr. Hardin said that Hilltop residents have been working with the City to address vegetation management. A proposal surfaced last week that would charge the Hilltop site plan committee with the on-site implementation of a process to balance views with the preservation and enhancement of the native vegetation and ecosystem. Under the proposal, the site plan review process would apply to lots in which the owners have agreed to be governed by this process. Property owners who do not support the site plan review process will be required to obtain tree cutting and vegetation management permits from the City in the usual manner. Mr. Hardin said this process would be established in conjunction with the City's Development Services Department, and periodic reporting to the City would be required. Mr. Hardin spoke in favor of annexation and of resolving the

outstanding issues between residents and the City.

2. Abby Ismond expressed support for City staff moving ahead to develop an alternative approach to critical habitat management in the Hilltop area.
3. Leslie Thornton, President of the Hilltop Community, said that residents generally support annexation, as long as it does not compromise Hilltop's ability to maintain its water district, natural environment, and views. Ms. Thornton expressed support for the proposal described by Mr. Hardin, which she believes can meet the objectives of both the City and Hilltop residents. Ms. Thornton thanked City staff for their hard work on annexing the Hilltop area.
4. Marcia Greenlee spoke against annexation and the R-2.5 zoning designation, which would decrease the buildable dimensions of her lot to the detriment of the construction currently standing upon it. She believes this zoning would prevent her from redeveloping her property over the same area it currently occupies. Ms. Greenlee said the proposed zoning would result in governmental seizure of a portion of her property without her consent and without compensation.
5. Alex Harris referred to Ms. Greenlee's comments and noted that there have been numerous meetings about the proposed annexation and zoning alternatives. Ms. Harris said the annexation committee has made an effort to notify everyone about the opportunity to participate in the discussions. She expressed support for annexation.

(4) Motion to Close Hearing

- Deputy Mayor Robertson moved to close the Public Hearing, and Councilmember Chelminiak seconded the motion.
- The motion carried by a vote of 7-0.

(5) Council Discussion and Direction to Schedule Second Required Pre-Annexation Zoning Public Hearing

Responding to Councilmember Davidson, Mr. Matz confirmed that the proposal described by Mr. Hardin has not yet been provided to the Council. Mr. Matz said that staff provided Hilltop residents with some guidance regarding habitat management plans/site plans since the Council's last discussion on this issue. Mr. Matz said staff is prepared to convert their proposal into conditional language that would come back to the Council.

Dr. Davidson said he will want to be able to compare the proposed Hilltop plan with a routine habitat management plan.

Councilmember Chelminiak asked about the R-2.5 zoning and the issue raised by Ms. Greenlee. Mr. Matz said it is possible that the zoning causes non-conforming issues. He recalled that two

lots were identified as potentially non-conforming before the R-2.5 pre-annexation zoning was adopted last September.

Responding to Mayor Lee, Mr. Matz said he would check Ms. Greenlee's property to determine whether it is a non-conforming lot. He reiterated that the Council adopted the R-2.5 zoning in September.

Responding to Mr. Chelminiak, Mr. Matz explained that the August 1 target date for annexation relates to property tax collection. If the annexation occurs after August 1 but before the end of the year, the City's property tax levy rate would not go into effect for those residents until January 1, 2014.

→ Deputy Mayor Robertson moved to set the second Public Hearing for May 21, and Councilmember Stokes seconded the motion.

Mayor Lee said he appreciates the participation of Mr. Hardin and other Hilltop residents in presenting their concerns about habitat and view preservation. He suggested moving ahead with scheduling a second Public Hearing while staff works to refine the most recent proposal from Hilltop residents.

→ Councilmember Balducci moved to extend the meeting by 10 minutes, and Councilmember Stokes seconded the motion.

→ The motion to extend the meeting carried by a vote of 7-0.

Councilmember Stokes expressed support for moving forward with a second Public Hearing.

Councilmember Balducci concurred.

Responding to Ms. Balducci, Mr. Matz said staff will come back with a proposed approach for habitat protection in Hilltop, which will be a component of amending the existing R-2.5 pre-annexation zoning. The proposal will be presented when the Public Hearing is noticed, no later than May 7.

Councilmember Chelminiak said the proposal sounds promising. He is hearing that the community is interested in this alternative, which essentially brings them into the City under Bellevue's regulations. He suggested keeping the process as simple as possible.

→ The motion to set the second Public Hearing for May 21 carried by a vote of 7-0.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications: None.
14. New Business: None.
15. Executive Session: None.
16. Adjournment

At 10:03 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC  
City Clerk

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