

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting
Council Retreat

February 3-5, 2011

Semiahmoo Resort
Anacortes, Washington

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

ABSENT: None.

Thursday, February 3, 2011

The meeting was called to order at 8:15 p.m., and all Councilmembers were present.

Mayor Davidson opened the retreat by reminding Councilmembers to listen to each other, keep comments to the issues, and to self-monitor how long they speak on any given topic. He said that the goal of the retreat is sound policy-making, and he noted that Council Rules will be discussed later in the retreat.

City Manager Steve Sarkozy reviewed the agenda for the retreat.

Deputy Mayor Lee commented on the retreat format. He noted that the Council has accomplished a great deal, but that there is much more work to be done. He said it is good to look at visions and goals, while keeping in mind the budget and resource constraints. Much of the retreat will focus on the 2011-2012 Budget and the 2011-2017 Capital Investment Program (CIP) Plan. He commented on the importance of economic development in addressing infrastructure needs.

Mayor Davidson noted that a significant number of identified CIP projects are not funded. General capital funding strategies and operating budget issues are included on the retreat agenda, as well as economic development issues.

Mr. Sarkozy turned to the *Retrospective* document, which is intended to capture major trends over the past ten years. He reported on a number of performance metrics identified by an outside committee that identified key indicators that the City is functioning well. The region's cardiac save rate may be the highest in the country. The proportion of residents who rate the City as a

good or excellent place to live increased from 91 percent to 97 percent over the past ten years. A similar percentage of residents feel that they are getting a good taxpayer value for the City's services and facilities. Mr. Sarkozy noted that, overall, the City has held its ratings despite the slowed economy. However, he acknowledged that the organization can always improve on processes and services.

Mayor Davidson praised City staff, and noted that service quality has not decreased despite staffing reductions. He is proud of staff for picking up the load that has been required in recent years. Mr. Sarkozy commented on staff's active management and proactive approach to constantly evaluating processes and looking for opportunities for improvements.

Responding to the Council, Mr. Sarkozy said that census data will be released in several phases. Mayor Davidson commented that the daytime population is becoming a significant factor, and that this increase in businesses and employment can potentially result in higher crime rates.

Mr. Sarkozy invited Councilmembers to comment on items that have gone well over the past year, as well as items that did not develop or resolve as anticipated.

- Developing the Meydenbauer Park and Land Use Plan in partnership with residents.
- The new Budget One process went very well, and included extensive involvement of both staff and the Council. The Council increased reserves in the budget.
- A key outcome of the budget process is a greater understanding among staff about what the different departments do, and how they can work together more effectively.
- The budget process was challenging, but things went well as a result of the careful work by the Council, City Manager, and staff.
- Progress on the SR 520 bridge replacement and Eastside HOV project. The SR 520 planning process demonstrated what cities and other groups can accomplish by working together.
- The City received an award for the Bel-Red Plan.
- The City worked with King County to develop a solution for the delivery of animal control services.
- The City avoided the need to build a municipal jail.
- Microsoft's decision to locate significant a portion of its work force in Downtown Bellevue. Opening of Microsoft store and other businesses even in a slowed economy.
- The City is working to expand cultural and economic ties. The top accomplishment of the Economic Development Program was building a relationship with the Indian consulate.
- The Council and staff continue to work on building trade relations with entities in India, China, and Mexico. The State has recognized Bellevue's ability to communicate with economic development proponents.
- Bellevue is successful in recognizing its multicultural population.
- The City received a grant from the State to build an economic development portal, which has been significant in fostering relationships. An ambassador from the Middle East and representatives from other countries have been involved with the City in promoting economic development.

- Ability to draw international businesses (e.g., Expedia, Clearwire, Motricity) to Bellevue. Councilmembers expressed an interest in creating an Economic Development panel to discuss ideas about bringing more business to Bellevue.
- The City Manager described a 4G-supported technology that enables faster downloading of data. Bellevue is viewed as center for this kind of technology (Microsoft, HCT) as well as gaming (Bungee, etc.) He noted an objective to bring a high technology conference to Meydenbauer Center.
- Councilmembers acknowledged the need to evaluate the costs and benefits of these economic development activities.
- Implementation of the Children's Hospital property transaction and environmental work.
- The City is continuing to support arts and cultural organizations despite the slowed economy.
- Opening of the new Lake Hills Library as part of Lake Hills Shopping Center redevelopment plan.

The Council reviewed areas and issues that have not gone as well as perhaps they could have.

- The Council/City could do a better job of communicating to the public about what is going on, what the Council is doing, and why they are doing it.
- Councilmembers noted the lack of a well-coordinated communications plan, and the need to move forward with social media. Councilmembers expressed an interest in expanding the participation of Councilmembers in media releases. However, they acknowledged the need to ensure equity and to be careful with regard to public records issues.
- Some Councilmembers expressed frustration with staff's lobbying on topics that are not part of the Council-approved legislative agenda, as this sends mixed messages to state legislators.
- Councilmembers want to receive complete information in the Council packets distributed on Thursdays, instead of receiving significant content, draft letters, etc., over the weekend or in the Desk Packet.
- Councilmembers requested a running calendar of agenda items planned for the coming month or so, or longer if possible. However, they acknowledged that many agenda items are out of the Council's control.
- Councilmembers expressed an interest in greater advance notice about the topics of Executive Sessions.
- Concern was expressed about an over-reliance on PowerPoint presentation materials in some cases, with insufficient information being provided in meeting packets.
- Council commented on a disparity in the level of information and quality of staff presentations, and suggested that coaching might be helpful in some cases. Feedback should be provided to staff on what went well and what did not.
- Some Councilmembers expressed an interest in more individual briefings to receive detailed information on complex matters. Council action should not be scheduled until the Council is ready to make a decision. More advance information and enhanced communication could expedite decisions once the Council feels ready.
- Some Councilmembers are interested in paperless packets.

Council's preliminary discussion identified the following short-term action items:

- The need to spend more time with Expedia.
- Develop appropriate measure for assessing the costs and benefits of Economic Development activities.
- Better use of communications tools, including social media, and enhanced participation of Councilmembers in media messaging.
- Memo to staff regarding lobbying in Olympia.

At 10:12 p.m., Mayor Davidson declared the meeting adjourned.

Friday, February 4, 2011

Mayor Davidson called the meeting to order at 8:41 a.m., and all Councilmembers were present.

City Manager Sarkozy introduced discussion of the community vision, audacious goals, and emerging opportunities. He reviewed the *Meeting the Challenges for Tomorrow* vision established by Council in 2004 as part of the Comprehensive Plan, and encouraged a focus on continuing to push to be an ever-better, world-class city. Mr. Sarkozy said that departments are well run, and staff is working to further hone their management skills.

Mr. Sarkozy reviewed the audacious goals identified by the Council in 2000 including ensuring that Bellevue is the Eastside transportation center, including a light rail Downtown tunnel and multi-modal facility; implementing a local circulator system; connecting the Downtown with Meydenbauer Bay; and partnering with the community to develop a performing arts center. Additional goals introduced at the 2001 Council Retreat include a Public Safety facility, evaluation of parks and open space land acquisition options, and continued partnership with public schools to provide recreation and meeting facilities.

Mr. Sarkozy noted that there are concerns by some in the community that the organization is not adequately focused on the future. He recalled that when he joined the City, the approach was to create a vision that was led by and endorsed by the Council, rather than department staff. He invited discussion about what the Council wants to accomplish and what opportunities it sees.

Deputy Mayor Lee observed that Bellevue does not have a true transportation center in terms of location, the overall system, and the broader concept of mobility. He believes that a local circulator system should be part of this vision.

Councilmember Chelminiak concurred that the transportation center should be more than a bus facility and should be multi-modal in nature.

Councilmember Robertson noted the need to assure that light rail is beneficial, and not detrimental, to Bellevue. Any new mobility systems should add capacity and throughput.

Councilmember Chelminiak believes the focus should be more on how the broader system functions, instead of on the details of light rail, a circulator system, and other elements. He noted

that streets can be blocked by both buses and light rail. He commented on discussions suggesting a large parking facility on the east side of I-405, and said it is important to consider the light rail Hospital Station, Pedestrian Corridor, and other key destinations.

Councilmember Balducci believes there is a need to get back to looking at arterials in East Bellevue (e.g., 148th and 156th Avenues). When the economy improves, there will likely be increased traffic impacts in those areas.

Mr. Sarkozy suggested looking at the tolling of pass-through traffic on City arterials via transponders, similar to what WSDOT is doing with SR 520 and other freeways.

Ms. Balducci believes it is important to complete larger regional projects first in order to determine how tolling is working. She encouraged considering “smart streets” as well.

Councilmember Wallace suggested taking a higher level look at the overall Downtown strategy, including rezone policies and a transportation study and how they interrelate. He believes there is a need to address incentive zoning and to plan for the projected growth in Downtown trips, which cannot be solved with light rail. He noted unfinished audacious goals including Downtown Park, Parks levy projects, and Bel-Red redevelopment, and commented on the challenge of finding adequate funding.

Councilmember Degginger suggested that each Councilmember articulate his or her vision for the Downtown over the next 10 to 20 years.

Councilmember Chelminiak believes that Bellevue should be a center of excellence in some area, whether that is education, research, private business, or nonprofit organizations. He acknowledged that the Bellevue School District has strong public schools. He noted that Barcelona, Spain, is centered around the media industry, and he suggested a similar vision around a type of industry for the Downtown and/or Bel-Red area.

Mr. Sarkozy noted that when he came to Bellevue, he spoke with prior Mayors. Many felt there was no good concept or vision for the Downtown, and that the City had reached a plateau in the development of parks and open space. The latter led to the renewal of the parks levy. Similarly, concerns about public safety facilities led to the development of the Public Safety Center in conjunction with the New City Hall.

With regard to Downtown zoning, Councilmember Degginger said it is important for the Council to determine its vision. He would like to see the development of at least a portion of the Bel-Red plan and the Meydenbauer Bay Park plan. He anticipates that, as Bellevue increasingly becomes a job center and new areas are developed, residential patterns will change.

Mayor Davidson would like to see a transit center built over I-405 that could be accessed from both sides of the freeway, and that would accommodate both buses and light rail.

Councilmember Balducci noted her audacious goals of a community center with a strong aquatics focus and enhanced partnerships with major institutions in the community including

schools, hospitals, and Bellevue College. She suggested involving more community organizations in the visioning process.

Mr. Lee noted that the population is becoming more international. He believes that Bellevue could become a world center for mobile technology, and he encouraged increased marketing of this potential.

Mr. Wallace believes there is a need to work more closely with businesses and constituents in addressing land use planning, identifying opportunities for growth, and marketing the community's assets and potential. He observed that second story retail outlets have not performed well in some areas. Mayor Davidson concurred, noting that there are more small shops in first floor retail spaces.

Councilmember Chelminiak noted that there are several strong grocery stores in the Downtown, which are driven by an increased residential population, demographic changes, and relative affluence. He said it would be helpful to better understand the overall dynamics of business growth in order for the City to be more flexible in its planning and regulations.

Mayor Davidson commented on the vision of a sports arena east of I-405, and noted the expansion of other development and the medical institution district east of the Downtown as well.

Councilmember Degginger noted his support for the performing arts center, and possibly an arena for professional sports. He suggested the Council needs to address interim steps to achieving these facilities.

Councilmember Robertson would like to see an aquatics center, arena, and development of the performing arts centers. She would also like to see a cultural center, possibly co-located with a Downtown Fire Station in Ashwood Park. The cultural center would provide the opportunity to learn about the Japanese farming community as well as Indian, Chinese, and Jewish communities, and would help to market Bellevue's multicultural population.

Mr. Chelminiak expressed interest in the cultural center, but noted that he is not sure that Ashwood Park is the appropriate location. He would like to preserve the park's open space.

Councilmember Balducci expressed support for a cultural center, and suggested partnering with the schools. She suggested including this in the City's Cultural Diversity Plan, which is to be updated this year.

Councilmember Robertson would like to talk more about single-family neighborhoods, infrastructure in residential areas, and updating the City's Subarea Plans before the full update in 2014.

The Council discussed its interest in developing a consolidated community vision incorporating all of the elements identified by the Council, as well as citizen involvement in planning and setting goals. A facilitator would be helpful in organizing and coordinating this process. The

visioning should evaluate Bellevue's role in the region, and within the context of the state and federal governments. It will be necessary to address long-term capital projects funding as well. There was some discussion about whether a community-wide process or a subarea-focused approach would be more beneficial.

Some Councilmembers expressed concern that there has been a lack of community input into certain planning activities and decisions. Some endorsed a subarea planning approach, while others were concerned that its individual neighborhood focus might not effectively address overall citywide objectives.

Councilmember Wallace stated that the City's building regulations provide an impediment to development, and that they require spending significant dollars on garages and ground floors, leaving less money to be spent on providing an attractive overall building design. He suggested that parking could be provided along the I-405 frontage. Mayor Davidson recalled that the original plan for the central business district called for four parking garages, one in each quadrant of the district.

Councilmembers discussed making the Downtown skyline more memorable and appealing, and encouraging more variation in building design rather than solid high-rise walls. Councilmember Degginger suggested that an increased reliance on transit in the future, rather than the automobile, could provide the potential for requiring fewer parking facilities. The Council acknowledged that a transportation study is a necessary component of the overall Downtown planning effort.

At 10:25 a.m., Mayor Davidson declared a break. The meeting resumed at 10:43 a.m. Joining the discussion were Diane Carlson, Director of Intergovernmental Relations; Jan Hawn, Finance Director; Goran Sparrman, Transportation Director; and Dan Stroh, Interim Director of Planning and Community Development.

The group moved to a discussion of other Eastside operations, opportunities, and potential threats.

Mr. Stroh described the Central Issaquah Plan, which is similar in many ways to Bellevue's Bel-Red redevelopment plan. While that plan includes higher densities, one major component parallels the Spring District development in the Bel-Red plan. Bellevue staff is beginning to analyze the projected development along SR 900 and how it will impact I-90, the Lakemont area, and other areas of Bellevue.

Council and staff discussed the potential impacts to the transportation system, Bellevue's Eastgate Plan, and Bellevue's retail community. They discussed whether the Council and City would like to formally comment on the Issaquah plan. Councilmembers expressed an interest in Bellevue staff working with City of Issaquah staff. There were questions about utility issues in South Cove, the use of underground parking in the Issaquah project, impacts on jobs and housing, and the potential for an Urban Center designation. Mr. Stroh indicated that Bellevue staff has been working with Issaquah staff.

The group discussed additional development initiatives on the Eastside including Microsoft's discussions about replacing its lowest density buildings with high-rise buildings, changing the criteria for designating urban centers, Bellevue's Eastgate/I-90 planning, traffic impacts, and the impacts of development in adjacent cities on Bellevue.

Moving on, Mr. Sarkozy described a proposal to use the City-owned Chapin property to partner with the Boys and Girls Club of Bellevue. He questioned the Council's interest in the proposal. Mayor Davidson suggested that this might provide the opportunity to provide a cultural center, as discussed earlier. Staff acknowledged that the Chapin property was originally purchased as a possible site for a Downtown Fire Station. Councilmembers expressed general support for the concept, as well as concern about potential neighborhood impacts. Mr. Sarkozy said staff will bring the proposal back for discussion at a future Study Session.

Council and staff discussed the remaining Potential Annexation Areas (PAAs) adjacent to Bellevue. Staff described current efforts to annex the Eastgate area, noting that there is a high level of interest in annexation among residents. Mr. Stroh described the available methods for annexation, and explained that the petition method is the preferred and most likely approach.

Councilmembers expressed general interest in annexing the remaining PAAs. Staff acknowledged that there will be capital and infrastructure needs within the areas. Responding to questions, Mr. Stroh said that annexation through the petition method requires the approval of 50 percent of the population in the PAAs. Responding to Deputy Mayor Lee, he said there are no legal constraints against Councilmembers participating in the annexation efforts under the petition method. Councilmember requested more information on the zoning implications.

Moving on, Ms. Carlson provided background information on fire service contracts, including service to Newcastle. The City of Newcastle has also asked whether the City would consider providing police services. She noted a white paper in the retreat binder regarding this issue. Councilmember Degginger stated his understanding that King County subsidizes police services for Newcastle. Staff responded to questions about the feasibility of Newcastle annexing to Bellevue. Ms. Carlson noted that Bellevue previously annexed the water district located in Newcastle.

At 12:33 p.m., a recess was called for lunch.

The meeting resumed at 12:50 p.m.

Deputy City Manager Brad Miyake questioned whether the Council wants to consider changing zoning to allow the potential relocation of Auto Row to the Bel-Red area. Mr. Stroh described the current locations of auto sales uses, the benefit to the City of preserving auto sales as a component of the City's revenue package, and how the relocation of Auto Row might benefit the City. He described potential areas within the Bel-Red corridor that would allow for the consolidation of auto sales. He noted that it is difficult to find a place for auto dealerships elsewhere in Bellevue, and some are adopting new urban forms.

Councilmember Balducci questioned whether this use would have a negative impact on residential development.

Deputy Mayor Lee questioned whether auto dealerships could be accommodated on 120th Avenue NE, and Mr. Stroh said he will review the design standards for that area. In further response, staff noted that they have been encouraging dealerships to work together to determine a desirable solution.

Councilmember Chelminiak asked whether auto dealerships are interested in the Bel-Red corridor, and whether auto sales uses could be expanded in the Eastgate area. He expressed concern about rezoning the Bel-Red area and losing sight of what the subarea plan is designed to accomplish. Mayor Davidson concurred.

Councilmember Wallace said he supports moving forward with additional analysis. He believes the area might provide a good opportunity for auto sales use.

Councilmember Robertson questioned the risk of not moving forward with further study of this concept. She expressed concern about the close proximity to future transit-oriented development.

Councilmember Balducci recalled that extensive study, discussion, and analysis went into the development of the Bel-Red Plan. She is hesitant to make changes, and is not sure whether auto dealers are interested in this alternative. Mr. Sarkozy said staff has had conversations with auto dealerships that are interested in pursuing sites within the Bel-Red corridor.

Mayor Davidson noted a lack of consensus among Councilmembers regarding the potential for the auto dealer use in the Bel-Red corridor. He reviewed that the Council is interested in knowing more about the type of design standards that would be imposed. He would like to see a sharing of space by dealerships.

Moving to a discussion of City partnerships, Mayor Davison noted that Mercer Island has withdrawn from the Suburban Cities Association. Discussions among cities are underway to consider alternative ways to advocate for cities' positions at regional and sub-regional levels. Ms. Carlson confirmed that some cities question the value of their participation in the SCA.

Councilmembers talked about sharing more common ground with the City of Seattle in some areas than with the smaller cities. Mayor Davidson noted his recent discussions with Seattle's Mayor McGinn. Mr. Degginger recalled meetings held in the past with Seattle and other larger cities.

There was a general Council consensus that the Mayor should continue to meet with other cities to talk about similar issues. Ms. Robertson observed that Bellevue likely has more in common with the larger lakeside cities on certain issues.

Mr. Sarkozy described a forum for information sharing between Eastside City Managers, which helped to launch the eGov Alliance and other initiatives.

Councilmember Wallace would like to be able to influence better transit service. Councilmember Degginger suggested evaluating how service is currently deployed and how it is being used. Mr. Sarkozy noted the Microsoft circulator service, and suggested a partnership between traditional transit and Microsoft's system.

Mr. Sarkozy moved to a discussion about providing fiber and wireless connectivity to residential areas. He reviewed the history of installing fiber infrastructure for a portion of the Downtown, and noted the potential for future partnerships to expand fiber conduit to homes.

At 2:00 p.m., Mayor Davidson declared a break. The meeting resumed at 2:30 p.m.

The group discussed the alignment for the NE 4th Street Extension project. Mr. Sparrman reviewed the preferred alternative, and acknowledged that Best Buy is opposed to the alignment. He referred the Council to meeting materials regarding additional options, and described the alternate alignments and their impacts.

Mr. Sparrman reminded the Council of the upcoming discussion on the formation of the Wilburton Local Improvement District (LID). Staff and Council briefly discussed potential project funding, with and without the LID. They discussed impacts to Best Buy, Mutual Materials, and other businesses in the area, as well as the right-of-way implications.

Moving to the Capital Investment Program (CIP) Plan, Ms. Hawn reviewed the CIP funding strategy and sources, including the Mobility and Infrastructure Initiative projects and financing plan. Staff and Council reviewed and discussed the white papers contained in the retreat binder for each CIP funding source.

Ms. Hawn spoke to the potential for using debt as a way to cover the earlier costs of project construction. Councilmembers raised the issue of a levy package for transportation projects, and noted the available property tax banked capacity as an additional potential resource. Ms. Hawn described how a voted levy would be approached, and explained that it would include a specific list of projects to be placed on the ballot. Councilmembers agreed about the need for further discussion about revenue sources including LID assessments, impact fees, and the property tax.

Councilmembers commented on the additional challenge of identifying funding for the light rail Downtown Tunnel. Mr. Chelminiak questioned whether an analysis has been completed to value the right-of-way that might be contributed to Sound Transit as part of the funding agreement with the agency. Ms. Balducci requested an update on the tunnel evaluation and negotiations. Councilmembers discussed additional issues related to the tunnel including the pending release of the East Link Final Environmental Impact Statement (FEIS), concerns about Sound Transit's cost estimates, and sales tax and B&O tax estimates related to construction.

Councilmembers discussed mitigation measures related to the East Link light rail project, and identified a number of potential issues including tunnel portal options, noise, construction mitigation, impacts of construction to Downtown private parking garages and office buildings, arterial impacts, night-time construction, and implications for the NE 4th Street Extension project. The Council discussed the need for a full analysis of impacts and mitigation tools. There

was a suggestion to postpone discussion about mitigation until the City's consultant completes its study of the B7-Revised alternative. However, some Councilmembers favored identifying desirable mitigation in order to communicate that to Sound Transit.

Mayor Davidson stated his preference for waiting until the East Link FEIS is released before proceeding with negotiations on the Downtown Tunnel. He noted the need to address unfunded CIP projects, beyond the scope of the Mobility and Infrastructure Initiative.

The conversation moved to the topic of the Budget. Councilmember Wallace questioned and expressed concerns regarding health care costs, and whether the continued increases are sustainable.

Councilmember Wallace said he would like to take a look at impact fees, LIDs, and the property tax. He would like further discussion on bonding.

Councilmember Chelminiak commented that it would be helpful to compare a property tax increase versus bonding.

Deputy Mayor Lee believes the City should explore what can be done to raise revenues through economic development.

Mr. Wallace noted ongoing concerns about funding the NE 15th/16th Multi-Modal Corridor project in the Bel-Red area.

At 5:12 p.m., Mayor Davidson declared recess to break for dinner.

The meeting resumed at 7:50 p.m.

Councilmember Degginger suggested further discussion about the Wilburton area. Mr. Sarkozy provided a brief history of property ownership in the area, noting that the recession displaced dealerships from Auto Row and resulted in property available for sale between I-405 and 116th Avenue NE. This provides the opportunity to extend vehicle and pedestrian access from the Downtown to create an east anchor. This is consistent with looking for an ongoing revenue stream that could potentially finance cultural and arts groups through an endowment.

Moving on, Mr. Sarkozy reviewed the Bellevue Convention Center Authority (BCCA) white paper and the structuring of the debt for Meydenbauer Center. He described the long-term financing plan and the operations of the Convention Center. He noted options for increasing the sale of hotel rooms to provide additional revenues for the BCCA to pay off bonds.

Responding to Councilmember Wallace, Mr. Sarkozy described the bonding provisions for the Meydenbauer Center debt, and the significant future asset in the revenue stream that becomes available once the debt is repaid.

Councilmember Degginger noted that the Theatre at Meydenbauer Center is not part of the Center's core mission. He suggested that if the City were to take on the operation of the theatre

in partnership with the Bellevue Youth Theatre, this could achieve cost savings and reduce the financial burden of the theatre on Meydenbauer Center. He suggested that the Council review this issue in the future.

Mr. Sarkozy observed that achieving sustainability for cultural and arts organizations would help to assure Bellevue's role as the cultural center of the Eastside.

Councilmember Wallace raised concerns about traffic impacts to the medical institution district related to redevelopment of the 116th Avenue NE corridor's special opportunity zone. Councilmembers discussed the need for some specific City benefits resulting from development in the special opportunity zone. Mr. Wallace suggested looking at this issue within the context of the overall Downtown traffic study.

At 8:55 p.m., Mayor Davidson declared recess until the following morning.

Saturday, February 5, 2011

The retreat reconvened at 8:34 a.m., and all members were present.

The group resumed discussion of CIP financing.

Mayor Davidson said he would like to talk about what is not funded, who should pay for it, and in what timeframes. The Council would then be able to make decisions on changing the funding mechanisms.

Councilmember Balducci recalled an exercise during the Downtown Implementation Plan Update that identified what was needed and who pays. The City followed a modified version of that approach to develop the Mobility and Infrastructure Initiative financing plan, and perhaps it would be helpful to go through that again to reallocate funding sources.

Councilmembers discussed the funding sources identified in the 10-year Mobility and Infrastructure Initiative (M&II) Plan, and the option of extending the timeframe of the plan to match available funding. Councilmembers differed somewhat in their perspectives about whether the M&II Plan is feasible.

Councilmember Degginger recalled previous Council direction to staff in recent years to identify projects that would provide the greatest benefit in relieving traffic congestion relative to the project costs.

Councilmember Wallace requested staff's analysis from that time period. He expressed concern that the potential benefits of the Spring District development do not justify the costs of infrastructure projects. Staff explained that some of the expenses, such as right-of-way acquisition, would benefit the light rail project as well.

Councilmember Degginger suggested that one way to prioritize the M&II Plan projects would be to evaluate each project's relationship to the East Link light rail project, and the related

opportunities to share project costs. Mayor Davidson agreed that this would be helpful in considering priorities.

Councilmember Robertson opined that the value of property will decrease as impact fees and LID assessments contribute to project costs. She does not see the harm in delaying projects except for the risk of escalating construction costs.

Councilmember Wallace observed that projects on 120th Avenue NE and 124th Avenue NE can be achieved. He suggested then looking at Downtown projects that can produce greater mobility, such as NE 2nd Street, NE 12th Street, and/or Bellevue Way. He is concerned about the significant expense of the Bel-Red NE 15th/16th Multi-Modal Corridor.

Councilmember Chelminiak recalled that the Bel-Red plan is not simply a transportation plan, but the creation of new residential and commercial areas. He suggested that, when looking at scaling back transportation projects, it is necessary to study the impacts to the overall plan.

Councilmembers discussed additional aspects of the Bel-Red plan including pedestrian and bicycle facilities, the protection of surrounding single-family neighborhoods, and light rail implementation.

Mayor Davidson requested further discussion of the following topics during an Extended Study Session:

Capital Investment Program M&II Plan

- Project prioritization and rationale.
- What is achievable?
- How do projects sync up with Sound Transit East Link light rail?
- Consider a 12-year planning horizon and update projects costs and anticipated growth.

Overall CIP - Other unfunded projects

- Bellevue Way
- West Lake Sammamish parkway
- NE 2nd Street/Main Street – How does this address Downtown capacity?

Council discussed whether the original funding categories of General CIP, Supplemental CIP, and M&II Plan should be preserved, or whether they should be combined into one plan.

Councilmember Chelminiak stated that he does not favor the use of General CIP revenues to fund M&II projects. The adopted policy for the M&II Plan included using the property tax.

Deputy Mayor Lee said it is important for the community to understand what is being done in order to earn support for funding alternatives. He noted that the plan can be adjusted every one to two years. He believes that the transportation system will look different in 20 years, and that it

will go beyond just building roads. He noted the potential expansion of intelligent transportation systems and “smart freeways.”

Councilmember Wallace asked staff to update the Bel-Red corridor map to reflect the costs of improvements to NE 12th Street, west of the rail corridor. He suggested that eliminating Zone 3 and certain parts of Zone 1 of the NE 15th/16th Street project could make the project feasible in terms of cost. He would like a map with symbols to indicate the anticipated funding source for specific projects or segments of projects (e.g., Property tax, LID, impact fees, incentive zoning).

The meeting moved to a discussion of Council rules and roles.

Councilmembers noted concerns about the use of electronic devices during meetings, and about the sound quality and sound level of the Bellevue TV broadcasts of Council meetings.

They noted the need for a briefing by City Attorney Lori Riordan on the quasi-judicial process, and suggested that Council review and possibly direct changes to the types of quasi-judicial matters on which Council is the decision body.

Councilmembers described their general discomfort with functioning as judges, as opposed to their primary role as policy makers.

Additional housekeeping items were discussed as follows:

- What is the definition of “recognized organization” within the context of Oral Communications during Council meetings. Staff will draft a definition for Council’s consideration.
- Management of the 8-hour rule and Councilmembers respecting the rule. Acknowledgement that staff needs to be allowed to focus on work plan items.
- Mr. Lee would like to see the CRM system.
- The suggestions that Councilmembers presenting proposals at Council New Initiatives provide advance notice of their intent, and that Council take votes on whether to advance such proposed initiatives.
- Request for clarification of Open Meetings Act provisions relating to Councilmember communications outside of meetings.
- Agreement that Councilmembers should share information equally, listen and respect each other’s positions, and focus the debate and comments on facts.
- Need for more advance notice of agenda items.
- All meetings materials should be included with the distribution of packets on Thursday. The addition of information over the weekend is discouraged.
- More retreats might be necessary to address specific topics in greater detail.
- Remote participation in meetings should be used sparingly, and equipment to provide better sound quality should be implemented.
- Maintain deadlines for decisions on topics.

The City Clerk will formalize suggested changes to Council Rules and Board/Commission-related Code amendments for Council's consideration.

The meeting was adjourned at 12:02 p.m.

Myrna L. Basich, MMC
City Clerk

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CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

May 16, 2011
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: Councilmember Degginger

1. Executive Session

The meeting was called to order at 6:04 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Study Session

- (a) Report on the Interim Analysis (Tipping Point) for the East Link Light Rail B7-C9T to NE 2nd Street Tunnel Portal (B7-Revised) Alternative

City Manager Steve Sarkozy opened discussion regarding the East Link Light Rail B7-Revised alternative, which is being studied by an outside consultant.

Transportation Director Goran Sparrman introduced the ARUP North America consultants: John Eddy, Project Manager, and Richard Prust, Deputy Project Manager. Mr. Sparrman briefly reviewed the three phases of the B7-Revised alternative analysis. Phase 1, Concept Report, including five-percent conceptual engineering, has been completed. If the Council wishes to have the consultant conduct further study, Phase 2 is an environmental analysis (Estimated cost, \$450,000), and Phase 3 is 15-percent conceptual engineering (Estimated cost, \$2.5 million).

Mayor Davidson recalled that Sound Transit's East Link Final Environmental Impact Statement (FEIS) was originally expected to be released in May/June.

Councilmember Balducci said that the last estimate she heard for the publication of the FEIS was July. She recalled that the Bellevue City Council asked Sound Transit to delay its release of the FEIS in order to allow the City's consultant work to be completed.

Mr. Sparrman described the B7-Revised alignment. He noted that the purpose of the consultant's work was to enable an apples-to-apples comparison of the proposed B7-Revised alternative and Sound Transit's B7 alternative.

Mayor Davidson restated that the Interim Analysis Report compares the proposed B7-Revised/C9T alternative (Using a NE 2nd Street tunnel portal) with Sound Transit's original B7/C9T alignment studied in its 2008 Draft EIS. Councilmember Chelminiak recalled that the current C9T (Downtown Tunnel) option was not studied in the 2008 report, but was developed later through the City's work with Sound Transit.

Responding to Councilmember Wallace, Mr. Sparrman said the consultant has completed five-percent engineering work for the B7-Revised alternative, which is comparable to the five-percent engineering work completed by Sound Transit for the original B7 option. Alternative B2M was at the 15-percent engineering level by Sound Transit when the City hired ARUP to conduct further study, and today the B2M is at approximately 30-percent engineering. Mr. Sparrman said this makes it difficult to compare the two B7 options with the B2M option.

Councilmember Wallace observed that an analysis is needed to compare the B7-Revised with the B2M. He noted the need for an updated cost estimate for the C9T alternative as well.

Mr. Sparrman noted that staff is using existing information from the 2008 DEIS to compare to the current B7-Revised alternative as much as possible. He observed that there would not be a big difference in ridership numbers as the analysis moves from five-percent engineering to 15-percent and 30-percent engineering. The primary differences between options are reflected in the cost information and in environmental mitigation.

Councilmember Balducci said that, during individual Councilmember briefings, she received a document comparing cost and ridership information for the original B7, B7-Revised, and the B2M. Responding to Ms. Balducci, Mr. Sparrman said the data for option B2M was taken from the DEIS and the Supplemental DEIS completed by Sound Transit. Mr. Sparrman confirmed that the five-percent engineering level of the B2M in the Sound Transit DEIS is comparable to the engineering level for the B7-Revised in the ARUP report.

Deputy Mayor Lee recalled that one of the reasons for the consultant's work was a recognition that the B7 alignment was not adequately studied by Sound Transit. However, the B2M engineering work has now advanced beyond the level of engineering analysis for the B7 alternatives. Mr. Sparrman confirmed that the consultant would complete 15-percent conceptual engineering for the B7-Revised during Phase 3 of the proposed process, if directed to do so by the Council.

Mr. Eddy reviewed the consultant process schedule and key milestones. He explained that the Interim Analysis Report provides highlights of the technical memoranda to ensure there are no fatal flaws or significant hurdles for the alternatives being studied. Mr. Eddy noted the process for identifying B7 alternatives and working through the constraints, station alternatives and alignment alternatives with staff.

Mr. Eddy described the B7-Revised alternative, which travels along I-90 over the Mercer Slough and then follows I-405 toward Downtown Bellevue. He described details of the I-90 Mercer Slough crossing, including challenging environmental conditions and concerns under review by the Washington State Department of Transportation (WSDOT).

Responding to Mayor Davidson, Mr. Eddy said WSDOT is studying the movements of I-90 in the Mercer Slough, which will be completed in approximately one year.

Continuing, Mr. Eddy described the B7-Revised alignment through the BNSF rail corridor, and commented on options related to shared light rail/freight usage during different time periods, compliance with the rail banking agreement, additional future costs to allow freight to share the tracks, and construction costs. He described the route along I-405 and into the Downtown via a tunnel portal at NE 2nd Street. Considerations for this portion of the route include Sturtevant Creek, configuration of the East Main Station, taking of the Red Lion and Sheraton Hotels, and the cut and cover tunnel. Mr. Eddy briefly described the A2 Station and Park and Ride facilities.

Councilmember Robertson noted that the A2 Park and Ride has 50 more parking stalls than Sound Transit's planned expansion of the existing South Bellevue Park and Ride. Responding to Ms. Robertson, Mr. Prust confirmed that the A2 Station/Park and Ride design provides better traffic operations on Bellevue Way than the planned expansion of the existing facility. He described the difference in traffic signals for the two options. He confirmed that the A2 design would preserve access to the boat launch ramp from both north and south.

Councilmember Chelminiak observed that the extra traffic signal will slow traffic down in that area. Mr. Sparrman said the B2M alternative expands the existing South Bellevue Park and Ride and would likely add a traffic signal.

Responding to Mr. Chelminiak about impacts to bus service, Mr. Prust said buses would experience an additional two to three minutes in travel time to get into and out of the A2 Park and Ride. Mr. Prust said Sound Transit has indicated that this represents approximately \$750,000 to \$1 million in additional operating costs per year, due to the need to add buses to maintain desirable service frequencies on affected routes. Metro bus service would be similarly impacted. Councilmember Chelminiak observed that the need for additional bus service related to the A2 Station design would potentially reduce bus service levels in other areas.

Responding to Mayor Davidson, Mr. Sparrman said that additional analysis is needed to determine whether the expanded South Bellevue Park and Ride alternative could be implemented without an additional traffic signal.

Responding to Councilmember Robertson, Mr. Sparrman said that the A2 Station would be useable if Sound Transit Phase 3 extends light rail farther east along I-90 in the future.

Responding to Councilmember Wallace, Mr. Prust said the projection of 1,450 parking stalls for the A2 Park and Ride is based on the amount of traffic anticipated for the facility.

Councilmember Wallace encouraged comparing station/park and ride costs using the same number of parking stalls (1,400 or 1,450) for the two alternatives (i.e., A2 versus expanding the existing Park and Ride).

Continuing the presentation, Mr. Eddy described the stakeholder outreach process, which has involved Sound Transit, WSDOT, and King County Metro, as well as City staff and Bellevue citizens. He presented a list of technical memoranda prepared to date addressing different aspects of the study including A2 station concept and cost estimate, light rail ridership, right-of-way impacts, noise impacts, environmental considerations, and the BNSF rail corridor.

Referring to the ridership estimates, Councilmember Wallace observed that ARUP's estimates for the East Main Station are lower than Sound Transit's ridership estimates. Mr. Prust explained that the A2 Station/Park and Ride (B7-Revised) draws some of the riders who will use the East Main Station under the original B7 alternative. It is essentially a redistribution of the ridership.

Responding to Mr. Wallace, Mr. Prust explained that, in order to achieve an apples-to-apples comparison of ridership, it was decided that ARUP would provide the information for Sound Transit to do the modeling of the data, using the same model used in Sound Transit's analysis of the B7-C9T. Mr. Prust confirmed that the City did not conduct its own ridership study.

Responding to Mr. Wallace, he confirmed that Sound Transit used its own model to analyze ridership. However, ARUP utilized the BKR model to analyze traffic impacts.

Referring to the list of technical memoranda, Mayor Davidson observed that the noise impact assessment does not appear to recognize that noise impacts for the condominiums on the B7 route were already mitigated when they were built through a conditional use permit. Mr. Prust said that ARUP's standard noise analysis to date assumes noise mitigation where there are impacts.

Deputy Mayor Lee asked whether the consultant had looked at the implications of not having an East Main Station. Mr. Prust said they have looked at that at a relatively high level. There would be a reduction in construction costs, as well as the potential for an alignment that would reduce impacts for the Sheraton Hotel property. Eliminating the East Main Station would result in the loss of 1,000 of the projected riders, and the remaining 1,500 riders would primarily use the Bellevue Transit Center Station.

Deputy Mayor Lee questioned the cost savings of eliminating the East Main Station. Responding to Mr. Lee, Mr. Prust said travel times are incorporated into the ridership model. Mr. Lee said he would like to compare travel times with and without the East Main Station.

Councilmember Chelminiak noted that one way to save money and increase ridership is to move the SE 8th Street Station to SE 2nd Street, which would be across the street from the Red Lion site. Zoning on the hotel property allows transit-oriented development/redevelopment.

Responding to Councilmember Robertson, Mr. Chelminiak said moving the station to SE 2nd Street would reduce the impacts to Surrey Downs Park as well.

Councilmember Wallace asked whether the consultants studied retaining the current South Bellevue Park and Ride and adding the A2 Station. Mr. Eddy said that the A2 Station provides sufficient parking capacity based on the modeling.

Mr. Eddy noted that ARUP added noise receptors in its analysis. Responding to Ms. Robertson, he explained that ARUP chose to evaluate additional properties to ensure that noise impacts are fully studied.

Councilmember Wallace observed that the diagram on traffic impacts reflects a great deal of mitigation, which is included in the base cost of the A2 Station/Park and Ride. He recalled that Sound Transit did not have a mitigation plan for the South Bellevue Park and Ride in the DEIS analysis. He wondered whether Sound Transit's cost estimates include traffic mitigation costs.

Mr. Sparrman said that mitigation measures will be fully addressed during design review. He noted that the costs associated with the second driveway that would be added to the Park and Ride are included in Sound Transit's estimates. Many, but not all, of the mitigation expenses are included in Sound Transit's estimates.

Councilmember Wallace said it would be helpful to understand what is included within the base construction costs. He recalled that the early DEIS contained high-level cost estimates, including contingency funds. The ARUP analysis has taken a thorough look at mitigation measures and costs, and added contingency funds as well. Mr. Wallace said he is concerned that this overstates the cost estimate for B7-Revised, because mitigation costs are not reflected in Sound Transit's original cost estimates. Referring to the roadway diagram for the A2 Station/Park and Ride, Mr. Wallace questioned whether the same design would be needed for the South Bellevue Park and Ride option.

Mr. Sparrman said that none of the roadway infrastructure depicted by ARUP for the A2 Station would be needed to support the expansion of the South Bellevue Park and Ride. In further response to Mr. Wallace, Mr. Sparrman said that Sound Transit's analysis to date indicates that the two full signaled intersections can be designed to mitigate traffic impacts associated with the Park and Ride expansion. Mr. Prust noted that the A2 Station's proximity to I-90 triggers the need for certain design elements.

Mayor Davidson questioned whether pillars are needed to support the expanded South Bellevue Park and Ride facility. Mr. Sparrman recalled that he asked WSDOT staff about this issue when they presented information to the Council. Their response was that, in general, the current Park and Ride foundation is adequate. There is one area in the southeast quadrant in which special geo-technical mitigation measures would be needed.

Councilmember Robertson said it would be helpful for the public to understand how the A2 Station/Park and Ride compares with the expanded South Bellevue Park and Ride. She requested

a comparison of the amount of pavement in both options. She observed that the A2 Station improves traffic, and that the analysis reflects minor or no cut-through traffic impacts. Mr. Prust confirmed that ARUP's analysis indicates very little cut-through traffic through Enatai neighborhoods.

Continuing, Mr. Eddy compared the environmental impacts of the B7-Revised alternative with the original B7-C9T option. He described increased ecosystem, water resources, and visual impacts related to the A2 Station, but noted reduced construction impacts to the Mercer Slough. Removing the 118th Station and lowering the East Main Station into a cut reduces visual impacts.

Mayor Davidson expressed concern about Sturtevant Creek impacts to the fish habitat. Mr. Eddy clarified that, at this point in the study, the consultants have completed a qualitative assessment. If the Council chooses to move forward with further analysis, the ecological study becomes a quantitative assessment and provides more specific information.

Mr. Eddy reviewed right-of-way property impacts comparing the B7-R to B7-C9T.

Ms. Robertson questioned the net impact if the South Bellevue Park and Ride was eventually returned to the Mercer Slough Park. Mr. Sparman said staff will provide the number of acres of the Park and Ride to the Council.

Responding to Councilmember Wallace, Mr. Eddy said the ROW costs were developed by providing information on the impacted parcels to Sound Transit, which in return provided the acquisition costs to ARUP. Sound Transit staff reviewed ARUP's mappings of properties and takings, and applied their methodology to that data. ARUP did not directly conduct the cost analysis. Responding to Mr. Wallace, Mr. Eddy confirmed that Sound Transit did not want to provide its 2007 parcel data to ARUP.

Responding to Mayor Davidson, Mr. Eddy said the estimates do not capture the potential for selling some ROW back upon completion of the project. However, ARUP has noted this as a possible future consideration. Mr. Eddy said there are no residual values applied to the properties.

Responding to Mr. Wallace, Mr. Eddy said that Sound Transit priced the value of the rail corridor using so-called "over the fence" pricing, which is basing the value on the values of the properties next door to the corridor.

Responding to Ms. Robertson, Mr. Eddy said he will provide information on Sound Transit's recent easement transaction for another part of the corridor, and its implications for the B7 route.

Mr. Eddy compared the project cost estimates for the B7-Revised and Sound Transit's B7-C9T, noting that the analysis reflects 2007 dollars. ARUP's cost estimate extends from I-90 to the south end of the Bellevue Transit Center Station.

Councilmember Chelminiak noted that he has been asked by a citizen whether it would be possible, instead of using the NE 2nd Street tunnel portal, to make the turn with the B7-Revised into a tunnel portal at Main Street. Mr. Prust said that ARUP would need to look at that to determine whether the alignment could turn at location.

Deputy Mayor Lee questioned how ARUP was able to put the B7-Revised cost estimate in 2007 dollars. Mr. Eddy said ARUP used historical costing data and Sound Transit's figures for all of the unit costs.

Councilmember Robertson commented that the Sound Transit Supplemental DEIS document shows the connection from B7 to the Main Street portal, so that has already been studied. She said it would be helpful for ARUP to evaluate that option as well. She said her understanding is that a curved station would greatly reduce the costs of that station and the takings. However, Sound Transit prefers a straight station.

Mr. Prust stated that traveling behind the Sheraton to the portal site would still result in an impact on the site, but it would provide some flexibility.

Councilmember Robertson thanked the consultants for identifying opportunities in Section 5.2 of the report, because the cost estimates do not consider those opportunities. If all of them were implemented, the savings would be \$126 million. Ms. Robertson said that the cost of the B2M/C9T is \$1.27 billion, and the cost of the B7-Revised/C9T is \$1.41 billion. With the opportunity costs, the cost of the B7-Revised/C9T is reduced to \$1.284 billion.

Regarding the Main Street tunnel portal versus the NE 2nd Street portal, Councilmember Balducci commented that every element has tradeoffs. The Main Street portal results in a longer tunnel, which increases costs for Segment C.

Councilmember Chelminiak referred to the opportunities section of the report. He observed that the largest savings result from eliminating the Main Street station, which affects ridership. The use of mechanically stabilized retained fill saves \$5 million. He noted that Councilmember Robertson's calculations add \$50 million in residual redevelopment value. Mr. Chelminiak said that amount should also be added to the B2M alternative with the NE 2nd Street station, which decreases costs significantly and retains a station at that location. Mr. Chelminiak said he sits on the Eminent Domain Task Force of the Attorney General's Office. He observed that the residual value scenario potentially represents condemning private property solely for economic development reasons, which was the situation with the monorail in Seattle. Councilmember Chelminiak cautioned that some of the identified cost savings represent costs in other areas such as the loss of ridership.

Mayor Davidson stated that it is important to remember that this is a preliminary report addressing complex issues.

Councilmember Wallace commented on the issue of residual value, noting that Sound Transit did not consider this component in its 2007 estimates. However, there will be a redevelopment value

along the B7-Revised alignment. There will not be this redevelopment value with the B2M alignment. If the tunnel portal is placed on the Red Lion site, there is potential redevelopment value, depending on the tunnel design. Regarding the curved station concept, Mr. Wallace noted that the current plan shows a station through the Red Lion hotel, with a trench through the Sheraton site approximately 15 feet below ground before it enters the tunnel portal to go into the Downtown. Mr. Wallace stated his understanding that there is the possibility to go around the Sheraton with a curved station, but that Sound Transit is not open to that concept. He questioned whether there is a process for proposing a deviation to Sound Transit.

Mr. Prust said that Sound Transit's criteria is typical for new light rail construction. However, this issue could be negotiated with Sound Transit.

Councilmember Balducci observed that the ability to provide curved stations has been a challenge for other light rail systems. Responding to Ms. Balducci, Mr. Eddy said that straight stations are the standard for light rail stations. He said that the typical approach to transit system planning is to not challenge the project's criteria, due to the environmental process. To shave a foot off here or there becomes problematic in the early stage of a design, until the project reaches the final stage of design. The typical approach is to start with a straight station and plan around that. In further response, Mr. Eddy confirmed that the federal government will have final approval authority.

Responding to Deputy Mayor Lee, Mr. Eddy said that transit systems resist using curved stations, although some do exist. Mr. Lee suggested this can be achieved through good engineering. Mr. Eddy said that good engineering does not necessarily drive the criteria. The concept of curved stations has impacts related to passenger comfort, safety, and other operational issues as well. Mr. Lee suggested it would be worthwhile to take a look at other curved stations.

Continuing the presentation, Mr. Eddy described additional key findings related to the cost estimates. He reviewed risks and opportunities, and summarized the features of the B7-Revised and B7/C9T alignments including noise impacts, residential and business displacements, property acquisitions, and environmental impacts. Mr. Eddy revised the next steps, should the Council wish to move forward with continued analysis.

Mayor Davidson noted Councilmember Degginger's absence and said there would be no Council decision that night.

Councilmember Robertson reviewed what she would like to see happen before the next check-in with the Council. She believes there is a great deal of misunderstanding and/or lack of information in the community about the B7-Revised option. However, in going door to door and speaking with residents, Ms. Robertson observed that once they learn about the alignment, they supported it. She would like to see more information comparing Sound Transit's B2M option with the B7-Revised. She noted that this objective was discussed during previous Council meetings, although it was not an initial task for the consultants to date.

Ms. Robertson observed that there are lower park impacts with the B7-Revised than with the B2M, and fewer residential impacts. She wants more information on comparative traffic impacts for Bellevue Way, the stations, and 112th Avenue SE. She stated it is important to compare the alternatives to the best practices report adopted by the Council in 2008. A primary tenet of the report was to avoid neighborhood and traffic impacts.

Councilmember Balducci observed that the Council is not addressing that the B7-Revised alternative costs \$140 million more than the B2M alignment. This has been left out of the press releases and public materials as well. This does not include the \$300 million needed for the Downtown Tunnel, which the Council unanimously supports. She stated that, with this interim report, the Council has taken a \$300 million funding challenge and made it a \$440-450 million problem. She asked the City Manager whether the City has determined if it will be able to fund the term sheet contributions identified with Sound Transit for the tunnel.

Ms. Balducci said that while she appreciates that the consultants identified potential risks and cost saving opportunities, these are issues that require substantial analysis. WSDOT has not determined whether it will allow Sound Transit to build the A2 Station and B7-Revised alignment along the I-90 bridge, and it could be some time before that agency makes a decision.

Regarding neighborhood impacts, Ms. Balducci believes they have been mischaracterized. The B2M alignment does not involve any property takings if it utilizes the median or east side of 112th Avenue SE. However, business and residents along 112th Avenue NE have expressed support for an alignment along the west side of 112th Avenue NE, including the taking of condominiums. By contrast, potential impacts of the A2 Station to South Enatai are significant due to the large 400,000 square foot structure.

Mayor Davidson observed that there is not sufficient space to place the alignment along the middle of 112th Avenue SE. Ms. Balducci clarified that her comments were focused on residential takings. While takings were not originally identified in the B2M alternative, condominium residents have spoken in support of a west side alignment that would acquire their property.

Councilmember Wallace stated that it makes sense that 112th Avenue SE residents do not want a train directly in front of their homes, and would therefore opt to sell their properties. However, the fact remains that these 54 townhomes would be taken. Going back to February 2009, Mr. Wallace said the Council has been looking for a Segment B alternative that uses the rail corridor route while also producing more ridership than the original B7 route.

Mr. Wallace believes that the interim report reflects a strong solution, with ridership that is essentially the same as the B2M route. He is disappointed that the NE 2nd Street tunnel does not appear to be feasible, unless there is the potential for achieving a design deviation commitment from Sound Transit. Mr. Wallace said that the ARUP analysis represents a Segment B route to the Red Lion site that is cost competitive and ridership competitive to the B2M. Acknowledging that perhaps the consultants and/or staff need to do additional work to address questions raised tonight, he observed that now is the time to discuss the report with Sound Transit and to ask

them to embrace the Segment B option addressed in the ARUP report. Councilmember Wallace believes this is a good opportunity for the Council to unite with Sound Transit. He said the solution meets all of the Council's objectives related to ridership and impacts.

Councilmember Chelminiak questioned whether the B7 alignment will allow the future continuation of light rail to Issaquah. He observed that there is no room to tunnel, which leaves the only option as constructing a second bridge over the Mercer Slough. Mr. Sparrman confirmed this understanding.

Looking at the B7 route, Mr. Chelminiak said the light rail alignment would cross 112th Avenue at 153 feet in the air, which is equivalent to the height of the PACCAR building. He believes that the B7 route and A2 Station could not take light rail to Issaquah. Mr. Chelminiak thanked the consultants for the report. He noted that it demonstrates the need to serve the market at the South Bellevue Park and Ride.

At 8:03 p.m., Mayor Davidson declared a five-minute recess before reconvening for the Regular Session.

Myrna L. Basich, MMC
City Clerk

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CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

May 16, 2011
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: Councilmember Degginger

1. Call to Order

The meeting was called to order at 8:10 p.m., with Mayor Davidson presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers except Councilmember Degginger were present. Deputy Mayor Lee led the flag salute.

(a) State of the County Report

Mayor Davidson welcomed King County Councilmember Reagan Dunn to provide an update to the Council.

Councilmember Dunn reported that the 10-year strategic plan for public transportation will significantly change service hours, given the current economy. Metro is potentially facing the reduction of 600,000 service hours, and is pursuing system efficiencies as well as additional funding. He provided an update on the King County budget and the pending redistricting of the nine King County Council seats.

Councilmember Balducci noted Deputy Mayor Lee's service on the Regional Transit Committee, as a representative for the Suburban Cities Association. She would like Bellevue to gain a position on this committee. Councilmember Dunn said he will work on this issue.

Responding to Ms. Balducci about Metro planning, Councilmember Dunn said the King County Council needs to take action in August in order to get a funding measure onto the fall ballot. He welcomed input from the Bellevue City Council on this issue. Councilmember Balducci thanked him for the report and for his service on behalf of Bellevue residents.

(b) Asian Pacific American Heritage Month

Mayor Davidson read a proclamation declaring May as Asian Pacific American Heritage month in Bellevue, and presented the proclamation to Deputy Mayor Lee.

On behalf of Bellevue Asian Americans, which represent 27 percent of the population, Deputy Mayor Lee thanked the Council for the recognition.

(c) National Police Week 2011 Proclamation

Mayor Davidson read a proclamation in honor of Police Week and recognizing May 15 as Peace Officer Memorial Day, and presented it to Police Chief Linda Pillo.

Chief Pillo thanked the Council for appreciating the vital role of law enforcement officers and Police Department administrative support.

(d) National Safe Boating Month

Mayor Davidson read a proclamation declaring May 21-27 as National Safe Boating Week in Bellevue. He presented the proclamation to a representative of the Bellevue Sail and Power Squadron, who commented on the importance of boating education.

3. Communications: Written and Oral

- (a) Sue Baugh, spoke on behalf of Move Bellevue Forward, which advocates for sustainable growth, long-term economic vitality, and infrastructure investments that support a strong, diversified community. Terry Lukens said that Move Bellevue Forward supports light rail service to Bellevue and a move toward mitigation discussions with Sound Transit related to the B2M alignment. He expressed concerns about the cost of the proposed B7-Revised alternative, which he feels threatens Bellevue's ability to obtain a Downtown Tunnel. Ms. Baugh noted the costs of consultant studies related to the original B7 route, and the recent expenditure on consultants to analyze the B7-Revised alternative. Move Bellevue Forward is opposed to the B7-Revised alignment, and would like for no more tax dollars to be spent on this alternative. Ms. Baugh said the current ARUP study demonstrates that the B7-Revised route costs approximately \$160 million more than the B2M alternative.
- (b) Hannah Kimball, representing the Bellevue Network on Aging and the Kirkland Senior Council, expressed concerns about providing affordable housing for seniors, especially for those who qualify for Medicaid care in East King County. Ms. Kimball urged the Council to consider the value of preserving the Evergreen Court housing in its decision scheduled for later in the meeting.
- (c) Renay Bennett, representing Building a Better Bellevue, commended the City Council and ARUP, its consultant, for its study of the B7-Revised alignment. She noted that the work demonstrates that the B7 option is technically feasible, operationally superior, and

financially smart for Sound Transit and future users of East Link light rail. Ms. Bennett said ARUP has identified opportunities for cost savings, which could total \$150 million. This money could be used toward the Downtown Tunnel. Ms. Bennett said that Building a Better Bellevue is pleased that ARUP's work has substantially validated the City's technical experts' work, which last fall showed a number of advantages with the B7 route. She noted that any future freight rail use of the BNSF rail corridor is not realistic. Sound Transit and the Port of Seattle have indicated that rail banking will not apply as easements are now being granted to other private parties, such as Puget Sound Energy, for the use of the BNSF corridor. Ms. Bennett urged the Council to demand that Sound Transit wait to issue its final Environmental Impact Statement, and to not select its final preferred alignment, until all of the City's studies are completed.

- (d) Andrew McCormick, representing Eastside Audubon, spoke about the importance of preserving the natural habitat of the Mercer Slough. Eastside Audubon is opposed to the B7-Revised alignment and supports the B2M route. Mr. McCormick submitted his comments in writing.
- (e) Margot Blacker noted her former service on the City Council, Storm and Surface Water Advisory Commission, and the Planning Commission. She expressed concerns regarding pending appointments to the Planning Commission, and spoke to the need for members who are not biased and are not political. Ms. Blacker said it is important for Planning Commissioners to understand the necessary balance of government regulations, preserving a certain quality of life, and the protection of private property rights.
- (f) Lloyd Jacobs expressed concern that the Council is engineering Segments B and C of the East Link light rail project. He opined that tonight's discussion represents little fact finding. He expressed concern that the Council is looking for the answers that it wants, and not for facts. Mr. Jacobs observed that the Council is championing opportunities and minimizing the risks.
- (g) Greg Russell, DASH (Downtown Action to Save Housing), expressed appreciation for the Council's consideration and staff's hard work related to the Evergreen Court project. He encouraged the Council to support the funding request.
- (h) Hal Ferris, Chair of the Planning Commission, noted his agreement with Margot Blacker's comments. He stated that the Commission has been working on the Shoreline Master Program for more than three years, and has heard hundreds of hours of testimony by expert witnesses, scientists, and citizens. He urged the Council to approve term extensions for both William Lai and Douglas Matthews to complete discussions on the Shoreline Master Program. Mr. Ferris explained that there have been concerns in the past by the Washington Sensible Shorelines Association because one Planning Commissioner was not able to attend the meetings regularly for a period of time. The Association was concerned that the Commissioner was not hearing all of the testimony and discussions. After that, the Planning Commissioner was able to attend the meetings in which the Shoreline Master Program was discussed. Mr. Ferris reiterated the importance of maintaining continuity.

- (i) Lance Latimer, Teen Center Director for the Boys and Girls Club of Bellevue, introduced Mutile Musee, the 2011 Youth of the Year. Ms. Musee moved here as a young child from Kenya and is a junior at Bellevue High School. She described her community service activities and her interest in becoming a pediatrician.
- (j) Scott Lampe, Co-Chair of the Surrey Downs East Link Committee, commended the Council for its support of the ARUP study on the B7-Revised light rail alignment alternative. He noted that construction of the B2M alignment will include lane closures on Bellevue Way, and that this work will coincide with the construction of express toll lanes on I-405 through Bellevue. Mr. Lampe expressed concern that traffic demand on local arterials will increase as tolling becomes more prevalent in the region.

4. Reports of Community Council, Boards and Commissions

- (a) Report on Universal Design from The Bellevue Network on Aging

Hannah Kimball and Tom Minty described the concept of Universal Design, which refers to the design of all products and environments to be as usable as possible by as many people as possible, regardless of age, ability, or situation. The Housing Committee of the Bellevue Network on Aging has identified Universal Design as a priority. Ms. Kimball noted that Mr. Minty is a realtor and the founder of Able Environments, which focuses on accessible homes and Universal Design. He has been a member of the Northwest Universal Design Council for the past seven years, and serves as Vice Chair for the Advisory Council on Aging and Disability Services for Seattle and King County.

Mayor Davidson thanked the visitors for the report. Councilmember Balducci requested additional information in a future presentation.

5. Report of the City Manager

- (a) Management Brief Providing Draft Letter to King County Districting Committee

City Manager Steve Sarkozy referred the Council to the proposed draft letter to the King County Redistricting Committee on page 5-3 of the meeting packet.

Diane Carlson, Director of Intergovernmental Relations, noted that the Redistricting Committee is meeting on May 23 to begin its discussion of the comments received during public hearings. The draft letter advocates for maintaining two County Council districts for Bellevue, continuing to group cities with similar interests, and maintaining three districts/representatives for the Eastside.

Responding to Councilmember Balducci, Ms. Carlson said she is not aware of the City of Mercer Island's position on redistricting. She noted it is possible that Mercer Island could be moved to the west. Councilmember Balducci proposed, in addition to the letter, reaching out to the City of Mercer Island to determine whether there are common interests. She believes it makes sense for

Bellevue and Mercer Island to remain in the same district or to share a common district.

→ Councilmember Chelminiak moved to authorize the Mayor to sign the draft letter, and Councilmember Robertson second the motion.

→ The motion carried by a vote of 6-0.

(b) Update on NE 12th Street Bridge

Mr. Sarkozy provided an update regarding recent comments to the City Council about the NE 12th Street bridge, which was reconstructed as part of the SR 520 braided ramp project. It is currently carrying only westbound traffic as a result of damage incurred with the removal of the old bridge. Restricted access will continue until safety concerns and testing are fully addressed. A more thorough report regarding the overall WSDOT SR 520 braided ramp project and NE 12th Street bridge will be presented to the Council on June 6.

(c) Postponing Agenda Item 8(f) to June 6

Mr. Sarkozy asked that Agenda Item 8(f) be removed from the Consent Calendar and postponed to a future meeting to allow time to respond to questions and requests for information.

6. Council Business and New Initiatives

(a) Request to name Visit Bellevue Washington as the Official Destination Marketing Organization for the City

Mayor Davidson referenced page 6-1 of the meeting packet, which describes a request to the Council to recognize Visit Bellevue Washington as the official destination marketing organization. He recalled the Council presentation on this topic on March 21.

→ Deputy Mayor Lee moved to endorse Visit Bellevue Washington as the official destination marketing organization for the City. Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 6-0.

(b) Council Reports

Councilmember Balducci said she, Mayor Davidson, and Deputy Mayor Lee attended the grand opening of the Bellevue branch of the HSBC Bank. Councilmember Balducci met with Puget Sound Regional Council (PSRC) staff, City staff, and Pierce County Executive staff to develop a work plan for consideration by the PSRC Transportation Policy Board. She attended the second Neighborhood Forum , which focused on diversity and featured a panel of regional experts. Councilmember Balducci thanked the Police Department for working with East Bellevue and the overall community to address the increasing number of burglaries. Ms. Balducci participated in the recent National Alliance on Mental Illness (NAMI) fundraising walk in Kirkland.

Councilmember Wallace reported that he attended the Eastside Transportation Partnership meeting, and he noted his concern regarding the amount of revenue generated on the Eastside and used to provide bus service in Seattle. He attended the Overlake Hospital Medical Center Bandage Ball.

→ Councilmember Wallace moved to appoint John Carlson and Diane Tebelius to the Planning Commission, and Deputy Mayor Lee seconded the motion.

Councilmember Balducci explained that she will be voting against the appointments, but that this is unrelated to her position on the specific individuals. She concurred with Planning Commission Chair Hal Ferris' comments about the importance of extending the terms of Commissioner Lai and Commissioner Matthews until the Shoreline Master Program discussions are concluded. The Planning Commission has been reviewing and studying the program for the past three years, and she supports allowing them to continue in the process. Ms. Balducci observed that, in the lawsuit regarding the use of light rail on the I-90 bridge, the Supreme Court recognized the importance of providing continuity in hearing the case. She believes that this approach makes good sense for the City's Shoreline Master Program update as well, and she noted that the Council has extended terms in the past in specific situations.

Deputy Mayor Lee commented that he supports the Council liaison's recommendation regarding the Planning Commission appointments. He observed that the Council's appointments have not traditionally been political in nature. He thanked the applicants for their interest in serving their community, and encouraged moving forward with the appointments.

Councilmember Chelminiak stated that this is the first time he has seen discussion from the public related to Board and Commission appointments. He expressed concern that an individual he selected for the Parks and Community Services Board was not renewed. However, the individual was not aware of this decision because a message was left on his voicemail. Mr. Chelminiak said this is not the typical process for handling Board and Commission appointments. In the past, a letter was sent by the Mayor inviting incumbents to reapply for the Board or Commission.

Councilmember Chelminiak noted that Diane Tebelius is a Board Member of the Washington Sensible Shorelines Association. He asked Councilmember Wallace to check on whether that works well with serving on the Planning Commission. Mr. Chelminiak suggested that Councilmember Wallace and Ms. Tebelius might want to discuss the matter with the City Attorney.

Councilmember Wallace explained that the issue of continuity related to the Shoreline Master Program discussions was considered heavily in developing the Planning Commission appointment recommendations. Mr. Carlson and Ms. Tebelius were top candidates in terms of experience with shoreline management issues. Mr. Wallace noted that there are five additional Planning Commissioners. He recalled that all Councilmembers were invited to participate in the Planning Commission interviews. Deputy Mayor Lee and Councilmember Robertson participated in the interviews, as did City staffer Paul Inghram.

- The motion carried by a vote of 5-1, with Councilmember Balducci opposed.
- Councilmember Chelminiak moved to appoint Cyrus Habib and Olga Perelman to the Human Services Commission, and Councilmember Robertson seconded the motion.

Mr. Chelminiak commented on the experience and qualifications of the recommended individuals.

- The motion carried by a vote of 6-0.

Mayor Davidson noted that the Council will hold a special fifth meeting this month on Tuesday, May 31.

Councilmember Robertson attended meetings of the I-90/Eastgate Citizen Advisory Committee and the PSRC Growth Management Policy Board. She met with King County Councilmember Jane Hague and a school district attorney regarding the Growth Management Planning Council and issues related to schools outside of the urban growth boundary. She and Mayor Davidson met with members of the Bridle Trails Community Club to listen to their concerns about accessory dwelling units, and Ms. Robertson participated in the Planning Commission interviews. She met with a group that is creating a program called Cradle to Career, which focuses on mentoring children throughout their lives and is based to some extent on the Wrap Around Services Program. Councilmember Robertson attended the Overlake Hospital Medical Center Bandage Ball and Rotary dinner.

Councilmember Robertson recalled and reiterated a question she posed on April 11 about the SEPA process for the NE 4th Street extension project. She has not received the requested information.

City Manager Sarkozy said an update on the NE 4th Street project is scheduled for the Council.

Deputy Mayor Lee reported that he attended a number of functions already mentioned including the Rotary dinner and the Neighborhood Forum. He attended a meeting of the Regional Transit Committee. Mr. Lee met with Ron Sims, HUD Deputy Secretary, regarding Bellevue's assets and economic development. Deputy Mayor Lee attended a conference sponsored by the Federal Asian Pacific American Council (FAPAC) as well as Police Week activities.

Mayor Davidson said he would forego his report in the interest of time.

7. Approval of the Agenda

- Deputy Mayor Lee moved to approve the agenda, and Councilmember Robertson seconded the motion.
- The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

- Deputy Mayor Lee moved to approve the Consent Calendar, amended to exclude Agenda Item 8(f), and to incorporate the revision suggested by Councilmember Robertson to the April 18 Regular Session meeting minutes, as presented in the desk packet. Councilmember Robertson seconded the motion.
- The motion to approve the Consent Calendar, as amended, carried by a vote of 6-0, and the following items were approved:
- (a) Minutes of April 11, 2011 Extended Study Session
Minutes of April 18, 2011 Study Session
Minutes of April 18, 2011 Regular Session [*As revised in Council desk packet*]
Minutes of April 25, 2011 Extended Study Session
 - (b) Resolution No. 8226 authorizing execution of an amendment to the professional services agreement for appraisal services with Terra Property Analytics, LLC, increasing the contract amount by \$38,000, for a total contract amount of \$87,000.
 - (c) Motion to award Bid No. 11086 for the Uninterrupted Power Supply (UPS) Battery Replacement to All Battery Sales and Service, in the amount of \$49,248.95, as the lowest responsible and responsive bidder.
 - (d) Resolution No. 8227 authorizing execution of a two-year professional services contract with TCA Architecture Planning, in an amount not to exceed \$137,664, to provide architectural and design services for the renovation of Fire Station 5.
 - (e) Resolution No. 8228 authorizing execution of a three-year Microsoft Enterprise Agreement for required Microsoft software licenses, in an amount not to exceed \$1,163,349, with anticipated annual true-ups, that are necessary for the continued and future utilization of Microsoft software products by the City.
 - (g) Motion to reject all bids on Bid No. 11075 to complete electrical and lighting improvements for the Bannerwood and Wilburton Hill Park Sportsfield Lighting Replacement projects, revise the project specifications, and rebid the project at a later date.
 - (h) Resolution No. 8230 authorizing execution of a two-year professional services agreement with Gordon Hamasaki, in an amount not to exceed \$120,000, for Police Department Forensic Photography services.
 - (i) Resolution No. 8231 adopting the City of Bellevue 2012-2017 Transportation Improvement Program (TIP).

- (j) Resolution No. 8232 authorizing execution of an Interlocal Agreement with King County Metro, in an amount not to exceed \$23,985, for commute trip reduction services at Transportation Management Program sites.
- (k) Resolution No. 8233 authorizing execution of a Right-of-Entry Agreement between the City and the Washington State Department of Transportation, for construction of improvements related to the SR 520 Eastside Transit and HOV Project over and across King County Parcel 247270-0056.
- (l) Ordinance No. 5999 regarding the Bellevue Harbor Code, Title 12 of the Bellevue City Code and amending certain existing sections addressing recreational boating safety and vessel registration.

Item Postponed:

- (f) Resolution No. 8229 repealing Resolution No. 4083 and establishing a new policy and procedure for naming public parks and park and recreation facilities.

9. Public Hearings: None.

10. Land Use

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

→ The motion to extend the meeting carried by a vote of 6-0.

- (a) *Continuation of the appeals before the City Council (after remand to Examiner) of the Hearing Examiner's July 20, 2009, Decision concerning the Conditional Use Permit application of Kemper Development Company to prepare and activate a private-use Helistop located on top of the Bank of America Building at 10500 NE 8th Street. (Hearing Examiner File No. 08-35262-LB.)

Mayor Davidson noted continued consideration of the appeal before the City Council regarding the Hearing Examiner's July 20, 2009, decision on the Conditional Use Permit (CUP) application by Kemper Development Company for a helistop. On April 25, the Council directed staff to develop additional conditions and to prepare an ordinance for Council action.

Kate Berens, Deputy City Attorney, described the quasi-judicial process. She recalled that appeals were brought by Su Development and Ina Tateuchi et al on the decision of the Hearing Examiner to grant the CUP with conditions. The respondents to the appeal were the applicant, Kemper Development Company, and the Director of the Development Services Department. Final action by the Council is anticipated tonight.

Ms. Berens noted that Councilmembers act as judges in quasi-judicial matters, and must maintain fairness and impartiality. Under Council Rules, City Councilmembers are not able to

discuss the pending application or appeal with anyone if members of the public contact them directly.

Ms. Berens noted that a recap of the proceedings on this matter was provided during the April 25 discussion. On that date, the Council provided direction to staff to prepare an ordinance denying both appeals, and to add and amend conditions to clarify certain reporting requirements and consequences related to deviations from conditions imposed on the permit and operation of the helistop. The proposed ordinance, with revised and additional conditions, is provided in the Council meeting packet.

Ms. Berens recommended that the Mayor give Councilmembers an opportunity to once again disclose any ex parte communications they may have had with any parties to the appeal, or with any other person supporting or opposing the application. She stated that ex parte communications disclosed to date do not need to be repeated. Ms. Berens said that six emails relating to communications from citizens were identified as of today. These emails were provided to the counsel for the parties late this afternoon via email, and have also been made available in hard copy this evening.

Mayor Davidson asked Councilmembers to disclose any ex parte communications that have occurred since April 25, other than those to the Council that have been identified by City staff as of today.

Councilmember Balducci reported that she received one email asking about her position on this matter. She replied to the individual that she would communicate about this matter upon completion of the quasi-judicial process. These emails were forwarded to the City Clerk.

Councilmember Wallace said he had no ex parte communications.

Mayor Davidson disclosed that in speaking to a group of Boy Scouts, a number of them had questions about helicopters. He explained to them that he could not discuss the helistop matter.

Deputy Mayor Lee said he had no ex parte communications.

Councilmember Robertson said she had no ex parte communications to disclose. She noted that, although she was absent from the April 25 meeting due to illness, she watched the discussion on television and is up to date on the process.

Councilmember Chelminiak said he had no ex parte communications.

Mayor Davidson noted that the matter remains quasi-judicial for one week after the Council's decision.

Ms. Berens reviewed the next steps in the process. The Council now has the opportunity to deliberate and take action on the proposed ordinance denying the appeals and approving the Conditional Use Permit (CUP), with conditions. Ms. Berens reminded the Council that the appellants bear the burden of proving that the Hearing Examiner's decision to grant a permit

with conditions is not supported by material and substantial evidence. The Council may grant the appeal, or grant the appeal with modifications, if the appellants have carried the burden of proof and if the Council finds that the decision of the Hearing Examiner is not supported by material and substantial evidence. In all other cases, the appeal shall be denied. The City Council shall accord substantial weight to the decision of the Hearing Examiner. Ms. Berens reviewed the legal definitions of material and substantial.

Ordinance No. 6000 granting a Conditional Use Permit with conditions, on the application of Kemper Development Company for a private use helistop on the roof of the Bellevue Place Bank of America Building at 10500 NE 8th Street, Application No. 08-135262-LB; denying the appeal of said Conditional Use Permit filed by Su Development Company; denying the appeal of said Conditional Use Permit filed by Ina Tateuchi, et al.; and establishing an effective date.

→ Councilmember Chelminiak moved to adopt Ordinance No. 6000, which includes the Council-directed added and amended conditions. Councilmember Robertson seconded the motion.

Councilmember Chelminiak said he believes that the changes made by the Council have strengthened the decision and brought clarity to the decision. However, he noted the need to review and evaluate the rules and regulations related to helistops in the near future.

→ The motion to adopt Ordinance No. 6000 carried by a vote of 6-0.

Councilmember Balducci raised the issue of imposing a moratorium on helistop facilities. She indicated that she asked staff to provide an analysis and options for the Council's consideration. This information was provided to the Council in a memo dated May 16. The proposed options are to: 1) Adopt a moratorium and evaluate helicopter landing facility location issues as a separate work program, or, 2) Initiate a targeted code amendment immediately to prohibit all but emergency helicopter facilities citywide, and to delay any broad study of private helicopter landing facilities until funded as part of a future code amendment work program item.

Ms. Balducci said she favors option 2, which is a code change instead of a moratorium. While this is only the second application since the 1980s, Councilmember Balducci said she would like to address the issue before another application can be filed.

Deputy Mayor Lee said he is willing to take a look at the code requirements, but he is not necessarily in favor of an immediate prohibition.

Councilmember Robertson said she believes that moratoriums should be carefully used. She noted that the Bank of America Building is currently the only one that will support a helistop facility. While she does not anticipate any additional helistop applications in the foreseeable future, she supports addressing the topic as a Downtown Livability item. She believes there are a number of other zoning codes that should be reviewed as well.

Mayor Davidson recalled that there was a helicopter landing facility in Bellevue many years ago. He suggested adding this topic to the agenda for the May 31 Special Meeting.

Deputy Mayor Lee concurred with Ms. Robertson's comments, and suggested that there are higher priorities for discussion at this time.

Councilmember Chelminiak said he supports scheduling the item for May 31.

Councilmember Wallace noted that he needs to recuse himself from Agenda Item 10(b), and he suggested taking up Agenda Item 11 next.

→ Councilmember Balducci moved to amend the agenda to address Agenda Item 11 before taking up Item 10(b). Deputy Mayor Lee seconded the motion.

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

11. Other Ordinances, Resolutions and Motions

- (a) Resolution No. 8234 authorizing execution of all documents necessary to enter into agreements for the funding of affordable housing projects, as recommended by the ARCH Executive Board with certain modified conditions; and authorizing modification of existing agreements for the DASH (Downtown Action to Save Housing) Evergreen Court Apartments.

Mr. Sarkozy reported that Resolution No. 8234 authorizes the execution of all documents necessary to enter into agreements for the funding of affordable housing projects as recommended by the ARCH (A Regional Coalition for Housing) Executive Board, and authorizing a modification of the existing agreement with DASH (Downtown Action to Save Housing) with regard to Evergreen Court Apartments. Mr. Sarkozy recalled previous Council discussions on May 2 and May 9.

Arthur Sullivan, ARCH Program Manager, briefly reviewed amendments to the requirements of the funding agreement, as directed by the Council during previous discussions. These amendments are incorporated into Resolution No. 8234 as presented.

Councilmember Robertson recalled that the Council had a robust discussion about the project's viability for the future. At that time, there were concerns about the pro forma and anticipated revenues, and there was an interest in Councilmember Wallace reviewing the proposed agreement in greater detail.

Mr. Sullivan explained that the proposed Resolution anticipates an additional round of evaluation by another third party. Ms. Robertson indicated that she would prefer to have more information before going forward. She supports the project and providing more affordable housing in Bellevue, but she is concerned about whether it will be viable for the long term.

- Councilmember Robertson moved to approve Resolution No. 8234, with a change to the final sentence in Paragraph 11 of Section 1 to specify that the City Council will be included in the update to occur before the final selection of a new project management team and the release of funds [i.e., update "...to City and ARCH staff, the ARCH Citizen Advisory Board, and the City Council for their review and approval."]. Deputy Mayor Lee seconded the motion.

Responding to Mr. Lee, Mr. Sullivan said he is unsure about whether this causes an issue with the lender at this point, given the status of the loan. However, if required by the City Council, an update will be provided prior to final selection of the new management team and the release of funds.

Councilmember Balducci asked the Mayor to allow input from the DASH representative on this issue.

Greg Russell stated that DASH's strong preference would be to create a more streamlined process, instead of having to return to the full Council for a formal vote. The lender would like to see the financing move forward. King County is holding up its funds contingent on the City's action. Mr. Russell expressed concern that the amendment will be viewed as conditional approval with an additional delay. He is concerned about how quickly the additional pro forma review could be completed.

Turning to City staff, Councilmember Balducci questioned the likelihood of being able to bring back the requested information and take another Council vote. City Manager Sarkozy suggested that the item could be added to the May 31 Special Meeting agenda.

Mr. Sullivan noted that the condition involves bringing in a third party to review the financial restructuring. He believes this is not feasible within the next couple of weeks.

- As a substitute motion, Councilmember Balducci moved to approve Resolution No. 8234 as presented by staff. Councilmember Chelminiak seconded the substitute motion.

Councilmember Balducci acknowledged the risks involved with the funding request. However, she noted there are significant risks associated with not moving forward.

Councilmember Robertson suggested that there is enough time for the Council to review additional information and to take action before the next monthly meeting of the ARCH Citizen Advisory Board. Mr. Sullivan clarified that his previous comment was expressing his concern that two weeks would not be adequate for a thorough third party review.

- Councilmember Wallace moved to extend the meeting by 15 minutes, and Councilmember Balducci seconded the motion.

- The motion to extend the meeting carried by a vote of 6-0.

Councilmember Wallace expressed support for Councilmember Robertson's motion. He cannot support the original Resolution because he believes that sufficient due diligence has not been completed. Mr. Wallace said it is not prudent to spend \$1.3 million given the realistic potential for foreclosure in the future.

Responding to Councilmember Chelminiak, Councilmember Balducci clarified her interest in making a definitive decision for DASH and ARCH tonight.

- The substitute motion failed by a vote of 3-3, with Mayor Davidson and Councilmembers Balducci and Chelminiak in favor.
- The main motion to approve Resolution No. 8234, as amended, carried by a vote of 5-1, with Mayor Davidson opposed.

Councilmember Chelminiak suggested a refresher on parliamentary procedure for the Council.

10. Land Use

- (b) *Consideration of the application of Group Mackenzie for a Conditional Use Permit to construct a health club within the Kelsey Creek Center, an existing commercial center. The project site is approximately 15 acres and is located at the corner of 148th Avenue SE and Main Street. The site is zoned Community Business and is located within the jurisdictional area of the East Bellevue Community Council. File No. 11-103765 LB.

Ordinance No. 6001 approving the conditional use permit application of Group Mackenzie to locate a health club in the Kelsey Creek Center, 15015 Main Street; file No. 11-103765-LB.

At 10: 35 p.m., Councilmember Wallace recused himself and left the Council Chamber.

Carol Helland, Land Use Division Director, provided a brief summary regarding the Conditional Use Permit (CUP) application of Group Mackenzie to locate a health club in the Kelsey Creek Center. She requested Council action on Ordinance No. 6001, provided on page 10-31 of the meeting packet.

- Councilmember Balducci moved to adopt Ordinance No. 6001, and Councilmember Robertson seconded the motion.
- The motion to adopt Ordinance No. 6001 carried by a vote of 5-0, with Councilmember Degginger absent and Councilmember Wallace recused.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.
15. Executive Session: None.
16. Adjournment

Mayor Davidson declared the meeting adjourned at 10:37 p.m.

Myrna L. Basich, MMC
City Clerk

/kaw

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

May 23, 2011
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

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

ABSENT: Councilmember Wallace

1. Executive Session

The meeting was called to order at 6:07 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Communications: Written and Oral

- (a) Lloyd Jacobs, a Woodridge resident, encouraged the Council to select a final South Bellevue light rail route and to move forward. He expressed concern about the environmental impacts and costs of the B7 and B7-Revised alternatives. He is in favor of the B2M route, which mitigates a number of impacts and has lower costs. Mr. Jacobs said it is time to focus on the Downtown Tunnel and finding the money to contribute toward its costs.
- (b) Joe Rosmann, representing Building a Better Bellevue, spoke in favor of the B7/B7-Revised light rail alignment. He believes that a central issue is whether the City and its residents have the right to set and follow their own land use codes. He said that Sound Transit has not identified mitigation measures and costs for the B2M route, which he believes will make it more expensive than the B7-Revised option. Mr. Rosmann submitted his comments in writing.
- (c) Leslie Lloyd, President of the Bellevue Downtown Association (BDA) and Executive Director of the Bellevue Jazz Festival, highlighted performances and activities scheduled for the upcoming festival.

¹ Deputy Mayor Lee arrived at 6:12 p.m.

3. Study Session

(a) Council Business and New Initiatives

Councilmember Robertson described a new Cradle to Career program under development within the Bellevue School District, which is based in part on the current Wrap Around Services Program. The program's stakeholder kick-off is scheduled for the second week of June at the South Bellevue Community Center, and they have invited Councilmembers and the City to participate. Ms. Robertson requested a joint meeting of the Council and the Bellevue School Board in the fall.

Deputy Mayor Lee said there is a median on Highland Drive in the Somerset neighborhood that is not being maintained, so residents have been mowing the grass.

City Manager Steve Sarkozy said the City's seasonal maintenance is underway. However, there are areas that will not be maintained as frequently as in the past due to budget reductions.

Mayor Davidson suggested that neighborhood outreach staff notify residents about the changes in service levels in some areas. Mr. Lee said this is an opportunity for innovation, and for the City to work with residents to address the impact of budget reductions.

Mayor Davidson referred the Council to the memo in the desk packet regarding his recommendations for appointments to the Environmental Services Commission.

- Councilmember Robertson moved to appoint Aaron Morin and Paul Weller to the Environmental Services Commission, each for a four-year term ending May 31, 2015. Deputy Mayor Lee seconded the motion.
- The motion for appointments to the Environmental Services Commission carried by a vote of 5-0, with Councilmember Balducci temporarily away from the table.

(b) Regional Issues

City Manager Steve Sarkozy opened discussion regarding a number of regional issues for the Council's consideration.

(1) Update on SR 520 Bridge Replacement and HOV Program; and Eastside Transit and HOV Project

Diane Carlson, Director of Intergovernmental Relations, introduced Julie Meredith, SR 520 Program Director for the Washington State Department of Transportation (WSDOT), to provide an update on the SR 520 program.

Ms. Meredith described the four major projects within the SR 520 Program: 1) Bridge pontoon construction, 2) I-5 to Medina bridge replacement and HOV project, 3) Medina to SR 202 Eastside transit and HOV project, and 4) Lake Washington congestion management project. The Lake Washington congestion management project is working to implement tolling operations this summer.

The pontoon construction project is underway in Aberdeen, and the first construction cycle is completed. Construction on the I-5 to Medina bridge replacement and HOV project is scheduled to begin in 2012. Ms. Meredith described a funding gap for design, right-of-way acquisition, and construction for the west end of the project. WSDOT is in the procurement stage for the Medina to SR 202 transit and HOV project.

[Councilmember Balducci returned to the table at 6:35 p.m.]

Ms. Meredith said that the evening's presentation would focus primarily on the Eastside transit and HOV project, which completed its environmental assessment in the spring of 2010 with a finding of no significant impact. Construction permits were obtained in early 2011, and the contractor is breaking ground with current clearing and grading activities.

Ms. Meredith introduced Chris Deane, Construction Manager, and Dan Galvin, Public Information Manager, from Eastside Corridor Constructors.

Mr. Deane described the Bellevue Way bridge and 108th Avenue NE projects, lid design, and construction staging. The Bellevue Way bridge will be larger than the current structure, and will have improved pedestrian and bike access. Evergreen Lid construction begins in June; Bellevue Way bridge work begins in July; and mainline and ramp construction begins at 92nd Avenue in August. The construction and opening of a new westbound entrance ramp at 84th Avenue is scheduled in September, and bridge construction at 108th Avenue NE begins in October. A number of full weekend closures of SR 520 are scheduled through the remainder of the year, beginning with June 17-20.

Responding to Mayor Davidson, Mr. Galvin described WSDOT's public information plan, including a project construction hotline at 425-998-5200, traditional media (i.e., TV, radio, newspaper), social media, special targeted outreach via email and listserves, signage, and agency publications (i.e., newsletter, fact sheets, maps).

Responding to Deputy Mayor Lee, Mr. Deane said that he believed there would not be a closure of SR 520 during the weekend of the Bellevue Arts and Craft Show. In further response, Mr. Galvin said that public information materials will be published in languages other than English as well.

Ms. Meredith described the bicycle and pedestrian improvements along the east side of SR 520 between 108th Avenue NE and NE 24th Street. WSDOT and the City are working on also adding a bike path along Northup Way.

Councilmember Balducci recalled that there has been a great deal of work to get to this point, and commented that it is great to see that construction is beginning. She noted that the bike trail is part of a regional trail, and Ms. Meredith confirmed that WSDOT is funding the new segment along Northrup Way.

Councilmember Degginger commented that the project will have strong benefits for the Eastside in terms of improved mobility. He thanked WSDOT for their work, and noted that he hopes to avoid SR 520 closures during Husky football games.

Wrapping up, Ms. Carlson said that City staff is working with WSDOT staff on a weekly basis to continue to coordinate the projects.

Mayor Davidson stated the Council's support for the project, including dealing with the challenges of road closures.

(2) King County Regional Solid Waste Management Update

Ms. Carlson introduced Kevin Kiernan, King County Solid Waste Division Director, to provide a briefing on the King County Executive's 2012 proposed rate increase and potential options for waste disposal after the Cedar Hills Landfill closes. Ms. Carlson noted that responses to issues raised during the March 28 Council discussion are provided in the meeting packet. Staff has prepared a revised draft Solid Waste Management Interest Statement for the Council's review and comment as well.

Mr. Kiernan provided an overview of the solid waste system. He noted that, under state law, counties are not involved in the collection of garbage, recyclables, and other items. This service is provided through city contracts or through Utilities and Transportation Commission awarded franchises. The County's transfer system consolidates the waste.

Mr. Kiernan said that the Comprehensive Solid Waste Management Plan is updated every five years, and will be updated this year. Interlocal agreements require that cities representing 75 percent of the population approve the plan in order for it to become effective.

Mr. Kiernan reported that the capital program is moving forward through the Transfer System Plan and Cedar Hills Site Development Plan. The Solid Waste Division has a one-year rate request pending before the King County Council, and anticipates that a multi-year rate will be proposed in 2012. The Division will consider a partial diversion of a portion of the waste stream away from the Cedar Hills Landfill. A request for proposals (RFP) will be issued to identify the alternatives, which will be evaluated before committing to construction of the next disposal site.

Mr. Kiernan described the rate structure, revenue sources, the operating fund, and reserve funds. One of the main drivers of the proposed rate increase is reduced tonnage/revenue, lower interest earnings, and fewer grant dollars. Other drivers are related to the 45-day operating reserve, the Landfill Reserve Fund, and the transfer station capital program. Planned expenditures totaling \$102,969,785 in 2008 were reduced to \$90,870,414 in 2011.

Mr. Kiernan briefly reviewed a rate study comparison between the 2008-2010 time period and 2012. He highlighted some of the performance measures used by the Solid Waste Division. He explained that value engineering is a part of all major solid waste capital projects. Bellevue staff has been invited to participate in the Factoria Transfer Station value engineering process. The orientation was held on May 20, and an in-depth, three-day session was scheduled for the week of May 23.

Mr. Kiernan said that the King County Council will take action this summer on the rate increase for 2012. Public notification of the new rate will begin in the fall, and recommended interlocal agreement amendments will be forwarded to the cities. The new rate is scheduled to take effect January 1, 2012, and a multi-year rate will be proposed to the King County Council in the spring. Also next year, cities will take action on the interlocal agreements and the Comprehensive Solid Waste Management Plan.

Responding to Mayor Davidson, Mr. Kiernan said there are two formal advisory committees. The Solid Waste Advisory Committee is established under state law, and is a diverse group that includes private collection companies, recyclers, union representatives, and citizens.

The Metropolitan Solid Waste Management Advisory Committee is comprised of the cities. All 37 cities are invited to participate, and 22 have indicated that they are interested in participating. Typically, approximately 14 individuals attend the meetings. Meeting minutes and agendas are distributed to all 37 cities. In further response, Mr. Kiernan said that rates are discussed with the two advisory committees. The state committee approved a motion supporting the rate and the process used to determine the increase.

Mayor Davison questioned whether, when the ownership of the landfill transferred from the utility to King County general government, there was an effect on rates. Mr. Kiernan said that the State of Washington transferred the landfill property to King County government in 1994. In 2002, the County began a review of its assets and determined that the County was the owner of the landfill property, and that the utility should pay rent to the owner/County. An appraisal determined the value of the space, which led to the development of a rental payment.

Mr. Kiernan said the rent is part of the rate base, and it is an annual payment. In further response, Mr. Kiernan said there was no monetary transition between 1994 and 2004 for the property. Upon completion of the appraisal, rent payments went into effect. Mr. Kiernan said the utility rate remained flat for a period of time, and there were significant reductions and service level changes which accommodated the rental expense at that point.

Councilmember Balducci said her understanding was that the rent was charged retroactively.

Mayor Davidson observed that expenses have decreased but rates have increased. Mr. Kiernan said that the tonnage was down by 20 percent, which is fewer tons to support the remaining expenses. He noted there are fixed costs as well. In further response, Mr. Kiernan said the rates were held flat for nine years while the utility deferred capital investments. The utility has

recently moved forward with needed capital projects, which are supported in general by the cities.

Councilmember Degginger continued questions related to the rate increase. He observed that rental rates for the Cedar Hills Landfill are increasing by approximately \$700,000 annually. Mr. Kiernan said the rent increase is three percent, and the rent is calculated based upon the capacity and present value calculation to pay it off. The current schedule completes payments of the rent by mid-2014.

Responding to Mr. Degginger, Mr. Kiernan described how the rent was developed based on a total value of \$60 million for the landfill available tonnage. The payment schedule identified an initial payment of \$7 million, and the schedule will be paid off in 2014.

Councilmember Degginger questioned how overhead costs are determined. Mr. Kiernan explained that the table provided in the presentation materials reflects average costs over three years. He noted that overhead costs will decrease by approximately \$800,000 in 2012. Mr. Degginger questioned the percentage of overhead representing payments to King County for county services versus departmental overhead. Mr. Kiernan said the costs are based on the same methodology used for Metro. In further response, Mr. Kiernan said he can provide information regarding payments for overhead costs to County departments. The amount is decreasing in 2012, and the overhead methodology has been audited. It was the subject of recent litigation, and the methodology held up in court.

Mr. Degginger requested data with specific figures for each year, rather than averages for 2008-2010.

Responding to Mr. Degginger, Mr. Kiernan said the Solid Waste Division makes reserve payments in order to pay cash for landfill development. Transfer projects are funded through 20-year bonds.

Responding to Mr. Degginger, Mr. Kiernan said performance measures are tracked on different schedules depending on daily, weekly and monthly activities. He said it is difficult to benchmark to other agencies because solid waste systems tend to vary a great deal. However, King County tries to consistently improve its performance where possible.

Councilmember Degginger questioned the increased efficiency to be gained with the new Factoria transfer station. Mr. Kiernan said that total project costs are \$77 million, which includes a significant land acquisition. He noted that the County bought the land for the project twice, resulting in significant costs. There have been extensive design activities to identify and review alternatives.

Regarding service levels, Mr. Kiernan said the Factoria station provides more efficient transportation, from an average of 18 tons per load to 25 tons per load on a fairly consistent basis. The new station will provide additional services including recycling, hazardous waste collection, and organics/yard waste recycling. Solid Waste Division traffic will be separated

from customer traffic, which will speed up the service time. This reduces costs by reducing the wait times of the Solid Waste Division traffic as well.

Responding to Deputy Mayor Lee, Mr. Kiernan said the landfill rent is paid from the solid waste utility to King County general government. He clarified that the rent was based on the value of the business versus the value of the land. The appraisal was completed by Cushman & Wakefield, a commercial appraiser. Mr. Kiernan said it is atypical to try to value a landfill, and there are no local comparables. The King County Executive has recently requested a new appraisal, and a City of Bellevue representative has been invited to participate in the process. A request for proposals will be issued to identify an appraiser.

In further response to Mr. Lee, Mr. Kiernan said that the County initially proposed retroactive rent payments. However, after the state auditor questioned that practice, the County did not pursue it.

Ms. Carlson noted that one principle of Bellevue's draft Regional Solid Waste Management Interest Statement is to transition out of the rent payments.

Responding to Deputy Mayor Lee, Mr. Kiernan said that the decrease in tonnage since 2007 is not related to recycling, but is instead driven by the economy. He explained that the utility has been looking at recycling markets, and the overall quantity of recycled materials has decreased as well. Other solid waste utilities are experiencing decreases in tonnage, with Southern California experiencing significantly greater declines compared to King County. Tonnage actually dropped in the fourth quarter of 2007, before the economy slowed.

Mayor Davidson observed that while lower tonnage is going into the landfill, rates are increasing, and he questioned how to explain this to citizens. Mr. Kiernan said the increase is 76 cents per ton. The increase reflected in Bellevue's contract is small, and disposal at the Cedar Hills Landfill is much less expensive than other alternatives. Preserving that asset has considerable value for the region. The cost per ton for disposal is \$17.83, compared to \$39 per ton in Seattle's export contract.

Mr. Kiernan said that recycling has extended the life of the landfill by approximately 10 years. In further response, Mr. Kiernan said that landfill rent will be repaid in 2014, and landfill capacity extends through 2018.

Councilmember Balducci noted the complexity of the system, and questioned whether there is any work in the long-range comprehensive plan to simplify the system. Mr. Kiernan said there are 37 cities in the unincorporated area, which all have the authority under state law to contract separately. The King County Solid Waste Division does not have any influence over those contracts. However, it works closely with the private sector. In developing the transfer stations, the Division worked with the private haulers to determine their needs and identify efficiencies. Mr. Kiernan acknowledged that the system is complicated, but that the utility tries to coordinate with all of the parties as efficiently as possible.

Referring to the City's draft interest statement, Councilmember Balducci noted the desirability of having some control over services, which Bellevue and other cities have addressed with regard to water through the Cascade Water Alliance. She observed that when the region increases its water conservation, rates increase to retain the revenue. She acknowledged the reality of fixed costs, but stated that there is a need to understand the drivers of the rate increase. Ms. Balducci noted that an important issue for the City is self-determination, especially within the constraints of a 40-year agreement.

Mr. Kiernan said that the regional approach provides the benefits of economies of scale. The national trend has been toward consolidation versus fragmentation. Mr. Kiernan said the Solid Waste Division works with cities to incorporate their involvement into its decisions, including involvement in creating the comprehensive plan. The Division has also discussed the concept of fair termination language, and the need to be fair to a city that wants to leave as well as the remaining cities.

Councilmember Robertson said she shares the Mayor's concerns about the rate increases over the past four years totaling approximately 31 percent. She questioned what to expect in terms of rates over the next few years, and asked whether rates will decrease after the rent is paid off in 2014.

Mr. Kiernan said the King County Council has a policy to not bond debt beyond the length of the interlocal agreements, and the Solid Waste Division cannot meet the terms of 20-year debt. Building the Factoria station in 2015 will be a 13-year debt, which will be more expensive than extending the interlocal agreements and the ability for longer term debt. Mr. Kiernan said he cannot determine long-term financing costs at this point.

Councilmember Robertson noted the region's high recycling and water conservation levels, and questioned how this will affect future rates and the ability of consumers to pay the rates. Mr. Kiernan explained that, before the economic downturn, the expectation was that recycling would offset growth in population and the economy. Despite the decrease in tonnage, the transfer system will continue to have an important role in the future. Currently all of the trucks that collect organics in King County drive to the Cedar Grove facility in Maple Valley. The new Factoria facility will have the ability to collect and transfer organics, which is a new service, and will provide overall flexibility moving forward. Mr. Kiernan said the facility is not expected to have a significant impact on rates.

Responding to Mayor Davidson, Mr. Kiernan clarified that the land under the Cedar Hills Landfill was owned by the State until 1994, at which time it was transferred to King County. The County was engaged in an evaluation of its assets in 2002-2003 and determined that it had ownership of the asset, and that the utility was using it without paying value for it. The County assessed a rental rate, based on the appraisal by Cushman & Wakefield, and it was reviewed by the State Auditor's Office and found to be an acceptable approach. Mr. Kiernan said he understands that that arrangement is controversial, and the King County Executive has requested additional information in the form of a new appraisal.

Councilmember Degginger questioned whether, given the decrease in tonnage, the County is overbuilding its transfer stations. Mr. Kiernan said the Solid Waste Division does not believe it is overbuilding, but the capital plan is at an early stage. Four facilities are planned; one is under construction, and one is in design. The Division will evaluate the need for capital projects throughout the term of the plan.

Deputy Mayor Lee said he is glad that the King County Executive is reviewing the landfill appraisal, given the concerns of the Bellevue City Council. He would like to have input into the process.

Councilmember Chelminiak said that, in addition to the cost of transporting material to the landfill, there are costs associated with having it there. He questioned whether the transfer stations should be designed to sort and pull out materials to be directed someplace other than the landfill.

Mr. Kiernan said that King County is implementing different designs. For example, the Bow Lake station currently under construction has the ability to sort out material of value, and the same is planned for the Factoria station. Mr. Kiernan explained that commercial garbage tends to have a percentage of recoverable material (i.e., wood, metal, etc.).

Joyce Nichols, Utilities Policy Advisor, referenced page 3-11 of the meeting packet for the proposed City of Bellevue Regional Solid Waste Management Interest Statement. She noted that the third bullet point was revised to emphasize cost control measures, in response to a previous comment by Councilmember Degginger. Amendments based on the overall Council discussion relate to performance measurement and future capital investments.

Councilmember Robertson commented that the interest statement reflects the Council's discussion and concerns very well, and she thanked staff for their work.

Deputy Mayor Lee said he would like stronger language related to the rent paid to the County.

Councilmember Chelminiak noted his ongoing concerns about the governance structure related to solid waste management. While investments are planned for facilities in Bellevue, the City still does not have a guaranteed seat on the Regional Policy Committee. He believes that Bellevue should have a true role in regional policy-making if the community is expected to accommodate increased traffic and other impacts at the Factoria Station. He believes that this should be discussed if the interlocal agreement is to be extended, and if bonds will be issued to finance the new Factoria station.

Councilmember Degginger suggested adding language to the interest statement that encourages transparency in terms of a clear explanation of cost drivers, expenses, policy-making, and the City's role. He agrees that termination of the agreement should be fair to both sides. However, he would like a better understanding of how that might work.

Following up on Mr. Chelminiak's comments, Mayor Davidson suggested a true regional committee related to solid waste management as opposed to the current advisory committees. He noted the Regional Water Quality Committee as an example.

Mr. Kiernan stated his understanding that there are certain metropolitan functions established under state law that cover transit and wastewater, but state law does not address solid waste. The City Advisory Group includes Bellevue representatives.

Ms. Nichols recalled a previous question to the Council about whether it would like an outside consultant to evaluate the potential alternatives to contracting with the County in the future.

Deputy Mayor Lee said he is not sure if the Council is ready to make that decision.

Ms. Carlson said staff concurs that the City is not ready to change its current approach. However, she questioned whether the Council might want to have this type of information prepared as something to compare to negotiations of the next Interlocal Agreement later this year. The Council will be asked to choose whether it would like to enter into a new Interlocal Agreement, or whether it would like to continue the current agreement until 2028.

Responding to Councilmember Robertson, Ms. Carlson explained that staff could develop a potential scope of work, to help the Council evaluate whether it believes a study would be beneficial at this time. She said that the Council will most likely have to make a decision in 2012 about whether to renew the Interlocal Agreement.

Ms. Robertson commented that the decision comes down to how close the Interlocal Agreement comes to the Council's interest statement. If both are in agreement, she does not see a need to consider alternatives at this time.

Councilmember Degginger said it would be helpful to have some idea of the proposed scope and estimated cost of an evaluation.

At 8:10 p.m., Mayor Davidson declared a short break.

The meeting resumed at 8:20 p.m.

Mayor Davidson asked that Agenda Item 3(c) be moved forward in the agenda.

→ Deputy Mayor Lee moved to amend the agenda to address Agenda Item 3(c) next, and Councilmember Degginger seconded the motion.

→ The motion carried by a vote of 6-0.

3. [Agenda Interruption]

(c) Proposed Code Amendment to create a new Gross Misdemeanor of Loitering with the Intent of Engaging in Drug-Related Activity

Kyle Aiken, Police Legal Advisor, introduced Craig Hanaumi, Police Department Officer of the Year, and Police Officer Jim Keene. Ms. Aiken said the Police Department is proposing an ordinance to create a gross misdemeanor of loitering with the intent of engaging in drug-related activity. She noted that some areas in Crossroads and Factoria have become a marketplace for controlled substance sales, all taking place on public streets and sidewalks by known convicted drug dealers and known persons charged and awaiting trial.

Ms. Aiken said that police officers observe these individuals speaking with prospective customers, but the drug deals are completed out of the officers' view. A social contact is not helpful in these instances because an officer is not allowed to conduct a search or pat down. However, the Police Department receives complaints from residents and businesses about the activity.

Ms. Aiken noted that other cities have had to address this problem already, providing a model for Bellevue to follow. The Police Department proposes creating a new gross misdemeanor of loitering with the intent to engage in drug sales. A gross misdemeanor can be punished by up to one year in jail and a fine of \$5,000. If the person is found to be in possession of drugs or engaging in sales, those would involve separate felony charges.

Officer Keene spoke in support of the proposed legislation. He has worked in the Crossroads area during his six years on the force, and has witnessed the growth of drug activity among individuals who were initially 13 or 14 years old and now have extensive criminal histories. He described his frustration in knowing what is going on, but being limited in how police officers can approach the situation. Officer Keene noted that overall the neighborhood is safe, but a small group of individuals are engaged in criminal behavior and openly claim to be gang members.

Officer Hanaumi spoke about his experience working in the Crossroads area, and described one individual who is a known drug dealer and trafficker in stolen goods. He encouraged the Council to support the proposed legislation.

Ms. Aiken reviewed the proposed legislation. If enacted, police officers will be able to investigate and enforce the law against loitering in public in a manner and under circumstances manifesting the intent to engage in illegal drug-related activity. Ms. Aiken described additional implications of the proposed ordinance in terms of a police officer's ability to investigate a number of activities. The ordinance is modeled after Tacoma's ordinance, which was upheld by the Supreme Court in 1992.

Councilmember Chelminiak questioned whether police officers have coordinated with local high schools on this issue. Ms. Aiken said she has not directly shared the proposal with High School Resource Officers. However, there have been discussions about drug trafficking and the sharing of information between SROs and Patrol Officers. Officer Keene said that he coordinates with a

Resource Officer assigned to the Crossroads Police Substation, and that officer works more closely with local schools. Ms. Aiken noted that he was unable to attend tonight's meeting.

Councilmember Robertson said that she appreciates the Police Department for being proactive on this issue. She expressed concern about drug activities near schools and Youth Eastside Services. She observed that a positive outcome of the ordinance will be the ability to investigate and search, which could potentially lead to felony charges. Ms. Aiken said that the majority of cases in Tacoma have ended up in Superior Court, and not as misdemeanors in District Court.

Councilmember Robertson expressed support for moving forward with the ordinance. She questioned whether this initiative is being coordinated with the Eastside Narcotics Task Force. Officer Keene said he envisions that the ordinance will focus primarily on operations that are typically smaller than those handled by the Task Force.

Ms. Aiken noted that Officer Keene recently completed a career development assignment with the Eastside Narcotics Task Force.

Deputy Mayor Lee expressed his appreciation for the Police Department and noted his support for law enforcement. However, he stated that he does not believe in having a lot of laws on the books. He questioned whether circumstances have changed sufficiently to warrant the law, or whether the situation needs to be emphasized without creating a new law. Mr. Lee questioned how Bellevue compares to five years ago, and how Bellevue compares to other cities. He questioned whether the proposed ordinance has been discussed with the public.

Mr. Lee requested statistics on current criminal activity and trends. He acknowledged that the law has been upheld by the Washington Supreme Court, but suggested that the Council should determine whether the law meets its own understanding of what is constitutional.

Responding to Mayor Davidson, Deputy Mayor Lee said he was not ready to take action on the request.

Councilmember Balducci recalled that there were a number of problems in the Crossroads area some years ago; and residents, business leaders, and the Police Department came together to clean it up. She believes that her constituents would support the proposed ordinance. However, she would like to see statistical data demonstrating how the approach has worked in other jurisdictions.

City Manager Sarkozy said that the proposal has been discussed at the upper levels, and he would like to be able to assist the officers with proactively addressing the issue.

Ms. Balducci concurred about the importance of actively addressing the issue before it becomes an even bigger problem.

Councilmember Degginger thanked the officers for the presentation. He asked the officers how often they would have used this tool last year had it been available.

Officer Keene stated that it would be useful almost daily. He clarified that it will help allow police officers to approach an individual who has an extensive record related to dealing and using drugs.

Councilmember Degginger asked the officers if they are seeing an increase in illegal drugs and gang activity. Officer Keene said that officers are seeing more of this activity and vehicle prowls. Officers believe that the same group of individuals are committing the majority of the crimes.

Mayor Davidson questioned the Council's interest in how to proceed, given that there have been a number of questions.

Councilmember Degginger said that, given the last comments by Officer Keene, he would like to put the ordinance in place as soon as possible. He is interested in the answers to other Councilmembers' questions. However, he recalled the discussion earlier in the year about the increase in burglaries as well.

Councilmember Chelminiak concurred. He suggested bringing the item back during the next Regular Session for additional discussion and action. He would like to address the issue as soon as possible, especially given that this activity tends to increase in the summer.

Councilmember Robertson concurred with bringing the issue back on June 6.

Mayor Davidson confirmed taking action on June 6. He thanked the Police Officers for their work and for bringing the situation to the Council's attention.

(b) Regional Issues [Resumed]

(3) King County Metro Transit Strategic Plan for Public Transportation
(2011-2021)

Returning to Regional Issues, City Manager Sarkozy opened discussion regarding the King County Metro Transit Strategic Plan for Public Transportation (2011-2021).

Ms. Carlson reported that the Regional Transit Committee, which includes Deputy Mayor Lee, reviewed the draft Strategic Plan for Public Transportation during four meetings. She said the plan identifies reductions in transit service for the Eastside, which staff will address later in the presentation.

Jim Jacobson, highlighted the key elements of King County Metro's 2010-2011 adopted budget, which include capital program reductions, a temporary reduction in operating reserves, the implementation of audit efficiencies, and overall bus service reductions. He reviewed actions taken in 2010 and 2011 to reduce expenditures and increase revenues. He described key factors and unknowns going forward including the potential congestion relief fee and the timing of

service reductions. The congestion relief fee could generate approximately \$50 through 2012-2013. However, service costs are largely unfunded beyond 2013.

Mr. Jacobson reviewed the next steps. The proposed budget will be forwarded to the King County Executive in July, and adoption of the strategic plan by the King County Council is anticipated in late July. If the County Council chooses to place the congestion relief fee on the November ballot, the deadline for filing is August 16. Final budget adoption is scheduled for November 21, 2011.

Mr. Jacobson explained that priorities related to service reductions are to reduce low productivity services and to restructure services to improve efficiency. Criteria for increasing service levels are passenger loads, schedule reliability, under-served corridors on the all-day and peak network, and service additions to high productivity corridors.

Responding to Councilmember Balducci, Mr. Jacobson said that each annual fare increase generates approximately \$10 million.

Deputy Mayor Lee said that the Regional Transit Committee has been working well with County and City staff to review the plan.

Kim Becklund, Transportation Policy Advisor, referred the Council to page 3-23 of the meeting packet for a summary of the three policy areas of concern, as well as solutions proposed by staff. One is that the service guidelines in the plan reflect the current transit network. This leaves little ability to target future service adjustments toward growth centers that will continue to attract population and employment. Staff proposes an amendment to ensure that the process measures changes in transit demand related to growth in major employment centers, and is able to restructure services to meet that demand.

The second issue is that the factors of land use, social equity, and geographic value used to evaluate routes resulted in reductions to existing Eastside routes, and few Eastside routes scoring well enough to be on the future additions list. Staff proposes an amendment with regard to the land use criteria to create a new method for assigning routes that captures transit market demand within and connecting regional growth centers, instead of assigning routes to densities along corridors.

Ms. Becklund said that the third concern relates to underserved areas. Staff's proposed amendment encourages that future transit service expansion be based upon local investments that have made transit more attractive. The intent is to improve local circulation to, within, and between regional growth centers that have made significant investments in transit-supportive capital and operating projects and programs.

Councilmember Degginger said there were discussions by the Regional Transit Task Force about trying to match transit service with areas of population and employment growth. He commented that one of the issues discussed by the Task Force was whether bus service is continued when light rail is implemented, or whether it is redeployed to other areas. Mr. Jacobson said that the

plan addresses coordinating transit services with Sound Transit, in order to avoid the duplication of service.

Deputy Mayor Lee observed that the plan will remain flexible enough to be reevaluated on an annual basis, and modified if appropriate. He believes this will help to address concerns about future growth.

Ms. Becklund commented on discussions about studying transit alternatives. Responding to Councilmember Balducci, Ms. Becklund said alternatives under consideration include smaller buses, different providers, different operations for existing services, and different contracting methods.

Mr. Jacobson noted that Metro currently provides 90 vans that are used by agencies and cities to transport seniors and disabled patrons. Responding to Deputy Mayor Lee, Mr. Jacobson explained that these vans have exceeded their useful life as Metro transport vehicles. However, they can be used by outside agencies and are distributed throughout the county to organizations identified by individual County Councilmembers.

Ms. Carlson said that staff will provide an update following the Regional Transit Committee's action on the proposed Strategic Plan in mid-June. The Council will be asked to support the plan and to consider supporting the congestion relief fee.

Responding to Councilmember Balducci, Ms. Carlson indicated that Ms. Becklund has a summary of the reduction scenarios under consideration. This information will be forwarded to the Council.

Ms. Becklund recalled that City staff has the authority from the Council to begin its own transit plan update. The plan was last updated in 2003, and staff will start its review this fall. This will provide a good framework for how to direct future transit services.

(4) Countywide Planning Policy (CPP) Update

Mike Kattermann reported that the King County Growth Management Planning Council (GMPC) has been working to update the Countywide Planning Policies. He noted that Councilmember Robertson serves on the GMPC, and an inter-jurisdictional staff team is involved in the effort. The policies have not undergone a major update since they were first adopted in 1994. A major driver of the update is the incorporation of multi-county planning policies within the Vision 2040 Plan adopted by the Puget Sound Regional Council (PSRC). The first phase of the update process was the adoption in 2009 of growth targets for each jurisdiction in King County. Transit policies were adopted in 2010, and will be incorporated into the full update currently underway.

Mr. Kattermann explained that the purpose of tonight's discussion is to provide feedback and input for Councilmember Robertson to convey during the next GMPC meeting in June. The CPPs provide a vision/framework for regional investment and address the environment,

development patterns/land use, housing, economy/industry clusters, transportation, and public facilities and services.

Responding to Deputy Mayor Lee, Councilmember Chelminiak said that the Regional Economic Plan originally identified 15 specific economic clusters.

Mr. Chelminiak said that finance, insurance, and real estate industries are not identified as economic clusters. However, he noted that a number of these businesses are in Bellevue, and they are supportive of the specific economic clusters.

Continuing, Mr. Kattermann said that the GMPC meeting is scheduled for June 29, which will involve the discussion of additional proposed amendments, and possibly action on a recommendation. Following adoption of the updated CPPs by the King County Council, there is a 90-day ratification period for adoption by 30 percent of the cities with 70 percent of the population.

Councilmember Robertson noted her work on the GMPC, and her interest in ensuring that the CPPs do not create unfunded mandates or place burdens on cities, especially the smaller cities. She requested Council feedback on the concept of extending sewer and water services beyond the urban growth boundary. The Lake Washington and Northshore School Districts both have property outside of the UGB, and are interested in sewer and water service before developing the sites. Ms. Robertson said that, historically, schools have been allowed to extend water and sewer lines in such a way that does not increase the development of the area. This issue is not addressed in the CPPs, and she has been asked to look at that issue. Ms. Robertson would like to ensure that school districts can utilize property that they already own.

Ms. Robertson said that another issue to be addressed is affordable housing targets. Targets average 16 percent countywide, but the low-income housing growth target for Bellevue is 26 percent. She observed that this is a fairly robust target, and she invited feedback from the Council. She noted that the City receives credit for housing built through regional housing agencies such as ARCH (A Regional Coalition for Housing).

Councilmember Degginger referred to a CPP regarding the water supply that directs jurisdictions to recognize and support agreements with water purveyors in adjacent counties to promote effective conveyance of the water supply. He suggested adding a reference to adjacent cities as well.

Deputy Mayor Lee observed that affordable housing is a challenge for Bellevue. He noted that South King County is studying the issue, and he would like the City to be proactive as well.

Councilmember Robertson said that, while there are no penalties for not meeting targets, she wants to see more affordable housing in Bellevue. And she believes that the rest of the Council supports that goal as well. She suggested it would be good to have a more realistic target, and she would like to work with staff to determine the best solution.

Councilmember Robertson invited input on the school sewer and water service issue. In the absence of a response from the Council, she indicated that she will use her best judgment in addressing that issue. She feels it is important to facilitate the development of schools where they are needed.

Councilmember Degginger said he would defer to Ms. Robertson's understanding of that issue. However, he observed that school districts in general seem unable to cooperate with regard to the use of facilities. One school district can be expanding and spending significant dollars on new facilities, while other districts have vacant buildings that are not being used. Mr. Degginger suggested that schools should first be developed within the urban growth boundary before looking at other alternatives.

Councilmember Robertson said she has been thinking about possible compromise language. One potential condition is that the extension of sewer and water service be allowed for properties currently owned by school districts, but not for any new properties acquired in the future. She said she will wait to see how the discussion evolves on this issue.

→ Deputy Mayor Lee moved to extend the meeting until 10:30 p.m. Councilmember Robertson seconded the motion.

→ The motion to extend the meeting carried by a vote of 6-0.

(5) Growth Management Policy Board and Regional Centers Criteria

Paul Inghram, Comprehensive Planning Manager, noted that the Puget Sound Regional Council (PSRC) Growth Management Policy Board covers four counties with 27 regional growth centers and eight manufacturing and industrial centers. Under the Vision 2040 framework, regional centers are designated to take a significant share of growth, and centers are becoming increasingly tied to regional transportation funding prioritization. Vision 2040 directs a review of current centers and an update of the criteria for designating regional centers. Draft criteria for new centers include mixed uses, high-capacity transit, and pedestrian environments; consistency with Vision 2040; and meeting thresholds for activity units.

Responding to Deputy Mayor Lee, Mr. Inghram said that an activity unit reflects any combination of jobs and people. Downtown Bellevue has an activity unit density of 110 per acre, based upon the total number of jobs and residents.

Mr. Inghram said that concerns have been expressed by King County, the City of Seattle, the City of Bellevue, and the Suburban Cities Association about whether the criteria are strong enough. There is concern that a greater number of centers will spread regional funding too thin. Mr. Inghram noted that Councilmember Robertson serves on the PSRC Growth Management Policy Board, which meets next on July 14. The PSRC Executive Board is expected to take action on the criteria later in the summer.

Councilmember Robertson stated her belief that the regional center criteria should be more strict. Having too many regional centers dilutes the meaning and purpose of identifying such centers in the Vision 2040 transportation plan. She explained that newly designated regional centers have a provisional status for two years. However, they are considered equal to established regional centers in terms of transportation funding. She expressed concern about the impacts of new centers on those that have existed for some years, and that have been planning for growth and investments. Ms. Robertson said these issues are also under discussion by the prioritization working group which recently approved the beta test for the process to develop a process for prioritizing transportation dollars.

Councilmember Degginger questioned how the Factoria area might be designated under the proposed new criteria. Mr. Inghram said staff analyzed areas within the Bel-Red corridor, Eastgate, and Factoria. An area encompassing the two transit/light rail stations in the Bel-Red corridor would meet the criteria fairly well. The Eastgate area meets many of the density thresholds, depending on the specific boundaries. Mr. Inghram said it would be necessary to add significant housing units to the Eastgate/Factoria area to achieve the regional center designation, which would likely not be feasible.

Councilmember Degginger observed that the housing, employment, and presence of Bellevue College in the Eastgate/Factoria area highlight the need to compete for regional resources.

Responding to Deputy Mayor Lee, Mr. Inghram said that Factoria and Eastgate could potentially be split into separate centers. However, together they encompass a number of assets including employment, housing, the Park and Ride facility, and Bellevue College.

Councilmember Chelminiak commented on the need to have a mix of activities within a regional center. He noted that some of the original, designated regional centers have not become true activity centers. He said it is important to focus resources toward the most effective regional centers.

Councilmember Robertson said there have been discussions about decertifying previously designated regional centers that are not performing, such as South Hill Mall and SODO. However, this would be politically difficult to accomplish. She wants to ensure that any new centers have the strong potential for performing as regional activity centers and for effectively using transportation funding.

Ms. Robertson observed that the Bel-Red corridor would likely meet the criteria for a regional center. With regard to the Factoria and Eastgate areas, she noted that much of the acreage is the freeway, and she questioned how this is considered within the definition. Mr. Inghram confirmed that removing I-90 would affect the gross acreage calculation. However, the big hurdle for Eastgate will be housing units.

Ms. Carlson noted additional regional issues briefings in the meeting packet for the Council's information.

(d) Arts Funding Recommendation

Mr. Sarkozy recalled that the Council previously approved the 2011 guidelines for formulating allocation recommendations for the Eastside Arts Partnerships and Special Projects programs.

Councilmember Robertson noted that she is a Board Member for the Bellevue Philharmonic Orchestra, which is one of the organizations requesting funding. To avoid any appearance of conflict of interest, she recused herself from participating in this discussion and action, and left the meeting.

Brad Smith, Arts Commissioner, reviewed the Commission's process of soliciting and reviewing funding applications. He noted that four applicants submitted projects for the Bel-Red area, and three are recommended for funding.

Mary Pat Byrne, Arts Specialist, described the arts organizations requesting funding including their strategies for improving revenues, audiences, and attendance. Annual attendance in 2010 reported by the applicant organizations totaled 921,211, or 1.14 million if including attendance to the Downtown Magic Season activities.

Ms. Byrne recalled that the Council provided \$35,000 in emergency funding to the Bellevue Philharmonic Orchestra in the 2009-2010 budget. The Board worked with creditors to stabilize the organization, mended relationships with musicians, negotiated the first union contract, offered a smaller subscription season, and began to bring back subscribers.

→ Deputy Mayor Lee moved to extend the meeting by 15 minutes, and Councilmember Balducci seconded the motion

→ The motion to extend the meeting carried by a vote of 5-0.

Ms. Byrne said that the Bellevue Philharmonic Orchestra paid down its debt, hired a new maestro/music director and chief administrator, and continued with a reduced season. However, the organization is still fragile and faces challenges for the future.

→ Councilmember Balducci moved to approve the Arts Commission's 2011 Eastside Arts Partnerships and Special Projects funding recommendations, and to direct staff to proceed with implementation. Deputy Mayor Lee seconded the motion.

Mr. Lee said he is pleased to see that attendance to performances has increased.

Councilmember Balducci thanked the Arts Commission and Ms. Byrne for their work. She appreciates that arts organizations have worked hard to continue to deliver programming despite reduced funding. Ms. Balducci asked staff to come back to present a calendar of upcoming arts events.

Mayor Davidson expressed his appreciation to arts organization for their efforts to reduce costs and to keep moving forward through difficult times.

→ The motion to support the Arts Commission's funding recommendations carried by a vote of 5-0.

At 10:35 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting

May 31, 2011
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Davidson and Councilmembers Balducci¹, Chelminiak, Degginger, Robertson, and Wallace

ABSENT: Deputy Mayor Lee

1. Study Session

The meeting was called to order at 6:08 p.m.

- (a) Consideration of a Moratorium on Acceptance and Processing of Conditional Use Permit (CUP) Applications to Establish Helicopter Landing Facilities for Non-Emergency Uses

City Manager Steve Sarkozy opened discussion regarding the Council's interest in considering a moratorium and/or Land Use Code amendment to deal with applications for helicopter landing facilities in Bellevue. He recalled that on May 16, following the discussions regarding the Kemper Development Company helistop permit approval process, Councilmembers expressed concerns about the adequacy of the current Code with regard to the siting of helistops.

Mike Brennan, Director of Development Services, explained that regulations for the siting of helistops or heliports were developed in 1989 and have not been updated since that time. Downtown densities have increased significantly since that time, including residential development. He recalled that the Council recently approved a helistop to be located on the top of the Bank of America building for the Kemper Development Company. In 2009, a helistop was added at Overlake Hospital Medical Center for emergency transport. No other applications have been received by the City, and any applications require a pre-application meeting with the City.

Mr. Brennan referred the Council to the meeting packet for three options for addressing helicopter landing regulations.

Carol Helland, Land Use Division Director, explained that the first option is to adopt a moratorium. The second is a targeted Code amendment to prohibit all but emergency helicopter landing facilities citywide, and to conduct a broad study of private helicopter landing facilities as

¹ Councilmember Balducci arrived at 6:14 p.m.

part of a future Code amendment work program item. The third option is to take no action, and to direct staff to include the evaluation of helicopter landing facility regulations as part of a future Code amendment work program item.

Ms. Helland said that the adoption of a moratorium would preclude the City from accepting any new applications related to establishing a helicopter landing facility in Bellevue. The City would then study the issue and the potential impacts of additional helistop facilities.

Ms. Helland said staff recommends excluding emergency helistops from the moratorium. The establishment of a moratorium involves a stringent timeline, and a public hearing is required within 60 days. Any extension of the moratorium would be in six-month increments, following a public hearing and a new finding of necessity.

Responding to Mayor Davidson, Ms. Helland confirmed that declaring a moratorium requires findings to support the decision. She referred the Council to page 1-5 of the meeting packet for the proposed Ordinance, which outlines findings to support a moratorium.

Councilmember Chelminiak said he is unsure about the need for a moratorium, given that no one has expressed an interest in establishing a helistop facility. However, if the Council chooses to take such action, he suggested it would be helpful to inform any party currently interested in constructing a high-rise building and potentially interested in adding a helistop in the future.

Mr. Chelminiak noted that he has spent a great of time flying in helicopters, including over urban areas. He prefers the option of creating a targeted ordinance that would limit helicopter landing facilities to emergency uses. What he finds lacking in the Code is the consideration of residential development within commercial zones.

He noted concerns by himself and the public about the overflight issue. He believes that the City should become involved in regulating an operation such as a landing, for example through the City's Noise Code. The handling of the Kemper Development Company application demonstrated that the City had authority over noise levels only once the aircraft lands on the helistop, but not while it is in flight. Mr. Chelminiak suggested that, if private helicopters are to be allowed to land, the Code should be amended to enable the City to regulate noise related to the flight path.

Mr. Chelminiak recalled that the FAA looked at the issue of obstructions. However, the FAA report did not address whether it had the latest information on file, or whether the City should be considering obstructions. It also did not address whether future structures might create obstructions and how this would be handled.

Mr. Chelminiak observed that the regulations do not address indoor air quality related to helistop operations. When he worked in a building with a helistop facility on the roof, the fumes related to the aircraft's operation seeped into the building itself. In general, he believes the City should not allow helistops. However, if they are needed on a case-by-case basis (e.g., moving construction equipment), the City should regulate this activity through a temporary use permit.

Councilmember Balducci observed that one issue that has been raised is that no one currently has the sufficient building height or has expressed an interest in adding a helistop. However, she would like to address regulatory amendments before another application can be submitted. A moratorium would provide the opportunity to review noise and safety issues, and to study the regulatory approaches of other cities.

Ms. Balducci recalled that significant concerns, including noise and safety, were raised by residents during the recent consideration of an application. She said that if the City is encouraging residential development in the Downtown, it should address residents' concerns about helistop facilities. She encouraged the Council to declare a moratorium, excluding emergency use, and to initiate a targeted Code amendment process.

Ms. Helland clarified that staff's intention, in part, for providing the second option was to be relieved of the mandatory public hearing and process required by the declaration of a moratorium. She noted that the moratorium process will impact the work program of the Development Services Department. However, it is an option for addressing Councilmember Chelminiak's interest in sending a message that the City and Council have concerns, and that they are receptive to responding to requests for Code amendments to accommodate uses. Ms. Helland said it would send a message that, in the future if someone requests a helistop, a Code amendment would be needed and the proper analysis could be conducted at that time. However, she noted the implications of temporarily directing attention away from other staff work program items.

Councilmember Wallace agreed that it makes sense to look at the issue, especially in light of residents' concerns about noise and safety. He does not favor a moratorium, but he likes the idea of analyzing the issue and the current regulatory approach. Mr. Wallace supports reviewing the Noise Code to determine whether it is consistent with residential development in the Downtown. He noted that concerns about noise, generated from a number of sources, have increased as residential development has increased. He agrees with the suggestion to look into how other cities have addressed these issues.

Councilmember Robertson agrees that a moratorium is not a desirable avenue, given the requirements related to the timeline and the impact on staff's workload. She is open to considering a short-term, targeted amendment in the near future. Ms. Robertson noted her interest in reviewing and updating the City's overall zoning regulations, including noise issues, within the next 12-24 months.

Mayor Davidson restated his understanding of Councilmember Robertson's position. She does not want to pursue a quick fix, however, she would support that approach as long as the Council could address the broader issues within the next 12-24 months.

Ms. Robertson suggested it would be helpful to address the Noise Code sooner, as this has a number of implications related to Downtown development. She would like to get an overall update of the Zoning Code onto the Council's agenda.

Councilmember Degginger supports Option 2 and would like to resolve the issue rather quickly. The other items mentioned by Ms. Robertson will require a more extensive review, and he does not want this issue to become lost in that effort.

Mayor Davidson agrees with Option 2 as well. He noted the current planning process for the Eastgate/I-90 corridor, and the potential for helicopter landing facilities becoming an issue in that area.

→ Councilmember Balducci moved to direct staff to initiate a targeted Code amendment immediately, to prohibit all but emergency helicopter landing facilities citywide, and to conduct a broad study of private helicopter landing facilities as part of a future funded Code amendment work program item. Councilmember Chelminiak seconded motion.

Councilmember Wallace reiterated that the noise issue is a fundamental concern for residential development in the Downtown.

Councilmember Balducci expressed support for a directive that staff come back to the Council to set priorities for the issues to be addressed in the short term.

Councilmember Chelminiak said it is reasonable to initiate a review. He believes there is a need for a threshold decision to determine whether there is any place in the community that helicopter landing facilities should be allowed as a conditional use. If so, Mr. Chelminiak believes that noise regulations should address the flight path, as well as the noise on the landing facility. He would like to move forward on the helistop issue within a year. However, he believes that the broader concept of noise and overall zoning regulations will require more time for review. Mr. Chelminiak suggested beginning with changing the Code to allow helicopter landing facilities for emergency uses only, and to work from there.

Seeking clarification, Councilmember Wallace questioned whether the motion simply amends the Land Use Code to state that helistops can only be permitted for emergency purposes, or whether it states that the Council will do what is needed to change the regulations.

Mayor Davidson said he believes that that will be the first move. The second move is to get in line in a year or so to review the broader issue. If an application for a helistop is submitted, the Council can address it at that time along with noise and other issues.

Councilmember Wallace would like to immediately initiate a discussion about noise issues in the Downtown.

Councilmember Balducci recalled that there was a proposed budget item to review the Downtown Livability program, including noise issues, but that this was not included in the budget. She supports Ms. Robertson's suggestion to address the helistop issue now, and to discuss overall zoning and noise issues in the future.

- The motion to direct staff to initiate a targeted Code amendment immediately, to prohibit all but emergency helicopter landing facilities citywide, and to conduct a broad study of private helicopter landing facilities as part of a future funded Code amendment work program item, carried by a vote of 6-0.

- Councilmember Robertson moved to direct staff to come back to discuss a work plan for updating the Land Use Code which includes, but is not limited to, the following topics: 1) Helipad standards, 2) Noise Code, 3) Development Agreement and Concomitant Agreement standards, 4) Changing to a Hearing Examiner system for direct judicial review (i.e., Excluding Council from the quasi-judicial process), 5) Concurrency standards, 6) Downtown Livability, and 7) A general Code update. Councilmember Balducci seconded the motion.

Ms. Helland explained that staff's preference is to address the helistop targeted amendment with the Planning Commission in the near future. However, the review of the Shoreline Management Program is at a busy and critical point. She said it is possible that the Planning Commission will prefer to take up the topic of work program priorities at the same time that staff brings back the helistop issue for the Council's consideration. Staff's intent is to do this within 60 days, before the Council's August recess. This would allow the Council to discuss how it fits within the funded budget and within the current work program.

With regard to the targeted amendment, Councilmember Robertson suggested that, if the Planning Commission's workload is too full, the Council could take up the issue directly. Ms. Robertson said she does not object to the 60 days. However, the Noise Code is the most pressing issue for her because it has implications for other activities currently underway. She would like to move forward with the Noise Code review in June. She questioned the possibility of scheduling a preliminary discussion of some of the broader issues included in her motion.

Mr. Brennan stated that many of the issues are interrelated and would be difficult to address separately. However, staff could outline the Land Use Code amendment docket, and talk about existing issues as well as those raised tonight to determine the Council's priorities for additional work.

When staff returns for discussion of the work program, Councilmember Degginger said it will be helpful for the Council to understand which LUCA items are funded and which are not.

Councilmember Chelminiak observed that addressing the Noise Code issues is possibly a year-long process, although he is in favor of reviewing the Code. He questioned taking action on Ms. Robertson's motion at this time, as it goes beyond the scope of the meeting's agenda. He agrees with comments about reviewing the overall work program and reassessing the Council's priorities.

Ms. Helland clarified that the Planning Commission has the flexibility to address targeted issues. However, the issue is staff's capacity to prepare for the Planning Commission meetings related to the ongoing Shoreline Master Program review. She noted that there are process deadlines

associated with meeting the requirements of the State Environmental Policy Act (SEPA). If the Council decides to circumvent the Commission's process, the Council would be required to hold a public hearing instead of the Planning Commission.

Councilmember Wallace said that an issue he would like to add to the broader discussion is that banks are not permitted in many of the Downtown retail properties. He believes that more banks will come into the community if the regulations are amended, and that this would bring jobs as well.

→ The motion to direct staff to come back to discuss a work plan for updating the Land Use Code carried by a vote of 6-0.

2. Executive Session

(a) Potential Litigation

At 6:52 p.m., Mayor Davidson declared recess to Executive Session for approximately two hours to discuss one item of potential litigation. He noted that the meeting would adjourn immediately following the Executive Session.

The Executive Session concluded at 10:10 p.m., and the meeting was adjourned.

Myrna L. Basich, MMC
City Clerk

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