

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MEETING MINUTES

September 25, 2013
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Tebelius, Commissioners Carlson, Ferris, Hamlin, Hilhorst, Laing

COMMISSIONERS ABSENT: None

STAFF PRESENT: Paul Inghram, Nicholas Matz, Department of Planning and Community Development; Pam Maloney, Scott Taylor, Department of Utilities

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:33 p.m. by Chair Tebelius who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

3. PUBLIC COMMENT – None

4. APPROVAL OF AGENDA

A motion to approve the agenda was made by Commissioner Laing. The motion was seconded by Commissioner Hilhorst and it carried unanimously.

5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None

6. COMMITTEE REPORTS

A. Downtown Livability Initiative

Commissioner Ferris reported that the Downtown Livability Initiative CAC met on September 18 and the discussion focused on the amenity incentive system that was developed 30 years ago. Attention was given to what things should be encouraged, what things have not come to be, and what should be changed. The group talked about what attributes it would most like to see in the downtown and will wait for input from staff relative to what the bonus numbers should be.

Commissioner Laing said Commissioner Ferris made a suggestion at the outset of the discussion regarding the need to identify what is needed to improve the livability of the downtown first

before deciding what amenities should be bonusable. He also suggested the committee should look specifically at affordable housing and devote some specific time to the issue at a future meeting. The Parks and Community Services Board representative highlighted the need to discuss the need for open space in the downtown as well. The experience of the pedestrian corridor was discussed as exemplifying the challenges of having an amenity system that requires multiple property owners either to cooperate with each other or all develop at the same time or else face what has in fact happened, which is the piecemeal approach to bringing the pedestrian corridor online.

B. Shoreline Master Program

Chair Tebelius noted that on September 18 she emailed to the Commissioners the motion that was passed by the City Council relating to the Shoreline Master Program. She said the interpretation of the motion has triggered some debate.

Commissioner Hamlin said the Council reviewed the options originally on July 15. At that time the Council directed the staff to work with the Department of Ecology to narrow the list of issues raised by the state based on its initial review of the document. The Department of Ecology stated at the time that it would not be able to fully comment on the issues until the cumulative impact analysis was released. The Council had also directed the staff to complete the cumulative impact analysis.

Continuing, Commissioner Hamlin said he, Chair Tebelius, Commissioner Laing, Comprehensive Planning Manager Paul Inghram and Land Use Director Carol Helland met on September 18 to talk through where things stood. At that time Ms. Helland mentioned that the staff had a consultant working on the cumulative impact analysis. Ms. Helland also identified three issues being addressed so the Shoreline Master Program can be moved forward: 1) educating the Department of Ecology and providing clarification regarding the content issues and how annotative work was needed to help the state understand where the city is coming from; 2) the conformance amendment work under way by the staff that is anticipated to be completed by the end of September; and 3) the substantive provisions that likely will need to be discussed in more detail. Another briefing of the Council is slated for October 7 at which time staff intends to bring forward all of the issues the Council needs to discuss. A public meeting will be scheduled for a later date based on what comes out of the meeting with the Council.

The Shoreline Master Program is not the only issue for staff to deal with. At the October 7 meeting the Council will be asked to prioritize the list of work items in order to get a better handle on the overall staff work schedule.

Chair Tebelius explained that staff made the decision to first respond to the 46-page letter from the Department of Ecology that was received in January. Many of the issues raised by the state have to do with tiny nuances and non-substantial issues, and staff will simply answer those questions for the state. Chair Tebelius said staff addressed that the ~~The~~ work of responding to the letter from the state delayed work on producing the conformance amendments.

Chair Tebelius said ~~she and~~ Commissioner Laing has made some preliminary drafts on the ~~decided to do some drafting on the~~ conformance amendments. The staff indicated they are in fact working on the cumulative impact analysis and the conformance amendments, the latter of which should be completed in a couple of weeks. Staff went on to clarify that work under way on the cumulative impact analysis is being done by the staff. The staff explained that other

projects that have been recent Council priorities have translated into a delay in getting the conformance amendments completed.

Chair Tebelius said the letter sent to the Department of Ecology by the staff and the letter sent from the state to the staff have not been provided to the Commission. She said her understanding is that the letters will not be presented to the Commission because the Commission has already handed the issue off to the Council. The only things the Commission will be tasked with is reviewing the conformance amendments and possibly the cumulative impact analysis.

The Council briefing scheduled for October 7 is the first of a series of briefings on the Shoreline Master Program.

Mr. Inghram said the Council in September expressed a desire to move forward with the Shoreline Master Program on all fronts. The Council certainly has an interest in the specific substantive issues. Staff believes the direction from the Council is for the Commission to proceed with the conformance amendments. The Department of Ecology and the staff have been engaged relative to educating and clarifying, and the progress made will be reported back to the Council. Staff is also working on the cumulative impact analysis.

Mr. Inghram said the interactions between staff and the Department of Ecology will not be coming before the Commission unless the Council directs otherwise. The conformance amendments will be before the Commission once the drafting work is completed. The cumulative impact analysis will also not be coming to the Commission unless the Council decides it should. The city's protocol with all documents for issues before the Council is that they be distributed to Council prior to providing them to its boards and commissions or the public.

Answering a question asked by Commissioner Ferris, Mr. Inghram explained that the cumulative impact analysis is somewhat akin to doing an Environmental Impact Statement for a project. The technical environmental analysis maps the specific environmental impacts that will result from the rules; it is not a new set of rules or policies and is not a part of the regulatory framework.

Chair Tebelius said it was her understanding that the cumulative impact analysis could not be done until the conformance amendments are done. Mr. Inghram said that is right insofar as the analysis has to be done on the final product, of which the conformance amendments are a part.

Commissioner Laing explained that he spent only 15 or 20 minutes in drafting conformance amendments. He said one of the conforming amendments required by the Growth Management Act and the Shoreline Management Act stems from the fact that once the Shoreline Master Program is adopted, shoreline critical areas will no longer be regulated through the critical areas ordinance. The current critical areas ordinance lists shorelines as critical areas. He said the drafting work he did involved a search of the critical areas ordinance and striking out all references to shorelines and including the state statute language.

With regard to the most recent document sent from the Department of Ecology to the city, Commissioner Laing said he fully understands the reason why the Council would want to see any materials directed to the Council ahead of other boards and commissions and before the materials are made public.

Continuing, Commissioner Laing said one of the things that has stagnated statewide efforts to update shoreline master programs has been the distrust between the various stakeholder groups; that distrust certainly was in evidence in the Bellevue process. The distrust has been so pervasive that the state sought grant money and used it to conduct focus groups and other outreach efforts aimed at how to improve the process. He said he was one of the persons interviewed by the state's consultant that was hired by the Department of Ecology to figure out what could be done to reduce temperatures and work through the issues. Many jurisdictions at the stage following which their planning commissions have made the handoff to their respective city councils have immediately posted to their websites their communications with the Department of Ecology; Medina, Mercer Island and Bainbridge Island all took that approach, as did many others. It would not be compromising in any way for Bellevue to do the same, which aids in making the process transparent.

The Commission made a substantive recommendation to the Council on the substance of the Shoreline Master Program as it was charged with doing. Potentially troubling is the practice of the Department of Ecology of engaging in what amounts to closed-door legislating where substantive changes are effected to the draft regulations. The Council has not directed the staff to engage in similar activities; the staff have in fact been directed to educate not negotiate with the state. The educating process, however, is drawing to a close and the process of negotiating will begin. The Commission should honor established protocol, but it should also do all it can to keep the process open and transparent.

Commissioner Carlson commented that during the process undertaken by the Commission to develop the Shoreline Master Program document, the Commission was repeatedly told by the staff that the work product would belong to the Commission not the staff. The Commission was told to direct staff what to do and that the staff would do it. Everyone went the extra miles needed to arrive at full consensus, and the final plan was presented to the City Council. The Department of Ecology then arched its eyebrow and forwarded to the city a letter asking both technical and substantive questions, but instead of forwarding the letter to the Commission to be answered, staff kept the matter in-house and has pointedly kept the Commission from being involved. He said he found the approach used very confusing.

Mr. Inghram reiterated the fact that the Council specifically directed staff to engage with the Department of Ecology in an attempt to educate them with regard to how the draft Shoreline Master Program in fact meets the state's concerns regarding conformance. He reminded the Commission that once a recommendation is made to the Council, the work product becomes the Council's document. The Commission owns the documents it is drafting, but once a recommendation is made ownership is transferred to the Council. The Council is free, then, to say what should be done with it, whether it should be adopted as presented, worked on by staff, or returned in whole or in part to the Commission for additional study and recommendation.

Commissioner Carlson questioned why staff would not welcome input from the Commission in answering some of the issues raised by the Department of Ecology, particularly the questions focused on how the Commission reached the conclusions it did. Mr. Inghram said the issue is not whether the staff wants to keep something for itself or not; the staff act as directed by the Council. The staff were specifically directed by the Council to respond to the letter from the Department of Ecology; it did not direct staff to bring the letter back to the Commission.

Chair Tebelius pointed out that in fact the original letter from the Department of Ecology was received by the city well in advance of the Commission making its final recommendation to the

Council on the Shoreline Master Program. Commissioner Hamlin disagreed, noting that in fact the state's letter was dated May 14, which was after the Commission made its recommendation. Commissioner Ferris added that the letter from the state arrived prior to the Council's first review of the draft Shoreline Master Program, but after the Commission took its final vote.

Commissioner Carlson said he hoped the Council would be made aware of the concerns raised by the Commission.

Chair Tebelius observed that under the guidelines, the Commission is supposed to report to the Council once a month. That has not been done in a long time and apparently a request to speak must be made with the City Clerk. She expressed her intent to address the Council on October 7 during the meeting at which the Council will be discussing the Shoreline Master Program. She added that had she known how things were going to play out with the Department of Ecology she would have acted to keep the matter from being forwarded to the Council without also having the cumulative impacts analysis and the conformance amendments all done and packaged together. As things have played out the Commission is being kept from seeing the letter from the state, and some members of the public are preparing public disclosure requests in order to see the information. She said she had no doubt that if the Commission asked, the Council would readily make the Department of Ecology letter available to the Commission.

Commissioner Ferris suggested a conversation with former Planning Commissioner and current Council liaison Councilmember Robertson would be beneficial. He said she knows the work and as liaison to the Council holds some sway over the issue. Commissioner Carlson concurred.

C. Comprehensive Plan Update

Commissioner Hilhorst said she and Mr. Inghram have been exchanging ideas relative to topics and speakers. It is likely Wright Runstad will want to come and talk about the Spring District development. The *Seattle Times* will be contacted to see if they would like to send someone to talk about the regional economy. Other possible topics and speakers include the Eastgate area; education, including Bellevue College and other colleges that are coming into play; diversity and culture, possibly including a presentation by a representative of the Bellevue Arts Museum; and Ron Sher who revised the Crossroads Shopping Center and turned it into a great third place.

Commissioner Ferris commented that the Commission does not often hear from the neighborhoods that do not have major developments either planned or under way. He suggested it would be helpful to form a panel with representatives from two or three neighborhoods to talk about the issues they are facing.

7. STAFF REPORTS – None

8. STUDY SESSION

A. 2013 Comprehensive Plan Annual Amendment

Mr. Inghram reminded the Commissioners that two applications for Comprehensive Plan amendment made it through the threshold review process. Action was taken by the Commission on July 8 to advance both the Bellevue Apartments and Bel-Kirk Office Park applications.

Senior Planner Nicholas Matz said the Council acted on the Commission's threshold review

recommendation on July 8 by initiating the Bel-Kirk Office Park and Bellevue Apartments applications, and declining to initiate the Overlake Investors amendment. He went on to say that Comprehensive Plan amendments are analyzed to determine their transportation and infrastructure impacts, and any likely impacts are reported out through the State Environmental Policy Act (SEPA). The anticipation is that threshold determinations will be issued associated with the public hearing. The capacity estimates are created under what SEPA considers to be worst case or the maximum build out that could occur under the amendment if approved.

Mr. Matz said the Bellevue Apartments are located at the intersection of 140th Avenue NE and NE 8th Street. The application seeks to change the 1.84-acre site from Office to Multifamily-High. The site currently is developed with a 29-unit apartment building. The Office designation came about in 1981 and required a conditional use approval in order to be allowed residential where the use would exceed 50 percent of the building area. Design review was also required given the location of the site in a transition area from single family zoning, which is actually the Puget Sound Energy substation site. The residential density limit in any Office district is R-20, and the existing apartment buildings were built at that density.

The land uses within a quarter mile of the subject property includes two- and three-story office and professional buildings to the north, west, east and south; multifamily neighborhoods at medium and high densities to the west, northwest and north; two- and four-unit complexes further to the east along NE 8th Street; a gas station/convenience store/car wash on a Community Business site across 140th Avenue NE; and a Walgreens drugstore located on an Neighborhood Business site across NE 8th Street to the south, which in turn is located adjacent to a church. The Puget Sound Energy Midlakes substation is located diagonally across NE 8th Street. The intersection of NE 8th Street and 140th Avenue NE is a designated intersection in the Urban Design Element of the Comprehensive Plan and was rebuilt to enhance pedestrian safety; it also provides access to the Rapid Ride stops on either side of 140th Avenue NE and NE 8th Street. Designated intersections encourage special streetscape designs that create entry points into the city or neighborhoods or that enhance pedestrian features. On the outer edge of the quarter mile radius from the subject property there are single family neighborhoods with R-2.5 and R-3.5 developments.

Two aspects of a single issue arose during the preliminary review of the amendment by the Commission and the Council which was focused on the site to the northwest which also is considering a Comprehensive Plan amendment for increased density. The Commission considered geographic expansion to include the site and concluded expansion was not warranted, particularly given that Bellevue Apartments is on the table because of its unique zoning and the fact that the residential use in an Office use represents a changed circumstance. The site to the northwest is in fact zoned R-20 and is built to that medium density. The Commission was also asked to consider how amendment review would apply to the Bellevue Apartments site, and by extension how it would affect any other site. The conclusion reached was the site is unique because of its Office zoning, and that while the neighborhood around the subject property has continued to develop, the Bellevue Apartments site did not get the opportunity to raise the question of the most appropriate zoning for the site. Nothing prohibits the adjacent property owner from seeking a Comprehensive Plan amendment, but a finding of changed circumstances would be difficult given the record created in association with the Bellevue Apartments site.

Commissioner Carlson said the record does not reflect any new information emerging from the Council hearing on the matter. He noted that he had been persuaded by the testimony of former Commissioner Pat Sheffels who indicated the original zoning for the Bellevue Apartments site

could have gone either way. The Commission concluded that additional apartments would be a good thing given the schools, the churches, the drug store and access to Rapid Ride.

A motion to send the final review of the Bellevue Apartments Comprehensive Plan amendment to public hearing was made by Commissioner Carlson. The motion was seconded by Commissioner Hilhorst.

Commissioner Ferris noted from the minutes of the Council's discussion that Councilmember Davidson asked if there were a way to give the Planning Commission the flexibility to consider expanding the geographic scope of the Comprehensive Plan amendment. Mr. Matz said that the decision to geographically expand the scope of a proposed amendment is done at the threshold review stage, and said if the Council wanted to change the process it would have to change the Comprehensive Plan amendment review process relative to when the geographic scope can be expanded.

The motion carried unanimously.

Mr. Matz said the privately initiated Bel-Kirk Office Park application seeks to amend the 7.26-acre site from Light Industrial to Office. The site, located between NE 33rd Place and the Burlington Northern/Sante Fe rail corridor, is currently developed with a two-building office complex. The Council on a 6-0 vote affirmed the Commission's recommendation to move the application out of threshold review. Both the Commission and the Council acknowledged that the North Bellevue subarea plan did not anticipate that the area would change from Light Industrial uses to predominantly Office uses.

One question raised regarding the proposal was what effect it would have on existing uses. Bellevue's Office districts are intended to provide areas for business, financial and professional services, and the code expects to find such uses located on arterials or commercial access streets. When near other major business and commercial areas, the districts may buffer residential from more intensive commercial districts, and the Bel-Kirk Office Park site is serving that purpose. Light Industrial, by contrast, is intended to provide location for a broad array of manufacturing, wholesale trade and distribution activities. The two mix when the office uses are provided in support of a predominantly light industrial use.

Mr. Matz said staff have concluded that the existing uses in the Bel-Kirk Office Park would be permitted outright in an Office district. The proposed change would, therefore, not create a nonconforming use situation.

The issue of opposition by the building owner was raised by both the Commission and the Council. The Bel-Kirk Office Park buildings and land are under separate ownership. During the public hearing and in testimony before the Council the building owners contended that without their permission the owners of the land were not qualified to apply for an amendment. The City Attorney's office was asked to weigh in on the issue and issued an opinion stating that the land owner is in fact qualified to apply for an amendment, and that the building owners do not have the right to prevent the Council from adopting any amendments proposed by the land owners. The owners of the buildings are essentially tenants to the land and any rights they have flow from their relationship to the property owner. The Land Use Code expressly authorizes the owners of property to file for Comprehensive Plan amendments. The dispute between the property owner and the building owner is a private matter and has no bearing on the consideration to be given to the matter by the Commission.

A motion to send the final review of the Bel-Kirk Office Park Comprehensive Plan amendment to public hearing was made by Commissioner Laing. The motion was seconded by Commissioner Hamlin and it carried unanimously.

Mr. Matz said the public hearing will be scheduled for October 23.

B. Comprehensive Plan Update

Mr. Inghram noted that to date the Commission had entertained an introduction to of all the main elements of the Comprehensive Plan. He suggested the focus on growth would help to frame future discussions. He shared with the Commissioners a graphic produced by the University of Washington a number of years ago that captured the fact that in 1940 Seattle was heavily developed whereas only a few people lived in the small outlying towns. By 1980 Puget Sound had formed as a developed area and since then has continued to grow. In 1900 just under 200,000 lived in the entire Puget Sound area. By 1910 that number had grown to nearly 500,000, an increase of 146 percent. From that time one growth has been steady at closer to 11 percent, though it peaked in the post-war years. In the period between 1970 and 1980, even when Boeing experienced a historic downturn and Seattle experienced school busing, the population of the overall region continued to grow. Growth in Bellevue over time must be graphed in a way that recognizes that much of the city's early growth has come along with its boundaries changing over time with annexations.

Commissioner Ferris said Bellevue's growth has been modest if growth by annexation is not included. Commissioner Hamlin commented that Bellevue's relatively slow non-annexation growth rate can be attributed to the fact that most areas of the city have traditionally been single family. The increase in multifamily zoning has pushed the growth rate up.

Mr. Inghram shared with the Commissioners an animation that showed how development has occurred over time within the current city boundaries, including residential and commercial.

With regard to the future, Mr. Inghram allowed that no one can say for sure what will happen to an individual parcel or an individual company, or when different economic changes are going to occur. However, the historic growth trend as tracked in ten-year increments is not erratic. There are no guarantees that the city will grow exactly as forecast, yet growth is relatively predictable. Between 2000 and 2040 the region is expected to grow by the size of three Seattles according to the county-by-county forecasts produced by the state. Bellevue works with the other cities in King County to determine where the forecasted growth is expected to go; that work is done every ten years and was last adopted by Council in 2010. For Bellevue the 25-year targets for 2006-2031 are for 17,000 additional households and 53,000 new jobs. The target years do not mesh exactly with the Comprehensive Plan, but the update work will push the horizon year out to 2035.

The Commissioners were shown color-coded maps showing existing and targeted household units through 2035.

Commissioner Ferris pointed out that for planning purposes the City Council actually adopts the household and employment targets based on the regional forecasts and the process of dividing up the total growth by local jurisdiction. Commissioner Hamlin agreed but pointed out that Bellevue also does its own forecasting. Mr. Inghram said the work of dividing up the King

County growth numbers is done with an eye on what Bellevue wants to and actually can achieve.

Chair Tebelius asked why Bellevue should take on the responsibility for providing housing units and when whether there are other jurisdictions that could accommodate ~~far more such requests as well~~. Commissioner Ferris suggested that the percentage increase by jurisdiction may in fact be fairly equal.

Chair Tebelius asked what the legal consequence would be for a city to approve a specific housing target but then not approve highrise developments that would be needed in order to meet their target. Mr. Inghram said there is nothing about the targets that mandate highrise developments. Decisions regarding whether or not development should be encouraged, and if so where and in what form, are left to local jurisdictions. The Bellevue City Council has adopted specific targets, but it is up to the community to determine how that growth should occur. The neighborhoods have steadily said they do not want to see a lot of change in the existing neighborhoods, so the focus has been on accommodating growth and development primarily in the downtown and in the Bel-Red corridor.

Commissioner Carlson asked if there is still annexation potential for Bellevue. Mr. Matz said there is a total of 47 acres left to annex into Bellevue, all up on Cougar Mountain. The South Bellevue and Eastgate annexations were the last of the larger areas.

Commissioner Laing asked if the city's growth targets could be achieved if no changes of any kind were made to the current zoning patterns. Mr. Matz said the answer is yes.

Commissioner Ferris said visualizing the increase in households is easier than visualizing an increase of 53,000 new jobs. He asked how many square feet of new office development would be needed to accommodate that number, and how many square feet of office between the downtown and Bel-Red could the current zoning accommodate. Mr. Matz said the capacity for job growth is predominantly in the downtown. The square footage needed per employee differs by land use. Calculating capacity involves the amount of vacant and redevelopable land, what the zoning allows, the specific land use and various market factors. The numbers indicate that by maxing out the capacity of the downtown within practical limits the downtown can accommodate an additional 45,000 jobs through 2035. A new buildable lands report is being developed and it will include how land is consumed against the capacity. The 2001-2005 buildable lands report looked at what was called the achieved density, or the actual achieved FAR compared to the allowable FAR. For the most part, the city wants to see the achieved density number moving higher over time. In the period between 1996 and 2000, commercial districts in the downtown and outside of the downtown achieved an FAR of 0.57; that number grew in the period between 2001 and 2005 to an FAR of 1.69. The presumption is that for the next report covering the period between 2006 and 2012 the number will advance even more.

Commissioner Ferris suggested there are a number of ways to increase capacity, including allowing increased height and density in the downtown and allowing the Wilburton area to the east across I-405 to redevelop with more density.

Chair Tebelius noted that from the start there has been an agreement as to what the downtown boundaries would be, ~~and that agreement has been held inviolate~~. She said she did not know if the agreement includes the Wilburton area.

Commissioner Hamlin commented that the rezoning of the Bel-Red corridor has changed things.

Commissioner Carlson suggested the argument by downtown property and business owners against Bel-Red rezoning was in part predicated on the notion that the vast majority of commercial growth should be channeled into the downtown. The Bel-Red rezone represents the biggest expansion of retail, commercial and office uses outside of the downtown core. Commissioner Hamlin said the question is whether as the city grows some of the smaller centers outside of the downtown will be able to sustain themselves if more height and density is permitted in the downtown core.

Mr. Inghram said the previous buildable lands report calculated figures through the year 2006, which was prior to the rezoning of the Bel-Red corridor. The next report will include that additional housing capacity, but the vision for the Eastgate area will not be included because the zoning will not yet be in place. For forecasting purposes, however, the Eastgate plan numbers have been calculated to show capacity for 1100 housing units in Eastgate and Factoria. Similarly for job growth, the report will show the capacity of the downtown, Bel-Red, Eastgate/Factoria, and other areas throughout the city, including Wilburton even though there is no new vision yet for that area.

Commissioner Ferris pointed out that there is housing development capacity in Factoria that has already been approved but which has yet to come online. There is also some housing capacity in Crossroads that also has yet to develop.

Mr. Inghram said in moving forward with the Comprehensive Plan update there will need to be discussion about how to distribute Bellevue's growth. The current Comprehensive Plan focuses primarily on the downtown but recent actions relative to Bel-Red and Eastgate should be acknowledged. Whether or not adequate capacity exists, and whether it is in the right location, will also need to be discussed. How the city plans for growth and how it is distributed in the city has direct impacts on planning efforts relative to streets, parks and utilities.

Commissioner Ferris pointed out that higher education is not specifically mentioned in the Comprehensive Plan. He said he would like to see something like a special opportunity area highlighted in which it would be very easy for higher education providers to locate. He suggested the old auto row in Wilburton would be perfect for the use.

Utilities Planning Manager Pam Maloney said two concerns face her department as Bellevue grows and matures. The first is that existing systems are aging and will need to be renewed and replaced, and the second is that population growth requires more water and wastewater facilities. Utilities is planning for both and has in place policies, programs and funding to support the needs.

The city provides water, sewer and storm water services to Bellevue customers. It would cost more than \$3.5 billion to replace all of the city's assets, or approximately \$100,000 for each customer connection. Most of the infrastructure is out of sight and out of mind unless something goes wrong, and much of the infrastructure is past its lifespan midpoint. There are more than 1700 miles of buried pipes running throughout the city as well as water and wastewater pump stations, as well as water reservoirs.

Ms. Maloney said Utilities is planning for and investing in the timely retirement of all of the city's utility systems. The department's asset management program is patterned after the EPA's recommended best practices framework for managing utilities. At its core the program seeks to renew and replace systems at the right time, at optimal cost, while continuing to meet the

services levels the customers expect. Under the program, assets are proactively replaced as they approach their life expectancy rather than allowing systems to fail before replacing them.

A lot of effort goes into condition assessment across all three utilities to determine when assets need to be replaced. For water pipes, it is not possible to conduct a video inspection while they are in service because they are under pressure, but failure trends are tracked and visual observations are made whenever pipes are exposed. Samples are selectively sent to a laboratory for evaluation. Other methods of determining water system integrity include inspection of the components in pump stations, inspecting the reservoirs every time they are drained for cleaning, and by tracking the volume of water lost through system leaks. Unaccounted water loss in Bellevue is very low by industry standards; it has been less than six percent over the last three years. Almost half of Bellevue's water system is conveyed in asbestos cement pipes which tend to fail catastrophically rather than through pinhole leaks.

Answering a question asked by Chair Tebelius, Ms. Maloney said it is fortunate that the parts of the city where the water and sewer pipes were laid a long time ago were constructed under water and sewer district standards and there are really good records extant about when they were constructed, where they are located, and the materials used. That is not the case with the storm water system and people many pipes were put in without adhering to any rules with the sole purpose of getting rid of water problems; accordingly the city does not have good records about the storm water systems. The storm water pipes that are known to be located in a city right-of-way are now owned by the city. Fortunately the sewer and storm water pipes are not combined so during weather events the city's sewer system is not overburdened.

Ms. Maloney said the city's asbestos cement water pipes are replaced when they experience structural failure or are anticipated to fail, not because they are made with asbestos. Asbestos poses a health risk when it is inhaled, but it cannot be inhaled when it is confined in a pipe. The process of replacing the pipe, however, where it involves actually cutting into it requires the material to be treated as hazardous.

Scott Taylor, Utilities Construction Manager and Acting Assistant Director for Engineering, explained that every opportunity is taken to observe the condition of existing pipes. New service connections require the exposing of pipe and utilities crews use the opportunity to conduct a pipeline assessment. The asset management folks take the data and use it in deciding which systems should be replaced first.

Ms. Maloney explained that sewer pipes are easier to inspect because it is possible to simply run a camera through them. About ten percent of the system is inspected by camera annually and the data collected is used in determining which pipes are in need of replacement. Pipes deemed most critical are inspected the most often. The components of sewer pump stations are also regularly inspected and replaced as necessary.

Answering a question asked by Commissioner Ferris, Ms. Maloney said utility systems are constructed to provide sufficient capacity for the underlying zoning. When significant upzones are approved, it is sometimes necessary to provide more utility capacity. That certainly was the case in the downtown in the 1980s when the downtown rezone went into play. Just recently the trunk lines that carry the sewage away to Metro were replaced to handle the increase in development. The properties that realize the benefit of an upzone are required to pay for the additional capacity.

Commissioner Ferris said developers are fond of talking about the onerous impact fees they are required to pay. Having them pay for additional capacity is an example of an impact fee, but they will not usually highlight the fact that they also received the benefit of an upzone.

Ms. Maloney said the storm system is also checked with video cameras as well as visual inspections. Where problems are found they are fixed. Stream culverts are also regularly inspected, particularly given that corrugated metal pipe does not last.

Ms. Maloney said lake lines fall into a special asset class of infrastructure. Utilities is responsible for 19 miles of sewer pipes that follow the shorelines of Lake Washington and Lake Sammamish. They are primarily underwater but in some cases are on land adjacent to the lakes. The lines directly serve lakefront properties but also carry waste water from upslope properties. Four miles of the 19 miles of lake lines are asbestos cement pipe which does not do well under water; most of them are in Lake Washington. Lake lines are difficult to access and to maintain, and replacing them will be technically challenging and relatively expensive. Mercer Island replaced its lake lines ten years ago at a cost of \$1500 per foot.

Chair Tebelius asked why the lines were placed in the lakes to begin with. Ms. Maloney said the intent was to let gravity do the work. She added that the lines were constructed at a time when there was less concern about shoreline habitat. Chair Tebelius asked if the lake lines could simply be removed in favor of pumping sewage up to an underground line. Ms. Maloney said that is one option, but varying conditions require looking at the issue one reach at a time. Utilities is just beginning to conduct a condition assessment and evaluation of alternatives for the lake lines. All stakeholders will be involved in the process in due time. About 1200 feet of asbestos cement pipe in Meydenbauer Bay will be replaced in 2014 in conjunction with the redevelopment of the park; the line will be moved onshore at an estimated cost of \$2.2 million.

Bellevue has long recognized that its water, sewer and storm water systems will need to be replaced over time. The City Council was very forward thinking in acting in the mid 1990s to establish funds for renewal and replacement of each utility system. There are utility financial policies in place that are reviewed and adopted with every budget cycle to assure having what will be needed over time to keep the system operating at peak efficiency. Renewal and replacement accounts are being built up over time to allow for smooth rate transitions. By law, rates charged for utilities can only be invested in utilities systems.

Commissioner Carlson asked why rates and surcharges keep increasing when there are so many more users accessing the system and presumably paying water bills. Ms. Maloney said the costs of managing the system increase annually as power and construction costs go up, and as the cost of purchasing water goes up. Per capita water consumption has actually fallen, which reduces revenues. The biggest water year ever was 1987.

Mr. Taylor noted that Utilities works closely with Transportation to conduct pipeline repair and replacement projects ahead of street overlay projects. Wherever possible, utilities work is done a year in advance of overlay projects. Video inspections are carried out two years in advance of overlay projects for that very reason.

Ms. Maloney explained that taking care of aging systems is the largest investment made by Utilities. Utility infrastructure is needed as well to support population growth, particularly in the Bel-Red, Wilburton and downtown areas, and there are projects in the CIP to accommodate the projected demands in those areas. The Comprehensive Plan includes policies aimed at assuring

infrastructure will be available when needed; those policies clarify that the costs must be borne by the benefitting properties. Absent such policy support the state can impose a moratorium on development. Costs are most commonly recovered through connection fees and through latecomer agreements under which property owners new to a private system pay their pro rata share of constructing that system. If the city builds the capacity it charges a connection fee to recover the cost and to keep the general ratepayers from having to shoulder the costs.

Ms. Maloney said Utilities has developed system plans for each utility. The plans are designed to maintain levels of service, identify future needs based on growth projections, and to take into account system demand patterns. They also are predicated on the water regulations established by the state. The plans must be updated periodically, and as they are updated they are reviewed by the Environmental Services Commission and subjected to public input before being recommended to the Council for adoption. The plans must also be approved by King County and by the Department of Ecology and the Department of Health at the state level. Updating the plans involves modifying the computer hydraulic models that forecast how much water and sewer capacity will be needed.

The current CIP includes utilities projects totaling \$38 million that are aimed at accommodating growth. Solutions for adding water storage and inlet capacity are being explored. Sewer capacity projects are planned for the downtown, Bel-Red and Wilburton areas. Normally development and redevelopment reduces storm water runoff and improves water quality as a result of the more restrictive regulations; most of that work is done on-site.

Ms. Maloney told the Commissioners that the city still has some non-sewered parcels. Regulation of septic systems is handled by King County, but occupied parcels in the city that are not connected to the sanitary sewer system are assumed to be on a septic system. A map indicating the location of non-sewered parcels was shown and it was noted that sewer extensions likely will be needed to connect those properties. There are hundreds of septic systems in use in the city, and the county does not require connection to a sanitary sewer unless there is an environmental or health hazard.

9. OTHER BUSINESS – None

10. PUBLIC COMMENT

Ms. Anita Skoog-Neil, 9302 SE Shoreland Drive, said it was her understanding that the Meydenbauer Bay lake line replacement will involve only the 1200 feet by the park but will not extend all the way to Clyde Beach.

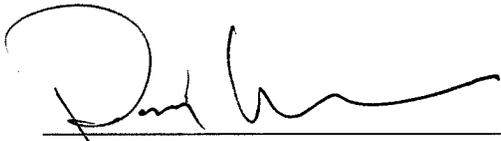
11. NEXT PLANNING COMMISSION MEETING

A. October 9, 2013

12. ADJOURN

A motion to adjourn was made by Commissioner Ferris. The motion was seconded by Commissioner Carlson and it carried unanimously.

Chair Tebelius adjourned the meeting at 9:31 p.m.



Paul Inghram
Staff to the Planning Commission

1/22/2014
Date



Diane Tebelius
Chair of the Planning Commission

1/22/2014
Date

* Approved and corrected December 11, 2013