CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

November 23, 2015 Conference Room 1E-113
6:00 p.m. Bellevue, Washington

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

ABSENT: None.

1. Executive Session

Deputy Mayor Wallace called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately 30 minutes to discuss one item of potential litigation/property acquisition.

The meeting resumed at 6:30 p.m., with Mayor Balducci presiding.

2. Approval of Agenda

→ Councilmember Chelminiak moved to approve the agenda, and Councilmember Robinson seconded the motion.

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

3. Oral Communications

(a) Bill Hirt said Sound Transit has devastated 112th Avenue. He said the closure of the South Bellevue Park and Ride next March will make it impossible for many commuters to use Park and Ride lots for access to transit. In 2017, Sound Transit will close the I-90 bridge center lane for light rail construction, leading to increased travel times for commuters over a period of six years. When East Link light rail begins operating, the service will consist of one four-car train every eight minutes. Mr. Hirt said the I-90 outer lanes will not be able to accommodate cross-lake traffic.

(b) Alex Zimmerman, President of StandUp-America, suggested it would be safer for elderly and disabled individuals if they were able to use HOV lanes. He expressed concern that the Council's Executive Sessions at the beginning of meetings keep attendees waiting. He cautioned against what he considers the United Seattle Soviet Republic. He said people are idiots and he encouraged citizens to stand up for their beliefs.

(c) Dick Knight, Pro Sports Club, said he previously submitted an email to the Council. He said the club applied for a conditional use permit (CUP) approximately one year ago for expanding its facility. He noted that traffic impact fees are based on permit issuance versus the date of application. He said the City's workload appears to be heavy and the permit will likely not be issued until next year. He expressed concern that the traffic impact fees will be higher after the first of the year. He encouraged the Council to consider allowing fees to be based on the date of permit application instead of issuance, at least for applications that are already being processed. The proposed fees for 2016 will cost Pro Sports Club an additional $180,000.

(d) Andy Swayne, Municipal Liaison Manager for Puget Sound Energy, provided a report on the previous week's storm. He said PSE did not experience any problems with transmission lines or substations. There were 14 distribution system outages that affected 3,500 customers in Bellevue. More than 300,000 of PSE's total customers lost power at some point on Tuesday, and 90 percent were back in service by Wednesday afternoon. Mr. Swayne said there was good communication between PSE and the City throughout the event. He said PSE handled 146,000 customer phone calls, with 80 percent answered within 30 seconds. The online outage map had more than 900,000 views, and the mobile app had approximately 86,000 users.

(e) Andy Wappler, Puget Sound Energy, commented on the Energize Eastside project and its purpose in the longer term needs related to electrical reliability. He said the demand for electrical capacity continues to grow, and the Eastside is served by a main transmission line that is 55 years old. Mr. Wappler said multiple studies, including one by a consultant hired by the City, have confirmed the need for the Energize Eastside project. He said the Federal Energy Regulatory Commission (FERC) confirmed PSE's process in selecting the Energize Eastside project. He cautioned that delaying the project presents more risk for the community.

(f) Brittany Barker of the Fortin Group said that, as a downtown resident and property owner, she is concerned that the future of Bellevue's economic health is at risk. She said her family has been invested in the Eastside economy since 1937. The lack of reliable power can severely jeopardize continued economic development. Ms. Barker said the need for PSE's Energize Eastside project has been verified by a number of studies. She said the Eastside's electrical infrastructure has not been upgraded since the early 1960s. She encouraged the City to continue to move forward with the process for the Energize Eastside project.

(g) TJ Woosley said he is the second generation of a family that moved to Bellevue in 1967. He said the keynote speaker for the recent Bellevue Chamber of Commerce economic forecast breakfast was Joe Quinlan, a global economist, who talked about the important role of viable infrastructure in supporting economic development. Mr. Woosley said the Energize Eastside project has been affirmed through a number of studies. He said the project is consistent with the City's Comprehensive Plan, and he encouraged the City to keep it moving forward.

(h) Norm Hansen said residents have been working since 2007 with former Mayor Grant Degginger, Councilmember Chelminiak, and others to address electrical reliability. He said the Energize Eastside project is not going to help neighborhood electrical reliability. He said the Bridle Trails Community Club recently had to change its meeting location due to a power outage. He observed that there is a not a mechanism to provide equity across Bellevue. He encouraged the City to explore the broader issue of electrical reliability, including in neighborhoods.

4. Study Session

(a) Council Business and New Initiatives

Mayor Balducci reported that an assessment by the Human Rights Campaign Foundation in Bellevue and around the country looked at how well communities provide for the fair treatment of LGBT individuals. Bellevue received 100 of 100 points based on the review of the City's practices, laws, employment, and law enforcement approach.

(1) Vision Zero

City Manager Brad Miyake recalled that the Mayor requested a presentation on the Vision Zero program.

Transportation Director Dave Berg said the Vision Zero program is becoming popular across the country, and many of the City's practices and policies (e.g., Comprehensive Plan, Council Vision) already fit into the framework. Vision Zero began as a Swedish approach to road safety with a number of principles including preventing traffic deaths and building a transportation system that anticipates human error. The goal is to eliminate deaths and serious injuries by 2030. Mr. Berg said traditional approaches to traffic safety have encompassed engineering, enforcement and education. Examples include a focus on accidents, changing human behavior, and risk reduction.

Mark Poch, Transportation Assistant Director of Traffic Management, said the City's current traffic safety efforts include the accident reduction program, the design approach to capital projects, Police traffic enforcement, neighborhood traffic safety projects, signal system improvements, and street lighting.

[Deputy Mayor Wallace left the table at approximately 6:58 p.m.]

Mr. Poch noted that, years ago, the curved road in Bridle Trails at 132nd Avenue NE and NE 40th Street was the highest fatality location in Bellevue, with four fatalities over the years and a number of serious accidents. The last fatality was in 2006. An accident reduction project was implemented following that incident and there have been no fatalities or serious accidents since that time.

Bellevue's overall pedestrian and bike collisions are minimal when compared to similar-sized cities. However, pedestrian accidents and total traffic fatalities increased in 2014. Bellevue averages 0-3 fatalities annually over the past 20 years.

Mr. Poch said the factors contributing to traffic and pedestrian accidents are increased traffic, density, and the number of pedestrians and bicyclists. He said distractions (i.e., cell phones) are a major issue as well. Another consideration is the extent to which a local government is willing and/or able to design to prevent human failure. Vision Zero focuses on fatalities and serious injuries, integrates human error into design, and focuses on the traditional areas of engineering, enforcement, and education as well as on encouragement, evaluation, and equity. An example of encouragement is Police Officers handing out citations to school children to recognize safe pedestrian behavior.

Mayor Balducci said she requested this briefing due to concerns about traffic fatalities and serious injuries in Bellevue. She said Vision Zero provides a framework for cities to implement as appropriate for their communities and sets the goal of eliminating fatalities and serious injuries. She observed that the program introduces a greater focus on traffic safety and the opportunity to discuss current practices and design innovations.

[Deputy Mayor Wallace returned at approximately 7:15 p.m.]

Ms. Balducci suggested that staff review the pedestrian traffic safety program before next year's budget process and consider whether modifications will be adopted. She requested the Council's endorsement of the Vision Zero framework and suggested that staff draft a policy statement for Council action during the next meeting.

Councilmember Robinson expressed support for the initiative, noting the significant increase in pedestrian activity in recent years. She requested data on the percentage of accidents that have decreased under the accident reduction program. She questioned whether eliminating fatalities and serious injuries is a realistic goal. Mr. Berg said that was the goal established in Sweden. However, cities and agencies may set their goals differently (e.g., decreasing fatalities and/or serious injuries or choosing a longer timeline). He said the State adopted the approach as Target Zero to reflect a stronger focus than "Vision."

Councilmember Robertson expressed support for an emphasis on separating vehicles from pedestrians and bicyclists. However, she would like to see the Vision Zero documents before taking action to adopt the approach.

Mayor Balducci clarified that she is requesting Council concurrence to direct staff to prepare the goal statement and basic framework, which will guide staff's work going forward.

Ms. Robertson observed that this is a somewhat unusual item to be addressed under Council Business. She is in favor of the concept. She suggested that more information on the causes of accidents would help to focus on practices for improving safety. She noted that two recent accidents involved drivers who had been driving for only 1-2 years. She suggested a stronger emphasis on public education, especially for children.

Councilmember Robertson questioned whether the Vision Zero program is consistent with the recent Comprehensive Plan Update. Mr. Berg said that many policies in the plan are related to traffic safety. He acknowledged that the Vision Zero approach alone does not eliminate serious accidents. However, a policy statement from the Council would help to direct staff's work in a number of areas that go beyond transportation (e.g., Police enforcement, school programs).

Councilmember Robertson suggested considering more scramble intersections, in which traffic from all directions stops at the same time, particularly in the downtown. She questioned whether it would be worthwhile to send the issue to the Transportation Commission for review before adopting a policy or interest statement.

Councilmember Chelminiak said he would like to adopt the approach by the end of the year. He said that preventing traffic deaths and serious injuries is an important goal for all transportation planning and engineering. The lives of people walking, biking, and driving are equally valuable, and streets can and must be designed to consider human error. Mr. Chelminiak said elected officials, planners, engineers, and the Police can and must act. He noted that, in the recent election, all Bellevue City Council candidates and two Bellevue residents running for the King County Council expressed support for these principles. Mr. Chelminiak said he does not see a need to send this issue to the Transportation Commission. He said this is a Council priority and the Council is the appropriate body to establish policy in this area.

Councilmember Lee said safety is a top concern for the City. However, he observed that safety is a value that guides everything the City does. He questioned the need for adopting a specific program and the implications for staffing and funding. He said that, if there are problems or issues in the City's current practices, those should be addressed and remedied.

Mayor Balducci questioned whether adopting Vision Zero as a policy statement would add a significant burden to staff's workload. Mr. Berg said it would not; however, it would help to organize efforts in multiple City departments. This will not create a new work program and is consistent with the Comprehensive Plan and with the Transportation Commission's interest in initiating a broader community education program.

Councilmember Stokes expressed support for the proposal, noting that the City is already engaged in practices consistent with Vision Zero. He said a policy statement would be consistent with the Comprehensive Plan and would highlight the City's commitment to eliminating all traffic fatalities and serious injuries. He would like to adopt the framework by the end of the year. He said the principles would be integrated into the City's current work and would not create a separate new program or budget item.

Deputy Mayor Wallace said he is unsure about what the Council is being asked to adopt. He cautioned that the adoption of a program or set of policies can have unanticipated consequences in the future. He said the Comprehensive Plan and other policies already place a high priority on traffic and public safety.

Mayor Balducci said she is hearing general support for the concepts and goals as well as concerns about the implications for implementation. She asked staff to work with the Council to finalize a policy or interest statement, and she asked the City Clerk to schedule further discussion and action for December 7.

Mayor Balducci thanked the Council for considering the presentation and proposal.

(b) Discussion on proposed Ordinance amending Chapter 22.18 of the Bellevue City Code, modifying the School Impact Fee Schedule as requested by the Issaquah and Renton School Districts

City Manager Brad Miyake said the Issaquah School District and the Renton School District are both seeking to update their School Impact Fee Schedules. Staff reviewed the updates and determined that they are reasonable. He requested Council direction to place this item on the December 7 Consent Calendar for Council action.

Deputy Mayor Wallace suggested that, in the future, school impact fees could be placed on the Consent Calendar without first scheduling it as a Study Session item. Mayor Balducci noted general Council agreement.

Councilmember Lee concurred but said the Council needs to maintain a watchful eye on school impact fees as well.

(c) Storm and Surface Water System Plan Presentation

City Manager Miyake said the Storm and Surface Water System Plan is updated every 10 years, or every two years if changes are needed based on the National Pollutant Discharge Elimination Systems (NPDES) Permit. The plan provides the foundation for the management of the City's storm water utility.

Paul Bucich, Utilities Assistant Director of Engineering, said staff is seeking Council feedback and direction to adopt the final plan in December. The plan establishes storm and surface water policy, evaluates the operational management of the storm and surface water utility, provides a roadmap for future planning, and guides the City's compliance with federal, state, and regional regulations. The plan is intended to be used by businesses, residents, developers and other interested parties as well. It identifies certain capital improvements but does not provide a comprehensive list of all capital projects. The plan updates and supersedes the 1994 comprehensive drainage plan.

Mr. Bucich introduced Keith Swenson, Chair of the Environmental Services Commission, to comment on the Commission's review of the plan.

Chair Swenson said the Commission appreciates staff's work and supports the proposed Storm and Surface Water System Plan. He said he is especially pleased with the strategic initiatives in Chapter 14, and he enjoyed working on the plan for the benefit of the community.

Continuing, Mr. Bucich said there were extensive opportunities for public engagement throughout the Environmental Services Commission's study and review of the plan. Staff discussed the plan with the Commission at least a dozen times and held multiple public open houses over the three-year period. Mr. Bucich said copies of the plan were sent to neighboring jurisdictions for comments. No comments were received, primarily because most of Bellevue's drainage starts and ends within its city limits.

Mr. Bucich recalled that, last spring, staff presented a proposed interest statement and principles to the Council. The Council provided direction to staff to continue working to reduce flooding, protect water quality, and protect fish and wildlife habitat. Mr. Bucich said staff works to ensure that Bellevue maintains stable and competitive utility rates while also complying with regulatory requirements under the NPDES Permit. Mr. Bucich said the Council asked staff to be future-focused, follow industry best practices, and to incorporate initiatives to improve the aquatic health of streams and shorelines.

Mr. Bucich said Bellevue's storm and surface water system is entirely within city limits. It covers 32 square miles; 20,000 acres; 82 miles of streams; three small lakes; 13 miles of large lake shorelines; more than 23,000 catch basins and manholes; and 392 miles of public pipe infrastructure. He said urban storm water runoff is significantly higher than rural runoff. The purpose of the storm and surface water utility is to develop a system that controls damage from storms, protects surface water quality, supports wildlife habitat, and protects the environment.

Mr. Bucich described efforts with the Muckleshoot Tribe to restore salmon to Kelsey Creek and Coal Creek. None of the fish survived in Kelsey Creek and, as a result, the Tribe is no longer willing to provide fish for Kelsey Creek.

Mr. Bucich said the Storm and Surface Water System Plan is evaluated and updated on a regular basis and policies are categorized as customer service, water quality, regional, or financial. There are no major policy changes in the current plan update. Revisions to the plan consist of minor editing and streamlining to bring the policies into alignment with current practices and regulations.

Mr. Bucich said staff recommends eliminating four policies regarding: 1) residential drainage assistance, 2) neighborhood enhancement projects, 3) stormwater runoff control requirements, and 4) property restoration. He said they have become redundant through NPDES Permit requirements, the City's standard practices, or because they are no longer necessary due to the capital program. The plan includes minor revisions to recommendations in the areas of the Capital Investment Program (CIP), asset management, stormwater management, NPDES Permit compliance, regional efforts, and the new strategic initiatives.

Mr. Bucich described the five strategic initiatives related to: 1) watershed management, 2) open streams, 3) water quality, 4) property management, and 5) private primary conveyance. The property management initiative provides a long-term vision for properties. The primary conveyance initiative acknowledges the risks of relying on private systems and develops a hierarchy of management tools to reduce those risks. The watershed management initiative

optimizes overall stormwater investments through a holistic approach that meets multiple stormwater and economic development needs.

Responding to Councilmember Robertson, Mr. Bucich said road and stormwater drainage projects address opportunities for enhanced water quality treatment. However, those projects represent a very small percentage of the overall land mass. Mr. Bucich said stormwater practitioners are looking for broader, more effective methods to address water quality into the future. Ms. Robertson expressed support for the plan and its strategic perspective.

Councilmember Lee expressed support for the plan. Responding to Mr. Lee, Mr. Bucich said stormwater management must currently be controlled within development and redevelopment sites, resulting in relatively expensive requirements. However, the water from the site could be draining into a pipe system and/or stream that no longer has viable habitat. Mr. Bucich said the proposed approach is to require only what is necessary to maintain current conditions on the development site and to then invest additional funds toward broader water quality, flood control, and habitat preservation efforts in the community. In further response to Mr. Lee, Mr. Bucich said the City of Redmond has implemented this approach. Bellevue is working with a number of agencies on a similar approach through the Washington State Department of Commerce.

Councilmember Robinson commended staff and the Environmental Services Commission for their work. She questioned whether the retention and expansion of the tree canopy falls within the stormwater system plan. Mr. Bucich said that preservation of the tree canopy is officially an issue under the Development Services Department. However, Utilities staff is assisting DSD staff with creating the Low-Impact Development Principles project. Both departments' work is focused on retaining and expanding native vegetation.

Councilmember Stokes commended staff on the informative and interesting presentation. He is pleased to see the addition of the strategic initiatives. He expressed concern about the salmon mortality rate in Kelsey Creek and looks forward to continued implementation of the City's initiatives. Mr. Stokes suggested that staff provide tonight's presentation to the Water Resource Inventory Area 8 (WRIA 8) group to demonstrate what Bellevue is doing and to share information between cities.

Deputy Mayor Wallace suggested there is a good opportunity in the BelRed corridor, east of 124th Avenue NE, to implement off-site broader community enhancements, similar to what has been done in Redmond. He would like to see proposals from staff next year for Council discussion and consideration.

Mayor Balducci noted general support for Mr. Wallace's request.

Following up on Councilmember Robinson's comments, Councilmember Chelminiak said the last ecosystems value report on tree canopy and land cover was in 2007. He would like to see an update on the status of tree canopy goals.

Mayor Balducci thanked staff and the Environmental Services Commission for their work. She noted Council concurrence to direct staff to bring the 2015 Storm and Surface Water System

Plan forward for adoption at a future Council meeting. She noted further direction to follow up on the Deputy Mayor's suggestion for looking for opportunities in the BelRed corridor.

Mayor Balducci said the Public Hearing [Agenda Item 4(f)] was noticed for 8:00 p.m. She suggested moving Item 4(d) to occur after the hearing, and the Council concurred.

(e) Discussion and Motion to Approve the Arts Commission Recommendations for 2016 Eastside Arts Partnership and Special Projects Allocations

City Manager Miyake said the Arts Commission is requesting that the Council approve the 2016 Eastside Arts Partnership and Special Projects allocations and direct staff to proceed with implementation. He said the recommendations are consistent with the 2016 programming guidelines established by the Council earlier in the year.

Mary Pat Byrne, Arts Specialist, introduced Paul Manfredi, Arts Commission Chair.

Chair Manfredi said $110,000 from the General Fund is provided for the two programs, which also receive annual funding from 4Culture. He recalled that the Council approved the 2016 guidelines and funding criteria for the Eastside Arts Partnership and Special Projects programs during its September 8 meeting. The Arts Commission received and evaluated 35 applications. The Eastside Arts Partnership provides organizational funding. Similar funding levels are recommended each year unless there is a major change in an organization or new lines of funding become available. This provides predictability and stability for the arts organizations receiving assistance.

The Special Projects program supports one-time or annual projects in Bellevue, and funding contributions from year to year may vary. This program provides support and encouragement for individual artists and smaller arts organizations. It also supports signature projects by non-Bellevue organizations that have nationally respected programming for Bellevue residents.

Mr. Manfredi noted that additional information is provided in the meeting packet. He said the number of applications continues to increase, and most of the requests are from groups that are becoming increasingly diverse in terms of participants and content. Examples include the Bellevue Youth Symphony Orchestra and the Bellevue Chamber Chorus. The Seattle International Film Festival is returning to Bellevue. In 2015, SIFF provided 58 films from 31 countries to 4,526 audience members at the Lincoln Square Cinemas. The Japan Creative Arts Festival will return in early 2016 with the Bellevue World Taiko Festival, which was sold out last year.

Mr. Manfredi said several arts groups provide programs for individuals with special needs including Music Works Northwest, KidsQuest, Emerald Ballet Theatre, and Lake Washington Symphony Orchestra.

Mr. Manfredi noted the ongoing challenge of arts education and performance space. Several groups have been or will be displaced due to the Sound Transit light rail project. He said the new KidsQuest Museum facility is under construction in Downtown Bellevue. He noted that the

SOMA Towers provides a 100-seat flexible space in the Downtown which has been used by the Eastside Jazz Club and others so far this year.

Chair Manfredi said the City supports the arts to build community and to reflect Bellevue's character. He requested Council approval of the Arts Commission's recommendations.

→ Councilmember Stokes moved to approve the Arts Commission's recommendations for Eastside Arts Partnership and Special Projects funding, and to direct staff to proceed with implementation. Councilmember Robertson seconded the motion.

Mayor Balducci observed that the applications represent impressive growth and diversity in Bellevue's arts community.

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

Mayor Balducci noted that the Council will discuss a proposal to increase future arts funding later in the meeting. She thanked Ms. Byrne for her longtime service as the City's Arts Specialist and wished her well in retirement.

(f) Public Hearing on the 2015-2016 Budget/2015-2021 Capital Investment Program (CIP) Plan Mid-Biennium Update

Finance Director Jan Hawn said state law requires that the City hold a Public Hearing on the Mid-Biennium Budget Update and the property tax.

→ Councilmember Stokes moved to open the Public Hearing, and Deputy Mayor Wallace seconded the motion.

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

[Councilmember Robertson left the table briefly at 8:27 p.m.]

The following individuals came forward to comment:

1. Pradnya Desh, Music Works Northwest, requested support for the organization, which is the largest nonprofit music school in Bellevue, to complete its facility. The organization teaches students to play instruments individually and in groups, provides music therapy for those with neurological and physical challenges, provides scholarships for students in need, and hosts music workshops at public schools. She said Music Works Northwest has downsized to reduce its costs and is requesting $75,000 to complete the new facility. She said her three children play musical instruments, and she described how the program has been especially therapeutic for her son who is on the high-functioning side of the autism spectrum.

[Councilmember Robertson rejoined the meeting at 8:27 p.m.]

2. Carol Torchia described the positive impact of Music Works Northwest over 12 years for her 26-year-old son with autism and developmental delay. This is the only musical therapy program of its kind in Bellevue. It allows him to participate in musical venues and has enhanced his ability to work on non-musical goals including communication. Ms. Torchia said Music Works Northwest is critical to meet a broad range of students' needs.

3. Karen Nestvold, an instructor with Music Works Northwest, presented a packet of materials including details on the organization and letters of support from the community, including the Bellevue School District. She said the facility's total project costs have increased from $370,000 to $517,000, and nearly half of that is for soundproofing required on the western wall facing a neighboring facility. In the original building plan, the wall was to be a sound-buffering hallway. However, construction was required to be completed in phases and the wall ultimately became classrooms. Ms. Nestvold said Music Works Northwest received $62,000 from the State Department of Commerce and $50,000 from 4Culture.

4. Norm Hansen encouraged continued implementation of items identified in the Electrical Reliability Study. He believes this is necessary for the modernization of Bellevue and to address inequities in electrical infrastructure across the community. He looks forward to working with the City.

5. Loretta Lopez, representing the Bridle Trails Community Club, encouraged the City to hire an individual with the required expertise to assess electrical reliability and transmission. She said residents have been advocating for this work for a number of years, before Puget Sound Energy introduced its Energize Eastside project. She suggested that money and time could have been saved if the appropriate technical expert would have been employed by the City several years ago. Ms. Lopez said residents look forward to working with the City, and she urged the City to hire an in-house staff person with the required expertise to address these difficult and complex issues.

Mayor Balducci said the Council will take action on the Mid-Biennium Budget Update by December 14.

→ Deputy Mayor Wallace moved to close the Public Hearing, and Councilmember Stokes seconded the motion.

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

At 8:38 p.m., Mayor Balducci declared a break. The meeting resumed at 8:46 p.m.

(d) 2015 Transportation Impact Fee Program Review and Impact Fee Schedule Updates

City Manager Miyake recalled that the recommended 2016-2027 Transportation Facilities Plan was previously transmitted to the Council by the Transportation Commission. He introduced staff to review proposed increases to the program and the impact fee schedule.

Eric Miller, Transportation Capital Programming Division Manager, said staff is seeking Council action on December 7 to direct staff to update the impact fee schedule and to proceed with technical updates to the trip generation factors and annual indexing rates. He noted that the State has required cities and towns to implement an impact fee payment deferral system by September 2016.

Mr. Miller recalled the presentation to the Council on July 27, which raised a number of issues and questions from the Council. One question was whether the recommended 2016-2027 Transportation Facilities Plan supports the previously adopted impact fee rate of $5,000 per trip generated. Additional issues include validation of the Downtown trip generation reduction factor and the citywide impact fee program area.

Mr. Miller said the TFP contains 54 projects totaling $315.7 million. Sixteen funded roadway and intersection capacity projects, totaling $223.1 million, are subject to impact fees. Based on the proposed TFP projects and costs and the growth forecast, the eligible impact fee cost per evening peak hour trip is a maximum of $8,000. The City's previously adopted impact fee increase to $5,000 per trip is scheduled to begin on January 1, 2016.

Mr. Miller said the proposed impact fee rate schedule is based on a number of factors including use of the latest Institute of Traffic Engineers (ITE) trip generation data and the Puget Sound Regional Council's Bellevue-specific trip length data. City Code allows any applicant to submit, for the City's review, their own data and research to request consideration of a different trip generation rate.

Mr. Miller said staff proposes a change to the Impact Fee Rate Schedule Ordinance to specify an indexing factor to automatically adjust the proposed rates annually beginning in 2017. The current fee schedule specifies the Washington State Department of Transportation (WSDOT) construction cost index, which is historically volatile and unpredictable. Staff proposes a flat three-percent indexing factor to be more predictable and consistent with the inflation factor assumed in the Capital Investment Program (CIP) Plan.

Mr. Miller said the current fee schedule provides a 25-percent reduced trip generation rate for certain uses in Downtown Bellevue. The Bellevue-Kirkland-Redmond (BKR) travel demand model demonstrates that this reduction factor continues to be supported through 2027. The analysis also suggests that no other area should quality for a reduction factor at this time.

Mr. Miller recalled that, in 2009, the Council directed a shift from a multi-district program to the current citywide impact fee. The BKR model indicates that all vehicle trips throughout Bellevue benefit from transportation improvements related to citywide development. Mr. Miller noted that the impact fee rate schedule adjusts fees for trips generated by individual land uses to reflect their specific impacts to the transportation system.

Mayor Balducci said the current schedule anticipates Council action on the Impact Fee Rate Schedule in December. She suggested Council discussion, noting that two key questions are

whether to adopt an annual inflationary increase and the consideration of impact fee payment deferral.

Deputy Mayor Wallace observed that the impact fees listed in the meeting packet are different than those approved by the 2009 ordinance.

Mr. Miller said the ordinance goes back to the Institute of Traffic Engineers trip generation and trip link factors. Many are unchanged, some have decreased, and some have increased due to higher trip generation factors or the relative trip length related to a particular use.

Mr. Wallace questioned the projected increase for a senior citizen dwelling, which is double the fee adopted in 2009. Mr. Miller said the current fee schedule reflects reductions for some uses due to changes in the assumptions about trip generation and length. He acknowledged that senior citizen dwellings represent one of the highest increases and said it is primarily due to trip length.

Mr. Wallace said he would like to see a comparison of the 2009 ordinance with the proposed fees. He could support a three-percent increase, which would provide a level of predictability for developers.

Referring to the request by the Pro Sports Club, Deputy Mayor Wallace said that project's impact fee is increasing significantly, as are the fees for other uses including residential units. He would like to provide some type of grandfathering period for permit applicants who have had a reasonable expectation that their permits would be issued by the end of the year. He asked staff to determine a reasonable window and to report back to the Council with a proposal.

Councilmember Stokes concurred with the Deputy Mayor. Responding to Mr. Stokes, Mr. Wallace said his thought is that an extension would apply only to individuals who have already submitted permit applications. Mr. Stokes agreed.

Councilmember Chelminiak said the impact fee schedule was part of the major review of the City's long-range financing plan in 2009. It was clear that a fairly significant increase was reasonable and necessary, and there was considerable discussion about the timing and amounts of the increases. The Council agreed to a phased approach which was partly intended to stimulate development in the near-term. Mr. Chelminiak said he supports proceeding with the fee increases as proposed.

Mr. Chelminiak said he is sympathetic to businesses and individuals who have applied for permits and anticipated they would be issued by the end of the year. He would consider an extension or grandfathering for certain permits that are significantly beyond the average processing time and/or if the City is responsible for the delayed processing.

Councilmember Robertson said she is confused by the difference in the impact fee schedule adopted in 2009 and the proposed fees reflected in the meeting packet. She questioned whether additional legislative action is requested of the Council to adopt the proposed fees. Mr. Miller said a legislative action will be required to adopt the proposed fee schedule. He said the proposed

rates are consistent with the updated Institute of Traffic Engineers trip generation factors. Mr. Miller said the City has historically used the ITE trip generation factors.

Councilmember Robertson said she would like to see a comparison of the two impact fee schedules. She expressed concern about some of the proposed rate increases. However, she supports an annual three-percent indexed increase.

Responding to Ms. Robertson, Mr. Miller said developers do not very often exercise the option of hiring their own trip generation analysis. Ms. Robertson questioned why reduction factors are only allowed in the Downtown. Responding to Ms. Robertson, Mr. Miller said the modeling indicated that there are significant trips from neighborhoods to Downtown, South Bellevue and the BelRed corridor where the impact fee projects are located.

Regarding whether the deferred collection of impact fees should occur at the inspection for the certificate of occupancy or at the time of closing, Ms. Robertson would like to add "whichever occurs first." She does not want a situation in which a new homeowner is faced with an impact fee at the point of occupancy, after the closing on the purchase.

With regard to extending the current fee for a short period for permits in process, Ms. Robertson said she is open to an allowance if the delay has been caused by the City. She observed that the date of permit application should not necessarily be the deciding factor, for example, if the developer took a lot of time to make corrections required by the City throughout the permit process.

Mr. Miller said there are few permits that have been in process longer than the average review time. He observed that some type of extension will not have a significant impact.

Councilmember Robertson said it would be helpful to have a proposal from staff with a list of the permits for which the proposed policy would apply.

Councilmember Lee concurred with Deputy Mayor Wallace that predictability is important for permit processing. Mr. Lee said there needs to be flexibility based on the date of permit application and/or delays in permit processing.

Councilmember Robinson said she would like to look at ways to incentivize lower impact development, including increasing connectivity, transit-oriented development (TOD), and bike barns, instead of having developers complete their own traffic studies and submit requests for lower impact fees.

Ms. Robinson asked Mr. Miller to comment on the potential to consider TOD for the Downtown trip reduction. Mr. Miller said the model has the ability to break down trips by mode (e.g., transit, high-occupancy vehicles, carpools) and to consider non-motorized trips. The latter are used to adjust anticipated vehicle-based trip generation. The model through the 2027 time horizon reflects 25-percent more trips through alternative modes, primarily transit and walking, in the Downtown when compared to any other area within the city. By 2027, non-vehicle trips in

the BelRed are projected to be only five-percent above the citywide average. However, that will increase as light rail and transit-oriented development comes into place.

Responding to Councilmember Robinson, Mr. Miller said staff could provide a briefing on the transportation demand program in the future. He noted that incentives and transportation demand management are essentially separate issues from transportation impact fees.

Ms. Robinson observed that trip generation related to assisted living facilities includes residents, visitors, staff, and the professionals who come and go throughout the day. She said there are potentially higher traffic impacts than might be expected. Deputy Mayor Wallace observed that the updated impact fee rates are significantly higher than current rates.

Mayor Balducci suggested that staff bring back the proposal to implement the increased rates with details on the changes from the 2009 ordinance. She said she heard a question regarding a potential reduction factor for areas with few or no projects that will be financed with impact fees.

Ms. Balducci said she heard general support for the three-percent annual rate increase and for considering the extension of current impact fees for certain projects that have gone through an unusually long permit process. For determining which projects might be eligible for a grace period, she suggested focusing on the overall impacts related to administration, income, and fairness.

Ms. Balducci said she heard comments about deferring the collection of impact fees and not creating unintended consequences for home buyers. She said the purpose of impact fees is to collect and apply the money to provide transportation infrastructure when the development is completed and traffic impacts are triggered. She observed that deferring the collection of fees will make it difficult to finance and complete infrastructure projects.

Mayor Balducci asked staff to provide a discussion next year pursuant to Councilmember Robinson's interest in discussing incentives and alternatives for reduced traffic impacts.

Councilmember Robertson clarified, regarding her earlier request for information on permits, that she is not asking for personal information. However, she is interested in the general description of projects (e.g., residential, commercial, etc.) and the difference in impact fees under the current and proposed schedules.

Mr. Miller noted that the City will need to coordinate with the Bellevue School District on impact fees as well.

Deputy Mayor Wallace said traffic impact fees are statutorily constrained to the proportionate share of capacity road projects. The funds may only be used for this purpose and incentives would need to be handled separately. Mr. Miller said there are ways to use alternatives to reduce the impact fees.

Mr. Wallace requested data on how the proposed increased impact fees affect the budget forecast. He said hotel impact fees remain stable while residential fees increase significantly from the 2009 ordinance.

Mr. Miller said that most of the impact fees come from office and multifamily development. He noted that office use impact fees decrease by approximately 11 percent, while residential fees increase.

Deputy Mayor Wallace reiterated that he would like a discussion of the impact fee assumptions that were used in setting the budget.

(g) 2015-2016 Mid-Biennium Budget Update

Finance Director Jan Hawn said staff is seeking Council direction on a few remaining issues and budget proposals. The three proposals for consideration in the General Fund (Operating Budget) are related to inflationary adjustments for Eastside Arts Partnership funding, Electrical Reliability Study implementation, and restoring the Police Bike Patrol. Items to be resolved for the Capital Investment Program (CIP) Plan are East Link-related items (PW-R-159), NE 1st Street parking, and the request from Music Works Northwest. She noted that the Council and staff have previously discussed all of these items.

Toni Rezab, Assistant Director of Finance, said the 2016 Eastside Arts Partnership funding is $110,000. This funding was last raised in 2007 from $60,000. Ms. Rezab said staff suggests addressing an annual inflationary increase to this funding beginning with the 2017-2018 Biennium Budget.

Mayor Balducci said she would like formal Council action approving the consideration of an increase in arts funding beginning in 2017.

Deputy Mayor Wallace said he would like to consider item CD-11, Public Art Program, at the same time. He said he recently learned that there is an existing ordinance which constrains the funding for that program. He suggested reviewing all arts funding together during next year's budget process.

Moving on, Ms. Rezab recalled the Council's discussion the previous week regarding the implementation of the Electrical Reliability Study. Staff proposes a one-time addition of $150,000 for 2016 for on-call consultant expertise to: 1) establish the anticipated memorandum of understanding (MOU) with Puget Sound Energy, and 2) provide legislative, lobbying, engineering, and technical assistance related to electrical reliability and energy planning.

Councilmember Lee said he supports making an increased commitment to electrical and energy issues. However, he noted the community's request that the City hire a full-time staff person. He expressed support for a staff person and for hiring outside consultants as needed.

Councilmember Stokes expressed support for staff's proposal. He said it is important to have the expert resources available to provide answers and information for the City and the community. He said it is unlikely that one person would have all of the required expertise.

Councilmember Robertson said she would prefer a full-time staff person, unless the City would be better served through consultants. She suggested approving the funding and deferring the more specific decisions later.

Responding to Deputy Mayor Wallace, Ms. Rezab said the financial forecast indicates a 15.3 percent fund balance at the end of 2016, and this would use a portion of that amount. She said a total of approximately $300,000 is available. Mr. Wallace said he would support the proposed $150,000 and deferring a specific decision on how to secure the appropriate expertise.

Mayor Balducci expressed support for approving the dollar amount only at this time.

Councilmember Lee concurred and suggested that the City Manager's role will be to determine the best way to hire the needed expertise.

Ms. Rezab recalled that the forecast previously presented to the Council included $680,000 in 2016 to restore five full-time-equivalent (FTE) positions for the Police Bike Patrol, and $530,000 annually beginning in 2017.

Mayor Balducci noted a Council consensus in support of restoring the Bike Patrol.

Responding to Councilmember Lee, Ms. Rezab said the forecast includes the one-percent property tax, which generates $405,000. New construction generates approximately $445,000. An additional $80,000 is available as a carry-over for appeals, delinquencies, and other items.

Councilmember Lee commented on the need for arts and cultural event space in Bellevue. He would like to consider constructing or acquiring a multi-cultural activity center.

Mayor Balducci questioned what it would cost to conduct a feasibility study to consider that type of facility, similar to what was done for the Council to consider funding for the Performance Arts Center Eastside (PACE)/Tateuchi Center.

→ At 9:58 p.m., Deputy Mayor Wallace moved to extend the meeting to 10:15 p.m. Councilmember Stokes seconded the motion.

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

Deputy Mayor Wallace suggested saving the remaining $150,000 reflected in the forecast for unanticipated circumstances.

Moving to capital items, Ms. Rezab said information requested by the Council on CIP Plan No. PW-R-159 (East Link staffing/analysis) is provided in Attachment D of the meeting packet. She recalled a request to split the project into three major tasks: 1) construction management and

engineering support ($5.4 million), 2) public outreach and marketing ($1.4 million), and 3) land use and station area planning ($1.6 million).

Responding to Councilmember Lee, Ms. Rezab said funding for project PW-R-159 is increased by approximately $8.4 million to be used from 2016 to 2021. She recalled that the Council asked staff to split the item into three distinct areas and noted that more information is provided in Attachment D. In further response, Ms. Rezab said approximately $14 million was added to the 2015-2021 CIP Plan. Of that, $5.9 million is for increased right-of-way (ROW) costs, approximately $500,000 is for debt service, and the remainder is for project PW-R-159.

Responding to Mayor Balducci, Ms. Rezab said the $14 million is generated by increased tax collections (i.e., sales tax, business and occupation tax, and REET tax) over the seven-year CIP Plan.

Responding to Councilmember Chelminiak, Ms. Rezab said there is a Council Contingency fund of approximately $4 million. Mr. Chelminiak suggested adding funding to PW-R-159 for 2016, 2017 and 2018 at this time, and holding money in Council Contingency funding for PW-R-159 in 2019, 2020 and 2021.

Deputy Mayor Wallace said he has a number of concerns and unanswered questions about project PW-R-159 and all of the tasks it contains. He said there are the construction management and City Hall Plaza items implied by the Memorandum of Understanding (MOU) with Sound Transit, and he is comfortable with budgeting those through 2021. For public outreach, he supports $75,000 in 2016 to develop a plan. However, he would rather wait until next year's budget process to consider additional funding. Mr. Wallace observed that a number of FTEs are focused on land use and transit-oriented development (TOD) planning. He would rather not see transportation dollars used for land use planning.

Mr. Wallace expressed concern about the Fire Captain position, which appears to be clearly a Sound Transit responsibility that is directly related to the East Link light rail project. He would like to separate this from the other line items and to have more information on the need and rationale for which agency should fund the position.

Mayor Balducci asked staff to provide two alternative versions of legislation based on the proposals by Deputy Mayor Wallace and Councilmember Chelminiak.

Councilmember Robertson said she likes the idea of breaking the items into more discrete projects where appropriate. She supports adding funding for 2016 and holding the remainder in the Council Contingency until next year's budget process. She suggested this as a third alternative approach and noted that separating items into smaller tasks enhances transparency regarding the use of the funds.

Councilmember Stokes expressed support for Ms. Robertson's proposal.

Councilmember Lee expressed support for Deputy Mayor Wallace's proposed approach. Mr. Lee wants to ensure that Sound Transit funds its responsibilities.

Moving on, Ms. Rezab described two additional CIP requests: 1) NE 1st Street parking (11 spaces), and 2) Music Works Northwest capital project. Staff has identified the following funding options for the Council to consider: 1) reduce funding in another project, 2) defer funding until the 2017-2018 Budget, and 3) use of Council Contingency funds ($4 million).

Responding to Mayor Balducci, Transportation Director Dave Berg said the NE 1st Street parking proposal is based on very little engineering work and does not address right-of-way or permitting issues. The project would require the removal of trees and additional analysis is needed for many aspects of the project.

Councilmember Robertson said she requested the parking proposal. She recalled that, earlier in the year, the Council codified parking requirement exceptions for certain buildings in Old Bellevue. Also, the City will be closing the current Downtown Park lot to complete park improvements. She suggested it would be fair for the City to provide parking to help mitigate those two factors. Ms. Robertson would like to add the project to the Mid-Biennium Budget Update and to have it built with the completion of park improvements, preferably in 2016.

Responding to Councilmember Stokes, Councilmember Robertson said the proposed $250,000 would allow staff to begin designing the parking project in 2016 and to complete it by 2017.

Mr. Stokes suggested deferring the parking project until the City can conduct a broader study of parking needs and options.

Councilmember Robinson said her understanding is that the existing lot on NE 1st Street will be rebuilt to compensate for the parking to be lost with the completion of Downtown Park. She would like to learn more about the project, including tree removal, before making a decision.

Deputy Mayor Wallace suggested directing staff to add the NE 1st Street parking project as a component of the Downtown Park development project. He said the park project has been delayed and will require the acquisition of property at NE 4th Street and Bellevue Way at considerable cost. The park project will need to be modified based on the latter, and Mr. Wallace suggested adding NE 1st Street parking to the continued planning process for the park.

Councilmember Chelminiak noted that the Transportation Director said it would not be feasible to complete the parking project in 2016 based on planning, ROW, and permitting issues. Mr. Chelminiak said he does not want to delay the completion of Downtown Park. He is not yet ready to commit to the NE 1st Street parking project, but he suggested including scoping work on the proposal as part of the Downtown Park project budget. He said the impacts, including tree removal, need to be fully understood.

Responding to Mayor Balducci, Ms. Rezab said she is hearing a preference for no budget adjustment in 2016 and for further discussion about including the project in the broader Downtown Park project.

→ At 10:25 p.m., Councilmember Chelminiak moved to extend the meeting to 10:30 p.m. Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 6-1, with Councilmember Robertson dissenting.

Councilmember Chelminiak reiterated his support for moving forward with further analysis, followed by public outreach if the project is viable.

Councilmember Stokes expressed support for Deputy Mayor Wallace's suggested approach. Mr. Wallace said he does not want the parking project to slow down the completion of Inspiration Playground.

Moving on, Councilmember Lee expressed support for granting Music Works Northwest's funding request of $75,000. He noted the community benefit provided by the organization's programs. Councilmember Stokes concurred.

Mayor Balducci suggested using the PACE Placeholder money, which is no longer needed for that use, for Music Works Northwest.

Councilmember Chelminiak suggested that the Council consider funding for emerging issues and unanticipated projects beginning with the 2017-2018 Budget process.

Deputy Mayor Wallace said he is willing to support the request as a unique situation. However, going forward, he said proposals need to be evaluated based on an appropriate fit with an existing budget priority.

Mayor Balducci noted general Council support for the funding request. She concurred with Mr. Wallace and suggested that the City develop a process and criteria for considering similar types of requests. She said the Council has granted funding for unanticipated requests in the past (e.g., Bellevue Philharmonic Orchestra), however. She said Music Works Northwest is a valuable asset in the community and worthy of the City's support.

Councilmember Robinson said the Eastside Heritage Center notified her about the oldest structure in Bellevue, which is the Burrows Log Cabin on 112th Avenue NE. She requested more information and Council consideration of preserving the cabin.

Councilmember Lee described his proposal for a water feature on the City Hall Plaza as it is redesigned to accommodate the Sound Transit East Link light rail station.

Deputy Mayor Wallace said he wants to be sure there is sufficient funding for Wilburton and BelRed planning in 2016. City Manager Miyake said staff would bring back more information on that the following week.

Patrick Foran, Director of Parks and Community Services, said the Burrows Cabin is the oldest structure in Bellevue and was originally built at Burrows Landing next to Chism Park. The developer is closing on the property on July 8 and would like to see the house removed by June

2016. Mr. Foran said staff was asked to provide a quick assessment of relocating the cabin and the estimated cost. He said staff recommends moving the cabin to Chism Beach Park near the original location. The estimated cost of moving the cabin is $150,000. Mr. Foran said the park is a popular spot for large picnics and weddings. Perhaps the cabin could be remodeled to support those activities in the future.

Mayor Balducci requested a written budget proposal for the Council to consider with the adoption of the Mid-Biennium Budget update on December 7.

(h) Regional Issues Updates

[Written information provided in meeting packet.]

Councilmember Robertson requested an update on the Willowmoor project. She said there has been extensive flooding on Lake Sammamish due to heavy rains, and King County is not maintaining the vegetation and river for proper drainage.

5. Council Discussion of Upcoming Items: None.

6. Continued Oral Communications: None.

At 10:30 p.m., Mayor Balducci declared the meeting adjourned.

Kyle Stannert
Acting City Clerk

/kaw