

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

February 11, 2002
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: Councilmember Noble

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:02 p.m. and announced recess to executive session for approximately 30 minutes to discuss one item of property acquisition.

At 6:36 p.m., the study session resumed with Mayor Marshall presiding.

2. Oral Communications

- (a) Lynne Allison, Arts Commission Chair, noted the memo in Council's desk packet endorsing the recommendations of the Performing Arts Center Committee. Ms. Allison thanked Council for appointing Arts Commissioner Margaret Lowe to serve on the committee.
- (b) Margaret Lowe, Arts Commissioner, thanked Council for the opportunity to serve on the Performing Arts Center Committee. She enjoyed learning more about the needs of arts organizations and residents and looks forward to the development of a cultural center in Bellevue. Ms. Lowe urged Council to adopt the committee's recommendations.
- (c) Dick Spady, President of the Forum Foundation, noted that the foundation conducts research in the field of administrative theory. He recently sent copies of the foundation's new book, *The Leadership of Civilization Building*, to President Bush and state governors, urging them to introduce it into their public school curriculums. Mr. Spady distributed copies of the book to Councilmembers.
- (d) Stephen Elliott, speaking as a parent and a member of the Eastside Arts Coalition, encouraged the City to enter into a partnership with the Bellevue School District to create a performing arts center using the 1,100-seat Auburn Performing Arts Center as a venue

and operating model. This partnership would alleviate the current, short-term, and projected performance needs of 30 organizations, including 15 based in Bellevue, currently producing events on the Eastside. He feels the project recommended by the Performing Arts Center Committee will not meet the needs of a vast majority of arts organizations on the Eastside because the venue is too large, the artistic challenges are too great, and overhead expenses will be more than most local organizations can afford.

- (e) Renay Bennett expressed concern about three City meetings that she feels were not properly noticed for the public. She said neighbors received four days' notice before two meetings (January 9 and 10) to discuss the Eastgate/I-90 Corridor Study. She suggested that meetings be held in the evening so that residents can attend after work. Ms. Bennett said 8,500 invitations were sent to residents one day before the Downtown Implementation Plan Transportation Alternatives meetings held on January 16 and 17. She said City staff attributed the delay to a mail glitch. Ms. Bennett encouraged the Council to ensure that a process is in place so that residents are properly notified of public meetings. She feels that the Neighborhood Networks, as partners to the City, should have been notified as well. The Networks could have assisted with the notification of residents via email at no cost to the taxpayer.
- (f) Janet Armstrong, representing the Somerset Community Association, said the Planning Commission's recommendation regarding the rezone of Factoria Square Mall does not adequately protect surrounding neighborhoods from the development's impacts. She submitted a letter addressing the following concerns: 1) the project to improve Factoria Boulevard is based on safety concerns and will not increase traffic capacity, 2) the developer has requested several exceptions including a building height of 75 feet, which has not been allowed outside of the downtown core in the city's 49-year history, 3) the developer now wants to exchange some of the planned apartment units for additional retail space, which would not be allowed under the current zoning. Ms. Armstrong urged the Council to protect residents from the impacts of traffic, crowded schools, density, noise, air and light pollution, cut-through traffic, crime, and inadequate infrastructure. She asked the Council to consider holding an additional public hearing on the project.

3. Study Session

- (a) Council New Initiatives

No new initiatives were discussed.

- (b) Ordinance rezoning approximately 2.47 acres located at 16605 SE Cougar Mountain Way from R-1 to R-1.8 on the application of Rory and Alice Dees
(Action was postponed from the February 4 Regular Session.)

Mayor Marshall noted this item was postponed from Council's February 4 Regular Session to allow staff to confirm the legal description for the property.

- Deputy Mayor Degginger moved to adopt Ordinance No. 5356 rezoning approximately 2.47 acres at 16605 SE Cougar Mountain Way from R-1 to R-1.8, and Mr. Mosher seconded the motion.

Mr. Lee is opposed to the individual rezones that have occurred in the Cougar Mountain area in recent years because he is concerned about increasing density and traffic congestion. He will not support the motion.

Mr. Mosher noted that the Dees rezone will allow four houses, instead of three, to be built on the 2.47 acres. He feels the request is reasonable and reflects a relatively low density for the city.

Mr. Degginger concurred with Mr. Lee's concerns regarding traffic congestion on Cougar Mountain, but he feels one house will not have a detrimental impact on the area.

- The motion to adopt Ordinance No. 5356 carried by a vote of 5-1, with Mr. Lee dissenting.

(c) Performing Arts Center Citizen Advisory Committee Recommendations

Mayor Marshall acknowledged the Performing Arts Center Citizen Advisory Committee (CAC) members in the audience and thanked them for their time and hard work.

City Manager Steve Sarkozy recalled that Council appointed the Performing Arts Center CAC in September 2001 to study existing public and private proposals for constructing a performing arts center in Bellevue.

Planning and Community Development Director Matt Terry announced that Richard Foreman, Chair of the CAC, was not able to attend this evening so Sarah Langton will present the CAC's recommendations. Mr. Terry introduced Steve Bronfenbrenner, B Squared Consulting, and noted the written communication from Eastside Sports and Entertainment to the Council, the bound document containing proposals by Performing Arts Center Eastside (PACE) and Eastside Sports and Entertainment (ESE), and the CAC's Project Report dated January 28, 2002.

Mr. Terry reviewed that the Performing Arts Center CAC was formed to: 1) evaluate two private proposals for constructing a performing arts center in downtown Bellevue, 2) identify any issues and concerns, and 3) identify any actions or conditions regarding the City's investment in this facility. The ESE proposal included an 8,000-seat sports arena, a performing arts center, and a parking facility on City/County-owned property near Meydenbauer Center. The recommended proposal known as PACE provides a privately financed performing arts center at Bellevue Place utilizing existing parking facilities at that location, although additional parking could be added to support the center.

Mr. Terry said the City hired a consulting team from B Squared Consulting and Boora Architects to assist the CAC and study the following areas: utilization and market, financial and operating plan, site and program, and approach and feasibility. He reviewed the four major issues reflected in the CAC's discussions:

Size of Facility – Both PACE and ESE proposed large, 1,800-seat performing arts centers, which is consistent with two previous feasibility studies performed by the City. An 1,800-seat facility could provide a broad range of local, regional, and touring entertainment options for Bellevue residents. The consultants concluded that there is a market for this size of a facility on the Eastside, particularly as Bellevue grows as a regional center. Throughout the study, the CAC debated whether a facility of this size will be too large for local arts groups.

Financial/Business Plan – Mr. Terry said both proposals evaluated are conceptual in nature and do not contain detailed project plans or capital fundraising strategies. The CAC concluded that this work should be completed before the City is able to consider a capital contribution. The PACE proposal seeks a non-compete commitment to allow the developer to conduct capital and project development work without the distraction of competing projects. The CAC feels this is reasonable and recommends that project milestones be established in order to monitor the project's progress.

Site Location – Mr. Terry said an appropriate site for the center was discussed extensively by the CAC. A previous study by the City focused on City-owned property south of Meydenbauer Center, providing an anchor on the east side of the downtown. This site is large enough to provide flexibility in design but development costs would be higher as parking facilities would be needed to support the center. The CAC concluded that Bellevue Place (PACE proposal) offers several benefits including proximity to restaurants and access to existing parking facilities. This location would reinforce the existing activity center on the west side of downtown.

Public Financing – Mr. Terry said the ESE proposal is highly dependent on public investment for the acquisition of the site, development of parking facilities, and capital and operating costs for the performing arts center. The PACE proposal is entirely privately financed for both capital and operating costs. However, both proposals anticipate some level of future arts group funding.

Ms. Langton thanked Council for the opportunity to serve on the committee and discussed the CAC's recommendations. She thanked the consultants and Mr. Terry for guiding the CAC through the process and raising relevant issues for the committee's debate. The CAC endorses the PACE proposal submitted by Kemper Freeman, Jr., a developer with a proven track record in successful fundraising efforts including Bellevue Art Museum and Overlake Hospital. The CAC recommends that the City not undertake any other similar project during the development of this facility. However, the City is encouraged to explore partnership opportunities with Bellevue School District for the development of a performance facility with approximately 800 seats. The CAC further recommends the City consider: 1) a capital gift to the PACE facility, 2) additional financial support for the Arts Commission to develop a cultural plan, and 3) funding to support the development of local arts groups so they can grow into the performing arts center.

Responding to Councilmember Mosher, Ms. Langton said the non-compete clause is targeted at similar-sized facilities. The CAC learned that 1,800-seat and 800-seat facilities will serve different needs within the community and therefore the CAC is not opposed to the City's pursuing a smaller facility with Bellevue School District. The CAC feels it is important to retain the option for a mid-range facility for arts groups with that need.

Mr. Lee thanked CAC members for their work and questioned the recommendation that the City provide financial support to the project. Ms. Langton clarified that the CAC recommends the City consider financial support given the fact that this is one of City Council's "audacious goals." Mr. Terry added that while some performing arts facilities are entirely privately financed, sometimes public financing is needed to help make a project a reality. In further response to Mr. Lee, Mr. Terry said the PACE developers view their proposal as a private initiative. The CAC feels a non-compete clause is reasonable as long as milestones are established to ensure the project moves forward.

Dr. Davidson referenced the recommendation that the City review and approve the detailed operations plan before considering any capital funding. If Council chooses to adopt the CAC's recommendations, Dr. Davidson feels this should be reworded because it is possible that the City could provide capital funding without first reviewing and approving a detailed operations plan. Mr. Terry explained the CAC's rationale that if the City is to commit public resources, it has a responsibility to ensure resources are deployed to provide maximum public benefit. Dr. Davidson cautioned against becoming too involved in the operating details of a private venture.

Mr. Sarkozy clarified that the recommendations do not represent any commitment that the City will provide financial support to the project.

Responding to Mr. Creighton, Mr. Bronfenbrenner said the recommended facility size of 1,800 seats would accommodate both larger touring shows and smaller performances by local arts groups. He noted the level of use for less-attended performances tends to decrease over time as performing arts centers grow and respond to the need to increase revenues. In further response, Mr. Bronfenbrenner said the few multi-form theatres in existence have proven to not be economically and operationally feasible. Mr. Creighton noted that the CAC's recommendation contains two parts, a performance hall and incubator space for local arts groups. He expressed concern about the City becoming too heavily committed to arts funding, but he is willing to consider a challenge grant similar to what was offered to support the new Bellevue Art Museum.

Deputy Mayor Degginger thanked CAC members for working so hard to complete their work within a few months. He feels the proposed PACE facility and a potential school performance facility would serve different needs within the community and exhibit differences in terms of design and amenities.

- ➡ Deputy Mayor Degginger moved to direct staff to prepare a resolution endorsing the Performing Arts Center Eastside (PACE) proposal and incorporating the CAC's recommendations regarding the establishment of project milestones and the consideration of a financial contribution from the City.

Mayor Marshall said Kemper Freeman, Jr. has offered to contribute the land, at an estimated value of \$8 million, for the performing arts center. She would support a non-compete clause conditioned upon a specific time frame (maximum of three years) and milestones. She is willing to consider a financial contribution from the City at the appropriate time and/or milestone. While she understands the need for a smaller performance hall such as the proposed school facility, Mrs. Marshall prefers to address the two projects separately. She is enthusiastic about

the PACE proposal and the CAC's work. Mrs. Marshall supports the recommendation that the Arts Commission develop a cultural plan for the community, but she feels this effort should be separated from development of a performing arts center.

→ Mayor Marshall offered a friendly amendment to clarify Council's endorsement of the CAC's recommendations to: 1) support a non-compete clause conditioned upon a specific time frame (maximum of three years) for fundraising and project milestones, 2) state that the City might consider a financial contribution to the project, and 3) separate for consideration the issues of a potential partnership with Bellevue School District to create a smaller performance facility and the Arts Commission's development of a cultural plan.

Mr. Mosher agreed that the resolution in support of a performing arts center should not include issues such as an additional smaller theater in the community and funding for local arts groups. He supports endorsement of the PACE project and agreement that the City will not undertake any other similar project within a specified time period, without the additional elements presented in the recommendation.

☞ Mr. Mosher seconded the motion and friendly amendment.

Mr. Lee expressed support for the PACE project and thanked Mr. Freeman for his offer to the community. He concurred with Mrs. Marshall's recommended time limit of three years for fundraising and proven progress on the project. If the PACE project moves forward, Mr. Lee feels Council's next audacious goals in the arts should be the development of a cultural plan for the community and the development of a smaller theater for local arts groups. Mr. Lee said the City should not contribute funding to the PACE project unless asked by Mr. Freeman. He prefers to allow the private developer to proceed while Council pursues other arts projects providing a community benefit.

Mrs. Marshall clarified the motion and reiterated that the development of a cultural plan for the community should be a separate issue.

Mr. Creighton is interested in talking to Bellevue School District about its plans for school auditoriums, as he does not want the City to miss out on potential opportunities.

☞ The motion to direct staff to prepare a resolution endorsing the Performing Arts Center Eastside (PACE) project and incorporating the following stipulations: 1) support a non-compete clause conditioned upon a specific time frame (maximum of three years) for fundraising and project milestones, 2) state that the City might consider a financial contribution to the project, and 3) separate for future Council consideration the issues of a potential partnership with Bellevue School District to create a smaller theater and the Arts Commission's development of a cultural plan, carried by a vote of 6-0.

(d) Regional Disaster Plan for Public and Private Organizations in King County

Mr. Sarkozy introduced an initiative within King County to develop a Regional Disaster Plan.

Barb Graff, Emergency Preparedness Manager, described the efforts of public and private organizations within King County to develop a framework for coordinated emergency response planning. These organizations include 39 cities, 30 fire districts, 19 school districts, 16 sewer districts, 32 water districts, 19 hospitals, the Port of Seattle, American Red Cross, and many more. Ms. Graff noted that Bellevue's Emergency Operations Plan includes local direction and local control. A regional plan focuses on regional coordination, provisions for sharing resources, and the creation of a framework for city, county, special purpose district, and regional business plans. Ms. Graff said the following elements can and should be coordinated to enhance efficiencies: regional communication, debris clearance, lifeline restoration, use of regional services such as the Red Cross, public safety information, the management of donated goods, shelter operation, and the sharing of specialized resources.

Ms. Graff said the key benefits of a regional disaster plan include:

- Augments mutual aid agreements already in place
- Establishes tiered response protocol for the use of resources
- Sets legal and financial framework
- Uses incident command system
- Allows voluntary participation
- Uses existing resources
- Modeled on other successful plans
- Organized geographically.

Ms. Graff described a map showing regional emergency response zones within King County, with Bellevue as Zone 1. In the event of a disaster, the needs of participating organizations within this zone would be processed through a central Bellevue location. Ms. Graff said regional disaster planning was initiated in 1998 by the King County Regional Policy Committee. The King County Emergency Management Advisory Committee serves as the steering committee and King County Office of Emergency Management provides staff support to the regional disaster planning group.

Ms. Graff said Council is being asked to authorize the City Manager to enter into an agreement to participate in the Regional Disaster Plan. This would require amendment of Bellevue's local disaster plan to reflect the City's participation in the Regional Disaster Plan. Under the regional plan, Bellevue would coordinate Zone 1 information and resources requests in the event of a disaster. Ms. Graff reviewed the following benefits for Bellevue: 1) sharing resources becomes easier because legal and financial arrangements will have been put in place, 2) cooperation becomes institutionalized, 3) could provide a model for the remainder of the state, and 4) hosting the Zone 1 coordination site makes it convenient for Bellevue.

Ms. Graff said the basic Regional Disaster Plan and some issue-specific sections have already been written. Organizations are now being asked to officially join this cooperative effort. She noted that additional elements of the plan will continue to be developed to address areas such as debris management, mass care, public information, training and exercises, resource support, and search and rescue.

Responding to Mr. Creighton, Ms. Graff said one Zone 1 representative is needed to serve on the Regional Disaster Plan task force. The representative can be any citizen and does not need to be a City staff member.

Mr. Lee complimented Ms. Graff on her work. He questioned who has been funding this effort and how ongoing costs will be met. Ms. Graff said the primary cost of developing the plan so far lies with the regional planner position within the King County Office of Emergency Management. Ms. Graff and other agency representatives have participated in the planning process as part of their regular jobs.

Mayor Marshall said Harborview Medical Center is a Level 1 trauma center with first call on assigning beds in the event of a disaster. She encouraged Council and staff to support the designation of Overlake Hospital as a Level 2 trauma center and noted that Level 1 represents teaching hospitals with interns and residents. The Eastside is a growing area and it is important that emergency medical services keep pace with this growth.

Mr. Degginger asked whether the issue raised by Mrs. Marshall has been discussed in the regional disaster planning meetings. He noted that Harborview was damaged in the February 2001 earthquake. Ms. Graff said the issue has not been addressed. She said Overlake Hospital is the backup to Harborview in terms of assigning beds and the trauma designation would not make a difference in how services are coordinated during a disaster. The trauma designation reflects the available level of service for an area on a daily basis.

Mr. Lee feels Overlake Hospital is a good corporate citizen and he supports the long-term development of a regional trauma facility.

- Mr. Mosher moved to direct staff to prepare a resolution authorizing the City Manager to enter into the agreement to participate in the Regional Disaster Plan, and Mr. Degginger seconded the motion.
- The motion to direct staff to prepare a resolution authorizing the City Manager to enter into the agreement to participate in the Regional Disaster Plan carried by a vote of 6-0.

4. Discussion of Upcoming Items

- (a) Application of the City of Bellevue for the rezone of six residential parcels in East Bellevue in an area between Main Street and NE 8th Street, east of 148th Avenue NE, to the lowest density zoning consistent with the Comprehensive Plan land use designation, and the reclassification of two non-residential parcels in the area from Open Use to Office. File Nos. 99-997500-LQ, 99-997502-LQ through 99-997508-LQ, 99-997510-LQ through 99-997518-LQ.
(This item is scheduled for Council action on February 19.)

At Mayor Marshall's request, Assistant City Attorney Lori Riordan explained that an email message with an attachment was sent to a City employee, Kathleen Burgess, and copied to all Councilmembers. The message was from Scott Leonard and the subject line did not identify the

topic as the East Bellevue Rezone, which is a quasi-judicial matter. Ms. Riordan said no member of a decision-making body may have ex parte contacts with proponents or opponents of a proposal, unless that person places on the record the substance of any written or oral ex parte communications and provides that a public announcement of the content of the communication and of the party's right to rebut the substance of the communication shall be made at each hearing where action is considered or taken on the subject of the communication. Ms. Riordan said Scott Leonard's email qualifies as an ex parte communication. She asked Councilmembers to comment on the receipt of this email.

Mayor Marshall, Mr. Creighton, Dr. Davidson, and Mr. Lee did not read the communication from Scott Leonard. Deputy Mayor Degginger said it was in the Council Desk Packet. Mr. Mosher read it while he was going through his email today.

In light of the fact that a Councilmember had read the communication, Ms. Riordan asked the City Clerk to make the document a part of the record for Council's proceedings in this quasi-judicial matter. She reviewed the substance of the letter. Mr. Leonard provided background information regarding his understanding of the history of the rezone, and particularly in relation to Parcel 4 (Ting property). Mr. Leonard indicated that the 1993 Comprehensive Plan did not include multifamily zoning for Parcel 4. He discussed the City's rezone criteria and explains why he believes the criteria for the rezone have not been met. Mr. Leonard urges the preservation of single-family housing and the natural environment in the Lake Hills area. He requests that Council amend the Comprehensive Plan to return the property to its 1993 zoning status (single family).

Ms. Riordan questioned whether anyone from the public would like to rebut the substance of the communication from Mr. Leonard. No one came forward to comment. Ms. Riordan said the rezone ordinance will be presented for Council action on February 19. It will be necessary for Councilmembers to again make statements at that time regarding any ex parte communications and for the public to have an opportunity to rebut any disclosures.

Responding to Mr. Mosher regarding the impact of the rezone ordinance, Ms. Riordan explained that when the original rezone application was considered in 1995, Council chose a higher density for four of the nine parcels. The 1995 rezone package was disapproved by the East Bellevue Community Council. Ms. Riordan said the difference between the old ordinance and the new ordinance equates to potentially 10 residential units spread among four parcels. Mr. Mosher noted that development of several of the parcels is further constrained because they contain wetlands. Ms. Riordan concurred and said the City owns some of the parcels, which are used for drainage purposes.

At 8:48 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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