

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

January 9, 2006
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Chelminiak, and Councilmembers Balducci, Davidson, Lee, Marshall, and Noble

ABSENT: None.

1. Executive Session

At 6:01 p.m., Deputy Mayor Chelminiak opened the meeting and declared recess to Executive Session for approximately 20 minutes to continue discussion of one item of pending litigation from the 5:30 p.m. Special Meeting.

The Study Session resumed at 6:24 p.m. with Mayor Degginger presiding.

2. Oral Communications

King County Councilmember Reagan Dunn provided a State of the County report. He distributed maps showing the new King County Council districts effective January 1, 2006. Mr. Dunn described the reorganization of the King County Council, which has been reduced from 13 to 9 members. Committee assignments and chairs will be decided on January 17. Councilmember Dunn's three primary areas of interest are transportation, land use, and law enforcement of illegal drugs.

Councilmember Davidson expressed concern about King County Councilmembers holding a majority of positions on regional committees. He encouraged more equitable representation.

Councilmember Lee noted Bellevue's interest in increasing the number of bus shelters to help encourage transit use.

Deputy Mayor Chelminiak expressed appreciation for King County's role in creating the South Bellevue Community Center and the acquisition of land adjacent to Bellevue Botanical Garden. He encouraged consideration of a transit circulator in downtown Bellevue.

Mayor Degginger thanked Mr. Dunn for his report.

City Manager Steve Sarkozy described current efforts to move equipment to the new City Hall. Council will meet in the Council Conference Room again on January 17. It is anticipated that no fourth Monday meeting will be held.

- (a) Council New Initiatives – [See below.]
- (b) David Schwartz, Co-Chair of Temple B'nai Torah's Tent City 4 Task Force, said the camp provides a warm, safe environment for homeless individuals trying to rebuild their lives. He said residents have been so generous with donations that the camp has been able to share food with other shelters. Mr. Schwartz said rumors and reports of incidents associated with Tent City 4 are false and unsubstantiated. He said only one incident of human waste in Hillaire Park was reported to and documented by the Police. Mr. Schwartz said members of the Temple are providing a 24-hour presence on site to monitor activities. No major violations regarding Tent City have been reported. Mr. Schwartz thanked City staff for working with Temple personnel.
- (c) James Morrell said the Temple congregation has benefited greatly by hosting Tent City 4. He encouraged partnerships between local government and private entities to address the needs of the homeless and disadvantaged. He thanked Council for the opportunity to comment and invited Councilmembers to visit the encampment.
- (d) Peggy Hotes recalled that she is the school teacher who has become a Tent City resident. She is incensed with the allegations targeted against encampment residents. She often works the security shift in the middle of the night and said the camp is quiet and orderly. Ms. Hotes invited Councilmembers to visit.
- (e) Lois Dobish spoke in opposition to Tent City 4's presence in Bellevue and associated problems including litter, human waste, and condoms found in the park and neighborhood. She feels temporary encampments encourage dependency of the homeless. Ms. Dobish is concerned about the negative impacts on neighborhoods.
- (f) Jeffrey Lown, a resident of the West Summit area, said he bought his property in 1998. The City of Bellevue manages an adjacent RVA (retained vegetation area) and wanted to put a trail on his property. Mr. Lown described his frustration with trying to obtain a permit for tree cutting and the City's requirement that he hire an arborist. He said alders and maples are now hitting his house in the wind. He does not understand all of the unnecessary expense of the process. Mr. Lown said his insurance rates have increased due to the trees. He described repeated attempts to break into his home, which he attributes to the high weeds obstructing visibility of the house. Mr. Lown asked Council to consider eliminating the RVA and allowing residents to manage their property for which they pay taxes or to direct City staff who maintain the trail to make the RVA area safe for adjacent residents.
- (g) Arthur Sullivan, Program Manager for A Regional Coalition for Housing (ARCH), noted he needs to attend another City Council meeting later in the evening. He has been working for the past few years with Bellevue and other jurisdictions to develop the Ten

Year Plan to End Homelessness. Through ARCH, cities have provided funding support for nine developments including 110 units of transitional housing, primarily for families. Bellevue has been a key partner by providing more than \$1.4 million in cash and land donations to support these projects. Mr. Sullivan noted ARCH's involvement in the King County Committee to End Homelessness and the Eastside Human Services Forum.

- (h) Sue DeFlorio, Bellevue Economic Partnership, recalled her visit to Council in September regarding the challenge in finding an alternate site for Eastside Harley Davidson. She thanked City staff and Bellevue Chamber of Commerce for their assistance. The company was successful in identifying and purchasing a building in the Overlake area.
- (i) Steve Gilbert, Bellevue Chamber of Commerce, noted the importance of retaining local businesses. He thanked City staff for participating in identifying a solution to retain Eastside Harley in Bellevue.
- (j) Rob Odle, Planning Manager for the City of Redmond, distributed a memo and described Redmond's efforts to designate the Overlake area, which has a large number of jobs and housing units, as an Urban Center. Mr. Odle recalled that the Overlake area was changed from an Urban Center to an Advanced Technology Center in the early 1990s. He noted staff's comment in his memo that residential uses were not fully addressed in the BROTS (Bel-Red-Overlake Transportation Study) agreement between Bellevue and Redmond. Mr. Odle explained that residential uses were not overlooked at the time but were acknowledged as necessary to balance commercial development. The Urban Center designation for the Overlake area could increase its competitiveness for transportation funds and infrastructure commitments.

Mr. Odle noted that Bellevue and Redmond staff have been working together since 2003. Redmond staff have prepared significant analysis to respond to concerns raised by Bellevue staff regarding Redmond's interest in the Urban Center designation. Redmond staff are perplexed by the recommendation to establish a Council committee for negotiations regarding the nature of the Overlake Urban Center. Redmond feels the appropriate starting point is with the two cities' administrations. If resolution is not achieved in that manner, Redmond suggests initiating a joint Council process.

- (k) Steve Allen, King County Search and Rescue/Seattle Mountain Rescue, thanked the City for providing meeting space in the Leavitt Building in the past. They have requested meeting space in the New City Hall as well and are waiting to hear back from staff.

Council New Initiatives

Councilmember Balducci noted that Bellevue School District and Issaquah School District both have ballot measures planned for 2006. The Issaquah School District has requested the endorsement of the Bellevue City Council.

City Clerk Myrna Basich explained that state law prohibits the use of public facilities for electioneering and campaigning purposes but does allow City Councilmembers to take a position

on a ballot measure if requirements for public noticing and providing the opportunity for public testimony are met. Ms. Basich said this could be arranged for next week's meeting if Council is interested. Discussion of the issue should wait until the topic is properly noticed on a future agenda.

Mayor Degginger noted Council consensus to proceed with this process.

Dr. Davidson requested information from Finance staff for the next meeting regarding property tax increases for schools and King County over the past few years compared to Bellevue's property tax rates.

3. Study Session

(a) Human Services Needs Update

Alex O'Reilly, Human Services Coordinator, said the Draft 2005-2006 Human Services Needs Update has been distributed to Councilmembers. The purpose of the update is to guide the allocation of 2007-2008 human services and Community Development Block Grant (CDBG) funding by the Human Services Commission and City Council. Staff provides this information to other City departments, community groups, agencies, and regional planning groups as well. A phone survey indicates that 94 percent of residents rate the city as a good or excellent place to live for the following reasons: safety, friendly neighbors, diversity, parks and open spaces, good for youth, excellent schools, and a well-managed nonprofit human services network.

Ms. O'Reilly described examples of programs to address homelessness including funds to prevent eviction and foreclosure. Statistics show that after six months, 93 percent of survey respondents participating in the program have maintained the same housing. Efforts to keep children in school reflect that 100 percent of at-risk youth experienced decreased truancy.

Ms. O'Reilly reviewed key trends in the Human Services Needs Update:

- Living wage jobs (\$26 per hour for a family of four in Bellevue) are more difficult to find.
- Access to affordable health care/insurance is increasingly a challenge. Respondents to the City's phone survey indicate 17 percent reporting they do not have insurance and 15 percent reporting they are unable to pay medical bills. Dental care is not available to many citizens, including seniors.
- The needs of older adults continue to have a big impact. Many do not have sufficient retirement savings and the need for long-term care is growing. New Medicare insurance benefits are confusing for many older adults.
- Increasing diversity in the community reflects a greater need for services. More than a quarter of Bellevue residents are non-Caucasian according to the 2000 census. Requests for an interpreter at Eastgate Public Health increased 54 percent over the past two years.
- Lack of affordable housing.
- Lack of transportation access to human services.
- Insufficient availability of low-cost legal help.

Ms. O'Reilly listed the following strategic collaborations the City is involved with:

- Affordable housing – A Regional Coalition for Housing (ARCH), Committee to End Homelessness.
- Regional funding – Healthy Families and Communities Task Force, North and Eastside Funders Group, Eastside Human Services Forum.
- Schools – Wrap-Around Services Project, SOAR.
- Refugees and immigrants – ERIC, King County Refugee Planning Committee.
- Medical/dental – North and East King County Dental Coalition.

Ms. O'Reilly emphasized the ongoing importance of: 1) creating a stable county-wide funding stream for regional human services, 2) promoting better access for under-served populations, 3) preserving prevention programs, and 4) advocating for Eastside needs.

The Human Services Commission will address funding priorities in March. A call for proposals from the community will be released in April. Recommendations for 2007-2008 funding will be presented to Council in the fall of 2006.

Councilmember Lee thanked staff and the Human Services Commission for their work and for providing extensive information to the Council. He confirmed the importance of continuing to advocate for Eastside needs.

Mrs. Marshall appreciates Council's policy of providing stable funding for human services. She encouraged Human Services Commissioners to maintain a balance between types of needs in its funding recommendations. Mrs. Marshall praised the centralized scheduling system for sports fields and suggested creating a centralized information source for all ESL (English as a second language) classes in the community.

Mr. Chelminiak thanked staff for the Human Services Needs Update report, which is usable to the City as well as others in the community. He encouraged faith-based groups to utilize the report to identify opportunities for assisting with needs.

Ms. Balducci concurred with Mr. Chelminiak. She noted the ongoing struggle to balance competitive needs between long-term and emerging service providers with the limited funding available. She encouraged staff and the Human Services Commission to focus on current critical issues.

Dr. Davidson praised the work of staff, the Commission, and Council in the area of human services. He is disappointed with allegations that Bellevue does not do its fair share and noted the City's history of leadership in human services.

Mr. Noble said human services needs are much broader than homelessness, and these needs are accurately and comprehensively reflected in the Human Services Needs Update.

(b) Committee to End Homelessness

City Manager Steve Sarkozy opened discussion regarding the Ten-Year Plan to End Homelessness in King County. In September 2005, the City Council appointed Mr. Noble to serve on the Governing Board of the Committee to End Homelessness.

Emily Leslie, Human Services Manager, introduced Bill Block, Project Director for the Committee to End Homelessness, to discuss the ten-year plan. She requested Council direction on the interest statement regarding the ten-year plan [Page 3-13 of meeting packet].

Mr. Block said approximately 8,300 people are homeless in King County each night, and one-quarter of these are children. In 2003, 77 homeless residents with an average age of 47 died in King County. In a 2004 one-night count (which will occur this year on January 26), 11 percent of those surveyed reported north or east King County as their last permanent address. The largest multi-service agency in east King County reports an average turn-away rate of six families for every family served in transitional housing. In homeless programs funded through King County, 22 percent of persons served were from north or east King County.

Mr. Block said millions of dollars are spent on the homeless including \$2 million to Harborview's Sobering Center and Crisis Triage Unit in 2003. Supportive housing is a more cost-effective method for stabilizing homeless individuals and preventing problems and associated costs.

Mr. Block explained that the Ten-Year Plan originated from the community and includes a broad range of partners. It emphasizes prevention, an integration of services, and the transition to permanent housing. Mr. Block said certain crime recidivism rates decrease significantly when housing is provided. He noted that 30 percent of youth aging out of foster care become homeless. The Plan is designed to measure the success of programs and services.

Implementation of the Ten-Year Plan is through a Governing Board, Interagency Council, and Consumer Advisory Council. Individual committees focus on single adults, families, youth, resources development and alignment, and communications. All of these activities are supported by Committee to End Homelessness staff.

Mr. Block reviewed the following current activities of the Committee:

- Population committees are developing project concepts for the use of funds from State Bill 2163 to establish a homeless housing program and create a truly integrated, effective system.
- Communication committee is working on enhancing community understanding and promoting state legislative action items.
- Resource committee is working to align resources and establish meaningful performance measures.

Mr. Block said the Suburban Cities Association recently voted unanimously to endorse the Ten-Year Plan to End Homelessness. He clarified the plan is not simply about funding but about

improving coordination between local governments, service providers, the State Department of Social and Health Services (DSHS), and the Department of Corrections.

Camron Parker, Human Services Grant Coordinator, reiterated Bellevue's activities through ARCH and the Eastside Human Services Forum. Staff from Bellevue, Kirkland, and Redmond participate on the Committee to End Homelessness. Additional partners are Congregations for the Homeless, Downtown Action to Save Housing (DASH), Eastside Domestic Violence Program, Friends of Youth, Hopelink, and the YWCA. Mr. Parker said the City's 2006 budget allocates approximately \$361,000 of the Human Services Fund (18 percent of the fund) to 12 programs addressing homelessness. An additional \$400,000 in General Fund and Community Development Block Grant funding will be invested in the Housing Trust Fund for future projects.

Mr. Parker noted the draft interest statement [Page 3-13] and Resolution [Page 3-15] supporting the Ten-Year Plan to End Homelessness and requested Council's feedback.

Councilmember Marshall noted that many residents who have testified before Council regarding Tent City and homeless issues are likely not aware of this countywide effort to end homelessness. If the interest statement and Resolution are approved, Mrs. Marshall suggests also adding this as a priority on the Council's federal and state legislative agendas.

Ms. Balducci expressed support for the Ten-Year Plan and a coordinated regional effort.

Responding to Mr. Chelminiak, Mr. Block said the City of Seattle is attempting to shift its focus from shelters to transitional and permanent housing. Mr. Parkers said there are few shelter beds on the Eastside.

Mr. Noble spoke in favor of adoption of a Resolution expressing Bellevue's support of a regional approach to homelessness for both urban and suburban areas. He noted the Committee's intent to address factors leading to homelessness by subarea. He suggested also looking at measures addressing homelessness by subarea.

Mr. Lee commended the efforts of the Committee to End Homelessness and said he would like more time to review the proposed interest statement. He would like more information about how the goals of the Ten-Year Plan will be accomplished.

Dr. Davidson feels the use of temporary encampments has distracted from the issue of helping to move the homeless into better long-term living situations.

Mr. Noble noted that a full report regarding the Ten-Year Plan is available for review in the Council Office.

Responding to Mayor Degginger, Mr. Block said the resource committee is working to refine estimated costs and the availability of existing funds. Mr. Block noted the importance of Federal Housing Authority funding, which continues to be endangered by cutbacks. The City of Seattle housing levy is another opportunity for funding. Mr. Block said the ability to create stability for

the homeless will result in decreased prison and jail costs. He noted a cost of \$700 per day to house an inmate. One challenge of the resource committee is to develop resources without causing a battle between social services providers.

Mayor Degginger asked staff: 1) to ensure that the draft interest statement and Resolution reflect Council's comments this evening, and 2) to document the City's current activities relating to housing and the homeless in the interest statement. Mr. Degginger suggested adding these priorities to Council's state and federal legislative agendas.

Responding to Councilmember Lee, Mr. Block said the Committee to End Homelessness is a regional coalition that seeks funding from its participants. It is largely staffed by personnel from member organizations. Mr. Block's and his assistant's positions are funded by King County, City of Seattle, and United Way.

Deputy Mayor Chelminiak clarified his understanding that funds to be reprogrammed toward the Ten-Year Plan are anticipated to come from current programs addressing the homeless. He supports the interest statement's proposed focus on preventing as well as ending homelessness, beyond the current approach of managing homelessness. Mr. Block described the intent to better align housing programs with other services needed by the homeless involving employment, mental health, and related issues.

Mayor Degginger said Council will take action on the interest statement and proposed Resolution next week.

Mr. Degginger declared a five-minute break. The meeting resumed at 8:50 p.m.

(c) 2005 Comprehensive Plan Work Program

Kathleen Burgess, Comprehensive Planning Manager, opened discussion of the 2005 Comprehensive Plan work program.

Patsy Bonincontri, Planning Commission Chair, said the Commission recommends approval of three 2005 Comprehensive Plan Amendments: 1) Updates to the Factoria Subarea Plan and East Bellevue Transportation Plan, 2) Plan map change from Office to Multifamily-Medium for Lochwood Commons, and 3) Addition of Tax Lots Triangle to the Potential Annexation Area (PAA) and establishment of a single family-low designation on the Comprehensive Plan map.

Councilmember Marshall noted that the Utilities Element CPA is not recommended for action as part of the 2005 work program. She recalled interest in this amendment by residents near the Lochleven Substation in particular as well as the initiation in December 2004 of this CPA by the Council.

Ms. Burgess said staff continue to work with Puget Sound Energy regarding the proposed CPA. It is possible the CPA will be ready for implementation with the 2006 CPA package.

Mrs. Marshall noted the conceptual drawing of a pedestrian bridge on page 3-52 of the meeting packet. She wants to ensure that if a bridge is installed across Factoria Boulevard, standards similar to those used for the downtown skybridge are applied to effectively integrate it into the urban streetscape.

Ms. Balducci said the need for a pedestrian bridge across Factoria Boulevard was identified because of the busy traffic, wide street, and lack of opportunities to cross.

Kevin McDonald, Senior Planner, said the bridge is a long-term solution to a current problem that is being addressed through intermediate measures including enhanced crosswalks and pedestrian countdown signals at the intersection of Factoria Boulevard and SE 38th Street.

On a different topic, Ms. Balducci said she understands the City's desire to limit driveways along Factoria Boulevard. However, she expressed concern that this contributes to traffic congestion and problematic circulation within Factoria Mall's parking lot.

Mr. Lee suggested a tunnel instead of a skybridge. Mr. McDonald said a tunnel was discussed but residents favored the pedestrian bridge.

Responding to Mr. Lee, Deputy City Attorney Kate Berens said most non-conforming signs in Factoria have been brought into compliance. Signs extending above the standard height have been allowed to remain because they were intended to be visible from the freeway.

Mayor Degginger said the three CPAs will be brought back for Council action next week.

Deputy Mayor Chelminiak requested information from staff next week regarding Comprehensive Plan policies and design standards for downtown skybridges, which he feels should be applied to any future pedestrian bridges.

(d) Transportation CIP Update and 2006 Project Funding Plan

Transportation Director Goran Sparrman explained that the Transportation Capital Investment Program (CIP) Plan has been decreasing over the last couple of CIP cycles. Several large transportation projects were completed in 2001 and 2002 and overall City resources have declined as well.

Dave Berg, Assistant Director of Transportation, reviewed the following projects completed in 2005:

- Access Downtown
- NE 29th Place
- 110th Avenue NE (Phase 1)
- Kamber Road
- 164th Avenue NE
- Cougar Mountain Way
- NE 20th Street

- Forest Drive (Phase 1)
- 148th Avenue SE.

Additional completed projects include street overlays and sidewalks. Overall 2005 Transportation CIP spending totals \$22.2 million.

Mr. Berg reviewed the following projects that experienced substantial savings: 1) Access Downtown (PW-I-46), \$100,000 savings, in addition to \$6 million savings realized through the 2005-2011 CIP Update; 2) NE 29th Place Connection project (PW-R-60), \$550,000 savings; and 3) Kamber Road (PW-R-102), \$700,000 savings. Deficits are anticipated for the following projects: 1) 156th Avenue Boardwalk (NIS-1), estimated worse-case deficit of \$150,000; 2) Bel-Red Road and NE 30th Street (PW-I-70), deficit of \$250,000 (Negotiations are ongoing regarding the developer's contribution.); 3) 119th Avenue SE (PW-W/B-64), deficit of \$300,000; and 4) 140th Avenue NE pathway (PW-W/B-70), deficit of \$300,000. Staff recommends funding the deficits by reallocating funds saved on other projects.

Mr. Berg noted the potential for a savings of \$800,000 in the 148th Avenue SE project (PW-R-117) and a savings of \$100,000 in the 164th Avenue NE sidewalks project (PW-W/B-66). A deficit of \$1.1 million is possible for the NE 24th Street project (Northup Way to 130th Avenue NE; PW-W/B-69). Mr. Berg reminded Councilmembers that in April 2005 they authorized staff to apply for a \$750,000 Public Works Trust Fund loan. In August the City was notified that the project was not chosen for funding. In December 2005, more funds were added to the Public Works Trust Fund loan program and staff now anticipates the loan will be granted. In addition, staff applied for a \$200,000 federal grant for the NE 24th Street project.

Mr. Berg said no action is requested of Council tonight. When staff brings back the construction contract awards for approval, Council will be asked to reprogram the savings necessary to cover the project deficits. If the Public Works Trust Fund loan is offered, staff will seek Council authorization of the loan agreement for the NE 24th Street project.

Responding to Councilmember Marshall, Mr. Sparrman confirmed that transportation project expenditures were unusually high for several years to complete Access Downtown and other major projects including Coal Creek Parkway and Kamber Road.

Responding to Mr. Lee, Mr. Sparrman said Transportation staff related to capital projects has been reduced almost in half over the past five years.

Responding to Ms. Balducci, Mr. Berg said SE 16th will be completed in the spring when the weather is dry.

(e) Redmond's Proposed Urban Center Designation for Overlake Area

Dan Stroh, Planning Director, explained that the City of Redmond is seeking the Urban Center designation for the Overlake area. The process was delayed somewhat after concerns expressed by the City of Bellevue. The proposal is now scheduled for consideration by the Redmond Planning Commission and City Council during the first two months of 2006. Mr. Stroh said the

Countywide Planning Policies recognize two types of regional centers – urban centers and manufacturing centers.

Overlake was designated as an Advanced Technology/Manufacturing Center in the early 1990s. The Urban Center proposed by Redmond encompasses an additional 200 acres of residential land needed to meet the urban center criteria. Mr. Stroh recalled comments from Redmond staff that this proposal reflects the city's vision for a concentrated mixed use activity area. Redmond staff feel the Urban Center designation will increase the area's competitiveness for regional funding. Redmond can accommodate the change in designation without the need for zoning changes.

Mr. Stroh reviewed Bellevue's concerns about the proposal. Redmond's Overlake area is surrounded by Bellevue on three sides. Approximately 4,100 Bellevue residents live within a one-quarter mile radius of the area. Mr. Stroh noted Bellevue's concerns regarding transportation impacts, which are the underlying reason for the Bel-Red Overlake Transportation Study (BROTS) Interlocal Agreement between Bellevue and Redmond. In addition, Bellevue is concerned whether the Urban Center designation will allow more growth to take place in the area than under the current designation. Mr. Stroh said 60 percent of the area is currently designated as a Manufacturing Center, and the area currently receives some priority in regional funding decisions.

Mr. Stroh reviewed the following questions/concerns:

- What are the long-term implications after the BROTS Interlocal Agreement expires if the area is designated as an Urban Center?
- What are the impacts of expanding the area from 312 acres to 512 acres under the Urban Center designation?
- The Urban Center designation requires approximately 15 housing units per acre, which would result in additional residential development in the southern portion of Redmond's Overlake area. Redmond estimates the total number of housing units in its Overlake area at 2,300 by 2022; 3,300 by 2030; and ultimately 7,700 housing units. Residential development is not addressed or restricted in the BROTS Interlocal Agreement.

Mr. Stroh briefly reviewed the alternatives for Council consideration on page 3-81 of the meeting packet. Staff recommends Alternative 2, to attempt to negotiate with the Redmond City Council through the BROTS Council Subcommittee or some other combination of Council representatives. Alternative 1 is to take no action and Alternative 3 is to actively resist the Urban Center designation. Mr. Stroh referred Council to the table on page 3-83 of the packet summarizing key issues related to the proposal.

Responding to Dr. Davidson, Mr. Stroh said existing zoning in the southern portion of Redmond's Overlake area is for mixed uses. Mr. Stroh said it is unclear what the impact of an Urban Center designation could be on future development of the overall Bel-Red Corridor.

Councilmember Marshall expressed support for Alternative 2. She suggested revisions to the points regarding potential negotiations on page 3-82 of the packet. Mrs. Marshall opined that the Urban Center designation could possibly benefit the area and initiate needed transportation

infrastructure including mass transit projects. She encouraged coordinated planning between Bellevue and Redmond.

Mayor Degginger noted the implications for increased density and commented that the area is unlike any other Urban Center.

Responding to Mr. Noble, Mr. Stroh said the Urban Center designation would send a regional message to focus increased growth in the area.

Dr. Davidson questioned whether the issue can realistically be resolved by late February and if that allows adequate time for a thorough discussion between the two cities.

Ms. Balducci endorsed Mrs. Marshall's comments encouraging the two cities to plan future development together.

Mayor Degginger acknowledged the challenge of coordinating planning between neighboring jurisdictions.

(f) Critical Areas Update

Deputy City Attorney Kate Berens explained that discussions with Council regarding the Critical Areas Update will be suspended for the next few months while the consultants prepare the risk analysis and Environmental Impact Statement. The conclusions of this work will be presented to Council in April. Final Council action on the critical areas ordinance is anticipated in late April or early May.

Referring to the City program alternative previously discussed, Ms. Berens noted that the Comprehensive Plan and the City Council both reflect an ongoing commitment to environmental stewardship. Although not required as a response to the Growth Management Act, Council has expressed an interest in coordinating all of the City's environmental efforts (e.g., water quality, habitat protection, open space/recreation) to maximize the benefits of the City's overall strategy. Coordination of these environmental stewardship activities, including public/private partnerships for critical areas protection, is a priority work item for the City Manager's Office. A more detailed discussion of this work plan item is anticipated for the Council's 2006 retreat.

Dr. Davidson stated his understanding that if a property owner experienced major bulkhead damage, the regulations would prevent reinstallation of the bulkhead unless there was a structure within 25 feet. Ms. Berens said the property owner would have the option of demonstrating that the 25 feet was insufficient due to special circumstances such as extraordinary wave action in wind and/or storms. Ms. Berens noted alternative "soft" bulkhead solutions available as well.

In further response to Dr. Davidson, Ms. Berens said a public hearing is not required by the Land Use Code before the critical areas ordinance is adopted.

☞ Deputy Mayor Chelminiak moved to extend the meeting to 10:15 p.m., and Dr. Davidson seconded the motion.

- The motion to extend the meeting to 10:15 p.m. carried by a vote of 7-0.

Planning and Community Development Director Matt Terry said staff will update all of the critical areas information under consideration and place it on the City's web site.

- (g) Settlement Agreement with SASCO Electric

Resolution No. 7316 authorizing the City Manager or his designee to execute a Settlement Agreement with SASCO Electric authorizing payment of \$242,585 in the settlement of certain claims made by SASCO Electric arising from construction of the New City Hall.

Mr. Terry requested Council approval of a settlement agreement with SASCO Electric regarding certain claims by SASCO arising from construction of the New City hall.

- Deputy Mayor Chelminiak moved to approve Resolution No. 7316, and Mrs. Marshall seconded the motion.
- The motion to approve Resolution No. 7316 carried by a vote of 7-0.

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

Myrna L. Basich
City Clerk

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