

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

October 16, 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 6:02 p.m., Deputy Mayor Chelminiak called the meeting to order and announced recess to Executive Session for approximately 30 minutes to discuss one item of pending litigation and one item of potential litigation.

The meeting resumed at approximately 6:42 p.m. with Mayor Degginger presiding.

2. Study Session

(a) Sale of Limited Tax General Obligation Bonds

City Manager Steve Sarkozy noted the City of Bellevue recently achieved triple A ratings from both Moody's and Standard and Poor's. He commended the City Council, Finance staff, and Department Directors for their role in this accomplishment.

Finance Director Jan Hawn said a Council Special Meeting will be held at noon on October 18 to approve the sale of Limited Tax General Obligation (LTGO) Bonds in an amount not to exceed \$6.2 million to pay additional construction costs related to the New City Hall. She recalled that Council approved Ordinance No. 5691 on August 7 authorizing the issuance and sale of the bonds. The triple A ratings apply to the City's overall debt.

(b) Proposed Great Streets Conceptual Design Plans Project

Mr. Sarkozy noted the Great Streets initiative created to complement the Downtown Implementation Plan, and staff would now like to move forward with the plan.

Kris Liljeblad, Assistant Director of Transportation, reviewed planned DIP transportation projects including the NE 10<sup>th</sup> Street extension and interchange; NE 2<sup>nd</sup> Street extension, widening, and interchange; NE 8<sup>th</sup> Street widening; and the 106<sup>th</sup>/108<sup>th</sup> Avenues couplet. Main Street in Old Bellevue is designated as a pedestrian bias street. Some streets are designated as auto bias and others as neutral streets. Bellevue Way is designated as a grand shopping street, 106<sup>th</sup> Avenue is an entertainment street, and 108<sup>th</sup> as the commerce street. Staff feels these descriptions reflect existing as well as future desired uses. Mr. Liljeblad noted design guidelines in place for the NE 6<sup>th</sup> Street pedestrian corridor which have been successful in creating the desired environment.

Mike Ingram, Senior Planner, reviewed project objectives for the Great Streets initiative:

- Create more livable, pedestrian-friendly streets.
- Provide proactive guidance in options for development.
- Integrate separate design efforts to maximize results.
- Achieve a coherent vision, despite incremental implementation.

The scope of work will:

- Focus on streets that currently lack specific design guidelines.
- Specify mobility requirements – travel lanes, bikes, transit, and sidewalks.
- Address other functional needs (e.g., parking and loading).
- Determine design character and materials – paving, lighting, and furniture.
- Provide guidelines for landscaping – location, vegetation types, size, scale, and quantity.

NE 4<sup>th</sup> and NE 8<sup>th</sup> Streets are intended to be gateway corridors, and developers are interested in expanding retail uses to NE 8<sup>th</sup> Street.

Mr. Ingram explained that a Great Streets tool kit will provide a palette of materials, design elements, and landscape elements for the remaining downtown streets. The downtown is organized into nine districts: 1) Northwest Village, 2) City Center North, 3) Ashwood, 4) Bellevue Square, 5) City Center, 6) Convention/Civic, 7) Old Bellevue, 8) City Center South, and 9) East Main.

City staff have been working with the Bellevue Downtown Association (BDA) Land Use Forum, a group primarily of downtown developers and property owners, to discuss the initiative and generate feedback. They are open to general guidelines such as how many trees the City would like on a block but not exactly where to place the trees. The upcoming *It's Your City* will highlight downtown projects, and information is provided on the City's web site. Stakeholder meetings by street corridor and discussion by the Transportation and Planning Commissions will occur as well.

Mr. Ingram, Project Manager, listed the interdepartmental team working on the Great Streets initiative:

- Emil King – Planning, Planning & Community Development.
- Dan Dewald – Parks & Community Services.
- Nancy LaCombe – Design, Transportation.
- Patti Wilma – Land Use, PCD.
- Hillary Stibbard-Terrell, Traffic Management.

Mr. Ingram said a Request for Qualifications (RFQ) from consultants will be issued to assist with urban design and landscape architecture aspects. An increased focus on the initiative will occur during the first half of 2007 followed by the presentation to Council in Fall 2007 regarding implementation measures.

Mr. Ingram invited Council feedback and input regarding the Great Streets initiative.

Councilmember Lee expressed support for the Great Streets concept. He expressed concern about mobility and suggested more types of streets, however.

Councilmember Marshall thanked staff for working with the development community. Responding to Mrs. Marshall, Mr. Ingram said the Great Streets initiative plans to address all downtown streets currently lacking design guidance, which encompasses most of the streets. With 18 miles of street frontage, staff chose to focus on a corridor approach rather than developing different functions for every street. Design guideline options for each of the nine districts will be published for developers' use.

Mrs. Marshall looks forward to planned retail development along NE 8<sup>th</sup> Street. As part of the overall initiative, she suggested involving the Arts Commission.

Deputy Mayor Chelminiak supports the active involvement of the Parks and Community Services Board. He anticipates a master plan for the Meydenbauer Bay acquisitions in the relatively near future and wants to ensure this is tied to the overall downtown plan.

Councilmember Balducci noted the challenge ahead to make districts and streets both authentic and memorable. With downtown housing attracting a large number of senior citizens, she encouraged a focus on maintaining disability access in designing open spaces.

Dr. Davidson feels the auto bias streets are a barrier to pedestrian movement. Responding to Councilmember Davidson, Mr. Liljeblad confirmed that sky bridges over Bellevue Way and NE 8<sup>th</sup> Street are the only two to be approved so far. He speculated that there will be more grade-separated facilities in the future. In further response, Mr. Liljeblad said the potential for underground pedestrian facilities is unknown, in part due to the fact that Sound Transit has not yet made a decision regarding the alignment of light rail through downtown Bellevue.

Councilmember Noble is pleased to see the renewed focus on the Great Streets initiative and other aspects of the DIP Update adopted three years ago. However, he noted substantial changes in the downtown since the Update was approved.

Responding to Mr. Noble, Mr. Liljeblad said the transportation aspect of the DIP Update recognizes the importance of maintaining mobility. Mr. Ingram developed the Great Streets initiative in part to accommodate multiple access modes including pedestrians, bicycles, cars, and associated parking facilities.

Mayor Degginger encouraged expediting the Great Streets initiative to keep abreast of downtown development.

(c) Municipal Wireless Proof of Concept Pilot

Toni Cramer, Chief Information Officer, introduced David Kerr, Information Technology, and Lt. John Manning, Police Department.

Ms. Cramer described a proposal to create a Central Business District wireless Hot Zone. She explained that hardware and technology in this area changes rapidly. Companies in this industry tend to experience mergers, acquisitions, and closure on a regular basis. Therefore, staff is interested in identifying stable and reliable solutions with companies that can provide long-term services. Many municipalities have implemented wireless communications networks, and staff is able to learn from and follow these models.

The proposed network is oriented for outside usage to provide wireless Internet access throughout the downtown including the Transit Center and the City Hall Pavilion. The City will own and manage the network and lease space to private service providers who would provide direct access to the public. One benefit is that the network will be reliable and secure enough to fully support public safety uses. Additional uses will enable inspectors to connect to systems from the field. Current commercially available networks do not have sufficient band width to create a reliable connection for field usage. The business community is interested in connectivity as part of an economic development strategy. Transportation, Utilities, and PCD applications will be streamlined via the wireless network. The public would like wireless access in parks. Staff is exploring a way of creating revenue development to offset costs of the network.

Ms. Cramer ran through a demonstration comparing the difference in speed between the commercial network and the wireless Hot Zone system. Additionally, the wireless network allows the use of multiple functions (i.e., calendar, email) at a much faster speed.

Lt. Manning explained that police officers do not currently have email or Internet access in the field, which affects public safety. Police officers do not have ready access to information that can enable a quicker response to crimes and alerts. As an example, he described the importance of receiving a photo of a missing child as soon as possible in order to increase the chance of resolving the situation faster. Lt. Manning said additional beneficial applications are streaming

video for surveillance and a reliable communications system in emergencies and natural disasters.

Ms. Cramer said the network can be implemented incrementally and is easy to expand. The BDA has an interest in expanding the network to Old Bellevue in the future.

The City has an existing partnership with Cisco Systems, which will loan the equipment to the City for 180 days. At the end of this period, the City may purchase, lease, or return the equipment. A proposal in the 2007-2013 Capital Investment Program (CIP) Plan provides baseline funding, incrementally offset with revenue as service providers are added to the network.

Ms. Cramer reviewed the proposed project timeline:

- October/November 2006 – Installation and testing.
- November/December 2006 – Achieve network stability and add wireless service providers.
- January 2007 – Network review and adjustments.
- January to March 2007 – Test applications and service delivery.
- February/March 2007 – Network review and adjustments.
- March 2007 – Return to Council with report and Business Plan.

Responding to Councilmember Balducci, Ms. Cramer said the hardware for this type of network is replaced every five to seven years. Cisco is a major and reliable company with a solid reputation.

Councilmember Lee suggested calling the project Phase 1 rather than a pilot project. He feels the network is necessary and he supports the proposal.

Following additional brief questions of clarification, Mayor Degginger noted Council consensus to proceed with the project.

(d) Cascade Water Alliance Update – Work Plan and 2007 Budget

Alison Bennett, Utilities Policy Program Manager, introduced two Cascade Water Alliance representatives – Michael Gagliardo, General Manager, and Steve Call, Finance Director.

Ms. Bennett provided an update on Cascade's activities as it moves from planning to the implementation of certain projects. She recalled that Cascade and the City of Seattle have been in negotiations to establish a wheeling agreement in which Cascade would wheel water through some of Seattle's pipelines to move water from Tacoma to the north. An agreement was not reached, and it is more cost effective for Cascade to build a portion of the pipeline now rather than pay the terms of the proposed wheeling agreement.

Ms. Bennett reviewed a map of the proposed Tacoma-Cascade pipeline, which extends to Issaquah and connects with the Bellevue-Issaquah pipeline. The pipeline is scheduled for completion in 2010. The north segment is in pre-design and the central segment is in final design. Cascade expects the Draft Environmental Impact Statement (DEIS) to be completed by the end of this year. Cascade has hired a construction management firm and construction is anticipated to begin in late 2007.

Moving to the Lake Tapps project, Ms. Bennett recalled that Cascade and Puget Sound Energy worked last year to establish the basic terms for Cascade to purchase Lake Tapps. Many properties and facilities are involved with Lake Tapps, and it is an extremely complex real estate transaction. Regarding the water right, the state Department of Ecology issued a draft water right Report of Examination last month with conditions that are similar to the original water right issued approximately two years ago. The conditions will enable Cascade to provide enough water from Lake Tapps to meet projected future demands. There is a 45-day public comment period on the report, and Cascade will continue discussions with interested parties including cities, Pierce County, and tribes.

Ms. Bennett explained that the 2003 Municipal Water Law required the development of a Water Efficiency Rule, which is scheduled for adoption by the end of this year. Cascade has continued conservation measures consistent with Seattle's practices. Cascade recently completed a conservation potential assessment to help refine its conservation program and design a long-term plan. Ultimately this will require Bellevue and all water utilities to adopt a local conservation goal. Ms. Bennett noted Cascade is monitoring and evaluating potential impacts from the current lawsuit regarding the Municipal Water Law.

Cascade has a Transmission and Supply Plan that has been reviewed and conditionally approved by the state Department of Health and is now before the King County Council. Pursuant to a memorandum of understanding with King County, Cascade has been participating in a regional water supply planning process involving multiple stakeholders.

Mr. Call explained that Cascade's 2007 operating budget is nearly \$20 million, and \$15 million goes toward the cost of purchasing water from the City of Seattle. The 2007 budget is increasing by nearly six percent. The actual cost of water from the City of Seattle is increasing 4.5 percent. However, since Cascade received a substantial credit in 2006 for charges and credits carried forward from 2004, much less credit will be received in 2007. The net increase in water costs is actually 6.5 percent. An additional component of the operating budget is debt service due to a bond issuance last spring and an upcoming bond issue next year.

Turning to the capital budget, Mr. Call said expenditures exceeding \$70 million are anticipated in 2007, with major projects being pipeline design and construction and Lake Tapps acquisition. The regional capital facilities charge was increased recently by the Cascade Board from \$4,648 to \$5,297 for a newly constructed single-family residence.

Ms. Bennett said a rate increase of 5.2 percent per year for wholesale water purchases is forecast for 2007 and 2008. The impact on annual Bellevue retail rates is four to six percent from 2009 to

2012 and one to three percent from 2013 to 2050. Staff recommends support of Cascade's 2007 budget. The Cascade Board is scheduled to adopt the budget on October 25. Staff will return to Council with updates on work items as they move forward.

Mayor Degginger noted Council consensus in support of Cascade's budget.

At 7:54 p.m., Mayor Degginger recessed to the Regular Session.

Myrna L. Basich  
City Clerk

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