

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting
Council Retreat

February 7-9, 2008

Resort at Port Ludlow – One Heron Road
Port Ludlow, Washington

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

ABSENT: None.

1. Thursday, February 7

Mayor Degginger opened the meeting at 9:00 p.m., and reviewed the agenda for the retreat. All Councilmembers were present. Mr. Degginger opened discussion regarding priorities for development of the operating budget.

Councilmember Davidson said he would like to talk about the relationship between the operating and capital budgets. He feels it is important to adequately plan for future operations and maintenance expenses when developing capital investments. Councilmember Chelminiak concurred.

Deputy Mayor Balducci encouraged a more long-term strategic approach with King County and cities in the region.

Councilmember Noble requested information regarding a number of initiatives, including the Environmental Stewardship Initiative, in terms of objectives over the next few years.

Mayor Degginger asked the Council to discuss the City's most significant needs and challenges over the next two years. Councilmembers discussed traffic congestion and overall transportation mobility, environmental objectives, the need for affordable housing, public safety demands based on the growing population, aging utilities infrastructure, maintaining neighborhoods and promoting a sense of community, continued investments in the arts and cultural activities, partnering with schools, and economic development.

The Council moved to a review of accomplishments over recent years.

Dr. Davidson noted achievements in downtown development, including the acquisition of Meydenbauer Bay properties. He feels public support for City government is strong.

City Manager Steve Sarkozy highlighted a number of accomplishments including investments in the Robinswood Park sports fields, property acquisitions, significant commercial and residential development, permitting and building inspection related to booming development, multilingual information provided on the City's web site, participation in the Cascade Water Alliance, Bel-Red Corridor planning, the creation of NORCOM regional public safety communications agency, and the accreditation of City departments.

Councilmember Lee cited additional accomplishments including environmental stewardship activities, the SPAN program to enhance emergency preparedness, and retention of the City's Aaa bond rating.

Mayor Degginger adjourned the meeting at 11:02 p.m.

Friday, February 8, 2008

Mayor Degginger opened the meeting at 8:32 p.m. with all Councilmembers present.

Mr. Sarkozy briefly reviewed the key drivers within the operating budget and the baseline General Fund forecast. He noted increased demands on public safety operations due to the increasing population, and questioned whether Council wished to proceed during the mid-biennium period with early implementation of some staffing requests to meet high priority needs.

Councilmember Davidson questioned whether staffing additions could be phased to accommodate needs.

Councilmembers asked staff to review existing programs and services to identify any opportunities for cost savings.

The Council and City staff discussed growing public safety needs associated with the high level of new downtown development and the growing residential population downtown, as well as plans for a downtown fire station.

Mayor Degginger commented on the importance of a continued emphasis on emergency preparedness.

Noting Council support, Mayor Degginger asked staff to return to Council with additional information and analysis of the mid-biennium staffing requests.

Moving to the capital budget, Mr. Sarkozy reviewed the Council's previously identified highest priority capital needs, noting that approximately two-thirds of the items are not funded.

There was a Council consensus regarding the critical nature of transportation and mobility needs.

At 10:00 a.m., Mayor Degginger declared a break. The meeting resumed at 10:10 a.m.

Mr. Sarkozy recapped projects included in the Supplemental Capital Investment Program (CIP) budget, noting those currently funded. Key transportation projects fall into three categories: 1) Downtown mobility, 2) Neighborhood mobility, and 3) Transit. Mr. Sarkozy reviewed Council's earlier decision to generate \$68 million over a 10-year period through the Supplemental CIP. Councilmembers confirmed proportional allocation of the future funding to be raised similarly to the allocation of the original \$14 million.

Key needs related to downtown mobility include:

- NE 2nd Street (including future I-405 interchange),
- Main Street redevelopment,
- Northup Way (120th to 108th) widening and pedestrian/bicycle investments,
- Downtown Implementation Plan (DIP) projects (e.g., Great Streets, pedestrian/bicycle projects), and
- NE 12th Street.

Transportation Director Goran Sparrman described the three projects that will provide the most benefit for downtown mobility: 1) NE 2nd Street, 2) NE 4th Street extension to the east, and 3) NE 6th Street extension. Additional projects include improvements to 120th Avenue between the Wilburton area and Northup Way, widening 124th between NE 8th Street and Northup Way, and the development of NE 15th/16th through the Bel-Red Corridor. Mr. Sparrman described additional transportation investments planned for the redevelopment of the Bel-Red Corridor. He explained that future mobility will require significant investments in transit, including light rail or other high-capacity transit options.

Planning and Community Development Director Matt Terry and the Council discussed potential mechanisms for funding infrastructure investments in the Bel-Red Corridor including impact fees, the creation of a Local Improvement District (LID) or Transportation Benefit District (TBD), license fees, and sales and property taxes.

Responding to Mayor Degginger, Deputy Mayor Balducci said funding needs will best be met through a combination of revenue sources. She likes the idea of a TBD approach, and feels it would be helpful to develop scenarios to depict how much revenue could be generated by each type of funding mechanism. Ms. Balducci wants to involve the public in determining the most appropriate approach.

Mr. Lee concurred that it is important to educate the public about infrastructure needs and to solicit input regarding funding sources. He wants to ensure public safety and other needs continue to be met as well.

Mr. Noble is interested in a comparison of funding sources. Mayor Degginger and Dr. Davidson would like to see a comparison of funding sources as well, together with an analysis of impacts on tax/fee payers, along with the level of infrastructure investment that would be possible at varying funding levels.

Mr. Chelminiak cautioned that impact fees could discourage development. He suggested consideration of a citywide approach to funding needs.

Councilmembers continued to discuss transportation priorities, both inside the Bel-Red Corridor and citywide. They expressed an interest in balancing the needs of the Downtown, Bel-Red Corridor, and neighborhoods. Summarizing the discussion, Mayor Degginger asked staff to update transportation modeling through 2030 and to develop project/funding scenarios at the \$100 million, \$150 million and \$200 million levels.

At 12:15 p.m., Mayor Degginger declared a break for lunch.

The meeting resumed at 1:25 p.m.

Parks and Community Services Director Patrick Foran led a discussion regarding the potential to place a parks and open space measure on the ballot in the fall. He provided a funding analysis comparing a bond versus levy approach. A bond measure requires 60 percent voter approval, and a levy requires a majority vote.

Councilmembers discussed their priorities for inclusion in a parks ballot package, and Mr. Foran responded to questions from the Council. Mayor Degginger noted a Council consensus to proceed with developing a ballot measure for the general election. There was preliminary, general Council support for a number of projects including Boeing/Eastgate ball fields, Surrey Downs park and ball fields, enhancements at Downtown Park, Bellevue Botanical Garden, Bellevue Youth Theatre, trails, sports fields, neighborhood parks, and waterfront development.

Mayor Degginger declared a break at 2:45 p.m. The meeting resumed at 3:10 p.m.

Mr. Sarkozy opened discussion regarding affordable housing and the City's current funding to A Regional Coalition for Housing (ARCH). Alternative approaches to addressing affordable housing, ranging from mandatory requirements to optional incentives, were discussed by the Council and staff.

Responding to Mayor Degginger, Mr. Terry explained that work force housing could be achieved somewhat through incentives. A mandatory approach provides a bonus to offset the inclusion of affordable housing in development projects.

Dr. Davidson expressed concern that requirements for affordable housing will increase the cost of housing in general.

Mr. Noble requested information about how other cities are addressing affordable housing. Councilmembers requested a "primer" on the various tools that are available to promote housing affordability as well as background information on Bellevue's historical use of mandatory and incentive-based housing.

Mr. Chelminiak questioned what could be achieved in the Bel-Red Corridor through affordable housing incentives.

Mr. Terry noted that incentives could be more effective in the Bel-Red area than in other parts of the community because the cost of land is somewhat lower.

Moving to a discussion regarding Meydenbauer Convention Center, Mr. Sarkozy noted an interest in expanding the center. However, the City's financial consultant advises against issuing more interest-deferred debt for the center.

Mayor Degginger expressed an interest in considering the use of a portion of transient occupancy tax (TOT, or hotel/motel tax) collections for purposes other than the convention center. He requested information regarding other allowable uses for the revenue and the Bellevue Convention Center Authority (BCCA) business plan.

Staff next provided a presentation regarding organizational changes within the City's departments. Staff recommended splitting the Planning and Community Development Department into two new departments, Planning and Development Services. Staff recommended creating a Civic Services Department to consolidate a number of existing functions.

Mayor Degginger noted Council support for the recommendations and directed staff to prepare Ordinances for Council action.

Mayor Degginger declared the meeting adjourned at 5:05 p.m.

Saturday, February 9, 2008

Mayor Degginger opened the meeting at 8:30 a.m.

Council and staff discussed the City's regional strategy and its effectiveness in regional forums including the Eastside Human Services Forum, Eastside Transportation Partnership, Sound Transit, SR 520 planning, and the Cascade Water Alliance.

Mayor Degginger noted he will be meeting with Seattle Mayor Greg Nickels on a monthly basis.

Councilmembers discussed meeting periodically with King County Councilmembers and Seattle City Councilmembers.

Councilmembers and staff briefly discussed state legislative priorities, as well as strategies for organizing and communicating support for priority issues and opposition to harmful issues.

Council and staff discussed strategies for working with the business community and the Bellevue Chamber of Commerce on key transportation priorities such as SR 520 tolling.

Council and staff discussed tolling options for SR 520 and/or I-90, and how best to promote Bellevue's interests in achieving transportation improvements on both corridors.

At 10:10 a.m., Councilmember Davidson left the meeting. The Council then took a break at 10:15 a.m. to check out of the hotel.

The meeting resumed at 10:40 a.m.

Mayor Degginger encouraged moving the Council toward less reliance on paper and a stronger emphasis on the use of computers and personal data devices, including at the Council Chamber dais.

Mr. Sarkozy asked the Council to address in the near future whether it wishes to proceed with trying to acquire the King County Metro site adjacent to City Hall. The site could be used for a number of functions including a parking structure, fire station, court building, and/or bus layover facility.

Mr. Sarkozy briefly described the *One City* initiative promoting continuous improvements in the City's operations.

Mr. Sarkozy provided an update on the City's efforts to expand fiber optic and wireless technologies and infrastructure within the downtown and citywide.

At 11:45 a.m., Mayor Degginger declared the meeting adjourned.

Myrna L. Basich
City Clerk

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