

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

January 7, 2008
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: None.

1. Study Session

(a) Election of Mayor

Temporary Chair Degginger called the meeting to order at 6:05 p.m. and reviewed the rules for selecting a new Mayor. He noted that motions to nominate a candidate for Mayor and Deputy Mayor do not require a second. The Mayor acts as the City Council's presiding officer, represents the City in a number of forums, and performs in ceremonial roles.

Councilmember Marshall nominated Grant Degginger to serve as Mayor for the next two-year term.

Councilmember Lee nominated himself to serve as Mayor.

Hearing no further nominations, Mr. Degginger called for a vote. The nominees are voted on in the order in which they were received.

Mr. Degginger was selected as Mayor by a vote of 7-0.

(b) Election of Deputy Mayor

Councilmember Marshall nominated Claudia Balducci to serve as Deputy Mayor.

Hearing no further nominations, Mayor Degginger called for a vote.

Ms. Balducci was selected as Deputy Mayor by a vote of 7-0.

Councilmember Lee expressed frustration with the process for selecting the Mayor and Deputy Mayor. He suggested identifying specific criteria (e.g., seniority) for selecting officers, which he feels would provide a more transparent process. He requested information about other cities' guidelines for selecting Mayor and Deputy Mayor.

Mayor Degginger thanked Mr. Chelminiak for his service as Deputy Mayor during the past two years.

(c) Response to Wright Runstad & Company's Request for Development Agreement

City Manager Steve Sarkozy thanked the Council for its leadership and service to the community and commitment to staff.

Mr. Sarkozy opened discussion regarding a request from Wright Runstad & Company for a development agreement to reserve transportation capacity available as identified in the Bellevue Redmond Overlake Transportation Study (BROTS) Interlocal Agreement.

Planning and Community Development Director Matt Terry explained that the requested development agreement would allocate approximately half of the remaining development capacity under the BROTS agreement for Wright Runstad's use in the first phase of its proposed development in the Bel-Red corridor. He recalled that the purpose of the BROTS agreement is to mitigate growth impacts related to development in both cities' Overlake areas. The agreement outlines specific transportation projects to be jointly funded and sets a maximum level of development. The BROTS agreement, in effect until 2012, controls only commercial and office development.

Mr. Terry noted that a relatively small portion of development capacity for the area has been used during the past 10 years. Wright Runstad is seeking an allocation representing approximately 55.6 percent of this remaining development capacity. Combined with the credits they would receive through demolition, a development agreement would enable Wright Runstad to proceed with its development plans.

Land Use Director Carol Helland referred Council to page SS 1-5 of the meeting packet for a listing of the substantive terms of the agreement, most of which are required by state law. The City does not have a process for the adoption of development agreements and therefore defers to state law for guidance. Wright Runstad is requesting 770,000 square feet of development capacity.

Ms. Helland noted that under state law a development agreement does not modify project-related requirements in terms of Comprehensive Plan amendments, Land Use Code amendments, zoning, and/or the development of a Master Plan. Staff recommends a five-year limitation on the development agreement, after which time the capacity could be reallocated if the development project has not moved forward. Ms. Helland said state law reserves the City's right to impose a change in terms if required for public health or safety. State law also requires consideration of a project's public benefit, which has not been entirely analyzed for the Wright Runstad proposal.

Staff is meeting with Wright Runstad next week to discuss technical proposals related to storm water strategies.

Ms. Helland referenced an outline of the development agreement review process provided on page SS 1-6 of the meeting packet. Staff recommends that the Council process an application for a development agreement. This does not commit the Council to a specific direction, but allows staff to draft a development agreement for further consideration.

Councilmember Davidson expressed concern that additional requests for development agreements could be submitted to the City Council.

Mr. Terry said the City has been working relatively closely with property owners in the Bel-Red corridor and no one else has expressed an interest in entering into an agreement for commercial development. There have been proposals for residential development, which is not subject to the maximum capacity limits under the BROTS agreement. Mr. Terry said 300,000 square feet of development potential would remain, which is twice the amount utilized over the past 10 years.

Responding to Dr. Davidson, Mr. Terry said Council's direction to staff regarding recent amendments to the BROTS agreement exempt residential development. One benefit of encouraging residential development is decreased traffic.

Responding to Mr. Lee, Mr. Terry said the current BROTS agreement provides the credit for demolition on a square foot basis for buildings that are torn down and replaced by new construction. Wright Runstad proposes removing existing warehouses and building new residential and office structures. Mr. Terry noted that the City of Redmond would have to agree to the development agreement as well due to the conditions of the BROTS agreement.

Deputy Mayor Balducci expressed support for the proposed agreement provision that would limit the availability of development capacity to five years.

Councilmember Chelminiak questioned whether adoption of land use changes proposed as part of the Bel-Red corridor study might trigger more requests for development agreements. Mr. Terry acknowledged the possibility. However, none of the current property owners have expressed an interest.

Responding to Councilmember Noble, Ms. Helland explained that case law exists in terms of determining whether a development agreement provides a public benefit. The benefit to the public should be commensurate with the benefit to the developer. In addition, a development agreement must not provide any type of special entitlement to the developer.

Councilmember Marshall expressed support for considering a development agreement, which would provide certainty for the developer. She feels the project would be beneficial toward implementing the vision of the Bel-Red corridor. Mrs. Marshall encouraged the City and developers to work together to address water runoff and flood prevention as the area develops.

Mayor Degginger noted Council consensus to direct staff to process Wright Runstad & Company's application for a development agreement. He requested examples of similar cases involving a public benefit criteria.

2. Executive Session

At 6:43 p.m., Mayor Degginger announced recess to Executive Session until the 8:00 p.m. Regular Session to discuss two items of labor negotiations, two items of potential litigation, and one item of pending litigation.

At 7:26 p.m., the Executive Session was concluded and Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich
City Clerk

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