

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

October 20, 2008  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Degginger and Councilmembers Bonincontri, Chelminiak, Davidson, Lee and Noble

ABSENT: Deputy Mayor Balducci

1. Executive Session

The meeting was called to order at 6:04 p.m., with Mayor Degginger presiding. There was no Executive Session.

2. Study Session

(a) Long-Range Capital Planning and Funding Strategy

City Manager Steve Sarkozy noted Council's ongoing discussion regarding long-range capital planning.

Planning and Community Development Director Matt Terry reviewed the overall schedule for the planning process, and the following four sources of revenue involved in the funding strategy: 1) Baseline revenue, 2) Local Improvement District (LID) assessments, 3) Transportation Impact Fees, and 4) General Tax and Limited Tax General Obligation debt. As presented on October 13, baseline revenue includes new Bel-Red corridor taxes, grants, right-of-way dedications, storm drainage fees, and incentive zoning.

Mr. Terry described the potential boundaries for the proposed LIDs. He reviewed a table of existing land uses within the Bel-Red area, including the number and size of the parcels, as well as their percentage of the LID area. He reviewed a similar table for the proposed Wilburton LID. Mr. Terry described the LID process to be conducted if the Council chooses to include LIDs as part of the capital projects finance plan. The LID process includes a 30-day protest period allowed for property owners. Protests totaling 60 percent or more of the dollar value of the assessed property terminates the LID. Mr. Terry noted that the estimated cost of a LID

feasibility study is \$300,000. He recalled from the previous week's discussion that the City may legally charge impact fees ranging from \$7,000 to \$9,000 per trip generated. Staff recommends considering impact fees of approximately \$5,000 per trip generated.

Finance Director Jan Hawn reviewed the proposed revenue model, and described cash flow and borrowing costs. She displayed a table depicting the impact of property tax increases at varying levels (two percent, four percent, five percent, six percent). The five- and six-percent scenarios utilize the City's full taxing capacity. Ms. Hawn reviewed a table of the finance plan components which highlights who benefits and who pays for each revenue source.

Responding to Councilmember Davidson, Mr. Terry explained how impact fees are based on trip generation and square footage of development.

Responding to Dr. Davidson, Ms. Hawn said the City gains one percent of property tax capacity annually.

Responding to Dr. Davidson, Transportation Director Goran Sparman said staff has been working on determining the sequencing of needed Bel-Red transportation projects. Dr. Davidson expressed concern about the feasibility of funding and completing the projects as proposed, and about the tax impact to citizens and property owners.

Mr. Terry said the transportation projects respond to continued growth in the downtown as well as future growth in the Bel-Red area. Mayor Degginger confirmed that the Council asked staff to identify key transportation projects for redevelopment of the Bel-Red corridor.

Councilmember Lee commented on the City's practice of not increasing property taxes for several years. He feels projects should be prioritized based on need as well as on a reasonable tax rate.

Mayor Degginger noted the need to determine the correct project list, financial feasibility, and appropriate taxing levels.

Councilmember Bonincontri expressed concern with revenue projections and the current development climate. She noted her preference for the 10-year versus the 7-year plan.

Mr. Terry noted that staff has been relatively conservative in the growth forecasts for downtown and the Bel-Red area.

Staff responded to questions of clarification regarding alternative funding strategies.

Responding to Ms. Bonincontri, Mr. Terry said staff proposes the same impact fee rate to be applied citywide. However, Council could choose to implement varying impact fee levels. Ms. Bonincontri expressed support for one citywide rate.

Mayor Degginger briefly reviewed the four highest priority transportation projects: 1) NE 4<sup>th</sup> Street extension, 2) 120<sup>th</sup> Avenue NE extension and widening, 3) NE 15<sup>th</sup>/16<sup>th</sup> Street in Bel-Red area, and 4) 124<sup>th</sup> Avenue NE. He expressed concern about the ability to fund the identified projects, and wondered if these are the most appropriate projects for near-term funding.

Dr. Davidson said it is important to consider the Bel-Red finance plan within the context of the overall Capital Investment Program (CIP) Plan.

Councilmember Noble is not convinced that all of the highest priority projects need to be funded now. He said that infrastructure needs will depend on the future development that actually occurs.

Transportation Director Goran Sparrman commented that some projects will be dependent on the State's schedule for improvements to SR 520. He suggests maintaining money for continued design and for opportunities to acquire right-of-way as they arise. He acknowledged that costs for the Downtown Circulator have increased considerably to nearly \$4 million, and \$3 million is unfunded. The current proposal assumes a fare-free policy. One alternative is to request extending the regional Rapid Ride program into downtown Bellevue, which saves approx \$2 million over the Downtown Circulator project.

Dr. Davidson questioned King County Metro's increased costs, noting that the Downtown Circulator is to be a partnership project with Bellevue. Mr. Sparrman commented on factors contributing to increased service costs including desired service headways and the branding of vehicles.

Responding to Mayor Degginger, Mr. Sparrman said staff has conducted an analysis of the proposed Wilburton LID area. The City will need to acquire the right-of-way between Home Depot and Best Buy.

Responding to Councilmember Chelminiak, Mr. Sarkozy said the Metro site near City Hall could provide the opportunity for co-development with a private entity. Mr. Degginger suggested it as a possible site for a downtown fire station.

Mayor Degginger noted the need for Council to identify its preferences and provide direction to staff for a long-range funding strategy.

Responding to Mr. Degginger, Mr. Sarkozy confirmed that unfortunately the CIP Plan does not provide the opportunity to reprogram large sums of money from other projects.

Councilmember Noble expressed support for the transportation projects identified as top priorities. He suggested identifying a list of projects to be forwarded to staff for the purpose of creating a finance plan proposal incorporating optional revenue source scenarios. Mr. Noble is

not convinced of the need for the Downtown Circulator, and is interested in funding projects with the highest probability for implementation based in part on partner funding. He suggested funding NE 15<sup>th</sup>/16<sup>th</sup> in phases, and limiting funding for the 124<sup>th</sup> Avenue NE project to engineering/design at this time. He feels the package can be reduced by \$50 million to \$70 million by eliminating less immediate needs and/or those in which construction is not absolutely necessary over the next seven years.

Mayor Degginger briefly reviewed the top priorities, noting general Council support for ITS (Intelligent Transportation System) technology. He is in favor of reviewing the Downtown Circulator project. He suggested that pedestrian and bicycle projects, including sidewalks, should be considered as the interest in specific projects becomes apparent. He feels the estimated dollar amount for land acquisitions in Bel-Red could be decreased, as potentially could funding levels for Pedestrian and Bicycle Plan projects.

Responding to Mr. Chelminiak, Mr. Terry said the estimated cost of Bel-Red land acquisition, stream restoration, and parks and open space development is \$120 million. Mr. Terry commented that opportunities could be lost if funding is not available for acquisitions as they arise.

Regarding the NE 15<sup>th</sup>/16<sup>th</sup> Street project, Councilmember Bonincontri favors funding only land acquisition and partial design at this time. She concurs with Mr. Noble's suggestion to reduce the overall package by amending project scopes. This includes designating the NE 6<sup>th</sup> Street extension and 124<sup>th</sup> Avenue projects as lower priorities.

Mr. Terry cautioned against leaving the NE 15<sup>th</sup>/16<sup>th</sup> Street project unfunded. As a major arterial in the Bel-Red redevelopment plan, failure to fund the project would impose a constraint on development.

Councilmember Lee concurred with Dr. Davidson's position that the Bel-Red finance plan should be considered along with overall capital project funding and a reasonable total tax level.

Mr. Chelminiak expressed concern about limiting funding for specific projects too much, to the point that projects cannot be effectively implemented. He sees NE 15<sup>th</sup> Street as a priority project for the Bel-Red area's redevelopment.

(b) Utilities Winter Storm Response and Preparedness

Mr. Sarkozy asked staff to provide an update on the Utilities Department's winter storm preparedness.

Mike Jackman, Assistant Director of Utilities, reviewed the goals, strategies, and tactics related to winter storm preparedness and response. He described the measures taken to prepare for and respond to wind storms and to snow and ice events.

Mr. Jackman reviewed Bellevue's geographic characteristics that affect the ability to forecast and respond to weather events. He compared snow and ice accumulations based on elevations within the community, and described the City's ability to respond at varying elevations. He reviewed the number of snow plows and other winter storm equipment.

Mr. Jackman reviewed the Utilities Department's public education and outreach activities including public meetings and presentations, a video, printed materials, and web-based information. Open houses are scheduled for October 22, November 5 and November 19 to provide information on the City's weather response strategies and preparation guidelines.

Mayor Degginger thanked Mr. Jackman for the presentation, noting the Council's interest in maintaining mobility and safety during weather events.

Responding to Councilmember Noble, Mr. Jackman said the three open houses are scheduled in South Bellevue because that is the area of the community from which the City receives the most inquiries. Mr. Jackman said staff will provide a presentation to any community or resident group if requested.

(c) Puget Sound Energy (PSE) Update on Storm Preparedness Actions Taken since December 2006

Mr. Sarkozy welcomed Jim Hutchinson, Puget Sound Energy (PSE), to provide an update on the company's storm preparedness activities since significant wind events in December 2006.

Councilmember Bonincontri recused herself from the discussion due to her employment with PSE, noting she wants to avoid any appearance of conflict of interest.

Mr. Hutchinson reviewed PSE's emergency response plan including new elements in the 2008-2009 plan. PSE has increased the number of employees trained as damage assessors from 79 to 197, which will expedite PSE's ability to respond to requests for repairs and damage.

PSE has negotiated a memorandum of understanding (MOU) with the State, which creates HOV lane exemptions for PSE's use during storm response activities. The MOU addresses local area coordination and staging as well by designating multiple locations for staging supplies and equipment in order to speed up storm response and repairs to PSE's system. PSE has added funding to keep trees trimmed from power lines, expanded its 911 call-taking capacity (for calls transferred to PSE from the 911 center), and enhanced its outage messaging capability (improving the ability for customers to hear relevant outage updates). PSE.com provides a service alert map as well.

Responding to Councilmember Noble, Mr. Hutchinson commented on PSE's efforts to enhance communication with the community following storm events.

At 8:03 p.m., Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

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