

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

July 30, 2007  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Chelminiak, and Councilmembers Balducci, Davidson, Lee, Marshall, and Noble<sup>1</sup>

ABSENT: None.

1. Executive Session

Deputy Mayor Chelminiak called the meeting to order at 6:00 p.m. and announced recess to Executive Session for approximately 45 minutes to discuss one item of property acquisition and two items of pending litigation.

The meeting resumed at 6:51 p.m., with Mayor Degginger presiding.

2. Oral Communications

- (a) Stephanie Mapelli thanked Council for its ongoing support of Leadership Eastside, and requested continued support at the same level as in the past. She briefly reviewed the organization's activities.
- (b) Karen Little, a Leadership Eastside Board Member, thanked the Council for its investment in the organization.
- (c) Mike Nesterhoff described his experience with Leadership Eastside and requested Council's ongoing support.
- (d) Rich Wagner, West Bellevue Community Club, thanked the City for its support of Youth Eastside Services, which is building a new facility. Mr. Wagner expressed his concerns regarding the siting and expansion of Puget Sound Energy facilities in neighborhoods to serve the urban core.
- (e) Greg Johnson, President of Wright Runstad & Co., encouraged approval of additional staffing and support resources for the Bel-Red Corridor project.

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<sup>1</sup> Councilmember Noble arrived at 7:19 p.m., during Agenda Item 3(b).

3. Study Session

(a) Council Business and New Initiatives

Councilmember Marshall requested an update regarding plans for City Hall signage. City Manager Steve Sarkozy said staff will provide information via email later in the week.

(b) Update on Bel-Red Steering Committee Work

Planning and Community Development Director Matt Terry opened discussion regarding the Bel-Red Corridor project.

Terry Lukens, Bel-Red Steering Committee Co-Chair, reported that the committee reviewed the final EIS (Environmental Impact Statement) and provided additional direction regarding building heights and an affordable housing component. The next meeting is September 6 to finalize the committee's recommendation.

Kevin O'Neill, Long-Range Planning Manager, recalled that in May staff presented the Steering Committee's preliminary preferred alternative, which was selected by the committee on May 3. It concentrates development in the central and west portions of the corridor. The plan accommodates 4.5 million square feet of new commercial development and 5,000 housing units in mixed use nodes. The plan incorporates transportation infrastructure, parks and open space, and environmental enhancements.

The final EIS (FEIS) was published on July 19. It evaluates the preliminary preferred alternative and includes new analysis of building heights as well as responses to comments on the draft EIS (DEIS). The FEIS concluded that the preliminary preferred alternative is feasible, and that transportation improvements included in the alternative will be able to accommodate the development program. Mr. O'Neill described transportation modeling of the alternative, which resulted in the study of additional intersections. The preliminary preferred plan reflects a substantial increase in transit ridership over a no action alternative.

Mr. O'Neill described the public involvement activities associated with the Bel-Red project including 18 Steering Committee meetings, five community meetings, 10 outreach events involving the business community and property owners, 25 meetings and briefings with the City Council, Boards, and Commissions. The committee's final recommendation will be provided in September.

Mr. O'Neill briefly reviewed the building height analysis included in the FEIS, which studied heights up to 150 feet in five locations in the corridor. The Committee was interested in assessing building height impacts as well as the potential use of allowing higher buildings as part of an amenity incentive package. Components of the building height analysis were view/visual impacts, urban form/neighborhood character, location of taller buildings in broader community context, specific economic niche, and the relationship to the overall implementation strategy.

Heights of 150 feet were analyzed for the center of the development nodes, and heights of up to 125 feet were targeted toward the edges of the nodes.

Mr. O'Neill explained that greater building height is not equivalent to a larger floor-area ratio (FAR). The Bel-Red preliminary preferred alternative would restrict all buildings to 2.5 FAR, which is the measurement of total floor area in a building compared to the site area. Fourteen locations throughout the study area were analyzed to determine the visual impact of development.

The Steering Committee's preliminary direction is to consider allowing higher building heights up to 150 feet in the development nodes at 116<sup>th</sup>, 122<sup>nd</sup>, and 130<sup>th</sup> Avenues, while maintaining lower heights in the area east of Lake Bellevue and the area west of 156<sup>th</sup> Avenue. Higher building heights are intended to be part of an incentive package for developers. A final recommendation will be provided in September. Mr. O'Neill reviewed the Steering Committee's principles regarding strategies to provide affordable housing in the Bel-Red corridor.

Responding to Councilmember Balducci, Mr. O'Neill said citizens commented about building heights throughout the EIS process. The consideration of building heights up to 150 feet was part of the Steering Committee's direction in April to analyze building heights.

Mr. Lukens explained that review of all of the alternatives involved higher density development in the nodes. The preliminary preferred alternative has explored the issue of higher density and how the development might look in terms of building sizes and shapes.

Responding to Deputy Mayor Chelminiak, Mr. Lukens described the committee's discussions regarding building height. There was general agreement about building heights in the Overlake area. The committee extensively discussed concerns about building heights at 152<sup>nd</sup> Avenue, was less concerned about heights at 130<sup>th</sup> Avenue, and had a number of concerns about 122<sup>nd</sup> Avenue because of its visibility on the hill. Mr. Lukens recalled that votes were split but there were never more than three committee members in opposition to a proposed recommendation. The committee based its support of taller building heights on other goals including the preservation of stream corridors.

Responding to Mayor Degginger, staff said the buildings will not block the view of Mt. Rainier.

Staff and Mr. Lukens responded to additional questions of clarification regarding the consideration of building heights.

Mr. Terry reviewed the following key concepts of the implementation strategy: 1) Comprehensive Plan amendments, 2) Zoning designations, 3) Phased development plan, 4) Finance Plan, and 5) Reconciliation of growth impacts between Bellevue and Redmond.

Responding to Mr. Degginger, Mr. Terry speculated that phased development would occur from west to east. However, modeling to determine phased development has not been completed.

Responding to Ms. Balducci, Mr. Terry said it is anticipated that money generated by development within the corridor will be reinvested into infrastructure. Additional financing mechanisms can be explored as well.

Councilmember Lee thanked staff for the presentation and expressed support for the general direction of the planning effort.

Responding to Ms. Balducci, Mr. Terry said staff has not yet determined the best implementation strategy in terms of prioritizing the various elements. Council direction will be requested after the Steering Committee's final recommendations are provided in September.

In further response, Transportation Director Goran Sparrman said the current Capital Investment Program (CIP) Plan includes funding for Early Bel-Red Corridor Implementation work. This includes early engineering work for some of the key transportation projects. Mr. Sparrman noted additional future transportation elements including Sound Transit light rail.

Mayor Degginger noted the need for further Council discussion regarding the housing component of the preliminary preferred alternative. Mr. Lukens said a representative of ARCH (A Regional Coalition for Housing) met with the committee. Recognizing the difficult practical and political issues associated with affordable housing, the committee chose to develop a vision statement on the subject at this time. Mr. Degginger noted that Councilmembers are interested in addressing housing needs as part of the redevelopment of the Bel-Red Corridor.

Councilmember Marshall questioned whether a fire station and/or police substation has been discussed for the area. She suggested that the area could be a logical location for a public school and/or additional Bellevue Community College location. In terms of parks and open space, Mrs. Marshall is interested in connecting the streams and developing a walking/jogging loop trail.

Mr. Terry said the September 6 meeting is anticipated to be the last for the committee. The Council will then review the recommendations and proceed with discussions and planning. As directed by Council, the Planning Commission will review related amendments to the Comprehensive Plan. Staff plans to bring the entire package back before the Council early next year.

Mayor Degginger thanked Mr. Lukens and committee members for their work. Mr. Lukens said the committee viewed the planning study, as articulated by Councilmember Marshall as well, as an opportunity to incorporate transit, add housing, open up streams, and address other needs. The plan also allows light industrial and service uses to remain in the area as well.

(c) Work Program Update – Amendments to Utilities Element of Comprehensive Plan for Electrical Facilities

Planning Director Dan Stroh opened a presentation regarding Comprehensive Plan Amendments to the Utilities Element for Electrical Facilities. He recalled previous Council direction in Resolution No. 7107 to: 1) Focus on electrical substation expansion and siting, 2) Protect

neighborhoods from incompatible facilities, and 3) Meet the needs of Puget Sound Energy to provide sufficient electrical energy to service the growing demand of Downtown Bellevue and other commercial areas. The Planning Commission continues to review the issues associated with this direction.

Nicholas Matz, Senior Planner/Project Manager, provided an update on the policy work. Expansion and the addition of electrical substations addresses growth in demand due to land use development, growth in demand from existing customers, and reliability improvements. The state Growth Management Act obligates the City to work with utility providers to plan for system capacity to adequately serve the Comprehensive Plan. Council's new direction addresses visual impacts to neighborhoods as well.

Three entities are involved in the siting of electrical facilities. The Washington Utilities and Transportation Commission regulates rates, terms, and conditions of utilities, as well as prohibits PSE from prospectively acquiring and holding substation sites. PSE is responsible for planning and operating electrical and natural gas systems serving Bellevue. The City has limited regulatory authority under the Growth Management Act, as electrical facilities are considered essential public facilities. Bellevue's electrical system includes transmission lines, transmission switching substations, and distribution substations.

Mr. Matz briefly displayed a map of the 10 substations and two transmission lines in Bellevue. He described staff's direction for handling new or expanded substations:

- Alternative siting analysis based on criteria to minimize neighborhood impacts.
- For substations west of downtown, a site in the downtown would need to be among the alternatives considered.
- PSE will need to provide documentation disclosing and explaining its decisions given the City's criteria.
- Once a site is selected, appropriate mitigation is required.

Mr. Matz explained that the Bridle Trails substation, which is to be expanded, is a visually compatible facility that is below grade, has concrete wall and vegetation screening, the expansion pad is within the existing facility's boundaries, and the transmission lines connect with existing feeder lines. The Clyde Hill facility, which is to be expanded, and the Phantom Lake-Lake Hills facility, which is adding a transmission line, are likely to be visually incompatible due primarily to surrounding residential uses.

Mr. Matz said the process continues to involve neighborhood associations and PSE in developing Comprehensive Plan amendments. PSE is currently applying to expand the Factoria substation, and this is being used as an example to test the feasibility of meeting the City's siting criteria. Pursuant to the December 2006 windstorm that disabled a major portion of the community's electrical system, discussions regarding the undergrounding of utilities and improving storm reliability of the system are ongoing. The Planning Commission will review the issue in the Fall. Staff is conducting research on electromagnetic fields and their health impacts.

Mr. Matz said neighborhood outreach will continue along with continued coordination with PSE. The Planning Commission is scheduled to hold a public hearing in the Fall.

Responding to Councilmember Noble, Mr. Matz said an independent assessment by a third party of the system's reliability will supplement staff's work.

Mayor Degginger commented on the importance of maintaining a reliable electrical system to support businesses as well as citizens who work from their homes.

Responding to Councilmember Lee, Mr. Matz said additional utility providers are the City's own water, sewer, and stormwater utilities; garbage and recycling services; and telecommunications. The performance of all utilities is monitored by the City, and they are periodically reviewed to determine consistency with the Comprehensive Plan.

Responding to Mayor Degginger, Mr. Stroh said the Comprehensive Plan is based on a 20-year horizon and allows the utilities to determine their buildout plans.

Councilmember Balducci recalled that proposed expansion of the Lochleven substation initiated this process. Responding to Ms. Balducci regarding Phantom Lake, Mr. Matz said staff intends to evaluate facilities based on visual impacts. However, as essential public facilities they cannot be precluded. The Phantom Lake facility is not expanding beyond its boundaries as it has the space to accommodate additional capacity. In further response, Mr. Matz said the City reviews PSE's system plan for information about facilities.

Responding to Councilmember Noble, Mr. Matz said the City has some authority to require the enclosure of certain facilities. The City can require that items affecting visual impacts can be accomplished through the Conditional Use permitting process.

Responding to Dr. Davidson's concerns about utility rates, Mr. Matz said rates are not currently under discussion with PSE and the WUTC. He noted that rates are not addressed in the Comprehensive Plan.

Deputy Mayor Chelminiak suggested the use of incentives to encourage the siting of facilities outside of residential areas. Mr. Stroh said PSE is already more likely to site facilities in open areas that are away from residential areas.

Mayor Degginger declared a brief recess at 8:55 p.m. The meeting resumed at 9:03 p.m.

(d) Regional Issues

Diane Carlson, Director of Intergovernmental Relations, referenced the first item regarding Cascade Water Alliance and water conservation goal setting.

Patricia Burgess provided an update on the new State water use efficiency rule and staff's initial efforts to prepare for the requirement. She introduced Michael Brent, Water Resources Manager

with Cascade Water Alliance, and Kelly O'Rourke, a water resource planner with HDR consulting firm.

Ms. O'Rourke provided a brief history of Bellevue's water conservation efforts since 1987. She noted that Council direction is requested regarding the preparation of a draft water conservation goal. Regional programs administered by the CWA since 2004 have saved approximately 24,000 gallons per day each year. The City's current program is comprehensive and includes 15 conservation measures for saving water.

Bellevue's water use conservation goal must be adopted by January 22, 2008. The establishment of a goal must involve a public process and must be reestablished at least every six years. The goal can be modified at any time using a public process and must be measurable in terms of water usage. The City must report annually to the Department of Health and customers regarding progress toward meeting the goal. The City must provide the opportunity for consumers and the public to participate in and comment on the setting of the goal. The City Council should review and consider these comments.

Mr. O'Rourke explained that the Cascade Water Alliance Board recently adopted a conservation goal for its members to save 1 million gallons per day annually by 2014. All eight members participated in establishing this goal. The City's goal is to save 355,000 gallons per day at full implementation of the conservation program between January 1, 2008 and December 31, 2013. New savings are to be achieved each year throughout the time period, and the increase will be realized through an added emphasis on hardware measures and the tracking of behavior measures.

Next steps are to obtain Council approval to move forward with the City's conservation goal, obtain Council direction regarding the public forum to be used, hold a public meeting, discuss public comments, and adopt a goal by January 22, 2008. Council may direct staff to use the City Council, the Environmental Services Commission, or a separate stand-alone meeting to conduct the public process and move forward with the proposed conservation goal. Council may provide alternative direction as well.

→ Councilmember Marshall moved to direct staff to utilize the Environmental Services Commission as the public process venue to move forward with considering the proposed City water conservation goal. Deputy Mayor Chelminiak seconded the motion.

Councilmember Davidson said this item was discussed by the ESC during its last meeting and the Commission looks forward to participating in the process.

Responding to Councilmember Noble, Ms. O'Rourke said a per person savings is incorporated into the background numbers that were used to establish the citywide savings goal of gallons per day. She said the gallons per day measure was determined to be the easiest and most straightforward to track as well.

Responding to Mr. Chelminiak, Ms. O'Rourke said the cost-effectiveness of specific conservation measures was a consideration in establishing the overall goal. While residential faucet aerators

are a very cost-effective measure, the City does not want to ignore other less cost-effective measures applicable to commercial customers, for instance. In further response, Mr. Brent said the areas providing the most savings are single-family residential fixtures.

Responding to Councilmember Lee, Ms. Burgess said the total cost of Cascade's water conservation program is \$315,000. In further response, Mr. Brent said Bellevue is the largest member city of the Cascade Water Alliance. Ms. O'Rourke explained that Bellevue represents 39 percent of the conservation program, which is allocated to the eight members based on their size and contribution to Cascade. Therefore, Bellevue is paying 39 percent of the cost and realizing approximately 39 percent of the savings.

Responding to Councilmember Marshall, staff said the recycling of household fixtures is not part of the conservation program.

→ The motion to direct staff to utilize the Environmental Services Commission as the public process venue to move forward with considering the proposed City water conservation goal carried by a vote of 7-0.

Moving on, Ms. Carlson provided a presentation regarding the NORCOM (Northeast King County Regional Communications Center) project. After approximately four years of planning, the NORCOM Steering Committee voted on Friday to recommend the formation of this regional public safety dispatch agency. Staff is seeking Council direction to bring back a Resolution to authorize the City Manager to sign the NORCOM Interlocal Agreement. The partnership involves 14 potential members from jurisdictions and agencies involved in the planning. Ms. Carlson reviewed the schedule of activities leading to initiation of the program. The implementation date for NORCOM is mid-2009.

The recommended NORCOM governance structure is to form a separate legal entity as a nonprofit corporation whose members are public entities and agencies. NORCOM is to be governed by a board on which all principals and owners are represented. The NORCOM facility will be housed in Bellevue City Hall with a seven-year lease term. Agency user fees will be based on percentages of calls. Bellevue represents approximately 40 percent of the call volume.

Ms. Carlson described a cost smoothing mechanism to reduce costs for partner agencies during the first seven years. These rebates are provided by Bellevue's sharing of anticipated savings with NORCOM implementation. During the first year, Bellevue will pay a higher proportion of NORCOM's operating costs. Bellevue's savings will increase each year as member costs increase. A state grant of \$750,000 has been received, and NORCOM is seeking additional grants to reduce costs including a \$2.7 million COPS grant, a \$1 million UASI grant, and a \$0.4 million federal appropriation.

The goal is for NORCOM members to sign the Interlocal Agreement by September 30, and transition planning will begin immediately. NORCOM founding documents are to be filed with the State and a technology RFP (Request for Proposals) is to be issued in November. An

Executive Director will be hired by the end of this year. Ms. Carlson thanked Andrea Jutte, Budget Analyst, for her work on the NORCOM project.

Fire Chief Mario Trevino commented on the committee's work during the past few years. He noted that NORCOM will enhance the interoperability and cost-effectiveness of public safety agencies in the region.

Interim Police Chief Linda Pillo said technology improvements are an additional benefit of the NORCOM partnership. She said staff is ready to move forward with the next steps upon Council approval.

Deputy Mayor Chelminiak thanked staff for their hard work. Responding to Mr. Chelminiak, Ms. Carlson said members are obligated to remain partners for the first seven years. If an agency decides to leave, it must reimburse the savings realized from cost smoothing. Chief Trevino commented that a significant benefit of the partnership is it gives Police and Fire Chiefs the opportunity to participate in decisions and policymaking affecting their operations. City Manager Steve Sarkozy noted the opportunity to achieve additional cost savings if other cities and agencies decide to join the consortium.

Responding to Councilmember Marshall, Ms. Carlson said the location of a backup facility has not yet been determined.

Mrs. Marshall recommended approval of entering into the NORCOM Interlocal Agreement. Mayor Degginger noted Council consensus to proceed as suggested.

Responding to Mr. Noble, Chief Pillo said the technology component includes primarily software as well as some equipment in the future. Chief Trevino said the software will accommodate all of the different equipment currently in use.

Following additional questions of clarification, Mayor Degginger noted Council consensus to place the item on Council's next Consent Calendar for action.

Ms. Carlson introduced new employee Joyce Nichols, Utilities Policy Advisor. Ms. Carlson referenced page 3-41 of the meeting packet providing four issues voted on by the King County Flood Control Zone District Advisory Committee. A majority of members were in favor of the District's proposed 10-year work program, a uniform tax, and a 10-cent per \$1,000 AV levy rate.

Mayor Degginger explained that he served on the Advisory Committee and was disappointed with the process and the lack of time to fully explore the issues and implications. He observed that there are no projects in Bellevue to be funded by the District. Bellevue will contribute approximately \$3 million annually and Seattle will contribute \$10-11 million annually. The cities to benefit from the program are contributing significantly less. Mr. Degginger feels there is a need for additional scrutiny of the projects and options for completing them at a lower cost.

Ms. Carlson said the committee's recommendations will be forwarded to the King County Council. A minority report will be issued, and the possibility of revisiting the issue will be pursued.

Councilmember Marshall feels the formation of the District should be publicized. Bellevue will receive no project funding but will contribute nearly \$3 million annually.

Responding to Councilmember Noble, Mayor Degginger said specific projects have been identified. Staff will provide the list. Mr. Degginger said no criteria were used to identify and prioritize projects.

Responding to Councilmember Lee, Mr. Degginger said he recommends that the County Council consider a lower tax rate and conduct a more careful scrutiny of the project list.

Responding to Councilmember Balducci, Ms. Nichols said the vote regarding a tiered tax structure was 7 in favor, 7 opposed, and 1 person who did not feel there was sufficient information to make a decision.

Mrs. Marshall suggested that taxation without representation, among other issues, should be raised with the King County Council. She feels it is not fair to tax citizens of a specific city when they will receive no benefit from the tax. Mayor Degginger said the committee discussed the concept of regionalism. It ultimately identified a 20-year program of every conceivable project rather than critical projects that need to be completed.

- Deputy Mayor Chelminiak moved to extend the meeting to 10:30 p.m., and Mayor Degginger seconded the motion.
- The motion to extend the meeting carried by a vote of 7-0.

Mr. Chelminiak suggested that the inequity of the District's assessment should be communicated to the King County Council. Referring to the list of participating jurisdictions, he suggested grouping cities based on those within an area that will benefit from specific projects, and then reflecting the financial contributions of each area that will benefit.

Dr. Davidson expressed disappointment that the tax is not based on a public vote. He noted that King County's property tax rates are significantly higher than Bellevue's.

Councilmember Lee expressed his concerns about the District's formation and tax assessment.

Ms. Carlson noted information in Council's desk packet regarding a proposed federal energy efficient block grant program. Staff recommends support of the legislation. Mayor Degginger noted Council consensus to send the letter of support.

Paul Inghram, Comprehensive Planning Manager, referenced page 3-49 of the meeting packet and provided a brief overview of the Puget Sound Regional Council's draft Vision 2040. Staff

anticipates returning in September with a recommendation for a letter of comment. Mr. Inghram noted extensive public outreach regarding the Vision 2040 plan and encouraged Bellevue citizens to participate.

4. Discussion of Upcoming Items

- (a) Consideration of application by Holly Smith of Polygon Homes (Bellewood Apartments) to rezone 0.27 acres of a 1.45-acre lot from Office to R-30, Multifamily-Residential. The site is located at 148 102<sup>nd</sup> Avenue SE. File No. 06-116640-LQ.

Matt Jackson, Senior Land Use Planner, provided a brief overview of the Polygon Homes rezone application. A Comprehensive Plan amendment was approved on April 2, 2007 to change the land use designation of the Office portion of the site to Multifamily-High density. The Hearing Examiner recommends that the rezone be approved.

Mr. Jackson responded to brief questions of clarification.

- (b) Consideration of application by John H. Hancock and Earl E. Muren, Jr., to rezone 3.37 acres from R-1 to R-3.5 for future single-family residential development. The site is located at 1801, 1809, 1905, and 1911 156<sup>th</sup> Avenue SE. File No. 06-102787-LQ.

Mr. Jackson provided an overview of the Hancock-Muren application to rezone 3.77 acres from R-1 (1 unit per acre) to R-3.5 for future single-family residential development. The Hearing Examiner recommends approval of the rezone. Mr. Jackson noted that any City Council Ordinance concerning this matter will be forwarded to the East Bellevue Community Council for final approval or disapproval.

Councilmember Balducci said she is not in favor of the rezone. However, she acknowledged that the Planning Commission approved the Comprehensive Plan amendment, the East Bellevue Community Council had no objections during a courtesy hearing, and no citizens have commented against the proposal. Ms. Balducci said the majority of surrounding lots are zoned R-1 or R-1.8, in contrast to the higher density of the proposed development. With wetlands on the site, Ms. Balducci speculated that development might have to be concentrated on a smaller portion of the site, which will make it appear even more dense than surrounding housing.

At 10:17 p.m., Mayor Degginger declared the meeting adjourned.

Myrna L. Basich  
City Clerk

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