

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting
Council Retreat

January 24-26, 2013

Resort at Port Ludlow
Port Ludlow, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes, and Wallace

ABSENT: None.

Thursday, January 24, 2013

The meeting was called to order at 8:35 a.m., and all Councilmembers were present.

Mayor Lee opened the meeting and welcomed everyone to the annual Council Retreat.

City Manager Steve Sarkozy led a discussion regarding the data reported in the Retrospective, which was initiated approximately five years ago to track longer term accomplishments of the City. He said this information provides context for the Council discussions during the retreat and in the future.

All vital signs have held through the 2011-2012 timeframe, which is good news in light of the downturn in the economy. Mr. Sarkozy commented on statistics relating to the use of transit and how this data influences the vision for the community's future. For example, the growing use of transit may influence the need for shuttle services within the community and between the Park and Ride lots and Downtown. It was noted that the price of gasoline and tolls on the SR 520 bridge also influence the slow, steady increase in transit ridership.

Mr. Sarkozy noted a significant growth in the number of permits being issued compared to 2010 and 2011. The 2012 assessed valuation of Bellevue properties, which hit a high in 2009, is recovering but has not gotten back to those 2009 levels. The property tax rate has decreased over time, and median home values are down significantly from 2009 levels. Mr. Sarkozy commented that the recession hit hard and we are still in recovery.

Moving to a discussion of other high-profile projects, Mr. Sarkozy spoke to the successful accomplishment of a new City Hall, the Somerset acquisition around Eastgate Park, continuation of the Eastside Pathways program, and the refunding of bonds. Staff is developing a performance dashboard to provide information to the public on City operations and to

demonstrate that the City is constantly evaluating itself against other cities in the country. A Study Session is planned for February to brief the Council on specific accomplishments under the Environmental Stewardship Initiative.

Mr. Sarkozy reported on the success of the volunteer program, which has significantly increased the engagement of volunteers over the past several years. The community has responded positively to the adaptive traffic signal system installed in certain intersections, with a key feature being the flashing yellow arrows to keep traffic moving. Councilmembers commented on the positive feedback they are receiving about improved signal operations in Bellevue as the SCATS system is being deployed around the city. The City is also converting to LED street lighting.

In the area of utilities, Mr. Sarkozy pointed out the acceleration of replacing asbestos concrete water mains and pressure service valves.

Under Public Safety, Mr. Sarkozy said Fire response times are holding steady, and the cardiac save rate is better than the rest of the country. The question was asked whether the response times are lengthening due to vertical response in Downtown. It was suggested that the cardiac response rates be tracked by age of individuals since the population is aging. The comparative city analysis may also confirm whether other cities are experiencing similar demographic trends.

Mr. Sarkozy commented on one-year statistics related to the change in the handling of ambulance services. Councilmembers noted that there have been some complaints and suggested that information be provided to citizens who are transported regarding the new fee structure and billing process.

Mr. Sarkozy reported on the hiring of a new manager to lead the neighborhoods program in the Planning and Community Development Department and updated the Council on ongoing neighborhood programs and services.

Under the Regional Issues section, Mr. Sarkozy explained that a secondary impact of the light rail project is the relocation of the Surrey Downs District Court, which will be addressed when the Council's work program allows. He also reported on monitoring activities related to vegetation in the Sammamish Slough to lessen impacts to property owners.

Mr. Sarkozy reviewed the plan for Friday's discussions. He suggested talking about audacious goals until mid-morning and then moving into a discussion of major projects.

A group photo was taken of the Council, and the meeting adjourned at 9:40 p.m.

Friday, January 25, 2013

The meeting resumed at 8:40 a.m.

Mayor Lee expressed appreciation for the support provided to him during 2012. He noted that Councilmembers all have different ideas and can learn from each other. He spoke to advice

provided by Alan Mulally on leadership and working together as a team in his book *American Icon*. Mayor Lee spoke particularly of the need for transparency, accountability and trust.

Mr. Sarkozy introduced discussion regarding several concepts that might provide economic development opportunities for Bellevue. While conceptual at this point, he suggested they may spark Council interest in other opportunities or possibilities the City wants to explore for its future. Ideas included locating a four-year college or university, research facility, and/or advanced wireless connectivity in Bellevue. These ideas have roots in long-term Council goals.

The City Manager and Council also discussed possible options for use of the Metro site, once it is acquired. Council also discussed the possibility of some form of iconic architecture that would be recognizable as Bellevue.

At 10:16 a.m., Mayor Lee declared a break.

At 10:40 a.m., the meeting resumed and the Council was joined by key staff including Transportation Director David Berg; Deputy City Attorney Kate Berens; Development Services Department (DSD) Director Mike Brennan; Planning and Community Development (PCD) Director Chris Salomone; and Bernard van de Kamp, Transportation Regional Projects Manager.

Major projects and capital financing were discussed, beginning with the East Link light rail project, the largest project Bellevue has ever faced and one over which the City is not fully in control. Staff outlined a proposed decision-making framework, with the goal of determining those areas that continue to need discussion and decisions. Councilmembers requested that the decision tree be expanded to provide both the pros and cons of each option.

Staff distributed handouts, including a schematic of the Path to East Link Resolution which depicts a five-part package that will lead to decisions in April and May, as well as a decision tree developed by the Bellevue East Link Steering Committee for Council discussion.

Referring to 112th Avenue SE at SE 15th Street, Mr. Berg described the Steering Committee's recommendation for the road-over-rail alternative. If that part of the project is to be grade separated, there was tentative Council agreement on the road-over-rail approach.

Moving to Bellevue Way, staff said the Steering Committee is recommending at-grade light rail with a HOV lane based on travel time savings during the evening peak and the avoidance of cut-through traffic into the Enatai neighborhood. There are less environmental impacts with this option than the trench option in front of Winters House.

Staff responded to questions about the extent of property takings with this scenario. Councilmembers questioned whether analysis of the at-grade option had considered a more modest shifting of the roadway to the west. That option would take less property but would forever preclude implementing an HOV lane in the future.

Councilmembers expressed differing concerns relating to the Bellevue Way alignment, including:

- Since access to the HOV lane does not occur until south of the Y at 112th Avenue SE, the HOV lane may not help that much and will not save money.
- Property impacts at the top of the Enatai ridge.
- The time to build the HOV lane is now to avoid cut-through traffic into the neighborhood, unless the environmental impacts prove to be less than anticipated.
- Impacts of a trench on Winters House and Mercer Slough.
- Operational problems associated with trenching.
- There might be other ways to regulate traffic through this area, including through modifications to traffic signals.

Councilmembers questioned the timing of the receipt of the Environmental Impact Statement (EIS) on the HOV project within the Transportation Facilities Plan (TFP), and whether decisions should wait until after that work is completed.

Staff noted that Council decisions will be made in February relating to the Land Use Code. Decisions on the alignment are to be deferred until the release of the East Link Final EIS. Sound Transit also needs to defer its decisions until after the environmental work is complete.

The question was raised about the ability to move the Winters House and the status of discussions with the Eastside Heritage Center. While there are concerns about how this could be accomplished, it was noted that moving the Winters House could possibly provide a good outcome. It was determined that more discussion of the Bellevue Way trench option and HOV lane will be needed before Council makes its alignment decisions in April.

Staff indicated that Sound Transit's decisions will be greatly affected by project costs. A large portion of Sound Transit projects are funded through debt at an interest rate of 5 percent. If the debt could be refinanced at today's lower rates, additional funding for East Link and other projects could become available.

At 12:20 p.m., Mayor Lee declared a short break, to be followed by a working lunch.

The discussion resumed at 12:35 p.m. Mr. Berg described options for 112th Avenue SE (SE 8th Street to Main Street) and staff's recommendation for an at-grade alignment with right-in, right-out general access at SE 4th Street. He described how the crossing would function, noting there would be some bells but not a clanging sound.

Responding to questions, Mr. Berg explained how emergency-only access would be accommodated. Councilmembers questioned the value of the homes that would need to be acquired and the additional administrative and acquisition costs.

Some Councilmembers were generally supportive of the concept. However, there were concerns about safety, local access, mitigation, and impacts to remaining homes. There appeared to be a general Council consensus on the alignment.

An issue was raised about light rail Segment D with an elevated alignment before it crosses NE 20th Street. Mr. Berg spoke to the VisSim analysis of the Bel-Red area. He described findings

related to Northup Way, which showed no degradation in function if Bel-Red infrastructure is in place. Mr. Van de Kamp spoke to an analysis of right-of-way (ROW) in that area to establish minimum widths that would best preserve buildings and parking stalls.

The Council discussed the grade-separated alignment, which is preferred by Sound Transit but is very expensive. Mr. Berg said the City supported the at-grade alignment because the traffic analysis showed it would work.

At 1:25 p.m., Mayor Lee declared a break. The meeting resumed at 1:45 p.m.

Mr. Berg introduced options available for the East Link Downtown Station and described the Steering Committee's recommendation. There are significant cost savings associated with the NE 6th Street Station option. However, there are costs associated with curing problems caused by the needed modifications on the City Hall campus. Modeling indicates that ridership would remain about the same as with the tunnel station.

Councilmembers questioned the cost to Sound Transit for the City Hall and Metro site takings.

Mr. Van de Kamp noted \$6 million to \$12 million in additional ROW costs as well as costs related to damages/modifications to City Hall and the plaza. Total savings for the NE 6th Street Station are now estimated at \$23 million to \$39 million, and 30-percent design will be provided soon. The group briefly discussed the implications for the development of the Metro site after the NE 6th Street Station was constructed.

Councilmembers said they would like further discussion of pedestrian traffic south of NE 4th Street, including the implications for transit use.

Some Councilmembers did not favor the NE 6th Street Station, which they feel is a significant detraction from the tunnel for which Council fought so hard to achieve. They prefer that the station be as close to the center of the Downtown as possible, or closer to the Transit Center. Every move to the east is a degradation in value, and moving the station to the east simply for cost savings is not necessarily good policy.

Some Councilmembers were in favor of the NE 6th Street Station as a cost savings option and believe it can be designed to be appealing. They observed it would be less disruptive during construction than some of the other options. The group discussed the place-making potential for the NE 6th Street Station versus the tunnel design.

Certain Councilmembers also expressed reluctance to support the NE 6th Street Station because it degrades transit service for Bellevue residents and workers and decreases the amount of space available on the adjacent Metro site

Staff described Sound Transit's standards for station design and construction as well as funding available to install public art. The City has the ability to influence the property around the station, which can be dedicated to a civic plaza, and Sound Transit is interested in achieving some degree of consistency between stations and in reducing construction and maintenance

costs. The NE 6th Street Station would be compatible with continued development of the Pedestrian Corridor.

Mayor Lee summarized general Council consensus in support of the 112th Avenue NE road-over-rail design. The Council would like more information on the proposed Bellevue Way SE HOV lane and the environmental impacts of the related at-grade rail alignment. The Council remains interested in expediting property acquisitions, which will be different with the road-over-rail configuration. Mr. Lee noted there is mixed support for the NE 6th Street Station.

At 3:10 p.m., Mayor Lee declared a break. Councilmember Balducci left the meeting.

The meeting resumed at 3:25 p.m.

Ms. Berens distributed a handout of the Bellevue Code Overlay Decision Tree and outlined the steps, beginning with the permit process. She compared the permitting alternatives of a Development Agreement path versus options available lacking such an agreement.

Councilmembers indicated a preference for a Development Agreement approach, if agreement can be reached between the City and Sound Transit on the alignment.

Concerns were raised about turning over significant decisions related to the East Link project to a contract Hearing Examiner.

Ms. Berens said that, given the extensive collaborative design process with Sound Transit, staff anticipates a well-prepared permit application for the light rail project. She said the citizens advisory committee (CAC) will be working with the City throughout the process.

Councilmember Wallace described how the Design Review Board works in Seattle. He is concerned regarding possible perceptions of bias if a decision is left in the hands of the Director. He said there should be clear criteria for permitting decisions.

The Council would like the CAC to evaluate the East Link permit proposal for compliance with the Light Rail Overlay, Light Rail Best Practices policies, and other specific design guidelines that might be relevant.

Mr. Brennan described the controls in place and the appeals process.

Questions arose about who bears the cost of an appeal. Ms. Berens said that, under the City Code, the permit applicant pays for staff time associated with any appeal. If the permit applicant is also the party that filed the appeal, and the appeal is upheld (i.e., the applicant prevails), those fees associated with staff time on the appeal are waived. In all other cases, the permit applicant pays the cost.

In further response, Ms. Berens said that, in any appeal, the Director's decision is given substantial weight when considering a Process II permit decision.

Staff explained that some cities have handled Sound Transit projects through the conditional use permit (CUP) process. The City of Seattle handles the light rail project as an administrative decision closer to Bellevue's Process II, while also involving a CAC.

Responding to the Council, Ms. Berens said it is important to understand which mitigation measures are provided in the Development Agreement. She said there are non-Land Use Code issues that will involve mitigation associated with the decision on the alignment. The mitigation addressed through the permitting process has more to do with the styling, landscape planting plan, and similar features.

A number of Councilmembers said they would like to see more mitigation details in the Code before it is adopted.

A majority of the Council expressed tentative support for a Process I approach, if a Development Agreement is not established, with appropriate deference by the Director to the recommendations of the CAC.

Deputy Mayor Robertson said she would like to see a robust public process with multiple opportunities for public input.

With regard to who may apply for a permit, Ms. Berens said staff recommends retaining the status quo. She explained that the affected properties have already been identified based on the Sound Transit East Link EIS and other documents. Sound Transit will begin its property acquisition process at approximately 60% design, which is the same time the agency will be applying for permits.

Ms. Berens said the Development Agreement statute requires that the developer must have ownership or control of the property. She acknowledged the Council's desire to give property owners as much certainty as possible. Ms. Berens said Sound Transit is already in discussions with property owners for situations in which they will need the full property. Sound Transit will not initiate the partial property takes until they know more about how much property is needed.

Concerns were raised for property owners who have been held in limbo for two to three years. Mr. Van de Kamp said Sound Transit is interested in acquiring properties as soon as possible to avoid risks.

Responding to the Council, staff said Sound Transit is expected to apply for permits affecting properties in the Bel-Red corridor, whether or not the properties have yet been acquired. Councilmembers questioned the ability to not issue permits until acquisitions are completed. Ms. Berens cautioned against that approach because the property owner could resist the condemnation. The City could instead require that Sound Transit be in communication with property owners before issuing permits.

Ms. Berens confirmed that Sound Transit cannot begin any work on properties until they are acquired. She noted some level of Council support for pursuing a provision regarding clear communication to property owners. Ms. Berens said she would work on drafting early notice language.

The Council expressed concern that Sound Transit might not proceed with the acquisition process, leaving uncertainty for property owners into the future. They questioned whether language can be included in the Development Agreement regarding the timing of acquisitions.

Ms. Berens said it might be possible to achieve agreement on requirements for beginning the acquisition process, as an alternative to language regarding possession and use. She described the mechanics of federal condemnation requirements to ensure a fair process for property owners. Councilmember Wallace said he would like to see what can be worked out. He questioned the timelines and hurdles between the establishment of the Development Agreement and issuing of permits.

Mr. Berg explained how the City handles negotiations with property owners. Staff anticipates that Sound Transit will be applying for permits by the end of this year or early next year. Sound Transit anticipates 60 percent plans for the Bel-Red corridor in June 2014. Mr. Berg said that acquisition planning has been ongoing since 2007-2008. Some properties have fallen off as potential acquisitions as alignment decisions have been made.

Councilmember Stokes said he would like to structure the process in order to get Sound Transit moving forward with acquisitions. Deputy Mayor Robertson encouraged completing the acquisitions and allowing Sound Transit to lease the properties until construction begins. This would enable continued occupation instead of having properties sitting empty possibly for years.

Ms. Berens moved to describe specific relevant provisions of the Land Use Code, beginning with setbacks. She explained the difference between the setbacks and the screening features.

Councilmembers questioned whether the City can require Sound Transit to provide buffers on private property. Ms. Berens said the City can clearly require vegetative screening, but can do it as an easement or acquire the property. She said there are a number of options for how property owners might be offered some control, particularly on the property owner's side of a noise wall.

Deputy Mayor Robertson said she would like to have greenery on the public-facing side of the walls. She favors a dense buffer to create a lush corridor, and noted the potential for development of a trail.

Councilmembers communicated the need for structure setback standards for the homes along 112th Avenue SE near SE 8th Street. They expressed concerns regarding impacts to homes that are immediately adjacent to the buffer since they are so close to the road.

Ms. Berens questioned whether the City wants to establish standards for what happens on the private property owner's side of the wall and it was opined that the City should address the aesthetics from the public side of the wall and the view from adjacent properties, but allow property owners to influence decisions on their side of the wall.

Responding to the Council, Ms. Berens said property owners are responsible for maintaining their side of the landscape buffer. Sound Transit will be responsible for the public side in accordance with permits.

The standard landscape buffer is 30 feet wide with Type I screening, with a sound wall located where best suited. There must be a minimum of 15 feet of buffer between light rail and the sound wall. The homeowners may negotiate with Sound Transit regarding what type of landscaping is provided on their side.

With regard to non-conforming uses, staff said the Light Rail Overlay indicates that non-conforming situations resulting from the East Link project should be considered legal non-conformities.

Concern was expressed that homeowners could be left with unbuildable lots. In these situations, there should be a condemnation discussion with Sound Transit regarding the lack of value for partial remnants. Ms. Berens said there is some flexibility within the Code to address these cases.

Ms. Berens said staff will need to come back with a discussion about the aesthetic issues related to the height of light rail structures.

There was discussion related to the Administrative Modification Process and compliance with other City Codes

With regard to the Light Rail Overlay, Ms. Berens said staff's preference is to refer to compliance with "all applicable codes" rather than listing individual codes. Deputy Mayor Robertson said she would like to include a direct reference to the Noise Code.

Moving on, Ms. Berens said there will be an upcoming Council discussion on the proposed Sound Transit Operations and Maintenance Satellite Facility (OMSF). Staff's recommendation is to remove the reference to the facility from the Light Rail Overlay and to specifically exclude it from the definition of what is included in the Overlay. That separates it for consideration as an essential public facility. Ms. Berens described options for how to condition that proposed land use later in the process.

Concerns were discussed regarding the debris generated by construction and the ability to remove it from Bellevue via rail. It was suggested that the debris be removed from Bellevue by truck and transported to Kirkland to transfer to rail freight, and some support for that approach was voiced. The Council indicated it would like regular updates on this issue.

Council will be provided with conceptual drawings of the Sound Transit operations and maintenance facility, and staff is working to reduce the size and to minimize the number of trains serviced in that facility.

Mr. Sarkozy summarized that there has been great progress on the Code provisions, alignment, and mitigation issues.

Mayor Lee requested more frequent communications.

Ms. Berens said the Sound Transit Board has not been updated on the overall package of issues.

Mayor Lee said the Council still needs to hear Councilmember Balducci's input as well. [Ms. Balducci missed the East Link discussion due to illness.]

At 6:30 p.m., Mayor Lee declared recess to dinner.

At 8:30 p.m., the meeting resumed, with Councilmember Balducci present.

Councilmembers identified elements of a future vision for Bellevue:

- Transportation hub.
- Distinctive urban cores/activity centers in various parts of the city.
- Expanding the core of the City to the east.
- Building a stronger community and families. Stronger planning to meet community needs and to put people first.
- Human infrastructure.
- Support Eastside Pathways, which is dedicated to ensuring that every child in Bellevue will have the opportunity for success and to be a contributing member of society.
- Possible opportunity to collaborate with the Bellevue School District on a revenue package to benefit children.
- Expanding higher education within the community, especially in the areas of science, math, and technology.
- Pool/aquatic center (partner with others).
- Ensure that human scale is considered in all nodes/activity centers (e.g., places to gather, pedestrian amenities).
- Support human capital (i.e., education system, housing, culture).
- Unite the Eastside.
- International cultural center.
- Capitalize on leveraging with partners (i.e., businesses, arts and culture organizations, education, knowledge workers).
- Immigration leadership.
- Hire outreach manager to support Councilmembers in regional outreach activities.
- Encourage community-based foundation focused on the Eastside.
- Media presence for the Eastside (i.e., could tie in with college/university with students providing marketing and journalistic experience to businesses on regular basis).
- Encourage and support international trade.
- Proactive vs. reactive: Councilmembers acting as facilitators and catalysts in the community for making things happen.

Councilmembers also discussed the many accomplishments of the City and the desire for excellence in every endeavor. There was discussion about enhancing coordination and relationships with King County in order to exert more influence and identify opportunities for making a difference. The Council expressed an interest in a staff outreach member to help Councilmembers accomplish results with the County and region. There was discussion about enhanced networking by all Councilmembers with state and U.S. elected representatives.

Sustainable community development was suggested as a topic for the City's focus. Mayor Lee suggested that each Councilmember choose an idea or element of the vision to focus on.

Councilmember Wallace identified three key areas for the Council's attention:

- Human services.
- Transportation and Land Use plans , with a focus on the Bel-Red corridor and the Downtown.
- Engage with other Eastside communities to foster a stronger Eastside coalition.

Council and staff discussed the need to develop a meaningful strategy, and to work with the County Executive as well as with County, State, and U.S. elected officials.

Councilmember Wallace suggested hiring a consultant/lobbyist firm to craft a plan for an Eastside coalition, becoming more effective with the County, and enhancing grant funding.

At 10:30 p.m., Councilmember Balducci left the meeting.

Councilmember Wallace left the meeting at 10:35 p.m.

Staff briefly reviewed the plan for the following day.

At 10: 45 p.m., Mayor Lee declared recess until the following morning.

Saturday, January 26, 2013

The meeting resumed at 9:00 a.m.

Mayor Lee encouraged Councilmembers to let him know if they want to suggest changes to the appointments to regional groups, boards, and commissions. He noted that some Councilmembers have established personal goals, and he will work with them to help to achieve those. Mayor Lee said he believes that each Councilmember has the potential to accomplish a great deal for the community.

Councilmembers expressed an interest in hearing more about recent issues involving the Police Department and the need for a King County strategy.

Mayor Lee highlighted principles promoted by Alan Mulally, President and CEO of the Ford Motor Company including:

- Put people first.
- Rely on facts and data.
- Propose a Plan.
- Respect, listen and help each other.
- Emotional resilience.
- Trust the process.
- Have fun; enjoy the journey and each other.

City Manager Sarkozy noted community organizations that are seeking funding in the near future, including:

- SPLASH and YMCA;
- Meydenbauer Convention Center;
- Performing Arts Center Eastside (PACE);
- Eastside Heritage Center; and
- Ashwood site (i.e., KidsQuest Museum and Museum of Natural History).

Mr. Sarkozy commented on the availability of TOT (transient occupancy tax; or hotel tax) revenues in approximately 10 years after long-term debt associated with the Meydenbauer Convention Center is repaid. He spoke to Meydenbauer Center financing and their need for capital improvements. As the Center approaches its 20th anniversary, it would like to have a discussion with the Council about its future.

Councilmember Balducci said there is some community opposition to locating a building on the Ashwood site and giving up the open space. She is not in favor of a parking garage on the south location. She said there appears to be less concern about a parking garage on the northern surface lot.

Councilmember Chelminiak suggested that the contemplated Museum of Natural History could be a good opportunity for a unique building.

Councilmember Stokes noted concerns within the community to not overly urbanize the site or visually fill in that space.

Councilmember Davidson observed that this circles back to the concept of developing an Eastside foundation to distribute funding to these sorts of organizations based on voluntary contributions from private parties instead of taxes.

Assistant City Manager Myrna Basich reviewed high level research of other cities' ethics provisions, which have been arrayed in the continuum, from less restrictive to more directive provisions. Based on Council feedback, Ms. Basich indicated she would prepare more detailed information for Council's consideration. Councilmembers expressed an interest in discussing the Council Ethics Code and possible provisions, perhaps beginning with the March 1 mini-retreat.

Councilmembers requested updates on major department-specific projects. There was a general sense that East Link discussions have dominated the Council's work, and they would like to be briefed on other City initiatives and projects.

At 11:55 a.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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