

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

February 10, 2014
6:00 p.m.

Council Chambers
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:09 p.m., with Mayor Balducci presiding. She noted that the scheduled Executive Session had been moved to the end of the meeting.

2. Oral Communications

Mayor Balducci noted that the Council recently implemented changes to the procedures for oral communications. Speakers are asked to sign in on the sheet provided, and typically a total of 20 minutes will be allowed for this item. Noting the number of speakers that night, Ms. Balducci said she would allow three minutes per person or five minutes if representing the official position of a recognized community organization.

- (a) King County Councilmember Jane Hague thanked the Council for its efforts to explore the City's ability to support the Tateuchi Center. She said King County is interested in partnering with the City to make the center a regional facility.
- (b) Deputy County Executive Fred Jarrett expressed support for the Tateuchi Center. He said King County staff has met with Mayor Balducci and Councilmembers Stokes and Wallace regarding the center, and King County looks forward to working with the City Council and staff to make the center a regional partnership for the benefit of the region.
- (c) Peter Horvitz, Chair of the Performing Arts Center Eastside (PACE) Board of Directors, said civic and business leaders have been working for many years to provide a performing arts center, which is now named the Tateuchi Center. The City has been exploring the idea of such a center since at least 1973. The PACE Board has raised \$63 million and secured a donated site in Downtown Bellevue. The Board looks forward to working with Council and City staff. Mr. Horvitz thanked the City for its support.

- (d) Sam Bellomio, StandUP-America, thanked the Council for updating its timer for oral communications to enable speakers to know how much time they have remaining. He noted his ongoing opposition to red light cameras. He expressed concern that the time spent on Police investigations is not tracked. He would like the City to hold an open forum, preferably monthly, for a dialogue with residents. Mr. Bellomio suggested term limits for City Councilmembers.
- (e) Alex Zimmerman, StandUP-America, thanked the Council for the new timer for public comments. He asked the City to hold a monthly open forum with residents and to work to improve life at the local level.
- (f) Wendy Jones, Enatai Neighborhood Association, said she attended Council two weeks ago when Sound Transit provided an update on the East Link light rail project. Since that time, she attended two additional project meetings. She expressed concern that the South Bellevue station is gray, utilitarian, and industrial in design. She understands there will be art elements later. However, she asked the Council to consider colors and a design, including vegetation, that is more consistent with the neighborhood.
- (g) Laura Hurdelbrink thanked City staff for the responsive snow removal and the ongoing street cleaning of cedar branches and other debris.

3. Study Session

- (a) Council Business and New Initiatives

Councilmember Robertson encouraged everyone to vote in tomorrow's school levy and bond election.

Responding to Deputy Mayor Wallace, City Clerk Myrna Basich confirmed that the topic of red light cameras is scheduled for Council discussion in mid-March.

- (b) Resolution No. 8694 authorizing execution of an eleven-year lease agreement with Talon Portfolio Services, LLC, including 3 five-year options to renew, in an amount not to exceed \$6,744,923 plus any applicable common area maintenance costs and taxes, to house the relocated Bellevue District Court facility and Probation Services.

Acting City Manager Brad Miyake opened staff's briefing on the District Court relocation. Resolution No. 8694 authorizes the execution of an 11-year lease agreement to house the relocated Bellevue District Court facility and the City's Probation Services staff.

Nora Johnson, Director of the Civic Services Department, said the City purchased the current District Court property from King County approximately 10 years ago with the intent of relocating the facility. The building is beyond its useful life and the City is interested in moving court functions out of the facility by mid-2015 in order to develop Surrey Downs Park.

[At 6:28 p.m., Mayor Balducci stepped out of the room for a short period.]

Ms. Johnson said that construction of the East Link light rail project will cut off access from 112th Avenue SE to the current courts site.

Max Jacobs, Real Property Manager, said the new proposed District Court site is in Bellefield Office Park. The location is close to public transportation, the existing courts, and City Hall. The building size and layout fits the program needs, and there is adequate parking for staff and visitors.

Mr. Jacobs said the lease includes a significant landlord contribution toward tenant improvements. The initial lease extends through 2025 and contains the option for up to three five-year extensions.

Ms. Johnson said there is an aggressive timeline to prepare the new facility and move court functions by spring 2015. The current courts building in Surrey Downs will be demolished for park development to occur.

Glenn Kost, Parks Planning Manager, briefly described the preliminary preferred Surrey Downs Park Master Plan. Construction of the master plan is not in the current seven-year Capital Investment Program (CIP) Plan, but funding will be requested during this year's budget process. Development of the park will be coordinated with Sound Transit with regard to the light rail alignment on 112th Avenue SE along the park.

Responding to Councilmember Robertson, Mr. Kost said there is strong neighborhood support for the park plan. He confirmed that the plan includes retaining portions of the orchards along 112th Avenue SE.

Ms. Robertson suggested that the topography could help buffer sound and other impacts of the light rail alignment. Mr. Kost said the topography along 112th Avenue SE will essentially remain as it is now, and a large berm will be constructed at the location of the current access point on 112th Avenue SE. The park will be accessed from SE 4th Street.

Councilmember Chelminiak said one of his goals when he joined the Council was for the City to gain control of the entire Surrey Downs site. That was accomplished approximately one year after he joined the Council and he looks forward to the relocation of the District Court. Mr. Chelminiak said that funding from the banked capacity of the property tax helped to fund the courts project as well as West Lake Sammamish improvements and other projects. He is pleased that the courts are staying near the Downtown, and he expressed support for the park plan.

[Mayor Balducci returned to the table at 6:38 p.m.]

Responding to Councilmember Robinson, Mr. Kost said parks levy funds are available for the Surrey Downs Park development.

Deputy Mayor Wallace thanked staff for their work on the courts relocation project. He expressed support for the terms of the lease and plans for the facility.

Mayor Balducci thanked staff for their work on negotiating a favorable lease. With regard to the Bellefield Office Park location, Ms. Balducci noted the wetlands and said there have been settling issues within the development and along the adjacent road (SE 8th Street). She questioned whether this issue was addressed.

Ms. Johnson said staff has conducted extensive due diligence on the structure and site. Staff believes the building will serve well as the new District Court.

Mayor Balducci said she looks forward to the courts moving to a new, larger building. She thanked staff for their work on the Surrey Downs Park planning.

→ Councilmember Chelminiak moved to approve Resolution No. 8694, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

- (c) Resolution No. 8695 setting out a framework for a process between the City of Bellevue and Performing Arts Center Eastside [MLB21](PACE) to advance public and private efforts to secure a major performing arts facility, the Tateuchi Center, in Bellevue for the benefit of the community and the entire Eastside.

Mr. Miyake referred to page 3-17 of the meeting packet for a chronology of discussions and planning for a performing arts center, now known as the Tateuchi Center, since 1973. He recalled that, in November, the Arts Commission and Tateuchi Center Board asked the Council to explore ways to partner with the project.

Chris Salomone, Director of Planning and Community Development, said the Arts Commission's recommendation of November 18 asked the Council to authorize staff to explore options for supporting the Tateuchi Center.

Mr. Salomone reviewed recommendations from January to develop a process for moving forward with goals, objectives, and a clear timeframe. The purpose of the resolution is to agree to move forward to: 1) Work cooperatively with the Performing Arts Center Eastside (PACE) organization to advance public and private efforts to secure funding to complete and open the Tateuchi Center, and 2) Conduct a robust public engagement process to introduce the Tateuchi Center to the community and receive public feedback.

The City's tasks are to investigate City, County, State and Federal funding options and to identify legal requirements and governance options. PACE's role is to agree to support the City's public process and Council's deliberations. This includes sharing information, being prepared to adopt necessary changes based on City's involvement, and renewing fundraising efforts.

Mr. Salomone said joint activities for the City and PACE will be to meet with public representatives at all government levels to explore public funding options, consider establishing an Eastside cities consortium to pursue funding, and to provide regular updates to City Councils and others.

Mr. Salomone said staff will move forward, with Council approval, to secure a cooperative agreement with PACE by March. Tasks from April through July will include legal research, the identification of public funding sources, and the initiation of discussions with all Eastside cities on a regional arts consortium. Staff anticipates that a preferred funding option or options will be identified in the fall, leading to a proposed framework for PACE and partner collaboration.

Mr. Salomone said staff recommends approval of Resolution No. 8695 setting out a framework for a process between the City and PACE to advance public and private efforts to secure a major performing arts facility.

Councilmember Stokes said he looks forward to discussing how the City can work with the Tateuchi Center. He said the community has wanted a performing arts center for a very long time. He noted the potential for a broad range of cultural activities at the center. He wants to make it a facility for everyone in Bellevue.

Councilmember Robertson thanked Mr. Salomone for staff's work. Responding to her, Mr. Salomone said he believed the PACE Board would be reviewing the City's information and proposed process and timeline that week.

Councilmember Robertson said she supports exploring a public-private partnership. She suggested an initial screening for feasibility and fatal flaws. She is pleased that representatives of King County have demonstrated an interest in entering into the partnership. She said it will be important to educate the public about how the facility will provide a community benefit. She looks forward to detailed information from regional partners to determine whether the center can be achieved.

Councilmember Chelminiak said the Tateuchi Center has reached the point of needing to revitalize the project or perhaps drop it. Given the level of effort by the Tateuchi Center, Mr. Chelminiak believes the City and the region should make a good effort to accomplish the project. He believes there is a need to move relatively quickly to determine the financing and that it is important to understand the risks.

Mr. Chelminiak said he does not want the City and region to walk away from the \$25 million pledge gift from the Tateuchi family. He said Bellevue and the Eastside need a performing arts center.

Deputy Mayor Wallace observed that the permit issues are a key potential roadblock. He does not want the City to be in the position of providing funds to pay the increased costs if the permit deadlines are not met. He would like to know, in the early stages, the cost and other impacts of code changes for the project and whether the code change impacts can be prudently eliminated. He does not want the City to use public funds to carry out unnecessary code change work.

Mr. Wallace believes the City should do what it can to work with the Tateuchi Center and with the community. He proposed placing City funding for the Center to a public vote, preferably on the November ballot.

Councilmember Lee said there is general Council support for the project. He emphasized the importance of understanding the challenges and commitments related to the project. He supports outlining a process for considering the City's participation in a public-private partnership. He hopes the Council and City are committed to making this happen. Mr. Lee expressed support for the resolution.

Councilmember Robinson said there are a number of questions in her mind and for the community. What does the regional partnership look like? How far does this region reach and what are the entities to be involved? What is the financial impact on the residents of Bellevue? What are the benefits for the citizens of Bellevue? She said it is important to dispel some of the myths in the community, including a concern that some companies could use the center as their private convention center.

Mayor Balducci said this is the start of a process. She believes the project will take the effort of the entire community, and it will benefit the entire community. She said that any public investment from the City must result in a robust public benefit. Mayor Balducci expressed support for the resolution.

→ Councilmember Stokes moved to approve Resolution No. 8695, and Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 7-0.

Mayor Balducci said the Council looks forward to more details on the plan. Mr. Salomone said he will be working with legal staff to address immediate issues.

4. Executive Session

At 7:10 p.m., Mayor Balducci declared recess to Executive Session for approximately two hours and 30 minutes to discuss one item of potential litigation and one personnel matter. She said the Council would adjourn from the Executive Session.

The Executive Session concluded at 8:50 p.m. and the meeting was adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw