

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

May 23, 2011
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

PRESENT: Mayor Davidson, Deputy Mayor Lee¹, and Councilmembers Balducci, Chelminiak, Degginger, and Robertson

ABSENT: Councilmember Wallace

1. Executive Session

The meeting was called to order at 6:07 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Communications: Written and Oral

- (a) Lloyd Jacobs, a Woodridge resident, encouraged the Council to select a final South Bellevue light rail route and to move forward. He expressed concern about the environmental impacts and costs of the B7 and B7-Revised alternatives. He is in favor of the B2M route, which mitigates a number of impacts and has lower costs. Mr. Jacobs said it is time to focus on the Downtown Tunnel and finding the money to contribute toward its costs.
- (b) Joe Rosmann, representing Building a Better Bellevue, spoke in favor of the B7/B7-Revised light rail alignment. He believes that a central issue is whether the City and its residents have the right to set and follow their own land use codes. He said that Sound Transit has not identified mitigation measures and costs for the B2M route, which he believes will make it more expensive than the B7-Revised option. Mr. Rosmann submitted his comments in writing.
- (c) Leslie Lloyd, President of the Bellevue Downtown Association (BDA) and Executive Director of the Bellevue Jazz Festival, highlighted performances and activities scheduled for the upcoming festival.

¹ Deputy Mayor Lee arrived at 6:12 p.m.

3. Study Session

(a) Council Business and New Initiatives

Councilmember Robertson described a new “Cradle to Career” program [Eastside Pathways]² under development within the Bellevue School District, which is based in part on the current Wrap Around Services Program. The program’s stakeholder kick-off is scheduled for the second week of June at the South Bellevue Community Center, and they have invited Councilmembers and the City to participate. Ms. Robertson requested a joint meeting of the Council and the Bellevue School Board in the fall.

Deputy Mayor Lee said there is a median on Highland Drive in the Somerset neighborhood that is not being maintained, so residents have been mowing the grass.

City Manager Steve Sarkozy said the City’s seasonal maintenance is underway. However, there are areas that will not be maintained as frequently as in the past due to budget reductions.

Mayor Davidson suggested that neighborhood outreach staff notify residents about the changes in service levels in some areas. Mr. Lee said this is an opportunity for innovation, and for the City to work with residents to address the impact of budget reductions.

Mayor Davidson referred the Council to the memo in the desk packet regarding his recommendations for appointments to the Environmental Services Commission.

- Councilmember Robertson moved to appoint Aaron Morin and Paul Weller to the Environmental Services Commission, each for a four-year term ending May 31, 2015. Deputy Mayor Lee seconded the motion.
- The motion for appointments to the Environmental Services Commission carried by a vote of 5-0, with Councilmember Balducci temporarily away from the table.

(b) Regional Issues

City Manager Steve Sarkozy opened discussion regarding a number of regional issues for the Council’s consideration.

- (1) Update on SR 520 Bridge Replacement and HOV Program; and Eastside Transit and HOV Project

Diane Carlson, Director of Intergovernmental Relations, introduced Julie Meredith, SR 520 Program Director for the Washington State Department of Transportation (WSDOT), to provide an update on the SR 520 program.

² Approved as amended on June 20, 2011, to add program name.

Ms. Meredith described the four major projects within the SR 520 Program: 1) Bridge pontoon construction, 2) I-5 to Medina bridge replacement and HOV project, 3) Medina to SR 202 Eastside transit and HOV project, and 4) Lake Washington congestion management project. The Lake Washington congestion management project is working to implement tolling operations this summer.

The pontoon construction project is underway in Aberdeen, and the first construction cycle is completed. Construction on the I-5 to Medina bridge replacement and HOV project is scheduled to begin in 2012. Ms. Meredith described a funding gap for design, right-of-way acquisition, and construction for the west end of the project. WSDOT is in the procurement stage for the Medina to SR 202 transit and HOV project.

[Councilmember Balducci returned to the table at 6:35 p.m.]

Ms. Meredith said that the evening's presentation would focus primarily on the Eastside transit and HOV project, which completed its environmental assessment in the spring of 2010 with a finding of no significant impact. Construction permits were obtained in early 2011, and the contractor is breaking ground with current clearing and grading activities.

Ms. Meredith introduced Chris Deane, Construction Manager, and Dan Galvin, Public Information Manager, from Eastside Corridor Constructors.

Mr. Deane described the Bellevue Way bridge and 108th Avenue NE projects, lid design, and construction staging. The Bellevue Way bridge will be larger than the current structure, and will have improved pedestrian and bike access. Evergreen Lid construction begins in June; Bellevue Way bridge work begins in July; and mainline and ramp construction begins at 92nd Avenue in August. The construction and opening of a new westbound entrance ramp at 84th Avenue is scheduled in September, and bridge construction at 108th Avenue NE begins in October. A number of full weekend closures of SR 520 are scheduled through the remainder of the year, beginning with June 17-20.

Responding to Mayor Davidson, Mr. Galvin described WSDOT's public information plan, including a project construction hotline at 425-998-5200, traditional media (i.e., TV, radio, newspaper), social media, special targeted outreach via email and listserves, signage, and agency publications (i.e., newsletter, fact sheets, maps).

Responding to Deputy Mayor Lee, Mr. Deane said that he believed there would not be a closure of SR 520 during the weekend of the Bellevue Arts and Craft Show. In further response, Mr. Galvin said that public information materials will be published in languages other than English as well.

Ms. Meredith described the bicycle and pedestrian improvements along the east side of SR 520 between 108th Avenue NE and NE 24th Street. WSDOT and the City are working on also adding a bike path along Northup Way.

Councilmember Balducci recalled that there has been a great deal of work to get to this point, and commented that it is great to see that construction is beginning. She noted that the bike trail is part of a regional trail, and Ms. Meredith confirmed that WSDOT is funding the new segment along Northup Way.

Councilmember Degginger commented that the project will have strong benefits for the Eastside in terms of improved mobility. He thanked WSDOT for their work, and noted that he hopes to avoid SR 520 closures during Husky football games.

Wrapping up, Ms. Carlson said that City staff is working with WSDOT staff on a weekly basis to continue to coordinate the projects.

Mayor Davidson stated the Council's support for the project, including dealing with the challenges of road closures.

(2) King County Regional Solid Waste Management Update

Ms. Carlson introduced Kevin Kiernan, King County Solid Waste Division Director, to provide a briefing on the King County Executive's 2012 proposed rate increase and potential options for waste disposal after the Cedar Hills Landfill closes. Ms. Carlson noted that responses to issues raised during the March 28 Council discussion are provided in the meeting packet. Staff has prepared a revised draft Solid Waste Management Interest Statement for the Council's review and comment as well.

Mr. Kiernan provided an overview of the solid waste system. He noted that, under state law, counties are not involved in the collection of garbage, recyclables, and other items. This service is provided through city contracts or through Utilities and Transportation Commission awarded franchises. The County's transfer system consolidates the waste.

Mr. Kiernan said that the Comprehensive Solid Waste Management Plan is updated every five years, and will be updated this year. Interlocal agreements require that cities representing 75 percent of the population approve the plan in order for it to become effective.

Mr. Kiernan reported that the capital program is moving forward through the Transfer System Plan and Cedar Hills Site Development Plan. The Solid Waste Division has a one-year rate request pending before the King County Council, and anticipates that a multi-year rate will be proposed in 2012. The Division will consider a partial diversion of a portion of the waste stream away from the Cedar Hills Landfill. A request for proposals (RFP) will be issued to identify the alternatives, which will be evaluated before committing to construction of the next disposal site.

Mr. Kiernan described the rate structure, revenue sources, the operating fund, and reserve funds. One of the main drivers of the proposed rate increase is reduced tonnage/revenue, lower interest earnings, and fewer grant dollars. Other drivers are related to the 45-day operating reserve, the Landfill Reserve Fund, and the transfer station capital program. Planned expenditures totaling \$102,969,785 in 2008 were reduced to \$90,870,414 in 2011.

Mr. Kiernan briefly reviewed a rate study comparison between the 2008-2010 time period and 2012. He highlighted some of the performance measures used by the Solid Waste Division. He explained that value engineering is a part of all major solid waste capital projects. Bellevue staff has been invited to participate in the Factoria Transfer Station value engineering process. The orientation was held on May 20, and an in-depth, three-day session was scheduled for the week of May 23.

Mr. Kiernan said that the King County Council will take action this summer on the rate increase for 2012. Public notification of the new rate will begin in the fall, and recommended interlocal agreement amendments will be forwarded to the cities. The new rate is scheduled to take effect January 1, 2012, and a multi-year rate will be proposed to the King County Council in the spring. Also next year, cities will take action on the interlocal agreements and the Comprehensive Solid Waste Management Plan.

Responding to Mayor Davidson, Mr. Kiernan said there are two formal advisory committees. The Solid Waste Advisory Committee is established under state law, and is a diverse group that includes private collection companies, recyclers, union representatives, and citizens.

The Metropolitan Solid Waste Management Advisory Committee is comprised of the cities. All 37 cities are invited to participate, and 22 have indicated that they are interested in participating. Typically, approximately 14 individuals attend the meetings. Meeting minutes and agendas are distributed to all 37 cities. In further response, Mr. Kiernan said that rates are discussed with the two advisory committees. The state committee approved a motion supporting the rate and the process used to determine the increase.

Mayor Davison questioned whether, when the ownership of the landfill transferred from the utility to King County general government, there was an effect on rates. Mr. Kiernan said that the State of Washington transferred the landfill property to King County government in 1994. In 2002, the County began a review of its assets and determined that the County was the owner of the landfill property, and that the utility should pay rent to the owner/County. An appraisal determined the value of the space, which led to the development of a rental payment.

Mr. Kiernan said the rent is part of the rate base, and it is an annual payment. In further response, Mr. Kiernan said there was no monetary transition between 1994 and 2004 for the property. Upon completion of the appraisal, rent payments went into effect. Mr. Kiernan said the utility rate remained flat for a period of time, and there were significant reductions and service level changes which accommodated the rental expense at that point.

Councilmember Balducci said her understanding was that the rent was charged retroactively.

Mayor Davidson observed that expenses have decreased but rates have increased. Mr. Kiernan said that the tonnage was down by 20 percent, which is fewer tons to support the remaining expenses. He noted there are fixed costs as well. In further response, Mr. Kiernan said the rates were held flat for nine years while the utility deferred capital investments. The utility has

recently moved forward with needed capital projects, which are supported in general by the cities.

Councilmember Degginger continued questions related to the rate increase. He observed that rental rates for the Cedar Hills Landfill are increasing by approximately \$700,000 annually. Mr. Kiernan said the rent increase is three percent, and the rent is calculated based upon the capacity and present value calculation to pay it off. The current schedule completes payments of the rent by mid-2014.

Responding to Mr. Degginger, Mr. Kiernan described how the rent was developed based on a total value of \$60 million for the landfill available tonnage. The payment schedule identified an initial payment of \$7 million, and the schedule will be paid off in 2014.

Councilmember Degginger questioned how overhead costs are determined. Mr. Kiernan explained that the table provided in the presentation materials reflects average costs over three years. He noted that overhead costs will decrease by approximately \$800,000 in 2012. Mr. Degginger questioned the percentage of overhead representing payments to King County for county services versus departmental overhead. Mr. Kiernan said the costs are based on the same methodology used for Metro. In further response, Mr. Kiernan said he can provide information regarding payments for overhead costs to County departments. The amount is decreasing in 2012, and the overhead methodology has been audited. It was the subject of recent litigation, and the methodology held up in court.

Mr. Degginger requested data with specific figures for each year, rather than averages for 2008-2010.

Responding to Mr. Degginger, Mr. Kiernan said the Solid Waste Division makes reserve payments in order to pay cash for landfill development. Transfer projects are funded through 20-year bonds.

Responding to Mr. Degginger, Mr. Kiernan said performance measures are tracked on different schedules depending on daily, weekly and monthly activities. He said it is difficult to benchmark to other agencies because solid waste systems tend to vary a great deal. However, King County tries to consistently improve its performance where possible.

Councilmember Degginger questioned the increased efficiency to be gained with the new Factoria transfer station. Mr. Kiernan said that total project costs are \$77 million, which includes a significant land acquisition. He noted that the County bought the land for the project twice, resulting in significant costs. There have been extensive design activities to identify and review alternatives.

Regarding service levels, Mr. Kiernan said the Factoria station provides more efficient transportation, from an average of 18 tons per load to 25 tons per load on a fairly consistent basis. The new station will provide additional services including recycling, hazardous waste collection, and organics/yard waste recycling. Solid Waste Division traffic will be separated

from customer traffic, which will speed up the service time. This reduces costs by reducing the wait times of the Solid Waste Division traffic as well.

Responding to Deputy Mayor Lee, Mr. Kiernan said the landfill rent is paid from the solid waste utility to King County general government. He clarified that the rent was based on the value of the business versus the value of the land. The appraisal was completed by Cushman & Wakefield, a commercial appraiser. Mr. Kiernan said it is atypical to try to value a landfill, and there are no local comparables. The King County Executive has recently requested a new appraisal, and a City of Bellevue representative has been invited to participate in the process. A request for proposals will be issued to identify an appraiser.

In further response to Mr. Lee, Mr. Kiernan said that the County initially proposed retroactive rent payments. However, after the state auditor questioned that practice, the County did not pursue it.

Ms. Carlson noted that one principle of Bellevue's draft Regional Solid Waste Management Interest Statement is to transition out of the rent payments.

Responding to Deputy Mayor Lee, Mr. Kiernan said that the decrease in tonnage since 2007 is not related to recycling, but is instead driven by the economy. He explained that the utility has been looking at recycling markets, and the overall quantity of recycled materials has decreased as well. Other solid waste utilities are experiencing decreases in tonnage, with Southern California experiencing significantly greater declines compared to King County. Tonnage actually dropped in the fourth quarter of 2007, before the economy slowed.

Mayor Davidson observed that while lower tonnage is going into the landfill, rates are increasing, and he questioned how to explain this to citizens. Mr. Kiernan said the increase is 76 cents per ton. The increase reflected in Bellevue's contract is small, and disposal at the Cedar Hills Landfill is much less expensive than other alternatives. Preserving that asset has considerable value for the region. The cost per ton for disposal is \$17.83, compared to \$39 per ton in Seattle's export contract.

Mr. Kiernan said that recycling has extended the life of the landfill by approximately 10 years. In further response, Mr. Kiernan said that landfill rent will be repaid in 2014, and landfill capacity extends through 2018.

Councilmember Balducci noted the complexity of the system, and questioned whether there is any work in the long-range comprehensive plan to simplify the system. Mr. Kiernan said there are 37 cities in the unincorporated area, which all have the authority under state law to contract separately. The King County Solid Waste Division does not have any influence over those contracts. However, it works closely with the private sector. In developing the transfer stations, the Division worked with the private haulers to determine their needs and identify efficiencies. Mr. Kiernan acknowledged that the system is complicated, but that the utility tries to coordinate with all of the parties as efficiently as possible.

Referring to the City's draft interest statement, Councilmember Balducci noted the desirability of having some control over services, which Bellevue and other cities have addressed with regard to water through the Cascade Water Alliance. She observed that when the region increases its water conservation, rates increase to retain the revenue. She acknowledged the reality of fixed costs, but stated that there is a need to understand the drivers of the rate increase. Ms. Balducci noted that an important issue for the City is self-determination, especially within the constraints of a 40-year agreement.

Mr. Kiernan said that the regional approach provides the benefits of economies of scale. The national trend has been toward consolidation versus fragmentation. Mr. Kiernan said the Solid Waste Division works with cities to incorporate their involvement into its decisions, including involvement in creating the comprehensive plan. The Division has also discussed the concept of fair termination language, and the need to be fair to a city that wants to leave as well as the remaining cities.

Councilmember Robertson said she shares the Mayor's concerns about the rate increases over the past four years totaling approximately 31 percent. She questioned what to expect in terms of rates over the next few years, and asked whether rates will decrease after the rent is paid off in 2014.

Mr. Kiernan said the King County Council has a policy to not bond debt beyond the length of the interlocal agreements, and the Solid Waste Division cannot meet the terms of 20-year debt. Building the Factoria station in 2015 will be a 13-year debt, which will be more expensive than extending the interlocal agreements and the ability for longer term debt. Mr. Kiernan said he cannot determine long-term financing costs at this point.

Councilmember Robertson noted the region's high recycling and water conservation levels, and questioned how this will affect future rates and the ability of consumers to pay the rates. Mr. Kiernan explained that, before the economic downturn, the expectation was that recycling would offset growth in population and the economy. Despite the decrease in tonnage, the transfer system will continue to have an important role in the future. Currently all of the trucks that collect organics in King County drive to the Cedar Grove facility in Maple Valley. The new Factoria facility will have the ability to collect and transfer organics, which is a new service, and will provide overall flexibility moving forward. Mr. Kiernan said the facility is not expected to have a significant impact on rates.

Responding to Mayor Davidson, Mr. Kiernan clarified that the land under the Cedar Hills Landfill was owned by the State until 1994, at which time it was transferred to King County. The County was engaged in an evaluation of its assets in 2002-2003 and determined that it had ownership of the asset, and that the utility was using it without paying value for it. The County assessed a rental rate, based on the appraisal by Cushman & Wakefield, and it was reviewed by the State Auditor's Office and found to be an acceptable approach. Mr. Kiernan said he understands that that arrangement is controversial, and the King County Executive has requested additional information in the form of a new appraisal.

Councilmember Degginger questioned whether, given the decrease in tonnage, the County is overbuilding its transfer stations. Mr. Kiernan said the Solid Waste Division does not believe it is overbuilding, but the capital plan is at an early stage. Four facilities are planned; one is under construction, and one is in design. The Division will evaluate the need for capital projects throughout the term of the plan.

Deputy Mayor Lee said he is glad that the King County Executive is reviewing the landfill appraisal, given the concerns of the Bellevue City Council. He would like to have input into the process.

Councilmember Chelminiak said that, in addition to the cost of transporting material to the landfill, there are costs associated with having it there. He questioned whether the transfer stations should be designed to sort and pull out materials to be directed someplace other than the landfill.

Mr. Kiernan said that King County is implementing different designs. For example, the Bow Lake station currently under construction has the ability to sort out material of value, and the same is planned for the Factoria station. Mr. Kiernan explained that commercial garbage tends to have a percentage of recoverable material (i.e., wood, metal, etc.).

Joyce Nichols, Utilities Policy Advisor, referenced page 3-11 of the meeting packet for the proposed City of Bellevue Regional Solid Waste Management Interest Statement. She noted that the third bullet point was revised to emphasize cost control measures, in response to a previous comment by Councilmember Degginger. Amendments based on the overall Council discussion relate to performance measurement and future capital investments.

Councilmember Robertson commented that the interest statement reflects the Council's discussion and concerns very well, and she thanked staff for their work.

Deputy Mayor Lee said he would like stronger language related to the rent paid to the County.

Councilmember Chelminiak noted his ongoing concerns about the governance structure related to solid waste management. While investments are planned for facilities in Bellevue, the City still does not have a guaranteed seat on the Regional Policy Committee. He believes that Bellevue should have a true role in regional policy-making if the community is expected to accommodate increased traffic and other impacts at the Factoria Station. He believes that this should be discussed if the interlocal agreement is to be extended, and if bonds will be issued to finance the new Factoria station.

Councilmember Degginger suggested adding language to the interest statement that encourages transparency in terms of a clear explanation of cost drivers, expenses, policy-making, and the City's role. He agrees that termination of the agreement should be fair to both sides. However, he would like a better understanding of how that might work.

Following up on Mr. Chelminiak's comments, Mayor Davidson suggested a true regional committee related to solid waste management as opposed to the current advisory committees. He noted the Regional Water Quality Committee as an example.

Mr. Kiernan stated his understanding that there are certain metropolitan functions established under state law that cover transit and wastewater, but state law does not address solid waste. The City Advisory Group includes Bellevue representatives.

Ms. Nichols recalled a previous question to the Council about whether it would like an outside consultant to evaluate the potential alternatives to contracting with the County in the future.

Deputy Mayor Lee said he is not sure if the Council is ready to make that decision.

Ms. Carlson said staff concurs that the City is not ready to change its current approach. However, she questioned whether the Council might want to have this type of information prepared as something to compare to negotiations of the next Interlocal Agreement later this year. The Council will be asked to choose whether it would like to enter into a new Interlocal Agreement, or whether it would like to continue the current agreement until 2028.

Responding to Councilmember Robertson, Ms. Carlson explained that staff could develop a potential scope of work, to help the Council evaluate whether it believes a study would be beneficial at this time. She said that the Council will most likely have to make a decision in 2012 about whether to renew the Interlocal Agreement.

Ms. Robertson commented that the decision comes down to how close the Interlocal Agreement comes to the Council's interest statement. If both are in agreement, she does not see a need to consider alternatives at this time.

Councilmember Degginger said it would be helpful to have some idea of the proposed scope and estimated cost of an evaluation.

At 8:10 p.m., Mayor Davidson declared a short break.

The meeting resumed at 8:20 p.m.

Mayor Davidson asked that Agenda Item 3(c) be moved forward in the agenda.

→ Deputy Mayor Lee moved to amend the agenda to address Agenda Item 3(c) next, and Councilmember Degginger seconded the motion.

→ The motion carried by a vote of 6-0.

3. [Agenda Interruption]

(c) Proposed Code Amendment to create a new Gross Misdemeanor of Loitering with the Intent of Engaging in Drug-Related Activity

Kyle Aiken, Police Legal Advisor, introduced Craig Hanaumi, Police Department Officer of the Year, and Police Officer Jim Keene. Ms. Aiken said the Police Department is proposing an ordinance to create a gross misdemeanor of loitering with the intent of engaging in drug-related activity. She noted that some areas in Crossroads and Factoria have become a marketplace for controlled substance sales, all taking place on public streets and sidewalks by known convicted drug dealers and known persons charged and awaiting trial.

Ms. Aiken said that police officers observe these individuals speaking with prospective customers, but the drug deals are completed out of the officers' view. A social contact is not helpful in these instances because an officer is not allowed to conduct a search or pat down. However, the Police Department receives complaints from residents and businesses about the activity.

Ms. Aiken noted that other cities have had to address this problem already, providing a model for Bellevue to follow. The Police Department proposes creating a new gross misdemeanor of loitering with the intent to engage in drug sales. A gross misdemeanor can be punished by up to one year in jail and a fine of \$5,000. If the person is found to be in possession of drugs or engaging in sales, those would involve separate felony charges.

Officer Keene spoke in support of the proposed legislation. He has worked in the Crossroads area during his six years on the force, and has witnessed the growth of drug activity among individuals who were initially 13 or 14 years old and now have extensive criminal histories. He described his frustration in knowing what is going on, but being limited in how police officers can approach the situation. Officer Keene noted that overall the neighborhood is safe, but a small group of individuals are engaged in criminal behavior and openly claim to be gang members.

Officer Hanaumi spoke about his experience working in the Crossroads area, and described one individual who is a known drug dealer and trafficker in stolen goods. He encouraged the Council to support the proposed legislation.

Ms. Aiken reviewed the proposed legislation. If enacted, police officers will be able to investigate and enforce the law against loitering in public in a manner and under circumstances manifesting the intent to engage in illegal drug-related activity. Ms. Aiken described additional implications of the proposed ordinance in terms of a police officer's ability to investigate a number of activities. The ordinance is modeled after Tacoma's ordinance, which was upheld by the Supreme Court in 1992.

Councilmember Chelminiak questioned whether police officers have coordinated with local high schools on this issue. Ms. Aiken said she has not directly shared the proposal with High School Resource Officers. However, there have been discussions about drug trafficking and the sharing of information between SROs and Patrol Officers. Officer Keene said that he coordinates with a

Resource Officer assigned to the Crossroads Police Substation, and that officer works more closely with local schools. Ms. Aiken noted that he was unable to attend tonight's meeting.

Councilmember Robertson said that she appreciates the Police Department for being proactive on this issue. She expressed concern about drug activities near schools and Youth Eastside Services. She observed that a positive outcome of the ordinance will be the ability to investigate and search, which could potentially lead to felony charges. Ms. Aiken said that the majority of cases in Tacoma have ended up in Superior Court, and not as misdemeanors in District Court.

Councilmember Robertson expressed support for moving forward with the ordinance. She questioned whether this initiative is being coordinated with the Eastside Narcotics Task Force. Officer Keene said he envisions that the ordinance will focus primarily on operations that are typically smaller than those handled by the Task Force.

Ms. Aiken noted that Officer Keene recently completed a career development assignment with the Eastside Narcotics Task Force.

Deputy Mayor Lee expressed his appreciation for the Police Department and noted his support for law enforcement. However, he stated that he does not believe in having a lot of laws on the books. He questioned whether circumstances have changed sufficiently to warrant the law, or whether the situation needs to be emphasized without creating a new law. Mr. Lee questioned how Bellevue compares to five years ago, and how Bellevue compares to other cities. He questioned whether the proposed ordinance has been discussed with the public.

Mr. Lee requested statistics on current criminal activity and trends. He acknowledged that the law has been upheld by the Washington Supreme Court, but suggested that the Council should determine whether the law meets its own understanding of what is constitutional.

Responding to Mayor Davidson, Deputy Mayor Lee said he was not ready to take action on the request.

Councilmember Balducci recalled that there were a number of problems in the Crossroads area some years ago; and residents, business leaders, and the Police Department came together to clean it up. She believes that her constituents would support the proposed ordinance. However, she would like to see statistical data demonstrating how the approach has worked in other jurisdictions.

City Manager Sarkozy said that the proposal has been discussed at the upper levels, and he would like to be able to assist the officers with proactively addressing the issue.

Ms. Balducci concurred about the importance of actively addressing the issue before it becomes an even bigger problem.

Councilmember Degginger thanked the officers for the presentation. He asked the officers how often they would have used this tool last year had it been available.

Officer Keene stated that it would be useful almost daily. He clarified that it will help allow police officers to approach an individual who has an extensive record related to dealing and using drugs.

Councilmember Degginger asked the officers if they are seeing an increase in illegal drugs and gang activity. Officer Keene said that officers are seeing more of this activity and vehicle prowls. Officers believe that the same group of individuals are committing the majority of the crimes.

Mayor Davidson questioned the Council's interest in how to proceed, given that there have been a number of questions.

Councilmember Degginger said that, given the last comments by Officer Keene, he would like to put the ordinance in place as soon as possible. He is interested in the answers to other Councilmembers' questions. However, he recalled the discussion earlier in the year about the increase in burglaries as well.

Councilmember Chelminiak concurred. He suggested bringing the item back during the next Regular Session for additional discussion and action. He would like to address the issue as soon as possible, especially given that this activity tends to increase in the summer.

Councilmember Robertson concurred with bringing the issue back on June 6.

Mayor Davidson confirmed taking action on June 6. He thanked the Police Officers for their work and for bringing the situation to the Council's attention.

(b) Regional Issues [Resumed]

(3) King County Metro Transit Strategic Plan for Public Transportation
(2011-2021)

Returning to Regional Issues, City Manager Sarkozy opened discussion regarding the King County Metro Transit Strategic Plan for Public Transportation (2011-2021).

Ms. Carlson reported that the Regional Transit Committee, which includes Deputy Mayor Lee, reviewed the draft Strategic Plan for Public Transportation during four meetings. She said the plan identifies reductions in transit service for the Eastside, which staff will address later in the presentation.

Jim Jacobson, highlighted the key elements of King County Metro's 2010-2011 adopted budget, which include capital program reductions, a temporary reduction in operating reserves, the implementation of audit efficiencies, and overall bus service reductions. He reviewed actions taken in 2010 and 2011 to reduce expenditures and increase revenues. He described key factors and unknowns going forward including the potential congestion relief fee and the timing of

service reductions. The congestion relief fee could generate approximately \$50 through 2012-2013. However, service costs are largely unfunded beyond 2013.

Mr. Jacobson reviewed the next steps. The proposed budget will be forwarded to the King County Executive in July, and adoption of the strategic plan by the King County Council is anticipated in late July. If the County Council chooses to place the congestion relief fee on the November ballot, the deadline for filing is August 16. Final budget adoption is scheduled for November 21, 2011.

Mr. Jacobson explained that priorities related to service reductions are to reduce low productivity services and to restructure services to improve efficiency. Criteria for increasing service levels are passenger loads, schedule reliability, under-served corridors on the all-day and peak network, and service additions to high productivity corridors.

Responding to Councilmember Balducci, Mr. Jacobson said that each annual fare increase generates approximately \$10 million.

Deputy Mayor Lee said that the Regional Transit Committee has been working well with County and City staff to review the plan.

Kim Becklund, Transportation Policy Advisor, referred the Council to page 3-23 of the meeting packet for a summary of the three policy areas of concern, as well as solutions proposed by staff. One is that the service guidelines in the plan reflect the current transit network. This leaves little ability to target future service adjustments toward growth centers that will continue to attract population and employment. Staff proposes an amendment to ensure that the process measures changes in transit demand related to growth in major employment centers, and is able to restructure services to meet that demand.

The second issue is that the factors of land use, social equity, and geographic value used to evaluate routes resulted in reductions to existing Eastside routes, and few Eastside routes scoring well enough to be on the future additions list. Staff proposes an amendment with regard to the land use criteria to create a new method for assigning routes that captures transit market demand within and connecting regional growth centers, instead of assigning routes to densities along corridors.

Ms. Becklund said that the third concern relates to underserved areas. Staff's proposed amendment encourages that future transit service expansion be based upon local investments that have made transit more attractive. The intent is to improve local circulation to, within, and between regional growth centers that have made significant investments in transit-supportive capital and operating projects and programs.

Councilmember Degginger said there were discussions by the Regional Transit Task Force about trying to match transit service with areas of population and employment growth. He commented that one of the issues discussed by the Task Force was whether bus service is continued when light rail is implemented, or whether it is redeployed to other areas. Mr. Jacobson said that the

plan addresses coordinating transit services with Sound Transit, in order to avoid the duplication of service.

Deputy Mayor Lee observed that the plan will remain flexible enough to be reevaluated on an annual basis, and modified if appropriate. He believes this will help to address concerns about future growth.

Ms. Becklund commented on discussions about studying transit alternatives. Responding to Councilmember Balducci, Ms. Becklund said alternatives under consideration include smaller buses, different providers, different operations for existing services, and different contracting methods.

Mr. Jacobson noted that Metro currently provides 90 vans that are used by agencies and cities to transport seniors and disabled patrons. Responding to Deputy Mayor Lee, Mr. Jacobson explained that these vans have exceeded their useful life as Metro transport vehicles. However, they can be used by outside agencies and are distributed throughout the county to organizations identified by individual County Councilmembers.

Ms. Carlson said that staff will provide an update following the Regional Transit Committee's action on the proposed Strategic Plan in mid-June. The Council will be asked to support the plan and to consider supporting the congestion relief fee.

Responding to Councilmember Balducci, Ms. Carlson indicated that Ms. Becklund has a summary of the reduction scenarios under consideration. This information will be forwarded to the Council.

Ms. Becklund recalled that City staff has the authority from the Council to begin its own transit plan update. The plan was last updated in 2003, and staff will start its review this fall. This will provide a good framework for how to direct future transit services.

(4) Countywide Planning Policy (CPP) Update

Mike Kattermann reported that the King County Growth Management Planning Council (GMPC) has been working to update the Countywide Planning Policies. He noted that Councilmember Robertson serves on the GMPC, and an inter-jurisdictional staff team is involved in the effort. The policies have not undergone a major update since they were first adopted in 1994. A major driver of the update is the incorporation of multi-county planning policies within the Vision 2040 Plan adopted by the Puget Sound Regional Council (PSRC). The first phase of the update process was the adoption in 2009 of growth targets for each jurisdiction in King County. Transit policies were adopted in 2010, and will be incorporated into the full update currently underway.

Mr. Kattermann explained that the purpose of tonight's discussion is to provide feedback and input for Councilmember Robertson to convey during the next GMPC meeting in June. The CPPs provide a vision/framework for regional investment and address the environment,

development patterns/land use, housing, economy/industry clusters, transportation, and public facilities and services.

Responding to Deputy Mayor Lee, Councilmember Chelminiak said that the Regional Economic Plan originally identified 15 specific economic clusters.

Mr. Chelminiak said that finance, insurance, and real estate industries are not identified as economic clusters. However, he noted that a number of these businesses are in Bellevue, and they are supportive of the specific economic clusters.

Continuing, Mr. Kattermann said that the GMPC meeting is scheduled for June 29, which will involve the discussion of additional proposed amendments, and possibly action on a recommendation. Following adoption of the updated CPPs by the King County Council, there is a 90-day ratification period for adoption by 30 percent of the cities with 70 percent of the population.

Councilmember Robertson noted her work on the GMPC, and her interest in ensuring that the CPPs do not create unfunded mandates or place burdens on cities, especially the smaller cities. She requested Council feedback on the concept of extending sewer and water services beyond the urban growth boundary. The Lake Washington and Northshore School Districts both have property outside of the UGB, and are interested in sewer and water service before developing the sites. Ms. Robertson said that, historically, schools have been allowed to extend water and sewer lines in such a way that does not increase the development of the area. This issue is not addressed in the CPPs, and she has been asked to look at that issue. Ms. Robertson would like to ensure that school districts can utilize property that they already own.

Ms. Robertson said that another issue to be addressed is affordable housing targets. Targets average 16 percent countywide, but the low-income housing growth target for Bellevue is 26 percent. She observed that this is a fairly robust target, and she invited feedback from the Council. She noted that the City receives credit for housing built through regional housing agencies such as ARCH (A Regional Coalition for Housing).

Councilmember Degginger referred to a CPP regarding the water supply that directs jurisdictions to recognize and support agreements with water purveyors in adjacent counties to promote effective conveyance of the water supply. He suggested adding a reference to adjacent cities as well.

Deputy Mayor Lee observed that affordable housing is a challenge for Bellevue. He noted that South King County is studying the issue, and he would like the City to be proactive as well.

Councilmember Robertson said that, while there are no penalties for not meeting targets, she wants to see more affordable housing in Bellevue. And she believes that the rest of the Council supports that goal as well. She suggested it would be good to have a more realistic target, and she would like to work with staff to determine the best solution.

Councilmember Robertson invited input on the school sewer and water service issue. In the absence of a response from the Council, she indicated that she will use her best judgment in addressing that issue. She feels it is important to facilitate the development of schools where they are needed.

Councilmember Degginger said he would defer to Ms. Robertson's understanding of that issue. However, he observed that school districts in general seem unable to cooperate with regard to the use of facilities. One school district can be expanding and spending significant dollars on new facilities, while other districts have vacant buildings that are not being used. Mr. Degginger suggested that schools should first be developed within the urban growth boundary before looking at other alternatives.

Councilmember Robertson said she has been thinking about possible compromise language. One potential condition is that the extension of sewer and water service be allowed for properties currently owned by school districts, but not for any new properties acquired in the future. She said she will wait to see how the discussion evolves on this issue.

- Deputy Mayor Lee moved to extend the meeting until 10:30 p.m. Councilmember Robertson seconded the motion.
- The motion to extend the meeting carried by a vote of 6-0.

(5) Growth Management Policy Board and Regional Centers Criteria

Paul Inghram, Comprehensive Planning Manager, noted that the Puget Sound Regional Council (PSRC) Growth Management Policy Board covers four counties with 27 regional growth centers and eight manufacturing and industrial centers. Under the Vision 2040 framework, regional centers are designated to take a significant share of growth, and centers are becoming increasingly tied to regional transportation funding prioritization. Vision 2040 directs a review of current centers and an update of the criteria for designating regional centers. Draft criteria for new centers include mixed uses, high-capacity transit, and pedestrian environments; consistency with Vision 2040; and meeting thresholds for activity units.

Responding to Deputy Mayor Lee, Mr. Inghram said that an activity unit reflects any combination of jobs and people. Downtown Bellevue has an activity unit density of 110 per acre, based upon the total number of jobs and residents.

Mr. Inghram said that concerns have been expressed by King County, the City of Seattle, the City of Bellevue, and the Suburban Cities Association about whether the criteria are strong enough. There is concern that a greater number of centers will spread regional funding too thin. Mr. Inghram noted that Councilmember Robertson serves on the PSRC Growth Management Policy Board, which meets next on July 14. The PSRC Executive Board is expected to take action on the criteria later in the summer.

Councilmember Robertson stated her belief that the regional center criteria should be more strict. Having too many regional centers dilutes the meaning and purpose of identifying such centers in the Vision 2040 transportation plan. She explained that newly designated regional centers have a provisional status for two years. However, they are considered equal to established regional centers in terms of transportation funding. She expressed concern about the impacts of new centers on those that have existed for some years, and that have been planning for growth and investments. Ms. Robertson said these issues are also under discussion by the prioritization working group which recently approved the beta test for the process to develop a process for prioritizing transportation dollars.

Councilmember Degginger questioned how the Factoria area might be designated under the proposed new criteria. Mr. Inghram said staff analyzed areas within the Bel-Red corridor, Eastgate, and Factoria. An area encompassing the two transit/light rail stations in the Bel-Red corridor would meet the criteria fairly well. The Eastgate area meets many of the density thresholds, depending on the specific boundaries. Mr. Inghram said it would be necessary to add significant housing units to the Eastgate/Factoria area to achieve the regional center designation, which would likely not be feasible.

Councilmember Degginger observed that the housing, employment, and presence of Bellevue College in the Eastgate/Factoria area highlight the need to compete for regional resources.

Responding to Deputy Mayor Lee, Mr. Inghram said that Factoria and Eastgate could potentially be split into separate centers. However, together they encompass a number of assets including employment, housing, the Park and Ride facility, and Bellevue College.

Councilmember Chelminiak commented on the need to have a mix of activities within a regional center. He noted that some of the original, designated regional centers have not become true activity centers. He said it is important to focus resources toward the most effective regional centers.

Councilmember Robertson said there have been discussions about decertifying previously designated regional centers that are not performing, such as South Hill Mall and Silverdale SODO.³ However, this would be politically difficult to accomplish. She wants to ensure that any new centers have the strong potential for performing as regional activity centers and for effectively using transportation funding.

Ms. Robertson observed that the Bel-Red corridor would likely meet the criteria for a regional center. With regard to the Factoria and Eastgate areas, she noted that much of the acreage is the freeway, and she questioned how this is considered within the definition. Mr. Inghram confirmed that removing I-90 would affect the gross acreage calculation. However, the big hurdle for Eastgate will be housing units.

Ms. Carlson noted additional regional issues briefings in the meeting packet for the Council's information.

³ Administrative revision due to quality of audio recording.

(d) Arts Funding Recommendation

Mr. Sarkozy recalled that the Council previously approved the 2011 guidelines for formulating allocation recommendations for the Eastside Arts Partnerships and Special Projects programs.

Councilmember Robertson noted that she is a Board Member for the Bellevue Philharmonic Orchestra, which is one of the organizations requesting funding. To avoid any appearance of conflict of interest, she recused herself from participating in this discussion and action, and left the meeting.

Brad Smith, Arts Commissioner, reviewed the Commission's process of soliciting and reviewing funding applications. He noted that four applicants submitted projects for the Bel-Red area, and three are recommended for funding.

Mary Pat Byrne, Arts Specialist, described the arts organizations requesting funding including their strategies for improving revenues, audiences, and attendance. Annual attendance in 2010 reported by the applicant organizations totaled 921,211, or 1.14 million if including attendance to the Downtown Magic Season activities.

Ms. Byrne recalled that the Council provided \$35,000 in emergency funding to the Bellevue Philharmonic Orchestra in the 2009-2010 budget. The Board worked with creditors to stabilize the organization, mended relationships with musicians, negotiated the first union contract, offered a smaller subscription season, and began to bring back subscribers.

→ Deputy Mayor Lee moved to extend the meeting by 15 minutes, and Councilmember Balducci seconded the motion

→ The motion to extend the meeting carried by a vote of 5-0.

Ms. Byrne said that the Bellevue Philharmonic Orchestra paid down its debt, hired a new maestro/music director and chief administrator, and continued with a reduced season. However, the organization is still fragile and faces challenges for the future.

→ Councilmember Balducci moved to approve the Arts Commission's 2011 Eastside Arts Partnerships and Special Projects funding recommendations, and to direct staff to proceed with implementation. Deputy Mayor Lee seconded the motion.

Mr. Lee said he is pleased to see that attendance to performances has increased.

Councilmember Balducci thanked the Arts Commission and Ms. Byrne for their work. She appreciates that arts organizations have worked hard to continue to deliver programming despite reduced funding. Ms. Balducci asked staff to come back to present a calendar of upcoming arts events.

Mayor Davidson expressed his appreciation to arts organization for their efforts to reduce costs and to keep moving forward through difficult times.

→ The motion to support the Arts Commission's funding recommendations carried by a vote of 5-0.

At 10:35 p.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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