

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

May 27, 2014  
6:00 p.m.

Conference Room 1E-108  
Bellevue, Washington

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

**ABSENT:** Councilmembers Chelminiak and Lee

1. Executive Session

The meeting was called to order at 6:01 p.m., with Mayor Balducci presiding. There was no Executive Session.

Mayor Balducci recognized the passing of Harry Andresen on May 15. Mr. Andresen was an architect and served as chair of both the Bellevue Planning Commission and Arts Commission. He was instrumental in the vision and development of the Bellevue Downtown Park, Bellevue Downtown Plan, NE 4<sup>th</sup> Street design, Meydenbauer Convention Center, and the Bellevue Botanical Garden.

2. Oral Communications

- (a) Michele Appell spoke regarding the importance of public transportation and Metro bus service. She lives in Bellevue and public transportation gives her a way to get to work and socialize. She takes route 245 from Crossroads and transfers to route 212 to get to her job in Seattle. She is able to get to and from work and to be at the meeting today because of public transportation, which is the only way for many people with disabilities to get around. She often takes the bus to downtown Bellevue. She asked government officials to please consider citizens with disabilities when considering bus service reductions.
- (b) Marty Nizlek commented on the Shoreline Master Program (SMP) Update and the greenscape program within the SMP. He said that shoreline property owners have a small influence on drainage into the lake, which is caused by a number of factors. He said monitoring will be difficult and it will be a challenge to discriminate between shoreline properties' contributions versus other sources.
- (c) Charlie Klinge, speaking on behalf of the Washington Sensible Shorelines Association (WSSA), said the SMP Update applies to existing homes and yards and not to wetlands

and streams. He said the idea of no touch critical area thinking is incorrect. He said the regulations attempt to demand that property owners provide native vegetation restoration when they are expanding a home, even though they are expanding into an existing lawn and not impacting any native vegetation. Mr. Klinge said that view protection is not an ecological function, and he believes the City should avoid becoming involved in the view easement arena. The Shoreline Guidelines do not protect individual view corridors. Mr. Klinge said the regulations need to show a nexus between impacts and the requirement or restriction. He expressed concern regarding the significant expense associated with complying with certain proposed regulations. He said the greenscape concept appropriately addresses the issues, but the native vegetation requirements go too far in most circumstances.

- (d) Tom Shafer, a resident of West Lake Sammamish Parkway, said waterfront properties are about open space and recreation. It is not about giant homes at water's edge hiding views. He said native vegetation, such as tall trees and shrubs, blocks views. He said the Douglas Fir grows 200 feet tall and 30 feet wide. The average Lake Sammamish lot is only 54 feet wide. He expressed concern that native vegetation would result in hazards, blocked views, inability to observe children playing on the beach, and loss of lake use. He asked the Council to please see the dangers and consequences for today and tomorrow.
- (e) Patrick Green, Sustainability Manager for Bellevue College, said he was speaking on behalf of 3,000 college-level students, 1,600 high school students, and 1,200 faculty and staff regarding Metro's bus route 271. He noted a representative group of supporters in the audience. He expressed concern about Metro's plan to reroute the 271 alignment onto 148<sup>th</sup> Avenue which is farther from the Bellevue College campus. He said this puts the disabled and evening students at risk. The college is asking that the City consider its resources in preventing Metro's proposed reduction in service. He submitted a petition with 650 signatures by students.
- (f) Patrick Bannon, President of the Bellevue Downtown Association (BDA), thanked the Council for its support of the Bellevue Jazz Festival. He said there will be more than 40 free shows throughout the community with mainstage performances at the Theatre at Meydenbauer Center. He thanked the Council for its work on the Metro transit issue and said that transit will continue to be an important factor in providing access to the Downtown.
- (g) Rick Aramburu, an attorney representing Save Lake Sammamish, said the organization supports sufficient setbacks and buffers that will protect and enhance the lake and make it self-sustaining. He commented on the two methods used for determining the ordinary high water mark (OHWM). The difference between the OHWM currently used by the City and the one proposed by the Planning Commission is 20 feet. He said the distance of the setback is critical to maintaining the lake.
- (h) Joanna Buehler said she was summarizing points made the previous week by Jonathan Frodge, limnologist. Protecting water quality and salmon habitat on Lake Sammamish

requires a properly functioning shoreline, and the purpose of a shoreline plan is to ensure that ecological resources are protected. She highlighted additional items related to the WRIA 8 Chinook Conservation Plan, bulkheads, shoreline vegetation, the ordinary high water mark, and setbacks. Ms. Buehler submitted her comments in writing.

- (i) Mark Taylor, Board Member of the Bellevue-Issaquah Chapter of Trout Unlimited said he is also the National Leadership Council representative of the Washington Council of Trout Unlimited. He urged the Council to not adopt the current proposal for the Shoreline Master Program. He commented on salmon recovery, buffers, and responsible development. He submitted his comments in writing.
- (j) Howard Katz said he was commenting to express frustration. He has lived on Lake Bellevue since 1982 and the Burlington Northern railroad operation did not disturb homes or businesses. However, he expressed concern that the community will soon be surrounded by urban blight including apartments, office development, and potentially a light rail maintenance yard to the north. To the east, there will be a five-lane roadway with the inability to make a left-hand turn onto NE 12<sup>th</sup> Street. Light rail trains will be running every eight minutes. Mr. Katz expressed concern about the negative impacts of public projects on businesses to the south. He is also concerned about locating the light rail station on NE 8<sup>th</sup> Street, which will be farther from the hospitals and medical offices than an earlier station option on NE 12<sup>th</sup> Street.
- (k) Lincoln Vander Veen, Bellevue Chamber of Commerce, said the Chamber opposed King County Proposition 1 primarily due to concerns that it would undercut any momentum within the state legislature to approve a statewide transportation package. The Chamber is a strong supporter of transportation investments including bus service and roadway improvements to I-405 and SR 520. Mr. Vander Veen said bus service is critical for ensuring access to jobs in the Downtown, Bellevue College, and other major activity centers. The Chamber supports Bellevue College in advocating for maintaining adequate bus service on routes 245 and 271. Mr. Vander Veen submitted his comments in writing.
- (l) Walter Scott spoke regarding quiet pavement. He said the Washington State Department of Transportation (WSDOT) intends to overlay southbound lanes of I-405 through Bellevue as early as next month. He said a prior test of quiet pavement on SR 520 through Medina worked well in reducing traffic noise but the surface did not hold up. A later application with modified materials in 2009 has held up well on I-405 in the vicinity of Coal Creek Parkway. Mr. Scott asked the City to request that WSDOT provide the same surface through Downtown Bellevue. He believes this is the only opportunity to mitigate noise on that section of freeway.

Acting City Manager Brad Miyake said staff has provided a response, and he will make sure that the Council receives copies.

#### 4. Study Session

- (a) Council Business and New Initiatives

Councilmember Robertson questioned whether the City is and/or should be advocating for WSDOT to use quiet pavement.

Mr. Miyake said staff will come back with information on quiet pavement including Mr. Scott's input and study results.

Councilmember Robinson said her understanding is that WSDOT has rejected the idea. She questioned whether there is anything the City can do. Mr. Miyake said he will explore the issues with staff.

- (b) Shoreline Master Program (SMP) Update, Study Session 5 – In-depth review of Draft SMP Update provisions relating to setbacks/buffers, vegetation conservation, and critical areas.

Acting City Manager Brad Miyake noted this item is part of ongoing discussions regarding the Shoreline Master Program (SMP) Update. He recalled that, on May 12, the Council covered the following three topics: public access and park development, lake levels, and nonconforming existing uses.

Carol Helland, Land Use Director, said tonight's review would cover setbacks and buffers, vegetation conservation, and critical areas. She reminded the Council of the remaining SMP Update process. Additional topics will be discussed on June 9. A second public hearing will be scheduled for June/July, and the Final SMP Update package will be submitted to the State Department of Ecology (DOE) by the end of July.

Tonight's presentation will cover the range of options considered by the Planning Commission and concerns raised by stakeholders. She recalled that the Commission's goals in guiding its deliberations on SMP regulations are that they be Bellevue-appropriate, consistent with neighborhood character, provide balance between regulations and private property rights, and provide predictable and flexible guidelines.

Ms. Helland said the rationale for the current shoreline regulations was essentially based on the Code provisions adopted for critical areas. In the past, shorelines were designated as critical areas in the City's Comprehensive Plan.

Ms. Helland noted that information provided to Council by the Washington Sensible Shorelines Association (WSSA) was essentially a study of existing development along shoreline frontage. One finding is that more than 60 percent of the homes along Lake Sammamish are located farther than 50 feet from the ordinary high water mark (OHWM). A small number of homes are located within 20 feet of the OHWM. Similarly, nearly 60 percent of homes on Bellevue's Lake Washington shoreline are located farther than 50 feet from the OHWM. Approximately 16 percent of the homes are within 20 feet of the OHWM. Another measure of development feasibility and development patterns and characteristics that were taken into account in developing current regulations is the presence of developed lots versus vacant lots.

Ms. Helland showed photos of current shoreline conditions and development.

Mayor Balducci said comments have been made to the Council that approximately 53 percent of the homes are at least 50 feet back from the OHWM. She said it is important to be able to demonstrate that information. Ms. Helland that 38 percent of homes on Lake Sammamish intersect the 50-foot line from the OHWM.

Dick Settle, technical and legal consultant, said the key information is that 62 percent of homes do not intersect the 50-foot line.

Moving on, Ms. Helland referred the Council to page 3-16 of the meeting packet and described the current Code and the range of setback/buffer options considered by the Planning Commission. The existing Critical Areas overlay requires a 25-foot buffer and 25-foot setback for developed sites and a 50-foot structure buffer for undeveloped sites. If a property owner wanted to expand a home from behind the 50-foot line closer to the shoreline, he or she would be required to complete a critical areas land use permit and to demonstrate, based on scientific evidence, that the permit mitigates the impacts of moving into the setback.

One exception to the strict 50-foot buffer requirement occurs when a site to be developed is located next to properties with structures that have portions closer than 50 feet to the shoreline. A string test is applied extending between the points of adjacent structures that are closest to the shoreline, and development on the vacant site can be situated as close to the shoreline as the string line that is created.

Ms. Helland said the Critical Areas Code just described has deficits because it was developed as a critical area Code and not as a shoreline Code. The state legislature has indicated that cities should regulate shorelines through their Shoreline Master Programs and not through a Critical Areas Ordinance.

Ms. Helland described the first option to the current Code, which implements flexible setbacks. This included the Planning Commission's consideration of the Urban Conservancy open space 50-foot setback, with administrative options for moving closer to the shoreline. Shoreline residential development would be subject to a 50-foot setback, and the shoreline residential canals require a 25-foot setback. Phantom Lake would be regulated as a wetland, which requires larger buffers. Ms. Helland provided examples of the flexibility that could be provided in certain situations.

Ms. Helland described an approach using shoreline environment-specific fixed structure setbacks. This option specifies a 50-foot setback on Phantom Lake, 35-foot setback for shoreline residential development, and 25-foot setback for shoreline residential canal. Under this scenario, the only way to build into the buffer zone would be to obtain a shoreline variance which would be subject to DOE approval.

Ms. Helland explained that the fourth option follows uniform fixed setbacks of 50 feet for Urban Conservancy open space, 25 feet for shoreline residential/canal areas, and 50 feet for Phantom

Lake and open space. The rationale is to require 50-foot setbacks where shoreline ecological functions are high, and 25-foot setbacks where the shoreline is urbanized. The Planning Commission recommends this option.

Concerns raised by stakeholders regarding setbacks and buffers include the loss of views and shoreline access, reduced development potential, the limited existence of ecological function on highly developed urban shorelines, the protection of water bodies that provide habitat for listed Puget Sound Chinook salmon, and no net loss of function.

Mayor Balducci observed there are differing opinions about ecological function and fish habitat protection. She questioned how to resolve those issues.

Ms. Helland said the Department of Ecology provided City staff with a compendium of science which staff believed was to be used as the basis for the shoreline guidelines. It was all peer-reviewed science. However, the SMP and State guidelines do indicate that a jurisdiction may take notice of anecdotal information as well.

Mr. Settle said the available data is very limited, and the characteristics of individual lots vary greatly. He said most of the DOE studies have been conducted on lakes other than Lake Washington or Lake Sammamish, and some data is from rivers. He said so much of environmental science has different schools of thought.

Responding to Ms. Balducci, Mr. Settle said there seems to be general agreement that there is fish habitat along the shoreline of Lake Sammamish. Land upland provides habitat for other wildlife, and some individuals are of the opinion that they provide mainly habitat for nuisance species.

Responding to Mayor Balducci, Ms. Helland said Phantom Lake is regulated as a wetland/critical area.

Councilmember Robinson questioned whether the differences between shoreline properties would mean that some require greater setbacks than others.

Mr. Settle observed that the DOE takes the position that there are many uncertainties, but more is better than less in terms of buffers.

Councilmember Robertson recalled that she was on the Planning Commission during the bulk of the early science work on shorelines. The Commission spent five years looking at the science. Asking Mr. Settle for confirmation, she observed that, if there are competing legitimate scientific viewpoints, the City may choose which science is appropriate to Bellevue's situation. Mr. Settle said that is correct regarding SEPA review with the City as lead agency. However, it is more complicated with shorelines because both the City and the DOE have a certain level of authority in the decisions. Responding further to Councilmember Robertson, Mr. Settle concurred that the City will make its decisions first and submit its plan to the State.

Councilmember Robertson said she is comfortable relying on the Planning Commission because they have studied the science extensively. She said there is nothing in the record that demonstrates incremental ecological benefit in moving the setback line from 25 feet to 50 feet. She believes that is an important issue.

Ms. Robertson said the Planning Commission is not actually recommending a 25-foot setback. It is a 50-foot setback, which can be modified to 25 feet with certain circumstances and/or conditions. She said it is important to do something that is smart, fair and balanced.

Referring to Councilmember Robinson's question about whether certain properties are more sensitive, Councilmember Robertson said she would say yes; for example, if a property is at the mouth of a stream, it would be considered more sensitive than other shorelines. In that situation, both shoreline and critical areas regulations would apply. However, there are two issues. With regard to water habitat, woody debris will create habitat for bass, which eat salmon. And the salmon that are protected do not live in the lake. They move through the lake on the way to salt water. With regard to upland habitat, Ms. Robertson questioned the rationale for requirements on those property owners related to animals when other property owners throughout the city are not subject to regulations to preserve wildlife.

Councilmember Stokes said he has not made up his mind on this. He observed it is not very persuasive to say we should go with the Planning Commission because they have thought through all of this. He said there are fish in Lake Sammamish that do not go to the ocean. He would like to reconcile the desires of property owners to continue to do what they have done for a long time with a more flexible approach, while at the same time making sure there is no net loss. He observed that if everyone is pushed to 25 feet, there almost by definition is a loss. He would like to know more about the science and does not want to rush to judgment. He believes there is a pathway that takes into account that this relates to a local and state asset and not just a piece of property that a small group of people own and control.

Continuing with the presentation, Ms. Helland presented a table comparing the areas of SMP guideline compliance, constitutional issues/takings, and ease of use for the current Code and for the three options presented for dealing with setbacks.

Mr. Settle commented that state law indicates that local governments cannot regulate shorelines through the critical areas ordinance. However, the provisions of the CAO could be duplicated in the Shoreline Master Program. He said there could be "as applied" constitutional challenges. If a measure required by law does not demonstrate a nexus with the objective of the regulations, there could be a conflict with the Koontz decision.

Ms. Helland confirmed that the legislation itself would not be considered unconstitutional, but the application of those requirements could be challenged as unconstitutional.

Councilmember Robertson questioned whether staff's constitutional analysis looks at the draft regulations as they might be applied. Mr. Settle said that can be done for certain known scenarios. However, the analysis would need to be reviewed within the context of a development proposal. Councilmember Robertson said she hopes staff is working through some

potential scenarios now. Ms. Helland said there is always the safety valve of reasonable use, and additional flexibility is available with many potential options.

Referring to Councilmember Robinson's earlier question about whether some properties are more sensitive than others, Ms. Helland said the answer is yes. For example, with engineered canals, the ability to replace the canals must be maintained in order for the properties to remain functioning. In this case, the opportunities to restore habitat are very limited due to the need to maintain appropriate engineering. A 25-foot setback is recommended for those properties.

Ms. Helland continued to compare the range of options for addressing setbacks and buffers. The Planning Commission recommends the option involving the a uniform fixed setback in shoreline residential areas with a 25-foot setback. Flexibility within this option would require a variance. The Planning Commission's position was that moving to the 50-foot setback from the 25-foot setback, in light of existing conditions on the ground, raised concerns about the demonstration of no net loss, ease of use, and constitutional uses.

Mr. Settle reiterated that the red squares on the comparison chart indicate that the DOE does not like 25-foot setbacks. He said many local governments have established a 50-foot line with fairly generous incentive provisions allowing property owners to bring that down to as little as 25 feet.

Responding to Deputy Mayor Wallace, Ms. Helland said that she, Mr. Settle, and Lacey Hatch devised the chart. Mr. Settle said the green coding for constitutional issues is based in part on what the courts are doing. In terms of policy decisions, he and staff are considering what the DOE is likely to approve, with red indicating issues the DOE is likely to question and possibly not approve.

In further response to Mr. Wallace, Mr. Settle confirmed that the objective is to preserve no net loss of ecological functions of each lake. Mr. Settle said the baseline is existing conditions, and there should be no net loss of the existing ecological functions. In further response, Mr. Settle said the phrase "no net loss" implies the possibility of tradeoffs. He said it is fairly complex because the SMP builds in not only regulations but actions the City might take voluntarily in terms of restoration.

Deputy Mayor Wallace believes that the City of Bellevue's plan should be crafted based on land uses around the water and the functions of our waters. He said Bellevue's plan could differ from other cities on the same lakes based on land uses.

Mr. Settle said he believes two cities' regulations could legitimately be different. He said there are tradeoffs ranging from a city implementing restoration on some of the most important ecological function areas while another city could say it will not do that but will instead rely on regulations. He confirmed that the shoreline guidelines indicate that local circumstances can be taken into account in making policy choices.

Setting aside the 25-foot versus 50-foot setback issue. Mr. Wallace suggested the City come up with a plan that is more programmatic in addressing the millions of gallons of stormwater flowing into the lake and causing pollution, rather than focusing primarily on individual property

restrictions. Mr. Wallace believes this would be more effective in addressing the issue of no net loss in ecological functions.

Responding to Mayor Balducci, Mr. Settle said he believes there are a number of policy choices the Council can make. However, the DOE has certain specific concerns it will raise.

Ms. Balducci observed it is likely there are certain issues for which the Council will want staff to bring back additional options and/or analysis of certain scenarios.

Responding to Councilmember Robertson, Ms. Helland said the plans issued by the cities of Mercer Island, Redmond, and Sammamish have been approved by the DOE.

Ms. Robertson opined that Council and staff will likely go back and forth between detailed discussions and broader policy questions. She noted that a number of other cities have buffers and setbacks that are similar to Bellevue's requirements. Bellevue is proposing a 50-foot soft setback with a 25-foot hard setback. Each jurisdiction has different existing development exceptions that allow replacement and/or expansion into the setback area. For example, Rosemont Estates contains steep lots close to the lake which leaves smaller areas for development.

Ms. Robertson said the 20-foot and 25-foot setbacks are not necessarily the bottom line for these other jurisdictions. With that in mind, and given that the record does not show any ecological benefit between 25 feet and 50 feet, it makes sense to move forward with the setbacks and buffers in the proposed draft SMP. She said it is similar to what has been approved for other cities around the lakes. She does not envision the majority of homeowners wanting to expand development closer to the shoreline. She likes the string test concept but it has proven to be complicated with the Critical Areas Ordinance.

Ms. Robertson said she believes the City does not have a legitimate basis to regulate based on views because the City cannot protect private views, and it does not do so in non-shoreline neighborhoods.

Councilmember Stokes said the conversation has been good. He is glad the discussion is moving away from rigid setback requirements. He concurred with Deputy Mayor Wallace that there is a broader issue with stormwater runoff. If the City can submit to the DOE a well-crafted balanced plan, and if the City can perhaps take on some larger conservation and ecological responsibility in this whole picture, that would be a real win and would help to move forward.

Mayor Balducci said she would like to see, when the Council looks at the final total package, examples of what the different setback options would look like. If possible, she would like staff to array the options with the current Planning Commission draft and with comparison to other cities on Lake Sammamish and Lake Washington. She said Bellevue is not the only jurisdiction along the shorelines.

Ms. Balducci said it is also important to her to know the intersection between the ordinary high water mark and the setbacks. If she heard correctly, it is not just the setbacks that are an issue.

The change in the OHWM moves the property line out farther into the lake, and the setback measures from that point.

Ms. Helland said the Mayor's general understanding is correct.

Mayor Balducci said it would be helpful to have specific options for comment during the public hearing. She said she heard some support from the Council for the string test, and she likes the idea of it. She would like to see what that would look like, and she believes it is important to take steps to protect neighborhood character.

Councilmember Robinson said a number of Phantom Lake residents have commented that they do not want to be considered a critical area. She would like to understand a little more about the disadvantage of that.

Ms. Helland said staff will address those issues on June 9.

At 8:21 p.m., Mayor Balducci declared a short break.

The meeting resumed at 8:30 p.m.

Mayor Balducci suggested wrapping up the SMP discussion tonight and postponing the other subject areas to a future meeting.

Ms. Balducci asked staff to comment on questions and issues previously raised by the Council.

Ms. Helland said the list of previous questions is provided on page 3-6 of the meeting packet. With regard to public access, there were comments about looking more holistically at the provision of parks citywide. Staff is planning on providing a shoreline park map to facilitate that conversation. Staff will return with proposed draft language for Council's consideration for adding public access requirements as a component of new or expanded private recreation uses.

Councilmember Robertson said she did not recall the Council having an interest in requiring that existing private uses provide public access. She thought there was discussion about requiring public access for new private development; however, she does not support the former.

Mayor Balducci said her recollection was that the discussion was about expansions but not a wholly new use (e.g., developing a new marina).

Ms. Helland confirmed her understanding that the Council was interested in considering requirements for new and expanded structures. She suggested there would be a trigger for expansion, such as expansion of over-water dock marina coverage.

Ms. Balducci said she would like to see some options to demonstrate what that means, as well as examples of private properties that provide public access.

With regard to the ordinary high water mark, Ms. Helland said staff will bring back more information on measuring for the purpose of setbacks as opposed to the purpose of determining shoreline jurisdiction.

Councilmember Robinson said she would like more information on the residents' proposal to require a conditional use permit even with an approved park master plan in place, as is the case for Meydenbauer Bay Park. Ms. Helland said this is not just a park issue but the same language applies to all City facilities with a master plan, including utilities and transportation.

(c) Regional Issues

(1) Metro Transit Update

Joyce Nichols, Director of Intergovernmental Relations, introduced staff's update on the defeat of King County Proposition 1, which would have funded additional road and transit investments. Several bus routes serving Bellevue residents and workers will be affected when service reductions begin this fall. The King County Executive and Seattle Mayor have made proposals to forestall the service reductions. Staff is not seeking Council direction at this time, but will continue to discuss options over the summer and into the fall.

Paula Stevens, Assistant Director of Transportation, recalled that Metro released a preliminary service reduction proposal in November 2013. On January 14, 2014, Bellevue responded with a proposal to preserve routes 234, 235, 245, and 271. Metro concluded its public outreach process on February 7, 2014, and Proposition No. 1 was defeated by voters in April.

On April 24, the King County Executive released his service reduction proposal. On May 12, he proposed the Community Mobility Contracts option for cities. On May 13, the Seattle Mayor announced a November 14 ballot measure proposal. On May 15, an open house was held at Bellevue City Hall. Additional public involvement events were held recently in Seattle and Renton.

Kim Becklund, Transportation Policy Advisor, described the King County Executive's proposal to provide Community Mobility Contracts and to establish a customer service panel. Community Mobility Contracts would allow communities to purchase transit service beyond existing levels. The purpose of the customer service panel is to explore ideas and innovations with regard to transit mobility technology. King County's principles are to secure legislative approval of a statewide revenue package, maintain Metro as a regional system, and preserve as much transit service as possible.

Ms. Becklund said Seattle receives the greatest share of Metro services. Seattle's Mayor has proposed a fall ballot measure to approve a vehicle license fee and sales tax increase to raise \$45 million annually. This would preserve 90 percent of Metro's service reductions in Seattle. The proposal also creates \$3 million in matching funds. Seattle City Councilmembers are exploring additional options, and alternate proposals could be forthcoming from the King County Council.

Ms. Stevens presented a map of Metro's proposed route deletions and revisions. The plan affects 26 of the 33 Metro routes in Bellevue, which equates to approximately 35,000 daily weekday rides. She presented a list of deletions and revisions to Bellevue routes beginning in September 2014 and continuing through September 2015. Ms. Stevens described feedback from the community regarding the negative impacts of scaling back transit services.

Deputy Mayor Wallace expressed an interest in knowing the ridership of the affected routes. He observed that several likely have very low ridership. However, the 271 serving Downtown Bellevue and Bellevue College is well used.

Councilmember Robinson said Franz Loewenherz, Senior Transportation Planner, carefully analyzed Bellevue routes before submitting staff's analysis to King County Metro based on the City's goal of abundant access.

Mayor Balducci opined that the City should continue to advocate for preserving the current service of route 271 to Bellevue College. However, a broader policy issue is whether the City should use its tax dollars to temporarily forestall transit cuts.

Ms. Becklund said City staff want to analyze Bellevue's affected routes and, if directed by the Council to purchase additional service, to create priorities based on available data. Questions include whether to invest, and if so, who would benefit and which routes should be restored first?

Councilmember Stokes said the Council needs to review the numbers that have been analyzed by staff. Ms. Nichols said staff will bring that data back for the next conversation on this topic. Hopefully by then, Metro will have completed its work on costing the additional services that cities could purchase.

Continuing, Ms. Stevens said the Transportation Commission's Draft Transit Master Plan will be presented to the Council on June 2, and a public hearing on the plan will be held before the Commission on June 26. Council action on the Transit Master Plan is anticipated on July 7.

Ms. Nichols said that, when the King County Executive presented his proposal, he was adamant about a number of principles. Top priorities include continuing to work to achieve a statewide transportation revenue package from the state legislature and maintaining Metro as a regional system.

Councilmember Stokes said there is a public perception that Metro is not efficient. He said the City needs to be sure about whether it would be taking a sound fiscal step in investing local funds into buying additional transit service. He noted the value in one regional transit system and authority, and he observed that this provides the opportunity to discuss broader issues.

Councilmember Robertson said transit services are important for the continued growth of Bellevue and its quality of life. She would like a true picture of future Metro revenues. She knows Metro has been talking about a fare increase for next year. Are they considering a fare increase now? If not, why not?

Ms. Robertson said Metro's labor negotiations were on hold until the vote on Proposition No. 1. She questioned the status of those discussions. She questioned what Metro is doing to make the agency more sustainable. She questioned the difference between fare box collections in Bellevue and the cost of providing transit services to Bellevue. Councilmember Robertson said her understanding is that Metro collects more money from Bellevue than it provides in services. She would like a breakdown of the Proposition No. 1 vote within Bellevue.

Deputy Mayor Wallace said he would like to have a conversation on how the proposed cuts are affecting Bellevue commuters and disabled riders, including the number of individuals affected by the route changes. He does not contemplate that the City has the resources to contribute to transit funding, which is the County's responsibility. He is not supportive of finding Bellevue revenue to pay for Metro's transit obligations.

Mr. Wallace said the subarea equity issue is very relevant. His understanding is that Bellevue spends approximately twice what it receives in services. He suggested that cities organize to demand appropriate transportation and transit funding from the state legislature during its next session. He believes this is the most important aspect in providing an effective multi-modal system. He said the issue is not just transit but also highways, road maintenance, and the County's lack of road maintenance in unincorporated areas.

Mr. Wallace said transportation policy in Washington state is a disaster and it is well beyond the time that the state legislature needs to act.

Councilmember Robinson said she would like a Council refresher on staff's proposed alternate transit service adjustments, whether via email or a future presentation. She recalled that staff's recommendations were sound.

Ms. Stevens noted that staff's response to Metro's proposed cuts was prepared before the vote on Proposition No. 1. The failure of that measure has changed the situation somewhat. The City would like to preserve route 271 service, and questions remain regarding other proposed service cuts. Ms. Nichols said the Council would receive a presentation the following week on Bellevue's Transit Master Plan.

Mayor Balducci said she cannot listen to concerns expressed by residents without feeling an obligation to try to address them. She recalled that Bellevue advocated, in the past, for the right of cities to run their own transit services if they desired. While Metro and Sound Transit have the mission of providing transit services, Bellevue does have an interest in these services. She spoke in favor of negotiating tradeoffs with Metro, for example, to preserve route 271 by potentially giving up another proposed service revision.

Mayor Balducci said she is unsure whether she would support a proposal to buy back bus service. She would like more information on the costs and implications. She said it is important to maintain a strong regional system, which has historically worked to Bellevue's benefit.

Ms. Balducci said that asking local jurisdictions to pay for transit services through the regional system is a step in the wrong direction. She would consider it only as a temporary measure to

transition to an established plan. She is eager to travel to the state legislature to lobby for transportation funding but does not like the chances of getting anything approved this year.

Ms. Balducci expressed concern about strictly negative comments regarding Proposition No. 1 and King County Metro's management and efficiency. She said the Council has received presentations about Metro's measures to cut expenditures and enhance efficiency, which have resulted in significant savings. She hears complaints from the public that Metro needs to deal with the unions. She noted that Metro has made inroads with labor unions in addressing costs and efficiencies. She said it is frustrating and misleading to hear only negative comments about Metro and to not hear a balanced discussion.

Mayor Balducci recapped that the Council will hear about the Transit Master Plan the following week. She would like the City to continue to advocate for preserving route 271 and other higher impact reductions. Looking to the future, Mayor Balducci would like staff to propose options for buying back transit service.

Councilmember Robertson questioned whether the Bellevue School District plans to buy back transit services. Ms. Nichols said staff is communicating with the District about its plans and will update the Council as information becomes available.

(2) Briefing on the 2015-2016 King County Wastewater Rate Proposal

Ms. Nichols referred the Council to page 3-75 of the meeting packet and introduced a briefing on the 2015-2016 King County wastewater rate proposal.

Pam Elardo, Director of the King County Wastewater Treatment Division, provided a brief overview of the regional wastewater system and facilities. She said the King County Executive proposes a 2015 sewer rate of \$42.03 per month, which is a 5.6 percent increase over the 2014 rate. The proposed 2015 capacity charge is \$57 per month, which is a 3 percent increase from 2014.

Tim Aratani, Finance Manager, King County Wastewater Treatment Division, provided additional details on the proposed rates and the drivers of the rate increases. The sewer rate generates 94 percent of the utility's revenue, and 55 percent of revenues are used for debt service payments. Mr. Aratani described operating expenses for 2015-2016, the rate stabilization reserve, and 2015-2016 capital expenditures. He said expenditures for the Brightwater Treatment Plant will be complete by the end of 2015.

Ms. Elardo described additional staffing needed to implement the Combined Sewer Overflow (CSO) Program. The Wastewater Treatment Division is requesting 11 full-time positions in the capital budget to meet an aggressive schedule for completion of the remaining 13 CSO projects, which are required by a federal consent decree. The staffing plan aligns with the agency's need to be prepared for retirements over the next five to 10 years.

Ms. Elardo highlighted the 2015 capacity charge proposal, noting that new connections are increasing.

Ms. Elardo summarized that annual rate increases average 2.95 percent per year from 2015 to 2020. She acknowledged uncertainties related to the timing and amount of recovery of Brightwater disputed costs (pending appeal), increases in bond and investment interest rates, and a return to sustained growth and new connections.

Councilmember Robertson expressed concern regarding the utility's debt load. Mr. Aratani said the Division will have an independent review of its debt later this year.

Responding to Ms. Robertson, Ms. Elardo said the Division is reviewing the potential implications of the effluent requirements related to fish consumption rates, and providing its analysis and information to the State.

Responding to Mayor Balducci, Ms. Elardo provided additional details on the Our Waters program. Ms. Balducci asked that there be some mandatory language around that program. Otherwise, decision makers are likely to use funds however they want to.

Deputy Mayor Wallace observed there are significant challenges for the Division with the CSO program and other very expensive obligations. However, he said there is a limit to what the community can bear in terms of rate increases. He noted that the City cannot fund ADA-compliance obligations all at once but it is chipping away at those needs. He opined that King County should take a similar approach with regard to CSOs and other compliance issues.

Responding to Mr. Wallace, Mr. Aratani said the Division has just under \$4 billion in outstanding debt, and there is a managed plan for dealing with the debt over time. The Division will provide the debt review study to the County Executive, County Council, and the Bellevue City Council when it is completed later in the year.

Responding to Mr. Wallace, Ms. Elardo said the Wastewater Treatment Division, as a wholesaler, charges Bellevue a rate per household. Some cities base their billings to customers on flow. The rate is per household regardless of the size or value of the home. Mr. Wallace expressed concern that this provides no incentive for individuals to implement measures that reduce the use of the sewer system.

Ms. Elardo said the per capita flow of the system is decreasing even though the population is growing. However, treating wastewater involves expensive investments.

→ Councilmember Stokes moved to extend the meeting, and Councilmember Robinson seconded the motion.

→ The motion carried by a vote of 5-0.

Deputy Mayor Wallace observed that the rate structure provides a burden on affordable housing because a mega-mansion pays the same sewer rate and new connection charge as the affordable Rambler. He said this is not equitable. In addition, there is no measurement of the use of the system for individual residences.

Mr. Wallace said there should be a review of the capital budget and managing rate impacts as well as an examination of the way that the sewer capacity charge and sewer rate are calculated. Deputy Mayor Wallace believes the rates should be based on the actual use of the sewer system. They should be consistent with trying to create incentives for providing affordable housing and for reducing the use of the system through conservation.

Responding to Councilmember Stokes, Mr. Aratani confirmed that the debt is related to capital investments. Ms. Elardo said the Division has high bond ratings and a debt level similar to other large municipalities' wastewater treatment systems.

Responding to the Mayor, Ms. Nichols said the King County Council is currently considering the proposed 2015 rates and will take action by the end of June to begin collecting the new rate in January 2015. Ms. Elardo noted that the County Council anticipates action on June 2.

Ms. Nichols said staff could get a letter out to the County Council by the end of the week if directed by the City Council. Mayor Balducci asked staff to draft a letter.

(3) Puget Sound Regional Council (PSRC) Growing Transit Communities Partnership

Ms. Nichols introduced a discussion regarding whether the Council wants to sign onto the Puget Sound Regional Council (PSRC) Growing Transit Communities (GTC) Compact. She recalled past presentations to the Council on the GTC study, which assessed the potential for transit-oriented development and where it might occur.

Ms. Nichols said the City's concerns include not allowing TOD at the South Bellevue Park and Ride/Light Rail Station. She said the compact is non-binding and does not supersede local land use planning. The benefits of joining the compact are a seat at PSRC's Regional TOD Advisory Committee and potential funding assistance and/or grants.

Dan Stroh, Planning Director, said Councilmember Davidson and Bellevue staff were involved in the three-year GTC study, which includes looking at the potential for TOD at Bellevue's light rail stations in the Bel-Red corridor. The compact is a vehicle for continuing discussions around implementing TOD with a number of regional partners.

Mr. Stroh noted the list of jurisdictions, public agencies and organizations who have signed the compact to date on page 3-101 of the meeting packet.

Mayor Balducci said this is a topic of discussion at PSRC around the potential establishment of a TOD Fund. There have been discussions between Sound Transit, ARCH (A Regional Coalition for Housing), and the City about the possibility of a TOD, instead of a surface parking lot, at the 130<sup>th</sup> Avenue NE light rail node in the Bel-Red corridor. The underlying premise for participating in the GTC study relates to \$15 billion in potential infrastructure development in light rail and other types of high-capacity transit. Ms. Balducci said a large portion of that \$15 billion is being spent in this region and it makes sense for Bellevue to be involved.

Ms. Balducci observed that most of the priorities cited in the compact are completely consistent with the City's land use and transportation planning for the Downtown and the Bel-Red area. She said this is a tangible way to leverage regional partnerships, which is also a key goal for the Council.

→ Councilmember Stokes moved to direct the City Manager to sign the Growing Transit Communities Compact on behalf of the City, thereby including Bellevue on the Regional TOD Advisory Committee. Councilmember Robinson seconded the motion.

Mr. Stokes concurred with the Mayor's comments about the importance of Bellevue's involvement with the Regional TOD Advisory Committee.

Councilmember Robertson questioned the budgetary impact of signing the compact and how the compact will be implemented.

Mr. Stroh said that much of the staff effort would be encompassed within other regional staff work. He said that TOD is a significant part of the City's growth strategy. He believes there would be the opportunity for at least one Council assignment to the TOD Advisory Committee. He said budgetary impacts are minimal.

→ The motion carried by a vote of 5-0.

Mayor Balducci asked staff to let the Council know about the potential for Councilmember involvement and what that would entail in terms of meeting frequency, meeting times, etc.

Moving on and noting that the end of the meeting was near, Ms. Balducci asked whether anyone wanted to comment on the East Link project monthly update, which is provided on page 3-117 of the meeting packet.

Councilmember Robinson expressed strong support for the proposed bike lane along Bellevue Way.

Deputy Mayor Wallace said the memorandum of understanding (MOU) between Sound Transit and the City, adopted in late 2011, anticipated that certain information would be provided to the City within 45 days of 60-percent design completion. He said it appears that Sound Transit has not been forthcoming in providing the information that staff needs to evaluate the cost sharing.

Deputy Mayor Wallace said the City has not been given numbers on the construction costs for the 60-percent design, there is no agreement on contingencies, right-of-way costs remain unknown, and there has not been a reconciliation of the design costs.

Added to that is the issue of Sound Transit's Operations and Maintenance Satellite Facility (OMSF) which the agency would like to site in Bellevue but did not disclose until after the MOU was signed. Mr. Wallace believes this calls into question the entire MOU and the rationale for discussions with Sound Transit.

Mr. Wallace said he is hearing that discussions with the Light Rail Permitting Citizens Advisory Committee (CAC) about mitigation are being met with a great deal of opposition from Sound Transit staff. If that is the case, that adds another level of frustration to the whole process of fulfilling the MOU. Mr. Wallace said the clock is ticking and he does not feel things are going well.

Mayor Balducci concurred that there are serious decisions ahead for the City. She and the Deputy Mayor have been discussing the issues with staff and the rest of the Council needs a briefing on the details of those conversations.

Ms. Balducci said the 45-day clock starts ticking when Sound Transit notifies the City of the 60-percent design completion, which is anticipated in August. She said 45 days is not much time to review and assess the information in order to make good decisions.

Councilmember Robertson said the possibility that the clock could start ticking while the Council is on its August recess is a serious concern. She said she assumed that, when the Sound Transit Board signed the MOU and indicated the agency would be cooperative, share information, be transparent, and be the City's partner, the agency meant that. She is wondering whether the Council needs to elevate the issue of lack of information to the Board.

Ms. Robertson recalled the past cost-savings work and a provision in the MOU that indicated issues without agreement would be elevated within the organizations. She suggested sending a letter from the City Manager or Council to articulate the City's concerns and challenges. She believes this should be considered well before day one of the 45-day period that is expected to begin in August.

Ms. Robertson said she would also like to know more about the extra \$300 million that just came in for Sound Transit, and how that might affect the East Link budget.

→ Deputy Mayor Wallace moved to extend the meeting until 10:30 p.m., and Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 5-0.

Mayor Balducci said she wants to make sure that Council briefings occur so that everyone has the same base level of information. She concurred with the suggestion that the City send a letter to the Sound Transit Board. Ms. Balducci said she believes the \$300 million is a loan that does not create new resources but does help with cash flow in the near future.

Councilmember Stokes said the Council needs to be very aggressive on this and needs to start resolving issues before the 45 days start running.

Mayor Balducci declared the meeting adjourned at 10:30 p.m.

Myrna L. Basich, MMC  
City Clerk

/kaw