

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

June 9, 2014
6:00 p.m.

Conference Room 1E-108
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

Deputy Mayor Wallace called the meeting to order at 6:01 p.m., and declared recess to Executive Session for approximately one hour and 10 minutes to discuss one item of labor negotiations, one item of pending litigation, and one item of property acquisition.

The meeting resumed at 7:12 p.m., with Mayor Balducci presiding.

2. Oral Communications

- (a) Blaise Bouchand, owner of Maison de France, said he was speaking on behalf of approximately a dozen business owners in the vicinity of his business at 1950 130th Avenue NE. He asked the Council to reject the recreational marijuana retail shop due to open in July. He said the store is located within 1,000 feet of two youth facilities (Girls Scouts and Little Gym), and a medical marijuana business is nearby. He asked the City to protect children from drugs. He said this is an urgent public health and public safety issue.

Mayor Balducci thanked Mr. Bouchand for his comments and suggested he might want to direct his comments to the Planning Commission, as well, as they work on developing a recommendation for permanent regulations.

- (b) Erica Tiliacos, an Issaquah resident and member of Save Lake Sammamish, said she wanted to clarify the misinterpretation of several Planning Commissioners and the Washington Sensible Shorelines Association (WSSA) that shorelines are not critical areas. She said the state legislature clarified its intent with HB 1653 by reiterating that the shorelines should be protected like critical areas. Their intent is to have the shoreline environmental values protected into the future. Ms. Tiliacos said the State Department of Ecology (DOE) has a clear handout for Shoreline Master Program (SMP) updates

outlining what the programs should contain. Ms. Tiliacos indicated that she emailed the Council a link to the legislative language. Page 16 states that the existing Critical Areas Ordinance (CAO) might not be adequate to meet the no net loss standard. She commented on the Oso landslide, noting that appropriate regulations would have prohibited homes from being built in the river's floodplain.

- (c) Joanna Buehler commented on the ordinary high water mark, which the Draft SMP proposes lowering to 30.6 feet. She said Save Lake Sammamish requested clarification regarding the OHWM from the DOE, which stated it could not accept the 30.6 feet OHWM. She expressed additional concerns and submitted her comments in writing along with a letter to her from the DOE, a letter to Carol Helland from the DOE, and additional information including a letter from Jonathan Frodge, Limnologist.
- (d) Rick Aramburu, an attorney representing Save Lake Sammamish, said representatives have been coming to every meeting to address specific topics related to the SMP Update. He spoke in favor of the fixed setback option presented to the Council, and commented on the application of the Shoreline Management Act to the floodplain. He talked about the importance of predictability in what a neighbor might do to his or her property. Mr. Aramburu expressed concern that allowing flexibility for property owners to accommodate individual situations opens up the unknown. He suggested that the City adopt floodplain regulations.
- (e) Marty Nizlek expressed concern about the process for determining the ordinary high water mark. He said it is proposed that either the lake level study by the City in 2004 be used or that each property owner face a costly study of their own to determine the OHWM for their individual property. He provided additional comments, which he submitted in writing along with a copy of a 2001 letter from the U.S. Army Corps of Engineers. Mr. Nizlek said the Planning Commission thoroughly considered the issues and came to a rational recommendation and SMP Update.
- (f) Dr. Sandra Rice spoke about residents' concerns regarding regulations mandating their nearshore treatments. She said a Save Lake Sammamish spokesperson argued against the greenscape concept in the draft SMP plan, citing grass as an impervious surface. Dr. Rice recalled that, at the public hearing, she submitted a 2008 study regarding the effectiveness of types of buffers. Grass treatments are recognized as effective for runoff. She said lakeshore properties make up only 0.2 percent of the watershed. She said runoff from development above the lake is a major contributor to toxic elements in the lake. Dr. Rice said the City's Utilities Department's data describes 124 stormwater outfalls along Lake Sammamish, most of which are not effectively treated. She shared a brief video clip showing rain and stormwater along West Lake Sammamish Parkway. Dr. Rice said residents feel it is more important to address broader restorative actions and stormwater runoff than the 25-50 feet along the shoreline.
- (g) Jerome Baruffi said he is a little confused about what lake residents are to do. He has attended more than 50 meetings and a residents' group has spent several thousand dollars on attorney's fees and expert testimony. He said he was surprised to hear, at the end of

the public hearing, that the plan recommended by the Planning Commission is likely to be changed. He suggested that perhaps the Oso landslide would not have occurred had there been bulkheads. Mr. Baruffi asked the Council to support the Draft SMP as recommended by the Planning Commission.

- (h) John Dietrich, Senior Development Manager, Target Corporation, said he was speaking to Agenda Item 3(d), Wilburton Land Use Code Amendment and related Development Agreement for retail development. He requested the opportunity to comment after City staff presented their report later in the evening.

Mayor Balducci indicated to Mr. Dietrich that there will be additional opportunities in the future to provide comments. She suggested he consider submitting his comments in writing as well.

Continuing, Mr. Dietrich thanked the Council for its consideration of the referenced LUCA and the Development Agreement for retail development. He said Target is interested in this area and is proceeding with a contract purchase as well as a number of approvals from the City. He said Target looks forward to working with the City to complete their project.

3. Study Session

- (a) Council Business and New Initiatives

Councilmember Lee noted that Hugh Burluson, former President of the Bellevue Sister Cities Association, passed away a few nights earlier. He said the City intends to recognize his life and contributions during the next Council meeting.

Mayor Balducci said she was fortunate to travel with Mr. Burluson on a sister cities trip. She commended his contributions to the program and the community.

Deputy Mayor Wallace followed up on Mr. Bouchand's earlier comments about recreational marijuana. Mr. Wallace said he does not envision the Planning Commission getting a recommendation to the Council by June 30, before recreational marijuana retail licenses are issued and become vested. He suggested that, if the Council is not interested in considering a moratorium or ban on recreational marijuana-related land uses, it should be made clear for the public.

Mayor Balducci said that, if a majority of the Council wants to bring back and reconsider this issue, she would entertain a discussion about extending the emergency ordinance. However, she is not in favor of that option herself.

Councilmember Robertson said it sounds unlikely that licenses will issue on July 1. She said her understanding is that the State Liquor Control Board is reviewing the Girl Scouts store mentioned by Mr. Bouchand.

Councilmember Stokes, as liaison to the Planning Commission, said he is hesitant to comment too much until the facts have been compiled and reviewed. He disagrees that licenses would necessarily become vested. Responding to Councilmember Robinson about the Commission's schedule, Mr. Stokes said the Commission has a meeting on Wednesday and they are working on this topic. He said a license does not vest in a certain location and the City retains zoning control.

Councilmember Lee concurred with Deputy Mayor Wallace. Mr. Lee's understanding is that Mr. Wallace is concerned that the Council is not communicating a clear message to the public about where this issue is going.

Mayor Balducci said she believes that Mr. Bouchand is informed on the issue, even though he disagrees with legalization. The Council is in the middle of the process and could still change details later. She recognizes the right of Councilmembers to raise any issue they would like but she observed that the majority of the Council supports proceeding as it has been.

- (b) Shoreline Master Program Update Study Session 6 – In-depth review of Draft SMP Update provisions related to vegetation conservation and critical areas

City Manager Brad Miyake opened staff's presentation of the draft Shoreline Master Program (SMP) provisions that address vegetation conservation and critical areas.

Carol Helland, Land Use Director, said the meeting objectives are to provide a detailed review of vegetation conservation and critical areas regulations. She referred the Council to page 3-25 of the meeting packet for Attachment C, Setbacks/Buffers Supporting Information, which was discussed during the May 27 Council meeting.

Ms. Helland reviewed the SMP completion plan. Specific substantive topic areas were discussed on May 12 and 27, and docks and shoreline stabilization are targeted for discussion on June 23. The schedule anticipates completion of the Council's SMP Update package for the public hearing, followed by submittal of the plan to the State Department of Ecology (DOE).

Ms. Helland recalled that the Planning Commission's goals and considerations guiding their deliberations were achieving a Bellevue-appropriate plan, protecting neighborhood character, achieving balance between regulations and property rights, providing predictability and flexibility, and ensuring an inclusive process throughout the SMP Update.

Ms. Helland said the rationale for the current Code is that setbacks/buffers and vegetation conservation were included in the Critical Areas Update. Regulations were based on best available science to protect shoreline ecological functions while respecting existing development patterns and neighborhood character. The regulations were also drafted to recognize equity between developed and undeveloped lots.

Ms. Helland showed photos of Lake Sammamish and Lake Washington and asked the Council to note the existing greenscape, including the beach, along the shoreline. She noted that, along the engineered canals along Newport Shores, there is already a considerable amount of paving, which in many cases is incorporated into the bulkheads that support the canals.

Ms. Helland presented photos of Phantom Lake, which is considered a lake open water wetland in which critical areas and shoreline requirements intersect.

Ms. Helland explained how the setbacks are defined, based on the distance from the ordinary high water mark (OHWM), within the existing Critical Areas Ordinance (CAO) regulations. For a vacant lot between two developed lots, a “string test” between the points of the existing structures closest to the OHWM would determine how close to the shoreline new development could occur on the vacant lot.

She described current regulations regarding vegetation conservation. The CAO requires citywide tree preservation, in that 30 percent of the diameter inches of trees must be retained when there is a development permit on a property that increases impervious surface area by more than 20 percent. The citywide greenscape regulation adopted approximately five years ago as part of the neighborhood livability project requires 50 percent of the front yard setback to be maintained in greenscape. This provision was not science based but was targeted at prohibiting homeowners from paving their front lawns and negatively affecting neighborhood character. The CAO contains a requirement to retain vegetation in the 50-foot buffer or setback. The rationale for the CAO was to protect the environment and to provide predictability and certainty for property owners.

Ms. Helland described a page from the City’s manual for citizens which provides a Shoreline View-Sensitive Planting Template for vegetation. Responding to Councilmember Robertson, Ms. Helland acknowledged that some trees could end up blocking views. However, there are slower growing and shorter tree options.

Councilmember Robertson questioned the impact of vegetation on being able to view kids playing on the beach. Ms. Helland said the template is in the current CAO but it is not recommended for the SMP Update. Ms. Robertson said her recollection, when the City completed the CAO, was that it would be temporarily applied to shorelines until more specific regulations were drafted.

Ms. Robertson observed that, if an existing home is expanded into a 25-50 foot setback that is an existing lawn, patio or non-native vegetation, there would be no impact on the native vegetation. It seems to her there would be no basis or nexus to force a property owner into planting native vegetation. She observed that no impact has been established in the record with regard to the 25-50 foot area.

Ms. Helland said staff will address that in more detail with the discussion of options that have been considered by the Planning Commission. Many of the options considered by the Commission add impervious surface without taking out pervious surface, or they remove vegetation without adding vegetation. However, regardless of the type of vegetation, it would be hard to make a case that there has been no net loss when either of those circumstances exist.

Councilmember Robertson asked Ms. Helland to describe the rationale for the Commission’s recommendation on vegetation.

Ms. Helland described the vegetation conservation 60/40 proposal (60 percent native vegetation and 40 percent allowed for access/recreation), which was one option that was considered but is not the Planning Commission's recommendation at this point.

The next approach evaluated by the Commission was the Relocated Greenscape scenario which requires the citywide 30 percent tree preservation. The citywide greenscape requirement for the front yard setback was relocated to the shoreline side of the property. It involves equity in the application of vegetation conservation regulations citywide and prevents the shoreline setback from being entirely paved. Ms. Helland described a diagram to demonstrate how that would be applied.

The final option considered, and recommended by the Commission, is the Tailored Shoreline Greenscape. It includes the citywide 30-percent tree preservation requirement. The citywide greenscape requirement for the front setback has been removed. The shoreline greenscape requirements are now tailored to specific lots and are triggered for any structure expansion within 50 feet of the OHWM. Ms. Helland described a diagram depicting how this scenario would be applied. She said 50 percent of the first 25 feet is required to be greenscape, and 10 percent is required to be located within the first 10 feet of the shoreline.

Mayor Balducci observed that a portion of the structure in the diagram overlaps the 50-foot setback. Ms. Helland said that relates to the greenscape conservation standard, a mechanism which is similar to the approach used by other jurisdictions.

Ms. Helland said stakeholder concerns include those noted earlier by Councilmembers: loss of views, shoreline access, and loss of development potential. Others include dangers imposed by unstable trees, human and wildlife conflicts in an urban setting, the equitable treatment of shoreline property owners, protection of fish habitat, and the impact of vegetation conservation on no net loss.

Ms. Helland presented a table comparing the three vegetation conservation options considered by the Commission with regard to three areas: compliance with the Shoreline Management Act, constitutional issues/takings, and ease of use.

Dick Settle, legal consultant, noted that critical areas regulations can be adopted by reference as shoreline provisions in a jurisdiction's Shoreline Master Program.

Ms. Helland clarified that the goal of critical areas regulations is to prevent access. Shoreline management regulations acknowledge the need for access to and recreation along the shoreline.

With regard to the Planning Commission's recommended Tailored Shoreline Greenscape model, Ms. Helland said there is a potential for net loss, which is triggered by comparison to existing conditions. She said existing conditions, in many cases, already meet the greenscape requirement.

Councilmember Robertson said the vegetation conservation requirements for buffers are not just about vegetation, but require the removal of hardscapes and impervious surfaces. Ms. Helland said that is correct. Ms. Robertson stated her understanding that vegetation conservation standards cannot be applied retroactively to existing uses and structures. Ms. Helland confirmed that as well.

Ms. Robertson said her understanding is that the record before the Planning Commission, which is quite voluminous, does not demonstrate specific impacts in the 25-50 foot area. Ms. Helland recalled that the CAO was adopted in 2006, and staff started looking at shorelines about a year later, beginning with a review of critical areas regulations. Ms. Helland said the environmental impact statement (EIS) that supported the 50-foot setback is now in the Critical Areas Code. She said a science-based evaluation of shoreline setbacks that occur in critical areas identified the 50-foot setback as based in science to preserve ecological function in the shoreline.

Councilmember Robertson disagreed with that interpretation. She said the difference between a lake and a stream is that one of the preferred uses of the lake shoreline is recreation. She said critical areas regulations are applied to streams and discourage access and recreation. Ms. Robertson said she sat through all the science panels on critical areas and on shorelines, and she disagrees with staff's conclusion regarding setbacks.

Ms. Helland said the Tailored Shoreline Greenscape option will likely not prevent people from wanting to move into the 25- to 50-foot area, except in the shoreline canal areas. In canal areas with more paving, however, removal of paving would not be possible because the impervious surface is integral to the canal construction/bulkheads.

Responding to Deputy Mayor Wallace, Mr. Settle confirmed there could be a difference between a stream and a lake in applying regulations, and there are differences between lakes and between fresh water and salt water shorelines. Mr. Wallace suggested that best available science should be applied to shorelines as it was with critical areas. Mr. Settle said that would be a rational approach, with the qualification that reliance on best available science is not required for SMPs but it is explicitly required for critical areas ordinances.

Mr. Settle said the Shoreline Management Act does not use the phrase "best available science," which has taken on a life of its own since it was incorporated into the Growth Management Act. He said a provision was added relatively recently to the Shoreline Management Act which requires that the protection of critical areas be as effective under the Shoreline Master Program as under the CAO.

Mr. Wallace questioned the potential net loss of ecological function under the Planning Commission's recommendation versus the structure setback/vegetation conservation plan that apparently does not have a potential net loss of ecological function.

Mr. Settle said the significance of vegetation conservation is that vegetation retains soil, and both vegetation and soil act as filters to pollutants and sediment. Another ecological function concept is that the better you protect the lake from pollutants and sediment, the less dependent you may be on shoreline stabilization, which has been found to have its own set of effects and ecological

function. The more setback you have, the more vegetation you have and the more habitat there is. However, the type of habitat to be preserved is not specified. This raises a question for the City to consider given the relatively fully-developed and unnatural state of the shorelines, as well as the issue of the type of wildlife for which the City wants to provide habitat.

Deputy Mayor Wallace said he is skeptical about the potential for net loss of habitat resulting from the installation of a deck within the 50-foot buffer, for example, given that the shorelines are already developed.

Mr. Wallace said the sediment issue could easily be offset by addressing what was shown earlier in the video during oral communications, which is gallons of water per minute flowing and carrying sediment into the lake. He said there should be a plan that reduces sediment flowing into the lake from stormwater and that leaves private property owners alone.

Mr. Settle said there are tradeoffs and balancing that the shoreline guidelines seem to allow, even to the extent of allowing the ability to balance any reduction of ecological functions with restoration. There is a great deal of discretion for the City in making these choices.

Mr. Wallace said he appreciates the comment about the City's and Council's discretion. He observed that the red color-coded boxes on the comparison chart do not suggest flexibility. He feels it sends a message of stop, do not do that option.

Responding to Councilmember Chelminiak, Ms. Helland confirmed that the chart indicates that the Tailored Shoreline Greenscape option has the potential for not meeting the no net loss provision. He questioned the buffer vegetation in the current code. Ms. Helland said it would substantively meet the requirement but the shorelines are not to be regulated directly through the CAO. In further response, Ms. Helland said the Relocated Greenscape option allows potentially more hardscape.

Lacey Hatch, Assistant City Attorney, noted that the red on the chart was not intended to be interpreted as a stoplight. The red indicates there are impediments, some of which are external to the City, and that the outcome is uncertain. The Department of Ecology has the right of final approval of the SMP document.

Deputy Mayor Wallace said the other side that has not been discussed is the potential for lawsuits from property owners because there is not an accurate proportionality between the regulations and the objectives.

Mayor Balducci said the Council has talked about that issue. She said the "as applied" issues fall under the category of things the City provides (e.g., variance, exception, off-ramp, etc.) to modify land use regulations for specific projects or uses.

Councilmember Stokes suggested some combination of the Structure Setback Vegetation Conservation and the Tailored Shoreline approaches. He does not see a great deal of difference. He agrees with Deputy Mayor Wallace about the broader problems with stormwater runoff.

However, that does not mean lake property owners do not have any responsibility. Mr. Stokes said there needs to be common sense and the Council needs to wrap this up.

Mayor Balducci said she heard a proposal from Mr. Stokes suggesting some type of hybrid option. Her proposal would be, since the draft SMP has essentially a 50-foot setback that you can buy down by doing certain things, to provide a menu of items as tradeoffs.

On the greenscape, Ms. Balducci said the other issue that had not been talked about yet that night was the Planning Commission's recommendation with regard to the types of vegetation. The draft provisions indicate that grass can be substituted for anything. Ms. Helland confirmed that the shoreline greenscape is defined to include all living plant, tree, hedge, and shrub material located in the shoreline setback as well as beach areas, soft shoreline stabilization and angled rock revetments.

Mayor Balducci would like to see some way to balance native vegetation with lawns, instead of having only lawns along the entire shoreline frontage, and to allow larger pathways to the beach and shoreline for property owners. Ms. Helland said no one has to change anything if they do not develop or redevelop. She said the 60/40 option is compatible with Ms. Balducci's suggestion.

Mayor Balducci suggested that, if any regulation has an unintended consequence for a whole class of property owners (e.g., the canals), the City should come up with an exception for that area.

Councilmember Robinson said one important issue seems to be the education and regulation of lawn care (i.e., chemicals and runoff). Ms. Helland said the City will ultimately have a citizen guide to the Shoreline Master Program, as is the case for the Critical Areas Ordinance.

Mr. Settle concurred that education and guidance are part of the overall SMP.

Councilmember Robertson said she agrees with concern about lawn chemicals. However, the City's Parks Department uses chemicals on lawns, including on shoreline properties, and they can be used effectively and safely. She noted that the City has educational materials about gardening organically and not using chemicals, and she suggested that be a bigger part of the SMP.

Ms. Robertson agreed with Mayor Balducci's suggestion for a menu of vegetation/hardscape items, if the resident truly is allowed to choose. Ms. Robertson believes there should be a full complement of native vegetation that is low growing and does not create problems for access to and view of the water. She said the CAO has been administered on shoreline properties in ways that have not been fair. In one instance, a resident removed a patio and was required to plant extensive native vegetation that now blocks their and their neighbor's view. Councilmember Robertson noted the City does not require other residential properties to preserve habitat, so is it fair to apply that standard to the shoreline?

Mayor Balducci reiterated her concern about being able to get through the topics this summer as planned. Councilmember Stokes spoke again about finding a way to move the process forward,

without so much repetition in comments. He would like to hear more analysis before extensive discussions.

Councilmember Chelminiak concurred with Mr. Stokes and said he would like to get through staff presentations without so many interruptions. He would like the analysis to come forward before questions, to the extent possible. He would like staff to give direct answers to questions and to be very direct in the analysis.

Councilmember Robertson suggested the process would go more quickly if staff did not go through every option the Planning Commission considered and rejected, but instead focused on the Commission's recommendations. She thinks it is still possible to complete the Council's review by the August break. She suggested holding the remaining public hearing earlier, in July instead of August. For a July hearing, instead of giving staff direction on the final SMP before the public hearing, she would like to present the SMP's major topic areas and options within those areas for public comment. She thinks that would be most productive and it would give the public the chance to comment earlier in advance of finalizing the SMP plan.

Councilmember Chelminiak said he would prefer to hear fuller information on the Planning Commission's review and the options considered even if ultimately rejected.

Deputy Mayor Wallace concurred with Mr. Chelminiak. He does not feel he understands the subject matter thoroughly enough to make decisions at this point. He is frustrated about the lack of clarity on the issues, especially when decisions will impact private property rights. He observed that the Planning Commission has spent a great deal of time developing the draft SMP and he gives deference to that effort. However, there is not a Council consensus on that and he suggests continuing to work through the issues.

Mayor Balducci suggested the Council continue to move through the topical discussions, with the goal of identifying options for public comment.

Referring back to Ms. Robertson's suggestion, Ms. Helland said the traditional route is for the Council to adopt a SMP Plan to which the public reacts. She does not recall ever having a menu of options for public comment and feedback.

Mayor Balducci reiterated Council interest in presenting options for public comment before the Council has finalized its recommended package. Ms. Helland said she would work with the City Clerk on the Council schedule.

Councilmember Robinson agreed with Mr. Wallace's earlier comments about the colors (green, yellow, red) used in the comparison chart. She would prefer no colors and would like to have the presentation and then hear staff's recommendations based on their expertise and on input from the Planning Commission and the public.

Mayor Balducci thanked staff and Mr. Settle for the presentation.

Mr. Settle indicated that he and staff are not there to tell the Council which policy choices to make, but to listen and to help provide alternatives. He said he and staff could make recommendations. However, he does not feel comfortable making recommendations to the Council about what is most appropriate for Bellevue because they, as elected officials, are in the best position to make those decisions.

At 9:17 p.m., Mayor Balducci declared a short break.

The meeting resumed at 9:28 p.m.

→ Councilmember Chelminiak moved to extend the meeting to 10:30 p.m., and Councilmember Robinson seconded the motion.

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

(c) Bellevue's Capital Investment Strategy

Mr. Miyake said this is the third discussion with the Council regarding the City's long-term capital investment strategy. Staff is seeking Council feedback on the matrix of projects provided in the meeting packet beginning on page 3-69 [Attachment A] with the following three columns: Existing Capital Investment Program (CIP); New Projects Proposed in the 2015-2021 CIP Update; and Potential Capital Projects.

Finance Director Jan Hawn recalled the Council's budget workshop on March 24 and further Council discussion on May 12. Following direction from the March 24 meeting, staff revised the long-range Potential Projects List for presentation during the May 12 meeting. Ms. Hawn said the Potential (Unfunded) Projects List totals \$1.2 billion [Attachment B in meeting packet].

Ms. Hawn said the schedule for working through the CIP investment strategy is outlined as follows: Council identifies projects and needs (May 12 and June 9), discussion of funding options and the related timeline (late June), and development of the principles and strategy, including any needed early actions (July 14 and 28).

Dan Stroh, Planning Director, said revenues will be discussed in greater detail during a future meeting. However, he noted that Attachment C [beginning on Page 3-109 of the meeting packet] provides a listing of revenue options. He said the focus of the immediate discussion would be Attachment A and the specific projects the Council would like to fund. Mr. Stroh said the proposed process requests that the Council consider a polling exercise as a follow-up to the meeting, which staff will later review to determine the level of consensus on certain items.

Mayor Balducci said it is important to consider both the objectives/projects and funding sources of the CIP Plan. She does not envision being able to fund more than \$100 million.

Referring to Attachment C, Councilmember Robertson asked staff to add information to the Transportation Benefit District (TBD) section regarding the specific amount of revenue that

could be generated based on the sales tax. She suggested adding the property tax option for TBDs as well, including the estimated revenue generation.

Responding to Mayor Balducci regarding Attachment A, Mr. Stroh noted that the middle column (New projects proposed in the 2015-2021 CIP Plan) totals approximately \$200 million in investments.

Councilmember Lee expressed concern about the prospect of increasing taxes. He suggested that any tax increase needs to involve public outreach and support. He expressed support for the Downtown Livability projects (e.g., wayfinding, pedestrian amenities). He is concerned about the feasibility of being able to generate adequate resources for capital projects.

Councilmember Robertson would like to accelerate the Newport Way sidewalk project. She would like to see at least one more phase of the West Lake Sammamish Parkway project, to include stormwater improvements. She would like to continue to fund the Neighborhood Enhancement Program (NEP).

With regard to funding sources, Ms. Robertson said she would like to see revenue from red light camera violations go into the capital budget for safety-related projects. She understands Councilmember Lee's concerns about taxes, and she is very much in favor of looking at a voted levy or bond for public safety facilities and/or TBD funding for transportation projects. She would like to see an analysis of potential TBD sales and property tax collections. She is not in favor of vehicle license plate fees, however. She believes the City needs to build more infrastructure to support the next wave of development, and the Council needs to determine how to fund the appropriate investments.

Councilmember Stokes said the Council talks about vision and about ensuring that Bellevue continues to be a great city, but when it comes to paying for priorities there is hesitancy. He observed that \$10 million is a significant cost for the Newport Way sidewalks, but he believes it needs to be done. He said potential contributions to the performing arts center and other cultural facilities are likely to come up by the end of year. He would like to complete Downtown Park and Meydenbauer Bay Park as soon as possible.

Councilmember Chelminiak said he looks at this discussion as the implementation of the City's new economic development strategy and plan. Transportation projects are critical for supporting growth, and he believes the time to be bold is now. He said light rail is more than a transportation project; it is an economic development and growth management project as well. He believes it is critical to support projects that complement light rail and/or will be more cost-effective to complete in conjunction with light rail construction.

Mr. Chelminiak said the second part of the economic development strategy that the City can control is basic infrastructure and amenities (e.g., parks, cultural amenities, public safety). A third area, which is primarily market-driven but the City can influence to some extent, is housing.

Councilmember Chelminiak said he agrees with Councilmember Lee about completing the Downtown Livability elements. Noting the new visitors center and improvements at the Bellevue Botanical Garden, Mr. Chelminiak said Bellevue struggles to complete projects that other cities would never start. He said this is a great position to be in, and he looks forward to completing Meydenbauer Bay Park and Downtown Park. He said the City is fortunate to have partners including the Bellevue Botanical Garden Society and the Boys and Girls Clubs of Bellevue. He suggests putting together a package of projects for voter consideration.

Mr. Chelminiak observed that the Council needs to put together a plan with specific revenue sources, whether that means going back to the original Mobility and Infrastructure Initiative Finance Plan with a three-percent property tax increase and other sources and/or presenting ballot measures.

Mr. Chelminiak said he would like to see some targeted investments in neighborhood shopping centers. He likes the Newport Way sidewalk project but is concerned about the cost.

Councilmember Robinson said she met with Ron Kessack, Assistant Director of Transportation, to discuss the Bellevue Way SE HOV lanes. They discussed the feasibility of providing first the 300-foot lane from I-90 and assessing how it is working before extending the HOV lane all the way to the Y at 112th Avenue SE. She noted that might be sufficient for traffic flow and less invasive for the Enatai neighborhood.

Ms. Robinson said it is important to move forward with the Community Network Connectivity project, which includes Internet infrastructure and other items. She supports the planning and early implementation of a grand connection between Meydenbauer Bay Park and the BNSF right-of-way/Wilburton area.

Ms. Robinson said she would like to see a revolving energy fund (\$250,000) loan program for energy improvements. She strongly supports hearing assistance technology for public spaces (i.e., City Hall, Bellevue Botanical Garden, and Bellevue Youth Theater).

Deputy Mayor Wallace observed that most of the projects on the matrix do not have specific cost estimates. He said it is not necessary to do everything at once. He believes value engineering and design will enable the City to lower project costs.

With regard to West Lake Sammamish Parkway, Mr. Wallace said the project has been much more expensive than anticipated. He suggested reviewing the project and considering whether there are other ways to meet the goals of the community for less money.

Mr. Wallace said the parks levy enables the City to continue to work on parks projects. He observed that the dollar figure for the fire facilities plan is very high and needs to be addressed.

With regard to transportation projects and funding sources, Deputy Mayor Wallace observed that not all of the transportation projects require full funding from the General Fund capital resources. The City receives grant funding, contributions from other agencies, and other resources that need to be considered together.

Deputy Mayor Wallace said the Sound Transit memorandum of understanding (MOU) influences this discussion. He said the City has allocated significant resources in the existing and proposed 2015-2021 CIP Plans for items related to the light rail project. However, much has changed since the MOU was signed, and new projects and circumstances need to be renegotiated. This will likely result in different commitments for the City and Sound Transit.

With regard to potential revenue sources, Mr. Wallace said his first inclination is for the City to live within its means. He believes the last budget did a great job of living within those means. Now that the region is coming out of the recession, he believes there are opportunities for infrastructure investments to support continued growth. He believes that doing so will outstrip the City's current resources. He said that, fortunately, interest rates remain low and he believes the City should use that to its advantage. He suggested focusing on the figure of \$60 million and developing a package of long-term capital projects to be bonded over 20 years. What revenues would be needed to reach that number? And how much could the City do with additional funds?

Mayor Balducci supports completing the transportation projects related to light rail and/or that will be more cost-effective by completing them in conjunction with Sound Transit's light rail construction. Other priorities include Phase 1 of Meydenbauer Bay Park, PACE (Performing Arts Center Eastside), and completing the Downtown Park circle. She said a number of smaller, less expensive projects are attractive to her because they would make a difference to residents within their community. She supports the planning and early implementation of the grand connection from Meydenbauer Bay to the BNSF right-of-way.

Ms. Balducci concurred with Councilmember Robinson that hearing assistance technology would make a big difference to citizens and involves a relatively small amount of money. While the Newport Way sidewalk project is very expensive, she believes it needs to be completed. She recalled that the City invited and encouraged those residents to join Bellevue, and the City needs to provide the same level of safety and mobility that is available in the rest of the community.

Mayor Balducci said she would like to hear details on the fire safety facilities plan.

With regard to the full project list, Ms. Balducci said it is important to be specific about the level of refinement in the cost estimates. She said a financing plan for long-term capital needs should consider a number of revenue sources and different combinations of revenues.

Mr. Stroh questioned the Council's willingness to respond to a polling exercise, to be prepared by staff based on this discussion, in order to gather more input and to facilitate the next discussion. The Council was agreeable to that course of action.

- (d) Wilburton Land Use Code Amendment and related Development Agreement implementing Comprehensive Plan policies for the Wilburton/NE 8th Subarea related to retail development along the 116th Avenue NE corridor.

Mr. Miyake referred the Council to page 3-113 of the meeting packet for information regarding the Wilburton Land Use Code Amendment (LUCA) and related Development Agreement. A

public hearing on the LUCA and Development Agreement is scheduled for June 23, and Council action is anticipated in July.

Kate Berens, Deputy City Attorney, said the LUCA implements planning work completed for the Wilburton/NE 8th Street Subarea quite some time ago. There is a designated area within the subarea that becomes ripe for rezoning from general commercial (GC) to community business (CB). She recalled that the City recently settled with certain property owners related to the NE 4th Street Extension project. This is the beginning of a series of land use actions that will implement the overall vision for the area.

Ms. Berens said the LUCA would allow, in those areas that become zoned CB within Wilburton, a single retail use to exceed 100,000 square feet in size. That is currently allowed in some of the City's subareas. The Development Agreement relates to Target's proposed development of a large store on the south parcel created by the extension of NE 4th Street. The Development Agreement will not go forward if the LUCA is not approved.

Councilmember Robinson said the proposal fits in with the desire to expand the central business district to the east. She questioned the zoning on 112th Avenue across the freeway from the Wilburton area. Ms. Berens said she would follow up with that information. Ms. Robinson said she is pleased that the language on streetscapes calls for a strong visual and physical pedestrian and bicycle connection to the BNSF corridor, and that bicycle parking shall be provided on site for future trail corridor users.

Mayor Balducci declared the meeting adjourned at 10:23 p.m.

Myrna L. Basich, MMC
City Clerk

/kaw