

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

July 23, 2012
6:00 p.m.

Council Conference Room 1E-113
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

Deputy Mayor Robertson called the meeting to order at 6:02 p.m. and declared recess to Executive Session for approximately 30 minutes to discuss one item of potential litigation.

The meeting resumed at 6:30 p.m., with Mayor Lee presiding.

2. Oral Communications¹

- (a) Judge Richard McDermott introduced Superior Court judges in attendance: Roy McCullough, Helen Halpert, and Michael Trickey. Judge McDermott described an August 7 ballot measure, Proposition 1, which would allow the construction of a children and family justice center to replace the building that currently serves as a youth service center in Seattle. He reported that more than 4,000 children and their families, many from the Eastside, are processed through the youth service center annually.
- (b) Judge Trickey described the current facility's dilapidated state. Proposition 1 would replace the three existing buildings with a new children and family justice center.
- (c) Judge Halpert said there are seven judicial officers at the youth service center, which includes criminal and treatment courts, rehabilitation and drug programs, therapy services, education, mentoring, employment programs, and other forms of intervention. The center has a strong alliance with the YMCA's Alive and Free program, which focuses primarily on gang-involved youth and youth who have been released from the institution. Ms. Halpert said the center's many programs have been very successful. In 1996, more than 750 cases were filed per month. There are currently approximately 200 filings per month.

¹ Councilmember Balducci stepped away from the table from approximately 6:31 p.m. to 6:45 p.m.

Judge McDermott said that King County's youth service center programs are nationally recognized. However, certain services and programs are at other locations due to the poor condition of the facilities. Judge McDermott said that Proposition 1 will provide an appropriate facility that consolidates all programs and services onto one site.

Councilmember Chelminiak stated that this is a core function provided by King County, and they need the resources to be able to perform the services.

Judge McDermott noted that the ballot measure provides capital funding only.

- (d) Brian Park, owner and operator of East Beach Volleyball Center, noted his testimony before the Council the previous week requesting a code amendment to allow sports instruction. He presented the option of resolving the issue with the designation of an administrative conditional use. He submitted his request in writing, noting that the center is looking for certainty in its ability to continue to serve students. Mr. Park said the property owner, who was unable to attend, supports his request. There are a number of vacancies in the same and surrounding buildings.
- (e) Charlie Klinge, attorney, spoke in support of the land use text amendment requested by Brian and Louise Park for the East Beach Volleyball Center. He submitted his comments and detailed request in writing.
- (f) Sam Bellomio said he observed Councilmembers reading while others were speaking, which he feels is not respectful to citizens.

Mayor Lee noted that citizens should not expect the Council to respond to questions or comments during oral communications. He said it is not polite to make accusations within this context.

Mr. Bellomio opined that a jail for kids is ridiculous. He expressed his opposition to red light cameras, stating there has been no decrease in traffic accidents. He objects to the camera providers receiving a portion of the revenues generated by red light cameras.

- (g) Alex Zimmerman reiterated his ongoing question regarding the cost of the 300-page, four-year investigation referenced in his request for public records. He said that each small claims court suit he has filed against Councilmembers and the City costs \$5,000 to defend. He has brought 50 cases over the past two years against a number of parties including King County. Mr. Zimmerman said the Council does not care about people or their money. He presented a small claims court filing to Councilmember Stokes.
- (h) John Hempelmann, Pine Forest Properties, commented on Agenda Item 3(f) regarding the phasing of the NE 15th/16th Street corridor, as recommended by the Transportation Commission. He expressed concern that only the center segment will be constructed over the next 10 years. He urged the City to construct the entire corridor from 116th Avenue to

124th Avenue, and to coordinate this with light rail construction. He said the future intersection at NE 15th Street and 120th Avenue NE will be very important and should only be built once. He said it will difficult to encourage development in the corridor if there are not good transportation connections.

- (i) Thomas Koger, representing the Cougar Mountain Residents Association and the Lakemont Crest Condominium Owners Association, requested priority for a traffic control project at the intersection of Cougar Mountain Way and Lakemont Boulevard, to be built during the 2013-14 budget cycle. He said the intersection is becoming increasingly dangerous, and he spoke to the need for improved pedestrian facilities.
- (j) Christine Chui, speaking on behalf of the Cougar Ridge West Homeowners Association, said that construction projects at the Open Window School since 2000 have resulted in increased traffic in the neighborhood. She described accidents in the area and expressed concern about traffic and pedestrian safety. She requested a project in the budget to address this situation. She asked the City to not allow additional development in the neighborhood without providing transportation improvements.
- (k) Marcia Fischer, representing Legacy Commercial, spoke regarding a property located in the Bel-Red area, 1919 120th Avenue NE. She described problems with the permitting process related to zoning changes and explained that the current zoning makes it nearly impossible to lease the property. She encouraged allowing automobile dealerships that would be consistent with surrounding maintenance uses. Ms. Fischer asked the Council to consider the practical implications for business owners when addressing zoning in the Bel-Red area.

3. Study Session

- (a) Proclaiming July 25 as Conservation Futures Day

Mayor Lee read a proclamation recognizing Conservation Futures Day in Bellevue on July 25. Bellevue has received more than \$10 million in King County Conservation Futures funding for key parks and open spaces including Meydenbauer Bay, Bellevue Botanical Garden, Lewis Creek Park, and the Lake-to-Lake Greenway.

Terry Lavender, a member of the King County Conservation Futures Citizens Advisory Committee, thanked the Council for the proclamation. She introduced David Tiemann from King County's Department of Natural Resources and Parks. Ms. Lavender commended Bellevue for its park system and staff.

- (b) Council Business and New Initiatives

Mayor Lee noted the need to select a temporary chair for the August 6 City Council meeting because both he and Deputy Mayor Robertson will be absent.

- Deputy Mayor Robertson nominated Councilmember Stokes to serve as temporary chair for the August 6 meeting.
- The motion carried by a vote of 7-0.

Councilmember Chelminiak reported that he attended and chaired the Firemen's Pension Board meeting earlier in the day. He noted that the Firemen's Pension Fund, which applies to pre-LEOFF personnel, is doing very well. Whatever funds are remaining after the last pensioner or beneficiary passes away will be transferred to the LEOFF I program.

Mayor Lee noted an interest in reviewing the City's pension and retirement systems. City Manager Steve Sarkozy said staff will provide an update on the City's pension system and liability during the budget process.

Councilmember Balducci reported that she met with residents and leaders of homeowners associations in the vicinity of Ashwood Park. The citizens are in favor of maintaining green open space and are trying to meet with all Councilmembers.

Ms. Balducci said she chaired a meeting of the PSRC Transportation Policy Board, which took action on a recommendation for funding transportation projects. Bellevue's 120th Avenue project competed very well and landed on the funding list for a potential allocation of nearly \$3 million.

Ms. Balducci attended a Sound Transit Capital Committee meeting. She noted that the Sound Transit Board has received a number of complaints regarding contractor performance for the North Link project. The project is on time and on budget. However, the complaints relate to claims of discrimination. A report of the investigation will be released soon.

Councilmember Balducci said she and Councilmember Stokes attended the LEOFF I Disability Board meeting.

Councilmember Wallace said he attended meetings of the Human Services Commission.

Mr. Wallace spoke to the issue raised during oral communications about the intersection of Cougar Mountain Way and Lakemont Boulevard. He concurred that traffic continues to increase in that area. He requested hearing from Transportation staff about the priority of an intersection project at this location.

Mr. Wallace said he would like to talk about the East Beach Volleyball Center issue and about properties adjacent to the BNSF rail corridor.

Councilmember Davidson attended meetings of the Puget Sound Salmon Recovery Council Executive Committee and the King Conservation District Advisory Committee. He had lunch with the Executive Director of Sound Transit. Dr. Davidson chaired the WRIA 8 (Lake Washington, Lake Sammamish, and Cedar River) Board meeting.

Councilmember Stokes reported on conversations with a number of citizens in the community about Ashwood Park. He met with the Executive Director of Sophia Way, which provides services for homeless women. Mr. Stokes toured Republic Services garbage and recycling facility. He received briefings from staff regarding the ongoing East Link collaborative design process and the Downtown Livability program.

Deputy Mayor Robertson reported that she and most of the Council attended the 4th of July celebration in Downtown Park. She requested a briefing from staff regarding traffic conditions following the event, noting that attendees waited in lines for up to an hour to exit parking garages. She would like to improve on that for next year. She attended her neighborhood picnic and kids parade on the same day. Ms. Robertson thanked Bellevue Police and Fire personnel for attending their neighborhood event.

Ms. Robertson was a guest speaker at the Bellevue Downtown Association (BDA) land use lunch. She reported that two Councilmembers, Mayor Lee and Councilmember Chelminiak, were selected for the *Best of Bellevue* list, as was Kemper Freeman. Ms. Robertson noted the upcoming South Bellevue annexation celebration and the Bellevue Arts and Crafts Fair.

Mayor Lee attended the Bellevue Arts Museum (BAM) auction and visited the Boys and Girls Club of Bellevue's new teen center at the former Lake Hills Library. He met with a group of Russian banking students in Bellevue. He attended the ribbon cutting for the new Total Wine store, which donated \$25,000 to BAM.

Mayor Lee attended the Washington Clean Technology workshop and a workshop on doing business with Korea through the recent free trade agreement.

Dr. Davidson noted that he attended a meeting of the PSRC Growing Transit Communities Oversight Committee.

- (b) Motion to approve an increase to the construction contract with Pan-Arctic Contractors, Inc. (Bid No. 12077) by up to \$20,000, to a maximum of \$75,715, for the 112th Avenue NE (north of NE 24th Street) Guardrail project, as part of the Major Maintenance Program (CIP Plan No. PW-M-19).
 - Deputy Mayor Robertson moved to approve an increase in the construction contract with Pan-Arctic Contractors, to a maximum of \$75,715, for the 112th Avenue NE guardrail project. Councilmember Stokes seconded the motion.
 - The motion carried by a vote of 7-0.
- (c) Regional Issues
 - (1) Update on Cascade Water Alliance

Joyce Nichols, Interim Director of Intergovernmental Relations, introduced Chuck Clarke, CEO of the Cascade Water Alliance. She noted that Cascade's budget is targeted for adoption during the September Board meeting.

Mr. Clarke suggested that Councilmembers may also direct questions and feedback through Councilmembers Davidson and Wallace regarding the 2013-2014 budget, which is scheduled for action by the Board in late September. He said the purchase of water from Cascade represents 40-45 percent of Bellevue's water services budget. He said nearly 80 percent of Cascade's costs are fixed due to debt service and the cost of purchasing water from Seattle and Tacoma. Cascade is in the process of renegotiating contracts with both cities, and potentially with the City of Covington as well. Mr. Clarke recalled that a new formula for allocating costs to Cascade member cities was adopted in 2011.

Mr. Clarke highlighted key issues. Wholesale water costs are up 7.4 percent in 2012 compared to 2013. Debt service payments are up 11.7 percent, while remaining expenditures are down 0.2 percent. The budget assumes \$32 million of new borrowing in 2012. The Capital Improvement Program will be \$2.3 million in 2013 and \$1.3 million in 2014. Connection growth projections have been revised downward based on member input.

Mr. Clarke described the major components of the budget, operating expenditures through 2014, budget drivers, and the rate forecast.

Responding to Councilmember Wallace, Mr. Clarke said the significant cost increase projected for the purchase of water from Tacoma is due largely to capital investments in infrastructure by the Tacoma utility in the coming years.

Mr. Wallace observed that water demand is declining, which makes it necessary to continue to raise rates to pay for infrastructure.

Mr. Clarke said the region should feel comfortable that sufficient water is available, which provides a competitive advantage, as well, in terms of economic development. He hopes this will lead to a more appropriate balance in water usage, noting that maintaining the lowest consumption level is not necessarily the best strategy.

Councilmember Wallace said it would be helpful to see the rates per gallon. Mr. Clarke said he will provide that information. Mr. Wallace questioned the rationale for maintaining such large ending and beginning fund balances, which equal 70-80 percent of revenues. Mr. Clarke said those were originally established in anticipation of future capital costs. He said it would be appropriate for Cascade to review those balances.

Deputy Mayor Robertson questioned the strategies to be used to implement cost containment measures for Tacoma water and for future budget items. Mr. Clarke said Cascade is continuing to negotiate with Tacoma on water costs. He acknowledged that this is an appropriate time to reexamine workload/staffing issues, water conservation policies, and other budget factors.

Mayor Lee recalled that the goal of establishing the Cascade Water Alliance was to reduce costs for cities to the extent possible.

Mr. Clarke said the Cascade Board has set a cap on administrative costs of nine percent of the overall budget.

Dr. Davidson stated that these issues are extremely complex. He explained that Cascade must accurately purchase the right amount of water while also developing the program at Lake Tapps. He noted that conservation is working, and certain wholesale suppliers need to sell their water.

Mr. Clarke said that setting rates is always difficult, and the challenge is to identify and eliminate the biggest risks. He believes that Cascade is running as efficiently as possible.

Mayor Lee thanked Mr. Clarke for the presentation and for Cascade's work with Bellevue.

- (2) Update on King Conservation District and King County Flood Control District Regarding Funding for the Watershed Forums (WRIAs)

[Item deferred.]

City Manager Sarkozy noted the number of people in the audience wishing to participate in the Public Hearing and suggested moving to that agenda item.

At 8:30 p.m., Mayor Lee declared a short break. The meeting resumed at 8:42 p.m.

- (d) Second Public Hearing on the 2013-2014 Budget and 2013-2019 Capital Investment Program (CIP) Plan

- (1) Staff Report

Mr. Sarkozy said this is the second of three Public Hearings on the 2013-2014 Budget and the 2013-2019 Capital Investment Program (CIP) Plan. He noted that it is a constrained budget due to the continued economic downturn.

Mr. Sarkozy said the third Public Hearing will be held on November 19.

- (2) Motion to open Public Hearing

→ Deputy Mayor Robertson moved to open the Public Hearing, and Councilmember Stokes seconded the motion.

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

- (3) Public Testimony

1. Kevin Kelly, Bellevue Chamber of Commerce, reported that a member survey identified the top three priorities for the City government as transportation infrastructure and accessibility, attracting and retaining businesses, and public safety. Members indicated 82 percent support for the overall services provided by the City. With regard to the constrained capital budget, 70 percent of survey respondents support projects with the greatest return on investment and value for the community. There was little support for other options such as raising the property tax, other taxes and fees, and issuing bond debt.

The top three projects supported by Chamber members are widening Bellevue Way SE from the Y to I-90, completing the NE 4th Street extension from 116th Avenue to 120th Avenue, and extending NE 6th Street from the I-405 HOV interchange to 120th Avenue NE. Many businesses indicated that they continue to struggle in the slowed economy. Mr. Kelly said the Chamber's position is that budgets should be prioritized to ensure the continued attraction of new capital and talent to Bellevue.

2. Helen Leuzzi, Executive Director for The Sophia Way, described the organization's mission to assist homeless women in transitioning from the streets to independent and purposeful living. She testified that the organization formerly turned away five individuals for every one served. It now turns away 17 women for every one served.
3. Dave Miniken, Bellevue Downtown Association (BDA) Board Member and Chair of the BDA's City Budget Committee, described the BDA's strategic plan to promote a thriving retail destination, attract knowledge workers and innovative companies, and to foster a healthy and vibrant residential community. The BDA believes the City should invest in strategic roadway capacity to relieve congestion and support multi-modal travel choices for a walkable Downtown core.

Mr. Miniken encouraged the City to remain focused on Parks levy projects and to continue to support special community events. The BDA supports moving forward with an update to the Downtown Land Use Code, and public safety remains a top priority. Mr. Miniken said the City budget should continue to support Downtown's role as the Eastside's most vital job center, transportation hub, and magnet for cultural amenities.

Mr. Miniken said the Downtown's population nearly tripled from 2000 to 2010, and the median age dropped from 57 to 34 years old. There are now more than 500 residents under the age of 18 living in the Downtown. Mr. Miniken said it is important to ensure that the community's amenities, infrastructure, and education environment work to support the growing number of families.

4. Diana Thompson, representing Bellevue Network on Aging, commented on the ongoing need for the City's generous support of programs benefiting older adults. A number of services are provided through three major programs: 1) Funding allocations from the Human Services Commission, 2) Programs at the North Bellevue Community Center, and 3) Bellevue Network on Aging services and activities. Ms. Thompson described the

many programs and services available to older adults. She said she wrote an article on elder abuse that was published recently in the *Bellevue Reporter*. She referred citizens to the Bellevue Network on Aging web site for helpful information on services and on the organization's advocacy efforts.

5. Howard Katz spoke on behalf of the North Bellevue Senior Advisory Board and the elder community that uses the North Bellevue Community Center. He recalled that the advisory board was created in 1991 based on the recognition that older adults are in the best position to assess their own needs. He noted that the Northshore Senior Center in Bothell, created by seniors, is considered one of the best in the United States. He asked the Council to continue to support programs for Bellevue's aging population.
6. Marybeth Voss, a parent of Hazelwood Elementary in the Renton School District, spoke to the need for a sidewalk on 116th between SE 64th Street and Newcastle Way. She lives in Bellevue's Newport Hills area, and she and her daughters walk to the school. Ms. Voss noted that the project is ranked 10th of 31 sidewalk projects. She described the unsafe walking conditions and asked the Council to consider making this project a top priority for funding in the next budget.

(4) Motion to close Public Hearing

- Deputy Mayor Robertson moved to close the Public Hearing, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

(5) Council Discussion

Councilmember Balducci requested a Council update on sidewalk project prioritization.

Mayor Lee asked staff to follow up with Ms. Voss and with the earlier speakers (Thomas Koger and Christine Chui) who raised issues about road/pedestrian safety in the Lakemont area.

Councilmember Chelminiak noted the Special Meeting/Budget Workshop scheduled for July 30. He recalled that it had been 14 months since the last update on red light cameras. He requested information on the revenues generated by the cameras, including how much goes to District Court. For the Budget Workshop, Mr. Chelminiak said he would like to see information on utility rates and fees. He would like to have a discussion about the Council's budget priorities as well in the near future.

Councilmember Wallace said that, for the Budget Workshop, he would like to review the policy implemented during the last budget cycle with regard to maintenance and operations costs for capital projects. He would also like a clear statement of the sources, uses, and percentage increases in budget line items from year to year.

(e) Land Use Code Amendment (LUCA) Work Program

City Manager Sarkozy introduced discussion of the Land Use Code Amendment (LUCA) work program.

Mike Brennan, Director of Development Services, opened staff's presentation on the Land Use Code Amendment (LUCA) work program and the Downtown Livability Initiative. In response to Council feedback, staff reformatted the code amendment docket and arranged it into tiers that reflect priorities and the order that staff would initiate work items at Council direction.

Mr. Brennan recalled that the Council was previously presented a proposal for the Downtown Livability Initiative that involves starting the project this year and moving funding within the Capital Investment Program (CIP) to support that effort this year. The strategy is to stay in front of next development cycle as the City contemplates changes to the Downtown Plan.

Carol Helland, Land Use Director, referred the Council to page 3-45 of the meeting packet for Attachment A, 2012 Initiated Amendments to the Land Use Code in Process. These are the Shoreline Master Program Update, East Link light rail transit use regulations, Medical Marijuana collective gardens regulations, and Camp and Conference Center regulations.

Attachment B, page 3-47, lists Tier 1 Top Priorities Recommended for 2013 Initiation. Ms. Helland said these items are necessary due to external timing or to the Council's request. These are simplification of the Council quasi-judicial permit appeal process, Land Use Code clean up, Downtown Livability and Urban Design, and Wireless Communication Facilities code review.

Ms. Helland noted the list of Tier 2 amendments (Page 3-48 through 3-50) of the meeting packet. These include the topic of increased flexibility for interim uses to locate in the Bel-Red area prior to light rail implementation, which was discussed with the Council on July 16. She noted the item regarding FEMA new minimum requirements for participation in the National Flood Insurance Program, which is currently the subject of litigation.

The list of Tier 3 amendments begins on page 3-51. These are generally clean-up amendments or tied to future planning. A list of non-Land Use Code Amendments is provided on page 3-53. Ms. Helland said staff is requesting that the Council initiate an amendment related to high-rise signs, which can be addressed relatively easily within current resources.

Mr. Brennan said the Development Services Department (DSD) works closely with the Planning and Community Development Department (PCD) on the code amendments. The Downtown Livability Initiative is a significant undertaking for both departments.

Chris Salomone, Director of Planning and Community Development, said the reason for coming to the Council mid-year with the Downtown Livability initiative and the attached funding source is primarily related to timing and the economy. He said that at least some in the development community are monitoring this issue in planning their development activity. Mr. Salomone said the work requires hiring a consultant and conducting a fairly extensive public process. He

believes it is important to send the message that Bellevue is prepared for the next wave of development activity. Mr. Salomone said staff recommends hiring a consultant and moving forward with this work this year.

Mr. Brennan summarized that staff is seeking Council direction on whether the Downtown Livability Initiative should be funded and moved forward now or with the 2013-2014 budget. Staff requests that the Council direct the reallocation of the following funds within the current CIP to begin the Downtown Livability Initiative work this year: \$200,000 currently budgeted for Light Rail Station Area Planning and \$150,000 currently budgeted for an Updated Vision for the Pedestrian Corridor.

Councilmember Davidson stated his ongoing philosophy to not preempt the budget process. He questioned the estimated total cost of the Downtown Livability Initiative and how much might be requested for the next budget.

Dan Stroh, Planning Director, said staff intends to complete the work relying on staff resources, with some consultant assistance. However, the total ongoing costs will depend on the final scope of work determined by the Council. Mr. Stroh said staff believes that the work discussed to date can be completed within the current funding request. However, the funds will not cover extensive SEPA analysis should that be required to support certain code changes.

Dr. Davidson expressed concern that addressing building height and zoning would exceed the \$350,000 allocation. Mr. Stroh said a 3-D model of the Downtown was completed approximately one year ago, which will help with the Downtown Livability work.

Councilmember Davidson said he is concerned that the initiative could raise expectations beyond what can be accomplished with available funding.

Mr. Stroh said the intent is to work off existing Comprehensive Plan direction received to date. Staff does not envision changing the Subarea Plan. However, expanding the scope beyond the current parameters defined for the initiative would require further discussion about resources. Dr. Davidson reiterated that he wants to be sure to manage expectations.

Mr. Salomone said staff's anticipated next step is to come back to the Council in September to discuss the guiding principles and the scope of work for the Downtown Livability Initiative.

Deputy Mayor Robertson spoke to the budget issue. Her understanding of the process is that, if the Council decides to move forward with the initiative as a top priority, staff would come back in September as suggested by Mr. Salomone. Once a scope of work is defined, staff would issue a request for proposals (RFP) for the appropriate consultant. Ms. Robertson questioned whether this work could be accomplished without reallocating funds this year, delaying that until the 2013-2014 budget.

Mr. Salomone said staff recommends moving forward now and not waiting until the budget is approved in December in order to get a consultant on board before the end of the year.

Deputy Mayor Robertson said she does not wish to circumvent the budget process. However, she would not object to getting this set up this year in order to be prepared to move forward when the Planning Commission and PCD staff have the capacity to address the work next year.

Councilmember Stokes observed that the community, Council, and staff support the Downtown Livability Initiative. He expressed support for staff's recommended course of action and would like to discuss the scope of work in September.

Mayor Lee reiterated that it is important to move forward with this work to be prepared for the next development cycle. He wants to be sure that the Council understands the full implications of the scope of work.

Mr. Sarkozy recalled that staff and the Council began discussing the Downtown Livability Initiative in March. The budget anticipated a two-step effort for this work: 1) Downtown Transportation Plan and Mobility Update, and 2) Downtown Livability code issues. As with all of the Council's studies, Mr. Sarkozy said staff starts with the Council setting the scope of work. As the work moves forward, the Council will likely modify the project scope based on specific objectives and periodic updates. Mr. Sarkozy noted that setting the initial scope of work in September would be just the beginning of the process.

Mayor Lee acknowledged that the next discussion will set the baseline scope of work.

Responding to Councilmember Chelminiak, Mr. Salomone confirmed that, if the money is not spent now, staff's recommendation would be to roll it into the 2013-2014 budget to address the work items.

Mr. Chelminiak observed that there are development projects waiting to move forward depending on what the City does with the Downtown Livability Initiative and whether new incentive are provided. He recalled that the first major presentation of this initiative was made in 2009. He expressed concern that \$350,000 will not be enough to complete the desired work. He would like the effort to adequately address the future of the Downtown and the development potential.

Mr. Chelminiak expressed support for moving forward as recommended by staff. He believes this is an important economic development component. He opined that high-rise signage cannot be addressed until first addressing the Downtown Livability Initiative work items.

Councilmember Balducci concurred with supporting the recommendation outlined by staff. She noted that the current lull in the economy is a good time to determine what type of development the City wants to encourage and support for the future.

Councilmember Wallace noted that current zoning for Downtown Bellevue resulted in 16 cranes in the air at one time. He observed that the City's current zoning code has been conducive to development and that economic development will be a function of the market versus code

amendments. He noted that a number of projects are underway or nearly ready to break ground under the current zoning code.

As a City Councilmember, Mr. Wallace said he considers the City's budget and work schedule. He noted that a number of complex issues will need the Council's attention following the August recess. He expressed concern about the ability of staff and the Council to adequately address all of the work items.

Councilmember Wallace suggested taking more time to fully develop the scope and plan for the Downtown Livability Initiative. He is also concerned about the challenges inherent in the budget discussions and decisions. Mr. Wallace said he understands Councilmember Davidson's concerns about managing expectations and budget considerations with regard to the Downtown Livability Initiative.

Councilmember Stokes suggested moving forward as recommended by staff for a more detailed discussion about the potential scope of work.

- Deputy Mayor Robertson moved to extend the meeting until 11:00 p.m., and Councilmember Davidson seconded the motion.
- The motion carried by a vote of 7-0.

Responding to Deputy Mayor Robertson, Mr. Stroh confirmed that staff will prepare for a discussion of the scope in September. He opined that, if the Council wants to consider code amendments, the sooner the City gets moving on this initiative, the better able it will be to provide certainty for developers.

Councilmember Balducci said she is ready to move forward now with staff's recommendation in the meeting packet, which is to fund the Downtown Livability Initiative by reallocating \$200,000 currently budgeted for Station Area Planning and \$150,000 currently budgeted for an Updated Vision for the Pedestrian Corridor, in order to begin the Downtown Livability Initiative work this year. She questioned whether the Council should take formal action on this proposed course of action.

Mayor Lee said he would like to determine the scope before giving direction to move forward with the work.

- Councilmember Stokes moved to begin to fund the Downtown Livability Initiative by reallocating \$200,000 currently budgeted for Station Area Planning and \$150,000 currently budgeted for an Updated Vision for the Pedestrian Corridor, in order to begin the Downtown Livability Initiative work this year. Councilmember Chelminiak seconded the motion.

Mayor Lee observed that he is not certain about what beginning the work means at this point.

Deputy Mayor Robertson said that her interpretation of “to begin the work” refers to staff returning in September to set a scope of work with the Council. Staff would then draft the RFP and recruit a consultant. Her expectation is that the only Council work to occur on this initiative before the end of 2012 is to set the scope.

Responding to Deputy Mayor Robertson, Mr. Salomone confirmed that, if the motion is passed, staff will come back to discuss the scope, guiding principles, and the allocation of staff resources.

Ms. Robertson expressed support for the motion.

Councilmember Wallace said it is difficult for him to make a decision on the reallocation without also addressing the overall list of potential code amendments.

→ The motion carried by a vote of 6-1, with Councilmember Wallace opposed.

Mr. Sarkozy summarized that staff hopes to resolve the 2012-initiated amendments (Page 3-45 of the meeting packet), which represent significant work, by the end of the year. Tier 1 priorities (Page 3-47) are recommended for initiation in 2013.

Responding to Councilmember Balducci, Ms. Helland said it is difficult to estimate the amount of work required for many of the code amendment items. The overall effort depends on the public process, staff capacity, competing priorities, support required from other departments, and other factors. Ms. Helland said the Tier 1 items were selected based on past discussions of the Council and, in some cases, community interest.

Responding to Councilmember Chelminiak, Ms. Helland confirmed that Enatai residents and Bridle Trails residents are interested in the wireless communications facilities code item. She said a review and clarification of the code would assist in processing applications.

Councilmember Chelminiak recalled that the Planning Commission, when he was a member, spent a great deal of time on wireless communication facilities and ultimately determined that there is not a lot the City can do to change how the providers deploy their equipment and infrastructure. He questioned the realistic potential for influencing this issue in a substantive way.

Ms. Helland said there is the opportunity to address specific emerging impacts regarding the sale of bandwidth and the type of transmission technology in the future.

Mr. Brennan clarified that, before moving forward with any of the code amendments, staff will present more details on specific items of interest to the Council.

Councilmember Chelminiak suggested incorporating some of the Tier 2 items into the near term. He noted there has been a great deal of interest for a number of years in establishing a

Neighborhood Business code amendment to foster shopping center redevelopment. He would like to see some of these issues addressed, for example, signage regulations.

Mr. Brennan said that staff is presenting the information tonight as a starting point for establishing the work program.

Mr. Chelminiak questioned how and when subarea issues might be addressed, for example, vendor carts in the Downtown.

Mr. Brennan said staff is trying to accomplish the highest priority work, as directed by Council, with the staffing and constrained resources that are available.

Councilmember Wallace concurred with Councilmember Chelminiak's comments. Mr. Wallace said that a Tier 2 issue he would like to address is property in the Bel-Red Plan adjacent to the rail corridor. After hearing recent testimony from the East Beach Volleyball Center, Mr. Wallace said he visited the site. He explained that properties adjacent to the rail corridor, especially off 116th Avenue NE, fall into a steep ravine. He does not see how these sites can ever be anything except industrial land uses.

Mr. Wallace recalled Charlie Klinge's comments that the uses zoned for those properties essentially do not allow for redevelopment. Mr. Wallace said he supports the Bel-Red Plan overall. However, there are instances where it does not appear to work. Councilmember Wallace would like to address the East Beach Volleyball Center issue and to have an opportunity to vote on a solution in the near term.

Councilmember Davidson noted that Ms. Nichols was expecting to go back to Agenda Item 3(c). He suggested deferring that item to another time and letting Ms. Nichols go home.

Deputy Mayor Robertson said she supports the Tier 1 priorities. With regard to wireless communication facilities, she recalled that not only Enatai and Bridle Trails residents have expressed an interest, but Lake Hills residents have expressed concern about a large tower. She supports moving the Bel-Red rail corridor zoning issue raised by Mr. Wallace into Tier 1. She suggested moving the Wilburton and Community Retail Design District Update from Tier 3 to Tier 2.

Referring to the Non-Land Use Code Amendments, Ms. Robertson said she encourages increased flexibility for high-rise signs. She believes this should be looked at as part of the Downtown Livability Initiative, along with a number of other items including vendor carts and helistop regulations. She does not believe that the Council is in agreement about what should be included in the Downtown Livability Initiative.

Deputy Mayor Robertson said she would like to initiate an update to the Noise Code, which is relevant to East Link light rail planning and the Downtown Livability Initiative. This is a top priority for her, especially within the context of the light rail land use update.

Councilmember Stokes expressed support for Tier 1 items and for Mr. Chelminiak's suggestion to address neighborhood shopping centers. He observed that the vendor cart issue is part of the Downtown Livability Initiative. He would like to be able to fit some of the smaller code issues into the work plan as much as possible. Mr. Stokes supports the overall prioritization of code amendments as provided in the meeting packet.

Councilmember Chelminiak summarized that two additions have been proposed: 1) East Beach Volleyball Center and Bel-Red rail corridor properties zoning, and 2) Noise Code Update.

Responding to Mr. Chelminiak, Ms. Helland said the Noise Code review listed in the meeting packet relates to mixed use developments with residential units and not to light rail implementation. Technical amendments referenced in the East Link Memorandum of Understanding will not be addressed this year because staff is focused on land use code amendments related to the permit process as dictated by the MOU. The intent is to enter into a development agreement with Sound Transit in which the Council will stipulate the process, mitigation, and other considerations and regulations.

Referring to the Bel-Red rail corridor issue, Councilmember Chelminiak said the adjacent properties are in an area that is due for transition. He is open to looking at the zoning issue raised with regard to the East Beach Volleyball Center. However, he is not sure that changing the designation as requested will actually solve the problem.

Councilmember Wallace clarified that his comments were not just about the properties being adjacent to the rail corridor, but there is a steep slope and existing uses are industrial in nature. He said he is not suggesting that there needs to be a wholesale review of the Bel-Red land use plan, but there are certain properties that merit a closer review as to how zoning might be applied.

Mr. Wallace noted the Tier 2 item titled Innovative Housing Regulation review and update. He suggested separating accessory dwelling units from that category, which he believes would reduce the potential opposition to the amendment. He would prefer to eliminate accessory dwelling units from consideration entirely.

Councilmember Stokes said that a number of comments and suggestions have been made. He suggested allowing staff to compile a response to issues raised so far and to return with more details for further discussion in the near future.

Mayor Lee observed that none of the amendments will be completed until staff has the time and resources to address them. He said he feels comfortable that the Council can express its priorities and be patient in working through the amendments. However, he feels that Tier 3 items can be discussed at a later date.

Councilmember Balducci said she generally agrees with the Tier 1 priorities. She observed that simplifying the Council quasi-judicial appeal process will free up staff time and resources spent on those issues. She supports addressing wireless communications facilities because they are a

top concern for many residents. In reviewing the overall list, Ms. Balducci said she might support moving to the top of the contingency list any amendments that support economic recovery and/or address emerging trends. As examples, she listed land use chart updates, vendor carts, permit time line and vesting flexibility, and the Neighborhood Business (NB) code amendment to foster shopping center redevelopment. The latter is her top Tier 2 priority. She noted that one issue related to the Newport Hills Shopping Center is the ability to place signage that would attract customers.

With regard to Bel-Red zoning and land uses, Ms. Balducci said she wants to be careful to not get into spot zoning. She also does not want to make changes to the Bel-Red Plan to encourage land uses that will ultimately be phased out of the subarea's plan. She supports looking at health-related recreational uses in at least a portion of the Medical Office (MO) district, specifically the areas noted by Councilmember Wallace. With regard to the current code compliance matter, Ms. Balducci said that process has advanced to the point that it would not be appropriate, or even possible, to try to intervene.

- Councilmember Stokes moved to extend the meeting to 11:30 p.m., and Councilmember Balducci seconded the motion.
- The motion carried by a vote of 4-3, with Deputy Mayor Robertson and Councilmembers Davidson and Wallace opposed.

Deputy Mayor Robertson clarified that this agenda item was scheduled to enable staff to take the Council's input for review within the context of the budget. She hopes that staff can come up with a revised work plan, including her suggested Noise Code amendment, to consider for a later budget.

Mr. Brennan explained that funding is in place to support a certain level of ongoing code amendment work. Staff would not be submitting separate budget proposals for each of the code amendment projects, with the exception of the Downtown Livability Initiative due to its broad scope. If the Council would like to expand the work plan beyond the current capacity, Mr. Brennan said it would be appropriate for the Council to consider additional funding and staffing as desired.

Ms. Robertson said she would like to see budget proposals for some of the key code amendment items to be able to determine whether they will fall above or below the funding line. She would like to facilitate the Council's discussion by listing specific code amendment items in the budget to be considered and prioritized. Mr. Brennan said staff will add that to the budget discussion.

Mayor Lee said he believes the Wilburton and Community Retail Design District item (Tier 3) should be considered more closely to the Downtown Livability Initiative. He suggested moving it to Tier 2.

Councilmember Chelminiak stated his understanding that the Wilburton item is linked to a specific development plan. Ms. Helland said the Wilburton code amendment item is linked to the rezone accompanying the NE 4th Street extension and related design criteria to be developed.

Responding to Mayor Lee, Mr. Brennan stated his understanding of Council direction to move forward with creating the scope of work for the Downtown Livability Initiative and to develop more details about the work that would be needed to define scopes of work for other key code amendment items.

(f) Bellevue Way HOV Lane Concept and NE 15th/16th Street Phasing Strategy

Mr. Sarkozy recalled that Council requested more information on the Bellevue Way HOV lane concept and the NE 15th/16th Street phasing strategy. The first project is included in the Transportation Facilities Plan (TFP) presented by the Transportation Commission, and the second project is not.

Transportation Director Dave Berg opened staff's presentation.

Bernard Van de Kamp, Assistant Director of Transportation, described the Bellevue Way HOV lane project concept. Staff researched the Comprehensive Plan, Southwest Bellevue Subarea Plan, Downtown Subarea Plan, and the 2003 Transit Plan to understand the broader policy context for the area.

With regard to the HOV lane concept, Mr. Van de Kamp said the South Bellevue Park and Ride will be expanded from 519 stalls to 1,450 stalls with the implementation of East Link light rail. The East Link Memorandum of Understanding between Sound Transit and the City last year includes an item to mitigate the impacts of the expanded Park and Ride by adding a southbound HOV lane from the Park and Ride to I-90, as part of the Sound Transit East Link project.

The City's proposed TFP project is to extend the southbound HOV lane north to the Y at Bellevue Way and 112th Avenue SE. Mr. Van de Kamp said this project would reduce traffic delays by approximately one to two minutes. He compared traffic impacts under the No Build and HOV Project Build alternatives.

Environmental considerations include three full residential acquisitions and multiple partial acquisitions because Bellevue Way would be expanded to the west. This would likely cause noise impacts to the remaining residences. Mr. Van de Kamp said that residents living closest to Bellevue Way oppose the project concept. The business community largely supports the proposal.

Mr. Van de Kamp explained that the HOV lane concept is a stand-alone project in the TFP. However, the project could be completed at a much lower cost if built in conjunction with the East Link project. Mr. Van de Kamp recalled previous Council direction in the East Link MOU work plan for further study of shifting Bellevue Way to the west to lower light rail costs and to provide the HOV lane project at a reduced cost. If the Council does not choose that alternative,

the MOU language stipulates that the light rail cost-saving option of relocating the Winters House should be studied further.

Councilmember Balducci thanked staff for the additional information on this proposed project. She questioned whether the purpose of the project is to reduce cut-through traffic along 108th Avenue SE through the Enatai neighborhood. Mr. Van de Kamp said the HOV lane would reduce Enatai cut-through traffic while also shortening traffic delays on Bellevue Way.

Ms. Balducci observed that if tolls are eventually implemented on I-90, and potentially I-405, that will significantly affect traffic along Bellevue Way.

Councilmember Chelminiak expressed concern about the accuracy of predicting driver behavior, noting that 520 tolling was estimated to cause no diversions to Bellevue Way between 4:00 p.m. and 6:00 p.m. Given the current congestion on Bellevue Way leading to I-90, Mr. Chelminiak said he is concerned that adding the HOV lane will result in simply a wider parking lot on the roadway. He said the congestion extends all the way south to the on-ramp at I-90, where traffic is generally at a stop.

Mr. Berg said HOV traffic heading to westbound I-90 will be able to use the HOV lane the whole way. However, traffic wanting to connect to eastbound I-90 will have to merge out of the HOV lane.

Mr. Chelminiak observed that the project, estimated at \$20 million in the TFP, helps 400 cars in a two-hour period.

Councilmember Wallace expressed concern about the potential for significant traffic impacts along Bellevue Way and through the Enatai neighborhood.

Deputy Mayor Robertson asked staff to bring back, after the August recess, an analysis of light rail construction impacts along Bellevue Way. Ms. Robertson observed that the modeling of expected traffic impacts with the Bellevue Way HOV lane project show reduced congestion on SE 8th Street, 112th Avenue SE, 104th Avenue SE, 108th Avenue SE, and Bellevue Way. She believes this reduces cut-through traffic and improves overall mobility. However, she is interested in data on construction impacts.

Councilmember Stokes said he is interested in seeing the benefits of the HOV lane during construction and the full rationale for the HOV lane project. He recalled that if Bellevue Way is not shifted to the west, it is possible that Sound Transit will relocate the Winters House for the light rail project. If the HOV lane project is desired, it will be much less expensive to complete it in conjunction with the light rail project.

Mayor Lee said he supports the project concept in general but is somewhat less enthusiastic after hearing about the benefits. He observed that a potential benefit is to reduce neighborhood cut-through traffic, but Enatai residents do not want the HOV project. He acknowledged that there are mobility benefits over a broader geographic area, however.

- Councilmember Stokes moved to extend the meeting to 11:45 p.m., and Councilmember Chelminiak seconded the motion.
- The motion carried by a vote of 4-3, with Deputy Mayor Robertson and Councilmembers Davidson and Wallace opposed.

Rick Logwood, Capital Projects Manager, provided an overview of the Bel-Red Plan's phasing of infrastructure improvements in the NE 15th/16th Street corridor. Phasing is influenced by a number of factors including permitted and planned development activity, Sound Transit's East Link project and schedule, estimated project costs and revenues, infrastructure investments, and overall long-range planning.

Mr. Logwood described the overall Bel-Red Plan transportation phasing envisioned in 2009, including certain projects that have been completed. He described the updated 2012-2040 implementation plan for the Bel-Red Mobility and Infrastructure Initiative, which now includes the East Link light rail alignment.

Mr. Logwood described the proposed phasing of the NE 15th/16th Street corridor project and the proposed 2013-2019 Capital Investment Program (CIP) allocations for the five zones along the corridor. He noted that acquisition of the former Teledesic site in Zone 1, which is identified in the East Link MOU, contributes toward advancing that future phase of the corridor and is not reflected in the City's TFP.

Responding to Councilmember Stokes, Mr. Logwood provided additional explanation about how the NE 15th/16th Street corridor will develop and connect to the Downtown.

Responding to Councilmember Balducci, staff said the specific configuration of the corridor will be better defined as engineering design moves forward over the next few years.

Ms. Balducci said she has concerns when she hears comments that a development might be ready for construction sooner than later (while other phases of the Bel-Red area are clearly farther into the future), and the developer is indicating that it might have a hard time making and implementing its plan when roadway projects are pending and uncertain in the Bel-Red area.

- Councilmember Wallace moved to extend the meeting by five minutes, and Councilmember Balducci seconded the motion.
- The motion carried by a vote of 7-0.

Councilmember Wallace asked why the Teledesic site acquisition is not in the TFP.

Mr. Berg said the acquisition is listed in the East Link MOU as a commitment, but had not been earmarked as a transportation improvement. He confirmed that the project could be added to the TFP if the Council desires.

Responding to Mayor Lee about Mr. Hempelmann's testimony during oral communications earlier in the evening, Mr. Berg said the intersection of 120th Avenue NE and NE 15th/16th Street would tie into the East Link project to avoid having to rebuild the intersection twice.

Councilmember Wallace proposed a motion to reconsider the previous week's vote on the TFP to add the acquisition project.

Responding to Deputy Mayor Robertson, Mr. Berg said the Teledesic acquisition can be added at a later date. This will not affect the environmental review process for the TFP, which will be completed before the Council takes action on the final TFP.

At 11:52 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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