

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

November 25, 2013
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Stokes, and Wallace¹

ABSENT: Councilmember Davidson

1. Executive Session

At 6:03 p.m., Deputy Mayor Robertson called the meeting to order and declared recess to Executive Session for approximately 20 minutes to discuss one personnel matter.

The meeting resumed at 6:33 p.m., with Mayor Lee presiding.

2. Oral Communications

Mayor Lee recalled action taken on November 4 to temporarily amend Council rules regarding Oral Communications. The Council approved a motion to suspend Council rules to allow the Mayor or Chair to determine the length of time, if any, allotted to speakers based on their frequency of speaking at Oral Communications. Council action on permanent rules will be taken later in the year.

Mayor Lee said the record shows that Alex Zimmerman has spoken 16 times over the past six months and the Council would not hear from him this evening. He said Sam Bellomio has spoken nine times over the past six months and the Council would not hear from him as well.

Responding to Mr. Bellomio's and Mr. Zimmerman's refusal to comply with the Mayor's direction, the gentlemen were escorted from the meeting room.

- (a) Paula Revere said there are events that have affected the Council. She said Puget Sound Energy was taken over by a Canadian firm in order to maintain information in Canada.

¹ Councilmember Wallace left the meeting at 8:21 p.m.

She has an engineering degree and a MBA degree. She said Bellevue is key because most of the medicine being practiced here is Nazi eugenics medicine by a monopoly corporation that destroyed our national hospitals in the early 1920s. Ms. Revere said she has no other venue to present her evidence.

Mayor Lee suggested she present her information in writing. Ms. Revere expressed concern about treason and said that presenting her evidence sequentially is not possible.

- (b) David Plummer spoke to the Puget Sound Regional Council's proposed Growing Transit Communities compact. He requested that the Council postpone any action on this agreement. He expressed concern regarding the limited public involvement throughout the process and noted that less than half of the task force members attended all 18 meetings. He said the draft compact includes many policies that should be reviewed with Bellevue citizens. He asked the Council to consider his November 14 letter to them when they review the compact. He urged them to request that the City Manager develop a plan and schedule for referring the proposed compact to Bellevue citizens.
- (c) Ralph Guditz recalled that he received permits in 2009 to develop six waterfront townhouses on Lake Sammamish. The permits expire August 2, 2014, or will expire in four weeks if he does not have a foundation and footings in that pass inspection. He described the negative impacts of the City's West Lake Sammamish Parkway project on the ability to make progress on his project. He submitted a letter written by his attorney that details the history of the project. Mr. Guditz requested that the expiration of the permit be changed from August 2, 2014 to September 30, 2015.

3. Study Session

(a) Council Business and New Initiatives

Deputy Mayor Robertson recalled that interviews of City Manager candidates were scheduled the previous week. However, the interviews and public event were cancelled after some of the candidates withdrew themselves from consideration.

- Deputy Mayor Robertson moved to reopen the City Manager recruitment process, with posting in early January and a planned hire date in March. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 6-0.
- Councilmember Stokes moved to excuse Councilmember Davidson's absence from the November 25 meeting, subject to extension should he require further time for medical leave. Councilmember Chelminiak seconded the motion.
- The motion carried by a vote of 6-0.

(b) Recap of 2013-2014 Mid-Biennium Budget Update and Discussion of Additional Changes/Information since the November 4 Council Meeting

Acting City Manager Brad Miyake opened discussion regarding the 2013-2014 Mid-Biennium Budget, which was last discussed with the Council on November 4. A public hearing was held on November 18. During the hearing, Visit Bellevue Washington requested \$51,000 in funding assistance for 2014. Staff recommends approval of the request.

Finance Director Jan Hawn recalled that changes in the Mid-Biennium Budget have been discussed with the Council and are limited in nature. She said Visit Bellevue Washington received funding from the City in 2013, which was used to enhance the web site and to expand the distribution of the Bellevue visitors guide for key markets. The new web site went live in April, and visits to the site have nearly tripled. She said the web site has been translated into Chinese. She described overseas advertisements in Chinese cities and the expanded distribution of printed marketing materials in both English and Chinese throughout Washington state and Western Canada.

Ms. Hawn said Visit Bellevue Washington staff will work closely with City staff to conduct research that complements the City's economic development activities.

Councilmember Chelminiak noted the link between the tourism industry and overall economic development. He encouraged approval of the funding request. He believes the organization is doing a good job of drawing attention to Bellevue and generating economic impact.

Councilmember Stokes concurred.

→ Councilmember Stokes moved to fund the request for \$51,000 from Visit Bellevue Washington for enhanced marketing research and implementation. Councilmember Chelminiak seconded the motion.

Councilmember Balducci said she would have preferred to have discussion before the motion. She said some of her comments do not directly address the motion. With regard to the Visit Bellevue Washington request, she said this continues the City's investment from the current year.

Regarding the overall Mid-Biennium update items, Ms. Balducci said she does not fully understand the accounting related to the Local Improvement District (LID) Guaranty Fund.

Ms. Hawn said there is often a buildup of excess monies in the LID Guaranty Fund and the City is authorized under state law to transfer those funds to the General Fund. The two primary reasons for excess funds is financial penalties related to delinquent payments of LID assessments and interest earnings when property changes hands. In the latter, if a property changes hands in the middle of a LID assessment cycle, the City will collect the full assessment and hold that money, which earns interest.

Councilmember Balducci suggested that public safety staffing be fully addressed next year as part of the budget process. In the meantime, she requested information on increasing demands due to annexations and growth.

Responding to Ms. Robertson, Toni Rezab, Budget Manager, said six Police positions were added during the last budget cycle. Ms. Robertson said she would like to discuss Fire Department needs during the next two-year Budget cycle. With regard to Police, she would like to add a digital forensic detective and an investigative detective, and she would like to see the bicycle patrol return to the Downtown.

Ms. Robertson thanked staff for providing additional information on the West Lake Sammamish Parkway project which she previously requested.

Deputy Mayor Robertson expressed support for the motion.

Mayor Lee said he supports the motion. He agreed with the need for reviewing public safety resources due to growth and changes in growth patterns. He encouraged a detailed long-term vision of future resource needs.

Mr. Lee said he appreciates Visit Bellevue Washington's efforts. He would like more information on economic impacts including any increase in hotel occupancies. He suggested increased marketing in more cities in China beyond the largest cities.

Councilmember Stokes said he is interested in metrics as well. He thanked everyone for their work on this initiative. He suggested less formal individual briefings if Councilmembers are interested in specific information.

Councilmember Chelminiak said he supports the budget-by-outcome approach adopted by the City in recent years. However, he said it is also important to understand the budget by functions. He suggested reviewing the 2007 document of short-term, mid-range and long-term financial goals.

Looking ahead to next year's budget process, Councilmember Wallace observed that the Operating Budget is below the ending fund balance, and sales tax increases are higher than average. He suggested setting increased sales tax collections aside to balance against possible decreases in retail sales tax revenues in the future.

With regard to the capital budget, Mr. Wallace said there is still an unresolved \$6.5 million revenue piece in 2015 related to the Sound Transit contribution for the parking garage redevelopment.

For the next budget cycle, Mr. Wallace would like more clarity on projected revenues available for projects. In addition, for capital projects he would like to see itemized lists of the funding sources and uses for each project.

Mr. Miyake summarized that there is Council support for the Visit Bellevue Washington request. He said the Council would like to know more about public safety resources and needs. The Council is interested in budget presentations by functions in addition to outcomes, more information on capital project sources and uses, and restoring the ending fund balance.

Councilmember Wallace said he would like to review actual year-end expenses as well as budgeted amounts.

Mayor Lee believes that next year's budget process should incorporate a community visioning process.

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

Mr. Miyake said Budget adoption is scheduled for December 2. He encouraged Councilmembers to contact staff if they have questions before that meeting.

(c) Regional Issues

(1) Growing Transit Communities Update

Dan Stroh, Planning Director, introduced staff's update on the three-year effort by the Puget Sound Regional Council (PSRC) as part of the grant-funded Growing Transit Communities program. The purpose of the program is to promote walkable and transit-served development as a centerpiece of the regional growth management strategy. He said tonight's presentation is for information only. However, staff is seeking Council feedback on the proposed regional compact, which is a non-binding statement of intent to work to continue to pursue the goals of the Growing Transit Communities initiative. The benefits of the regional compact would be to help establish Bellevue as a regional partner in this initiative, which is tied to potential federal funding. While the compact recognizes the value of regional coordination, each city will retain control over its land use future.

Mr. Stroh said the purpose of the partnership is to leverage the region's investments in transit-oriented development (TOD). He recalled that Councilmember Davidson served on the Oversight Committee for this project. He noted that Mayor Lee had the opportunity to review the work as a member of the PSRC Executive Board.

Paul Inghram, Comprehensive Planning Manager, described studies of the East Corridor which spans from Seattle to Mercer Island, Bellevue and Redmond. The focus of TOD opportunities in Bellevue is on the Bel-Red corridor. Phase 1 of the project reviewed research on best practices, and Phase 2 considered specific strategies for key station areas, including a light rail station and park and ride lot at 130th Avenue NE and Goff Creek in Bellevue.

Mr. Inghram said TOD developments will involve public and private partners. He described the project team's study of conceptual development scenarios and building types. Findings include that a joint TOD and park and ride lot development at 130th Avenue NE appears to be feasible,

and that this would not increase Sound Transit's costs while also stimulating private development. However, there will be challenges with timing and phasing. Bellevue will continue to discuss potential projects with Sound Transit.

Emil King, Strategic Planning Manager, described the regional compact document provided on page 3-79 of the meeting packet. It is a non-binding, voluntary agreement containing vision and problem statements and aspirational goals. It outlines an ongoing regional process and a commitment to continued work. The over-arching goals are to attract residential and employment growth near high-capacity transit and to provide housing choices affordable to a full range of incomes near high-capacity transit.

Mr. King said the regional compact was approved by the Growing Transit Communities Oversight Committee in July and by the PSRC Executive Board in September. It was recently approved by the cities of Kirkland and Everett and by the University of Washington, and is under review by the City of Redmond.

Mr. King said staff is seeking direction to draft a resolution that reflects Bellevue's interests, including maintaining local control over land use, encouraging extensive public participation, and coordinating with local overall policy and planning efforts. Staff will continue to work with Sound Transit regarding integrated park and ride development at the 130th Avenue NE Station area.

Responding to Councilmember Stokes, Mr. Inghram confirmed that staff and the project consultant have looked at similar projects from around the country to guide efforts in this region.

Deputy Mayor Robertson said the 130th Avenue NE Station idea is interesting. She noted that the San Diego system utilizes a number of park and ride lots. She stated her concern about surface parking at 130th Avenue and said she does not want to foreclose a potential increase in park and ride capacity. She believes that adequate park and ride capacity will be key to the success of East Link light rail.

With regard to the Growing Transit Communities compact, she suggested involving the public, as requested during earlier oral communications, in considering the policies and goals. Ms. Robertson said she would like to hear from Councilmember Davidson about the compact as well. She said it is non-binding and aspirational, and she believes this is a good way to engage with partners in regional planning.

Ms. Robertson said she is not convinced regarding the proposed need for a regional TOD committee at PSRC. She noted the existing regional housing committee, Growth Management Policy Board, and Transportation Policy Board address TOD-related policies.

Ms. Robertson observed that every TOD project she has seen involves townhomes or other multifamily housing. She suggested looking at alternatives including cottage housing.

Ms. Robertson said she will support moving forward with adopting the compact with a strong Bellevue-focused resolution.

Councilmember Chelminiak observed that the suggestion for cottage housing falls into the abundant access concept adopted by the Council with regard to transit planning. This relates to how it might be possible to transition certain areas into meeting transit densities while maintaining a single-family neighborhood feel to the areas.

Mr. Chelminiak said he supports much of the language in the compact. He would like attention to developing transportation-related hubs as well at appropriate locations, such as the South Bellevue Park and Ride facility. While transit-oriented development is not possible for this location, it functions as a transportation hub.

Mr. Chelminiak said it will be critical to have sufficient park and ride capacity to support the light rail system. He supports moving forward with action on a resolution endorsing the compact early next year.

Councilmember Balducci said an important goal of the Growing Transit Communities compact is to achieve the highest possible benefit from the large regional light rail investment. She believes the concepts are compatible with Bellevue's planning over many years. She said transparency throughout the process is important in order for the public to understand what this effort really means in terms of future development. She said the compact fits especially well with Bellevue's plans for its Bel-Red corridor.

Responding to Ms. Balducci, Mr. Stroh said City staff envisions public outreach regarding elements of the Comprehensive Plan update and other planning policies that relate to the Growing Transit Communities policies and goals.

Councilmember Balducci said it is important for the public to understand that the proposed outreach in staff's next steps is not about the specific compact language but to address broader policy issues.

Referring to page 3-70 of the meeting packet, Ms. Balducci suggested including the language in the indented paragraph regarding the South Bellevue Station in the City's resolution regarding the compact.

Ms. Balducci said this work includes references to a regional revolving fund for affordable housing development. She questioned whether Bellevue will be involved in creating this mechanism. Mr. Inghram said he is not familiar with the details of PSRC's proposal. However, the Denver area has established a revolving fund that appears to be promising in terms of investing public dollars in a way that leverages other capital investments.

Mr. Stroh said Arthur Sullivan with A Regional Coalition for Housing (ARCH) is involved in the effort to develop the revolving fund model. One goal is to secure key properties early before

property values increase significantly. Mr. Stroh said public money is a small component. The model also involves nonprofits/foundations and bank loans at competitive rates.

Councilmember Balducci said she will support the compact.

Responding to Councilmember Wallace, Mr. Stroh said the purpose of the compact is to document the intent to use the Growing Transit Communities studies and findings going forward as the region continues its transit planning. The compact establishes a framework for continued regional partnership and collaboration but does not bind any party to specific actions.

Councilmember Balducci observed that there is no “owner” of this project and that the compact was developed to express a commitment to continuing to develop related policies and concepts.

Councilmember Wallace observed that the specific origin of the compact is unclear but the City is being asked to endorse it. He questioned the necessity for the document.

Mr. Stroh said it represents a partnership for leveraging the regional high-capacity transit investment. He said it is largely consistent with Bellevue’s Comprehensive Plan. He said the work to date was funded through \$5 million in grants from three federal agencies, and there is hope that additional grant funding will become available for related infrastructure investments.

Mr. Wallace said he still struggles to see the need for the compact. The City is involved in updating its own Comprehensive Plan through next year. He noted a concrete plant across the street from the 130th Avenue NE station and observed that no one will want to live at that location unless the concrete plant closes or moves away. He questioned the ability to achieve anything more than a surface parking lot at this location, especially given competition with other areas including Issaquah, Redmond, South Lake Union in Seattle, and other urban centers.

Mr. Wallace raised the issue of the storm water code. He believes the State Department of Ecology will view the area around the 130th Avenue NE Station as undeveloped forest and will dictate storm water vault requirements accordingly. Private-sector development of the area will not be financially feasible. Councilmember Wallace said it is important to identify projects and goals that could reasonably be achieved instead of lofty goals that might not be realistic. He is not convinced that the compact is needed.

Councilmember Stokes observed that the compact largely reflects Bellevue’s existing planning policies. He suggested that this type of initiative should have a value-added aspect beyond aspirational goals. He concurred with Mr. Wallace’s concerns about whether the compact is realistic in terms of the anticipated impact. He wants to ensure that transit development is not focused so heavily on TOD nodes that it does not provide park and ride facilities and other transit services for users outside of those nodes. Mr. Stokes said he shares Mr. Wallace’s skepticism about the need for the compact. He would like to explore it further to determine the value, if any, of signing the compact.

Mayor Lee said the Bel-Red corridor vision is based on sustainable development principles which are consistent with the Growing Transit Communities concept. His perception of the overall GTC effort is that some communities are looking at how to implement TOD, preferably with the assistance of federal funding. He recalled that, when Bellevue approached the federal government a few years ago for funding toward developing the Bel-Red corridor, the City was referred to the Puget Sound Regional Council. He observed that Bellevue's participation in the compact will help to ensure that it is included in any future federal funding for TOD.

Councilmember Stokes said it would be helpful to better understand the benefits for Bellevue.

Joyce Nichols, Director of Intergovernmental Relations, said that staff, before bringing this topic back to the Council again, will do further work on identifying the benefits, conducting public outreach, and exploring how this could work for Bellevue's benefit.

Mr. Inghram said PSRC is hosting a Growing Transit Communities public event on December 10 at Town Hall in Seattle.

Deputy Mayor Robertson suggested it would be appropriate to include a reference to Surrey Downs in the resolution. She noted that park and ride lots are a form of TOD because they provide access to transit services. She said a robust park and ride system on the Eastside is crucial for effective transit services.

At 8:21 p.m., Mayor Lee declared a short break. The meeting resumed at 8:28 p.m., with Councilmember Wallace absent.

(2) Finalizing 2014 State Legislative Agenda and Statement of Policy

Ms. Nichols noted the revised draft 2014 State Legislative Agenda in the desk packet, as well as the Legislative Statement of Policy provided in the meeting packet. She highlighted the revisions to the documents since the Council's last discussion of this topic.

The 2014 legislative session is a short session beginning on January 13. Ms. Nichols said the City's focus will include protecting current funding and not allowing it to be redirected to K-12 education funding pursuant to the McCleary decision.

Ms. Nichols said the State Legislature continues to work on a transportation package. Bellevue's highest priority is the new I-405 lanes on what is the most congested section of roadway in the state.

Deputy Mayor Robertson acknowledged the Op-Ed piece written by Councilmembers Balducci and Wallace for the *Bellevue Reporter* about the importance of a transportation package. She thanked Councilmember Wallace for going to Olympia the previous week to testify to the Transportation Committee.

Ms. Robertson expressed support for the Legislative Agenda and Statement of Policy.

Responding to Councilmember Balducci, Ms. Nichols said the Solid Waste section of the Statement of Policy was rearranged but nothing was added or removed. Ms. Nichols said that one of the main issues in discussions with King County about transfer stations related to mitigation, which is specified by state law.

(3) Federal Legislative Update

Ms. Nichols noted the draft Federal Legislative Update in the meeting packet.

Councilmember Stokes thanked staff for their exceptional work on regional issues. He said he was reappointed to the Regional Policy Committee, and Councilmember Wallace was appointed to the Regional Water Quality Committee as an alternate.

At 8:46 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

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