

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

September 16, 2013
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: Deputy Mayor Robertson [Absence excused by Council action on 09/09/13]

1. Call to Order

The meeting was called to order at 8:04 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers except Deputy Mayor Robertson were present. Councilmember Davidson led the flag salute.

(a) National Citizenship Day Proclamation

Mayor Lee read a proclamation declaring National Citizenship Day in Bellevue.

Patrick Bannon, representing the Bellevue Downtown Association (BDA), thanked the City for the proclamation. He said the BDA and the City are hosting a Naturalization and Citizenship Ceremony at Bellevue City Hall on September 17.

3. Communications: Written and Oral

(a) Eleanor Schroeder addressed City staff's recommendation to award the solid waste collection contract to CleanScapes. She does not support awarding the contract to Republic Services.

(b) Rich Stoltz, Executive Director of OneAmerica, a statewide immigrant advocacy organization, commended Bellevue for the proclamation recognizing Citizenship Day and thanked the City for hosting the naturalization ceremony. Given Bellevue's increasing

diversity, he believes this is an important time to recognize the contributions of immigrants.

- (c) Sam Bellomio, representing StandUP-America, spoke regarding the responsibility of citizenship, which he believes includes engaging with elected officials. He said King County does not allow the public to participate in their meetings. He said the King County Executive is paid \$50,000 more than the Governor, and the executive branch of King County is paid more than the State's executive branch. He said King County is a corrupt mafia and the City Council is at fault for allowing that to occur.
- (d) Alex Zimmerman, representing StandUp-America, said there is a need to clean up the City's operations that steal taxpayers' money and follow Chinese communist and Nazi Gestapo principles. He said the City has prosecuted him twice in the form of political persecution. He said the government is a democratic mafia that does not represent citizens. He said the King County Council meets 300 days per year and does not allow citizen input. He questioned whether Councilmembers are normal, have a mental condition, or are so stupid they do not understand the use of taxpayers' money.
- (e) Paula Revere said she has failed in getting truth to power using law enforcement. She said America is now being reconquered by the Roman-Greco empire, and she has evidence to prove that. She said the economic crash of 2007 was actually the conquering. When the perpetrators were caught, they repeated that in 2008. She said she has been prevented from showing her evidence. She said the police have picked her up with a witness with her evidence, and they then harbor and taint the witnesses. She said they infiltrate cell phones, and buildings are designed for maximum control of the people. She said the crusades continue and 60 million people who believe in freedom have been killed. She said the planet will again be in the Dark Ages. It will appear that technology has saved the day when in fact people have been enslaved under the thumb of a dominionist few. She said a boss has more power over a person than the government or a spouse.
- (f) Chris Martin, Founder and President of CleanScapes, thanked staff for an outstanding job throughout the entire solid waste contract procurement process. He said CleanScapes has been through 10 procurement processes over the past 10 years, and Bellevue staff are the only ones who spent an entire day visiting their facilities and submitting many follow-up questions. He said CleanScapes' bid was lower than the other bidder, and the company scored higher in the staff evaluations. CleanScapes spent four months of staff time at a cost of \$250,000 conducting extensive due diligence to bid on the contract. Mr. Martin said he has questions about why Republic Services was chosen. He encouraged Councilmembers to read the proposal submittals.

4. Reports of Community Council, Boards and Commissions: None.

5. Report of the City Manager

(a) National Pollutant Discharge Elimination System (NPDES) Western Washington Phase II Permit [Study Session Item 2(b)]

Acting City Manager Brad Miyake noted that this item was carried over from the earlier Study Session. He explained that the National Pollutant Discharge Elimination System (NPDES) Phase II Permit is a federal permit administered by the State Department of Ecology. The new permit requirements became effective on August 1, 2013.

Paul Bucich, Storm and Surface Water Policy and Technical Advisor, noted that the Utilities Department staff's use of the acronym LID refers to low impact development. The NPDES permit is required through the federal Clean Water Act. Its purpose is to protect water quality by reducing pollution discharged from the municipal storm drainage system into surface waters. Phase II permits apply to cities and counties with a population less than 100,000 in the 1990 census. This designation remains the same despite later fluctuations in population. Bellevue is one of 85 Permit II cities and counties in Western Washington.

Mr. Bucich recalled that the City received its first five-year NPDES permit in 2007. On August 1, 2012, the State Department of Ecology (DOE) reissued the first permit extending to July 31, 2013, and issued a new five-year permit extending from August 1, 2013 to August 1, 2018. At the same time, the DOE issued a new 2012 Stormwater Manual. On August 30, 2012, a coalition of Phase II cities appealed certain conditions in the new permit to the State Pollution Control Hearings Board (PCHB).

Mr. Bucich said the new permit retains the first permit's stormwater management program structure and reflects a phased implementation approach. However, it includes additional operational, monitoring, and development requirements with citywide impacts.

Mr. Bucich described the annual Regional Stormwater Monitoring Program (RSMP) fee of \$85,000, which compares to an estimated \$800,000 to \$1 million annual cost for an independent program. The \$85,000 was included in the last budgetary cycle.

The new stormwater management manual requires the use of low impact development stormwater facilities unless proven infeasible. Currently, the City of Bellevue and many other jurisdictions encourage but do not require the use of LID alternatives. The new manual requires cities to amend their stormwater codes by December 31, 2016 to require the use of LID practices.

Mr. Bucich said the requirement to inspect and clean catch basins every four years is changed to every two years under the new permit. There will be budgetary impacts related to this new provision. All catch basins must be inspected and cleaned over the next four years (by August 1, 2017) and every two years after that.

Mr. Bucich said the new permit changes the requirements related to illicit discharge detection and elimination. The City is working with others in the region to address this requirement, which must be completed by December 31, 2017.

Mr. Bucich said the most far-reaching requirement of the new permit is that the City review and revise its citywide regulations to require LID land use management strategies that minimize impervious surfaces and native vegetation loss. This must be completed by December 31, 2016. The goal is to make LID the preferred and commonly used approach to site development. The provision requires the City to review and revise its codes. However, the permit does not set specific metrics.

Mr. Bucich said the process involves an opportunity analysis (2014), the development of options (2015/2016), and amendment of the City Code by December 31, 2016. This effort will include review of the Comprehensive Plan, subdivision and planned unit development (PUD) codes, critical areas and shoreline regulations, Land Use Code, Fire Code, impervious surface standards and limits, landscaping standards, and other standards and guidelines. Mr. Bucich said the development of options will involve the work of a consultant. However, he noted that no consultant has conducted this type of review of all of the codes and practices of a jurisdiction.

Mr. Bucich said that he and Phyllis Varner, NPDES Permit Manager, will be working closely with Catherine Drews, Project Manager, and the multi-department project team. The work will include review by the applicable boards and commissions, public involvement, and final decisions by the Council.

Mr. Bucich said the next NPDES Annual Report is due in 2014. Staff anticipates development of the LID land use principles from 2014 through 2016 and addressing stormwater development codes in 2016.

Responding to Councilmember Wallace, Mr. Bucich said the rule that differentiates areas that already have impervious surfaces from those that do not still exists. Mr. Bucich said there are two components. One involves a direct discharge to a major water body (i.e., Lake Sammamish, Lake Washington) and the other is the 40-20 rule. For the latter, if 40 percent of a drainage basin is impervious and has been for at least 20 years, development is required only to contain and control for new impervious surface.

In further response, Mr. Bucich said City staff has briefly discussed direct discharge areas with the DOE. From staff's perspective, direct discharge involves LID best management practices for water quality treatment. Why would the City want to do LID infiltration and vegetation retention in areas with no flood control? The DOE's response was to ask why the City would not want to do that. Mr. Bucich suggested that the City advocate for maintaining a reasonable approach in cases of direct discharge to water bodies.

Councilmember Wallace said the area west of 124th Avenue and into the Downtown has been impervious surface for years. He said that stormwater is already detained in the Downtown, and new growth will follow the same practice. Mr. Wallace observed that it is not practical to try to implement LID techniques in an urban center when the community is trying to create new housing and other urban development. However, stormwater detention is practical.

Mr. Wallace believes there is a unique opportunity in the Bel-Red corridor to look at regional stormwater plans and potentially LID techniques. However, he suggested considering the approach taken by the City of Redmond in looking at regional stormwater solutions.

Mr. Wallace questioned how the permit requirements affect single-family areas and other areas that are not likely to experience any major development.

Mr. Bucich said there is a list of best management practices for single-family development and redevelopment. With regard to the Bel-Red corridor, Mr. Bucich said that, in areas with sufficient soils, it is generally less expensive to infiltrate than to build large conveyance systems. The bigger change relates to the retention of native vegetation or the installation of vegetation and soil amendments where feasible and practical.

Mr. Bucich said the good news is that the new permit provides an opportunity for the community to decide where and how it wants to implement LID principles. In the Downtown, LID might not be the most appropriate use of land. The City and community will work together to develop an approach to submit to the DOE. There is no right or wrong answer. The intent is to undertake a good faith effort to consider the LID philosophy for the community. Mr. Bucich said the DOE has indicated it will accept the approaches chosen by individual jurisdictions.

Councilmember Wallace observed that one of the bright spots is a programmatic cleaning up of water and the lakes. He said there are definitely programmatic benefits represented by the Shoreline Management Plan.

Mr. Wallace said the requirements appear to be making all development and regulation more expensive. He questioned the impact on household stormwater utility bills.

Mr. Bucich said stormwater rates are likely to be affected by the increased requirements for operations and maintenance. However, cities are looking at different strategies for optimizing what they are already doing in order to minimize the actual resource impact and the fiscal impact to the community.

Responding to Councilmember Davidson, Mr. Bucich confirmed that deep well injection is a technique used in various areas (e.g., Kitsap County). It would typically be used only if the glacial till layer is relatively thin (20-30 feet).

Mayor Lee commented that this is a big project over several years. He wants to be sure that staff keeps the Council and the community informed and involved throughout the process. He wants to be sure that citizens, boards and commissions, and the Council are engaged.

Mayor Lee stated that Bellevue is a leader in storm drainage utilities. He hopes the City receives credit for the practices already in effect.

Councilmember Stokes thanked staff for the presentation and said he appreciates what staff has been doing in working with the Regional Growth Management Policy Board. He believes there

are opportunities to have the best program without significant adverse impacts to the economy. He looks forward to working on this issue with the Environmental Services Commission and would like a briefing to the commission in the near future. He encouraged Councilmembers to meet with staff for more in-depth briefings.

Moving on, Mr. Miyake highlighted Item 8(b) regarding the purchase of two triple-combination pumper trucks and two ladder trucks for the Fire Department. He said these purchases will replace fire equipment that has reached its useful life of 15 years. The purchases are the result of extensive research by both the Fire Department and Fleet Communications personnel to ensure the City is receiving the best value on the most reliable equipment possible.

Mr. Miyake highlighted Item 8(i) regarding the execution of an Interlocal Agreement with the Bellevue School District for the assignment of School Resources Officers. The agreement adds an additional SRO for middle schools, which presents the opportunity to build relationships with students at an early age in the hopes of preventing later problems.

6. Council Business and New Initiatives

Councilmember Balducci participated in meetings of the Sound Transit Executive Board and Sound Transit capital committee, the East Link Open House, and a tour of the planned alignment for the Lynnwood light rail extension. She chaired the Puget Sound Regional Council (PSRC) Transportation Policy Board meeting and represented the City at the kickoff of its project to build an online portal for paying the business and occupation (B&O) tax.

Councilmember Stokes attended a meeting of the King County Regional Policy Committee, which allows public comments, and a meeting of the Eastside Transportation Partnership.

Mr. Stokes said that he and Councilmember Wallace have been involved in meetings regarding the Tateuchi Performing Arts Center.

Councilmember Wallace reported that he toured the Spiritwood neighborhood and met with residents regarding their concerns about home rental practices. He said they are pleased with the City's responsiveness to their concerns, and he thanked Councilmember Chelminiak for helping to push this through.

Mr. Wallace attended a meeting of the Eastside Transportation Partnership, which included a presentation on tolling. With regard to regional tolling, there was a discussion about whether it is appropriate to look at I-405 as a full freeway toll as opposed to a HOT lane toll. There is a study looking at the advantages, disadvantages and options. He questioned, on behalf of ETP, whether the Council would request that the Puget Sound Regional Council (PSRC) take a look at the full freeway toll option as a potential for the future.

Councilmember Chelminiak said he attended meetings with staff regarding the Capital Investment Program (CIP) and the funding issues with the Bellevue Convention Center Authority related to Meydenbauer Center. He attended an event to host the Ambassador from

India, and he thanked the Mayor for handling that event and coordinating a meeting with the Ambassador and Governor Inslee.

Councilmember Davidson reported that he and Councilmember Chelminiak attended the King Conservation District meeting. Dr. Davidson attended meetings of the Puget Sound Salmon Recovery Council monitoring adaptive management subcommittee, Sound Cities Association (SCA) public issues committee, and the Cascade Water Alliance. He attended the event in honor of the Ambassador from India.

Mayor Lee thanked the City Manager, Economic Development Manager Tom Boydell, and other staff for their work on the India Ambassador reception. Mr. Lee attended a joint meeting of the City's boards and commissions and, with Councilmember Balducci, the Lake Hills community open house.

Mayor Lee reported that he attended the Mexican Consul General's reception to celebrate Mexico's Independence Day, the Aki Matsuri event, the opening of the dual language (Chinese immersion) program at Bellewood Elementary School, and the Miss Chinese Seattle Scholarship Pageant. Mr. Lee attended the National Day of Service and Remembrance event on September 11 and the Mayors Lunch sponsored by Leadership Eastside.

Mayor Lee met with U.S. Congressman Adam Smith to discuss the sustainable communities initiative. Mr. Lee said he and Councilmember Chelminiak attended the kickoff event for the development of the Spring District in the Bel-Red corridor.

7. Approval of the Agenda

- Councilmember Chelminiak moved to approve the agenda, and Councilmember Davidson seconded the motion.
- The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

- Councilmember Chelminiak moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:
 - (a) Minutes of January 24-26, 2013 Special Meeting - Council Retreat
Minutes of July 31, 2013 Special Meeting
 - (b) Resolution No. 8624 authorizing execution of a purchasing agreement with Pierce Manufacturing, Inc., in an amount not to exceed \$3,670,248.37, to purchase two triple combination pumper trucks and two tracker-drawn aerial (ladder) trucks for

Fire Department use.

- (c) Resolution No. 8625 authorizing: 1) execution by the 401(a) Plan Committee Chair of Amendment No. 4 to the 401(a) Money Purchase Plan terminating said Plan; and 2) the 401(a) Plan Committee Chair to take all other necessary or appropriate actions to terminate the Plan.
- (d) Resolution No. 8626 authorizing execution of a two-year service agreement with Integra Telecom, with two one-year options to renew, in an amount not to exceed a total of \$403,000, to provide consolidated Telecommunications and Internet services.
- (e) Ordinance No. 6125 amending Ordinance No. 6083 to reflect the amendment of the 2013 and 2014 grant amounts to Congregations for the Homeless - Drop In Center, in an amount not to exceed \$49,450.
- (f) Resolution No. 8627 authorizing execution of a professional services agreement with MacLeod Reckord Landscape Architects, in an amount not to exceed \$879,494, for landscape architectural, engineering, and site design services to complete an additional construction phase of the Bellevue Downtown Park.
- (g) Motion to waive a minor bid irregularity and award Bid No. 13179 to Prime Electric, as the lowest responsible bidder, in the amount of \$253,806.15, to provide and install an Audio/Video (AV) System in the Bellevue Youth Theatre (BYT) at Crossroads Community Park.
- (h) Resolution No. 8628 authorizing execution of a Parking Lot Easement Agreement with Advanta Office Holdings LLC for offsite parking to support Bellevue Airfield Park.
- (i) Ordinance No. 6126 authorizing execution of an amended Interlocal Agreement with the Bellevue School District for the assignment of a maximum of six School Resource Officers (SRO) to be stationed at Bellevue high and middle schools during the 2013-2014 school year; amending the 2013-2014 General Fund revenue budget by \$167,787; and adding an officer FTE to the Police Department authorized Patrol position total as backfill for the SRO.
- (j) Motion to extend the existing Eastside Transportation Partnership (ETP) Agreement to the end of 2015.
- (k) Resolution No. 8629 authorizing execution of Amendment #4 to the Interlocal Agreement between the Washington State Department of Transportation (WSDOT), for the acquisition of rights-of-way for pedestrian and bicycle improvements along Northup Way (GCA 6668, SR 520 Interim Regional Pedestrian and Bicycle Path).

- (l) Motion to award Bid No. 13095, Mid-Block Crossing, NE 8th Street at Crossroads Park to NPM Construction Co., as the lowest responsive and responsible bidder, in the amount of \$205,968.50 (CIP Plan No. PW-M-2).
- (m) Resolution No. 8630 authorizing approval of payment in the amount of \$45,434.51 for a Release of All Claims in final settlement of a claim against the City for property damage to the Morrison residence caused by a wastewater system failure.
- (n) Resolution No. 8631 authorizing the City Manager or his designee to execute a First Amendment to the Interlocal Agreement between a Coalition of Government Agencies consisting of Auburn, Bainbridge Island, Bellevue, Bothell, Bremerton, Burlington, Camas, Des Moines, Everett, Ferndale, Issaquah, Kelso, Kent, Kirkland, Longview, Lynnwood, Mount Vernon, Poulsbo, Renton, Sammamish, SeaTac, Snoqualmie, Sumner and Cowlitz County related to joint administration of and cost-sharing for legal representation to challenge the Phase II National Pollutant Discharge Elimination System ("NPDES") Permit issued on August 1, 2012, and authorizing execution of an Amendment to the Agreement for Professional Services between the City of Bellevue as lead agency for the Coalition and Foster Pepper PLLC, for a total contract amount of \$635,000 for fees and costs associated with legal challenges to the NPDES Phase II Permit issued by the State Department of Ecology.

9. Public Hearings: None.

10. Land Use

- (a) *Consideration of the application of Kelsey Creek Center seeking to expand the list of allowed Service uses approved at the site and to modify the procedure for allowing certain Recreation uses. The amendment would permit uses of less than 10,000 square feet for personal services, finance, insurance and real estate. No changes to development standards applicable to the Community Business District, Community Retail Design District, or Transition Area Design District are a component of the rezone. No new physical development is sought. The Kelsey Creek Center site is 15.23 acres located at the south east corner of 148th Avenue SE and Main Street, which is located within the jurisdictional area of the East Bellevue Community Council.

Ordinance No. 6127 approving the rezone application of Kelsey Creek Center, LLC, to repeal the prior concomitant agreement, as amended, governing the allowed uses at Kelsey Creek Center and to replace it with a new concomitant zoning agreement relating to approximately 16 acres located at the corner of 148th Avenue SE and Main Street, with conditions.

Councilmember Wallace recused himself and left the table at 9:27 p.m.

Acting City Manager Brad Miyake recalled that this item was discussed with the Council the previous week. He noted it is a quasi-judicial matter for the Council. Ordinance No. 6127 approves the rezone application of Kelsey Creek Center to establish additional allowed uses.

Mike Brennan, Director of Development Services, said the proposed change would include expanding the list of allowed uses to include personal services, finance, insurance, and real estate uses. No changes are proposed to development standards.

→ Councilmember Balducci moved to adopt Ordinance No. 6127, and Councilmember Chelminiak seconded the motion.

→ The motion carried by a vote of 5-0, with Councilmember Wallace recused.

Councilmember Wallace returned to Council Chambers.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications

Alex Zimmerman, StandUP-America, suggested that the Mayor speaks too much in meetings, which Mr. Zimmerman believes is related to the upcoming election. Mr. Zimmerman said he would like the City Manager to host a question and answer session every month to listen to citizens and share his or her perspective.

14. New Business

- (a) Review ARCH (A Regional Coalition for Housing) report: Evaluation of Projects Funded by ARCH Members; and consider modification of City loan terms for Pacific Inn Apartments.

Mr. Miyake said the purpose of the agenda item is to: 1) Review the new monitoring process for the ARCH (A Regional Coalition for Housing) portfolio, and 2) Request the Council's consideration of modifying the terms of the 1996 Pacific Inn Apartments loan agreement.

Dan Stroh, Planning Director, said the new ARCH monitoring process was developed with input from a number of stakeholders and funders. He said staff will present the proposed modification to the Pacific Inn loan agreement tonight in anticipation of requesting Council action in the coming weeks.

Arthur Sullivan, ARCH Program Manager, referred the Council to the report provided in the meeting packet: Evaluation of Projects Funded by ARCH Members. The ARCH Executive Board has reviewed the report and endorsed staff moving forward with implementing the steps identified in the report. A description of the annual review process is provided at the end of the report [Page 14-21 of the meeting packet]. Potential strategies for enhancing the long-term viability and sustainability of projects are provided on page 14-20.

Councilmember Wallace said he appreciates the evaluation process and the Pacific Inn proposal, which he believes provides a beneficial structure for moving forward.

Mayor Lee said Pacific Inn Apartments have proven to be an asset for the community. He noted that the property has had the same owner since the loan was issued in 1998. He supports modifying the loan agreement as proposed.

Councilmember Davidson commented that the Pacific Inn project had a bumpy start but it has successfully moved forward due largely to Mr. Sullivan's efforts.

Councilmember Stokes expressed support for the monitoring process. Responding to Mr. Stokes, Mr. Sullivan referred to the summary of the Pacific Inn property and proposed financing modification on page 14-25 of the meeting packet. The project was developed through a special initiative for downtown housing. The project has 118 furnished affordable housing apartments (studios and loft bedroom units).

Mr. Stokes said the proposed modification to the Pacific Inn loan agreement extends the deadline for the balloon payment by four years. The owner has agreed to make an additional minimum \$40,000 annual payment toward principal starting in 2013 to pay off the loan quicker. The ARCH Executive Board recommends that any change in the partner or any refinancing would trigger a repayment of the City loan.

→ Councilmember Chelminiak moved to approve staff's recommendation for modifying the loan terms for the City's loan to Pacific Inn Apartments. Councilmember Stokes seconded the motion.

Mr. Stokes recalled when the project was developed and said he is glad to have this affordable housing for downtown workers.

Councilmember Wallace observed that the debt is well secured, as the property is worth more than the debt on it.

Responding to the Mayor, Mr. Sullivan said the average occupancy rate is 90 percent.

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

15. Executive Session: None.

16. Adjournment

At 9:46 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw