

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

December 10, 2012
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:14 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

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

(a) Presentation of Liepaja Flag by Ligita Pudza

Inta Gotelli, representing the Bellevue Sister Cities Association, introduced Ligita Pudza from Liepaja, Latvia. Ms. Gotelli invited the Council and the public to a celebration of the 20-year Sister City relationship with Liepaja on December 14 at City Hall.

Ms. Pudza commented on how much Bellevue has changed since her visit in 1994. She said City of Liepaja staff have learned a great deal through staff exchanges over the years with Bellevue staff in the areas of public outreach, fire safety, transportation, and others. As a sign of appreciation, she presented the City Council with the Liepaja flag.

Mayor Lee extended his appreciation to the City of Liepaja for its relationship with the City of Bellevue. He welcomed Ms. Pudza to Bellevue and wished her well.

3. Communications: Written and Oral

(a) Chris Benis spoke in support of the Lorge-Benis Comprehensive Plan Amendment proposal [Agenda Item 11(b)].

(b) Robert Thorpe spoke in favor of the Lorge-Benis CPA proposal and presented written draft conditions regarding the potential redevelopment of the site.

- (c) Kent Bumgarner, a resident of Horizon View Division C which was recently annexed to the City of Bellevue, recalled that he spoke to the Council last year to request a pre-annexation rezone. He noted that the proposal is presented this evening under Agenda Item 11(a). He said the proposal complies with the neighborhood's covenants and will benefit the area. Mr. Bumgarner thanked Nicholas Matz, Senior Planner, and Heidi Bedwell, Associate Planner, for their work on this request.
 - (d) Terry Foulon noted her ongoing concerns regarding water quality and stormwater discharge at Newcastle Beach Park. She said she has submitted at least a dozen public information requests to the City over the past two to three years and has talked with City staff. She submitted a written request for information on four specific documents and requested clarification regarding the ownership/responsibility for discharge pipes. Ms. Foulon submitted her request in writing.
 - (e) Dr. Clark Blanchard said he currently leases property owned by Dr. Sherwood which is adjacent to the Lorge-Benis properties. He has been working as a dentist on the site for 25 years. He spoke in opposition to the changes proposed by the Lorge-Benis CPA application. He believes it will jeopardize the viability of his practice and access to his office.
 - (f) Dr. Sherwood spoke in opposition to the Lorge-Benis CPA proposal and described the negative impacts to his property. He believes the current professional office (PO) zoning is the correct designation.
 - (g) John Lorge said he has been working as a chiropractor in the Factoria location since 1988. He spoke in favor of the Lorge-Benis CPA proposal.
 - (h) Bill Popp noted that gas prices are decreasing and he believes they are likely to continue to do so. He spoke in favor of increasing the State gas tax to fund the I-405 Master Plan and other transportation projects. This would eliminate the need for tolling and encourage the purchase of fuel-efficient vehicles. He encouraged the Council to revise its Transportation Revenue Interest Statement to encourage an increase in the State gas tax. Mr. Popp submitted his comments in writing.
4. Reports of Community Council, Boards and Commissions: None.
5. Report of the City Manager: None.
6. Council Business and New Initiatives
- (a) King County Parks Levy Task Force

City Manager Steve Sarkozy recalled that the Council was briefed on September 24 regarding the King County Parks Levy that is set to expire at the end of 2013. On November 19, the Council provided comments and direction to staff to prepare a draft letter to the King County Executive articulating Bellevue's perspective on the recommendations of the King County Parks

Levy Task Force. An updated draft letter is provided in the Council's desk packet. Staff is seeking Council approval in order to transmit comments to the King County Executive before he makes his recommendations to the King County Council.

Deputy Mayor Robertson observed that the letter captures the Council's previous discussions.

→ Deputy Mayor Robertson moved approval of the letter to the King County Executive, as provided in the Council's desk packet. Councilmember Stokes seconded the motion.

Councilmember Davidson expressed concern regarding the cumulative impact of ballot measures including the veterans and human services levy, emergency medical services (EMS) levy, and the property tax increase related to the King County Flood Control District. Dr. Davidson said Bellevue residents pay more in property taxes to King County than they do to the City. He observed that this is not mentioned in the draft letter. While Bellevue is not increasing its own property tax, any support of King County levies supports property tax increases.

Councilmember Chelminiak concurred with Councilmember Davidson that this is an important fairness issue, and County property tax levies take more money from higher valued communities. He suggested finding a way to work with King County to help identify funding sources and funding formulas.

Councilmember Stokes said he agrees with the previous comments. He fully supports the draft letter, but observed that there is a need to address overall King County issues separate from dealing with an immediate problem. Mr. Stokes said King County is changing rapidly and needs to look at ways to fund its obligations. He asked that the City Manager and the Mayor help to focus the Council on how to address this and other financial issues for the long run.

Councilmember Wallace said he does not support the draft letter because it is not encouraging the County to live within its means as Bellevue and other local governments are doing. He reminded the Council that King County has transferred a number of park facilities to cities, including Bellevue, and is now wanting to replace and expand the previous levy rate. He expressed concern regarding the potential property tax impact of other issues including public education. Councilmember Wallace said he cannot support the letter.

Dr. Davidson said he requested but has not received information on how King County intends financially to meet its ongoing needs. He will not support the proposed letter.

Mayor Lee observed that this is another example of something the Council talks about and is now coming back for further consideration. He questioned whether staff wanted to comment on the matter. Otherwise, he suggested voting on the motion.

City Manager Sarkozy said the letter is presented for Council review and action.

Mayor Lee believes the City should be pragmatic and participate in attempting to influence decisions on County issues.

Dr. Davidson suggested taking a neutral position on the levy and expressing concerns about property taxes and the County's ability to continue to fund services.

Councilmember Stokes observed that passage of the levy will benefit Bellevue citizens. Key projects include the BNSF trail corridor. He believes it is important for the City to be at the table. He fully supports the letter as well as efforts to address the County's financing issues.

Councilmember Chelminiak suggested moving forward with a vote. He wondered whether the Council is getting ahead of itself in terms of the formal process of taking a position on a ballot measure.

Ms. Nichols said the comments in the draft letter are to be sent to the King County Executive. The Executive has not yet forwarded any legislation or recommendation to the King County Council, however. Once there is a recommendation about a specific ballot measure, the City Council will need to follow a specific process.

Councilmember Davidson reiterated that perhaps this is the appropriate time to express the Council's concerns and perspectives.

→ The motion to submit the comment letter on the King County Parks Levy Task Force's recommendations carried by a vote of 5-2, with Councilmembers Davidson and Wallace opposed.

(b) Council Business

Councilmember Chelminiak reported that he and Councilmember Wallace attended the joint meeting of the Parks and Community Services Board and the Human Services Commission. Mr. Chelminiak said he met with advocates from the bicycling community regarding the Northrup Way project. Mr. Chelminiak attended the Eastside Human Services Task Force meeting and the Eastside Chamber of Commerce reception for elected officials.

Councilmember Davidson said he attended a function hosted by the Japan Consulate-General office. He attended meetings of the Regional Water Quality Committee and the Puget Sound Partnership's Leadership Council. Dr. Davidson is Vice Chair of the Puget Sound Salmon Recovery Council, which is a member of the Puget Sound Partnership. He attended the Public Officials of Washington State reception hosted by the City of Seattle.

Deputy Mayor Robertson highlighted a meeting she had with representatives of human services organizations who are advocating for a county-wide increase to the sales tax to contribute toward human services and public safety. She has been told that six County Councilmembers are determined to see this enacted by 2014, and it is one of the top two County Council state legislative agenda items for the upcoming session.

Councilmember Balducci reported that she and Councilmember Davidson represented the City at the season's first lighting of Bellevue Botanical Garden's Garden d'Lights exhibit. She served as a judge for the Gingerbread Lane competition which raises money for the KidsQuest Museum.

Winners included Republic Services, Edge Concrete Construction, the Eastside Heritage Center, and Umpqua Bank. Ms. Balducci said she attended transportation-related meetings as well as additional holiday events.

Councilmember Stokes attended the KidsQuest Gingerbread Lane event. He and Councilmember Chelminiak attended the State of Bellevue presentation by Mayor Lee before the Bellevue Downtown Association (BDA). Mr. Stokes attended meetings of the East Link MOU Leadership Group and the Eastside Pathways partnership.

Councilmember Wallace encouraged everyone to see the documentary *Rape for Profit*, currently screening at Lincoln Square, about human trafficking in this area. He will be meeting with Emily Leslie, Human Services Manager; Police Chief Linda Pillo; and representatives of the human trafficking prevention effort to determine what more can be done to address this important issue.

Mr. Wallace said he was pleased to see a good turnout of Eastside elected officials at the Seattle reception.

Mayor Lee congratulated Bellevue High School's football team for winning the State Championship. Dr. Davidson said the team is ranked second nationally.

Mayor Lee presented the State of Bellevue message at the Bellevue Downtown Association function. He reported that he attended the National League of Cities conference, which will be held in Seattle next year.

Mayor Lee wished everyone a happy holiday season. He said it has been a rewarding year serving as Mayor. He commended the Council and staff for developing and approving the budget. Mayor Lee thanked Deputy Mayor Robertson for her service and assistance.

7. Approval of the Agenda

→ Deputy Mayor Robertson moved to approve the agenda, and Councilmember Chelminiak seconded the motion.

→ The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

→ Deputy Mayor Robertson moved to approve the Consent Calendar, and Councilmember Chelminiak seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved.

- (a) Minutes of November 13, 2012 Extended Study Session

- (b) Resolution No. 8490 authorizing execution of a four-year administrative services agreement with Flex-Plan Services, in a total contract amount of \$90,000, for flexible spending account and Section 125 plan administration for 2013 - 2016.
 - (c) Resolution No. 8491 authorizing execution of a one-year administrative services agreement with Premera Blue Cross as Third Party Administrator, in the amount of \$615,000, to administer the City's self-insured medical and prescription drug benefit programs for 2013.
 - (d) Resolution No. 8492 authorizing execution of a four-year general services contract with Karie Underwood, in an amount not to exceed \$180,000, for group exercise and personal trainer instruction at the South Bellevue Community Center.
 - (e) Ordinance No. 6094 establishing a "No Parking, Stopping, Standing" restrictions on the north side of the 16600 and 16700 blocks of NE 32nd Street fronting Ardmore Elementary School.
 - (f) Motion to award Bid No. 12218, 112th Avenue NE Sidewalk to Trinity Contractors, Inc., as the lowest responsible and responsive bidder, in the amount of \$130,957.00. This project will construct a missing section of sidewalk, curb and gutter on the west side of 112th Avenue NE, south of NE 24th Street to improve pedestrian access in the area (CIP Plan Nos. PW-W/B-56, PW-R-46 and CD-22).
9. Public Hearings: None.
10. Land Use: None.
11. Other Ordinances, Resolutions and Motions
- (a) Ordinance No. 6095 rezoning properties within Horizon View C from R-3.5 to R-2.5 land use designation; and establishing an effective date.

City Manager Sarkozy introduced staff's presentation regarding the rezone proposed by Ordinance No. 6095.

Heidi Bedwell, Development Services, and Nicholas Matz, Planning and Community Development, provided the staff report.

Mr. Matz recalled that the Council reviewed and expressed support for the requested rezone during May 21, 2012, annexation actions.

Councilmember Davidson asked whether any members of the Horizon View C community object to the proposed rezone.

Mr. Matz said staff spoke with all property owners and eventually reached a general consensus, despite certain concerns that were discussed.

Diane Tebelius, Vice Chair of the Planning Commission, said the Commission recommends by a 7-0 vote that the City Council approve the area-wide legislative rezone of the Horizon View C plat from R-3.5 to R-2.5. Ms. Tebelius said that no opposition to the proposal was presented during the Planning Commission's hearing.

Noting the overwhelming support of residents and the Planning Commission, Deputy Mayor Robertson said she supports the rezone as well. She attended the Commission's meeting in which the public hearing was held.

Ms. Robertson thanked the Planning Commission, Ms. Bedwell, and Mr. Matz for their work with the community.

→ Deputy Mayor Robertson moved to adopt Ordinance No. 6095, and Councilmember Stokes seconded the motion.

Responding to Councilmember Balducci, Ms. Bedwell confirmed that the rezone does not create any non-conforming properties.

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

- (b) Ordinance No. 6096 relating to the Comprehensive Plan of the City, as required and adopted pursuant to the Growth Management Act of 1990, as amended (Chapter 36.70A RCW); and as adopted pursuant to Chapter 35A.63 RCW, adopting the City's 2012 amendments to the Comprehensive Plan; and establishing an effective date.

Mr. Sarkozy introduced the agenda item.

Paul Inghram, Comprehensive Planning Manager, recalled previous discussions by the Council regarding the privately initiated Lorge-Benis Comprehensive Plan Amendment (CPA).

→ Councilmember Davidson moved to deny Ordinance No. 6096 and the proposed Lorge-Benis CPA. Deputy Mayor Robertson seconded the motion.

Responding to Councilmember Chelminiak, staff referred to Section 2 of the proposed Ordinance [Page 11-24 in the meeting packet] which prohibits retail uses within the CB (Community Business) designation at the Factoria Boulevard/Newport Way commercial node.

Mayor Lee asked staff to comment on the proponents' statements that not rezoning the property interferes with their economic opportunities for the site. He asked whether the property owners would be able to improve and increase economic return under the current PO (Professional Office) designation.

Mr. Inghram said City staff has had discussions with the property owners for a number of years regarding a variety of land use combinations. The CB designation provides a larger development envelope (i.e., larger building), which presumably would have a greater economic return. The PO designation contains the category of uses that the City has determined in the past to be appropriate for the site. The PO zoning does provide some ability to redevelop under the applicable dimensional and use standards.

Responding to Councilmember Wallace, Mr. Matz said the FAR (Floor-Area ratio) limitation applies to the office (O) zoning designation but not to how the Comprehensive Plan defines professional office (PO). It does not apply to the building overall or to other use categories outside of the defined office (O) category. In further response, Mr. Matz said if the CPA is approved, redevelopment would require a separate rezone action and construction action, which would require SEPA review and building permit applications.

Councilmember Wallace observed that this is different than the City of Seattle's process. He said that redevelopment of the South Lake Union area has been facilitated by the ability to complete contract rezones and to have flexibility within these cumbersome processes.

Returning to the Lorge-Benis proposal, Mr. Wallace summarized that the property owners would still have a number of hurdles before redevelopment would occur if the CPA is approved. He recalled that a number of concerns have been raised by Dr. Sherwood as well.

Deputy Mayor Robertson said the Lorge-Benis site is small and on a steep slope, and one of the property owners (Sherwood) is opposed to the proposed CPA. While she would like to see the site redeveloped into larger and updated office buildings, she believes that PO is the appropriate zoning. She observed that changing the designation to CB would be inconsistent with the Comprehensive Plan. She does not believe that the criterion of changed circumstances has been met, and she will support the motion to deny the CPA ordinance.

Councilmember Davidson spoke to his motion to deny the CPA. He referred to Attachment A, page 11-19 of the meeting packet, which compares the PO designation with the CB designation. He observed that none of the permitted uses of the CB designation, except for office, are appropriate for the site.

Councilmember Stokes spoke against the motion to deny the CPA. He said this is a difficult site, and he believes that the applicants' proposal is a rational, progressive approach to redevelopment in the area. He sees this as a unique property and does not believe that approving the CPA would create a precedent for properties across the street. Mr. Stokes opined that redevelopment would enhance Dr. Sherwood's property adjacent to the Lorge-Benis parcels.

Mayor Lee spoke in support of the motion to deny the CPA. He said this is a small site and he does not believe that a change in zoning designation would have a significant impact in terms of economic development. He said he is looking at whether the request addresses the needs of the broader community. He believes that the PO designation is providing needed office-based services.

Councilmember Balducci said that both sides present a compelling case with regard to the CPA proposal. However, she will not support the motion to deny the CPA. She noted that the property owners have made several CPA applications. If there was a financially beneficial way to redevelop the property under the current zoning, she believes that would have been done by this point.

Ms. Balducci acknowledged that one property owner is opposed to the CPA proposal. However, she believes there is the potential for a redevelopment scenario that would benefit all property owners. She expressed concern that CPAs will continue to be submitted for this site. She suggests instead addressing it as a unique site and imposing specific conditions that will not set a precedent but will allow redevelopment to occur.

Dr. Davidson said he appreciates the discussion. He observed that the PO designation has been conducive to development and viable businesses.

- Councilmember Chelminiak moved to extend the meeting for five minutes, and Ms. Robertson seconded the motion.
- The motion carried by a vote of 7-0.

Councilmember Chelminiak said that Councilmember Wallace makes good points about the process and how it could be streamlined. However, Mr. Chelminiak said he concurs with Dr. Davidson that the additional permitted uses under CB zoning are potentially problematic. He observed that professional office uses are appropriate for the site. Councilmember Chelminiak said he will support the motion. However, he acknowledged the underlying issue of working to develop options and/or flexibility to encourage redevelopment.

Responding to Deputy Mayor Robertson, Mr. Inghram said the applicant could pursue a variance on the site for some of the setback dimensions under the current PO zoning. He acknowledged that approval of a variance would be a challenge, however.

- The motion to deny Ordinance No. 6096 and the Lorge-Benis CPA proposal carried by a vote of 4-3, with Councilmembers Balducci, Stokes and Wallace dissenting.

(c) Final Discussion and Proposed Action on Revised Draft Transportation Revenue Interest Statement

Mr. Sarkozy suggested deferring this item until the state legislature issues a proposed revenue package for the Council's review and response. The legislative session begins on January 14, and the Council's annual Legislative Breakfast is scheduled for January 3.

Councilmember Balducci said that other elected bodies and organizations are developing their legislative positions now instead of waiting for a proposal to react. However, she agrees that it is too late to discuss the item tonight.

Responding to Mayor Lee, Mr. Sarkozy said the draft interest statement, based on the Council's discussion to date, is provided in the meeting packet.

12. Unfinished Business: None.

13. Continued Oral Communications

Dr. Cole Sherwood expressed concern regarding the Comprehensive Plan Amendment (CPA) process. He questioned staff's responsibility and how the City initiates parallel investigations of buildings to determine whether they should be CB or PO. He suggested that an economic analysis should be developed to compare the two uses for a particular site. Dr. Sherwood observed that the process does not seem fair to the proponents. It also does not seem fair for him to have to react to a proposal by another property owner. He acknowledged that the City should have an interest in properties that generate tax revenues. Dr. Sherwood said his building is compatible with the adjacent high school. If the PO designation would allow a two-story building, he can envision a positive redevelopment. Dr. Sherwood said the current approach to CPA applications and review does not seem adequate to address this situation.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 10:11 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw