

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

May 5, 2014  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

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

ABSENT: Councilmembers Lee and Robertson

1. Executive Session

Deputy Mayor Wallace called the meeting to order at 6:02 p.m., and declared recess to Executive Session for approximately 10 minutes to discuss one item of property acquisition.

The meeting resumed at 6:27 p.m., with Mayor Balducci presiding.

2. Study Session

(a) Draft of Recommended Economic Development Strategic Plan

Acting City Manager Brad Miyake introduced staff's presentation of the draft Economic Development Strategic Plan. He recalled that this topic has been a Council priority for some time, and elements of the plan have been presented to Council in the past.

Chris Salomone, Director of Planning and Community Development, recalled that staff met with the Council regarding the Economic Development Strategy Plan in October 2013 and March 2014. He said a cross-departmental team of directors have participated in this effort

Brian Murphy, Berk Consulting, described Bellevue's core clusters: information technology, business services (i.e., financial, real estate, professional, scientific and technical), retail, and tourism/visitors.

Mr. Murphy described four direct economic development strategies: 1) cultivate next generation of technology entrepreneurs, 2) position Bellevue as a Pacific Rim gateway, 3) strengthen tourism and visitor cluster, and 4) develop multi-pronged economic development marketing campaign.

Mr. Murphy said that cultivating the next generation of technology entrepreneurs includes creating a collaborative environment, creating affordable and flexible workspaces, establishing a technology district, recruiting tech firms, and attracting an expanded higher education presence.

Councilmember Robinson suggested adding a mentorship component. Mr. Murphy concurred that element would fit well under the first strategy.

Mr. Murphy said the second direct strategy to position Bellevue as a Pacific Rim gateway includes strengthening international relationships and knowledge base, and linking foreign investors and investment opportunities.

Responding to Councilmember Robinson, Mr. Salomone said the creation of a funding portal as an economic development strategy is under consideration.

Mayor Balducci asked whether staff planned to talk about implementation strategies. Mr. Salomone said staff is open to discussing implementation measures tonight and going forward.

Natasha Fedo, Berk Consulting, presented the foundational strategies which address solving transportation challenges, providing a business climate that facilitates desirable business investment, cultivating attractive and diverse business districts, supporting the development of world-class talent, encouraging a variety of housing choices within the city, and continuing to make Bellevue a great place to live and visit.

Deputy Mayor Wallace observed there is no mention of highways. Ms. Fedo noted that the transportation item is intended to refer to multi-modal transportation solutions.

Responding to Councilmember Robinson, the City Clerk said the multifamily tax exemption is slated for a Council presentation on June 2.

Dan Stroh, Planning Director, presented areas of focus for near-term implementation actions under the four direct strategies noted above.

Responding to Councilmember Stokes, Mr. Stroh said the overall plan is intended to cover a three- to five-year horizon. In further response, Mr. Stroh said cultural elements, including a performing arts center, fall under Foundational Strategy F: Continuing to make Bellevue a good place to live and visit. Councilmember Stokes, noting the sub-statements under that strategy in the presentation, said he would like to see a more specific reference to a performing arts center and other cultural arts.

Mr. Stroh presented the recommended short-term focus areas for the direct strategies (Next Generation technology entrepreneurship, higher education, partnering for the tourism and visitor strategy, and the creation of additional marketing collateral to support the economic development strategy) and for the foundational strategies (regional approach to transportation and workforce housing, Wilburton District redevelopment, and expanding high-speed telecommunications

infrastructure). With regard to next steps, staff is seeking Council feedback tonight on the recommended plan, implementation framework, and near-term actions. Staff will return to a future meeting for Council adoption of the plan and will proceed with implementing short-term actions. Budget proposals are anticipated for the current Budget One process.

Mayor Balducci said she spent time in New York City the previous week on the Seattle Chamber of Commerce study tour. One lesson of that trip was the value of narrowing the focus to specific items to be implemented quickly to have the greatest impact and demonstrate success. Ms. Balducci noted that New York City government contributes 10 percent to 25 percent into implementation strategies, and the City is often the first to do so. She suggested this could be beneficial for Bellevue. The key to this model was New York City's demand for data and for a demonstrated return on investment.

Mayor Balducci said she would like to know what it would take (i.e., staffing and other resources) for the City to implement effective economic development. She believes it is important to have some accountability in terms of impacts and returns on investments.

With regard to the Wilburton District, Mayor Balducci cautioned that, if redevelopment is not actively addressed and designed in the near future, development could occur that is not within the vision of the Council and/or the community. She would like to move expeditiously to set a vision for the Wilburton area.

Deputy Mayor Wallace observed that the draft Economic Development Strategic Plan captures the strengths of Bellevue. Referring to page SS 2-19 of the meeting packet, Performance Measures, he said he is hoping there is historical data to draw from, especially with regard to permitting and development.

Mr. Wallace suggested considering a new City logo to incorporate a technology and/or economic development vision. He noted the absence of auto dealerships under short-term actions. He is concerned that Bellevue will miss out on opportunities if it does not actively address the retention and recruitment of dealerships.

Mr. Wallace suggested adding to Foundational Strategy F, the Tateuchi Performing Arts Center, KidsQuest Museum, and continued retail development.

Deputy Mayor Wallace said the plan includes a reference to redevelopment in the Bel-Red and Wilburton areas and providing appropriate infrastructure. He said stormwater requirements and costs are not feasible for smaller businesses. He said the City needs to keep going back to the state legislature with respect to those mandates. In addition, he suggested following the cities of Redmond and Woodinville in creating stormwater systems and charging back to development when connections are made to the system. This would allow affordable housing and other types of growth to occur in areas away from the Downtown.

Councilmember Chelminiak expressed general support for the plan. In terms of business data, it is not clear what businesses are here and emerging, and which are failing and why. He suggested

looking at how the City is going to fund activities of interest to the business community going forward.

One issue is data reliability. Councilmember Chelminiak said the City needs to know what businesses want and need, what is available and what is not available. He said Bellevue would not be a candidate for Google fiber because it does not have a current inventory of infrastructure and there are large regulatory barriers.

In terms of a near-term strategy, Mr. Chelminiak said it is important to know what is out there in terms of data and how it will get to businesses. He commented on the challenge of providing high speed data service to the new courts building and to other businesses as well. He observed that the City is making good progress on electrical reliability.

Mr. Chelminiak said any successful business center in the world has difficult traffic and a high cost of living (including housing costs). He believes Bellevue should try to do better than other cities in those areas. Bellevue has major highways and the pending development of a transit system (i.e., light rail), which provide the opportunity for a strong multi-modal transportation system that might not exist elsewhere.

Mr. Chelminiak said he would like to see the business community strongly engage with the City in the economic development strategy.

Councilmember Stokes recalled the Mayor's comments on local government investment. The City has been struggling with what its role should be, and with how much to invest and how that should be done. He agrees with the need for further discussion of this topic.

Mr. Stokes observed that the plan does not mention the Eastgate area. He said there are a number of initiatives and studies underway (e.g., performing arts center and Downtown Livability Study) and questioned how will the City pull that all together into a cohesive plan.

Mr. Stokes said the plan does not highlight Bellevue as the Eastside urban center. He agreed with the Mayor's comments about focusing on some very specific actions in the near term. He is concerned about the staffing and resources available to implement the economic development strategy. He said it will take a strong focus by Council and staff to execute the vision and plan.

Councilmember Robinson expressed support for the plan. She likes the idea of focusing on a connection between Meydenbauer Bay Park and the Wilburton area. She would like to incorporate the former BNSF rail corridor trail as well.

Ms. Robinson suggested that the strategies encourage and support gatherings (i.e., meetups, hack-a-thon, entrepreneur functions) whether partially City-sponsored or not.

Mayor Balducci thanked and complimented staff and the consultants on their work.

(b) Update on Tourism by Visit Bellevue Washington

Mr. Miyake welcomed representatives of Visit Bellevue Washington for an update on their activities.

David Yusen, Chair of the Visit Bellevue Washington Advisory Committee, said he is also the Director of Marketing and Public Relations for Heavy Restaurant Group. He noted that additional members of the advisory committee were in the audience.

Sharon Linton, Tourism Marketing and Communications Manager for Visit Bellevue Washington, said this is National Travel and Tourism Week. She presented statistics regarding visitors to Bellevue, hotel occupancy rates, dollars spent by visitors, and tax revenue generated. There were 1.4 million visitors to Bellevue in 2013, a 4.4 percent increase over 2012, and one million overnight visitors in 2013, which is an increase of six percent.

Ms. Linton said Bellevue hotels are fairly full Monday through Thursday. Visit Bellevue Washington is working to promote weekend activities and to attract weekend visitors.

Responding to Mayor Balducci, Ms. Linton said there are industry standards for calculating the daily spending of overnight versus daytime visitors. Mayor Balducci commented on bed and breakfasts and other types of vacation housing, and Ms. Linton confirmed that not all visitors are being captured in the statistics and economic impact figures.

Councilmember Chelminiak commented that Visit Bellevue Washington seems to be having a positive impact on marketing the city and community.

Responding to Councilmember Robinson, Ms. Linton said the Washington Tourism Alliance was founded a few years ago. State legislation was adopted this spring to implement the collection of revenues from tourism-related industries (e.g., transportation, hotels, restaurants and attractions).

Ms. Linton said copies of the 2014 Visit Bellevue Washington visitors guide have been distributed to the Council. The guide is also available in hotels and online.

Mayor Balducci thanked the representatives for the update.

3. Council Business [Regular Session Agenda Item 6]

Mr. Miyake said he would like to postpone Item 6(b) from the Regular Session agenda to a future meeting when the full Council is present.

→ Deputy Mayor Wallace moved to appoint Chad Davis and Chris Dreher to the Library Board. Councilmember Chelminiak seconded the motion.

→ The motion carried by a vote of 5-0.

Councilmember Robinson thanked the outgoing Board Members, Andrew Peabody and Chiho Lai, for their service.

Councilmember Chelminiak reported that he attended a meeting of the Puget Sound Regional Council (PSRC) Growth Management Policy Board.

Deputy Mayor Wallace said he attended the Bellevue College Foundation luncheon, where Councilmember Robinson was present as well. Mr. Wallace said that he and Mayor Balducci were speakers for the Bellevue Downtown Association (BDA) breakfast.

Mr. Wallace said the list of recreational marijuana retail locations was published in *The Seattle Times*. He would like staff to come back with an analysis of how the City's current interim zoning controls affect those retailers. Are they authorized under the interim zoning or not? He noted that two of the stores are located just over the fence from Surrey Downs and another is across the street from the Little Gym of Bellevue-Redmond.

Mayor Balducci said she would like to hear an update on the final regulations under consideration by the Planning Commission and the estimated completion date for their work.

Councilmember Stokes reported that he attended meetings of the King Conservation District Advisory Committee, Cascade Water Alliance, and WRIA 8 Salmon Recovery Council Budget Development Committee. He attended a meeting held by King County Councilmember Jane Hague and Redmond Mayor John Marchione to discuss solid waste disposal issues and facility planning.

Mayor Balducci said Mayor Marchione chairs the Sound Cities Association (SCA) of Washington, which has been advocating that there shall never be a NE King County solid waste transfer station. Ms. Balducci agrees that there need not be one in the current 10-year plan. However, stating that there will never be a NE station goes too far.

Councilmember Stokes said the City of Kirkland and others have been questioning that position as well. He recalled that Bellevue's letter to the King County Council was that the possibility of a NE station should not be eliminated. Mr. Stokes said Mayor Marchione did not comment on that during the most recent meeting. Mr. Stokes said City staff were present as well.

Councilmember Stokes attended the Bellevue College Foundation luncheon and Kelsey Creek Arbor Day events.

Councilmember Robinson said she attended an event at Crossroads Community Center to celebrate the opening of the Bellevue Youth Link library. Councilmember Stokes spoke at that event.

Ms. Robinson attended a meeting of the Enatai Neighborhood Association and the Bellevue Downtown Association *State of the City* event with the Mayor and Deputy Mayor.

Mayor Balducci reported that she attended a meeting of the Sound Transit Board. Ms. Balducci said she has learned from the City of Kirkland's experience that there are firms who will pay for the opportunity to remove the rails from the BNSF corridor. Kirkland plans to add gravel for trail use. While Bellevue does not own any portion of the former rail corridor, Mayor Balducci wondered whether it might be worthwhile to explore extending the trail into Bellevue.

Ms. Balducci attended a meeting of the PSRC Executive Board. She said staff is working toward scheduling a joint meeting between the City Council and the Bellevue School District Board. She attended a ribbon-cutting ceremony for a new nonprofit medical clinic called the International Community Health Clinic.

At 8:00 p.m., Mayor Balducci declared recess to the Regular Session.

Myrna L. Basich, MMC  
City Clerk

/kaw